एनएचपीसी
NHPC

43rd ANNUAL REPORT



2018-19


CORPORATE VISION

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

CORPORATE MISSION

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

Shri Balraj Joshi, CMD (centre), Shri Ratish Kumar, Director (Projects) (2nd from left), Shri N. K. Jain, Director (Personnel) (2nd from right), Shri M. K. Mittal, Director (Finance) (extreme left) and Shri Janardan Choudhary, Director (Technical) (extreme right) during the Analyst Meet at Mumbai on 30th May, 2019

CONTENT

NHPC

CONSOLIDATED

BOARD OF DIRECTORS

Shri Balraj Joshi
Chairman and Managing Director

Shri Ratish Kumar
Director (Projects)

Shri Nikhil Kumar Jain
Director (Personnel)

Shri Mahesh Kumar Mittal
Director (Finance)

Shri Janardan Choudhary
Director (Technical)

Shri Aniruddha Kumar
Government Nominee Director

CA Satya Prakash Mangal
Independent Director

Prof. Arun Kumar
Independent Director

Prof. Kanika T. Bhal
Independent Director

Shri Jugal Kishore Mohapatra
Independent Director

Shri Bhagwat Prasad
Independent Director

Shri Vijay Gupta
Company Secretary

REFERENCE INFORMATION

Registered & Corporate Office
NHPC Office Complex,
Sector-33, Faridabad,
Haryana-121 003
Ph.: +91 129 2588500, +91 129 2588110
Fax : +91 129 2278018
Website: www.nhpcindia.com
CIN: L40101HR1975GOI032564

Company Secretary
Shri Vijay Gupta

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

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

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

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

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

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

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

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

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

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

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

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

Internal Auditor
Shri Dipankar Chakraborty, Chief General Manager (Finance)

Bankers
State Bank of India
Indian Overseas Bank
ICICI Bank Limited
Jammu & Kashmir Bank Limited
Bank of India
Axis Bank
HDFC Bank

Bankers
IndusInd Bank
Bank of Baroda
Deutsche Bank
Central Bank of India
Kotak Mahindra Bank
RBL Bank
IDBI Bank
Yes Bank
IDFC Bank
Punjab National Bank
Canara Bank
AU Small Finance Bank

Registrar & Share Transfer Agent
For Equity Shares & Tax Free Bonds:
M/s Karvy Fintech Private Limited
(Formerly Karvy Computershare Private Limited)
Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032
Ph: +91 40 67161500, 67162222
Email: einward.ris@karvy.com
Website: www.karvycomputershare.com

For other Bonds:
M/s RCMC Share Registry Private Limited
B-25/1, First Floor,
Okhla Phase-II,
New Delhi-110 020
Ph: 011-26387320
Email: investor.services@rcmcdelhi.com

Chief Investor Relations Officer
Shri Anuj Kapoor, General Manager (Finance)

Listing of Securities
Share & Tax Free Bonds:
BSE Limited
National Stock Exchange of India Limited

Other bonds issued on Private Placement (Under Wholesale Debt Market Segment):
'V', 'V2' and 'W' Series Bonds – BSE Limited
All other Bonds – National Stock Exchange of India Limited

Depositories
National Securities Depository Limited
Central Depository Services (India) Limited

Debenture Trustees

9% P Series Bonds, 9.25% Q Series Bonds, Tax Free Bonds NHPC 2013 (8.18% 1A series, 8.43% 1B series, 8.54% 2A series, 8.79% 2B series, 8.67% 3A series and 8.92% 3B series), 8.49% S1 Series Bonds, 8.54% S2 Series Bonds, 8.50% T Series Bonds, 6.84% V Series Bonds, 7.52% V2 Series Bonds, 6.91% W1 Series Bonds, 7.35% W2 series Bonds, 8.65% X series Bonds and 8.12% GOI Fully Serviced Bonds	**IDBI Trusteeship Services Ltd.** Asian Building, Ground Floor 17, R. Kamani Marg Ballard Estate Mumbai- 400 001 Ph.: +91 22 40807000 Email:itsl@idbitrustee.com
8.70% R1, 8.85% R2, 8.78% R3, 8.24% U and 8.17% U1 Series Bonds	**SBICAP Trustee Company Ltd.** Apeejay House, 6th Floor, 3, Dinshaw Wachha Road, Church Gate, Mumbai – 400 020 Ph.: +91 22 43025553/55/66 Email: helpdesk@sbicaptrustee.com

DIGEST OF IMPORTANT FINANCIAL DATA (STANDALONE ACCOUNTS)

(₹ in crore)

	FINANCIAL	2018-19	2017-18	2016-17	2015-16	2014-15
A	SALE OF ENERGY	8,095.13	6,868.64	7,139.46	7,265.71	6,736.64
B	OTHER OPERATING INCOME, REVENUE FROM POWER TRADING & REVENUE FROM CONTRACTS, PROJECT MANAGEMENT AND CONSULTANCY WORKS	66.05	69.58	131.71	87.29	65.61
C	OTHER INCOME (INCLUDES EXCEPTIONAL ITEM)	924.78	1,420.55	1,457.67	992.07	861.33
D	**TOTAL INCOME (A) + (B) + (C)**	**9,085.96**	**8,358.77**	**8,728.84**	**8,345.07**	**7,663.58**
E	PURCHASE OF POWER TRADING	12.68	-	-	-	-
F	GENERATION EXPENSES	796.85	716.39	773.67	790.87	778.91
G	EMPLOYEE BENEFITS EXPENSES	1,704.65	1,535.89	1,574.84	1,158.36	1,149.23
H	DEPRECIATION & AMORTIZATION EXPENSES	1,589.99	1,395.51	1,388.40	1,359.07	1,425.87
I	FINANCE COSTS	894.88	922.32	1,073.22	1,072.10	1,179.77
J	OTHER EXPENSES	1,165.53	972.36	1,158.10	1,335.07	825.58
K	**TOTAL EXPENSES (E)+ (F) + (G) + (H) + (I)+ (J)**	**6,164.58**	**5,542.47**	**5,968.23**	**5,715.47**	**5,359.36**
L	**PROFIT BEFORE TAX AND RATE REGULATED INCOME (D) - (K)**	**2,921.38**	**2,816.30**	**2,760.61**	**2,629.60**	**2,304.22**
M	RATE REGULATED INCOME ON ACCOUNT OF FINANCE COST	76.78	331.39	365.32	396.22	406.83
N	RATE REGULATED INCOME ON ACCOUNT OF OTHERS	746.62	(269.06)	659.53	312.53	107.41
O	**TOTAL RATE REGULATED INCOME (M) + (N)**	**823.40**	**62.33**	**1,024.85**	**708.75**	**514.24**
P	**PROFIT BEFORE TAX (L) + (O)**	**3,744.78**	**2,878.63**	**3,785.46**	**3,338.35**	**2,818.46**
Q	INCOME TAX EXPENSES	1,114.23	109.60	989.87	908.46	693.99
R	**PROFIT AFTER TAX (P) - (Q)**	**2,630.55**	**2,769.03**	**2,795.59**	**2,429.89**	**2,124.47**
S	**OTHER COMPREHENSIVE INCOME**	**(12.41)**	**5.88**	**7.67**	**3.24**	**-**
T	**TOTAL COMPREHENSIVE INCOME (R) + (S)**	**2,618.14**	**2,774.91**	**2,803.26**	**2,433.13**	**2,124.47**
U	AUTHORISED SHARE CAPITAL	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
V	PAID UP EQUITY SHARE CAPITAL	10,045.03	10,259.32	10,259.32	11,070.67	11,070.67
W	OTHER EQUITY (RESERVE AND SURPLUS)	19,169.70	18,092.50	16,682.81	18,690.48	17,215.72
X	LONG TERM/NON CURRENT BORROWINGS	17,044.63	16,728.20	17,245.64	18,181.08	18,171.03
Y	OTHER LONG TERM LIABILITY & LONG TERM PROVISIONS	3,910.44	1,688.94	1,985.03	1,829.95	2,224.12
Z	DEFERRED TAX LIABILITIES	3,610.63	3,145.39	3,664.73	3,277.31	3,040.87
AA	NET TANGIBLE & INTANGIBLE FIXED ASSETS INCLUDING INVESTMENT PROPERTY	23,851.84	20,017.98	20,977.21	21,303.90	22,695.16
AB	CAPITAL WORK-IN-PROGRESS	14,898.11	18,813.96	17,350.13	16,578.71	16,054.72
AC	INVESTMENTS (NON CURRENT)	2,361.66	2,209.56	2,100.32	1,683.01	1,977.75
AD	OTHER LONG TERM LOANS & ADVANCES AND OTHER NON-CURRENT ASSETS	6,428.38	4,418.92	3,424.21	3,645.30	1,978.10
AE	REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES	6,492.61	5,669.21	5,630.56	4,596.66	3,860.82
AF	WORKING CAPITAL	(252.17)	(1,215.28)	355.10	5,241.91	5,155.86
AG	**GROSS CAPITAL EMPLOYED (AA) + (AB) + (AC) + (AD) + (AE) + (AF)**	**53,780.43**	**49,914.35**	**49,837.53**	**53,049.49**	**51,722.41**
AH	CURRENT MATURITIES OF LONG TERM BORROWINGS	1,605.16	1,593.91	1,678.59	1,757.14	1,665.31
AI	PAYABLE TOWARDS BONDS FULLY SERVICED BY GOVERNMENT OF INDIA	2,017.20	-	-	-	-
AJ	**NET WORTH (V)+(W)**	**29,214.73**	**28,351.82**	**26,942.13**	**29,761.15**	**28,286.39**
AK	**DIVIDEND PAID (INCLUDING INTERIM DIVIDEND)**	**1000.46**	**1,251.65**	**2,524.13**	**1,461.33**	**553.55**

	RATIOS	2018-19	2017-18	2016-17	2015-16	2014-15
	RETURN ON CAPITAL EMPLOYED [(P) + (I) -(M)] / (AG)	8.48%	6.95%	9.02%	7.57%	6.94%
	RETURN ON NET WORTH (R) / (AJ)	9.00%	9.77%	10.38%	8.16%	7.51%
	NET PROFIT TO SALE OF ENERGY (R) / (A)	32.50%	40.31%	39.16%	33.44%	31.54%
	BOOK VALUE PER SHARE	29.08	27.64	26.26	26.88	25.55
	EARNING PER SHARE	2.57	2.70	2.53	2.19	1.92
	DIVIDEND PER SHARE (INTERIM+PROPOSED FOR THE YEAR)	1.46	1.40	1.80	1.50	0.60
	DEBT EQUITY RATIO [(X)+ (AH)+ (AI)] / (AJ)	0.71	0.65	0.70	0.67	0.70
	CURRENT RATIO	0.96	0.79	1.07	2.10	2.08

	OPERATING PERFORMANCE	2018-19	2017-18	2016-17	2015-16	2014-15
	GENERATION (M.U.)	24,193.00	22,625.00	23,948.00	23,404.00	22,038.00
	CAPACITY (IN MW)	5,551.20	5,551.20	5,171.20	5,041.20	4,961.20
	PLANT AVAILABILITY FACTOR (%)	84.97	85.32	83.41	81.60	77.30
	MAN POWER (Nos.)	6753	7351	8009	8654	9211

Note:-1 Figures for FY 2014-15 are IGAAP compliant and figures from FY 2015-16 are IND AS compliant.
Note:-2 Dividend at S.No-"AK" is actual dividend paid during the year.
Note:-3 Previous periods figures have been regrouped/rearranged wherever considered necessary.
Note:-4 Generation excludes deemed generation of Chutak and Nimoo Bazgo Power Stations.

Shri Balraj Joshi, CMD, NHPC handing over dividend payout advice to Shri R.K. Singh, Hon'ble Union Minister of State (I/C) for Power and New & Renewable Energy, Government of India on 06.03.2019 in the presence of Shri Ajay Kumar Bhalla, Secretary (Power), Government of India, Shri Ratish Kumar, Director (Projects), Shri Mahesh Kumar Mittal, Director (Finance) and Shri Janardan Choudhary, Director (Technical) from NHPC.

Shri R.K. Singh, Hon'ble Union Minister of State (I/C) for Power and New & Renewable Energy, Government of India lighting the traditional lamp at 44th Raising Day celebrations of NHPC Limited in the presence of Shri Ajay Kumar Bhalla, Secretary (Power), Government of India and Shri Balraj Joshi, CMD, NHPC on 12.11.2018.

NHPC Limited

CHAIRMAN'S STATEMENT

CHAIRMAN'S STATEMENT

Ladies & Gentlemen,

I have great pleasure in welcoming you to the 43rd Annual General Meeting of your Company. NHPC's position today is an outcome of the invaluable support extended by our stakeholders over the years. It has been my privilege to serve NHPC for over 36 years including 2 years as Chairman and Managing Director.

India's Power Sector: Overview & Government Initiatives

India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, hydro, lignite, natural gas, oil and nuclear power to viable non-conventional sources such as wind, solar and agricultural & domestic waste. Growing population of the Country along with increasing electrification, per-capita usage is expected to drive the power consumption to 1,894.7 TWh by 2022. In order to meet the increasing demand for electricity in the Country, massive addition to the installed generating capacity is desired.

Government of India and regulatory authorities are taking various initiatives to achieve inclusive growth in Power Sector by providing cleaner and affordable power for all. One of such initiative is the new hydro policy, wherein Government of India has approved a slew of measures which inter alia include declaration of Large Hydro-power Projects i.e. projects with capacity of more than 25 MW as renewable energy source, making them a part of renewable purchase obligation, which require discoms to buy a fixed amount of renewable energy to cut reliance on fossil fuels, etc. These measures will enable the hydro projects, to avail incentives available to renewable sources of energy and will open the access to cheaper green financing from global institutions.

In addition to above, CERC has also issued the new tariff policy for 2019-24, bestowing certain benefits to hydro-electric projects such as, inclusion of delay in obtaining statutory approval in respect of projects, where delay is not attributable to project developer under force majeure, increase in upper limit of secondary energy, etc.

The Government of India has released its roadmap to achieve 175 GW capacity in renewable energy by 2022, which includes 100 GW of solar power and 60 GW of wind power and remaining from others. The addition of large hydro projects to clean energy segment, India is poised to have 225 GW of renewable energy by 2022.

I am pleased to share with you that industry efforts duly supported by government initiatives have resulted in improvement in India's rank to 24 in 2018 from 137 in 2014 on World Bank's Ease of doing business - "Getting Electricity" ranking. Further, our energy deficit has reduced to 0.7 per cent in FY18 from 4.2 per cent in FY14 and we have achieved 100 per cent village electrification under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY).

Performance of the Company: Achievements and Targets

During the previous year, NHPC had set-up new milestones in operations and witnessed various developments on business fronts which inter-alia includes:

- Achievement of highest ever annual generation of 24,193 Million Units (MUs) surpassing the previous highest generation of 23,404 MUs during financial year 2015-16.
- Earned total revenue and revenue from operations (net) of ₹ 9,086 crore and ₹ 8,161 crore respectively.
- Appointed as 'Aggregator' under Pilot Scheme-II by Ministry of Power for procurement of aggregated power of 2500 MW for three years through the nodal agency 'PFC Consultancy Limited'.
- Received CCEA approval for incurring expenditure on pre-investment activities and various clearances for Dibang Multipurpose Project (2,880 MW) in Arunachal Pradesh for an amount of ₹ 1,600 crore.
- Received Investment sanction from CCEA for construction of Kiru HE Project (624 MW) in Jammu & Kashmir by Chenab Valley Power Projects Private Limited (A Joint Venture Company).
- Signed Memorandum of Understandings (MoU):
  - with Jammu and Kashmir State Power Development Corporation Limited (JKSPDC) and Government of Jammu & Kashmir (GoJK) for the implementation of Ratle HE Project (850 MW) in Jammu & Kashmir through a Joint Venture Company (JVC).
  - with NLC India Limited for the trading of power. As per MoU, NHPC and NLCIL will offer surplus power available in northern and north-eastern region to the bulk consumers in the southern region of the Country at an affordable price.
  - with BHEL for consultancy and co-operation in hydro-electric projects. As per the MoU, both NHPC and BHEL will co-operate in joint bidding for consultancy works and hydro-electric projects, wherein, NHPC shall be responsible for civil works and hydro mechanical works and BHEL shall be responsible for electromechanical works.

I am pleased to share with you about the developments of current year that the Hon'ble National Company Law Tribunal (NCLT) has accepted the resolution plan submitted for Lanco Teesta Hydro Power Limited (LTHPL), the developer of Teesta-VI HE Project (500 MW) in Sikkim. Further, the Principal bench of Hon'ble

NGT has upheld the constitution of expert committee constituted by MOEF & CC for Subansiri Lower HE Project (2000 MW). Till the first quarter of FY 2018-19, net profit of your company has increased by 19% to ₹ 881.14 crore as compared to corresponding period of previous year.

Teesta-V (510 MW) Power Station of your Company in Sikkim has been rated as an example of international good practice in hydropower sustainability by the accredited assessors of International Hydropower Association (IHA).

During the current financial year your company targets to:

- achieve generation of 26,000 MUs for 'excellent' rating in MoU signed with Ministry of Power.
- kick-start the works related to pre-investment activities and obtaining clearances for the largest hydroelectric power project of the Country i.e. Dibang Multipurpose Project (2880 MW).
- resume the works at Subansiri Lower HE Project (2000 MW).
- complete the process for acquisition of LTHPL and initiate execution of balance works of Teesta-VI HE Project.

We also plan to further develop our new venture of power trading and enhance our portfolio to include new projects and acquisition of stressed assets in power sector. We are hopeful that the MoU with various agencies/organisations will materialise and provide us an opportunity to create value to our stakeholders.

Spreading Wings: Preparing for future

India is expected to emerge as the world's fifth largest economy in the near future, I believe that hydropower is a need of the hour and has great role to play in providing stability to the grid. Your company is constantly striving to increase its generating capacities from hydroelectric as well as other sources of energy. Two hydroelectric projects of your Company having 2,800 MW installed capacity are under different stages of construction. Various other hydroelectric projects of NHPC having 5,945 MW installed capacity are under clearance or approval stage. In addition to above, your company will also take up the works at Teesta-VI HE Project (500 MW) shortly.

Further, to augment growth in solar and wind power, your Company is actively considering available options. In furtherance of the same, the process for development of 72 MW (+10%) capacity Wind Power Projects in the Palakkad District of Kerala and 10 MW floating solar power project in Kallada, Kerala has been initiated. Your Company has also invited Requests for Selection (RFS) for grid connected solar PV Projects of 2000 MW to be set up anywhere in India as per guidelines for tariff based competitive bidding process.

NHPC is also undertaking various other projects with installed capacity of 2,258 MW through subsidiaries and joint ventures. These projects are under different stages of clearance/ approval.

I am very hopeful that in coming future we shall be able to implement these projects.

Looking Ahead: Utilising Strengths & Capabilities

NHPC has been able to develop and nurture a wide array strengths over the years. These strengths comprises of established track record in developing hydroelectric projects, in-house design and engineering capabilities, extensive experience in construction & operation and strong operating & financial performance.

Your Company's strengths provide unique competitive advantage to NHPC which allows it to explore & create business opportunities. Such strengths and experience also enables it to place itself in a superior capacity to accelerate, grow, expand and boost productivity, executional and operational effectiveness & efficiency. An interplay of such strength and capabilities is evident in the fact that various hydroelectric projects of private players, which are stuck-up due to various reasons, are being offered to your company for execution.

The combination of your Company's strengths and emerging opportunities in the growing Indian economy has empowered your company to excel and outperform.

Creating Value: Nation and Society at large

Your Company believes that in continuation of its operations, it is critical to create value for the nation, stakeholders and society at large. It has been our endeavour that the Project Affected Families and locals residing in the vicinity of our projects/ power stations reap the economic benefits from the Project. In furtherance to it, we have implemented a policy for reservation of works to be awarded on local competitive bidding basis to PAFs and locals residing near the projects. This will provide them economic opportunity and will act as catalyst for financial and social upliftment.

Your company recognises its responsibility towards the society at large and attempts to fulfil it through a well-laid and structured CSR & Sustainability Policy. NHPC focuses that its CSR initiatives have positive, long-lasting and wide-range impact, to benefit the maximum number of persons. The Company has earmarked a budget of more than ₹ 100 crore for CSR activities during the FY 2019-20. CSR Initiatives of the Company include activities in the field of skill development, health & sanitation, drinking water supply, women empowerment, capacity building, social infrastructure building etc.

I am sure that you will recognise and cherish NHPC's role in improvement of the lives of people near to project areas and offering them better opportunities.

In its endeavour to create value for its shareholders, the management of your company has recommended a dividend of ₹ 1.46/- per equity share (excluding dividend distribution tax) for the year 2018-19. The dividend is inclusive of interim dividend of ₹ 0.71/- per equity share paid in March, 2019. Further, the company had also bought back shares from the shareholders at a price of ₹ 28/- per equity share in January, 2019.

Corporate Governance: Responsible Citizenship

Your Company inherits the culture of managing business in an ethical, transparent, fair and responsible manner. NHPC has taken proactive steps to establish appropriate governance systems and processes, which forms part of mission of the Company i.e. "to practice the best corporate governance and competent value based management for a strong corporate identity and showing concern for employees, customer, environment and society". The Company has been broadly complying with the requirements of Corporate Governance as stipulated in the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE guidelines on Corporate Governance.

Directors' report of the Company also contains a separate section on corporate governance.

Awards and accolades

The efforts and practices of your company have received recognition at various forums. To name a few, NHPC has been conferred with "Best Performing Utility in Hydropower Sector" award at CBIP Awards, "TAI tunneling project of the year award" by Tunneling Association of India for execution of tunnels in Kishanganga H.E. Project and "SILVER" level recognition in World Healthy Workplace Award 2018 instituted by Arogya World India Trust in partnership with Public Health Foundation of India. Outstanding work by NHPC in the field of Rajbhasha implementation for the year 2017-18 were also recognized by Ministry of Home Affairs, Government of India with "Second Prize" in region "A".

Talented Manpower: The key to success

Acquiring, retaining and nurturing talented manpower is important for the success of any organisation. NHPC focuses on managing its most critical resource i.e. its employees, by imparting adequate and timely training, by providing ample opportunities for individual growth, to ensure their well-being through implementation of various policies. Your Company recognises the efforts of its dedicated workforce who are partner in overall growth of the Company and is committed to nurture its existing manpower.

Before concluding, I take this opportunity to share with you that in my career of 36 years in NHPC, I have witnessed and been a part of multifold growth of the Company. My journey with NHPC breaks in December this year and this has been a fulfilling and gratifying journey.

I always believed in NHPC and its growth potentials. I am very hopeful and expect that we all will witness rapid growth of NHPC in times to come.

As I conclude, I on behalf of the Board, thank you, our valued shareholders, for your faith and unstinted support as we persevered to build a valuable organisation. On behalf of the Board, I would also like to express my gratitude to Government of India, Ministry of Power, State governments, authorities & agencies of the Union government and State government, office of C&AG, Auditors, bankers and all other stakeholders. It is your support and guidance that motivate us to continue nurture our vision of becoming "a global leading organisation for sustainable development of clean power through competent, responsible and innovative values".

On behalf of the Board, I also appreciate the efforts made by our team of more than 6000 employees to achieve NHPC's vision and mission.

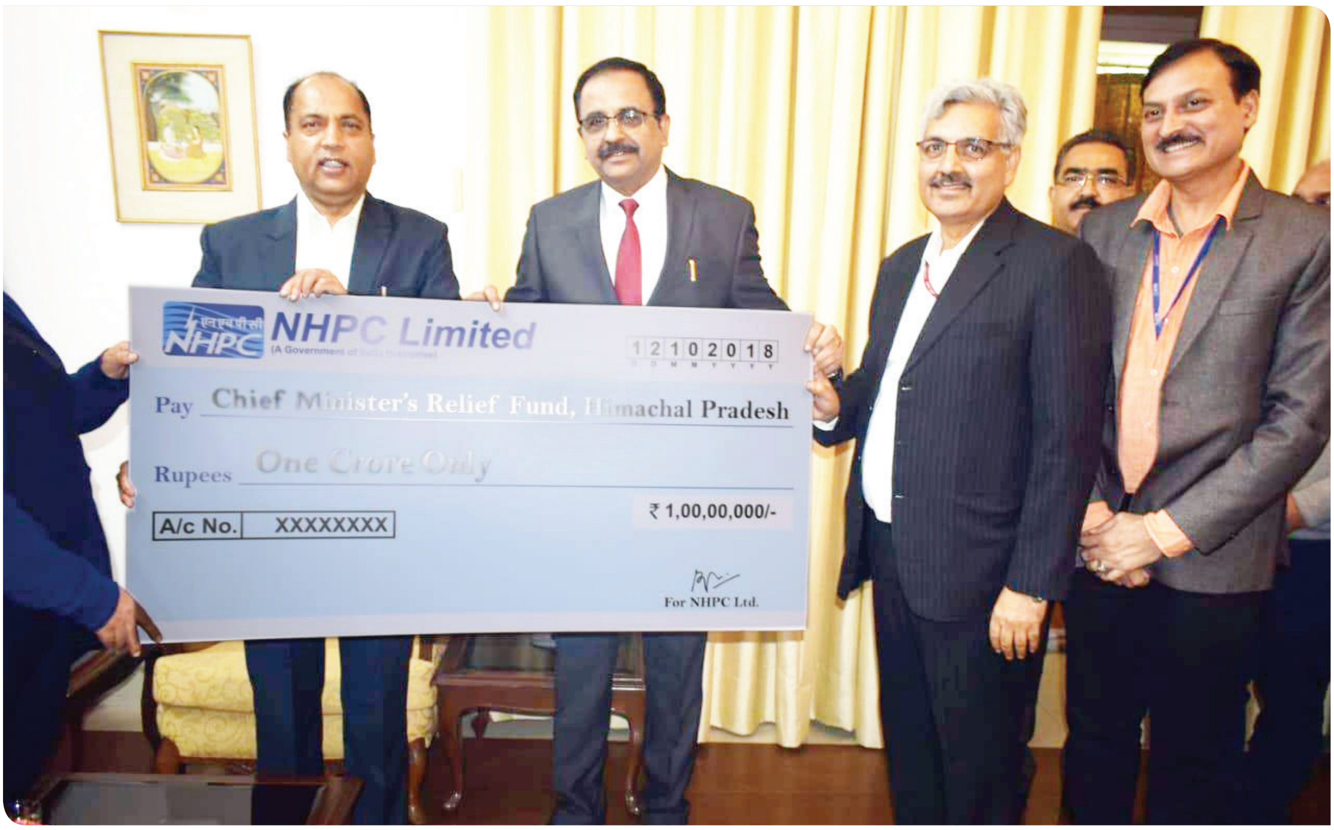
Jai Hind.

Yours sincerely,

(Balraj Joshi)
Chairman and Managing Director
DIN 07449990

Date: September 23, 2019
Place: Faridabad

Shri Balraj Joshi, CMD, NHPC & Shri Janardan Choudhary, Director (Technical), NHPC receiving the "CBIP Award for Best Performing Utility in Hydropower Sector" on behalf of NHPC from Shri R.K. Singh, Hon'ble Union Minister of State (I/C) for Power and New & Renewable Energy on 04.01.2019.



Shri Balraj Joshi, CMD, NHPC presenting cheque of Rupees One crore to Hon'ble Chief Minister of Himachal Pradesh Shri Jai Ram Thakur towards Chief Minister's Relief Fund on 12.10.2018

NHPC Limited

DIRECTORS' PROFILE

DIRECTORS' PROFILE

Shri Balraj Joshi, Chairman and Managing Director

DIN 07449990

Shri Balraj Joshi (59 years) is the Chairman and Managing Director of NHPC and is also the Chairman of Board of Directors of NHDC Limited and Loktak Downstream Hydroelectric Corporation Limited.

Shri Joshi is a Civil Engineering graduate with more than 36 years of extensive experience in the field of hydro power development. He is well versed with all the aspects of hydro power development and holds Post Graduate Qualification in hydro power development and planning from Norwegian Technical Institute. He also holds a PG Diploma in Construction Management from National Institute of Construction Management and Research (NICMAR), Pune. Shri Joshi commenced his professional life as a Probationary Executive in NHPC in the year 1982 at Salal H.E. Project. After gathering a rich field experience of about 17 years by way of working on the construction of various types of structures in Dulhasti Project, Kurichhu Project (Bhutan) & Bakreshwar Project, he joined Design & Engineering Division in Corporate Office and has led the design work of some of the landmark projects of NHPC like Teesta-V, Teesta Low Dam-III, Teesta Low Dam- IV, Parbati-III & no. of other projects. He has been the team leader for various consultancy assignments in India & abroad, notably Mangdechhu H. E. Project (720 MW), Bhutan & Tamanthi Project (1200 MW), Myanmar. During his long association with NHPC, he has served the organization with notable contributions. Recognising his contribution in development of Hydro Power, Construction Industry Development Council (CIDC) has conferred Industry Doyen award on him. The Indian Water Resources Society (IWRS), Roorkee has conferred upon him the 'Eminent Water Resources Engineer Award' for his contribution in the field of Water Resources Development & Management.

He has laid emphasis on team approach with a clear focus on processes for better results. His process driven approach played a key role in getting a favourable award at the International Court of Arbitration for Kishanganga Project. He strongly believes in employee empowerment and maintains that the key for growth lies in rapid development of technical nous in the work force of the organization.

Shri Balraj Joshi joined the Board of NHPC Limited as Chairman and Managing Director on September 22, 2017.

Shri Ratish Kumar, Director (Projects)

DIN 06852735

Shri Ratish Kumar (58 years) joined the Board of NHPC Limited on January 6, 2016. He graduated from GB Pant University of Agriculture & Technology, Pantnagar (U.P.) in Electrical Engineering and has a diverse experience of more than 36 years in the field of Hydro Power. He is associated with NHPC Limited since October 1982 and climbed up the professional ladder with utmost sense of responsibility, ethics and dedication. He has excellent command in construction & erection of hydro power plants, design & engineering of E&M equipments, Power Potential and Optimization Studies, layout of hydro power projects, preparation of detailed pre-qualification and award of big contracts of hydro projects through ICB or NCB including all other aspects related to hydro generation.

In his present assignment as Director (Projects), Shri Ratish Kumar is in-charge of all NHPC projects which are under construction and pre-construction stages. This includes hydro as well as solar & wind renewable energy projects. He is also responsible for joint-ventures and consultancy assignments being undertaken by the Company. In addition, major functions viz. Contracts, Project Monitoring & Support Group and Design (E&M) also come under his ambit.

Prior to joining NHPC Board, Shri Ratish Kumar served NHPC in various capacities including as the Executive Director (Design- E&M). His major contributions include commissioning control of many Power Stations of NHPC,

DIRECTORS' PROFILE

commissioning of Kishanganga HEP in 2018 in J&K inspite of unrest and harsh climatic conditions in Kashmir valley, commissioning of 50 MW Solar Power Project in Tamil Nadu within specified time period of 9 months, advancement of commissioning of TLDP-IV PS, Restoration of Dhauliganga and Uri-II Power Station. It further includes Design and Engineering of E&M packages of many projects viz. Parbati-II, Parbati-III, Subansiri Lower, Teesta-V, Sewa-II, Chamera-III, Dhauliganga etc. He was also associated with various International assignments including preparation of DPR of Tamanthi & Shwezaye in Myanmar, Kuri-Gongri, Chamkharchhu & Mangdechhu in Bhutan.

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

Shri Ratish Kumar had been a Nominee Director on the Board of National High Power Test Laboratory Private Limited w.e.f. 24-03-2014 to 08-02-2016. Presently he is also serving as Nominee Director-Chairman on Board of Bundelkhand Saur Urja Limited.

Shri Nikhil Kumar Jain, Director (Personnel)

DIN 05332456

Shri Nikhil Kumar Jain (57 years) holds a Bachelors' degree in Industrial Engineering from IIT Roorkee and Bachelors' degree in Law from Delhi University.

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

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

Shri Mahesh Kumar Mittal, Director (Finance)

DIN 02889021

Shri Mahesh Kumar Mittal (58 years) has a distinguished academic background and is M.Com (Gold medalist) and Masters in Financial Management (Previous). He is also a Fellow member of the Institute of Cost Accountants of India and a Fellow Member of the Institute of Company Secretaries of India.

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

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

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

DIRECTORS' PROFILE

Shri Janardan Choudhary, Director (Technical)

DIN 07871968

Shri Janardan Choudhary (59 years) holds a degree in Electrical Engineering from Bihar Institute of Technology, Sindri (Jharkhand). He started his professional career in NHPC Limited as Executive Trainee in December, 1984 from Tanakpur Project.

Shri Janardan Choudhary has over 34 years of rich experience in implementation of hydro projects, encompassing all areas of hydropower development from inception to commissioning and operation and maintenance. Prior to joining NHPC board, he held the position of Executive Director (O&M) and has been instrumental in optimizing the operational performance of the Power Stations within the regulatory framework. He was associated in finalization of DPR for R&M (Life Extension) of Baira Siul and Loktak power stations. Shri Choudhary was actively involved in detailed design & engineering, preparation of power potential & optimization studies, and preparation of Detailed Project Reports (DPRs) for E&M equipment of many projects like Rangit, Parbati-III, Sewa-II, Omkareshwar, Chamera-III, Parbati-II, Subansiri Lower and Dibang. He was involved in erection, testing & commissioning activities of Tanakpur, Rangit and Kurichhu projects and has also been associated with NHPC's consultancy assignments for many projects such as 1,200 MW Tamanthi in Myanmar, 720 MW Mangdechhu and 60 MW Kurichhu in Bhutan. He served in various capacities at power stations namely Tanakpur & Uri and as the Head of the Plant at Chamera-I and Chamera-II.

Shri Janardan Choudhary joined the Board of NHPC Limited on July 5, 2018.

Shri Aniruddha Kumar, Government Nominee Director

DIN 07325440

Shri Aniruddha Kumar (57 years) is a 1987 batch, Indian Revenue Services Officer. He completed his graduation in Electrical Engineering with honors from Aligarh Muslim University in 1984 and Graduation in Law from Delhi University in 1995.

He began his career with NTPC where he worked at Singrauli Thermal Power Station from 1984 to 1987. He joined Indian Revenue Service in 1987 and during his illustrious career of more than 32 years he has served in various key departments like Tax Policy Wing of Deptt. of Revenue, Ministry of Finance, Ministry of Urban Development (2005 to 2009), Ministry of Science and Technology (2009 to 2010) and Principal Commissioner of Income Tax in Agra. Shri Aniruddha Kumar has travelled extensively all over the world as a member of Indian delegations in various conferences and meetings.

Before taking over the charge of Joint Secretary (Hydro), he was Joint Secretary (Thermal) in the Ministry of Power.

Presently, he is also on the Board of SJVN Limited, Kholongchu Hydro Power Electric Project and Bhartiya Nabhikiya Vidyut Nigam Limited.

Shri Aniruddha Kumar joined the Board of NHPC Limited on July 30, 2018.

DIRECTORS' PROFILE

CA Satya Prakash Mangal, Independent Director

DIN 01052952

CA Satya Prakash Mangal (59 years) is a practicing Chartered Accountant and founding partner of M/s Satya Prakash Mangal & Company, Chartered Accountants, New Delhi. He has significant experience in Special & Forensic Audit. His forte is determining the optimal route for financial engineering and financial restructuring and revival of project. He is also a life member of Administrative Staff College of India Association, Hyderabad.

Shri Satya Prakash Mangal has served as Director on the Board of Punjab & Sind Bank and UCO Bank. He is working on project"AAS-Deeme (HOPE)" (Advance Alert System) for Banking Industry to provide preventive measures for arresting NPA.

Shri Mangal has wide knowledge of Assurance and Compliances, SEBI Compliance, Risk management. He has credentials to guide on best practice of Corporate Governance and CSR (Corporate Social Responsibility). He has also completed certificate programme on Corporate Governance from Indian Institute of Corporate Affairs. Shri Mangal is associated with various organizations and projects relating to Education, Health and Cultural upliftment of down trodden people of Bharat. He also works as warrior for Gau Samrakshan & Samvardhan and environment protection. He has been nominated as Chairman of National Committee of Krishna Circuit (Swadesh Darshan) by Ministry of Tourism, Government of India.

At present, he is serving as Director in NHDC Limited and SPMC Business Advisors Pvt. Ltd.

Shri Satya Prakash Mangal joined the Board of NHPC Limited as Independent Director on November 26, 2015 and was re-appointed w.e.f. November 18, 2018.

Prof. Arun Kumar, Independent Director

DIN 07346292

Prof. Arun Kumar (60 years) is a Bachelor in Civil Engineering from IIT Roorkee, Masters in Civil Engineering from IISc Bengaluru and holds PhD in Hydro Power Development from IIT Roorkee. He did Diploma studies in Hydro Power Development from NTH, Trondheim (Norway).

Prof. Kumar has over 37 years of experience in the field of Hydro Power Development and environmental management of river and lakes. He served as Coordinating Lead author for Hydropower on Special Report on Renewable Energy Sources for Intergovernmental Panel on Climate Change during 2009–11. His contribution in the field of hydropower and environmental Management of rivers and lakes is well recognized both within India as well as internationally. During his distinguished career, Prof. Kumar had received various awards and recognitions for his exemplary work such as, Cash your Ideas Award by Central Board for Irrigation and Power in 1991, Surya Award from IIRDSS, New Delhi in 2001 and Eminent Engineers Award 2015 from the Institution of Engineers (India) Uttrakhand State Centre, award of Excellence from Himalaya Power Producers Association and eminent Engineer award from The Institution of Engineers (India) Roorkee in 2017.

He headed the Alternate Hydro Energy Centre (AHEC), IIT Roorkee from 1998 to 2011 and held MNRE Chair Professor (renewable energy) during 2013-18. Prof. Kumar is currently working as Professor of Department of Hydro and Renewable Energy (formerly AHEC), IIT Roorkee. He established Hydraulic Turbine R&D Laboratory, Real Time Hydropower Simulator, Sediment Monitoring and Impact Analysis Laboratory and field acceptance of turbine laboratory.

Prof. Arun Kumar joined the Board of NHPC Limited as Independent Director on November 26, 2015 and was re-appointed w.e.f. November 18, 2018.

DIRECTORS' PROFILE

Prof. Kanika T. Bhal, Independent Director

DIN 06944916

Prof. Kanika T. Bhal (54 years) is Professor at the Department of Management Studies at IIT Delhi. A PhD from IIT Kanpur and a visiting fellow at Sloan School of Management. Prof. Bhal is an expert in behavioural sciences in general and leadership in particular. She has published over 100 articles in national and international journals and conferences and is on the editorial boards of various national and international journals. She has authored books on leadership, culture and ethics. Prof. Bhal has done sponsored research for several nationally and internationally funded (with Fordham University and Wharton Business School) projects. Besides being a consultant to various organizations like Fifth Central Pay Commission of India, First National Judicial Pay Commission of India, DRDO, UPSC, DGS&D, Ministry of Rural Development, NICD and Ministry of Environment and Forests, she is invited as an expert on Government Committees and is a member of the Academy of Management, USA, Society for Industrial Organization and Psychology and Global Institute of Flexible Systems Management.

She has been awarded several awards like Best Professor in Management by Headlines Today 2013, Dr. Hari Singh Gaur Award for excellent Work in Management Education by IES Group of Institutions, Bhopal 2009, Excellence in Teaching Award by IIT Delhi. Professor Bhal is given the honor of Professor Honorable by Tshwane Institute of Technology, South Africa. She has been appointed as ICCR Chair Professor at Simon Fraser University, Canada in 2017. She is currently Professor of Management, Institute Chair and Dean (Planning) at IIT Delhi.

Presently, she is also serving as Independent Director on Board of AYE Finance Private Limited and New Delhi Municipal Council Smart City Limited.

Prof. Kanika T. Bhal joined the Board of NHPC Limited as Independent Director on November 26, 2015 and was re-appointed w.e.f. November 18, 2018.

Shri Jugal Kishore Mohapatra, Independent Director

DIN 03190289

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

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

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

Shri Bhagwat Prasad, Independent Director

DIN 07941795

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

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

Shri Balraj Joshi, CMD, NHPC and Shri Ajay Kumar Bhalla, Secretary (Power), Govt. of India with documents after signing of Memorandum of Understanding (MoU) between NHPC and Ministry of Power, Government of India for the year 2019-20 at New Delhi on 26.06.2019 in the presence of Shri Aniruddha Kumar, Joint Secretary (Hydro), Ministry of Power, Shri Ratish Kumar, Director (Projects), Shri M.K.Mittal, Director (Finance), Shri Janardan Choudhary, Director (Technical), Dr. Ved Prakash, Chief Vigilance Officer and senior officers of Ministry of Power and NHPC.

NHPC Limited

DIRECTORS' REPORT

DIRECTORS' REPORT

Dear Members,

On behalf of the Board of Directors, it gives me immense pleasure to present the 43rd Annual Report on the business and operations of the Company along with Audited Financial Statements, Auditors' Report and review of financial statements by the Comptroller and Auditor General of India (CAG). During the financial year 2018-19, your Company continued to achieve new heights.

Major highlights of your Company since last report are:

- Power Stations have achieved highest ever annual generation of 24,193 Million Units (MUs) surpassing the previous highest generation of 23,404 MUs during financial year 2015-16.
- Total revenue and revenue from operations (net) were ₹ 9,086 crore and ₹ 8,161 crore respectively. Total comprehensive income, Net Profit After Tax (PAT) and other comprehensive income were ₹ 2,618 crore, ₹ 2,630 crore and ₹ (12) crore respectively.
- Cash contribution of ₹ 1,894 crore was made to Government of India's exchequer through dividend, dividend tax and income tax in the financial year 2018-19.
- Company had bought back 21,42,85,714 equity shares at a price of ₹ 28 per share for an aggregate amount of ₹ 599.99 crore.
- Market capitalization of the Company as on March 31, 2019 stood at ₹ 24,861.46 crore.
- Resolution Plan submitted by NHPC Limited for Lanco Teesta Hydro Power Limited (LTHPL) has been approved by Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench on July 26, 2019 subject to certain reliefs as per The Insolvency and Bankruptcy Code, 2016 (IBC). LTHPL is the developer of Teesta VI HE Project (500 MW) in Sikkim. Cabinet Committee on Economics Affairs (CCEA) has already accorded its investment sanction for the acquisition of LTHPL and execution of balance works of Teesta Stage-VI HE Project.
- The Principal Bench of Hon'ble National Green Tribunal (NGT) vide order dated July 31, 2019 has upheld the constitution of Expert Committee by Ministry of Environment, Forest & Climate Change (MoEF&CC) for Subansiri Lower H.E. Project (2,000 MW) and observed that the project be advanced in public interest.
- CCEA has accorded approval for incurring expenditure on pre-investment activities and various clearances for Dibang Multipurpose Project (2,880 MW) in Arunachal Pradesh for an amount of ₹ 1,600 crore.
- NHPC has signed a Memorandum of Understanding (MoU) on February 3, 2019 with Jammu and Kashmir State Power Development Corporation Limited (JKSPDC) and Government of Jammu & Kashmir (GoJK) for the implementation of Ratle HE Project (850 MW) in the State of Jammu & Kashmir through a Joint Venture Company (JVC). The equity participation of NHPC and JKSPDC shall initially be in the ratio of 51:49.
- NHPC has signed a MoU with NLC India Limited (NLCIL) on February 18, 2019 for the trading of power. As per MoU, NHPC and NLCIL will offer surplus power available in northern and north-eastern region to the bulk consumers in the southern region of the Country at an affordable price.
- NHPC has been appointed as 'Aggregator' under Pilot Scheme-II by Ministry of Power for procurement of aggregated power of 2500 MW for three years through the nodal agency 'PFC Consultancy Limited'. NHPC has signed a MoU with IIT Roorkee for establishing NHPC Chair Professorship and Memorandum of Agreement (MoA) for R&D collaboration. This shall facilitate co-operation in research & education in the field of hydropower.
- NHPC has signed a MoU on September 3, 2018 with BHEL for consultancy and co-operation in hydro-electric projects. As per the MoU, both NHPC and BHEL will co-operate in joint bidding for consultancy works and hydro-electric projects, wherein, NHPC shall be responsible for civil works and hydro-mechanical works and BHEL shall be responsible for electro-mechanical works.
- NHPC has signed a MoU with Indian Army in April, 2019 for undertaking construction of semi underground bunkers and fully underground caverns at different locations in India.
- CCEA has accorded investment sanction for construction of Kiru HE Project (624 MW) in Jammu & Kashmir by Chenab Valley Power Projects Private Limited (A Joint Venture Company).

1. FINANCIAL PERFORMANCE

The financial results for the year ended March 31, 2019 are summarized in **Table 1**.

Table 1: Financial Highlights

(₹ in crore)

PARTICULARS	Financial Year	
	2017-18	2018-19
Revenue from operations	6,938.22	8,161.18
Profit before depreciation, interest, rate regulated income and tax	5,134.13	5,406.25
Depreciation	1,395.51	1,589.99
Profit after depreciation but before rate regulated income, interest and tax	3,738.62	3,816.26

PARTICULARS	Financial Year	
	2017-18	2018-19
Interest and finance charges	922.32	894.88
Profit after depreciation and interest but before rate regulated income and tax	2,816.30	2,921.38
Rate regulated income	62.33	823.40
Tax	109.60	1,114.23
Profit after depreciation, interest, rate regulated income and tax	2,769.03	2,630.55
Other Comprehensive Income (OCI)	5.88	(12.41)
Total Comprehensive Income (TCI)	**2,774.91**	**2,618.14**
Surplus from statement of profit and loss of earlier years (including Other Comprehensive Income)	2,670.59	3,590.61
Transfer from bond redemption reserve	148.17	244.98
Transfer from R&D Fund	43.90	-
Sub-total	**5,637.57**	**6,453.73**
Less: Appropriations		
Transfer to bond redemption reserve	668.45	308.78
Dividend and Corporate Dividend Tax (CDT)	1,378.51	1,149.03
Closing Balance of Retained Earnings including Other Comprehensive Income	**3,590.61**	**4,995.92**

1.1 REVENUE

Your Company has generated revenue of ₹ 9,085.96 crore during the financial year 2018-19. The revenue during the financial year 2017-18 was ₹ 8,358.77 crore.

1.2 EXPENSES

The total expenditure during financial year 2018-19 was ₹ 6,164.58 crore as against total expenditure of ₹ 5,542.47 crore in the financial year 2017-18.

1.3 PROFIT

Your Company has earned a Profit After Tax (Total Comprehensive Income) of ₹ 2,618.14 crore during the financial year 2018-19 as compared to ₹ 2,774.91 crore in the financial year 2017-18.

1.4 NET WORTH

Your Company's net worth as on March 31, 2019 was ₹ 29,214.73 crore as against ₹ 28,351.82 crore in the previous year.

2. SHARE CAPITAL

During the year, your Company has bought back its 21,42,85,714 fully paid up equity shares of ₹ 10/- each from the shareholders at a price of ₹ 28 per equity share pursuant to the decision taken by the Board of Directors. The total consideration for the buy-back of shares was ₹ 599.99 crore. The paid-up capital of the Company as on March 31, 2019 was ₹ 10,045.03 crore comprising 10,04,50,34,805 equity shares of ₹ 10/- each.

In addition to above, the Government of India divested its holding in NHPC by transferring 2,93,54,564 and 4,98,89,622 shares to Bharat 22 Exchange Traded Fund (ETF) in June, 2018 and February, 2019 respectively. After transfer of shares to Bharat 22 ETF and Buy-back, the holding of Government of India in NHPC reduced to 73.33%.

3. DIVIDEND

Your Company has a consistent track record of dividend payment. The Board of Directors has recommended a final dividend of Re. 0.75 per equity share for the financial year 2018-19 amounting to ₹ 753.38 crore. The above dividend is in addition to the interim dividend of Re. 0.71 per equity share amounting to ₹ 713.20 crore (excluding dividend distribution tax) paid in March, 2019. Accordingly, total dividend for the financial year 2018-19 comes to ₹ 1.46 per equity share. The total dividend pay-out (subject to approval of final dividend by the members of the Company) for the financial year 2018-19 will be ₹ 1466.58 crore (excluding dividend distribution tax) representing 56% of the profits after tax, as against dividend pay-out of ₹ 1,436.31 crore representing 52% of the profits after tax in the previous year.

In pursuant to requirement of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI LODR], your Company has formulated a Dividend Distribution Policy. The Dividend Distribution Policy is given as a separate annexure and is available on Company's website i.e. www.nhpcindia.com.

4. OPERATIONAL PERFORMANCE

During the financial year 2018-19, your Company has achieved highest ever generation of **24,193 MUs** (excluding deemed generation of 279 MUs from Chutak & Nimoo Bazgo Power Stations). Your Directors are pleased to inform that five power stations viz. Uri-II, TLDP-III, TLDP-IV, Nimoo Bazgo and Chutak have achieved highest ever generation since their commissioning. The pondage power stations (except Run of the River & Restricted Plants) have achieved highest ever Plant Availability Factor (PAF) of 95%. Five pondage power stations viz. Chamera-I, Sewa-II, Teesta-V, TLDP-III and TLDP-IV have achieved their highest ever PAF. The power station wise generation and PAF is given at **Table 2.**

Table 2: Power Station wise generation and PAF during financial year 2018-19

NAME OF POWER STATION	GENERATION TARGET* (MU)	ACTUAL GENERATION (MU)	PAF TARGET* (%)	ACTUAL PAF (%)
PONDAGE POWER STATIONS**				
Loktak (105 MW)	650	603	94.00	97.87
Chamera – I (540 MW)	2365	2485	96.50	99.49
Rangit (60 MW)	340	349	96.40	95.67
Chamera – II (300 MW)	1470	1508	96.50	94.15
Dhauliganga (280 MW)	1120	1106	94.50	91.39
Dulhasti (390 MW)	2210	2273	93.50	89.58
Teesta – V (510 MW)	2710	2701	94.50	98.23
Sewa – II (120 MW)	535	498	96.50	103.34
Chamera – III (231 MW)	1065	1043	94.00	90.96
TLDP – III (132 MW)	550	572	91.80	95.71
TLDP – IV (160 MW)	700	709	91.85	93.64
Sub Total (A)	**13715**	**13847**	**94.75**	**95.00**
RUN OF THE RIVER POWER STATIONS & RESTRICTED PLANTS				
Bairasiul (180 MW)	500	367	90.00	75.09
Salal (690 MW)	3290	3412	77.00	84.05
Tanakpur (94.2 MW)	450	453	70.00	74.07
Uri (480 MW)	2630	3048	80.00	89.22
Chutak[1] (44 MW)	40	49	49.00	51.45
Nimoo Bazgo[1] (45 MW)	95	106	64.00	71.44
Uri – II (240 MW)	1400	1581	83.00	90.29
Parbati – III (520 MW)	680	608	65.00	51.76
Kishanganga (330 MW)	1450	529	85.00	44.85
Parbati – II[2] (800 MW)	300	42	30.00	0.00
Sub Total (B)	**10835**	**10195**	**73.35**	**73.12**
TOTAL (A+B) (HYDRO)	**24550**	**24042**	**84.30**	**84.97**
Wind Power Project, Jaisalmer (50 MW)	70	68	-	-
Solar Power Project, Tamil Nadu (50 MW)	80	83	-	-
TOTAL	**24700**	**24193**	**84.30**	**84.97**

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

** PAF MOU targets for financial year 2018-19 were fixed for Pondage Power Stations only (i.e. Run of River Power Stations and Restricted Plants were excluded).

Actual Achievement and MoU target of PAF for the financial year 2018-19 is as under:

Very Good MoU Target:	FY 2017-18 Actual	FY 2018-19 Actual	Improvement in PAF over previous year
0.20% improvement in PAF (excluding Run of River and Restricted Plants) over previous year	94.56%	95.00%	0.47%

Note:

1. Generation excludes deemed generation from Chutak Power Station (148.2 MUs) & Nimoo Bazgo Power Station (131 MUs).
2. Unit 1 & 2 started generation from September 14, 2018 & September 22, 2018 respectively. Generation includes infirm power.

During the financial year under report, your Company has earned net deviation charges of ₹185.05 crore due to efficient operation and timely response to changes in the grid frequency.

In the present scenario, Renovation & Modernization (R&M) of power plants is considered to be a cost-effective option to complement new capacity addition, as these have a shorter gestation period with available statutory clearances and beneficiaries. NHPC is undertaking R&M for life extension of two power stations i.e. Bairasiul (180 MW) and Loktak (105 MW). Bairasiul Power Station (3 X 60 MW), completed its 35 years of commercial operation in financial year 2016-17. The work of R&M of the power stations started in October, 2018 with scheduled completion in financial year 2021-22. During the period, two units will be available for generation and one unit will be kept under R&M, so that beneficiaries continue to get power.

Loktak Power Station has completed its 35 years of commercial operation in financial year 2018-19. Final hearing of petition to approve R&M proposal has already been completed in February, 2019 before Central Electricity Regulatory Commission (CERC) and order is awaited.

5. COMMERCIAL PERFORMANCE

5.1 SALES AND REALIZATION

During the year under report, your Company's sales from operations stood at ₹ 8,161.18 crore. We are pleased to inform that your Company has been able to realize an amount of ₹ 6,498.70 crore including liquidation of outstanding amount of previous years and surcharge of ₹ 190.74 crore during the financial year 2018-19.

As on March 31, 2019, the total outstanding dues of ₹ 1,719.02 crore (including surcharge of ₹ 362.93 crore) were pending for more than 60 days. The outstanding amount mainly pertains to Power Development Department, Jammu & Kashmir (₹ 707.19 crore), Uttar Pradesh Power Corporation Limited (₹ 640.74 crore) and BSES Yamuna Power Limited (₹ 219.10 crore).

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

5.2 SIGNING OF POWER PURCHASE AGREEMENTS (PPAs)

The PPAs in respect of following power stations had been renewed for 35 years from the date of their commercial operation with following states/distribution companies in financial year 2018-19:

S. No.	Name of State/ Distribution Companies	Name of Power Station
1	Himachal Pradesh	Dhauliganga, Chamera-II, Salal, Tanakpur, Chamera-I, Uri-I, Chamera-III, Bairasiul & Parbati-III
2	Uttar Pradesh	Kishanganga
3	Rajasthan	Chamera-III, Parbati-III
4	Tata Power Delhi Distribution Limited (TPDDL) - Delhi	Bairasiul

Efforts are being made for the renewal of PPAs for balance useful life of power stations (i.e. 35 years) with DISCOMs in respect of expired PPAs. It is expected that most of the PPAs shall be renewed for 35 years in financial year 2019-20.

6. STATUS OF ONGOING PROJECTS

Your Company is presently engaged in the construction of two hydro-electric projects with aggregate installed capacity of 2,800 MW. The status of these on-going projects is as under:

6.1 PARBATI- II HYDRO-ELECTRIC PROJECT - 800 MW (4 X 200 MW), HIMACHAL PRADESH:

Parbati-II Hydro-electric Project is a run of the river scheme on the River Parbati in Kullu District of Himachal Pradesh. Major civil works of dam, intake structure, de-silting chamber, pressure shafts, surge shaft, powerhouse and works at Jiwa Nallah have been completed. Water conductor system consists of 31.52 Km long Head Race Tunnel (HRT). Excavation of 28.47 Km and concrete lining of 26.58 Km length has been completed till March, 2019. Since the resumption of excavation of HRT by Tunnel Boring Machine (TBM) from October, 2015, 1671 m of tunnel has been excavated till March 31, 2019. E&M works of powerhouse has also been completed.

First and second units has been successfully synchronized with grid at part-load on September 14, 2018 and September 22, 2018 respectively by using discharge from Jiwa Nallah. Project is anticipated to be commissioned by December, 2021.

6.2 SUBANSIRI LOWER HYDRO-ELECTRIC PROJECT - 2,000 MW (8 X 250 MW), ASSAM/ARUNACHAL PRADESH:

Construction of the project was started in January, 2005 and 55% of the works have been completed. Main construction activities of the project at present have been stalled due to directions from Hon'ble National Green Tribunal (NGT), Kolkata. In accordance to judgement of Hon'ble NGT in October, 2017, a three member expert committee has been constituted by Ministry of Environment, Forest & Climate Change (MoEF&CC) to review all issues pertaining to the project. However, meetings of the committee were deferred by Principal Bench of Hon'ble NGT, New Delhi due to objection raised on its constitution. After final hearing in the matter, Principal Bench of Hon'ble NGT dismissed the applications of petitioners. Thereafter, Expert Committee held various meetings and conducted site visits and submitted their report to MoEF&CC in March, 2019. However, the petitioners have approached Hon'ble Supreme Court challenging the orders of Principal Bench of Hon'ble NGT. Hon'ble Supreme Court has set aside the orders of Hon'ble NGT and ordered that the applications be restored for filing before the Tribunal for determination afresh. The Principal Bench of Hon'ble NGT vide order dated July 31, 2019 has upheld the constitution of Expert Committee by MoEF&CC and observed that the project be advanced in public interest.

7. NEW PROJECTS

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

Table 3: Projects under clearance/approval stage:

S. No.	PROJECT	STATE	INSTALLED CAPACITY (MW)
A.	**STANDALONE BASIS**		
(a)	**HYDRO PROJECTS**		
i	Kotlibhel – IA*	Uttarakhand	195
ii	Teesta-IV	Sikkim	520
iii	Dibang**	Arunachal Pradesh	2,880
iv	Tawang-I		600
v	Tawang-II		800
vi	Bursar	Jammu & Kashmir	800
vii	Goriganga-IIIA	Uttarakhand	150
	Sub-total (a)		**5,945**
(b)	**WIND PROJECTS**		
i	Wind Project, Palakkad	Kerala	8
	Sub-total (b)		**8**
	Total A (a+b)		**5,953**
B.	**THROUGH SUBSIDIARIES/JOINT VENTURES**		
(a)	**HYDRO PROJECTS**		
i	Loktak Downstream H.E. Project through Loktak Downstream Hydroelectric Corporation Limited (A Joint Venture with Govt. of Manipur)	Manipur	66
ii	Kwar (A Joint Venture with JKSPDC & PTC India Limited)	Jammu & Kashmir	540
iii	Chamkharchhu – I (A Joint Venture with Druk Green Power Corporation Limited, Bhutan – yet to be incorporated) in Bhutan	-	770
	Sub-total (a)		**1,376**
(b)	**SOLAR PROJECTS**		
i	Project in Jalaun District of U.P. through Bundelkhand Saur Urja Limited (A Joint Venture with UPNEDA) ***	Uttar Pradesh	32
	Sub-total (b)		**32**
	Total B (a+b)		**1,408**
	Grand Total (A+B)		**7,361**

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

**CCEA has accorded approved for incurring expenditure on pre-investment activities and various clearances for Dibang Multipurpose Project in Arunachal Pradesh for an amount of ₹ 1,600 crore.

***MOU has been signed between NHPC and Uttar Pradesh New and Renewable Energy Development Agency (UPNEDA) for setting up of 50 MW solar power project in UP. The land for the project is presently available for 32 MW only.

Your Directors are please to inform that Resolution Plan submitted by NHPC Limited for Lanco Teesta Hydro Power Limited (LTHPL) has been approved by Hon'ble NCLT, Hyderabad Bench on July 26, 2019 subject to certain reliefs as per IBC. LTHPL is the developer of Teesta-VI HE Project (500 MW) in Sikkim. CCEA has already accorded its investment sanction for the acquisition of LTHPL and execution of balance works of Teesta-VI HE Project.

In addition to above, a Memorandum of Understanding (MoU) has been signed for implementation of Ratle H.E. Project (850 MW) through a Joint Venture Company to be incorporated initially with equity shareholding of 51% by NHPC and 49% by Jammu & Kashmir State Power Development Corporation Limited (JKSPDC). The equity of NHPC shall be purchased by JKSPDC from the end of 5th year after the date of commissioning over 15 years through equal installments.

8. DIVERSIFICATION

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

8.1 SOLAR POWER PROJECTS

Your Company has initiated the process for the development of 10 MW floating solar power project in Kallada, Kerala. The bids for the project are under evaluation. Signing of PPA is being expedited before issue of letter of award. Various activities before the implementation of the project are under process.

NHPC has also received in-principle approval for setting-up of one solar park of 100 MW capacity in Odisha from Ministry of New and Renewable Energy, Government of India. In the first phase, 40 MW solar project shall be developed in Ganjam District. Transfer of land, signing of PPA and grid connectivity approval is in process. Bids for EPC contract have already been invited. Development of balance capacity is also being explored.

8.2 WIND POWER PROJECTS

NHPC has initiated the process for the development of 72 MW (±10%) capacity Wind Power Projects in the Palakkad District of Kerala to tap the high wind potential available in the State. The DPR of the project has already been prepared. In the first instance, 8 MW capacity Wind Power Project shall be implemented as per available power evacuation infrastructure. Land allotment, signing of PPA and grid connectivity approval is in process.

8.3 POWER TRADING LICENSE

NHPC has entered into new avenues in the Power Sector. During the year, NHPC has obtained Category-I license from CERC for interstate trading of electricity in whole of India. NHPC is registered at DEEP (Discovery of Efficient Electricity Price) e-bidding portal and has obtained trader membership in Indian Energy Exchange (IEX) & Power Exchange of India Limited (PXIL). In addition to above, your Company has been appointed as 'Aggregator' under Pilot Scheme-II by Ministry of Power for procurement of aggregated power of 2500 MW for three years through the nodal agency PFC Consultancy Limited in March, 2019.

9. DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company has the following subsidiaries/associates/joint venture companies as on March 31, 2019:

Name of the Company	Details of joint venture partners (equity participation)	Performance of the Company during FY 2018-19
		SUBSIDIARY COMPANIES
NHDC Limited (NHDC)	NHPC (51.08%) and Government of Madhya Pradesh (48.92%)	NHDC has two operating power stations viz. Indira Sagar (1,000 MW) and Omkareshwar (520 MW) in Madhya Pradesh. During the year, NHDC generated 1921.23 MUs from its power stations i.e. 1309.22 MUs from Indira Sagar Power Station and 612.01 MUs from Omkareshwar Power Station. NHDC is also exploring possibilities for its capacity addition through diversification in renewable sources of energy i.e. solar power projects in the State of Madhya Pradesh.
Loktak Downstream Hydroelectric Corporation Limited (LDHCL)	NHPC (74%) and Government of Manipur (26%)	LDHCL is currently implementing Loktak Downstream Hydro-electric Project (66 MW) in Tamenglong, Manipur. All statutory clearances for the project have been received. Tendering for the EPC packages are under process. The Government of Manipur has also allocated hydro-electric component of Thoubal Multipurpose Scheme (7.5 MW) to the Company. The Board of NHPC Limited has also accorded its in-principle approval for equity contribution for this project. The project, at present, is under investigation stage.
Bundelkhand Saur Urja Limited (BSUL)	NHPC (99.99%) and Uttar Pradesh New & Renewable Energy Development Agency (UPNEDA)	BSUL was incorporated to implement a 50 MW solar power project at Village Parason, District-Jalaun, Uttar Pradesh and any other conventional & non-conventional power projects entrusted to it by the Govt. of Uttar Pradesh. The land earmarked by UPNEDA earlier for the project was withdrawn. Subsequently, UPNEDA transferred 63.491 Ha Land at Village Parason to BSUL. Now, a 32 MW Solar Power Plant is proposed to be implemented at the site. Bids for the project works are under evaluation.
Chenab Valley Power Projects Private Limited* (CVPPPL)	NHPC Limited (51.94%), Jammu & Kashmir State Power Development Corporation Limited (47.77%) and PTC India Limited (0.29%)	Three projects viz. Pakal Dul HE Project (1,000 MW), Kiru HE Project (624 MW) and Kwar HE Project (540 MW) in Jammu & Kashmir are being developed by CVPPPL. The Company has taken up infrastructure development works i.e. roads, bridge, building etc. for the projects. Pakal Dul HE project is being executed through packages of major components viz. Head Race Tunnel-TBM, Dam, Power house, Hydro-Mechanical and Electro-Mechanical. The works for Dam & Power house packages have been awarded. Bids for remaining packages are under process. Bids for all packages of Kiru HE Project have been evaluated and award of work is under process. CCEA has accorded investment sanction for construction of Kiru HE Project by CVPPPL. Bids for Civil & Hydro-Mechanical packages for Kwar HE Project are under evaluation. Bids for Electro-Mechanical packages have been invited.

Name of the Company	Details of joint venture partners (equity participation)	Performance of the Company during FY 2018-19
ASSOCIATE/JOINT VENTURE COMPANY		
National High Power Test Laboratory Private Limited (NHPTL)	NHPC Limited, NTPC Limited, Power Grid Corporation of India Limited, Damodar Valley Corporation and Central Power Research Institute (each having shareholding of 20%)	NHPTL was established to set up an online high power test laboratory for short-circuit test facility in the Country. The laboratory for High Voltage Transformer (HVTR) at 400 kV level and 765kV level is already in operation at Bina, Madhya Pradesh. Laboratory for Medium Voltage Transformer (MVTR) is expected to be commissioned by October/ November, 2019.

*As the required matching contribution was not made by the other Joint Ventures Partners, the shareholding of NHPC was 51.94% as on March 31, 2019 and therefore pursuant to provisions of the Companies Act, 2013, CVPPPL continued to be subsidiary of NHPC Limited.

A report on the financial position of each of the subsidiaries, associates and joint venture companies as per the Companies Act, 2013 has been provided as an annexure to the consolidated financial statements and hence not repeated here for the sake of brevity.

The audited financial statements of subsidiary companies are not being attached to the audited annual financial statements of the Company. In terms of Section 136 of the Companies Act, 2013, any shareholder who desires to have a copy of aforesaid financial statements, may write to the Company Secretary, NHPC Limited. The financial statements of subsidiary companies are also available on the website of the Company i.e. www.nhpcindia.com.

10. RURAL ROAD PROJECTS

Your Company is executing works relating to construction of rural roads in six districts of Bihar in pursuance to a MoU signed with Ministry of Rural Development, Government of India and Government of Bihar under Pradhan Mantri Gram Sadak Yojna (PMGSY).

Under the scheme, your Company has to construct 758 roads having cost of ₹ 1,725.65 crore and its maintenance for five years after construction. As on March 31, 2019, 753 roads covering 3,084 Km have been completed. Construction of balance 5 roads in Vaishali District is in progress. Maintenance period of 734 roads covering 2,982 Km has also been completed.

11. CONSULTANCY SERVICES

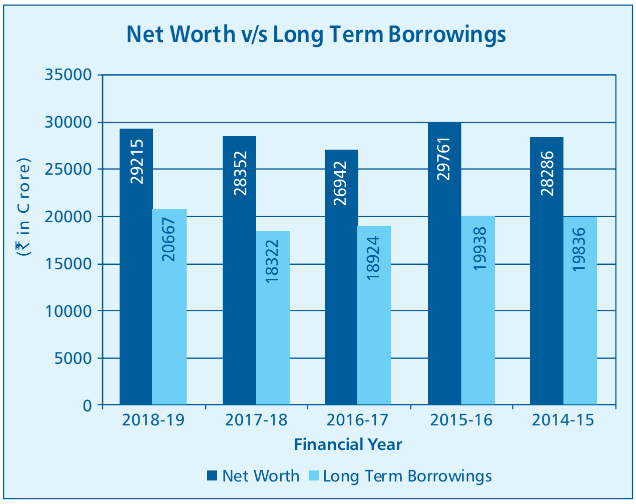
The technical "know-why and know-how", proficiency and experience of your Company places it in a leading position to offer a wide range of world class consultancy services from "Concept to Commissioning along with operation and maintenance" in the field of hydro power and related works. At present, your Company is providing consultancy services related to river basin studies, survey works, design and engineering, hydrological studies, contract & construction management etc. The major consultancy assignments of your Company include providing of engineering & design consultancy services for the implementation of Mangdechhu HE Project in Bhutan, consultancy services for the implementation of Pakaldul, Kiru & Kwar HE Project in Jammu & Kashmir and overhauling of Kalpong Power Station in Andaman & Nicobar islands.

To make other organizations take benefit of the knowledge of NHPC, programmes were offered to participants from Public and Private Sector in the area of electrical, mechanical, design & engineering aspects of hydropower projects. A large number of Indian and foreign delegates participated in these programmes.

12. FINANCING OF NEW PROJECTS

Your Directors believe that internal accruals of the Company would be sufficient to finance the equity component for the new/upcoming projects. Your Company is well positioned to raise the borrowings as per CERC norms given its low geared capital structure and strong credit ratings.

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



13. INFORMATION TECHNOLOGY AND COMMUNICATION

Your Company considers information technology as an important constituent for the attainment of sustainable growth in business. Various units of the Company across India are connected to Corporate Office through multimode & fail-safe communication links. Information Technology (IT) and Cyber Security Policy are in place to ensure optimum and secure utilization of the IT&C assets owned by your Company. Enterprise Resource Planning (ERP) application has been implemented in NHPC to integrate all its business functions to improve information availability, transparency and decision making.

As per Government of India directives, e-procurement, Government e-Market (GeM) and e-Reverse auction system is operational in the Company. Your Company is also acting as a nodal agency for CERT-HYDRO to guide and monitor the cyber security related activities in the constituent member organizations. Efforts are also being made for enhanced deployment of e-office applications with the aim to have paperless office.

14. HUMAN RESOURCE MANAGEMENT

During the year, T&HRD has organized competency and capacity building programmes in the areas of Civil & Electrical Engineering, Design, HR, Finance and other core areas to ensure that employees of the Company keep abreast with the latest technological advancement. The reimagined approach to learning and development has helped the Company to provide 20,744 man-days training to its employees during the period.

In addition to these programmes, executives were nominated in customized training programmes, organized at India's leading institutes like IIMs, IITs, CBIP etc. to enhance their skills for achieving higher productivity and efficiency in the organization. A total 583 executives were sponsored in different programmes organized by the above institutes. Besides, executives were also sponsored for higher education courses viz. MBA etc. and deputed for foreign training programmes to become aware of the global practices in the field of hydropower development.

NHPC has four training centers viz. Salal (Jammu & Kashmir), Uri (Jammu & Kashmir), Tanakpur (Uttarakhand) and Chamera-I (Himachal Pradesh). These training centers also organized skill development programmes in different trades for the employees.

NHPC in its process to benchmark with leading CPSEs in the country, organized various cross sectoral programmes to understand practices followed in the respective organizations. The programmes organized were on 'Contracts and Arbitration', 'Solar Development', 'Hydropower Development' etc.

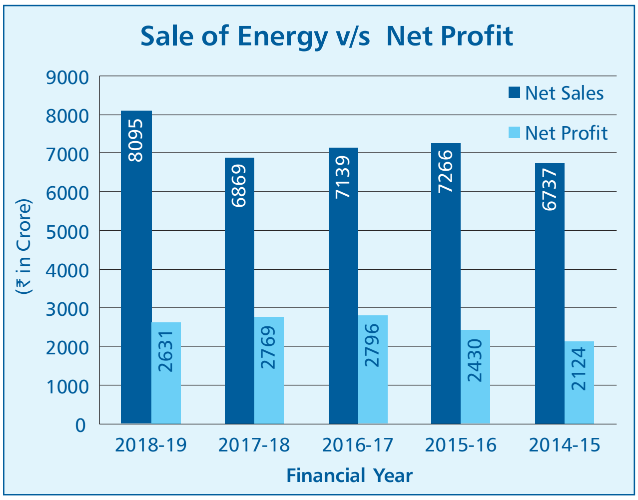
During the year under report, revised pay scales w.e.f. 01.01.2017 for Board Level, Below Board Level executives, supervisors and workmen were implemented in the Company. In addition to above, pay scales of executives including Board Level executives were also regularized w.e.f. January 1, 2007 in March, 2019.

15. INDUSTRIAL RELATIONS

The Industrial Relations in the Company remained cordial and harmonious during the year. Employees actively contributed in the decision making process for the growth of the Company.

16. RESETTLEMENT AND REHABILITATION (R&R)

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



17. VIGILANCE ACTIVITIES

The systems, procedures and processes in your Company are aimed to make the organization a transparent entity. All the procedures are documented to monitor and handle vigilance complaints and disciplinary cases. Your Company has a Vigilance Department headed by Chief Vigilance Officer to ensure transparency, objectivity and quality of decision making in its operations.

Vigilance Department co-ordinates with CBI, CVC and other concerned departments of the government. Six vigilance cases were concluded during the financial year 2018-19. As on March 31, 2019, three vigilance cases relating to misconduct, misappropriation and disproportionate assets against employees were under investigation.

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

18. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

19. RISK MANAGEMENT

Your Company has an elaborate Risk Management Policy to have structured and disciplined approach towards risks. The development and implementation of Risk Management Policy has been covered in the Management Discussion and Analysis Report, which forms part of this report.

20. PROCUREMENT FROM MICRO & SMALL ENTERPRISES

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

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

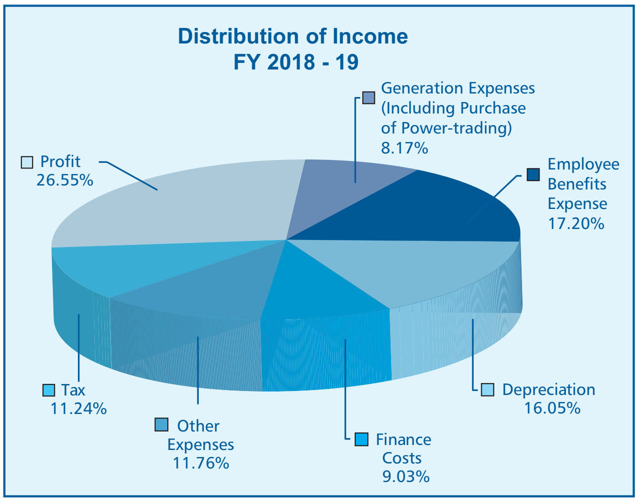
During the financial year 2018-19, your Company has procured products and services from MSEs, which constituted 67.49% of the total annual procurement value, against the mandate of 25% set by Ministry of Micro, Small and Medium Enterprises, Govt. of India. During the year, 918 MSEs were benefited out of which 45 MSEs belonged to SC/ST category and 23 MSEs were owned by women.

NHPC is also registered on the Trade Receivables Discounting System (TReDS) platform for financing of trade receivables of Micro, Small & Medium Enterprises (MSMEs). TReDS platform facilitates the discounting of invoices of MSMEs leading to prompt generation of working capital for their regular business operations.

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

21. IMPLEMENTATION OF OFFICIAL LANGUAGE

Your Company has complied the provisions of the Official Languages Act, 1963 and relevant rules during the financial year 2018-19. Attractive incentive schemes for employees have been implemented to encourage employees for active participation in promotion of Hindi, by contributing to articles/write-ups for in-house magazines, reading hindi books, and by noting and drafting in Hindi etc.



During the year, NHPC had organized various programmes for its employees to encourage the use of official language Hindi. In addition to above, Hindi typing training programmes, Hindi workshops and departmental computer workshops were regularly organized in the Company. Rajbhasha magazines titled 'Rajbhasha Jyoti' and 'Nagar Saurabh' were also published to encourage the use of Hindi.

The efforts made by the Company for the progressive use of Hindi were appreciated at various forums. Your Company's website also has bilingual mode of operating i.e. in Hindi as well as in English. During the year, Town Official Language Implementation Committee (TOLIC), Faridabad, being operated by NHPC, received "Second Prize" in Region "A" for outstanding work in the field of Rajbhasha implementation for the year 2017-18 from Ministry of Home Affairs, Govt. of India.

22. SPORTS AND OTHER ACTIVITIES

During the year 2018-19, NHPC had participated in various Inter CPSU tournaments organized under the aegis of Power Sports Control Board, Ministry of Power. NHPC has organized inter CPSU Kabaddi Tournament at Guwahati from February 26 to 28, 2019. As per NHPC's Sports Policy, your Company has given scholarship to four young sportspersons during the financial year 2018-19.

Your Company had coordinated painting competitions under the National Awareness Campaign on Energy Conservation organized by the Ministry of Power, Government of India amongst school students in the states of Jammu and Kashmir, Manipur, Sikkim, Arunachal Pradesh and Madhya Pradesh. Shri Rajesh Kumar, SM (HR), Loktak Power Station was adjudged "Best Nodal Officer" for showing highest percentage increase in student participation over previous year by the Ministry of Power, Government of India.

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

23. SOCIAL INITIATIVES

Your Company and its employees are continuing with the noble tradition of extending help to the Country in the times of distress. NHPC employees had contributed ₹ 1.61 crore to Prime Minister's National Relief Fund for flood affected people of Kerala and ₹ 1.85 crore in 'Bharat ke Veer' fund in honour of soldiers martyred in Pulwama attack. In addition to it, NHPC has also provided two transformers to Kerala State Electricity Board for restoring their hydropower plants damaged due to flood. NHPC has also contributed ₹ 1 crore to the Chief Minister's Relief Fund for natural calamities in Himachal Pradesh.

Under the 'Pradhan Mantri Bhartiya Janaushadhi Pariyojana', Director (Personnel) inaugurated a 'PMBJP centre' at Tanakpur Power Station in August, 2018, to make generic medicines available at cheaper rates.

24. INITIATIVES TOWARDS ENVIRONMENT PROTECTION AND CONSERVATION

Your Company is aware of its obligation to conserve and protect environment. During the investigation stage, probable impact on environment, while executing the projects, are assessed and identified. Environmental Management Plans are proposed and implemented to compensate the adverse impacts of the project by taking necessary measures. In addition to above, construction of buildings is designed to make them environment friendly. We are pleased to share that 'Neer Shakti Sadan', NHPC Office Complex, Faridabad has been awarded the Four Star GRIHA Rating by the GRIHA Council in June, 2019. GRIHA (Green Rating for Integrated Habitat Assessment) is a joint initiative of Ministry of New and Renewable Energy (MNRE), Govt. of India and The Energy and Resources Institute (TERI).

Large scale plantation programmes were undertaken across various locations of NHPC to celebrate World Environment Day on June 5, 2019. Talks on environmental aspects were also delivered by heads of projects/power stations to spread awareness and sensitivity about environment issues. In addition to above, cultural programmes, slogan competitions, awareness rally and distribution of sapling to locals were also undertaken at some power stations.

25. RIGHT TO INFORMATION

Your Company has placed an elaborate mechanism to deal with the matters related to Right to Information Act, 2005. All the applications/appeals received through the online RTI portal launched by Department of Personnel & Training (DoPT) are attended through the portal only. In compliance to the provisions of the RTI Act, 2005, NHPC has placed various documents/records on its website (www.nhpcindia.com) for wider information of the general public.

During the financial year 2018-19, 519 (266 online) applications and 65 (38 online) first stage appeals were received under RTI Act, out of which 517 (99.61%) applications and 64 (98.46%) first stage appeals were dealt/replied accordingly. Further, 5 appeals were filed by the applicants before the Central Information Commission (CIC), which were also disposed-off.

26. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is an integral part of your Company's business philosophy. The aim of CSR activities of your Company is to create a deeper positive impact on society at large with focus on key areas of development, especially by addressing the social, economic, environmental and welfare concerns of stakeholders and equitable development through empowerment of marginalized and underprivileged sections/ communities. Your Company has undertaken number of programmes under CSR in the areas of Education, Health, Sanitation, Drinking Water, Rural Development, Skill Development, Environment, Women Empowerment etc. A separate report on CSR activities undertaken by your Company during the financial year 2018-19 including the reasons for shortfall in mandatory expenditure on CSR activities is given as annexure to this report. The Corporate Social Responsibility & Sustainability Policy of your Company is available at http://www.nhpcindia.com/writereaddata/Images/pdf/CSR_Policy_E_CMA_201811_1.pdf

27. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2018-19, the Company has not entered into any material transaction with any of its related parties. The Company's major related party transactions are generally with its subsidiaries and associates for providing consultancy services, leasing out of properties and manpower services. All the contracts / arrangements / transactions entered into with related parties were on arm's length basis, intended to further the Company's interest. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable. During the financial year 2018-19, NHPC has raised "GOI Fully Serviced Bonds" in the nature of unsecured, redeemable, non-convertible, non-cumulative and taxable long term bonds to fund Extra Budgetary Resources of ₹ 2017.20 crore for meeting accrued liabilities of "Power System Development Fund" scheme of Government of India.

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

28. WHISTLE BLOWER MECHANISM

Your Company had framed a Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to the employees, directors, vendors and contractors to bring instances of unethical/improper conduct to the knowledge of competent authority under the policy. The policy provides that confidentiality of whistle blower shall be maintained and he/she shall not be subjected to any discriminatory practice. The policy also allows direct access to the Chairperson of Audit Committee in exceptional cases.

A senior officer has been designated as Coordinator for effective implementation of the policy and dealing with complaints received under the policy. During the financial year 2018-19, one complaint was received under the Whistle Blower Policy, which was investigated and closed in accordance with procedure under the policy. Further, no person was denied access to the Audit Committee on issues pertaining to Whistle Blower Policy.

29. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 have been implemented in the Company with the objective to provide protection to women employees against sexual harassment at workplace and redressal of their complaints. Internal Complaints Committees (ICC) has been constituted at various locations to redress complaint(s) against sexual harassment of women employees.

Regular workshops are being organised for women employees to create awareness about their rights and facilities at workplace. Programmes for sensitizing the male employees are also being conducted regularly.

During the financial year 2018-19, no complaint of sexual harassment was received. However, a compliant of the previous year was disposed-off during the year.

30. DEBENTURE TRUSTEES

In compliance to the requirements of SEBI LODR, the details of Debenture Trustees appointed by the Company for different series of Bonds is provided at reference information of this Annual Report.

31. STATUTORY AND OTHER INFORMATION

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

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

32. AUDIT AND AUDITORS' REPORT

32.1 SECRETARIAL AUDIT

The Board has appointed M/s Agarwal S. & Associates, Company Secretaries, Delhi to conduct Secretarial Audit of the Company for the financial year 2018-19. The Secretarial Auditor in its report has given some observations/qualifications. The report of Secretarial Auditor along with management reply is given at **Annexure-IX**.

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

32.2 STATUTORY AUDIT

The Statutory Auditors of your Company are appointed by the Comptroller & Auditor General of India (CAG). CAG has appointed following Joint Statutory Auditors for the financial year 2018-19:

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

The Joint Statutory Auditors have given un-modified report on the financial statements of the Company for financial year 2018-19. Further, no instance of fraud by any officer or employee of the Company has been reported by the Auditors under Section 143(12) of the Companies Act, 2013.

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

32.3 REVIEW OF ACCOUNTS BY CAG

The comments of CAG on the standalone and consolidated financial statements of your Company for the financial year 2018-19 after conducting supplementary audit under Section 143(6)(a) of the Companies Act, 2013 are given at **Annexure-XIII.**

32.4 COST AUDIT

As per the requirement of Companies (Cost Records and Audit) Rules, 2014, the Cost Accounting records are being maintained by all power stations of your Company. The consolidated Cost Audit Report in XBRL format for the financial year ended March 31, 2018 was filed with the Central Government on October 15, 2018. The following firms of Cost Accountants were appointed to conduct audit of cost accounting records of power stations for the financial year 2018-19 under Section 148 of the Companies Act, 2013:

Name of the Firm	Name of Power Station/ Project
M/s Chandra Wadhwa & Co., Delhi (Lead Cost Auditor)	Chutak and Nimmo Bazgo
M/s Balwinder & Associates, Mohali-Punjab	Chamera-I, Bairasiul and Parbati-III

Name of the Firm	Name of Power Station/ Project
M/s Sanjay Gupta & Associates, Delhi	Chamera-II, Chamera-III and Wind Power Project-Jaisalmer
M/s K. L. Jaisingh & Co., Noida	Dulhasti, Salal and Sewa-II
M/s K. G. Goyal & Associates, Jaipur	Uri-I, Uri-II and Kishanganga
M/s R. J. Goel & Co., Delhi	Dhauliganga and Tanakpur
M/s DGM & Associates, Kolkata	Loktak, TLDP-IV and 50 MW Solar Power Project – Tamil Nadu
M/s Niran & Co., Kolkata	Rangit, Teesta-V and TLDP-III

The Cost Audit Report for the financial year ended March 31, 2019 shall be filed within the prescribed time period.

33. LOANS AND INVESTMENTS

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

34. PARTICULARS OF EMPLOYEES

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

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

35. BOARD AND COMMITTEES OF THE BOARD

The Board of Directors of your Company met ten times during the financial year 2018-19. Details regarding dates and attendance of the Board Meetings are given in the Corporate Governance Report, which forms part of this report.

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

There was no instance during the year, where the Board had not accepted recommendation(s) of committee(s) of the board which is mandatorily required to be recommended by the committee(s) for the approval of the Board of Directors.

36. PERFORMANCE EVALUATION OF THE DIRECTORS AND THE BOARD

Your Company has framed a policy on performance evaluation of Board, Board level Committees and Independent Directors in line with SEBI LODR read with Companies Act, 2013. The annual performance evaluation of Board, Board level Committees and Independent Directors of the Company was discussed in the meetings of the Board of Directors and Nomination & Remuneration Committee. The Independent Directors in their separate meeting held on June 11, 2019 decided not to carry out the performance evaluation of Functional Directors as their performance is being evaluated by the Ministry of Power (Administrative Ministry). The process of annual performance evaluation of Board, Board level Committees and Independent Directors is given in the Corporate Governance Report. Annual performance evaluation of senior management personnel of the Company is being carried out as per rules of the Company read with relevant DPE Guidelines.

37. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

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

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

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

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

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

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

38. SECRETARIAL STANDARDS

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

39. GENERAL

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

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. Significant and material orders passed by regulators or courts or tribunals, which impact the going concern status or Company's operations in future.
4. Occurrence of any material changes and commitments after the close of the financial year till the date of this report, which affect the financial position of the Company.
5. Details related to public deposits as required under Chapter V of the Act.

40. WEBSITE LINK FOR VARIOUS POLICIES OF THE COMPANY

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

Particulars	Website Link
Policy on Related Party Transactions	http://www.nhpcindia.com/writereaddata/Images/pdf/Policy-Related-Party-Transaction.pdf
Corporate Social Responsibility & Sustainability Policy	http://www.nhpcindia.com/writereaddata/Images/pdf/CSR_Policy_E_CMA_201811_1.pdf
Policy on Material Subsidiaries	http://www.nhpcindia.com/writereaddata/Images/pdf/Policy-Material-Subsidiary.pdf
Whistle Blower Policy	http://www.nhpcindia.com/writereaddata/images/pdf/wbp.pdf
Familiarization programme for Directors	http://www.nhpcindia.com/writereaddata/Images/pdf/Familarisation_programmes-E.pdf
Dividend Distribution Policy	http://www.nhpcindia.com/writereaddata/Images/pdf/Dividend-Policy-21062017.pdf
Extract of Annual Return	http://www.nhpcindia.com/NHPC-annual-reports.htm

41. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

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

1. Shri Nalini Kant Jha, Independent Director ceased to be Director on the Board of the Company due to his sudden demise on November 5, 2018. The Board places on record its deep appreciation for the valuable contribution and guidance given by Late (Shri) N. K. Jha during his tenure as Director.
2. Ministry of Power vide its order dated November 22, 2018 re-appointed Shri Satya Prakash Mangal, Prof. Kanika T. Bhal and Prof. Arun Kumar as Non-official Independent Directors for a period of one year with effect from the date of completion of their tenure i.e. November 17, 2018 or until further orders, whichever is earlier. Accordingly, Board has appointed them as Additional Directors w.e.f. November 18, 2018 till the conclusion of next AGM unless re-appointed.

Details of remuneration/sitting fee paid to Directors during the year 2018-19 are given in the Corporate Governance Report.

All Independent Directors of the Company as on March 31, 2019, have declared that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI LODR. They have further declared that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

42. ACKNOWLEDGEMENT

The Board would like to acknowledge with thanks the guidance and co-operation received from Government of India, particularly the Ministry of Power, Ministry of New & Renewable Energy, Ministry of Finance, Ministry of Environment, Forest & Climate Change, Department of Public Enterprises, Central Electricity Authority, Central Electricity Regulatory Commission, Appellate Tribunal for Electricity, State Governments, State Utilities, Power Distribution Companies and valuable clients of consultancy assignments.

The Board also expresses its gratitude to the Shareholders, Bankers and Financial Institutions for their continued support and confidence reposed by them in the Company.

We place on record our special appreciation to the contribution of contractors, vendors and consultants in implementation of various projects of the Company.

We also acknowledge the constructive suggestions received from the Office of Comptroller & Auditor General of India, Statutory Auditors, Secretarial Auditor and Cost Auditors.

Your Directors wish to place on record their sincere appreciation for the unstinting efforts and dedicated contributions put in by the NHPCians at all levels, to ensure that the Company continues to grow and excel.

For and on behalf of the Board of Directors

(Balraj Joshi)
Chairman and Managing Director
DIN: 07449990

Date: August 2, 2019
Place: Faridabad

Shri Balraj Joshi, CMD, NHPC alongwith Director (Projects), Director (Personnel), Director (Finance), Director (Technical), Joint Secretary (Hydro), Ministry of Power, Independent Directors and Company Secretary, NHPC at the 43rd Annual General Meeting of NHPC held at Faridabad on 23.09.2019

Annexure- I

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

NHPC is committed to achieve its vision of being "a global leading organisation for sustainable development of clean power through competent, responsible and innovative values" by functioning within an established framework of effective, fair, transparent and ethical corporate governance practices. The practices embraced by NHPC ensures conduct of affairs of the Company in a transparent manner, which develops an environment of trust and maximize the value for all its stakeholders.

NHPC has a strong legacy of adopting Corporate Governance practices as per changing statutory requirements. The Corporate Governance practices of NHPC derive their essence from the provisions of Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) and the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by Department of Public Enterprises (DPE), Govt. of India.

2. BOARD OF DIRECTORS

The Board of Directors of the Company functions subject to the provisions of the Companies Act, 2013, SEBI LODR, Articles of Association, Guidelines issued by DPE and other directions/ guidelines issued by the Government of India from time to time, as applicable to the Company.

(i) Size & Composition of the Board:

NHPC Limited is a government company as per the provisions of the Companies Act, 2013. The Board of Directors of NHPC Limited comprises people having rich experience and knowledge in areas such as Ethics, Accounting, Engineering, Finance, Banking, Human Resource, General Corporate Management, etc. As per the Articles of Association of the Company, all the directors of the Company are appointed/nominated by the President of India, Government of India.

As on March 31, 2019, the Board comprised of five Executive Directors (whole-time Directors including Chairman & Managing Director), five Independent Directors (including one woman Director) and one Government Nominee Director.

The Company had broadly complied with the requirements of SEBI LODR and DPE Guidelines on Corporate Governance during the year 2018-19. However, due to the sudden demise of one independent director, the requirement of having at least half of the board of directors as independent directors could not be complied from November 5, 2018 onwards. Requests have been made to Ministry of Power, Government of India to appoint Independent Director on the Board of the Company.

The details of directors who were appointed or have retired since last report have been included in the Directors' Report. Brief profile of Directors of the Company is available on the website of the Company at www.nhpcindia.com.

(ii) Tenure of Directors:

- The Whole-time Directors are generally appointed for a period of 5 years from the date of their taking over the charge or till the date of their superannuation or until further orders from the Govt. of India, whichever is earlier;
- Independent Directors are usually appointed for a period of 3 years;
- Government Nominee Directors continue on the Board, at the discretion of the nominating authority or till ceasing to be officials of the Ministry of Power, Government of India.

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

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

(iv) Board Meetings:

The Board of Directors of the Company are vested with the responsibility to oversee the overall functioning of the Company and lay down policies to enable the Company to attain its objectives and achieve its vision.

The Board of Directors of the Company met ten times during the financial year 2018-19. The details of board meetings held during the financial year 2018-19 are given in **Table 1**.

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

- Annual operating plans, budgets and related updates.
- Capital budgets and related updates.
- Quarterly and annual financial results of the Company.
- Constitution/ Re-constitution of Board Committees with terms of reference.
- Directors' Report.
- Minutes of the meetings of audit committee and other committees of the Board.
- Minutes of the board meetings of subsidiary companies.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problem at different locations/units.
- Materially important show cause, demand, prosecution notices and penalty notices.
- Major investments, formation of subsidiaries, joint ventures and strategic alliances.
- Disclosure of interest by directors about their directorships/memberships.
- Declaration of independence by independent directors.
- Highlights of important events since last meeting to the current meeting.
- Significant capital investment proposals or award of large contracts.
- Action taken report on matters desired by the Board.
- Changes in significant accounting policies and practices along with reasons thereof.
- Any other information required to be presented to the Board either for information or for approval as per the requirement of applicable laws.
- Periodic reports to the Board such as:
    - Quarterly statement of all significant transactions and arrangements entered into by subsidiary companies.
    - Quarterly information with respect to purchases/works/contracts awarded on nomination basis.
    - Quarterly report on compliance of various laws.
    - Quarterly status of investor complaints.
    - Quarterly report on foreign travel of Functional Directors and employees.
    - Quarterly report on short term deposits and investments.
    - Quarterly report on reconciliation of share capital audit.
    - Quarterly report on compliance with corporate governance norms.
    - Quarterly status of arbitration cases.

The attendance of directors at Board Meetings held during the year under report and at the last AGM, number of shares held in Company, name of other listed companies in which Director is a director and number of directorships and board committee membership(s)/ chairpersonship(s) held in other companies as on March 31, 2019 are given in **Table 2**.

A Director's conclave was also organised from January 19 to 21, 2019 in addition to Board meetings to evolve a 'vision' of the Company for next few years keeping in view the changing business dynamics and the present portfolio of projects in hand with the Company.

Table 1: Board meetings held during the Financial Year 2018-19

S. No.	Board Meeting Number	Board Meeting Date	Board Strength	No. of Directors Present		% of Attendance of Board Meeting*
				In Person	Through Video Conferencing	
1.	414	May 28, 2018	12	10	NIL	**83%**
2.	415	June 20, 2018	12	9	2	**92%**
3.	416	July 30, 2018	12	10	1	**92%**
4.	417	August 10, 2018	12	12	NIL	**100%**
5.	418	October 30, 2018	12	10	1	**92%**
6.	419	November 14, 2018	11	11	NIL	**100%**
7.	420	December 14, 2018	11	7	4	**100%**
8.	421	January 21, 2019	11	11	NIL	**100%**
9.	422	February 8, 2019	11	11	NIL	**100%**
10.	423[#]	March 15, 2019	11	10	1	**100%**

*Rounded off.
[#]Meeting was held at one of the tourist destinations suggested by Department of Public Enterprises.

Table 2:

Name of Director (Shri/Smt.)	Number of Board Meetings held and attended during their respective tenure	Attendance at last AGM (September 27, 2018)	Number of Shares held in the Company	Number of directorships held in other Companies*	No. of committee membership(s) held in other companies**		Directorship in other listed entities (Category of Directorship)
					As Chairperson	As member	
Functional Directors							
Balraj Joshi, Chairman & Managing Director	10/10	YES	11,891	2	NIL	NIL	-
Ratish Kumar, Director (Projects)	9/10	YES	15,986	1	NIL	NIL	-
Nikhil Kumar Jain, Director (Personnel)	10/10	YES	NIL	NIL	NIL	NIL	-
Mahesh Kumar Mittal, Director (Finance)	10/10 (including 1 meeting through video conferencing)	YES	NIL	2	NIL	NIL	PTC India Limited (Nominee Director)
Janardan Choudhary, Director (Technical)[1]	8/8 (including 2 meetings through Video Conferencing)	YES	21,055	NIL	NIL	NIL	-
Government Nominee Directors							
Archana Agrawal, Joint Secretary (Hydro), Ministry of Power[2]	0/3	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Aniruddha Kumar, Joint Secretary (Hydro), Ministry of Power[3]	9/9	YES	1,500	2	NIL	1	SJVN Limited (Nominee Director)
Independent Directors							
Satya Prakash Mangal[4]	10/10 (including 1 meeting through video conferencing)	YES	15,000	2	1	NIL	-

Name of Director (Shri/Smt.)	Number of Board Meetings held and attended during their respective tenure	Attendance at last AGM (September 27, 2018)	Number of Shares held in the Company	Number of directorships held in other Companies*	No. of committee membership(s) held in other companies**		Directorship in other listed entities (Category of Directorship)
					As Chairperson	As member	
Kanika T. Bhal[4]	10/10 (including 1 meeting through video conferencing)	NO	NIL	2	NIL	1	-
Arun Kumar[4]	10/10 (including 3 meetings through video conferencing)	YES	NIL	NIL	NIL	NIL	-
Bhagwat Prasad	10/10	YES	NIL	NIL	NIL	NIL	-
N.K. Jha[5]	5/5	NO	N.A.	N.A.	N.A.	N.A.	N.A.
Jugal Kishore Mohapatra	9/10(including 1 meeting through video conferencing)	YES	NIL	2	NIL	NIL	-

* Directorship held in Indian Companies has been considered.

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

1. Appointed as Director on the Board of the Company w.e.f. July 5, 2018.
2. Ceased to be director on the Board of the Company w.e.f. July 30, 2018.
3. Appointed as Director on the Board of the Company w.e.f. May 28, 2018 as Smt. Archana Agrawal, Joint Secretary (Hydro) was on Ex-India training & leave. Ceased to be director w.e.f. July 18, 2018 on return of Smt. Agrawal. Subsequently, appointed as Director on the Board of the Company w.e.f. July 30, 2018.
4. Re-appointed as Independent Director on the Board of the Company w.e.f. November 18, 2018.
5. Ceased to be director on the Board of the Company w.e.f. November 05, 2018 due to sudden demise.

Notes:

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

(b) None of the directors of the Company is a member in more than ten (10) committees or a chairperson of more than five (5) committees across all the companies in which he is a director.

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

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

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

(f) NHPC has not issued any convertible instrument till date therefore, none of the Non-Executive Directors hold any such instrument.

(v) Board Independence:

All the Independent Directors have given declaration that they meet the criteria of independence in accordance with the provisions of the Companies Act, 2013 and SEBI LODR.

In the opinion of the Board, the Independent Directors fulfil the conditions of independence as specified in SEBI LODR and are independent of the management.

None of the Independent Directors has resigned from the Company before the expiry of his/her tenure. However, one Independent Director namely Prof. N.K. Jha ceased to be director of the Company due to sudden demise.

(vi) Familiarization Programme for Directors:

All Board members of the Company are afforded every opportunity to familiarise themselves with the Company, its management, its operations and above all, the industry perspective and issues. This enables the directors to discharge their responsibilities in an effective manner.

Further, a policy on training of Board members to provide an opportunity to Board level functionaries to upgrade their knowledge in the business model of the Company and its risk profile is in existence. The policy covers CMD and all other directors on the Board of the Company.

During the financial year 2018-19, in addition to programmes organised by external agencies, Company has organised a training programme through Institute of Directors which was attended by all the directors. The details of familiarization programmes attended by directors during the financial year 2018-19 are hosted on the website of the Company and can be accessed at the following link:
http://www.nhpcindia.com/writereaddata/Images/pdf/Familarisation_programmes-E.pdf

(vii) Performance Evaluation of Independent Directors:

Ministry of Corporate Affairs (MCA) vide its circular dated June 5, 2015 had exempted Government Companies from the provisions of section 178(2) of the Companies Act, 2013, which requires performance evaluation of every director by the Nomination & Remuneration Committee. The circular further exempted Govt. Companies from the requirement of providing information in the Directors' report about the manner, in which evaluation of Board, its committees and individual directors is carried out, if it is carried out by the Administrative Ministry in Charge.

DPE has laid down a mechanism for the performance appraisal of all Functional Directors. Therefore, the performance of all functional Directors of the Company is being appraised by Administrative Ministry i.e. MOP as per said mechanism. Further, the performance of nominee directors is also evaluated by the Administrative Ministry.

Accordingly, in order to evaluate the performance of Board, Board level committees and Independent Directors, the Company has formulated a "policy on performance evaluation of Board, Board level committees and Independent Directors". The following evaluation process is being followed by the Company:

A. Each of the directors is required to assign the rating on different parameters for the evaluation of board, independent directors and committees of the Board of Directors as under:

Rating Scale

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

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

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

D. The Board considers the recommendations of the Nomination & Remuneration Committee and issues necessary directions.

3. PROCEDURE FOR BOARD/COMMITTEE MEETINGS

(A) Decision-making process:

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

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

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

- Agenda papers are circulated after obtaining the approval of Chairman and Managing Director.
- The meetings are generally held at the Company's offices situated at Faridabad and New Delhi.
- Presentations are made before the Board/Committee(s) of directors as and when required for providing better understanding of issues placed before the Board/ Committee.
- Members of the Board have complete access to the information pertaining to the Company. Directors are also free to recommend any issue, which they consider important for inclusion in the agenda. Senior management officials are called during the meetings as and when necessary to provide additional inputs on the matters being discussed by the Board/Committee(s) of Directors.
- Members of Board/Committees are provided the facility to participate in meetings through video conferencing.

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

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

(D) Follow-up Mechanism:

An action taken report on the decisions taken at the Board/Committee meetings is prepared and placed before the Board/ respective Committee for information in its subsequent meeting. It helps in effective reporting on follow-up and review of decisions.

(E) Compliance of laws:

The Company gives utmost thrust to ensure compliance of all applicable provisions of the Companies Act, SEBI Regulations, DPE Guidelines and other statutory requirements under different laws. Compliance of all applicable laws is being ensured at all locations of the Company. A report on compliance of applicable laws is placed periodically before the Board of Directors for its information.

Further, in order to check and evaluate the compliance of laws, compliance audit of various projects/power stations/ units of the Company was conducted by a team of officers from Law Division and Company Secretariat during the financial year 2018-19. The status of compliance to audit observations were placed before the board.

The Company has also submitted an Annual Secretarial Compliance Report to Stock Exchanges for the year ended on March 31, 2019 regarding compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder.

4. COMMITTEES OF THE BOARD OF DIRECTORS

The Committees constituted by the Board focus on specific areas and take informed decisions within the framework designed by the Board. They make specific recommendations to the Board on matters in their areas or purview. To enable better and more focused attention on the affairs of the Company, Board has constituted following statutory and non statutory committees:

Statutory Committees

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

Non-Statutory Committees

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

In addition to above standing committees, Board has constituted following specific purpose committees during the financial year 2018-19:

1. Functional Authority constituted for buyback of equity shares of NHPC Limited.
2. Committee of Board of Directors for examination of extant guidelines for evaluation of claims and its applicability.
3. Committee of Board of Directors to study, review and recommend the Delegation of Powers.

The composition, quorum, terms of reference, etc. of the statutory committees are in line with the provisions of the Companies Act, 2013, SEBI LODR and Guidelines on Corporate Governance issued by Department of Public Enterprises, Govt. of India. There was no instance during the year, where the Board had not accepted recommendation(s) of committee(s) of the board which is mandatorily required to be recommended by the committee(s) for the approval of the Board of Directors.

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

4.1 Audit Committee

As on March 31, 2019, the Audit Committee comprised the following members:

i)	Shri Satya Prakash Mangal	Independent Director	Chairperson
ii)	Prof. Arun Kumar	Independent Director	Member
iii)	Prof. Kanika T. Bhal	Independent Director	Member
iv)	Shri Bhagwat Prasad	Independent Director	Member

Director (Projects), Director (Finance) and Director (Technical) were ex-officio invitees to the meetings of Audit Committee. Head of Internal Audit division was also invited to the meetings of Audit Committee. Statutory Auditors and Cost Auditors were invited to the meetings of the Committee in which financial statements and cost audit reports respectively were discussed. Whenever desired by the Committee, senior officials were also invited to provide necessary information/clarification on the matters placed before the Committee.

The Company Secretary acts as the Secretary to the Committee.

Terms of reference

During the financial year 2018-19, the terms of reference of the Committee were modified as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. The present terms of reference of the Committee are as under:

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

8. Discussion with Internal Auditors and/or Auditors of any significant findings and follow-up thereon.
9. Reviewing the findings of any internal investigations by internal auditors/auditors/agencies into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussions with Statutory Auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
12. To review functioning of the Whistle Blower Mechanism.
13. To review the follow-up action on audit observations of the Comptroller & Auditor General of India (C&AG).
14. To review the follow-up action taken on the recommendations of Parliament's Committee on Public Undertakings (COPU).
15. Provide an open avenue of communication between the Independent Auditors, Internal Auditor and the Board of Directors.
16. Approval or any subsequent modification of transactions of the Company with related parties.
17. Review with the Independent Auditor the coordination of audit efforts to assure completeness of coverage, reduction of redundant efforts and the effective use of all audit resources.
18. Consider and review the following with Independent Auditor and management:
    - The adequacy of internal controls, including Computerized Information System Controls and Security; and
    - Related findings and recommendations of the Independent Auditor and Internal Auditor, together with management responses.
19. Consider and review the following with management, Internal Auditor and Independent Auditor:
    - Significant findings during the year, including the status of previous audit recommendations; and
    - Any difficulties encountered during audit work, including any restrictions on the scope of activities or access to required information.
20. Review and monitor the auditor's independence and performance and effectiveness of audit process.
21. Scrutiny of inter-corporate loans and investments.
22. Valuation of undertakings or assets of the Company, wherever it is necessary.
23. Evaluation of internal financial controls and risk management systems.
24. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue and making appropriate recommendations to the Board to take up steps in this matter.
25. Recommending to the Board the appointment and remuneration of the cost auditors of the Company.
26. Review of:
    a) Management discussion and analysis of financial conditions and results of operations.
    b) Management letter/letters of internal control weaknesses issued by the statutory auditors.
    c) Internal Audit Reports relating to internal control weaknesses.
27. Review of appointment and removal of the Chief Internal Auditor.
28. Reviewing the utilization of loans and/or advances from/investment by the company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower.
29. To review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year.
30. To verify that the systems for internal control to ensure compliance with the requirements given in SEBI (Prohibition of Insider Trading) Regulations, 2015 are adequate and are operating effectively.
31. To carry out any other function as is mentioned in the terms of reference of the Audit Committee pursuant to the provisions of the Companies Act, 2013, SEBI LODR and Corporate Governance Guidelines issued by DPE.

