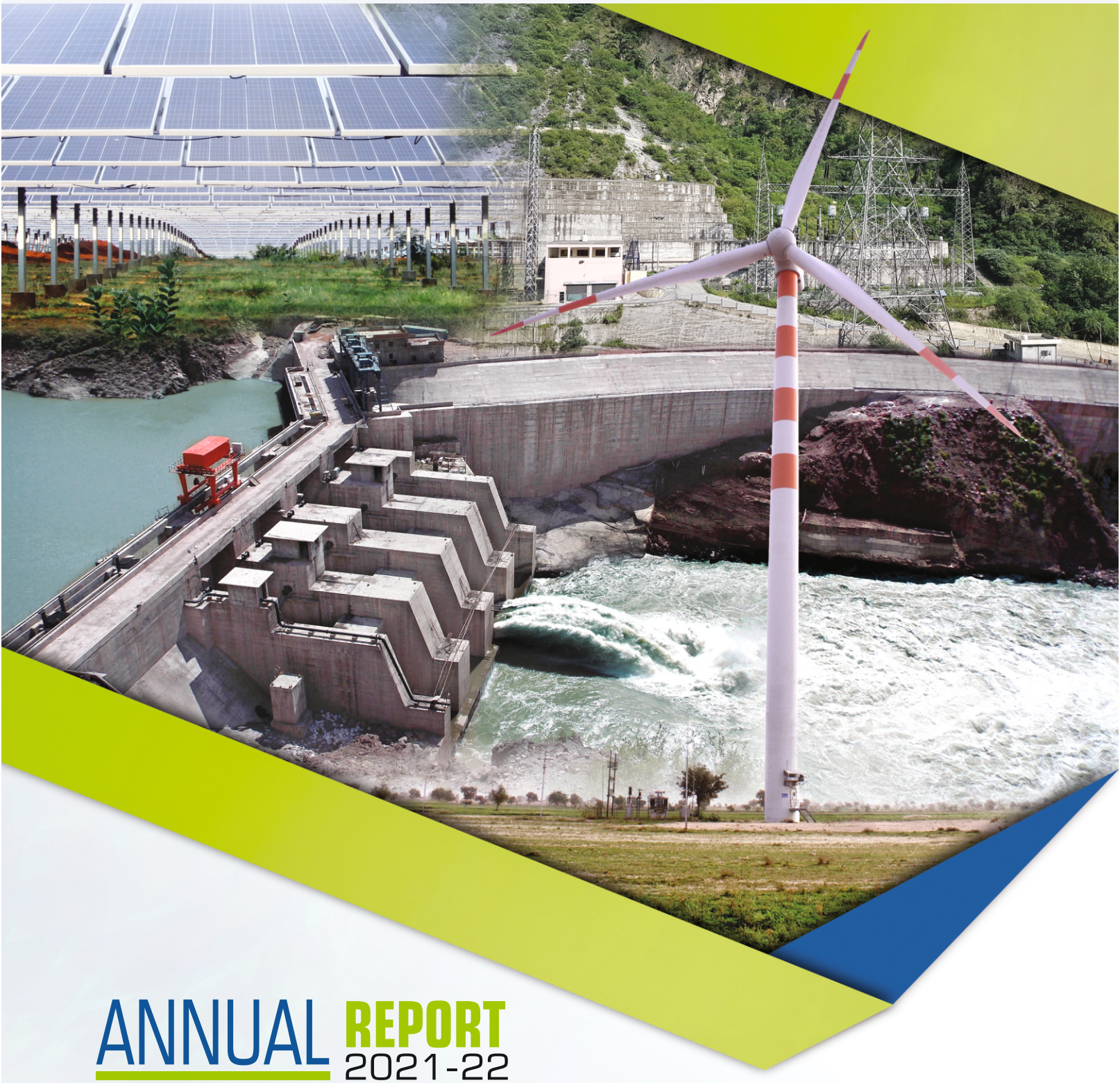
एनएचपीसी
NHPC

आज़ादी का अमृत महोत्सव



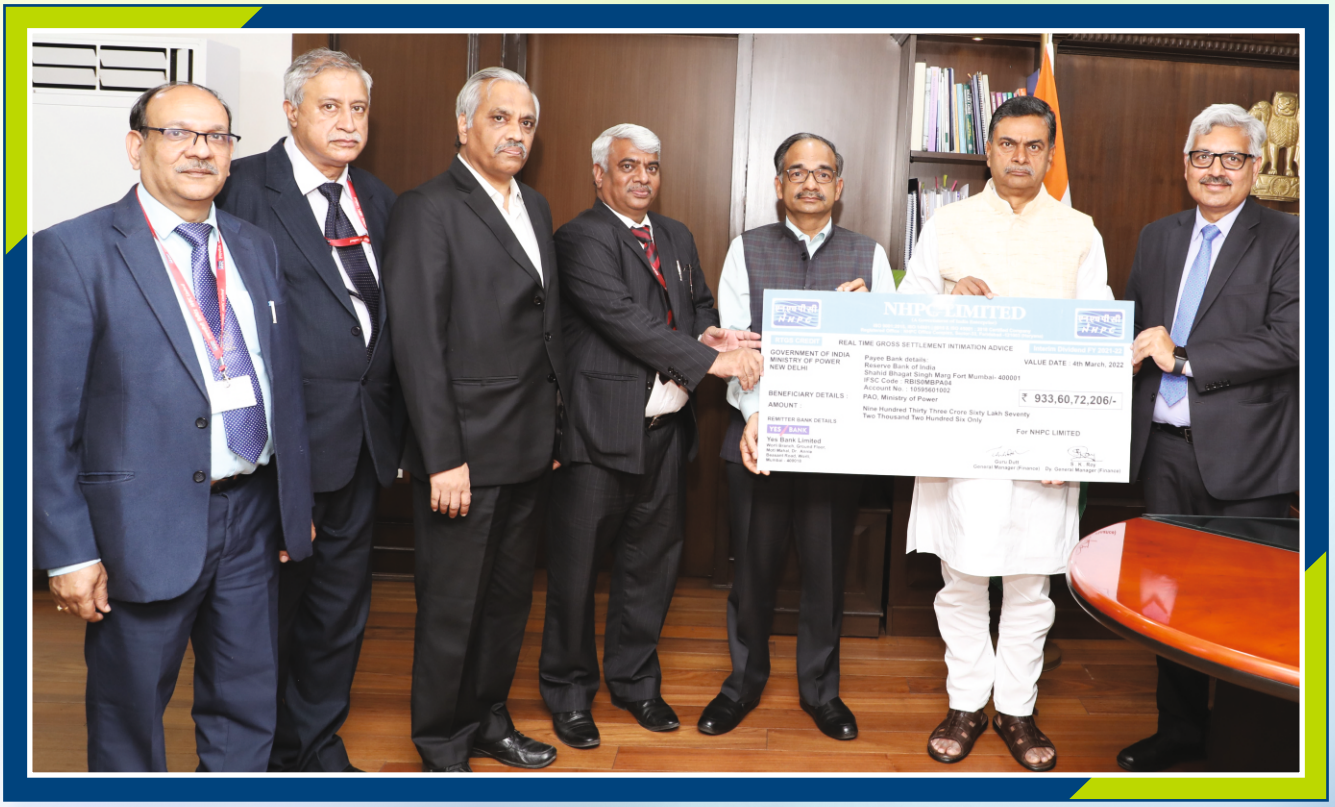
# ANNUAL REPORT 2021-22

## CORPORATE VISION

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

## CORPORATE MISSION

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




**Shri A.K. Singh (right), CMD, NHPC handing over Interim dividend payout advice of Rs. 933.61 crore to Shri R.K. Singh, Hon'ble Union Minister of Power, New and Renewable Energy in the presence of Shri Alok Kumar, Secretary (Power) Government of India, and Shri R.P. Goyal, Director (Finance), Shri Y.K. Chaubey, Director (Technical), Shri Sanjay Kumar Madan, Executive Director (Finance) and Shri K.K. Goel, Executive Director (Finance) from NHPC.**

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# BOARD OF DIRECTORS

**(As on July 02, 2022)**



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



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



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



**Shri Biswajit Basu**
Director (Projects)



**Shri Raghuraj Madhav Rajendran**
Government Nominee Director



**Dr. Uday Sakharam Nirgudkar**
Independent Director



**Prof. (Dr.) Amit Kansal**
Independent Director



**Dr. Rashmi Sharma Rawal**
Independent Director



**Shri Jiji Joseph**
Independent Director

# REFERENCE INFORMATION

## Registered & Corporate Office

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

## Company Secretary

Smt. Rupa Deb

## Statutory Auditors

**M/s P. C. Bindal & Co.**
Chartered Accountants,
Krishen Niwas,
House No. 153,
Rajbagh, Srinagar-190001

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

**M/s Chaturvedi & Co.**
Chartered Accountants,
60, Bentinck Street,
Kolkata – 700069

## Cost Auditors

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

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

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

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

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

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

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

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

## Secretarial Auditor

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

## Internal Auditor

Shri Kuppile Lakshman Acharyulu,
General Manager (Finance)-IA

## Bankers

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

## Registrar & Share Transfer Agent

**For Equity Shares:**

Alankit Assignments Limited
Alankit House, 4E/2 Jhandewalan Extension,
New Delhi - 110055,
Tel: 011 4254 1234, 011 2354 1234
Fax: 011 4254 1201, 011 2355 2001
E-mail ID: alankit.nhpc@alankit.com
Toll free No: 1860 121 2155

**For Tax Free Bonds:**

KFin Technologies Limited
Selenium Tower- B, Plot No. 31-32,
Gachibowli Financial District,
Nanakramguda, Serilingampally, Hyderabad,
Rangareddi, Telangana – 500032
Tel: 040 6716 2222 Fax: 040 2300 1153
Toll Free No: 1800 309 4001
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com

**For other Bonds:**

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

## Chief Investor Relations Officer

Shri K. K. Goel,
Executive Director (Finance)

## Listing of Securities

**Shares and Tax Free Bonds:**

BSE Limited
National Stock Exchange of India Limited

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

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

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

All other Bonds – National Stock Exchange of India Limited

## Depositories

National Securities Depository Limited
Central Depository Services (India) Limited

## Debenture Trustees

| | |
|---|---|
| **9% P Series Bonds,<br>9.25% Q Series Bonds,<br>Tax Free Bonds<br>NHPC 2013<br>(8.18% 1A series,<br>8.43% 1B series,<br>8.54% 2A series,<br>8.79% 2B series,<br>8.67% 3A series and<br>8.92% 3B series),<br>8.49% S1 Series Bonds,<br>8.54% S2 Series Bonds,<br>8.50% T Series Bonds,<br>6.84% V Series Bonds,<br>7.52% V2 Series Bonds,<br>6.91% W1 Series Bonds,<br>7.35% W2 Series Bonds,<br>8.65% X Series Bonds,<br>8.12% GOI Fully Serviced Bonds,<br>7.50% Y Series Bonds,<br>7.38% Y1 Series Bonds,<br>7.13% AA Series Bonds,<br>6.89% AA-1 Series Bonds,<br>6.80% AB Series Bonds** | **IDBI Trusteeship Services Limited**<br>Asian Building, Ground Floor 17,<br>R. Kamani Marg, Ballard Estate,<br>Mumbai- 400001<br>Ph.: +91 22 40807000<br>Email: itsl@idbitrustee.com |
| **8.70% R1 Series Bonds,<br>8.85% R2 Series Bonds,<br>8.78% R3 Series Bonds,<br>8.24% U Series Bonds,<br>8.17% U1 Series Bonds,<br>6.86% AC Series Bonds** | **SBICAP Trustee Company Limited**<br>4th Floor, Mistry Bhawan,<br>122, Dinshaw Vachha Road,<br>Churchgate, Mumbai – 400020<br>Ph.: +91 22 4302 5555/66<br>Email: corporate@sbicaptrustee.com |