Meetings and Attendance

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

Table 3: Audit Committee Meetings

S. No.	Date of Meeting	Shri Satya Prakash Mangal	Prof. Kanika T. Bhal	Prof. Arun Kumar	Shri Bhagwat Prasad
1.	April 2, 2018	○	○	▣	○
2.	May 12, 2018	○	○	▣	○
3.	May 28, 2018	○	○	○	○
4.	June 26, 2018	○	●	●	○
5.	July 30, 2018	○	○	▣	○
6.	August 10, 2018	○	○	○	○
7.	August 31, 2018	○	○	○	○
8.	September 28, 2018 and	○	○	▣	○
	October 8, 2018	○	●	●	○
9.	November 13, 2018	○	○	●	○
10.	February 8, 2019	○	○	○	○
Number of meetings held during respective tenure		10	10	10	10
Meetings attended		10	9	8	10
% of meetings attended		100	90	80	100

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

Shri Satya Prakash Mangal, Independent Director chaired all the meetings held during the financial year 2018-19. The time interval between any two Audit Committee meetings had not exceeded one hundred and twenty days. The Chairperson of the Audit Committee was present in the last AGM of the Company to answer the queries of the shareholders.

4.2 Stakeholders' Relationship Committee

As on March 31, 2019, the Stakeholders' Relationship Committee comprised of the following members:

i)	Shri Bhagwat Prasad	Independent Director	Chairperson
ii)	Prof. Kanika T. Bhal	Independent Director	Member
iii)	Shri Mahesh Kumar Mittal	Director (Finance)	Ex-Officio Member

Terms of reference

During the financial year 2018-19, the terms of reference of the Committee were modified as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. The present terms of reference of the Committee are as under:

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

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

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

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

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

The Committee met once during the year under Report on September 27, 2018. The meeting was attended by all the members except Prof. Nalini Kant Jha. Sh. Jha ceased to be a member of the Committee due to his sudden demise on November 5, 2018.

Name and Designation of Compliance Officer

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

Shareholders'/Bondholders' Grievances

During the financial year ended on March 31, 2019, shareholders'/bondholders' grievances were attended expeditiously except for the cases constrained by disputes or legal impediments. The details of complaints received and resolved during the year are given in **Table 4**.

Table 4: Shareholders'/Bondholders' Complaints

Description	Opening balance as on April 1, 2018	Received during the year ended on March 31, 2019	Resolved during the year ended on March 31, 2019	Pending as on March 31, 2019
A. Equity Shares				
Non-receipt of refund orders	NIL	NIL	NIL	NIL
Non-receipt of dividend warrants	NIL	2330	2330	NIL
SEBI complaints	NIL	9	9	NIL
Stock Exchange complaints	NIL	6	6	NIL
Consumer forum/court cases	2	NIL	NIL	2
Advocate notices	NIL	NIL	NIL	NIL
TOTAL (A)	**2**	**2345**	**2345**	**2**
B. Bonds				
Non-Receipt of refund orders	NIL	NIL	NIL	NIL
Non-Receipt of TDS Certificate	NIL	NIL	NIL	NIL
Non-Receipt of electronic credit	NIL	NIL	NIL	NIL
Non-Receipt of interest warrants	NIL	46	46	NIL
Non-Receipt of Bonds/Securities	NIL	7	7	NIL
TOTAL (B)	**NIL**	**53**	**53**	**NIL**
GRAND TOTAL (A+B)	**2**	**2398**	**2398**	**2**

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

Securities and Exchange Board of India (SEBI) has a web based complaints redressal system 'SCORES', which enables a shareholder/bondholder to lodge his/her complaint(s) against the Company and check its status. On registration of a complaint, a unique complaint registration number is allotted for tracking and future reference. The concerned entity (intermediary or listed Company) uploads action taken report on the complaints electronically. The concerned entity and the complainant can also seek and/or provide clarifications online from/ to each other. SEBI disposes the complaints, if it is satisfied that the complaint has been adequately redressed.

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

During the financial year 2018-19, shareholders'/bondholders' complaints received through SCORES have been attended promptly and action taken reports on these complaints as received from Registrar and Transfer Agent were submitted to the SEBI through SCORES.

Number of pending share transfers

No share transfer request was pending as on March 31, 2019.

During the financial year ended March 31, 2019, share transfers have been effected within the time prescribed by stock exchanges and certificates to this effect duly signed by a Practicing Company Secretary were submitted to stock exchanges.

4.3 Nomination & Remuneration Committee

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

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

As on March 31, 2019, the Nomination & Remuneration Committee comprised the following members:

i)	Shri Jugal Kishore Mohapatra	Independent Director	Chairperson
ii)	Prof. Arun Kumar	Independent Director	Member
iii)	Prof. Kanika T. Bhal	Independent Director	Member

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

Terms of reference

During the financial year 2018-19, the terms of reference of the Committee were modified as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. The present terms of reference of the Committee are as under:

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

Meetings and Attendance

The Committee met four times during the financial year under report. Details of the meetings and attendance of members are given in **Table 5**.

Table 5: Nomination & Remuneration Committee Meetings

S. No.	Date of Meeting	Shri Jugal Kishore Mohapatra	Prof. Kanika T. Bhal	Prof. Arun Kumar
1.	June 20, 2018			
2.	August 10, 2018			
3.	November 5, 2018			
4.	February 9, 2019			
Number of meetings held during respective tenure		4	4	4
Meetings attended		4	4	4
% of meetings attended		100	100	100

present in person, present through Video Conferencing

4.4 Committee on Corporate Social Responsibility (CSR) and Sustainability

As on March 31, 2019, the Committee on Corporate Social Responsibility (CSR) and Sustainability comprised the following members:

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

Meetings and Attendance

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

Table 6: Corporate Social Responsibility (CSR) and Sustainability Committee Meetings

S. No.	Date of Meeting	Prof. Arun Kumar	Shri Ratish Kumar	Shri Nikhil Kumar Jain	Shri Mahesh Kumar Mittal	Shri Janardan Choudhary*
1.	June 5, 2018	○	○	○	○	N.A.
2.	August 31, 2018	○	●	○	○	○
3.	November 5, 2018	○	○	○	○	○
4.	March 28, 2019	○	○	○	○	○
Number of meetings held during respective tenure		4	4	4	4	3
Meetings attended		4	3	4	4	3
% of meetings attended		100	75	100	100	100

● Leave of absence, ○ present in person

*Appointed as ex-officio member of the Committee w.e.f. July 30, 2018.

4.5 Risk Management Committee

As per the requirements of SEBI LODR, top 100 listed entities, determined on the basis of market capitalization, as at the end of the immediate previous financial year shall constitute a Risk Management Committee.

As on March 31, 2018, NHPC was not among the top 100 listed entities determined on the basis of market capitalization. However, as a better corporate governance practice, Risk Management Committee has been continued by the Board.

As on March 31, 2019, the Risk Management Committee comprised the following members:

i)	Shri Satya Prakash Mangal	Independent Director	Chairperson
ii)	Prof. Arun Kumar	Independent Director	Member
iii)	Shri Ratish Kumar	Director (Projects)	Ex-officio Member
iv)	Shri Janardan Choudhary	Director (Technical)	Ex-officio Member

Terms of Reference

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

Meetings and Attendance

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

Table 7: Risk Management Committee Meetings

S. No.	Date of Meeting	Shri Satya Prakash Mangal	Prof. Arun Kumar	Shri Ratish Kumar	Shri Janardan Choudhary*	Prof. N.K. Jha**
1.	December 28, 2018	👤	👤	👤	👤	N.A.
2.	March 6, 2019	👤	👤	👤	👤	N.A.
Number of meetings held during respective tenure		2	2	2	2	0
Meetings attended		2	2	2	2	N.A.
% of meetings attended*		100	100	100	100	N.A.

👤 present in person

*Appointed as Ex-officio member w.e.f. July 30, 2018.

**Ceased to be a member of the Committee w.e.f. November 5, 2018, due to sudden demise.

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

As on March 31, 2019, the Committee comprised the following members:

i)	Shri Ratish Kumar	Director (Projects)	Ex-officio Member and Chairperson
ii)	Shri Nikhil Kumar Jain	Director (Personnel)	Ex-Officio Member
iii)	Shri Mahesh Kumar Mittal	Director (Finance)	Ex-Officio Member

Terms of reference

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

Meetings and Attendance

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

Table 8: Meetings of Committee of Directors for Allotment and Post-Allotment Activities of NHPC Securities

S. No.	Date of Meeting	Shri Ratish Kumar	Shri Nikhil Kumar Jain	Shri Mahesh Kumar Mittal
1.	April 12, 2018	👤	👤	👤
2.	April 23, 2018	👤	👤	●
3.	June 07, 2018	👤	👤	👤
4.	June 29, 2018	👤	👤	●
5.	July 13, 2018	👤	👤	👤
6.	August 01, 2018	👤	👤	👤

S. No.	Date of Meeting	Shri Ratish Kumar	Shri Nikhil Kumar Jain	Shri Mahesh Kumar Mittal
7.	September 07, 2018	○	○	○
8.	September 20, 2018	○	○	○
9.	October 11, 2018	○	○	○
10.	October 26, 2018	○	○	○
11.	November 15, 2018	○	○	○
12.	January 31, 2019	○	○	○
Number of meetings held during respective tenure		12	12	12
Meetings attended		12	12	10
% of meetings attended*		100	100	83

● Leave of absence, ○ present in person

* Rounded off.

4.7 Committee of Directors – Appellate Authority

As on March 31, 2019, the Committee comprised the following members:

i)	Shri Jugal Kishore Mohapatra	Independent Director	Chairperson
ii)	Shri Satya Prakash Mangal	Independent Director	Member
iii)	Shri Nikhil Kumar Jain	Director (Personnel)	Ex-Officio Member

Terms of reference

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

Meetings and Attendance

The committee met once during the financial year under report on May 28, 2018. The meeting was attended by all the members.

5. MEETING OF INDEPENDENT DIRECTORS

Pursuant to the requirements of Schedule IV of the Companies Act, 2013 read with Department of Public Enterprises Office Memorandum No.16 (4)/2012-GM dated December 28, 2012 and SEBI LODR, a separate meeting of Independent Directors without the presence of non-independent directors and members of the management was held on September 27, 2018 under the Chairmanship of Shri Jugal Kishore Mohapatra. The meeting was attended by all the Independent Directors except Prof. Nalini Kant Jha.

6. CODE OF CONDUCT

The code of business conduct and ethics for board members and senior management personnel was complied by all concerned during the financial year 2018-19.

Declaration under SEBI LODR and DPE Guidelines on Corporate Governance

All the Board Members and Senior Management Personnel have affirmed compliance with the code of Conduct & Ethics for Board Members and Senior Management Personnel respectively for the financial year ended on March 31, 2019.

sd/-
(Balraj Joshi)
Chairman and Managing Director
DIN: 07449990

Date: May 8, 2019
Place: Faridabad

7. FRAUD PREVENTION AND DETECTION POLICY

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

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

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

In compliance to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, Company has formulated and implemented 'Code of Conduct to Regulate, Monitor and Report Trading by Insiders' and 'Code of Fair Disclosure Practices for Prevention of Insider Trading'. During the financial year 2018-19, Company has modified its code in line with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and 2019.

All Directors, KMPs, Chief Vigilance Officer, all executives at the level of General Manager & above and all the executives working in Finance at Corporate Office, Company Secretariat and Secretariats of directors, Directors, KMPs and employees (executives at the level of Chief/ Chief Engineers and above) of the material subsidiary companies and other connected persons such as auditors, consultants, bankers, etc. are governed under this code.

Trading window for trading in securities of NHPC remains closed for designated persons and their immediate relatives, as and when price sensitive information is proposed/expected to be placed before the Board.

A senior officer has been designated as Compliance Officer under the code. Copy of the insider trading code is available on the website of the Company at the link: http://www.nhpcindia.com/writereaddata/Images/pdf/Insider-Trading-Code-Full-14122015.pdf

9. REMUNERATION OF DIRECTORS

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

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

Details of remuneration and Performance Related Pay (PRP) paid to Functional Directors (including former Directors) of the Company during the financial year 2018-19 are given in **Table 9** and **Table 10** respectively. Further, the details of sitting fees paid to Independent Directors during the financial year 2018-19 are given in **Table 11**.

Table 9: Remuneration of Functional Directors during the financial year 2018-19

(Amount in ₹)

Name of Director	Designation	Salary*	Benefits$	Total
Shri Balraj Joshi	Chairman & Managing Director	52,98,793	14,68,057	**67,66,850**
Shri Ratish Kumar	Director (Projects)	53,97,749	11,12,474	**65,10,223**
Shri Nikhil Kumar Jain	Director (Personnel)	43,53,441	11,32,072	**54,85,513**
Shri Mahesh Kumar Mittal	Director (Finance)	53,88,028	10,19,013	**64,07,041**
Shri Janardan Choudhary	Director (Technical)	37,55,469	8,45,289	**46,00,758**
Shri K.M. Singh	Ex- Chairman and Managing Director	4,34,774	13,21,096	**17,55,870**
Shri Radheshyam Mina	Ex- Director (Personnel)	1,52,604	14,57,528	**16,10,132**
Shri Jayant Kumar	Ex- Director (Finance)	7,93,417	15,48,953	**23,42,370**

*Salary includes amount paid on account of pay revision w.e.f January 1, 2017 and regularization of pay scale w.e.f. January 1, 2007 as per respective position held by the directors during that period.

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

Notes:

1. The Company had not given any stock options during the financial year 2018-19. Further, service conditions of the functional directors/directors including notice period and severance fee, if any are governed as per the terms & conditions issued by the Govt. of India.

2. Besides above, functional directors are also entitled for medical benefit as per the applicable rules of the Company.

Table 10: Details of Performance Related Pay (PRP) paid during the financial year 2018-19

(Amount in ₹)

Name of Director (Shri/Smt.)	Designation	Performance Related Pay (PRP)*
Balraj Joshi	Chairman and Managing Director	2,32,878
Ratish Kumar	Director (Projects)	2,94,543
Nikhil Kumar Jain	Director (Personnel)	1,14,731
Mahesh Kumar Mittal	Director (Finance)	79,171
Janardan Choudhary	Director (Technical)	1,85,461
Shri A.B.L. Srivastava	Ex-Chairman and Managing Director	5,81,017
Shri Radheshyam Mina	Ex-Director (Personnel)	9,44,563
Shri Jayant Kumar	Ex-Director (Finance)	10,46,270

* Includes amount of earlier years paid on account of regularization of pay scale of below board level executives w.e.f. January 1, 2007, as per the respective position held by them during that period.

Performance Related Pay (PRP) for the year 2017-18, will be paid in the financial year 2019-20 or thereafter as per DPE Guidelines.

Table 11: Details of sitting fees paid to Independent Directors during the financial year 2018-19

(Amount in ₹)

Name of Independent Director	Sitting Fees*		Total
	Board Meetings	Committee Meetings	
Shri Satya Prakash Mangal	2,00,000	3,60,000	**5,60,000**
Prof. Kanika T. Bhal	2,00,000	3,00,000	**5,00,000**
Prof. Arun Kumar	2,00,000	4,60,000	**6,60,000**
Prof. N.K. Jha	1,00,000	Nil	**1,00,000**
Shri Jugal Kishore Mohapatra	1,80,000	1,20,000	**3,00,000**
Shri Bhagwat Prasad	2,00,000	2,40,000	**4,40,000**

*In addition to sitting fee, Independent Directors are also reimbursed boarding/lodging/conveyance expenses incurred for attending meetings of the Board/Committees.

Except as mentioned above, the non-executive directors have no pecuniary relationship or transaction with the Company during the financial year 2018-19.

The terms and conditions of appointment of Independent Directors are available on the website of the Company at:

http://www.nhpcindia.com/writereaddata/Images/pdf/TnC-Apptmt-%20Independent-Directors.pdf

10. SUBSIDIARY COMPANIES

(i) NHDC Limited: NHDC Limited was promoted as a Joint Venture between NHPC Limited and the Government of Madhya Pradesh with equity shareholding of 51% and 49% respectively.

As per Regulation 24 of SEBI LODR and DPE Guidelines on Corporate Governance, NHDC Limited is a material non-listed indian subsidiary of NHPC Limited. Shri Satya Prakash Mangal, Independent Director of NHPC Limited is nominated on the Board of NHDC Limited.

(ii) **Loktak Downstream Hydroelectric Corporation Limited (LDHCL):** LDHCL was promoted as a Joint Venture between NHPC Limited and Government of Manipur with equity participation of 74% and 26% respectively.

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

(iii) **Bundelkhand Saur Urja Limited (BSUL):** BSUL was promoted as a Joint Venture Company between NHPC Limited and Uttar Pradesh New and Renewable Energy Development Agency (UPNEDA) to implement a 50MW Solar Power Project in Uttar Pradesh. As per the promoters' agreement, the equity participation of NHPC shall not be less than 74%. UPNEDA may participate in the equity upto 26% of the total share capital of the Company.

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

(iv) **Chenab Valley Power Projects Private Limited (CVPPPL):** CVPPPL was promoted as a Joint Venture between NHPC Limited, Jammu & Kashmir State Power Development Corporation Limited (JKSPDC) and PTC India Limited to plan, promote and organize integrated and efficient development of Pakal Dul HE Project (1,000 MW), Kiru HE Project (624 MW) and Kwar HE Project (540 MW) in the Chenab River Basin in all its aspects in the State of Jammu & Kashmir. As per the promoters' agreement, the equity participation of NHPC, JKSPDC shall be 49% each and PTC India Limited shall be 2%. During the year, shareholding of Company in CVPPPL increased to more than 50%, due to non-receipt of required matching contribution in equity from other joint venture partners, thereby making it a subsidiary of NHPC Limited, pursuant to provisions of Companies Act, 2013. As on March 31, 2019, the shareholding of the Company in CVPPPL stands at 51.94% of the paid up equity share capital.

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

During the year, the minutes of the meetings of the Board of Directors of NHDC Limited, LDHCL, BSUL and CVPPPL were placed before the Board of NHPC Limited for its information. The Board of NHPC was also apprised about the significant transactions and arrangements entered into by these subsidiaries. The financial statements for financial year 2018-19, in particular, the investments made by these subsidiary companies were reviewed by the audit committee.

During the financial year 2018-19, the Company has not disposed-off any shares in or assets of the subsidiary companies. More information about the subsidiary companies is available in the Directors' Report.

11. GENERAL MEETINGS

Annual General Meeting

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

Table 12: Annual General Meetings

Financial Year	Date	Time	Location	Special Resolution(s) Passed
2017-18	September 27, 2018	11:00 A.M.	Jal Tarang Auditorium, NHPC Office Complex, Sector-33, Faridabad, Haryana-121 003	a) Authorization to board to consider issue of secured/ unsecured, redeemable, non-convertible debentures/ bonds aggregating up to ₹ 3,300 crore through private placement. b) Alterations in Articles of Association of the Company in line with the provisions of the Companies Act, 2013.
2016-17	September 27, 2017	11:00 A.M.	Jal Tarang Auditorium, NHPC Office Complex, Sector-33, Faridabad, Haryana-121 003	a) Authorization to board to issue secured/ unsecured, redeemable, non-convertible debentures/bonds aggregating upto ₹ 2000 Crore through private placement. b) Insertion of Article 22A in Articles of Association of the Company.
2015-16	September 22, 2016	11:00 A.M.	Municipal Corporation of Faridabad Auditorium, Faridabad, Haryana	Authorization to board to issue secured/ unsecured, redeemable, non-convertible debentures/bonds aggregating upto ₹ 4500 Crore through private placement.

No Special Resolution was passed through Postal Ballot during 2018-19 and no special resolution is proposed to be passed through Postal Ballot during the financial year 2019-20.

12. DISCLOSURES

(i) Related Party Transactions:

During the financial year 2018-19, there were no materially significant related party transactions, which have potential conflict with the interest of the Company at large.

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

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

The Company has complied with all the statutory requirements of the regulations and guidelines prescribed by SEBI including regulations from 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI LODR except as mentioned in paragraph 2(i) of this Report. The Company has also complied with all the requirements of the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by Department of Public Enterprises (DPE), Govt. of India except as mentioned in Paragraph 2(i) of this Report.

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

During the preceding 3 years, no penalty was imposed and/or stricture was passed on the Company by any Stock Exchange or SEBI or any other statutory authority, on any matter related to the capital market, operations or guidelines issued by the Government.

However, during the year company has received notices from Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited, details of which are given in **Table 13**.

Table 13: Details of Notices received from Stock Exchanges

S. No.	Name of issuing Authority	Amount of fine	Nature of Non-compliance	Reason/ Justification for non-compliance
1.	BSE Limited and National Stock Exchange of India Limited	₹3,24,500/- (including GST) each	Non-compliance with the requirements of Regulation 17(1) of SEBI LODR in respect of non-appointment of requisite number of Independent Directors on the Board of the Company for the period from November 05, 2018 to March 31, 2019	As per article 34 of Articles of Association, the powers to appoint Directors (including Independent Director) in the Company vests with the President of India. Accordingly, the matter regarding appointment of Independent Directors is being regularly pursued with Administrative Ministry i.e. Ministry of Power.
2.	BSE Limited and National Stock Exchange of India Limited	₹ 10,000/- (excluding GST) each	Delay in furnishing prior intimation about the meeting of Board of Directors held on March 15, 2019 to consider the proposal for raising of funds through issue of "GOI Fully Serviced Bonds" and "External Commercial Borrowings (ECB)"	Direction for raising of funds through "GOI Fully Serviced Bonds" from Ministry of Power was received on March 12, 2019. The bonds were to be raised by end of March, 2019. Accordingly, on March 13, 2019, management decided to place the proposal in already scheduled Board meeting i.e. on March 15, 2019. Information regarding the same was submitted with stock exchanges simultaneously on March 13, 2019.

S. No.	Name of issuing Authority	Amount of fine	Nature of Non-compliance	Reason/ Justification for non-compliance
				The proposal for Raising of funds through issue of "External Commercial Borrowings (ECB)" was received from MUFG Bank on March 07, 2019. After, finalisation of modalities, management, in view of urgent requirement of funds, on March 12, 2019 (in late evening) decided to place agenda on the subject before Board in meeting already scheduled to be held on March 15, 2019. The same was informed to stock exchanges on March 13, 2019.

Company has requested the Stock Exchanges to waive-off the aforesaid fines in view of the justifications given. Replies from the Stock Exchanges are awaited.

The periodic results and other communications are regularly published on Company's official website (www.nhpcindia.com). Information on adoption of the non-mandatory requirements as prescribed under SEBI LODR is provided in **Annexure-A.**

b) Disclosure of events or information:

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

c) Presidential Directives:

During the financial year 2018-19, Company has received a Presidential directive regarding pay revision of Board level, below Board level executives and Non-unionised supervisors w.e.f. January 01, 2017. The same was implemented with the approval of Board of Directors. No presidential directives were issued to the Company during the preceding three financial years.

d) Accounting Treatment:

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

e) Whistle Blower Policy:

NHPC has a well-defined Whistle Blower Policy for reporting the instances of unethical/improper conduct and taking suitable steps to investigate and correct the same. No personnel has been denied access to the Audit Committee during the financial year 2018-19.

During the financial year 2018-19, one complaint was reported under Whistle Blower Policy. As per provisions of the policy, the matter was investigated and report was submitted to Chairman- Audit Committee.

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

The Company has always believed in providing safe and harassment-free workplace for every individual working in the Company. Company has also included Sexual harassment of women as misconduct under "NHPC (Conduct, Discipline and Appeal) Rules". During the financial year 2018-19, no complaint of sexual harassment was received by the Company. One complaint of previous year was resolved during the year and no complaint is pending as on March 31, 2019.

g) Items of expenditure debited in books of accounts, which are not for the purposes of the business:

NIL

h) Expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management:

NIL

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

(figures in %)

Details	2017-18	2018-19	Reasons for increase
Administrative expenses as a percentage of total expenses	12.81	14.57	Due to increase in losses out of insurance claims and impact of commissioning of Kishanganga Power Station during financial year 2018-19.
Administrative expenses as a percentage of financial expenses	76.98	100.35	

j) Commodity price risk and hedging activities:

The disclosure regarding commodity price risk and hedging activities of the Company during the financial year 2018-19 is as under:

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

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

2. Exposure of the Company to commodity and commodity risks faced throughout the year 2018-19:

a. **Total exposure of the Company to commodities in INR:** ₹ 1118.79 crore

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

Commodity name	Exposure in INR towards the particular commodity	% of such exposure hedged through commodity derivatives				
		Domestic market		International market		Total
		OTC	Exchange	OTC	Exchange	
JICA-IDP-107	107.47	NIL	NIL	NIL	NIL	NIL
JICA-IDP-129	453.29	NIL	NIL	NIL	NIL	NIL
JICA-IDP-153	558.03	NIL	NIL	NIL	NIL	NIL

3. Commodity risks faced by the Company during the year 2018-19:

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 2014-19.

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

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

l) Policy for determining material subsidiaries:

Policy is available on the website at the following link:
http://www.nhpcindia.com/writereaddata/Images/pdf/Policy-Material-Subsidiary.pdf

m) Other Disclosures:

i. A certificate from M/s SGS Associates, Company Secretary in practice has been received stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority.

ii. None of the securities of the Company were suspended from trading during the financial year 2018-19.

13. CEO/CFO COMPLIANCE CERTIFICATION

In terms of Regulation 17 (8) of SEBI LODR, a compliance certificate duly signed by Shri Balraj Joshi, Chairman & Managing Director and Shri Mahesh Kumar Mittal, Director (Finance) was placed before the Board of Directors at the meeting held on May 27, 2019 and is annexed to the Corporate Governance Report as **Annexure-B**.

14. MEANS OF COMMUNICATION

Financial results of the Company are announced within the time frame specified in SEBI LODR. These results are hosted on the website of the Company (www.nhpcindia.com) and are also published in national and local dailies. The shareholders of the Company are also apprised about the performance of the company through e-mail on quarterly basis.

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

Further, company's website www.nhpcindia.com contains separate dedicated section 'Investor Relations' where the information for shareholders such as Annual Report, Shareholding Pattern and Corporate Governance Report etc. are available in a user friendly manner.

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

Table 14: Audited/unaudited financial results

Newspapers	Date of publication of results for the period ended			
	June 30, 2018	September 30, 2018	December 31, 2018	March 31, 2019
Hindustan Times (English) - All Editions	August 11, 2018	-	-	-
Hindustan (Hindi)-Delhi	August 11, 2018	-	-	-
The Financial Express (English) - All Editions	-	November 15, 2018	February 9, 2019	-
Jansatta (Hindi) – New Delhi	-	November 15, 2018	February 9, 2019	-
The Times of India (English) – All Editions	-	-	-	May 28, 2019
Navbharat Times (Hindi)- Delhi	-	-	-	May 28, 2019

15. INFORMATION FOR SHAREHOLDERS

(i) Details of Annual General Meeting:

Date: September 23, 2019

Time: 11:00 a.m.

Venue: Jal Tarang Auditorium, NHPC Office Complex, Sector-33, Faridabad, Haryana - 121 003

Last date of receipt of Proxy form: September 21, 2019

(ii) Financial calendar for financial year 2019-20:

Particulars	Date
Accounting period	April 1, 2019 to March 31, 2020
Unaudited financial results for the first three quarters	Board Meeting to be held within forty five days from the end of each quarter. Financial results will be intimated to Stock Exchanges within stipulated time of the conclusion of Board Meeting.
Fourth quarter results/ annual audited financial results for the year ending on March 31, 2020	Board Meeting to be held on or before May 30, 2020. Financial results will be intimated to Stock Exchanges within stipulated time of the conclusion of Board Meeting.
AGM – 2020	August/ September, 2020 (Tentative)

(iii) Book Closure:

The register of members and share transfer books of the Company will remain closed from Saturday, the 14th day of September, 2019 to Monday, the 23rd day of September, 2019 (both days inclusive).

(iv) Payment of Dividend:

The Company had paid an interim dividend of Re. 0.71 per equity share in March, 2019. In addition to above, the Board of Directors of the Company has recommended a final dividend of Re. 0.75 per equity share for the financial year 2018-19. Accordingly, the total dividend for the year comes to ₹1.46 per equity share, if the final dividend is approved by the shareholders in General Meeting.

In respect of physical shares, the final dividend will be paid to the members or their mandates, whose names appear in the Register of Members of the Company on September 23, 2019. In respect of dematerialized shares, the final dividend will be payable to the "beneficial owners" of the shares whose names appear in the Statement of Beneficial Ownership provided by National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on September 13, 2019.

(v) Dividend History:

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

Table 15: Dividend History

Financial Year	Total amount of dividend declared (₹ in crore)	Date of AGM/Board Meeting in which dividend was declared	Date of payment
2009-10	676.54	September 22, 2010	October 1, 2010
2010-11	738.04	September 19, 2011	September 28, 2011
2011-12	861.05	September 17, 2012	September 26, 2012
2012-13	738.04	September 16, 2013	September 25, 2013
2013-14	332.13	September 26, 2014	October 7, 2014
2014-15	664.27 (including interim dividend of ₹ 221.43 crore)	January 16, 2015 & September 23, 2015	February 12, 2015 & October 3, 2015
2015-16	1,660.60 (including interim dividend of ₹ 1,018.50 crore)	February 10, 2016 & September, 22, 2016	March 2, 2016 & October 3, 2016
2016-17	1,984.62 (including interim dividend of ₹1,882.02 crore)	January 12, 2017 & September 27, 2017	January 27, 2017 & October 5, 2017
2017-18	1,436.31 (including interim dividend of ₹ 1,149.05 crore)	February 12, 2018 & September 27, 2018	March 8, 2018 & October 22, 2018
2018-19	713.20 (Interim Dividend)	February 8, 2019	March 05, 2019

(vi) Listing on Stock Exchanges:

NHPC equity shares are listed on the following Stock Exchanges:

BSE Limited	National Stock Exchange of India Limited
Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	Address: Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
Scrip Code: 533098	Scrip Code: NHPCEQ
ISIN : INE848E01016	ISIN : INE848E01016

The annual listing fee for the financial year 2019-20 has been paid to both National Stock Exchange of India Limited and BSE Limited before April 30, 2019. Also, the Annual Custodian Fee for the financial year 2019-20 has been paid to Central Depository Services (India) Limited and National Securities Depository Limited.

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

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

Table 16: BSE Sensex and NHPC Share Price

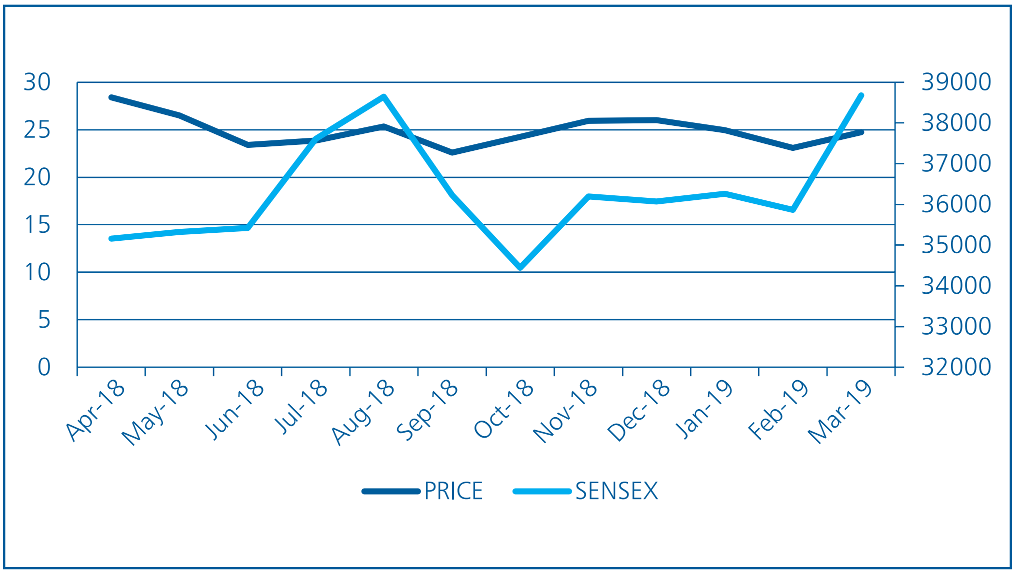
SENSEX				NHPC SHARE PRICE AT BSE			
Month	High	Low	Closing	Month	High (₹)	Low (₹)	Closing (₹)
Apr-18	35,213.30	32,972.56	35,160.36	Apr-18	30.10	27.10	28.40
May-18	35,993.53	34,302.89	35,322.38	May-18	28.70	25.95	26.50
Jun-18	35,877.41	34,784.68	35,423.48	Jun-18	27.05	22.35	23.40
Jul-18	37,644.59	35,106.57	37,606.58	Jul-18	25.40	22.60	23.85
Aug-18	38,989.65	37,128.99	38,645.07	Aug-18	26.10	23.20	25.35
Sep-18	38,934.35	35,985.63	36,227.14	Sep-18	27.15	22.25	22.60
Oct-18	36,616.64	33,291.58	34,442.05	Oct-18	24.50	22.20	24.25
Nov-18	36,389.22	34,303.38	36,194.30	Nov-18	27.50	24.20	25.95
Dec-18	36,554.99	34,426.29	36,068.33	Dec-18	26.70	25.75	26.00
Jan-19	36,701.03	35,375.51	36,256.69	Jan-19	26.20	24.15	24.95
Feb-19	37,172.18	35,287.16	35,867.44	Feb-19	25.50	22.60	23.10
Mar-19	38,748.54	35,926.94	38,672.91	Mar-19	25.90	22.95	24.75

Table 17: NSE NIFTY and NHPC Share Price

NIFTY				NHPC SHARE PRICE AT NSE			
Month	High	Low	Closing	Month	High (₹)	Low (₹)	Closing (₹)
Apr-18	10,759.00	10,111.30	10,739.35	Apr-18	29.40	27.10	28.45
May-18	10,929.20	10,417.80	10,736.15	May-18	28.75	25.85	26.50
Jun-18	10,893.25	10,550.90	10,714.30	Jun-18	27.10	22.35	23.45
Jul-18	11,366.00	10,604.65	11,356.50	Jul-18	25.50	22.60	23.75
Aug-18	11,760.20	11,234.95	11,680.50	Aug-18	26.10	23.20	25.35
Sep-18	11,751.80	10,850.30	10,930.45	Sep-18	27.20	22.25	22.60
Oct-18	11,035.65	10,004.55	10,386.60	Oct-18	24.60	22.10	24.35
Nov-18	10,922.45	10,341.90	10,876.75	Nov-18	27.50	24.20	25.95
Dec-18	10,985.15	10,333.85	10,862.55	Dec-18	26.80	25.75	26.00
Jan-19	10,987.45	10,583.65	10,830.95	Jan-19	26.30	24.05	25.00
Feb-19	11,118.10	10,585.65	10,792.50	Feb-19	25.50	22.50	22.95
Mar-19	11,630.35	10,817.00	11,623.90	Mar-19	25.90	22.95	24.70

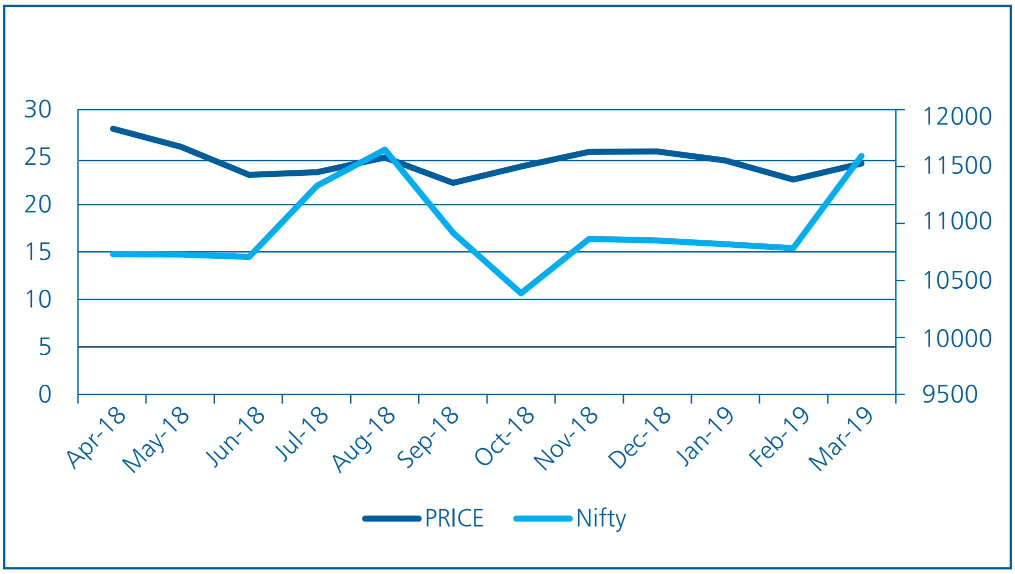
(viii) Performance in comparison to indices:

BSE Sensex and NHPC Share price



* Graph is made on the basis of monthly Closing prices

NSE NIFTY AND NHPC Share Price



* Graph is made on the basis of monthly Closing prices

(ix) Registrar & Share Transfer Agent:

Karvy Fintech Private Limited (Formerly known as Karvy Computershare Private Limited),
Karvy Selenium Tower B, Plot No. 31-32,
Gachibowli Financial District, Nanakramguda,
Hyderabad – 500 032.
Tel No.: 040-67162222
Toll Free No: 1800 345 4001
Fax No.: 040-23001153
E-mail ID: einward.ris@karvy.com

(x) Credit Ratings:

The credit ratings obtained by the Company are as under:

S. No.	Rating Agency	Credit Rating	Borrowings in respect of which ratings were obtained
DOMESTIC			
1	India Rating	IND AAA/ Stable	P, Q, R, TAX FREE, S, T, U, V, X Series, GOI Bonds & Long term Bank facilities/ FIS
		IND A1+	Short term working capital limit
2	ICRA	[ICRA] AAA (Stable)	Q, R, W and Tax Free Bonds
3	CARE	CARE AAA: Stable	Q, S, T, U, V, W, Tax Free, X Series and GOI Bonds
INTERNATIONAL			
1	S&P	BBB- Outlook: Stable	-
2	Moody's	Baa2- Outlook: Stable	-

There has been no revisions in the credit ratings during the financial year 2018-19.

(xi) Share Transfer System:

The Board of Directors have authorised RTA to process the requests received from shareholders holding physical shares for transfer/ transmission of shares and/or dematerialisation of shares etc. The requests received for re-materialisation, consolidation of shares and issue of duplicate certificates are overseen by Committee of Directors for Allotment and Post-allotment activities of NHPC Securities. During the year, requests for transfer of shares held in physical form, dematerialisation, re-materialisation, consolidation of shares and issue of duplicate certificates, etc. were processed within the prescribed timelines, provided the documents were complete.

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

As per provisions of Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is effective from April 1, 2019 requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository, except in case of transmission or transposition of securities. Therefore, w.e.f. April 1, 2019 the securities shall mandatorily be in demat form for effecting their transfer.

The procedure for dematerialisation of physical shares is available at the following links: https://nsdl.co.in/services/demat.php and https://www.cdslindia.com/downloads/faq/Demat%20CDSL%20Way%20-%20V%20-%20Dematerialization.pdf.

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

Pursuant to provisions of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, an amount of ₹ 93,70,289/- pertaining to unpaid and unclaimed dividend for the financial year 2010-11 has been transferred to IEPF during the year under report. Further, 6,28,353 shares in respect of which dividend has not been paid or claimed for seven consecutive years have also been transferred to IEPF.

Before effecting transfer of shares to IEPF, company has informed all such members, whose shares were liable to be transferred to IEPF during financial year 2018 19 through letters and newspaper publication.

The details of dividend and shares transferred to IEPF, unpaid and unclaimed amounts lying with the Company and procedure for claiming the dividend and shares from IEPF Authority are available on the website of the Company at the link: http://www.nhpcindia.com/Default.aspx?id=278&lg=eng& and also on the website of Investor Education and Protection Fund Authority i.e. www.iepf.gov.in.

The last date for claiming dividend declared during financial year 2011-12 and remained unpaid is October 16, 2019. Members may forward their claims for unclaimed dividend to the Company's RTA before they are due to be transferred to IEPF. No claim shall lie against the Company in respect of the dividend/shares so transferred.

(xiii) Distribution of shareholding:

Shares held according to the size of holdings and by different categories of shareholders as on March 31, 2019 are given in **Table 18 and Table 19** respectively.

(a) Table 18: Distribution of shareholding according to size and percentage of holding as on March 31, 2019

Number of shares	Number of shareholders	% of share holders*	Total shares	% of shares*
1-5,000	4,51,089	63.99	9,54,00,488	0.95
5,001-10,000	1,75,717	24.93	13,16,25,189	1.31
10,001-20,000	42,584	6.04	6,34,65,775	0.63
20,001-30,000	13,487	1.91	3,43,36,330	0.34
30,001-40,000	5,541	0.79	1,98,14,819	0.20
40,001-50,000	4,428	0.63	2,09,32,000	0.21
50,001-1,00,000	7,003	0.99	5,13,69,178	0.51
1,00,001 and above	5,064	0.72	9,62,80,91,026	95.85
Total	**7,04,913**	**100**	**10,04,50,34,805**	**100**

*rounded off to 2 decimal places.

(b) Table 19: Category wise Shareholding Pattern as on March 31, 2019

Category	As on March 31, 2018			As on March 31, 2019			Change* (%) Increase / (Decrease)
	No. of Share-holders	Total shares	% of share-holding	No. of Share-holders	Total shares	% of share-holding	
Government of India	1	7,58,74,81,082	73.96	1	7,36,59,64,993	73.33	(0.63)
Mutual Funds	40	26,51,15,910	2.58	13	32,14,71,603	3.20	0.62
Foreign Portfolio Investors	182	44,13,97,679	4.30	152	49,16,65,365	4.89	0.59
Financial Institutions/ Banks	21	7,77,58,691	0.76	18	6,51,01,540	0.65	(0.11)
Insurance Companies	30	77,84,48,263	7.59	6	77,76,95,996	7.74	0.15
Resident Individuals	7,34,113	57,48,34,630	5.61	6,77,231	53,88,64,448	5.36	(0.25)
Non- Resident Indians	4,558	1,29,44,463	0.12	4,589	1,28,97,153	0.13	0.01
Clearing Members	244	60,46,190	0.06	147	34,71,589	0.03	(0.03)
IEPF	1	9,99,609	0.01	1	16,27,862	0.02	0.01
Bodies Corporate	2,275	51,11,29,761	4.98	1,714	46,39,78,931	4.62	(0.36)
Trusts	49	22,11,588	0.02	44	18,40,819	0.02	-
Others (NBFCs, Foreign Nationals, Overseas Corporate Bodies, Alternate Investment Fund)	27	9,52,653	0.01	22	4,54,506	0.01	-
Total	**7,41,541**	**10,25,93,20,519**	**100**	**6,83,938**	**10,04,50,34,805**	**100**	**-**

*rounded off to 2 decimal places

(c) **Top Ten Shareholders as on March 31, 2019:**

Details of top ten shareholders of NHPC Limited as on March 31, 2019 are given in **Table 20**.

Table 20: Top ten shareholders as on March 31, 2019

S. No.	Name of shareholder	Total shares	% to Equity*
1.	President of India	7,36,59,64,993	73.33
2.	Life Insurance Corporation of India	73,43,79,599	7.31
3.	Power Finance Corporation Limited	24,44,73,240	2.43
4.	REC Limited	17,53,02,206	1.75
5.	HDFC Trustee Company Limited - HDFC Balanced Advantage Fund	8,29,53,520	0.83
6.	HDFC Trustee Company Limited - HDFC Tax saver fund	6,06,41,557	0.60
7.	Edgbaston Asian Equity Trust	5,64,55,779	0.56
8.	ICICI Prudential Bluechip Fund	4,49,94,925	0.45
9.	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Fund	3,66,09,129	0.36
10.	Vanguard Total International Stock Index Fund	3,55,56,270	0.35
Total		**8,83,73,31,218**	**87.98**

*rounded off to 2 decimal places.

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

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

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

No. of shares held in dematerialized and physical mode as on March 31, 2019

	Total Shares	% to Equity*
Shares in dematerialized form with NSDL	9,85,11,36,734	98.07
Shares in dematerialized form with CDSL	19,37,95,429	1.93
Physical	1,02,642	negligible
Total	**10,04,50,34,805**	**100**

* rounded off to 2 decimal places

The names and addresses of the depositories are as under:

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

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

(xv) Demat Suspense Account:

Details of shares in the suspense account as on March 31, 2019 is given in **Table 21**.

Table 21: Shares in suspense account

Description	No. of Cases	No. of Shares
Aggregate number of shareholders and outstanding shares in the suspense account at the beginning of the year	7	2,664
Number of shareholders who approached the Company for transfer of shares from the suspense account during the year	NIL	NIL
Number of shareholders to whom shares were transferred from the suspense account during the year	NIL	NIL
Number of Shareholders whose shares were transferred to IEPF account during the year	1	713
Aggregate number of shareholders and outstanding shares in the suspense account at the end of the year	6	1,951

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

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

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

(xvii) Location of NHPC Plants:

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

(xviii) Green Initiatives in Corporate Governance:

In line with the 'Green Initiative', the Company has effected electronic delivery of Notice of AGM and Annual Report to those Members whose e-mail IDs were registered with the respective Depository Participants viz. National Securities Depository Limited/Central Depository Services (India) Limited. The provisions of Companies Act, 2013 and underlying rules as well as Regulation 36 of SEBI LODR, permit the dissemination of financial statements and annual report in electronic mode to the Members.

(xix) Address for Correspondence:

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

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

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

As per Circular of the Securities and Exchange Board of India dated January 22, 2007, exclusive e-mail address for redressal of Investor Complaints is companysecretary@nhpc.nic.in

For and on behalf of the Board of Directors

(Balraj Joshi)
Chairman and Managing Director
DIN: 07449990

Date: August 2, 2019
Place: Faridabad

Annexure- A

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

1. **The Board:** The Company is headed by an Executive Chairman.
2. **Shareholders' Rights:** A half-yearly declaration of financial performance, including a summary of significant events during the last six months is not sent individually to every shareholder. However, periodic financial results are made available on the Company's website www.nhpcindia.com and are published in the leading newspapers as mentioned under the heading 'means of communication' in this Report. The shareholders of the Company are also apprised about the performance of the Company through e-mail on quarterly basis.
3. **Modified opinion(s) in audit report:** It is always Company's endeavor to present unqualified financial statements.
4. **Separate posts of Chairman and CEO:** The post of Chairperson and Managing Director in the Company is held by a single person, appointed by President of India through Ministry of Power (MOP).
5. **Reporting of Internal Auditor:** Shri Dipankar Chakraborty, CGM (Finance) is the Internal Auditor of the Company. As per organization structure of the Company, Shri Dipankar Chakraborty is reporting to Director (Finance) of the Company.

Annexure- B

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

To,
The Board of Directors,
NHPC Limited,
Faridabad

a. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2019 and that to the best of our knowledge and belief :

 i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

 ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period ended 31st March, 2019 which are fraudulent, illegal or violative of the Company's Code of Conduct.

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

d. We have indicated to the Auditors and the Audit Committee:

 i. significant changes in internal control over financial reporting during the year ended 31st March, 2019;

 ii. significant changes in accounting policies during the year ended 31st March, 2019 and that the same have been disclosed in the notes to the financial statements; and

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

Sd/-
(M.K.Mittal)
Director (Finance)
DIN: 02889021

Sd/-
(Balraj Joshi)
Chairman and Managing Director
DIN: 07449990

Place: New Delhi
Date: May 27, 2019

Annexure- II

CERTIFICATE ON CORPORATE GOVERNANCE

The Members,
NHPC Limited,

We have examined the compliance of conditions of Corporate Governance by **NHPC Limited** for the year ended 31st March, 2019, as prescribed in Regulations 17 to 27, 46 (2) (b) to (i) and para C and D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called as "SEBI (LODR) Regulations, 2015") and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE), Government of India.

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

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

1. *Regulation 17 (1) (b) of SEBI (LoDR) Regulations, 2015 and as per Clause 3.1.4 of DPE Guidelines, the Company did not had requisite number of Independent Directors on the Board for the period 05.07.2018 to 17.07.2018 and 05.11.2018 to 31.03.2019.*

2. *Regulation 17 (10) of SEBI (LoDR) Regulations, 2015, the Company has not carried out the performance evaluation of the directors.*

3. *Regulation 25 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors shall in their meeting:*

   (a) review the performance of non-independent directors and the board of directors as a whole;

   (b) review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors.

4. *Regulation 19 (4) read with Schedule II Part D (A) of SEBI (LoDR) Regulations, 2015, the Nomination and Remuneration Committee shall:*

   (a) formulate the criteria for determining qualifications, positive attributes and independence of a director.

5. *Regulation 29 (2) of SEBI (LoDR) Regulations, 2015, the prior intimation for the meeting of Board of Directors held on March 15, 2019 to consider the proposal of raising the funds shall be sent at least two working days in advance, excluding the date of the intimation and date of the meeting, to stock exchanges. The same was sent to Stock Exchanges on March 13, 2019.*

We further report that the National Stock Exchange of India Limited and BSE Limited have levied monetary fines for non-compliance with Regulation 17 (1) and 29 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 against which the Company has submitted waiver requests.

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

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

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

Date: July 15, 2019
Place: New Delhi

Shri Niraj Verma, Principal Secretary (Power), Govt of Assam and Shri Balraj Joshi, CMD, NHPC signing Memorandum of Agreement for implementation of 2000 MW Subansiri Lower Hydroelectric Project on 23.08.2019 at Guwahati, Assam. Shri Janardan Choudhary, Director (Technical), NHPC, Ms. Syeda Hasina Murshid Rahman, Secretary (Power), Govt of Assam, Shri A.K Mishra, Managing Director (NHDC), Shri Arvind Bhat, Executive Director (Subansiri Lower Project) and other senior officers from NHPC and State government were also present on the occasion.

Annexure- III

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

India is one of the fastest developing economies in the world. Electricity is considered to be one of the most critical components for the infrastructure development of any country affecting economic growth and well-being of the people at large. Power Sector comprises generation, transmission and distribution utilities and is key enabler for India's economic growth. The total installed capacity of all the power stations of India as on March 31, 2019 was 3,56,100.19 MW with the contribution of 2,26,279.34 MW, 45,399.22 MW, 77,641.63 MW and 6,780 MW from Thermal, Hydro, Renewable Energy Sources and Nuclear power respectively[1]. The total electricity generation from conventional sources in the Country during the financial year 2018-19 was 1,244.80 billion units as compared to 1,201.54 billion units during the previous financial year, registering a growth of 3.6%[1].

2. HYDROPOWER POTENTIAL IN INDIA

Our country is endowed with an enormous hydro power potential and ranks amongst the top countries worldwide for possessing feasible hydro-power capacity, much of which remains unutilized. The re-assessment studies of hydro-electric potential of the Country were completed by the Central Electricity Authority in 1987. According to it, the hydro power potential in terms of installed capacity is estimated at 1,48,701 MW out of which 1,45,320 MW of the potential consists of hydro-electric schemes having installed capacity above 25 MW. Outlook of India's hydropower generation looks promising with expected increase in industrial production and Government of India's mission to provide 24x7 electricity to all. NHPC has a prominent role to play in tapping the hydro-power potential of the Country. NHPC has so far developed twenty hydro-electric projects across the Country.

3. MEASURES TAKEN BY GOVERNMENT OF INDIA TO PROMOTE HYDRO POWER SECTOR

During the financial year 2018-19, Government of India has taken following measures to promote Hydro Power Sector:

- Large Hydro-power Projects (LHPs, i.e. > 25 MW Projects) have been declared as renewable energy source. However, LHPs would not be automatically eligible for any differential treatment for statutory clearances such as forest clearance, environmental clearances, National Board for Wildlife (NBWL) clearance, etc. as available to Small Hydro-power Projects (i.e. < 25 MW Projects). Ministry of Power shall continue to be administrative ministry for LHPs.
- Hydropower Purchase Obligation (HPO) is notified as a separate entity within Non–solar Renewable Purchase Obligation (RPO). The HPO shall cover all LHPs commissioned after 08.03.2019 (i.e. date of issuance of Office Memorandum by Ministry of Power) as well as untied capacity (i.e. without PPA) of the commissioned projects.
- Flexibility to the developers to determine tariff by back loading of tariff after increasing project life to 40 years, increasing debt-repayment period to 18 years and introducing escalating tariff of 2% have been introduced to rationalize hydro power tariff.
- Budgetary Support shall be extended for Flood Moderation/Storage Hydro-Electric Projects (HEPs). Budgetary Support shall also be extended to Cost of Enabling Infrastructure i.e. roads/ bridges @ ₹ 1.5 crore/MW for project upto 200 MW and ₹ 1 crore/MW for project above 200 MW.

4. CERC REGULATIONS

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

- Cut-off date now to be considered as 36 months from the end of calendar month of Commercial Date of Operation (COD).
- Delay in obtaining statutory approval for the project (except where the delay is attributable to the project developer) included under 'Force Majeure' event.
- Variation in additional capitalization increased from 5% to 10% for levy of penal interest (i.e. 1.2 times bank rate for reimbursement of additional AFC to beneficiaries & 1 times the bank rate for recovery of AFC from beneficiaries).
- Land acquisition (except where the delay is attributable to the generating company) to be considered as 'un-controllable factor' for analysis of time & cost overrun.
- O&M expenses for older plants - the normative O&M expenses allowed for older power stations does not include the impact of wage revision, minimum wages & GST which will be allowed separately.

[1]Source: Central Electricity Authority

- Security expenses & cost of spares will be allowed separately after prudence check.
- The upper ceiling of secondary energy has been increased to 120 paise/unit from 90 paise/unit.
- The normative Auxiliary Energy Consumption (AEC) in respect of plants with installed capacity upto 200 MW has been slightly increased to 1.2% (surface power house with static excitation) & 1.3% (underground power house with static excitation).
- The procedure for recovery of generation shortfall has been simplified. Earlier formula based recovery mechanism has been withdrawn.

5. STRATEGIC DIVERSIFICATION

Your Company is one of the India's leading hydro power generating companies having more than fifteen percent of the total hydro installed capacity of the Country. NHPC is in process of diversifying its activities by taking projects of different sources of energy viz. wind, solar etc. NHPC has already commissioned a 50 MW solar power project in the State of Tamil Nadu and a 50 MW wind power project in the State of Rajasthan. Your Company is also in the process of developing 10 MW floating solar project in the State of Kerala and 100 MW solar park in the State of Odisha. In addition to above, your Company has also obtained category-I inter-state power trading license from CERC to tap the opportunities available in the business of power trading.

6. SWOT ANALYSIS

(i) STRENGTHS

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

  NHPC possesses rich experience and expertise in developing hydro-electric projects across the Country. NHPC has a competent and committed workforce having extensive experience in the industry with capabilities and expertise from conceptualization to operation of hydro-electric projects. Their skills, industry knowledge and experience provide significant competitive advantage to the Company.

- **Capabilities from concept to commissioning including in-house Design & Engineering**

  NHPC has a full-fledged design division dedicated to cater the design and engineering requirements of its projects/power stations. In-house design team of NHPC with extensive experience in hydro power sector, gives an edge over other hydro power companies in India. NHPC is equipped with latest geo-physical exploration techniques like tunnel seismic prediction, tomography and resistivity imaging which can provide sub-surface information in an effective and economic manner. NHPC has in-house full-fledged rock mechanics laboratory and remote sensing laboratory to carry out geo-technical characterization of rock samples and geological interpretation of inaccessible areas. In addition to above, a state-of-art centralized real time seismic data centre at its Corporate Office has been developed for online seismic monitoring of all its power stations. The Data Centre record provides quick assessment in the event of any earth quake within the vicinity of respective power stations.

- **Extensive experience in construction and operation**

  NHPC has extensive experience and expertise in the development of hydro-electric projects in complex geological regions, using in-house state-of-art technology to overcome number of geo-technical challenges. It has successfully completed construction of some of the hydro-electric projects located in remote hilly areas with various challenges like inaccessibility, poor logistics, adverse climate and technological hindrances. NHPC has proven experience in effectively operating power stations particularly in silt prone Himalayan region. At present, NHPC is successfully operating 20 hydro power stations of different installed capacities, ranging from 44 MW to 690 MW. There has been continual improvement in all performance parameters. After successful operation for 35 years, two NHPC power stations (Bairasiul (180 MW) & Loktak (105 MW)) have completed their useful commercial life. As per regulatory provisions, NHPC is undertaking Renovation & Modernization for Life Extension of these two power stations.

- **Strong financial position**

  NHPC has paid-up share capital of ₹ 10,045.03 crore with an investment base of over ₹ 59,609 crore. Domestic credit rating agencies have assigned credit rating of 'AAA' with stable outlook to NHPC for its listed bonds. Moody's international rating for NHPC is Baa2 stable. Standard & Poor's international rating for NHPC is BBB(-) with stable outlook, equivalent to sovereign rating of India. The strong financial position of the Company makes it competent enough to execute capital intensive large hydro-electric projects.

- **Strong operating performance**

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

(ii) OPPORTUNITIES

- **Untapped hydro potential**

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

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

  The strength shown by NHPC over the years in its ability to complete the projects, where most of the other Companies have been generally failing, is a sign of hope for the hydro sector.

- **Renewable Energy**

  Government of India has set a target to install 175 GW of renewable energy capacity by the year 2022, comprising of 100 GW from Solar, 60 GW from Wind, 10 GW from bio-power and 5 GW from small hydro-power[2]. Several measures in the solar power sector such as solar park policy, grid-connected rooftop solar plants in conjunction with sharp decline in solar costs has made the investment in solar power business highly attractive. NHPC is making its efforts to explore new opportunities for the generation of power through renewable energy projects. Government of India has recently declared Large Hydro-power Projects (LHPs, i.e. > 25 MW Projects) as renewable energy source.

- **Grid Balancing Requirement**

  Government of India's present initiative for the development of extensive renewable energy particularly large scale development of solar power, hydro power would be required for grid balancing/stability. In the present scenario, NHPC has opportunities for the development/ exploitation of untapped hydro power potential of the Country.

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

(iii) THREATS / CHALLENGES / CONCERNS

- **Time and cost overruns**

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

- **Time consuming clearance process**

  A hydro-electric project requires various statutory as well as non-statutory clearances from various agencies before it is implemented. The obtaining of requisite clearances has been a complex, tedious and time-consuming process, which sometimes leads to abnormal delay in the project implementation. Many of the projects get bogged down with the lengthy clearance procedures involving multiple organizations, states etc.

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

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

- **High initial cost/ tariff**

  The development of hydro-electric projects involve long gestation period and require large initial investment, which results into high initial tariff. Cash flow and results of operations of hydro-electric projects are also subject to variations as per tariff regulations notified by CERC from time to time.

- **Law & Order**

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

- **Opposition to hydro-electric projects**

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

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

  Water is a state subject under the constitution of India. Several state governments have their own hydro policies which favours for payment of upfront premium, free power over & above the requisite free power etc. for allocation of hydro-electric projects to the developers. CPSEs are facing difficulties in getting these hydro-electric projects as they have to follow the norms of Government of India.

- **Dependence on few contractors**

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

7. RISKS AND CONCERNS

Your Company has a well-defined risk management policy to provide overall framework for the risk management in the Company. A total of 54 key risks have been identified along-with their mitigation measures and recorded in the risk register. Risk co-ordinators for each of the risks are identified, who are responsible for timely action to manage the risks, which may have detrimental effect on the business of the Company. A Board level Risk Management Committee comprising Independent and Functional Directors has been constituted to assist the Board in management of key risks, as well as aligning the strategic objectives within the organization's operations to achieve the intended outcomes. Risk Management Committee further ensures that appropriate systems are in place to manage the identified risks, so that organization's assets are suitably protected. Risk Management Committee discusses various risks along-with its mitigation measures with projects/power stations from time to time.

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

8. OUTLOOK

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

NHPC has its standalone installed capacity of 5,551 MW and is looking for expansion of its activities through diversification. It has already commissioned one project each of wind and solar energy.

9. SEGMENT-WISE OR PRODUCT WISE PERFORMANCE

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

10. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an in-house internal audit department headed by a senior officer. In compliance to Section 138 of the Companies Act, 2013, the Board has appointed Shri Dipankar Chakraborty, CGM (Finance) as Chief Internal Auditor of the Company. The department has qualified and experienced workforce to carry out audit periodically as well as special audits.

A summary of audit observations and action taken reports are being submitted to Audit Committee and recommendations of it are duly complied with. In compliance to Section 134 of the Companies Act, 2013, M/s Gandhi Minocha & Co., was appointed to provide independent assurance on implementation of Internal Financial Control in the Company during the financial year 2018-19. The firm in its report acknowledged the effectiveness of prevailing internal control system in the Company.

11. FINANCIAL DISCUSSION AND ANALYSIS

(i) RESULTS OF OPERATIONS

A detailed analysis of the Audited Financial Results of the Company for the Fiscal 2019 vis-à-vis Fiscal 2018 is as under: -

Income

Table 1 (₹ in crore)

	Fiscal 2019	Fiscal 2018
Units of electricity generated (in million units)	24,410	22,973
Income		
(i) Sales of Energy	7,138.24	6,177.90
(ii) Income from Finance Lease	208.28	213.57
(iii) Income from Operating Lease	748.61	477.17
(iv) Revenue from Contracts, Project Management and Consultancy Works	23.85	63.25
(v) Revenue from Power - Trading	12.96	0.00
(vi) Other Operating Income	29.24	6.33
Revenue from operations [sum of (i) to (vi)]	**8,161.18**	**6,938.22**
Add: Other Income	924.78	1,420.55
Total Income	**9,085.96**	**8,358.77**

Total income in Fiscal 2019 increased by 8.70% to ₹ 9,085.96 crore from ₹ 8,358.77 crore in Fiscal 2018, primarily due to increase in generation in Fiscal 2019, increase in sales pertaining to previous years in Fiscal 2019, increase in Operating Lease Income partially offset by decrease in Dividend Income from Subsidiaries, decrease in Late Payment Surcharge, decrease in interest on investment/FDRs and decrease in Revenue from Project Management and Consultancy works.

Tariff

The rate of electricity are determined Power Station wise by the Central Electricity Regulatory Commission (CERC). The CERC vide its notification no. L-1/144/2013/CERC dated February 21, 2014 has issued Tariff Regulations for the tariff period 2014-19 and subsequent amendments from time to time.

Tariff is determined by reference to Annual Fixed Charges (AFC) in pursuance to notified regulations for the tariff period 2014-19, which comprises Return on Equity (ROE), Depreciation, Interest on Loan, Interest on Working Capital and Operation & Maintenance Expenses. ROE is grossed-up with reference to effective income tax rate, so as to recover income tax incidence. Total Annual Fixed Charges is divided into two parts viz 50% as Capacity Charges and 50% as Energy Charges.

Recovery of capacity charges is dependent on the actual availability of machines for generating power. Capacity is determined with reference to the Normative Annual Plant Availability Factor (NAPAF) which has been prescribed for each power station based on the nature of the power station. Energy charges are recovered based on actual generation as against the design energy. Design energy of each power station is fixed by CEA as per water availability.

Incentives are received on achieving plant availability factor greater than NAPAF as well as for generation of energy in excess of the design energy of the plant

Sale of Energy

Electricity is sold to bulk customers comprising, mainly of electricity utilities owned by State Governments/ Private Distribution Companies pursuant to long-term Power Purchase Agreements. CERC Tariff notification for the period 2014-19 has been notified vide notification no. L-1/144/2013/CERC dated February 21, 2014. Pending approval of tariff for the period 2014-19 by CERC, sales in respect of some of the Power Stations have been recognized provisionally as per tariff notified by CERC for the period 2009-14 and taking into account provision towards truing up of capital cost of the Power Stations in line with CERC tariff regulations, 2014.

The said regulations inter-alia provides that, for the purpose of filing of tariff petitions, the Return on Equity (ROE), a component of tariff, is to be grossed-up using effective tax rate of the respective Financial Year. For the purpose of recognizing Sales, ROE has been grossed up using effective tax rate for FY 2018-19.

The sales also include charges for deviation in generation with respect to schedule (payable or receivable) at rates linked to frequency prescribed in the CERC regulation to bring grid discipline, re-imbursement on account of Foreign Exchange Rate Variation (FERV) and reimbursement on account of Water Cess in respect of power stations situated in state of Jammu & Kashmir.

In Fiscal 2019, 24,410 MUs of electricity (excluding infirm power of 20 MUs generated by Kishanganga HE Project and 42 MUs generated by Parbati-II HE Project during FY 2018-19) was generated from installed capacity of 5551MW (including 330MW of Kishanganga HE Project) as against 22,973 MUs from installed capacity of 5,221MW in Fiscal 2018. Accordingly, there was an increase of 6.26% in the number of units generated. The average selling price (after adjustment of components of earlier year sales and free power to home state) was ₹ 3.58 per unit for 21,481 million units sold in Fiscal 2019 as against ₹ 3.52 per unit for 20,206 million units sold in Fiscal 2018.

Sale of energy increased by 15.54% to ₹ 7,138.24 crore in Fiscal 2019 from ₹ 6,177.90 crore in Fiscal 2018 primarily due to higher generation in Power Stations. Company's Plant Availability Factor (PAF) in Fiscal 2019 was 84.97% as compared to 85.32% in Fiscal 2018.

Adjusted Sales of Energy

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

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

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

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

Table 2: (₹ in crore)

	Fiscal 2019	Fiscal 2018
Net Sales (including lease income)	**8,095.13**	**6,868.64**
Less: Earlier year sales	411.47	(249.05)
Adjusted Sales of Energy	**7,683.66**	**7,117.69**

Revenue from Contracts, Project Management and Consultancy Works

The revenue under this head includes revenue from assignments pertaining to Construction Contracts, Project Management & Consultancy Contracts. These assignments primarily include consultancy assignments in respect of Chenab Valley Power Projects, Mangdechu Project of Royal Govt. of Bhutan, Loktak Downstream Hydroelectric Corporation Limited and Teesta Urja Limited. The income from contracts, project management and consultancy works decreased by 62.29% from ₹ 63.25 crore in Fiscal 2018 to ₹ 23.85 crore in Fiscal 2019 due to decreased activities in Fiscal 2019.

Revenue from Power - Trading

The revenue under this head includes revenue from Power Trading activity which has been commenced in Fiscal 2019. In current fiscal, Revenue from Power-Trading is ₹ 12.96 crore.

Other Operating Income

Other operating income in Fiscal 2019 was ₹ 29.24 crore i.e. an increase of 361.93% as against ₹ 6.33 crore in Fiscal 2018. Components of Other operating income are placed hereunder:

Table 3: (₹ in crore)

Other operating income	Fiscal 2019	Fiscal 2018
Income From Sale of Self-Generated VERs/REC	14.23	0.00
Income on account of generation based incentive (GBI)	3.21	4.19
Interest from beneficiary states	11.80	2.14
Total	**29.24**	**6.33**

Other Income

Other income in Fiscal 2019 was ₹ 924.78 crore i.e. a decrease of 34.90% as against ₹ 1420.55 crore in Fiscal 2018. Major components of Other Income are placed and discussed hereunder:

Table 4: (₹ in crore)

Other Income	Fiscal 2019	Fiscal 2018
Interest on Loan to Govt. of Arunachal Pradesh	51.19	46.97
Interest on Term Deposits/ Investments	99.43	165.95
Dividend (mainly from NHDC-a Subsidiary Co.)	282.47	632.12
Late Payment Surcharge	303.15	390.36
Realisation from Insurance Company towards loss due to Business Interruption	48.77	59.41
Liability/Provisions not required written back	30.77	19.31
Other miscellaneous income	109.00	106.43
Total	**924.78**	**1420.55**

Interest on Term Deposit/Investments has decreased to ₹ 99.43 crore during Fiscal 2019 as against ₹ 165.95 crore during Fiscal 2018 due to reduction in surplus cash invested during the year.

During Fiscal 2019, ₹ 282.47 crore was earned as Dividend from investments, mainly from subsidiary company (NHDC Ltd.), as against ₹ 632.12 crore during Fiscal 2018.

Expenditure

Table 5: (₹ in crore)

Expenditure	Fiscal 2019	Fiscal 2018
Purchase of Power - Trading	12.68	0.00
Generation Expenses	796.85	716.39
Employee Benefits Expense	1,704.65	1,535.89
Finance Costs	894.88	922.32
Depreciation & Amortization Expense	1,589.99	1,395.51
Other Expenses	1,165.53	972.36
Total Expenditure	**6,164.58**	**5,542.47**

Total expenditure increased by 11.22% to ₹ 6,164.58 crore in Fiscal 2019 from ₹ 5,542.47 crore in Fiscal 2018 mainly due to increase in Purchase of Power- Trading by ₹ 12.68 crore, increase in Generation Expenses by ₹ 80.46 crore, increase in Employee Benefits Expense by ₹ 168.76 crore, increase in Depreciation & Amortization Expense by ₹ 194.48 crore, increase in Other Expenses by ₹ 193.17 crore partially offset by decrease in Finance Cost by ₹ 27.44 crore. Our total expenditure as a percentage of total income was 67.85% in Fiscal 2019 as compared to 66.31% in Fiscal 2018.

Purchase of Power - Trading

Purchase of Power-Trading consist expenses on Purchase of power for Trading. These expenses represent approximately 0.21% of the total expenditure in Fiscal 2019.

Generation Expenses

Generation expenses consist Water Cess and Consumption of stores and spare parts. These expenses represent approximately 12.93% of the total expenditure in Fiscal 2019. In absolute terms, these expenses were ₹ 796.85 crore in Fiscal 2019 as against ₹ 716.39 crore in Fiscal 2018. The increase of ₹ 80.46 crore in generation expenses is primarily on account of increased water cess due to more power generation at some of the J&K based Power Stations.

Employee Benefits Expense

Employee benefits expense include Salaries and Wages, Allowances, Incentives, Contribution to Provident Fund, contribution to Employees Defined Contribution Superannuation Scheme, Impact of wage revision and expenses related to other employee welfare funds. These expenses account for 27.65% of our total expenditure in Fiscal 2019 as against 27.71% in Fiscal 2018. In absolute terms, the employee costs has increased by ₹ 168.76 crore in Fiscal 2019 mainly due to regularization of pay scales of below Board level executives with effect from 1st January, 1997 during the year and capitalization of Kishanganga Power Station during Fiscal 2019 partially offset by effect of retirement of employees.

There were 6,753 employees on the payroll as of March 31, 2019 compared to 7,351 employees as of March 31, 2018. Out of this, 3,852 and 4,265 employees were engaged in Operation & Maintenance areas of our business during Fiscal 2019 & 2018 respectively. Employee Benefit expenses increased by 10.99% to ₹ 1,704.65 crore in Fiscal 2019 from ₹ 1,535.89 crore in Fiscal 2018.

As a percentage of total income, employees' benefits expenses increased to 18.76% in Fiscal 2019 from 18.37 % in Fiscal 2018.

Finance Costs

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

Finance Cost decreased by 2.98% to ₹ 894.88 crore in Fiscal 2019 from ₹ 922.32 crore in Fiscal 2018. The decrease in Finance Cost is mainly due to savings in interest cost on account of replacement of term loans with bonds and due to repayment of loan partially offset by commissioning of Kishanganga Power Station during Fiscal 2019.

Depreciation & Amortization expenses

As per accounting policy of the Company, Depreciation is charged to the extent of 90% of the Cost of Assets following the rates and methodology notified by CERC vide notification dated 21.02.2014 on straight line method, except for some items on which depreciation is charged to the extent of 95% of the costs of the assets and at the rates derived as per Companies Act, 2013.

Depreciation cost increased by 13.94% to ₹ 1,589.99 crore in Fiscal 2019 from ₹ 1,395.51 crore in Fiscal 2018. The increase in Depreciation Expenses is primarily due to commissioning of Kishanganga Power Station during Fiscal 2019 and additional capitalization at power stations partially offset by decrease in respect of Dhauliganga Power Station on completion of 12 years of life of power station in FY 2017-18.

As a percentage of total income, depreciation increased to 17.50% in Fiscal 2019 from 16.70% in Fiscal 2018.

Other Expenses

Other expenses consist primarily of Repair & Maintenance of Buildings, Plant & Machinery, Security Expenses, Insurance Expenses, Electricity Charges, CSR, Other Administrative Overheads and Provisions etc. These expenses represent approximately 18.91% of the total expenditure in Fiscal 2019 as against 17.54% in Fiscal 2018. In absolute terms, these expenses increased approximately by 19.87% to ₹ 1,165.53 crore in Fiscal 2019 from ₹ 972.36 crore in Fiscal 2018. The increase of ₹ 193.17 crore in other expenses is primarily due to increase in Losses out of insurance claims, Security Expenses, Interest to beneficiary states, Electricity Expenses, Provision made against Survey & Investigation expense on Dhauliganga Intermediate Project and commissioning of Kishanganga Power Station during Fiscal 2019 partially offset by decrease in Insurance Expenses etc. which are lower in Fiscal 2019.

In terms of expenses per unit of saleable energy, it has increased to ₹ 0.56 in Fiscal 2019 as against ₹ 0.50 in Fiscal 2018.

Movements in Regulatory Deferral Account Balances (Regulatory Income)

In line with the Guidance Note on "Accounting for Rate Regulated Activities" issued by the Institute of Chartered Accountants of India(ICAI) as well as keeping in view the provision of Ind AS 114 – Regulatory Deferral Accounts, 'Regulatory Assets' has been created and corresponding 'Regulatory Income' has been recognized for ₹ 823.40 crore against the borrowing cost and administrative and other cost incurred on Subansiri Lower project during the current financial year for ₹ 94.53 crore, Provision created against wage revision due w.e.f. January 01, 2017 for ₹ 203.85 crore, Depreciation due to moderation of Tariff in respect of Kishanganga Power Station for ₹ 171.98 crore, Exchange Differences against monetary Items for ₹ (-)0.57 crore, Deferred Tax Recoverable for tariff period up to 2009 for ₹ (-)137.30 crore and Deferred Tax Adjustment against Deferred Tax Liabilities for tariff period 2014-19 for ₹ 490.91 crore which have been charged to the Statement of Profit & Loss as per the relevant Accounting Standard. Rate regulated income is recognised in the books of accounts for Fiscal 2019 on account of below mentioned five factors:

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

Work at Subansiri Lower Project interrupted since December 16, 2011 is yet to resume. Impact on Income & Expenditure heads, due to non-capitalization of borrowing cost and administrative and other expense incurred/income earned in respect of this Project for FY 2018-19 is as under:

Table 6: (₹ in crore)

S. No.	Particulars	FY 2018-19	FY 2017-18
i)	Other Income	21.24	25.82
A	**Total Income**	**21.24**	**25.82**
i)	Employee Benefits Expenses	20.68	84.81
ii)	Finance Cost	76.78	331.39
iii)	Depreciation & Amortisation Expenses	1.77	6.85
iv)	Other Expenses	16.54	77.59
B	**Total Expenses**	**115.77**	**500.64**
C	**Net (A-B)**	**(94.53)**	**(474.82)**

(ii) Creation of Regulatory Deferral Account balances in respect of expenditure recognised due to recommendations of 3rd PRC for Pay Revision of CPSUs

Rate Regulated Income has also been created in respect of the items of expenditure arising due to pay revision w.e.f. January 01, 2017 in respect of Power Stations to the extent allowable as per Ind AS 114 read with Guidance Note of ICAI on Rate Regulated Activities and CERC Tariff Regulations 2014-19.

Accordingly the company has created regulatory income for ₹ 203.85 crores towards expenses pertaining to wage revision as tabulated below:-

Table 7: (₹ in crore)

S. No.	Particulars	FY 2018-19	FY 2017-18
i)	Towards Expenses booked through Statement of Profit & Loss	203.85	242.90
	Total	**203.85**	**242.90**

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

The Company has carried out moderation of depreciation as a component of tariff of Kishanganga Power Station to make the tariff saleable which has been allowed by the CERC. This entitles the Company to recover the lower depreciation considered in tariff during the first ten years of operation over the balance useful life of the Power Station. Accordingly, the right to recover the difference between the depreciation charged in the books as per CERC Tariff Regulations, 2014-19 and that recoverable through tariff amounting to ₹ 171.98 Crore during the period ended 31.03.2019 has been recognised as regulatory income.

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

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

Accordingly the company has created regulatory assets for ₹ (-) 0.57 crores recoverable from beneficiaries in future periods.

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

As per CERC Tariff Regulations, deferred tax arising out of generating income for the tariff period 2004-09 is recoverable from beneficiaries in the year the same materializes as current tax. For the tariff 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 has been 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.

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

Table 8: (₹ in crore)

Particulars	Amount for the period ended 31.03.2019
Opening balance as on 01.04.2018	1792.03
Used/collected during the year	(137.30)
Total	**1654.73**

In respect of deferred tax adjustment against deferred tax liabilities (pertaining to tariff period 2014-19)

Table 9: (₹ in crore)

Particulars	Amount for the period ended 31.03.2019
Opening balance as on 01.04.2018	276.72
Addition during the year	490.91
Total	**767.63**

Profit before Tax (including Rate Regulated Income)

Due to the reasons outlined above, our profit before tax increased by 30.09% to ₹ 3,744.78 crore in Fiscal 2019 from ₹ 2,878.63 crore in Fiscal 2018.

Tax Expenses

In Fiscal 2019, we provided ₹ 1,114.23 crore for tax expenses as compared to ₹ 109.60 crore in Fiscal 2018. The increase in tax expenses in Fiscal 2019 is on account of increase in deferred tax by ₹ 982.62 crore and increase in current year taxes by ₹ 61.47 crore which is partially offset by decrease in earlier year tax adjustments by ₹ 39.46 crore.

Other Comprehensive Income (OCI)

Other Comprehensive Income (OCI) which comprises Re-measurements of defined benefit plan and Fair value gain/loss in Equity & Debt Instruments in Fiscal 2019 was ₹ (-)12.41 crore i.e. a decrease of 311.05% as against ₹ 5.88 crore in Fiscal 2018.

Total Comprehensive Income (TCI)

Total Comprehensive Income (TCI) i.e. total profit inclusive of OCI in Fiscal 2019 was ₹ 2,618.14 crore i.e. a decrease of 5.65% as against ₹ 2,774.91 crore in Fiscal 2018.

(ii) LIQUIDITY AND CAPITAL RESOURCES

Both internal and external sources of liquidity are utilized for Working Capital requirement and funding of capital expenditure requirements. Generally long term borrowings are raised through term loans from banks/ financial institutions or issue of bonds either in Indian Rupees or foreign currencies. Cash and cash equivalents were ₹ 30.72 crore and ₹ 6.96 crore as of March 31, 2019 and 2018 respectively, out of which ₹ 18.18 crore and ₹ 0.22 crore as of March 31, 2019 and 2018 respectively were held for the works being executed by Company on behalf of other agencies, which were not freely available for the business of the Company. While ₹ 0.50 crore as of March 31, 2019 (₹ NIL crore as of March 31, 2018) was also not freely available for the business of the Company which was held for NHPC Emergency relief fund created in pursuance of order of Hon'ble High Court of Sikkim.

Cash Flows

Table 10: (₹ in crore)

	Fiscal 2019	Fiscal 2018
Net cash inflow/ (outflow) from operating activities	3,161.83	3,721.02
Net cash inflow/ (outflow) from investing activities	(881.06)	(763.19)
Net cash inflow/ (outflow) from financing activities	(2,257.01)	(3,010.76)

Net Cash from operating activities

In Fiscal 2019, the net cash from operating activities was ₹ 3,161.83 crore and Profit before Tax and Regulated Income but after exceptional items was

₹ 2,921.38 crore. Net cash from operating activities has been arrived at after adjusting non-cash items mainly depreciation of ₹ 1,589.99 crore, interest expenses of ₹ 894.88 crore, ₹ 107.10 crore towards provisions, ₹ 45.47 crore on account of tariff adjustment, ₹ 92.34 crore towards sales adjustment on a/c of FERV, ₹ 60.72 crore for deferred revenue on account of advance against depreciation, ₹ 30.77 crore on account of provisions/liabilities not required written back, ₹ 282.47 crore on account of dividend income, ₹ 165.61 crore towards interest earned on Deposits/Investments and other non-operating items. Changes in Operating Assets & Liabilities had impact of cash outflow by ₹ 1245.12 crore, which was due to the net effect of change in Inventories, Trade Receivables, Other Financial Assets, Loans & Advances, Other payables, Financial Liabilities and Provisions.

The net cash from operating activities was ₹ 3,721.02 crore in Fiscal 2018. We had net Profit before Tax and Regulated Income but after exceptional items of ₹ 2,816.30 crore in Fiscal 2018. Our net cash from operating activities had been arrived at after adjusting non-cash items mainly depreciation of ₹ 1,395.51 crore, interest expenses of ₹ 922.32 crore, ₹ 69.78 crore towards provisions, ₹ 58.37 crore on account of tariff adjustment, ₹ 66.36 crore towards sales adjustment on a/c of FERV, ₹ 60.68 crore for deferred revenue on account of advance against depreciation, ₹ 85.57 crore on account of provisions/liabilities not required written back, ₹ 632.12 crore on account of dividend income, ₹ 252.73 crore towards interest earned on Deposits/ Investments and other non-operating items. Changes in Operating Assets & Liabilities had impact of cash inflow by ₹ 92.75 crore, which was due to the net effect of change in Inventories, Trade Receivables, Other Financial Assets, Loans & Advances, Other payables, Financial Liabilities and Provisions.

Net Cash from Investing Activities

Our net cash used in investing activities was ₹ 881.06 crore in Fiscal 2019. This mainly reflected expenditure on Fixed Assets i.e. Property, Plant & Equipment, Other Intangible Assets & Expenditure on construction projects of ₹ 1,207.67 crore and ₹ 100.00 crore towards Investment in Joint Venture partly offset by interest income on Deposits/Investments by ₹ 144.14 crore and an amount of ₹ 282.47 crore towards dividend income.

Our net cash used in investing activities was ₹ 763.19 crore in Fiscal 2018. This mainly reflected expenditure on Fixed Assets i.e. Property, Plant & Equipment, Other Intangible Assets & Expenditure on construction projects of ₹ 1,530.44 crore and ₹ 125.36 crore towards Investment in Joint Venture partly offset by interest income on Deposits/Investments by ₹ 260.49 crore and an amount of ₹ 632.12 crore towards dividend income.

Net Cash from Financing Activities

In Fiscal 2019, our net cash outflow on financing activities was ₹ 2,257.01 crore. We raised ₹ 2,578.00 crore from fresh domestic term loans & bonds and ₹ 12.50 crore Government grant was received. Borrowings to the tune of ₹ 1,877.16 crore were repaid. Our cash outflow on account of buyback of equity shares was to the tune of ₹ 606.20 crore. The amount related to interest servicing was ₹ 1,215.12 crore. In Fiscal 2019, Total dividend (including dividend tax) amounting to ₹ 1,149.03 crore were paid.

In Fiscal 2018, our net cash outflow on financing activities was ₹ 3,010.76 crore. We raised ₹ 4,354.99 crore from fresh domestic term loans & bonds and ₹ 12.50 crore Government grant was received. Borrowings to the tune of ₹ 4,855.88 crore were repaid. The amount related to interest servicing was ₹ 1,143.87 crore. In Fiscal 2018, Total dividend (including dividend tax) amounting to ₹ 1,378.50 crore were paid.

(iii) BALANCE SHEET ITEMS

Balance Sheet Highlights

Assets

Table 11: (₹ in crore)

Particulars	As of March 31,	
	2019	**2018**
Non-Current Assets		
Net Fixed Assets	38,749.95	38,831.94
Non-Current Investments	2,361.66	2,209.56
Trade Receivables	61.51	184.45
Long Term Loans	746.41	701.74
Other Financial Assets	3,467.16	1,571.42
Non-Current Tax Assets (Net)	131.95	163.67
Other Non-Current Assets	2,021.35	1,797.64
Total Non-Current Assets	**47,539.99**	**45,460.42**
Current Assets		
Inventories	117.14	95.77
Trade Receivables	2,623.09	1,097.07
Cash & Bank Balances	390.63	1,472.39
Short Term Loans	45.18	47.97
Other Financial Assets	1,984.26	1,383.36
Current Tax Assets (Net)	61.22	0.40
Other Current Assets	355.25	341.01
Total Current Assets	**5,576.77**	**4,437.97**
Regulatory Deferral Account Debit Balances	6,492.61	5,669.21
Total Assets and Regulatory Deferral Account Debit Balances	**59,609.37**	**55,567.60**

Equity and Liabilities

Table 12: (₹ in crore)

	As of March 31,	
	2019	**2018**
Equity (Net Worth)		
Equity Share Capital	10,045.03	10,259.32
Other Equity	19,169.70	18,092.50
Non-Current Liabilities		
Long Term Borrowings	17,044.63	16,728.20
Other Financial Liabilities	2,058.64	38.47
Long Term Provisions	26.82	25.47
Deferred Tax Liabilities (Net)	3,610.63	3,145.39
Other non-current Liabilities	1,824.98	1,625.00
Current Liabilities		
Short Term Borrowings	406.00	279.99
Trade Payables	180.18	181.86
Other Financial Liabilities	2846.92	2,768.50
Other Current Liabilities	1066.47	669.86
Short Term Provisions	1329.37	1,753.04
Total equity and Liabilities	**59,609.37**	**55,567.60**

Financial Condition

Net Fixed Assets

Our fixed assets consist of Land, Dams, Tunnels, Buildings, including Power House Buildings, Construction Equipment, Plant & Machinery, Office Equipment, Computers and Intangible Assets etc. Our Fixed Assets after Depreciation, defined as net Fixed Assets, were ₹ 38,749.95 crore and ₹ 38,831.94 crore as of March 31, 2019 and March 31, 2018 respectively.

Investments

Investments are intended for long term and carried at cost which consist of Equity investments in Subsidiaries/ Joint Venture Companies, Govt. Securities & Bonds. Our total investment was ₹ 2,361.66 crore and ₹ 2,209.56 crore as of March 31, 2019 and March 31, 2018 respectively.

The increase in Investment is the net effect of increase in investment in one of our Joint Venture Company partially offset by decrease in fair value of investment in equity instruments.

Loans (Current & Non-Current)

Loans include loans to our employees and loan including interest to Govt. of Arunachal Pradesh. Loans as of March 31, 2019 and of March 31, 2018 were ₹ 791.59 crore and ₹ 749.71 crore respectively i.e. there is an increase of 5.59 % over figures of previous Fiscal mainly due to increase in loan including interest to Govt. of Arunachal Pradesh partially offset by decrease in employee loans.

Other Financial Assets (Current & Non-Current)

The other financial assets as at March 31, 2019 stood at ₹ 5,451.42 crore against ₹ 2,954.78 crore for the previous fiscal. i.e. there is an increase of 84.49% over figures of previous Fiscal. Other Financial Assets include Amount recoverable on account of Bonds fully serviced by Govt. of India, Lease rent receivable, Interest income accrued on Bank Deposits, claim recoverable from different agencies, Share Application Money given to Joint Venture Company, Receivable from Subsidiaries/ JVs and Receivable on account of unbilled revenue etc.

The increase of 84.49% in Fiscal 2019 as compared to the figures in Fiscal 2018 is mainly due to amount recoverable on account of Bonds fully serviced by Govt. of India, increase in receivable on account of unbilled revenue partially offset by decrease in Lease rent receivable, Interest income accrued on Bank Deposits, receivable from Subsidiaries/JVs, Share application money given to Joint Venture Company.

Tax Assets (Current & Non-Current)

Tax assets as of March 31, 2019 and 2018 were ₹ 193.17 crore and ₹ 164.07 crore respectively i.e. there is an increase of 17.74% over figures of previous Fiscal. Tax Assets include Advance Income Tax & Tax Deducted at Source.

Other Non-Current Assets

Other non-current assets mainly comprise deferred foreign currency fluctuation assets, capital advances and advance to contractor against arbitration awards. Our other non-current assets as of March 31, 2019 and 2018 were ₹ 2,021.35 crore and ₹ 1,797.64 crore respectively. The increase of 12.44% in Fiscal 2019 as compared to the figures in Fiscal 2018 is mainly due to increase in advance to contractor against arbitration awards partially offset by decrease in capital advances.

Inventories

Inventories are valued at cost or Net Realisable Value whichever is lower. Our inventories were valued at ₹ 117.14 crore and ₹ 95.77 crore as of March 31, 2019 and 2018 respectively.

Trade Receivables (Current & Non-Current)

These consist primarily of receivables against the sale of electricity and debtors for surcharge excluding unbilled revenue. The Trade receivables (net of provision for doubtful debts) as of March 31, 2019 and 2018 were ₹ 2,684.60 crore and ₹ 1,281.52 crore respectively. Increase of 109.49% in trade receivables in Fiscal 2019 as compared to Fiscal 2018 is due to less realisation of outstanding dues.

Cash and Bank Balances

Cash and Bank balances as of the Balance Sheet date consist of cash surplus in our current account and Short Term deposits and the unspent advances received from Government entities in respect of costs associated with the Pradhan Mantri Grameen Sadak Yojna Scheme in connection with the development of rural roads and the Rajiv Gandhi Grameen Vidyutikaran Yojana scheme relating to the establishment of Rural Electrification Infrastructure.

Cash and Cash equivalents as of March 31, 2019 and 2018, respectively, were ₹ 30.72 crore and ₹ 6.96 crore. The increase of ₹ 23.76 crore during Fiscal 2019 is net result of cash outflow on investing & financing activities by ₹ 881.06 crore & ₹ 2,257.01 crore respectively offset by cash inflow of ₹ 3,161.83 crore on account of operating activities.

Bank balances other than Cash and Cash equivalents as of March 31, 2019 and 2018, respectively, were ₹ 359.91 crore and ₹ 1,465.43 crore.

Our cash and bank balances included ₹ 272 crore (Previous Year ₹ 250.71 crore) held for Rural Road and Rural Electrification works being executed by Company on behalf of other agencies and also included unpaid dividend & interest of ₹ 106.09 crore (Previous Year ₹ 104.94 Crore) which were not freely available for the business of the Company.

Other Current Assets

Other Current Assets mainly comprises Deposit and Advances other than Capital Advances, Prepaid Expenditure and Deferred Foreign Currency Fluctuation Assets. Our other Current Assets, as of March 31, 2019 and 2018 respectively were ₹ 355.25 crore and ₹ 341.01 crore, an increase of 4.18% in Fiscal 2019 as compared to the figures in Fiscal 2018.

Regulatory Deferral Account Debit Balances

In line with the Guidance Note on "Accounting for Rate Regulated Activities" issued by the Institute of Chartered Accountants of India as well as keeping in view the provisions of Ind-AS 114-Regulatory Deferral Accounts, 'Regulatory Assets' has been created and corresponding 'Regulatory Income' has been recognized for ₹ 94.53 crore against the borrowing cost and administrative and other cost incurred on Subansiri Lower Project during Fiscal 2019 which have been charged to the Statement of Profit & Loss as per the relevant Accounting Standard.

Regulatory Deferral Account balances has also been created for ₹ 203.85 crore in respect of expenditure recognised due to recommendations of 3rd PRC for Pay Revision of CPSUs during the Fiscal 2019 which have been booked through Statement of Profit & Loss as per the relevant Accounting Standard.

Regulatory Deferral Account balances has also been created for ₹ 171.98 crore in respect of Kishanganga Power Station for differential depreciation due to Moderation of Tariff during the Fiscal 2019 which have been charged to the Statement of Profit & Loss as per the relevant Accounting Standard.

Regulatory Deferral Account balances has also been created for ₹ (-) 0.57 crore in respect of exchange differences on Foreign Currency Monetary items during the Fiscal 2019 which have been charged to the Statement of Profit & Loss as per the relevant Accounting Standard.

Regulatory Deferral Account balances has also been reversed for ₹ (-) 137.30 crore in respect of Deferred Tax Recoverable for tariff period up to 2009 during the Fiscal 2019.

Regulatory Deferral Account balances has also been created for ₹ 490.91 crore in respect of Deferred Tax Adjustment against Deferred Tax Liabilities for tariff period 2014-19 during the Fiscal 2019.

Accordingly, 'Regulatory Deferral Account Debit balances' as on 31.03.2019 stand at ₹ 6,492.61 crore as against ₹ 5,669.21 crore as on 31.03.2018.

Net worth

The net worth of the Company at the end of Fiscal 2019 increased to ₹ 29,214.73 crore from ₹ 28,351.82 crore in the previous Fiscal registering an increase of 3.04% mainly due to decrease in Profit after tax and increase in retained earnings.

Long Term Borrowings

Long Term Borrowings comprised of Bonds, Secured Term Loans & Unsecured Loans including Foreign Currency Loans amounting to ₹ 11,635.59 crore, ₹ 1,040.34 crore and ₹ 4,368.70 crore in Fiscal 2019 as against ₹ 11,238.39 crore, ₹ 1,226.67 crore and ₹ 4,263.14 crore respectively in Fiscal 2018. The Secured loans include borrowings from domestic banks and financial institutions along with corporate bonds raised in the capital markets that are secured against assets of the company.

The increase in Long Term Borrowing to the extent of 1.89% over previous fiscal is mainly on account of issue of 'X' Series Bond partly offset by redemption of bonds and repayment of borrowings

Other Financial Liabilities (Current & Non-Current)

The other financial liabilities as at March 31, 2019 stood at ₹ 4,905.56 crore against ₹ 2,806.97 crore for the previous fiscal i.e. there is an increase of 74.76 % over figures of previous fiscal.

The increase in Other Financial Liabilities is the net effect of mainly in increase in amount payable towards Bonds fully serviced by Government of India and increase in current maturity amount of Bonds partially offset by decrease in current maturity amount of Term Loans and Liability against capital works/supplies.

Provisions (Current & Non-Current)

Provisions include provision for Performance Related Pay, Superannuation/Pension fund, Provision towards employee benefits (actuarial valuation), Provision for Wage Revision – 3rd Pay Revision Committee, Provision for Committed Capital Expenditure and Other Provisions etc. Total provisions stood at ₹ 1,356.19 crore as at March 31, 2019 as against ₹ 1,778.51 crore for previous fiscal i.e. there is a decrease of 23.75 % over figures of previous fiscal due to decrease in Provision for Wage Revision – 3rd Pay Revision Committee and Provision towards employee benefits (actuarial valuation).

Deferred Tax Liabilities

The Deferred Tax Liabilities as at March 31, 2019 stood at ₹ 3,610.63 crore against ₹ 3,145.39 crore for the previous fiscal.

Other Non-Current Liabilities

The Other Non-Current Liabilities as at March 31, 2019 stood at ₹ 1,824.98 crore against ₹ 1,625 crore for the previous fiscal. Other Non-Current Liabilities include Income received in advance (Advance against Depreciation) and Grants in aid-from Government.

Short Term Borrowings

The Short term borrowings as at March 31, 2019 stood at ₹ 406 crore against ₹ 279.99 crore for the previous fiscal. Short term borrowings consist of borrowings from Banks.

Trade Payables

The Trade payables as at March 31, 2019 stood at ₹ 180.18 crore against ₹ 181.86 crore for the previous fiscal i.e. there is a decrease of 0.92 % over figures of previous fiscal.

Other Current Liabilities

The other current liabilities as at March 31, 2019 stood at ₹ 1,066.47 crore against ₹ 669.86 crore for the previous fiscal i.e. there is an increase of 59.21 % over figures of previous fiscal.

(iv) OFF-BALANCE SHEET ITEMS

Contingent Liabilities

The following table sets forth the components of our contingent liabilities as of Fiscal 2019 and 2018.

Table 13: (₹ in crore)

Particulars	Fiscal 2019	Fiscal 2018
Claims against the Company not acknowledged as debts in respect of:		
Capital Works	10,494.10	9,370.30
Land Compensation Cases	186.49	38.68
Disputed Tax matters and Other Items	1,224.42	1,025.36
Total	**11,905.01**	**10,434.34**

Contingent liabilities increased by 14.09% from ₹ 10,434.34 crore as of March 31, 2018 to ₹ 11,905.01 crore as of March 31, 2019.

(v) BUSINESS AND FINANCIAL REVIEW OF SUBSIDIARIES/JOINT VENTURE COMPANIES

Highlights of the subsidiaries and joint venture companies of NHPC are as under:-

NHDC Limited

NHDC Ltd. was incorporated on 01.08.2000 as a Joint Venture of NHPC Ltd. (51.08%) and Government of Madhya Pradesh (48.92%) having authorised share capital of ₹ 3,000 crore. NHDC has commissioned Indira Sagar Power Project (1,000 MW) and Omkareshwar Power Project (520 MW). The Total Income of NHDC Ltd. for the financial year ended March 31, 2019 and 2018, respectively was ₹ 1,037.30 crore and ₹ 1,056.00 crore. The Profit After Tax of NHDC Ltd. for the financial year ended March 31, 2019 and 2018, respectively was ₹ 490.71 crore and ₹ 553.18 crore. At present paid up share capital of the company is ₹ 1,962.58 crore of which NHPC's contribution is ₹ 1,002.42 crore.

Loktak Downstream Hydroelectric Corporation Limited

Loktak Downstream Hydroelectric Corporation Limited was incorporated on 23.10.2009 as a Joint Venture of NHPC Ltd. (74%) and Government of Manipur (26%) having authorized share capital of ₹ 230 Crore. At present paid up share capital of the company is ₹ 117.69 crore of which NHPC's contribution is ₹ 87.09 crore. The Company is yet to start the operations.

Bundelkhand Saur Urja Limited

Bundelkhand Saur Urja Limited was incorporated on 02.02.2015, as a Joint Venture of NHPC Ltd. and Government of Uttar Pradesh, with NHPC's share not less than 74%. The authorized share capital of the company is ₹ 60.00 Crore. At present paid up share capital of the company is ₹ 4.00 Crore of which NHPC's contribution is ₹ 4.00 crore (99.99%). The Company is yet to start the operations.

Chenab Valley Power Projects Private Limited

Chenab Valley Power Projects Private Limited was incorporated on 13.06.2011 as a Joint Venture of NHPC Ltd. (49%), Jammu & Kashmir State Power Development Corporation (JKSPDC) (49%) & PTC India Ltd. (2%) having authorized share capital of ₹ 3,500 crore for execution of PakalDul, Kiru & Kawar H.E. Projects with installed capacity of 2164MW in Chenab River Basin. At present paid up share capital of the company is ₹ 1439.18 crore of which NHPC's contribution is ₹ 747.55 crore. The Company is yet to start the operations.

National High Power Test Laboratory Private Limited (NHPTLPL)

NHPTLPL was incorporated on 22.05.2009 as a Joint Venture Company of NHPC Ltd., NTPC Ltd., Power Grid Corporation of India Limited (Power Grid) and Damodar Valley Corporation (DVC) each having 25% of equity participation. During the Fiscal 2018, Central Power Research Institute also entered into the Joint Venture thereby revising the equity participation to 20% of each Joint Venture partner. The Company has been incorporated to set up an Online High Power Test Laboratory for short-circuit test facility in the Country having Authorised Share Capital of ₹ 153 Crore. As on March 31, 2019 paid up share capital of the company is ₹ 152.00 crore of which NHPC's contribution is ₹ 30.40 crore. The company had started commercial operation during Fiscal 2018.

Consolidated Financial Statements of NHPC Ltd, its Subsidiaries and Joint Venture Companies

The Consolidated Financial Statements have been prepared in accordance with Ind-AS 110-'Consolidated Financial Statements' and Ind-AS 28-'Investment in Associates & Joint Ventures' which are included in this Annual Report.

A brief summary of the results on a consolidated basis is given below:

Table 14: (₹ in crore)

Particulars	Fiscal 2019	Fiscal 2018
Total Income (excluding Exceptional Items)	9,846.81	8,785.66
Profit before Tax	4,159.41	3,039.59
Profit after Tax (after adjustment of Non-Controlling Interest)	2,595.61	2,513.90

Key Financial Ratios

Table 15: (₹ in crore)

S. No.	Ratios	Fiscal 2019	Fiscal 2018	Variance %
1.	Debtors Turnover Ratio	2.61	2.93	(-) 10.92%
2.	Inventory Turnover Ratio	Not Applicable	Not Applicable	-
3.	Interest Coverage Ratio	7.68	8.59	(-) 10.59%
4.	Current Ratio	0.96	0.79	21.51%
5.	Debt Equity Ratio	0.71	0.65	9.23%
6.	Operating Profit Margin	40.51%	39.35%	2.94%
7.	Net Profit Margin	28.95%	33.13%	(-) 12.61%

Return on Net worth

Return on Net worth of the company at the end of Fiscal 2019 decreased to 9.00% from 9.77% in the previous Fiscal 2018 registering a decrease of 7.88% mainly due to decrease in Profit after tax and increase in retained earnings.

12. MATERIAL DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS FRONT

Your Company has a highly talented team of committed professionals and has been able to induct, develop and retain the best talent. Job rotation and inter-location transfer through-out the organization facilitate planned development of careers and broaden the outlook of employees. The industrial relations in the Company remained harmonious, peaceful and cordial during the year. Employees' participation has been ensured through information sharing with employees, seeking their support, suggestions and co-operation. The Company continues to align its HR strategies with organizational strategies.

(i) TRAINING OF EMPLOYEES

Your company organizes various developmental programmes for its employees to improve their behavioural, managerial skills and core competencies. The progammes organized by the Company are either in-house or through premier management & engineering institutions. These programmes enable the employees to keep abreast with the latest developments in the areas of their operations. In addition to above, NHPC also sponsors its executives on regular basis to acquire higher qualification and specialization to enhance their productivity and effectiveness.

(ii) EMPLOYEE STRENGTH

The employee strength of the Company as on March 31, 2019 was 6753 (3533 executives, 162 supervisors & 3058 workmen).

(iii) WELFARE MEASURES FOR WOMEN EMPLOYEES

The number and percentage of women employees as on March 31, 2019 is given at **Table 16.**

Table 16: Particulars of women employees

Total no. of employees as on 31.03.2019	No. of women employees	% of overall employee strength
6753	711	10.53

Steps taken for the welfare of women employees:

- Women employees are regularly nominated to various programmes/seminars on women empowerment and other issues related to women.
- Crèche facility has been provided for the infants of the employees posted at Corporate Office.
- Internal Complaints Committee has been constituted to examine the grievances/complaints relating to sexual harassment reported by women employees at various locations of the Company.
- Child care leave with pay up to 730 days is being provided to women employees for taking care of two children up to the age of 18 years (no age limit in respect of child with minimum disability of 40%) for rearing or to look after any of their needs like examination, sickness etc.
- Maternity leave is being provided as per service rules.
- Women employees have option to declare parents/parents-in-law as their dependents under medical rules.
- Relaxations are given to women employees in attendance timings at Corporate Office.
- Representation of women employees on selection board/committee constituted for promotion/ recruitment of employees.
- WIPS (Women in Public Sector Forum) Cell has been constituted in Corporate Office.

(iv) WELFARE MEASURES AND RESERVATION FOR SCHEDULED CASTE (SC), SCHEDULED TRIBE (ST) AND OTHER BACKWARD CLASSES (OBC)

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

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

Representation of SC/ST/OBC employees is given at **Table 17.**

Table 17: Particulars of SC/ST/OBC employees

Total no. of employees as on 31.03.2019	Representation					
	SC	% age	ST	% age	OBC	% age
6753	964	14.28	421	6.23	922	13.65

(v) WELFARE MEASURES FOR DIFFERENTLY ABLED EMPLOYEES:

Representation of differently abled employees is given at **Table 18**.

Table 18: Particulars of differently abled employees

Total no. of employees as on 31.03.2019	Differently abled employees			% of differently abled employees	
	VI	HI	OH	Total	%age
6753	11	4	107	122	1.81

VI=Visual Impaired, HI=Hearing Impaired, OH=Orthopedic Handicap

Steps taken for the welfare of differently abled employees:

The reservation and relaxation has been provided to differently abled candidates/employees in direct recruitment and promotions as per guidelines issued by DoPT/Ministry of Social Justice & Empowerment from time to time. In addition to above, following welfare schemes have also been extended to differently abled employees:-

- Differently abled employees, as well as employees who are care giver to dependent child are exempted from the rotational transfer. These employees are given option about their preference in place of posting at the time of transfer/promotion.
- Financial assistance is provided to employees (who get physically handicapped while in service) for vocational training.
- Reimbursement of expenses for purchase of hearing aid is given to hearing impaired employees/their dependents.

- Reimbursement of the cost of artificial limbs and interest free loan for it is being given to employees/ their dependents.
- Restriction of age is not applicable in respect of physically/mentally retarded children for considering them as dependents.
- Lifetime medical facility to the mentally or physically dependent children having 40% or more of one or more disabilities in respect of retired/deceased employees is being provided under NHPC retired Employees' Health Scheme.

13. ENVIRONMENTAL PROTECTION AND CONSERVATION, TECHNOLOGICAL ABSORPTION, RENEWABLE ENERGY DEVELOPMENTS & FOREIGN EXCHANGE CONSERVATION

(i) Environment Protection and Conservation:

Your Company has "Corporate Environment Policy" (CEP) which aims to address the environmental and social concerns for the sustainable development of conventional & non-conventional sources of energy. Major highlights of CEP are to integrate environmental considerations into planning, execution and operation of projects, to undertake the post–construction impact assessment studies and to undertake unique voluntary initiatives beyond statutory obligations.

NHPC also makes efforts to create conditions so that economic growth and environmental preservation become compatible in the long run. Environmental Impact Assessment (EIA) for NHPC projects is undertaken during investigation stage to identify probable impacts on environment. Based on the findings of EIA studies, Environmental Management Plans (EMPs) are proposed and implemented to compensate the adverse impacts of the project by taking necessary measures like, compensatory afforestation, catchment area treatment, bio-diversity conservation, green belt development, fishery management, rejuvenation of dumping and quarry sites including resettlement & rehabilitation, etc.

Environment and Diversity Management Division has been established at the Corporate Office to monitor and facilitate implementation aspects of environmental safeguard measures at all the projects.

Compliance under Corporate Environmental Policy:

Environment Management Cells have been constituted at all projects / power stations of your Company, for effective implementation of EMPs and Voluntary Initiatives. Various voluntary initiatives have been taken up at many NHPC Projects / Power Stations for Waste Management, Water Conservation and Energy Conservation. Six monthly progress reports for various Projects / Power Stations for period ended March, 2018 and September, 2018 were submitted to MoEF&CC and its concerned regional offices. These reports were also uploaded on the website of the Company.

The Company also conducts post-construction Environment and Social Impact Assessment Studies (E&SIA) to evaluate the effectiveness of the management plans implemented during the course of construction of the project.

(ii) Renewable Energy Developments:

Your Company is diversifying its activities to explore renewable energy projects such as solar and wind power projects. The details of renewable energy projects are given in the Directors' Report.

(iii) Foreign Exchange Conservation:

In accordance to "Make in India" policy of Government of India, your Company is making efforts to encourage the participation of local firms in the bidding process. The participation of local firms helps in conservation of foreign exchange and growth of Indian industry at large. The provision for certain benefits to MSE's participation has been incorporated in bid conditions.

(iv) Technology Absorption:

Information regarding technology absorption has been included in the annexure to the Directors' Report.

14. CORPORATE SOCIAL RESPONSIBILITY

Information regarding Corporate Social Responsibility has been included in the Directors' Report.

15. CAUTIONARY STATEMENT

The views and forward-looking statements contained in this report are based on reasonable assumptions and subject to certain risks and uncertainties that could cause actual results to differ from those reflected in such statements.

Readers are requested to review and confirm with other information in this report and in the Company's periodic reports. The Company undertakes no obligation to publicly update or revise any of these forward-looking statements whether as a result of new information, future events or otherwise. The financial figures shown above are based on the audited results of the Company.

For and on behalf of the Board of Directors

(Balraj Joshi)
Chairman and Managing Director
DIN: 07449990

Date: August 2, 2019
Place: Faridabad

Annexure- IV

DISCLOSURE REQUIRED UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

A. CONSERVATION OF ENERGY

(i) Steps taken or impact on conservation of energy

Energy audit of eighteen power stations had been carried out in the past to assess the efficiency of electrical equipment's like generators, transformers etc. and to recommend the energy saving measures. Out of 18 power stations audited, recommendations were successfully implemented in 13 power stations. During the year 2018-19, energy audit of Tanakpur and Rangit Power Station was conducted.

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

Company has installed 1494.7 KWp roof-top/ground mounted solar power panels at its various locations. Out of above, solar panels of 634.7 KWp capacity were installed during the financial year 2018-19. Further, 1000 KWp solar power plant has been installed on the rooftop of buildings at NHPC Residential Complex, Faridabad in June, 2019.

(iii) Capital investment on energy conservation equipments

₹ 418.98 lakhs.

B. TECHNOLOGY ABSORPTION

(i) Efforts made towards technology absorption

- Remote Sensing Based Sedimentation studies are carried out by utilizing space technology for Teesta-IV H.E. Project through National Remote Sensing Centre (NRSC), Hyderabad. The study is being conducted to generate the spatial layers on geological parameters, land use, soil and topography using multi-temporal satellite data to assess the sediment load in catchment area. The study is scheduled to be completed in January, 2021.
- Study for evaluation of abrasion resistance of repair mortars is carried out for repair of eroded hydraulic structure components like spillway piers, face slab of CFRD and tunnel linings etc.
- Studies for understanding flow characteristics and cavitations profiles are carried out for minimum damage to spillway profiles. Hydraulic studies related to cavitation in high head spillway by computational fluid dynamics (CFD) software FLOW3D for Subansiri Lower HE Project is under progress with Central Water and Power Research Station (CWPRS), Pune.
- Aerial survey for Head Race Tunnel area is carried out by using latest drone technology equipment.
- Power Patch leak repair system has been adopted for providing fast and effective "in-field" leak repair without any generation loss for repair of Minor Oil leakage in GSU Transformers of Chamera-II Power Station.
- Supply, installation, testing and commissioning of online cavitation monitoring system for Teesta-V Power Station has been awarded to M/s GE. This measurement can help in monitoring cavitation and other flow instabilities without any down time of generating units that are potentially detrimental to machinery and operations.
- Study for monitoring hydro abrasive erosion, suspended sediment and efficiency reduction is carried out for optimal operation of hydro power plant.
- Studies to assess the actual benefit of HVAF coating over HVOF coating for protection from silt erosion and cavitation of underwater parts is carried out.
- All six units of Salal Power Station (6 X 115 MW), Jammu & Kashmir have been fitted with new modified runners. As a result during coming monsoon/high inflow season full capacity shall be available for generation. SCADA system has also been installed & commissioned at Salal Power Station during the year 2018-19.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution

Installation of new modified runners at all units of Salal Power Station, Jammu & Kashmir shall restore the original installed capacity of units (115 MW)/ power station (690 MW) and will increase the turbine efficiency. Installation of SCADA is helpful in efficient operation of Power Stations.

As other efforts made towards technology absorption are in initial stages, benefits are expected to be derived after completion of studies and actual implementation.

(iii) Particulars of technology imported during the current year and last three years

NIL

(iv) Expenditure incurred on Research and Development

Expenditure incurred on Research and Development during the financial year 2018-19 was ₹ 2.33 crore.

C. Foreign exchange earnings and Outgo

(₹ in Crore)

S. No.	Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
a)*	Value of imports calculated on CIF basis:		
	Capital Goods	-	-
b)*	Expenditure in Foreign Currency:		
	i) Interest	21.37	22.55
	ii) Other Misc. Matters	83.49	60.85
c)*	Value of spare parts and Components consumed in operating units:		
	i) Imported	-	-
	ii) Indigenous	21.54	24.59
d)*	Earnings in foreign currency:		
	i) Others	-	-

* Accrual basis

For and on behalf of the Board of Directors

(Balraj Joshi)
Chairman and Managing Director
DIN: 07449990

Date: August 2, 2019
Place: Faridabad

Annexure- V

BUSINESS RESPONSIBILITY REPORT

Section A: General information about the Company

1. **Corporate Identity Number (CIN) of the Company**

   L40101HR1975GOI032564

2. **Name of the Company**

   NHPC Limited

3. **Registered address**

   NHPC Office Complex, Sector-33, Faridabad, Haryana-121003 (India)

4. **Website**

   www.nhpcindia.com

5. **E-mail id**

   brr@nhpc.nic.in

6. **Financial Year reported**

   2018-19

7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**

*Group	Class	Sub-Class	Description
351	3510	35101	Electric power generation by hydro-electric power plants.
*As per classification under National Industrial Classification, Central Statistical Organization, Ministry of Statistics and Programme Implementation, Government of India, New Delhi			

8. **List three key products/services that the Company manufactures/ provides (as in balance sheet).**

   (i) Energy (Hydro Power, Wind Power & Solar Power)

   (ii) Consulting Services

9. **Total number of locations where business activity is undertaken by the Company**

   9.1. **Number of International Locations (Provide details of major 5)**

   NHPC has business presence in Bhutan where it is providing consultancy services for Engineering and Design of Mangdechhu HE Project (720 MW) to Mangdechhu Hydroelectric Project Authority (MHPA) on nomination basis. The Detailed Project Report (DPR) of Chamkharchhu – 1 HE Project (770 MW) in Bhutan has been accepted by CEA on 29.12.2014 after signing of Implementation Agreement between RGoB & GoI in 22.04.2014. The project is proposed to be executed in a Joint Venture mode between NHPC and DGPC (Govt. of Bhutan PSU) with equal share holding. Discussions are underway for JV formation.

   9.2. **Number of National Location**

   We have 22 power stations and 2 construction projects in 9 states across the country.

State	Location/ District	
	Under Operation	Under Construction
J&K	Baramulla (2), Kathua, Kargil, Leh, Reasi, Kishtwar, Bandipora	-
Himachal Pradesh	Chamba (4) and Kullu	Kullu
Uttarakhand	Champawat, Pithoragarh	-
West Bengal	Darjeeling (2)	-
Arunachal Pradesh	-	Lower Subansiri / Dhemaji (Assam)
Sikkim	East Sikkim, South Sikkim	-
Manipur	Bishnupur	-
Rajasthan	Jaisalmer	-
Tamilnadu	Dindigul	-

10. **Markets served by the Company – Local/State/ National/International**

    Electricity is sold to various national beneficiaries/ Discoms in the following States/UT.

Jammu & Kashmir	Rajasthan	Sikkim
Himachal Pradesh	Uttar Pradesh	Manipur
Punjab	Bihar	Mizoram
Chandigarh	Orissa	Tripura
Uttarakhand	West Bengal	Nagaland
Haryana	Assam	Jharkhand
Delhi	Arunachal Pradesh	Tamilnadu
Madhya Pradesh	Chhattisgarh	

    In addition to above, 14 MW Electricity is given to Nepal from Tanakpur Power Station under Mahakali Treaty of MEA.

Section B: Financial details of the Company

1. **Paid up Capital (INR)**

   INR 10045.03 Crores (as on 31.03.2019)

2. **Total Turnover (INR)**

   INR 8161.18 Crores (during FY 2018-19)

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

   INR 2630.55 Crores (during FY 2018-19)

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

   During FY 2018-19, an expenditure of ₹ 17.58 Crores has been incurred by NHPC on CSR activities, which is 0.59% of average net profit (as per section 198 of Companies Act, 2013) of last 3 financial years.

5. **List of activities in which expenditure in 4 above has been incurred.**
   - Education & Skill Development
   - Healthcare & Sanitation (incl. Swachh Bharat Abhiyan activities)
   - Rural Development
   - Environment
   - Women Empowerment & Senior Citizen
   - Capacity Building, Sports, Art & Culture and other initiatives.

Section C: Other Details

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

   Yes. NHPC Limited has four Subsidiary Companies as on 31.03.2019, namely:

   i. NHDC Limited

   ii. Loktak Downstream Hydroelectric Corporation Limited

   iii. Bundelkhand Saur Urja Limited

   iv. Chenab Valley Power Projects Private Limited

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**

   No. The subsidiary companies do not participate in any of the BR initiatives of the parent company.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

   None of the entities that the company does business with participate in its BR initiatives.

Section D: BR Information

1. **Details of Director/Directors responsible for BR**

   1.1. Details of the Director/Directors responsible for implementation of the BR policy/policies
   - DIN Number: 02889021
   - Name: Mr. Mahesh Kumar Mittal
   - Designation: Director (Finance)

   1.2. Details of the BR head
   - DIN Number: Not Applicable
   - Name: Mr. A. K. Mishra
   - Designation: ED (Planning)
   - Telephone Number: (0129) 2271425
   - Email Id: arunkmishra@nhpc.nic.in

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

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	N	Y	Y	Y	Y	Y
3	Does the policy confirm to any national/international standards? If yes, specify?(The policies are based on the NVG guidelines in addition to conformance to the spirit of international standards like ISO 9001, ISO 14001 and OHSAS 18001)	Y	Y	Y	Y	Y	Y	N	Y	N
4	Has the policy being approved by the Board? If yes, has it been signed by the MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?*	Y	Y	Y	Y	N	Y	Y	Y	Y
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	N	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	N	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	N	Y	Y	Y	Y	Y	Y	Y

* CSR & Sustainable Development Policy is available at: http://www.nhpcindia.com/writereaddata/images/pdf/CSR_Policy_E_CMA_201811_1.pdf. Resettlement & Rehabilitation policy is available at: www.nhpcindia.com/r-and-r-initiative.htm. Fraud Policy is available at: www.nhpcindia.com/writereaddata/images/pdf/NHPCFraudPrevention-Detectionpolicy-may16.pdf.

Whistle Blower Policy is available at: www.nhpcindia.com/writereaddata/images/pdf/wbp.pdf. Policy for Business Banning dealings is available at: www.nhpcindia.com/writereaddata/images/pdf/Guidelines-BanningofBusinessDealings-Revised.pdf. Corporate Governance compliance is available at: www.nhpcindia.com/corporate-governance.htm; Integrity pact available at http://www.nhpcindia.com/writereaddata/images/pdf/ip_ip_program.pdf. Integrated Management System Certificate are available at www.nhpcindia.com/writereaddata/images/pdf/9001-2015.pdf; www.nhpcindia.com/writereaddata/images/pdf/14001-2015.pdf; www.nhpcindia.com/writereaddata/images/pdf/18001-2007.pdf. Code of Business Conduct and Ethics and NHPC Conduct, Discipline and Appeal Rules are available over the company intranet.

2A. If answer to S. No. 1 against any principle, is 'No', please explain why:

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	Not Applicable								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to Business Responsibility

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.

  The BR performance of the Company is assessed annually at the end of Financial Year.

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

  This Business Responsibility Report is a part of Annual Report 2018-19. The Annual Report can be accessed at http://www.nhpcindia.com/NHPC-annual-reports.htm.

Section E: Principle-wise performance

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?

The company considers Corporate Governance norms as an integral part of good management. The Company has a Code of Business Conduct and Ethics which is applicable to its Board Members and senior management personnel. In addition, the company has a Fraud Policy to prevent fraud or suspected fraud. Whistle Blower policy has also been adopted. Further, the company has implemented an Integrity Pact for all the procurement works of the value of ₹1 Crores and more, procurement of services of the value of ₹ 15 lacs and more and for procurement of goods of the value of ₹ 7 Lacs and more. In addition, NHPC also has policy and procedure in place for banning business dealings with bidders (i.e. Group / Joint Venture / Suppliers / Contractors) in the event of an unethical behaviour.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

We have received some stakeholder complaints during 2018-19 with regard to violation of the Corporate Governance norms and Code of Business Conduct and Ethics.

The numbers of shareholders' complaints available are as follows:

Description	Opening balance as on April 1, 2018	Received during the year 2018-19	Resolved during the year 2018-19	Pending as on March 31, 2019
Non-receipt of refund orders	0	0	0	0
Non-receipt of dividend warrants	0	2330	2330	0
SEBI Complaints	0	9	9	0
Stock exchange complaints	0	6	6	0
Consumer forum/ Court cases	2	0	0	2
Advocate Notices	0	0	0	0
Total	**2**	**2345**	**2345**	**2**

During the financial year 2018-19, the company has received one complaint under Whistle Blower Policy and the same has been closed as per procedure provided under Whistle Blower Policy.

The company have observed 8 (eight) cases of misrepresentation categorised under guidelines for Banning Business dealing with bidders in respect of Contractor/ Supplier during F.Y. 2018-19, details of which are as under.

i) M/s Agro Auto Grind Engineers (P) Ltd. has been banned for three years w.e.f. April 3, 2018 for business dealings across NHPC Limited.

ii) M/s Cee Dee Vacuum Equipment Pvt. Ltd., Pune has been banned for three years w.e.f. April 19, 2018 for business dealings with NHPC Corporate Office.

iii) M/s LH Ajang Khonsai, L. Geimoi village, Churachandpur (Manipur) has been banned for two years w.e.f. July 27, 2018 for business dealings in NHPC Limited.

iv) M/s Elcome Technologies Pvt. Ltd., Gurgaon has been banned for three years w.e.f. December 05, 2018 for business dealings with NHPC Corporate Office.

v) M/s Geo Max Positioning Systems Pvt. Limited, Noida has been banned for three years w.e.f. December 05, 2018 for business dealings with NHPC Corporate Office.

vi) M/s Alam's Traders & Construction, Pilkhani, Saharanpur (UP) has banned for three years w.e.f. December 07, 2018 for business dealings with Chamera-III Power Station.

vii) M/s Tarini Hospitality Services, Shaktinath, Baruch (Gujarat) has been banned for one year w.e.f. December 28, 2018 for business dealings with Chamera-I Power Station.

viii) M/s Unimet Profiles Pvt. Ltd., New Delhi has been banned for three years w.e.f. December 17, 2018 for business dealings with Chutak Power Station.

The numbers of Bondholders' complaints available are as follows:

Description	Opening balance as on April 1, 2018	Received during the year 2018-19	Resolved during the year 2018-19	Pending as on March 31, 2019
Non-receipt of refund orders	0	0	0	0
Non-receipt of TDS Certificate	0	0	0	0
Non-receipt of Electronic Credit	0	0	0	0
Non-receipt of Interest Warrants	0	46	46	0
Non-receipt of Bonds/ Securities	0	7	7	0
Total	**0**	**53**	**53**	**0**

Principle 2

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   Hydro power generation.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional)**

   Hydroelectric projects generate electricity by non-consumptive use of water so there is no reduction of resources. Hydropower is a renewable source of energy.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

   The company emphasizes to establish good relationship with its vendors and include them in its growth story. The company follows International Competitive Bidding (ICB) system for selecting agencies for executing the construction of Hydro Power Projects. The techno-commercial bids are examined in line with ICB practices, CVC guidelines and various other vendor practices like safe working conditions, implementation of labour laws, environment policies etc. The company officials interact with all agency / agency's representatives on regular basis in a transparent manner.

   However, it is difficult to ascertain the percentage of inputs sourced from these suppliers as different kinds of materials are being used by the company.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   Hydropower generation only requires non consumptive use of water as input. However, various Contracts have been entered with locals around project for vehicle hiring, material handling, housekeeping, waste handling and horticulture etc. These Contracts have led entrepreneur development around project sites and have created indirect employment for local people. Also preferential provisions are in place for Micro and Small Enterprises, in bidding and award of procurement of services and goods with special preference for Micro and Small Enterprises owned by SC/ ST and Women Entrepreneurs.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)**

Hydroelectric power generation does not produce any waste. Electricity which is the product of hydroelectric power plants is produced by non-consumptive use of water. Further, sound & optimal design practices are being followed to build safe & sustainable structures for our projects.

Principle 3

1. **Please indicate the total number of employees.**

Total number of employees as on 31.03.2019 is 6753.

2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis.**

NHPC does not directly employ contract employees.

3. **Please indicate the Number of permanent women employees.**

Total number of permanent women employees as on 31.03.2019 is 711.

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

Total number of permanent employees with disabilities as on 31.03.2019 is 122.

5. **Do you have an employee association that is recognized by management**

No formal recognition has been extended to any association or union from the Corporate.

6. **What percentage of your permanent employees is members of this recognized employee association?**

Not Applicable

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Number of complaints relating to child labour, forced labour, involuntary labour in 2018-19 and pending, as of end 2018-19.	None received in this category and none pending.
Number of complaints relating to sexual harassment in 2018-19 and pending, as of end 2018-19.	None received in this category and none pending
Number of complaints relating to discriminatory employment in 2018-19 and pending, as of end 2018-19.	None received in this category and none pending.

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

23 employees have attended Safety training conducted at Corporate Office and 17 employees have been given skill up-gradation training in NHPC during the Year 2018-19.

Principle 4

1. **Has the company mapped its internal and external stakeholders? Yes/No**

Yes. We have mapped and identified internal and external stakeholders, including disadvantaged, vulnerable and marginalized stakeholders. Our stakeholders include- employees, customers, local communities, suppliers and contractors, investors and shareholders, government and regulators and peers and industry ecosystem.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

Our disadvantaged and vulnerable stakeholders include differently-abled employees, girl / women, SC/ST communities and rural / project displaced communities in and around our projects.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

- Differently-abled employees: Company endeavours to make NHPC a workplace which is conducive to differently abled employees and employees with special needs. It aims to make these employees self confident through an array of events, forums and trainings specifically crafted for their benefit.
- Girl / women and SC/ST communities: In the vicinity of project locations the company provides scholarship to SC/ST & girl students for education and facilitating literacy programmes in rural areas.

Principle 5

1. **Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?**

The company commits to conduct its business in a socially and ethically responsible manner by conforming to all the requirements of SA 8000 standard. Currently, the "NHPC Conduct, Discipline and Appeal Rules" is applicable to only our employees, though we expect our stakeholders to adhere and uphold the standards contained therein. The "NHPC Conduct, Discipline and Appeal Rules" are meant to protect the right or privilege of any employee to which he is entitled, by or under any law for the time being in force, or by the terms and conditions of service or any agreement subsisting between such employee and the company.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

The number of complaints as available with Employee Grievance Redressal Cell is as under:

Opening balance on April 1, 2018	Received During the Year 2018-19	Resolved During the Year 2018-19	Closing balance as on March 31, 2019
03	04	07	Nil

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

Opening balance on April 1, 2018	Received during the year 2018-19	Resolved during the year 2018-19	Closing balance as on March 31, 2019
09	113	116	06

Principle 6

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ others**

NHPC possesses Integrated Management System certificate, which covers quality, environment and occupational health & safety management system for its Corporate Office and projects/ power stations.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

Yes, the company is in the business of hydropower generation, which is clean power and reduces green house gases compared to other conventional mode of power generation. It also enhances energy security of the country where there is deficit of energy and shortage to meet peak demand.

Besides this NHPC is an Integrated Management System (IMS) certified company which addresses the requirements of International Standards ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environment Management System) and OHSAS 18001:2007 (Occupational Health and Safety Assessment Series). IMS certification truly reflects its international acceptability for the efforts put in for carrying out the development in an environmentally congenial manner. NHPC has also formulated its Corporate Environment Policy (CEP) which aims to address the environmental and social concerns for sustainable development of conventional & non-conventional sources of energy. Besides implementation of approved Environment Management Plans, various environmental conservation and protection measures are also taken up under Voluntary Initiatives such as Voluntary Afforestation, Waste Management, Water Conservation and Energy Conservation. Under CEP, Environment Management Cells have been constituted at Projects/ Power Stations, for effective implementation of Environment Management Plans and Voluntary Initiatives.

Few key areas of focus for NHPC in the field of Environmental Management are as under:

i. Catchment Area Treatment (CAT)

ii. Compensatory Afforestation/ Voluntary Afforestation

iii. Green Belt Development & Landscaping

iv. Reservoir Rim Treatment

v. Rejuvenation of Muck Dumping and Quarry sites

vi. Biodiversity Conservation

vii. Conservation and Management of Fishes

viii. Post Construction Impact Evaluation

The details of these key areas are available at www.nhpcindia.com/key-areas.htm

3. **Does the company identify and assess potential environmental risks? Y/N**

Yes, NHPC is committed to hydropower generation in a sustainable manner. Environmental Impact Assessment (EIA) is undertaken during Detailed Project Report (DPR) preparation stage to identify probable impacts (positive as well as negative) on environment. Based on the findings of the EIA, Environmental Management Plans (EMP) are proposed and implemented during project construction to minimize adverse impact.

4. **Does the company have any project related to Clean Development Mechanism? If Yes, whether any environmental compliance report is filed?**

Yes. Two hydroelectric projects namely Nimmo Bazgo and Chutak located in the State of J&K have been registered by CDM Executive Board of United Nations Framework Convention on Climate Change (UNFCCC) during March, 2009 under the methodology ACM0002; Consolidated methodology for grid connected electricity generation from renewable sources. As of now these projects are not connected with Northern grid as originally proposed and are supplying electricity locally in the region. As a result of this change, the projects will no longer conform to the applicability conditions of ACM0002 and thus will not generate any CER's under the existing registrations of the UNFCCC. However, the consultant has concluded that the project does not require change in methodology and the verification process can be initiated under existing registration. Accordingly, the 'Change Order' for revision of scope of work and payment clause has already been issued.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   Hydroelectric power generation is itself a renewable energy initiative. However, the company has taken up additional initiatives on wind and solar power. A 50 MW Wind Power Project & 50 MW Solar Power Project have been commissioned in Rajasthan & Tamilnadu respectively. Another, 8 MW Wind Power Project in Kerala is under tendering stage.

   NHPC is further in the process of development of Solar Power Projects in different potential rich states such as Kerala (10 MW Floating Solar), Odisha (100 MW: 40 MW in 1st phase), Uttar Pradesh (50 MW in Joint Venture Mode through BSUL: 32 MW in 1st phase). Discussions with State Authorities are underway with regard to PPA, connectivity and Land issues.

   Further, Roof Top Solar Plants are being installed at various locations of NHPC.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   During the course of power generation from hydro project, no solid waste, liquid effluent or gaseous emissions are generated. In addition, there is no contamination of water during the process of Hydro power generation. However, river water quality is being regularly analyzed to assess any change in quality of river water after power generation which is within the permissible limits given by CPCB/SPCB.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   No such notices from CPCB/ SPCB were pending as on the end of the FY 2018-19. However, 4 appeals in respect of Subansiri Lower Project, Teesta-IV, Dibang & Kotlibhel Projects are pending before NGT/High Court/ Supreme Court.

Principle 7

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.**

   NHPC is a member of Standing Conference of Public Enterprises (SCOPE). SCOPE has basic objective of promoting "better understanding among the public about the individual & collective contribution of public sector".

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   We strongly campaign the cause of Governance and Administration for advancement of public good.

Principle 8

1. **Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   Yes, NHPC through its structured CSR initiatives/projects in the areas of healthcare & sanitation, education, skill development, rural development, environmental sustainability and women empowerment etc. is continually striving for sustainable development of its neighboring communities and society at large particularly in the remote areas of States like J&K, Himachal Pradesh, Sikkim, Uttrakhand, Arunachal Pradesh, Assam and Manipur.

   These Programmes promote excellence in Healthcare, Education, Environmental Management, and Empowerment of marginalized and underprivileged sections / communities.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

   The company's CSR Projects are implemented mostly through in-house teams, besides few programs in association with Non-Government Organization (NGO)/ Government Institutions.

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

   Impact assessment is a long term phenomenon. In CSR policy of NHPC, it is mentioned that impact assessment studies by external agencies will be undertaken after completion of long term scheme/ projects and for other schemes wherever possible.

   Impact assessment of previous year's activities has been carried out by Parbati-II Project during

FY 2018-19 through J&K Industrial and Technical Consultancy Organisation Limited, Branch- Hamirpur

It is submitted that, major CSR activities have been carried out by Subansiri Lower Project. For evaluation of CSR initiatives an agreement (MOU) has been signed between Subansiri Lower Project and Omeo Kumar Das Institute of Social change and Development (OKDISCD), Guwahati, Assam on 26.04.2017 for evaluation/ impact assessment of all the CSR Projects of Subansiri Lower for 3 years w.e.f. F.Y. 2017-18.

4. **What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?**

Total contribution to community development Projects during FY 2018-19 were ₹ 17.58 crore. The details are as under-

Project	Amount (INR) for 2018-19
i. Education & Skill development	2.43 crore
ii. Health Care	8.80 crore
iii. Rural Development	5.01 crore
iv. Environment & Sustainability	0.55 crore
v. Women Empowerment/Senior Citizen	0.21 crore
vi. CSR Capacity Building, Sports, Art & Culture and Other Initiatives	0.58 crore
Total expenditure	**17.58 crore**

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

1. **Education & skill development**
   a) Skill Development and Vocational Training Programs confirming to NSQF (National Skill Qualification Framework).
   b) Construction of Vivekanand Kendra Vidyalaya at Kolaptukar, Dollungmukh (Arunachal Pradesh)
   c) Improvement/ up gradation of ITIs /Schools in different part of country.
   d) Construction & up-gradation of school buildings and labs and providing infrastructure in schools.
   e) Provided scholarship to students for higher education.
   f) Employment Oriented Training for livelihood enhancement of Persons with Disabilities (PwDs) through National Handicapped Finance and Development Corporation (NHFDC) in Government identified Aspirational districts.

2. **Healthcare**
   a) Deployment of Mobile Medical Units in Assam equipped with medical facilities, qualified doctors and medical attendants for providing basic health services in villages.
   b) Organizing a large number of medical camps, Cataract surgery camps and Vaccination Programmes in surrounding areas of Projects/Power Stations and distributed free medicines to economically weaker families/ individuals.
   c) Providing aids and assistive devices to differently abled persons.
   d) Providing assistance for Improvement of overall health conditions of the communities through up-gradation of Govt. Hospitals, Maternity Centres.
   e) Providing Ambulances, Multi-utility vehicles, Medical equipment and other infrastructure facilities to Govt. Hospitals.
   f) Safe Drinking Water facilities with bore well, filtration in public areas, community centres etc.
   g) Community drinking water facility with RO Plant.
   h) Basic Amenities/ Sanitation facilities in Market/ Public places.
   i) Construction/ Installation of toilets in schools/ Public places.
   j) Construction/ Installation of Water Supply Lines and Sanitation in villages.
   k) Water Supply System for Schools.
   l) Installation of Garbage bins, Adoption of Public places for carrying out development activities, Solid waste management of the locality, providing utility van for cleaning debris etc.

3. **Rural Development**
   a) Rural Development to augment basic infrastructure facilities like area electrification, Community Centre, water Supply Lines, Drains, Roads/ Paths, Irrigation canals etc.
   b) Construction activities of Foot Bridges, Cremation sheds, Rain shelters, Passenger Sheds etc.
   c) Training to the farmers for development of Agriculture/ Horticulture/ fisheries and other advanced methods of farming.
   d) Other infrastructure and community development as per local needs.

4. **Environment & Sustainability**
   a) Development of Bio-Diversity Park.
   b) Installation of Solar Street Lights. Providing LED Lights to conserve energy.
   c) Plantation under "Pollution abating Plants Abhiyan".
5. **Women Empowerment/ Senior Citizen**
   a) Various skill development programs for empowerment of women.
   b) Established Sanitary Napkins Unit for women empowerment & livelihood enhancement.
6. **Sports, Art & Culture / Other Initiatives**
   a) Impact assessment Evaluation studies/ Base Line Survey.
   b) Training to promote Rural Sports.
   c) Promotion of local Art & Culture.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Yes, NHPC has taken steps to ensure that our community development initiatives are successfully adopted by the community. Proper need assessment of the local requirements in and around Power Stations/ Projects is done by our experienced in-house team before carrying-out community development initiatives. Monitoring and mentoring is done at appropriate intervals during the implementation. Further, feedback on our initiatives is also collected from beneficiaries and media sources for further planning purpose.

Principle 9

1. **What percentage of customer complaints/ consumer cases are pending as on the end of financial year.**

   No customer complaints received during FY 2018-19. No cases from FY 2017-18 is pending.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

   Not Applicable.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year?**

   No such case has been filed by any stakeholder.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   NHPC is taking regular feedback from its beneficiaries which help us to serve our customers in a better and more effective way. NHPC is regularly receiving feedback from its beneficiaries and most of the feedbacks are either 'Very Good' or 'Excellent. NHPC is also connected with beneficiary States through Regional Power Committees (RPCs) which is a statutory body under Electricity Act 2003. This is a common forum for regular interaction of stakeholders and for resolving of outstanding dues. NHPC also conduct periodic Customer Meets for its beneficiaries for interaction and for resolving the outstanding issues, if any. NHPC held customer meet with northern region beneficiaries from 1st March to 3rd March 2019.

For and on behalf of the Board of Directors

(Balraj Joshi)
Chairman and Managing Director
DIN: 07449990

Date: August 2, 2019
Place: Faridabad

Annexure- VI

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

Introduction

Your Company has formulated a CSR & Sustainability Policy in line with Section 135 of the Companies Act, 2013, Schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules read with General Circulars issued on CSR by the Ministry of Corporate Affairs.

Highlights of the Policy

- An amount specified under sub-section (5) of Section 135 of the Companies Act, 2013, which is at present, at least two percent of the average net profit of the company made during three immediately preceding financial years, is kept as the annual budget for CSR & SD works during the year and approved by the Board of Directors.
- Preference to the Local area around NHPC's Projects has been given by allocating at least 80% of the Budget amount. However, other locations may also be chosen based on the needs and as per the direction of GOI on national schemes and campaign, wherein more than 20% amount of the CSR Budget may be spent, for the larger benefit of society / environment.
- The CSR initiatives includes programs on promoting education, vocational skills, health, sanitation, rural development, women empowerment, environmental up-gradation etc. in accordance with Schedule VII of the Companies Act, 2013. Expenditure on any other activity not in conformity with Schedule VII is not accounted towards CSR expenditure.
- Selection of CSR & Sustainability schemes ensure maximum benefits to reach the poor/ backward & needy sections of the society and contribute to improve the quality of environment.
- Your Company is open to joining hands with the other CPSEs in planning, implementing and monitoring of Mega-Projects for optimal use of resources, synergy of expertise and capabilities for maximizing socio-economic or environmental impact.

Programmes covered under CSR

The community development programs have been identified and formulated based on the specific needs and requirement of a particular location as Power Stations/Projects of your Company are located all over India under varying socio-economic conditions. To this effect, whole gamut of activities have been identified, which to a great extent have been initiated in and around the Power Stations/Projects. These activities have been illustrated below:

I Education and Skill Development :-

Your Company leads from the front when it comes to imparting education and skill development, especially to the poor and underprivileged sections of the society.

Your Company is providing support for improvement of infrastructure in schools, establishment of digital smart class rooms/ library/ computer labs etc. In addition, scholarships to a large number of students studying in Govt. schools within the vicinity of Projects/Power Stations/Townships have been provided. Your Company is also contributing for up-gradation in some of the adopted ITIs. Your Company has also contributed in various developmental activities being carried out in Vivekanand Kendra Vidyalaya at Kolaptukar, Dollungmukh (Arunachal Pradesh).

Various Skill Development and Vocational Training Programs conforming to NSQF (National Skill Qualification Framework) have been initiated to improve quality of life of people living in the surrounding areas of various Projects/Power Stations and around 3000 persons have been trained in the employment oriented programs with the aim of 70% getting employment.

Your Company is implementing Employment Oriented Training for livelihood enhancement of 1000 Persons with Disabilities (PwDs) through National Handicapped Finance and Development Corporation (NHFDC) in Government identified Aspirational districts namely Baramulla (J&K), Chamba (HP) and West Sikkim (Sikkim) as well as other locations namely Reasi & Kathua (J&K), Mandi & Kullu (HP), Siliguri & Darjeeling (West Bengal), Tehri Garhwal, Pithoragarh, Champawat (Uttarakhand) and South/ East Sikkim. This CSR initiative includes end to end dispensation of identification of candidates, providing them with tailor made assistive devices through ALIMCO and then training them in employment oriented skill sets as per their capabilities in trades like Sewing Machine Operator, Hand Embroidery, Self-employed Tailor, Data Entry Operator, Handset Repairer, Asstt. Beauty Therapist etc. and then providing them Placement or soft loans to establish Self-employment venture through the arms of Ministry of Social Justice, GoI.

II Health:-

Health is a major issue that your Company is concerned about. Your Company has deployed Mobile Medical Units in Assam equipped with medical facilities, qualified doctors and medical attendants. These MMUs are providing basic health services in villages. Your Company has organized a large number of medical camps, Cataract surgery camps in surrounding areas of Projects/Power Stations and distributed free medicines to economically weaker families/ individuals. Your company is also distributing aids and assistive devices to differently abled persons. Your Company is also providing Ambulances, Medical Equipment, Multi-utility vehicles and other infrastructural support to Govt. Hospitals and health awareness camps round the year.

During the year NHPC organized assessment camp for identification of beneficiaries and distribution of artificial limbs, clutches, hearing aids, wheel chairs etc. to the selected beneficiaries in Baramulla (Jammu & Kashmir) through Artificial Limbs Manufacturing Corporation of India(ALIMCO), a Central Public Sector Enterprise and others in aspirational districts of Chamba (HP) and West Sikkim (Sikkim) are in progress.

III Swachh Bharat Abhiyan:-

A large number of public health and sanitation activities has been initiated by your company under Swachh Bharat Abhiyan which includes Safe Drinking water facilities in public area, community drinking water facility with RO Plant, basic amenities/ sanitation facilities in market/ public area, construction/ installation of water supply lines and sanitation in villages, construction of toilets in school/ public places, water supply system for schools, installation of garbage bins, adoption of public places for carrying out developmental activities, solid waste management of the locality, provided utility van for cleaning debris etc.

IV Rural Development:-

NHPC has taken up various Rural Development programs to augment basic infrastructure facilities like area electrification, construction of community centre, water supply lines, drains, roads/ paths etc. as per the need and requirements of the larger under-privileged and marginalized rural communities. Your Company has also undertaken the construction activities of foot bridges, cremation sheds, rain shelters, passenger sheds, etc. Your Company has also taken up the restoration of Kuls. Your company has also carried out the work of educating and training the farmers for development of agriculture/ horticulture/ fisheries and other advanced methods of farming.

V Environment & Sustainability:-

Your Company is committed to ensuring environmental sustainability, ecological balance, protection of flora and fauna, conservation of natural resources, maintaining quality of air, water and soil. A number of CSR activities has been taken up for ensuring environmental sustainability like plantation under "Pollution abating Plants Abhiyan", installation of solar street lights, renovation of parks etc.

VI Women Empowerment & Senior Citizen:-

Your Company has contributed towards numerous CSR activities designed for empowering the women and creation of facilities for senior citizens. Your Company has assisted in imparting skill development training to promote self-employment for women. Established Sanitary Napkin Unit for women empowerment & livelihood enhancement in Aspirational district of Mewat region.

VII CSR Capacity Building and Other Activities:-

Your Company has also contributed towards training to promote rural sports. Impact Assessment / Evaluation Studies are also being conducted by your Company to gauge the effectiveness of CSR programs.

The Corporate Social Responsibility & Sustainability Policy of your Company is available at following link:

http://www.nhpcindia.com/writereaddata/Images/pdf/CSR_Policy_E_CMA_201811_1.pdf

2. The Composition of CSR Committee:-

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

A Board level Committee headed by an Independent Director has been constituted to allocate budget, review the progress and provide guidance on various CSR & Sustainability initiatives.

The Composition of 'Committee of Directors on CSR & Sustainability' as on 31st March, 2019 is as under-

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

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

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

S. No.	Financial Year	Net Profit (₹ in crore)	Average Net Profit (₹ in crore)
1	2015-16	3,040.97	3001.46
2	2016-17	3,178.20	
3	2017-18	2,785.22	

4. Prescribed CSR Expenditure:-

₹ 60.03 Crores (2% of average net profit for preceding 3 years). In addition to this an unspent amount of ₹ 20.97 Crores was also carried forwarded from previous financial year. Accordingly, the total budget allocation made for FY 2018-19 was ₹ 81.00 Crores.

5. Details of CSR spent during the Financial Year:-

a. **Total Amount spent during the Financial Year 2018-19:**

₹ 17.58 crore (including ₹ 12.42 crores out of carried forward amount of ₹ 20.97 crores)

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

₹ 63.42 crore

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

Sr. No.	CSR project or activity identified	Sector	Location	Amount outlay (budget) project or program wise (₹ in lakh)	Amount spent on the projects or programs (₹ in lakh)	Cumulative expenditure upto the reporting period (₹ in lakh)	Amount spent: Direct or through implementing agency
1.	Construction & Up-gradation of School Buildings and Labs. Providing Infrastructure in Schools. Scholarship to Students. Undertaking developmental activities in Vivekanand Kendra Vidyalaya Organizing Employment Oriented Vocational Training / Skill Training Programs for unemployed youth. Developmental/ up-gradation activities in ITIs.	Education & Skill Development	CSR & SD Activities are being undertaken in the vicinity of NHPC's Project/ Unit locations in Distt- Reasi, Baramula, Kishtwar, Leh (Ladakh), Kargil, Kathua and Bandipora and in Jammu & Kashmir, Distt -Kullu, Chamba and Mandi in Himachal Pradesh, Distt-East Sikkim and South Sikkim (Sikkim), Distt-Churachandpur (Manipur), Distt-Pithoragarh, Dehradun & Champawat in Uttrakhand, Distt-Darjeeling and Jalpaiguri in West Bengal, Distt. Lakhimpur, Sonitpur in Assam, Distt- Lower Subansiri, Itanagar and Dibang Valley in Arunachal Pradesh, Distt. Dindigul in Tamilnadu and Distt. Faridabad in Haryana	1,773.54	242.70	242.70	Direct

Sr. No.	CSR project or activity identified	Sector	Location	Amount outlay (budget) project or program wise (₹ in lakh)	Amount spent on the projects or programs (₹ in lakh)	Cumulative expenditure upto the reporting period (₹ in lakh)	Amount spent: Direct or through implementing agency
2.	Deployment of Mobile Medical units. Arranging Medical Camps, Eye Check Up Camps, Cataract Surgery Camps. Distribution of aids & assistive devices to differently abled persons in partnership with "ALIMCO". Up gradation of Govt. Hospitals. Providing Ambulances, Medical Equipment and other infrastructure facilities to Govt. hospitals. Safe Drinking Water facilities with bore well, filtration in public areas, community centers etc. Construction of toilets in schools / public places. Construction/ Installation of Water Supply Lines in villages/schools	Health & Sanitation (including Swachh Bharat Abhiyan)	CSR & SD Activities are being undertaken in the vicinity of NHPC's Project/ Unit locations in Distt- Reasi, Baramula, Kishtwar, Leh (Ladakh), Kargil, Bandipora and Kathua in Jammu & Kashmir, Distt -Kullu, Chamba and Mandi in Himachal Pradesh, Distt- South Sikkim and East Sikkim (Sikkim), Distt-Churachandpur (Manipur), Distt-Pithoragarh & Champawat in Uttrakhand, Distt-Darjeeling and Jalpaiguri in West Bengal, Distt-Dhemaji (Assam), Distt- Itanagar and Dibang Valley in Arunachal Pradesh, Distt. Faridabad and Mewat in Haryana, Distt. Meerut & Muzzafarnagar in Uttar Pradesh.	2,372.26	879.96	879.96	Direct
3.	Construction of Path Ways, Foot Bridges, Concrete Paths. Electrification of Hamlets in Alchi Village. Construction & Renovation of community halls. Construction of cremation sheds. Construction of Drains, Rain Shelters and Waiting sheds. Arrangement of drinking water supply in villages. Organic Cultivation of Large Cardamom Other infrastructure and community development activities as per local needs.	Rural Development	CSR & SD Activities are being undertaken in the vicinity of NHPC's Project/ Unit locations in Distt- Reasi, Baramula, Leh (Ladakh), Kargil, Bandipora and Kathua in Jammu & Kashmir, Distt -Kullu, Chamba, Shimla and Mandi in Himachal Pradesh, Distt- South Sikkim, East Sikkim in Sikkim Distt- Churachandpur (Manipur), Distt-Pithoragarh in Uttrakhand, Distt-Darjeeling Jalpaiguri in West Bengal, Distt-Itanagar and Dibang Valley in Arunachal Pradesh, Distt. Basti in Uttar Pradesh, Distt. Ahmednagar in Maharashtra and Distt. Bhojpur in Bihar.	2,981.67	500.67	500.67	Direct
4.	Plantation under "Pollution Abating Plants Abhiyan (PAPA)" Installation of Solar Street Light. Providing LED Lights	Environmental Sustainability	CSR & SD Activities are being undertaken in the vicinity of NHPC's Project/ Unit locations in Distt- Bandipora in Jammu & Kashmir, Distt -Kullu, Chamba and Mandi in Himachal Pradesh, Distt-East Sikkim(Sikkim), Distt-Tehri Garhwal & Champawat in Uttrakhand, Distt-Darjeeling in West Bengal, Distt- Faridabad in Haryana, Distt. Mathura, Kanpur, Shrawasti, Bijnor & Mirjapur in Uttar Pradesh and Distt. Bikaner in Rajasthan.	482.89	55.31	55.31	Direct

Sr. No.	CSR project or activity identified	Sector	Location	Amount outlay (budget) project or program wise (₹ in lakh)	Amount spent on the projects or programs (₹ in lakh)	Cumulative expenditure upto the reporting period (₹ in lakh)	Amount spent: Direct or through implementing agency
5.	Skill Development Programs for Women Empowerment.	Women Empowerment & Senior Citizen	CSR & SD Activities are being undertaken in the vicinity of NHPC's Project/ Unit locations in Distt-East Sikkim (Sikkim), Distt-Pithoragarh in Uttrakhand, Distt-Dibang Valley in Arunachal Pradesh and Distt. Mewat in Haryana.	61.50	21.29	21.29	Direct
6.	Impact assessment/ Evaluation Study Training to promote Rural Sports. Protection of art and culture.	CSR capacity building, sports, art & culture and other activities	CSR & SD Activities are being undertaken in the vicinity of NHPC's Project/ Unit locations in Distt- Reasi, Kishtwar and Bandipora in Jammu & Kashmir, Distt.- Chamba and Mandi in Himachal Pradesh, Distt-Pithoragarh in Uttrakhand, Distt- Dhemaji (Assam), and Distt. Dibang Valley in Arunachal Pradesh.	428.14	58.10	58.10	Direct
	Total			**8,100.00**	**1,758.03**	**1,758.03**	

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

An amount of ₹ 81 crore (including ₹ 20.97 crore carried forward of unspent amount pertaining to previous year) was approved by the CSR committee for CSR activities to be carried out during the FY 2018-19. However several of them could not be completed and are still under various stages of completion. It is anticipated to complete all such CSR activities during FY 2018-19 and the balance unutilized amount of the allocated funds shall be utilized for completion of these activities during FY 2019-20. An expenditure of ₹17.58 Crores has been incurred for CSR and Sustainability activities during FY 2018-19. Some of the reasons for less spending during the year are:

1. Some of the projects sanctioned in a year are of capital in nature taking long period of completion / clearance which will be completed in subsequent years. The payment of the activities is linked to the achievement of milestones for completion.
2. Upon receipt of CSR Guidelines from Department of Public Enterprises, allocation had been prioritized for Aspirational Districts namely Baramulla, Chamba and West Sikkim with focused theme sectors- Health and Education- in December, 2018. However, signing of MoU and completion of codal formalities through District administration took considerable time. As a result spill over of work took place.

7 Responsibility statement of the CSR Committee:-

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

sd/-
(Balraj Joshi)
Chairman & Managing Director,
NHPC Limited
DIN: 07449990

sd/-
(Prof. Arun Kumar)
Independent Director & Chairman,
Committee of Directors on CSR & Sustainability
DIN: 07346292

Date: July 18, 2019

Shri Balraj Joshi, CMD, NHPC lighting lamp in the presence of Shri Ratish Kumar, Director (Projects) and Shri N.K. Jain, Director (Personnel) during Hindi Kavi Sammelan organized at NHPC Corporate Office, Faridabad on 19.03.2019

Annexure- VII

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2019

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

I. REGISTRATION AND OTHER DETAILS:

CIN	L40101HR1975GOI032564
Registration Date	7th November, 1975
Name of the Company	NHPC Limited
Category/Sub-Category of the Company	Public Company / Government Company / Limited by Shares
Address of the Registered office and contact details	NHPC Office Complex, Sector- 33, Faridabad, Haryana – 121 003 Tel. No. 0129-2588110 / 2588500 Fax. No. 0129-2278018
Whether Listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent	Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032 Tel: 040-67162222 Toll Free No:1800 345 4001 Fax: 040 2300 1153

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and description of main products/ services	NIC Code of the Product/service*	% to total turnover of the Company#
1	Energy (Hydro Power) Electric power generation by Hydroelectric Power Plants	35101	99.19

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

On the basis of Gross Turnover

III. PARTICULARS OF SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN	Subsidiary/ Associate	% of shares held	Applicable Section
1.	NHDC Limited NHDC Parisar, Near Hotel Lake View Ashoka, Shyamla Hills, Bhopal-462 013, Madhya Pradesh	U31200MP2000GOI014337	Subsidiary	51.08	2(87)
2.	Loktak Downstream Hydroelectric Corporation Limited Loktak Power Station, NHPC Limited, P. O. Loktak, Kom Keirap - 795 114, Manipur	U40101MN2009GOI008249	Subsidiary	74.00	2(87)

S. No.	Name and address of the Company	CIN	Subsidiary/ Associate	% of shares held	Applicable Section
3.	Bundelkhand Saur Urja Limited TC-43/V, Vibhutikhand, Gomti Nagar, Lucknow - 226 010, Uttar Pradesh	U40300UP2015GOI068632	Subsidiary	99.99	2(87)
4.	Chenab Valley Power Projects Private Limited Chenab Jal Shakti Bhavan, Opposite Saraswati Dham, Rail Head Complex, Jammu - 180 012, Jammu & Kashmir	U40105JK2011PTC003321	Subsidiary	51.94	2(87)
5.	National High Power Test Laboratory Private Limited NHPTL, Powergrid Complex, 765/400 K. V. Substation, Khimlasa Road, Bina, Sagar - 470 113, Madhya Pradesh	U73100MP2009PTC047744	Associate (Joint Venture)	20.00	2(6)

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK-UP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt.	7,58,74,81,082	0	7,58,74,81,082	73.96	7,36,59,64,993	0	7,36,59,64,993	73.33	(0.63)
c) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks/FIs	0	0	0	0.00	0	0	0	0.00	0.00
f) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (1)	**7,58,74,81,082**	**0**	**7,58,74,81,082**	**73.96**	**7,36,59,64,993**	**0**	**7,36,59,64,993**	**73.33**	**(0.63)**
(2) Foreign									
a) NRIs- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	**7,58,74,81,082**	**0**	**7,58,74,81,082**	**73.96**	**7,36,59,64,993**	**0**	**7,36,59,64,993**	**73.33**	**(0.63)**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds/UTI	26,51,15,910	0	26,51,15,910	2.58	32,14,71,603	0	32,14,71,603	3.20	0.62
b) Banks/FIs	7,77,58,691	0	7,77,58,691	0.76	6,51,01,540	0	6,51,01,540	0.65	(0.11)
c) Central Govt./State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
e) Insurance Companies	77,84,48,263	0	77,84,48,263	7.59	77,76,95,996	0	77,76,95,996	7.74	0.15
f) FIIs	44,13,97,679	0	44,13,97,679	4.30	49,16,65,365	0	49,16,65,365	4.89	0.59
g) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
h) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B) (1)	**1,56,27,20,543**	**0**	**1,56,27,20,543**	**15.23**	**1,65,59,34,504**	**0**	**1,65,59,34,504**	**16.48**	**1.25**
(2) Non Institutions									
a) Bodies Corporate	51,11,29,761	0	51,11,29,761	4.98	46,39,78,931	0	46,39,78,931	4.62	(0.36)
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	43,54,26,499	1,51,905	43,55,78,404	4.25	40,72,57,061	95,067	40,73,52,128	4.06	(0.19)
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	13,92,56,226	0	13,92,56,226	1.36	13,15,12,320	0	13,15,12,320	1.31	(0.05)
c) Others									
(i) Clearing Members	60,46,190	0	60,46,190	0.06	34,71,589	0	34,71,589	0.03	(0.03)
(ii) Non Resident Indians	97,02,893	7,575	97,10,468	0.09	88,07,589	7,575	88,15,164	0.09	0.00
(iii) Non Resident Indians – Non-repatriable	32,33,995	0	32,33,995	0.03	40,81,989	0	40,81,989	0.04	0.01
(iv) Foreign Nationals	2,000	0	2,000	0.00	500	0	500	0.00	0.00
(v) Overseas Corporate Bodies	175	0	175	0.00	175	0	175	0.00	0.00
(vi) Trusts	22,11,588	0	22,11,588	0.02	18,40,819	0	18,40,819	0.02	0.00
(vii) Non-banking Financial Institutions	4,37,478	0	4,37,478	0.00	4,53,831	0	4,53,831	0.00	0.00
(viii) IEPF	9,99,609	0	9,99,609	0.01	16,27,862	0	16,27,862	0.02	0.01
(ix) Alternative Investment Fund	5,13,000	0	5,13,000	0.01	0	0	0	0.00	(0.01)
Sub-total (B)(2)	**1,10,89,59,414**	**1,59,480**	**1,10,91,18,894**	**10.81**	**1,02,30,32,666**	**1,02,642**	**1,02,31,35,308**	**10.19**	**(0.62)**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**2,67,16,79,957**	**1,59,480**	**2,67,18,39,437**	**26.04**	**2,67,89,67,170**	**1,02,642**	**2,67,90,69,812**	**26.67**	**0.63**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	**10,25,91,61,039**	**1,59,480**	**10,25,93,20,519**	**100**	**10,04,49,32,163**	**102,642**	**10,04,50,34,805**	**100**	**0.00**

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2018)			Shareholding at the end of the year (As on 31.03.2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	President of India	7,58,74,81,082	73.96	0.00	7,36,59,64,993	73.33	0.00	(0.63)
	Total	**7,58,74,81,082**	**73.96**	**0.00**	**7,36,59,64,993**	**73.33**	**0.00**	**(0.63)**

(iii) Change in Promoters' Shareholding

S. No.	Particulars	Shareholding at the beginning of the year (As on 01.04.2018)		Transaction during the year			Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares	% of total shares of the Company	Date	Increase/ (Decrease)	Reason	No. of shares	% of total shares of the Company
1.	At the beginning of the year	7,58,74,81,082	73.96				7,58,74,81,082	73.96
2	Date wise Increase / Decrease in Promoters' Shareholding during the year specifying the reasons for increase/ decrease			21.06.2018/ 22.06.2018	(2,93,54,564)	Transfer to Bharat 22 ETF	7,55,81,26,518	73.67
				22.01.2019	(14,22,71,903)	Buy-back	7,41,58,54,615	73.83
				21.02.2019	(4,98,89,622)	Transfer to Bharat 22 ETF	7,36,59,64,993	73.33
3.	At the end of the year	7,36,59,64,993	73.33				7,36,59,64,993	73.33

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

S. No.	Name of the Shareholder	Shareholding		Cumulative shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**LIFE INSURANCE CORPORATION OF INDIA***				
	At the beginning of the year	73,43,79,599	7.31	73,43,79,599	7.31
	Bought during the year	0	0.00	73,43,79,599	7.31
	Sold during the year	0	0.00	73,43,79,599	7.31
	At the end of the year	73,43,79,599	7.31	73,43,79,599	7.31

S. No.	Name of the Shareholder	Shareholding		Cumulative shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
2	**POWER FINANCE CORPORATION LIMITED***				
	At the beginning of the year	26,05,42,051	2.59	26,05,42,051	2.59
	Bought during the year	0	0.00	26,05,42,051	2.59
	Sold during the year	1,60,68,811	0.16	24,44,73,240	2.43
	At the end of the year	24,44,73,240	2.43	24,44,73,240	2.43
3	**REC Limited***				
	At the beginning of the year	18,40,11,865	1.83	18,40,11,865	1.83
	Bought during the year	0	0.00	18,40,11,865	1.83
	Sold during the year	87,09,659	0.08	17,53,02,206	1.75
	At the end of the year	17,53,02,206	1.75	17,53,02,206	1.75
4	**HDFC TRUSTEE COMPANY LIMITED – HDFC BALANCED ADVANTAGE FUND***				
	At the beginning of the year	6,69,02,433	0.67	6,69,02,433	0.67
	Bought during the year	1,86,66,000	0.18	8,55,68,433	0.85
	Sold during the year	26,14,913	0.02	8,29,53,520	0.83
	At the end of the year	8,29,53,520	0.83	8,29,53,520	0.83
5	**HDFC TRUSTEE COMPANY LIMITED- HDFC TAX SAVER FUND***				
	At the beginning of the year	6,17,76,989	0.62	6,17,76,989	0.62
	Bought during the year	1,25,000	0.00	6,19,01,989	0.62
	Sold during the year	12,60,432	0.02	6,06,41,557	0.60
	At the end of the year	6,06,41,557	0.60	6,06,41,557	0.60
6	**EDGBASTON ASIAN EQUITY TRUST#**				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year	5,73,24,723	0.57	5,73,24,723	0.57
	Sold during the year	8,68,944	0.01	5,64,55,779	0.56
	At the end of the year	5,64,55,779	0.56	5,64,55,779	0.56
7	**ICICI PRUDENTIAL BLUECHIP FUND#**				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year	4,69,24,822	0.47	4,69,24,822	0.47
	Sold during the year	19,29,897	0.02	4,49,94,925	0.45
	At the end of the year	4,49,94,925	0.45	4,49,94,925	0.45
8	**VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGAURD INTERNATIONAL EQUITY INDEX FUND***				
	At the beginning of the year	3,75,50,287	0.37	3,75,50,287	0.37
	Bought during the year	9,73,926	0.01	3,85,24,213	0.38
	Sold during the year	19,15,084	0.02	3,66,09,129	0.36
	At the end of the year	3,66,09,129	0.36	3,66,09,129	0.36

S. No.	Name of the Shareholder	Shareholding		Cumulative shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
9	**VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND***				
	At the beginning of the year	3,31,12,245	0.33	3,31,12,245	0.33
	Bought during the year	33,00,434	0.03	3,64,12,679	0.36
	Sold during the year	8,56,409	0.01	3,55,56,270	0.35
	At the end of the year	3,55,56,270	0.35	3,55,56,270	0.35
10	**AMUNDI FUNDS SBI FM EQUITY INDIA#**				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year	3,45,95,000	0.34	3,45,95,000	0.34
	Sold during the year	0	0.00	3,45,95,000	0.34
	At the end of the year	3,45,95,000	0.34	3,45,95,000	0.34
11	**UCO BANK@**				
	At the beginning of the year	3,03,50,000	0.30	3,03,50,000	0.30
	Bought during the year	0	0.00	3,03,50,000	0.30
	Sold during the year	0	0.00	3,03,50,000	0.30
	At the end of the year	3,03,50,000	0.30	3,03,50,000	0.30
12	**PENSION RESERVES INVESTMENT TRUST FUND- PZENA INVESTMENT MANAGEMENT LLC@**				
	At the beginning of the year	2,12,46,499	0.21	2,12,46,499	0.21
	Bought during the year	0	0.00	2,12,46,499	0.21
	Sold during the year	10,05,640	0.01	2,02,40,859	0.20
	At the end of the year	2,02,40,859	0.20	2,02,40,859	0.20
13	**SCHRODER ASIAN INCOME@**				
	At the beginning of the year	3,47,87,231	0.35	3,47,87,231	0.35
	Bought during the year	0	0.00	3,47,87,231	0.35
	Sold during the year	1,84,74,813	0.19	1,63,12,418	0.16
	At the end of the year	1,63,12,418	0.16	1,63,12,418	0.16

* denotes Top 10 shareholders on both 01.04.2018 and 31.03.2019.

@ denotes Top 10 shareholders only on 01.04.2018.

# denotes Top 10 shareholders only on 31.03.2019.

Notes:

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

(2) Percentage of total shares of the Company has been calculated on the basis of total shareholding as on 31.03.2019 i.e. 10045034805.

(v) **Shareholding of Directors and Key Managerial Personnel**

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares at the beginning of the year (01.04.2018)/ end of the year (31.03.2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
A	**DIRECTORS**							
1.	Shri Balraj Joshi, Chairman & Managing Director	11,891	Negligible	Nil movement during the period			11,891	Negligible
2.	Shri Ratish Kumar, Director (Projects)	15,986	Negligible	Nil movement during the period			15,986	Negligible
3.	Shri Nikhil Kumar Jain, Director (Personnel)	NIL	NA	Nil movement during the period			NIL	NA
4.	Shri Mahesh Kumar Mittal, Director (Finance) & CFO	NIL	NA	Nil movement during the period			NIL	NA
5.	Shri Janardan Choudhary, Director (Technical) (became Director on 05.07.2018)	21,055	Negligible	Nil movement during the period			21,055	Negligible
6.	Smt. Archana Agrawal, Govt. Nominee Director (ceased to be director on 30.07.2018)	NIL	NA	Nil movement during the period			NIL	NA
7.	Shri Aniruddha Kumar*, Govt. Nominee Director	1500	Negligible	Nil movement during the period			1500	Negligible
8.	Shri Satya Prakash Mangal, Independent Director	15,000	Negligible	Nil movement during the period			15,000	Negligible
9.	Prof. Arun Kumar, Independent Director	NIL	NA	Nil movement during the period			NIL	NA
10.	Prof. Kanika T. Bhal, Independent Director	NIL	NA	Nil movement during the period			NIL	NA
11.	Prof. Nalini Kant Jha, Independent Director (ceased to be Director on 05.11.2018)	NIL	NA	Nil movement during the period			NIL	NA
12.	Shri Jugal Kishore Mohapatra, Independent Director	NIL	NA	Nil movement during the period			NIL	NA
13.	Shri Bhagwat Prasad, Independent Director	NIL	NA	Nil movement during the period			NIL	NA

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares at the beginning of the year (01.04.2018)/ end of the year (31.03.2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
B	**Key Managerial Personnel**							
1.	Shri Vijay Gupta, Company Secretary	11,231	Negligible	Nil movement during the period			11,231	Negligible

*Shri Aniruddha Kumar was appointed as Govt. Nominee Director on the Board w.e.f. 30.07.2018. He was also appointed as Govt. Nominee Director on the Board during the period 28.05.2018 to 18.07.2018.

V. INDEBTEDNESS

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

(₹ in Crore)

Particulars	Secured Loans excluding deposits*	Unsecured Loans***	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2018)				
i) Principal Amount	14,101.27	4,500.83	0.00	18,602.10
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	534.30	38.19	0.00	572.49
Total(i+ii+iii)	**14,635.57**	**4,539.02**	**0.00**	**19,174.59**
Change in Indebtedness during the financial year				
Addition	1,796.00	811.91	0.00	2607.91
Reduction**	(1,636.23)	(518.02)	0.00	(2,154.25)
Net Change	**159.77**	**293.89**	**0.00**	**453.66**
Indebtedness at the end of the financial year (31.03.2019)				
i) Principal Amount	14,261.04	4,794.72	0.00	19,055.76
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	519.84	65.14	0.00	584.98
Total (i+ii+iii)	**14,780.88**	**4,859.86**	**0.00**	**19,640.74**

*Secured loans include short term loans.

**Reduction in unsecured loan column includes repayment of Foreign Loan of ₹ 195.14 crore (after adjusting ERV Loss of ₹ 22.69 crore) and adjustment of ₹ 269.85 crore on account of Ind AS in Sub-ordinate Debt.

***Unsecured loan includes foreign debts, short term loans and sub-ordinate debts. Value of subordinate debt has been taken as per Ind AS.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

S. no.	Particulars of Remuneration	Name of MD/WTD					Total Amount
		Shri Balraj Joshi, Chairman & Managing Director	Shri Ratish Kumar, Director (Projects)	Shri Nikhil Kumar Jain, Director (Personnel)	Shri Mahesh Kumar Mittal, Director (Finance) & CFO	Shri Janardan Choudhary (became Director on 05.07.2018)	
1	Gross salary						
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act,1961*	55,31,671	56,92,292	44,68,172	54,67,199	39,40,930	2,51,00,264
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	6,04,805	2,82,989	6,02,014	4,05,211	1,40,486	20,35,505
	c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL	NIL	NIL	NIL
5	Others**	8,63,252	8,29,485	5,30,058	6,13,802	7,04,803	35,41,400
	Total(A)	**69,99,728**	**68,04,766**	**56,00,244**	**64,86,212**	**47,86,219**	**3,06,77,169**
	Ceiling as per the Act	Not applicable being a Govt. Company (Ministry of Corporate Affairs' notification dated 05.06.2015)					

*Salary under Section 17(1) of the Income Tax Act, 1961 includes Performance Related Pay (PRP), pay revision w.e.f. 01.01.2017 and regularization of pay scale w.e.f. 01.01.2007 as per respective position held by the directors during that period.

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

Note:

(1) During the year, amount of ₹17,55,870, ₹5,81,017, ₹ 25,54,695 and ₹33,88,640 was paid to Shri K. M. Singh, Ex-CMD, Shri A. B. L. Srivastava, Ex-Director (Finance) & CMD, Shri Radheshyam Mina, Ex-Director (Personnel) and Shri Jayant Kumar, Ex-Director (Finance) respectively for their dues related to earlier year(s).

B. Remuneration to other directors:

(Amount in ₹)

S. No.	Particulars of Remuneration	Name of Directors						Total Amount
1	**Independent Directors**	**Shri Satya Prakash Mangal**	**Prof. Arun Kumar**	**Prof. Kanika T. Bhal**	**Prof. Nalini Kant Jha (ceased to be director w.e.f. 05.11.2018)**	**Shri Jugal Kishore Mohapatra**	**Shri Bhagwat Prasad**	
	Fee for attending board/ committee meetings	5,60,000	6,60,000	5,00,000	1,00,000	3,00,000	4,40,000	25,60,000
	Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Others	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total(1)	**5,60,000**	**6,60,000**	**5,00,000**	**1,00,000**	**3,00,000**	**4,40,000**	**25,60,000**
2	**Nominee Directors**	**Smt. Archana Agrawal (ceased to be director on 30.07.2018)**	**Shri Aniruddha Kumar***					
	Fee for attending board/ committee meetings	NIL	NIL					
	Commission	NIL	NIL					
	Others	NIL	NIL					
	Total(2)	**NIL**	**NIL**					
	Total (B)=(1+2)	**5,60,000**	**6,60,000**	**5,00,000**	**1,00,000**	**3,00,000**	**4,40,000**	**25,60,000**
	Total Managerial Remuneration (A+B)**							**3,32,37,169**
	Overall ceiling as per the Act	Not applicable being a Govt. Company (Ministry of Corporate Affairs' notification dated 05.06.2015)						

*Shri Aniruddha Kumar was appointed as Govt. Nominee Director on the Board w.e.f. 30.07.2018. He was also appointed as Govt. Nominee Director on the Board during the period 28.05.2018 to 18.07.2018.

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

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

(Amount in ₹)

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO*	Company Secretary	CFO*	Total
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the IncomeTax Act,1961**	-	63,59,776	-	63,59,776
	(b) Value of perquisites u/s 17(2) of the Income Tax Act,1961	-	2,66,182	-	2,66,182
	(c) Profits in lieu of salary under Section 17(3) of the Income-Tax Act,1961	-	NIL	-	-
2	Stock Option	-	NIL	-	-
3	Sweat Equity	-	NIL	-	-
4	Commission	-	NIL	-	-
5	Others***	-	10,12,011	-	10,12,011
	Total	**-**	**76,37,969**	**-**	**76,37,969**

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

**Amount includes Performance Related Pay (PRP), pay revision w.e.f. 01.01.2017 and regularization of pay scale w.e.f. 01.01.2007.

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

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

(Balraj Joshi)
Chairman and Managing Director
DIN: 07449990

Date: August 2, 2019
Place: Faridabad

Annexure- VIII

DIVIDEND DISTRIBUTION POLICY

1.0 Background:

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

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

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

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

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

4.0 Policy Outline:

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

5.0 Important terms:

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

6.0 The Policy shall not apply to:

- Dividend on preference shares, if any to be issued by the Company;
- Distribution of dividend in kind, i.e. by issue of fully or partly paid bonus shares or other securities, subject to applicable law;
- Distribution of cash as an alternative to payment of dividend by way of buyback of equity shares.

7.0 Objectives of the Policy:

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

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

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

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

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

9.0 Financial Parameters that shall be considered while declaring dividend:

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

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

(ii) Long-term borrowings;

(iii) CAPEX/Business Expansion needs;

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

(v) Cash and bank balance.

9.1 Dividend Policy:

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

9.2 Manner and timelines for Dividend Payout:

(a) Interim dividend(s):

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

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

(b) Final dividend:

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

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

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

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

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

11.0 Manner of Utilisation of Retained Earnings:

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

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

ii. Diversification opportunities.

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

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

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

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

13.0 Other Provisions:

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

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

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

14.0 Informing the Shareholders of Dividend Distribution Policy:

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

Annexure- IX

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

{Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015}

To,
The Members,
NHPC Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NHPC Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial period ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not applicable**

(g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(h) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; and

(i) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. **Not applicable**

(vi) Compliances/processes/systems under other specific applicable Laws (as applicable to the industry) to the Company are being verified on the basis of periodic certificate under internal compliance system submitted to the Board of Directors of the Company

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards, as amended from time to time, issued by the Institute of Company Secretaries of India. - Generally complied with.

(ii) The Listing Agreements and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015].

(iii) DPE Guidelines on Corporate Governance for CPSE.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations**:**

S. No.	Qualifications/Observations	Management reply
1.	Regulation 17 (1) (b) of SEBI (LODR) Regulations, 2015 and as per Clause 3.1.4 of DPE Guidelines, the Company did not had requisite number of Independent Directors on the Board for the period from 05.07.2018 to 17.07.2018 and from 05.11.2018 to 31.03.2019.	As per Article 34 of the Articles of Association of the Company read with Ministry of Corporate Affairs notification dated 5th June 2015, the Independent Directors on the Board of the Company are appointed by the President of India. The matter regarding appointment of Independent Directors is being regularly pursued with the Administrative Ministry i.e. Ministry of Power.

S. No.	Qualifications/Observations	Management reply
2.	Regulation 17 (10) of SEBI (LODR) Regulations, 2015, the Company had not carried out the performance evaluation of the Independent Directors.	The agenda regarding performance evaluation of Independent Directors for FY 2017-18 was placed before the Board in March, 2019 which was deferred due to paucity of time. However, the Board in its subsequent meeting held in May, 2019 has carried out performance evaluation of Independent Directors of the Company.
3.	Regulation 25 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors had not reviewed: (a) the performance of non-independent directors and the board of directors as a whole; (b) the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors.	Independent Directors in their separate meeting held in June, 2019 noted the requirements of Regulation 25(4) of SEBI (LODR). The Independent Directors after discussions were of the view that the performance of non-independent directors including Chairman and Managing Director is being evaluated by Administrative Ministry i.e. Ministry of Power. Accordingly, the same need not be done by the Independent Directors.
4.	Regulation 19 (4) read with Schedule II Part D(A) of SEBI (LODR) Regulations, 2015, the Nomination and Remuneration Committee had not formulated the criteria for determining qualifications, positive attributes and independence of a director.	As per Article 34 of the Articles of Association of the Company read with Ministry of Corporate Affairs notification dated 5th June 2015, the Independent Directors on the Board of the Company are appointed by the President of India.

We further report that the Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors except for the period 05.07.2018 to 17.07.2018 and 05.11.2018 to 31.03.2019 due to non- appointment of requisite number of Independent Directors on the Board of the Company. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Generally, adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions made in the Board/Committee meeting(s) were carried out with unanimous consent of the all the Directors/Members present during the meeting.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has bought back 21,42,85,714 (Twenty One Crores Forty Two Lakhs Eighty Five Thousand Seven Hundred Fourteen) fully paid-up equity shares of face value ₹ 10 each on a proportionate basis, through the ‘Tender Offer’ process at a price of ₹ 28 (Rupees Twenty Eight Only) per equity share for an aggregate consideration of ₹ 599,99,99,992 (Rupees Five Hundred Ninety Nine Crore Ninety Nine Lakh Ninety Nine Thousand Nine Hundred Ninety Two Only).

We further report that for the meeting of Board of Directors held on March 15, 2019 to consider the proposal of raising the funds, the prior intimation should have sent at least two working days in advance, excluding the date of the intimation and date of the meeting, to stock exchanges as required under Regulation 29 (2) of SEBI (LODR) Regulations, 2015. The same was sent to Stock Exchanges on March 13, 2019.

We further report that the National Stock Exchange of India Limited and BSE Limited have levied monetary fines for non-compliance with Regulation 17 (1) and 29 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 against which the Company has submitted waiver requests.

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

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

Date: 15th July, 2019
Place: New Delhi

This report is to be read with our letter of even date which is annexed as “Annexure A” and forms an integral part of this report.

'Annexure A'

To,
The Members,
NHPC Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and our report is not covering observations/ comments/ weaknesses already pointed out by the other Auditors.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

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

Date: 15th July, 2019
Place: New Delhi

Annexure- X

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
NHDC Limited
CIN:U31200MP2000GOI014337
NHDC Parisar, Near Hotel Lake View Ashoka,
Shyamla Hills, Bhopal – 462013(MP)

Sirs,

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by NHDC Limited (hereinafter called the company), a Government of India Enterprise. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, subject to what is stated in the Financial Statement for 2018-19 and the Auditors' Report there on, the company has, during the period covering the financial year ended on 31st March 2019 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March 2019 according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made there under;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under (Not Applicable to the Company during the Audit Period);

iii) The Depositories Act, 1996 and the regulations and bye-laws framed there under (Not Applicable to the Company during the Audit Period);

iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') (Not applicable to the company during the audit period.)

We have also examined compliance with the applicable clauses of the following:

I. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

II. The Listing Agreements with the Stock Exchanges. (Not Applicable to the Company during the Audit period);

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that as per the quarterly reports of the departmental heads and the Company Secretary taken on record by the Board of Directors and as per the clarifications given to me, the company has complied with all applicable Central and State laws/ rules/ regulations as applicable to the company.

I further report that:-

- NHDC Limited is a Joint Venture of NHPC Limited (Government of India Enterprise) and Government of Madhya Pradesh and all the directors are nominated by the joint venture partners and /or Ministry of Power, Government of India. The Board of Directors of the Company is duly constituted with Executive Directors, Non-executive Directors including Women Director. The Ministry of Power has already been approached to make appointment of Independent Director(s). The changes in the composition of the Board of directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.
- Adequate notice was given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at Board Meetings and Committee Meetings are carried out by majority as recorded in the minutes of the meetings of the Board of Directors and Committee of the Board, as the case may be while dissenting member's views can be recorded as part of the minutes, even though there was no such occasion during the period under review.

We further report that as per the requirement of the Companies Act, 2013 and other rules and regulations/guidelines, the Company has formulated and adopted various policies as under:

- Related Party Policy;
- Corporate Social Responsibility Policy;
- Vigil Mechanism Policy;
- Risk Management Policy; and
- Code of Business conduct & Ethics for Board of Directors and Senior Management Personnel and have placed them on the website of the Company, wherever needed.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. Adequate in house system has been developed to obtain quarterly/ annual compliance certificates from all Heads of Projects and Heads of Departments at projects and corporate office level in this regard.

For M. M. Chawla and Associates
Company Secretaries

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

Place: Bhopal
Date: 17.06.2019

Shri Balraj Joshi, Chairman & Managing Director, Shri N.K. Jain, Director (Personnel) and Shri Janardan Choudhary, Director (Technical) along with Bodhisattva Bhante Dr. Karunashil Rahulji and senior NHPC officers on occasion of 128th birth anniversary celebrations of Bharat Ratna Dr. B.R. Ambedkar at NHPC Corporate Office, Faridabad on 16.04.2019

NHPC Limited

INDEPENDENT AUDITOR'S REPORT

Annexure- XI

Independent Auditor's 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, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Standalone Financial Statements, including a summary of significant accounting policies and Other Explanatory Notes for the year ended on that date (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the 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, 2019, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have considered the matters described below to be the Key Audit Matters for incorporation in our Report.

Key audit Matters	Addressing the Key Audit Matters
1. Regulatory Deferral Account Balances and accruals of revenue pending tariff Notifications.	**Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the carrying the value of Regulatory Deferral Account Debit Balances include the following:**
(a) Regulatory Deferral Account balances include accruals on account of interest cost and other attributable expenses pertaining to Subansiri Lower Project for the period from the date of interruption of work i.e. 16.12.2011 due to the matter pending before the National Green Tribunal as indicated in Note 34(22A). These expenses have been considered and carried forward as recoverable in terms of Central Electricity Regulatory Commission (CERC) Regulations. The amount involved in the project including the deferral account balances is material. Risk and uncertainties due to the matter being sub judice and pending for decision for a considerable period of time, might affect the recovery thereof having significant impact on the affairs of the company.	• 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.

Key audit Matters	Addressing the Key Audit Matters
(b) Further as given in Note 34(22B) to 34(22E), Regulatory deferral account balances have been recognised in respect of certain other expenses aggregating to ₹ 3225.27 crores on account of Wage Revision, foreign exchange fluctuations, depreciation on moderation of tariff, deferred taxation, etc. (c) ₹ 515.05 Crores has been considered recoverable pending approval of tariff by the CERC and/ or approval of revised cost estimate in certain power stations and petitions filed with the CERC towards Energy Shortfall and reimbursement of additional impact of Goods and Service Tax (GST) due to change in law and included under Financial Assets Current- Other (Current) {Note 34 (20)} as on 31st March 2019. The operating activities of the Company are subject to cost of service regulations whereby tariff charged for electricity generated is based on allowable capital and other cost and expenses and stipulated return there against. Regulatory Deferral Accounts are based on the estimates with respect to recoverability thereof as per the current CERC Tariff Regulations on final approval and notifications. Further, in cases where Tariff rates are yet to be approved, revenue is recognised considering current prevailing CERC Regulations. The accruals made above in (a) to (c) above are vital to the business in which the Company is operating. In absence of specific notification and rate fixation, these are based on the management's assumptions and estimates which are subject to finalisation of tariff by CERC.	• Evaluating the various assumptions considered by the management for arriving at the value of Cash generating Unit specially in case of Subansiri Project and coverage thereof and adequacy thereof with respect to the carrying value of the Project in Progress and balances of Regulatory deferral Accounts.
2. Impairment Assessment of carrying amount of Property, Plant and Equipment (PPE) and Capital Work in Progress (CWIP)	**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:**
Certain Cash Generating Units (CGUs) of the company and subsidiaries were assessed for impairment as on 31st March 2019. This covers Property, Plant and Equipments and Capital Work in Progress in respect of Subansiri Lower Project currently under interruption (Note 2.2.7) and other projects as given in Note 34(18). This has been assessed that no significant change with an adverse effect on the company has taken place during the year, or is expected to take place in the near future, in the technological, economic or legal environment in which the company and its subsidiaries and joint ventures operate. Based on the assessment, the company has concluded that there exists no significant impairment indicator or any impairment in respect of the CGUs of the company and its subsidiary tested for impairment during FY 2018-19. Based on the above assessment, no provision for impairment has been considered necessary by the Company. Impairment exercise undertaken which justifies the carrying amount of certain assets including the regulatory deferral account balances pertaining to Subansiri Lower Project as dealt with under para 1(a) above, is significant and vital to the Company's operations.	• Critical evaluation of internal and external factors impacting the entity and indicators of impairment (or reversal thereof) in line with Ind AS 38; • Review of impairment valuation models used in relation to CGU to determine the recoverable amount by analysing the key assumptions used by management in this respect including: - Consistency with respect to forecast for arriving at the valuation and assessing the potential impact of any variances; - Price assumptions used in the models; - Factoring of risk inherent to the CGUs in the Cash Flow projections or the discount rate. - The assumption/estimation for the weighted average cost of capital and rate of discount for arriving at the value in use. • Reviewed the Government policy and approval for setting up the Projects, decision of the Board and the efforts and steps being undertaken in this respect.

Key audit Matters	Addressing the Key Audit Matters
Evaluation of the impairment involves assessment of value in use of the Cash Generating Units (CGUs) and requires significant judgements and assumptions about the future cash flow forecasts, forecast production, forecast volumes, prices and discount rate.	
3. Contingent Liabilities – against claim from Contractors (Note 34.1(a)(i))	**Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the Contingent Liabilities include the following:**
Various claims lodged by the Contractors against Capital Works have been disclosed under Contingent Liability. This includes matters under arbitration and/ or before the Court which have been decided against the Company, out of which certain amounts have been paid/deposited pursuant to the NITI Aayog directions. Claims made against the Company are significant. These are pending for decision before arbitration or other judicial forums and consequential and possible impact thereof and provisions/disclosure required have been based on the management's assessment of the probability of the occurrence of the liability.	• Obtained the status of the case from the legal department and their view on the matter; • Evaluated the contractual terms and conditions and management's rationale for the adequacy of the provision so far made and the amount remaining unprovided against the demands made against the Company; • Meeting with management and reading/ reviewing the correspondences Memos and Notes on related matters. • Reliance has been placed on the legal views and decisions on similar matters and probability of the liability arising therefrom pending final judgement/ decisions; • Reviewed the appropriateness and adequacy of the disclosure by the management as required in terms of the requirement of IND AS 37 "Provisions, Contingent Liabilities and Contingent Assets".
4. Expenditure incurred on Survey and Investigation Projects upto 31.03.2019	**Our audit procedures based on which we arrived at the conclusion regarding carrying the amount of expenditure incurred on survey and Investigation Projects incurred include the following:**
Expenditure of ₹ 1419.98 Crores as given in Note 2.2.2 (including ₹ 132.06 Crores for the year) has been incurred for conducting survey and investigation on projects. Out of this ₹ 666.05 Crores (including ₹ 60.52 Crores during the year) have been provided for on account of uncertainty with respect to clearances, approval for implementing the Projects, leaving ₹ 753.93 Crores which has been carried forward as Capital Work in Progress. In the event of related Projects not being undertaken, amounts spent on survey and investigations which are material will no longer be eligible to be carried forward as Capital Work in Progress.	• 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 including the cases where there are order of appropriate authority or Court to the effect. • Understanding and testing the design and operating effectiveness of controls as established by the management for accounting the expenses incurred for survey and investigation projects and the policy followed for making provisions/ write off for such expenses given the nature of business of the Company. • Evaluating the management's rationale with respect to possible abandonment of such projects in future and/ or expected economic use of the same.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Directors' Report, Management Discussion and Analysis Report, Business Responsibility Report and Report on Corporate Governance, but does not include the standalone financial statements and our auditors' report thereon. The other information as stated above is expected to be made available to us after the date of this auditors' report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

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

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

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

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

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

Auditors' Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standard on Auditing (SAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The standalone financial statements of the Company for the year ended March 31, 2018 were audited by the then joint auditors of the Company, two of whom were predecessor audit firms and they had expressed an unmodified audit Report vide their report dated May 28, 2018 on such standalone financial Statements.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

i. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

ii. Based on the verification of books of account of the Company and according to information and explanations given to us, we give below a report on the Directions issued by the Comptroller and Auditor General of India in terms of Section 143 (5) of the Act:

Sl. No.	Directions	Reply
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	According to the information and explanations given to us and based on our audit, all accounting transactions are routed through ERP system implemented by the Company. Period end Financial Statements are compiled offline based on balances and transactions generated from ERP system. We have neither been informed nor we have come across during the course of our audit any accounting transactions having impact on the integrity of the accounts along with the financial implications which have been processed outside the IT system.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated.	According to information and explanations given to us and based on our audit, there is no case of restructuring of an existing loan or cases of waiver/write off of debts / loans / interest etc. made by lender to the Company.
3	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.	According to information and explanations given to us and based on our audit, the Company has accounted for and utilized the funds received for specific schemes from Central/ State agencies as per the terms and conditions of the schemes.

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

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income),the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) in terms of Notification no. G.S.R. 463 (E) dated 05th June 2015 issued by the Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualifications of the Directors, are not applicable as it is a government Company;

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal control; and

g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note no. 34 para 1 to the standalone financial statements;

ii. The Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any derivative contracts; and

iii. There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

The financial statements for the year ended March 31, 2019 (the financial statements) have been approved by the Board of Directors of the Company on May 27, 2019 and our report of even date (earlier report) on the same was issued.

This Independent Auditors' Report (the report) has been issued in supersession of our earlier report pursuant to the provisional comments made by Comptroller and Auditor General of India (C&AG) on the Financial Statements after revising the amount of disputed dues of cess reported under Para (vii)c of the Annexure 'A' [a statement on the matters specified in paragraph 3 and 4 of the Companies (Auditors' Report) Order 2016] forming part of Other Legal and Regulatory requirements section of earlier report. The revision relates to the disclosure of the figures in the Annexure 'A' to the report and thereby our opinion on the financial statements as given in the earlier report remain unaltered and our audit procedure on subsequent event remain restricted to date of our earlier report.

For Arora Vohra & Co.
Chartered Accountants
Firm's ICAI Registration No.: 009487N

PREM C. BANSAL
Partner
M. No. 083597

Place : Ludhiana
Date : 23rd July, 2019
UDIN: 19083597AAAAAL8589

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

SANJAY JAIN
Partner
M. No. 084906

Place : New Delhi
Date : 22nd July, 2019
UDIN: 19084906AAAAFE9695

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

R P SINGH
Partner
M. No. 052438

Place : Kolkata
Date : 23rd July, 2019
UDIN: 19052438AAAAAR3351

ANNEXURE "A" TO THE AUDITORS' REPORT OF EVEN DATE:

i) a. The Company has maintained proper records showing full particulars, including quantitative details and situations of Fixed Assets.

b. As per the information and explanations given to us and on the basis of our examination of the records of the Company, the Tangible Fixed Assets except Land in certain Units, have been physically verified by the management/ outside agencies, in a phased manner, which in our opinion is reasonable, having regard to the size of Company and nature of its business. The reconciliation of physically verified assets with the book records in certain cases is in progress. Discrepancies noticed on the physical verification and consequential adjustments are carried out on completion of reconciliation. According to information and explanations given by the management and in our opinion, the same are not material.

c. According to the information and explanations given to us, the records examined by us and based on the Title/ Lease deeds provided to us, we report that, the title/ Lease deeds, comprising all the freehold/ leasehold immovable properties of land and building, are held in the name of the Company as on the balance sheet date except for the following where the title/lease deeds are not available with the Company:

Nature	Area in Hectares	Gross block (at actual cost) as at 31.03.2019 (₹ In Crore)	Net block as at 31.03.2019 (₹ In Crore)
Freehold land	109.85	6.73	6.73
Leasehold Land	519.68	251.28	236.84
Building under Lease		17.01	16.64

ii) As informed, the inventories of the Company except for inventories in transit, have been physically verified by the management/ outside agencies, during the year. In our opinion and according to the information and explanations given to us, the frequency of such verification is reasonable. The discrepancies noticed on physical verification of inventories as compared to book records were not material and the same have been properly dealt with in the books of account.

iii) According to the information and explanations given to us by the Management, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act, except unsecured loan granted during the previous year to a Company.

i. In our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the interest of the Company.

ii. In respect of Loan so granted by the Company, the schedule of repayment of principal and Interest has been stipulated. Unsecured loan of ₹ 6 Crores which though due for repayment during the year, was not repaid by the borrower. The borrower has requested for extension of the repayment schedule, the approval of which is under process by the Company. However, repayment of the interest is regular.

iii. in respect of such loan, there is an overdue amount of ₹ 6 Crore for more than ninety days. As informed to us and based on the explanations given, the Company has taken reasonable steps for recovery of the principal.

iv) In our opinion and according to information and explanations given to us the Company has, in respect of loans, investments, guarantees, and security, complied with the provisions of section 185 and 186 of the Act.

v) The Company has not accepted any deposits within the meaning of sections 73 to 76 or any other relevant provisions of the Act. In respect of overdue earnest money deposits and security deposits, Management is of the view that overdue earnest money deposits and security deposits of suppliers/contractors appearing in the books are in the nature of retention money for performance of contracts for supply of goods and services and accordingly, not to be treated as deemed deposits by virtue of amendment in rule 2, sub rule (1), clause (c) of the Companies (Acceptance of Deposits) Amendment Rules 2016.

vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

vii) a. According to the information and explanations given to us, during the year, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Goods and Service Tax, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues as applicable to it.

b. There were no undisputed amounts payable in respect of Provident Fund, Investor Education Protection fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrear as at March 31, 2019 for a period of more than six months from the date they become payable.

c. According to the information and explanations given to us, the details of disputed dues of sales tax, income tax, customs duty, wealth tax, excise duty, service tax, and Cess, if any, as at March 31, 2019, are as follows:

Name of Statute	Nature of Duties	Amount (₹ in Crores)	Financial Year to which it pertains	Deposit under Protest (₹ in Crores)	Forum at which case is pending
Sales Tax Acts/VAT Acts	Sales Tax/ VAT	288.13	1994-95	0.19	J & K Sales Tax Appellate Tribunal
		1.6	2008-09, 2009-10 & 2010-11 to 2014-15	1.42	Assistant Excise & Taxation Commissioner, Kullu
		19.58	2004-05 to 2012-13	15.29	West Bengal Taxation Tribunal, Kolkata
		15.08	2012-13 to 2013-14	0	CTO, Baramulla
		25.71	2005-06 to 2007-08	25.71	Deputy Commissioner of Commercial Taxes, Sikkim.
Finance Act, 1996	Service Tax	22.07	2008-09 to 2011-12 & 2012-13 to 2014-15	22.07	CESTAT, Kolkata
		101	2013-14 to 2016-17	0	Additional Director General (Adjudication), Director General of GST Intelligence, New Delhi
		16.13	2004-05 to 2008-09	1.7	Assistant Commissioner of GST, Faridabad
		0.03	2005-06	0	Service Tax Department, Patna
West Bengal Tax on Entry of Goods into Local Areas Act, 2012	Entry Tax	1.14	2012-13 to 2017-18	0	Kolkata High Court
Jammu and Kashmir Entry Tax on Goods Act 2000	Entry Tax	0.25	2013-14	0.25	Dy. Commissioner, Commercial Taxes, Appeal, Jammu
The Jammu & Kashmir Urban Immovable Property Tax Act, 1962	Property Tax	0.21	1991-92 to 1996-97 & 1997-98 to 2001-02.	0.014	State Sales Tax Appellate Tribunal, Jammu
Uttarakhand Water Tax on Electricity Generation Act, 2012	Water Cess	107.89	2015-16 to 2018-19		High Court of Uttarakhand, Nainital
Uttarakhand Green Energy Cess Act, 2014	Green Energy Cess	45.93	2015-16 to 2018-19		High Court of Uttarakhand, Nainital
Building and Other Construction Workers Welfare Cess Act, 1996	BOCW Cess	9.24	2010-11	9.24	Labour Officer cum cess assessing officer, Chamba, Himachal Pradesh

viii) In our opinion and on the basis of information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks, Governments or debenture holders.

ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer during the year. The Company has raised money by issue of debt instruments during the year. This includes the amount raised through 8.12 % Semi annual 10 year unsecured non-cumulative redeemable non-convertible taxable "Government of India fully serviced Bonds- Series -I" to meet the funding requirement of Government of India for the scheme of Power System Development Fund during the year. On the basis of our examination and according to the information and explanations given to us, money raised by way of term loans have been applied for the purpose for which the loans were obtained.

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

xi) As per notification number G.S.R. 463 (E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, section 197 of the Act as regards the managerial remuneration is not applicable to the Company, since it is a Government Company.

xii) The Company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the Order is not applicable to the Company.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3 (xiv) of the Order is not applicable to the Company.

xv) According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Arora Vohra & Co.
Chartered Accountants
Firm's ICAI Registration No.: 009487N

PREM C. BANSAL
Partner
M. No. 083597

Place : Ludhiana
Date : 23rd July, 2019
UDIN: 19083597AAAAAL8589

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

SANJAY JAIN
Partner
M. No. 084906

Place : New Delhi
Date : 22nd July, 2019
UDIN: 19084906AAAAFE9695

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

R P SINGH
Partner
M. No. 052438

Place : Kolkata
Date : 23rd July, 2019
UDIN: 19052438AAAAAR3351

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

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

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls with reference to financial statements of NHPC Limited ("the Company") as at March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial control with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Arora Vohra & Co.
Chartered Accountants
Firm's ICAI Registration No.: 009487N

PREM C. BANSAL
Partner
M. No. 083597

Place : Ludhiana
Date : 23rd July, 2019
UDIN: 19083597AAAAAL8589

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

SANJAY JAIN
Partner
M. No. 084906

Place : New Delhi
Date : 22nd July, 2019
UDIN: 19084906AAAAFE9695

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

R P SINGH
Partner
M. No. 052438

Place : Kolkata
Date : 23rd July, 2019
UDIN: 19052438AAAAAR3351

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2019

(₹ in crore)

	PARTICULARS	Note No.	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
	ASSETS				
(1)	**NON-CURRENT ASSETS**				
a)	Property, Plant and Equipment	2.1	22,940.69	19,090.11	20,051.87
b)	Capital Work In Progress	2.2	14,898.11	18,813.96	17,350.13
c)	Investment Property	2.3	4.49	4.49	4.49
d)	Intangible Assets	2.4	906.66	923.38	934.14
e)	**Financial Assets**				
	i) Investments	3.1	2,361.66	2,209.56	2,100.32
	ii) Trade Receivables	3.2	61.51	184.45	-
	iii) Loans	3.3	746.41	701.74	685.82
	iv) Others	3.4	3,467.16	1,571.42	1,566.99
f)	Non Current Tax Assets (Net)	4	131.95	163.67	73.68
g)	Other Non Current Assets	5	2,021.35	1,797.64	1,097.72
	TOTAL NON CURRENT ASSETS		**47,539.99**	**45,460.42**	**43,865.16**
(2)	**CURRENT ASSETS**				
a)	Inventories	6	117.14	95.77	91.64
b)	**Financial Assets**				
	i) Trade Receivables	7	2,623.09	1,097.07	1,492.90
	ii) Cash and Cash Equivalents	8	30.72	6.96	59.89
	iii) Bank balances other than Cash and Cash Equivalents	9	359.91	1,465.43	1,473.25
	iv) Loans	10	45.18	47.97	161.24
	v) Others	11	1,984.26	1,383.36	1,858.25
c)	Current Tax Assets (Net)	12	61.22	0.40	55.93
d)	Other Current Assets	13	355.25	341.01	357.81
	TOTAL CURRENT ASSETS		**5,576.77**	**4,437.97**	**5,550.91**
(3)	Regulatory Deferral Account Debit Balances	14	6,492.61	5,669.21	5,630.56
	TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES		**59,609.37**	**55,567.60**	**55,046.63**
	EQUITY AND LIABILITIES				
(1)	**EQUITY**				
(a)	Equity Share Capital	15.1	10,045.03	10,259.32	10,259.32
(b)	Other Equity	15.2	19,169.70	18,092.50	16,696.10
	TOTAL EQUITY		**29,214.73**	**28,351.82**	**26,955.42**

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2019 (CONTD.)

(₹ in crore)

	PARTICULARS	Note No.	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
(2)	**LIABILITIES**				
	NON-CURRENT LIABILITIES				
a)	**Financial Liabilities**				
	i) Borrowings	16.1	17,044.63	16,728.20	17,245.64
	ii) Other financial liabilities	16.2	2,058.64	38.47	25.63
b)	Provisions	17	26.82	25.47	486.93
c)	Deferred Tax Liabilities (Net)	18	3,610.63	3,145.39	3,664.73
d)	Other non-current Liabilities	19	1,824.98	1,625.00	1,472.47
	TOTAL NON - CURRENT LIABILITIES		**24,565.70**	**21,562.53**	**22,895.40**
(3)	**CURRENT LIABILITIES**				
a)	**Financial Liabilities**				
	i) Borrowings	20.1	406.00	279.99	302.50
	ii) Trade Payables	20.2			
	Total outstanding dues of micro enterprises and small enterprises		15.74	5.29	4.28
	Total outstanding dues of Creditors other than micro enterprises and small enterprises		164.44	176.57	160.52
	iii) Other financial liabilities	20.3	2,846.92	2,768.50	2,531.91
b)	Other Current Liabilities	21	1,066.47	669.86	706.65
c)	Provisions	22	1,329.37	1,753.04	1,489.95
d)	Current Tax Liabilities (Net)	23	-	-	-
	TOTAL CURRENT LIABILITIES		**5,828.94**	**5,653.25**	**5,195.81**
	TOTAL EQUITY AND LIABILITIES		**59,609.37**	**55,567.60**	**55,046.63**
	Accompanying notes to the Standalone Financial Statements	1-35			

Note : The figures as at 31st March 2018 and 1st April 2017 as given above are restated (Note No-35)

For and on behalf of the Board of Directors

VIJAY GUPTA Company Secretary	**MAHESH KUMAR MITTAL** Director (Finance) DIN 02889021	**BALRAJ JOSHI** Chairman & Managing Director DIN 07449990

As per report of even date

FOR ARORA VOHRA & CO. Chartered Accountants FRN 009487N	**FOR DSP & ASSOCIATES** Chartered Accountants FRN: 006791N	**FOR LODHA & CO.** Chartered Accountants FRN: 301051E
(PREM C. BANSAL) Partner M. No. 083597	**(Sanjay Jain)** Partner M. No. 084906	**(R.P. SINGH)** Partner M. No. 052438

Place : New Delhi
Date : 27th May, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in crore)

PARTICULARS	Note No.	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
INCOME			
i) Revenue from Operations	24.1	8,161.18	6,938.22
ii) Other Income	24.2	924.78	1,420.55
TOTAL INCOME		**9,085.96**	**8,358.77**
EXPENSES			
i) Purchase of Power - Trading	25.1	12.68	-
ii) Generation Expenses	25.2	796.85	716.39
iii) Employee Benefits Expense	26	1,704.65	1,535.89
iv) Finance Costs	27	894.88	922.32
v) Depreciation and Amortization Expense	28	1,589.99	1,395.51
vi) Other Expenses	29	1,165.53	972.36
TOTAL EXPENSES		**6,164.58**	**5,542.47**
PROFIT BEFORE EXCEPTIONAL ITEMS, RATE REGULATED ACTIVITIES AND TAX		2,921.38	2,816.30
Exceptional items		-	-
PROFIT BEFORE RATE REGULATED ACTIVITIES AND TAX		2,921.38	2,816.30
Tax Expenses	30		
i) Current Tax		649.78	627.77
ii) Deferred Tax		464.45	(518.17)
Total Tax Expenses		**1,114.23**	**109.60**
PROFIT FOR THE YEAR BEFORE NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES		**1,807.15**	**2,706.70**
Movement in Regulatory Deferral Account Balances (Net of Tax)	31	823.40	62.33
PROFIT FOR THE YEAR (A)		**2,630.55**	**2,769.03**
OTHER COMPREHENSIVE INCOME (B)			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of the post employment defined benefit obligations		1.77	44.78
Less: Income Tax on remeasurement of the post employment defined benefit obligations		0.62	14.80
Less: Deferred Tax Adjustment Against Deferred Tax Liabilities on Remeasurement of post employment defined benefit obligations		(0.55)	(13.85)
-Movement in Regulatory Deferral Account Balances-Remeasurement of post employment defined benefit obligations		-	(23.68)
Sub total (a)		**1.70**	**20.15**
(b) Investment in Equity Instruments		(16.48)	(7.30)
Sub total (b)		**(16.48)**	**(7.30)**
Total (i)=(a)+(b)		**(14.78)**	**12.85**

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019 (Contd.)

(₹ in crore)

PARTICULARS	Note No.	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
(ii) Items that will be reclassified to profit or loss			
- Investment in Debt Instruments		3.09	(9.09)
Less: Income Tax on investment in Debt Instruments		0.72	(2.12)
Total (ii)		**2.37**	**(6.97)**
Other Comprehensive Income (B)=(i+ii)		**(12.41)**	**5.88**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)		**2,618.14**	**2,774.91**
Earning per share (Basic and Diluted) (Equity shares, face value of ₹ 10/- each)	34 (12)		
Before movements in Regulatory Deferral Account Balances		1.77	2.64
After movements in Regulatory Deferral Account Balances		2.57	2.70
Accompanying notes to the Standalone Financial Statements	1-35		

Note: The figures for the year ended 31st March 2018 as given above are restated (Note No 35)

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

MAHESH KUMAR MITTAL
Director (Finance)
DIN 02889021

BALRAJ JOSHI
Chairman & Managing Director
DIN 07449990

As per report of even date

FOR ARORA VOHRA & CO.
Chartered Accountants
FRN 009487N

(PREM C. BANSAL)
Partner
M. No. 083597

FOR DSP & ASSOCIATES
Chartered Accountants
FRN: 006791N

(Sanjay Jain)
Partner
M. No. 084906

FOR LODHA & CO.
Chartered Accountants
FRN: 301051E

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

Place : New Delhi
Date : 27th May, 2019

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in crore)

		For the year ended 31st March, 2019		For the year ended 31st March, 2018	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before tax for the year including movements in Regulatory Deferral Account Balance		3744.78		2878.63
	Less: Movement in Regulatory Deferral Account Balances		823.40		62.33
	Profit before Tax		**2921.38**		**2816.30**
	ADD :				
	Depreciation and Amortisation	1589.99		1395.51	
	Finance Cost (Net of EAC)	894.88		922.32	
	Provisions (Net loss)	107.10		69.78	
	Tariff Adjustment (loss)	45.47		58.37	
	Sales adjustment on a/c of FERV	92.34		66.36	
			2729.78		2512.34
			5651.16		**5328.64**
	LESS :				
	Advance against Depreciation written back	60.72		60.68	
	Provisions (Net gain)	30.77		85.57	
	Profit/(Loss) on Sale of Assets	1.20		6.89	
	Dividend Income	282.47		632.12	
	Interest Income	165.61		252.73	
	Exchange rate variation	3.18		(2.88)	
	Fair Value Adjustments	(2.84)		(2.95)	
	Amortisation of Government Grants	24.20		5.99	
			565.31		1038.15
	Cash flow from Operating Activities before Operating Assets and Liabilities adjustments		**5085.85**		**4290.49**
	Changes in Operating Assets and Liabilities:				
	Inventories	(21.44)		(4.22)	
	Trade Receivables	(2107.81)		584.32	
	Other Financial Assets, Loans and Advances	(1136.62)		(517.31)	
	Other Financial Liabilities and Provisions	2020.75		29.96	
			(1245.12)		92.75
	Cash flow from operating activities before taxes		**3840.73**		**4383.24**
	Less : Taxes		678.90		662.22
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**3161.83**		**3721.02**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Property, Plant and Equipment, Other Intangible Assets & Expenditure on construction projects (including expenditure attributable to construction forming part of Capital Work in Progress for the year) - Net		(1207.67)		(1530.44)
	Investment in Joint Venture		(100.00)		(125.36)
	Dividend Income		282.47		632.12
	Interest Income		144.14		260.49
	NET CASH USED IN INVESTING ACTIVITIES (B)		**(881.06)**		**(763.19)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Buyback of Equity Shares (including Premium Payment)		(606.20)		0.00
	Dividend and Tax on Dividend Paid		(1149.03)		(1378.50)
	Borrowings		2578.00		4354.99
	Repayment of Borrowings		(1877.16)		(4855.88)
	Interest and Finance Charges		(1215.12)		(1143.87)
	Government Grant Received		12.50		12.50
	NET CASH USED IN FINANCING ACTIVITIES (C)		**(2257.01)**		**(3010.76)**
D.	**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)**		**23.76**		**(52.93)**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2019 (Contd.)

(₹ in crore)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Cash and Cash Equivalents at the beginning of the year (Refer Note 8)	6.96	59.89
Cash and Cash Equivalents at the close of the year (Refer Note 8)	30.72	6.96

EXPLANATORY NOTES TO STATEMENT OF CASH FLOWS

1 Cash and Cash equivalents consists of Cash in hand, cheques/drafts in hands and Bank Balances including Short Term Deposits with original maturity of less than three months). The details of Cash and Cash equivalents as per Note 8 of the Standalone Balance Sheet is as under:

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Cash and Cash equivalents	30.72	6.96

Cash and Cash equivalents includes:-

a) ₹ 18.18 Crore (Previous year ₹ 0.22 Crore), held for works being executed by Company on behalf of other agencies.

b) ₹ 0.50 Crore (Previous year ₹ Nil), NHPC Emergency relief fund created in pursuance of order of Hon'ble High Court of Sikkim.

2 Interest and finance charges in Cash Flow from Financing Activities includes borrowing cost of ₹ 365.33 Crore (Previous year ₹ 371.10 Crore) capitalised during the period on account of Expenditure attributable to construction (EAC).

3 Amount of undrawn loan as on 31.03.2019 : ₹ 819.00 Crore (Previous Year ₹ 25.00 Crore).

4 Company has incurred ₹ 16.72 Crore in cash on account of Corporate Social Responsibility (CSR) expenditure during the year ended 31.03.2019 (Previous Year ₹ 36.66 Crore)

5 **Net debt reconciliation**

(₹ in crore)

	31-03-2019	31-03-2018
Cash and Cash Equivalents	30.72	6.96
Current Borrowings	(406.00)	(280.00)
Non current Borrowings	(19234.76)	(18894.59)
Net Debt	**(19610.04)**	**(19167.63)**

(₹ in crore)

Particulars	Other assets	Liabilities from Financing Activities		
	Cash & Cash Equivalents	Non-current borrowings	Current borrowings	Total
Net debt as at 31 March 2018	**6.96**	**(18894.59)**	**(280.00)**	**(19167.63)**
Cash flows	23.76	(574.83)	(126.01)	(677.08)
Foreign exchange adjustments	-	(22.69)	-	(22.69)
Interest expense	-	(1201.37)	(5.83)	(1207.20)
Interest paid	-	1188.87	5.84	1194.71
Fair value adjustments	-	269.85	-	269.85
Net debt as at 31 March 2019	**30.72**	**(19234.76)**	**(406.00)**	**(19610.04)**

For and on behalf of the Board of Directors

VIJAY GUPTA	**MAHESH KUMAR MITTAL**	**BALRAJ JOSHI**
Company Secretary	Director (Finance)	Chairman & Managing Director
	DIN 02889021	DIN 07449990

As per report of even date

FOR ARORA VOHRA & CO.	**FOR DSP & ASSOCIATES**	**FOR LODHA & CO.**
Chartered Accountants	Chartered Accountants	Chartered Accountants
FRN 009487N	FRN: 006791N	FRN: 301051E
(PREM C. BANSAL)	**(Sanjay Jain)**	**(R.P. SINGH)**
Partner	Partner	Partner
M. No. 083597	M. No. 084906	M. No. 052438

Place : New Delhi
Date : 27th May, 2019

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

A. EQUITY SHARE CAPITAL

Particulars	Note No.	Amount (₹ in Crore)
As at 1st April 2018	15.1	10,259.32
Changes in Equity Share Capital (Refer Note 15.1.6)		(214.29)
As at 31st March 2019	15.1	10,045.03

B. OTHER EQUITY

(₹ in Crore)

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

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

MAHESH KUMAR MITTAL
Director (Finance)
DIN 02889021

BALRAJ JOSHI
Chairman & Managing Director
DIN 07449990

As per report of even date

FOR ARORA VOHRA & CO.
Chartered Accountants
FRN 009487N

FOR DSP & ASSOCIATES
Chartered Accountants
FRN: 006791N

FOR LODHA & CO.
Chartered Accountants
FRN: 301051E

(PREM C. BANSAL)
Partner
M. No. 083597

(Sanjay Jain)
Partner
M. No. 084906

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

Place : New Delhi
Date : 27th May, 2019

STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH, 2018

A. EQUITY SHARE CAPITAL

Particulars	Note No.	Amount (₹ in Crore)
As at 1st April 2017	15.1	10,259.32
Change in Equity Share Capital		-
As at 31st March 2018	15.1	10,259.32

B. OTHER EQUITY

(₹ in Crore)

Particulars	Reserve & Surplus						Other Comprehensive Income		
	Capital Redemption Reserve	Securities Premium	Bond Redemption Reserve	Research & Development Fund	General Reserve	Surplus/ Retained Earnings	Equity Instruments through OCI	Debt instruments through OCI	Total
Balance as at 1st April, 2017	**2,041.42**	**242.81**	**1,609.27**	**43.90**	**10,088.11**	**2,535.83**	**100.08**	**34.68**	**16,696.10**
Profit for the year	-	-	-	-	-	2,769.03	-	-	2,769.03
Other Comprehensive Income	-	-	-	-	-	20.15	(7.30)	(6.97)	5.88
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**2,789.18**	**(7.30)**	**(6.97)**	**2,774.91**
Transfer to Retained Earning									
Amount transferred from Bond Redemption Reserve	-	-	(148.17)	-	-	148.17	-	-	-
Tax on Dividend - Write back	-	-	-	-	-	-	-	-	-
Amount transferred from Research & Development Fund	-	-	-	(43.90)	-	43.90	-	-	-
Transfer from Retained Earning									-
Final Dividend (2016-17)	-	-	-	-	-	(102.60)	-	-	(102.60)
Interim Dividend (2017-18)						(1,149.05)			(1,149.05)
Tax on Dividend	-	-	-	-	-	(126.86)	-	-	(126.86)
Transfer to Bond Redemption Reserve	-	-	668.45	-	-	(668.45)	-	-	-
Balance as at 31st March, 2018	**2,041.42**	**242.81**	**2,129.55**	**-**	**10,088.11**	**3,470.12**	**92.78**	**27.71**	**18,092.50**

Note : The figures as at 1st April 2017 and 31st March 2018 as given above are restated (Note No-35)

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

MAHESH KUMAR MITTAL
Director (Finance)
DIN 02889021

BALRAJ JOSHI
Chairman & Managing Director
DIN 07449990

As per report of even date

FOR ARORA VOHRA & CO.
Chartered Accountants
FRN 009487N
(PREM C. BANSAL)
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FOR DSP & ASSOCIATES
Chartered Accountants
FRN: 006791N
(Sanjay Jain)
Partner
M. No. 084906

FOR LODHA & CO.
Chartered Accountants
FRN: 301051E
(R.P. SINGH)
Partner
M. No. 052438

Place : New Delhi
Date : 27th May, 2019

NOTE NO. 1: COMPANY INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

(I) Reporting entity

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

(II) Basis of preparation

(A) Statement of Compliance

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

These financial statements were authorised for issue by the Board of Directors on 27th May, 2019.