# DIGEST OF IMPORTANT FINANCIAL DATA (STANDALONE ACCOUNTS)

(₹ in Crore)

| | FINANCIAL | 2021-22 | 2020-21 | 2019-20 | 2018-19 | 2017-18 |
|---|---|---|---|---|---|---|
| A | SALE OF ENERGY | 8,180.57 | 8,094.06 | 8,301.03 | 8,095.13 | 6,868.64 |
| B | OTHER OPERATING INCOME, REVENUE FROM POWER TRADING & REVENUE FROM CONTRACTS, PROJECT MANAGEMENT AND CONSULTANCY WORKS | 173.23 | 412.52 | 434.38 | 66.05 | 65.39 |
| C | OTHER INCOME | 1,026.18 | 1,155.98 | 1,036.18 | 924.78 | 1,491.00 |
| D | **TOTAL INCOME (A) + (B) + (C )** | **9,379.98** | **9,662.56** | **9,771.59** | **9,085.96** | **8,425.03** |
| E | PURCHASE OF POWER TRADING | 44.58 | 212.37 | 234.13 | 12.68 | - |
| F | GENERATION EXPENSES | 841.24 | 854.37 | 901.67 | 796.85 | 716.39 |
| G | EMPLOYEE BENEFITS EXPENSES | 1,440.78 | 1,393.91 | 1,515.52 | 1,704.65 | 1,585.33 |
| H | DEPRECIATION & AMORTIZATION EXPENSES | 1,126.22 | 1,228.65 | 1,545.34 | 1,589.99 | 1,405.89 |
| I | FINANCE COSTS | 531.75 | 571.49 | 795.42 | 894.88 | 922.32 |
| J | OTHER EXPENSES | 1,348.55 | 1,419.61 | 1,514.95 | 1,165.53 | 989.18 |
| K | **TOTAL EXPENSES (E)+ (F) + (G) + (H) + (I)+ (J)** | **5,333.12** | **5,680.40** | **6,507.03** | **6,164.58** | **5,619.11** |
| K1 | EXCEPTIONAL ITEM | - | **185.00** | - | - | - |
| L | **PROFIT BEFORE TAX AND RATE REGULATED INCOME (D) - (K)-(K1)** | **4,046.86** | **3,797.16** | **3,264.56** | **2,921.38** | **2,805.92** |
| M | RATE REGULATED INCOME ON ACCOUNT OF FINANCE COST | - | - | 157.61 | 76.78 | 331.39 |
| N | RATE REGULATED INCOME ON ACCOUNT OF OTHERS **(Refer Note 16)** | 42.85 | 128.03 | 186.00 | 746.62 | 388.43 |
| O | **TOTAL RATE REGULATED INCOME (M) + (N)** | **42.85** | **128.03** | **343.61** | **823.40** | **719.82** |
| P | **PROFIT BEFORE TAX (L) + (O)** | **4,089.71** | **3,925.19** | **3,608.17** | **3,744.78** | **3,525.74** |
| Q | INCOME TAX EXPENSES **(Refer Note 16)** | 552.00 | 680.13 | 601.00 | 1,114.23 | 767.09 |
| R | **PROFIT AFTER TAX (P) - (Q)** | **3,537.71** | **3,245.06** | **3,007.17** | **2,630.55** | **2,758.65** |
| S | **OTHER COMPREHENSIVE INCOME** | **12.76** | **7.20** | **(0.62)** | **(12.41)** | **5.88** |
| T | **TOTAL COMPREHENSIVE INCOME (R) + (S)** | **3,550.47** | **3,252.26** | **3,006.55** | **2,618.14** | **2,764.53** |
| U | AUTHORISED SHARE CAPITAL | 15,000.00 | 15,000.00 | 15,000.00 | 15,000.00 | 15,000.00 |
| V | PAID UP EQUITY SHARE CAPITAL | 10,045.03 | 10,045.03 | 10,045.03 | 10,045.03 | 10,259.32 |
| W | OTHER EQUITY (RESERVE AND SURPLUS) | 23,441.07 | 21,558.08 | 19,938.78 | 19,169.70 | 18,068.83 |
| X | LONG TERM/NON CURRENT BORROWINGS INCLUDING LEASE OBLIGATIONS | 23,179.49 | 21,241.22 | 20,889.74 | 17,044.63 | 16,728.20 |
| Y | OTHER LONG TERM LIABILITY & LONG TERM PROVISIONS | 4,162.25 | 4,117.51 | 4,169.54 | 3,910.44 | 1,688.94 |
| Z | DEFERRED TAX LIABILITIES | 2,100.74 | 3,589.36 | 3,641.19 | 3,610.63 | 1,076.64 |
| Z1 | REGULATORY DEFERRAL ACCOUNT CREDIT BALANCES | 1,313.27 | - | - | - | - |
| AA | PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS, INVESTMENT PROPERTY AND RIGHT OF USE ASSETS | 20,815.27 | 20,935.53 | 23,295.52 | 23,851.84 | 19,994.31 |
| AB | CAPITAL WORK-IN-PROGRESS | 20,573.84 | 17,852.56 | 16,097.65 | 14,898.11 | 18,813.96 |
| AC | INVESTMENTS (NON CURRENT) | 5,414.34 | 3,921.68 | 3,400.74 | 2,361.66 | 2,209.56 |
| AD | OTHER LONG TERM LOANS & ADVANCES AND OTHER NON-CURRENT ASSETS | 9,283.85 | 9,421.25 | 7,397.07 | 6,428.38 | 3,882.86 |
| AE | REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES | 6,948.11 | 6,902.93 | 6,836.22 | 6,492.61 | 3,600.46 |
| AF | WORKING CAPITAL | 1,206.44 | 1,517.25 | 1,657.08 | (252.17) | (679.22) |
| AG | **GROSS CAPITAL EMPLOYED (AA) + (AB) + (AC) + (AD) + (AE) + (AF)** | **64,241.85** | **60,551.20** | **58,684.28** | **53,780.43** | **47,821.93** |
| AH | SHORT TERM BORROWINGS INCLUDING CURRENT MATURITIES OF LONG TERM BORROWINGS INCLUDING LEASE OBLIGATIONS | 2,851.03 | 2,121.56 | 2,334.09 | 2,011.16 | 1,873.90 |
| AI | PAYABLE TOWARDS BONDS FULLY SERVICED BY GOVERNMENT OF INDIA | 2,017.20 | 2,017.20 | 2,017.20 | 2,017.20 | - |
| AJ | **NET WORTH (V)+(W)** | **33,486.10** | **31,603.11** | **29,983.81** | **29,214.73** | **28,328.15** |
| AK | **DIVIDEND PAID (INCLUDING INTERIM DIVIDEND) (Refer Note 1)** | **1,667.48** | **1,577.07** | **1,938.69** | **1,000.46** | **1,251.65** |
| AL | **VALUE ADDED (Refer Note 2)** | **7,145.44** | **6,992.91** | **7,427.06** | **7,254.20** | **6,900.19** |
| | **DISTRIBUTION :-** | | | | | |
| | **(i) TO EMPLOYEES (Refer Note 3)** | 1,557.31 | 1,393.91 | 1,479.92 | 1,480.12 | 1,257.62 |

| | | | | | |
|---|---|---|---|---|---|
| **(ii) TO PROVIDERS OF CAPITAL** | | | | | |
| -FINANCE COST **(Refer Note 3)** | 531.75 | 571.49 | 637.81 | 818.10 | 590.93 |
| -DIVIDEND (ON PAYMENT BASIS) **(Refer Note 1)** | 1,667.48 | 1,577.07 | 1,938.69 | 1,000.46 | 1,251.65 |
| **iii) TO GOVERNMENT-INCOME TAX AND DIVIDEND TAX (Refer Note 3 and 4)** | 590.80 | 749.31 | 956.03 | 909.19 | 893.95 |
| **iv) RETAINED IN BUSINESS** | | | | | |
| - DEPRECIATION **(Refer Note 3)** | 927.87 | 1,033.14 | 1,346.13 | 1,416.24 | 1,399.04 |
| - RETAINED EARNINGS | 1,870.23 | 1,667.99 | 1,068.48 | 1,630.09 | 1,507.00 |
| **RATIOS** | **2021-22** | **2020-21** | **2019-20** | **2018-19** | **2017-18** |
| RETURN ON CAPITAL EMPLOYED [ (P) + (I) -(M) ] / (AG) **(Refer Note 5) (In %)** | 7.19 | 7.43 | 7.24 | 8.48 | 8.61 |
| RETURN ON NET WORTH **(Refer Note 6) (In %)** | 10.87 | 10.55 | 10.16 | 9.14 | 9.98 |
| OPERATING PROFIT RATIO **(Refer Note 6A) (In %)** | 43.50 | 42.24 | 37.49 | 40.51 | 38.21 |
| NET PROFIT RATIO (R) / (A+B) **(Refer Note 7) (In %)** | 42.35 | 38.15 | 34.43 | 32.23 | 39.78 |
| BOOK VALUE PER SHARE **(Refer Note 8)** | 33.34 | 31.46 | 29.85 | 29.08 | 27.61 |
| EARNING PER SHARE **(Refer Note 9)** | 3.52 | 3.23 | 2.99 | 2.57 | 2.69 |
| DIVIDEND PER SHARE (INTERIM+PROPOSED FOR THE YEAR) | 1.81 | 1.60 | 1.50 | 1.46 | 1.40 |
| DEBT EQUITY RATIO [(X)+ (AH)+ (AI)] / (AJ) **(Refer Note 10)** | 0.84 | 0.80 | 0.84 | 0.72 | 0.66 |
| CURRENT RATIO **(Refer Note 11)** | 1.20 | 1.27 | 1.28 | 0.96 | 0.88 |
| PRICE TO EARNING RATIO **(Refer Note 12)** | 7.90 | 7.57 | 6.67 | 9.63 | 10.28 |
| EBITDA **(Refer Note 13)** | 5704.66 | 5599.00 | 5648.36 | 5421.66 | 5272.81 |
| DEBT SERVICE COVERAGE RATIO **(Refer Note 14)** | 3.62 | 3.03 | 3.01 | 2.72 | 3.18 |
| INTEREST SERVICE COVERAGE RATIO **(Refer Note 15)** | 7.18 | 6.60 | 6.47 | 6.12 | 8.04 |
| **OPERATING PERFORMANCE** | **2021-22** | **2020-21** | **2019-20** | **2018-19** | **2017-18** |
| GENERATION (M.U.) | 24855 | 24471 | 26121 | 24193 | 22625 |
| CAPACITY (IN MW) | 5551.2 | 5551.2 | 5551.2 | 5551.2 | 5551.2 |
| PLANT AVAILABILITY FACTOR (%) | 88.19 | 85.76 | 84.04 | 84.84 | 85.32 |
| MAN POWER (Nos.) | 5092 | 5569 | 6131 | 6753 | 7351 |

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

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

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

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

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

Note :-6 Return on Net Worth=Profit After Tax / Average Shareholder's Equity.

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

Note :-7 Net Profit Ratio = Profit After Tax / Revenue From Operations.

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

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

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

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

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

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

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

Note :-15 Interest Service Coverage Ratio = Profit after tax but before Interest and Depreciation Net of RDA of Interest and Depreciation) / Interest Net of RDA of Interest Part.

Note :-16 Adjustment of MAT Credit passed to beneficiaries amounting to Rs. 1313.27 crore during FY 2021-22 adjusted in Tax Expenses and Movement in Regulatory Deferral Account Balances.

Note:-17 Figures for the Financial Year 2017-18 to 2019-20 have been taken from the Annual Report of the respective Financial Year.




# LETTER TO SHAREHOLDERS

**Dear Members,**

It is a great pleasure to reconnect with you after yet another stellar year for your Company and to present our Annual Report for FY 2021-22. The financial year started on a grim note due to second wave of the COVID-19 pandemic and we had to contend with the uncertainties of the pandemic throughout the year. During this time our top priorities have been to ensure appropriate health and safety measures for our employees, smooth operation of our plants to ensure uninterrupted supply to our beneficiaries and providing essential support and assistance to the local communities and society at large. We have unfailingly demonstrated our ability to persevere, adapt and flourish. NHPC's position today is an outcome of the untiring efforts of our employees and the invaluable support extended by our stakeholders over the years.