(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.

(C) Application of new and revised standards

(i) **Ind AS 115- Revenue from Contracts with Customers:** With effect from 1st April, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up method. However, no material adjustments were necessary.

(ii) **Appendix B to Ind AS 21- "Foreign Currency Transactions and Advance Consideration and Ind AS 12- Income Taxes** have been revised with effect from 1st April, 2018. However, no material adjustments were necessary.

(iii) 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).

(E) Use of estimates and management judgments

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

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

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

Critical judgments and estimates

a) Determining whether an arrangement contains a lease

Appendix C, Ind AS 17 'Determining whether an arrangement contains a lease' requires an assessment of whether:

- fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and
- the arrangement conveys a right to use the asset.

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

The Company enters into power purchase agreements with beneficiaries. Power Purchase Agreements (PPA) in the nature of embedded lease with a single beneficiary where the minimum lease term is for the major part of the plant's economic life and the minimum lease payments amount to substantially all the fair value of the plant are considered as a Finance Lease. Other embedded leases are considered as Operating Lease.

For embedded leases in the nature of a Finance Lease, the investment in the plant is recognised as a Lease Receivable. The minimum lease payments are identified by segregating the embedded lease payments from the rest of the contract amounts. Each lease receipt is allocated between the receivable and finance lease income so as to achieve a constant rate of return on the Lease Receivable outstanding.

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

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

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

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

c) Recoverable amount of property, plant and equipment, capital work in progress and intangible assets

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

d) Post-retirement benefit plans

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

e) Revenue

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

f) **Provisions and contingencies**

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

g) **Recoverable Amount of Rate Regulated Assets**

The operating activities of the Company are subject to cost-of-service regulations whereby tariff charged for electricity generated is based on allowable costs like interest costs, depreciation, operation & maintenance including a stipulated return. Guidance Note on Rate Regulated Activities issued by the ICAI (previous GAAP) 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 2014-19. However, changes in CERC tariff regulations beyond the current tariff period may affect the recoverability of such balances.

h) **Impairment of Trade Receivables**

Considering the historical credit loss experience for trade receivables, the Company does not envisage either impairment in the value of receivables from beneficiaries or loss due to time value of money owing to delay in realization of trade receivables, except to the extent already provided for.

i) **Investment in Subsidiaries and Joint Ventures**

Investment has been carried at cost and as per assessment by the Company, there is no indication of impairment on such investments. Any changes in assumption may have a material impact on the measurement of the recoverable amount.

j) **Insurance Claim Recoverable**

The recoverable amount of insurance claims in respect of damages to Property, Plant & Equipment is based on estimates & assumptions as per terms and conditions of insurance policies.

(III) SIGNIFICANT ACCOUNTING POLICIES:

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

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

1.0 Property, Plant and Equipment (PPE)

a) An item of PPE is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

b) PPE are initially measured at cost of acquisition/construction including decommissioning or restoration cost wherever required. The cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. In cases where final settlement of bills with contractors is pending, but the asset is complete and available for operating in the manner intended by the management, capitalisation is done on estimated basis subject to necessary adjustments, including those arising out of settlement of arbitration/court cases.

c) Expenditure incurred on renovation and modernization of PPE on completion of the originally estimated useful life of the power station resulting in increased life and/or efficiency of an existing asset, is added to the cost of the related asset. PPE acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

d) After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation/amortisation and accumulated impairment losses, if any.

e) Deposits, payments made/ liabilities created provisionally towards compensation (including interest on enhanced compensation till the date of award by the Court), rehabilitation & resettlement and other expenses including expenditure on environment management plans relatable to land in possession are treated as cost of land.

f) Assets over which the Company has control, though created on land not belonging to the Company, are included under Property, Plant and Equipment.

g) Standby equipment and servicing equipment which meet the recognition criteria of Property, Plant and Equipment are capitalized.

h) Spares parts (procured along with the Plant & Machinery or subsequently) which meet the recognition criteria are capitalized. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other spare parts are treated as "stores & spares" forming part of inventory.

i) If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection carried out.

j) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

2.0 Capital work in Progress

a) Expenditure incurred on assets under construction (including a project) is carried at cost under Capital Work in Progress (CWIP). Such costs comprise purchase price of assets including import duties and non-refundable taxes (after deducting trade discounts and rebates), expenditure in relation to survey and investigation activities of projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, etc.

b) Costs including employee benefits, professional fees, expenditure on maintenance and up-gradation of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management are accumulated under "Expenditure Attributable to Construction (EAC)" and subsequently allocated on systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects. Net pre-commissioning income/expenditure is adjusted directly in the cost of related assets.

c) Capital Expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential principally for construction of the project is accumulated under "Expenditure Attributable to Construction" and carried under "Capital Work in Progress" and subsequently allocated on a systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects, keeping in view the "attributability" and the "Unit of Measure" concepts in Ind AS 16- "Property, Plant & Equipment". Expenditure of such nature incurred after completion of the project, is charged to the Statement of Profit and Loss.

3.0 Investment Property

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

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

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

4.0 Intangible Assets and Intangible Assets under Development

a) Expenditure on research is charged to revenue as and when incurred. Expenditure on development is capitalized only if the expenditure can be 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 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) 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 Land-Right to use.

d) Software (not being an integral part of the related hardware) acquired for internal use, is stated at cost of acquisition less accumulated amortisation and impairment losses if any.

e) An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

5.0 Foreign Currency Transactions

a) Transactions in foreign currency are initially recorded at the functional currency spot rate at the date the transaction first qualifies for recognition. At each Balance Sheet date, monetary items denominated in foreign currency are translated at the functional currency exchange rates prevailing on that date.

b) Exchange differences relating to PPE/capital work-in-progress arising out of transaction entered into prior to April 1, 2004 are adjusted to the carrying cost of respective PPE/capital work-in-progress.

c) Exchange differences arising from translation of foreign currency borrowings entered into prior to March 31, 2016 recoverable from or payable to beneficiaries in subsequent periods as per CERC Tariff regulations are recognised as "Deferred Foreign Currency Fluctuation Recoverable/ Payable Account" and adjusted from the year in which the same is recovered/ paid.

d) Exchange differences arising from settlement/ translation of monetary items denominated in foreign currency entered into on or after 01.04.2016 to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized as 'Regulatory Deferral Account Balances' during construction period and adjusted from the year in which the same become recoverable from or payable to the beneficiaries.

e) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Where the Company has paid or received advance consideration in a foreign currency, the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it), is the date when the Company initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

6.0 Regulatory Deferral Accounts

a) Where an item of expenditure incurred during the period of construction of a project is recognised as expense in the Statement of Profit and Loss i.e. not allowed to be capitalized as part of cost of relevant PPE in accordance with Ind AS, but is nevertheless permitted by CERC to be recovered from the beneficiaries in future through tariff, the right to recover the same is recognized as "Regulatory Deferral Account balances."

b) Expense/ income recognised in the Statement of Profit and Loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognised as "Regulatory Deferral Account balances."

c) These Regulatory Deferral Account balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries.

d) Regulatory Deferral Account balances are evaluated at each Balance Sheet date to ensure that the underlying activities meet the recognition criteria and it is probable that future economic benefits associated with such balances will flow to the entity. If these criteria are not met, the Regulatory Deferral Account balances are derecognised.

e) Regulatory Deferral Account balances are tested for impairment at each Balance Sheet date.

7.0 Fair value measurement

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

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

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

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

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

8.0 Investments in subsidiaries and joint ventures

Investments in equity shares of subsidiaries and joint ventures are carried at cost.

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 obligation to receive cash or another financial asset or to exchange financial asset or financial liability under conditions that are potentially favourable to the Company. A financial asset is recognized when and only when the Company becomes party to the contractual provisions of the instrument.

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

a) Classification

The Company classifies its financial assets in the following categories:

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

The classification depends on the following:

(a) The entity’s business model for managing the financial assets and

(b) The contractual cash flow characteristics of the financial asset.

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

b) Initial recognition and measurement

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

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

c) Subsequent measurement

Debt instruments at amortised cost

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

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

ii) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income 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). For all other equity instruments, the Company classifies the same as at FVTOCI. The Company makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

Trade Receivables:

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

d) Derecognition

A financial asset is derecognised only when:

i) The Company has transferred the rights to receive cash flows from the financial asset, or

ii) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

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

e) Impairment of financial assets

In accordance with 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 17, 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 17 and Ind AS 115.

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

10.0 Inventories

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

Scrap is valued at net realisable value.

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

11.0 Dividends

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

12.0 Financial liabilities

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

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

a) Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable and subsequently measured at amortised cost. Financial liabilities are classified as subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss or in the carrying amount of an asset if another standard permits such inclusion, over the period of the borrowings using the effective rate of interest.

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

b) Subsequent measurement

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

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

c) **Derecognition**

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

d) **Offsetting of financial instruments**

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

13.0 Government Grants

a) The benefits of a government loan at a below market rate of interest is treated as Government Grant. The loan is initially recognised and measured at fair value and the government grant is measured as the difference between the initially recognized amount of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities and government grant is recognized initially as deferred income and subsequently in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

b) Monetary grants from the government for creation of assets are initially recognised as deferred income when there is reasonable assurance that the grant will be received and the company will comply with the conditions associated with the grant. The deferred income so recognised is subsequently amortised in the Statement of Profit and Loss over the useful life of the related assets.

c) Government grant related to income is recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

14.0 Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

15.0 Revenue Recognition and Other Income

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

a) Revenue from sale of power

i) Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over the products or services to a customer.

ii) Revenue from sale of power (except for power stations considered as Finance/Operating Lease) is accounted for as per tariff notified by the Central Electricity Regulatory Commission (CERC) under the CERC (Terms & Conditions of Tariff) Regulations, 2014. 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) In the comparative period, revenue from sale of power was measured at the fair value of the consideration received or receivable. Revenue was recognised when the significant risks and rewards of ownership had been transferred to the buyer, recovery of the consideration was probable, the associated costs could be estimated reliably, there was no continuous management involvement and the amount of revenue could be measured reliably.

iv) 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).

v) 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.

vi) Adjustments arising out of finalisation of Regional Energy Account (REA), though not material, are effected in the year of respective finalisation.

vii) 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) In the comparative period, revenue on Project Management / Construction Contracts/ Consultancy assignments was recognized on percentage of completion method. The percentage of completion is determined as proportion of "cost incurred up to reporting date" to "estimated cost to complete the concerned Project Management / Construction Contracts and Consultancy assignment".

iii) Contract modifications, if any, are accounted for when there is a change in the scope or price (or both) of a contract that is approved by the parties to the contract and when the parties to a contract approve a modification that either creates new or changes existing enforceable rights and obligations of the parties to the contract. Accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Contract modifications are recorded on standalone basis when the scope of the contract increases because of the addition of promised goods or services or the price of the contract increases by an amount of consideration that reflects the Company's standalone selling prices of the additional promised goods or services and any appropriate adjustments to that price to reflect the circumstances of the particular contract. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

c) Revenue from trading of power

i) Accounting for revenue from trading of power involves assessment of the contract conditions to determine whether the Company is required to act in the capacity of a principal or as an agent. The Company acts in the nature of a principal in case it obtains control of the electricity before transferring it to the customer. Indicators of control includes assessment of whether the company is primarily responsible for fulfilling the promise to provide the electricity, it has the discretion to establish the price or whether it bears the inventory risk. Where the Company does not obtain control of the electricity before transferring it to the customer and its performance obligation is to arrange for the supply of electricity by another party, it acts in the nature of an agent.

ii) Where the Company acts as a principal in a contract for trading of power, the amount of the transaction price allocated to the performance obligation that is satisfied is recognised as revenue.

iii) Where the Company acts as an agent in a contract for trading of power, the net consideration retained after paying the supplier for the electricity provided to the customer is recognised as revenue from operations. Financial assets and liabilities arising out of these transactions are not set off.

d) Other income

i) Dividend income is recognized when the right to receive the same is established.

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

iii) Interest/Surcharge recoverable from customers including those arising out of contracts for trading of power and liquidated damages /interest on advances to contractors is recognised when it is highly probable that a significant reversal in the amount of revenue recognised will not occur in the future.

16.0 Employee Benefits

i) Short-term employee benefits

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

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

ii) Defined contribution plans

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

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

iii) Defined benefit plans

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

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

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 and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

iv) Other long-term employee benefits

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

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

v) Termination benefits

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

17.0 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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

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) below.

ii) Depreciation on old and used items of PPE of other than Operating Units is charged on straight-line method to the extent of 90% of the cost of the asset over estimated useful life determined on the basis of technical assessment.

d) i) Depreciation in respect of following items of PPE is provided on straight line method based on the life and residual value (5%) given in the Schedule II of the Companies Act, 2013:

- Construction Plant & Machinery
- Computer & Peripherals

ii) Based on management assessment, depreciation on Mobile Phones is provided on straight line basis over a period of three years with residual value of Re 1.

e) Temporary erections are depreciated fully (100%) in the year of acquisition /capitalization by retaining Re. 1/- as WDV.

f) Assets valuing ₹ 5000/- or less but more than ₹ 750/- are fully depreciated during the year in which the asset becomes available for use with Re. 1/- as WDV.

g) Low value items, which are in the nature of assets (excluding immovable assets) and valuing upto ₹ 750/- are not capitalized and charged off to revenue in the year of use.

h) Leasehold Land of operating units, is amortized over the period of lease or 35 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 35 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 & Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery at the rates and methodology notified by CERC.

o) Useful life, method of depreciation and residual value of assets where depreciation is charged as per management assessment are reviewed at the end of each financial year and adjusted prospectively over the balance life of the asset, wherever required.

19.0 Impairment of non-financial assets other than inventories

a) The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss.

b) In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

c) In case of expenditure on survey & investigation of projects, if it is decided to abandon such a project, expenditure incurred thereon is charged to the Statement of Profit and Loss in the year in which such decision is taken.

d) In case a project under survey and Investigation remains in abeyance by the order of appropriate authority/ by injunction of court order, any expenditure incurred on such projects from the date of order/ injunction of court is provided in the books from the date of such order till the period project is kept in abeyance by such order/ injunction. Provision so made is however reversed on the revocation of aforesaid order/ injunction.

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

20.0 Income Taxes

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

a) Current tax

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

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

b) Deferred tax

i) Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the Balance Sheet method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of an asset or liability in a transaction that at the time of the transaction affects neither the taxable profit or loss nor the accounting profit or loss.

ii) The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

iii) Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would flow in the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

iv) Deferred tax is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

v) Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

vi) Deferred tax recovery adjustment account is credited/ debited to the extent the deferred tax for the current period which forms part of current tax in the subsequent periods and affects the computation of return on equity (ROE), a component of tariff.

21.0 Compensation from third parties

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

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

22.0 Segment Reporting

a) In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's "Chief Operating Decision Maker" or "CODM" within the meaning of Ind AS 108.

b) Electricity generation is the principal business activity of the Company. Other operations viz., Contracts, Project Management, Consultancy works and Trading of Power do not form a reportable segment as per the Ind AS -108 - 'Operating Segments'.

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

23.0 Leases

a) Company as a Lessee:

i) Leases of property, plant and equipment, where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance lease. Such finance leases are generally capitalised at the lease's inception at the fair value of the leased property which equals the transaction price i.e. lump sum upfront payments.

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

b) Company as a Lessor:

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 amounts to substantially all the fair value of the plant are considered as a Finance Lease. Other embedded leases are considered as Operating Lease.

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

ii) 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 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.

25.0 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.

26.0 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'.

27.0 Current versus non-current classification

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

a) An asset is current when it is:

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

All other assets are classified as non-current.

b) A liability is current when:

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

All other liabilities are classified as non-current.

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

28.0 Miscellaneous

a) Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

b) Liabilities for Goods in transit/Capital works executed but not certified are not provided for, pending inspection and acceptance by the Company.

(IV) Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 on March 30, 2019. Both the Rules shall come into force on April 1, 2019.

Standards issued but not yet effective

a) Ind AS 116- *'Leases'*: Ind AS 116 was notified by Ministry of Corporate Affairs on 30 March 2019 and it is applicable for annual reporting periods beginning on or after 1 April 2019. Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. The Statement of Profit and Loss might also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change. Operating cash flows will be higher as repayments of the lease liability and related interest are classified within financing activities. The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under Ind AS 116, 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.

The Company is in the process of evaluating the impact of Ind AS 116 on its financial statements.

b) **Appendix C to Ind AS 12, *'Income Taxes'*:** The appendix explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

i) how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty;

ii) that the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored;

iii) that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment;

iv) that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty; and

v) that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

As per assessment, the application of this guidance is not expected to have material impact on the financial statements of the Company.

c) **Amendments to Ind AS 12, *'Income Taxes'*:** The amendments clarify that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends. Previously, it was unclear whether the income tax consequences of dividends should be recognised in profit or loss, or in equity, and the scope of the existing guidance was ambiguous.

These amendments are not expected to have any material impact on the financial statements of the Company.

d) **Amendments to Ind AS 28, *'Investment in Associates and Joint Ventures'*:** The amendments clarify the accounting for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under Ind AS 109 'Financial Instruments' before applying the loss allocation and impairment requirements in Ind AS 28.

Since the Company does not have such long-term interests in its joint ventures, the amendments will not have any impact on its financial statements.

e) **Amendments to Ind AS 19, *'Employee Benefits'*:** The amendments to Ind AS 19 clarify the accounting for defined benefit plan amendments, curtailments and settlements. They confirm that entities must :

i) calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change;

ii) any reduction in a surplus should be recognised immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling; and

iii) separately recognise any changes in the asset ceiling through other comprehensive income.

These amendments will apply to any future plan amendments, curtailments, or settlements of the group on or after 1 April 2019.

f) **Amendments to Ind AS 111, *'Joint Arrangements'*:** The amendments clarify that the party obtaining joint control of a business that is a joint operation should not re-measure its previously held interest in the joint operation.

These amendments will apply to future transactions of the Company where it obtains joint control of a business on or after 1st April 2019.

g) **Amendment to Ind AS 23, *'Borrowing Costs'*:** The amendments clarify that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings. The Company's current practice is in line with these amendments and accordingly these amendments are not expected to have any material impact on its financial statements.

h) **Amendment to Ind AS 103, *'Business Combinations'*:** The amendments clarify that obtaining control of a business that is a joint operation, is a business combination achieved in stages. The acquirer should re-measure its previously held interest in the joint operation at fair value at the acquisition date.

These amendments will apply to future business combinations of the Company for which acquisition date is on or after 1st April 2019.

i) **Prepayment Features with Negative Compensation – Amendments to Ind AS 109, *'Financial Instruments'*:** The narrow-scope amendments made to Ind AS 109 enable entities to measure certain prepayable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit or loss. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model.

These amendments are not expected to have any impact on the financial statements of the Company.

NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENT

(₹ in Crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 01.04.2018	Addition	Deduction	Adjustment	As at 31.03.2019	As at 01.04.2018	For the year	Adjustment	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
Land – Freehold	313.69	12.16	0.01	6.15	331.99	-	-	-	-	331.99	313.69
Land – Leasehold	327.41	0.02	-	(24.85)	302.58	35.28	11.65	(24.86)	22.07	280.51	292.13
Roads and Bridges	215.47	6.67	0.15	0.22	222.21	27.79	10.18	3.06	41.03	181.18	187.68
Buildings	2,019.62	331.94	0.74	0.88	2,351.70	259.33	94.26	0.67	354.26	1,997.44	1,760.29
Building-Under Lease	-	17.01	-	-	17.01	-	0.36	-	0.36	16.65	-
Railway Sidings	16.57	-	-	(0.00)	16.57	7.42	5.68	-	13.10	3.47	9.15
Hydraulic Works (Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels)	12,690.92	4,025.18	3.44	1.55	16,714.21	2,448.42	952.73	(0.63)	3,400.52	13,313.69	10,242.50
Generating Plant and Machinery	7,213.75	1,017.32	9.24	(1.04)	8,220.79	1,267.40	481.48	(1.97)	1,746.91	6,473.88	5,946.35
Plant and machinery - Sub-Station	49.49	2.04	0.01	(0.22)	51.30	9.22	2.43	(0.21)	11.44	39.86	40.27
Plant and machinery - Transmission Lines	68.93	1.61	-	0.17	70.71	12.69	4.59	0.17	17.45	53.26	56.24
Plant and machinery - Others	32.83	3.39	0.10	(0.11)	36.01	8.16	2.05	(0.10)	10.11	25.90	24.67
Construction Equipment	50.76	2.15	0.19	(0.19)	52.53	16.16	3.94	(0.20)	19.90	32.63	34.60
Water Supply System/Drainage and Sewerage	47.09	5.29	0.06	0.12	52.44	6.15	2.18	0.11	8.44	44.00	40.94
Electrical Installations	4.33	0.42	0.04	0.07	4.78	0.54	0.31	0.06	0.91	3.87	3.79
Vehicles	22.21	0.48	0.26	(0.04)	22.39	5.16	1.82	(0.10)	6.88	15.51	17.05
Aircraft/ Boats	0.89	1.04	0.01	0.00	1.92	0.18	0.14	-	0.32	1.60	0.71
Furniture and Fixtures	33.10	2.77	0.16	0.22	35.93	6.92	2.42	0.19	9.53	26.40	26.18
Computers	33.81	5.83	0.45	(0.12)	39.07	18.08	6.43	(0.36)	24.15	14.92	15.73
Communication Equipments	10.75	1.14	0.31	0.20	11.78	2.21	0.81	0.08	3.10	8.68	8.54
Office Equipments	34.34	4.05	0.43	0.28	38.24	7.73	3.04	0.15	10.92	27.32	26.61
Research and Development Equipment	0.72	-	-	(0.00)	0.72	0.24	0.08	-	0.32	0.40	0.48
Other Assets	52.39	9.19	0.23	0.10	61.45	9.89	4.01	0.04	13.94	47.51	42.50
Tangible Assets of Minor Value > ₹ 750 and < ₹5000	3.20	1.17	0.04	0.26	4.59	3.19	1.14	0.24	4.57	0.02	0.01
TOTAL	**23,242.27**	**5,450.87**	**15.87**	**(16.35)**	**28,660.92**	**4,152.16**	**1,591.73**	**(23.66)**	**5,720.23**	**22,940.69**	**19,090.11**
Previous Year	22,796.98	456.74	12.38	0.93	23,242.27	2,745.11	1,404.39	2.66	4,152.16	19,090.11	

Note : Additional disclosure of Property Plant and Equipment (PPE) as per gross block of assets and accumulated depreciation under previous GAAP has been provided as Annexure-I to this Note. For other notes, these are stated in Annexure-I to Note 2.1.

ANNEXURE-I TO NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENT

Additional Disclosure of Property, Plant and Equipment

(₹ in Crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 01.04.2018	Addition	Deduction	Adjustment	As at 31.03.2019	As at 01.04.2018	For the year	Adjustment	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
Land – Freehold **(Refer Note 2.1.1 and 2.1.2)**	313.69	12.16	0.01	6.15	331.99	-	-	-	-	331.99	313.69
Land – Leasehold **(Refer Note 2.1.1 and 2.1.3)**	370.76	0.02	-	(54.78)	316.00	78.63	11.65	(54.79)	35.49	280.51	292.13
Roads and Bridges	312.60	6.67	0.26	(3.18)	315.83	124.92	10.18	(0.45)	134.65	181.18	187.68
Buildings	2,760.23	331.94	2.49	(11.41)	3,078.27	999.94	94.26	(13.37)	1,080.83	1,997.44	1,760.29
Building-Under Lease **(Refer 34(16B))**	-	17.01	-	-	17.01	-	0.36	-	0.36	16.65	-
Railway Sidings	36.12	-	0.02	-	36.10	26.97	5.68	(0.02)	32.63	3.47	9.15
Hydraulic Works (Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels)	18,501.11	4,025.18	8.00	1.84	22,520.13	8,258.61	952.73	(4.90)	9,206.44	13,313.69	10,242.50
Generating Plant and Machinery	10,194.08	1,017.32	9.47	0.52	11,202.45	4,247.73	481.48	(0.64)	4,728.57	6,473.88	5,946.35
Plant and machinery - Sub-Station	101.19	2.04	0.10	(0.20)	102.93	60.92	2.43	(0.28)	63.07	39.86	40.27
Plant and machinery - Transmission Lines	96.33	1.61	-	(0.03)	97.91	40.09	4.59	(0.03)	44.65	53.26	56.24
Plant and machinery - Others	49.79	3.39	0.43	(0.44)	52.31	25.12	2.05	(0.76)	26.41	25.90	24.67
Construction Equipment	112.62	2.15	1.67	(1.15)	111.95	78.02	3.94	(2.64)	79.32	32.63	34.60
Water Supply System/Drainage and Sewerage	57.05	5.29	0.08	(0.02)	62.24	16.11	2.18	(0.05)	18.24	44.00	40.94
Electrical Installations	5.64	0.42	0.07	-	5.99	1.85	0.31	(0.04)	2.12	3.87	3.79
Vehicles	34.35	0.48	1.06	(0.69)	33.08	17.30	1.82	(1.55)	17.57	15.51	17.05
Aircraft/ Boats	1.15	1.05	0.02	-	2.18	0.44	0.14	-	0.58	1.60	0.71
Furniture and Fixtures	58.50	2.77	0.31	(0.50)	60.46	32.32	2.42	(0.68)	34.06	26.40	26.18
Computers	67.65	5.81	3.11	(0.90)	69.45	51.92	6.43	(3.82)	54.53	14.92	15.73
Communication Equipments	17.08	1.16	0.65	(0.02)	17.57	8.54	0.81	(0.46)	8.89	8.68	8.54
Office Equipments	54.59	4.05	1.08	(0.20)	57.36	27.98	3.04	(0.98)	30.04	27.32	26.61
Research and Development Equipment	1.35	-	-	-	1.35	0.87	0.08	-	0.95	0.40	0.48
Other Assets	76.54	9.19	0.86	(0.64)	84.23	34.04	4.01	(1.33)	36.72	47.51	42.50
Tangible Assets of Minor Value > ₹ 750 and < ₹5000	18.56	1.17	0.54	(0.45)	18.74	18.55	1.14	(0.97)	18.72	0.02	0.01
TOTAL	**33,240.98**	**5,450.88**	**30.23**	**(66.10)**	**38,595.53**	**14,150.87**	**1,591.73**	**(87.76)**	**15,654.84**	**22,940.69**	**19,090.11**
Previous Year	32,811.42	456.74	28.11	0.93	33,240.98	12,759.55	1,404.39	(13.07)	14,150.87	19,090.11	

Note: -

2.1.1 a) Freehold land amounting to ₹ 6.51 crore (Previous year ₹ 6.51 crore) covering an area of 1458.55 hectare (Previous year 1485.19 hectare) has been recorded in revenue records in favour of the Government of India through the Government of Jammu & Kashmir, in possession of Salal Power Station (a Power Station of NHPC Limited). Title deeds in respect of freehold land of the Power Station amounting to ₹ 0.0004 crore (Previous year ₹ 0.01 crore) covering an area of 0.10 hectare (Previous year 4.76 hectare) is however, yet to be executed/ passed.

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

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

2.1.2 Freehold Land includes 8 hectare (Previous year 8 hectare) of land being used by Loktak Downstream Hydroelectric Corporation Limited (LDHCL) (A subsidiary of NHPC Limited) for a consideration of ₹ 100 per annum as rent, for which a lease agreement has been entered between NHPC Limited and LDHCL.

2.1.3 Land - Leasehold includes 2.72 hectare (Previous year 2.72 hectare) taken from Sashastra Seema Bal (SSB) for Subansiri Upper Project on lease for a period of 99 years at notional value of ₹ 1/-. Out of this area, 1.06 hectare (previous year 1.06 hectare) has been handed over to Indo-Tibetan Border Police(ITBP).

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

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

2.1.6 Pending approval of revised cost estimates (RCE) of Sewa-II, Chamera-III, Teesta Low Dam-III, Uri-II & Teesta Low Dam-IV Power Stations, capital expenditure incurred on these power stations has been considered for capitalisation.

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

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

NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENT

(₹ in Crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 01.04.2017	Addition	Deduction	Adjustment	As at 31.03.2018	As at 01.04.2017	For the year	Adjustment	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Land – Freehold	308.04	6.01	0.32	(0.04)	313.69	-	-	-	-	313.69	308.04
Land – Leasehold	327.16	0.25	-	-	327.41	23.37	11.91	-	35.28	292.13	303.79
Roads and Bridges	213.29	4.90	0.25	(2.47)	215.47	17.39	10.75	(0.35)	27.79	187.68	195.90
Buildings	1,989.00	29.53	0.13	1.22	2,019.62	170.82	87.92	0.59	259.33	1,760.29	1,818.18
Building-Under Lease					-	-	-		-	-	-
Railway Sidings	16.57	-	-	-	16.57	4.93	2.49	-	7.42	9.15	11.64
Hydraulic Works (Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels)	12,671.56	18.12	1.23	2.47	12,690.92	1,631.00	817.08	0.34	2,448.42	10,242.50	11,040.56
Generating Plant and Machinery	6,862.88	359.51	7.89	(0.75)	7,213.75	829.07	435.86	2.47	1,267.40	5,946.35	6,033.81
Plant and machinery - Sub-Station	49.18	0.32	0.01	-	49.49	6.10	3.11	0.01	9.22	40.27	43.08
Plant and machinery - Transmission Lines	65.22	3.74	0.03	-	68.93	7.71	4.99	(0.01)	12.69	56.24	57.51
Plant and machinery - Others	32.20	0.63	-	-	32.83	5.51	2.65	-	8.16	24.67	26.69
Construction Equipment	48.23	2.56	0.23	0.20	50.76	10.46	5.70	-	16.16	34.60	37.77
Water Supply System/Drainage and Sewerage	42.49	4.61	0.01	-	47.09	4.11	2.04	-	6.15	40.94	38.38
Electrical Installations	2.23	2.12	0.02	-	4.33	0.30	0.26	(0.02)	0.54	3.79	1.93
Vehicles	21.13	1.57	0.42	(0.07)	22.21	3.15	2.16	(0.15)	5.16	17.05	17.98
Aircraft/ Boats	0.78	0.11	-	-	0.89	0.11	0.07	-	0.18	0.71	0.67
Furniture and Fixtures	30.74	2.59	0.20	(0.03)	33.10	4.42	2.55	(0.05)	6.92	26.18	26.32
Computers	27.42	6.42	0.55	0.52	33.81	11.50	6.35	0.23	18.08	15.73	15.92
Communication Equipments	10.16	1.12	0.35	(0.18)	10.75	1.55	0.89	(0.23)	2.21	8.54	8.61
Office Equipments	31.97	2.82	0.45	-	34.34	5.00	2.87	(0.14)	7.73	26.61	26.97
Research and Development Equipment	0.72	-	-	-	0.72	0.16	0.08	-	0.24	0.48	0.56
Other Assets	43.68	8.91	0.24	0.04	52.39	6.14	3.77	(0.02)	9.89	42.50	37.54
Tangible Assets of Minor Value > ₹ 750 and < ₹5000	2.33	0.90	0.05	0.02	3.20	2.31	0.89	(0.01)	3.19	0.01	0.02
TOTAL	**22,796.98**	**456.74**	**12.38**	**0.93**	**23,242.27**	**2,745.11**	**1,404.39**	**2.66**	**4,152.16**	**19,090.11**	**20,051.87**
Previous Year	21,848.22	947.81	11.57	12.52	22,796.98	1,365.75	1,400.48	(21.12)	2,745.11	20,051.87	

Note : Additional disclosure of Property Plant and Equipment (PPE) as per gross block of assets and accumulated depreciation under previous GAAP has been provided as Annexure-I to this Note. For other notes, these are stated in Annexure-I to Note 2.1.

ANNEXURE-I TO NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENT

Additional Disclosure of Property, Plant and Equipment

(₹ in Crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 01.04.2017	Addition	Deduction	Adjustment	As at 31.03.2018	As at 01.04.2017	For the year	Adjustment	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Land – Freehold **(Refer Note 2.1.1 and 2.1.2)**	308.04	6.01	0.32	(0.04)	313.69	-	-	-	-	313.69	308.04
Land – Leasehold **(Refer Note 2.1.1 and 2.1.3)**	370.51	0.25	-	-	370.76	66.72	11.91	-	78.63	292.13	303.79
Roads and Bridges	310.48	4.90	0.31	(2.47)	312.60	114.58	10.75	(0.41)	124.92	187.68	195.90
Buildings	2,732.03	29.53	2.55	1.22	2,760.23	913.85	87.92	(1.83)	999.94	1,760.29	1,818.18
Building-Under Lease **(Refer 34(16B))**	-				-	-	-		-	-	-
Railway Sidings	36.12	-	-	-	36.12	24.48	2.49	-	26.97	9.15	11.64
Hydraulic Works (Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels)	18,481.80	18.12	1.28	2.47	18,501.11	7,441.24	817.08	0.29	8,258.61	10,242.50	11,040.56
Generating Plant and Machinery	9,848.86	359.51	13.54	(0.75)	10,194.08	3,815.05	435.86	(3.18)	4,247.73	5,946.35	6,033.81
Plant and machinery - Sub-Station	100.88	0.32	0.01	-	101.19	57.80	3.11	0.01	60.92	40.27	43.08
Plant and machinery - Transmission Lines	92.62	3.74	0.03	-	96.33	35.11	4.99	(0.01)	40.09	56.24	57.51
Plant and machinery - Others	49.19	0.63	0.03	-	49.79	22.50	2.65	(0.03)	25.12	24.67	26.69
Construction Equipment	110.39	2.56	0.53	0.20	112.62	72.62	5.70	(0.30)	78.02	34.60	37.77
Water Supply System/Drainage and Sewerage	52.46	4.61	0.02	-	57.05	14.08	2.04	(0.01)	16.11	40.94	38.38
Electrical Installations	3.55	2.12	0.03	-	5.64	1.62	0.26	(0.03)	1.85	3.79	1.93
Vehicles	34.47	1.57	1.62	(0.07)	34.35	16.49	2.16	(1.35)	17.30	17.05	17.98
Aircraft/ Boats	1.04	0.11	-	-	1.15	0.37	0.07	-	0.44	0.71	0.67
Furniture and Fixtures	56.32	2.59	0.38	(0.03)	58.50	30.00	2.55	(0.23)	32.32	26.18	26.32
Computers	65.73	6.42	5.02	0.52	67.65	49.81	6.35	(4.24)	51.92	15.73	15.92
Communication Equipments	16.90	1.12	0.76	(0.18)	17.08	8.29	0.89	(0.64)	8.54	8.54	8.61
Office Equipments	52.63	2.82	0.86	-	54.59	25.66	2.87	(0.55)	27.98	26.61	26.97
Research and Development Equipment	1.35	-	-	-	1.35	0.79	0.08	-	0.87	0.48	0.56
Other Assets	68.05	8.91	0.46	0.04	76.54	30.51	3.77	(0.24)	34.04	42.50	37.54
Tangible Assets of Minor Value > ₹ 750 and < ₹5000	18.00	0.90	0.36	0.02	18.56	17.98	0.89	(0.32)	18.55	0.01	0.02
TOTAL	**32,811.42**	**456.74**	**28.11**	**0.93**	**33,240.98**	**12,759.55**	**1,404.39**	**(13.07)**	**14,150.87**	**19,090.11**	**20,051.87**
Previous Year	31,878.56	947.81	27.47	12.52	32,811.42	11,396.09	1,400.48	(37.02)	12,759.55	20,051.87	

Note: -

2.1.1 a) Freehold land amounting to ₹ 6.51 crore (Previous year ₹ 6.51 crore) covering an area of 1485.19 hectare (Previous year 1485.19 hectare) has been recorded in revenue records in favour of the Government of India through the Government of Jammu & Kashmir, in possession of Salal Power Station (a Power Station of NHPC Limited). Title deeds in respect of freehold land of the Power Station amounting to ₹ 0.01 crore (Previous year ₹ 0.01 crore) covering an area of 4.76 hectare (Previous year 4.76 hectare) is however, yet to be executed/ passed.

b) In respect of other units, title deeds/title in respect of freehold land amounting to ₹ 0.52 crore (Previous year ₹ 9.95 crore) covering an area of 125.03 hectare (Previous year 153.55 hectare) and lease deeds in respect of leasehold land amounting to ₹ 306.08 crore (Previous year ₹ 310.04 crore) covering an area of 870.87 hectare (Previous year 627.25 hectare) are yet to be executed/ passed.

2.1.2 Freehold Land includes 8 hectare (Previous year 8 hectare) of land being used by Loktak Downstream Hydroelectric Corporation Limited (LDHCL) (A subsidiary of NHPC Limited) for a consideration of ₹ 100 per annum as rent, for which a lease agreement has been entered between NHPC Limited and LDHCL.

2.1.3 Land - Leasehold includes 2.72 hectare (Previous year 2.72 hectare) taken from Sashastra Seema Bal (SSB) for Subansiri Upper Project on lease for a period of 99 years at notional value of ₹ 1/-. Out of this area, 1.06 hectare (previous year 1.06 hectare) has been handed over to Indo-Tibetan Border Police(ITBP).

2.1.4 Underground works amounting to ₹ 6302.08 crore (Previous Year ₹ 6299.38 crore), created on Land - Right to use, are included under the relevant heads of Property, Plant and Equipment.

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

2.1.6 Pending approval of revised cost estimates (RCE) of Sewa-II, Chamera-III, Teesta Low Dam-III, Uri-II, Parbati-III & Teesta Low Dam-IV Power Stations, capital expenditure incurred on these power stations has been considered for capitalisation.

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

2.1.8 Foreign Exchange Rate Variation included in Adjustments to assets are as follows: -

PARTICULARS	For the year ended 31.03.2018 (₹ in Crore)	For the year ended 31.03.2017 (₹ in Crore)
Roads and Bridges	-	(0.16)
Buildings	-	(1.50)
Hydraulic Works	-	(11.12)
Generating Plant and machinery	-	(2.79)
Plant and machinery Sub station	-	(0.02)
Water Supply System/Drainage and Sewerage	-	(0.01)
Total	**-**	**(15.60)**

2.1.9 Refer Note no. 34(4) of Standalone Financial Statements.

NOTE NO. 2.2 CAPITAL WORK IN PROGRESS

(₹ in Crore)

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

Note: -

2.2.1 Expenditure attributable to Construction (EAC) includes ₹ 365.33 Crore (Previous year ₹ 371.10 Crore) towards borrowing cost capitalised during the year. **(Also Refer Note-32)**

2.2.2 Capital Work in Progress (CWIP) includes a cumulative expenditure of ₹ 1419.98 Crore (Previous Year ₹ 1287.92 Crore) on projects under Survey & Investigation stage. Of this, a sum of ₹ 43.52 Crore(Previous Year ₹ 43.52 Crore) pertains to Subansiri Upper Project, which had been decided by Government of Arunachal Pradesh to be handed over to a Private Developer. However, pending handing over of the project & recovery of expenditure incurred on it, the said amount remains provided for in the books as an abundant precaution. Out of the balance of ₹ 1376.46 Crore (Previous Year ₹ 1244.40 Crore) pertaining to projects with the company, a sum of ₹ 622.53 Crore (Previous Year ₹ 562.01 Crore) has been provided upto date where uncertainties are attached and ₹ 753.93 Crore (Previous Year ₹ 682.39 Crore), pertaining to other projects having reasonable certainty of getting clearance, is carried over. **(Also Refer Note 34(24), 34(25), 34(26) and 34(27))**

2.2.3 Siang Basin, Subansiri Basin & Dibang Multipurpose Projects were taken over from Brahmaputra Board. Pending settlement of accounts with Brahmaputra Board, assets and liabilities have been accounted for to the extent of amounts incurred by the Company on these projects. Siang Lower & Siyom HE Projects (in Siang Basin) & Subansiri Middle (in Subansiri Basin) have since been handed over to Private Developer and liability arising out of settlement of accounts with Brahmaputra Board towards these projects if any, is recoverable from respective Private Developers.

2.2.4 Underground Works amounting to ₹ 2172.97 Crore (Previous Year ₹ 5177.50 Crore) created on Land - Right to use, are included under respective heads of Capital Work in Progress (CWIP).

2.2.5 Refer Note no. 34(9) for information of non-current assets pledged with banks as security for related borrowings.

2.2.6 Capital Expenditure on projects under construction approved by the competent authority undergoes revision over period of time as hydroelectric projects are time intensive and some takes longer period than envisaged. As a consequence the cost escalation occur, which requires approval of competent authority. Pending such approval the expenditure incurred is carried forward in Capital Work in Progress (CWIP).

2.2.7 Capital Work in Progress includes a cummulative expenditure of ₹ 6638.37 crore (Previous Year ₹ 6317.39 crore) in respect of Subansiri Lower Project where construction activities have been interrupted with effect from 16.12.2011 and the matter is pending with National Green Tribunal. **(Refer Note 34(22A))**

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

NOTE NO. 2.2 CAPITAL WORK IN PROGRESS

(₹ in Crore)

Particulars	As at 01.04.2017	Addition	Adjustment	Capitalised	As at 31.03.2018
Roads and Bridges	92.92	10.57	-	4.93	98.56
Buildings	1,099.17	80.39	(0.01)	25.97	1,153.58
Hydraulic Works (Dams, Water Conductor System, Hydro mechanical Gates, Tunnels)	6,547.93	565.49	(0.01)	16.61	7,096.80
Generating Plant and Machinery	3,062.75	439.60	(0.01)	318.25	3,184.09
Plant and Machinery - Sub-Station	11.81	-	2.98	-	14.79
Plant and Machinery - Transmission Lines	3.30	1.75	(2.98)	0.31	1.76
Plant and Machinery - Others	0.74	1.03	(0.63)	0.65	0.49
Water Supply System/Drainage and Sewerage	3.86	4.38	(0.84)	3.79	3.61
Assets awaiting Installation	1.84	48.04	(1.58)	38.97	9.33
Survey, Investigation, Consultancy and Supervision Charges	279.93	6.71	0.62	-	287.26
Expenditure Attributable to Construction **(Refer Note-32)**	6,713.94	710.29	-	2.02	7,422.21
Sub total	**17,818.19**	**1,868.25**	**(2.46)**	**411.50**	**19,272.48**
Less: Capital Work in Progress provided **(Refer Note 2.2.2)**	579.26	26.27	-	-	605.53
Sub total (a)	**17,238.93**	**1,841.98**	**(2.46)**	**411.50**	**18,666.95**
Construction Stores	112.48		35.77		148.25
Less : Provisions for construction stores	1.28		(0.04)		1.24
Sub total (b)	**111.20**	**-**	**35.81**	**-**	**147.01**
TOTAL	**17,350.13**	**1,841.98**	**33.35**	**411.50**	**18,813.96**
Previous Year	16578.71	1726.35	(60.94)	893.99	17350.13

Note: -

2.2.1 Expenditure attributable to Construction (EAC) includes ₹ 371.10 Crore (Previous year ₹ 377.54 Crore) towards borrowing cost capitalised during the year. **(also Refer Note-32)**

2.2.2 Capital Work in Progress (CWIP) includes a cumulative expenditure of ₹ 1287.92 Crore (Previous Year ₹ 1178.32 Crore) on projects under Survey & Investigation stage. Of this, a sum of ₹ 43.52 Crore(Previous Year ₹ 43.52 Crore) pertains to Subansiri Upper Project, which had been decided by Government of Arunachal Pradesh to be handed over to a Private Developer. However, pending handing over of the project & recovery of expenditure incurred on it, the said amount is already provided for in the books as an abundant precaution. Out of the balance of ₹ 1244.40 Crore (Previous Year ₹ 1134.80 Crore) pertaining to projects with the company, a sum of ₹ 562.01 Crore (Previous Year ₹ 535.74 Crore) has been provided upto date as an abundant precaution in respect of projects, where uncertainties are attached and ₹ 682.39 Crore (Previous Year ₹ 599.06 Crore), pertaining to other projects having reasonable certainty of getting clearance, is carried over. **(also Refer Note 34(24), 34(25) and 34(27))**

2.2.3 Siang Basin, Subansiri Basin & Dibang Multipurpose Projects were taken over from Brahmaputra Board. Pending settlement of accounts with Brahmaputra Board, assets and liabilities have been accounted for to the extent of amounts incurred by the Company on these projects. Siang Lower & Siyom HE Projects (in Siang Basin) & Subansiri Middle (in Subansiri Basin) have since been handed over to Private Developer and liability arising out of settlement of accounts with Brahmaputra Board towards these projects if any, is recoverable from respective Private Developers.

2.2.4 Underground Works amounting to ₹ 5177.50 Crore (Previous Year ₹ 4923.90 Crore) created on Land - Right to use, are included under respective heads of Capital Work in Progress (CWIP).

2.2.5 Refer Note no. 34(9) for information of non-current assets pledged with banks as security for related borrowings.

2.2.6 Capital Expenditure on projects approved by the competent authority undergoes revision over period of time as hydroelectric projects are time intensive and some takes longer period than envisaged. As a consequence the cost escalation occur, which requires approval of competent authority. Pending such approval the expenditure incurred is carried forward in Capital Work in Progress (CWIP).

2.2.7 Capital Work in Progress includes a cummulative expenditure of ₹ 6317.39 crore (Previous Year ₹ 5921.36 crore) in respect of Subansiri Lower Project where construction activities have been interrupted with effect from 16.12.2011 due to protest of anti-dam activists and the matter is pending with National Green Tribunal. **(Refer Note 34(22A))**

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

NOTE NO. 2.3 INVESTMENT PROPERTY

(₹ in Crore)

Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2018	Addition	Deduction	Adjustment	As at 31.03.2019	As at 01.04.2018	For the year	Adjustment	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
Land – Freehold	4.49	-	-	-	4.49	-	-	-	-	4.49	4.49
TOTAL	**4.49**	**-**	**-**	**-**	**4.49**	**-**	**-**	**-**	**-**	**4.49**	**4.49**
Previous Year	4.49	-	-	-	4.49	-	-	-	-	4.49	

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

(₹ in Crore)

	For the year ended 31.03.2019	For the year ended 31.03.2018
Rental income	Nil	Nil
Direct operating expenses from property that generated rental income	Nil	Nil
Direct operating expenses from property that did not generate rental income	Nil	Nil

(₹ in Crore)

	As at 31.03.2019	As at 31.03.2018
2.3.2 Fair Value of investment property	53.58	53.58

2.3.3 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.

2.3.4 Valuation process

The above land is carried in the financial statements at cost. However, the fair value of investment property has been arrived on the basis of market value as per valuation report and considered to be level-2 of fair valuation hierarchy.

NOTE NO. 2.3 INVESTMENT PROPERTY

(₹ in Crore)

Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2017	Addition	Deduction	Adjustment	As at 31.03.2018	As at 01.04.2017	For the year	Adjustment	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Land – Freehold	4.49	-	-	-	4.49	-	-	-	-	4.49	4.49
TOTAL	**4.49**	**-**	**-**	**-**	**4.49**	**-**	**-**	**-**	**-**	**4.49**	**4.49**
Previous Year	4.49	-	-	-	4.49	-	-	-	-	4.49	

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

(₹ in Crore)

	For the year ended 31.03.2018	For the year ended 31.03.2017
Rental income	Nil	Nil
Direct operating expenses from property that generated rental income	Nil	Nil
Direct operating expenses from property that did not generate rental income	Nil	Nil

(₹ in Crore)

	As at 31.03.2018	As at 31.03.2017
2.3.2 Fair Value of investment property	53.58	53.58

2.3.3 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.

2.3.4 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 circle rates notified by the state government prevailing in the locality where property is situated.

NOTE NO. 2.4 INTANGIBLE ASSETS

(₹ in Crore)

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

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

ANNEXURE-I TO NOTE NO. 2.4 INTANGIBLE ASSETS

(₹ in Crore)

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

NOTE NO. 2.4 INTANGIBLE ASSETS

(₹ in Crore)

Particulars	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As at 01.04.2017	Addition	Deduction	Adjustment	As at 31.03.2018	As at 01.04.2017	For the year	Adjustment	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Land – Right to Use	942.14	-	-	(3.50)	938.64	10.48	6.19	-	16.67	921.97	931.66
Computer Software	8.06	1.41	-	-	9.47	5.58	2.47	0.01	8.06	1.41	2.48
TOTAL	**950.20**	**1.41**	**0.00**	**(3.50)**	**948.11**	**16.06**	**8.66**	**0.01**	**24.73**	**923.38**	**934.14**
Previous Year	823.88	126.39	0.04	(0.03)	950.20	6.94	9.15	(0.03)	16.06	934.14	

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

ANNEXURE-I TO NOTE NO. 2.4 INTANGIBLE ASSETS

(₹ in Crore)

Particulars	GROSS BLOCK					AMORTISATION				NET BLOCK	
	As at 01.04.2017	Addition	Deduction	Adjustment	As at 31.03.2018	As at 01.04.2017	For the year	Adjustment	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Land – Right to Use	971.97	-	-	(3.50)	968.47	40.31	6.19	-	46.50	921.97	931.66
Computer Software	46.26	1.41	0.02	-	47.65	43.78	2.47	(0.01)	46.24	1.41	2.48
TOTAL	**1,018.23**	**1.41**	**0.02**	**(3.50)**	**1,016.12**	**84.09**	**8.66**	**(0.01)**	**92.74**	**923.38**	**934.14**
Previous Year	891.99	126.39	0.12	(0.03)	1,018.23	75.05	9.15	(0.11)	84.09	934.14	

NOTE NO. 3.1 NON-CURRENT INVESTMENTS

(₹ in Crore)

PARTICULARS		As at 31st March 2019		As at 31st March 2018	
		Number of shares/ bonds/ securities (in Units)	Amount (₹ in crore)	Number of shares/ bonds/ securities (in Units)	Amount (₹ in crore)
A.	**Quoted Equity Instruments - At Fair Value through Other Comprehensive Income (OCI)**				
	Bodies Corporate				
	Indian Overseas Bank (Fully Paid Up) (Face Value of ₹ 10/- each)	360800	0.52	360800	0.62
	PTC India Limited. (Fully Paid Up) (Face Value of ₹ 10/- each)	12000000	88.14	12000000	104.52
	Total (A)		**88.66**		**105.14**
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 (Face Value of ₹ 10/- each)	87092309	87.09	87092309	87.09
	Bundelkhand Saur Urja Limited (Face Value of ₹ 10/- each)	3999999	4.00	3999999	4.00
	(ii) Joint Ventures (Fully Paid Up)				
	Chenab Valley Power Projects Private Limited (Face Value of ₹ 10/- each) **(Refer Note 34.8)**	747550000	747.55	582360000	582.36
	National High Power Test Laboratory (P) Limited (Face Value of ₹ 10/- each)	30400000	30.40	30400000	30.40
	Total (B)		**1,871.46**		**1,706.27**
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 2024 (Per Unit Value of ₹ 10000/- each)	150000	157.11	150000	154.21
	8.20% Oil Marketing Companies GOI Special Bonds 2024 (Per Unit Value of ₹ 10000/- each)	12380	12.90	12380	12.64
	8.28% GOI 2027 (Per Unit Value of ₹ 10000/- each)	57000	59.77	57000	59.17
	8.26% GOI 2027 (Per Unit Value of ₹ 10000/- each)	17940	18.76	17940	18.62
	8.28% GOI 2032 (Per Unit Value of ₹ 10000/- each)	35000	36.89	35000	36.66
	8.32% GOI 2032 (Per Unit Value of ₹ 10000/- each)	34000	35.99	34000	35.75
	Sub-total (a)		**321.42**		**317.05**

(₹ in Crore)

PARTICULARS		As at 31st March 2019		As at 31st March 2018	
		Number of shares/ bonds/ securities (in Units)	Amount (₹ in crore)	Number of shares/ bonds/ securities (in Units)	Amount (₹ in crore)
(b)	**Bonds of Public Sector Undertaking/Public Financial Institution and Body Corporate**				
	7.41% IIFCL Tax Free Bonds 15.11.2032 (Per Unit Value of ₹ 10,00,000/- each)	120	13.89	120	13.89
	8.12% REC Tax Free Bonds 27.03.2027 (Per Unit Value of ₹ 1000/- each)	100000	11.83	100000	11.31
	8.48% NHAI Tax Free 22.11.2028 (Per Unit Value of ₹ 10,00,000/- each)	473	54.40	473	55.90
	Sub-total (b)		**80.12**		**81.10**
	Total (C) (a+b)		**401.54**		**398.15**
	Total (A+B+C)		**2,361.66**		**2,209.56**
3.1.1	(i) Aggregate amount and market value of quoted investments		490.20		503.29
	(ii) Aggregate amount of unquoted investments		1,871.46		1,706.27

3.1.2 Investment in Government Securities at cost of ₹ 165.50 Crore (Previous Year ₹ 150 Crore) is earmarked as security against ₹ 165.42 Crore (Previous Year ₹ 146.98 Crore) being 15 percent of total redemption value of Debenture maturing during the Financial Year 2019-2020.

3.1.3 Particulars of Investments as required in terms of Section 186 (4) of the Companies Act, 2013 have been disclosed under Note 3.1 above.

3.1.4 Quoted Investments in respect of debt instruments for which quotations are not available, market value has been considered based on the value published by Fixed Income Money Market and Derivatives Association of India (FIMMDA).

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

(₹ in Crore)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Trade Receivables - Considered Good- Unsecured	61.51	184.45
Total	**61.51**	**184.45**

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

(₹ in Crore)

	PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
	At Amortised Cost		
A	**Deposits**		
	- Considered good- Unsecured	21.49	18.05
	Sub-total	**21.49**	**18.05**
B	**Loans to Employees (Refer Note 3.3.1)**		
	- Considered good- Secured	102.53	112.98
	- Considered good- Unsecured	2.39	1.90
	Sub-total	**104.92**	**114.88**
C	**Loan including Interest to Government of Arunachal Pradesh (Refer Note 3.3.2 and 3.3.4)**		
	- Considered good- Unsecured	620.00	568.81
	Sub-total	**620.00**	**568.81**
	TOTAL	**746.41**	**701.74**
3.3.1	Due from directors or other officers of the company.	Nil	0.01
3.3.2	Loan to Government of Arunachal Pradesh includes :		
	- Principal	225.00	225.00
	- Interest	395.00	343.81

3.3.3 Loans are non-derivative financial assets which generate a fixed or variable interest income for the company. The Carrying value may be affected by the changes in the credit risk of the counterparties.

3.3.4 Represents loan granted for business purpose.

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

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

(₹ in Crore)

	PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
A.	Bank Deposits with more than 12 Months Maturity	0.35	0.35
B.	Lease Rent receivable **(Refer Note 34(16)(C))**	1,449.61	1,505.83
C.	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	-
D.	Interest accrued on:		
	- Bank Deposits with more than 12 Months Maturity	-	0.05
E.	Share Application Money Pending Allotment (Chenab Valley Power Projects Private Limited)- Joint Venture	-	65.19
	TOTAL	**3,467.16**	**1,571.42**

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

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

NOTE NO. 4 NON-CURRENT TAX ASSETS (NET)

(₹ in Crore)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Advance Income Tax including Tax Deducted at Source	1,463.81	843.97
Less: Provision for Current Tax	1,331.86	680.30
TOTAL	**131.95**	**163.67**

NOTE NO. 5 OTHER NON-CURRENT ASSETS

(₹ in Crore)

	PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
A.	**CAPITAL ADVANCES**		
	Considered good- Secured	1.22	12.20
	Considered good- Unsecured		
	– Against bank guarantee	255.49	280.73
	– Others **(Refer Note 5.1)**	243.97	352.74
	Less : Expenditure booked pending utilisation certificate	42.68	2.17
	Considered doubtful- Unsecured	4.49	4.49
	Less : Allowances for doubtful advances (Refer Note 5.2)	4.49	4.49
	Sub-total	**458.00**	**643.50**
B.	**ADVANCES OTHER THAN CAPITAL ADVANCES**		
i)	**DEPOSITS**		
	- Considered good- Unsecured	0.53	15.51
	Less : Expenditure booked against demand raised by Government Departments.	-	15.29
	- Considered doubtful- Unsecured	0.04	0.04
	Less : Allowances for Doubtful Deposits (Refer Note 5.3)	0.04	0.04
	Sub-total	**0.53**	**0.22**
ii)	**Other advances**		
	- Considered good- Unsecured	0.73	0.49
	Sub-total	**0.73**	**0.49**
C.	**Others**		
i)	**Advance against arbitration awards towards capital works (Unsecured)**		
	Released to Contractors - Against Bank Guarantee	617.39	536.06
	Released to Contractors - Others	34.61	-
	Deposited with Court	334.24	-
	Sub-total	**986.24**	**536.06**
ii)	**Deferred Foreign Currency Fluctuation Assets/ Expenditure**		
	Deferred Foreign Currency Fluctuation Assets	398.56	432.68
	Deferred Expenditure on Foreign Currency Fluctuation	130.91	133.02
	Sub-total	**529.47**	**565.70**

(₹ in Crore)

PARTICULARS		As at 31st March, 2019	As at 31st March, 2018
iii)	**Deferred Cost on Employees Advances**		
	Secured - Considered Good	46.16	45.74
	Unsecured - Considered Good	0.22	5.93
	Sub-total	**46.38**	**51.67**
	TOTAL	**2,021.35**	**1,797.64**
5.1	Capital Advances-Others includes an amount of ₹ 41.34 crore deposited with Himachal Pradesh Government for acquisition of land to compensate villagers for damaged house/shops due to leakage/seepage of water from Chamera-III Power Station.		
5.2	**Allowances for doubtful Advances**		
	Opening Balance	4.49	4.49
	Closing balance	**4.49**	**4.49**
5.3	**Allowances for doubtful Deposits**		
	Opening Balance	0.04	0.04
	Closing balance	**0.04**	**0.04**

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

NOTE NO. 6 INVENTORIES

(₹ in crore)

PARTICULARS		As at 31st March, 2019	As at 31st March, 2018
(Valued at lower of Cost or Net Realisable Value)			
Stores and spares		120.44	98.97
Stores in transit/ pending inspection		2.00	2.52
Loose tools		2.43	2.06
Scrap inventory		0.35	1.17
Material issued to contractors/ fabricators		0.02	-
Less: Allowances for Obsolescence & Diminution in Value **(Refer Note 6.1)**		8.10	8.95
	TOTAL	**117.14**	**95.77**
6.1	**Allowances for Obsolescence & Diminution in Value**		
	Opening Balance	8.95	9.98
	Addition during the year **(Refer Note 6.1.1)**	0.82	0.28
	Used during the year	0.35	1.10
	Reversed during the year	1.32	0.21
	Closing balance	**8.10**	**8.95**
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.	0.82	0.28

NOTE NO. 7 FINANCIAL ASSETS - CURRENT - TRADE RECEIVABLES

(₹ in crore)

PARTICULARS		As at 31st March, 2019	As at 31st March, 2018
	- Trade Receivables- Considered Good- Unsecured	2,623.09	1,097.07
	- Trade Receivables- Credit Impaired	37.71	37.71
	Less: Impairment allowances for Trade Recevables **(Refer Note 7.1)**	37.71	37.71
	TOTAL	**2,623.09**	**1,097.07**
7.1	**Impairment allowances for Trade Recevables**		
	Opening Balance	37.71	54.40
	Addition during the year	-	1.93
	Used during the year	-	18.35
	Reversed during the year	-	0.27
	Closing balance	**37.71**	**37.71**
7.2	Debt due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director of the Company is a partner or a director or a member.	Nil	Nil
7.3	Debt due by subsidiaries/ Joint Ventures and others related parties of the company at point 7.2 above.	Nil	Nil

7.4 Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

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

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

(₹ in crore)

PARTICULARS		As at 31st March, 2019	As at 31st March, 2018
A	**Balances with banks**		
	With scheduled banks		
	- In Current Account **(Refer Note 8.2)**	30.70	6.93
B	Cheques, drafts on hand	0.01	-
C	Cash on hand **(Refer Note 8.1)**	0.01	0.03
	TOTAL	**30.72**	**6.96**
8.1	Includes stamps on hand	0.01	0.01
8.2	Includes balances which are not freely available for the business of the Company :		
	(i) held for works being executed by Company on behalf of other agencies.	18.18	0.22
	(ii) NHPC Emergency relief fund created in pursuance of order of Hon'ble High Court of Sikkim.	0.50	-

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

(₹ in crore)

	PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
A	Bank Deposits for original maturity more than 3 months upto 12 months **(Refer Note 9.1)**	253.82	1,360.49
B	Deposit -Unpaid Dividend	19.17	18.16
C	Deposit -Unpaid Interest	86.92	86.78
	TOTAL	**359.91**	**1,465.43**
9.1	Includes balances held for works being executed by Company on behalf of other agencies and are not freely available for the business of the Company.	253.82	250.49

NOTE NO. 10 FINANCIAL ASSETS - CURRENT - LOANS

(₹ in crore)

	PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
	Deposits		
	- Unsecured (considered good)	0.62	1.17
	Sub-total	**0.62**	**1.17**
	Loan (including interest thereon) to Related Party -Considered-Unsecured Good - National High Power Test Laboratory (P) Limited **(Refer Note 34(8))**	6.00	6.00
	Sub-total	**6.00**	**6.00**
	Employees Loan (including accrued interest) (Refer Note 10.2)		
	- Loans Receivables- Considered good- Secured	15.79	17.07
	- Loans Receivables- Considered good- Unsecured	22.77	23.73
	- Loans Receivables which have significant increase in Credit Risk	0.01	0.03
	Less : Impairment allowances for loans which have significant increase in Credit Risk (Refer Note 10.1)	0.01	0.03
	Sub-total	**38.56**	**40.80**
	TOTAL	**45.18**	**47.97**
10.1	**Impairment allowances for loan which have significant increase in Credit Risk**		
	Opening Balance	0.03	0.03
	Reversed during the year	0.02	-
	Closing balance	**0.01**	**0.03**
10.2	Due from directors or other officers of the company.	0.05	0.03
10.3	Advance due by firms or private companies in which any Director of the Company is a Director or member.	Nil	Nil

10.4 Particulars of Loans as required in terms of Section 186 (4) of the Companies Act, 2013 have been disclosed under Note 10 above.

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

NOTE NO. 11 FINANCIAL ASSETS - CURRENT - OTHERS

(₹ in crore)

	PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
	Others		
A	Claims recoverable	519.45	590.67
	Less: Allowances for Doubtful Claims **(Refer Note 11.1)**	203.37	210.18
	Sub-total	**316.08**	**380.49**
B	Interest Income accrued on Bank Deposits	2.62	35.06
C	Receivable on account of unbilled revenue **(Refer Note 11.2)**	1,501.73	797.01
D	Receivable from Subsidiaries / Joint Ventures **(Refer Note 11.3)**	98.28	111.24
E	Interest recoverable from beneficiaries	1.87	3.32
F	Lease Rent receivable (Finance Lease) **(Refer Note 34(16)(C))**	56.67	34.80
G	Interest receivable on Finance lease	-	18.92
H	Interest Accrued on Investments (Bonds)	2.52	2.52
I	Interest accrued on account of Bonds Fully Serviced by Government of India **(Refer Note 3.4(C))**	4.49	-
	TOTAL	**1,984.26**	**1,383.36**
11.1	**Allowances for Doubtful Claims**		
	Opening Balance	210.18	209.03
	Addition during the year	4.84	3.36
	Adjustment	(1.75)	-
	Used during the year	0.05	0.01
	Reversed during the year	9.85	2.20
	Closing balance	**203.37**	**210.18**
11.2	**Represents receivable on account of :**		
	Grossing up of Return on Equity	53.15	37.23
	Water cess	264.34	160.92
	Unbilled sale for the month of March	455.15	389.50
	Annual Fixed Charges pending revision/ approval -Chamera-III Power Station	2.83	2.83
	Annual Fixed Charges pending revision/ approval-Sewa-II Power Station	214.04	-
	Annual Fixed Charges pending revision/ approval -Parbati-III Power Station	16.11	-
	Energy Shortfall	151.75	-
	Saving due to refinancing & Bond Issue Expenses	(58.77)	(18.14)
	Tax adjustment including Deferred Tax Materialized	105.69	138.70
	Annual Fixed Charges pending revision/ approval-TLDP-IV Power Station	93.43	-
	Additional Impact of Goods and Services Tax	55.83	-
	Foreign Exchange Rate Variation	93.67	66.05
	Operation & Maintenance Expenses - Bairasiul	40.14	-
	Others	14.37	19.92
	Total	**1,501.73**	**797.01**

11.3 Receivable from Subsidiaries / Joint ventures includes claim of the company towards capital expenditure incurred on Kiru & Kawar HE Projects which have been transferred to M/s Chenab Valley Power Projects Private Limited (a joint venture company of NHPC Limited, Jammu and Kashmir State Power Development Corporation and PTC India Limited).

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

NOTE NO. 12 CURRENT TAX ASSETS (NET)

(₹ in crore)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Current Tax Assets		
Current Tax **(Refer Note No-23)**	61.22	0.40
Total	**61.22**	**0.40**

NOTE NO. 13 OTHER CURRENT ASSETS

(₹ in crore)

	PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
A.	**Advances other than Capital Advances**		
a)	**Deposits**		
	- Considered good- Unsecured	88.70	117.81
	Less : Expenditure booked against demand raised by Government Departements	0.10	0.10
	- Considered doubtful- Unsecured	0.01	-
	Less : Allowances for Doubtful Deposits **(Refer Note 13.1)**	0.01	-
	Sub-total	**88.60**	**117.71**
b)	**Advance to contractors and suppliers**		
	- Considered good- Secured	0.14	1.13
	- Considered good- Unsecured		
	- Against bank guarantee	13.30	15.43
	- Others	24.05	24.54
	Less : Expenditure booked pending utilisation certificate	0.14	0.45
	- Considered doubtful- Unsecured	45.52	45.52
	Less : Allowances for doubtful advances **(Refer Note 13.2)**	45.52	45.52
	Sub-total	**37.35**	**40.65**
c)	**Other advances - Employees**		
	- Considered good- Unsecured	0.79	0.73
	Sub-total	**0.79**	**0.73**
d)	**Interest accrued**		
	Others		
	- Considered Good	11.05	9.78
	- Considered Doubtful	108.90	104.11
	Less: Allowances for Doubtful Interest **(Refer Note 13.3)**	108.90	104.11
	Sub-total	**11.05**	**9.78**
B.	**Others**		
a)	Expenditure awaiting adjustment	37.06	37.06
	Less: Allowances for project expenses awaiting write off sanction **(Refer Note 13.4)**	37.06	37.06
	Sub-total	**-**	**-**
b)	Losses awaiting write off sanction/pending investigation	39.20	38.91
	Less: Allowances for losses pending investigation/awaiting write off / sanction **(Refer Note 13.5)**	39.20	38.91
	Sub-total	**-**	**-**

(₹ in crore)

	PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
c)	**Prepaid Expenditure**	92.74	74.17
d)	**Deferred Cost on Employees Advances**		
	- Considered good- Secured	4.95	5.29
	- Considered good- Unsecured	0.05	0.05
e)	**Deferred Foreign Currency Fluctuation**		
	Deferred Foreign Currency Fluctuation Assets	30.83	66.36
	Deferred Expenditure on Foreign Currency Fluctuation	7.93	7.93
f)	**Surplus / Obsolete Assets (Refer Note 13.8)**	3.58	1.78
g)	**Goods and Services Tax Input Receivable**	13.82	5.96
h)	**Income Tax Refundable**	40.19	-
i)	**Others (Mainly on account of Material Issued to Contractors)**	23.37	10.60
	TOTAL	**355.25**	**341.01**
13.1	**Allowances for Doubtful Deposits**		
	Opening Balance	-	-
	Addition during the year	0.01	-
	Closing balance	**0.01**	**-**
13.2	**Allowances for doubtful advances (Contractors and Suppliers)**		
	Opening Balance	45.52	45.52
	Closing balance	**45.52**	**45.52**
13.3	**Allowances for Doubtful Accrued Interest**		
	Opening Balance	104.11	84.32
	Addition during the year	19.44	19.79
	Reversed during the year	14.65	-
	Closing balance	**108.90**	**104.11**
13.4	**Allowances for project expenses awaiting write off sanction**		
	Opening Balance	37.06	37.06
	Closing balance	**37.06**	**37.06**
13.5	**Allowances for losses pending investigation/ awaiting write off / sanction**		
	Opening Balance	38.91	40.02
	Addition during the year	0.16	0.32
	Adjustment	1.75	-
	Used during the year	0.38	0.82
	Reversed during the year	1.24	0.61
	Closing balance	**39.20**	**38.91**
13.6	Loans and Advances due from Directors or other officers at the end of the year.	Nil	Nil
13.7	Advance due by Firms or Private Companies in which any Director of the Company is a Director or member.	Nil	Nil

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

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

NOTE NO. 14 REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES

(₹ in crore)

	PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
A	**Regulatory Deferral Account Balances in respect of Subansiri Lower Project**		
	Opening Balance	3,172.81	2,697.99
	Addition during the year **(Refer Note 31)**	94.53	474.82
	Closing balance	**3,267.34**	**3,172.81**
B	**Wage Revision as per 3rd Pay Revision Committee**		
	Opening Balance	428.05	208.83
	Addition during the year (through Statement of Profit and Loss) (**Refer Note 31)**	203.85	242.90
	Addition during the year (through Other Comprehensive Income)	-	(23.68)
	Closing balance	**631.90**	**428.05**
C	**Kishanganga Power Station: Differential Depreciation due to Moderation of Tariff**		
	Opening Balance	-	-
	Addition during the year **(Refer Note 31)**	171.98	-
	Closing balance	**171.98**	**-**
D	**Exchange Differences on Monetary Items**		
	Opening Balance	(0.40)	(2.50)
	Addition during the year **(Refer Note 31)**	(0.57)	2.10
	Closing balance	**(0.97)**	**(0.40)**
E	**Adjustment against Deferred Tax Recoverable for tariff period upto 2009**		
	Opening Balance	1,792.03	1,929.53
	Reversed during the year **(Refer Note 31)**	137.30	137.50
	Closing balance	**1,654.73**	**1,792.03**
F	**Adjustment against Deferred Tax Liabilities for tariff period 2014-2019.**		
	Opening Balance	276.72	796.71
	Addition during the year **(Refer Note 31)**	490.91	(519.99)
	Closing balance	**767.63**	**276.72**
	Closing Balance (A+B+C+D+E+F)	**6,492.61**	**5,669.21**
	Less: Deferred Tax on Regulatory Deferral Account Balances	(350.52)	(95.62)
	Add: Deferred Tax recoverable from Beneficiaries	(350.52)	(95.62)
	Regulatory Deferral Account Balances net of Deferred Tax.	**6,492.61**	**5,669.21**

Note : Refer Note-34 (18) and 34 (22) of Standalone Financial Statements. Also refer Note 35 for restatements of Regulatory Deferral Account Balances.

NOTE : 15.1 EQUITY SHARE CAPITAL

PARTICULARS	As at 31st March, 2019		As at 31st March, 2018	
	Nos	Amount (₹ in crore)	Nos	Amount (₹ in crore)
Authorized Share Capital (Par value per share ₹ 10)	15000000000	15,000.00	15000000000	15,000.00
Equity shares issued, subscribed and fully paid (Par value per share ₹ 10)	10045034805	10,045.03	10259320519	10,259.32

15.1.1 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:

PARTICULARS	As at 31st March, 2019		As at 31st March, 2018	
	Nos	Amount (₹ in crore)	Nos	Amount (₹ in crore)
Balance as at 1 April	10259320519	10,259.32	10259320519	10,259.32
Less:-Buyback of shares during the year **(Refer Note 15.1.6)**	214285714	214.29	-	-
Balance as at 31 March	10045034805	10,045.03	10259320519	10,259.32

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 respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate: Nil (Previous Year-Nil)

15.1.4 Shares in the company held by each shareholder holding more than 5 percent specifying the number of shares held : -

	As at 31st March, 2019		As at 31st March, 2018	
	Number	In (%)	Number	In (%)
- President of India	7365964993	73.33%	7587481082	73.96%
- Life Insurance Corporation of India	734379599	7.31%	734379599	7.16%

15.1.5 81,13,47,977 equity shares of ₹ 10 each were bought back during the period of five years immediately preceeding the date of Balance Sheet.

15.1.6 The Company has completed buy back of 21,42,85,714 equity shares of ₹ 10 each from the shareholders on 22nd January 2019, on proportionate basis by way of tender offer at a price of ₹ 28 per equity share for an aggregate amount of ₹ 600 crore. Consequent to the said buy-back, the equity share capital of the company has been reduced by ₹ 214.29 crore and Capital Redemption Reserve of an equivalent amount has therefore been created as per the extant provision of the Companies Act 2013.

NOTE NO. 15.2 OTHER EQUITY

(₹ in crore)

PARTICULARS		As at 31st March, 2019	As at 31st March, 2018
(i)	**Capital Redemption Reserve**		
	As per last Balance Sheet	2,041.42	2,041.42
	Add: Transfer from General Reserve	214.29	-
	As at Balance Sheet date	**2,255.71**	**2,041.42**
(ii)	**Securities Premium**		
	As per last Balance Sheet	242.81	242.81
	Less: Utilisation for buy-back of equity shares	242.81	-
	As at Balance Sheet date	**-**	**242.81**
(iii)	**Bond Redemption Reserve**		
	As per last Balance Sheet	2,129.55	1,609.27
	Add: Transfer from Surplus/Retained Earnings	308.78	668.45
	Less: Transfer to Surplus/Retained Earnings	244.98	148.17
	As at Balance Sheet date	**2,193.35**	**2,129.55**
(iv)	**General Reserve**		
	As per last Balance Sheet	10,088.11	10,088.11
	Less: Utilisation for buy-back of equity shares and related expenses **(Refer Note 15.1.6 and 29)**	149.10	-
	Less: Transfer to Capital Redemption Reserve	214.29	-
	As at Balance Sheet date	**9,724.72**	**10,088.11**
(v)	**Surplus/ Retained Earnings**		
	As per last Balance Sheet	3,470.12	2,535.83
	Add: Profit during the year	2,630.55	2,769.03
	Add: Other Comprehensive Income during the year	1.70	20.15
	Add: Transfer from Bond Redemption Reserve	244.98	148.17
	Less: Dividend (Final and Interim) **(Refer Note 33(3)(C)**	1,000.46	1,251.65
	Less: Tax on Dividend **(Refer Note 33(3)(C)**	148.57	126.86
	Less: Transfer to Bond Redemption Reserve	308.78	668.45
	Add: Transfer from Research & Development Fund	-	43.90
	As at Balance Sheet date	**4,889.54**	**3,470.12**
(vi)	**Fair value through Other Comprehensive Income (FVTOCI)-Equity Instruments**		
	As per last Balance Sheet	92.78	100.08
	Add: Change in Fair value of FVTOCI	(16.48)	(7.30)
	As at Balance Sheet date	**76.30**	**92.78**
(vii)	**Fair value through Other Comprehensive Income (FVTOCI)-Debt Instruments**		
	As per last Balance Sheet	27.71	34.68
	Add: Change in Fair value of FVTOCI	3.09	(9.09)
	Less: Deferred Tax on change in Fair Value	0.72	(2.12)
	As at Balance Sheet date	**30.08**	**27.71**
	TOTAL	**19,169.70**	**18,092.50**

15.2.1 Nature and Purpose of Reserves

(i) **Capital Redemption Reserve :** The company is required to create a capital redemption reserve from distributable profit if the buy-back of shares is out of free reserves. The nominal value of the shares so bought back is required to be transferred to capital redemption reserve.

(ii) **Securities Premium :** Securities Premium represents the amount received in excess of par value of securities. Section 52 of Companies Act, 2013 specify restriction and utilisation of security premium.

(iii) **Bond Redemption Reserve :** The company is required to create a bond redemption reserve out of the profits which is available for the purpose of redemption of bonds.

(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.

(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-Equity Instruments :** The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed.

(vii) **FVTOCI-Debt Instruments :** The Company has elected to recognise changes in the fair value of certain investments in debt securities in other comprehensive income. This reserve represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income. The Company transfers amounts from this reserve to retained earnings when the relevant debt securities are disposed.

NOTE NO. 16.1 FINANCIAL LIABILITIES - NON CURRENT - BORROWINGS

(₹ in crore)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
At Amortised Cost		
-Secured Loans		
-Bonds	11,635.59	11,238.39
-Term Loan		
- from Banks	200.00	20.00
- from Other	840.34	1,206.67
-Unsecured Loans		
-Term Loan		
- from Government of India (Subordinate Debts)	3,352.83	3,163.79
- from Other	1,015.87	1,099.35
TOTAL	**17,044.63**	**16,728.20**

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

16.1.2 Particulars of Redemption, Repayments and Securities.

16.1.2

(₹ in crore)

16.1.2.A Particulars of redemptions, repayments and Securities		As at 31st March, 2019	As at 31st March, 2018
(A).	**BONDS (Non-convertible and Non-cumulative)-Secured**		
i)	**TAX FREE BONDS- 3A SERIES (Refer Note 16.1.2.B(3&6))**	336.07	336.07
	(8.67% p.a. 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2033)		
ii)	**TAX FREE BONDS- 3B SERIES (Refer Note 16.1.2.B(3&6))**	253.62	253.62
	(8.92% p.a. 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2033)		
iii)	**BONDS- U SERIES (Refer Note 16.1.2.B(2&7))**	540.00	540.00
	(8.24% p.a. 15 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹ 10,00,000/- each). (Date of redemption 27.06.2031)		
iv)	**BONDS- U1 SERIES (Refer Note 16.1.2.B(2&7))**	360.00	360.00
	(8.17% p.a. 15 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹ 10,00,000/- each). (Date of redemption 27.06.2031)		
v)	**TAX FREE BONDS- 2A SERIES (Refer Note 16.1.2.B(3&6))**	213.12	213.12
	(8.54% p.a. 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2028)		
vi)	**TAX FREE BONDS- 2B SERIES (Refer Note 16.1.2.B(3&6))**	85.61	85.61
	(8.79% p.a. 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2028)		
vii)	**TAX FREE BONDS- 1A SERIES (Refer Note 16.1.2.B(3&6))**	50.81	50.81
	(8.18% p.a. 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2023)		
viii)	**TAX FREE BONDS- 1B SERIES (Refer Note 16.1.2.B(3&6))**	60.77	60.77
	(8.43% p.a. 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2023)		
ix)	**BONDS-W2 SERIES (Refer Note 16.1.2.B(10))**	750.00	750.00
	(7.35% p.a. 10 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹ 50,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond). (5 Yearly redemptions of ₹ 150.00 crore each w.e.f. 15.09.2023 to 15.09.2027)		
x)	**BONDS-V2 SERIES (Refer Note 16.1.2.B(3))**	1,475.00	1,475.00
	(7.52% p.a. 10 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹ 50,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond). (5 Yearly redemptions of ₹ 295.00 crore each w.e.f. 06.06.2023 to 06.06.2027)		

(₹ in crore)

		As at 31st March, 2019	As at 31st March, 2018
xi)	**BONDS-X SERIES (Refer Note 16.1.2.B(2))**	1,500.00	-
	(8.65% p.a. 10 year Secured Redeemable Non-Convertible 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. (Date of redemption 08.02.2029)		
xii)	**BONDS-T SERIES (Refer Note 16.1.2.B(1,2 and 7))**	1,474.92	1,474.92
	(8.50% p.a. 15 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond). (12 Yearly redemptions of ₹ 122.91 crore each w.e.f. 14.07.2019 to 14.07.2030)		
xiii)	**BONDS-R-3 SERIES (Refer Note 16.1.2.B(3))**	802.80	892.00
	(8.78% p.a. 15 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 10,00,000/- each with 10 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/10th of face value of Bond) (Bond issue amount of ₹ 892.00 Crores redeemable in 10 equal annual instalments commencing from 11.02.2019. As on 31.03.2019, 9 annual instalments of ₹ 89.20 Crores each are outstanding.)		
xiv)	**BONDS-S-2 SERIES (Refer Note 16.1.2.B(7))**	605.00	660.00
	(8.54% p.a. 15 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond). (Bond issue amount of ₹ 660.00 Crores redeemable in 12 equal annual instalments commencing from 26.11.2018. As on 31.03.2019, 11 annual instalments of ₹ 55.00 crore each are outstanding.		
xv)	**BONDS-W1 SERIES (Refer Note 16.1.2.B(10))**	1,200.00	1,500.00
	(6.91% p.a. 5 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 50,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond). (Bond issue amount of ₹ 1500 Crores redeemable in 5 equal annual instalments commencing from 15.09.2018. As on 31.03.2019, 4 annual instalments of ₹ 300 Crores each are outstanding).		
xvi)	**BONDS-V SERIES (Refer Note 16.1.2.B(3))**	465.00	620.00
	(6.84% p.a. 5 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 5,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond) (5 Yearly redemptions of ₹ 155.00 Crore each w.e.f. 24.01.2018 to 24.01.2022. As on 31.03.2019, 3 annual instalments of ₹ 155 Crores each are outstanding).		
xvii)	**BONDS-Q SERIES (Refer Note 16.1.2.B(4&8))**	844.00	949.50
	(9.25% p.a. 15 year Secured Redeemable Non-Convertible Taxable Bonds of ₹12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond). (Bond issue amount of ₹ 1266.00 Crores redeemable in 12 equal annual instalments commencing from 12.03.2016. As on 31.03.2019, 8 annual instalments of ₹ 105.50 Crores each are outstanding).		

(₹ in crore)

			As at 31st March, 2019	As at 31st March, 2018
xviii)	**BONDS-R-2 SERIES (Refer Note 16.1.2.B(3))**		254.72	286.56
	(8.85% p.a. 14 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond). (Bond issue amount of ₹ 382.08 Crores redeemable in 12 equal annual instalments commencing from 11.02.2016. As on 31.03.2019, 8 annual instalments of ₹ 31.84 Crores each are outstanding).			
xix)	**BONDS-P SERIES (Refer Note 16.1.2.B(3,5 &6))**		1,200.00	1,400.00
	(9.00% p.a. 15 Year Secured Redeemable Non-Convertible 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 31.03.2019, 6 annual instalments of ₹ 200 Crores each are outstanding).			
xx)	**BONDS-S-1 SERIES (Refer Note 16.1.2.B(7))**		219.00	255.50
	(8.49% p.a. 10 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹ 10,00,000/- each with 10 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/10th of face value of Bond) (Bond issue amount of ₹ 365 Crores redeemable in 10 equal annual instalments commencing from 26.11.2015. As on 31.03.2019, 6 annual instalments of ₹ 36.50 Crores each are outstanding).			
xxi)	**BONDS-R-1 SERIES (Refer Note 16.1.2.B(3))**		47.95	54.80
	(8.70% p.a. 13 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond). (Bond issue amount of ₹ 82.20 Crores redeemable in 12 equal annual instalments commencing from 11.02.2015. As on 31.03.2019, 7 annual instalments of ₹ 6.85 Crores each are outstanding).			
	Total Bonds		**12,738.39**	**12,218.28**
	Less Current Maturities		**1,102.80**	**979.89**
	Bonds-Net of current maturities	**(A)**	**11,635.59**	**11,238.39**
(B).	**TERM LOANS - Secured (Banks)**			
i)	**ORIENTAL BANK OF COMMERCE (Refer Note 16.1.2.B(2))**		20.00	30.00
	(Repayable in 3 equal yearly instalments of ₹ 10 Crore each upto 27.12.2020 at Fixed interest rate with 3 years reset clause with upper cap of 7.207% p.a. Presently at 7.207% p.a. as on 31.03.2019).As on 31.03.2019, 2 annual instalments of ₹ 10 Crores each are outstanding).			
ii)	**STATE BANK OF INDIA (Refer Note 16.1.2.B(11))**			
	(Repayable in 28 equal quarterly instalments of ₹ 6.7857 crore upto 31.08.2029 at floating (MCLR with annual reset) interest rate of 8.50% p.a. as on 31.03.2019).		190.00	-
	Total Term Loan - Banks		**210.00**	**30.00**
	Less Current Maturities		**10.00**	**10.00**
	Term Loan - Banks Net of current maturities	**(B)**	**200.00**	**20.00**

(₹ in crore)

		As at 31st March, 2019	As at 31st March, 2018
(C).	**TERM LOANS - Banks- Foreign Currency (Unsecured)**		
i)	**Deutsche Bank & Others (Refer Note 16.1.2.B(9))**		
	(Repayable in 2 equal half yearly instalments of ₹ 52.39 Crores each upto 18.10.2018 at floating interest rate 6 Month JPY LIBOR + 0.57% Margin)	-	113.45
	Total Term Loan - Banks	**-**	**113.45**
	Less Current Maturities	**-**	**113.45**
	Term Loan - Banks Net of current maturities (C)	**-**	**-**
(D).	**Term Loan-From other (Secured)**		
i)	**LIFE INSURANCE CORPORATION OF INDIA (Refer Note 16.1.2.B(3&5))**	416.67	625.00
	(Repayable in 4 half yearly instalments of ₹ 104.16667 Crore each upto 15.10.2020 at Fixed interest rate of 9.25% p.a. on ₹ 16.67 Crores and 8% p.a. on ₹ 400 Crore as on 31.03.2019)		
ii)	**LIFE INSURANCE CORPORATION OF INDIA (Refer Note 16.1.2.B(4&8))**	790.00	948.00
	(Repayable in 10 equal half yearly instalments of ₹ 79 Crore each upto 31.10.2023 at Fixed Interest rate of 9.118% p.a. as on 31.03.2019)		
	Total Term Loan - Other (Secured)	**1,206.67**	**1,573.00**
	Less Current Maturities	**366.33**	**366.33**
	Term Loan - Other Net of current maturities (D)	**840.34**	**1,206.67**
(E).	**Term Loan From Government of India (Unsecured)**		
	Loans from Government of India (At fair value)		
i)	**Subordinate Debt from Government of India for Nimmo-Bazgo Power Station**	420.78	414.99
	(Repayable in 18 equal annual instalments of ₹ 28.85 Crore each from the 12th year after commissioning of the project i.e. from 10.10.2025 at fixed interest rate of 4% p.a.)		
ii)	**Subordinate Debt from Government of India for Chutak Power Station**	460.18	478.14
	(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.)		
iii)	**Subordinate Debt from Government of India for Kishanganga HE Project**	2,494.98	2,293.77
	(Repayable in 10 equal annual instalments of ₹ 315.50 Cr. from the 11th year after commissioning of the project at fixed interest rate of 1% p.a. Interest accrues and is payable annually after 11 years of commissioning of the project.i.e. from 24.05.2029)		
	Total Term Loan -Government (Unsecured)	**3,375.94**	**3,186.90**
	Less Current Maturities	**23.11**	**23.11**
	Term Loan - Other Parties Net of current maturities (E)	**3,352.83**	**3,163.79**
(F).	**TERM LOANS - From Other- Foreign Currency (Unsecured)**		
i)	**Japan International Cooperation Agency Tranche-I (Refer Note 16.1.2.B(9))**	107.47	120.69
	(Repayable in 14 equal half yearly instalments of ₹ 7.68 Crore each upto 20.01.2026 at fixed interest rate of 2.3% as on 31.03.2019)		
ii)	**Japan International Cooperation Agency Tranche-II (Refer Note 16.1.2.B(9))**	453.29	494.90
	(Repayable in 18 equal half yearly instalments of ₹ 25.18 Crore each upto 20.12.2027 at fixed interest rate of 2.3% as on 31.03.2019)		

(₹ in crore)

			As at 31st March, 2019	As at 31st March, 2018
iii)	**Japan International Cooperation Agency Tranche-III (Refer Note 16.1.2.B(9))** (Repayable in 30 equal half yearly instalments of ₹ 18.60 Crore each upto 20.03.2034 at fixed interest rate of 1.3% as on 31.03.2019)		558.03	584.89
	Total Term Loan -Other (Unsecured)		**1,118.79**	**1,200.48**
	Less Current Maturities		102.92	101.13
	Term Loan - Other Net of current maturities	**(F)**	**1,015.87**	**1,099.35**
	Grand Total (A+B+C+D+E+F)		**17,044.63**	**16,728.20**

16.1.2.B Particulars of security

1. Secured by pari-passu charge by way of Equitable mortgage/hypothecation against Immovable/Moveable assets (except for Book Debts and Stores) of Company's Chamera-I Power Station situated in the state of Himachal Pradesh.
2. Secured by pari-passu charge by way of Equitable mortgage/hypothecation against Immovable/Moveable assets (except for Book Debts and Stores) of Company's Uri-I Power Station situated in the state of Jammu & Kashmir.
3. Secured by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati-II HE Project situated in the state of Himachal Pradesh.
4. Secured by pari-passu charge by way of equitable mortgage/hypothecation against immovable/movable assets (except for Book Debts and Stores) of Company's Teesta Low Dam-III Power Station situated in the state of West Bengal.
5. Secured by pari-passu charge by way of equitable mortgage and charge over all the immoveable and moveable assets (except for Book Debts and Stores) of the Company's Dhauliganga Power Station situated in the state of Uttrakhand.
6. Secured by a first charge on pari-passu basis by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Chamera-III Power Station situated in the state of Himachal Pradesh.
7. Secured by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati -III Power Station situated in the state of Himachal Pradesh.
8. Secured by pari-passu charge by way of equitable mortgage/hypothecation against immovable/movable assets (except for Book Debts and Stores) of Company's Teesta-V Power Station situated in the state of Sikkim.
9. Loans mentioned at sl. nos. F(i),F(ii) and F(iii) above are guaranteed by Government of India.
10. Security creation by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati -II 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 state of Jammu & Kashmir is under process.
11. Security creation by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and movable (except for Book Debts and Stores) of the Company's TLDP-III Power Station situated in the state of West Bengal.

NOTE NO. 16.2 FINANCIAL LIABILTIES - NON CURRENT - OTHERS

(₹ in crore)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Payable towards Bonds Fully Serviced by Government of India **(Refer Note 16.2.1)**		
- Principal	2,017.20	-
Retention Money	41.44	38.47
TOTAL	**2,058.64**	**38.47**

16.2.1 For meeting funding requirement of Government of India for the Scheme of Power System Development Fund (PSDF) during the year, the company has raised an aggregate amount of ₹ 2017.20 Crore through private placement of Unsecured Non-cumulative Non-convertible Redeemable, taxable 'Government of India Fully Serviced Bonds- Series- I', with face value of ₹ 10,00,000/- each, in the nature of debentures (Bonds). As per Ministry of Power (MoP) letter dated 12.03.2019 read with letter of Ministry of Finance (MoF) dated 21.01.2019 & 11.03.2019, the repayment of principal and interest of the above bonds shall be made by Government of India by making suitable budget provisions in the demand of Ministry of Power as per estimated liabilities. Accordingly, the amount of such bonds along with interest payable to Bond Holders is appearing as financial liability as above and also the amount recoverable by the company from Government of India has been shown as " Amount recoverable on Account of Bonds fully Serviced by Government of India" under Non-Current Financial Assets-Others under **Note No-3.4.**

Detail of Government of India Fully Serviced Bonds raised during the year 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	-

NOTE NO. 17 PROVISIONS - NON CURRENT

(₹ in crore)

	PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
A.	**PROVISION FOR EMPLOYEE BENEFITS**		
	Provision for Long term Benefits (Provided for on the basis of actuarial valuation)		
	As per last Balance Sheet	6.31	453.80
	Additions during the year	0.95	0.07
	Amount used during the year	-	447.56
	Closing Balance	**7.26**	**6.31**
B.	**OTHERS**		
i)	**Provision For Committed Capital Expenditure**		
	As per last Balance Sheet	1.25	15.15
	Additions during the year	-	0.24
	Amount used during the year	-	13.64
	Amount reversed during the year	-	1.48
	Unwinding of discount	0.12	0.98
	Closing Balance	**1.37**	**1.25**
ii)	**Provision For Livelihood Assistance**		
	As per last Balance Sheet	17.40	17.98
	Additions during the year	0.66	0.05
	Amount used during the year	0.61	0.96
	Amount reversed during the year	0.14	-
	Unwinding of discount	0.35	0.33
	Closing Balance	**17.66**	**17.40**
iii)	**Provision-Others**		
	As per last Balance Sheet	0.51	-
	Additions during the year	0.05	0.51
	Amount used during the year	0.03	-
	Closing Balance	**0.53**	**0.51**
	TOTAL	**26.82**	**25.47**

Note: Information about Provisions is given in Note 34 (21) of Standalone Financial Statements.

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

(₹ in crore)

	PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
	Deferred Tax Liability		
a)	Property, Plant and Equipments, Investment Property and Intangible Assets.	3,652.49	3,148.21
b)	Financial Assets at FVTOCI	18.44	9.07
c)	Other Items	45.22	227.06
	Deferred Tax Liability	**3,716.15**	**3,384.34**
	Less:-Set off Deferred Tax Assets pursuant to set off provisions		
a)	Provision for doubtful debts, inventory and others	11.20	10.67
b)	Provision for employee benefit schemes	4.56	4.56
c)	Other Items	89.76	223.72
	Deferred Tax Assets	**105.52**	**238.95**
	Deferred Tax Liability (Net)	**3,610.63**	**3,145.39**

18.1 Refer Note 35 with regard to restatement of Deferred Tax Liabilities (Net).

18.2 Movement in Deferred Tax Liability/ (Assets)

Annexure to Note No. 18.2

Movement in Deferred Tax Liability

(₹ in crore)

2018-2019

Particulars	Property, Plant and Equipments, Investment Property and Intangible Assets.	Financial Assets at FVTOCI	Other Items	Total
At 1st April 2018	**3148.21**	**9.07**	**227.06**	**3384.34**
Charge/(Credit)				
-to Statement of Profit and Loss	504.28	8.58	(181.84)	331.02
-to Other Comprehensive Income	-	0.79	-	0.79
At 31st March 2019	**3652.49**	**18.44**	**45.22**	**3716.15**

Movement in Deferred Tax Assets

(₹ in crore)

Particulars	Provision for doubtful debts, inventory and others	Provision for employee benefit schemes	Other Items	Total
At 1st April 2018	**10.67**	**4.56**	**223.72**	**238.95**
(Charge)/Credit				-
-to Statement of Profit and Loss	0.53	-	(133.96)	(133.43)
-to Other Comprehensive Income	-	-	-	-
At 31st March 2019	**11.20**	**4.56**	**89.76**	**105.52**

Movement in Deferred Tax Liability

(₹ in crore)

2017-2018

Particulars	Property, Plant and Equipments, Investment Property and Intangible Assets.	Financial Assets at FVTOCI	Other Items	Total
At 1st April 2017	**3430.66**	**6.03**	**647.18**	**4083.87**
Charge/(Credit)				
-to Statement of Profit and Loss	(282.45)	5.16	(420.12)	(697.41)
-to Other Comprehensive Income	-	(2.12)	-	(2.12)
At 31st March 2018	**3148.21**	**9.07**	**227.06**	**3384.34**

Movement in Deferred Tax Assets

(₹ in crore)

Particulars	Provision for doubtful debts, inventory and others	Provision for employee benefit schemes	Other Items	Total
At 1st April 2017	**92.42**	**172.15**	**154.57**	**419.14**
(Charge)/Credit				-
-to Statement of Profit and Loss	(81.75)	(158.36)	60.87	(179.24)
-to Other Comprehensive Income	-	(9.23)	8.28	(0.95)
At 31st March 2018	**10.67**	**4.56**	**223.72**	**238.95**

NOTE NO. 19 OTHER NON CURRENT LIABILITIES

(₹ in crore)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Income received in advance-Advance Against Depreciation	916.77	977.50
Deferred Income from Foreign Currency Fluctuation Account	48.52	54.72
Grants in aid-from Government-Deferred Income **(Refer Note 19.1)**	859.69	592.78
TOTAL	**1,824.98**	**1,625.00**
19.1 GRANTS IN AID-FROM GOVERNMENT-DEFERRED INCOME		
Opening Balance (Current and Non Current)	611.11	378.98
Add: Received during the year	299.72	238.12
Less: Transferred to Statement of Profit and Loss **(Refer Note 24.2)**	24.20	5.99
Closing Balance (Current and Non Current) (Refer Note 19.1.1)	**886.63**	**611.11**
Grants in Aid-from Government-Deferred Income (Current)- **(Refer Note No-21)**	26.94	18.33
Grants in Aid-from Government-Deferred Income (Non-Current)	859.69	592.78

(₹ in crore)

PARTICULARS		As at 31st March, 2019	As at 31st March, 2018
19.1.1	**Grant includes:-**		
(i)	Fair valuation of Subordinate Debts received from Government of India for Chutak Power Station, Nimmoo Bazgo Power Station and Kishanganga Power Station accounted as Grant In Aid.	862.65	586.13
(ii)	Funds (Grant in Aid) received from Government of India through Solar Energy Corporation of India (SECI) for setting up 50 MW Solar Power Project in Tamilnadu.	23.98	24.98

NOTE NO. 20.1 BORROWINGS - CURRENT

(₹ in crore)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Loan Repayable on Demand		
From Banks-Secured **(Refer Note 20.1.1)**	106.00	279.99
From Bank-Unsecured	300.00	-
TOTAL	**406.00**	**279.99**

20.1.1 Detail of Borrowings (Secured)

S. No.	Name of Bank along with details of Security	As at 31st March, 2019	As at 31st March, 2018
1	Canara Bank is secured by Book debts and stocks	106.00	-
2	IDBI Bank is secured by Fixed Deposit Receipt (FDR)	-	108.00
3	IDBI Bank is secured by Fixed Deposit Receipt (FDR)	-	171.99
	TOTAL	**106.00**	**279.99**

NOTE NO. 20.2 TRADE PAYABLE - CURRENT

(₹ in crore)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Total outstanding dues of micro enterprise and small enterprise(s) **(Refer Note 20.2.1)**	15.74	5.29
Total outstanding dues of Creditors other than micro enterprises and small enterprises	164.44	176.57
TOTAL	**180.18**	**181.86**

20.2.1 Disclosure of sundry creditors under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprise Development Act, 2006 (the Act). Disclosure requirement under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 is given under Note No.34(15).

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

NOTE NO. 20.3 OTHER FINANCIAL LIABILITIES - CURRENT

(₹ in crore)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Current maturities of long term debt (Refer Note 20.3.1)		
- Bonds	1,102.80	979.89
- Term Loan -Banks-Secured	10.00	10.00
- Term Loan -Banks-Unsecured	-	113.45
- Other Secured	366.33	366.33
- Unsecured-From Government (Subordinate Debts)	23.11	23.11
- Other Unsecured	102.92	101.13
Liability against capital works/supplies	313.96	400.59
Liability against capital works/supplies-Micro, Small and Medium Enterprises **(Refer Note 20.3.2)**	4.85	1.43
Interest accrued but not due on borrowings	584.98	572.49
Interest payable on account of Bonds Fully Serviced by Government of India	4.49	-
Earnest Money Deposit/ Retention Money	119.67	104.22
Due to Subsidiaries	1.55	-
Unpaid dividend **(Refer Note 20.3.3)**	19.17	18.16
Unpaid interest **(Refer Note 20.3.3)**	0.26	0.11
Payable to Employees	119.70	17.30
Payable to Others	73.13	60.29
TOTAL	**2,846.92**	**2,768.50**

20.3.1 Details in respect of redemption, rate of interest, terms of repayment and particulars of security are disclosed in Note No-16.1.2

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

20.3.3 "Unpaid Dividend" and "Unpaid Interest" includes the amounts which have not been claimed by the investors/holders of the equity shares/bonds. Out of the above, the amount required to be transferred to Investor Education and Protection Fund has been transferred. There is no amount due for payment to Investor Education and Protection Fund.

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

NOTE NO. 21 OTHER CURRENT LIABILITIES

(₹ in crore)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Income received in advance (Advance against depreciation)	60.68	60.68
Deferred Income from Foreign Currency Fluctuation Account	6.17	6.17
Statutory dues payables	743.71	355.59
Contract Liablities-Deposit Works	19.96	1.50
Contract Liablities-Project Management/ Consultancy Work	196.82	214.34
Advance from Customers and Others	12.19	13.25
Grants in aid-from Government-Deferred Income **(Refer Note No-19)**	26.94	18.33
TOTAL	**1,066.47**	**669.86**

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

NOTE NO. 22 PROVISIONS - CURRENT

(₹ in crore)

	PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
A.	**PROVISION FOR EMPLOYEE BENEFITS**		
i)	**Provision for Long term Benefits (Provided for on the basis of actuarial valuation)**		
	As per last Balance Sheet	142.34	253.41
	Additions during the year	0.37	142.34
	Amount used during the year	141.51	253.41
	Closing Balance	**1.20**	**142.34**
ii)	**Provision for Wage Revision (Refer Note 22.1)**		
	As per last Balance Sheet	12.57	10.10
	Additions during the year	-	2.47
	Amount used during the year	12.57	-
	Closing Balance	**-**	**12.57**
	Less: Advance paid	-	12.57
	Closing Balance (Net of advance)	**-**	**-**
iii)	**Provision for Performance Related Pay/Incentive**		
	As per last Balance Sheet	264.36	118.33
	Additions during the year	168.85	220.00
	Amount used during the year	198.69	73.97
	Closing Balance	**234.52**	**264.36**
iv)	**Provision for Superannuation / Pension Fund**		
	As per last Balance Sheet	3.58	5.94
	Additions during the year	-	0.73
	Amount used during the year	3.58	3.09
	Closing Balance	**-**	**3.58**
v)	**Provision For Wage Revision - 3rd Pay Revision Committee**		
	As per last Balance Sheet	343.83	103.33
	Additions during the year	-	240.50
	Amount used during the year	332.48	-
	Closing Balance	**11.35**	**343.83**
B.	**OTHERS**		
i)	**Provision For Tariff Adjustment**		
	As per last Balance Sheet	164.13	105.76
	Additions during the year	45.47	58.37
	Closing Balance	**209.60**	**164.13**
ii)	**Provision For Committed Capital Expenditure**		
	As per last Balance Sheet	159.43	188.21
	Additions during the year	0.80	12.81
	Amount used during the year	33.18	42.19
	Unwinding of discount	0.50	0.60
	Closing Balance	**127.55**	**159.43**

(₹ in crore)

PARTICULARS		As at 31st March, 2019	As at 31st March, 2018
iii)	**Provision for Restoration expenses of Insured Assets**		
	As per last Balance Sheet	21.76	47.51
	Additions during the year	16.65	1.55
	Amount used during the year	4.33	21.69
	Amount reversed during the year	9.55	5.61
	Closing Balance	**24.53**	**21.76**
iv)	**Provision For Livelihood Assistance**		
	As per last Balance Sheet	15.60	14.03
	Additions during the year	0.58	1.50
	Amount used during the year	0.23	0.18
	Unwinding of discount	0.05	0.25
	Closing Balance after Fair Value Adjustment	**16.00**	**15.60**
v)	**Provision in respect of arbitration award/ court cases**		
	As per last Balance Sheet	374.01	360.48
	Additions during the year	16.70	19.06
	Amount used during the year	26.66	5.49
	Amount reversed during the year	9.53	0.04
	Closing Balance	**354.52**	**374.01**
vi)	**Provision - Others**		
	As per last Balance Sheet	264.00	292.95
	Additions during the year	106.42	38.12
	Amount used during the year	18.54	31.00
	Amount reversed during the year	1.78	36.07
	Closing Balance	**350.10**	**264.00**
	TOTAL	**1,329.37**	**1,753.04**

22.1 Ministry of Power (MoP) vide letter No. 2/1/2014-H.I (Pt) dated 29.01.2019, has regularized pay scales of below Board level executives of the company w.e.f. 1st January, 1997 adopted by it in pursuance of the orders of the MoP dated 4th April, 2006 and 1st September, 2006.

Consequently, arrear of pay & allowances w.e.f 01.01.2007 after adjusting advance against Personal Pay Adjustment (which was paid to the executives up to 31.12.2016) have been paid to the executives during the year.

22.2 Information about Provisions is given in Note 34 (21).

NOTE NO. 23 CURRENT TAX LIABILITIES (NET)

(₹ in crore)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Current Tax Liability as per last Balance Sheet	634.68	706.56
Additions during the year	705.07	634.68
Amount adjusted during the year	(634.68)	(706.56)
Closing Balance of Current Tax Liablity (A)	**705.07**	**634.68**
Less: Current Advance Tax including Tax Deducted at Source (B)	766.29	635.08
Net Current Tax Liabilities (Net) (A-B)	**(61.22)**	**(0.40)**
(Disclosed under Note No-12 above)	**61.22**	**0.40**
TOTAL	-	-

NOTE NO. 24.1 REVENUE FROM OPERATIONS

(₹ in crore)

	PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
I	**Operating Revenue**		
A	**SALES (Refer Note 24.1.1, 24.1.3, 24.1.4 and 34(20))**		
	Sale of Power	6,503.06	5,624.13
	Advance Against Depreciation -Written back during the year	60.72	60.68
	Performance based Incentive/ (Disincentive)	747.65	638.52
	Sub-total (i)	**7,311.43**	**6,323.33**
	Less :		
	Sales adjustment on account of Foreign Exchange Rate Variation	92.34	66.36
	Tariff Adjustments **(Refer Note 24.1.2)**	45.47	58.37
	Income from generation of electricity – precommissioning (Transferred to Expenditure Attributable to Construction)	9.17	0.27
	Rebate to customers	26.21	20.43
	Sub-total (ii)	**173.19**	**145.43**
	Sub - Total (A)=(i-ii)	**7,138.24**	**6,177.90**
B	**Income from Finance Lease (Refer Note 34(16)(C))**	208.28	213.57
C	**Income from Operating Lease (Refer Note 34(16)(D))**	748.61	477.17
D	**Revenue From Contracts, Project Management and Consultancy Works**		
	Revenue from Project management/ Consultancy works	23.85	63.25
	Sub-Total (D)	**23.85**	**63.25**
E	**Revenue from Power Trading**		
	Sale of Power	12.96	-
	Sub - Total (E)	**12.96**	**-**
	Sub-Total-I (A+B+C+D+E)	**8,131.94**	**6,931.89**
F	**OTHER OPERATING REVENUE**		
	Income From Sale of Self Generated VERs/REC	14.23	-
	Income on account of generation based incentive (GBI)	3.21	4.19
	Interest from Beneficiary States -Revision of Tariff	11.80	2.14
	Sub-Total-II	**29.24**	**6.33**
	TOTAL (I+II)	**8,161.18**	**6,938.22**
24.1.1	**Sale of Power includes :-**		
	(i) Amount recovered/recoverable directly from beneficiary towards deferred tax liablity pertaining to the period upto 2009 and materialised during the year.	211.05	236.63
	(ii) Deemed generation as allowed by Central Electricity Regulatory Commission (CERC).	105.48	131.6
	(iii) Amount of earlier year sales pending finalisation of tariff. **(Also Refer Note 34(20))**	411.47	(4.19)

(₹ in crore)

PARTICULARS		For the year ended 31st March, 2019	For the year ended 31st March, 2018
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.	45.47	58.37
24.1.3	Based on deliberations and subsequent developments in the course of hearing in CERC on the tariff proposal of all 4 units of Parbati-III Power Station, management expected that keeping in view the current water availability and pending commissioning of Parbati-II Project which is under construction, revenue of 4th Unit recognised on estimated basis may not be realisable. Accordingly, unbilled revenue recognised till 31.03.2017 had been reversed in the books during the year ended 31.03.2018 on account of change in management estimates.	Nil	(244.86)
24.1.4	Amount of unbilled revenue included in Sales.	1,599.38	858.90

NOTE NO. 24.2 OTHER INCOME

(₹ in crore)

PARTICULARS		For the year ended 31st March, 2019	For the year ended 31st March, 2018
A)	**Interest Income**		
	- Investments carried at FVTOCI- Non Taxable	5.68	5.68
	- Investments carried at FVTOCI- Taxable	25.81	25.77
	- Loan to Government of Arunachal Pradesh	51.19	46.97
	- Deposit Account	71.34	139.69
	- Employee's Loans and Advances (Net of Rebate)	15.49	13.43
	- Advance to contractors	24.48	38.88
	- Others	10.74	-
B)	**Dividend Income**		
	- Dividend from subsidiaries	277.67	628.52
	- Dividend-Others	4.80	3.60
C)	**Other Non Operating Income**		
	Late payment surcharge	303.15	390.36
	Realization of Loss Due To Business Interruption	48.77	59.41
	Profit on sale of Assets (Net)	1.20	6.89
	Income from Insurance Claim	5.02	0.34
	Liabilities/ Impairment Allowances/ Provisions not required written back **(Refer Note 24.2.1)**	31.12	23.42
	Material Issued to contractor		
	(i) Sale on account of material issued to contractors	27.47	24.05
	(ii) Cost of material issued to contractors on recoverable basis	(42.44)	(36.48)
	(iii) Adjustment on account of material issued to contractor	14.97	12.43
	Amortization of Grant in Aid	24.20	5.99
	Exchange rate variation (Net)	3.18	-
	Others	40.29	57.18
	Sub-total	**944.13**	**1,446.13**
	Less: transferred to Expenditure Attributable to Construction	12.37	20.25
	Less: transferred to Advance/ Deposit from Client/Contractees and against Deposit Works	6.98	5.33
	Total	**924.78**	**1,420.55**

(₹ in crore)

PARTICULARS		For the year ended 31st March, 2019	For the year ended 31st March, 2018
24.2.1	**Detail of Liabilities/Impairment Allowances/Provisions not required written back**		
a)	Allowances for Obsolescence & Diminution in Value of Inventories	1.20	0.21
b)	Impairment allowances for trade receivables	-	0.27
c)	Impairment allowances for loan which have significant increase in credit risk	0.02	-
d)	Allowances for doubtful claims	8.00	2.20
e)	Allowances for losses pending investigation/awaiting write off / sanction	1.18	0.61
f)	Provision for Committed Capital Expenditure	-	1.48
g)	Provision for Livelihood Assistance	0.14	-
h)	Provision for Restoration expenses of Insured Assets	9.55	5.61
i)	Others	11.03	13.04
	TOTAL	**31.12**	**23.42**

24.2.2 Total includes ₹ 24.71 Crore (Previous year ₹ 25.84 Crore) relating to Subansiri Lower Project as explained in Note-34(22). However Regulatory Deferral Account Balances for an amount of ₹ 21.24 Crore (Previous year ₹ 25.82 Crore) pertaining to Subansiri Lower Project has been recognised as per Ind AS 114-"Regulatory Deferral Accounts"

NOTE NO. 25.1 PURCHASE OF POWER - TRADING

(₹ in crore)

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Purchase of Power	12.94	-
Less : Rebate from Supplier	0.26	-
Total	**12.68**	**-**

NOTE NO. 25.2 GENERATION EXPENSES

(₹ in crore)

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Water Usage Charges	775.31	691.80
Consumption of stores and spare parts	21.54	24.59
Total	**796.85**	**716.39**

NOTE NO. 26 EMPLOYEE BENEFITS EXPENSE

(₹ in crore)

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Salaries and Wages	1,645.74	1,466.17
Contribution to provident and other funds	265.14	227.33
Staff welfare expenses	87.27	84.46
Sub-total	**1,998.15**	**1,777.96**
Less: transferred to Expenditure Attributable to Construction	293.05	240.63
Less: Recoverable from Deposit Works	0.45	1.44
Total	**1,704.65**	**1,535.89**

26.1 Disclosure about operating leases towards residential accomodation for employees are given in Note 34 (16) (A).

(₹ in crore)

26.2 Contribution to provident and other funds include contributions:	For the year ended 31st March, 2019	For the year ended 31st March, 2018
i) towards Employees Provident Fund	105.67	72.39
ii) towards Employees Defined Contribution Superannuation Scheme	129.54	76.47

26.3 Total includes ₹ 103.90 Crore (Previous year ₹ 85.01 Crore) relating to Subansiri Lower Project as explained in Note-34(22). However Regulatory Deferral Account Balances for an amount of ₹ 20.68 Crore (Previous year ₹ 84.81 Crore) pertaining to Subansiri Lower Project has been recognised as per Ind AS 114-"Regulatory Deferral Accounts".

26.4 Refer Note 34(28) of Standalone Financial Statements for arrears paid to employees.

NOTE NO. 27 FINANCE COSTS

(₹ in crore)

	PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A	**Interest on Financial Liabilities at Amortized Cost**		
	Bonds	996.02	947.97
	Term Loan	128.29	252.73
	Foreign Loan	21.37	22.55
	Government of India Loan	61.52	33.92
	Unwinding of discount-Government of India Loan	29.87	17.73
	Sub-total	**1,237.07**	**1,274.90**
B	**Other Borrowing Cost**		
	Bond issue/ service expenses	1.02	0.54
	Commitment fee	-	0.04
	Guarantee fee on foreign loan	18.61	19.93
	Other finance charges	0.79	10.13
	Unwinding of discount - Provision & Financial Liablities	5.50	5.50
	Sub-total	**25.92**	**36.14**
C	**Applicable net (gain)/ loss on Foreign currency transactions and translation**		
	Exchange differences regarded as adjustment to interest cost	22.69	71.65
	Transferred to Deferred Foreign Currency Fluctuation Assets	(22.69)	(71.65)
	Sub-total	**-**	**-**
	Total (A + B + C)	**1,262.99**	**1,311.04**
	Less: transferred to Expenditure Attributable to Construction	368.11	388.72
	Total	**894.88**	**922.32**

27.1 Total includes ₹ 302.72 Crore (Previous year ₹ 331.39 Crore) relating to Subansiri Lower Project as explained in Note-34(22). However Regulatory Deferral Account Balances for an amount of ₹ 76.78 Crore (Previous year ₹ 331.39 Crore) pertaining to Subansiri Lower Project has been recognised as per Ind AS 114-"Regulatory Deferral Accounts".

NOTE NO. 28 DEPRECIATION AND AMORTIZATION EXPENSE

(₹ in crore)

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Depreciation -Property, Plant and Equipment	1,591.73	1,404.39
Amortization -Intangible Assets	11.24	8.66
Depreciation adjustment on account of Foreign Exchange Rate Variation **(Refer Note 19 and 5(C)(ii)**	(4.09)	1.76
Sub-total	**1,598.88**	**1,414.81**
Less: transferred to Expenditure Attributable to Construction	8.89	19.25
Less: Recoverable from Deposit Works	-	0.05
Total	**1,589.99**	**1,395.51**

28.1 Total includes ₹ 8.54 Crore (Previous year ₹ 6.85 Crore) relating to Subansiri Lower Project as explained in Note -34(22). However Regulatory Deferral Account Balances for an amount of ₹ 1.77 Crore (Previous year ₹ 6.85 Crore) pertaining to Subansiri Lower Project has been recognised as per Ind AS 114-"Regulatory Deferral Accounts".

NOTE NO. 29 OTHER EXPENSES

(₹ in crore)

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A. REPAIRS & MAINTENANCE		
- Building	64.73	67.64
- Machinery	63.63	59.46
- Others	146.54	143.13
B. OTHER EXPENSES		
Rent and Hire Charges	51.83	47.31
Rates and taxes	14.04	7.47
Insurance	123.28	126.48
Security expenses	324.53	263.07
Electricity Charges	47.55	34.53
Travelling and Conveyance	26.77	24.67
Expenses on vehicles	8.60	9.50
Telephone, telex and Postage	16.21	17.56
Advertisement and publicity	16.36	14.77
Entertainment and hospitality expenses	0.50	0.31
Printing and stationary	4.63	5.03
Consultancy charges	14.74	14.19
Audit expenses **(Refer Note 29.3)**	1.96	2.19
Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	116.36	3.40
Expenditure on land not belonging to company	9.59	1.30
Losses out of insurance claims	72.89	1.77
Donation	1.00	-
Corporate social responsibility **(Refer Note 34(14))**	17.58	38.55

(₹ in crore)

PARTICULARS		For the year ended 31st March, 2019	For the year ended 31st March, 2018
	Directors' Sitting Fees	0.26	0.20
	Interest on Arbitration/ Court Cases	0.01	-
	Interest to beneficiary	-	1.79
	Expenditure on Self Generated VER's/REC	0.27	0.01
	Exchange rate variation (Net)	-	2.88
	Training Expenses	6.77	10.50
	Petition Fee /Registration Fee /Other Fee – To CERC/RLDC/RPC/IEX/PXIL	8.47	7.03
	Operational/Running Expenses of Kendriya Vidyalaya	29.57	27.41
	Operational/Running Expenses of Other Schools	3.03	3.46
	Operational/Running Expenses of Guest House/Transit Hostel	19.47	18.20
	Operating Expenses of DG Set-Other than Residential	6.89	5.75
	Other general expenses	37.63	25.21
	Sub-total	**1,255.69**	**984.77**
	Less: transferred to Expenditure Attributable to Construction	191.03	80.78
	Less: Recoverable from Deposit Works	0.04	1.41
	Less: Transfer to General Reserve for Expenses on Buyback	6.20	-
	Sub-total (i)	**1,058.42**	**902.58**
C.	**PROVISIONS/ IMPAIRMENT ALLOWANCE**		
	Impairment allowance for trade receivables	-	1.93
	Allowance for Bad and doubtful advances / deposits	0.01	-
	Allowance for Bad and doubtful claims	2.99	3.36
	Allowance for Doubtful Interest	4.79	19.79
	Allowance for stores and spares/ Construction stores	2.94	0.28
	Allowance for Project expenses	60.52	26.27
	Allowance for fixed assets/ stores	0.10	0.32
	Interest to Beneficiary **(Refer Note 29.2)**	38.00	16.45
	Interest against court/arbitration award	-	2.79
	Others	-	0.02
	Sub-total	**109.35**	**71.21**
	Less: transferred to Expenditure Attributable to Construction	2.24	1.43
	Sub-total (ii)	**107.11**	**69.78**
	Total (i+ii)	**1,165.53**	**972.36**
29.1	Disclosure about operating leases are given in Note 34 (16) (A).		
29.2	Pending notification of revision order by CERC in respect of truing up application filed by the company under CERC notification dated 21.02.2014, stated amount has been provided in the books during the year towards Interest to Beneficiary States, which may have to be paid in case of reduction in tariff as a result of said revision order.	38.00	16.45

(₹ in crore)

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
29.3 Detail of audit expenses are as under: -		
i) Statutory auditors		
As Auditor		
Audit Fees	0.61	0.55
Tax Audit Fees	0.16	0.16
In other Capacity		
Taxation Matters	0.02	0.01
Other Matters/services	0.44	0.55
Reimbursement of expenses	0.51	0.77
ii) Cost Auditors		
Audit Fees	0.20	0.15
Reimbursement of expenses	0.02	-
Total Audit Expenses	**1.96**	**2.19**

29.4 Total includes ₹ 58.83 Crore (Previous year ₹ 99.11 Crore) relating to Subansiri Lower Project as explained in Note-34(22). However Regulatory Deferral Account Balances for an amount of ₹ 16.54 Crore (Previous year ₹ 77.59 Crore) pertaining to Subansiri Lower Project has been recognised as per Ind AS 114-"Regulatory Deferral Accounts".

NOTE NO. 30 TAX EXPENSES

(₹ in crores)

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Current Tax		
Provision for Current Tax	696.15	634.68
Adjustment Relating To Earlier periods	(46.37)	(6.91)
Total current tax expenses	**649.78**	**627.77**
Deferred Tax-		
Decrease (increase) in deferred tax assets		
- Relating to origination and reversal of temporary differences	133.43	177.52
- Relating to change in tax rate	-	1.72
Increase (decrease) in deferred tax liabilities		
- Relating to origination and reversal of temporary differences	331.02	(690.70)
- Relating to change in tax rate	-	(6.71)
Total deferred tax expenses (benefits)	**464.45**	**(518.17)**
Net Deferred Tax	**464.45**	**(518.17)**
Total	**1,114.23**	**109.60**
30.1 Reconciliation of tax expense and the accounting profit multiplied by India's domestic rate.		
Accounting profit/loss before income tax including movement in Regulatory Deferral Account Balance	3,744.78	2,878.63
Applicable tax rate (%)	34.9440	34.6080
Computed tax expense	**1,308.58**	**996.24**

(₹ in crores)

	PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	Tax effects of amounts which are not deductible (Taxable) in calculating taxable income.		
	Non Deductible Tax Expenses	6.59	13.97
	Tax Exempt Income	(100.70)	(218.76)
	Tax Incentives (80-IA Deductions)	(620.02)	(683.80)
	Adjustment for current tax of earlier periods	(46.37)	(6.91)
	Minimum Alternate Tax Adjustments	566.15	13.84
	Change in rate of tax	-	(4.98)
	Income tax expense reported in Statement of Profit & Loss	**1,114.23**	**109.60**
30.2	**Amounts recognised directly in Equity**		
	Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited/(credited) to equity		
	Current Tax	Nil	Nil
	Deferred tax	Nil	Nil
	Total	**Nil**	**Nil**
30.3	**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 30.5)**	2,040.81	1,344.66
30.4	**Unrecognised temporary differences**		
	Temporary differences relating to investments in subsidiaries for which deferred tax liabilities have not been recognised.		
	Undistributed Earnings	Nil	Nil
	Unrecognised deferred tax liabilities relating to the above temporary differences	Nil	Nil

30.5 The details of Minimum Alternate Tax (MAT) Credit available to the Company in future but not recognised in the books of account is given below:-

(₹ in Crore)

Financial Years	As at 31st March 2019		As at 31st March 2018	
	Amount	Year of Expiry	Amount	Year of Expiry
2018-19	696.15	2033-34	-	-
2017-18	210.11	2032-33	210.11	2032-33
2016-17	11.59	2031-32	11.59	2031-32
2015-16	177.01	2030-31	177.01	2030-31
2014-15	46.81	2029-30	46.81	2029-30
2013-14	481.84	2028-29	481.84	2028-29
2012-13	291.71	2027-28	291.71	2027-28
2008-09	125.59	2023-24	125.59	2023-24
Total	**2040.81**		**1344.66**	

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. 31 MOVEMENT IN REGULATORY DEFERRAL ACCOUNT BALANCES

(₹ in crores)

PARTICULARS		For the year ended 31st March, 2019	For the year ended 31st March, 2018
Movement in Regulatory Deferral Account Balances on account of:-			
(i)	**Subansiri Lower Project:-**		
	a) Employee Benefits Expense	20.68	84.81
	b) Other Expenses	16.54	77.59
	c) Depreciation and Amortization Expense	1.77	6.85
	d) Finance Cost	76.78	331.39
	e) Other Income	(21.24)	(25.82)
	Sub Total (i)	**94.53**	**474.82**
(ii)	Wage Revision as per 3rd Pay Revision Committee	203.85	242.90
(iii)	Kishanganga Power Station:-Depreciation due to moderation of Tariff	171.98	-
(iv)	Exchange Differences on Monetary Items	(0.57)	2.10
(v)	Adjustment against Deferred Tax Recoverable for tariff period upto 2009	(137.30)	(137.50)
(vi)	Adjustment against Deferred Tax Liabilities for tariff period 2014-2019.	490.91	(519.99)
	TOTAL (i)+(ii)+(iii)+(iv)+(v)+(vi)	**823.40**	**62.33**
	Impact of Tax on Regulatory Deferral Accounts		
	Less: Deferred Tax on Regulatory Deferral Account Balances	(254.90)	(15.07)
	Add: Deferred Tax recoverable from Beneficiaries	(254.90)	(15.07)
	TOTAL	**823.40**	**62.33**

Refer Note 14 of Standalone Financial Statements. Also refer Note 35 for restatement of Regulatory Deferral Account balances.

NOTE NO. 32 EXPENDITURE ATTRIBUTABLE TO CONSTRUCTION (EAC) FORMING PART OF CAPITAL WORK IN PROGRESS FOR THE YEAR

(₹ in crores)

PARTICULARS		For the year ended 31st March, 2019	For the year ended 31st March, 2018
A.	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries and Wages	127.94	136.11
	Contribution to provident and other funds	20.81	11.90
	Staff welfare expenses	4.53	7.93
	Sub-total	**153.28**	**155.94**
B.	**FINANCE COSTS**		
	Interest on : **(Refer Note 2.2.1)**		
	Bonds	349.92	318.66
	Term loan	15.41	52.44
		365.33	**371.10**
	Bond issue/ service expenses	-	0.16
	Other finance charges	-	6.31
	Transfer of expenses to EAC- Interest on loans from Central Government-adjustment on account of effective interest	1.44	10.41
	Transfer of expenses to EAC-Interest on security deposit/ retention money-adjustment on account of effective interest	1.18	0.70
	Sub-total	**367.95**	**388.68**
C.	**DEPRECIATION AND AMORTIZATION EXPENSES**	7.18	17.65
	Sub-total	**7.18**	**17.65**

(₹ in crores)

PARTICULARS		For the year ended 31st March, 2019	For the year ended 31st March, 2018
D.	**OTHER EXPENSES**		
	Repairs And Maintenance :		
	-Building	3.85	5.02
	-Machinery	0.03	0.02
	-Others	3.48	2.81
	Rent	7.74	10.22
	Rates and taxes	1.40	0.89
	Insurance	0.25	0.11
	Security expenses	22.97	28.81
	Electricity Charges	3.19	3.78
	Travelling and Conveyance	2.51	3.01
	Expenses on vehicles	0.72	1.13
	Telephone, telex and Postage	2.13	2.42
	Advertisement and publicity	0.27	0.36
	Printing and stationary	0.35	0.61
	Design and Consultancy charges	2.11	1.64
	Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	115.72	2.21
	Expenditure on land not belonging to company	6.94	1.09
	Assets/ Claims written off	-	0.12
	Land Acquisition and Rehabilitation Expenditure	0.15	0.16
	Other general expenses	8.04	9.16
	Sub-total	**181.85**	**73.57**
D.	**PROVISIONS**	2.24	1.43
	Sub-total	**2.24**	**1.43**
F.	**CORPORATE OFFICE/REGIONAL OFFICE EXPENSES**		
	Other Income	(0.97)	(2.32)
	Other Expenses	9.18	7.21
	Employee Benefits Expense	139.77	84.69
	Depreciation and Amortization Expenses	1.71	1.60
	Finance Cost	0.16	0.04
	Sub-total	**149.85**	**91.22**
G.	**LESS: RECEIPTS AND RECOVERIES**		
	Income from generation of electricity – precommissioning	9.17	0.27
	Interest on loans and advances	6.46	12.19
	Provision/Liability not required written back	0.35	4.10
	Miscellaneous receipts	4.59	1.64
	Sub-total	**20.57**	**18.20**
	TOTAL (A+B+C+D+E+F-G) (Refer Note 2.2)	**841.78**	**710.29**

32.1 Refer Note 34(28) of Standalone Financial Statements for arrears paid to employees.

Note-33: Disclosure on Financial Instruments and Risk Management

(1) Fair Value Measurement

A) Financial Instruments by category

(₹ in crore)

Financial assets	Notes	As at 31st March, 2019		As at 31st March, 2018	
		Fair value through Other Comprehensive Income	Amortised Cost	Fair value through Other Comprehensive Income	Amortised Cost
Non-current Financial assets					
(i) Non-current investments					
a) In Equity Instrument (Quoted)	3.1	88.66	-	105.14	-
b) In Debt Instruments (Government/ Public Sector Undertaking)-Quoted	3.1	401.54	-	398.15	-
Sub-total		**490.20**	**-**	**503.29**	**-**
(ii) Trade Receivables	3.2		61.51		184.45
(iii) Loans					
a) Deposits	3.3		21.49		18.05
b) Employees	3.3		104.92		114.88
c) Loan to Government of Arunachal Pradesh (Including interest accrued)	3.3		620.00		568.81
(iv) Others					
- Lease Receivables including interest	3.4		1,449.61		1,505.83
- Recoverable on account of Bonds fully Serviced by Government of India	3.4		2,017.20	-	-
- Share Application Money - Chenab Valley Power Projects Private Limited (Pending Allotment)	3.4		-	-	65.19
- Bank Deposits with more than 12 Months Maturity (Including interest accrued)	3.4		0.35		0.40
Total Non-current Financial assets		**490.20**	**4,275.08**	**503.29**	**2,457.61**
Current Financial assets					
(i) Trade Receivables	7		2,623.09		1,097.07
(ii) Cash and cash equivalents	8		30.72		6.96
(iii) Bank balances other than Cash and Cash Equivalent	9		359.91		1,465.43
(iv) Loans	10				
- Employee Loans			38.56		40.80
- Loans to Joint Venture (National High Power Test Laboratory (P) Limited))			6.00		6.00
- Deposits			0.62		1.17
(v) Others (Excluding Lease Receivables)	11		1,927.59		1,329.64
(vi) Others (Lease Receivables including interest)	11		56.67		53.72
Total Current Financial Assets		**-**	**5,043.16**	**-**	**4,000.79**
Total Financial Assets		**490.20**	**9,318.24**	**503.29**	**6,458.40**

(₹ in crore)

Financial Liabilities	Notes	As at 31st March, 2019		As at 31st March, 2018	
		Fair value through Other Comprehensive Income	Amortised Cost	Fair value through Other Comprehensive Income	Amortised Cost
(i) Long-term borrowings	16.1		17,044.63		16,728.20
(ii) Other Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India)	16.2		2,058.64		38.47
(iii) Borrowing -Short Term	20.1		406.00		279.99
(iv) Trade Payables including MSME	20.2		180.18		181.86
(v) Other Current financial liabilities					
a) Current maturities of long term borrowings	20.3		1,605.16		1,593.91
b) Interest Accrued but not due on borrowings	20.3		584.98		572.49
c) Other Current Liabilities	20.3		656.78		602.10
Total Financial Liabilities			**22,536.37**		**19,997.02**

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. This includes security deposits/ retention money and loans at below market rates of interest.

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

(₹ in crore)

	Note No.	As at 31st March, 2019	As at 31st March, 2018
		Level 1	Level 1
Financial Assets at FVTOCI			
Investments-			
- In Equity Instrument (Quoted)	3.1	88.66	105.14
- In Debt Instruments (Government/ Public Sector Undertaking)- Quoted *	3.1	401.54	398.15
Total		**490.20**	**503.29**

Note:

* in the absence of latest quoted market rates in respect of these instruments, rates have been derived as per Fixed Income Money Market and Derivatives Association of India (FIMMDA).

All other financial assets and financial liabilities have been measured at amortised cost at balance sheet date and classified as non-recurring fair value measurement.

(b) Financial Assets/Liabilities measured at amortised cost for which Fair Value are disclosed:

(₹ in crore)

Particulars	Note No.	As at 31st March, 2019			As at 31st March, 2018		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets							
(i) Trade Receivables	3.2		61.51			184.45	
(ii) Loans							
a) Employees	3.3		113.12			141.02	
b) Loan to Government of Arunachal Pradesh (including Interest Accrued)	3.3		620.00			568.81	
c) Deposits				21.49			18.05
(iii) Others							
-Bank Deposits with more than 12 Months Maturity (Including Interest accrued)	3.4		0.35			0.40	
-Recoverable on account of Bonds fully Serviced by Government of India	3.4	2,017.20					
Total Financial Assets		**2,017.20**	**794.98**	**21.49**	**-**	**894.68**	**18.05**
Financial Liabilities							
(i) Long-term borrowings including current maturities and accrued interest	16.1 & 20.3	13,863.26	2,596.46	2,054.78	12,833.88	3,001.82	1,793.20
(ii) Other Long Term Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India)	16.2	2,017.20		42.24			38.95
Total Financial Liabilities		**15,880.46**	**2,596.46**	**2,097.02**	**12,833.88**	**3,001.82**	**1,832.15**

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

(₹ in crore)

Particulars	Note No.	As at 31st March, 2019		As at 31st March, 2018	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets					
(i) Trade Receivables	3.2	61.51	61.51	184.45	184.45
(ii) Loans					
a) Employees	3.3	104.92	113.12	114.88	141.02
b) Loan to Government of Arunachal Pradesh (including Interest Accrued)	3.3	620.00	620.00	568.81	568.81
c) Deposits		21.49	21.49	18.05	18.05
(iii) Others					
-Bank Deposits with more than 12 Months Maturity (Including Interest accrued)	3.4	0.35	0.35	0.40	0.40
-Recoverable on account of Bonds fully Serviced by Government of India	3.4	2,017.20	2,017.20	-	-
Total Financial Assets		**2,825.47**	**2,833.67**	**886.59**	**912.73**
Financial Liabilities					
(i) Long-term borrowings including Current maturities and accrued interest	16.1 & 20.3	19,234.77	18,514.50	18,894.60	17,628.89
(ii) Other Long Term Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India)	16.2	2,058.64	2,059.44	38.47	38.95
Total Financial Liabilities		**21,293.41**	**20,573.94**	**18,933.07**	**17,667.84**

Note:-

1. The Carrying amounts of current investments, Trade and other receivables, Cash and cash equivalents,Short-term loans and advances, Short term borrowings, Trade payables and other current financial liabilities are considered to be the same as their fair values, due to their short term nature.
2. For financial assets and financial liabilities measured at fair value, the carrying amounts are equal to the fair value.

(d) Valuation techniques and process used to determine fair values

(1) The Company values financial assets or financial liabilities using the best and most relevant data available. Specific valuation techniques used to determine fair value of financial instruments includes:

- Use of Quoted market price or dealer quotes for similar instruments.
- Fair value of remaining financial instruments is determined using discounted cash flow analysis.

2. The discount rate used to fair value financial instruments classified at Level -3 is based on the Weighted Average Rate of company's outstanding borrowings except subordinate debts and foreign currency borrowings.
3. As per Ind AS 109, financial liabilities that are subsequently measured at amortised cost are recognised initially at fair value minus transaction costs using the effective interest method. Since the transaction costs incurred on long term borrowings are not material, as such the company has not applied the effective interest method for initial recognition of such liabilities.

(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.

i) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables/leased assets) and from its financing activities including deposits with banks and financial institutions.

ii) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The company operates in a regulated environment. Tariff of the company is fixed by the Central Electricity Regulatory Commission (CERC) through Annual Fixed Charges (AFC) comprising the following five components:

1. Return on Equity (RoE), 2. Depreciation, 3. Interest on Loans, 4. Operation & Maintenance Expenses and 5. Interest on Working Capital Loans. In addition to the above Foreign Currency Exchange variations and Taxes are also recoverable from Beneficiaries in terms of the Tariff Regulations. Hence variation in interest rate, currency exchange rate variations and other price risk variations are recoverable from tariff and do not impact the profitability of the company.

(B) Credit Risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

Trade Receivables & lease receivables :-

The Company extends credit to customers in normal course of business. The Company monitors the payment track record of the customers. Outstanding receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are mainly state government authorities and operate in largely independent markets.

Lease receivables of the company are with regard to Power Purchase Agreements classified as deemed lease as per Appendix C of Ind AS 17- 'Leases' as referred to in Note No. 34. The power purchase agreements are for sale of power to single beneficiary and recoverability of interest income and principal on leased assets i.e. PPE of the power stations are assessed on the same basis as applied for trade receivables.

Financial assets at amortised cost :-

Employee Loans: The Company has given loans to employees at concessional rates as per Company's policy which have been measured at amortised cost at Balance Sheet date. The recovery of the loan is on fixed instalment basis from the monthly salary of the employees. The loans are secured by way of mortgage/hypothecation of the assets for which such loans are given. Management has assessed the past data and does not envisage any probability of default on these loans.

Loans to Govt. of Arunanchal Pradesh : The Company has given loan to Government of Arunachal Pradesh at 9% rate of interest as per the terms and conditions of Memorandum of understanding signed between the Company and Government of Arunachal Pradesh for construction of hydroelectric projects in the state. The loan has been measured at amortised cost. The loan is recoverable from the share of free power of the state government from the first hydroelectric project to be commissioned in the state. Management does not envisage any probability of default on the loan.

Financial instruments and cash deposits :-

The Company considers factors such as track record, size of the bank, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the banks with which the Company has also availed borrowings. The Company invests surplus cash in short term deposits with scheduled banks. The company has balances and deposits with banks which are well diversified across private and public sector banks with limited exposure with any single bank

(i) Exposure to credit risk

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

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Non-current investments (Other than Subsidiaries and Joint Ventures)	490.20	503.29
Loans -Non Current (including interest)	746.41	701.74
Other Non Current Financial Assets	2,017.55	65.59
Cash and cash equivalents	30.72	6.96
Bank balances	359.91	1,465.43
Loans -Current	45.18	47.97
Other financial assets (Excluding Lease Receivables)	1,927.59	1,329.64
Total (A)	**5,617.56**	**4,120.62**
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade Receivables	2,684.60	1,281.52
Lease Receivables (including Interest)	1,506.28	1,559.55
Total (B)	**4,190.88**	**2,841.07**
TOTAL (A+B)	**9,808.44**	**6,961.69**

(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

CERC Tariff Regulations 2014-19 allow the Company to raise bills on beneficiaries for late-payment surcharge. which adequately compensates the Company for time value of money arising due to delay in payment. Further, the fact that beneficiaries are primarily State Governments/ State Discoms and considering the historical credit loss experience for trade receivables, the Company does not envisage either impairment in the value of receivables from beneficiaries or loss due to time value of money due to delay in realization of trade receivables. However, the Company assesses outstanding trade receivables on an ongoing basis considering changes in operating results and payment behaviour and provides for expected credit loss on case-to-case basis. As at the reporting date company does not envisage any default risk on account of non-realisation of trade receivables.

(iii) Reconciliation of impairment loss provisions

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

(₹ in crore)

Particulars	Trade Receivables	Claim recoverable	Loans	Total
Balance as at 1.4.2018	37.71	210.18	0.03	247.92
Changes in Loss Allowances	-	(6.81)	(0.02)	(6.83)
Balance as at 31.03.2019	37.71	203.37	0.01	241.09

(C) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

i) The Company's objective is to maintain optimum levels of liquidity at all times to meet its cash and collateral requirements. The Company relies on a mix of borrowings and excess operating cash flows to meet its need for funds. The current committed lines of credit and internal accruals are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet capital expenditure and operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the borrowing limits or covenants (where applicable) are not breached on any of its borrowing facilities.

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

(₹ in crore)

	As at 31st March 2019	As at 31st March 2018
At Floating Rate	819.00	25.00
Total	**819.00**	**25.00**

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 2019 (₹ in crore)

Contractual maturities of financial liabilities	Note No.	Outstanding Debt as on 31.03.2019	Within 1 Year	More than 1 Year & Less than 3 Years	More than 3 Year & Less than 5 Years	More than 5 Year
Borrowings	16.1, 20.1 & 20.3	19,889.53	2,011.17	3,006.08	3,205.12	11,667.17
Other financial Liabilities	16.2 & 20.3	3,311.97	1,238.01	10.04	6.88	2,057.04
Trade Payables	20.2	180.17	180.17	-	-	-
Total Financial Liabilities		**23,381.67**	**3,429.35**	**3,016.12**	**3,212.00**	**13,724.21**

As at 31st March 2018 (₹ in crore)

Contractual maturities of financial liabilities	Note No.	Outstanding Debt as on 31.03.2018	Within 1 Year	More than 1 Year & Less than 3 Years	More than 3 Year & Less than 5 Years	More than 5 Year
Borrowings	16.1, 20.1 & 20.3	19,166.00	1,873.91	3,206.76	2,615.09	11,470.24
Other financial Liabilities	16.2 & 20.3	1,231.22	1,176.45	9.97	4.78	40.02
Trade Payables	20.2	181.86	181.86	-	-	-
Total Financial Liabilities		**20,579.08**	**3,232.22**	**3,216.73**	**2,619.87**	**11,510.26**

(D) Market Risk:

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligation provisions and on the non-financial assets and liabilities. The sensitivity of the relevant item of the Statement of Profit and Loss is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in interest rates.

(i) Interest rate risk and sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates. Company's policy is to maintain most of its borrowings at fixed rate. Company's fixed rate borrowings are carried at amortised cost and are not subject to interest rate risk. Further the company refinance these debts as and when favourable terms are available. The company is also compensated for variability in floating rate through recovery by way of tariff adjustments under CERC tariff regulations.

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31st March 2019		As at 31st March, 2018	
	weighted average interest rate (%)	(₹ in crore)	weighted average interest rate (%)	(₹ in crore)
Floating Rate Borrowings (INR)	8.50	190.00	-	-
Floating Rate Borrowings (Foreign Currency)	-	-	0.57	113.48
Fixed Rate Borrowings (INR)	8.30	17,340.99	6.82	17,008.18
Fixed Rate Borrowings (Foreign Currency)	1.97	1,118.79	1.81	1,200.48
Total		**18,649.78**		**18,322.14**

Interest Rate Sensitivity Analysis

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The majority of the borrowings of the company are at fixed interest rate. In case of floating rate borrowings there is no impact on Statement of Profit and Loss of the company due to increase/decrese in interest rates, as the same is recoverable from beneficiaries through tariff.

(ii) Price Risk:

(a) Exposure

The company's exposure to price risk arises from investment in equity shares and debt instruments classified in the financial statements as Fair Value Through OCI. Company's investment in equity shares are listed in recognised stock exchange and are publicly traded in the stock exchanges. Company's investment in debt instruments comprise quoted Government Securities and Public Sector Bonds and are publicly traded in the market. The investment has been classified under non-current investment in Balance Sheet.

(b) Price Risk Sensitivity

For Investment in Equity Instruments (Investment in equity shares of IOB and PTC)

The table below summarises the impact of increase/decrease in the market price of investment in equity instruments on the company's equity for the year:

Particulars	As at 31st March 2019		As at 31st March, 2018	
Investment in Equity shares of :	% change	Impact on other components of equity (₹ in crore)	% change	Impact on other components of equity (₹ in crore)
PTC India Ltd	22.06	19.46	22.45	23.55
Indian Overseas Bank	15.75	0.08	15.65	0.10

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 Govt and PSU Bonds)

The table below summarises the impact of increase/decrease of the market value of the debt instruments on company's equity for the year:

Particulars	As at 31st March 2019		As at 31st March, 2018	
	% change	Impact on other components of equity (₹ in crore)	% change	Impact on other components of equity (₹ in crore)
Government Securities	0.57	1.84	(0.08)	(0.25)
PSU Tax Free Bonds	1.48	1.20	1.20	0.98

(iii) Foreign Currency Risk

The company is compensated for variability in foreign currency exchange rate through recovery by way of tariff adjustments under the CERC Tariff Regulations.

(a) Foreign Currency Exposure:

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows:

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March, 2018
Financial Liabilities:		
Foreign Currency Loans	1,118.79	1,313.93
Other Financial Liabilities	61.78	66.70
Net Exposure to foreign currency (liabilities)	**1,180.57**	**1,380.63**

(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 2014-19.

(3) Capital Management

(a) Capital Risk Management

The primary objective of the Company's capital management is to maximize the shareholder value. CERC Tariff Regulations prescribe Debt : Equity ratio of 70:30 for the purpose of fixation of tariff of Power Projects. Accordingly the company manages its capital structure to maintain the normative capital structure prescribed by the CERC.

The Company monitors capital using Debt : Equity ratio, which is net debt divided by total capital. The Debt : Equity ratio are as follows:

Statement of Gearing Ratio

Particulars	As at 31st March 2019	As at 31st March, 2018
(a) Total Debt (₹ in crore)	20,666.99	18,322.11
(b) Total Capital (₹ in crore)	29,214.73	28,351.82
Gearing Ratio (a/b)	0.71	0.65

Note: For the purpose of the Company's capital management, capital includes issued capital and reserves. Net debt includes interest bearing loans and borrowings.

(b) Loan Covenants:

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

1. Company shall maintain credit rating AAA and if rating comes down, rate of interest shall be increased by 25 basis point for each notch below AAA rating.
2. Debt to net worth should not exceed 2:1.
3. Interest coverage ratio should be more than 2 times and should be calculated as ((Net Profit+Non Cash Expenditures+Interest Payable-Non Cash Income)/Interest Payable))
4. 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 31st March 2019	As at 31st March, 2018
(i) Equity Shares		
Final dividend for the year 2017-18 of INR 0.28 per fully paid share approved in September 2018 paid in October 2018. (31st March 2018 - INR 0.10 fully paid share for 2016-17).	287.26	102.60
Dividend Distribution Tax on Final Dividend	1.97 *	-
Interim dividend for the year ended 31st March 2019 of INR 0.71 (31st March 2018- INR 1.12) per fully paid share.	713.20	1149.05
Dividend Distribution Tax on Interim Dividend	146.60	126.86
(ii) Dividend not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 0.75 (31 st March 2018- INR 0.28) per fully paid up Shares. The proposed dividend is subject to the approval of shareholders in the ensuring Annual General Meeting.	753.38	287.26
Dividend Distribution Tax on Proposed Dividend	154.86	59.05

* Adjusted with Dividend Distribution Tax on dividend received from NHDC Ltd.

Note No. - 34:

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 ₹ **11040.11 Crore** (Previous year ₹ **9912.98 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 ₹ **4377.02 Crore** (Previous year ₹ **3645.08 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 ₹ **418.98** Crore (Previous year ₹ **441.96** Crore) based on probability of outflow of resources embodying economic benefits and estimated ₹ **10494.10** Crore (Previous year ₹ **9370.30** Crore) as the amount of contingent liability i.e. amounts for which Company may be held contingently liable. In respect of such estimated contingent claims either the outflow of resources embodying economic benefits is not probable or a reliable estimate of the amount required for settling the obligation cannot be made. In respect of the rest of the claims/ obligations, possibility of any outflow in settlement is considered as remote.

(ii) Land Compensation cases

In respect of land acquired for the projects, some of the erstwhile land owners have filed claims for higher compensation amounting to ₹ **190.81 Crore** (Previous year ₹ **49.67 Crore**) before various authorities/courts. Pending settlement, the Company has assessed and provided an amount of ₹ **4.32 Cror**e (Previous year ₹ **10.99 Crore)** based on probability of outflow of resources embodying economic benefits and estimated ₹ **186.49 Crore** (Previous year ₹ **38.68 Crore**) as the amount of contingent liability as outflow of resources is considered as not probable.

(iii) Disputed Tax Demands

Disputed Income Tax/Sales Tax/Service Tax/ other taxes/duties matters pending before various appellate authorities amount to ₹ **639.67 Crore** (Previous year ₹ **454.44 Crore)**. Pending settlement, the Company has assessed and provided an amount of ₹ **23.50 Crore** (Previous year ₹ **30.77 Crore)** based on probability of outflow of resources embodying economic benefits and ₹ **515.17 Crore** (Previous year ₹ **423.67 Crore**) are being disclosed as contingent liability as outflow of resources is considered not probable. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered as remote.

(iv) Others

Claims on account of other miscellaneous matters amount to ₹ **728.93 Crore** (Previous year ₹ **633.26 Crore**). These claims are pending before various forums. Pending settlement, the Company has assessed and provided an amount of ₹ **17.81 Crore** (Previous year ₹ **29.69 Crore**) based on probability of outflow of resources embodying economic benefits and estimated ₹ **709.25 Crore** (Previous year ₹ **601.69 Crore**) as the amount of contingent liability as outflow of resources is considered as not probable. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered as remote.

The above is summarized as below:

(₹ in Crore)

Sl. No.	Particulars	Claims as on 31.03.2019	up to date Provision against the claims	Contingent liability as on 31.03.2019	Contingent liability as on 31.03.2018	Addition/ (deduction) from contingent liability during the year	Decrease of contingent liability from Opening Balance as on 01.04.2018
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)=(v)-(vi)	(viii)
1.	Capital Works	11040.11	418.98	10494.10	9370.30	1123.80	1678.61
2.	Land Compen- sation cases	190.81	4.32	186.49	38.68	147.81	10.67
3.	Disputed tax matters	639.67	23.50	515.17	423.67	91.50	8.38
4.	Others	728.93	17.81	709.25	601.69	107.56	40.98
	Total	**12599.52**	**464.61**	**11905.01**	**10434.34**	**1470.67**	**1738.64**

(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 ₹ **396.38 Crore** (Previous year ₹ **235.73 Crore)** towards above Contingent Liabilities.

(e) (i) An amount of ₹ **617.39 Crore** (Previous year ₹ **536.06 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 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 ₹ **454.98 Crore** (Previous year ₹ **80.81 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. (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 31.03.2019 are as under:

(₹ in Crore)

Sl. No.	Category of Agency	Claims as on 31.03.2019	up to date Provision against the claims	Contingent liability as on 31.03.2019	Contingent liability as on 31.03.2018	Addition(+)/ deduction (-) from contingent liability during the year	Decrease of contingent liability from Opening Balance as on 01.04.2018
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)=(v)-(vi)	(viii)
1	Central Govt. departments	154.09	-	53.09	33.48	19.61	-
2	State Govt. departments or Local Bodies	503.78	40.57	463.21	397.95	65.26	8.11
3	Central Public Sector Enterprises (CPSEs)	101.67	0.16	100.93	102.73	(1.80)	-
4	Others	11839.98	423.88	11287.78	9900.18	1387.60	1730.53
	TOTAL	**12599.52**	**464.61**	**11905.01**	**10434.34**	**1470.67**	**1738.64**

2. Contingent Assets: Contingent assets in respect of the Company are on account of the following:

a) a) Counter Claims lodged by the company on other entities:

The company has lodged counter claims aggregating to ₹ **875.05 Crore** (Previous year ₹ **588.08 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 ₹ 2**8.16 Crore** (Previous year ₹ **446.53 Crore)** towards arbitration awards including updated interest thereon.

Based on Management assessment, a favourable outcome is probable in respect of the claims aggregating ₹ **780.09 Crore** (Previous year ₹ **587.84 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 provide for levy of Late Payment Surcharge by generating company in case of delay in payment by beneficiaries beyond 60 days from the date of presentation of bill. In view of significant uncertainties in the ultimate collection from the beneficiaries, an amount of ₹ **109.35 Crore** (previous year ₹ **188.42 Crore)** as estimated by the management has not been recognised.

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

Truing up order of 2009-14 and/or Tariff Order for 2014-19 are pending in respect of Sewa-II, Chamera-III, Teesta Low Dam-III and Teesta Low Dam-IV Power stations pending approval of revised cost estimate. Management has assessed that an additional revenue of ₹ **1246.79 Crore** (Previous year ₹ **694.94 Crore)** is likely to accrue on account of these expenditures 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 ₹ **202.26 Crore** (Previous Year ₹ **195.04 Crore**) in this respect which has not been recognised. Power Station-wise details of claims are given at Note 34(23) of the standalone Financial Statements.

e) Other Cases

Claims on account of other miscellaneous matters estimated by Management to be ₹ **157.18 Crore** (Previous year ₹ **60.34 Crore)** has not been recognised.

3. Commitments (to the extent not provided for):

(a) Estimated amount of contracts remaining to be executed on capital account are as under:

(₹ in Crore)

Sl. No.	Particulars	As at 31.03.2019	As at 31.03.2018
(i)	(ii)	(iii)	(iv)
1.	Property Plant and Equipment (including Capital Work in Progress)	2689.01	2697.53
2.	Intangible Assets	0.64	0.64
	Total	**2689.65**	**2698.17**

(b) The Company has commitments of ₹ **99.33 Crore** (Previous year ₹ **653.49 Crore)** towards further investment in the subsidiary companies as at 31st March, 2019.

(c) The Company has commitments of ₹ **1284.97 Crore** (Previous year ₹ **577.65 Crore)** towards further investment in the joint venture companies as at 31st March, 2019.

4. Pending approval of competent authority, provisional payments / provisions made towards executed quantities of works of some of the items beyond the approved quantities and/ or for extra items aggregating to ₹ **4.06 Crore** (Previous year ₹ **5.39 Crore)** are included in Capital Work-in-Progress /Property, Plant and Equipment.

5. Disclosure in respect of Project Management /Consultancy Work/Deposit Works under IND AS 115- 'Revenue from contract with Customers' is as under:

(₹ in Crore)

Sl. No.	Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
(i)	(ii)	(iii)	(iv)
(A)	Revenue recognised from contract liabilities	5.41	6.99
(B)	Revenue recognised due to price change or other contract variation that were not recognised earlier	-	-

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

(₹ in Crore)

Sl. No.	Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
(i)	Amount charged to Statement of Profit and Loss as FERV	(3.18)	2.88
(ii)	Amount charged to Statement of Profit and Loss as Borrowing Cost	22.69	71.65
(iii)	Amount recognised in Regulatory Deferral Account Balances	(0.57)	2.10

There is however no impact on profitability of the Company, as the impact of change in foreign exchange rates is recoverable from beneficiaries in terms of prevailing CERC (Terms and Conditions of Tariff) Regulations 2014-19. The exchange rate variation included under borrowing cost for the year is transferred to deferred foreign currency fluctuation assets (recoverable from beneficiaries) as per Significant Accounting Policy of the Company.

7. Operating Segment:

a) Electricity generation (including income from embedded Finance/ Operating leases) is the principal business activity of the Company. Other operations viz., Contracts, Project Management, Consultancy works and Power Trading Business do not form a reportable segment as per the Ind AS – 108 on 'Operating Segment'.

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

c) The Company has entered into Power Trading business during the current financial year.

d) Information about major customers: Revenue of ₹ **4632.03 Crore** (Previous year ₹ **3833.52 Crore)** is derived from following customers as per details below:

Sl. No.	Name of Customer	Revenue from customer (₹ In Crore)		Revenue from customer as a % of total revenue	
		For the year ended 31.03.2019	For the year ended 31.03.2018	For the year ended 31.03.2019	For the year ended 31.03.2018
1	Uttar Predesh Power Corporation Limited.	1476.40	1132.45	18.12%	16.33%
2	Power Development Department, Jammu & Kashmir Govt.	1380.28	1274.86	16.94%	18.39%
3	West Bengal State Electricity Board	908.55	650.93	11.15%	9.39%
4	Punjab State Power Corporation Limited	866.80	775.28	10.64%	11.18%
	Total	**4632.03**	**3833.52**	**56.85%**	**55.29%**

e) Revenue from External Customers: The Company is domiciled in India. The amount of its revenue from external customer is as under:

(₹ in crore)

Sl. No.	Revenue from External Customers	For the year ended 31.03.2019	For the year ended 31.03.2018
1	Bhutan	6.16	15.28
	Total	**6.16**	**15.28**

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

8. Disclosures under Ind AS-24 "Related Party Disclosures":

(A) List of Related parties:

(i) Subsidiaries:

Name of Companies	Principle place of operation
NHDC Limited	India
Loktak Downstream Hydroelectric Corporation Limited (LDHCL)	India
Bundelkhand Saur Urja Limited (BSUL)	India

(ii) Joint Ventures:

Name of Companies	Principle place of operation
National High Power Test Laboratory (P) Ltd. (NHPTL)	India
Chenab Valley Power Projects Private Ltd. (CVPPL)	India

(iii) Key Managerial Personnel:

Sl. No.	Name	Position Held
1	Shri Balraj Joshi	Chairman and Managing Director
2	Shri Ratish Kumar	Director (Projects)
3	Shri Nikhil Kumar Jain	Director (Personnel)
4	Shri Mahesh Kumar Mittal	Director (Finance) and CFO
5	Shri Janardan Choudhary	Director (Technical)
6	Shri Aniruddha Kumar	Govt. Nominee Director with effect from 28.05.2018
7	Smt. Archana Agrawal	Govt. Nominee Director upto 30.07.2018
8	Prof. (Smt.) Kanika T. Bhal	Independent Director
9	Shri Satya Prakash Mangal	Independent Director
10	Prof. Arun Kumar	Independent Director
11	Shri Bhagwat Prasad	Independent Director
12	Prof. Nalini Kant Jha	Independent Director upto 05.11.2018.
13	Shri Jugal Kishore Mohapatra	Independent Director
14	Shri Vijay Gupta	Company Secretary

(iv) Post-Employment Benefit Plans :

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

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

The Company is a Central Public Sector Undertaking (CPSU) controlled by Central Government by holding majority of shares. The Company has applied the exemption available for government related entities and has made limited disclosures in the Financial Statements in accordance with Ind AS 24. Therefore, party-wise details of such transactions have not been given since such transactions are carried out in the ordinary course of business at normal commercial terms and are not considered to be significant.

Sl. No.	Name of the Government	Nature of Relationship with NHPC
1	Government of India	Shareholder having control over company
2	EESL, MTNL, SJVNL, NTPC Ltd, PGCIL, BHEL, BSNL,IIT,VSNL, POSOCO, SAIL, New India Assurance Company, Oriental Insurance Co., KV, HPCL, IOCL etc.	Entities controlled by the same Government (Central Government) that has control over NHPC

(B) Transactions with related parties are as follows:

(i) Transactions with Subsidiaries

(₹ in Crore)

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
(i)	(ii)	(iii)
Services provided by the Company		
• NHDC	0.62	0.87
• BSUL	0.01	0.02
• LDHCL	0.58	2.21
Dividend received by the company		
• NHDC	277.67	628.52
Equity contributions by the company		
• BSUL	-	3.00
Reimbursement of Cost of employee on deputation		
• NHDC	1.13	3.21
• LDHCL	0.24	1.08
Reimbursement of Cost of employee on deputation		
• NHDC	0.04	0.02

(ii) Transactions with Joint Ventures

(₹ in Crore)

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
(i)	(ii)	(iii)
Services Provided by the Company		
• CVPPL	19.13	16.44
Equity contributions by the Company		
• CVPPL	100.00	187.55
Deputation of Employees by the Company		
• CVPPL	2.84	5.45
Loans Provided by the Company		
• NHPTL	-	6.00
Interest on Loan given		
• NHPTL	0.06	-

(iii) Compensation to Key Management Personnel:

(₹ in Crore)

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
Short Term Employee Benefits	3.70	2.17
Post-Employment Benefits	0.77	0.34
Other Long Term Benefits	0.18	0.45

(₹ in Crore)

Other Transactions with KMP	For the Year ended 31.03.2019	For the Year ended 31.03.2018
Sitting Fees and other reimbursements to non-executive/independent directors	0.44	0.31
Interest Received during the year	0.02	0.02

(iv) Transactions with other related parties- Post Employment Benefit Plans

(₹ in Crore)

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
(i)	(ii)	(iii)
Contribution to EPF Trust	337.29	285.22
Contribution to Gratuity Trust	99.88	110.74
Refund from Gratuity Trust (Payment)	159.08	64.63
Contribution to REHS Trust	27.18	45.78
Refund from REHS Trust (Payment)	25.96	18.97
Contribution to Social Security Scheme Trust	7.20	7.82
Contribution to EDCSS Trust	125.42	90.91
Contribution to Leave Encashment Trust	98.99	369.27
Refund from Leave Encashment Trust (Payment)	71.87	20.77

(v) Transactions with Government that has control over the Company- Central Government

(This includes transactions with various Ministries, CISF etc.)

(₹ in crore)

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
(i)	**(ii)**	**(iii)**
Services Received by the Company	291.78	226.07
Services Provided by the Company	0.41	1.13
Sale of goods/Inventory made by the company	27.54	30.41
Purchase of property/Other assets	1.79	-
Dividend Paid During The Year	738.15	926.23
Subordinate Debts received by the company	482.00	350.00
Guarantee Fee on Foreign Loans to Govt. of India	18.61	19.93
Buy-Back of Shares by Company from Govt. of India	142.27	-
Grant Received from MNRE (Through SECI)	12.50	12.50
8.12% NHPC GOI Fully Service Bonds Issued on mandate of MOP and Paid to GOI (including interest accrued)	2021.69	-

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

(₹ in crore)

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
(i)	**(ii)**	**(iii)**
Purchase of property/Other assets	52.52	53.01
Purchase of goods/Inventory	32.66	36.72
Services Received by the Company	101.88	223.32
Services Provided by the Company	1.43	0.41
Sale of goods/Inventory made by the company	75.67	75.96
Settlement Amount received by the company against Insurance Claims	52.92	52.20

(C) **Outstanding balances and guarantees with Related Parties:**

(₹ in crore)

Particulars	As at 31.03.2019	As at 3 1.03.2018
(i)	(ii)	(iii)
Balances with Subsidiaries (NHDC, LDHCL and BSUL)		
• Receivables	1.26	6.48
Balances with Joint Ventures (CVPPL and NHPTL)		
• Receivables	95.46	104.76
• Loan Outstanding (including interest accrued)	6.00	6.00
Balances with KMP		
• Receivables	0.05	0.04
Balances with Trust created for post- employment benefit plans of NHPC		
Receivable		
• Gratuity Trust	77.98	-
• Leave Encashment Trust	-	20.77
Payable		
• Gratuity Trust	-	86.05
• EPF Trust	142.91	23.05
• REHS Trust	2.42	4.14
• Social Security Scheme Trust	0.57	0.62
• EDCSS Trust	81.55	19.43
• Leave Encashment Trust	38.51	-
Balances with Government that has control over the Company		
• Payables	80.82	68.85
• Receivables	2052.78	70.68
• Loan from Government (Subordinate debts)	4209.69	3750.80
Guarantee Received from Government (Against Foreign Currency Borrowing)	1118.79	1313.93
Balances with Entities controlled by the Government that has control over the Company		
• Payables	46.26	52.43
• Receivables	116.95	136.75
• Balances Out of Commitments	-	3.48

D. Other notes to related party transactions:

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

(a) Transactions with the state governments and entities controlled by the Government of India are carried out at market terms on arms- length basis (except subordinate debts received from Central Government at concessional rate) through a transparent price discovery process against open tenders, except in a few cases of procurement of spares/services from Original Equipment Manufacturers (OEMs) for proprietary items on single tender basis due to urgency, compatibility or other reasons. Such single tender procurements are also done through a process of negotiation with prices benchmarked against available price data of same/similar items.

(b) Unsecured loan of ₹ 6.00 crore(Previous Year ₹ 6.00 crore) granted to NHPTL is interest bearing @ 10% to be compounded annually.

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

(d) Outstanding balances of subsidiary and joint venture companies at the year-end are unsecured and settlement occurs through banking transaction. These balances other than loans are interest free. No impairment of receivables relating to amounts owed by related parties has been recognised. Assessment of impairment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(ii) Commitment towards further investments in the subsidiary and joint venture companies are disclosed at Note 34(3).

(iii) Contributions to post-employment benefit plans are net of refunds from trusts.

9. Particulars of Security: The carrying amount of assets mortgaged/ hypothecated as security for borrowings are as under.

(₹ in Crore)

Sl. No	Particulars	As at 31.03.2019	As at 31.03.2018
	First Charge		
1	Property Plant and Equipment	10190.38	10785.78
2	Capital Work In Progress	7429.43	6827.57
	Total	**17619.81**	**17613.35**

10. Disclosures Under Ind AS-19 " Employee Benefits":

(A) Defined Contribution Plans-

(i) Social Security Scheme:

The Company has a Social Security Scheme in lieu of the erstwhile scheme of compassionate appointment. The Company also makes a matching contribution per month per employee and such contribution was to be made for 8 years to build up corpus from the date the scheme is in operation i.e. 01.06.2007, which has been extended for another 2 years i.e. up to 31.05.2017 and further extended for another 3 years i.e. up to 31.05.2020. The scheme has been created to take care of and helping bereaved families in the event of death or permanent total disability of its employee. The expenses recognised during the period towards social security scheme is ₹ **3.57 Crore** (Previous year **3.88 Crore).**

(ii) Employees Defined Contribution Superannuation Scheme (EDCSS):

The Company has an employee defined contribution superannuation scheme for providing pension benefits to employees. As per the scheme, each employee contributes @ 5% of Basic Pay & 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 & DA. The Scheme is managed by Life Insurance Corporation of India. The expenses recognised during the period towards Employees Defined Contribution Superannuation Scheme (EDCSS) is ₹ **121.21 Crore** (Previous year **67.20 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 & Loss/Expenditure Attributable to Construction. The obligation of the Company is to make fixed contribution and to ensure a minimum rate of return to the members as specified by Government of India (GoI).

(ii) Gratuity:

The Company has a defined benefit gratuity plan. The ceiling limit of gratuity is fixed as per the Payment of Gratuity Act, 1972, whereby every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹ 0.20 Crore on superannuation, resignation, termination, disablement or on death. The plan is being managed by a separate Trust created for the purpose and obligation of the company is to make contribution to the Trust based on actuarial valuation.

(iii) Retired Employees Health Scheme (REHS):

The Company has a Retired Employee Health Scheme, under which retired employee and/or spouse of retiree and eligible dependent children of deceased employees are provided medical facilities in the Company hospitals / empanelled hospitals. They can also avail treatment as Out-Patient subject to a ceiling fixed by the Company. The liability for the same is recognised on the basis of actuarial valuation. The Scheme is being managed by a separate Trust created for the purpose and obligation of the company is to make contribution to the Trust based on such actuarial valuation.

(iv) Allowances on Retirement/Death:

Actual cost of shifting from place of duty at which employee is posted at the time of retirement to any other place where he / she may like to settle after retirement is paid as per the rules of the Company. In case of death, family of deceased employee can also avail this facility. The liability for the same is recognised on the basis of actuarial valuation.

(v) Memento to employees on attaining the age of superannuation:

The Company has a policy of providing Memento valuing ₹ 10,000/- to employee on superannuation. The liability for the same is recognised on the basis of actuarial valuation**.**

(b) <u>Disclosure of Balance Sheet amounts and sensitivity analysis of Plans</u>:

(i) Provident Fund :

Movements in the net defined benefit obligation during the years 2018-19 and 2017-18 are as follows:

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
		2018-19	
Opening Balance as at 01.04.2018	**2425.20**	**2444.86**	**(19.66)**
Current Service Cost	91.15	-	91.15
Interest Expenses/ (Income)	186.74	186.74	0.00
Total	**277.89**	**186.74**	**91.15**
Re-measurements			
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	0.03	-	0.03
Experience (gains)/Losses	(29.21)	22.80	(56.58)
Total	**(29.18)**	**22.80**	**(56.55)**
Contributions:-			
-Employers	-	91.15	(91.15)
-Plan participants	261.29	261.29	-
Benefit payments	(383.08)	(383.08)	4.58
Closing Balance as at 31.03.2019	**2552.12**	**2623.76**	**(71.64)**

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
		2017-18	
Opening Balance as at 01.04.2017	**2327.43**	**2354.24**	**(26.81)**
Current Service Cost	72.93	-	72.93
Interest Expenses/ (Income)	174.56	174.56	-
Total	**247.49**	**174.56**	**72.93**
Remeasurements			
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	0.04	-	0.04
Experience (gains)/Losses	29.74	22.63	7.11
Total	**29.78**	**22.63**	**7.15**
Contributions:-			
-Employers	-	72.93	(72.93)
-Plan participants	224.50	224.50	-
Benefit payments	(404.00)	(404.00)	-
Closing Balance as at 31.03.2018	**2425.20**	**2444.86**	**(19.66)**

The net liability disclosed above related to funded and unfunded plans are as follows:

(₹ in Crore)

Particulars	31st March 2019	31st March 2018
Present Value of funded obligations	2,552.12	2425.20
Fair value of Plan Assets	2,623.76	2444.86
Deficit/(Surplus) of funded plans	**(71.64)**	**(19.66)**
Unfunded Plans	-	-
Deficit/(Surplus) before asset ceiling	**(71.64)**	**(19.66)**

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 ₹ **71.64 Crore** determined through actuarial valuation. Accordingly, Company has not recognised the surplus as an asset, and the actuarial gains in Other Comprehensive Income, as these pertain to the Provident Fund Trust and not to the company.

Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

Particulars	Impact on Defined Benefit Obligation							
	Change in Assumptions			Increase in Assumption			Decrease in Assumptions	
	31st March 2019	31st March 2018		31st March 2019	31st March 2018		31st March 2019	31st March 2018
Discount Rate	0.50%	0.50%	Decrease by	0.0046%	0.0044%	Increase by	0.0047%	0.0045%

(ii) Gratuity: The amount recognised in the Balance Sheet as at 31.03.2019 & 31.03.2018 along with the movements in the net defined benefit obligation during the years 2018-19 and 2017-18 are as follows:

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
		2018-19	
Opening Balance as at 01.04.2018	**705.04**	**587.20**	**117.84**
Current Service Cost	20.87	-	20.87
Interest Expenses/ (Income)	54.29	45.21	9.08
Total Amount recognised in Profit or Loss	**75.16**	**45.21**	**29.95**
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	3.96	(3.96)
(Gain)/loss from change in demographic assumptions	(0.24)	-	(0.24)
(Gain)/loss from change in financial assumptions	5.55	-	5.55
Experience (gains)/Losses	(13.95)	-	(13.95)
Total Amount recognised in Other Comprehensive Income	**(8.64)**	**3.96**	**(12.60)**
Contributions:-			
-Employers	-	200.66	(200.66)
-Plan participants	-	-	-
Benefit payments	(97.98)	(95.83)	(2.15)
Closing Balance as at 31.03.2019	**673.58**	**741.20**	**(67.62)**

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
		2017-18	
Opening Balance as at 01.04.2017	**758.07**	**616.44**	**141.63**
Adjustment	-	0.13	(0.13)
Current Service Cost	23.60	-	23.60
Interest Expenses/ (Income)	56.85	46.24	10.61
Total Amount recognised in Profit or Loss	**80.45**	**46.24**	**34.21**
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	2.56	(2.56)
(Gain)/loss from change in demographic assumptions	(10.48)	-	(10.48)
(Gain)/loss from change in financial assumptions	(1.21)	-	(1.21)
Experience (gains)/Losses	(57.16)	-	(57.16)
Total Amount recognised in Other Comprehensive Income	**(68.85)**	**2.56**	**(71.41)**
Contributions:-			
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	(64.63)	(78.17)	13.54
Closing Balance as at 31.03.2018	**705.04**	**587.20**	**117.84**

The net liability disclosed above related to funded and unfunded plans are as follows:

(₹ in Crore)

Particulars	31st March 2019	31st March 2018
Present Value of funded obligations	673.58	705.04
Fair value of Plan Assets	741.20	587.20
Deficit/(Surplus) of funded plans	**(67.62)**	**117.84**
Unfunded Plans	-	-
Deficit/(Surplus) before asset ceiling	**(67.62)**	**117.84**

Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

Particulars	Change in assumptions		Impact on Defined Benefit Obligation					
			Increase in Assumption			Decrease in Assumptions		
	31st March 2019	31st March 2018		31st March 2019	31st March 2018		31st March 2019	31st March 2018
Discount Rate	0.50%	0.50%	Decrease by	2.87%	2.86%	Increase by	3.06%	3.05%
Salary growth rate	0.50%	0.50%	Increase by	0.55%	0.79%	Decrease by	0.66%	0.92%

(iii) Retired Employees Health Scheme (REHS): The amount recognised in the Balance Sheet as at 31.03.2019 & 31.03.2018 along with the movements in the net defined benefit obligation during the years 2018-19 and 2017-18 are as follows:

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
		2018-19	
Opening Balance as at 01.04.2018	**786.92**	**785.32**	**1.60**
Current Service Cost	15.59	-	15.59
Interest Expenses/ (Income)	60.59	60.47	0.12
Total Amount recognised in Profit or Loss	**76.18**	**60.47**	**15.71**
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	6.95	(6.95)
(Gain)/loss from change in demographic assumptions	(0.92)	-	(0.92)
(Gain)/loss from change in financial assumptions	15.96	-	15.96
Experience (gains)/Losses	3.38	-	3.38
Total Amount recognised in Other Comprehensive Income	**18.42**	**6.95**	**11.47**
Contributions:-			
-Employers	-	26.71	(26.71)
-Plan participants	-	-	-
Benefit payments	(23.76)	(23.76)	-
Closing Balance as at 31.03.2019	**857.76**	**855.69**	**2.07**

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
		2017-18	
Opening Balance as at 01.04.2017	**699.18**	**663.41**	**35.77**
Current Service Cost	15.07	-	15.07
Interest Expenses/ (Income)	52.44	49.76	2.68
Total Amount recognised in Profit or Loss	**67.51**	**49.76**	**17.75**
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	10.56	(10.56)
(Gain)/loss from change in demographic assumptions	2.06	-	2.06
(Gain)/loss from change in financial assumptions	33.37	-	33.37
Experience (gains)/Losses	3.16	-	3.16
Total Amount recognised in Other Comprehensive Income	**38.59**	**10.56**	**28.03**
Contributions:-			
-Employers	-	79.95	(79.95)
-Plan participants	-	-	-
Benefit payments	(18.36)	(18.36)	-
Closing Balance as at 31.03.2018	**786.92**	**785.32**	**1.60**

The net liability disclosed above related to funded and unfunded plans are as follows:

(₹ in Crore)

Particulars	31st March 2019	31st March 2018
Present Value of funded obligations	857.76	786.92
Fair value of Plan Assets	855.69	785.32
Deficit/(Surplus) of funded plans	**2.07**	**1.60**
Unfunded Plans	-	-
Deficit/(Surplus) before asset ceiling	**2.07**	**1.60**

Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

Particulars	Impact on Defined Benefit Obligation							
	Change in Assumptions		Increase in Assumption			Decrease in Assumptions		
	31st March 2019	31st March 2018		31st March 2019	31st March 2018		31st March 2019	31st March 2018
Discount Rate	0.50%	0.50%	Decrease by	6.73%	6.05%	Increase by	6.81%	6.13%
Medical cost rate	0.50%	0.50%	Increase by	6.88%	6.17%	Decrease by	6.75%	6.08%

(iv) Allowances on Retirement/Death: The amount recognised in the Balance Sheet as at 31.03.2019 & 31.03.2018 along with the movements in the net defined benefit obligation during the years 2018-19 and 2017-18 are as follows:

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
		2018-19	
Opening Balance as at 01.04.2018	**4.98**	**-**	**4.98**
Current Service Cost	0.20	-	0.20
Interest Expenses/ (Income)	0.38	-	0.38
Total Amount recognised in Profit or Loss	**0.58**	**-**	**0.58**
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	-	-
(Gain)/loss from change in demographic assumptions	(0.01)	-	(0.01)
(Gain)/loss from change in financial assumptions	0.06	-	0.06
Experience (gains)/Losses	(0.65)	-	(0.65)
Total Amount recognised in Other Comprehensive Income	**(0.60)**	**-**	**(0.60)**
Contributions:-			
-Employers	**-**	**-**	**-**
-Plan participants	-	-	-
Benefit payments	(0.07)	-	(0.07)
Closing Balance as at 31.03.2019	**4.89**	**-**	**4.89**

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
		2017-18	
Opening Balance as at 01.04.2017	**4.94**	**-**	**4.94**
Current Service Cost	0.20	-	0.20
Interest Expenses/ (Income)	0.37	-	0.37
Total Amount recognised in Profit or Loss	**0.57**	**-**	**0.57**
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	-	-
(Gain)/loss from change in demographic assumptions	0.01	-	0.01
(Gain)/loss from change in financial assumptions	0.13	-	0.13
Experience (gains)/Losses	(0.54)	-	(0.54)
Total Amount recognised in Other Comprehensive Income	**(0.40)**	**-**	**(0.40)**
Contributions:-			
-Employers	**-**	**-**	**-**
-Plan participants	-	-	-
Benefit payments	(0.13)	-	(0.13)
Closing Balance as at 31.03.2018	**4.98**	**-**	**4.98**

The net liability disclosed above related to unfunded plans.

Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

Particulars	Impact on Defined Benefit Obligation							
	Change in Assumptions		Increase in Assumption			Decrease in Assumptions		
	31st March 2019	31st March 2018		31st March 2019	31st March 2018		31st March 2019	31st March 2018
Discount Rate	0.50%	0.50%	Decrease by	3.55%	3.64%	Increase by	3.82%	3.88%
Cost Increase	0.50%	0.50%	Increase by	3.88%	3.97%	Decrease by	3.59%	3.71%

(v) **Memento to employees on attaining the age of superannuation:** The amount recognised in the Balance Sheet as at 31.03.2019 & 31.03.2018 along with the movements in the net defined benefit obligation during the years 2018-19 and 2017-18 are as follows:

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
		2018-19	
Opening Balance as at 01.04.2018	**2.17**	**-**	**2.17**
Current Service Cost	1.68	-	1.68
Interest Expenses/ (Income)	0.17	-	0.17
Total Amount recognised in Profit or Loss	**1.85**	**-**	**1.85**
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	-	-
(Gain)/loss from change in demographic assumptions	(0.01)	-	(0.01)
(Gain)/loss from change in financial assumptions	0.03	-	0.03
Experience (gains)/Losses	(0.18)	-	(0.18)
Total Amount recognised in Other Comprehensive Income	**(0.16)**	**-**	**(0.16)**
Contributions:-			
-Employers	**-**	**-**	**-**
-Plan participants	-	-	-
Benefit payments	(0.29)	-	(0.29)
Closing Balance as at 31.03.2019	**3.57**	**-**	**3.57**

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
		2017-18	
Opening Balance as at 01.04.2017	**2.44**	**-**	**2.44**
Current Service Cost	0.09	-	0.09
Interest Expenses/ (Income)	0.18	-	0.18
Total Amount recognised in Profit or Loss	**0.27**	**-**	**0.27**
Re-measurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	-	-
(Gain)/loss from change in demographic assumptions	0.01	-	0.01
(Gain)/loss from change in financial assumptions	0.04	-	0.04
Experience (gains)/Losses	(0.34)	-	(0.34)
Total Amount recognised in Other Comprehensive Income	**(0.29)**	**-**	**(0.29)**
Contributions:-			
-Employers	**-**	**-**	**-**
-Plan participants	-	-	-
Benefit payments	(0.25)	-	(0.25)
Closing Balance as at 31.03.2018	**2.17**	**-**	**2.17**

The net liability disclosed above related to unfunded plans.

Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

Particulars	Impact on Defined Benefit Obligation							
	Change in Assumptions		Increase in Assumptions			Decrease in Assumptions		
	31st March 2019	31st March 2018		31st March 2019	31st March 2018		31st March 2019	31st March 2018
Discount Rate	0.50%	0.50%	Decrease by	4.87%	5.67%	Increase by	5.17%	6.07%

(c) Defined Benefit Plans: Significant estimates: Actuarial assumptions:

Particulars	31st March 2019	31st March 2018
Discount Rate	7.56%	7.70%
Salary growth rate	6.50%	6.50%

(d) The major categories of Plan Assets are as follows:

Provident Fund:

(₹ in Crore)

Particulars	31st March 2018			
	Quoted	Unquoted	Total	In %
Debt Instruments				
Government Bonds	1343.20	-	1343.20	54.94
Corporate Bonds	967.83	-	967.83	39.59
Investment Funds				
Mutual Funds	48.34	-	48.34	1.98
LIC	-	-	-	-
Cash & Cash Equivalents	-	19.66	19.66	0.80
Accrued Interest	-	65.83	65.83	2.69
Total	**2359.37**	**85.49**	**2444.86**	**100.00**

(₹ in Crore)

Particulars	31st March 2019			
	Quoted	Unquoted	Total	In %
Debt Instruments				
Government Bonds	1,505.84	-	1,505.84	57.39
Corporate Bonds	975.08	-	975.08	37.17
Investment Funds				
Mutual Funds	58.84	-	58.84	2.24
LIC	-	-	-	-
Cash & Cash Equivalents	-	10.78	10.78	0.41
Accrued Interest	-	73.22	73.22	2.79
Total	**2,539.76**	**84.00**	**2,623.76**	**100.00**

Gratuity:

(₹ in Crore)

Particulars	31st March 2018			
	Quoted	Unquoted	Total	In %
Investment Funds				
LIC Scheme	-	587.07	587.07	99.98
Cash & Cash Equivalents	-	0.13	0.13	0.02
Total	**-**	**587.20**	**587.20**	**100.00**

(₹ in Crore)

Particulars	31st March 2019			
	Quoted	Unquoted	Total	In %
Investment Funds				
LIC Scheme	-	741.20	741.20	100.00
Cash & Cash Equivalents	-	0.00	0.00	0.00
Total	**-**	**741.20**	**741.20**	**100.00**

Retired Employees Health Scheme (REHS):

(₹ in Crore)

Particulars	31st March 2018			
	Quoted	Unquoted	Total	In %
Debt Instruments				
Government Bonds	-	-	-	-
Corporate Bonds	738.69	-	738.69	94.07
LIC Scheme	-	18.79	18.79	2.39
Cash & Cash Equivalents	-	9.44	9.44	1.20
Accrued Interest	-	18.40	18.40	2.34
Total	**738.69**	**46.63**	**785.32**	**100.00**

(₹ in Crore)

Particulars	31st March 2019			
	Quoted	Unquoted	Total	In %
Debt Instruments				
Government Bonds	-	-	-	-
Corporate Bonds	739.05	-	739.05	86.37
LIC Scheme	-	88.69	88.69	10.37
Cash & Cash Equivalents	-	0.46	0.46	0.05
Accrued Interest	-	27.47	27.47	3.21
Total	**739.05**	**116.62**	**855.67**	**100.00**

(e) **Risk Exposure:** Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such, the company is exposed to various risks as follow -

A) Salary Increase- Actual salary increase will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

C) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

D) Mortality & disability – Actual deaths & 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 withdrawl 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 & 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, 2020 are **₹ 118.09 Crore** (March 31, 2019 **₹ 132.53 Crore)**

The weighted average duration of the defined benefit obligations is 10.14 Years (2018 – 10.38 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
31.03.2019	427.00	904.35	432.71	788.06	2552.12
31.03.2018	321.13	292.75	465.23	1346.09	2425.20

The expected maturity analysis of Gratuity (NHPC Ltd. Employees Group Gratuity Assurance Fund), Post employment Medical Benefits (NHPC Ltd. Retired Employees Health Scheme Trust), Allowances on Retirement/ Death and Memento.

(₹ in Crore)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31.03.2019					
Gratuity	105.95	72.76	97.02	397.85	673.58
Post-employment Medical Benefits (REHS)	36.25	38.06	128.18	655.26	857.75
Allowances on Retirement/Death	0.64	0.59	1.32	2.34	4.89
Memento to employees on attaining the age of superannuation	0.56	0.50	0.99	1.52	3.57
TOTAL	**143.40**	**111.91**	**227.51**	**1056.97**	**1539.79**
31.03.2018					
Gratuity	96.18	131.38	89.69	387.79	705.04
Post-employment Medical Benefits (REHS)	31.88	34.93	112.64	607.47	786.92
Allowances on Retirement/Death	0.57	0.54	1.60	2.27	4.98
Memento to employees on attaining the age of superannuation	0.27	0.21	0.72	0.97	2.17
TOTAL	**128.90**	**167.06**	**204.65**	**998.50**	**1499.11**

(C) Other long-term employee benefits (Leave Benefit): The Company provides for earned leave and half-pay leave to the employees which accrue annually @ 30 days and 20 days respectively. 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.

11. Particulars of income and expenditure in foreign currency and consumption of spares are as under:-

(₹ in Crore)

Sl. No.	Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
a)	**Expenditure in Foreign Currency**		
	i) Interest	21.37	22.55
	ii) Other Misc. Matters	83.49	60.85
b)	**Value of spare parts and Components consumed in operating units.**		
	i) Imported	-	-
	ii) Indigenous	21.54	24.59
c)	**Earnings in foreign currency**		
	- Others	-	-

12. Earnings Per Share:

a) The Earnings Per Share (Basic and Diluted) are as under:

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
Earnings per Share before Regulatory Income (₹) – Basic and Diluted	1.77	2.64
Earnings per Share after Regulatory Income (₹) – Basic and Diluted	2.57	2.70
Face value per share (₹)	10	10

b) Reconciliation of Earning used in calculating Earnings Per Share:

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
Net Profit after Tax but before Regulatory Income used as numerator (₹ in crore)	1807.15	2706.70
Net Profit after Tax and Regulatory Income used as numerator (₹ in crore)	2630.55	2769.03

c) Reconciliation of weighted average number of shares used as denominator :

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
Weighted Average number of equity shares used as denominator	10218811713	10259320519

13. Disclosure related to Confirmation of Balances is as under :

(a) Balances shown under material issued to contractors, claims recoverable including insurance claims, advances for Capital expenditure, Sundry Debtors, Advances to Contractors, Sundry Creditors and Deposits/Earnest money from contractors other than as given at (b) below are subject to reconciliation/ confirmation and respective consequential adjustments. Claims recoverable also include claims in respect of projects handed over or decided to be handed over to other agencies in terms of Government of India directives.

(b) The confirmation in respect of Trade Receivables, Trade Payables, Deposits, Advances to Contractors/Suppliers/Service Providers/Others including for capital expenditure and material issued to contractors have been sought for outstanding balances of ₹ 0.05 crore or above in respect of each party as at 31st December, 2018. Status of confirmation of balances as at December 31, 2018 as well as amount outstanding as on 31.03.2019 is as under:

(₹ in Crore)

Particulars	Outstanding amount as on 31.12.2018	Amount confirmed	Outstanding amount as on 31.03.2019
Trade receivable	2565.97	2401.15	2684.60
Deposits, Advances to contractors/ suppliers/service providers/ others including for capital expenditure and material issued to contractors	1067.94	654.37	1049.55
Trade/Other payables	256.69	55.8	331.64
Security Deposit/Retention Money payable	105.14	13.10	112.90

(c) In the opinion of the management, unconfirmed balances will not have any material impact.

14. Disclosure related to Corporate Social Responsibility (CSR) (Refer Note 29)

(i) The breakup of CSR expenditure under various heads of expenses incurred is as below:-

(₹ in Crore)

Sl. No.	Heads of Expenses constituting CSR expenses	For the Year ended on 31.03.2019	For the Year ended on 31.03.2018
1	Health Care and Sanitation	6.68	18.91
2	Education and Skill Development	2.43	5.90
3	Women Empowerment /Senior Citizen	0.21	0.01
4	Environment	0.55	1.51
5	Art and Culture	0.19	5.47
6	Ex-Armed Forces	0	0
7	Sports	0.29	0.06
8	National Welfare Fund	-	-
9	Rural Development	5.01	3.73
10	Capacity Building	0.11	0.16
11	Swachh Vidyalaya Abhiyan	0.09	0.64
12	Swachh Bharat Abhiyan	2.02	2.16
	Total amount	**17.58**	**38.55**

(ii) Other disclosures:-

(a) Details of expenditure incurred during the year ended on 31.03.2019 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	Paid in cash (a)	Yet to be paid in cash (b)	Total (a+b)
(i)	Construction/Acquisition of any asset	5.02	0.32	5.34
(ii)	For purpose other than (i) above	11.70	0.54	12.24
	Total	**16.72**	**0.86**	**17.58**

(b) As stated above, a sum of ₹ **0.86 Crore** out of total expenditure of ₹ **17.58 crore i**s 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 ₹ **60.03 Crore** for financial year 2018-19 (based on 2% of average net profit of preceding three financial years), out of which an amount of ₹ **42.43 Crore** remained unspent.

15. Disclosures as required under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 read with notification of Ministry of Corporate Affairs dated 11th October,2018 to the extent information available with management are as under:

(₹ in Crore)

Sl. No.	Particulars	As at 31.03.2019	As at 31.03.2018
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier on Balance Sheet date:		
	a) Trade Payables:		
	- Principal (Refer Note 20.2)	15.74	5.29
	- Interest	-	-
	b) Others:		
	- Principal (Refer Note 20.3)	4.85	1.43
	- Interest	-	-
(ii)	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
(iii)	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(iv)	The amount of interest accrued and remaining unpaid as on Balance Sheet date.	--	-
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

16. Disclosures regarding leases as per IND AS -17 "Leases":

A) Operating leases- Company as Lessee

a) The Company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees. These leasing arrangements, which are not non-cancellable, are usually renewable on mutually agreeable terms. Lease payments in respect of premises for residential use of employees amounting to ₹ **12.24 Crore** (Previous year ₹ **41.25 Crore)** included under Salaries, wages, allowances in **Note 26.**

b) The Company has taken premises for offices, guest houses and transit camps on operating leases which are not non-cancellable and are usually renewable on mutually agreeable terms. Lease payments in respect of premises for offices, guest houses and transit camps amounting to ₹ **7.64 Crore** (Previous year ₹ **7.05 Crore)** are shown under Rent and Hire Charges in **Note 29.**

c) The Company has taken vehicles on operating leases generally for a period of 1 to 2 years and such leases are not non-cancellable. Lease payments in respect of hiring of vehicles amounting to ₹ **37.12 Crore** (Previous year ₹ **34.16 Crore)** are shown under Rent and Hire Charges in **Note 29.**

B) Finance Lease – Company as Lessee

The Company has taken office space on lease for a period of 30 years in a building project of the Ministry of Urban Development at Kidwai Nagar, New Delhi. The upfront payment of ₹ 17.01 Crore is substantially equivalent to the fair value of the property which has been classified as Buildings- Under Lease, under Note 2.1 – Property, Plant and Equipment, to be amortised over the lease term. Minimum lease payment is by way of nominal ground rent of ₹ 100 per annum which is charged to the Statement of Profit and Loss.

C) Finance Lease – Company as Lessor

The Company has entered into an arrangement with a single beneficiary, Power Development Department, Jammu & Kashmir for sale of the entire power generated by two power stations, namely Nimmo Bazgo Power Station and Chutak Power Station for 35 years, which is equal to the expected life of these Power Stations. Under the agreements, the customer is obliged to purchase the entire output at prices determined by the Central Electricity Regulatory Commission (CERC). The Company has classified these Power Stations as embedded Finance Lease as per Appendix-C to Ind AS 17- Leases. Other Financial Assets (Current and Non-Current) include lease receivables representing the present value of future lease rentals receivable on the embedded finance lease arrangements entered into by the company.

Details of gross investment in lease and present value of minimum lease payments receivables at the end of financial year are as under:

(i) Gross investment in the Lease :

(₹ in Crore)

Particulars	31.03.2019	31.03.2018
Within one year	257.95	242.91
After one year but not more than five years	987.15	1005.02
More than five years	3935.52	4174.34
Total	**5180.63**	**5422.27**

(ii) Present value of minimum lease payments receivable:

(₹ in Crore)

Particulars	31.03.2019	31.03.2018
Within one year	56.67	34.80
After one year but not more than five years	266.49	249.37
More than five years	1183.12	1256.45
Total	**1506.28**	**1540.62**

(iii) Reconciliation between the gross investment in the lease and the present value of minimum lease payments receivable is as follows:

(₹ in Crore)

Particulars	31.03.2019	31.03.2018
Gross investment in Lease	5180.63	5422.27
Adjustments:		
Less: Un-earned Finance Income	3483.75	3692.32
Less: Unguaranteed residual value	190.60	189.33
Present value of Minimum Lease Payment (MLP)	**1506.28**	**1540.62**

D) Operating Lease –Company as Lessor :

The Company has entered into an arrangement with West Bengal State Electricity Board for sale of power from TLDP-III and TLDP-IV power station for a period of 5 years and with Jodhpur Vidyut Vitran Nigam Ltd. for sale of power from Wind Power Project, Jaisalmer for a period of 3 years. Under the agreements, the customer is obliged to purchase the output at prices determined by the Central Electricity Regulatory Commission. Accordingly, the Company has classified these Power Stations as Operating Leases as per Appendix-C to Ind AS 17- Leases.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

(₹ in Crore)

Particulars	31.03.2019	31.03.2018
Within one year	211.02	188.15
After one year but not more than five years	198.34	320.93
Total	**409.36**	**509.08**

17. Disclosures under Ind AS-27 'Separate Financial Statements':

(a) Interest in Subsidiaries:

Name of Companies	Principle place of operation	Principal activities	Proportion of Ownership interest as at	
			31.03.2019	31.03.2018
NHDC Limited	India	Power Generation	51.08%	51.08%
Loktak downstream Hydroelectric Corporation Limited	India	Power Generation	74.00%	74.00%
Bundelkhand Saur Urja Limited	India	Power Generation	99.99%	99.99%

(b) Interest in Joint Ventures:

Name of Companies	Principal place of operation	Principal activities	Proportion of Ownership interest as at	
			31.03.2019	31.03.2018
National High Power Test Laboratory Private Limited	India	On Line High Power Short Circuit Test Facility	20.00%	20.00%
Chenab Valley Power Projects Private Limited	India	Power Generation	51.94%	55.39%

Equity investments in Subsidiaries and Joint Ventures are measured at cost as per the provisions of Ind AS 27 on 'Separate Financial Statements'.

18. Ind AS 36- Impairment of Assets requires an entity to assess on each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the entity is required to estimate the recoverable amount of the asset. If there is no indication of a potential impairment loss, the Standard does not require an enterprise to make a formal estimate of the recoverable amount.

Management has determined that each of the Project / Power Station of the Company is the smallest identifiable group of assets that generate cash inflows from continuing use that is largely independent of the cash inflows from other assets or groups of assets and accordingly qualifies to be designated as a Cash Generating Unit (CGU). Impairment indicators applicable to these CGUs have been assessed and based on such assessment, Management is of the opinion that no significant change with an adverse effect on the Company has taken place during the period, or is expected to take place in the near future, in the technological, economic or legal environment in which the Company and its Subsidiaries and Joint Ventures operate. This includes the regulations notified by CERC for the tariff period 2019-24 where there are no major amendments that can have a significantly adverse impact on the future cash flow from the CGUs. There is no evidence available from internal reporting that indicates that the economic performance of a CGU is, or will be, worse than expected.

Further, six CGUs of the Company and two CGUs of one of the subsidiaries were assessed for impairment as on 31st March, 2019. The CGUs of the Company were selected based on criteria like capital cost per MW, tariff, etc. and include the two major construction projects of the Company and the four most recently commissioned Power Stations over 100 MW. Regulatory Deferral Account balances to be recovered in future through tariff as part of capital cost recognised in one of the CGUs has also been considered along with the carrying amount of the CGU for impairment assessment. In respect of the subsidiary, both the operating power stations have been considered for impairment assessment.

The impairment analyses were carried out on the basis of value-in-use calculation by measuring the recoverable amount of the CGUs as per cash flow projections based on the applicable CERC Tariff Regulations adjusted for the risks specific to each CGU and a pre-tax discount rate arrived at on the basis of the Capital Asset Pricing Model that reflects market assessments of the time value of money.

Based on the assessment, there exists no significant indicator that would suggest an impairment of the carrying amounts of the CGUs of the company and its investment in subsidiaries and Joint Ventures during FY 2018-19. Further, there exists no impairment in respect of the Projects / Power Stations of the company and its subsidiary tested for impairment during FY 2018-19.

19. As per Hydro Policy 2008, 100 units of electricity is to be provided to each Project Affected Family (PAF) notified by the State Government for a period of 10 years from the date of commissioning of a project. Notification by the respective State Governments regarding PAFs is yet to be made. Since the electricity to be provided to the PAFs is to be deducted from free power to the State Government, there would not be any impact on the profit of the Company.

20. Pending approval of tariff by the Central Electricity Regulatory Commission (CERC) and/or approval of revised cost estimate, sales have been recognized as per management estimate based on Tariff regulations/orders in respect of Chamera-III, TLDP-III, Sewa-II & TLDP-IV Power stations. Further, sales have also been recognized towards Energy Shortfall and reimbursement of additional impact of GST due to change in law. Accordingly, Revenue from Operations includes ₹ **515.05 Crore** (including ₹ **409.51 Crores** pertaining to earlier years).

21. Nature and details of provisions (refer Note No. 17 and 22)

(i) General

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a Finance Cost.

(ii) Provision for employee benefits (Other than provisions for defined contribution and defined benefit plans which have been disclosed as per Ind AS-19 at S. No. 10 of Note No. 34):

a) Provision for Performance Related Pay/Incentive:

Short-term Provision has been recognised in the accounts towards Performance Related Pay/ incentive to employees for the year (Previous Year 2017-18) on the basis of Management estimates as per company's rules in this regard which are based on the guidelines of the Department of Public Enterprises, Government of India.

b) Provision For Wage Revision as per 3rd Pay Revision Committee (PRC):

Short term provision for wage revision of the employees of the company has been recognised in the accounts 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 by Central Electricity Regulatory Commission (CERC).

b) Provision for Livelihood Assistance:

Provision has been recognised at discounted value adjusted for average inflation in the accounts towards special financial package finalised in consultation with the State Government and approved by the Board of Directors of NHPC for livelihood assistance of the project affected families (PAFs) in Parbati-II and Parbati-III. As per the package, pending finalisation of modalities of payment, one eligible person from each PAF shall be provided livelihood assistance equivalent to minimum wage of unskilled category as per the Government of Himachal Pradesh/ Central Government whichever is higher, on monthly instalment basis, for the Years as under:

i) Till the date of superannuation for PAFs eligible for employment.

ii) For 2000 days to those PAFs left with zero balance land but excluded for employment.

iii) For 1000 days to all remaining PAFs.

c) Provision for Committed Capital Expenditure:

Provision has been recognised at discounted value for Capital Expenditure to be incurred towards environment, compensatory afforestation, local area development, etc. which was a pre-condition for granting approval for construction of the project and expenditure towards which had not been completed till commissioning of the project. Such provisions are adjusted against the incurrence of actual expenditure as per demand raised by the concerned State Government Authorities.

d) Provision for restoration expenses of insured assets:

Provision has been recognised in the accounts based on Management Estimates for restoration of damaged assets insured under Mega and CPM Policy. Utilization of the provision is to be made against incurrence of actual expenditure towards restoration of the assets.

e) Provisions for expenditure in respect of Arbitration Award/Court cases:

This includes provisions created on the basis of management assessment as to probable outflow in respect of contractors claims against which arbitration award/Court decision have been received and which have been further challenged in a Court of Law. Utilization/outflow of the provision is to be made on the outcome of the case.

f) Provisions- Others: This includes provisions towards:-

(i) Contractor claims, Land compensation cases, disputed tax demands and other cases created on the basis of management assessment towards probable outflow. Utilization/outflow of the provision is to be made on the outcome of the case.

(ii) Wage revision of Central Government Employees whose services are utilised by the company.

(iii) Provision for interest to beneficiaries on excess tariff recovered in terms of Tariff Regulations for the Year 2014-19 where the capital cost considered for fixation of tariff by the CERC on the basis of projected capital cost as on Commercial Operation Date or the projected additional capital expenditure exceeds the actual capital cost incurred.

(iv) Upfront provision for rebate towards interest on House Building Advance provided to employees based on the historical trend of rebate allowed.

(v) Upfront provision for rebate to customers for sale of power based on the historical trend of rebate allowed.

22. Disclosures relating to creation of Regulatory Deferral Account (RDA)balances as per Ind AS 114:

The Company is principally engaged in the construction and operation of hydroelectric power projects. The price (tariff) to be charged by the company for electricity sold to its customers is determined by Central Electricity Regulatory Commission (CERC) under applicable CERC (terms & 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 have been interrupted w.e.f. 16.12.2011 and the matter is currently pending before National Green Tribunal. Technical and administrative work at the project is however continuing. Management is making all out efforts to restart the work at site. In line with the opinion of Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), borrowing cost of ₹ **2578.00 Crore** (upto Previous year ₹ **2275.28 Crore)**, employee benefits expense, depreciation and other expense of ₹ **1318.03 crore** (upto Previous year ₹ **1151.97 Crore**), net of other income of ₹ **279.06 Crore** (upto Previous year ₹ **254.44 Crore)** has been charged to the Statement of Profit and Loss till 31.03.2019.

During financial year 2014-15, the company had adopted the accounting as per Guidance Note on Rate Regulated Activities issued by the ICAI which allows recognition of 'Regulatory Asset' and corresponding 'Regulatory Income' of the right to recover such expense which are not allowed to be capitalized as part of cost of relevant fixed asset in accordance with the Accounting Standards, but are nevertheless permitted by Central Electricity Regulatory Commission (CERC), the regulator, to be recovered from the beneficiaries in future through tariff.

Since Ind AS 114 'Regulatory Deferral Accounts' allows an entity to continue to apply previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances and recognizes the Guidance Note of the ICAI on 'Accounting for Rate Regulated Activities' as the previous GAAP, the company has continued with the accounting policy for regulatory deferral account balances.

Guidance Note on Rate Regulated Activities (previous GAAP as per Ind AS 114) requires that an entity should review the estimates of the amount expected to be recovered, refunded or adjusted at least at the end of each reporting period to reflect the current best estimate. If expectation differs from previous estimates, the changes should be accounted for as a change in an accounting estimate in accordance with relevant requirements of the applicable Accounting Standard.

The management has carried out assessment of the regulatory deferral account balance recognized in Subansiri Lower Project during FY 2018-19. Based on such assessment, the Management considers that incremental additions to RDA balances in Subansiri Lower Project beyond 30.06.2018 may not be recoverable. Accordingly, borrowing and administrative costs of ₹ **349.63 crore** incurred on the Project during the period 1st July 2018 to 31st March, 2019 have been charged to the Statement of Profit and Loss and have not been recognized for creation of RDA balances.

Regulatory deferral account balances recognized in respect of Subansiri Lower Project as on 31st March, 2019 are as under:

(₹ in Crore)

Regulatory asset created in relation to:	**Upto 31.03.2018**	**During the year ended 31.03.2019**	**Upto 31.03.2019**
Borrowing Costs	2275.28	76.78	2352.06
Employee Benefit expense	572.45	20.68	593.13
Depreciation	49.50	1.77	51.27
Other Expense	530.02	16.54	546.56
Other Income	(254.44)	(21.24)	(275.68)
Total	**3172.81**	**94.53**	**3267.34**

Management has assessed that the incremental additions to regulatory deferral account balances in respect of the Project meets the level of certainty and prudence required for recognition as per Ind AS 114. Further, as per management assessment, there is no impairment in the carrying amount of ₹ **6317.39 crore** included under Capital Work in Progess (as given in Note No. 2.2.7) 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. 35 years.

Tariff Regulations for the period 2019-2024 have been notified by the CERC. In addition to the existing Tariff Regulations (2014-19) authorizing capitalisation of borrowing and other attributable costs incurred due to uncontrollable factors including force majeure events like blockade/ embargo as per Tariff Regulations 2014-19, the new regulations also include delay in obtaining statutory approval for projects as one of the force majeure events. Accordingly, Management considers that adverse changes in Tariff Regulations are not likely to be a significant area of risk for the future recovery of RDA balances recognized in respect of Subansiri Lower Project.

Risks and uncertainties that might affect the future recovery of the Regulatory Deferral Account balances being created in respect of Subansiri Lower Project are:

a) **Demand Risk:** Recovery of the Regulatory Deferral Account Balances shall be by way of depreciation through tariff. Accordingly, the same is affected by the normal risks and uncertainties impacting sale of electricity in India like difficulty in signing of long term Power Purchase Agreements (PPAs), etc. .

b) **Regulatory Risk:** Tariff regulations further provide that if the delay is not attributable to the generating company but is due to uncontrollable factors, IEDC may be allowed after due prudence check. Any disallowance of expenditure after prudence check can affect the quantum of regulatory deferral account balances to be recovered from beneficiaries.

B) Regulatory Deferral Account balances in respect of expenditure recognized due to 3rd Pay Revision of Central Public Sector Units (CPSUs):

Pay of employees of CPSUs have been revised from 1st January, 2017. As approved by the Government of India, in addition to enhancing Basic Pay, DA and allowances with effect from 01.01.2017, the ceiling limit of Gratuity has been enhanced from the existing ₹ 0.10 crores to ₹0.20 crores with effect from 01.01.2017. Pay revision for all employees have been implemented.

CERC Tariff Regulations 2014-19 read with the Statement of Reasons CERC (Terms and Conditions of Tariff) Regulations, 2014 provides that the impact of actual increase in employee cost on account of wage revision of operational Power Stations is recoverable from the beneficiaries in future through tariff. Further, during the tariff period 2004-09, CERC had allowed recovery of the actual increase in employee cost on account of wage revision (with effect from 01.01.2007) upto 50% of the salary and wages (Basic + DA) of the employees of the petitioner company as on 31.12.2006 from the beneficiaries in twelve equal monthly instalments. Tariff Regulations for the period 2019-2024 read with corrigendum dated 15th March 2019 notified by the CERC also provide for recoverability of pay revision from the beneficiaries in future through tariff.

Keeping in view the provisions of Ind AS 114- "Regulatory Deferral Accounts", additional expenditure on employee benefits due to revision of pay/gratuity ceiling, to the extent charged to the Statement of Profit and Loss and to Other Comprehensive Income, have been recognized as 'Regulatory Deferral Account balances'. These balances are to be adjusted from the year in which they become recoverable from the beneficiaries as per approval of the CERC.

The Regulatory Deferral Account Balance (assets) recognized in the books to be recovered from the beneficiaries in future periods are as follows:

Regulatory Deferral Account Balances relating to items recognised in the Statement of Profit and Loss:

(₹ in Crore)

Sl. No.	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2018	442.68
B	Addition during the year (+)	203.85
C	Amount collected during the year (-)	-
D	Regulatory income recognized in the Statement of Profit and Loss (B+C)	203.85
E	Closing balance as on 31.03.2019 (A+D)	646.53

Regulatory Deferral Account Balances relating to items recognised in Other Comprehensive Income:

(₹ in Crore)

Sl. No.	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2018	(14.63)
B	Addition during the year (+)	-
C	Amount collected during the year (-)	-
D	Regulatory income recognized in Other Comprehensive Income (B+C)	-
E	Closing balance as on 31.03.2019 (A+D)	(14.63)

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

C) Regulatory Deferral Account balances due to moderation of tariff of Kishanganga Power Station:

As per CERC Tariff Regulations 2014-19, 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 in the initial operating period of 12 years and thereafter the balance depreciation is spread over equally in the remaining 23 years so as to recover 90 percent of the capital cost of the Power Station by way of depreciation. As per Tariff regulations 2014-19, the operating life of a hydro-power station is 35 years.

As per CERC Tariff Regulations, 2014-19, tariff for sale of electricity by the generating company may also be determined in deviation of the norms specified in the Regulations provided the levelised tariff over the useful life of the project on the basis of the norms in deviation does not exceed the levelised tariff calculated on the basis of the norms specified in the Regulations. Similar provisions exist in the Tariff Regulations for the period 2019-2024 notified by the CERC.

In the case of Kishanganga Power Station (Commercial Operation Date: 17th May, 2018), the Company has made moderation in tariff of Kishanganga Power Station by fixing lower tariff in the initial ten years and then fixing higher tariff in the remaining 25 years by way of charging 1.5% depreciation from the 1st to the 10th year and 3% depreciation from 11th to the 35th 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, 2014-19) 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 23 years of the operational life of the Power Station by way of higher recovery of depreciation through tariff than that charged in the books. This deferment of recovery of costs with the intent to reduce tariff in the initial years and its recovery in subsequent years demonstrates that an asset exists by way of the right to recover current costs in future through tariff and such right is enforceable.

Keeping in view the provisions of Ind AS 114- “Regulatory Deferral Accounts”, difference between depreciation charged to the Statement of Profit and Loss as per Tariff Regulations 2014-19 and the depreciation allowed by way of tariff and further recoverable from the beneficiaries in subsequent periods is being recognized as ‘Regulatory Deferral Account balances’ with effect from Commercial Operation Date of the Power Station. These balances shall be created during the first 12 years of commercial operation life and shall be recovered from beneficiaries as a component of tariff over the balance useful life of the Power Station, i.e. over a period of 23 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 01.04.2018	-
B	Addition during the year (assets (+)/ liability (-))	171.98
C	Amount collected (-)/refunded (+) during the year	-
D	Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)	171.98
E	Closing balance as on 31.03.2019 (A+D)	171.98

The Company has long term Power Purchase Agreements (35 years) 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 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 01.04.2018	(0.40)
B	Addition during the year (assets (+)/ liability (-))	(0.57)
C	Amount collected (-)/refunded (+) during the year	0
D	Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)	(0.57)
E	Closing balance as on 31.03.2019 (A+D)	(0.97)

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 due to reclassification of deferred tax recoverable from beneficiaries:

As per CERC Tariff Regulations, deferred tax arising out of generating income for the tariff period 2004-09 is recoverable from beneficiaries in the year the same materializes as current tax. For the tariff period 2014-19, deferred tax is recoverable by way of grossing up the Return on Equity by the effective tax rate based on actual tax paid. Till 31st March, 2018 the deferred tax recoverable from beneficiaries in future years was presented as an adjustment to deferred tax liability and was not recognised as RDA.

The practice has been 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 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.

The regulated assets (+)/liability (-) recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

In respect of deferred tax recoverable for tariff period upto 2009:

(₹ in Crore)

Sl. No.	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2018	1792.03
B	Addition during the year (assets (+)/ liability (-))	-
C	Amount collected (-)/refunded (+) during the year	137.30
D	Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)	(137.30)
E	Closing balance as on 31.03.2019 (A+D)	1654.73

In respect of deferred tax adjustment against deferred tax liabilities (pertaining to tariff period 2014-19):

(₹ in Crore)

Sl. No.	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2018	276.72
B	Addition during the year (assets (+)/ liability (-))	490.91
C	Amount collected (-)/refunded (+) during the year	-
D	Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)	490.91
E	Closing balance as on 31.03.2019 (A+D)	767.63

Recoverability of Regulatory Deferral Account balance recognised on account of deferred tax recoverable upto tariff period 2004-2009 and deferred tax adjustment against deferred tax liabilities pertaining to tariff period 2014-19 are dependent upon the future operating performance of the Company. Further, since these Regulatory Deferral Account balances relate to past tariff periods, recoverability is also subject to the regulatory risk of CERC allowing recovery of such balances in future tariff regulations. However, 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.

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 31.03.2019 is as under:

(₹ in Crore)

Particulars of claims	Updated claim lodged	Amount received net of refund	Up to date Amount charged to Statement of P&L	Balance receivable	
				As at March, 31, 2019	As at March 31, 2018
Against material damage	66.11	47.40	5.12	13.59	13.61
Business Interruption Loss	276.27	74.01#	-	202.26*	146.27
TOTAL	**342.38**	**121.41**	**5.12**	**215.85**	**159.88**

* Included in Contingent Assets in Para 2 (d) to Note no. 34.

Income recognised in respect of Business Interruption Loss during the year is ₹ **(55.99) crore** (Cumulative as on date is ₹ **74.01 Crore)**.

(II) Chutak Power Station, which was under shutdown with effect from 28.06.2015 due to sudden rise of water in Power House upto Turbine floor and partially Generator floor, was restored during the months of August and September 2015. The Assets of the power station and loss of generation are covered under Mega Risk Policy. Status of Insurance claim as on 31.03.2019 is as under:

(₹ in Crore)

Particulars of claims	Updated claim lodged	Amount received	Up to date Amount charged to Statement of P&L	Balance receivable	
				As at March, 31, 2019	As at March 31, 2018
Against material damage	7.18	2.20	2.00	2.98	3.53
Business Interruption Loss	16.22	16.22	-	-	14.42
Total	**23.40**	**18.42**	**2.00**	**2.98**	**17.95**

(iii) Dhauliganga Power Station which was closed due to cloud burst and high flood on 17.06.2013 was restored during the months of May/June 2014. The Assets of the power station and Loss of Generation are covered under Mega Risk Policy. Status of Insurance claim as on 31.03.2019 is as under:

(₹ in Crore)

Particulars of claims	Updated claim lodged	Amount received	Up to date Amount charged to Statement of P&L	Balance receivable	
				As at March 31, 2019	As at March 31, 2018
Against material damage	160.71	158.71	2.00	-	52.92
Business Interruption Loss:					
-On account of generation loss #	263.77	215.00	-	48.77	48.77
On account of increased cost of working	4.28	-	1.93	2.35	2.35
Total	**428.76**	**373.71**	**3.93**	**51.12**	**104.04**

Income recognised in respect of Business Interruption Loss during the year is ₹ **48.77 Crore** (Cumulative as on date is ₹ **263.77 Crore**).