During the year, our power stations have performed remarkably well and we achieved our highest ever annual PAF and our second highest annual generation ever. Despite the pandemic posing many challenges at our construction projects, our focus strictly remained on expediting progress and achieving our targets. The pace of construction activities at Projects has improved a lot and is evident in the various milestones that are being achieved. The foundation for our success, even in the toughest of the time is rooted in our culture, our values and ethos to accept challenges and conquer them. Going forward these fundamental values will continue to enrich your Company and take it on the path of growth.

## OUTLOOK AND PERFORMANCE

Indian power sector is evolving at a fast pace and the power demand has increased rapidly and is expected to rise further in the years to come. India is the third-largest producer and the second-largest consumer of electricity in the world with an installed power capacity of over 400 GW. With the integration of large quantities of renewable energy, especially Solar and Wind in the Grid, the role of hydropower has gained wide attention due to its critical role in

balancing the grid and in meeting the peak power demand. Hydropower is gaining a lot of traction among the policy makers and there is now a positive vibe about the sector. This gives your Company many opportunities to grow and thus retain its position as the top organization for hydropower development for a long time to come.

Your company has continued to perform wonderfully well, driven by focused execution and financial prudence.

**Operating Performance Overview:**

I am glad to share with you that amidst all the difficulties faced due to the pandemic, the total cumulative generation of all the power stations of your company was 24855 MUs during FY 2021-22, which is our second highest ever annual generation despite the additional environment flow release from our power stations. There has been marked improvement in PAF of our plants and we have recorded our highest annual overall PAF of 88.19% during FY 2021-22 since the introduction of this mechanism. Out of 20 hydro power stations of your company, 16 power stations have achieved their respective NAPAF (Normative PAF).

**Financial Performance Overview:**

Your company has also achieved praiseworthy financial results during the year. Your company earned highest ever net profit (after tax) of ₹ 3,537.71 crore on standalone basis in the financial year 2021-22 compared to ₹ 3,245.06 crore in the previous financial year. The total income was ₹ 9,379.98 crore during the FY 2021-22. Total Comprehensive Income rose to ₹ 3,550.47 crore during the financial year 2021-22 from ₹ 3,252.26 crore in the previous financial year. Revenue from Operations during financial year 2021-22 was ₹ 8,353.80 crore.

In Financial year 2021-22, the Board of Directors has recommended a final dividend of ₹ 0.50 per equity share for the financial year 2021-22 amounting to ₹ 502.25 crore. The above dividend is in addition to the interim dividend of ₹ 1.31 per equity share amounting to ₹ 1,315.90 crore paid in March, 2022. Accordingly, total dividend for the FY 2021-22 is ₹ 1.81 per equity share amounting to ₹ 1,818.15 crore. This is the 13th consecutive year that the company has paid dividend since being listed.

**RIDING THE TECHNOLOGY WAVE**

The world has seen remarkable technological changes in the last decade and many of these cutting edge technologies are also being adopted by hydropower industry. Some of these were exhibited and discussed at the 27th Congress and 90th Annual Meeting of International Commission on Large Dams (ICOLD). This decade is going to see more technological breakthroughs and as an organization we must adopt them to become proficient in our working. Going forward, technology will help us respond to the ever-changing business scenarios, reduce manual intervention and thus remain ahead of the competitors.

**HIGHLIGHTS OF THE YEAR**

Your company is the largest hydro power company in India. In the past year, NHPC crossed several milestones in its pursuit of expanding its presence and achieving its targets.

**Major highlights of your Company during the year are:**

1. NHPC has signed Promoters' Agreement with Green Energy Development Corporation of Odisha Ltd. (GEDCOL) for "Development of 500 MW Floating Solar Projects on different water bodies in Odisha". Equity participation in the Joint Venture between NHPC and GEDCOL is proposed in the proportion of 74:26. On completion, this project is going to be one of the largest Floating Solar projects in the world.
2. Hon'ble Prime Minister Shri Narendra Modi laid the foundation stones of 850 MW Ratle Hydroelectric Power Project (being implemented through Ratle Hydroelectric Power Corporation Limited, subsidiary of NHPC) and 540 MW Kwar Hydroelectric Project (being implemented through Chenab Valley Power Projects Private Limited, subsidiary of NHPC) in UT of Jammu and Kashmir.
3. NHPC signed the Letter of Intent for "Development of 10,000 MW Renewable Energy Parks/ Projects in Rajasthan with Rajasthan Renewable Energy Corporation Limited & Rajasthan Urja Vikas Nigam Ltd.".
4. NHPC bagged 1000 MW capacity Solar Power Project at a Viability Gap Funding (VGF) of ₹ 44.90 lakh/MW under CPSU Scheme, Phase-II, Tranche-III in the e-Reverse auction conducted by Indian Renewable Energy Development Agency Limited (IREDA).
5. The Government of Andhra Pradesh has consented to allot seven pumped storage projects with

installed capacity of 6600 MW to be developed through Joint Venture between NHPC and the State Government.

6. NHPC took over the 1856 MW Sawalkot HE Project from JKSPDC Ltd.
7. NHPC has signed an agreement with HDFC Bank for monetization of future cash flows by way of securitization of Return on Equity of its Chamera-I Power Station, Himachal Pradesh. The monetization deal has fetched present value of ₹ 1,016.39 crore against the future cash flow of 10 years of Chamera-I Power Station.
8. NHPC has signed MOU with NIT Durgapur for availing services of NIT Durgapur for undertaking R&D activities in the field of Science, Engineering and Technology.
9. The River Diversion works of 1000 MW Pakal Dul HE Project, 624 MW Kiru HE Project and 120 MW Rangit IV HE Project were successfully completed.
10. NHPC is ranked 25th in the "Top 100 Green Utilities" published by Energy Intelligence, an Independent US consulting firm specializing in energy market.
11. District Administration, Faridabad, Haryana, awarded Certificate of Appreciation to NHPC for outstanding work done in the field of 'Sanitization'.

## CORPORATE SOCIAL RESPONSIBILITY AND GOOD GOVERNANCE

Corporate Social Responsibility & Sustainability has been an integral part of NHPC's business philosophy. NHPC conducts its business in a socially responsible way by maintaining high level of organizational integrity and ethical behaviour, in conformity with:

i. expected standards of transparency in reporting and disclosing the performance in all spheres of its activities,
ii. demonstration of concern for social welfare,
iii. adoption of best management practices, and
iv. effective operational methods to win the trust and confidence of all stakeholders, etc.

Our actions are governed by our values and principles which are reinforced at all levels within the Company. We are committed to doing things the right way, which include taking business decisions and acting in ways that are ethical and compliant to applicable legislations.

Your Company is fully conscious and sensitive of its role as a corporate citizen and reaches out to the marginalized sections of the society through a well-structured policy on Corporate Social Responsibility & Sustainability in line with the provisions of the Companies Act, 2013. NHPC has implemented a number of CSR initiatives for the community living in and around its projects/ power stations/ units in the areas of Education, Health, Sanitation, Rural Development, Skill Development, Environmental sustainability, Women Empowerment, Promotion of sports, arts & culture etc. which have led to significant socio-economic development.

Your company, in the pandemic affected year, took numerous initiatives from the very beginning to mitigate its impacts on health of general public at large. It also extended every possible support to the State/Central Govt. and the community living around its establishments across the Country. Many vaccination camps were organized for the residents of local villages located in the remote areas of the project/power stations to ensure that the vaccines reaches to every eligible person. Over the passage of time, the footprints of your company's CSR initiative have reached hitherto uncovered areas. The expenditure on CSR & SD activities during the year 2021-22 was ₹ 105.29 crore which includes contribution of ₹ 30 crore towards PM CARES Fund.

Your management recognizes the enormous responsibility, importance and necessity for adhering to Corporate Governance norms and practices and accordingly all the operations and processes of the Company are undertaken. Your Company always makes sincere efforts to ensure compliance with the Corporate Governance requirements prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidelines on Corporate Governance for CPSEs issued by Department of Public Enterprises (DPE), Government of India, to the extent compliances are within ambit of the Company. During the year 2021-22, your Company's compliance with 'DPE Guidelines on Corporate Governance' has been rated as "Excellent" as per 'Corporate Governance Grading System' prescribed by DPE

## AWARDS AND RECOGNITIONS

The excellent works being done by your Company has been appreciated at various levels. Your company received the following honours:-

1. Gold Shield for 'Excellence in Financial Reporting' awarded by the Institute of Chartered Accountants

of India (ICAI) for FY 2020-21 in the category "Infrastructure & Construction Sector-Turnover equal to or more than ₹ 500 crore". The Company also won the Certificate of Merit for the 'Best Presented Annual Report' from the South Asian Federation of Accountants (SAFA) in the Category "Public Sector Entities".

2. NHPC's Rajbhasha journal 'Rajbasha Jyoti' was awarded 'First Prize' under 'Rajbhasha Kirti Puruskar (Griha Patrika)' in Region 'A' by Ministry of Home Affairs, Govt. of India for the year 2019-20. NHPC has also been awarded Second Prize for commendable work in implementation of Rajbhasha under Rajbasha Kirti Puruskar scheme.
3. NHPC was conferred with "PSU developer of the year" Award in Gold Category by EQ International during EQ's PV Invest Tech India Conference & Awards at New Delhi.
4. NHPC was declared 'Winner' in category of 'Best Implementation of Dam Rehabilitation Project' at the Water Digest Water Awards, 2021- 2022.
5. NHPC has been conferred with 'AEOHD Occupational Health Excellence Award – Public Sector' in recognition of its exemplary contribution in the field of Environmental & Occupational Health (ENOCH) by AEOHD (Association of Environmental & Occupational Health, Delhi).
6. NHPC's 510 MW Teesta-V Power Station has been conferred with the prestigious Blue Planet Prize by International Hydropower Association (IHA), a London based non-profit membership association operating in 120 countries.

**CLOSING THOUGHTS**

The past couple of years have been very tough on the entire humanity, still your Company performed exceptionally well as all of its members worked as a team. During this turbulent period we have improved our project execution capabilities while strengthening operation and maintenance of our power stations. This has helped us to achieve highest ever CAPEX as well as highest ever PAF. The exemplary and par excellence efforts are getting reflected in the accelerated business accumulation your Company has achieved. The under construction project capacity of your Company is at a record high. Many a new avenues are opening up and rest assured we will excel in them all. The times ahead are full of challenges and opportunities. Team NHPC with your support is ready to conquer new peaks.

I would like to place on record appreciation for the contribution and valuable guidance given by my fellow Board Members.

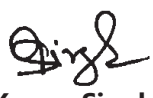
I wish to convey my deep gratitude to Government of India, particularly the Ministry of Power as well as other Central Government Ministries and Departments and various State Governments for their valuable guidance and overwhelming support from time to time.

I would like to express my sincere thanks to our valued stakeholders including bankers, investors, shareholders, customers, consultants, contractors, vendors, etc. for their belief and trust. This motivates us to excel in all our pursuits and constantly create value for shareholders as well as for the nation. We aim and aspire to earn your continued trust every day.

Finally, my sincere appreciation to our employees of NHPC for the hard work and commitment they have demonstrated throughout another successful year.

NHPC has always valued strengthening the core competencies of the organization, so that it can continue to excel and surpass the expectations of all stakeholders. I reaffirm that we will keep on improving and create new bench marks of excellence.