(iv) The Assets of the all power station and loss of generation are covered under Mega Risk Policy. Status of Insurance claim in r/o power stations (other than major claims of Uri-II, Chutak and Dhauliganga disclosed at para 23 (i), (ii) and (iii) above) as on 31.03.2019 is as under:

(₹ in Crore)

Particulars of claims	Updated claim lodged	Amount received	Up to date Amount charged to Statement of P&L	Balance receivable	
				As at March, 31, 2019	As at March 31, 2018
Against material damage	43.34	4.00	18.79	20.55	21.65

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 ₹ **226.32 Crore** incurred have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision made in earlier years in this respect has been continued in the books of accounts.

25. Kotlibhel-1A, Kotlibhel-IB and Kotlibhel-II projects are three of the 24 hydro-electric projects located in the State of Uttarakhand which are covered by the order dated 13.08.2013 of Hon'ble Supreme Court of India directing MoEF not to grant environmental/forest clearance to these projects until further order and to examine the significant impact on the bio-diversity of Alaknanda and Bhagirathi river basin. Pending adjudication about the fate of these projects, the expenditure incurred upto 31.03.2019 amounting to ₹ **255.40 crore**, ₹ **42.95 crore** and ₹ **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** ₹ **349.77 crore** up to 31.03.2019 has been made in the books of accounts.

26. a) Forest Clearance in respect of Tawang Stage-II Hydroelectric Project is under process. Forest Clearance for Tawang-I Hydroelectric Project shall be taken up after Forest Clearance of Tawang-II HE Project. Pending this, expenditure of ₹ **217.35 crore** incurred on these projects is being carried forward as Capital Work in Progress.

b) In terms of Board Resolution vide meeting of the Board of Directors held on 05/02/2013 an amount of ₹ **2.49 crore** has been paid to the State Govt. towards Basin Study for Tawang I and II projects and other projects in the basin to be reimbursable by the Government of Arunachal Pradesh (GoAP) on pro-rata basis. Pending this, expenditure of ₹ **2.49 crore** is being carried forward as Capital Work in Progress

27. 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 31.03.2019 amounting to ₹ **35.61 Crore** have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision for ₹ **35.61 Crore** has been made in the books of accounts.

28. During the year, the Government of India vide Ministry of Power Order dated 29.01.2019 accorded its approval to regularize pay scales of below Board level executives with effect from. 1st January, 1997. Consequently, impact on employee benefits expense on account of arrears paid to the employees for current year (including arrears for past periods) is ₹ **290.49 crore** out of which ₹ **92.90 crore** (corresponding previous year ₹ NIL) has been capitalised and ₹ **197.59 crore** (corresponding previous year ₹ NIL) has been charged to the Statement of Profit and Loss.

29. Disclosure as required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

(A) Loans and advances in the nature of loans:

(i) Subsidiary Companies: NIL (Previous Year- NIL)

(ii) Joint Venture Companies:

(₹ in Crore)

Name of Company	Outstanding Balances as at		Maximum amount outstanding during the Year	
	31.03.2019	31.03.2018	2018-19	2017-18
National High Power Test Laboratory (P) Ltd.	6.00	6.00	6.00	6.00

(iii) To Firms/companies in which directors are interested : NIL (Previous Year-NIL)

(B) Investment by the loanee (as detailed above) in the shares of NHPC : NIL (Previous Year- NIL)

30. Quantitative details of Renewable Energy Certificates (RECs) in respect of renewable energy projects:

Sl. No.	Description	Quantity (in Numbers)
1	RECs issued	125386
2	RECs under certification	4020
3	RECs sold during the year	125386

31. The Company has commissioned and capitalised the 330 MW Kishanganga HE Project during the year.

32. In line with CERC Tariff Regulations/ Tariff Orders, the company has changed its accounting policy during the year for charging of depreciation on assets purchased during the fag-end (last 5 years) of the operating life of a Power Station. Accordingly, depreciation on these assets, which were earlier being charged over the balance original operating life of the Power Station, are now being charged over the extended period of life of the Power Stations, i.e., over a period of 25 years from the date on which such asset becomes available for use. The change in accounting policy is applicable in respect of Bairasiul and Loktak Power Stations which are under renovation and modernisation for life extension. Accordingly depreciation charge during the current financial year is lower by ₹ **1.52 Crore**. However, the annual depreciation charge in respect of Bairasiul and Loktak Power Stations in future periods shall be higher by ₹ **1.15 crore**.

Further, excess depreciation of ₹ **23.67 crore** pertaining to earlier years have been written back with consequential increase in “Other Equity”. Separate disclosure in this respect has been provided under Note No. 35 of Standalone Financial Statements.

For and on behalf of the Board of Directors

VIJAY GUPTA	MAHESH KUMAR MITTAL	BALRAJ JOSHI
Company Secretary	Director (Finance)	Chairman & Managing Director
	DIN 02889021	DIN 07449990

As per report of even date

FOR ARORA VOHRA & CO.	FOR DSP & ASSOCIATES	FOR LODHA & CO.
Chartered Accountants	Chartered Accountants	Chartered Accountants
FRN 009487N	FRN: 006791N	FRN: 301051E
(PREM C. BANSAL)	**(Sanjay Jain)**	**(R.P. SINGH)**
Partner	Partner	Partner
M. No. 083597	M. No. 084906	M. No. 052438

Place : New Delhi
Date : 27th May, 2019

Note No. 35 to Standalone Financial Statements

During the year ended on 31.03.2019, retrospective reclassifications/restatements have been carried out in respect of certain items in the financial statements of previous periods. Accordingly, to comply with the requirements of Ind AS 1, the company has presented a 3rd Balance Sheet as at the begining of preceding period. i.e. as on 01.04.2017. Major restatements/reclassifications are explained as under:-

(A) Restated Standalone Financial Statements for the year ended 31st March, 2018 and as at 1st April, 2017

RESTATED STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2018 and as at 1st April, 2017

(₹ in crore)

PARTICULARS	Note No. of Standalone Financial Statements	Notes	As at 31st March, 2018 (Reported Earlier)	Impact of Restatements/ Reclassifications	As at 31st March, 2018 (Restated)	As at 1st April, 2017 (Reported Earlier)	Impact of Restatements/ Reclassifications	As at 1st April, 2017 (Restated)
ASSETS								
(1) NON-CURRENT ASSETS								
a) Property, Plant and Equipment	2.1	35.3	19,066.44	23.67	19,090.11	20,038.58	13.29	20,051.87
b) Capital Work In Progress	2.2		18,813.96	-	18,813.96	17,350.13	-	17,350.13
c) Investment Property	2.3		4.49	-	4.49	4.49	-	4.49
d) Intangible Assets	2.4		923.38	-	923.38	934.14	-	934.14
e) **Financial Assets**				-	-		-	-
i) Investments	3.1		2,209.56	-	2,209.56	2,100.32	-	2,100.32
ii) Trade Receivables	3.2		184.45	-	184.45	-	-	-
iii) Loans	3.3	35.5	339.88	361.86	701.74	360.96	324.86	685.82
iv) Others	3.4	35.5	1,915.23	(343.81)	1,571.42	1,863.83	(296.84)	1,566.99
f) Non Current Tax Assets (Net)	4		163.67	-	163.67	73.68	-	73.68
g) Other Non Current Assets	5	35.5	1,279.63	518.01	1,797.64	1,125.74	(28.02)	1,097.72
TOTAL NON CURRENT ASSETS			**44,900.69**	**559.73**	**45,460.42**	**43,851.87**	**13.29**	**43,865.16**
(2) CURRENT ASSETS								
a) Inventories	6		95.77	-	95.77	91.64	-	91.64
b) **Financial Assets**				-	-		-	-
i) Trade Receivables	7		1,097.07	-	1,097.07	1,492.90	-	1,492.90
ii) Cash & Cash Equivalents	8		6.96	-	6.96	59.89	-	59.89

(₹ in crore)

PARTICULARS	Note No. of Standalone Financial Statements	Notes	As at 31st March, 2018 (Reported Earlier)	Impact of Restatements/ Reclassifications	As at 31st March, 2018 (Restated)	As at 1st April, 2017 (Reported Earlier)	Impact of Restatements/ Reclassifications	As at 1st April, 2017 (Restated)
iii) Bank balances other than Cash & Cash Equivalents	9		1,465.43	-	1,465.43	1,473.25	-	1,473.25
iv) Loans	10	35.5	46.80	1.17	47.97	43.84	117.40	161.24
v) Others	11	35.5	1,919.42	(536.06)	1,383.36	1,858.25	-	1,858.25
c) Current Tax Assets (Net)	12		0.40	-	0.40	55.93	(0.00)	55.93
d) Other Current Assets	13	35.5	342.18	(1.17)	341.01	475.21	(117.40)	357.81
TOTAL CURRENT ASSETS			**4,974.03**	**(536.06)**	**4,437.97**	**5,550.91**	**-**	**5,550.91**
(3) Regulatory Deferral Account Debit Balances	14	35.1	3,600.46	2,068.75	5,669.21	2,904.32	2,726.24	5,630.56
TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES			**53,475.18**	**2,092.42**	**55,567.60**	**52,307.10**	**2,739.53**	**55,046.63**
EQUITY AND LIABILITIES								
(1) EQUITY								
a) Equity Share Capital	15.1		10,259.32	-	10,259.32	10,259.32	-	10,259.32
b) Other Equity	15.2		18,068.83	23.67	18,092.50	16,682.81	13.29	16,696.10
TOTAL EQUITY			**28,328.15**	**23.67**	**28,351.82**	**26,942.13**	**13.29**	**26,955.42**
(2) LIABILITIES								
NON-CURRENT LIABILITIES								
a) Financial Liabilities								
i) Borrowings	16.1		16,728.20	-	16,728.20	17,245.64	-	17,245.64
ii) Other financial liabilities	16.2		38.47	-	38.47	25.63	-	25.63
b) Provisions	17		25.47	-	25.47	486.93	-	486.93
c) Deferred Tax Liabilities (Net)	18	35.1	1,076.64	2,068.75	3,145.39	938.49	2,726.24	3,664.73
d) Other non-current Liabilities	19		1,625.00	-	1,625.00	1,472.47	-	1,472.47
TOTAL NON CURRENT LIABILITIES			**19,493.78**	**2,068.75**	**21,562.53**	**20,169.16**	**2,726.24**	**22,895.40**

(₹ in crore)

PARTICULARS	Note No. of Standalone Financial Statements	Notes	As at 31st March, 2018 (Reported Earlier)	Impact of Restatements/ Reclassifications	As at 31st March, 2018 (Restated)	As at 1st April, 2017 (Reported Earlier)	Impact of Restatements/ Reclassifications	As at 1st April, 2017 (Restated)
(3) CURRENT LIABILITIES								
a) Financial Liabilities								
i) Borrowings	20.1		279.99	-	279.99	302.50	-	302.50
ii) Trade Payables	20.2			-	-		-	-
Total outstanding dues of micro enterprises and small enterprises			5.29	-	5.29	4.28	-	4.28
Total outstanding dues of Creditors other than micro enterprises and small enterprises		35.5	166.26	10.31	176.57	142.80	17.72	160.52
iii) Other financial liabilities	20.3	35.5	2,778.81	(10.31)	2,768.50	2,549.63	(17.72)	2,531.91
b) Other Current Liabilities	21		669.86	-	669.86	706.65	-	706.65
c) Provisions	22		1,753.04	-	1,753.04	1,489.95	-	1,489.95
d) Current Tax Liabilities (Net)	23		-	-	-	-	-	-
TOTAL CURRENT LIABILITIES			**5,653.25**	**0.00**	**5,653.25**	**5,195.81**	**(0.00)**	**5,195.81**
TOTAL EQUITY & LIABILITIES			**53,475.18**	**2,092.42**	**55,567.60**	**52,307.10**	**2,739.53**	**55,046.63**

(B) RESTATED STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in crore)

PARTICULARS	Note No. of Standalone Financial Statements	Notes	For the Year ended 31st March, 2018 (Reported Ealier)	Impact of Restatements/ Reclassifications	For the Year ended 31st March, 2018 (Restated)
INCOME					
i) Revenue from Operations	24.1	35.5	6,934.03	4.19	6,938.22
ii) Revenue from Power Trading	24.2		-	-	-
iii) Other Income	24.3	35.4 & 35.5	1,491.00	(70.45)	1,420.55
TOTAL INCOME			**8,425.03**	**(66.26)**	**8,358.77**
EXPENSES					
i) Generation Expenses	25		716.39	-	716.39
ii) Employee Benefits Expense	26	35.4	1,585.33	(49.44)	1,535.89
iii) Finance Costs	27		922.32	-	922.32
iv) Depreciation and Amortization Expense	28	35.3	1,405.89	(10.38)	1,395.51
v) Other Expenses	29	35.4	989.18	(16.82)	972.36
TOTAL EXPENSES			**5,619.11**	**(76.64)**	**5,542.47**
PROFIT BEFORE EXCEPTIONAL ITEMS, RATE REGULATED ACTIVITIES AND TAX			**2,805.92**	**10.38**	**2,816.30**
Exceptional items			-		
PROFIT BEFORE RATE REGULATED ACTIVITIES AND TAX			**2,805.92**	**10.38**	**2,816.30**
Tax Expenses	30				
i) Current Tax		35.5	634.68	(6.91)	627.77
ii) Adjustments for Income Tax		35.5	(6.91)	6.91	-
iii) Deferred Tax		35.2	139.32	(657.49)	(518.17)
Total Tax Expenses			**767.09**	**(657.49)**	**109.60**
PROFIT FOR THE YEAR BEFORE NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES			**2,038.83**	**667.87**	**2,706.70**
Movement in Regulatory Deferral Account Balances (Net of Tax)	31	35.2	719.82	(657.49)	62.33
PROFIT FOR THE YEAR (A)			**2,758.65**	**10.38**	**2,769.03**

(₹ in crore)

PARTICULARS	Note No. of Standalone Financial Statements	Notes	For the Year ended 31st March, 2018 (Reported Ealier)	Impact of Restatements/ Reclassifications	For the Year ended 31st March, 2018 (Restated)
OTHER COMPREHENSIVE INCOME (B)					
(i) Items that will not be reclassified to profit or loss					
(a) Remeasurement of the defined benefit plans			44.78	-	44.78
Less: Income Tax on remeasurement of the defined benefit plans			14.80	-	14.80
Less: Deferred Tax Adjustment Against Deferred Tax Liabilities on Remeasurement of defined benefit plans			(13.85)	-	(13.85)
-Movement in Regulatory Deferral Account Balances- Remeasurement of defined benefit plans			(23.68)	-	(23.68)
Sub total (a)			**20.15**	**-**	**20.15**
(b) Investment in Equity Instruments			(7.30)	-	(7.30)
Sub total (b)			**(7.30)**	**-**	**(7.30)**
Total (i)=(a)+(b)			**12.85**	**-**	**12.85**
(ii) Items that will be reclassified to profit or loss					-
- Investment in Debt Instruments			(9.09)	-	(9.09)
Less: Income Tax on investment in Debt Instruments			(2.12)	-	(2.12)
Total (ii)			**(6.97)**	**-**	**(6.97)**
Other Comprehensive Income (B)=(i+ii)			**5.88**	**-**	**5.88**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)			**2,764.53**	**10.38**	**2,774.91**
Earning per share (Basic and Diluted) (Equity shares, face value of 10/- each)					
Before movements in Regulatory Deferral Account Balances		35.6	1.99	0.65	2.64
After movements in Regulatory Deferral Account Balances		35.6	2.69	0.01	2.70

(C) STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH, 2018 (Extract)

OTHER EQUITY

(₹ in crore)

Particulars		Reserve and Surplus						Other Comprehensive Income		
	Notes	Capital Redemption Reserve	Securities Premium	Bond Redemption Reserve	Research & Development Fund	General Reserve	Surplus/ Retained Earnings	Equity Instruments through OCI	Debt instruments through OCI	Total
Balance as at 1st April, 2017 (As previously Reported)		2,041.42	242.81	1,609.27	43.90	10,088.11	2,522.54	100.08	34.68	16,682.81
Correction of Error (Net of Tax)	35.3						13.29			
Restated Balance as at 1st April, 2017		**2,041.42**	**242.81**	**1,609.27**	**43.90**	**10,088.11**	**2,535.83**	**100.08**	**34.68**	**16,696.10**
Profit for the year		-	-	-	-	-	2,769.03	-	-	2,769.03
Other Comprehensive Income		-	-	-	-	-	20.15	(7.30)	(6.97)	5.88
Total Comprehensive Income		**-**	**-**	**-**	**-**	**-**	**2,789.18**	**(7.30)**	**(6.97)**	**2,774.91**
Transfer to Retained Earning										
Amount transferred from Bond Redemption Reserve		-	-	(148.17)	-	-	148.17	-	-	-
Amount transferred from Research & Development Fund		-	-	-	(43.90)	-	43.90	-	-	-
Transfer from Retained Earning										
Final Dividend (2016-17)		-	-	-	-	-	(102.60)	-	-	(102.60)
Interim Dividend (2017-18)							(1,149.05)			(1,149.05)
Tax on Dividend		-	-	-	-	-	(126.86)	-	-	(126.86)
Transfer to Bond Redemption Reserve		-	-	668.45	-	-	(668.45)	-	-	-
Balance as at 31st March, 2018		**2,041.42**	**242.81**	**2,129.55**	**-**	**10,088.11**	**3,470.12**	**92.78**	**27.71**	**18,092.50**

Notes :-

35.1 As per CERC Tariff Regulations, deferred tax for the tariff period 2004-09 is recoverable from beneficiaries in the year the same materialises as current tax and for tariff period 2014-19 by way of grossing up of 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 adjusted against deferred tax liability. Pursuant to an opinion of the Expert Advisory Committee of the Institute of Chartered Accountants of India obtained during FY 2018-19, the Company has reclassified the deferred tax recoverable as Regulatory Deferral Account balance as against adjusting the same with deferred tax liability. Consequent upon this change, impact of ₹ (-) 81.22 crore on account of tax liability pertaining to period 2014-15 to 2017-18 has been adjusted/ considered in the tax computation for the current year.

35.2 Deferred Tax expense to the extent of ₹ 657.49 crore of FY 2017-18 has been reclassified/ restated as movement in Regulatory Deferral Account balances consequent upon reclassification of deferred tax recoverable from beneficiaries as explained at Sl. No.35.1 above.

35.3 The depreciation on assets acquired and available for use during the " fag-end" as per CERC Tariff Regulations 2014-19 (last 5 years) of the operating life of a Power Station was charged based on the originally estimated useful life as against the extended life of the generating station under CERC Tariff Regulation/ Orders. (Refer S.No-32 of Note 34). As a result, excess depreciation pertaining to earlier periods have been written-back to Property, Plant & Equipment with consequential increase in "Other Equity".

35.4 Till FY 2017-18, reversal of provisions were being presented as "Other Income". Pursuant to an opinion of the Expert Advisory Committee of the Institute of Chartered Accountants of India, the Company has adjusted reversal of provisions of earlier years to the extent of provisions created during the year and consequently "Other Income" and related expenses have also been adjusted to that extent. However there is no impact of such reclassification on the profit of the respective year.

35.5 Further to above, following reclassifications/restatements have also been made in the Balance Sheet and Statement of Profit and Loss to correspond to the current year classification:

a) Deposits of perpetual nature earlier classified as "Other Current Assets"/ "Other Non Current Assets" have been reclassified as "Current-Financial Assets-Loans"/ "Non-Current-Financial Assets-Loans".

b) Interest accrued on Loan to Govt of Arunachal Pradesh, earlier classified as "Financial Assets-Others" has been reclassified as "Financial Assets-Loans" along with the loan balance.

c) Payments made to contractors in pursuance to Niti Aayog guidelines (refer Note 34(1)(e) of the Financial Statements) earlier presented under "Financial Assets-Current- Others" have been reclassified as "Other Non-Current Assets".

d) Certain liabilities incurred in the normal course of business have been reclassified from "Other Financial Liabilities-Current" to "Trade Payables-Current".

e) Income on account of Generation Based Incentive (GBI) earlier presented as "Other Income" has been reclassified as "Revenue from Operations".

f) In Tax Expenses, Adjustments for Income Tax is clubbed in current taxes.

35.6 Basic and Diluted earning per share for the year 2017-18 have also been restated. The basic and diluted earnings per share has increased by ₹ 0.65 before movement in regulatory Deferral Account Balances and by ₹ 0.01 per share after movement in regulatory Deferral Account Balances.

35.7 There is no impact due to the above restatement/reclassifications on the Statement of Cash Flow of the Year 2017-18.

For and on behalf of the Board of Directors

VIJAY GUPTA Company Secretary	**MAHESH KUMAR MITTAL** Director (Finance) DIN 02889021	**BALRAJ JOSHI** Chairman & Managing Director DIN 07449990

As per report of even date

FOR ARORA VOHRA & CO. Chartered Accountants FRN 009487N **(PREM C. BANSAL)** Partner M. No. 083597	**FOR DSP & ASSOCIATES** Chartered Accountants FRN: 006791N **(Sanjay Jain)** Partner M. No. 084906	**FOR LODHA & CO.** Chartered Accountants FRN: 301051E **(R.P. SINGH)** Partner M. No. 052438

Place : New Delhi
Date : 27th May, 2019

Annexure- XII

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NHPC LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of **NHPC Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") which includes the Group's net share of Profit in its Joint Ventures, which comprise the consolidated balance sheet as at March 31, 2019, and the consolidated statement of Profit and Loss (including other Comprehensive Income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory notes for the year ended on that date (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2019, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements. The below mentioned key audit matters pertains to Holding Company as the other auditors of the components have not given any key audit matters in their reports.

<table>
<tr><th>Key audit Matters</th><th>Addressing the Key Audit Matters</th></tr>
<tr><td>

1. Regulatory Deferral Account Balances and accruals of revenue pending tariff Notifications.

(a) Regulatory Deferral Account balances include accruals on account of interest cost and other attributable expenses pertaining to Subansiri Lower Project for the period from the date of interruption of work i.e. 16.12.2011 due to the matter pending before the National Green Tribunal as indicated in Note 34(23A). These expenses have been considered and carried forward as recoverable in terms of Central Electricity Regulatory Commission (CERC) Regulations.

The amount involved in the project including the deferral account balances is material. Risk and uncertainties due to the matter being sub- judice and pending for decision for a considerable period of time, might affect the recovery thereof having significant impact on the affairs of the company.

(b) Further as given in Note 34(23B) to 34(23E), Regulatory deferral account balances have been recognised in respect of certain other expenses aggregating to ₹ 3225.27 crores on account of Wage Revision, foreign exchange fluctuations, depreciation on moderation of tariff, deferred taxation, etc.

(c) ₹ 515.05 Crores has been considered recoverable pending approval of tariff by the CERC and/ or approval of revised cost estimate in certain power stations and petitions filed with the CERC towards Energy Shortfall and reimbursement of additional impact of Goods and Service Tax (GST) due to change in law and included under Financial Assets Current- Other (Current) {Note 34(21)} as on 31st March 2019.

The operating activities of the Company are subject to cost of service regulations whereby tariff charged for electricity generated is based on allowable capital and other cost and expenses and stipulated return there against.

Regulatory Deferral Accounts are based on the estimates with respect to recoverability thereof as per the current CERC Tariff Regulations on final approval and notifications.

Further, in cases where Tariff rates are yet to be approved, revenue is recognised considering current prevailing CERC Regulations.

The accruals made above in (a) to (c) above are vital to the business in which the Company is operating. In absence of specific notification and rate fixation, these are based on the management's assumptions and estimates which are subject to finalisation of tariff by CERC.

</td><td>

Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the carrying the value of Regulatory Deferral Account Debit Balances include the following:

- Understanding and testing the design and operating effectiveness of controls as established by the management for accrual of income and determination of the amounts recoverable there against.
- Obtaining and understanding of the amount recoverable in terms of CERC Regulations and assessing, testing and evaluating the reasonableness thereof keeping in view the significant judgements applied by the management for such assessments.
- The above includes the evaluation of the CERC guidelines and acceptance of the claim made by the Company in the past and the trend of disallowances on various count and adherences and compliances thereof by the management and rationale for assumptions taken under the given situation and business environment.
- Evaluating the various assumptions considered by the management for arriving at the value of Cash generating Unit specially in case of Subansiri Project and coverage thereof and adequacy thereof with respect to the carrying value of the Project in Progress and balances of Regulatory deferral Accounts.

</td></tr>
</table>

2.	**Impairment Assessment of carrying amount of Property, Plant and Equipment (PPE) and Capital Work in Progress (CWIP)** Certain Cash Generating Units (CGUs) of the company and subsidiaries were assessed for impairment as on 31st March 2019. This covers Property, Plant and Equipments and Capital Work in Progress in respect of Subansiri Lower Project currently under interruption (Note 2.2.7) and other projects as given in Note 34(19). This has been assessed that no significant change with an adverse effect on the company has taken place during the year or is expected to take place in the near future, in the technological, economic or legal environment in which the company and its subsidiaries and joint ventures operate. Based on the assessment, the company has concluded that there exists no significant impairment indicator or any impairment in respect of the CGUs of the company and its subsidiary tested for impairment during FY 2018-19. Based on the above assessment, no provision for impairment has been considered necessary by the Company. Impairment exercise undertaken which justifies the carrying amount of certain assets including the regulatory deferral account balances pertaining to Subansiri Lower Project as dealt with under para 1(a) above, is significant and vital to the Company's operations. Evaluation of the impairment involves assessment of value in use of the Cash Generating Units (CGUs) and requires significant judgements and assumptions about the future cash flow forecasts, forecast production, forecast volumes, prices and discount rate.	**Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the non-provisioning of any CGU based on impairment testing include the following:** • Critical evaluation of internal and external factors impacting the entity and indicators of impairment (or reversal thereof) in line with Ind AS 38; • Review of impairment valuation models used in relation to CGU to determine the recoverable amount by analysing the key assumptions used by management in this respect including: - Consistency with respect to forecast for arriving at the valuation and assessing the potential impact of any variances; - Price assumptions used in the models; - Factoring of risk inherent to the CGUs in the Cash Flow projections or the discount rate. - The assumption/estimation for the weighted average cost of capital and rate of discount for arriving at the value in use. • Reviewed the Government policy and approval for setting up the Projects, decision of the Board and the efforts and steps being undertaken in this respect.
3.	**Contingent Liabilities – against claim from Contractors (Note 34.2(a)(i))** Various claims lodged by the Contractors against Capital Works have been disclosed under Contingent Liability. This includes matters under arbitration and/ or before the Court which have been decided against the Company, out of which certain amounts have been paid/deposited pursuant to the NITI Aayog directions. Claims made against the Company are significant. These are pending for decision before arbitration or other judicial forums and consequential and possible impact thereof and provisions/disclosure required have been based on the management's assessment of the probability of the occurrence of the liability.	**Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the Contingent Liabilities include the following:** • Obtained the status of the case from the legal department and their view on the matter; • Evaluated the contractual terms and conditions and management's rationale for the adequacy of the provision so far made and the amount remaining unprovided against the demands made against the Company; • Meeting with management and reading/ reviewing the correspondences Memos and Notes on related matters. • Reliance has been placed on the legal views and decisions on similar matters and probability of the liability arising therefrom pending final judgement/ decisions; • Reviewed the appropriateness and adequacy of the disclosure by the management as required in terms of the requirement of IND AS 37 "Provisions, Contingent Liabilities and Contingent Assets".

4. Expenditure incurred on Survey and Investigation Projects upto 31.03.2019	Our audit procedures based on which we arrived at the conclusion regarding carrying the amount of expenditure incurred on survey and Investigation Projects incurred include the following:
Expenditure of ₹ 1419.98 Crores as given in Note 2.2.2 (including ₹ 132.06 Crores for the year) has been incurred for conducting survey and investigation on projects. Out of this ₹ 666.05 Crores (including ₹ 60.52 Crores during the year) have been provided for on account of uncertainty with respect to clearances, approval for implementing the Projects, leaving ₹ 753.93 Crores which has been carried forward as Capital Work in Progress. In the event of related Projects not being undertaken, amounts spent on survey and investigations which are material will no longer be eligible to be carried forward as Capital Work in Progress.	• 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 including the cases where there are order of appropriate authority or Court to the effect. • Understanding and testing the design and operating effectiveness of controls as established by the management for accounting the expenses incurred for survey and investigation projects and the policy followed for making provisions/ write off for such expenses given the nature of business of the Company. • Evaluating the management's rationale with respect to possible abandonment of such projects in future and/ or expected economic use of the same.

Information Other than the Financial Statements and Auditors' Report Thereon

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis Report and Business Responsibility Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Board's Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available, compare with the financial statements of the subsidiaries and joint venture audited by the other auditors or the unaudited Joint Venture duly certified by the management, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors/ management certification and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and joint ventures is traced from their financial statements audited by the other auditors or management certified.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

The above reporting for other information pertains to Holding Company as the other auditors of components have not reported in respect of "Information Other than the Financial Statements and Auditors' Report Thereon".

Management's Responsibility for the Consolidated Financial Statements

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

This responsibility of the respective Board of Directors of the companies included in the Group and of its joint ventures also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its Joint Ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of their financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the Consolidated financial statements, the respective Board of Directors of the companies included in the Group and its Joint Ventures are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint ventures are also responsible for overseeing the financial reporting process of the Group and of its joint ventures.

Auditors' Responsibility for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability including its Joint Ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its Joint Ventures to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such business activities included in the consolidated financial statements of which we are the independent auditors. For the business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated financial statements.

We communicate with those charged with governance of the Parent regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. We did not audit the financial statements of three subsidiaries whose financial statements reflect total assets and total net assets as at 31st March, 2019, total revenues and net cash inflow/(outflow) for the year ended on that date considered as under in the consolidated financial statements based on financial statements audited by other auditors:

(₹ in crores)

Name of the Subsidiaries	Total Assets as on March 31, 2019	Net Assets as on March 31, 2019	Total Revenues for the year ended March 31, 2019	Net Cash Inflows/ (Outflows)
NHDC Limited	8040.12	5789.84	1037.30	(1.03)
Loktak Downstream Hydroelectric Corporation Limited (LDHC Limited)	144.63	137.47	0.93	0.13
Bundelkhand Saur Urja Limited (BSUL)	21.45	8.60	0.02	0.31
Total	**8206.20**	**5935.91**	**1038.25**	**(0.59)**

2. The consolidated Ind AS financial statements also includes the group share of net profit in respect of a Joint Venture including other comprehensive income for the year ended 31st March 2019 considered as under based on financial statements not audited by us:

(₹ in crores)

Name of the Company	Group share in Net Profit for the year ended 31st March, 2019	Group share in Net Other Comprehensive Income for the year ended 31st March, 2019	Group share – Total
Chenab Valley Power Projects (P) Limited (CVPPPL)	6.98	-	6.98

3. The financial statements referred in Para 1 and 2 above have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and a joint venture, is based solely on the reports of the other auditors.

4. The consolidated Ind AS financial statements also includes the group share of net profit in respect of a Joint Venture including other comprehensive income for the year ended 31st March, 2019 considered as under based on financial statements not audited by us:

(₹ in crores)

Name of the Company	Group share in Net Profit for the year ended 31st March, 2019	Group share in Net Other Comprehensive Income for the year ended 31st March, 2019	Group share – Total
National High Power Test Laboratory Private Limited (NHPTL)	(1.74)	(0.01)	(1.75)

This financial information is unaudited and has been furnished to us by the management and our opinion on the consolidated Ind AS financial statements in so far as it relates to the amounts and disclosures included as above, is based solely on unaudited financial information. In our opinion and according to information and explanations given to us by the Management, these financial information are not material to the Group.

5. The other auditors of the aforesaid components have not reported the following matters in their Auditor's Report
   i. Key Audit Matters
   ii. Information Other than the Financial Statements and Auditors' Report Thereon

   In the absence of the same, we are unable to incorporate these matters for the Group and accordingly these matters have been reported for the Holding Company only.
6. Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.
7. The consolidated financial statements of the Company for the year ended March 31, 2018 were audited by the joint auditors of the Company, two of whom were predecessor audit firms and they had expressed an unmodified audit Report vide their report dated May 28, 2018 on such consolidated financial Statements.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

As required by sub-section 3 of Section 143 of the Act, based on our audit and on the consideration of report of other auditors on separate Financial Statements and on the other financial information of subsidiaries and joint ventures, as noted in 'Other Matters' paragraph above, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.;

d) In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) In terms of Notification no. G.S.R. 463 (E) dated 05th June 2015 issued by the Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualifications of the Directors, are not applicable to the Group and its Joint Ventures as it is a government Company;

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Group and its Joint Ventures and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the Auditor's Report of the Holding Company, Subsidiaries and Joint Ventures which have been audited . Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group and its Joint Ventures; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
   i. The Consolidated Financial Statement have disclosed the impact of pending litigations on its financial position of the Group and its Joint Ventures – Refer Note no. 34 para 1 to the Consolidated financial statements;
   ii. the Group and its Joint Ventures has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts. The Group and its Joint Ventures did not have any derivative contracts; and
   iii. there has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Group and its Joint Ventures.

For Arora Vohra & Co.	**For DSP & Associates**	**For Lodha & Co.**
Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm's ICAI Registration No.: 009487N	Firm's ICAI Registration No.:006791N	Firm's ICAI Registration No.:301051E
(PREM C. BANSAL)	**(SANJAY JAIN)**	**(R P SINGH)**
Partner	Partner	Partner
M. No. 083597	M. No. 084906	M. No. 052438

Place : New Delhi
Date : May 27, 2019

(Annexure A referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended 31st March, 2019, we have audited the internal financial controls with reference to financial statements of **NHPC Limited** (hereinafter referred to as "the Holding Company") and its subsidiary companies and its joint ventures which are companies incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, subsidiary companies and its joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles including the Indian Accounting Standards (Ind AS). A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, subsidiary companies and its joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to two subsidiaries and one joint venture incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to one subsidiary and one joint venture incorporated in India, whose financial statements / financial information are unaudited and our opinion on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements of the Group, as explained by the management, is not affected as these financial statements/financial information are not material to the Group.

For Arora Vohra & Co.	**For DSP & Associates**	**For Lodha & Co.**
Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm's ICAI Registration No.: 009487N	Firm's ICAI Registration No.:006791N	Firm's ICAI Registration No.:301051E
(PREM C. BANSAL)	**(SANJAY JAIN)**	**(R P SINGH)**
Partner	Partner	Partner
M. No. 083597	M. No. 084906	M. No. 052438

Place : New Delhi
Date : May 27, 2019

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

(₹ in crore)

		PARTICULARS	Note No.	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
		ASSETS				
(1)		**NON-CURRENT ASSETS**				
	a)	Property, Plant and Equipment	2.1	23,116.24	19,277.73	20,251.73
	b)	Capital Work In Progress	2.2	15,036.80	19,086.74	17,587.59
	c)	Investment Property	2.3	4.49	4.49	4.49
	d)	Intangible Assets	2.4	1,855.90	1,918.69	1,984.20
	e)	Investments accounted for using the equity method	2.5.1	792.65	621.47	500.57
	f)	**Financial Assets**				
		i) Investments	3.1	490.20	503.29	519.41
		ii) Trade Receivables	3.2	61.51	306.57	275.82
		iii) Loans	3.3	770.08	724.31	708.77
		iv) Others	3.4	7,453.54	5,501.15	5,889.79
	g)	Non Current Tax Assets (Net)	4	145.87	214.53	115.49
	h)	Other Non Current Assets	5	2,034.11	1,815.94	1,113.51
		TOTAL NON CURRENT ASSETS		**51,761.39**	**49,974.91**	**48,951.37**
(2)		**CURRENT ASSETS**				
	a)	Inventories	6	125.18	104.68	100.80
	b)	**Financial Assets**				
		i) Trade Receivables	7	2,838.00	1,346.04	1,854.01
		ii) Cash & Cash Equivalents	8	43.72	20.54	73.57
		iii) Bank balances other than Cash & Cash Equivalents	9	2,201.53	3,298.52	3,398.89
		iv) Loans	10	48.81	52.61	148.83
		v) Others	11	2,243.10	1,632.03	2,238.17
	c)	Current Tax Assets (Net)	12	111.85	0.40	78.30
	d)	Other Current Assets	13	372.73	358.28	436.06
		TOTAL CURRENT ASSETS		**7,984.92**	**6,813.10**	**8,328.63**
(3)		Regulatory Deferral Account Debit Balances	14	6,979.14	6,135.72	6,031.03
		TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES		**66,725.45**	**62,923.73**	**63,311.03**
		EQUITY AND LIABILITIES				
(1)		**EQUITY**				
	a)	Equity Share Capital	15.1	10,045.03	10,259.32	10,259.32
	b)	Other Equity	15.2	20,752.78	19,781.87	18,768.79
		TOTAL EQUITY		**30,797.81**	**30,041.19**	**29,028.11**

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019 (CONTD.)

(₹ in crore)

			PARTICULARS	Note No.	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
(2)			**NON-CONTROLLING INTEREST**	15.3	2,868.47	2,934.91	3,382.24
(3)			**LIABILITIES**				
			NON-CURRENT LIABILITIES				
	a)		**Financial Liabilities**				
		i)	Borrowings	16.1	17,044.63	16,728.20	17,245.64
		ii)	Other financial liabilities	16.2	2,059.44	39.87	25.84
	b)		Provisions	17	46.94	40.66	505.58
	c)		Deferred Tax Liabilities (Net)	18	4,720.68	4,223.68	4,785.90
	d)		Other non-current Liabilities	19	2,986.06	2,853.37	2,777.96
			TOTAL NON-CURRENT LIABILITIES		**26,857.75**	**23,885.78**	**25,340.92**
(4)			**CURRENT LIABILITIES**				
	a)		**Financial Liabilities**				
		i)	Borrowings	20.1	416.00	279.99	302.50
		ii)	Trade Payables	20.2			
			Total outstanding dues of micro enterprises and small enterprises		19.38	7.97	6.32
			Total outstanding dues of Creditors other than micro enterprises and small enterprises		176.89	192.13	171.04
		iii)	Other financial liabilities	20.3	2,896.72	2,815.94	2,555.90
	b)		Other Current Liabilities	21	1,158.04	754.86	791.62
	c)		Provisions	22	1,534.39	2,003.85	1,732.38
	d)		Current Tax Liabilities (Net)	23	-	7.11	-
			TOTAL CURRENT LIABILITIES		**6,201.42**	**6,061.85**	**5,559.76**
			TOTAL EQUITY & LIABILITIES		**66,725.45**	**62,923.73**	**63,311.03**
			Accompanying notes to the Consolidated Financial Statements	1-35			

The figures as at 31st March 2018 and 1st April 2017 as given above are restated (Note No-35)

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

MAHESH KUMAR MITTAL
Director (Finance)
DIN 02889021

BALRAJ JOSHI
Chairman & Managing Director
DIN 07449990

As per report of even date

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

(PREM C. BANSAL)
Partner
M. No. 083597

For DSP & Associates
Chartered Accountants
FRN: 006791N

(SANJAY JAIN)
Partner
M. No. 084906

For Lodha & Co.
Chartered Accountants
FRN: 301051E

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

Place : New Delhi
Date : 27th May, 2019

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in crore)

PARTICULARS	Note No.	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
INCOME			
i) Revenue from Operations	24.1	8,982.87	7,755.43
ii) Other Income	24.2	863.94	1,030.23
TOTAL INCOME		**9,846.81**	**8,785.66**
EXPENSES			
i) Purchase of Power - Trading	25.1	12.68	-
ii) Generation Expenses	25.2	800.75	721.18
iii) Employee Benefits Expense	26	1,849.93	1,657.93
iv) Finance Costs	27	895.14	922.64
v) Depreciation and Amortization Expense	28	1,657.96	1,468.72
vi) Other Expenses	29	1,319.60	1,103.73
TOTAL EXPENSES		**6,536.06**	**5,874.20**
Profit before Exceptional items, Rate Regulated Activities and Tax		**3,310.75**	**2,911.46**
Share of Net Profit/(Loss) of Joint Ventures accounted for using the equity method	2.5.2	**5.24**	**(0.08)**
Exceptional items		-	-
PROFIT BEFORE RATE REGULATED ACTIVITIES AND TAX		**3,315.99**	**2,911.38**
Tax Expenses	30		
i) Current Tax		827.41	816.11
ii) Deferred Tax		496.21	(561.22)
Total Tax Expenses		**1,323.62**	**254.89**
PROFIT FOR THE YEAR BEFORE NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES		**1,992.37**	**2,656.49**
Movement in Regulatory Deferral Account Balances (Net of Tax)	31	843.42	128.21
PROFIT FOR THE YEAR (A)		**2,835.79**	**2,784.70**
OTHER COMPREHENSIVE INCOME (B)			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of the post employment defined benefit obligations		1.52	45.26
Less: Income Tax on remeasurement of the post employment defined benefit obligations		0.53	14.97
Less: Deferred Tax Adjustment Against Deferred Tax Liabilities on Remeasurement of post employment defined benefit obligations		(0.46)	(14.01)
-Movement in Regulatory Deferral Account Balances-Remeasurement of post employment defined benefit obligations		-	(23.68)
Share of Other Comprehensive Income of Joint Ventures accounted for using the equity method	2.5.3	**(0.01)**	**0.01**
Sub total (a)	-	**1.44**	**20.63**
(b) Investment in Equity Instruments		(16.48)	(7.30)
Sub total (b)		**(16.48)**	**(7.30)**
Total (i)=(a)+(b)		**(15.04)**	**13.33**

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in crore)

PARTICULARS	Note No.	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
(ii) Items that will be reclassified to profit or loss			
- Investment in Debt Instruments		3.09	(9.09)
Less: Income Tax on investment in Debt Instruments		0.72	(2.12)
Total (ii)		**2.37**	**(6.97)**
Other Comprehensive Income (B)=(i+ii)		**(12.67)**	**6.36**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)		**2,823.12**	**2,791.06**
Profit is attributable to:			
Owners		2,595.61	2,513.90
Non-Controlling interests		240.18	270.80
		2,835.79	**2,784.70**
Other comprehensive income is attributable to:			
Owners of the parent		(12.55)	6.13
Non-Controlling interests		(0.12)	0.23
		(12.67)	**6.36**
Total comprehensive income is attributable to:			
Owners of the parent		2,583.06	2,520.03
Non-Controlling interests		240.06	271.03
		2,823.12	**2,791.06**
Total comprehensive income attributable to owners arises from:			
Continuing operations		2,583.06	2,520.03
Discontinued operations		-	-
		2,583.06	**2,520.03**
Earning per share (Basic and Diluted)	34 (14)		
(Equity shares, face value of ₹ 10/- each)			
Before movements in Regulatory Deferral Account Balances		1.71	2.33
After movements in Regulatory Deferral Account Balances		2.54	2.45
Accompanying notes to the Consolidated Financial Statements	1-35		

The figures for the year ended 31st March 2018 as given above are restated (Note No 35)

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

MAHESH KUMAR MITTAL
Director (Finance)
DIN 02889021

BALRAJ JOSHI
Chairman & Managing Director
DIN 07449990

As per report of even date

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

(PREM C. BANSAL)
Partner
M. No. 083597

For DSP & Associates
Chartered Accountants
FRN: 006791N

(SANJAY JAIN)
Partner
M. No. 084906

For Lodha & Co.
Chartered Accountants
FRN: 301051E

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

Place : New Delhi
Date : 27th May, 2019

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in crore)

		For the year ended 31st March, 2019		For the year ended 31st March, 2018	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before tax for the year including movements in Regulatory Deferral Account Balance		4,159.41		3,039.59
	Less: Movement in Regulatory Deferral Account Balances		843.42		128.21
	Profit before Tax		**3,315.99**		**2,911.38**
	ADD :				
	Depreciation and Ammortisation	1,657.96		1,468.72	
	Finance Cost (Net of EAC)	895.14		922.64	
	Provisions (Net loss)	110.46		76.26	
	Tariff Adjustment (loss)	65.37		86.26	
	Sales adjustment of a/c of FERV	92.34		66.37	
			2,821.27		2,620.25
			6,137.26		**5,531.63**
	LESS :				
	Advance against Depreciation written back	65.23		60.68	
	Provisions (Net gain)	31.43		86.40	
	Profit on Sale of Assets \ Realization of Loss	1.15		6.85	
	Dividend Income	4.80		3.60	
	Interest Income	309.04		413.78	
	Exchange rate variation	3.18		(2.88)	
	Other Adjustments	0.76		(1.38)	
	Fair Value Adjustments	(3.59)		(3.93)	
	Amortisation of Government Grants	92.17		79.20	
	Share of Net Profit /(Loss) of Joint Ventures (accounted for using the equity method)	5.24		(0.08)	
			509.41		642.24
	Cash flow from Operating Activities before Operating Assets and Liabilities adjustments		**5,627.85**		**4,889.39**
	Changes in Operating Assets and Liabilities:				
	Inventories	(20.63)		(4.08)	
	Trade Receivables	(1,951.62)		850.15	
	Other Financial Assets, Loans and Advances	(1,190.91)		(235.29)	
	Other Financial Liabilities and Provisions	1,958.76		25.80	
			(1,204.40)		636.58
	Cash flow from operating activities before taxes		**4,423.45**		**5,525.97**
	Less : Taxes		877.17		829.85
	NET CASH FROM OPERATING ACTIVITIES (A)		**3,546.28**		**4,696.12**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Property, Plant and Equipment, Other Intangible Assets & Expenditure on construction projects (including expenditure attributable to construction forming part of Capital Work in Progress for the year) - Net		(1,085.32)		(1,563.50)
	Realization/ (Payments) for Investments / Bonds / Bank Deposits		(35.46)		382.98
	Investment in Joint Venture		(100.00)		(122.36)
	Dividend Income		4.80		3.60
	Interest Income		307.66		413.06
	NET CASH USED IN INVESTING ACTIVITIES (B)		**(908.32)**		**(886.22)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Buyback of Equity Shares (including Premium Payment)		(606.20)		-
	Dividend and Tax on Dividend Paid (including Non-Controlling Interests)		(1,526.74)		(2,231.03)
	Borrowings		2,588.00		4,354.99
	Repayment of Borrowings		(1,877.16)		(4,855.88)
	Interest and Finance Charges		(1,215.12)		(1,143.98)
	Government Grant Received		22.44		12.97
	NET CASH USED IN FINANCING ACTIVITIES (C)		**(2,614.78)**		**(3,862.93)**
D.	**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)**		**23.18**		**(53.03)**
	Cash and Cash Equivalents at the beginning of the year (Refer Note 8)		20.54		73.57
	Cash and Cash Equivalents at the close of the year (Refer Note 8)		43.72		20.54

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2019

EXPLANATORY NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

1 Cash and Cash equivalents consists of Cash in hand, cheques/drafts in hands and Bank Balances including Short Term Deposits with original maturity of less than three months. The details of Cash and Cash equivalents as per Note 8 of the Balance Sheet is as under:

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Cash and Cash equivalents	43.72	20.54

Cash and Cash equivalents includes:-

a) ₹ 18.18 Crore (Previous year ₹ 0.22 Crore), held for works being executed by Company on behalf of other agencies.

b) ₹ 0.50 Crore (Previous year ₹ Nil), NHPC Emergency relief fund created in pursuance of order of Hon'ble High Court of Sikkim.

2 Interest and finance charges in Cash Flow from Financing Activities includes borrowing cost of ₹ 365.33 Crore (Previous year ₹ 371.10 Crore) capitalised during the period on account of Expenditure attributable to construction (EAC).

3 Amount of undrawn loan as on 31.03.2019 : ₹ 819.00 Crore (Previous Year ₹ 25.00 Crore)

4 Company has incurred ₹ 44.60 Crore in cash on account of Corporate Social Responsibility (CSR) expenditure during the year ended 31.03.2019 (Previous Year ₹ 56.88 Crore)

5 Bank Balances other than Cash and Cash Equivalents include an amount of ₹ 10.00 Crore (As on 31.03.2018 NIL) under lien with banks for availing short term borrowings, which is not freely available for the business of the Company included in stated amount.

6 Cash and Bank Balances include an amount of ₹ 2.64 Crore (As on 31.03.2018 ₹ 2.64 Crore) representing deposit by Oustees towards Land for Land in respect of Omkareshwar Project, which is not freely available for the business of the Company.

7 Bank Balances other than Cash and Cash Equivalents include an amount of ₹ 11.65 Crore (As on 31.03.2018 ₹ 11.12 Crore) under lien with banks as per orders of Hon'ble Court of Law which is not available for use as on 31.03.2019.

8 **Net debt reconciliation** (₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Cash and Cash Equivalents	43.72	20.54
Current Borrowings	(406.00)	(280.00)
Non current Borrowings	(19234.76)	(18894.59)
Net Debt	**(19597.04)**	**(19154.05)**

(₹ in crore)

Particulars	Other assets	Liabilities from Financing Activities		
	Cash & Cash Equivalents	Non-current borrowings	Current borrowings	Total
Net debt as at 31 March 2018	**20.54**	**(18,894.59)**	**(280.00)**	**(19,154.05)**
Cash flows	23.18	(574.83)	(126.01)	(677.66)
Foreign exchange adjustments	-	(22.69)	-	(22.69)
Interest expense	-	(1,201.37)	(5.83)	(1,207.20)
Interest paid	-	1,188.87	5.84	1,194.71
Fair value adjustments	-	269.85	-	269.85
Net debt as at 31 March 2019	**43.72**	**(19,234.76)**	**(406.00)**	**(19,597.04)**

For and on behalf of the Board of Directors

VIJAY GUPTA	**MAHESH KUMAR MITTAL**	**BALRAJ JOSHI**
Company Secretary	Director (Finance)	Chairman & Managing Director
	DIN 02889021	DIN 07449990

As per report of even date

For Arora Vohra & Co.	**For DSP & Associates**	**For Lodha & Co.**
Chartered Accountants	Chartered Accountants	Chartered Accountants
FRN: 009487N	FRN: 006791N	FRN: 301051E
(PREM C. BANSAL)	**(SANJAY JAIN)**	**(R. P. SINGH)**
Partner	Partner	Partner
M. No. 083597	M. No. 084906	M. No. 052438

Place : New Delhi
Date : 27th May, 2019

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

A. EQUITY SHARE CAPITAL

Particulars	Note No.	Amount (₹ in Crore)
As at 1st April 2018	15.1	10,259.32
Changes in Equity Share Capital (Refer Note 15.1.6)		(214.29)
As at 31st March 2019	15.1	10,045.03

B. OTHER EQUITY

(₹ in Crore)

Particulars	Reserve & Surplus							Other Comprehensive Income				
	Capital Redemption Reserve	Securities Premium	Bond Redemption Reserve	Corporate Social Responsibility Fund	Research & Development Fund	General Reserve	Suplus/ Retained Earnings	Equity Instruments through OCI	Debt instruments through OCI	Total	Non Controlling Interest (NCI)	Total after NCI
Balance as at 1st April, 2018	**2,041.42**	**242.81**	**2,129.55**	**23.29**	**16.97**	**10,224.43**	**4,982.91**	**92.78**	**27.71**	**19,781.87**	**2,934.91**	**22,716.78**
Profit for the year							2,595.61			2,595.61	240.18	2,835.79
Other Comprehensive Income							1.56	(16.48)	2.37	(12.55)	(0.12)	(12.67)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**2,597.17**	**(16.48)**	**2.37**	**2,583.06**	**240.06**	**2,823.12**
Utilization for Buy Back of Equity Shares		(242.81)				(142.90)				(385.71)		(385.71)
Utilization for expenditure on Buy Back of Equity Shares						(6.20)				(6.20)		(6.20)
Transfer to Retained Earning												
Amount transferred from Bond Redemption Reserve			(244.97)				244.97			-		-
Amount transferred from Corporate Social Responsibility Fund				(11.91)			6.09			(5.82)	5.82	-
Amount transferred from Research & Development Fund					(16.97)	8.66				(8.31)	8.31	-
Amount Transferred from/(to) General Reserve	214.29					(214.29)	(1,547.44)			(1,547.44)		(1,547.44)
Transfer from Retained Earning						1,547.44				1,547.44		1,547.44
Dividend							(1,000.46)			(1,000.46)	(265.95)	(1,266.41)
Tax on Dividend							(205.65)			(205.65)	(54.67)	(260.32)
Transfer to Bond Redemption Reserve			308.77				(308.77)			-		-
Balance as at 31st March, 2019	**2,255.71**	**-**	**2,193.35**	**11.38**	**-**	**11,417.14**	**4,768.82**	**76.30**	**30.08**	**20,752.78**	**2,868.47**	**23,621.25**

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

MAHESH KUMAR MITTAL
Director (Finance)
DIN 02889021

BALRAJ JOSHI
Chairman & Managing Director
DIN 07449990

As per report of even date

For Arora Vohra & Co.
Chartered Accountants
FRN: 009487N
(PREM C. BANSAL)
Partner
M. No. 083597

For DSP & Associates
Chartered Accountants
FRN: 006791N
(SANJAY JAIN)
Partner
M. No. 084906

For Lodha & Co.
Chartered Accountants
FRN: 301051E
(R. P. SINGH)
Partner
M. No. 052438

Place : New Delhi
Date : 27th May, 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH, 2018

A. EQUITY SHARE CAPITAL

Particulars	Note No.	Amount (₹ in Crore)
As at 1st April 2017	15.1	10,259.32
Change in Equity Share Capital		-
As at 31st March 2018	15.1	10,259.32

B. OTHER EQUITY

(₹ in Crore)

Particulars	Reserve & Surplus							Other Comprehensive Income		Total	Non Controlling Interest (NCI)	Total after NCI
	Capital Redemption Reserve	Securities Premium	Bond Redemption Reserve	Corporate Social Responsibility Fund	Research & Development Fund	General Reserve	Suplus/ Retained Earnings	Equity Instruments through OCI	Debt instruments through OCI			
Balance as at 1st April, 2017	**2,041.42**	**242.81**	**1,609.27**	**24.31**	**60.87**	**10,224.43**	**4,430.92**	**100.08**	**34.68**	**18,768.79**	**3,382.24**	**22,151.03**
Profit for the year	-	-	-		-	-	2,513.90	-	-	2,513.90	270.80	2,784.70
Other Comprehensive Income	-	-	-		-	-	20.40	(7.30)	(6.97)	6.13	0.23	6.36
Total Comprehensive Income	**-**	**-**	**-**		**-**	**-**	**2,534.30**	**(7.30)**	**(6.97)**	**2,520.03**	**271.03**	**2,791.06**
Other Adjustments				0.02						0.02		0.02
Share Application Money received during the year.										**-**	**5.71**	**5.71**
Transfer to Retained Earning												
Amount transferred from Bond Redemption Reserve	-	-	(148.17)		-	-	148.17	-	-	-		-
Amount written back from Corporate Social Responsibility Fund				(1.04)			0.53			(0.51)	0.51	-
Amount transferred from Research & Development Fund	-	-	-		(43.90)	-	43.90	-	-	-		-
Transfer from Retained Earning												
Final Dividend (2016-17)	-	-	-		-	-	(102.60)	-	-	(102.60)	(227.56)	(330.16)
Interim Dividend (2017-18)							(1,149.05)			(1,149.05)	(374.46)	(1,523.51)
Tax on Dividend	-	-	-		-	-	(254.81)	-	-	(254.81)	(122.56)	(377.37)
Transfer to Bond Redemption Reserve	-	-	668.45		-	-	(668.45)	-	-	-		-
Balance as at 31st March, 2018	**2,041.42**	**242.81**	**2,129.55**	**23.29**	**16.97**	**10,224.43**	**4,982.91**	**92.78**	**27.71**	**19,781.87**	**2,934.91**	**22,716.78**

Note : The figures as at 1st April 2017 and 31st March 2018 as given above are restated (Note No-35)

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

MAHESH KUMAR MITTAL
Director (Finance)
DIN 02889021

BALRAJ JOSHI
Chairman & Managing Director
DIN 07449990

As per report of even date

For Arora Vohra & Co.
Chartered Accountants
FRN: 009487N
(PREM C. BANSAL)
Partner
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FRN: 006791N
(SANJAY JAIN)
Partner
M. No. 084906

For Lodha & Co.
Chartered Accountants
FRN: 301051E
(R. P. SINGH)
Partner
M. No. 052438

Place : New Delhi
Date : 27th May, 2019

NOTE NO. 1: GROUP INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

(I) Reporting entity

NHPC Limited (the "Company") is a Company domiciled in India and limited by shares. The shares of the Company are publicly traded on the National Stock Exchange of India and BSE Limited. The address of the Company's registered office is NHPC LIMITED, NHPC Office Complex, Sector-33, Faridabad, Haryana- 121003.

These consolidated financial statements comprise the financial statements of the Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in its joint ventures. The Group is primarily involved in the generation and sale of bulk power to various Power Utilities. Other business includes providing project management / construction contracts/ consultancy assignment services and trading of power.

(II) Basis of preparation

(A) Statement of Compliance

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

The Group's consolidated financial statements have been approved for issue by the Board of Directors on 27th May, 2019.

(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.

(C) Application of new and revised standards

(i) **Ind AS 115- Revenue from Contracts with Customers:** With effect from 1st April, 2018, the Group has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up method. However, no material adjustments were necessary.

(ii) **Appendix B to Ind AS 21**- "Foreign Currency Transactions and Advance Consideration and Ind AS 12- Income Taxes have been revised with effect from 1st April, 2018. However, no material adjustments were necessary.

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

(D) Functional and presentation currency

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

(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 & 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 to recognise the Group's share of the post-acquisition profits or losses and other comprehensive income of the investee in the Statement of Profit and Loss and Other Comprehensive Income of the Group. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

iii) When the Group's share of losses in a joint venture equals or exceeds its investment in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

iv) Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses on transactions between the Group and its joint ventures are also eliminated to the extent of the Group's interest in these entities unless the transaction provides evidence of an impairment of the asset transferred. Where the accounting policies of joint ventures are different from those of the Group, appropriate adjustments are made for like transactions and events in similar circumstances to ensure conformity with the policies adopted by the group.

v) Any gain or loss on dilution arising on a reduced stake in the joint venture, but still retaining the joint control, is recognized in the Statement of Profit and Loss.

vi) When the investment ceases to be a joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value with the change in carrying amount recognised in the Statement of Profit and Loss. The fair value of the retained interest becomes the initial carrying amount for the purpose of accounting for the retained interest as a financial asset. Any amounts previously recognised in other comprehensive income in respect of that joint venture are reclassified to the Statement of Profit and Loss.

(F) Use of estimates and management 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 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) Determining whether an arrangement contains a lease

Appendix C, Ind AS 17 'Determining whether an arrangement contains a lease' requires an assessment of whether:

- fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and
- the arrangement conveys a right to use the asset.

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

The Group enters into power purchase agreements with beneficiaries. Power Purchase Agreements (PPA) in the nature of embedded lease with a single beneficiary where the minimum lease term is for the major part of the plant's economic life and the minimum lease payments amount to substantially all the fair value of the plant are considered as a Finance Lease. Other embedded leases are considered as Operating Lease.

For embedded leases in the nature of a Finance Lease, the investment in the plant is recognised as a Lease Receivable. The minimum lease payments are identified by segregating the embedded lease payments from the rest of the contract amounts. Each lease receipt is allocated between the receivable and finance lease income so as to achieve a constant rate of return on the Lease Receivable outstanding.

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

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

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

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

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

The recoverable amount of property, plant and equipment, capital work in progress and intangible assets 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. However, in cases where tariff rates are yet to be approved, provisional rates are adopted considering the applicable CERC Tariff Regulations. Further, where tariff are pending revision due to revision in cost estimates, tariffs are computed based on the parameters and methods prescribed under the CERC Tariff Regulations and an estimated amount of revenue is recognised when an application is made to the CERC after obtaining necessary approvals to the extent it is highly probable that there will be no downward adjustment to the revenue recognised.

f) Provisions and contingencies

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

g) Recoverable Amount of Rate Regulated Assets

The operating activities of the Group are subject to cost-of-service regulations whereby tariff charged for electricity generated is based on allowable costs like interest costs, depreciation, operation & maintenance including a stipulated return. Guidance Note on Rate Regulated Activities issued by the ICAI (previous GAAP) 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 2014-19. However, changes in CERC tariff regulations beyond the current tariff period may affect the recoverability of such balances.

h) Impairment of Trade Receivables

Considering the historical credit loss experience for trade receivables, the Group does not envisage either impairment in the value of receivables from beneficiaries or loss due to time value of money owing to delay in realization of trade receivables, except to the extent already provided for.

i) **Investment in Joint Ventures**

Investment has been carried at cost and as per assessment by the Group, there is no indication of impairment on such investments. Any changes in assumption may have a material impact on the measurement of the recoverable amount.

j) **Insurance Claim Recoverable**

The recoverable amount of insurance claims in respect of damages to Property, Plant and Equipment is based on estimates & assumptions as per terms and conditions of insurance policies.

(III) SIGNIFICANT ACCOUNTING POLICIES:

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

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

1.0 Property, Plant and Equipment (PPE)

a) An item of PPE is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

b) PPE are initially measured at cost of acquisition/construction including decommissioning or restoration cost wherever required. The cost includes expenditure that is directly attributable to the acquisition/construction of the asset. In cases where final settlement of bills with contractors is pending, but the asset is complete and available for operating in the manner intended by the management, capitalisation is done on estimated basis subject to necessary adjustments, including those arising out of settlement of arbitration/court cases.

c) Expenditure incurred on renovation and modernization of PPE on completion of the originally estimated useful life of the power station resulting in increased life and/or efficiency of an existing asset, is added to the cost of the related asset. PPE acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

d) After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation/amortisation and accumulated impairment losses, if any.

e) Deposits, payments made/ liabilities created provisionally towards compensation (including interest on enhanced compensation till the date of award by the Court), rehabilitation & resettlement and other expenses including expenditure on Environment Management Plans relatable to land in possession are treated as cost of land.

f) Assets over which the Group has control, though created on land not belonging to the Group are included under Property, Plant and Equipment.

g) Standby equipment and servicing equipment which meet the recognition criteria of Property, Plant and Equipment are capitalized.

h) Spares parts (procured along with the Plant & Machinery or subsequently) which meet the recognition criteria are capitalized. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other spare parts are treated as "stores & spares" forming part of inventory.

i) If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/ inspection component was, when the item was acquired or inspection carried out.

j) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

2.0 Capital work in Progress

a) Expenditure incurred on assets under construction (including a project) is carried at cost under Capital Work in Progress (CWIP). Such costs comprise purchase price of assets including import duties and non-refundable taxes (after deducting trade discounts and rebates), expenditure in relation to survey and investigation activities of projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, etc.

b) Costs including employee benefits, professional fees, expenditure on maintenance and up-gradation of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management are accumulated under "Expenditure Attributable to Construction (EAC)" and subsequently allocated on systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects. Net pre-commissioning income/expenditure is adjusted directly in the cost of related assets.

c) Capital Expenditure incurred for creation of facilities, over which the Group does not have control but the creation of which is essential principally for construction of the project is accumulated under "Expenditure Attributable to Construction" and carried under "Capital Work in Progress" and subsequently allocated on a systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects, keeping in view the "attributability" and the "Unit of Measure" concepts in Ind AS 16- "Property, Plant and Equipment". Expenditure of such nature incurred after completion of the project, is charged to the Statement of Profit and Loss.

3.0 Investment Property

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

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

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

4.0 Intangible Assets and Intangible Assets under development

a) Expenditure on research is charged to revenue as and when incurred. Expenditure on development is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to & has sufficient resources to complete development and to use or sell the asset.

b) Intangible assets acquired separately are measured on initial recognition at cost. Cost includes any directly attributable expenses necessary to make the assets ready for its intended use. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

c) 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 Land-Right to use.

d) Software (not being an integral part of the related hardware) acquired for internal use, is stated at cost of acquisition less accumulated amortisation and impairment losses if any.

e) An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

5.0 Foreign Currency Transactions

a) Transactions in foreign currency are initially recorded at the functional currency spot rate at the date the transaction first qualifies for recognition. At each Balance Sheet date, monetary items denominated in foreign currency are translated at the functional currency exchange rates prevailing on that date.

b) Exchange differences relating to PPE/capital work-in-progress arising out of transaction entered into prior to April 1, 2004 are adjusted to the carrying cost of respective PPE/capital work-in-progress.

c) Exchange differences arising from translation of foreign currency borrowings entered into prior to March 31, 2016 recoverable from or payable to beneficiaries in subsequent periods as per CERC Tariff regulations are recognised as "Deferred Foreign Currency Fluctuation Recoverable/ Payable Account" and adjusted from the year in which the same is recovered/ paid.

d) Exchange differences arising from settlement/ translation of monetary items denominated in foreign currency entered into on or after 01.04.2016 to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized as 'Regulatory Deferral Account Balances' during construction period and adjusted from the year in which the same become recoverable from or payable to the beneficiaries.

e) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Where the Group has paid or received advance consideration in a foreign currency, the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it), is the date when the Group initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

6.0 Regulatory Deferral Accounts

a) Where an item of expenditure incurred during the period of construction of a project is recognised as expense in the Statement of Profit and Loss i.e. not allowed to be capitalized as part of cost of relevant PPE in accordance with Ind AS, but is nevertheless permitted by CERC to be recovered from the beneficiaries in future through tariff, the right to recover the same is recognized as "Regulatory Deferral Account balances."

b) Expense/ income recognised in the Statement of Profit and Loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognised as "Regulatory Deferral Account balances."

c) These Regulatory Deferral Account balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries.

d) Regulatory Deferral Account balances are evaluated at each Balance Sheet date to ensure that the underlying activities meet the recognition criteria and it is probable that future economic benefits associated with such balances will flow to the entity. If these criteria are not met, the Regulatory Deferral Account balances are derecognised.

e) Regulatory Deferral Account balances are tested for impairment at each Balance Sheet date.

7.0 Fair value measurement

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

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

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

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

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

8.0 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 obligation to receive cash or another financial asset or to exchange financial asset or financial liability under conditions that are potentially favourable to the Group. A financial asset is recognized when and only when the Group becomes party to the contractual provisions of the instrument.

Financial assets of the Group comprise Cash and Cash Equivalents, Bank Balances, Investments in equity shares of companies, Trade Receivables, Advances to employees/ contractors, 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

The classification depends on the following:

(a) The entity's business model for managing the financial assets and

(b) The contractual cash flow characteristics of the financial asset.

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

b) Initial recognition and measurement

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

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

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

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

e) Impairment of financial assets

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

i) Financial assets that are debt instruments, and are measured at amortised cost.

ii) Financial assets that are debt instruments and are measured as at FVTOCI

iii) Contract Assets and Trade Receivables under Ind AS 115, Revenue from Contracts with Customers

iv) Lease Receivables under Ind AS 17, 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 17 and Ind AS 115

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

10.0 Inventories

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

Scrap is valued at net realisable value.

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

11.0 Dividends

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

12.0 Financial liabilities

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

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

a) Classification, initial recognition and measurement

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

13.0 Government Grants

a) The benefits of a government loan at a below market rate of interest is treated as Government Grant. The loan is initially recognised and measured at fair value and the government grant is measured as the difference between the initially recognized amount of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities and government grant is recognized initially as deferred income and subsequently in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

b) Monetary grants from the government for creation of assets are initially recognised as deferred income when there is reasonable assurance that the grant will be received and the group will comply with the conditions associated with the grant. The deferred income so recognised is subsequently amortised in the Statement of Profit and Loss over the useful life of the related assets.

c) Government grant related to income is recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

14.0 Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

15.0 Revenue Recognition and Other Income

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

a) Revenue from sale of power

i) Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over the products or services to a customer.

ii) Revenue from sale of power (except for power stations considered as Finance/Operating Lease) is accounted for as per tariff notified by the Central Electricity Regulatory Commission (CERC) under the CERC (Terms & Conditions of Tariff) Regulations, 2014. 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) In the comparative period, revenue from sale of power was measured at the fair value of the consideration received or receivable. Revenue was recognised when the significant risks and rewards of ownership had been transferred to the buyer, recovery of the consideration was probable, the associated costs could be estimated reliably, there was no continuous management involvement and the amount of revenue could be measured reliably.

iv) 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).

v) 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.

vi) Adjustments arising out of finalisation of Regional Energy Account (REA), though not material, are effected in the year of respective finalisation.

vii) 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) In the comparative period, revenue on Project Management / Construction Contracts/ Consultancy assignments was recognized on percentage of completion method. The percentage of completion is determined as proportion of "cost incurred up to reporting date" to "estimated cost to complete the concerned Project Management / Construction Contracts and Consultancy assignment".

iii) 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 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 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 Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

iii) Interest/Surcharge recoverable from customers including those arising out of contracts for trading of power and liquidated damages /interest on advances to contractors is recognised when it is highly probable that a significant reversal in the amount of revenue recognised will not occur in the future.

16.0 Employee Benefits

i) Short-term employee benefits

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

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

ii) Defined contribution plans

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

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

iii) Defined benefit plans

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

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

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 and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

iv) Other long-term employee benefits

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

The Group's net obligation in respect of long-term employee benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the Projected Unit Credit Method. Contributions to the scheme and actuarial gains or losses are recognised in the Statement of Profit and 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 directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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

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) below.

ii) Depreciation on old and used items of PPE of other than Operating Units is charged on straight-line method to the extent of 90% of the cost of the asset over estimated useful life determined on the basis of technical assessment.

d) i) Depreciation in respect of following items of PPE is provided on straight line method based on the life and residual value (5%) given in the Schedule II of the Companies Act, 2013:

- Construction Plant & Machinery
- Computer & Peripherals

ii) Based on management assessment, depreciation on Mobile Phones is provided on straight line basis over a period of three years with residual value of Re 1.

e) Temporary erections are depreciated fully (100%) in the year of acquisition /capitalization by retaining Re. 1/- as WDV.

f) Assets valuing ₹ 5000/- or less but more than ₹ 750/- are fully depreciated during the year in which the asset becomes available for use with Re. 1/- as WDV.

g) Low value items, which are in the nature of assets (excluding immovable assets) and valuing upto ₹ 750/- are not capitalized and charged off to revenue in the year of use.

h) Leasehold Land of operating units, is amortized over the period of lease or 35 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 35 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 & Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery at the rates and methodology notified by CERC.

o) Useful life, method of depreciation and residual value of assets where depreciation is charged as per management assessment are reviewed at the end of each financial year and adjusted prospectively over the balance life of the asset, wherever required.

19.0 Impairment of non-financial assets other than inventories

a) The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Group. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss.

b) In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

c) In case of expenditure on survey & investigation of projects, if it is decided to abandon such a project, expenditure incurred thereon is charged to the Statement of Profit and Loss in the year in which such decision is taken.

d) In case a project under Survey and Investigation remains in abeyance by the order of appropriate authority/ by injunction of court order, any expenditure incurred on such projects from the date of order/ injunction of court is provided in the books from the date of such order till the period project is kept in abeyance by such order/ injunction. Provision so made is however reversed on the revocation of aforesaid order/ injunction.

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

20.0 Income Taxes

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

a) Current tax

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

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

b) Deferred tax

i) Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Group's financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the Balance Sheet method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of an asset or liability in a transaction that at the time of the transaction affects neither the taxable profit 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.

21.0 Compensation from third parties

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

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

22.0 Segment Reporting

a) In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of internal reports used by the Group's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Group's "Chief Operating Decision Maker" or "CODM" within the meaning of Ind AS 108.

b) Electricity generation is the principal business activity of the Group. Other operations viz., Contracts, Project Management, Consultancy works and Trading of Power do not form a reportable segment as per the Ind AS -108 - 'Operating Segments'.

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

23.0 Leases

a) Group as a Lessee:

i) Leases of property, plant and equipment, where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance lease. Such finance leases are generally capitalised at the lease's inception at the fair value of the leased property which equals the transaction price i.e. lump sum upfront payments.

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

b) Group as a Lessor:

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 amounts to substantially all the fair value of the plant are considered as a Finance Lease. Other embedded leases are considered as Operating Lease.

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

ii) 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 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.

25.0 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.

26.0 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'.

27.0 Current versus non-current classification

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

a) An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading

- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

b) A liability is current when:

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

All other liabilities are classified as non-current.

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

28.0 Miscellaneous

a) Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

b) Liabilities for Goods in transit/Capital works executed but not certified are not provided for, pending inspection and acceptance by the Group.

(IV) Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 on March 30, 2019. Both the Rules shall come into force on April 1, 2019.

Standards issued but not yet effective

a) **Ind AS 116- 'Leases':** Ind AS 116 was notified by Ministry of Corporate Affairs on 30 March 2019 and it is applicable for annual reporting periods beginning on or after 1 April 2019. Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. The Statement of Profit and Loss might also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change. Operating cash flows will be higher as repayments of the lease liability and related interest are classified within financing activities. The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under Ind AS 116, 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.

The Group is in the process of evaluating the impact of Ind AS 116 on its financial statements.

b) **Appendix C to Ind AS 12, 'Income Taxes'**: The appendix explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

i) how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty;

ii) that the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored;

iii) that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment;

iv) that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty; and

v) that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

As per assessment, the application of this guidance is not expected to have material impact on the consolidated financial statements of the Group.

c) **Amendments to Ind AS 12, 'Income Taxes':** The amendments clarify that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends. Previously, it was unclear whether the income tax consequences of dividends should be recognised in profit or loss, or in equity, and the scope of the existing guidance was ambiguous.

   These amendments are not expected to have any material impact on the consolidated financial statements of the Group.

d) **Amendments to Ind AS 28, 'Investment in Associates and Joint Ventures':** The amendments clarify the accounting for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under Ind AS 109 'Financial Instruments' before applying the loss allocation and impairment requirements in Ind AS 28.

   Since the Group does not have such long-term interests in its joint ventures, the amendments will not have any impact on its financial statements.

e) **Amendments to Ind AS 19, 'Employee Benefits':** The amendments to Ind AS 19 clarify the accounting for defined benefit plan amendments, curtailments and settlements. They confirm that entities must :

   i) calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change;

   ii) any reduction in a surplus should be recognised immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling; and

   iii) separately recognise any changes in the asset ceiling through other comprehensive income.

   These amendments will apply to any future plan amendments, curtailments, or settlements of the group on or after 1st April 2019.

f) **Amendments to Ind AS 111, 'Joint Arrangements':** The amendments clarify that the party obtaining joint control of a business that is a joint operation should not re-measure its previously held interest in the joint operation.

   These amendments will apply to future transactions of the Group where it obtains joint control of a business on or after 1st April 2019.

g) **Amendment to Ind AS 23, 'Borrowing Costs':** The amendments clarify that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings. The Group's current practice is in line with these amendments and accordingly these amendments are not expected to have any material impact on its consolidated financial statements.

h) **Amendment to Ind AS 103, 'Business Combinations':** The amendments clarify that obtaining control of a business that is a joint operation, is a business combination achieved in stages. The acquirer should re-measure its previously held interest in the joint operation at fair value at the acquisition date.

   These amendments will apply to future business combinations of the Group for which acquisition date is on or after 1st April 2019.

i) **Prepayment Features with Negative Compensation:** Amendments to Ind AS 109, 'Financial Instruments': The narrow-scope amendments made to Ind AS 109 enable entities to measure certain prepayable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit or loss. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model.

   These amendments are not expected to have any impact on the consolidated financial statements of the Group.

NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENTS

(₹ in Crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 01.04.2018	Addition	Deduction	Adjustment	As at 31.03.2019	As at 01.04.2018	For the year	Adjustment	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
Land – Freehold	319.40	12.16	0.01	6.16	337.71	-	-	-	-	337.71	319.40
Land – Leasehold	327.43	0.02	-	(24.86)	302.59	35.29	11.65	(24.86)	22.08	280.51	292.14
Roads and Bridges	215.84	6.67	0.15	0.22	222.58	27.85	10.20	3.06	41.11	181.47	187.99
Buildings	2,019.98	331.94	0.74	0.88	2,352.06	259.50	94.27	0.67	354.44	1,997.62	1,760.48
Building-Under Lease	-	17.01	-	-	17.01	-	0.36	-	0.36	16.65	-
Railway sidings	16.58	-	0.01	-	16.57	7.41	5.68	-	13.09	3.48	9.17
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	12,925.66	4,025.59	3.44	1.54	16,949.35	2,502.38	965.12	(0.61)	3,466.89	13,482.46	10,423.28
Generating Plant and machinery	7,213.74	1,017.32	9.24	(1.03)	8,220.79	1,267.41	481.48	(1.98)	1,746.91	6,473.88	5,946.33
Plant and machinery - Sub station	49.49	2.04	0.01	(0.22)	51.30	9.23	2.43	(0.22)	11.44	39.86	40.26
Plant and machinery - Transmission lines	68.93	1.61	-	0.17	70.71	12.70	4.59	0.17	17.46	53.25	56.23
Plant and machinery - Others	32.82	3.39	0.11	(0.09)	36.01	8.16	2.06	(0.12)	10.10	25.91	24.66
Construction Equipment	50.80	2.15	0.19	(0.20)	52.56	16.16	3.94	(0.20)	19.90	32.66	34.64
Water Supply System/Drainage and Sewerage	47.09	5.29	0.06	0.12	52.44	6.15	2.18	0.11	8.44	44.00	40.94
Electrical installations	4.34	0.42	0.05	0.07	4.78	0.54	0.31	0.05	0.90	3.88	3.80
Vehicles	22.26	0.48	0.26	(0.03)	22.45	5.17	1.82	(0.09)	6.90	15.55	17.09
Aircraft/ Boats	0.89	1.05	0.01	(0.01)	1.92	0.19	0.13	(0.01)	0.31	1.61	0.70
Furniture and fixture	33.28	2.77	0.16	0.22	36.11	6.95	2.43	0.19	9.57	26.54	26.33
Computers	33.93	5.83	0.46	(0.10)	39.20	18.14	6.45	(0.35)	24.24	14.96	15.79
Communication Equipment	10.80	1.14	0.31	0.19	11.82	2.22	0.81	0.07	3.10	8.72	8.58
Office Equipments	34.42	4.05	0.43	0.27	38.31	7.74	3.04	0.16	10.94	27.37	26.68
Research and Development Equipment	0.73	-	-	-	0.73	0.25	0.08	-	0.33	0.40	0.48
Other assets	52.67	9.19	0.23	0.10	61.73	9.92	4.03	0.04	13.99	47.74	42.75
Tangible Assets of minor value > ₹ 750 and < ₹5000	3.23	1.17	0.04	0.24	4.60	3.22	1.14	0.23	4.59	0.01	0.01
Total	**23,484.31**	**5,451.29**	**15.91**	**(16.36)**	**28,903.33**	**4,206.58**	**1,604.20**	**(23.69)**	**5,787.09**	**23,116.24**	**19,277.73**
Previous Year	23,033.16	462.59	12.40	0.96	23,484.31	2,781.43	1,422.46	2.69	4,206.58	19,277.73	

Note : Additional disclosure of Property Plant and Equipment (PPE) as per gross block of assets and accumulated depreciation under previous GAAP has been provided as Annexure-I to this Note. For other explanatory notes, these are stated in Annexure-I to Note 2.1.

ANNEXURE-I TO NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENTS

Additional Disclosure of Property, Plant and Equipment

(₹ in Crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 01.04.2018	Addition	Deduction	Adjustment	As at 31.03.2019	As at 01.04.2018	For the year	Adjustment	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
Land – Freehold (Refer Note 2.1.1 and 2.1.2)	319.40	12.16	0.01	6.16	337.71	-	-	-	-	337.71	319.40
Land – Leasehold (Refer Note 2.1.1 and 2.1.3)	370.77	0.02	-	(54.79)	316.00	78.63	11.65	(54.79)	35.49	280.51	292.14
Roads and Bridges	313.07	6.67	0.26	(3.18)	316.30	125.08	10.20	(0.45)	134.83	181.47	187.99
Buildings	2,760.97	331.94	2.49	(11.41)	3,079.01	1,000.49	94.27	(13.37)	1,081.39	1,997.62	1,760.48
Building-Under Lease (Refer 34(18B))	-	17.01	-	-	17.01	-	0.36	-	0.36	16.65	-
Railway sidings	36.13	-	0.03	-	36.10	26.96	5.68	(0.02)	32.62	3.48	9.17
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	18,876.49	4,025.59	8.00	1.84	22,895.92	8,453.21	965.12	(4.87)	9,413.46	13,482.46	10,423.28
Generating Plant and machinery	10,194.07	1,017.32	9.47	0.53	11,202.45	4,247.74	481.48	(0.65)	4,728.57	6,473.88	5,946.33
Plant and machinery - Sub station	101.19	2.04	0.10	(0.20)	102.93	60.93	2.43	(0.29)	63.07	39.86	40.26
Plant and machinery - Transmission lines	96.34	1.61	-	(0.05)	97.90	40.11	4.59	(0.05)	44.65	53.25	56.23
Plant and machinery - Others	49.80	3.39	0.43	(0.44)	52.32	25.14	2.06	(0.79)	26.41	25.91	24.66
Construction Equipment	113.37	2.15	1.67	(1.15)	112.70	78.73	3.94	(2.63)	80.04	32.66	34.64
Water Supply System/Drainage and Sewerage	57.05	5.29	0.08	(0.02)	62.24	16.11	2.18	(0.05)	18.24	44.00	40.94
Electrical installations	5.64	0.42	0.07	-	5.99	1.84	0.31	(0.04)	2.11	3.88	3.80
Vehicles	34.78	0.48	1.06	(0.69)	33.51	17.69	1.82	(1.55)	17.96	15.55	17.09
Aircraft/ Boats	1.15	1.05	0.01	-	2.19	0.45	0.13	-	0.58	1.61	0.70
Furniture and fixture	58.77	2.77	0.31	(0.50)	60.73	32.44	2.43	(0.68)	34.19	26.54	26.33
Computers	67.97	5.81	3.11	(0.91)	69.76	52.18	6.45	(3.83)	54.80	14.96	15.79
Communication Equipment	17.13	1.16	0.65	(0.03)	17.61	8.55	0.81	(0.47)	8.89	8.72	8.58
Office Equipments	54.72	4.05	1.08	(0.20)	57.49	28.04	3.04	(0.96)	30.12	27.37	26.68
Research and Development Equipment	1.35	-	-	-	1.35	0.87	0.08	-	0.95	0.40	0.48
Other assets	76.94	9.19	0.86	(0.64)	84.63	34.19	4.03	(1.33)	36.89	47.74	42.75
Tangible Assets of minor value > ₹ 750 and < ₹5000	18.77	1.17	0.54	(0.45)	18.95	18.76	1.14	(0.96)	18.94	0.01	0.01
Total	**33,625.87**	**5,451.29**	**30.23**	**(66.13)**	**38,980.80**	**14,348.14**	**1,604.20**	**(87.78)**	**15,864.56**	**23,116.24**	**19,277.73**
Previous Year	33,190.52	462.59	28.19	0.95	33,625.87	12,938.79	1,422.46	(13.11)	14,348.14	19,277.73	

Explanatory Note: -

2.1.1 a) Freehold land amounting to ₹ 6.51 crore (Previous year ₹ 6.51 crore) covering an area of 1458.55 hectare (Previous year 1485.19 hectare) has been recorded in revenue records in favour of the Government of India through the Government of Jammu & Kashmir, in possession of Salal Power Station (a Power Station of NHPC Limited). Title deeds in respect of freehold land of the Power Station amounting to ₹ 0.0004 crore (Previous year ₹ 0.01 crore) covering an area of 0.10 hectare (Previous year 4.76 hectare) is however, yet to be executed/ passed.

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

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

2.1.2 Freehold Land includes 8 hectare (Previous year 8 hectare) of land being used by Loktak Downstream Hydroelectric Corporation Limited (LDHCL) (A subsidiary of NHPC Limited) for a consideration of ₹ 100 per annum as rent, for which a lease agreement has been entered between NHPC Limited and LDHCL.

2.1.3 Land - Leasehold includes 2.72 hectare (Previous year 2.72 hectare) taken from Sashastra Seema Bal (SSB) for Subansiri Upper Project on lease for a period of 99 years at notional value of ₹ 1/-. Out of this area 1.06 hectare (previous year 1.06 hectare) has been handed over to Indo-Tibetan Border Police(ITBP).

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

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

2.1.6 Pending approval of revised cost estimates (RCE) of Sewa-II, Chamera-III, Teesta Low Dam-III, Uri-II & Teesta Low Dam-IV Power Stations, capital expenditure actually incurred on these power stations has been considered for capitalisation.

2.1.7 Refer Note No 34(11) for information of non-current assets equitably mortgaged/hypothecated with banks as security for related borrowings.

2.1.8 A piece of land measuring 3835 sq. ft. at Thangal village was donated by Thangal village authority to NHPC Ltd . The said land along with the temporary shed constructed thereto was transferred to the Loktak Downstream Hydroelectric Corporation Ltd (subsidiary of NHPC Ltd) at the time of incorporation .The land is in the possession of the Group but no value has been assigned.

2.1.9 Refer Note no. 34(5), 34(19) and 34(33) of Consolidated Financial Statements.

NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENT

(₹ in Crore)

PARTICULARS	GROSS BLOCK					ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01.04.2017	Addition	Deduction	Adjustment	As at 31.03.2018	As at 01.04.2017	For the Year	Adjustment	As at 31.03.2018	As at 31.03.2018	As at 01.04.2017
Land – Freehold	308.04	11.72	0.32	(0.04)	319.40	-	-	-	-	319.40	308.04
Land – Leasehold	327.18	0.25	-	-	327.43	23.38	11.91	-	35.29	292.14	303.80
Roads and Bridges	213.65	4.90	0.24	(2.47)	215.84	17.44	10.76	(0.35)	27.85	187.99	196.21
Buildings	1,989.40	29.53	0.18	1.23	2,019.98	170.99	87.93	0.58	259.50	1,760.48	1,818.41
Railway sidings	16.58	-	-	-	16.58	4.92	2.49	-	7.41	9.17	11.66
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	12,906.30	18.12	1.23	2.47	12,925.66	1,667.00	835.07	0.31	2,502.38	10,423.28	11,239.30
Generating Plant and machinery	6,862.86	359.50	7.89	(0.73)	7,213.74	829.07	435.85	2.49	1,267.41	5,946.33	6,033.79
Plant and machinery - Sub station	49.18	0.32	0.01	-	49.49	6.11	3.11	0.01	9.23	40.26	43.07
Plant and machinery - Transmission lines	65.21	3.74	0.02	-	68.93	7.71	4.99	-	12.70	56.23	57.50
Plant and machinery - Others	32.22	0.62	0.02	-	32.82	5.51	2.65	-	8.16	24.66	26.71
Construction Equipment	48.27	2.57	0.23	0.19	50.80	10.45	5.70	0.01	16.16	34.64	37.82
Water Supply System/Drainage and Sewerage	42.49	4.61	0.01	-	47.09	4.11	2.04	-	6.15	40.94	38.38
Electrical installations	2.23	2.12	0.01	-	4.34	0.28	0.26	-	0.54	3.80	1.95
Vehicles	21.17	1.58	0.42	(0.07)	22.26	3.15	2.16	(0.14)	5.17	17.09	18.02
Aircraft/ Boats	0.79	0.10	-	-	0.89	0.11	0.08	-	0.19	0.70	0.68
Furniture and fixture	30.87	2.63	0.19	(0.03)	33.28	4.44	2.55	(0.04)	6.95	26.33	26.43
Computers	27.51	6.46	0.55	0.51	33.93	11.55	6.37	0.22	18.14	15.79	15.96
Communication Equipment	10.16	1.15	0.35	(0.16)	10.80	1.55	0.89	(0.22)	2.22	8.58	8.61
Office Equipments	32.03	2.84	0.45	-	34.42	5.00	2.88	(0.14)	7.74	26.68	27.03
Research and Development Equipment	0.73	-	-	-	0.73	0.17	0.08	-	0.25	0.48	0.56
Other assets	43.95	8.92	0.24	0.04	52.67	6.16	3.79	(0.03)	9.92	42.75	37.79
Tangible Assets of minor value > ₹ 750 and < ₹5000	2.34	0.91	0.04	0.02	3.23	2.33	0.90	(0.01)	3.22	0.01	0.01
Total	**23,033.16**	**462.59**	**12.40**	**0.96**	**23,484.31**	**2,781.43**	**1,422.46**	**2.69**	**4,206.58**	**19,277.73**	**20,251.73**
Previous Year	22,084.19	948.06	11.61	12.52	23,033.16	1,383.99	1,418.55	(21.11)	2,781.43	20,251.73	

Note : Additional disclosure of Property Plant and Equipment (PPE) as per gross block of assets and accumulated depreciation under previous GAAP has been provided as Annexure-I to this Note. For other explanatory notes, these are stated in Annexure-I to Note 2.1.

ANNEXURE-I TO NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENT

Additional Disclosure of Property, Plant and Equipment

(₹ in Crore)

CLASS OF ASSETS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 01.04.2017	Addition	Deduction	Adjustment	As at 31.03.2018	As at 01.04.2017	For the year	Adjustment	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Land – Freehold **(Refer Note 2.1.1 and 2.1.2)**	308.04	11.72	0.32	(0.04)	319.40	-	-	-	-	319.40	308.04
Land – Leasehold **(Refer Note 2.1.1 and 2.1.3)**	370.52	0.25	-	-	370.77	66.72	11.91	-	78.63	292.14	303.80
Roads and Bridges	310.95	4.90	0.31	(2.47)	313.07	114.74	10.76	(0.42)	125.08	187.99	196.21
Buildings	2,732.83	29.53	2.63	1.24	2,760.97	914.42	87.93	(1.86)	1,000.49	1,760.48	1,818.41
Railway sidings	36.13	-	-	-	36.13	24.47	2.49	-	26.96	9.17	11.66
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	18,857.18	18.12	1.28	2.47	18,876.49	7,617.88	835.07	0.26	8,453.21	10,423.28	11,239.30
Generating Plant and machinery	9,848.85	359.50	13.54	(0.74)	10,194.07	3,815.06	435.85	(3.17)	4,247.74	5,946.33	6,033.79
Plant and machinery - Sub station	100.88	0.32	0.01	-	101.19	57.81	3.11	0.01	60.93	40.26	43.07
Plant and machinery - Transmission lines	92.62	3.74	0.02	-	96.34	35.12	4.99	-	40.11	56.23	57.50
Plant and machinery - Others	49.21	0.62	0.03	-	49.80	22.50	2.65	(0.01)	25.14	24.66	26.71
Construction Equipment	111.14	2.57	0.53	0.19	113.37	73.32	5.70	(0.29)	78.73	34.64	37.82
Water Supply System/Drainage and Sewerage	52.46	4.61	0.02	-	57.05	14.08	2.04	(0.01)	16.11	40.94	38.38
Electrical installations	3.55	2.12	0.03	-	5.64	1.60	0.26	(0.02)	1.84	3.80	1.95
Vehicles	34.89	1.58	1.62	(0.07)	34.78	16.87	2.16	(1.34)	17.69	17.09	18.02
Aircraft/ Boats	1.05	0.10	-	-	1.15	0.37	0.08	-	0.45	0.70	0.68
Furniture and fixture	56.55	2.63	0.38	(0.03)	58.77	30.12	2.55	(0.23)	32.44	26.33	26.43
Computers	66.01	6.46	5.02	0.52	67.97	50.05	6.37	(4.24)	52.18	15.79	15.96
Communication Equipment	16.91	1.15	0.75	(0.18)	17.13	8.30	0.89	(0.64)	8.55	8.58	8.61
Office Equipments	52.76	2.84	0.88	-	54.72	25.73	2.88	(0.57)	28.04	26.68	27.03
Research and Development Equipment	1.35	-	-	-	1.35	0.79	0.08	-	0.87	0.48	0.56
Other assets	68.44	8.92	0.46	0.04	76.94	30.65	3.79	(0.25)	34.19	42.75	37.79
Tangible Assets of minor value >₹ 750 and < ₹5000	18.20	0.91	0.36	0.02	18.77	18.19	0.90	(0.33)	18.76	0.01	0.01
Total	**33,190.52**	**462.59**	**28.19**	**0.95**	**33,625.87**	**12,938.79**	**1,422.46**	**(13.11)**	**14,348.14**	**19,277.73**	**20,251.73**
Previous Year	32,257.47	948.06	27.53	12.52	33,190.52	11,557.27	1,418.55	(37.03)	12,938.79	20,251.73	

Explanatory Note: -

2.1.1 a) Freehold land amounting to ₹ 6.51 crore (Previous year ₹ 6.51 crore) covering an area of 1485.19 hectare (Previous year 1485.19 hectare) has been recorded in revenue records in favour of the Government of India through the Government of Jammu & Kashmir, in possession of Salal Power Station (a Power Station of NHPC Limited). Title deeds in respect of freehold land of the Power Station amounting to ₹ 0.01 crore (Previous year ₹ 0.01 crore) covering an area of 4.76 hectare (Previous year 4.76 hectare) is however, yet to be executed/ passed.

b) Title deeds/title in respect of freehold land amounting to ₹ 0.52 crore (Previous year ₹ 9.95 crore) covering an area of 125.03 hectare (Previous year 153.55 hectare) and lease deeds in respect of leasehold land amounting to ₹ 306.08 crore (Previous year ₹ 310.04 crore) covering an area of 870.87 hectare (Previous year 627.25 hectare) are yet to be executed/passed.

2.1.2 Freehold Land includes 8 hectare (Previous year 8 hectare) of land being used by Loktak Downstream Hydroelectric Corporation Limited (LDHCL) (A subsidiary of NHPC Limited) for a consideration of ₹ 100 per annum as rent, for which a lease agreement has been entered between NHPC Limited and LDHCL.

2.1.3 Land - Leasehold includes 2.72 hectare (Previous year 2.72 hectare) taken from Sashastra Seema Bal (SSB) for Subansiri Upper Project on lease for a period of 99 years at notional value of ₹ 1/-. Out of this area 1.06 hectare (Previous year 1.06 hectare) has been handed over to ITBP.

2.1.4 Underground works amounting to ₹ 6302.08 crore (Previous Year ₹ 6299.38 crore), created on Land - Right to use, are included under the relevant heads of Property, Plant and Equipment.

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

2.1.6 Pending approval of revised cost estimates (RCE) of Sewa-II, Chamera-III, Teesta Low Dam-III, Uri-II, Parbati-III & Teesta Low Dam-IV Power Stations, capital expenditure actually incurred on these power stations has been considered for capitalisation.

2.1.7 Refer Note no. 34(11) for information of non-current assets equitably mortgaged/hypothecated with banks as security for related borrowings.

2.1.8 Foreign Exchange Rate Variation included in Adjustments to assets are as follows: -

Particulars	For the year ended 31.03.2018 (₹ in crore)	For the year ended 31.03.2017 (₹ in crore)
Roads and Bridges	-	(0.16)
Buildings	-	(1.50)
Hydraulic Works	-	(11.12)
Generating Plant and machinery	-	(2.79)
Plant and machinery Sub station	-	(0.02)
Water Supply System/Drainage and Sewerage	-	(0.01)
Total	**-**	**(15.60)**

2.1.9 A piece of land measuring 3835 sq. ft. at Thangal village was donated by Thangal village authority to NHPC Ltd . The said land along with the temporary shed constructed thereto was transferred to the Loktak Downstream Hydroelectric Corporation Ltd (subsidiary of NHPC Ltd) at the time of incorporation .The land is in the possession of the Group but no value has been assigned.

2.1.10 Refer Note no. 34 (5) of Consolidated Financial Statements.

NOTE NO. 2.2 CAPITAL WORK IN PROGRESS

(₹ in Crore)

Particulars	As at 01.04.2018	Addition	Adjustment	Capitalised	As at 31.03.2019
Roads and Bridges	98.56	4.23	-	9.80	92.99
Buildings	1,157.35	52.72	(32.06)	266.97	911.04
Building-Under Lease	-	17.01	-	17.01	-
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	7,226.04	500.18	-	3,205.83	4,520.39
Generating Plant and Machinery	3,185.16	139.62	(0.09)	740.20	2,584.49
Plant and Machinery - Sub station	28.05	1.47	(10.08)	16.46	2.98
Plant and Machinery - Transmission lines	1.76	0.60	-	1.08	1.28
Plant and Machinery - Others	0.50	-	(0.49)	-	0.01
Water Supply System/Drainage and Sewerage	3.62	3.43	(0.12)	5.00	1.93
Other assets awaiting installation	9.38	29.83	(0.02)	26.75	12.44
Survey, investigation, consultancy and supervision charges	304.91	6.93	(0.24)	136.38	175.22
Expenditure on compensatory Afforestation	15.94	-	-	-	15.94
Expenditure Attributable to Construction **(Refer Note-32)**	7,516.80	850.17	-	1,085.42	7,281.55
Sub total	**19,548.07**	**1,606.19**	**(43.10)**	**5,510.90**	**15,600.26**
Less: Capital Work in Progress provided **(Refer Note 2.2.2)**	608.35	60.52	-	-	668.87
Sub total (a)	**18,939.72**	**1,545.67**	**(43.10)**	**5,510.90**	**14,931.39**

	As at 01.04.2018		Adjustment		As at 31.03.2019
Construction Stores	148.26		(40.44)		107.82
Less : Provisions for construction stores	1.24		1.17		2.41
Sub total (b)	**147.02**		**(41.61)**		**105.41**
TOTAL	**19,086.74**	**1,545.67**	**(84.71)**	**5,510.90**	**15,036.80**
Previous Year	17,587.59	1,891.31	33.37	425.53	19,086.74

Explanatory Note: -

2.2.1 Expenditure attributable to Construction (EAC) includes ₹ 365.33 Crore (Previous year ₹ 371.10 Crore) towards borrowing cost capitalised during the year. **(Also Refer Note-32)**.

2.2.2 Capital Work in Progress (CWIP) includes a cumulative expenditure of ₹ 1422.80 Crore (Previous Year ₹ 1290.74 Crore) on projects under Survey & Investigation stage. Of this, a sum of ₹ 43.52 Crore (Previous Year ₹ 43.52 Crore) pertains to Subansiri Upper Project, which had been decided by Government of Arunachal Pradesh to be handed over to a Private Developer. However, pending handing over of the project & recovery of expenditure incurred on it, the said amount remains provided for in the books as an abundant precaution. Out of the balance of ₹ 1379.28 Crore (Previous Year ₹ 1247.22 Crore) pertaining to projects with the company, a sum of ₹ 625.35 Crore (Previous Year ₹ 564.83 Crore) has been provided upto date where uncertainties are attached and ₹ 753.93 Crore (Previous Year ₹ 682.39 Crore), pertaining to other projects having reasonable certainty of getting clearance, is carried over. **(Also Refer Note 34(25), 34(26) and 34(28))**.

2.2.3 Siang Basin, Subansiri Basin & Dibang Multipurpose Projects were taken over from Brahmaputra Board. Pending settlement of accounts with Brahmaputra Board, assets and liabilities have been accounted for to the extent of amounts incurred by the Company on these projects. Siang Lower & Siyom HE Projects (in Siang Basin) & Subansiri Middle (in Subansiri Basin) have since been handed over to Private Developer and liability arising out of settlement of accounts with Brahmaputra Board towards these projects if any, is recoverable from respective Private Developers.

2.2.4 Underground Works amounting to ₹ 2172.97 Crore (Previous Year ₹ 5177.50 Crore) created on Land - Right to use, are included under respective heads of Capital Work in Progress (CWIP).

2.2.5 Refer Note no. 34(11) for information of non-current assets pledged with banks as security for related borrowings.

2.2.6 Capital Expenditure on projects approved by the competent authority undergoes revision over period of time as hydroelectric projects are time intensive and some takes longer period than envisaged. As a consequence the cost escalation occur, which requires approval of competent authority. Pending such approval the expenditure incurred is carried forward in Capital Work in Progress (CWIP).

2.2.7 Capital Work in Progress includes a cummulative expenditure of ₹ 6638.37 crore (Previous Year ₹ 6317.39 crore) in respect of Subansiri Lower Project where construction activities have been interrupted with effect from 16.12.2011 due to protest of anti-dam activists and the matter is pending with National Green Tribunal. **(Refer Note 34(23A)).**

2.2.8 Refer Note no. 34(5), 34(19), 34(27) and 34(29) of Consolidated Financial Statement.

NOTE NO. 2.2 CAPITAL WORK IN PROGRESS

(₹ in Crore)

Particulars	As at 01.04.2017	Addition	Adjustment	Capitalised	As at 31.03.2018
Roads and Bridges	92.92	10.57	-	4.93	98.56
Buildings	1,103.71	82.34	-	28.70	1,157.35
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	6,671.84	579.49	(0.01)	25.28	7,226.04
Generating Plant and Machinery	3,062.74	442.94	-	320.52	3,185.16
Plant and Machinery - Sub station	11.82	13.25	2.98	-	28.05
Plant and Machinery - Transmission lines	3.31	1.74	(2.98)	0.31	1.76
Plant and Machinery - Others	0.74	1.03	(0.62)	0.65	0.50
Water Supply System/Drainage and Sewerage	3.92	4.37	(0.82)	3.85	3.62
Other assets awaiting installation	2.15	48.09	(1.59)	39.27	9.38
Survey, investigation, consultancy and supervision charges	295.43	8.89	0.59	-	304.91
Expenditure on compensatory Afforestation	15.94	-	-	-	15.94
Expenditure Attributable to Construction **(Refer Note-32)**	6,793.95	724.87	-	2.02	7,516.80
Sub total	**18,058.47**	**1,917.58**	**(2.45)**	**425.53**	**19,548.07**
Less: Capital Work in Progress provided **(Refer Note 2.2.2)**	582.08	26.27	-	-	608.35
Sub total (a)	**17,476.39**	**1,891.31**	**(2.45)**	**425.53**	**18,939.72**

	As at 01.04.2017		Adjustment		As at 31.03.2018
Construction Stores	112.48		35.78		148.26
Less : Provisions for construction stores	**1.28**		**(0.04)**		**1.24**
Sub total (b)	**111.20**	**-**	**35.82**	**-**	**147.02**
TOTAL	**17,587.59**	**1,891.31**	**33.37**	**425.53**	**19,086.74**
Previous Year	16,741.60	1,804.59	(63.75)	894.85	17,587.59

Explanatory Note: -

2.2.1 Expenditure attributable to Construction (EAC) includes ₹ 371.10 Crore (Previous year ₹ 377.54 Crore) towards borrowing cost capitalised during the period. **(Also Refer Note-32**)

2.2.2 Capital Work in Progress (CWIP) includes a cumulative expenditure of ₹ 1290.74 Crore (Previous Year ₹ 1181.14 Crore) on projects under Survey & Investigation stage. Of this, a sum of ₹ 43.52 Crore (Previous Year ₹ 43.52 Crore) pertains to Subansiri Upper Project, which had been decided by Govt. of Arunachal Pradesh to be handed over to a Private Developer. However, pending handing over of the project & recovery of expenditure incurred on it, the said amount remains provided for in the books as an abundant precaution. Out of the balance of ₹ 1247.22 Crore (Previous Year ₹ 1134.80 Crore) pertaining to projects with the company, a sum of ₹ 564.83 Crore (Previous Year ₹ 538.56 Crore) has been provided upto date where uncertainties are attached and ₹ 682.39 Crore (Previous Year ₹ 599.15 Crore), pertaining to other projects having reasonable certainty of getting clearance, is carried over. **(Also Refer Note 34(25), 34(26) and 34(28))**

2.2.3 Siang Basin, Subansiri Basin & Dibang Multipurpose Projects were taken over from Brahmaputra Board. Pending settlement of accounts with Brahmaputra Board, assets and liabilities have been accounted for to the extent of amounts incurred by the Company on these projects. Siang Lower & Siyom HE Projects (in Siang Basin) & Subansiri Middle (in Subansiri Basin) have since been handed over to Private Developer and liability arising out of settlement of accounts with Brahmaputra Board towards these projects if any, is recoverable from respective Private Developers.

2.2.4 Underground Works amounting to ₹ 5177.50 Crore (Previous Year ₹ 4923.90 Crore) created on Land - Right to use, are included under respective heads of Capital Work in Progress (CWIP).

2.2.5 Refer Note no. 34(11) for information of non-current assets pledged with banks as security for related borrowings.

2.2.6 Capital Expenditure on projects approved by the competent authority undergoes revision over period of time as hydroelectric projects are time intensive and some takes longer period than envisaged. As a consequence the cost escalation occur, which requires approval of competent authority. Pending such approval the expenditure incurred is carried forward in Capital Work in Progress (CWIP).

2.2.7 Capital Work in Progress includes a cummulative expenditure of ₹ 6317.39 crore (Previous Year ₹ 5921.36 crore) in respect of Subansiri Lower Project where construction activities have been interrupted with effect from 16.12.2011 due to protest of anti-dam activists and the matter is pending with National Green Tribunal. **(Refer Note 34(23A))**

2.2.8 Refer Note no. 34(5) of Consolidated Financial Statement.

NOTE NO. 2.3 INVESTMENT PROPERTY

(₹ in Crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2018	Addition	Deduction	Adjustment	As at 31.03.2019	As at 01.04.2018	For the year	Adjustment	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
Land Freehold	4.49	-	-	-	4.49	-	-	-	-	4.49	4.49
Total	**4.49**	**-**	**-**	**-**	**4.49**	**-**	**-**	**-**	**-**	**4.49**	**4.49**
Previous Year	4.49	-	-	-	4.49	-	-	-	-	4.49	

2.3.1 Amounts recognised in profit or loss for investment property

(₹ in Crore)

PARTICULARS	For the year ended 31.03.2019	For the year ended 31.03.2018
Rental income	Nil	Nil
Direct operating expenses from property that generated rental income	Nil	Nil
Direct operating expenses from property that did not generate rental income	Nil	Nil

(₹ in Crore)

	As at 31.03.2019	As at 31.03.2018
2.3.2 Fair Value of investment property	53.58	53.58

2.3.3 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.

2.3.4 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 circle rates notified by the state govt. prevailing in the locality where property is situated.

NOTE NO. 2.3 INVESTMENT PROPERTY

(₹ in Crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2017	Addition	Deduction	Adjustment	As at 31.03.2018	As at 01.04.2018	For the year	Adjustment	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Land Freehold	4.49	-	-	-	4.49	-	-	-	-	4.49	4.49
Total	**4.49**	**-**	**-**	**-**	**4.49**	**-**	**-**	**-**	**-**	**4.49**	**4.49**
Previous Year	4.49	-	-	-	4.49	-	-	-	-	4.49	

2.3.1 Amounts recognised in profit or loss for investment property

(₹ in Crore)

PARTICULARS	For the year ended 31.03.2018	For the year ended 31.03.2017
Rental income	Nil	Nil
Direct operating expenses from property that generated rental income	Nil	Nil
Direct operating expenses from property that did not generate rental income	Nil	Nil

(₹ in Crore)

	As at 31.03.2018	As at 31.03.2017
2.3.2 Fair Value of investment property	53.58	53.58

2.3.3 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.

2.3.4 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 circle rates notified by the state govt. prevailing in the locality where property is situated.

NOTE NO.2.4 INTANGIBLE ASSETS

(₹ in Crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2018	Addition	Deduction	Adjustment	As at 31.03.2019	As at 01.04.2018	For the year	Adjustment	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
Land – Right to Use	2,099.38	9.53	-	(5.44)	2,103.47	182.10	65.59	0.89	248.58	1,854.89	1,917.28
Computer Software	9.50	0.85	-	-	10.35	8.09	1.25	-	9.34	1.01	1.41
Total	**2,108.88**	**10.38**	**-**	**(5.44)**	**2,113.82**	**190.19**	**66.84**	**0.89**	**257.92**	**1,855.90**	**1,918.69**
Previous Year	2,110.50	1.88	-	(3.50)	2,108.88	126.30	63.89	-	190.19	1,918.69	

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

ANNEXURE-I TO NOTE NO. 2.4 INTANGIBLE ASSETS

(₹ in Crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2018	Addition	Deduction	Adjustment	As at 31.03.2019	As at 01.04.2018	For the year	Adjustment	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
Land – Right to Use	2,452.79	9.53	-	(6.33)	2,455.99	535.51	65.59	-	601.10	1,854.89	1,917.28
Computer Software	47.68	0.85	0.33	(0.07)	48.13	46.27	1.25	(0.40)	47.12	1.01	1.41
Total	**2,500.47**	**10.38**	**0.33**	**(6.40)**	**2,504.12**	**581.78**	**66.84**	**(0.40)**	**648.22**	**1,855.90**	**1,918.69**
Previous Year	2,502.11	1.88	0.02	(3.50)	2,500.47	517.91	63.89	(0.02)	581.78	1,918.69	

NOTE NO.2.4 INTANGIBLE ASSETS

(₹ in Crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2017	Addition	Deduction	Adjustment	As at 31.03.2018	As at 01.04.2017	For the year	Adjustment	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Land – Right to Use	2,102.41	0.47	-	(3.50)	2,099.38	120.69	61.41	-	182.10	1,917.28	1,981.72
Computer Software	8.09	1.41	-	-	9.50	5.61	2.48	-	8.09	1.41	2.48
Total	**2,110.50**	**1.88**	**-**	**(3.50)**	**2,108.88**	**126.30**	**63.89**	**-**	**190.19**	**1,918.69**	**1,984.20**
Previous Year	1,971.14	139.41	0.04	(0.01)	2,110.50	61.81	64.51	(0.02)	126.30	1,984.20	

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

ANNEXURE-I TO NOTE NO. 2.4 INTANGIBLE ASSETS

(₹ in Crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2017	Addition	Deduction	Adjustment	As at 31.03.2018	As at 01.04.2017	For the year	Adjustment	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Land – Right to Use	2,455.82	0.47	-	(3.50)	2,452.79	474.10	61.41	-	535.51	1,917.28	1,981.72
Computer Software	46.29	1.41	0.02	-	47.68	43.81	2.48	(0.02)	46.27	1.41	2.48
Total	**2,502.11**	**1.88**	**0.02**	**(3.50)**	**2,500.47**	**517.91**	**63.89**	**(0.02)**	**581.78**	**1,918.69**	**1,984.20**
Previous Year	2,362.83	139.41	0.12	(0.01)	2,502.11	453.50	64.51	(0.10)	517.91	1,984.20	

NOTE NO. 2.5.1 : 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			% of Ownership interest		Carrying amount	
	Place of business	Accounting Method	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
National High Power Test Laboratory Private Limited (NHPTL) Joint Venture	**India**	Equity Method	20.00%	20.00%	26.08	27.83
Chenab Valley Power Projects (P) Limited. (CVPPL) Joint Venture	**India**	Equity Method	51.94%	55.39%	766.57	593.64
Total Equity accounted investments					**792.65**	**621.47**

Explanatory Note:

1. During the year, the company has further invested ₹ 165.19 crore & JKPDC has invested ₹ 222.55 crore in Chenab Valley Power Project Ltd. (CVPPL), as a result of which the company's shareholding decreased from 55.39% to 51.94%. CVPPL continues to be a Joint Venture owing to control exercised jointly with the other joint venturer, pursuant to the Joint Venture agreement.

NOTE NO. 2.5.2 : SHARE OF NET PROFIT/(LOSS) OF JOINT VENTURES ACCOUNTED FOR USING EQUITY METHOD

(₹ in Crore)

Name of entity	31-Mar-19	31-Mar-18
National High Power Test Laboratory Private Limited	(1.74)	(2.14)
Chenab Valley Power Projects (P) Limited.	6.98	2.06
TOTAL	**5.24**	**(0.08)**

NOTE NO. 2.5.3 : SHARE OF OTHER COMPREHENSIVE INCOME OF JOINT VENTURES ACCOUNTED FOR USING EQUITY METHOD

(₹ in Crore)

Name of entity	31-Mar-19	31-Mar-18
National High Power Test Laboratory Private Limited	(0.01)	0.01
Chenab Valley Power Projects (P) Limited.	-	-
TOTAL	**(0.01)**	**-**

Explanatory Note:

SUMMARISED FINANCIAL INFORMATION FOR JOINT VENTURES

The tables below provide summarised financial information for joint ventures of the group. The information disclosed reflects the amounts presented in the financial statements of the joint ventures. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

1. Summarised Balance Sheet

(₹ in Crore)

	NHPTL		CVPPL	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Current Assets				
Cash & Cash Equivalents	12.77	6.05	259.82	174.25
Other Assets	4.91	4.44	16.40	7.00
Total Current Assets	17.68	10.49	276.22	181.25
Total non-current assets	336.34	341.17	1,413.30	1,201.91
Total Assets (A)	**354.02**	**351.66**	**1,689.52**	**1,383.16**
Current Liabilities				
Financial Liabilities (excluding Trade payables)	58.58	24.00	118.74	123.37
Other Liabilities	2.07	55.57	89.50	115.52
Total current liabilities	60.65	79.57	208.24	238.89
Non-current liabilities				
Financial Liabilities (excluding trade payables)	162.81	132.81	0.72	0.14
Other liabilities	0.17	0.12	3.08	2.26
Total non-current liabilities	162.98	132.93	3.80	2.40
Total Liabilities (B)	**223.63**	**212.50**	**212.04**	**241.29**
Net Assets (A-B)	**130.39**	**139.16**	**1,477.48**	**1,141.87**
Less:-Share application money received pending allotment	**-**	**-**	**-**	**65.19**
Net Asset after adjusting share application money pending allotment	**130.39**	**139.16**	**1,477.48**	**1,076.68**

2. Reconciliation to Carrying Amounts

(₹ in Crore)

	NHPTL		CVPPL	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Opening Net Assets	139.16	149.84	1,076.68	945.37
Profit for the year	(8.72)	(10.72)	13.06	3.95
Other comprehensive income	(0.05)	0.04	-	-
Equity Contribution	-	-	387.74	127.36
Closing net assets	**130.39**	**139.16**	**1,477.48**	**1,076.68**
Group's share (in %)	20.00%	20.00%	51.94%	55.39%
Group's share	26.08	27.83	767.39	596.36
Goodwill / (Capital Reserve)	**-**	**-**	**1.14**	**(1.34)**
Carrying Amount	**26.08**	**27.83**	**768.53**	**595.02**
Less:-Unrealized profit on intra group transaction	**-**	**-**	**1.96**	**1.38**
Net Carrying amount	**26.08**	**27.83**	**766.57**	**593.64**

3. Summarised statement of Profit & Loss

(₹ in Crore)

	NHPTL		CVPPL	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Revenue	26.03	20.84	-	-
Interest Income	0.41	1.25	20.45	6.20
Depreciation & Amortisation	8.37	6.28	-	-
Interest Expense	15.83	14.80	-	-
Other Expenditure	10.96	11.73	1.43	0.54
Income Tax Expense	-	-	5.96	1.71
Profit from continuing operations	(8.72)	(10.72)	13.06	3.95
Profit for the year	(8.72)	(10.72)	13.06	3.95
Other Comprehensive income	(0.05)	0.04	-	-
Total Comprehensive Income	(8.77)	(10.68)	13.06	3.95

NOTE NO. 3.1 NON-CURRENT INVESTMENTS

	PARTICULARS	As at 31st March, 2019		As at 31st March, 2018	
		Number of shares/ bonds/ securities (in units)	Amount (₹ in Crore)	Number of shares/ bonds/ securities (in units)	Amount (₹ in Crore)
A.	**Quoted Equity Instruments - At Fair Value through Other Comprehensive Income (OCI)**				
	Bodies Corporate				
	Indian Overseas Bank (Fully Paid Up) (Face Value of ₹ 10/- each)	360800	0.52	360800	0.62
	PTC India Ltd. (Fully Paid Up) (Face Value of ₹ 10/- each)	12000000	88.14	12000000	104.52
Total (A)			**88.66**		**105.14**
B	**Quoted Debt Instruments - At Fair Value through Other Comprehensive Income (OCI))**				
(a)	**Investment In Government Securities**				
	8.35% SBI Right Issue GOI Special Bonds 2024 (Per Unit Value of ₹ 10000/- each)	150000	157.11	150000	154.21
	8.20% Oil Marketing Companies GOI Special Bonds 2024 (Per Unit Value of ₹ 10000/- each)	12380	12.90	12380	12.64
	8.28% GOI 2027 (Per Unit Value of ₹ 10000/- each)	57000	59.77	57000	59.17
	8.26% GOI 2027 (Per Unit Value of ₹ 10000/- each)	17940	18.76	17940	18.62
	8.28% GOI 203 (Per Unit Value of ₹ 10000/- each)	35000	36.89	35000	36.66
	8.32% GOI 2032 (Per Unit Value of ₹ 10000/- each)	34000	35.99	34000	35.75
Sub-total (a)			**321.42**		**317.05**

PARTICULARS	As at 31st March, 2019		As at 31st March, 2018	
	Number of shares/ bonds/ securities (in units)	Amount (₹ in Crore)	Number of shares/ bonds/ securities (in units)	Amount (₹ in Crore)
(b) In 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	13.89	120	13.89
8.12% REC Tax Free Bonds 27.03.2027 (Per Unit Value of ₹ 1000/- each)	100000	11.83	100000	11.31
8.48% NHAI Tax Free 22.11.2028 (Per Unit Value of ₹ 10,00,000/- each)	473	54.40	473	55.90
Sub-total (b)		**80.12**		**81.10**
Total (B) (a+b)		**401.54**		**398.15**
Total (A+B)		**490.20**		**503.29**
3.1.1 (i) Aggregate amount of quoted investments		381.95		381.95
(ii) Aggregate market value of quoted investments		490.20		503.29
(iii) Aggregate amount of unquoted investments		-		-

3.1.2 Investment in Government Securities at cost of ₹ 165.50 Crore (Previous Year ₹ 150 crore) is earmarked as security against ₹ 165.42 Crore (Previous Year ₹ 146.98 crore) being 15 percent of total redemption value of Debenture maturing during the Financial Year 2019-2020.

3.1.3 Particulars of investments as required in terms of section 186(4) of Companies Act 2013 have been disclosed under Note 3.1 above.

3.1.4 Quoted Investments in respect of debt instruments for which quotations are not available, market value has been considered based on the value published by Fixed Income Money Market and Derivatives Association of India (FIMMDA).

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

(₹ in Crore)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Trade Receivables - Considered Good- Unsecured	61.51	306.57
Total	**61.51**	**306.57**

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

(₹ in Crore)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
At Amortised Cost		
A Deposits		
- Considered good- Unsecured	23.52	20.09
Sub-total	**23.52**	**20.09**
B Loans to Employees (Refer Note 3.3.1)		
- Considered good- Secured	123.85	133.15
- Considered good- Unsecured	2.71	2.26
Sub-total	**126.56**	**135.41**
C Loan including Interest to Government of Arunachal Pradesh (Refer Note 3.3.2 and 3.3.4)		
- Considered good- Unsecured	620.00	568.81
	620.00	**568.81**
TOTAL	**770.08**	**724.31**

(₹ in Crore)

PARTICULARS		As at 31st March, 2019	As at 31st March, 2018
3.3.1	Due from directors or other officers of the company	Nil	0.01
3.3.2	Loan to Government of Arunachal Pradesh includes :		
	- Principal	225.00	225.00
	- Interest	395.00	343.81

3.3.3 Loans are non-derivative financial assets which generate a fixed or variable interest income for the company. The Carrying value may be affected by the changes in the credit risk of the counterparties.

3.3.4 Represents Loans granted for business purpose.

3.3.5 Refer Note 34(17) of the Consolidated Financial Statement with regard to confirmation of balances.

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

(₹ in Crore)

PARTICULARS		As at 31st March, 2019	As at 31st March, 2018
A.	Bank Deposits with more than 12 Months Maturity	77.32	35.15
B.	Lease Rent receivable **(Refer Note 3.4.1 and 34(18(C))**	5,355.41	5,399.44
C.	Amount Recoverable on account of Bonds Fully Serviced by Government of India **(Refer Note 3.4.2 and 11(I))**		
	- Principal	2,017.20	-
D.	Interest accrued on:		
	- Bank Deposits with more than 12 Months Maturity	3.61	1.37
E.	Share Application Money Pending Allotment (Chenab Valley Power Projects Private Limited)- Joint Venture	-	65.19
	TOTAL	**7,453.54**	**5,501.15**

3.4.1 Refer Note No. 34 (11) for receivable mortgaged/hypothecated as security.

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

3.4.3 Refer Note 34(17) of the Consolidated Financial Statement with regard to confirmation of balances.

NOTE NO. 4 NON-CURRENT TAX ASSETS (NET)

(₹ in Crore)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Advance Income Tax including Tax Deducted at Source	1,843.70	1,365.40
Less: Provision for Current Tax	1,697.83	1,150.87
Total	**145.87**	**214.53**

NOTE NO. 5 OTHER NON-CURRENT ASSETS

(₹ in Crore)

PARTICULARS		As at 31st March, 2019	As at 31st March, 2018
A.	**CAPITAL ADVANCES**		
	- Considered good- Secured	1.22	12.20
	- Considered good- Unsecured		
	- Against bank guarantee	255.49	280.73
	- Others **(Refer Note 5.1)**	244.00	357.49
	Less : Expenditure booked pending utilisation certificate	42.68	2.17
	- Considered doubtful- Unsecured	4.50	4.50
	Less : Allowances for doubtful advances **(Refer Note 5.2)**	4.50	4.50
	Sub-total	**458.03**	**648.25**
B.	**ADVANCES OTHER THAN CAPITAL ADVANCES**		
i)	**DEPOSITS**		
	- Considered good- Unsecured	0.53	15.51
	Less : Expenditure booked against demand raised by Government Departments	-	15.29
	- Considered doubtful- Unsecured	0.04	0.04
	Less : Allowances for Doubtful Deposits **(Refer Note 5.3)**	0.04	0.04
	Sub-total	**0.53**	**0.22**
ii)	**Other advances**		
	- Considered good- Unsecured	0.83	0.49
	Sub-total	**0.83**	**0.49**
C.	**Others**		
i)	**Advance against arbitration awards towards capital works (Unsecured)**		
	Released to Contractors - Against Bank Guarantee	617.39	536.06
	Released to Contractors - Others	34.61	-
	Deposited with Court	334.24	-
	Sub-total	**986.24**	**536.06**
ii)	**Deferred Foreign Currency Fluctuation Assets/Expenditure**		
	Deferred Foreign Currency Fluctuation Assets	398.56	432.68
	Deferred Expenditure on Foreign Currency Fluctuation	130.91	133.02
	Sub-total	**529.47**	**565.70**
iii)	**Deferred Cost on Employees Advances**		
	Secured - Considered Good	58.77	59.16
	Unsecured - Considered Good	0.24	6.06
	Sub-total	**59.01**	**65.22**
	TOTAL	**2,034.11**	**1,815.94**

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

(₹ in Crore)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
5.2 Allowances for doubtful Advances		
Opening Balance	4.50	4.50
Closing balance	**4.50**	**4.50**
5.3 Allowances for doubtful Deposits		
Opening Balance	0.04	0.04
Closing balance	**0.04**	**0.04**

5.4 Refer Note 34(17) of the Consolidated Financial Statement with regard to confirmation of balances.

NOTE NO. 6 INVENTORIES

(₹ in crore)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
(Valued at lower of Cost or Net Realisable Value)		
Stores and spares	123.51	102.39
Stores in transit/ pending inspection	2.06	2.81
Loose tools	2.43	2.06
Scrap inventory	0.43	1.49
Material at site	4.96	-
Material issued to contractors/ fabricators	0.02	4.99
Less: Allowances for Obsolescence & Diminution in Value **(Refer Note 6.1)**	8.23	9.06
TOTAL	**125.18**	**104.68**
6.1 Allowances for Obsolescence & Diminution in Value		
Opening Balance	9.06	9.98
Addition during the year **(Refer Note 6.1.1)**	0.87	0.40
Used during the year	0.38	1.11
Reversed during the year	1.32	0.21
Closing balance	**8.23**	**9.06**
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.	0.87	0.40

NOTE NO. 7 FINANCIAL ASSETS - CURRENT - TRADE RECEIVABLES

(₹ in crore)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
- Trade Receivables- Considered Good- Unsecured	2,838.00	1,346.04
- Trade Receivables- Credit Impaired	37.71	37.71
Less: Impairment allowances for Trade Receivables **(Refer Note 7.1)**	37.71	37.71
TOTAL	**2,838.00**	**1,346.04**

(₹ in crore)

	PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
7.1	**Impairment allowances for Trade Recevables**		
	Opening Balance	37.71	54.40
	Addition during the year	-	1.93
	Used during the year	-	18.35
	Reversed during the year	-	0.27
	Closing balance	**37.71**	**37.71**
7.2	Debt due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director of the Company is a partner or a director or a member.	Nil	Nil
7.3	Debt due by subsidiaries/ Joint Ventures and others related parties of the company at Note 7.2 above.	Nil	Nil
7.4	Trade Receivables Unsecured - considered good includes dues agreed for deferment receivable in equated monthy instalments along-with applicable interest, as per agreement.	120.89	152.04

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(17) of the Consolidated Financial Statement with regard to confirmation of balances.

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

(₹ in crore)

PARTICULARS		As at 31st March, 2019	As at 31st March, 2018
A	**Balances with banks**		
	With scheduled banks		
	i) In Current Account **(Refer Note 8.2)**	43.70	19.05
	ii) In Deposits Account		
	(Deposits with original maturity of less than three months)	-	1.46
B	Cheques, drafts on hand	0.01	-
C	Cash on hand **(Refer Note 8.1)**	0.01	0.03
	TOTAL	**43.72**	**20.54**
8.1	Includes stamps on hand	0.01	0.01
8.2	Includes Balances which are not freely available for the business of the Company		
	(i) held for works being executed by Company on behalf of other agencies.	18.18	0.22
	(ii) NHPC Emergency relief fund created in pursuance of order of Hon'ble High Court of Sikkim.	0.50	-

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

(₹ in crore)

	PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
A	Bank Deposits for original maturity more than 3 months upto 12 months **(Refer Note 9.1)**	2,095.44	3,193.58
B	Deposit -Unpaid Dividend	19.17	18.16
C	Deposit -Unpaid Interest	86.92	86.78
	TOTAL	**2,201.53**	**3,298.52**
9.1	Includes Balances:		
	i) held for works being executed by Company on behalf of other agencies and are not freely available for the business of the Company	253.82	250.49
	ii) under lien with banks for availing short term borrowings, which is not freely available for the business of the Company	10.00	-
	iii) representing deposit by Oustees towards Land for Land in respect of Omkareshwar Project, which is not freely available for the business of the Company.	2.64	2.64
	iv) under lien with banks as per orders of Hon'ble Court of Law, which is not freely available for the business of the Company	7.89	11.12

NOTE NO. 10 FINANCIAL ASSETS - CURRENT - LOANS

(₹ in crore)

	PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
	Deposits		
	- Unsecured (considered good)	0.62	1.17
	Sub-total	**0.62**	**1.17**
	Loan (including interest thereon) to Related Party -Considered-Unsecured Good (Refer Note 34(10))		
	- National High Power Test Laboratory (P) Limited	6.00	6.00
	Sub-total	**6.00**	**6.00**
	Employees Loan (including accrued interest) **(Refer Note 10.2)**		
	- Loans Receivables- Considered good- Secured	17.62	20.09
	- Loans Receivables- Considered good- Unsecured	24.57	25.35
	- Loans Receivables which have significant increase in Credit Risk	0.01	0.03
	Less : Impairment allowances for loans which have significant increase in Credit Risk **(Refer Note 10.1)**	0.01	0.03
	Sub-total	**42.19**	**45.44**
	TOTAL	**48.81**	**52.61**
10.1	**Impairment allowances for loan which have significant increase in Credit Risk**		
	Opening Balance	0.03	0.03
	Reversed during the year	0.02	-
	Closing balance	**0.01**	**0.03**
10.2	Loan & Advances due from directors or other officers of the company at the end of the year.	0.08	0.11
10.3	Advance due by firms or private companies in which any Director of the Company is a Director or member .	Nil	Nil

10.4 Particulars of Loans as required in terms of section 186(4) of Companies Act 2013 have been disclosed under Note 10 above.

10.5 Refer Note 34(17) of the Consolidated Financial Statement with regard to confirmation of balances.

NOTE NO. 11 FINANCIAL ASSETS - CURRENT - OTHERS

(₹ in crore)

	PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
A)	Claims recoverable	543.11	619.93
	Less: Allowances for Doubtful Claims **(Refer Note 11.1)**	203.43	210.41
	Sub-total	**339.68**	**409.52**
B)	Interest Income accrued on Bank Deposits	60.16	116.21
C)	Receivable on account of unbilled revenue **(Refer Note 11.2)**	1,524.14	796.16
D)	Receivable from Subsidiaries / Joint Ventures **(Refer Note 11.3)**	95.46	104.75
E)	Interest recoverable from beneficiaries	2.79	5.32
F)	Lease Rent receivable (Finance Lease)	213.86	178.63
G)	Interest receivable on Finance lease	-	18.92
H)	Interest Accrued on Investments (Bonds)	2.52	2.52
I)	Interest accrued on account of Bonds Fully Serviced by Government of India **(Refer 3.4(C))**	4.49	
	TOTAL	**2,243.10**	**1,632.03**
11.1	**Allowances for Doubtful Claims**		
	Opening Balance	210.41	209.26
	Addition during the year	4.84	3.36
	Adjustment	(1.75)	-
	Used during the year	0.22	0.01
	Reversed during the year	9.85	2.20
	Closing balance	**203.43**	**210.41**
11.2	**Represents receivable on account of :**		
	Grossing up of Return on Equity	53.15	37.23
	Water Cess	264.34	160.92
	Unbilled sale for the month of March	455.15	389.50
	Annual Fixed Charges pending revision/ approval -Chamera-III Power Station	2.83	2.83
	Annual Fixed Charges pending revision/ approval-Sewa-II Power Station	214.04	-
	Annual Fixed Charges pending revision/ approval -Parbati-III Power Station	16.11	-
	Energy Shortfall	151.75	-
	Saving due to refinancing & Bond Issue Expenses	(58.77)	(18.14)
	Tax adjustment including Deferred Tax Materialized	128.10	138.70
	Annual Fixed Charges pending revision/ approval-TLDP-IV Power Station	93.43	-
	Additional Impact of Goods and Services Tax	55.83	-
	Foreign Exchange Rate Variation	93.67	66.05
	Operation & Maintenance Expenses - Bairasiul	40.14	-
	Others	14.37	19.07
	TOTAL	**1,524.14**	**796.16**

11.3 Receivable from Subsidiaries / Joint ventures includes claim of the company towards capital expenditure incurred on Kiru & Kawar HE Projects which have been transferred to M/s Chenab Valley Power Projects Private Limited (a joint venture company of NHPC Limited, Jammu and Kashmir State Power Development Corporation and PTC India Limited).

11.4 Claims recoverable (at 'A' above) includes a sum of ₹ 22.00 crore (As on 31.03.2018 ₹ 26.43 crore) due from Govt. of Madhya Pradesh as per details in Other Explanatory Notes to Accounts (Refer Note 34(7)). Further it includes a sum of ₹ NIL (As on 31.03.2018 ₹ 0.08 crore) towards TDS recoverable and duplicate payments recoverable from oustees of ₹ 0.03 crore (As on 31.03.2018 ₹ 0.12 crore) already provided for.

11.5 Refer Note 34(17) of the Consolidated Financial Statement.

NOTE NO. 12 CURRENT TAX ASSETS (NET)

(₹ in crore)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Current Tax Assets		
Current Tax **(Refer Note No. 23)**	111.85	0.40
Total	**111.85**	**0.40**

NOTE NO. 13 OTHER CURRENT ASSETS

(₹ in crore)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
A. Advances other than Capital Advances		
a) Deposits		
- Considered good- Unsecured	93.82	122.70
Less : Expenditure booked against demand raised by Government Departements	0.10	0.10
- Considered doubtful- Unsecured	0.01	-
Less : Allowances for Doubtful Deposits **(Refer Note 13.1)**	0.01	-
Sub-total	**93.72**	**122.60**
b) Advance to contractor / supplier		
- Considered good- Secured	0.14	1.13
- Considered good- Unsecured		
– Against bank guarantee	13.30	15.43
– Others	25.64	26.16
Less : Expenditure booked pending utilisation certificate	0.14	0.45
- Considered doubtful- Unsecured	45.52	45.52
Less : Allowances for doubtful advances **(Refer Note 13.2)**	45.52	45.52
Sub-total	**38.94**	**42.27**
c) Other advances - Employees		
- Considered good- Unsecured	0.90	0.77
Sub-total	**0.90**	**0.77**
d) Interest accrued		
Others		
- Considered Good	11.05	9.78
- Considered Doubtful	108.90	104.11
Less: Allowances for Doubtful Interest **(Refer Note 13.3)**	108.90	104.11
Sub-total	**11.05**	**9.78**
B. Others		
a) Expenditure awaiting adjustment	37.06	37.06
Less: Allowances for project expenses awaiting write off sanction **(Refer Note 13.4)**	37.06	37.06
Sub-total	**-**	**-**
b) Losses awaiting write off sanction/pending investigation	39.25	38.96
Less: Allowances for losses pending investigation/awaiting write off / sanction **(Refer Note 13.5)**	39.25	38.96
Sub-total	**-**	**-**
c) Prepaid Expenditure	102.32	83.87
d) Deferred Cost on Employees Advances		
- Considered good- Secured	5.86	6.26
- Considered good- Unsecured	0.10	0.06

(₹ in crore)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
e) Deferred Foreign Currency Fluctuation		
Deferred Foreign Currency Fluctuation Assets	30.83	66.36
Deferred Expenditure on Foreign Currency Fluctuation	7.93	7.93
f) Surplus / Obsolete Assets **(Refer Note 13.8)**	3.66	1.81
g) Goods and Services Tax Input Receivable	13.82	5.96
h) Income Tax Refundable	40.19	-
i) Others (Mainly on account of Material Issued to Contractors)	23.41	10.61
TOTAL	**372.73**	**358.28**
13.1 Allowances for Doubtful Deposits		
Opening Balance	-	-
Addition during the year	0.01	-
Closing balance	**0.01**	**-**
13.2 Allowances for doubtful advances (Contractors and Suppliers)		
Opening Balance	45.52	45.52
Closing balance	**45.52**	**45.52**
13.3 Allowances for Doubtful Accrued Interest		
Opening Balance	104.11	84.32
Addition during the year	19.44	19.79
Reversed during the year	14.65	-
Closing balance	**108.90**	**104.11**
13.4 Allowances for project expenses awaiting write off sanction		
Opening Balance	37.06	37.06
Closing balance	**37.06**	**37.06**
13.5 Allowances for losses pending investigation/ awaiting write off / sanction		
Opening Balance	38.96	40.03
Addition during the year	0.15	0.36
Adjustment	1.75	-
Used during the year	0.37	0.82
Reversed during the year	1.24	0.61
Closing balance	**39.25**	**38.96**
13.6 Loans and Advances due from Directors or other officers at the end of the year.	Nil	Nil
13.7 Advance due by Firms or Private Companies in which any Director of the Company is a Director or member.	Nil	Nil

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

13.9 Refer Note 34(17) of the Consolidated Financial Statement with regard to confirmation of balances.

NOTE NO. 14 REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES

(₹ in crore)

	PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
A	**Regulatory Deferral Account Balances in respect of Subansiri Lower Project**		
	Opening Balance	3,172.81	2,697.99
	Addition during the year **(Refer Note 31)**	94.53	474.82
	Closing balance	**3,267.34**	**3,172.81**
B	**Wage Revision as per 3rd Pay Revision Committee**		
	Opening Balance	450.50	214.93
	Addition during the year (through Statement of Profit and Loss) **(Refer Note 31)**	220.43	259.25
	Addition during the year (through Other Comprehensive Income)	-	(23.68)
	Closing balance	**670.93**	**450.50**
C	**Kishanganga Power Station:-Differential Depreciation due to Moderation of Tariff**		
	Opening Balance	-	-
	Addition during the year **(Refer Note 31)**	171.98	-
	Closing balance	**171.98**	**-**
D	**Exchange Differences on Monetary Items**		
	Opening Balance	(0.40)	(2.50)
	Addition during the year **(Refer Note 31)**	(0.57)	2.10
	Closing balance	**(0.97)**	**(0.40)**
E	**Adjustment against Deferred Tax Recoverable for tariff period upto 2009**		
	Opening Balance	2,186.70	2,324.20
	Used during the year **(Refer Note 31)**	151.88	-
	Reversed during the year	-	137.50
	Closing balance	**2,034.82**	**2,186.70**
F	**Adjustment against Deferred Tax Liabilities for tariff period 2014-2019.**		
	Opening Balance	326.11	796.40
	Addition during the year **(Refer Note 31)**	508.93	(470.29)
	Closing balance	**835.04**	**326.11**
	Closing Balance (I)=(A+B+C+D+E+F)	**6,979.14**	**6,135.72**
	Less: Deferred Tax on Regulatory Deferral Account Balances	(340.62)	(100.77)
	Add: Deferred Tax recoverable from beneficiaries	(340.62)	(100.77)
	Total (II)	**-**	**-**
	Regulatory Deferral Account Balances net of Deferred Tax (I-II)	**6,979.14**	**6,135.72**

Note : Refer Note 34(19) and 34(23) of Consolidated Financial Statement. Also refer Note 35 for restatement of Regulatory Deferral Account balances.

NOTE : 15.1 EQUITY SHARE CAPITAL

PARTICULARS		As at 31st March, 2019		As at 31st March, 2018	
		Number	Amount (₹ in crore)	Number	Amount (₹ in crore)
a)	Authorized Share Capital (Par value per share ₹ 10)	15000000000	15,000.00	15000000000	15,000.00
b)	Equity shares issued, subscribed and fully paid (Par value per share ₹ 10)	10045034805	10,045.03	10259320519	10,259.32

15.1.1 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:

	As at 31st March, 2019		As at 31st March, 2018	
	Number	Amount (₹ in crore)	Number	Amount (₹ in crore)
Balance as at 1 April	10259320519	10,259.32	10259320519	10,259.32
Less: Buyback of shares during the year	214285714	214.29	-	-
Balance as at 31 March	10045034805	10,045.03	10259320519	10,259.32

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 respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate: Nil (Previous Year-Nil)

15.1.4 Shares in the company held by each shareholder holding more than 5 percent specifying the number of shares held : -

	As at 31st March, 2019		As at 31st March, 2018	
	Number	In (%)	Number	In (%)
- President of India	7365964993	73.33%	7587481082	73.96%
- Life Insurance Corporation of India Limited	734379599	7.31%	734379599	7.16%

15.1.5 811347977 equity shares of ₹ 10 each were bought back during the period of five years immediately preceding the date of Balance Sheet.

15.1.6 The Company has completed buy back of 21,42,85,714 equity shares of ₹ 10 each from the shareholders on 22nd January 2019, on proportionate basis by way of tender offer at a price of ₹ 28 per equity share for an aggregate amount of ₹ 600 crore. Consequent to the said buy-back, the equity share capital of the company has been reduced by ₹ 214.29 crore and Capital Redemption Reserve of an equivalent amount has therefore been created as per the extant provision of the Companies Act 2013.

NOTE NO. 15.2 OTHER EQUITY

(₹ in crore)

	PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
(i)	**Capital Redemption Reserve**		
	As per last Balance Sheet	2,041.42	2,041.42
	Add: Transfer from General Reserve	214.29	-
	As at Balance Sheet date	**2,255.71**	**2,041.42**
(ii)	**Securities Premium**		
	As per Last Balance Sheet	242.81	242.81
	Less: Utilisation for buy-back of equity shares	242.81	-
	As at Balance Sheet date	**-**	**242.81**
(iii)	**Bond Redemption Reserve**		
	As per last Balance Sheet	2,129.55	1,609.27
	Add: Transfer from Surplus/Retained Earnings	-	668.45
	Add: Transfer to General Reserve	308.77	-
	Less: Write back during the year	244.97	148.17
	As at Balance Sheet date	**2,193.35**	**2,129.55**
(iv)	**Corporate Social Responsibility Fund**		
	As per last Balance Sheet	23.29	24.31
	Less: Write back during the year	11.91	1.04
	Adjustments	-	0.02
	As at Balance Sheet date	**11.38**	**23.29**
(v)	Research & Development Fund		
	As per last Balance Sheet	16.97	60.87
	Less: Write back during the year	16.97	43.90
	As at Balance Sheet date	**-**	**16.97**
(vi)	**General Reserve**		
	As per last Balance Sheet	10,224.43	10,224.43
	Add: Transfer from Surplus/Retained Earnings	1,547.44	-
	Add: Transfer from Research & Development Fund	8.66	-
	Less: Transfer to Capital Redemption Reserve	214.29	-
	Less: Utilization for Buyback of Equity Shares and related expenses **(Refer Note 15.1.6 & 29)**	149.10	-
	As at Balance Sheet date	**11,417.14**	**10,224.43**

(₹ in crore)

PARTICULARS		As at 31st March, 2019	As at 31st March, 2018
(vii)	Surplus/Retained Earnings		
	As per last Balance Sheet	4,982.91	4,430.92
	Add: Profit during the year	2,595.61	2,513.90
	Add: Other Comprehensive Income during the year	1.56	20.40
	Add: Amount written back from Bond Redemption Reserve	244.97	148.18
	Add: Amount written back from Corporate Social Responsibility Fund	6.09	0.53
	Add: Amount written Back from Research & Development Fund	-	43.89
	Less: Dividend (Final and Interim) **(Refer Note 33(3)(C))**	1,000.46	1,506.46
	Less: Tax on Dividend **(Refer Note 33(3)(C))**	205.65	-
	Less: Transfer to Bond Redemption Reserve	308.77	668.45
	Less: Transfer to General Reserve	1,547.44	-
	As at Balance Sheet date	**4,768.82**	**4,982.91**
(viii)	**FVTOCI-Equity Instruments**		
	As per last Balance Sheet	92.78	100.08
	Add: Change in Fair value of FVTOCI	(16.48)	(7.30)
	As at Balance Sheet date	**76.30**	**92.78**
(ix)	**FVTOCI-Debt Instruments**		
	As per last Balance Sheet	27.71	34.68
	Add: Change in Fair value of FVTOCI	2.37	(9.09)
	Less: Deferred Tax on change in Fair Value	-	(2.12)
	As at Balance Sheet date	**30.08**	**27.71**
	TOTAL	**20,752.78**	**19,781.87**

Nature and Purpose of Reserves

(i) **Capital Redemption Reserve :** The company is required to create a capital redemption reserve from distributable profit if the buy-back of shares is out of free reserves. The nominal value of the shares so bought back is required to be transferred to capital redemption reserve.

(ii) **Securities Premium :** Securities Premium represents the amount received in excess of par value of securities. Section 52 of Companies Act, 2013 specify restriction and utilisation of security premium.

(iii) **Bond Redemption Reserve :** The company is required to create a bond redemption reserve out of the profits which is available for the purpose of redemption of bonds.

(iv) **Corporate Social Responsibility Fund** has been created by NHDC Limited, a subsidiary company of the Group to fund unutilized budget on CSR activities of earlier years.

(v) **Research and development Fund** was created in earlier years for funding the Research and Development budget. During the year, the Research and Development Fund created by NHDC Limited, a subsidiary company of the group has been merged with Surplus/Retained Earnings.

(vi) **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.

(vii) **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.

(viii) **FVTOCI-Equity Instruments :** The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed.

(ix) **FVTOCI-Debt Instruments :** The Company has elected to recognise changes in the fair value of certain investments in debt securities in other comprehensive income. This reserve represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income. The Company transfers amounts from this reserve to retained earnings when the relevant debt securities are disposed.

Note No. 15.3 : NON-CONTROLLING INTERESTS (NCI)

(₹ in crore)

Name of Subsidiaries	As at 31st March, 2019	As at 31st March, 2018
NHDC Limited	2,827.02	2,893.56
Loktak Downstream Hydroelectric Corporation Ltd. (LDHCL)	35.74	35.64
Bundelkhand Saur Urja Pvt. Ltd. (BSUL)	5.71	5.71
TOTAL	**2,868.47**	**2,934.91**

Explanatory Note:

a) INTERESTS IN OTHER ENTITIES

The group's subsidiaries at 31st March 2019 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-19	31-Mar-18	31-Mar-19	31-Mar-18	
		%	%	%	%	
NHDC Limited	India	51.08	51.08	48.92	48.92	Electricity generation
Loktak Downstream Hydroelectric Corporation Ltd. (LDHCL)	India	74.00	74.00	26.00	26.00	Electricity generation
Bundelkhand Saur Urja Pvt. Ltd. (BSUL)	India	99.99	99.99	0.01	0.01	Electricity generation

b) Non-Controlling Interest (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

(₹ in crore)

Particulars	NHDC Limited		Loktak Downstream Hydroelectric Corporation Ltd.		Bundelkhand Saur Urja Pvt. Ltd.	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Current Assets	2,397.60	2,359.75	5.05	13.00	11.89	11.57
Current Liabilities	358.87	408.45	7.16	7.72	12.85	1.66
Net Current Assets	**2,038.73**	**1,951.30**	**(2.11)**	**5.28**	**(0.96)**	**9.91**
Non-current Assets	5,155.99	5,463.30	139.58	131.80	9.56	8.88
Regulatory Deferral Account Balance	486.53	466.51	-	-	-	-
Non-current Liabilities	1,891.41	1,926.36	-	-	-	10.00
Net Non-current Assets	**3,751.11**	**4,003.45**	**139.58**	**131.80**	**9.56**	**(1.12)**
Net Assets	**5,789.84**	**5,954.75**	**137.47**	**137.08**	**8.60**	**8.79**
Share Application money pending allotment	-	-	-	-	5.71	5.71
Earmarked Reserves	11.38	40.27	-	-	-	-
Total of Non Controlling Interest	**2,827.02**	**2,893.56**	**35.74**	**35.64**	**5.71**	**5.71**

c) **Summarised statement of profit and loss**

(₹ in crore)

Particulars	NHDC Limited		Loktak Downstream Hydroelectric Corporation Ltd.		Bundelkhand Saur Urja Pvt. Ltd.	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Revenue	1,037.30	1,056.68	0.93	1.00	0.02	0.04
Profit/(Loss) for the year	470.69	487.31	0.39	0.64	(0.20)	(0.52)
Regulatory Deferral Income	20.02	65.87	-	-	-	-
Other Comprehensive income	(0.25)	0.47	-	-	-	-
Total Comprehensive income	**490.46**	**553.65**	**0.39**	**0.64**	**(0.20)**	**(0.52)**
Profit allocated to NCI	240.08	270.64	0.10	0.17	-	-
Dividends (including DDT) paid to NCI	320.63	724.58	-	-	-	-

d) **Summarised Cash Flows**

(₹ in crore)

Particulars	NHDC Limited		Loktak Downstream Hydroelectric Corporation Ltd.		Bundelkhand Saur Urja Pvt. Ltd.	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Cash flows from operating activities	403.91	916.46	(0.44)	(0.02)	0.98	(1.54)
Cash flows from investing activities	230.50	563.97	0.57	(0.02)	(0.66)	(1.26)
Cash flows from financing activities	(635.44)	(1,480.69)	-	-	-	3.00
Net increase /(decrease) in cash and cash equivalents	**(1.03)**	**(0.26)**	**0.13**	**(0.04)**	**0.32**	**0.20**

NOTE NO. 16.1 FINANCIAL LIABILITIES - NON-CURRENT - BORROWINGS

(₹ in crore)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
At Amortised Cost		
- Secured Loan		
• Bond	11,635.59	11,238.39
• Term Loans	-	
- From Banks	200.00	20.00
- From Other	840.34	1,206.67
- Unsecured Loan		
• Term Loan		
- From Government of India (Subordinate Debts)	3,352.83	3,163.79
- From Other	1,015.87	1,099.35
TOTAL	**17,044.63**	**16,728.20**

16.1.1 Debt Covenants : Refer Note no. 33(3) with regard to Capital Management.

16.1.2 Particulars of Redemption, Repayments and Securities.

16.1.2

(₹ in crore)

16.1.2.A Particulars of redemptions, repayments and Securities	As at 31st March, 2019	As at 31st March, 2018
(A). BONDS (Non-convertible and Non-cumulative)-Secured		
i) TAX FREE BONDS- 3A SERIES (Refer Note 16.1.2.B(3&6))	336.07	336.07
(8.67% p.a. 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2033)		
ii) TAX FREE BONDS- 3B SERIES (Refer Note 16.1.2.B(3&6))	253.62	253.62
(8.92% p.a. 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2033)		
iii) BONDS- U SERIES (Refer Note 16.1.2.B(2&7))	540.00	540.00
(8.24% p.a. 15 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹ 10,00,000/- each). (Date of redemption 27.06.2031)		
iv) BONDS- U1 SERIES (Refer Note 16.1.2.B(2&7))	360.00	360.00
(8.17% p.a. 15 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹ 10,00,000/- each). (Date of redemption 27.06.2031)		
v) TAX FREE BONDS- 2A SERIES (Refer Note 16.1.2.B(3&6))	213.12	213.12
(8.54% p.a. 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2028)		
vi) TAX FREE BONDS- 2B SERIES (Refer Note 16.1.2.B(3&6))	85.61	85.61
(8.79% p.a. 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2028)		
vii) TAX FREE BONDS- 1A SERIES (Refer Note 16.1.2.B(3&6))	50.81	50.81
(8.18% p.a. 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2023)		
viii) TAX FREE BONDS- 1B SERIES (Refer Note 16.1.2.B(3&6))	60.77	60.77
(8.43% p.a. 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2023)		
ix) BONDS-W2 SERIES (Refer Note 16.1.2.B(10))	750.00	750.00
(7.35% p.a. 10 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹ 50,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond). (5 Yearly redemptions of ₹ 150.00 crore each w.e.f. 15.09.2023 to 15.09.2027)		
x) BONDS-V2 SERIES (Refer Note 16.1.2.B(3))	1,475.00	1,475.00
(7.52% p.a. 10 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹ 50,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond). (5 Yearly redemptions of ₹ 295.00 crore each w.e.f. 06.06.2023 to 06.06.2027)		

(₹ in crore)

16.1.2.A Particulars of redemptions, repayments and Securities	As at 31st March, 2019	As at 31st March, 2018
xi) BONDS-X SERIES (Refer Note 16.1.2.B(2)) (8.65% p.a. 10 year Secured Redeemable Non-Convertible 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. (Date of redemption 08.02.2029)	1,500.00	-
xii) BONDS-T SERIES (Refer Note 16.1.2.B(1,2 and 7)) (8.50% p.a. 15 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond). (12 Yearly redemptions of ₹ 122.91 crore each w.e.f. 14.07.2019 to 14.07.2030)	1,474.92	1,474.92
xiii) BONDS-R-3 SERIES (Refer Note 16.1.2.B(3)) (8.78% p.a. 15 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 10,00,000/- each with 10 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/10th of face value of Bond) (Bond issue amount of ₹ 892.00 Crores redeemable in 10 equal annual instalments commencing from 11.02.2019. As on 31.03.2019, 9 annual instalments of ₹ 89.20 Crores each are outstanding.)	802.80	892.00
xiv) BONDS-S-2 SERIES (Refer Note 16.1.2.B(7)) (8.54% p.a. 15 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond). (Bond issue amount of ₹ 660.00 Crores redeemable in 12 equal annual instalments commencing from 26.11.2018. As on 31.03.2019, 11 annual instalments of ₹ 55.00 crore each are outstanding.	605.00	660.00
xv) BONDS-W1 SERIES (Refer Note 16.1.2.B(10)) (6.91% p.a. 5 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 50,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond). (Bond issue amount of ₹ 1500 Crores redeemable in 5 equal annual instalments commencing from 15.09.2018. As on 31.03.2019, 4 annual instalments of ₹ 300 Crores each are outstanding).	1,200.00	1,500.00
xvi) BONDS-V SERIES (Refer Note 16.1.2.B(3)) (6.84% p.a. 5 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 5,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond) (5 Yearly redemptions of ₹ 155.00 Crore each w.e.f. 24.01.2018 to 24.01.2022. As on 31.03.2019, 3 annual instalments of ₹ 155 Crores each are outstanding).	465.00	620.00
xvii) BONDS-Q SERIES (Refer Note 16.1.2.B(4&8)) (9.25% p.a. 15 year Secured Redeemable Non-Convertible Taxable Bonds of ₹12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond). (Bond issue amount of ₹ 1266.00 Crores redeemable in 12 equal annual instalments commencing from 12.03.2016. As on 31.03.2019, 8 annual instalments of ₹ 105.50 Crores each are outstanding).	844.00	949.50

(₹ in crore)

16.1.2.A Particulars of redemptions, repayments and Securities	As at 31st March, 2019	As at 31st March, 2018
xviii) BONDS-R-2 SERIES (Refer Note 16.1.2.B(3))	254.72	286.56
(8.85% p.a. 14 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond). (Bond issue amount of ₹ 382.08 Crores redeemable in 12 equal annual instalments commencing from 11.02.2016. As on 31.03.2019, 8 annual instalments of ₹ 31.84 Crores each are outstanding).		
xix) BONDS-P SERIES (Refer Note 16.1.2.B(3,5 &6))	1,200.00	1,400.00
(9.00% p.a. 15 Year Secured Redeemable Non-Convertible 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 31.03.2019, 6 annual instalments of ₹ 200 Crores each are outstanding).		
xx) BONDS-S-1 SERIES (Refer Note 16.1.2.B(7))	219.00	255.50
(8.49% p.a. 10 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹ 10,00,000/- each with 10 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/10th of face value of Bond) (Bond issue amount of ₹ 365 Crores redeemable in 10 equal annual instalments commencing from 26.11.2015. As on 31.03.2019, 6 annual instalments of ₹ 36.50 Crores each are outstanding).		
xxi) BONDS-R-1 SERIES (Refer Note 16.1.2.B(3))	47.95	54.80
(8.70% p.a. 13 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond). (Bond issue amount of ₹ 82.20 Crores redeemable in 12 equal annual instalments commencing from 11.02.2015. As on 31.03.2019, 7 annual instalments of ₹ 6.85 Crores each are outstanding).		
Total Bonds	**12,738.39**	**12,218.28**
Less Current Maturities	1,102.80	979.89
Bonds-Net of current maturities (A)	**11,635.59**	**11,238.39**
(B). TERM LOANS - Secured (Banks)		
i) ORIENTAL BANK OF COMMERCE (Refer Note 16.1.2.B(2))	20.00	30.00
(Repayable in 3 equal yearly instalments of ₹ 10 Crore each upto 27.12.2020 at Fixed interest rate with 3 years reset clause with upper cap of 7.207% p.a. Presently at 7.207% p.a. as on 31.03.2019).As on 31.03.2019, 2 annual instalments of ₹ 10 Crores each are outstanding).		
ii) STATE BANK OF INDIA (Refer Note 16.1.2.B(11))		
(Repayable in 28 equal quarterly instalments of ₹ 6.7857 crore upto 31.08.2029 at floating (MCLR with annual reset) interest rate of 8.50% p.a. as on 31.03.2019).	190.00	-
Total Term Loan - Banks	**210.00**	**30.00**
Less Current Maturities	10.00	10.00
Term Loan - Banks Net of current maturities (B)	**200.00**	**20.00**

(₹ in crore)

16.1.2.A Particulars of redemptions, repayments and Securities		As at 31st March, 2019	As at 31st March, 2018
(C). TERM LOANS - Banks- Foreign Currency (Unsecured)			
i) Deutsche Bank & Others (Refer Note 16.1.2.B(9)) (Repayable in 2 equal half yearly instalments of ₹ 52.39 Crores each upto 18.10.2018 at floating interest rate 6 Month JPY LIBOR + 0.57% Margin)		-	113.45
Total Term Loan - Banks		**-**	**113.45**
Less Current Maturities		-	113.45
Term Loan - Banks Net of current maturities	**(C)**	**-**	**-**
(D). Term Loan-From other (Secured)			
i) LIFE INSURANCE CORPORATION OF INDIA (Refer Note 16.1.2.B(3&5)) (Repayable in 4 half yearly instalments of ₹ 104.16667 Crore each upto 15.10.2020 at Fixed interest rate of 9.25% p.a. on ₹ 16.67 Crores and 8% p.a. on ₹ 400 Crore as on 31.03.2019)		416.67	625.00
ii) LIFE INSURANCE CORPORATION OF INDIA (Refer Note 16.1.2.B(4&8)) (Repayable in 10 equal half yearly instalments of ₹ 79 Crore each upto 31.10.2023 at Fixed Interest rate of 9.118% p.a. as on 31.03.2019)		790.00	948.00
Total Term Loan - Other (Secured)		**1,206.67**	**1,573.00**
Less Current Maturities		366.33	366.33
Term Loan - Other Net of current maturities	**(D)**	**840.34**	**1,206.67**
(E). Term Loan From Government of India (Unsecured)			
Loans from Government of India (At fair value)			
i) Subordinate Debt from Government of India for Nimmo-Bazgo Power Station (Repayable in 18 equal annual instalments of ₹ 28.85 Crore each from the 12th year after commissioning of the project i.e. from 10.10.2025 at fixed interest rate of 4% p.a.)		420.78	414.99
ii) Subordinate Debt from Government of India for Chutak Power Station (Repayable in 24 equal annual instalments of ₹ 23.11 Crore each from the 6th year after commissioning of the project i.e. from 01.02.2019 at fixed interest rate of 2.50% p.a.)		460.18	478.14
iii) Subordinate Debt from Government of India for Kishanganga HE Project (Repayable in 10 equal annual instalments of ₹ 315.50 Crore from the 11th year after commissioning of the project at fixed interest rate of 1% p.a. Interest accrues and is payable annually after 11 years of commissioning of the project.i.e. from 24.05.2029)		2,494.98	2,293.77
Total Term Loan -Government (Unsecured)		**3,375.94**	**3,186.90**
Less Current Maturities		23.11	23.11
Term Loan - Other Parties Net of current maturities	**(E)**	**3,352.83**	**3,163.79**

(₹ in crore)

16.1.2.A Particulars of redemptions, repayments and Securities	As at 31st March, 2019	As at 31st March, 2018
(F). TERM LOANS - From Other- Foreign Currency (Unsecured)		
i) Japan International Cooperation Agency Tranche-I (Refer Note 16.1.2.B(9))	107.47	120.69
(Repayable in 14 equal half yearly instalments of ₹ 7.68 Crore each upto 20.01.2026 at fixed interest rate of 2.3% as on 31.03.2019)		
ii) Japan International Cooperation Agency Tranche-II (Refer Note 16.1.2.B(9))	453.29	494.90
(Repayable in 18 equal half yearly instalments of ₹ 25.18 Crore each upto 20.12.2027 at fixed interest rate of 2.3% as on 31.03.2019)		
iii) Japan International Cooperation Agency Tranche-III (Refer Note 16.1.2.B(9))	558.03	584.89
(Repayable in 30 equal half yearly instalments of ₹ 18.60 Crore each upto 20.03.2034 at fixed interest rate of 1.3% as on 31.03.2019)		
Total Term Loan -Other (Unsecured)	**1,118.79**	**1,200.48**
Less Current Maturities	102.92	101.13
Term Loan - Other Net of current maturities (F)	**1,015.87**	**1,099.35**
Grand Total (A+B+C+D+E+F)	**17,044.63**	**16,728.20**

16.1.2.B Particulars of security

1. Secured by pari-passu charge by way of Equitable mortgage/hypothecation against Immovable/Moveable assets (except for Book Debts and Stores) of Company's Chamera-I Power Station situated in the state of Himachal Pradesh.
2. Secured by pari-passu charge by way of Equitable mortgage/hypothecation against Immovable/Moveable assets (except for Book Debts and Stores) of Company's Uri-I Power Station situated in the state of Jammu & Kashmir.
3. Secured by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati-II HE Project situated in the state of Himachal Pradesh.
4. Secured by pari-passu charge by way of equitable mortgage/hypothecation against immovable/movable assets (except for Book Debts and Stores) of Company's Teesta Low Dam-III Power Station situated in the state of West Bengal.
5. Secured by pari-passu charge by way of equitable mortgage and charge over all the immoveable and moveable assets (except for Book Debts and Stores) of the Company's Dhauliganga Power Station situated in the state of Uttrakhand.
6. Secured by a first charge on pari-passu basis by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Chamera-III Power Station situated in the state of Himachal Pradesh.
7. Secured by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati -III Power Station situated in the state of Himachal Pradesh.
8. Secured by pari-passu charge by way of equitable mortgage/hypothecation against immovable/movable assets (except for Book Debts and Stores) of Company's Teesta-V Power Station situated in the state of Sikkim.
9. Loans mentioned at sl. nos. F(i),F(ii) and F(iii) above are guaranteed by Government of India.
10. Security creation by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati -II 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 state of Jammu & Kashmir is under process.
11. Security creation by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and movable (except for Book Debts and Stores) of the Company's Teesta Low Dam - III Power Station situated in the state of West Bengal.

NOTE NO. 16.2 FINANCIAL LIABILTIES - NON-CURRENT - OTHERS

(₹ in crore)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Payable towards Bonds Fully Serviced by Government of India **(Refer Note 16.2.1)**		
- Principal	2,017.20	-
Retention Money	42.24	39.87
TOTAL	**2,059.44**	**39.87**

16.2.1 For meeting funding requirement of Government of India for the Scheme of Power System Development Fund (PSDF) during the year, the company has raised an aggregate amount of ₹ 2017.20 Crore through private placement of Unsecured Non-cumulative Non-convertible Redeemable, taxable 'Government of India Fully Serviced Bonds- Series- I', with face value of ₹ 10,00,000/- each , in the nature of debentures (Bonds). As per Ministry of Power (MoP) letter dated 12.03.2019 read with letter of Ministry of Finance (MoF) dated 21.01.2019 & 11.03.2019, the repayment of principal and interest of the above bonds shall be made by Government of India by making suitable budget provisions in the demand of Ministry of Power as per estimated liabilities. Accordingly, the amount of such bonds along with interest payable to Bond Holders is appearing as financial liability as above and also the amount recoverable by the company from Government of India has been shown as "Amount recoverable on account of Bonds fully serviced by Government of India" under Non-Current Financial Assets-Others under Note No-3.4.

Detail of Government of India Fully Serviced Bonds raised during the year is as under :-

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
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	-

NOTE NO. 17 PROVISIONS - NON-CURRENT

(₹ in crore)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
A. PROVISION FOR EMPLOYEE BENEFITS		
i) Provision for Long term Benefits (Provided for on the basis of actuarial valuation)		
As per last Balance Sheet	21.50	472.43
Additions during the year	7.66	0.23
Amount used during the year	1.78	451.16
Closing Balance	**27.38**	**21.50**
B. OTHERS		
i) Provision For Committed Capital Expenditure		
As per last Balance Sheet	1.25	15.16
Additions during the year	-	0.24
Amount used during the year	-	13.65
Amount reversed during the year	-	1.48
Unwinding of discount	0.12	0.98
Closing Balance	**1.37**	**1.25**

(₹ in crore)

PARTICULARS		As at 31st March, 2019	As at 31st March, 2018
ii)	**Provision For Livelihood Assistance**		
	As per last Balance Sheet	17.40	17.99
	Additions during the year	0.66	0.04
	Amount used during the year	0.62	0.96
	Amount reversed during the year	0.14	-
	Unwinding of discount	0.36	0.33
	Closing Balance	**17.66**	**17.40**
iii)	**Provision-Others**		
	As per last Balance Sheet	0.51	-
	Additions during the year	0.05	0.51
	Amount used during the year	0.03	-
	Closing Balance	**0.53**	**0.51**
	TOTAL	**46.94**	**40.66**

Note:- Information about Provisions is given in Note 34 (22) of Consolidated Financial Statement.

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

(₹ in crore)

PARTICULARS		As at 31st March, 2019	As at 31st March, 2018
	Deferred Tax Liability		
a)	Property, Plant and Equipments, Investment Property and Intangible Assets.	4,370.64	3,846.11
b)	Financial Assets at FVTOCI	17.74	8.46
c)	Other Items	45.29	227.16
d)	Undistributed Earnings	400.63	386.89
	Deferred Tax Liability	**4,834.30**	**4,468.62**
	Less:-Set off Deferred Tax Assets pursuant to set off provisions		
a)	Provision for doubtful debts, inventory and others	11.20	10.68
b)	Provision for employee benefit schemes	11.24	9.39
c)	Other Items	91.18	224.87
	Deferred Tax Assets	**113.62**	**244.94**
	Deferred Tax Liability (Net)	**4,720.68**	**4,223.68**

18.1 Refer Note 35 with regard to restatement of Deferred Tax Liabilities (Net).

18.2 Movement in Deferred Tax Liability/ (Assets)

18.2 Movement in Deferred Tax Liability/ (Assets)

Movement in Deferred Tax Liablity

(₹ in crore)

	2018-19				
Particulars	**Property, Plant and Equipments, Investment Property and Intangible Assets.**	**Financial Assets at FVTOCI**	**Other Items**	**Undistributed Earnings**	**Total**
At 1 April 2018	**3,846.11**	**8.46**	**227.16**	**386.89**	**4,468.62**
Charged/(Credited)					
-to Profit or loss	524.53	8.57	(181.87)	13.74	364.97
-to OCI	-	0.71	-	-	0.71
At 31 March 2019	**4,370.64**	**17.74**	**45.29**	**400.63**	**4,834.30**

Movement in Deferred Tax Assets

(₹ in crore)

Particulars	**Provision for doubtful debts, inventory and others**	**Provision for employee benefit schemes**	**Other Items**	**Total**
At 1 April 2018	**10.68**	**9.39**	**224.87**	**244.94**
Charged/(Credited)				
-to Profit or loss	0.52	1.84	(133.69)	(131.33)
-to OCI	-	0.01	-	0.01
At 31 March 2019	**11.20**	**11.24**	**91.18**	**113.62**

Movement in Deferred Tax Liability

(₹ in crore)

	2017-18				
Particulars	**Property, Plant and Equipments, Investment Property and Intangible Assets.**	**Financial Assets at FVTOCI**	**Other Items**	**Undistributed Earnings**	**Total**
At 1 April 2017	**4,080.95**	**5.25**	**647.21**	**479.47**	**5,212.88**
Charged/(Credited)					
-to Profit or loss	(234.84)	5.16	(420.05)	(92.58)	(742.31)
-to OCI	-	(1.95)	-	-	(1.95)
At 31 March 2018	**3,846.11**	**8.46**	**227.16**	**386.89**	**4,468.62**

Movement in Deferred Tax Assets

(₹ in crore)

Particulars	**Provision for doubtful debts, inventory and others**	**Provision for employee benefit schemes**	**Other Items**	**Total**
At 1 April 2017	**92.42**	**179.30**	**155.26**	**426.98**
Charged/(Credited)				
-to Profit or loss	(81.74)	(160.67)	61.33	(181.08)
-to OCI	-	(9.24)	8.28	(0.96)
At 31 March 2018	**10.68**	**9.39**	**224.87**	**244.94**

NOTE NO. 19 OTHER NON-CURRENT LIABILITIES

(₹ in crore)

PARTICULARS		As at 31st March, 2019	As at 31st March, 2018
	Income received in advance - Advance Against Depreciation	1,027.80	1,093.02
	Deferred Income from Foreign Currency Fluctuation Account	48.51	54.72
	Grants in aid-from Government-Deferred Income **(Refer Note 19.1)**	1,909.75	1,705.63
	TOTAL	**2,986.06**	**2,853.37**
19.1	**GRANTS IN AID-FROM GOVERNMENT-DEFERRED INCOME**		
	Opening Balance (Current and Non-Current)	1,797.16	1,637.77
	Add: Received during the year	309.67	238.59
	Less: Transfer to Statement of Profit and Loss **(Refer Note 24.2)**	92.17	79.20
	Closing Balance (Current and Non Current) (Refer Note 19.1.1)	**2,014.66**	**1,797.16**
	Grants in Aid-from Government-Deferred Income (Current) **(Refer Note No-21)**	104.91	91.53
	Grants in Aid-from Government-Deferred Income (Non-Current)	1,909.75	1,705.63
19.1.1	**Grant includes:-**		
(i)	Fair valuation of Subordinate Debts received from Government of India for Chutak Power Station, Nimmoo Bazgo Power Station and Kishanganga Power Station accounted as Grant In Aid.	862.65	586.13
(ii)	Funds (Grant in Aid) received from Government of India through Solar Energy Corporation of India (SECI) for setting up 50 MW Solar Power Project in Tamilnadu.	23.98	24.98
iii)	Grant received from Government of Madhya Pradesh for Indira Sagar & Omkareshwar Power Stations.	1,118.03	1,176.05
iv)	Funds (Grant in Aid) received from Govt. of Uttar Pradesh for setting up Solar Power Project in the state.	10.00	10.00

NOTE NO. 20.1 BORROWINGS - CURRENT

(₹ in crore)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Loan Repayable on Demand		
From Banks-Secured **(Refer Note 20.1.1)**	116.00	279.99
From Bank-Unsecured	300.00	-
TOTAL	**416.00**	**279.99**

20.1.1 Detail of Borrowings (Secured)

(₹ in crore)

S. No.	Name of Bank along with details of Security	As at 31st March, 2019	As at 31st March, 2018
1	Canara Bank - is secured by Book debts and stocks	106.00	-
2	Punjab & Sind Bank- is secured by Fixed Deposit Receipt (FDR)	10.00	-
3	IDBI Bank - is secured by Fixed Deposit Receipt (FDR)	-	108.00
4	IDBI Bank- is secured by Fixed Deposit Receipt (FDR)	-	171.99
	Total	**116.00**	**279.99**

NOTE NO. 20.2 TRADE PAYABLE - CURRENT

(₹ in crore)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Total outstanding dues of micro enterprise and small enterprise(s) **(Refer Note 20.2.1)**	19.38	7.97
Total outstanding dues of Creditors other than micro enterprises and small enterprises	176.89	192.13
TOTAL	**196.27**	**200.10**

20.2.1 Refer Note 34(17) of the Consolidated Financial Statement with regard to confirmation of Balances.

NOTE NO. 20.3 OTHER FINANCIAL LIABILITIES - CURRENT

(₹ in crore)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Current maturities of long term debt **(Refer Note 20.3.1)**		
- Bonds	1,102.80	979.89
- Term Loan -Banks-Secured	10.00	10.00
- Term Loan -Banks-Unsecured	-	113.45
- Other -Secured	366.33	366.33
- Unsecured-From Government (Subordinate Debts)	23.11	23.11
- Other-Unsecured	102.92	101.13
Liability against capital works/supplies	348.89	438.70
Liability against capital works/supplies-Micro, Small and Medium Enterprises	5.27	1.58
Interest accrued but not due on borrowings	584.99	572.49
Interest payable on account of Bonds Fully Serviced by Government of India	4.49	-
Earnest Money Deposit/ Retention Money	129.23	112.86
Unpaid dividend **(Refer Note 20.3.3)**	19.17	18.16
Unpaid interest **(Refer Note 20.3.3)**	0.26	0.11
Payable to Employees	125.06	17.72
Payable to Others	74.20	60.41
TOTAL	**2,896.72**	**2,815.94**

20.3.1 Details in respect of redemption, rate of interest, terms of repayment and particulars of security are disclosed in Note No-16.1.2

20.3.2 "Unpaid Dividend" and "Unpaid Interest" includes the amounts which have not been claimed by the investors/holders of the equity shares/bonds. Out of the above, the amount required to be transferred to Investor Education and Protection Fund has been transferred. There is no amount due for payment to Investor Education and Protection Fund.

20.3.3 Refer Note 34(17) of the Consolidated Financial Statement with regard to confirmation of Balances.

NOTE NO. 21 OTHER CURRENT LIABILITIES

(₹ in crore)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Income received in advance (Advance against depreciation)	65.19	65.19
Deferred Income from Foreign Currency Fluctuation Account	6.17	6.17
Statutory dues payables	752.80	362.61
Contract Liablities-Deposit Works	19.96	1.67
Contract Liablities-Project Management/ Consultancy Work	196.82	214.44
Advance from Customers and Others	12.19	13.25
Grants in aid-from Government-Deferred Income **(Refer Note No-19)**	104.91	91.53
TOTAL	**1,158.04**	**754.86**

21.1 Refer Note 34(17) of the Consolidated Financial Statement with regard to confirmation of Balances.

NOTE NO. 22 PROVISIONS - CURRENT

(₹ in crore)

	PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
A.	**PROVISION FOR EMPLOYEE BENEFITS**		
i)	**Provision for Long term Benefits (Provided for on the basis of actuarial valuation)**		
	As per last Balance Sheet	142.89	254.22
	Additions during the year	1.13	151.69
	Amount used during the year	141.82	263.02
	Closing Balance	**2.20**	**142.89**
ii)	**Provision for Wage Revision (Refer Note 22.1)**		
	As per last Balance Sheet	13.59	11.12
	Additions during the year	14.53	2.58
	Amount used during the year	13.20	0.11
	Closing Balance	**14.92**	**13.59**
	Less: Advance paid	-	13.09
	Closing Balance (Net of advance)	**14.92**	**0.50**
iii)	**Provision for Performance Related Pay/Incentive**		
	As per last Balance Sheet	283.86	131.62
	Additions during the year	198.37	235.84
	Amount used during the year	202.92	83.34
	Amount reversed during the year	0.06	0.26
	Closing Balance	**279.25**	**283.86**
iv)	**Provision for Superannuation / Pension Fund**		
	As per last Balance Sheet	3.63	5.95
	Additions during the year	0.10	0.79
	Amount used during the year	3.63	3.11
	Closing Balance	**0.10**	**3.63**
v)	**Provision For Wage Revision - 3rd Pay Revision Committee**		
	As per last Balance Sheet	368.68	108.15
	Additions during the year	5.46	260.53
	Amount used during the year	354.38	-
	Closing Balance	**19.76**	**368.68**
B.	**OTHERS**		
i)	**Provision For Tariff Adjustment**		
	As per last Balance Sheet	242.56	149.91
	Additions during the year	68.69	92.65
	Amount used during the year	87.80	
	Closing Balance	**223.45**	**242.56**
ii)	**Provision For Committed Capital Expenditure**		
	As per last Balance Sheet	200.51	274.07
	Additions during the year	0.81	25.34
	Amount used during the year	37.85	99.50
	Unwinding of discount	0.50	0.60
	Closing Balance	**163.97**	**200.51**

(₹ in crore)

PARTICULARS		As at 31st March, 2019	As at 31st March, 2018
iii)	**Provision for Restoration expenses of Insured Assets**		
	As per last Balance Sheet	21.77	47.51
	Additions during the year	16.65	1.55
	Amount used during the year	4.33	21.68
	Amount reversed during the year	9.55	5.61
	Closing Balance	**24.54**	**21.77**
iv)	**Provision For Livelihood Assistance**		
	As per last Balance Sheet	15.59	14.04
	Additions during the year	0.59	1.50
	Amount used during the year	0.24	0.19
	Unwinding of discount	0.05	0.24
	Closing Balance after Fair Value Adjustment	**15.99**	**15.59**
v)	**Provision-CSR, SD and R&D**		
	As per last Balance Sheet	-	0.07
	Amount used during the year	-	0.07
	Closing Balance	**-**	**-**
vi)	**Provision in respect of arbitration award/ court cases**		
	As per last Balance Sheet	392.56	385.91
	Additions during the year	22.22	20.19
	Amount used during the year	32.03	8.72
	Amount reversed during the year	9.53	4.82
	Closing Balance	**373.22**	**392.56**
vii)	**Provision - Others**		
	As per last Balance Sheet	331.30	360.10
	Additions during the year	108.71	42.00
	Amount used during the year	21.20	33.54
	Amount reversed during the year	1.82	37.26
	Closing Balance	**416.99**	**331.30**
	TOTAL	**1,534.39**	**2,003.85**

22.1 Ministry of Power (MoP) vide letter No. 2/1/2014-H.I (Pt) dated 29.01.2019, has regularized pay scales of below Board level executives of the company w.e.f. 1st January, 1997 adopted by it in pursuance of the orders of the MoP dated 4th April, 2006 and 1st September, 2006. Consequently, arrear of pay & allowances w.e.f. 01.01.2007 after adjusting advance against Personal Pay Adjustment (which was paid to the executives up to 31.12.2016) have been paid to the executives during the year.

22.2 Information about Provisions is given in Note 34(22) of Consolidated Financial Statement.

NOTE NO. 23 CURRENT TAX LIABILITIES (NET)

(₹ in crore)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Current Tax Liability as per last Balance Sheet	822.78	1,006.08
Additions during the year	1,175.20	822.78
Amount adjusted during the year	(822.78)	(1,006.08)
Closing Balance of Current Tax Liablity (A)	**1,175.20**	**822.78**
Less: Current Advance Tax including Tax Deducted at Source (B)	1,287.05	816.07
Net Current Tax Liabilities (Net) (A-B)	(111.85)	6.71
(Disclosed under Note No-12 above)	**111.85**	**0.40**
TOTAL	**-**	**7.11**

NOTE NO. 24.1 REVENUE FROM CONTINUING OPERATIONS

(₹ in crore)

	PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
I	**Operating Revenue**		
A.	**SALES (Refer Note 24.1.1, 24.1.3, 24.1.4 and 34(21))**		
	Sale of Power	6,739.13	5,851.34
	Advance Against Depreciation -Written back during the year	65.23	60.68
	Performance based Incentive/ (Disincentive)	785.71	669.56
	Sub-total (i)	**7,590.07**	**6,581.58**
	Less :		
	Sales adjustment on account of Foreign Exchange Rate Variation	92.34	66.37
	Tariff Adjustments **(Refer Note 24.1.2)**	65.37	86.26
	Income from generation of electricity – precommissioning (Transferred to Expenditure Attributable to Construction)	9.17	0.27
	Rebate to customers	44.62	34.74
	Sub-total (ii)	**211.50**	**187.64**
	Sub - Total (A)=(i-ii)	**7,378.57**	**6,393.94**
B	**Income from Finance Lease (Refer Note 34(18(C))**	772.49	782.43
C	**Income from Operating Lease (Refer Note 34(18(C))**	748.61	477.17
D	**Revenue From Contracts, Project Management and Consultancy Works**		
	Revenue from Project management/ Consultancy works	23.19	61.62
	Sub-Total (D)	**23.19**	**61.62**
E	**Revenue from Power Trading**		
	Sale of Power	12.96	-
	Sub - Total (E)	**12.96**	**-**
	Sub-Total-I (A+B+C+D+E)	**8,935.82**	**7,715.16**
F	**Other Operating Revenue**		
	Income From Sale of Self Generated VERs/REC	14.23	-
	Income on account of generation based incentive (GBI)	3.21	4.19
	Interest from Beneficiary States (Revision of Tariff)	29.61	36.08
	Sub-Total-II	**47.05**	**40.27**
	TOTAL (I+II)	**8,982.87**	**7,755.43**

(₹ in crore)

PARTICULARS		For the year ended 31st March, 2019	For the year ended 31st March, 2018
24.1.1	**Sale of Power includes :-**		
	(i) Amount recovered/recoverable directly from beneficiary towards deferred tax liablity pertaining to the period upto 2009 and materialised during the year.	233.46	236.63
	(ii) Deemed generation as allowed by Central Electricity Regulatory Commission (CERC).	105.48	131.60
	(iii) Amount of earlier year sales pending finalisation of tariff. **(Refer Note 34(21))**	411.47	42.47
	iv) Electricity Duty & Energy Development Cess recoverable from beneficiary and accordingly billed to the beneficiary:		
	- Electricity Duty	0.30	0.21
	- Energy Development Cess	28.75	19.86
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.	65.37	86.26
24.1.3	Based on deliberations and subsequent developments in the course of hearing in CERC on the tariff proposal of all 4 units of Parbati-III Power Station, management expects that keeping in view the current water availability and pending commissioning of Parbati-II Project which is under construction, revenue of 4th Unit recognised on estimated basis may not be realisable. Accordingly, unbilled revenue recognised till 31.03.2017 had been reversed in the books during the year ended 31.03.2018 on account of change in estimates.	-	(244.86)
24.1.4	Amount of unbilled revenue included in Sales.	1,599.38	858.90

NOTE NO. 24.2 OTHER INCOME

(₹ in crore)

PARTICULARS		For the year ended 31st March, 2019	For the year ended 31st March, 2018
A)	**Interest Income**		
	- Investments carried at FVTOCI- Non Taxable	5.68	5.68
	- Investments carried at FVTOCI- Taxable	25.81	25.77
	- Loan to Government of Arunachal Pradesh	51.19	46.97
	- Deposit Account	213.06	298.67
	- Employee's Loans and Advances (Net of Rebate)	18.19	16.00
	- Advance to contractors	24.62	38.97
	- Others	10.74	-
B)	**Dividend Income**		
	- Dividend - Others	4.80	3.60
C)	**Other Non Operating Income**		
	Late payment surcharge	303.15	390.36
	Realization of Loss Due To Business Interruption	48.77	59.41
	Profit on sale of Assets (Net)	1.20	6.89

(₹ in crore)

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Income from Insurance Claim	5.02	0.36
Liabilities/ Impairment Allowances/ Provisions not required written back **(Refer Note 24.2.1)**	31.80	24.50
Material Issued to contractor		
(i) Sale on account of material issued to contractors	27.47	24.05
(ii) Cost of material issued to contractors on recoverable basis	(42.44)	(36.48)
(iii) Adjustment on account of material issued to contractor	14.98	12.43
Amortization of Grant in Aid	92.17	79.20
Exchange rate variation (Net)	3.18	-
Others	44.65	60.35
Sub-total	**884.04**	**1,056.73**
Less: Transferred to Expenditure Attributable to Construction	13.12	21.17
Less: Transferred to Advance/ Deposit from Client/Contractees and against Deposit Works	6.98	5.33
TOTAL	**863.94**	**1,030.23**

24.2.1 Detail of Liabilities/Impairment Allowances/Provisions not required written back

a) Allowances for Obsolescence & Diminution in Value of Inventories	1.20	0.21
b) Impairment allowances for trade receivables	-	0.27
c) Impairment allowances for loan which have significant increase in credit risk	0.02	-
d) Allowances for doubtful claims	8.00	2.20
e) Allowances for losses pending investigation/awaiting write off / sanction	1.18	0.61
f) Provision for PRP / Incentive /Productivity Linked Incentive (Sl.no-A(iii) of Note No-22)	-	0.26
g) Provision for Committed Capital Expenditure	-	1.48
h) Provision for Livelihood Assistance	0.14	-
i) Provision for Restoration expenses of Insured Assets	9.55	5.61
j) Others	11.71	13.86
TOTAL	**31.80**	**24.50**

24.2.2 Total includes ₹ 24.71 Crore (Previous year ₹ 25.84 Crore) relating to Subansiri Lower Project as explained in **Note 34(23)**. However Regulatory Deferral Account Balances for an amount of ₹ 21.24 Crore (Previous year ₹ 25.82 Crore) pertaining to Subansiri Lower Project has been recognised as per Ind AS 114-"Regulatory Deferral Accounts".

NOTE NO. 25.1 PURCHASE OF POWER - TRADING

(₹ in crore)

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Purchase of Power	12.94	-
Less : Rebate from Supplier	0.26	-
TOTAL	**12.68**	**-**

NOTE NO. 25.2 GENERATION EXPENSES

(₹ in crore)

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Water Usage Charges	775.31	691.80
Consumption of stores and spare parts	25.44	29.38
TOTAL	**800.75**	**721.18**

NOTE NO. 26 EMPLOYEE BENEFITS EXPENSE

(₹ in crore)

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Salaries and Wages	1,776.33	1,576.28
Contribution to provident and other funds	280.47	242.01
Staff welfare expenses	93.66	91.34
Sub-total	**2,150.46**	**1,909.63**
Less: Transferred to Expenditure Attributable to Construction	300.08	250.26
Less: Recoverable from Deposit Works	0.45	1.44
Total	**1,849.93**	**1,657.93**

26.1 Disclosure about operating leases are given in Note 34(18A).

26.2 Contribution to provident and other funds include contributions:

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
i) towards Employees Provident Fund	111.24	77.07
ii) towards Employees Defined Contribution Superannuation Scheme	137.12	83.87

26.3 Total includes ₹ 103.90 Crore (Previous year ₹ 85.01 Crore) relating to Subansiri Lower Project as explained in Note 34(23). However Regulatory Deferral Account Balances for an equivalent amount of ₹ 20.68 Crore (Previous year ₹ 84.81 Crore) pertaining to Subansiri Lower Project has been recognised as per Ind AS 114-"Regulatory Deferral Accounts".

26.4 Refer Note 34(29) of Consolidated Financial Statement.

NOTE NO. 27 FINANCE COSTS

(₹ in crore)

	PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A	**Interest on Financial Liabilities at Amortized Cost**		
	Bonds	996.02	947.97
	Term Loan	128.31	252.84
	Foreign Loan	21.37	22.55
	Government of India Loan	61.52	33.92
	Unwinding of discount-Government of India Loan	29.87	17.73
	Sub-total	**1,237.09**	**1,275.01**
B	**Other Borrowing Cost**		
	Bond issue/ service expenses	1.02	0.54
	Commitment fee	-	0.04
	Guarantee fee on foreign loan	18.61	19.93
	Other finance charges	0.78	10.12
	Unwinding of discount-Provision & Financial Liabilities	5.75	5.71
	Sub-total	**26.16**	**36.34**

(₹ in crore)

	PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
C	**Applicable net (gain)/ loss on Foreign currency transactions and translation**		
	Exchange differences regarded as adjustment to interest cost	22.69	71.65
	Transferred to Deferred Foreign Currency Fluctuation Assets	(22.69)	(71.65)
	Sub-total	**-**	**-**
	Total (A + B + C)	**1,263.25**	**1,311.35**
	Less: Transferred to Expenditure Attributable to Construction	368.11	388.71
	Total	**895.14**	**922.64**

27.1 Total includes ₹ 302.72 Crore (Previous year ₹ 331.39 Crore) relating to Subansiri Lower Project as explained in Note no. 34(23). However Regulatory Deferral Account Balances for an amount of ₹ 76.78 Crore (Previous year ₹ 331.39 Crore) pertaining to Subansiri Lower Project has been recognised as per Ind AS 114-"Regulatory Deferral Accounts".

NOTE NO. 28 DEPRECIATION AND AMORTIZATION EXPENSE

(₹ in crore)

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Depreciation -Property, Plant and Equipment	1,604.20	1,422.46
Amortization -Intangible Assets	66.84	63.89
Depreciation adjustment on account of Foreign Exchange Rate Variation **(Refer Note 5(C)(ii) and 19)**	(4.09)	1.76
Sub-total	**1,666.95**	**1,488.11**
Less: Transferred to Expenditure Attributable to Construction	8.99	19.34
Less: Recoverable from Deposit Works	-	0.05
Total	**1,657.96**	**1,468.72**

28.1 Total includes ₹ 8.54 Crore (Previous year ₹ 6.85 Crore) relating to Subansiri Lower Project as explained in Note 34(23). However Regulatory Deferral Account Balances for an amount of ₹ 1.77 Crore (Previous year ₹ 6.85 Crore) pertaining to Subansiri Lower Project has been recognised as per Ind AS 114- "Regulatory Deferral Accounts".

NOTE NO. 29 OTHER EXPENSES

(₹ in crore)

	PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A.	**REPAIRS & MAINTENANCE**		
	- Building	70.28	72.60
	- Machinery	65.41	60.47
	- Others	173.38	166.43
B.	**OTHER EXPENSES**		
	Rent and Hire Charges	57.03	52.60
	Rates and taxes	43.32	28.17
	Insurance	136.30	139.79
	Security expenses	340.48	277.88
	Electricity Charges	56.09	43.76
	Travelling and Conveyance	28.69	26.59
	Expenses on vehicles	8.85	9.77

(₹ in crore)

PARTICULARS		For the year ended 31st March, 2019	For the year ended 31st March, 2018
	Telephone, telex and Postage	16.86	18.20
	Advertisement and publicity	17.21	15.59
	Entertainment and hospitality expenses	0.74	0.48
	Printing and stationary	5.25	5.82
	Consultancy charges	17.91	19.43
	Audit expenses	2.15	2.36
	Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	116.36	3.40
	Expenditure on land not belonging to company	9.59	1.30
	Loss on Assets (Net)	0.05	0.04
	Losses out of insurance claims	72.89	1.77
	Books & Periodicals	0.03	-
	Donation	1.00	-
	Corporate Social Responsibility	47.98	59.65
	Community Development Expenses	0.11	0.10
	Directors' Sitting Fees	0.28	0.22
	Research and development expenses	0.33	-
	Interest on Arbitration/ Court Cases	1.01	0.04
	Interest to beneficiary	-	1.79
	Expenditure on Self Generated VER's/REC	0.27	0.01
	Exchange rate variation (Net)	-	2.88
	Training Expenses	7.29	11.00
	Petition Fee /Registration Fee /Other Fee – To CERC/RLDC/RPC/IEX/PXIL	9.14	7.69
	Operational/Running Expenses of Kendriya Vidyalaya	31.80	29.40
	Operational/Running Expenses of Other Schools	3.03	3.46
	Operational/Running Expenses of Guest House/Transit Hostel	20.55	19.28
	Operating Expenses of DG Set-Other than Residential	7.16	5.91
	Other general expenses	39.59	27.51
	Sub-total	**1,408.41**	**1,115.39**
	Less: Amount transferred to Expenditure Attributable to Construction	193.04	86.52
	Less: Recoverable from Deposit Works	0.04	1.41
	Less: Transfer to General Reserve for Expenses on Buyback	6.20	-
	Sub-total (i)	**1,209.13**	**1,027.46**
C.	**PROVISIONS/ IMPAIRMENT ALLOWANCE**		
	Impairment allowance for trade receivables	-	1.93
	Allowance for Bad and doubtful advances / deposits	0.01	-
	Allowance for Bad and doubtful claims	2.99	3.36
	Allowance for Doubtful Interest	4.79	19.79
	Allowance for stores and spares/ Construction stores	2.99	0.40

(₹ in crore)

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Allowance for Project expenses	60.52	26.27
Allowance for fixed assets/ stores	0.10	0.36
Provision for Interest to Beneficiary **(Refer Note 29.2)**	41.31	22.84
Provision for interest against court/arbitration award	-	2.79
Others	-	0.01
Sub-total	**112.71**	**77.75**
Less: Transferred to Expenditure Attributable to Construction	2.24	1.48
Sub-total (ii)	**110.47**	**76.27**
TOTAL (i+ii)	**1,319.60**	**1,103.73**
29.1 Disclosure about operating leases are given in Note 34(18A).		
29.2 Pending notification of revision order by CERC in respect of truing up application filed by the company under CERC notification dated 21.02.2014, stated amount has been provided in the books during the year towards Interest to Beneficiary States, which may have to be paid in case of reduction in tariff as a result of said revision order.	41.31	22.84

29.3 Total includes ₹ 58.83 Crore (Previous year ₹ 99.11 Crore) relating to Subansiri Lower Project as explained in Note 34(23). However Regulatory Deferral Account Balances for an amount of ₹ 16.54 Crore (Previous year ₹ 77.59 Crore) pertaining to Subansiri Lower Project has been recognised as per Ind AS 114-"Regulatory Deferral Accounts".

NOTE NO. 30 TAX EXPENSES

(₹ in crores)

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Current Tax		
Provision for Current Tax	873.71	823.02
Adjustment Relating To Earlier periods	(46.30)	(6.91)
Total current tax expenses	**827.41**	**816.11**
Deferred Tax		
Decrease (increase) in deferred tax assets		
- Relating to origination and reversal of temporary differences	131.23	179.27
- Relating to change in tax rate	-	1.81
Increase (decrease) in deferred tax liabilities		
- Relating to origination and reversal of temporary differences	351.24	(649.34)
- Relating to change in tax rate	-	(0.38)
- Relating to undisributed Earnings	13.74	(92.58)
Total deferred tax expenses (benefits)	**496.21**	**(561.22)**
Net Deferred Tax	**496.21**	**(561.22)**
Total	**1,323.62**	**254.89**

(₹ in crores)

PARTICULARS		For the year ended 31st March, 2019	For the year ended 31st March, 2018
30.1	**Reconciliation of tax expense and the accounting profit multiplied by India's domestic rate.**		
	Accounting profit/loss before income tax including movement in Regulatory Deferral Account Balance	4,431.34	3,669.80
	Applicable tax rate (%)	34.9440	34.6080
	Computed tax expense	**1,548.49**	**1,270.04**
	Tax effects of amounts which are not deductible (Taxable) in calculating taxable income.		
	Non Deductible Tax Expenses	69.85	51.31
	Tax Exempt Income	(141.28)	(255.48)
	Tax Incentives (80-IA Deductions)	(714.38)	(872.70)
	Adjustment for current tax of earlier periods	(46.30)	(6.91)
	Minimum Alternate Tax Adjustments	593.35	159.54
	Undistributed Profit	13.74	(92.58)
	Change in rate of tax	-	1.42
	Others	0.15	0.25
	Income tax expense reported in Statement of Profit and Loss	**1,323.62**	**254.89**
30.2	**Amounts recognised directly in Equity**		
	Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited/(credited) to equity		
	Current Tax	Nil	Nil
	Deferred tax	Nil	Nil
	Total	**Nil**	**Nil**
30.3	**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 30.5)	3,122.92	2,135.24
30.4	**Unrecognised temporary differences**		
	Temporary differences relating to investments in subsidiaries for which deferred tax liabilities have not been recognised.		
	Undistributed Earnings	Nil	Nil
	Unrecognised deferred tax liabilities relating to the above temporary differences	Nil	Nil

30.5 The details of MAT Credit available to the Company in future but not recognised in the books of account is given below:

(₹ in crores)

Financial Years	As at 31st March 2019		As at 31st March 2018	
	Amount	Year of Expiry	Amount	Year of Expiry
2018-19	705.33	2033-34	-	
2017-18	328.67	2032-33	-	2032-33
2016-17	234.26	2031-32	234.26	2031-32
2015-16	280.94	2030-31	280.94	2030-31
2014-15	219.13	2029-30	219.13	2029-30
2013-14	686.67	2028-29	686.67	2028-29
2012-13	376.94	2027-28	376.94	2027-28
2011-12	24.45	2026-27	24.45	2026-27
2010-11	76.81	2025-26	76.81	2025-26
2009-10	64.13	2024-25	64.13	2024-25
2008-09	125.59	2023-24	171.91	2023-24
TOTAL	**3,122.92**		**2,135.24**	

NOTE NO. 31 MOVEMENT IN REGULATORY DEFERRAL ACCOUNT BALANCES

(₹ in crores)

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Movement in Regulatory Deferral Account Balances on account of:-		
(i) Subansiri Lower Project:-		
a) Employee Benefits Expense	20.68	84.81
b) Other Expenses	16.54	77.59
c) Depreciation and Amortization Expense	1.77	6.85
d) Finance Costs	76.78	331.39
e) Other Income	(21.24)	(25.82)
Sub Total (i)	**94.53**	**474.82**
(ii) Wage Revision as per 3rd Pay Revision Committee	220.43	259.25
(iii) Kishanganga Power Station:-Depreciation due to moderation of Tariff	171.98	-
(iv) Exchange Differences on Monetary Items	(0.57)	2.10
(v) Adjustment against Deferred Tax Recoverable for tariff period upto 2009	(151.88)	(137.50)
(vi) Adjustment against Deferred Tax Liabilities for tariff period 2014-2019.	508.93	(470.46)
TOTAL (A)=(i)+(ii)+(iii)+(iv)+(v)+(vi)	**843.42**	**128.21**
Impact of Tax on Regulatory Deferral Accounts		
Less: Deferred Tax on Regulatory Deferral Account Balances	(250.35)	(18.83)
Add: Deferred Tax recoverable from Beneficiaries	(250.35)	(18.83)
TOTAL (B)	**-**	**-**
Total (A-B)	**843.42**	**128.21**

Refer Note 14 of Consolidated Financial Statements. Also refer Note 35 for restatement of Regulatory Deferral Account balances.

NOTE NO. 32 EXPENDITURE ATTRIBUTABLE TO CONSTRUCTION (EAC) FORMING PART OF CAPITAL WORK IN PROGRESS FOR THE YEAR.

(₹ in crores)

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	133.91	144.44
Contribution to provident and other funds	21.61	12.76
Staff welfare expenses	4.79	8.37
Sub-total	**160.31**	**165.57**
B. FINANCE COSTS		
Interest on : **(Refer Note 2.2.1)**		
Bonds	349.92	318.66
Term loan	15.41	52.44
	365.33	**371.10**
Bond issue/ service expenses	-	0.16
Other finance charges	-	6.31
Transfer of expenses to EAC- Interest on loans from Central Government-adjustment on account of effective interest	1.44	10.41
Transfer of expenses to EAC-Interest on security deposit/ retention money-adjustment on account of effective interest	1.18	0.70
Sub-total	**367.95**	**388.68**
C. DEPRECIATION AND AMORTIZATION EXPENSES	7.27	17.74
Sub-total	**7.27**	**17.74**
D. OTHER EXPENSES		
Building	4.39	6.19
Machinery	0.03	0.02
Others	3.70	3.03
Rent	8.11	10.58
Rates and taxes	1.40	0.90
Insurance	0.26	0.12
Security expenses	22.97	28.81
Electricity Charges	3.19	3.78
Travelling and Conveyance	2.67	3.33
Expenses on vehicles	0.78	1.22
Telephone, telex and Postage	2.16	2.45
Advertisement and publicity	0.27	0.44
Entertainment and hospitality expenses	-	0.01
Printing and stationary	0.37	0.70
Design and Consultancy charges:	2.24	4.44
Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	115.72	2.21
Expenditure on land not belonging to company	6.94	1.09

(₹ in crores)

PARTICULARS		For the year ended 31st March, 2019	For the year ended 31st March, 2018
	Assets/ Claims written off	-	0.12
	Land Acquisition and Rehabilitation Expenditure	0.15	0.16
	Other general expenses	8.53	9.71
	Sub-total	**183.88**	**79.31**
E.	**PROVISIONS**	2.24	1.48
	Sub-total	**2.24**	**1.48**
F.	**CORPORATE OFFICE/REGIONAL OFFICE EXPENSES**		
	Other Income	(0.97)	(2.32)
	Other Expenses	9.18	7.21
	Employee Benefits Expense	139.77	84.69
	Depreciation and Amortization Expenses	1.71	1.60
	Finance Cost	0.16	0.03
	Sub-total	**149.85**	**91.21**
G.	**LESS: RECEIPTS AND RECOVERIES**		
	Income from generation of electricity – precommissioning	9.17	0.27
	Interest on loans and advances	7.19	12.78
	Provision/Liability not required written back	0.35	4.36
	Hire charges/outturn on plant and machinery	-	0.12
	Miscellaneous receipts	4.62	1.59
	Sub-total	**21.33**	**19.12**
	TOTAL (A+B+C+D+E+F-G) (Refer Note 2.2)	**850.17**	**724.87**

32.1 Refer Note 34(29) of Consolidated Financial Statement for arrears paid to employees.

Note-33: Disclosure on Financial Instruments and Risk Management

(1) Fair Value Measurement

A) Financial Instruments by category

(₹ in crores)

Financial assets	Notes	As at 31st March, 2019		As at 31st March, 2018	
		Fair value through Other Comprehensive Income	Amortised Cost	Fair value through Other Comprehensive Income	Amortised Cost
Non-current Financial assets					
(i) Non-current investments					
a) In Equity Instrument (Quoted)	3.1	88.66	-	105.14	-
b) In Debt Instruments (Government/ Public Sector Undertaking)-Quoted	3.1	401.54	-	398.15	-
Sub-total		**490.20**	**-**	**503.29**	**-**
(ii) Trade Receivables	3.2	-	61.51	-	306.57
(iii) Loans					
a) Deposits	3.3	-	23.52	-	20.09
b) Employees	3.3	-	126.56	-	135.41
c) Loan to Government of Arunachal Pradesh (Including interest accrued)	3.3	-	620.00	-	568.81
(iv) Others					
- Lease Receivables including interest	3.4	-	5,355.41	-	5,399.44
Recoverable on account of Bonds fully serviced by Government of India	3.4	-	2,017.20	-	-
- Share Application Money - Chenab Valley Power Projects Private Limited (Pending Allotment)	3.4	-	-	-	65.19
- Bank Deposits with more than 12 Months Maturity (Including interest accrued)	3.4	-	80.93	-	36.52
Total Non-current Financial assets		**490.20**	**8,285.13**	**503.29**	**6,532.03**
Current Financial assets					
(i) Trade Receivables	7	-	2,838.00	-	1,346.04
(ii) Cash and cash equivalents	8	-	43.72	-	20.54
(iii) Bank balances other than Cash and Cash Equivalents	9	-	2,201.53	-	3,298.52
(iv) Loans	10				
- Employee Loans		-	42.19	-	45.44
- Loans to Joint Venture (National High Power Test Laboratory (P) Limited)		-	6.00	-	6.00
- Deposits		-	0.62	-	1.17
(v) Others (Excluding Lease Receivables)	11	-	2,029.24	-	1,434.48
(vi) Others (Lease Receivables including interest)	11	-	213.86	-	197.55
Total Current Financial Assets		**-**	**7,375.16**	**-**	**6,349.74**
Total Financial Assets		**490.20**	**15,660.29**	**503.29**	**12,881.77**
Financial Liabilities					
(i) Long-term borrowings	16.1	-	17,044.63	-	16,728.20
(ii) Other Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India)	16.2	-	2,059.44	-	39.87
(iii) Borrowing -Short Term	20.1	-	416.00	-	279.99
(iv) Trade Payables including MSME	20.2	-	196.27	-	200.10
(v) Other Current financial liabilities					
a) Current maturities of long term borrowings	20.3	-	1,605.16	-	1,593.91
b) Interest Accrued but not due on borrowings	20.3	-	584.99	-	572.49
c) Other Current Liabilities	20.3	-	706.57	-	649.54
Total Financial Liabilities		**-**	**22,613.06**	**-**	**20,064.10**

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. This includes security deposits/ retention money and loans at below market rates of interest.

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

(₹ in crores)

	Note No.	As at 31st March, 2019	As at 31st March, 2018
		Level 1	Level 1
Financial Assets at FVTOCI			
(i) Investments-			
- In Equity Instrument (Quoted)	3.1	88.66	105.14
- In Debt Instruments (Government/ Public Sector Undertaking)- Quoted *	3.1	401.54	398.15
Total		**490.20**	**503.29**

Note:
* in the absence of latest quoted market rates in respect of these instruments, rates have been derived as per Fixed Income Money Market and Derivatives Association of India (FIMMDA).

All other financial assets and financial liabilities have been measured at amortised cost at balance sheet date and classified as non-recurring fair value measurement.

(b) Financial Assets/Liabilities measured at amortised cost for which Fair Value are disclosed:

(₹ in crores)

Particulars	Note No.	As at 31st March, 2019			As at 31st March, 2018		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets							
(i) Trade Receivables	3.2		61.51			306.57	
(ii) Loans							
a) Employees	3.3		134.76			161.55	
b) Loan to Government of Arunachal Pradesh (including Interest Accrued)	3.3		620.00			568.81	
c) Deposits	3.3			23.52			20.09
(ii) Others							
- Bank Deposits with more than 12 Months Maturity (Including Interest accrued)	3.4		80.93			36.52	
- Recoverable on account of Bonds fully Serviced by Government of India	3.4	2,017.20					
Total Financial Assets		**2,017.20**	**897.20**	**23.52**	**-**	**1,073.45**	**20.09**

(₹ in crores)

Particulars	Note No.	As at 31st March, 2019			As at 31st March, 2018		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Liabilities							
(i) Long-term borrowings including current maturities and accrued interest	16.1 & 20.3	13,863.26	2,596.46	2,054.78	12,833.88	3,001.81	1,793.20
(ii) Other Long Term Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India)	16.2	2,017.20		42.98			40.41
Total Financial Liabilities		**15,880.46**	**2,596.46**	**2,097.76**	**12,833.88**	**3,001.81**	**1,833.61**

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

(₹ in crore)

Particulars	Note No.	As at 31st March, 2019		As at 31st March, 2018	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets					
(i) Trade Receivables	3.2	61.51	61.51	306.57	306.57
(ii) Loans					
a) Employees	3.3	126.56	134.76	135.41	161.55
b) Loan to Government of Arunachal Pradesh (including Interest Accrued)	3.3	620.00	620.00	568.81	568.81
c) Deposits		23.52	23.52	20.09	20.09
(ii) Others					
- Bank Deposits with more than 12 Months Maturity (Including Interest accrued)	3.4	80.93	80.93	36.52	36.52
- Recoverable on account of Bonds fully Serviced by Government of India	3.4	2,017.20	2,017.20	-	-
Total Financial Assets		**2,929.72**	**2,937.92**	**1,067.40**	**1,093.54**
Financial Liabilities					
(i) Long-term borrowings including Current maturities and accrued interest	16.1 & 20.3	19,234.78	18,514.50	18,894.60	17,628.89
(ii) Other Long Term Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India)	16.2	2,059.44	2,060.18	39.87	40.41
Total Financial Liabilities		**21,294.22**	**20,574.68**	**18,934.47**	**17,669.30**

Note:-

1. The Carrying amounts of current investments, Trade and other receivables, Cash and cash equivalents, Short-term loans and advances, Short term borrowings, Trade payables and other current financial liabilities are considered to be the same as their fair values, due to their short term nature.
2. For financial assets and financial liabilities measured at fair value, the carrying amounts are equal to the fair value.

(d) Valuation techniques and process used to determine fair values

1. The Company values financial assets or financial liabilities using the best and most relevant data available. Specific valuation techniques used to determine fair value of financial instruments includes:
   - Use of Quoted market price or dealer quotes for similar instruments.
   - Fair value of remaining financial instruments is determined using discounted cash flow analysis.
2. The discount rate used to fair value financial instruments classified at Level -3 is based on the Weighted Average Rate of company's outstanding borrowings except subordinate debts and foreign currency borrowings.
3. As per Ind AS 109, financial liabilities that are subsequently measured at amortised cost are recognised initially at fair value minus transaction costs using the effective interest method. Since the transaction costs incurred on long term borrowings are not material, as such the company has not applied the effective interest method for initial recognition of such liabilities.

(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.

i) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables/leased assets) and from its financing activities including deposits with banks and financial institutions.

ii) Liquidity risk.

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The company operates in a regulated environment. Tariff of the company is fixed by the Central Electricity Regulatory Commission (CERC) through Annual Fixed Charges (AFC) comprising the following five components: 1. Return on Equity (RoE), 2. Depreciation, 3. Interest on Loans, 4. Operation & Maintenance Expenses and 5. Interest on Working Capital Loans. In addition to the above Foreign Currency Exchange variations and Taxes are also recoverable from Beneficiaries in terms of the Tariff Regulations. Hence variation in interest rate, currency exchange rate variations and other price risk variations are recoverable from tariff and do not impact the profitability of the company.

(B) Credit Risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

Trade Receivables & lease receivables :-

The Company extends credit to customers in normal course of business. The Company monitors the payment track record of the customers. Outstanding receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are mainly state government authorities and operate in largely independent markets.

Lease receivables of the company are with regard to Power Purchase Agreements classified as deemed lease as per Appendix C of Ind AS 17- 'Leases' as referred to in Note No. 34. The power purchase agreements are for sale of power to single beneficiary and recoverability of interest income and principal on leased assets i.e. PPE of the power stations are assessed on the same basis as applied for trade receivables.

Financial assets at amortised cost :-

Employee Loans: The Company has given loans to employees at concessional rates as per Company's policy which have been measured at amortised cost at Balance Sheet date. The recovery of the loan is on fixed instalment basis from the monthly salary of the employees. The loans are secured by way of mortgage/hypothecation of the assets for which such loans are given. Management has assessed the past data and does not envisage any probability of default on these loans.

Loans to Government of Arunanchal Pradesh : The Company has given loan to Government of Arunachal Pradesh at 9% rate of interest as per the terms and conditions of Memorandum of Understanding signed between the Company and Govt of Arunachal Pradesh for construction of hydroelectric projects in the state. The loan has been measured at amortised cost. The loan is recoverable from the share of free power of the state government from the first hydroelectric project to be commissioned in the state. Management does not envisage any probability of default on the loan.

Financial instruments and cash deposits :- The Company considers factors such as track record, size of the bank, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the banks with which the Company has also availed borrowings. The Company invests surplus cash in short term deposits with scheduled banks. The company has balances and deposits with banks which are well diversified across private and public sector banks with limited exposure with any single bank.

(i) Exposure to credit risk

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

(₹ in crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Non-current investments (Other than Joint Ventures)	490.20	503.29
Loans -Non Current (including interest)	770.08	724.31
Other Non Current Financial Assets	2,098.13	101.71
Cash and cash equivalents	43.72	20.54
Bank balances	2,201.53	3,298.52
Loans -Current	48.81	52.61
Other Financial Assets (Excluding Lease Receivables)	2,029.24	1,434.48
Total (A)	**7,681.71**	**6,135.46**
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade Receivables	2,899.51	1,652.61
Lease Receivables (Including Interest)	5,569.27	5,596.99
Total (B)	**8,468.78**	**7,249.60**
TOTAL (A+B)	**16,150.49**	**13,385.06**

(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

CERC Tariff Regulations 2014-19 allow the Company to raise bills on beneficiaries for late-payment surcharge. which adequately compensates the Company for time value of money arising due to delay in payment. Further, the fact that beneficiaries are primarily State Governments/ State Discoms and considering the historical credit loss experience for trade receivables, the Company does not envisage either impairment in the value of receivables from beneficiaries or loss due to time value of money due to delay in realization of trade receivables. However, the Company assesses outstanding trade receivables on an ongoing basis considering changes in operating results and payment behaviour and provides for expected credit loss on case-to-case basis. As at the reporting date company does not envisage any default risk on account of non-realisation of trade receivables.

(iii) Reconciliation of impairment loss provisions

The movement in the allowance for impairment in respect of financial assets during the period was as follows:

(₹ in crore)

Particulars	Trade Receivables	Claim recoverable	Loans	Total
Balance as at 1.4.2018	37.71	210.41	0.03	248.15
Changes in Loss Allowances	-	(6.98)	(0.02)	(7.00)
Balance as at 31.3.2019	37.71	203.43	0.01	241.15

(C) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

i) The Company's objective is to maintain optimum levels of liquidity at all times to meet its cash and collateral requirements. The Company relies on a mix of borrowings and excess operating cash flows to meet its need for funds. The current committed lines of credit and internal accruals are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet capital expenditure and operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the borrowing limits or covenants (where applicable) are not breached on any of its borrowing facilities. The company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
At Floating Rate	819.00	25.00
Total	**819.00**	**25.00**

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 2019 (₹ in crore)

Contractual maturities of financial liabilities	Note No.	Outstanding Debt as on 31.3.2019	Within 1 Year	More than 1 Year & Less than 3 Years	More than 3 Years & Less than 5 Years	More than 5 Years
Borrowings	16.1, 20.1 & 20.3	19,899.53	2,021.17	3,006.08	3,205.12	11,667.16
Other financial Liabilities	16.2 & 20.3	3,362.76	1,287.92	10.92	6.88	2,057.04
Trade Payables	20.2	196.28	196.28	-	-	-
Total Financial Liabilities		**23,458.57**	**3,505.37**	**3,017.00**	**3,212.00**	**13,724.20**

As at 31st March 2018 (₹ in crore)

Contractual maturities of financial liabilities	Note No.	Outstanding Debt as on 31.03.2018	Within 1 Year	More than 1 Year & Less than 3 Years	More than 3 Years & Less than 5 Years	More than 5 Years
Borrowings	16.1, 20.1 & 20.3	19,166.00	1,873.91	3,206.76	2,615.09	11,470.24
Other financial Liabilities	16.2 & 20.3	1,286.06	1,229.67	11.58	4.79	40.02
Trade Payables	20.2	200.12	200.12	-	-	-
Total Financial Liabilities		**20,652.18**	**3,303.70**	**3,218.34**	**2,619.88**	**11,510.26**

(D) Market Risk:

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligation provisions and on the non-financial assets and liabilities. The sensitivity of the relevant item of the Statement of Profit and Loss is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in interest rates.