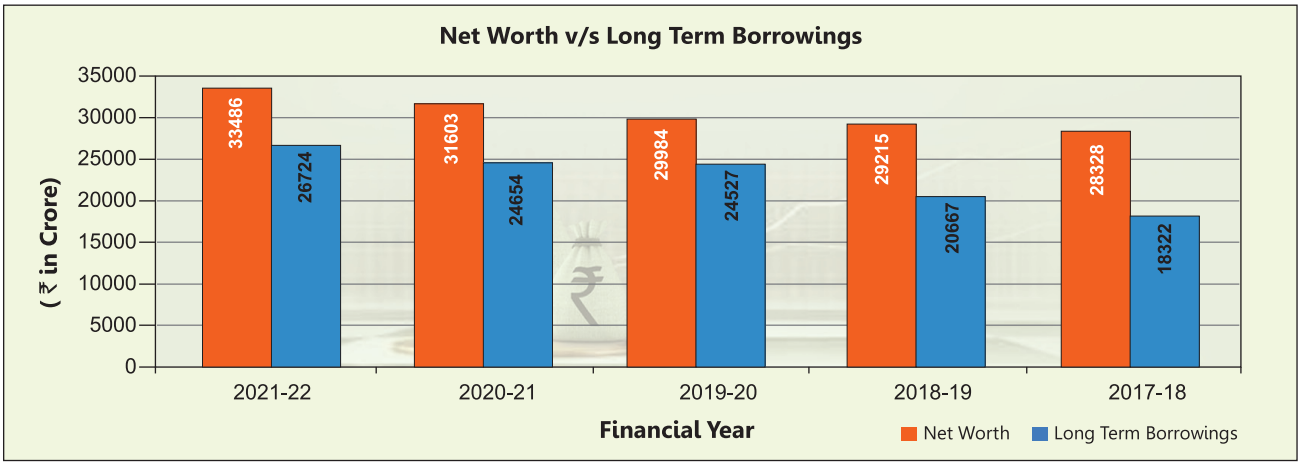
Warm regards,



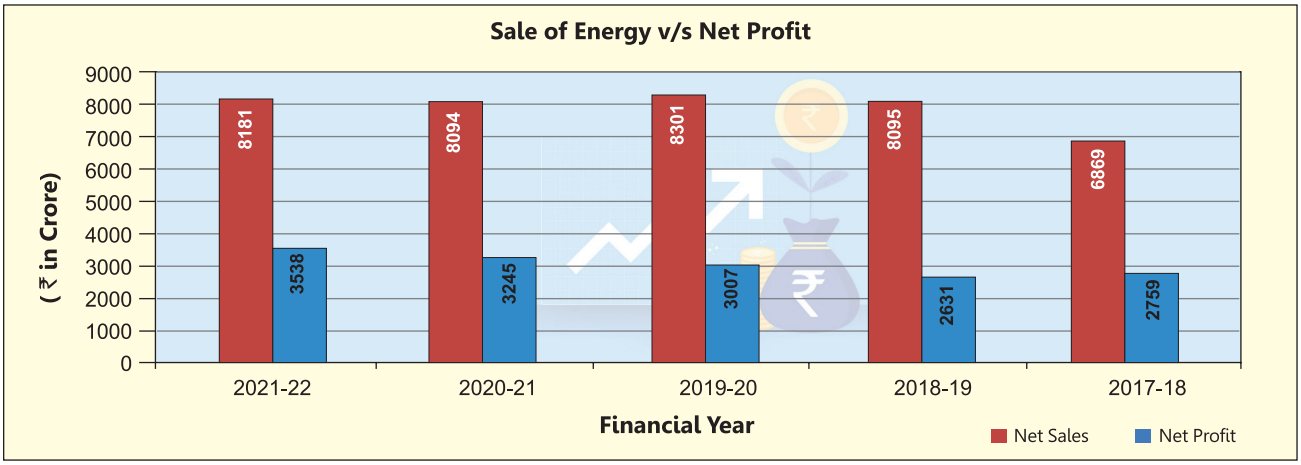
**(Abhay Kumar Singh)**
Chairman and Managing Director
DIN 08646003

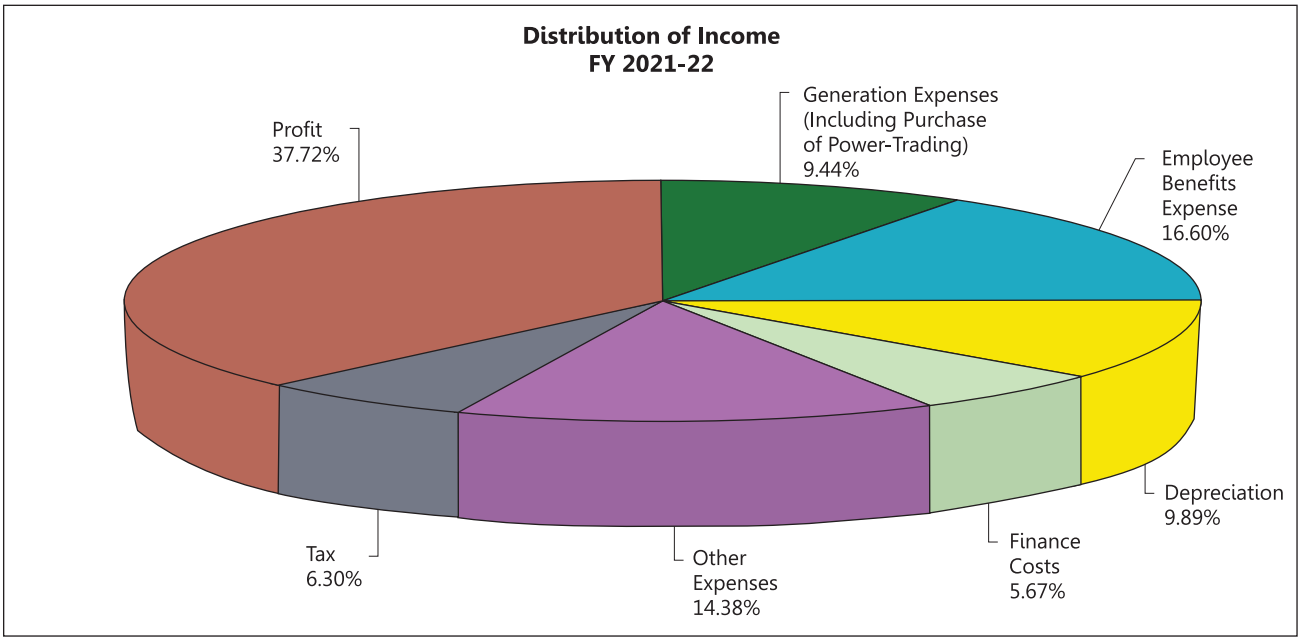
Date: July 25, 2022
Place: Faridabad

# NHPC's PERFORMANCE




# Long term borrowings includes current maturities thereof, Lease obligations including current maturities thereof and payables towards bonds fully serviced by Government of India. Figures for the FY 2017-18 to 2019-20 have been taken from Annual Report of the respective FY.




Note:- Adjustment of MAT Credit passed to beneficiaries amounting to Rs. 1313.27 crore during FY 2021-22 adjusted in Tax Expenses.

# DIRECTORS' PROFILE



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

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

Shri Abhay Kumar Singh, a Civil Engineering Graduate of 1983 batch from Regional Engineering College, Durgapur (now NIT) has 37 years of extensive experience in Hydro Sector. Shri Singh began his professional career as Probationary Executive in NHPC in the year 1985. Driven by a passion to succeed and possessing the requisite talent, Shri Singh steadily rose up the ranks and during this period he was associated with several marquee projects that highlighted NHPC's standing as the premier hydro power developer in the country. He played key role in execution of Projects like Tanakpur, Dhauliganga, Teesta Low Dam Stage-IV, Parbati-II, Parbati-III and Kishanganga. As the head of the Renewable Energy Division, he spearheaded NHPC's efforts in diversification in Solar and wind space.

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

Since assuming the charge of Chairman & Managing Director of NHPC, Shri Singh has focused on broadening the business portfolio of NHPC with emphasis on timely completion of projects and reducing time & cost overruns. In this period, NHPC has not only signed MOUs for implementation of Hydropower projects with total installed capacity exceeding 3000 MW but is widening its foot print with 10000 MW plus capacity under consideration for allotment. The organization has seen tremendous growth in its presence in Renewable Energy also, particularly in Solar Sector. Solar Projects in excess of 3000 MW have already been awarded while tendering process for projects with installed capacity of around 1000 MW is going on. He has also stressed on greater persuasion with Discoms for revenue realization, resulting in the highest ever annual revenue collections.

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

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



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

**Shri Yamuna Kumar Chaubey** (59 years) is a graduate in Civil Engineering from IIT, Kharagpur and joined NHPC Limited in 1985 as a Probationary Executive (Civil) at 540 MW Chamera Hydro-Electric Project now Chamera-I Power Station, Himachal Pradesh and continued since then to rise to present level.

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

Limited and appointed as Nominee Director on the Board of Chenab Valley Power Projects Private Limited and Ratle Hydroelectric Power Corporation Limited w.e.f. 01.10.2020 and 01.06.2021 respectively.

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

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

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

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

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

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



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

**Shri Rajendra Prasad Goyal** (57 years) has taken over charge of Director (Finance) of NHPC Limited on October 1, 2020.

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

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

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

Shri Goyal is an Associate Member of the Institute of Cost Accountants of India and also holds a Master's Degree in Commerce from the University of Rajasthan, Jaipur. Shri Goyal has vast experience of more than 33 years in NHPC Ltd. in the core areas of Finance with in-depth understanding and vast knowledge of Financial, Contractual and Regulatory issues involved in construction as well as operations of Hydro Projects. His leadership qualities, ability to work hard with conceptual clarity and professionalism are outstanding.

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



## Shri Biswajit Basu
**Director (Projects)**
DIN: 09003080

**Shri Biswajit Basu** (58 years) joined the Board of NHPC Limited on January 1, 2021. He graduated from Tripura Engineering College (Now NIT, Agartala) in Electrical Engineering in year 1986 and has diverse experience of more than 33 years in the field of Hydro Power.

Shri Biswajit Basu is associated with NHPC Limited since October, 1987 and steadily rose to current position with utmost sense of responsibility, ethics and dedication. In his present assignment as Director (Projects), Shri Basu is in-charge of all under construction projects of NHPC, which includes Hydro as well as Renewable Energy Projects. Major functions of various divisions in Corporate Office i.e., Project Monitoring & Support Group (PMSG), IT&C, Construction Equipment Planning & Monitoring (CEPM), Arbitration, Renewable Energy, CSR-SD, Corporate Communications and Estate Management Services are also under his ambit.

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

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

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



## Shri Raghuraj Madhav Rajendran
**Government Nominee Director**
DIN: 07772370

**Shri Raghuraj Madhav Rajendran** (43 years) Joint Secretary (Ministry of Power), is a Madhya Pradesh Cadre officer of the Indian Administrative Service (2004 Batch). He hails from Kerala and speaks Malayalam, Hindi and English. He has done his B.Tech in Electronics & Communication Engineering from the National Institute of Technology, Calicut (formerly Regional Engineering College, Calicut). As a member of the Indian Administrative Service, he has experience in areas of Cabinet Affairs, Social Justice and Empowerment, Rural Employment, Panchayati Raj and Local Self Government. Since December, 2017 he is on deputation to the Government of India.

He has served on administrative positions in the Govt. of India and the State Govt. of Madhya Pradesh, like Director – PMO; PS to Minister-M/o Steel; Deputy Director, LBSNAA, Mussoorie, etc.

Presently Shri Raghuraj Madhav Rajendran is also serving as Government Nominee Director on the Board of PTC India Limited and SJVN Limited.



## Dr. Uday Sakharam Nirgudkar
**Independent Director**
DIN: 07592413

**Dr. Nirgudkar** (57 years) is MBA and PhD in Marketing Management awarded by Pune University.

He has varied experience of over 28 years in IT, IT enabled services, Education, Infrastructure, finance, media and Economics. He has been in top position in Information technology firms of international repute, representing them around the conducted workshops in Africa and Middle East countries on Management Skills.

Wrote features on Technology and Education in various newspapers and magazines. Compiled four books on Strategic use of IT, TQM, Business Process Reengineering. Wrote a book on globalization and changing face of India 'Local to Global' and 'All about Winning Indian Elections'.

Led as CEO large operations in IT and ITES companies. Executed successfully large scale projects in Technology infrastructure and skills development across the Country.

Was CEO and Editor-in-Chief with a large news media company driving their viewership and business in electronic, digital and print domain. Made a sea change in Journalism by making it more positive and initiating social ventures like 'Dhaga Shourya Ka, Rakhi Abhimaan Ki' and 'Aapla Sainik, Aapli Diwali'.

Anchored daily debate shows on current affairs and interview series on weekends of dignitaries from various fields. The show was extremely popular and received many awards including awards for best journalism. Drove many social and cultural projects for the news channel which fostered national integration.

Conducted training for Force One Commando Unit which was established after terror attacks in Mumbai.

Dr. Nirgudkar joined the Board of NHPC Limited as Independent Director in November, 2021. Dr. Nirgudkar is also serving as Director on the Board of Dr. Nirgudkar's Healthcare Private Limited.



## Prof. (Dr.) Amit Kansal, PhD
**Independent Director**
DIN: 07722428

**Prof. (Dr.) Amit Kansal, PhD** (46 years) was born on September 24, 1975 at martyr land popularly known as Shaheed Udham Singh Wala, Sunam, near the border of Haryana in Sangrur district of Punjab, Dr. Amit Kansal has outstanding academic credentials throughout his education. He obtained his Doctorate in Political Science from Punjabi University, Patiala. His thesis research work was on the "Akali Alliances in Punjab Since 1967" which had been acclaimed and hailed by various political scholars at different platforms. He completed three Master degrees in Political Science, Journalism and Mass Communication and Distance Education with distinction from various recognised Institutions and Universities. With always learning attitude, he has keen interest to honing his analytical skills through continuing upgrading education. Recently, he graduated with Law (LLB) degree.

His whole school education is from Udham Jyoti Public School, Sunam. Since his school days, he had keen interest in the current politics and promotion of education among needy and under privileged sections of the society. Since his whole family is involved from heart in social work, he forwards the legacy of the family to a large extent. Various renowned societies and clubs at local and state level have awarded and appreciated him. Apart from this, his efforts are much appreciated by the local and state administration during various state level functions.

Currently, Dr. Kansal is working as Senior Assistant Professor and heading Department of Political Science, Nehru Memorial Government College, Mansa, Punjab. He is an acclaimed and celebrated social scientist in the field of Political Science and has been associated with prestigious organisations like National Service Scheme as Program Officer, Indian Red Cross Society, UGC and RUSA as an expert. Besides this, he has been playing an instrumental role to disseminate the education among poor and underprivileged school and college dropouts

through distance education, as he has also been associated with esteemed National Open University i.e. IGNOU, New Delhi since 2013. While working with rural and disadvantageous youth, more than 5000 students educated and trained in various fields and enhancing their skills to make them self-dependent. Several started their start-up and living good life. He is playing an epitomized role to make Atmanirbhar Bharat.

Besides, above, Dr. Kansal is also Director (Administration & Academics) in Krishna Group of Institutions, Ralli (Budhladha). He is involved in social causes especially in the field of Education and protection of Environment. He is also serving as Managing Director of Nirman Campus of Education Research and Training, Sunam, Punjab.

At social front, he is Chief Executive and Founder of Nirman (A Social Organisation) and Kansal Foundation for Education, Skill Development and Employment. Due to his strenuous and selfless efforts, he is most popular as professor, teacher and human being among all walks of life. Having faith on his leadership, he had been assigned various coveted position such as State Vice President, ABVP, Punjab and many more. He also served as State Executive Member of Saravhitkari Education Society (Vidya Bharati), Punjab, and played an important role in the assessment of institutions and Principals to make all institutions more productive and to fix accountability. Director of Sh. Suraj Kund Saravhitkari Vidya Mandir, Sunam and Sr. Chetan Singh Saravhitkari Vidya Mandir, Mansa and list goes on.

His various publications displays his strong academic acumen. He has various publications under his name. Books like Foreign Policy of India, Research Methodology in Social Sciences, Punjab Politics, to name a few, that has been authored by him. He presented his research work at various platforms and published various scientific papers in the reputed journals. He has command on various language such as English, Hindi, Sanskrit and Punjabi.

Dr Kansal, joined the Board of NHPC Limited as Independent Director in November, 2021.



## Dr. Rashmi Sharma Rawal
**Independent Director**
DIN: 09410683

**Dr. Rashmi Sharma Rawal** (55 years) holds Master's degree in Arts (Geography) from Rohilkhand University and has completed her PhD in Geography (Population Geography). Presently, she is an Associate Professor and In-charge of Geography Department at R.S.M. (PG) College, Dhampur, Bijnor, Uttar Pradesh.

She has written 16 Directing Thesis, 90 Minor Directing Dissertations and has published 25 research papers. Six (06) number of books written by her have been published. Dr. Rawal is Talker of various subjects/topics in Akashvani (AIR), Najibabad (Prasar Bharti) since 1984. She is an Examiner (Answer-book evaluation), Question Paper Writer and Reviewer for Uttar Pradesh Public Service Commission (UPPSC), Prayagraj. She is also Examiner (Post-book evaluation) of Jharkhand Public Service Commission, Ranchi and Chief Editor of the Rohilkhand Geographical Journal of India-a refereed research journal (ISSN No. 0976-8556).

Dr. Rashmi Sharma Rawal joined the Board of NHPC Limited as Independent Director in November, 2021.



## Shri Jiji Joseph
**Independent Director**
DIN: 09415941

**Shri Jiji Joseph** (48 years) holding Bachelor's Degree in Arts from Calicut University, Kerala is associated with Business and Politics. He is an entrepreneur and holds proprietary interest in Mithra Communication (Advertising Agency). He is also politically active.

Shri Joseph is engaged in the business of Ad Film making, Creative, Media Planning and Releases.

Shri Jiji Joseph joined the Board of NHPC Limited as Independent Director in December, 2021.

# NHPC POWER STATIONS




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

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

**NHPC LIMITED**
(A Government of India Enterprise)
Registered Office: NHPC Office Complex, Sector 33, Faridabad, Haryana – 121003
CIN: L40101HR1975GOI032564
Tel No: 0129-2588110, Fax No: 0129-2278018
Website: www.nhpcindia.com, E-mail ID: companysecretary@nhpc.nic.in

# NOTICE

NOTICE is hereby given that the 46th Annual General Meeting (AGM) of the members of NHPC Limited will be held on **Thursday**, the **25th day of August, 2022** at **12:30 P.M. (IST)** through Video Conference **("VC")**/ Other Audio Visual Means **("OAVM")**, to transact the following businesses.

**ORDINARY BUSINESS:**

1. To consider and adopt:
   a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022, the reports of the Board of Directors, Auditors' Report thereon and Comments of the Comptroller & Auditor General of India; and
   b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, the Report of Auditors' thereon and Comments of the Comptroller & Auditor General of India.
2. To confirm the payment of interim dividend and declare final dividend for the financial year 2021-22.
3. To appoint a director in place of Shri Rajendra Prasad Goyal, Director (Finance) (DIN: 08645380), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To authorize Board of Directors of the Company to fix the remuneration of the Joint Statutory Auditors for the financial year 2022-23 and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 142 read with relevant provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Board of Directors be and is hereby authorized to fix the remuneration of Joint Statutory Auditors for the financial year 2022-23;

   **RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**SPECIAL BUSINESS:**

5. To ratify the remuneration of the Cost Auditors for the financial year 2022-23 and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 148 read with applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration to the Cost Auditors appointed by Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year 2022-23, be and is hereby ratified as under:

   a) ₹ 75,000/- per power station (excluding TA/ DA, taxes and duties).
   b) ₹ 75,000/- excluding TA/DA, taxes and duties for consolidation of cost audit reports of all the power stations by the Lead Cost Auditor and submission of consolidated cost audit report in form CRA-3.

   **RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."
6. To appoint Dr. Uday Sakharam Nirgudkar (DIN: 07592413), as an Independent Director of the Company and, if thought fit, to pass the following resolution as a **Special Resolution**:

   "**RESOLVED THAT** pursuant to applicable provisions of Section 149, 152 and other

applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company, recommendations of the Nomination & Remuneration Committee and that of the Board, Dr. Uday Sakharam Nirgudkar (DIN: 07592413), who was appointed as Independent Director by the President of India vide Ministry of Power order no. 2/13/2021-NHPC dated November 08, 2021 for a period of three years w.e.f. the date of order or until further orders and subsequently appointed as an Additional & Independent Director by the Board of Directors w.e.f. November 15, 2021 and in respect of whom the Company has received a notice in writing from him signifying his intention to propose himself as a candidate for appointment as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation for a period of 3 years w.e.f. the date of order i.e. November 08, 2021 upto November 07, 2024 or until further orders from the Government of India, whichever is earlier."

7. To appoint Dr. Amit Kansal (DIN: 07722428), as an Independent Director of the Company and, if thought fit, to pass the following resolution as a **Special Resolution**:

   **"RESOLVED THAT** pursuant to applicable provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company, recommendations of the Nomination & Remuneration Committee and that of the Board, Dr. Amit Kansal (DIN: 07722428), who was appointed as an Independent Director of the Company by the President of India vide Ministry of Power order no. 2/13/2021-NHPC dated November 10, 2021 for a period of three years w.e.f. the date of order or until further orders and subsequently appointed as an Additional & Independent Director by the Board of Directors w.e.f. November 21, 2021 and in respect of whom the Company has received a notice in writing from him signifying his intention to propose himself as a candidate for appointment as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation for a period of 3 years w.e.f. the date of order i.e. November 10, 2021 upto November 09, 2024 or until further orders from the Government of India, whichever is earlier."

8. To appoint Dr. Rashmi Sharma Rawal (DIN: 09410683), as an Independent Director of the Company and, if thought fit, to pass the following resolution as a **Special Resolution**:

   "**RESOLVED THAT** pursuant to applicable provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company, recommendations of the Nomination & Remuneration Committee and that of the Board, Dr. Rashmi Sharma Rawal (DIN: 09410683), who was appointed as an Independent Director of the Company by the President of India vide Ministry of Power order no. 2/13/2021-NHPC dated November 10, 2021 for a period of three years w.e.f. the date of order or until further orders and subsequently appointed as an Additional & Independent Director by the Board of Directors w.e.f. November 30, 2021 and in respect of whom the Company has received a notice in writing from her signifying her intention to propose herself as a candidate for appointment as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation for a period of 3 years w.e.f. the date of order i.e. November 10, 2021 upto November 09, 2024 or until further orders from the Government of India, whichever is earlier."

9. To appoint Shri Jiji Joseph (DIN: 09415941), as an Independent Director of the Company and, if thought fit, to pass the following resolution as a **Special Resolution**:

   "**RESOLVED THAT** pursuant to applicable provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company, recommendations of the Nomination & Remuneration Committee and that of the Board, Shri Jiji Joseph

(DIN: 09415941), who was appointed as an Independent Director of the Company by the President of India vide Ministry of Power order no. 2/13/2021-NHPC dated November 10, 2021 for a period of three years w.e.f. the date of order or until further orders and subsequently appointed as an Additional & Independent Director by the Board of Directors w.e.f. December 01, 2021 and in respect of whom the Company has received a notice in writing from him signifying his intention to propose himself as a candidate for appointment as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation for a period of 3 years w.e.f. the date of order i.e. November 10, 2021 upto November 09, 2024 or until further orders from the Government of India, whichever is earlier."