(i) Interest rate risk and sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates. Company's policy is to maintain most of its borrowings at fixed rate. Company's fixed rate borrowings are carried at amortised cost and are not subject to interest rate risk. Further the company refinance these debts as and when favourable terms are available. The company is also compensated for variability in floating rate through recovery by way of tariff adjustments under CERC tariff regulations.

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	weighted average interest rate (%)	(₹ in crore)	weighted average interest rate (%)	(₹ in crore)
Floating Rate Borrowings (INR)	8.50	190.00	-	-
Floating Rate Borrowings (Foreign Currency)	-	-	0.57	113.48
Fixed Rate Borrowings (INR)	8.30	17,340.99	6.82	17,008.18
Fixed Rate Borrowings (Foreign Currency)	1.97	1,118.79	1.81	1,200.48
Total		**18,649.78**		**18,322.14**

Interest Rate Sensitivity Analysis

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The majority of the borrowings of the company are at fixed interest rate. In case of floating rate borrowings there is no impact on Statement of Profit and Loss of the company due to increase/decrese in interest rates, as the same is recoverable from beneficiaries through tariff .

(ii) Price Risk:

(a) Exposure

The company's exposure to price risk arises from investment in equity shares and debt instruments classified in the financial statements as Fair Value Through OCI. Company's investment in equity shares are listed in recognised stock exchange and are publicly traded in the stock exchanges. Company's investment in debt instruments comprise quoted Government Securities and Public Sector Bonds and are publicly traded in the market. The investment has been classified under non-current investment in Balance Sheet.

(b) Price Risk Sensitivity

For Investment in Equity Instruments (Investment in equity shares of IOB and PTC)

The table below summarises the impact of increase/decrease in the market price of investment in equity instruments on the company's equity for the year:

Particulars	As at 31st March, 2019		As at 31st March, 2018	
Investment in Equity shares of :	% change	Impact on other components of equity (₹ in crore)	% change	Impact on other components of equity (₹ in crore)
PTC India Ltd	22.06	19.46	22.45	23.55
Indian Overseas Bank	15.75	0.08	15.65	0.10

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 Govt and PSU Bonds)

The table below summarises the impact of increase/decrease of the market value of the debt instruments on company's equity for the year:

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	% change	Impact on other components of equity (₹ in crore)	% change	Impact on other components of equity (₹ in crore)
Government Securities	0.57	1.84	(0.08)	(0.25)
PSU Tax Free Bonds	1.48	1.20	1.20	0.98

(iii) Foreign Currency Risk

The company is compensated for variability in foreign currency exchange rate through recovery by way of tariff adjustments under the CERC Tariff Regulations.

(a) Foreign Currency Exposure:

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows :

(₹ in crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Financial Liabilities:		
Foreign Currency Loans	1,118.79	1,313.93
Other Financial Liabilities	62.53	67.47
Net Exposure to foreign currency (liabilities)	**1,181.32**	**1,381.40**

(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 2014-19.

(3) Capital Management

(a) Capital Risk Management

The primary objective of the Company's capital management is to maximize the shareholder value. CERC Tariff Regulations prescribe Debt : Equity ratio of 70:30 for the purpose of fixation of tariff of Power Projects. Accordingly the company manages its capital structure to maintain the normative capital structure prescribed by the CERC.

The Company monitors capital using Debt : Equity ratio, which is net debt divided by total capital. The Debt : Equity ratio are as follows:

Statement of Gearing Ratio

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Total Debt (₹ in crore)	20,666.99	18,322.11
(b) Total Capital (₹ in crore)	30,797.81	30,041.19
Gearing Ratio (a/b)	0.67	0.61

Note: For the purpose of the Company's capital management, capital includes issued capital and reserves. Net debt includes interest bearing loans and borrowings.

(b) Loan Covenants:

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

1. Company shall maintain credit rating AAA and if rating comes down, rate of interest shall be increased by 25 basis point for each notch below AAA rating .
2. Debt to net worth should not exceed 2:1.
3. Interest coverage ratio should be more than 2 times and should be calculated as ((Net Profit+Non Cash Expenditures+Interest Payable-Non Cash Income)/Interest Payable))
4. 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 31st March, 2019	As at 31st March, 2018
(i) Equity Shares		
Final dividend for the year 2017-18 of INR 0.28 per fully paid share approved in September 2018 paid in October 2018. (31st March 2018 - INR 0.10 fully paid share for 2016-17).	287.26	102.60
Dividend Distribution Tax on Final Dividend	1.97 *	-
Interim dividend for the year ended 31st March 2019 of INR 0.71 (31st March 2018- INR 1.12) per fully paid share.	713.20	1149.05
Dividend Distribution Tax on Interim Dividend	146.60	126.86
(ii) Dividend not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of INR 0.75 (31 st March 2018- INR 0.28) per fully paid up Shares . The proposed dividend is subject to the approval of shareholders in the ensuring Annual General Meeting.	753.38	287.26
Dividend Distribution Tax on Proposed Dividend	154.86	59.05

* Adjusted with Dividend Distribution Tax on dividend received from NHDC Ltd.

Note No. - 34

1. **The subsidiaries & joint venture companies considered in the Consolidated Financial Statement are:**

Name of the Company	Country of Incorporation	Proportion (%) of Ownership Interest	
		31.03.2019	**31.03.2018**
A. Subsidiary Companies			
NHDC Limited	India	51.08%	51.08%
Loktak Downstream Hydroelectric Corporation Limited (LDHC Limited)	India	74.00%	74.00%
Bundelkhand Saur Urja Limited (BSUL)	India	99.99%	99.99%
B. Joint Venture Companies			
Chenab Valley Power Projects (P) Limited (CVPPPL)*	India	51.94%	55.39%
National High Power Test Laboratory Private Limited (NHPTL)**	India	20.00%	20.00%

*During the year, company's shareholding decreased from 55.39% to 51.94% due to further investment by co-venturer. However, CVPPL continues to be a Joint Venture owing to control exercised jointly with the co- venture, pursuant to the Joint Venture agreement.

**The financial statements are unaudited. The figures appearing in financial statements may change on completion of its audit.

2. **Disclosures relating to Contingent Liabilities:**

Contingent Liabilities to the extent not provided for –

a) **Claims against the Group not acknowledged as debts in respect of:**

(i) **Capital works**

Contractors have lodged claims aggregating to ₹ **11245.90 Crore** (Previous year ₹ **10126.89 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 ₹ **4580.80 Crore** (Previous year ₹ **3840.16 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 ₹ **419.44 Crore** (Previous year ₹ **443.27 Crore)** based on probability of outflow of resources embodying economic benefits and estimated ₹ **10699.43 Crore** (Previous year ₹ **9582.90 Crore**) as the amount of contingent liability i.e. amounts for which Group may be held contingently liable. In respect of such estimated contingent claims either the outflow of resources embodying economic benefits is not probable or a reliable estimate of the amount required for settling the obligation cannot be made. In respect of the rest of the claims/ obligations, possibility of any outflow in settlement is considered as remote.

(ii) **Land Compensation cases**

In respect of land acquired for the projects, some of the erstwhile land owners have filed claims for higher compensation amounting to ₹ **495.90 Crore** (Previous year ₹ **351.86 Crore)** before various authorities/courts. Pending settlement, the Group has assessed and provided an amount of ₹ **23.02 Crore** (Previous year ₹ **29.55 Crore**) based on probability of outflow of resources embodying economic benefits and estimated ₹ **472.88 Crore** (Previous year ₹ **322.31 Crore)** as the amount of contingent liability as outflow of resources is considered as not probable.

(iii) **Disputed Tax Demands**

Disputed Income Tax/Sales Tax/Service Tax/ other taxes/duties matters pending before various appellate authorities amount to ₹ **640.42 Crore** (Previous year ₹ **455.19 Crore)**. Pending settlement, the Group has assessed and provided an amount of ₹ **23.50 Crore** (Previous year ₹ **30.77 Crore)** based on probability of outflow of resources embodying economic benefits and

₹ **515.92 Crore** (Previous year ₹ **424.42 Crore)** are being disclosed as contingent liability as outflow of resources is considered not probable. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered as remote.

(iv) Others

Claims on account of other miscellaneous matters amount to ₹ **797.65 Crore** (Previous year ₹ **701.70 Crore**). These claims are pending before various forums. Pending settlement, the Group has assessed and provided an amount of ₹ **18.25 Crore** (Previous year ₹ **29.69 Crore)** based on probability of outflow of resources embodying economic benefits and estimated ₹ **777.52 Crore** (Previous year ₹ **670.13 Crore)** as the amount of contingent liability as outflow of resources is considered as not probable. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered as remote.

The above is summarized as below:

(₹ in Crore)

Sl. No.	Particulars	Claims as on 31.03.2019	up to date Provision against the claims	Contingent liability as on 31.03.2019	Contingent liability as on 31.03.2018	Addition/ (deduction) from contingent liability during the year	Decrease of contingent liability from Opening Balance as on 01.04.2018
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)=(v)-(vi)	(viii)
1.	Capital Works	11245.90	419.44	10699.43	9582.90	1116.53	1697.17
2.	Land Compen-sation cases	495.90	23.02	472.88	322.31	150.57	71.00
3.	Disputed tax matters	640.42	23.50	515.92	424.42	91.50	8.38
4.	Others	797.65	18.25	777.52	670.13	107.39	41.42
	Total	**13179.87**	**484.21**	**12465.75**	**10999.76**	**1465.99**	**1817.97**

(b) The above do not include contingent liabilities on account of pending cases in respect of service matters and others where the amount cannot be quantified.

(c) It is not practicable to ascertain and disclose the uncertainties relating to outflow in respect of contingent liabilities.

(d) There is possibility of reimbursement to the Group of ₹ **396.38 Crore** (Previous year ₹ **235.73 Crore)** towards above Contingent Liabilities.

(e) (i) An amount of ₹ **617.39 Crore** (Previous year ₹ **536.06 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 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 ₹ **456.59 Crore** (Previous year ₹ **82.39 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. (Also refer Note no. 5 and 13).

(f) The Management does not expect that the above claims/obligations (including under litigation), when ultimately concluded and determined, will have a material and adverse effect on the Group's results of operations or financial condition.

(g) Category of agency wise details of contingent liabilities as at 31.03.2019 are as under:

(₹ in Crore)

Sl. No.	Category of Agency	Claims as on 31.03.2019	up to date Provision against the claims	Contingent liability as on 31.03.2019	Contingent liability as on 31.03.2018	Addition(+)/ deduction (-) from contingent liability during the year	Decrease of contingent liability from Opening Balance as on 01.04.2018
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)=(v)-(vi)	(viii)
1	Central Government departments	154.79	-	53.79	34.18	19.61	-
2	State Government departments or Local Bodies	572.10	40.57	531.53	466.00	65.53	8.11
3	Central Public Sector Enterprises (CPSEs)	101.67	0.16	100.93	102.73	(1.80)	-
4	Others	12351.31	443.48	11779.50	10396.85	1382.65	1809.86
	TOTAL	**13179.87**	**484.21**	**12465.75**	**10999.76**	**1465.99**	**1817.97**

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 ₹ **875.05 Crore** (Previous year ₹ **603.86 Crore)** against claims of other entities. These claims have been lodged on the basis of contractual provisions and are being contested at arbitration tribunal/ other forums/under examination with the counterparty. It includes counter claims of ₹ **28.16 Crore** (Previous year ₹ **446.53 Crore)** towards arbitration awards including updated interest thereon.

Based on Management assessment, a favourable outcome is probable in respect of the claims aggregating ₹ **780.09 Crore** (Previous year ₹ **603.62 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 provide for levy of Late Payment Surcharge by generating Group in case of delay in payment by beneficiaries beyond 60 days from the date of presentation of bill. In view of significant uncertainties in the ultimate collection from the beneficiaries, an amount of ₹ **109.35 Crore** (previous year ₹ **188.42 Crore)** as estimated by the management has not been recognised.

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

Truing up order of 2009-14 and/or Tariff Order for 2014-19 are pending in respect of Sewa-II, Chamera-III, Teesta Low Dam-III and Teesta Low Dam-IV Power stations pending approval of revised cost estimate. Management has assessed that an additional revenue of ₹ **1246.79 Crore** (Previous year ₹ **694.94 Crore)** is likely to accrue on account of these expenditures 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 ₹ **202.26 Crore** (Previous Year ₹ **195.04 Crore)** in this respect which has not been recognised. Power Station-wise details of claims are given at Note 34(24) of the standalone Financial Statements.

e) Other Cases

Claims on account of other miscellaneous matters estimated by Management to be ₹ **175.79 Crore** (Previous year ₹ **60.34 Crore)** has not been recognised.

4. Commitments (to the extent not provided for):

(a) Estimated amount of contracts remaining to be executed on capital account are as under:

(₹ in Crore)

Sl. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
(i)	(ii)	(iii)	(iv)
1.	Property Plant and Equipment (including Capital Work in Progress)	2709.17	2725.10
2.	Intangible Assets	18.95	21.82
	Total	**2728.12**	**2746.92**

(b) The Company has commitments of ₹ **99.33 Crore** (Previous year ₹ **653.49 Crore)** towards further investment in the subsidiary companies as at 31st March, 2019.

(c) The Company has commitments of ₹ **1284.97 Crore** (Previous year ₹ **577.65 Crore)** towards further investment in the joint venture companies as at 31st March, 2019.

5. Pending approval of competent authority, provisional payments / provisions made towards executed quantities of works of some of the items beyond the approved quantities and/ or for extra items aggregating to ₹ **4.06 Crore** (Previous year ₹ **7.25 Crore)** are included in Capital Work-in-Progress /Property, Plant and Equipment.

6. Disclosure in respect of Project Management /Consultancy Work/Deposit Works under IND AS 115- 'Revenue from contract with Customers' is as under:

(₹ in Crore)

Sl. No.	Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(i)	(ii)	(iii)	(iv)
(A)	Revenue recognised from contract liabilities	5.84	6.99
(B)	Revenue recognised due to price change or other contract variation that were not recognised earlier	-	-

7. Government of Madhya Pradesh (GoMP), being a joint venture partner, contributed on various accounts through Narmada Valley Development Authority (NVDA) as per CCEA approval, details given below: - (Refer Note No. 19 of Balance Sheet)

Indira Sagar Project (ISP): -

(₹ in Crore)

	(A) Amount received in Cash or in kind	Cumulative up to 31.03.2018	During F.Y. 2018-19	Cumulative up to 31.03.2019
i.	Expenditure by NVDA on account of Project	1,356.23	7.72	1,363.95
ii.	Cash Received	669.71	-	669.71
iii.	Amount transferred from OSP A/c	8.56	-	8.56
	Total of (A)	**2,034.50**	**7.72**	**2,042.22**
(B)	**Due/Adjusted on account of**			
i.	Equity Capital	660.00	-	660.00
ii.	Irrigation Component	405.56	0.78	406.34
iii.	SSP Component	518.23	1.00	519.23
iv.	Sub-vention towards excess R&R Expenses	412.68	5.66	418.34
v.	Electricity charges & water supply maintenance charges	5.04	-	5.04
vi.	Equity of OSP	33.08	-	33.08
	Total of (B)	**2,034.59**	**7.44**	**2,042.03**
(C)	**Amount recoverable from NVDA i.e. (B-A)**	**0.09**	**-0.28**	**-0.19**

Omkareshwar Project (OSP): -

(₹ in Crore)

(D)	Amount received in Cash or in kind	Cumulative up to 31.03.2018	During F.Y. 2018-19	Cumulative up to 31.03.2019
	i. Expenditure by NVDA on account of Project	126.11	1.65	127.76
	ii. Cash Received	646.41	5.00	651.41
	iii. Amount transferred from ISP A/C	33.08	-	33.08
	Total of (D)	**805.60**	**6.65**	**812.25**
(E)	**Due/Adjusted on account of**			
	i. Equity Capital	300.16	-	300.16
	ii. Irrigation Component	239.33	0.31	239.64
	iii. Sub-venation towards excess R&R Expenses	76.06	1.84	77.90
	iv. Amount Transferred to ISP A/C	8.56	-	8.56
	v. Additional Special R&R Package	207.83	0.35	208.18
	Total of (E)	**831.94**	**2.50**	**834.44**
(F)	**Amount recoverable from NVDA i.e. (E-D)**	**26.34**	**(4.15)**	**22.19**
(G)	**Total Amount recoverable i.e (C+F)**	**26.43**	**(4.43)**	**22.00**

Movement of Grant in Reserve during Financial Year 2018-19 is as under:-

(₹ in Crore)

Sl. No.	Particulars	01.04.2018	Additions	Deductions	Adjustments	31.03.2019
1.	Proportionate contribution by Govt. of Madhya Pradesh towards Irrigation Component in ISPS as a Grant-in-Aid	237.60	0.78	12.99	-	225.39
2.	Proportionate Sub-vention towards Sardar Sarovar project transferred from NVDA Account for ISPS.	303.64	1.00	16.60	-	288.04
3.	Contribution by Govt of Madhya Pradesh towards R&R of ISPS.	277.60	5.66	16.26	-	267.00
4.	Proportionate contribution by Govt. of Madhya Pradesh towards Irrigation Component in OSPS as Grant-in-Aid	138.92	0.31	10.77	-	128.46
5.	Contribution by Govt of Madhya Pradesh towards R&R of OSPS.	218.30	2.19	11.35	-	209.14
	Total	**1,176.06**	**9.94**	**67.97**	**-**	**1,118.03**

8. **The effect of foreign exchange rate variation (FERV) during the year are as under:**

(₹ in Crore)

Sl. No.	Particulars	For the year ended 31st March, 2019	For the Year ended 31st March, 2018
(i)	Amount charged to Statement of Profit and Loss as FERV	(3.18)	2.88
(ii)	Amount charged to Statement of Profit and Loss as Borrowing Cost	22.69	71.65
(iii)	Amount recognised in Regulatory Deferral Account Balances	(0.57)	2.10
(iv)	Amount adjusted by addition to the carrying amount of Property, Plant and Equipment	(0.02)	-

There is however no impact on profitability of the Group, as the impact of change in foreign exchange rates is recoverable from beneficiaries in terms of prevailing CERC (Terms and Conditions of Tariff) Regulations 2014-19. The exchange rate variation included under borrowing cost for the year is transferred to deferred foreign currency fluctuation assets (recoverable from beneficiaries) as per Significant Accounting Policy of the Group.

9. **Operating Segment:**

a) Electricity generation (including income from embedded Finance/ Operating leases) is the principal business activity of the Group. Other operations viz., Contracts, Project Management, Consultancy works and Power Trading Business do not form a reportable segment as per the Ind AS – 108 on 'Operating Segment'.

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

c) The Group has entered into Power Trading business during the current financial year.

d) Information about major customers: Revenue of ₹ **5436.57 Crore** (Previous year₹ **4618.43 Crore)** is derived from following customers as per details below:

(₹ in Crore)

Sl. No.	Name of Customer	Revenue from customer (₹ In Crore)		Revenue from customer as a % of total revenue	
		For the year ended 31.03.2019	For the Year ended 31.03.2018	For the Year ended 31.03.2019	For the Year ended 31.03.2018
1	Uttar Pradesh Power Corporation Limited.	1476.40	1132.45	16.46%	14.60%
2	Power Development Department, Jammu & Kashmir Govt.	1380.28	1274.86	15.39%	16.44%
3	West Bengal State Electricity Board	908.55	650.93	10.13%	8.39%
4	Punjab State Power Corporation Limited	866.80	775.28	9.66%	10.00%
5	Madhya Pradesh Power Management Company Limited	804.54	784.91	8.97%	10.12%
	Total	**5436.57**	**4618.43**	**60.61%**	**59.55%**

e) Revenue from External Customers: The Group is domiciled in India. The amount of its revenue from external customer is as under:

(₹ in Crore)

Sl. No.	Revenue from External Customers	For the year ended 31st March, 2019	For the year ended 31st March, 2018
1	Bhutan	6.16	15.28
	Total	**6.16**	**15.28**

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

10. Disclosures under Ind AS-24 "Related Party Disclosures":

(A) List of Related parties:

(i) Joint Ventures:

Name of Companies	Principal place of operation
National High Power Test Laboratory (P) Ltd. (NHPTL)	India
Chenab Valley Power Projects Private Ltd. (CVPPL)	India

(ii) Key Managerial Personnel

sr. No.	Name	Position Held
1	Shri Balraj Joshi	Chairman and Managing Director
2	Shri Ratish Kumar	Director (Projects)
3	Shri Nikhil Kumar Jain	Director (Personnel)
4	Shri Mahesh Kumar Mittal	Director (Finance) and CFO
5	Shri Janardan Choudhary	Director (Technical)
6	Shri Aniruddha Kumar	Govt. Nominee Director with effect from 28.05.2018
7	Smt. Archana Agrawal	Govt. Nominee Director upto 30.07.2018
8	Prof. (Smt.) Kanika T. Bhal	Independent Director
9	Shri Satya Prakash Mangal	Independent Director
10	Prof. Arun Kumar	Independent Director
11	Shri Bhagwat Prasad	Independent Director
12	Prof. Nalini Kant Jha	Independent Director upto 05.11.2018.
13	Shri Jugal Kishore Mohapatra	Independent Director
14	Shri Vijay Gupta	Company Secretary

(iii) Post-Employment Benefit Plans :

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

(iv) Other entities with joint-control or significant influence over the Group:

The Group is a Central Public Sector Undertaking (CPSU) controlled by Central Government by holding majority of shares. The Group has applied the exemption available for government related entities and has made limited disclosures in the Financial Statements in accordance with Ind AS 24. Therefore, party-wise details of such transactions have not been given since such transactions are carried out in the ordinary course of business at normal commercial terms and are not considered to be significant.

Sl. No.	Name of the Government	Nature of Relationship with NHPC
1	Government of India	Shareholder having control over Group
2	State government of Madhya Pradesh, Uttar Pradesh and Manipur	Shareholder (NCI) in subsidiaries of NHPC
3	State Government of Jammu & Kashmir	Co-venturer in jointly controlled entity.
4	EESL, MTNL, SJVNL, NTPC Ltd, PGCIL, BHEL, BSNL,IIT,VSNL, POSOCO, SAIL, New India Assurance Company, Oriental Insurance Co., KV, HPCL, IOCL 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 31st March, 2019**	**For the Year ended 31st March, 2018**
(i)	**(ii)**	**(iii)**
Services Provided by the Group		
• CVPPL	19.13	16.44
Equity contributions by the Group		
• CVPPL	100.00	187.55
Reimbursement of Cost of employee on deputation		
• CVPPL	2.84	5.45
Loans Provided by the Group (including interest accrued)		
• NHPTL	-	6.00
Interest on Loan given		
• NHPTL	0.06	-

(ii) Compensation to Key Management Personnel:

(₹ in crore)

Particulars	**For the Year ended 31st March, 2019**	**For the Year ended 31st March, 2018**
Short Term Employee Benefits	3.70	2.17
Post-Employment Benefits	0.77	0.34
Other Long Term Benefits	0.18	0.45

(₹ in crore)

Other Transactions with KMP	**For the Year ended 31st March, 2019**	**For the Year ended 31st March, 2018**
Sitting Fees and other reimbursements to non-executive/independent directors	0.44	0.31
Interest Received during the year	0.02	0.02

(iii) Transactions with other related parties- Post Employment Benefit Plan

(₹ in crore)

Particulars	**For the Year ended 31st March, 2019**	**For the Year ended 31st March, 2018**
(i)	**(ii)**	**(iii)**
Contribution to EPF Trust	342.47	288.73
Contribution to Gratuity Trust	99.88	116.79
Refund from Gratuity Trust (Payment)	159.08	64.63
Contribution to REHS Trust	27.69	47.20
Refund from REHS Trust (Payment)	25.96	18.97
Contribution to Social Security Scheme Trust	7.46	8.07
Contribution to EDCSS Trust	131.91	96.16
Contribution to Leave Encashment Trust	98.99	369.27
Refund from Leave Encashment Trust (Payment)	71.87	20.77

(iv) Transactions with Government that has control over the Group- Central Government /State Government. (This includes transactions with various Ministries, CISF etc.)

(₹ in crore)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
(i)	(ii)	(iii)
Services Received by the Group (includes ₹ 504.44 crore (Previous year ₹ 367.97 crore) pertains to State Govt. of J&K)	813.93	609.82
Services Provided by the Group	31.66	21.20
Sale of goods/Inventory made by the Group (includes ₹ 1295.42 crore (Previous year ₹ 1407.60 crore) pertains to State Govt. of J&K & ₹ 1367.01 crore (Previous year ₹ 1239.35 crore) pertains to Govt. of Uttar Pradesh)	2758.03	2743.36
Purchase of property/Other assets	1.83	0.69
Purchase of Goods/Inventory	5.87	6.57
Dividend Paid During The Year to Government of India	738.15	926.23
Dividend Paid During The Year to Government of Madhya Pradesh	265.96	602.02
Subordinate Debts received by the Group	482.00	350.00
Payment of Guarantee Fee to Govt. of India	18.61	19.93
Buy-Back of Shares by Group from Govt. of India	142.27	-
Grant Received from MNRE (Through SECI)	12.50	12.50
8.12% NHPC GOI Fully Service Bonds Issued on mandate of MOP and Paid to GOI (including interest accrued)	2021.69	-

(v) Transactions with entities controlled by the Government that has control over the Group

(₹ in crore)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
(i)	(ii)	(iii)
Purchase of property/Other assets	52.52	53.01
Purchase of goods/Inventory	32.66	40.09
Services Received by the Group	120.19	236.75
Services Provided by the Group	16.20	0.41
Sale of goods/Inventory made by the Group	880.21	860.87
Settlement Amount received by the Group against Insurance Claims	52.92	52.20

(C) Outstanding balances and guarantees with Related Parties:

(₹ in crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
(i)	(ii)	(iii)
Balances with Joint Ventures (CVPPL and NHPTL)		
• Receivables	95.46	104.76
• Loan Outstanding (including interest accrued)	6.00	6.00
Balances with KMP		
• Receivables	0.05	0.04
Balances with Trust created for post- employment benefit plans of NHPC		
Receivable		
• Gratuity Trust	78.45	1.65
• Leave Encashment Trust	-	20.77
Payable		
• Gratuity Trust	-	86.05
• EPF Trust	143.92	23.88
• REHS Trust	2.40	4.54
• Social Security Scheme Trust	0.62	0.77
• EDCSS Trust	83.24	22.15
• Leave Encashment Trust	38.51	-
Balances with Government that has control over the Group-Central Government/State Government		
• Payables	86.36	170.30
• Receivables	3828.87	917.29
• Loan from Government (Subordinate debts)	4209.69	3750.80
Guarantee Received from Government (Against Foreign Currency Borrowing)	1118.79	1313.93
Balances with Entities controlled by the Government that has control over the Group		
• Payables	46.27	52.69
• Receivables	365.85	548.04
• Balances Out of Commitments made by the Group	-	3.48

(D) Other notes to related party transactions:

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

(a) Transactions with the state governments and entities controlled by the Government of India are carried out at market terms on arms- length basis (except subordinate debts received from Central Government at concessional rate) through a transparent price discovery process against open tenders, except in a few cases of procurement of spares/services from Original Equipment Manufacturers (OEMs) for proprietary items on single tender basis due to urgency, compatibility or other reasons. Such single tender procurements are also done through a process of negotiation with prices benchmarked against available price data of same/similar items.

(b) Unsecured loan of ₹ 6.00 crore granted to NHPTL is interest bearing @ 10% to be compounded annually.

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

(d) Outstanding balances of subsidiary and joint venture companies at the year-end are unsecured and settlement occurs through banking transaction. These balances other than loans are interest free. No impairment of receivables relating to amounts owed by related parties has been recognised. Assessment of impairment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(ii) Commitment towards further investments in the subsidiary and joint venture companies are disclosed at Note 34(4).

(iii) Contributions to post-employment benefit plans are net of refunds from trusts.

11. Particulars of Security: The carrying amount of assets mortgaged/ hypothecated as security for borrowings are as under:

(₹ in Crore)

Sl. No	Particulars	As at 31st March, 2019	As at 31st March, 2018
	First Charge		
1	Property Plant and Equipment	10190.38	10785.78
2	Capital Work In Progress	7429.43	6827.57
	Total	**17619.81**	**17613.35**

12. Disclosures Under Ind AS-19 " Employee Benefits":

(A) Defined Contribution Plans-

(i) Social Security Scheme

The Group has a Social Security Scheme in lieu of the erstwhile scheme of compassionate appointment. The Group also makes a matching contribution per month per employee and such contribution was to be made for 8 years to build up corpus from the date the scheme is in operation i.e. 01.06.2007, which has been extended for another 2 years i.e. up to 31.05.2017 and further extended for another 3 years i.e. up to 31.05.2020. The scheme has been created to take care of and helping bereaved families in the event of death or permanent total disability of its employee. The expenses recognised during the period towards social security scheme is ₹ **3.81 Crore** (Previous year **4.13 Crore)**.

(ii) Employees Defined Contribution Superannuation Scheme (EDCSS):

The Group has an employee defined contribution superannuation scheme for providing pension benefits to employees. As per the scheme, each employee contributes @ 5% of Basic Pay & 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 & DA. The Scheme is managed by Life Insurance Corporation of India. The expenses recognised during the period towards Employees Defined Contribution Superannuation Scheme (EDCSS) is ₹ **127.36 Crore** (Previous year **72.46 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 & Loss/Expenditure Attributable to Construction. The obligation of the Group is to make fixed contribution and to ensure a minimum rate of return to the members as specified by Government of India (GoI).

(ii) Gratuity:

The Group has a defined benefit gratuity plan. The ceiling limit of gratuity is fixed as per the Payment of Gratuity Act, 1972, whereby every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹ 0.20 Crore on superannuation, resignation, termination, disablement or on death. The plan is being managed by a separate Trust created for the purpose and obligation of the Group is to make contribution to the Trust based on actuarial valuation.

(iii) Retired Employees Health Scheme (REHS):

The Group has a Retired Employee Health Scheme, under which retired employee and/or spouse of retiree and eligible dependent children of deceased employees are provided medical facilities in the Group hospitals / empanelled hospitals. They can also avail treatment as Out-Patient subject to a ceiling fixed by the Group. The liability for the same is recognised on the basis of actuarial valuation. The Scheme is being managed by a separate Trust created for the purpose and obligation of the Group is to make contribution to the Trust based on such actuarial valuation.

(iv) Allowances on Retirement/Death:

Actual cost of shifting from place of duty at which employee is posted at the time of retirement to any other place where he / she may like to settle after retirement is paid as per the rules of the Group. In case of death, family of deceased employee can also avail this facility. The liability for the same is recognised on the basis of actuarial valuation.

(v) Memento to employees on attaining the age of superannuation:

The Group has a policy of providing Memento valuing ₹ 10,000/- to employee on superannuation. The liability for the same is recognised on the basis of actuarial valuation.

(b) Disclosure of Balance Sheet amounts and sensitivity analysis of Plans:

(i) Provident Fund : Movements in the net defined benefit obligation during the years 2018-19 and 2017-18 are as follows:

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
		2018-19	
Opening Balance as at 01.04.2018	**2502.67**	**2522.49**	**(19.82)**
Current Service Cost	95.73	-	95.73
Interest Expenses/ (Income)	192.71	186.74	5.97
Total	**288.44**	**186.74**	**101.70**
Re-measurements			**0.00**
(Gain)/loss from change in demographic assumptions	-	-	-
Return on Plan Asset, excluding amount included in interest expense/(income)	-	7.08	(7.08)
(Gain)/loss from change in financial assumptions	0.04	-	0.04
Experience (gains)/Losses	(28.03)	22.80	(50.83)
Total	**(27.99)**	**29.88**	**(57.87)**
Contributions:-			
-Employers	-	95.73	(95.73)
-Plan participants	268.97	268.97	-
Benefit payments	(385.02)	(385.02)	-
Closing Balance as at 31.03.2019	**2647.07**	**2718.80**	**(71.73)**

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
		2017-18	
Opening Balance as at 01.04.2017	**2392.58**	**2419.45**	**(26.87)**
Adjustment	-	(0.09)	0.09
Current Service Cost	76.07	-	76.07
Interest Expenses/ (Income)	179.45	179.45	-
Total	**255.52**	**179.36**	**76.16**
Remeasurements			
(Gain)/loss from change in demographic assumptions	-	-	-
Return on Plan Asset, excluding amount included in interest expense/(income)	-	1.11	(1.11)
(Gain)/loss from change in financial assumptions	0.03	-	0.03
Experience (gains)/Losses	30.67	22.63	8.04
Total	**30.70**	**23.74**	**6.96**
Contributions:-			
-Employers	-	76.07	(76.07)
-Plan participants	228.80	228.80	-
Benefit payments	(404.93)	(404.93)	-
Closing Balance as at 31.03.2018	**2502.67**	**2522.49**	**(19.82)**

The net liability disclosed above related to funded and unfunded plans are as follows:

(₹ in Crore)

Particulars	31st March 2019	31st March 2018
Present Value of funded obligations	2,647.07	2502.67
Fair value of Plan Assets	2,718.80	2522.49
Deficit/(Surplus) of funded plans	**(71.73)**	**(19.82)**
Unfunded Plans	-	-
Deficit/(Surplus) before asset ceiling	**(71.73)**	**(19.82)**

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 **₹ 71.73 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 Assumptions			Decrease in Assumptions		
	31st March 2019	31st March 2018		31st March 2019	31st March 2018		31st March 2019	31st March 2018
Discount Rate	0.50%	0.50%	Decrease by	0.005%	0.005%	Increase by	0.005%	0.005%

(ii) Gratuity: The amount recognised in the Balance Sheet as at 31.03.2019 & 31.03.2018 along with the movements in the net defined benefit obligation during the years 2018-19 and 2017-18 are as follows:

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
		2018-19	
Opening Balance as at 01.04.2018	**724.52**	**608.33**	**116.19**
Adjustment	-	(0.10)	0.10
Current Service Cost	22.50	-	22.50
Interest Expenses/ (Income)	55.79	46.84	8.95
Total Amount recognised in Profit or Loss	**78.29**	**46.84**	**31.45**
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	4.01	(4.01)
(Gain)/loss from change in demographic assumptions	(0.27)	-	(0.27)
(Gain)/loss from change in financial assumptions	5.92	-	5.92
Experience (gains)/Losses	(13.97)	-	(13.97)
Total Amount recognised in Other Comprehensive Income	**(8.32)**	**4.01**	**(12.33)**
Contributions:-			
-Employers	-	200.66	(200.66)
-Plan participants	-	-	-
Benefit payments	(98.60)	(95.83)	(2.77)
Closing Balance as at 31.03.2019	**695.89**	**763.91**	**(68.02)**

₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
		2017-18	
Opening Balance as at 01.04.2017	**775.53**	**630.01**	**145.52**
Adjustment	-	0.13	(0.13)
Current Service Cost	25.15	-	25.15
Interest Expenses/ (Income)	58.16	47.26	10.90
Total Amount recognised in Profit or Loss	**83.31**	**47.26**	**36.05**
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	3.05	(3.05)
(Gain)/loss from change in demographic assumptions	(10.46)	-	(10.46)
(Gain)/loss from change in financial assumptions	(0.94)	-	(0.94)
Experience (gains)/Losses	(57.99)	-	(57.99)
Total Amount recognised in Other Comprehensive Income	**(69.39)**	**3.05**	**(72.44)**
Contributions:-			
-Employers	-	6.05	(6.05)
-Plan participants	-	-	-
Benefit payments	(64.93)	(78.17)	13.24
Closing Balance as at 31.03.2018	**724.52**	**608.33**	**116.19**

The net liability disclosed above related to funded and unfunded plans are as follows:

(₹ in Crore)

Particulars	31st March 2019	31st March 2018
Present Value of funded obligations	695.89	724.52
Fair value of Plan Assets	763.91	608.33
Deficit/(Surplus) of funded plans	**(68.02)**	**116.19**
Unfunded Plans	-	-
Deficit/(Surplus) before asset ceiling	**(68.02)**	**116.19**

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		
	31st March 2019	31st March 2018		31st March 2019	31st March 2018		31st March 2019	31st March 2018
Discount Rate	0.50%	0.50%	Decrease by	2.96%	2.96%	Increase by	3.16%	3.12%
Salary growth rate	0.50%	0.50%	Increase by	0.63%	0.86%	Decrease by	0.73%	1.00%

(iii) Retired Employees Health Scheme (REHS): The amount recognised in the Balance Sheet as at 31.03.2019 & 31.03.2018 along with the movements in the net defined benefit obligation during the years 2018-19 and 2017-18 are as follows:

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii = (i) - (ii)
		2018-19	
Opening Balance as at 01.04.2018	**793.62**	**791.62**	**2.00**
Current Service Cost	16.12	-	16.12
Interest Expenses/ (Income)	61.11	60.47	0.64
Total Amount recognised in Profit or Loss	**77.23**	**60.47**	**16.76**
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	7.52	(7.52)
(Gain)/loss from change in demographic assumptions	(0.92)	-	(0.92)
(Gain)/loss from change in financial assumptions	16.23	-	16.23
Experience (gains)/Losses	3.16	-	3.16
Total Amount recognised in Other Comprehensive Income	**18.47**	**7.52**	**10.95**
Contributions:-	**-**	**-**	**-**
-Employers	-	27.63	(27.63)
-Plan participants	-	-	-
Benefit payments	(23.79)	(23.76)	(0.03)
Closing Balance as at 31.03.2019	**865.53**	**863.48**	**2.05**

(₹ in Crore)

Particulars	Present Value of Obligation (i)	Fair value of Plan Assets (ii)	Net Amount iii=(i)-(ii)
		2017-18	
Opening Balance as at 01.04.2017	**704.41**	**667.85**	**36.56**
Current Service Cost	15.56	-	15.56
Interest Expenses/ (Income)	52.83	50.09	2.74
Total Amount recognised in Profit or Loss	**68.39**	**50.09**	**18.30**
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	10.67	(10.67)
(Gain)/loss from change in demographic assumptions	2.07	-	2.07
(Gain)/loss from change in financial assumptions	33.77	-	33.77
Experience (gains)/Losses	3.37	-	3.37
Total Amount recognised in Other Comprehensive Income	**39.21**	**10.67**	**28.54**
Contributions:-			
-Employers	-	81.37	(81.37)
-Plan participants	-	-	-
Benefit payments	(18.39)	(18.36)	(0.03)
Closing Balance as at 31.03.2018	**793.62**	**791.62**	**2.00**

The net liability disclosed above related to funded and unfunded plans are as follows:

(₹ in Crore)

Particulars	31st March 2019	31st March 2018
Present Value of funded obligations	865.53	793.62
Fair value of Plan Assets	863.48	791.62
Deficit/(Surplus) of funded plans	**2.05**	**2.00**
Unfunded Plans	-	-
Deficit/(Surplus) before asset ceiling	**2.05**	**2.00**

Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

Particulars	Impact on Defined Benefit Obligation							
	Change in Assumptions		Increase in Assumptions			Decrease in Assumptions		
	31st March 2019	31st March 2018		31st March 2019	31st March 2018		31st March 2019	31st March 2018
Discount Rate	0.50%	0.50%	Decrease by	6.77%	6.09%	Increase by	6.85%	6.17%
Medical cost rate	0.50%	0.50%	Increase by	6.91%	6.17%	Decrease by	6.78%	6.08%

(iv) Allowances on Retirement/Death: The amount recognised in the Balance Sheet as at 31.03.2019 & 31.03.2018 along with the movements in the net defined benefit obligation during the years 2018-19 and 2017-18 are as follows:

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
		2018-19	
Opening Balance as at 01.04.2018	**5.75**	**-**	**5.75**
Current Service Cost	0.27	-	0.27
Interest Expenses/ (Income)	0.44	-	0.44
Total Amount recognised in Profit or Loss	**0.71**	**-**	**0.71**
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	-	-
(Gain)/loss from change in demographic assumptions	(0.02)	-	(0.02)
(Gain)/loss from change in financial assumptions	0.07	-	0.07
Experience (gains)/Losses	(0.66)	-	(0.66)
Total Amount recognised in Other Comprehensive Income	**(0.61)**	**-**	**(0.61)**
Contributions:-			
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	(0.07)	-	(0.07)
Closing Balance as at 31.03.2019	**5.78**	**-**	**5.78**

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
		2017-18	
Opening Balance as at 01.04.2017	**5.56**	**-**	**5.56**
Current Service Cost	0.26	-	0.26
Interest Expenses/ (Income)	0.42	-	0.42
Total Amount recognised in Profit or Loss	**0.68**	**-**	**0.68**
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	-	-
(Gain)/loss from change in demographic assumptions	0.01	-	0.01
(Gain)/loss from change in financial assumptions	0.16	-	0.16
Experience (gains)/Losses	(0.52)	-	(0.52)
Total Amount recognised in Other Comprehensive Income	**(0.35)**	**-**	**(0.35)**
Contributions:-			
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	(0.14)	-	(0.14)
Closing Balance as at 31.03.2018	**5.75**	**-**	**5.75**

The net liability disclosed above related to unfunded plans.

Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

Particulars	Impact on Defined Benefit Obligation							
	Change in Assumptions			Increase in Assumptions			Decrease in Assumptions	
	31st March 2019	31st March 2018		31st March 2019	31st March 2018		31st March 2019	31st March 2018
Discount Rate	0.50%	0.50%	Decrease by	3.93%	3.96%	Increase by	4.00%	4.15%
Cost Increase	0.50%	0.50%	Increase by	4.05%	3.97%	Decrease by	3.81%	3.71%

(v) **Memento to employees on attaining the age of superannuation:** The amount recognised in the Balance Sheet as at 31.03.2019 & 31.03.2018 along with the movements in the net defined benefit obligation during the years 2018-19 and 2017-18 are as follows:

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
		2018-19	
Opening Balance as at 01.04.2018	**2.19**	**-**	**2.19**
Current Service Cost	1.72	-	1.72
Interest Expenses/ (Income)	0.17	-	0.17
Total Amount recognised in Profit or Loss	**1.89**	**-**	**1.89**
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	-	-
(Gain)/loss from change in demographic assumptions	(0.01)	-	(0.01)
(Gain)/loss from change in financial assumptions	0.03	-	0.03
Experience (gains)/Losses	(0.18)	-	(0.18)
Total Amount recognised in Other Comprehensive Income	**(0.16)**	**-**	**(0.16)**
Contributions:-			
-Employers	**-**	**-**	**-**
-Plan participants	-	-	-
Benefit payments	(0.29)	-	(0.29)
Closing Balance as at 31.03.2019	**3.63**	**-**	**3.63**

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
		2017-18	
Opening Balance as at 01.04.2017	**2.46**	**-**	**2.46**
Current Service Cost	0.09	-	0.09
Interest Expenses/ (Income)	0.18	-	0.18
Total Amount recognised in Profit or Loss	**0.27**	**-**	**0.27**
Re-measurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	-	-
(Gain)/loss from change in demographic assumptions	0.01	-	0.01
(Gain)/loss from change in financial assumptions	0.04	-	0.04
Experience (gains)/Losses	(0.34)	-	(0.34)

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
		2017-18	
Total Amount recognised in Other Comprehensive Income	**(0.29)**	**-**	**(0.29)**
Contributions:-			
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	(0.25)	-	(0.25)
Closing Balance as at 31.03.2018	**2.19**	**-**	**2.19**

The net liability disclosed above related to unfunded plans.

Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

Particulars	Impact on Defined Benefit Obligation							
	Change in Assumptions		Increase in Assumptions			Decrease in Assumptions		
	31st March 2019	31st March 2018		31st March 2019	31st March 2018		31st March 2019	31st March 2018
Discount Rate	0.50%	0.50%	Decrease by	4.90%	5.68%	Increase by	5.19%	6.07%

(c) Defined Benefit Plans: Significant estimates: Actuarial assumptions:

Particulars	31st March 2019	31st March 2018
Discount Rate	7.56%	7.70%
Salary growth rate	6.50%	6.50%

(d) The major categories of Plan Assets are as follows:

Provident Fund:

(₹ in Crore)

Particulars	31st March 2018			
	Quoted	Unquoted	Total	In %
Debt Instruments				
Government Bonds	1384.45	-	1384.45	54.88
Corporate Bonds	998.56	-	998.56	39.59
Investment Funds				
Mutual Funds	50.56	-	50.56	2.00
LIC	-	-	-	-
Cash & Cash Equivalents	-	19.66	19.66	0.78
Accrued Interest	-	69.26	69.26	2.75
Total	**2433.57**	**88.92**	**2522.49**	**100.00**

(₹ in Crore)

Particulars	31st March 2019			
	Quoted	Unquoted	Total	In %
Debt Instruments				
Government Bonds	1557.03	-	1557.03	57.36
Corporate Bonds	1012.64	-	1012.64	37.31
Investment Funds				
Mutual Funds	60.68	-	60.68	2.23
LIC	-	-	-	-
Cash & Cash Equivalents	-	10.78	10.78	0.40
Accrued Interest	-	73.23	73.23	2.70
Total	**2630.35**	**84.01**	**2714.36**	**100.00**

Gratuity:

(₹ in Crore)

Particulars	31st March 2018			
	Quoted	Unquoted	Total	In %
Investment Funds				
LIC Scheme	-	608.20	608.20	99.98
Cash & Cash Equivalents	-	0.13	0.13	0.02
Total	**-**	**608.33**	**608.33**	**100.00**

(₹ in Crore)

Particulars	31st March 2019			
	Quoted	Unquoted	Total	In %
Investment Funds				
LIC Scheme	-	763.90	763.90	100.00
Cash & Cash Equivalents	-	-	-	-
Total	**-**	**763.90**	**763.90**	**100.00**

Retired Employees Health Scheme (REHS):

(₹ in Crore)

Particulars	31st March 2018			
	Quoted	Unquoted	Total	In %
Debt Instruments				
Government Bonds	-	-	-	-
Corporate Bonds	738.69	-	738.69	93.31
LIC Scheme	-	18.79	18.79	2.37
Fixed Deposit	-	5.71	5.71	0.72
Cash & Cash Equivalents	-	9.44	9.44	1.19
Accrued Interest	-	18.99	18.99	2.40
Total	**738.69**	**52.93**	**791.62**	**100.00**

(₹ in Crore)

Particulars	31st March 2019			
	Quoted	Unquoted	Total	In %
Debt Instruments				
Government Bonds	4.72	-	4.72	0.55
Corporate Bonds	739.05	-	739.05	85.62
LIC Scheme	-	88.69	88.69	10.28
Fixed Deposit	-	2.77	2.77	0.32
Cash & Cash Equivalents	-	0.47	0.47	0.05
Accrued Interest	-	27.47	27.47	3.18
Total	**743.77**	**119.40**	**863.17**	**100.00**

(e) Risk Exposure: Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such, the Group is exposed to various risks as follow -

A) Salary Increase- Actual salary increase will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

C) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

D) Mortality & disability – Actual deaths & 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 & 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, 2020 are **₹ 125.91 Crore** (March 31, 2019 **₹ 139.53 Crore)**.

The weighted average duration of the defined benefit obligations is **10.14 Years** (2018 – 10.38 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
31.03.2019	430.95	916.17	443.34	856.61	2647.07
31.03.2018	322.67	301.31	474.44	1404.25	2502.67

The expected maturity analysis of Gratuity (NHPC Ltd. Employees Group Gratuity Assurance Fund), Post employment Medical Benefits (NHPC Ltd. Retired Employees Health Scheme Trust), Allowances on Retirement/ Death and Memento.

(₹ in Crore)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31.03.2019					
Gratuity	106.75	75.39	100.40	413.35	695.89
Post-employment Medical Benefits (REHS)	36.31	38.51	128.68	662.00	865.50
Allowances on Retirement/Death	0.65	0.65	1.40	3.10	5.80
Memento to employees on attaining the age of superannuation	0.56	0.51	1.00	1.56	3.63
TOTAL	**144.27**	**115.06**	**231.48**	**1080.01**	**1570.82**
31.03.2018					
Gratuity	96.72	132.57	91.08	404.15	724.52
Post-employment Medical Benefits (REHS)	31.93	34.99	113.05	613.65	793.62
Allowances on Retirement/Death	0.57	0.55	1.62	3.01	5.75
Memento to employees on attaining the age of superannuation	0.27	0.21	0.72	0.99	2.19
TOTAL	**129.49**	**168.32**	**206.47**	**1021.80**	**1526.08**

(C) **Other long-term employee benefits (Leave Benefit):** The Group provides for earned leave and half-pay leave to the employees which accrue annually @ 30 days and 20 days respectively. 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.

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 31.03.2019	For the Year ended 31.03.2018
a)	Expenditure in Foreign Currency		
	i) Interest	21.37	22.55
	ii) Other Misc. Matters	83.60	60.89
b)	Value of spare parts and Components consumed in operating units.		
	i) Imported	-	-
	ii) Indigenous	25.43	29.38
c)	Earnings in foreign currency		
	- Others	-	-

14. Earnings Per Share:

a) The Earnings Per Share (Basic and Diluted) are as under:

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Earnings per Share before Regulatory Income (₹) – Basic and Diluted	1.71	2.33
Earnings per Share after Regulatory Income (₹) – Basic and Diluted	2.54	2.45
Face value per share (₹)	10	10

b) Reconciliation of Earning used in calculating Earnings Per Share:

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Net Profit after Tax but before Regulatory Income used as numerator (₹ in crore)	1752.19	2385.69
Net Profit after Tax and Regulatory Income used as numerator (₹ in crore)	2595.61	2513.90

c) Reconciliation of weighted average number of shares used as denominator :

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Weighted Average number of equity shares used as denominator	10218811713	10259320519

15. Disclosure as per Schedule-III of Companies Act,2013 :

(₹ in Crore)

Name of the entities in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
1	2	3	4	5	6	7	8	9
<u>Parent</u>								
NHPC Limited.								
31.03.2019	81.21	27343.27	82.99	2353.39	97.94	(12.41)	82.92	2340.98
31.03.2018	80.80	26645.58	76.72	2138.91	92.45	5.88	76.84	2144.79
<u>Subsidiaries</u>								
NHDC Limited								
31.03.2019	7.61	2562.20	8.35	236.90	1.03	(0.13)	8.39	236.77
31.03.2018	8.12	2674.29	13.47	375.13	3.77	0.24	13.46	375.37
Loktak Downstream Hydroelectric Corporation Ltd. (LDHC Ltd.)								
31.03.2019	0.29	96.80	0.01	0.29	-	-	0.01	0.29
31.03.2018	0.29	96.77	0.02	0.47	-	-	0.02	0.47
Bundelkhand Saur Urja Ltd. (BSUL)								
31.03.2019	0.01	2.89	(0.01)	(0.20)	-	-	(0.01)	(0.20)
31.03.2018	0.01	3.08	(0.02)	(0.53)	-	-	(0.02)	(0.53)
<u>Non-controlling Interests in all subsidiaries</u>								
31.03.2019	8.52	2868.47	8.47	240.17	0.95	(0.12)	8.50	240.05
31.03.2018	8.90	2934.91	9.72	270.80	3.62	0.23	9.71	271.03
<u>Joint Ventures (Investments as per the equity method)</u>								
National High Power Test Laboratory Private Limited (NHPTL)								
31.03.2019	0.08	26.08	(0.06)	(1.74)	0.08	(0.01)	(0.06)	(1.75)
31.03.2018	0.08	27.83	(0.08)	(2.14)	0.16	0.01	(0.08)	(2.13)
Chenab Valley Power Projects (P) Ltd. (CVPPPL)								
31.03.2019	2.28	766.57	0.25	6.98	-	-	0.25	6.98
31.03.2018	1.80	593.64	0.07	2.06	-	-	0.07	2.06
<u>TOTAL</u>								
31.03.2019	**100.00**	**33666.28**	**100.00**	**2835.79**	**100.00**	**(12.67)**	**100.00**	**2823.12**
31.03.2018	**100.00**	**32976.10**	**100.00**	**2784.70**	**100.00**	**6.36**	**100.00**	**2791.06**

16. Commitments and contingent liabilities in respect of Joint Ventures:

(₹ in Crore)

	Particulars	31.03.2019	31.03.2018
A	Contingent Liabilities	2.89	1.54
B	Capital Commitments	1998.39	586.53

17. Disclosure related to Confirmation of Balances is as under :

(a) Balances shown under material issued to contractors, claims recoverable including insurance claims, advances for Capital expenditure, Sundry Debtors, Advances to Contractors, Sundry Creditors and Deposits/Earnest money from contractors other than as given at (b) below are subject to reconciliation/ confirmation and respective consequential adjustments. Claims recoverable also include claims in respect of projects handed over or decided to be handed over to other agencies in terms of Government of India directives.

(b) The confirmation in respect of Trade Receivables, Trade Payables, Deposits, Advances to Contractors/Suppliers/Service Providers/Others including for capital expenditure and material issued to contractors have been sought for outstanding balances of ₹ **0.05 crore** or above in respect of each party as at 31st December, 2018. Status of confirmation of balances as at December 31, 2018 as well as amount outstanding as on 31.03.2019 is as under:

(₹ in Crore)

Particulars	Outstanding amount as on 31.12.2018	Amount confirmed	Outstanding amount as on 31.03.2019
Trade receivable	2831.28	2666.47	2901.11
Deposits, Advances to contractors/ suppliers/service providers/ others including for capital expenditure and material issued to contractors	1079.91	654.40	1058.44
Trade/Other payables	289.69	64.08	366.15
Security Deposit/Retention Money payable	115.88	16.17	123.18

(c) In the opinion of the management, unconfirmed balances will not have any material impact.

18. Disclosures regarding leases as per IND AS -17 "Leases":

A) Operating leases- Group as Lessee

a) The Group's significant leasing arrangements are in respect of operating leases of premises for residential use of employees. These leasing arrangements, which are not non-cancellable, are usually renewable on mutually agreeable terms. Lease payments in respect of premises for residential use of employees amounting to ₹ **13.84 Crore** (Previous year₹ **44.33 Crore)** included under Salaries, wages, allowances in **Note 26**.

b) The Group has taken premises for offices, guest houses and transit camps on operating leases which are not non-cancellable and are usually renewable on mutually agreeable terms. Lease payments in respect of premises for offices, guest houses and transit camps amounting to ₹ **8.18 Crore** (Previous year₹ **7.55 Crore)** are shown under Rent and Hire Charges in **Note 29**.

c) The Group has taken vehicles on operating leases generally for a period of 1 to 2 years and such leases are not non-cancellable. Lease payments in respect of hiring of vehicles amounting to ₹ **41.30 Crore** (Previous year₹ **37.73 Crore)** are shown under Rent and Hire Charges in **Note 29**.

B) Finance Lease – Group as Lessee

The Group has taken office space on lease for a period of 30 years in a building project of the Ministry of Urban Development at Kidwai Nagar, New Delhi. The upfront payment of ₹ **17.01 Crore** is substantially equivalent to the fair value of the property which has been classified as Buildings- Under Lease, under Note 2.1 – Property, Plant and Equipment, to be amortised over the lease term. Minimum lease payment is by way of nominal ground rent of ₹ 100 per annum which is charged to the Statement of Profit and Loss.

C) Finance Lease – Group as Lessor

The Group has entered into an arrangement with a single beneficiary, Power Development Department, Jammu & Kashmir for sale of the entire power generated by two power stations, namely Nimmo Bazgo Power Station & Chutak Power Station 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 35 years, which is equal to the expected life of these Power Stations. Under the agreements, the customer is obliged to purchase the entire output at prices determined by the Central Electricity Regulatory Commission (CERC). The Group has classified these Power Stations as embedded Finance Lease as per Appendix-C to Ind AS 17- Leases. 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.

Details of gross investment in lease and present value of minimum lease payments receivables at the end of financial year are as under:

(i) Gross investment in the Lease :

(₹ in Crore)

Particulars	**31.03.2019**	**31.03.2018**
Within one year	968.69	941.84
After one year but not more than five years	3409.82	3433.90
More than five years	13738.83	14798.92
Total	**18117.34**	**19174.66**

(ii) Present value of minimum lease payments receivable:

(₹ in Crore)

Particulars	**31.03.2018**	**31.03.2017**
Within one year	213.86	178.62
After one year but not more than five years	617.04	614.50
More than five years	4738.37	4784.93
Total	**5569.27**	**5578.05**

(iii) Reconciliation between the gross investment in the lease and the present value of minimum lease payments receivable is as follows:

(₹ in Crore)

Particulars	**31.03.2019**	**31.03.2018**
Gross investment in Lease	18117.34	19174.66
Adjustments:		
Less: Un-earned Finance Income	11759.68	12826.30
Less: Unguaranteed residual value	788.39	770.31
Present value of Minimum Lease Payment (MLP)	**5569.27**	**5578.05**

D) Operating Lease –Group as Lessor :

The Group has entered into an arrangement with West Bengal State Electricity Board for sale of power from TLDP-III and TLDP-IV power station for a period of 5 years and with Jodhpur Vidyut Vitran Nigam Ltd. for sale of power from Wind Power Project, Jaisalmer for a period of 3 years. Under the agreements, the customer is obliged to purchase the output at prices determined by the Central Electricity Regulatory Commission. Accordingly, the Group has classified these Power Stations as Operating Leases as per Appendix-C to Ind AS 17- Leases.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

(₹ in Crore)

Particulars	**31.03.2019**	**31.03.2018**
Within one year	211.02	188.15
After one year but not more than five years	198.34	320.93
Total	**409.36**	**509.08**

19. As per Ind AS 36- Impairment of Assets requires an entity to assess on each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the entity is required to estimate the recoverable amount of the asset. If there is no indication of a potential impairment loss, the Standard does not require an enterprise to make a formal estimate of the recoverable amount.

Management has determined that each of the Project / Power Station of the Group is the smallest identifiable group of assets that generate cash inflows from continuing use that is largely independent of the cash inflows from other assets or groups of assets and accordingly qualifies to be designated as a Cash Generating Unit (CGU). Impairment indicators applicable to these CGUs have been assessed and based on such assessment, Management is of the opinion that no significant change with an adverse effect on the Group has taken place during the period, or is expected to take place in the near future, in the technological, economic or legal environment in which the Group operate. This includes the regulations notified by CERC for the tariff period 2019-24 where there are no major amendments that can have a significantly adverse impact on the future cash flow from the CGUs. There is no evidence available from internal reporting that indicates that the economic performance of a CGU is, or will be, worse than expected.

Further, eight CGUs of the Group were assessed for impairment as on 31st March, 2019. The CGUs of the Group were selected based on criteria like capital cost per MW, tariff, etc. and include two major construction projects of the Company and the four most recently commissioned Power Stations over 100 MW. Regulatory Deferral Account balances to be recovered in future through tariff as part of capital cost recognised in one of the CGUs has also been considered along with the carrying amount of the CGU for impairment assessment.

The impairment analyses were carried out on the basis of value-in-use calculation by measuring the recoverable amount of the CGUs as per cash flow projections based on the applicable CERC Tariff Regulations adjusted for the risks specific to each CGU and a pre-tax discount rate arrived at on the basis of the Capital Asset Pricing Model that reflects market assessments of the time value of money.

Based on the assessment, there exists no significant indicator that would suggest an impairment of the carrying amounts of the CGUs of the Group during FY 2018-19. Further, there exists no impairment in respect of the Projects / Power Stations of the Group during FY 2018-19.

20. As per Hydro Policy 2008, 100 units of electricity is to be provided to each Project Affected Family (PAF) notified by the State Government for a period of 10 years from the date of commissioning of a project. Notification by the respective State Governments regarding PAFs is yet to be made. Since the electricity to be provided to the PAFs is to be deducted from free power to the State Government, there would not be any impact on the profit of the Group.

21. Pending approval of tariff by the Central Electricity Regulatory Commission (CERC) and/or approval of revised cost estimate, sales have been recognized as per management estimate based on Tariff regulations/orders in respect of Chamera-III, TLDP-III, Sewa-II & TLDP-IV Power stations. Further, sales have also been recognized towards Energy Shortfall and reimbursement of additional impact of GST due to change in law. Accordingly, Revenue from Operations includes ₹ **515.05 Crore** (including ₹ **409.51 Crores** pertaining to earlier years).

22. Nature and details of provisions (refer Note No. 17 and 22)

(i) General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a Finance Cost.

ii) Provision for employee benefits (Other than provisions for defined contribution and defined benefit plans which have been disclosed as per Ind AS-19 at S. No. 12 of Note No. 34)

a) Provision for Performance Related Pay/Incentive:

Short-term Provision has been recognised in the accounts towards Performance Related Pay/ incentive to employees for the year (Previous Year 2017-18) 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 has been recognised in the accounts 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 by Central Electricity Regulatory Commission (CERC).

b) Provision for Livelihood Expenses:

Provision has been recognised at discounted value adjusted for average inflation in the accounts towards special financial package finalised in consultation with the State Government and approved by the Board of Directors of NHPC for livelihood assistance of the project affected families (PAFs) in Parbati-II and Parbati-III. As per the package, pending finalisation of modalities of payment, one eligible person from each PAF shall be provided livelihood assistance equivalent to minimum wage of unskilled category as per the Government of Himachal Pradesh/ Central Government whichever is higher, on monthly instalment basis, for the Years as under:

i) Till the date of superannuation for PAFs eligible for employment.

ii) For 2000 days to those PAFs left with zero balance land but excluded for employment.

iii) For 1000 days to all remaining PAFs.

c) Provision for Committed Capital Expenditure:

Provision has been recognised at discounted value for Capital Expenditure to be incurred towards environment, compensatory afforestation, local area development, etc. which was a pre-condition for granting approval for construction of the project and expenditure towards which had not been completed till commissioning of the project. Such provisions are adjusted against the incurrence of actual expenditure as per demand raised by the concerned State Government Authorities.

d) Provision for restoration expenses of insured assets:

Provision has been recognised in the accounts based on Management Estimates for restoration of damaged assets insured under Mega and CPM Policy. Utilization of the provision is to be made against incurrence of actual expenditure towards restoration of the assets.

e) Provisions for expenditure in respect of Arbitration Award/Court cases:

This includes provisions created on the basis of management assessment as to probable outflow in respect of contractors claims against which arbitration award/Court decision have been received and which have been further challenged in a Court of Law. Utilization/outflow of the provision is to be made on the outcome of the case.

f) Provisions- Others: This includes provisions towards:-

(i) Contractor claims, Land compensation cases, disputed tax demands and other cases created on the basis of management assessment towards probable outflow. Utilization/outflow of the provision is to be made on the outcome of the case.

(ii) Wage revision of Central Government Employees whose services are utilised by the Group.

(iii) Provision for interest to beneficiaries on excess tariff recovered in terms of Tariff Regulations for the Year 2014-19 where the capital cost considered for fixation of tariff by the CERC on the basis of projected capital cost as on Commercial Operation Date or the projected additional capital expenditure exceeds the actual capital cost incurred.

(iv) Upfront provision for rebate towards interest on House Building Advance provided to employees based on the historical trend of rebate allowed.

(v) Upfront provision for rebate to customers for sale of power based on the historical trend of rebate allowed.

23. Disclosures relating to creation of Regulatory Deferral Account (RDA) balances as per Ind AS 114:

The Group is principally engaged in the construction and operation of hydroelectric power projects. The price (tariff) to be charged by the Group for electricity sold to its customers is determined by Central Electricity Regulatory Commission (CERC) under applicable CERC (terms & conditions of tariff) Regulations. The said price (tariff) is based on allowable costs like interest costs, depreciation, operation and maintenance charges plus a stipulated return. This form of rate regulation is known as cost-of-service regulations. The basic objective of such regulations is to give the entity the opportunity to recover its costs of providing the goods or services plus a fair return.

For the purpose, the Group is required to make an application to CERC based on capital expenditure incurred duly certified by the Auditors or already admitted by CERC or projected to be incurred upto the date of commercial operation and additional capital expenditure duly certified by the Auditor or projected to be incurred during tariff year. The tariff determined by CERC is recovered from the customers (beneficiaries) on whom the same is binding.

The above rate regulation results in creation of right (asset) or an obligation (liability) as envisaged in the accounting framework which is not the case in other industries. Guidance Note on Accounting for Rate Regulated Activities (Previous GAAP) issued by the ICAI is applicable to entities that provide goods or services whose prices are subject to cost-of-service regulations and the tariff determined by the regulator is binding on the customers (beneficiaries). As per guidance note, a regulatory asset is recognized when it is probable (a reasonable assurance) that the future economic benefits associated with it will flow to the entity as a result of the actual or expected actions of the regulator under applicable regulatory framework and the amount can be measured reliably.

The guidance note also provides that in some cases, a regulator permits an entity to include in the rate base, as part of the cost of self-constructed (tangible) fixed assets or internally generated intangible assets, amounts that would otherwise be recognized as expense in the statement of profit and loss in accordance with Accounting Standards.

With effect from 01.04.2016, such rate regulated items are to be accounted for as per Ind AS 114 'Regulatory Deferral Accounts.' Ind AS 114 allows an entity to continue to apply previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances. For this purpose, Guidance Note of the ICAI on 'Accounting for Rate Regulated Activities' shall be considered to be the Previous GAAP.

A) Regulatory Deferral Account balances in respect of Subansiri Lower Project:

Construction activities at site of Subansiri Lower Project have been interrupted w.e.f. 16.12.2011 and the matter is currently pending before National Green Tribunal. Technical and administrative work at the project is however continuing. Management is making all out efforts to restart the work at site. In line with the opinion of Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) borrowing cost of ₹ **2578.00 Crore** (upto Previous year₹ **2275.28 Crore)**, employee benefits expense, depreciation and other expense of ₹ **1318.03 crore** (upto Previous year ₹ **1151.97**

Crore), net of other income of ₹ **279.06 Crore** (upto Previous year ₹ **254.44 Crore)** has been charged to the Statement of Profit and Loss till 31.03.2019

During financial year 2014-15, the Group had adopted the accounting as per Guidance Note on Rate Regulated Activities issued by the ICAI which allows recognition of 'Regulatory Asset' and corresponding 'Regulatory Income' of the right to recover such expense which are not allowed to be capitalized as part of cost of relevant fixed asset in accordance with the Accounting Standards, but are nevertheless permitted by Central Electricity Regulatory Commission (CERC), the regulator, to be recovered from the beneficiaries in future through tariff.

Since Ind AS 114 'Regulatory Deferral Accounts' allows an entity to continue to apply previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances and recognizes the Guidance Note of the ICAI on 'Accounting for Rate Regulated Activities' as the previous GAAP, the Group has continued with the accounting policy for regulatory deferral account balances.

Guidance Note on Rate Regulated Activities (previous GAAP as per Ind AS 114) requires that an entity should review the estimates of the amount expected to be recovered, refunded or adjusted at least at the end of each reporting period to reflect the current best estimate. If expectation differs from previous estimates, the changes should be accounted for as a change in an accounting estimate in accordance with relevant requirements of the applicable Accounting Standard.

The management has carried out assessment of the regulatory deferral account balance recognized in Subansiri Lower Project during FY 2018-19. Based on such assessment, the Management considers that incremental additions to RDA balances in Subansiri Lower Project beyond 30.06.2018 may not be recoverable. Accordingly, borrowing and administrative costs of ₹ **349.63 crore** incurred on the Project during the period 1st July 2018 to 31st March, 2019 have been charged to the Statement of Profit and Loss and have not been recognized for creation of RDA balances.

Regulatory deferral account balances recognized in respect of Subansiri Lower Project as on 31st March, 2019 are as under:

(₹ in Crore)

Regulatory asset created in relation to:	Upto 31.03.2018	During the year ended 31.03.2019	Upto 31.03.2019
Borrowing Costs	**2275.28**	**76.78**	**2352.06**
Employee Benefit expense	572.45	20.68	593.13
Depreciation	49.50	1.77	51.27
Other Expense	530.02	16.54	546.56
Other Income	(254.44)	(21.24)	(275.68)
Total	**3172.81**	**94.53**	**3267.34**

Management has assessed that the incremental additions to regulatory deferral account balances in respect of the Project meets the level of certainty and prudence required for recognition as per Ind AS 114. Further, as per management assessment, there is no impairment in the carrying amount of ₹ **6317.39 crore** included under Capital Work in Progess (as given in Note No. 2.2.7) 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. 35 years.

Tariff Regulations for the period 2019-2024 have been notified by the CERC. In addition to the existing Tariff Regulations (2014-19) authorizing capitalisation of borrowing and other attributable costs incurred due to uncontrollable factors including force majeure events like blockade/ embargo as per Tariff Regulations 2014-19, the new regulations also include delay in obtaining statutory approval for projects as one of the force majeure events. Accordingly, Management considers that adverse changes in Tariff Regulations are not likely to be a significant area of risk for the future recovery of RDA balances recognized in respect of Subansiri Lower Project.

Risks and uncertainties that might affect the future recovery of the Regulatory Deferral Account balances being created in respect of Subansiri Lower Project are:

a) **Demand Risk:** Recovery of the Regulatory Deferral Account Balances shall be by way of depreciation through tariff. Accordingly, the same is affected by the normal risks and uncertainties impacting sale of electricity in India like difficulty in signing of long term Power Purchase Agreements (PPAs), etc.

b) **Regulatory Risk:** Tariff regulations further provide that if the delay is not attributable to the generating Group but is due to uncontrollable factors, IEDC may be allowed after due prudence check. Any disallowance of expenditure after prudence check can affect the quantum of regulatory deferral account balances to be recovered from beneficiaries.

B) Regulatory Deferral Account balances in respect of expenditure recognized due to 3rd Pay Revision of Central Public Sector Units (CPSUs):

Pay of employees of CPSUs have been revised from 1st January, 2017. As approved by the Government of India, in addition to enhancing Basic Pay, DA and allowances with effect from 01.01.2017, the ceiling limit of Gratuity has been enhanced from the existing ₹0.10 crores to ₹0.20 crores with effect from 01.01.2017. Pay revision for all employees have been implemented.

CERC Tariff Regulations 2014-19 read with the Statement of Reasons CERC (Terms and Conditions of Tariff) Regulations, 2014 provides that the impact of actual increase in employee cost on account of wage revision of operational Power Stations is recoverable from the beneficiaries in future through tariff. Further, during the tariff period 2004-09, CERC had allowed recovery of the actual increase in employee cost on account of wage revision (with effect from 01.01.2007) upto 50% of the salary and wages (Basic + DA) of the employees of the petitioner Group as on 31.12.2006 from the beneficiaries in twelve equal monthly installments. Tariff Regulations for the period 2019-2024 read with corrigendum dated 15th March 2019 notified by the CERC also provide for recoverability of pay revision from the beneficiaries in future through tariff.

Keeping in view the provisions of Ind AS 114- "Regulatory Deferral Accounts", additional expenditure on employee benefits due to revision of pay/gratuity ceiling, to the extent charged to the Statement of Profit and Loss and to Other Comprehensive Income, have been recognized as 'Regulatory Deferral Account balances'. These balances are to be adjusted from the year in which they become recoverable from the beneficiaries as per approval of the CERC.

The Regulatory Deferral Account Balance (assets) recognized in the books to be recovered from the beneficiaries in future periods are as follows:

Regulatory Deferral Account Balances relating to items recognised in the Statement of Profit and Loss:

(₹ in Crore)

Sl. No.	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2018	**465.13**
B	Addition during the year (+)	220.43
C	Amount collected during the year (-)	-
D	**Regulatory income recognized in the Statement of Profit and Loss (B+C)**	**220.43**
E	**Closing balance as on 31.03.2019 (A+D)**	**685.57**

Regulatory Deferral Account Balances relating to items recognised in Other Comprehensive Income:

(₹ in Crore)

Sl. No.	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2018	**(14.63)**
B	Addition during the year (+)	-
C	Amount collected during the year (-)	-
D	**Regulatory income recognized in Other Comprehensive Income (B+C)**	**-**
E	**Closing balance as on 31.03.2019 (A+D)**	**(14.63)**

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.

C) Regulatory Deferral Account balances due to moderation of tariff of Kishanganga Power Station:

As per CERC Tariff Regulations 2014-19, 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 in the initial operating period of 12 years and thereafter the balance depreciation is spread over equally in the remaining 23 years so as to recover 90 percent of the capital cost of the Power Station by way of depreciation. As per Tariff regulations 2014-19, the operating life of a hydro-power station is 35 years.

As per CERC Tariff Regulations, 2014-19, tariff for sale of electricity by the generating Group may also be determined in deviation of the norms specified in the Regulations provided the levelised tariff over the useful life of the project on the basis of the norms in deviation does not exceed the levelised tariff calculated on the basis of the norms specified in the Regulations. Similar provisions exist in the Tariff Regulations for the period 2019-2024 notified by the CERC.

In the case of Kishanganga Power Station (Commercial Operation Date: 17th May, 2018), the Group has made moderation in tariff of Kishanganga Power Station by fixing lower tariff in the initial ten years and then fixing higher tariff in the remaining 25 years by way of charging 1.5% depreciation from the 1st to the 10th year and 3% depreciation from 11th to the 35th 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, 2014-19) 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 23 years of the operational life of the Power Station by way of higher recovery of depreciation through tariff than that charged in the books. This deferment of recovery of costs with the intent to reduce tariff in the initial years and its recovery in subsequent years demonstrates that an asset exists by way of the right to recover current costs in future through tariff and such right is enforceable.

Keeping in view the provisions of Ind AS 114- "Regulatory Deferral Accounts", difference between depreciation charged to the Statement of Profit and Loss as per Tariff Regulations 2014-19 and the depreciation allowed by way of tariff and further recoverable from the beneficiaries in subsequent periods is being recognized as 'Regulatory Deferral Account balances' with effect from Commercial Operation Date of the Power Station. These balances shall be created during the first 12 years of commercial operation life and shall be recovered from beneficiaries as a component of tariff over the balance useful life of the Power Station, i.e. over a period of 23 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 01.04.2018	-
B	Addition during the year (assets (+)/ liability (-))	171.98
C	Amount collected (-)/refunded (+) during the year	-
D	**Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)**	**171.98**
E	**Closing balance as on 31.03.2019 (A+D)**	**171.98**

The Group has long term Power Purchase Agreements (35 years) 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 01.04.2018	**(0.40)**
B	Addition during the year (assets (+)/ liability (-))	(0.57)
C	Amount collected (-)/refunded (+) during the year	0
D	**Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)**	**(0.57)**
E	**Closing balance as on 31.03.2019 (A+D)**	**(0.97)**

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 due to to reclassification of deferred tax recoverable from beneficiaries:

As per CERC Tariff Regulations, deferred tax arising out of generating income for the tariff period 2004-09 is recoverable from beneficiaries in the year the same materializes as current tax. For the tariff period 2014-19, deferred tax is recoverable by way of grossing up the Return on Equity by the effective tax rate based on actual tax paid. Till 31st March, 2018 the deferred tax recoverable from beneficiaries in future years was presented as an adjustment to deferred tax liability and was not recognised as RDA.

The practice has been 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.

The regulated assets (+)/liability (-) recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

In respect of deferred tax recoverable for tariff period upto 2009:

(₹ in Crore)

Sl. No.	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2018	**2186.70**
B	Addition during the year (assets (+)/ liability (-))	-
C	Amount collected (-)/refunded (+) during the year	151.88
D	**Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)**	**(151.88)**
E	**Closing balance as on 31.03.2019 (A+D)**	**2034.82**

In respect of deferred tax adjustment against deferred tax liabilities (pertaining to tariff period 2014-19):

(₹ in Crore)

Sl. No.	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2018	**326.11**
B	Addition during the year (assets (+)/ liability (-))	508.93
C	Amount collected (-)/refunded (+) during the year	-
D	**Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)**	**508.93**
E	**Closing balance as on 31.03.2019 (A+D)**	**835.04**

Recoverability of Regulatory Deferral Account balance recognised on account of deferred tax recoverable upto tariff period 2004-2009 and deferred tax adjustment against deferred tax liabilities pertaining to tariff period 2014-19 are dependent upon the future operating performance of the Group. Further, since these Regulatory Deferral Account balances relate to past tariff periods, recoverability is also subject to the regulatory risk of CERC allowing recovery of such balances in future tariff regulations. However, 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.

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 31.03.2019 is as under:

(₹ in Crore)

Particulars of claims	Updated claim lodged	Amount received net of refund	Up to date Amount charged to Statement of P&L	Balance receivable	
				As at March, 31, 2019	As at March 31, 2018
Against material damage	66.11	47.40	5.12	13.59	13.61
Business Interruption Loss	276.27	74.01#	-	202.26*	146.27
Total	**342.38**	**121.41**	**5.12**	**215.85**	**159.88**

* Included in Contingent Assets in Para 2 (d) to Note no. 34.

Income recognised in respect of Business Interruption Loss during the year is ₹ **(55.99) crore** (Cumulative as on date is ₹ **74.01 Crore).**

(ii) Chutak Power Station, which was under shutdown with effect from 28.06.2015 due to sudden rise of water in Power House upto Turbine floor and partially Generator floor, was restored during the months of August and September 2015. The Assets of the power station and loss of generation are covered under Mega Risk Policy. Status of Insurance claim as on 31.03.2019 is as under:

(₹ in Crore)

Particulars of claims	Updated claim lodged	Amount received	Up to date Amount charged to Statement of P&L	Balance receivable	
				As at March, 31, 2019	As at March 31, 2018
Against material damage	7.18	2.20	2.00	2.98	3.53
Business Interruption Loss	16.22	16.22	-	-	14.42
Total	**23.40**	**18.42**	**2.00**	**2.98**	**17.95**

(iii) Dhauliganga Power Station which was closed due to cloud burst and high flood on 17.06.2013 was restored during the months of May/June 2014. The Assets of the power station and Loss of Generation are covered under Mega Risk Policy. Status of Insurance claim as on 31.03.2019 is as under:

(₹ in Crore)

Particulars of claims	Updated claim lodged	Amount received	Up to date Amount charged to Statement of P&L	Balance receivable	
				As at March 31, 2019	As at March 31, 2018
Against material damage	160.71	158.71	2.00	-	52.92
Business Interruption Loss: -On account of generation loss #	263.77	215.00	0.00	48.77	48.77
On account of increased cost of working	4.28	0.00	1.93	2.35	2.35
Total	**428.76**	**373.71**	**3.93**	**51.12**	**104.04**

Income recognised in respect of Business Interruption Loss during the year is ₹ **48.77 Crore** (Cumulative as on date is ₹ **263.77 Crore**).

(iv) The Assets of the all power station and loss of generation are covered under Mega Risk Policy. Status of Insurance claim in r/o power stations (other than major claims of Uri-II, Chutak and Dhauliganga disclosed at para 24 (i), (ii) and (iii) above) as on 31.03.2019 is as under:

(₹ in Crore)

Particulars of claims	Updated claim lodged	Amount received	Up to date Amount charged to Statement of P&L	Balance receivable	
				As at March, 31, 2019	As at March 31, 2018
Against material damage	43.34	4.00	18.79	20.55	21.65

25. As per deliberations of the Board of Directors in its meeting held on 20.03.2014, the viability of Bursar HE Project is dependent upon financial support from Government of India and Government of Jammu & Kashmir. Ministry of Power (MOP), Government of India was approached to provide funding for Survey and Investigation of **Bursar Project** to make it viable. As advised by the MoP, Ministry of Water Resources (MoWR) was approached to provide funds. In the meeting held with MoWR on 27.04.2015, it was informed by the representatives of MoWR that the request of NHPC for release of funds for preparation of DPR is under consideration for approval of Government of India. Detailed Project Report (DPR) of the project was submitted to CEA and expenditure of ₹ **226.32 Crore** incurred have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision made in earlier years in this respect has been continued in the books of accounts.

26. Kotlibhel-1A, Kotlibhel-IB and Kotlibhel-II projects are three of the 24 hydro-electric projects located in the State of Uttarakhand which are covered by the order dated 13.08.2013 of Hon'ble Supreme Court of India directing MoEF not to grant environmental/forest clearance to these projects until further order and to examine the significant impact on the bio-diversity of Alaknanda and Bhagirathi river basin. Pending adjudication about the fate of these projects, the expenditure incurred upto 31.03.2019 amounting to ₹ **255.40 crore**, ₹ **42.95 crore** and ₹ **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 ₹ **349.77 crore** up to 31.03.2019 has been made in the books of accounts.

27. a) Forest Clearance in respect of Tawang Stage-II Hydroelectric Project is under process. Forest Clearance for Tawang-I Hydroelectric Project shall be taken up after Forest Clearance of Tawang-II HE Project. Pending this, expenditure of ₹ **217.35 crore** incurred on these projects is being carried forward as Capital Work in Progress.

b) In terms of Board Resolution vide meeting of the Board of Directors held on 05/02/2013 an amount of ₹ **2.49 crore** has been paid to the State Govt. towards Basin Study for Tawang I and II projects and other projects in the basin to be reimbursable by the Government of Arunachal Pradesh (GoAP) on pro-rata basis. Pending this, expenditure of ₹ **2.49 crore** is being carried forward as Capital Work in Progress

28. 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 31.03.2019 amounting to ₹ **35.61 crore** have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision for ₹ **35.61 crore** has been made in the books of accounts.

29. During the year the Government of India vide Ministry of Power Order dated 29.01.2019 accorded its approval to regularize pay scales of below Board level executives with effect from. 1st January, 1997. Consequently, impact on employee benefits expense on account of arrears paid to the employees for current year (including arrears for past periods) is ₹ **290.49 crore** out of which ₹ **92.90 crore** (corresponding previous year ₹ NIL) has been capitalised and ₹ **197.59 crore** (corresponding previous year ₹ NIL) has been charged to the Statement of Profit and Loss.

30. Disclosure as required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

(A) Loans and advances in the nature of loans:

(i) Subsidiary Companies: NIL (Previous Year- NIL)

(ii) Joint Venture Companies:

(₹ in Crore

Name of Company	Outstanding Balances as at		Maximum amount outstanding during the year	
	31.03.2019	31.03.2018	2018-19	2017-18
National High Power Test Laboratory (P) Ltd.	6.00	6.00	6.00	6.00

(iii) To Firms/companies in which directors are interested : NIL (Previous Year - NIL)

(B) Investment by the loanee (as detailed above) in the shares of NHPC : NIL (Previous Year - NIL)

31. Quantitative details of Renewable Energy Certificates (RECs) in respect of renewable energy projects:

Sl. No.	Description	Quantity (in Numbers)
1	RECs issued	125386
2	RECs under certification	4020
3	RECs sold during the year	125386

In view of significant uncertainties regarding ultimate realization, RECs issued/ under process of certification are not recognized.

32. The Group has commissioned and capitalised the 330 MW Kishanganga HE Project during the year.

33. In line with CERC Tariff Regulations/ Tariff Orders, the Group has changed its accounting policy during the year for charging of depreciation on assets purchased during the fag-end (last 5 years) of the operating life of a Power Station . Accordingly, depreciation on these assets, which were earlier being charged over the balance original operating life of the Power Station, are now being charged over the extended period of life of the Power Stations, i.e., over a period of 25 years from the date on which such asset becomes available for use,. The change in accounting policy is applicable in respect of Bairasiul and Loktak Power Stations which are under renovation and modernisation for life extension. Accordingly depreciation charge during the current financial year is lower by ₹ **1.52 Crore.** However, the annual depreciation charge in respect of Bairasiul and Loktak Power Stations in future periods shall be higher by ₹ **1.15 crore**.

Further, excess depreciation of ₹ **23.67 crore** pertaining to earlier years have been written back with consequential increase in "Other Equity". Separate disclosure in this respect has been provided under Note No. 35 of Standalone Financial Statements.

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

MAHESH KUMAR MITTAL
Director (Finance)
DIN 02889021

BALRAJ JOSHI
Chairman & Managing Director
DIN 07449990

As per report of even date

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

(PREM C. BANSAL)
Partner
M. No. 083597

For DSP & Associates
Chartered Accountants
FRN: 006791N

(SANJAY JAIN)
Partner
M. No. 084906

For Lodha & Co.
Chartered Accountants
FRN: 301051E

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

Place : New Delhi
Date : 27th May, 2019

Note No. 35 to Consolidated Financial Statements

During the year ended on 31.03.2019, retrospective reclassifications/restatements have been carried out in respect of certain items in the financial statements of previous periods. Accordingly, to comply with the requirements of Ind AS 1, the company has presented a 3rd Balance Sheet as at the begning of preceding period. i.e. as on 01.04.2017. Major restatements/reclassifications are explained as under:-

(A) Restated Consolidated Financial Statements for the year ended 31st March, 2018 and as at 1st April, 2017

RESTATED CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018 and as at 1st April, 2017

(₹ in crore)

	PARTICULARS	Note No. of Consolidated Financial Statements	Notes	As at 31st March, 2018 (Reported Earlier)	Impact of Restatements/ Reclassifications	As at 31st March, 2018 (Restated)	As at 1st April, 2017 (Reported Earlier)	Impact of Restatements/ Reclassifications	As at 1st April, 2017 (Restated)
	ASSETS								
(1)	**NON-CURRENT ASSETS**								
a)	Property, Plant and Equipment	2.1	35.3.1	19,254.06	23.67	19,277.73	20,238.44	13.29	20,251.73
b)	Capital Work In Progress	2.2	35.3.2	19,087.12	(0.38)	19,086.74	17,587.59	-	17,587.59
c)	Investment Property	2.3		4.49	-	4.49	4.49	-	4.49
d)	Intangible Assets	2.4		1,918.69	-	1,918.69	1,984.20	-	1,984.20
e)	Investments accounted for using the equity method	2.5.1	35.8	621.47	-	621.47	500.57	-	500.57
f)	Financial Assets				-			-	
	i) Investments	3.1		503.29	-	503.29	519.41	-	519.41
	ii) Trade Receivables	3.2		306.57	-	306.57	275.82	-	275.82
	iii) Loans	3.3	35.5	360.41	363.90	724.31	381.87	326.90	708.77
	iv) Others	3.4	35.5	5,844.95	(343.80)	5,501.15	6,186.62	(296.83)	5,889.79
f)	Non Current Tax Assets (Net)	4		214.53	-	214.53	115.49	-	115.49
g)	Other Non Current Assets	5	35.5	1,299.98	515.96	1,815.94	1,143.58	(30.07)	1,113.51
	TOTAL NON CURRENT ASSETS			**49,415.56**	**559.35**	**49,974.91**	**48,938.08**	**13.29**	**48,951.37**
(2)	**CURRENT ASSETS**					-			-
a)	Inventories	6		104.68	-	104.68	100.80	-	100.80
b)	**Financial Assets**				-	-		-	
	i) Trade Receivables	7		1,346.04	-	1,346.04	1,854.01	-	1,854.01
	ii) Cash & Cash Equivalents	8		20.54	-	20.54	73.57	-	73.57
	iii) Bank balances other than Cash & Cash Equivalents	9		3,298.52	-	3,298.52	3,398.89	-	3,398.89
	iv) Loans	10	35.5	51.45	1.16	52.61	31.43	117.40	148.83
	v) Others	11	35.5	2,168.09	(536.06)	1,632.03	2,238.17	-	2,238.17
c)	Current Tax Assets (Net)	12		0.40	-	0.40	78.30	-	78.30
d)	Other Current Assets	13	35.5	359.44	(1.16)	358.28	553.46	(117.40)	436.06
	TOTAL CURRENT ASSETS			**7,349.16**	**(536.06)**	**6,813.10**	**8,328.63**	**-**	**8,328.63**

(₹ in crore)

	PARTICULARS	Note No. of Consolidated Financial Statements	Notes	As at 31st March, 2018 (Reported Earlier)	Impact of Restatements/ Reclassifications	As at 31st March, 2018 (Restated)	As at 1st April, 2017 (Reported Earlier)	Impact of Restatements/ Reclassifications	As at 1st April, 2017 (Restated)
(3)	Regulatory Deferral Account Debit Balances	14	35.1	3,622.91	2,512.81	6,135.72	2,910.42	3,120.61	6,031.03
	TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES			**60,387.63**	**2,536.10**	**62,923.73**	**60,177.13**	**3,133.90**	**63,311.03**
	EQUITY AND LIABILITIES								
(1)	**EQUITY**								
a)	Equity Share Capital	15.1		10,259.32	-	10,259.32	10,259.32	-	10,259.32
b)	Other Equity	15.2		19,758.58	23.29	19,781.87	18,755.50	13.29	18,768.79
	TOTAL EQUITY			**30,017.90**	**23.29**	**30,041.19**	**29,014.82**	**13.29**	**29,028.11**
(2)	**Non Controlling Interests**			2,934.91	-	2,934.91	3,382.24	-	3,382.24
(3)	**LIABILITIES**								
	NON-CURRENT LIABILITIES								
a)	**Financial Liabilities**								
	i) Borrowings	16.1		16,728.20	-	16,728.20	17,245.64	-	17,245.64
	ii) Other financial liabilities	16.2		39.87	-	39.87	25.84	-	25.84
b)	Provisions	17		40.66	-	40.66	505.58	-	505.58
c)	Deferred Tax Liabilities (Net)	18	35.1	1,710.87	2,512.81	4,223.68	1,665.29	3,120.61	4,785.90
d)	Other non-current Liabilities	19		2,853.37	-	2,853.37	2,777.96	-	2,777.96
	TOTAL NON CURRENT LIABILITIES			**21,372.97**	**2,512.81**	**23,885.78**	**22,220.31**	**3,120.61**	**25,340.92**
(4)	**CURRENT LIABILITIES**								
a)	**Financial Liabilities**								
	i) Borrowings	20.1		279.99	-	279.99	302.50	-	302.50
	ii) Trade Payables	20.2			-	-		-	
	Total outstanding dues of micro enterprises and small enterprises			7.97	-	7.97	6.32	-	6.32
	Total outstanding dues of Creditors other than micro enterprises and small enterprises		35.5	175.81	16.32	192.13	151.27	19.77	171.04
	iii) Other financial liabilities	20.3	35.5	2,832.26	(16.32)	2,815.94	2,575.67	(19.77)	2,555.90
b)	Other Current Liabilities	21		754.86	-	754.86	791.62	-	791.62
c)	Provisions	22		2,003.85	-	2,003.85	1,732.38	-	1,732.38
d)	Current Tax Liabilities (Net)	23		7.11	-	7.11	-	-	-
	TOTAL CURRENT LIABILITIES			**6,061.85**	**-**	**6,061.85**	**5,559.76**	**-**	**5,559.76**
	TOTAL EQUITY & LIABILITIES			**60,387.63**	**2,536.10**	**62,923.73**	**60,177.13**	**3,133.90**	**63,311.03**

(B) RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in crore)

PARTICULARS	Note No. of Consolidated Financial Statements	Notes	For the Year ended 31st March, 2018 (Reported Ealier)	Impact of Restatements/ Reclassifications	For the Year ended 31st March, 2018 (Restated)
INCOME					
i) Revenue from Operations	24.1	35.5	7,751.24	4.19	7,755.43
ii) Other Income	24.2	35.5	1,101.36	(71.13)	1,030.23
TOTAL INCOME			**8,852.60**	**(66.94)**	**8,785.66**
EXPENSES					
i) Generation Expenses	25		721.18	-	721.18
ii) Employee Benefits Expense	26	35.4	1,708.06	(50.13)	1,657.93
iii) Finance Costs	27		922.64	-	922.64
iv) Depreciation and Amortization Expense	28	35.3	1,479.10	(10.38)	1,468.72
v) Other Expenses	29	35.4	1,120.16	(16.43)	1,103.73
TOTAL EXPENSES			**5,951.14**	**(76.94)**	**5,874.20**
PROFIT BEFORE EXCEPTIONAL ITEMS, RATE REGULATED ACTIVITIES AND TAX			**2,901.46**	**10.00**	**2,911.46**
SHARE OF NET PROFIT (LOSS)OF JOINT VENTURES ACCOUNTED FOR USING THE EQUITY METHOD	**2.5.2**		**(0.08)**		**(0.08)**
Exceptional items			-		
PROFIT BEFORE RATE REGULATED ACTIVITIES AND TAX			**2,901.38**	**10.00**	**2,911.38**
Tax Expenses	30				-
i) Current Tax			823.02	(6.91)	816.11
ii) Adjustments for Income Tax			(6.91)	6.91	-
iii) Deferred Tax		35.2	46.74	(607.96)	(561.22)
Total Tax Expenses			**862.85**	**(607.96)**	**254.89**
PROFIT FOR THE YEAR BEFORE NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES			**2,038.53**	**617.96**	**2,656.49**
Movement in Regulatory Deferral Account Balances (Net of Tax)	31	35.2	736.17	(607.96)	128.21
PROFIT FOR THE YEAR (A)			**2,774.70**	**10.00**	**2,784.70**
OTHER COMPREHENSIVE INCOME (B)					
(i) Items that will not be reclassified to profit or loss					
(a) Remeasurement of the defined benefit plans			45.26	-	45.26
Less: Income Tax on remeasurement of the defined benefit plans			14.97	-	14.97
Less: Deferred Tax Adjustment Against Deferred Tax Liabilities on Remeasurement of defined benefit plans			(14.01)	-	(14.01)
-Movement in Regulatory Deferral Account Balances-Remeasurement of defined benefit plans			(23.68)	-	(23.68)
Share of Other Comprehensive Income of Joint Ventures accounted for using the equity menthod	2.5.3		0.01	-	0.01
Sub total (a)			**20.63**	**-**	**20.63**

(₹ in crore)

PARTICULARS	Note No. of Consolidated Financial Statements	Notes	For the Year ended 31st March, 2018 (Reported Ealier)	Impact of Restatements/ Reclassifications	For the Year ended 31st March, 2018 (Restated)
(b) Investment in Equity Instruments			(7.30)	-	(7.30)
Sub total (b)			**(7.30)**	**-**	**(7.30)**
Total (i)=(a)+(b)			**13.33**	**-**	**13.33**
(ii) Items that will be reclassified to profit or loss					-
- Investment in Debt Instruments			(9.09)	-	(9.09)
Less: Income Tax on investment in Debt Instruments			(2.12)	-	(2.12)
Total (ii)			**(6.97)**	**-**	**(6.97)**
Other Comprehensive Income (B)=(i+ii)			**6.36**	**-**	**6.36**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)			**2,781.06**	**10.00**	**2,791.06**
Profit is attributable to:					
Owners of the parent			2,503.90		2,513.90
Non-Controlling interests			270.80		270.80
			2,774.70		**2,784.70**
Other comprehensive income is attributable to:					
Owners of the parent			6.13		6.13
Non-Controlling interests			0.23		0.23
			6.36		**6.36**
Total comprehensive income is attributable to:					
Owners of the parent			2,510.03		2,520.03
Non-Controlling interests			271.03		271.03
			2,781.06		**2,791.06**
Total comprehensive income attributable to owners of the parent arises from:					
Continuing operations			2,510.03		2,520.03
Discontinued operations			-		-
			2,510.03		**2,520.03**
Earning per share (Basic and Diluted) (Equity shares, face value of 10/- each)					
Before movements in Regulatory Deferral Account Balances		35.6	1.72	0.61	2.33
After movements in Regulatory Deferral Account Balances		35.6	2.44	0.01	2.45

C. STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH, 2018 (Extract)

(₹ in crore)

Particulars	Notes	Reserve & Surplus							Other Comprehensive Income		Total	Non Controlling Interest (NCI)	Total after NCI
		Capital Redemption Reserve	Securities Premium	Bond Redemption Reserve	Corporate Social Responsibility Fund	Research & Development Fund	General Reserve	Suplus/ Retained Earnings	Equity Instruments through OCI	Debt instruments through OCI			
Balance as at 1st April, 2017 (As pervoiusly Reported)		**2,041.42**	**242.81**	**1,609.27**	**24.31**	**60.87**	**10,224.43**	**4,417.63**	**100.08**	**34.68**	**18,755.50**	**3,382.24**	**22,137.74**
Corrections of Errors (Net of Tax)	**35.3**							**13.29**			**13.29**		**13.29**
Restated Balance as at 1st April, 2017		**2,041.42**	**242.81**	**1,609.27**	**24.31**	**60.87**	**10,224.43**	**4,430.92**	**100.08**	**34.68**	**18,768.79**	**3,382.24**	**22,151.03**
Profit for the year			-	-	-	-	-	2,513.90	-	-	2,513.90	270.80	2,784.70
Other Comprehensive Income			-	-	-	-	-	20.40	(7.30)	(6.97)	6.13	0.23	6.36
Total Comprehensive Income			**-**	**-**	**-**	**-**	**-**	**2,534.30**	**(7.30)**	**(6.97)**	**2,520.03**	**271.03**	**2,791.06**
Share Application Money received during the year											-	5.71	5.71
Other Adjustement					0.02						0.02		0.02
Transfer to Retained Earning													
Amount written back from Bond Redemption Reserve				(148.17)				148.17			-		-
Amount written back from Corporate Social Responsibility Fund					(1.04)			0.53			(0.51)	0.51	-
Amount written back from Research & Development Fund						(43.90)		43.90			-		-
Transfer from Retained Earning													
Dividend								(1,251.65)			(1,251.65)	(602.02)	(1,853.67)
Tax on Dividend								(254.81)			(254.81)	(122.56)	(377.37)
Transfer to Bond Redemption Reserve				668.45				(668.45)			-		-
Balance as at 31st March, 2018		**2,041.42**	**242.81**	**2,129.55**	**23.29**	**16.97**	**10,224.43**	**4,982.91**	**92.78**	**27.71**	**19,781.87**	**2,934.91**	**22,716.78**

Notes :-

35.1 As per CERC Tariff Regulations, deferred tax for the tariff period 2004-09 is recoverable from beneficiaries in the year the same materialises as current tax and for tariff period 2014-19 by way of grossing up of 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 adjusted against deferred tax liability. Pursuant to an opinion of the Expert Advisory Committee of the Institute of Chartered Accountants of India obtained during FY 2018-19, the Company has reclassified the deferred tax recoverable as Regulatory Deferral Account balance as against adjuting the same with Deferred Tax Liability. Consequent upon this change, impact of ₹ (-) 81.22 crore on account of tax liability pertaining to period 2014-15 to 2017-18 has been adjusted/ considered in the tax computation for the current year.

35.2 Deferred Tax expense to the extent of ₹ 607.96 crore of FY 2017-18 has been reclassified/ restated as movement in Regulatory Deferral Account balances consequent upon reclassification of deferred tax recoverable from beneficiaries as explained at Sl. No.35.1 above.

35.3.1 The depreciation on assets acquired and available for use during the "fag-end" as per CERC Tariff Regulations 2014-19 (last 5 years) of the operating life of a Power Station was charged based on the originally estimated useful life as against the extended life of the generating station under CERC Tariff Regulation/Orders. (Refer Note 34(33)). As a result, excess depreciation pertaining to earlier periods have been written-back to Property, Plant & Equipment with consequential increase in "Other Equity".

35.3.2 During the Financial Year 2017-2018, ₹ 0.38 Crore paid to Registrar of Companies (ROC) was capitalized. This transaction has been restated in FY 2017-18 by charging the same to Statement of Profit and Loss. As a result, excess Capital work in Progress (CWIP) of FY 2017-18 is reduced with consequential decrease in Other Equity.

35.4 Till FY 2017-18, reversal of provisions were being presented as "Other Income". Pursuant to an opinion of the Expert Advisory Committee of the Institute of Chartered Accountants of India, the Company has adjusted reversal of provisions of earlier years to the extent of provisions created during the year and consequently "Other Income" and related expenses have also been adjusted to that extent. However there is no impact of such reclassification on the profit of the respective year.

35.5 Further to above, following reclassifications/restatements have also been made in the Balance Sheet and Statement of Profit and Loss to correspond to the current year classification:

a) Deposits of perpetual nature earlier classified as "Other Current Assets" / "Other Non Current Assets" have been reclassified as "Current-Financial Assets-Loans" / "Non-Current-Financial Assets-Loans".
b) Interest accrued on Loan to Govt of Arunachal Pradesh, earlier classified as "Financial Assets-Others" has been reclassified as "Financial Assets-Loans" along with the loan balance.
c) Payments made to contractors in pursuance to Niti Aayog guidelines (refer Note 34(1)(e) of the Financial Statements) earlier presented under "Financial Assets-Current- Others" have been reclassified as "Other Non-Current Assets".
d) Certain liabilities incurred in the normal course of business have been reclassified from "Other Financial Liabilities-Current" to "Trade Payables-Current".
e) Income on account of Generation Based Incentive (GBI) earlier presented as "Other Income" has been reclassified as "Revenue from Operations".
f) In Tax Expenses, Adjustments for Income Tax is clubbed in current taxes.

35.6 Basic and Diluted earning per share for the year 2017-18 have also been restated. The basic and diluted earnings per share has increased by ₹ 0.61 before movement in Regulatory Deferral Account Balances and by ₹ 0.01 per share after movement in Regulatory Deferral Account Balances.

35.7 There is no impact due to the above restatement/reclassifications on the Statement of Cash Flow of the Year 2017-18.

35.8 For the year ended March 31, 2018, the Group's share in net assets of its Joint Venture, CVPPL was determined without considering the equity contribution of 122.36 crore during the said year by the co-venture. The same has been reinstated after giving effect to the equity contribution made by the co-venture and accordingly, the group's share in net assets has been restated resulting in a corresponding reduction in the Goodwill amounting to ₹ 70.54 crore. However, there is no impact of such change in the carrying value of the investment, total comprehensive income or in other equity.

For and on behalf of the Board of Directors

VIJAY GUPTA	**MAHESH KUMAR MITTAL**	**BALRAJ JOSHI**
Company Secretary	Director (Finance)	Chairman & Managing Director
	DIN 02889021	DIN 07449990

As per report of even date

For Arora Vohra & Co.	**For DSP & Associates**	**For Lodha & Co.**
Chartered Accountants	Chartered Accountants	Chartered Accountants
FRN: 009487N	FRN: 006791N	FRN: 301051E
(PREM C. BANSAL)	**(SANJAY JAIN)**	**(R. P. SINGH)**
Partner	Partner	Partner
M. No. 083597	M. No. 084906	M. No. 052438

Place : New Delhi
Date : 27th May, 2019

For Consolidated Financial Statements
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

1	Sl. No.	1	2	3
2	**Name of the subsidiary**	**NHDC Ltd.**	**Loktak Downstream Hydroelectric Corporation Ltd.**	**Bundelkhand Saur Urja Ltd.**
3	The date since when subsidiary was acquired	01.08.2000	23.10.2009	02.02.2015
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as that of Holding Company (01.04.2018-31.03.2019)	Same as that of Holding Company (01.04.2018-31.03.2019)	Same as that of Holding Company (01.04.2018-31.03.2019)
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
6	Share capital	1,962.58	117.69	4.00
7	Reserves & surplus	3,827.26	19.78	4.60
8	Total assets	8,040.12	144.63	21.45
9	Total Liabilities	2,250.28	7.16	12.85
10	Investments	Nil	Nil	Nil
11	Turnover	804.54	0.43	Nil
12	Profit before taxation*	686.04	0.52	(0.01)
13	Provision for taxation**	195.33	0.13	0.19
14	Profit after taxation	490.71	0.39	(0.20)
15	Proposed dividend	Nil	Nil	Nil
16	Extent of shareholding (in percentage)	51.08%	74.00%	99.99%

* Including income on regulatory deferral account balances.

** Provision for taxation includes tax expenses and tax on regulatory deferral account balances.

Notes:

1. Names of subsidiaries which are yet to commence operations	1. Loktak Downstream Hydroelectric Corporation Ltd. 2. Bundelkhand Saur Urja Ltd.
2. Names of subsidiaries which have been liquidated or sold during the year.	Nil

Part "B": Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Joint Ventures

(₹ in crore)

	Name of Joint Ventures	Chenab Valley Power Projects [P] Ltd.	National High Power Test Laboratory Private Ltd.
1	Latest audited Balance Sheet Date	31st March 2019	31st March 2018
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**		
	Number	747,550,000	30,400,000
	Amount of Investment in Joint Venture	747.55	30.40
	Extend of Holding %	51.94%	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	767.40	26.08
7	**Profit / (Loss) for the year**		
i	Considered in Consolidation	6.98	(1.75)
ii	Not Considered in Consolidation	NA	NA

Notes:

1. Names of joint ventures which are yet to commence operations.	1. Chenab Valley Power Projects [P] Ltd.
2. Names of associates or joint ventures which have been liquidated or sold during the year.	Nil

For and on behalf of the Board of Directors

VIJAY GUPTA Company Secretary	**MAHESH KUMAR MITTAL** Director (Finance) DIN 02889021	**BALRAJ JOSHI** Chairman & Managing Director DIN 07449990

As per report of even date

For Arora Vohra & Co. Chartered Accountants FRN: 009487N	**For DSP & Associates** Chartered Accountants FRN: 006791N	**For Lodha & Co.** Chartered Accountants FRN: 301051E
(PREM C. BANSAL) Partner M. No. 083597	**(SANJAY JAIN)** Partner M. No. 084906	**(R. P. SINGH)** Partner M. No. 052438

Place : New Delhi
Date : 27th May, 2019

Annexure- XIII

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NHPC LIMITED FOR THE YEAR ENDED 31 MARCH 2019.

The preparation of financial statements of NHPC Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 22.07.2019, which supersedes their earlier Audit Report dated 27.05.2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of NHPC Limited for the year ended 31 March 2019 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquires of the statutory auditors and company personnel and a selective examination of some of the accounting records. The Audit Report has been revised by the statutory auditors to give effect to some of my audit observations raised during supplementary audit.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller and Auditor General of India

Sd/-
(Rina Akoijam)
Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board-III,
New Delhi

Place: New Delhi
Dated: July 26, 2019

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NHPC LIMITED FOR THE YEAR ENDED 31 MARCH 2019

The preparation of consolidated financial statements of NHPC Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act are responsible for expressing opinion on the financial statements under Section 143 read with Section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27.05.2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of NHPC Limited for the year ended 31 March 2019 under Section 143(6)(a) read with Section 129(4) of the Act. We conducted a supplementary audit of the financial statements of NHPC Limited, NHDC Limited and Bundelkhand Saur Urja Limited but did not conduct supplementary audit of the financial statements of Chenab Valley Power Projects Private Limited, Loktak Downstream Hydroelectric Corporation Limited and National High Power Test Laboratory Private Limited for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comments upon or supplement to Statutory Auditors' report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller and Auditor General of India

Sd/-
(Rina Akoijam)
Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board-III,
New Delhi

Place: New Delhi
Dated: July 26, 2019

44 MW Chutak Power Station (J&K) - Dam

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एनएचपीसी लिमिटेड (भारत सरकार का उद्यम) NHPC Limited (A Government of India Enterprise)

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