**By the order of the Board of Directors**

Sd/-

(Rupa Deb)
Company Secretary

Date: July 02, 2022

**Regd. Office:**
NHPC Office Complex,
Sector-33, Faridabad, Haryana-121003
CIN: L40101HR1975GOI032564

## NOTES:

1. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') relating to the special businesses to be transacted at the AGM is annexed hereto. The Board of Directors have considered and decided to include the Item Nos. 5 to 9 given above as special businesses in the forthcoming AGM, as they are unavoidable in nature.

2. In view of the continuing social distancing norms due to Covid-19, the Ministry of Corporate Affairs ("MCA") vide its circular dated May 5, 2022 read together with circulars dated April 8, 2020, April 13, 2020, and May 5, 2020 (collectively referred to as "MCA Circulars") has permitted convening the AGM through VC/ OAVM, without physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), the AGM of the Company is being held through VC/ OAVM. The Registered Office of the Company shall be deemed to be the venue of the AGM. M/s National Securities Depository Limited (NSDL) will be providing facility for remote e-voting, for participation in the AGM through VC/ OAVM and e-voting during the AGM.

3. As per the provisions of the Act, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/ herself and the proxy need not be a member of the company. Since this AGM is being held through VC/ OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence, the Proxy Form and Attendance Slip including Route Map are not annexed hereto.

4. Members attending the AGM through VC/ OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.

5. In compliance with the MCA Circulars and SEBI Circular dated May 13, 2022, Notice of AGM and Annual Report 2021-22 is being sent only through electronic mode to those members whose email addresses are registered with the Company/ RTA (M/s Alankit Assignments Limited)/ Depository Participants as on **Friday, July 22, 2022**. Members may note that the notice of AGM and Annual Report 2021-22 is also available on the Company's website www.nhpcindia.com, websites of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of e voting service provider i.e. M/s National Securities Depository Limited at www.evoting.nsdl.com.

6. In terms of relevant provisions of the Act, Shri Rajendra Prasad Goyal, Director (Finance) (DIN: 08645380) is liable to retire by rotation at this AGM and, being eligible, offers himself for re-appointment. The tenure of Shri Rajendra Prasad Goyal as per the order of Ministry of Power, Govt. of India is upto August 31, 2025. The Nomination & Remuneration Committee in its meeting held on July 01, 2022, after taking into account the performance evaluation of Shri Goyal has recommended his re-appointment. Based on the recommendation of Nomination & Remuneration Committee, the Board at its meeting held on July 02, 2022 has recommended the re-appointment of Shri Goyal as Director (Finance). Brief resume of directors seeking appointment or re appointment at the AGM, as required under Regulation 36 of SEBI LODR is annexed hereto and forms part of the Notice.

7. Pursuant to Section 139 of the Act, the statutory auditors of a Government Company are to be appointed or re-appointed by the Comptroller and Auditor General of India (C&AG). Further, in terms of Section 142 of the Act, their remuneration has to be fixed by the Company in a General Meeting or in such manner as the Company in General Meeting may determine. The members may authorize the Board to fix an appropriate remuneration of Joint Statutory Auditors to be appointed by C&AG for the financial year 2022-23 as may be deemed fit by the Board.

8. For receiving all communications electronically (including notice of AGM and Annual Report) from the Company:

   a. Members holding shares in dematerialized mode are requested to register/ update their e-mail address with their respective Depository Participants.

b. Members holding shares in physical mode and who have not registered/ updated their e-mail address with the Company are requested to register/ update the same with Company's RTA M/s Alankit Assignments Limited, by submitting a request in form ISR-1 physically or by email to alankit.nhpc@alankit.com.

9. The register of members and share transfer books of the Company will remain closed from **Friday, August 12, 2022** to **Thursday, August 25, 2022** (both days inclusive).

**DIVIDEND**

10. The Board of Directors, in their meeting held on February 11, 2022, had declared an interim dividend @ 13.10% (₹ 1.31 per equity share) on the paid up equity share capital of the Company which was paid in March, 2022. Further, the Board of Directors in their meeting held on May 25, 2022 had recommended a final dividend @ 5.00% (₹ 0.50 per equity share) on the paid up equity share capital of the Company for the financial year 2021-22. The Company has fixed **Thursday, August 11, 2022** as "Record Date" for determining entitlement of members to receive final dividend, if declared at the AGM. The members whose name appear in the Register of Members/ List of Beneficial Owners (to be received from NSDL and CDSL) as on record date will be entitled to receive final dividend. The final dividend, if declared at the AGM, will be paid as per the provisions of the Act.

11. Subject to approval of the members at the AGM, the final dividend will be paid through electronic mode to those members who have updated their bank account details. Dividend warrants/ demand drafts will be dispatched to the registered address of the Members who have not updated their bank account details. Members are requested to register/ update their complete bank details to receive dividend directly into their bank account:

i. In case of shares that are held in demat mode, by submitting forms and documents as may be required by the Depository Participant(s); and

ii. In case of shares that are held in physical mode, by submitting a request in form ISR-1 to the RTA i.e. M/s Alankit Assignments Limited at Alankit House, 4E/2, Jhandewalan Extension, New Delhi- 110055 or by email to alankit.nhpc@alankit.com from their registered email id.

12. **TDS ON DIVIDEND**

With effect from April 1, 2020, dividend income has become taxable in the hands of shareholders. Pursuant to the requirement of Income Tax Act, 1961 ("the IT Act"), the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders. In this connection, the shareholders are requested to take note of the following:

**A. Resident Shareholders:**

(i) TDS shall be deducted at the rate of 10% under Section 194 of the IT Act on the amount of dividend declared and paid by the Company in the Financial Year (FY) 2022-23 to resident shareholders, provided valid PAN of the shareholder is available.

(ii) However, TDS shall be deducted at higher rates as stated below in the following circumstances:

- **Valid PAN not available:** If the PAN is not valid or valid PAN is not available in the Company's Register of Members, TDS shall be deducted at the rate of 20% as per Section 206AA of the IT Act.
- **Specified person under Section 206AB:**
  - TDS shall be deducted at the rate of 20%, in case of resident shareholders falling within the meaning of a 'specified person' as per Section 206AB(3) of the IT Act i.e. a person who has not filed the return of income for the assessment year relevant to the previous year immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing return of income under sub-section (1) of Section 139 has expired; and the aggregate of tax deducted at source and tax collected at source in his case is ₹ 50,000 or more in that previous year.

- The list of 'specified person' for the purpose of Section 206AB shall be obtained at the time of deduction of TDS, from the reporting portal utility made available by the Income Tax department as per the CBDT Circular No. 11/2021 dated 21.06.2021.
- If PAN of a shareholder is not updated, it shall be assumed that the shareholder is a "specified person" for the purpose of Section 206AB of the Act and TDS would be regulated accordingly.

(iii) In case of the following category of resident shareholders, no TDS shall be deducted or the TDS shall be deducted at lower rate, as the case may be, subject to submission of the documents specified below:

- **Form 15G/15H:** In case where the shareholder provides valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of 60 years with no tax liability on total income), no TDS shall be deducted.
- **Certificate for lower/Nil deduction:** In case the shareholder provides valid Certificate for lower/Nil deduction under Section 197 of the IT Act, tax shall be deducted as per the rate specified in the Certificate.
- **Insurance Companies:** No TDS shall be deducted if the insurance company submits a self-declaration certifying the details of securities held by it against which dividend is declared and certifying the fact that it is registered with IRDA and is eligible to claim the exemption under the second proviso to Section 194 of the IT Act. The said certificate shall also be accompanied with self-attested copy of PAN and IRDA registration certificate.
- **Mutual Funds:** No TDS shall be deducted if the Mutual fund submits a self-declaration certifying the details of securities held by it against which dividend is declared and certifying the fact that it is registered with SEBI and is eligible to claim the exemption under Section 10(23D) of the IT Act. The said certificate shall also be accompanied with a self-attested copy of its PAN and SEBI registration certificate.
- **Other shareholders covered under section 196:** No TDS shall be deducted if documentary evidences for coverage under Section 196 of IT Act are submitted in respect of other shareholders covered under Section 196 of IT Act such as Government, RBI or corporations established by Central Act which is under any law for the time being in force, exempt from income tax on its income.
- **Alternate Investment Fund (AIF) Category I and II:** No TDS shall be deducted if self-declaration that the shareholder is eligible for exemption under Section 10(23FBA) of the IT Act, for exemption from TDS under Section 197A(1F) and that they are established as Category I or Category II AIF under the SEBI regulations is submitted. Copy of self-attested registration documents and PAN card should also be provided.
- **Recognized Provident funds/ Approved Superannuation fund/ Approved Gratuity Fund:** No TDS shall be deducted if necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT) have been submitted.
- **National Pension Trust:** No TDS shall be deducted if self-declaration along with self-attested copy of documentary evidence supporting the exemption from TDS under Section 197A(1E) of IT Act and self-attested copy of PAN card is submitted.
- **Any other entity entitled to exemption from TDS:** In case any resident shareholder (other than those specified above) is exempted from TDS deduction as per the provisions of IT Act or by any other law or notification, a valid self-attested documentary

evidence (e.g. relevant copy of registration, notification, order etc.) in support of the entity being entitled to exemption from TDS needs to be submitted.

(iv) No tax shall however be deducted on the dividends paid to resident individuals if aggregate dividend distributed or likely to be distributed during the financial year does not exceed ₹ 5,000/-.

(v) Transferring credit to the beneficial owner:- In cases where the shareholder is merely a custodian of the shares and, accordingly, not the beneficial owner of the dividend payable in respect thereof, then, in order to transfer the credit of TDS to the beneficial owner of dividend income, the shareholder may provide a declaration prescribed by Rule 37BA of the Income-tax Rules, 1962. The aforesaid declaration shall contain (i) name, address, PAN and residential status of the person to whom credit is to be given; (ii) payment in relation to which credit is to be given; and (iii) the reason for giving credit to such person.

Please note that the application for transfer of credit of TDS under Rule 37BA would not be entertained in absence of the aforesaid prescribed details.

**B. Non-resident shareholders [including Foreign Institutional Investors (FIIs) and Foreign Portfolio Investors (FPIs)]**

(i) Tax is normally required to be withheld at the rate of 20% (plus applicable surcharge and cess) under Section 195 or 196D, as the case may be of the IT Act subject to beneficial provisions of the relevant Double Tax Avoidance Agreement ("DTAA/Treaty").

(ii) As per Section 90 of the Act, a non-resident shareholder (including FIIs/FPIs) has the option to be governed by the provisions of the DTAA between India and the country of tax residence of the shareholder, if they are more beneficial to the shareholder. For this purpose i.e. to avail the tax treaty benefits, the non-resident shareholder will have to provide all of the following documents:

- Self-attested copy of PAN allotted by the Indian Income Tax Authorities. In case PAN is not available, details as prescribed under rule 37BC of Income-tax Rules, 1962 to be furnished;
- Self-attested copy of valid Tax Residency Certificate obtained from the Tax Authorities of the country of which the shareholder is a resident (valid for financial year 2022-23);
- Self-declaration in Form 10F;
- Self-declaration duly signed and stamped on letterhead as per **Annexure-A** enclosed herewith.
- Self-attested copy of any other document as prescribed under the IT Act for lower withholding of taxes, if applicable.

(iii) Further, in case the non-resident share holder is eligible to claim deduction of TDS at a lower/NIL rate, TDS shall be deducted at such lower/NIL rate, subject to submission of the documents specified below:

- Lower deduction certificate under Section 197 or 195(3) as the case may be, obtained from the Income Tax Authority. In case of an Indian branch of a foreign bank, the lower deduction certificate is also to be supported with a self-declaration confirming that the income is received by the Indian branch on its own account and not on behalf of the Foreign Bank and the same will be included in taxable income of the branch in India.
- In case any non-resident shareholder is exempted from TDS as per the provisions of IT Act or any other law such as The United Nations (Privileges and Immunities) Act, 1947 etc., necessary documentary evidences substantiating exemption shall be submitted.

(iv) It may be noted that tax is required to be deducted at the rate of 40% (plus applicable surcharge and cess), in case of such non-resident shareholders who have a Permanent Establishment (PE) in India and who qualify as a 'specified person' as per Section 206AB(3) of the IT Act (as defined above).

The list of 'specified person' for the purpose of Section 206AB shall be obtained at the time of deduction of TDS, from the reporting portal utility made available by the Income Tax department as per the CBDT Circular No. 11/2021 dated 21.06.2021.

Further, the provisions of Section 206AB shall not be applicable in the cases of non-resident shareholders not having a PE in India. For this purpose, the expression PE (i.e. permanent establishment) includes a fixed place of business through which the business of the non-resident is wholly or partly carried on.

In case the name of any non-resident shareholder forms part of the aforesaid list of 'specified person' as per the Reporting utility, tax shall be deducted at the rate of 40% (plus applicable surcharge and cess) unless the non-resident shareholder does not have a PE in India. If the non-resident shareholder does not have a PE in India, the non-resident shareholder is required to furnish a declaration duly signed and stamped to such effect to ensure that taxes are not held at such higher rate of 40% (plus surcharge and cess).

The shareholders are requested to complete and/ or update their Residential Status, PAN, Category as per the IT Act with the Company's Registrar and Transfer Agent – Alankit Assignments Limited (in case of shares held in physical mode) and depositories (in case of shares held in demat mode) so that the deduction of TDS is carried out appropriately.

Further, the aforementioned documents are required to be uploaded by shareholders on the Alankit Assignments Limited (Registrar & Transfer Agent of the Company) portal https://einward.alankit.com/ or should be submitted by e-mail at alankit.nhpc@alankit.com or investorcell@nhpc.nic.in for claiming TDS exemption/lower deduction/transferring TDS credit to the beneficial owner by **11:59 P.M. (IST)** on or before **Thursday, August 11, 2022**. No communication would be accepted from shareholders after the said date regarding nil/lower tax/transferring TDS Credit to beneficial owner matters.

Application of beneficial TDS rates (including the beneficial DTAA rates) or exemption from TDS for shareholders shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the shareholders.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/ to be provided by the Members, such Members will be responsible to indemnify the Company and also provide the Company with all information/ documents and co-operation in any appellate proceedings.

In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/ documents or upon documents being found to be non-satisfactory on review by the Company, the shareholder would still have the option of claiming refund of the excess tax paid at the time for filing their income tax return. No claim shall lie against the Company for such taxes deducted.

Shareholders will be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at https://www.incometax.gov.in/iec/foportal/.

Above communication on TDS sets out the provisions of law in a summary manner only, as on the date of the communication, and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders may note that, since the tax consequences are dependent on facts and stances of each case, they are advised to consult their own tax consultant with respect to specific tax implications arising out of receipt of dividend.

## INVESTOR EDUCATION AND PROTECTION FUND

13. Members are requested to note that in terms of Section 124 of the Act, dividends which remains unpaid or unclaimed for a consecutive period of seven years from the date of transfer to unpaid dividend account of the Company are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends shall also

be transferred to the demat account of IEPF Authority. Accordingly, members are requested to claim their dividends and shares referred above from the Company, within the stipulated time. The members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in e-Form IEPF-5 (available at www.iepf.gov.in). For further details, please refer to website of the Company at www.nhpcindia.com and Report on Corporate Governance, which forms part of the Annual Report of the Company.

The due dates for transfer to IEPF, of the unclaimed/unpaid dividends for the financial year 2014-15 and thereafter, are as under:

| Financial Year | Date of Declaration of Dividend | Due Date for Transfer to IEPF |
|---|---|---|
| 2014-15 (Final Dividend) | 23.09.2015 | 28.10.2022 |
| 2015-16 (Interim Dividend) | 10.02.2016 | 10.03.2023 |
| 2015-16 (Final Dividend) | 22.09.2016 | 27.10.2023 |
| 2016-17 (Interim Dividend) | 12.01.2017 | 12.02.2024 |
| 2016-17 (Final Dividend) | 27.09.2017 | 31.10.2024 |
| 2017-18 (Interim Dividend) | 12.02.2018 | 14.03.2025 |
| 2017-18 (Final Dividend) | 27.09.2018 | 01.11.2025 |
| 2018-19 (Interim Dividend) | 08.02.2019 | 11.03.2026 |
| 2018-19 (Final Dividend) | 23.09.2019 | 28.10.2026 |
| 2019-20 (Interim Dividend) | 07.02.2020 | 08.03.2027 |
| 2019-20 (Final Dividend) | 29.09.2020 | 01.11.2027 |
| 2020-21 (Interim Dividend) | 11.02.2021 | 16.03.2028 |
| FY 2020-21 (Final Dividend) | 29.09.2021 | 03.11.2028 |
| FY 2021-22 (Interim Dividend) | 11.02.2022 | 14.03.2029 |

**PROCEDURE FOR INSPECTION OF DOCUMENTS**

14. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of contracts or arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM upon login at NSDL e-voting system at www.evoting.nsdl.com.

15. All documents referred to in the Notice will also be available electronically for inspection without any fee by the Members from the date of circulation of the Notice up to the date of AGM. Members seeking to inspect documents can send an e-mail to Company Secretary at agm2022@nhpc.nic.in mentioning their name, DP ID & Client ID/folio number and Permanent Account Number (PAN). Members seeking any information with regard to businesses to be transacted at the AGM, are requested to write to the Company on or before **Friday, August 19, 2022** through e-mail at agm2022@nhpc.nic.in The same will be replied by the company suitably.

**INFORMATION TO MEMBERS REGARDING E-VOTING AND AGM THROUGH VC/OAVM:**

16. Pursuant to the provisions of Section 108 of the Act read with relevant rules, Regulation 44 of SEBI LODR (as amended) and MCA Circulars, the Company is providing the facility of remote e-voting and e-voting at the AGM in respect of the businesses to be transacted at the AGM. For this purpose, the Company has appointed M/s National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as authorized e-voting agency. The facility of casting votes by a member using remote e-voting as well as e-voting during the AGM will be provided by M/s NSDL.

17. The members can join the AGM through VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the notice. The facility of participation at the AGM through VC/ OAVM will be made available for 1000 members on first come first served basis. This will not include large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration

Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.

18. Members, whose names appear in the Register of Members/ List of Beneficial Owners as on the cut-off date i.e. **Thursday, August 18, 2022** shall only be entitled to avail the facility of remote e voting or e-voting during the AGM. The voting rights shall be as per the number of equity shares held by the members as on the cut off date. A person who is not a Member as on the cut-off date should treat the notice of AGM for information purpose only.

19. In case of joint holders, the member whose name appears as the first holder in the order of names, as per the register of members of the company will be entitled to vote.

20. Members who would like to ask questions regarding businesses to be conducted during the AGM, should register themselves as a speaker by sending a request from registered e-mail address mentioning their name, demat account number/ folio number, PAN, mobile number at agm2022@nhpc.nic.in from **Tuesday, August 16, 2022** to **Friday, August 19, 2022**. Only those members who have registered themselves as a speaker will be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of questions and number of speakers, depending upon the availability of time as appropriate for smooth conduct of the AGM. When a pre-registered speaker is invited to speak at the meeting but he/ she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with video/ camera along with good internet speed.

21. The Board of Directors has appointed Shri Amit Kaushal (Membership No. F6230, COP No. 6663) and failing him Shri Alok Kumar Tripathi (Membership No. A27448, COP No. 13447) of M/s A. Kaushal & Associates, Company Secretaries, New Delhi, e-mail address: aka_pcs@yahoo.com, to act as scrutinizer for conducting the entire e-voting process in a fair and transparent manner.

22. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting i.e. **Thursday, August 25, 2022**.

23. The result of e-voting shall be declared within two working days from the conclusion of the AGM and simultaneously be intimated to Stock Exchanges. The result along with scrutinizer's report shall also be displayed on the notice Board of the Company, made available on the website of the Company at www.nhpcindia.com and on the website of M/s NSDL at www.evoting.nsdl.com.

**INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING VIRTUAL MEETING**

24. The remote e-voting period begins on **Monday, August 22, 2022** at **09:00 A.M. (IST)** and ends on **Wednesday, August 24, 2022** at **05:00 P.M. (IST)**. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/ Beneficial Owners as on the cut-off date i.e. **Thursday, August 18, 2022**, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being **Thursday, August 18, 2022**.

**E-voting Process**

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1: Access to NSDL e-Voting system**

**a) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL. | 1. Existing **IDeAS** user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to **e-Voting website of NSDL** for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>4. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience.<br>**NSDL Mobile App is available on**<br>App Store Google Play<br>   |
| Individual Shareholders holding securities in demat mode with CDSL | 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.<br>2. After successful login of Easi/Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote. |

| Type of shareholders | Login Method |
|---|---|
| | 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration<br>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

***Important note:*** *Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.*

***Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.***

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43 |

**b) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   *Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12********** then your user ID is 12********** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on **"Forgot User Details/ Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) "**Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in

which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/ OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

*Changes(s)/ updation(s), if any in the aforesaid instructions will be hosted on website of the Company.*

**General Guidelines for shareholders**

25. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to aka_pcs@yahoo.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/ Power of Attorney/ Authority Letter etc. by clicking on **"Upload Board Resolution/ Authority Letter"** displayed under **"e Voting"** tab in their login.
26. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
27. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Sarita Mote, Assistant Manager, NSDL at evoting@nsdl.co.in

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:**

28. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company (Email ID companysecretary@nhpc.nic.in)/ RTA (Email ID alankit.nhpc@alankit.com).
29. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company (Email ID companysecretary@nhpc.nic.in)/ RTA (Email ID alankit.nhpc@alankit.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
30. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
31. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with

Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

32. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
33. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
34. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
35. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**PROCEDURE FOR JOINING THE AGM THROUGH VC/OAVM:**

36. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may follow the steps mentioned above to access **NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
37. Members are encouraged to join the Meeting through Laptops for better experience.
38. Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
39. Members joining the AGM from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
40. Members, who need assistance before or during the AGM, may contact Ms. Sarita Mote, Assistant Manager, NSDL at evoting@nsdl.co.in or call on toll free no.: 1800 1020 990 and 1800 22 44 30.

**OTHER INFORMATION**

**41. Members holding shares in physical mode are:**

a. Informed that SEBI vide its circular dated November 03, 2021 has mandated registration of PAN, KYC details and Nomination by holders of physical securities. Accordingly, members are requested to submit their PAN, KYC details and Nomination details by sending a duly filled and signed form ISR-1 and other relevant forms to M/s Alankit Assignments Limited at Alankit House, 4E/2, Jhandewalan Extension, New Delhi- 110055 or by e-mail to alankit.nhpc@alankit.com.

b. Requested to send their share certificates to RTA for consolidation, in case shares are held under two or more folios.

c. Informed that shares held in physical mode will not be accepted for transfer.

d. Informed that as per SEBI Circular dated January 25, 2022, securities shall be issued only in demat mode, while processing requests pertaining to issuance of duplicate share certificate, claim from unclaimed suspense account, endorsement, sub-division/ consolidation of share certificates, transmission and transposition.

**42. Non-Resident Indian members are requested to inform RTA, regarding:**

i. Change in their residential status on return to India for permanent settlement.

ii. Particulars of their bank account maintained in India with complete name, branch, account type, account number, IFS Code and address of the Bank with pin code number, if not furnished earlier.

43. As per Section 72 of the Act, shareholders may register their nomination in respect of shares held by them by submitting form No. SH 13 to their respective DP, in case of shares held in demat mode and to RTA of the Company, in case the shares are held in physical mode.

44. Members are requested to address all correspondences, including dividend matters to our Registrar and Share Transfer Agent:

**Alankit Assignments Limited**
Alankit House, 4E/2, Jhandewalan Extension,
New Delhi-110055
Tel.: 011-42541234, 011-23541234
Fax-011-42541201, 011-23552001
Email: alankit.nhpc@alankit.com
website: www.alankit.com
Toll free No. 1860 1212 155

45. None of the Directors of the Company are in any way related to each other.

**By the order of the Board of Directors**

Sd/-
(Rupa Deb)
Company Secretary

Date: July 02, 2022

**Regd. Office:**
NHPC Office Complex,
Sector-33, Faridabad, Haryana -121003
CIN: L40101HR1975GOI032564

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ANNEXED TO THE NOTICE

### Item No. 5

The Board on the recommendation of the Audit Committee, has approved the appointment of following Cost Auditors for the financial year 2022-23 to conduct the audit of cost records of the Company on the remuneration of ₹ 75,000/- per power station (excluding TA/DA, taxes and duties):

| S. No. | Name of the Firm (M/s) | Power Stations |
|---|---|---|
| 1 | Dhananjay V. Joshi & Associates, Delhi* | Dulhasti and Salal |
| 2 | ABK & Associates, Delhi | Bairasiul, Chamera-II and Chamera-III |
| 3 | Narasimha Murthy & Co., Delhi | Chutak, Nimoo Bazgo and Chamera-I |
| 4 | R. M. Bansal & Co., Delhi | Tanakpur, Dhauliganga and Wind Power Project, Jaisalmer |
| 5 | K G Goyal & Co., Jaipur | Uri-I, Uri-II and Kishanganga |
| 6 | AJS and Associates, Dehradun | Sewa-II, Parbati-III and Parbati-II** |
| 7 | Bandyopadhyaya Bhaumik & Co., Kolkata | Rangit, Teesta-V and 50 MW Solar Power Project, Tamilnadu |
| 8 | Y S Thakar & Co., Asansol (WB) | Loktak, TLDP-IV and TLDP-III |

* M/s. Dhananjay V. Joshi & Associates, Delhi has also been appointed as Lead Cost Auditor at a remuneration of ₹ 75000/- (excluding taxes & duties and TA/DA) for consolidation of Cost Audit Report of all power stations and submission of Consolidated Cost Audit Report in form CRA-3 for the financial year 2022-23.

**Appointment in respect of Parbati-II project will be subject to its becoming commercially operative during the financial year 2022-23.

As per Rule 14 of the Companies (Audit and Auditors) Rules, 2014 read with Section 148(3) of the Act, the remuneration recommended by the Audit Committee shall be considered and approved by the Board of Directors which is to be ratified by the shareholders subsequently.

Accordingly, consent of the members is sought through an Ordinary Resolution for ratification of the remuneration payable to the Cost Auditors for the financial year 2022-23.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the notice except to the extent of their shareholding interest, if any, in the Company.

The Board recommends the Ordinary Resolution set out at Item no. 5 of the notice for approval by the shareholders.

### Item No. 6 to 9

Ministry of Power vide its order no. 2/13/2021-NHPC dated November 08, 2021 has appointed Dr. Uday Sakharam Nirgudkar (DIN: 07592413) as Non-official Independent Director on the Board of the Company for a period of three years w.e.f. date of order or until further orders. Further, Ministry of Power vide its order no. 2/13/2021-NHPC dated November 10, 2021 has appointed Dr. Amit Kansal (DIN: 07722428), Dr. Rashmi Sharma Rawal (DIN: 09410683) and Shri Jiji Joseph (DIN: 09415941) as Non-official Independent Directors on the Board of the Company for a period of three years w.e.f. date of order or until further orders.

In terms of Article 35A of Articles of Association of the Company, the Board of Directors are empowered to appoint the directors appointed by the President of India as an Additional Director under the provisions of the Companies Act, 2013. Any Director so appointed shall hold office only upto the date of the next Annual General Meeting of the Company and shall be eligible for re-appointment. Accordingly, the Board appointed Dr. Uday Sakharam Nirgudkar (DIN: 07592413) (w.e.f. November 15, 2021), Dr. Amit Kansal (DIN: 07722428) (w.e.f. November 21,

2021), Dr. Rashmi Sharma Rawal (DIN: 09410683) (w.e.f. November 30, 2021) and Shri Jiji Joseph (DIN: 09415941) (w.e.f. December 01, 2021) as Additional and Independent Directors.

The Company has received notices in writing under the provisions of Section 160 of the Act, from the aforesaid Independent Directors proposing their candidature for appointment as Independent Directors of the Company. The Company has also received necessary disclosure and declarations from the aforesaid Directors as per provisions of the Companies Act, 2013 and SEBI LODR.

The Nomination and Remuneration Committee in its meeting held on July 01, 2022 has after taking into account the performance evaluation of the aforesaid Independent Directors during their tenure of FY 2021-22 and considering their knowledge, background, expertise, experience and capabilities, recommended to the Board their appointment as Independent Directors.

Based on the recommendations of the Nomination & Remuneration Committee, the Board of Directors at its meeting held on July 02, 2022, has recommended the appointment of Dr. Uday Sakharam Nirgudkar, Dr. Amit Kansal, Dr. Rashmi Sharma Rawal and Shri Jiji Joseph as Independent Directors, not liable to retire by rotation, for a period of 3 years w.e.f. date of their respective orders issued by Ministry of Power, Govt. of India or until further orders from the Government of India, whichever is earlier.

The orders of Ministry of Power dated November 08, 2021 & November 10, 2021 and a copy of letter of appointment setting out the terms and conditions are available for inspection by the members electronically and at the Registered Office of the Company during business hours of the Company, without any fee.

In terms of Sections 149 and 152 of the Companies Act, 2013, the appointment of Dr. Uday Sakharam Nirgudkar, Dr. Amit Kansal, Dr. Rashmi Sharma Rawal and Shri Jiji Joseph as Independent Directors on the Board of the Company, not being liable to retire by rotation, requires approval of the Members in the General Meeting.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolutions financially or otherwise except to the extent that he or she is a Director and/or Shareholder of the Company.

The Board of Directors of your Company recommends passing of the resolutions as set out at Item No. 6 to 9 as Special Resolutions.

Brief resume of Dr. Uday Sakharam Nirgudkar, Dr. Amit Kansal, Dr. Rashmi Sharma Rawal and Shri Jiji Joseph is annexed.

**BRIEF RESUME OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE AGM**

**A. Shri Rajendra Prasad Goyal, Director (Finance) (DIN: 08645380)**

Shri Rajendra Prasad Goyal is Director (Finance) of NHPC Limited. Shri Goyal started his career in NHPC as Senior Accountant on November 18, 1988. He initially joined at Salal Power Station in J&K and thereafter worked at Chamera-I Project, Dulhasti Project, Regional Office-Jammu and Corporate Office, Faridabad in various capacities. Shri Goyal had been the Head of Finance at Services Division, Corporate Office and Regional Office-Jammu.

Prior to taking over the charge as Director (Finance), he was working as Chief General Manager (Finance) and heading the Corporate Accounts & Policy, Taxation, Banking, Establishment and Investor Relations Sections of NHPC Limited.

Shri Goyal is ex-officio member of Stakeholders' Relationship Committee, Committee of Directors on Corporate Social Responsibility & Sustainability and Risk Management Committee of NHPC Limited.

*Date of Birth and Age:* August 08, 1965 (57 years)

*Nature of Expertise in specific functional areas:* Shri Goyal is an Associate Member of the Institute of Cost Accountants of India and also holds a Master's Degree in Commerce from the University of Rajasthan, Jaipur. Shri Goyal has vast experience of more than 33 years in NHPC Limited in the core areas of Finance with in-depth understanding and vast knowledge of Financial, Contractual and Regulatory issues involved in construction as well operations of Hydro Projects.

*Disclosure of relationships between Directors inter-se:* There is no relationship between directors inter-se.

*Other companies including Listed Entities in which Shri Goyal holds directorship and the membership of Committees of the Board:*

1. Chenab Valley Power Projects (P) Ltd. (Director)
2. Loktak Downstream Hydroelectric Corporation Ltd. (Director and Chairman of Audit Committee)
3. Ratle Hydroelectric Power Corporation Limited (Director)
4. NHDC Limited (Director, Chairman of Audit Committee and Member of Nomination & Remuneration Committee)

*Listed Entities from which Shri Goyal has resigned in the past three years:* Nil

*Shareholding in the Company including shareholding as beneficial owner (as on 31.03.2022):* 17,488 Equity Shares

*Key terms and conditions of re-appointment:* As decided by appointing authority i.e. President of India acting through Ministry of Power, Government of India.

*Date of first appointment to the Board and number of Board meetings attended during FY 2021-22:* Shri Rajendra Prasad Goyal was first appointed on the Board of NHPC Limited as Additional Director and Director (Finance) on October 01, 2020. His appointment as Director (Finance) was regularized in the Annual General Meeting held on 29.09.2021. Details pertaining to number of meetings attended is provided in the Report on Corporate Governance which forms part of the Annual Report for FY 2021-22.

**B. Dr. Uday Sakharam Nirgudkar, Independent Director (DIN: 07592413)**

Dr. Uday Sakharam Nirgudkar is an Additional and Independent Director of NHPC Limited. Dr. Nirgudkar had led as CEO large operations in IT & ITES companies and had successfully executed large scale projects in Technology infrastructure and skills development across the Country. He had served as CEO and editor in chief with a large news media company and initiated social ventures like 'Dhaga Shourya Ka, Rakhi Abhimaan Ki' and 'Aapla Sainik, Aapli Diwali'.

Dr. Nirgudkar had also written features on Technology and Education in various newspapers & magazines and authored book on globalization and changing face of India 'Local to Global' and 'All about Winning Indian Elections'. Further, he had driven many social and cultural projects for the news channel which fostered national integration.

Dr. Nirgudkar is Chairperson of Audit Committee & Stakeholders' Relationship Committee and member of Nomination & Remuneration Committee, Committee of Directors on Corporate Social Responsibility & Sustainability and Risk Management Committee of NHPC Limited.

*Date of Birth and Age:* January 18, 1965 (57 years)

*Nature of Expertise in specific functional areas:* Dr. Nirgudkar is MBA and PhD in Marketing Management awarded by Pune University. He has varied experience of over 28 years in IT, IT enabled services, Education, Infrastructure, finance, media and Economics.

*Disclosure of relationships between Directors inter-se:* There is no relationship between directors inter-se.

*Other companies including Listed Entities in which Dr. Nirgudkar holds directorship and the membership of Committees of the Board:*

Dr. Nirgudkar's Healthcare Private Limited (Director)

*Listed Entities from which Dr. Nirgudkar has resigned in the past three years:* None

*Shareholding in the Company including shareholding as beneficial owner (as on 31.03.2022):* None

*Skills and Capabilities:* Please refer to the Skills & Competency matrix in the Report on Corporate Governance and the details given in the Explanatory Statement.

*Key terms and conditions of Appointment:* As decided by appointing authority i.e. President of India acting through Ministry of Power, Government of India.

*Date of first appointment to the Board and number of Board meetings attended during FY 2021-22:* Dr. Uday Sakharam Nirgudkar was appointed on the Board of NHPC Limited as Additional and Independent Director w.e.f. November 15, 2021 till the date of this AGM.

Details pertaining to number of meetings attended is provided in the Report on Corporate Governance, which forms part of the Annual Report for FY 2021-22.

**C. Dr. Amit Kansal, Independent Director (DIN: 07722428)**

Dr. Amit Kansal is an Additional and Independent Director of NHPC Limited. At present, Dr. Kansal is working as Senior Assistant Professor and heading Department of Political Science, Nehru Memorial Government College, Mansa, Punjab. He is an acclaimed and celebrated social scientist in the field of Political Science and has been associated with prestigious organisations like National Service Scheme as Program Officer, Indian Red Cross Society, UGC and RUSA as an expert. Dr. Kansal has been playing an instrumental role to disseminate education among poor & underprivileged school/ college dropouts, through distance education with esteemed National Open University i.e. IGNOU, New Delhi. He had educated and trained more than 5000 rural and disadvantageous youth in various fields.

Dr. Kansal has authored various Books such as 'Foreign Policy of India', 'Research Methodology in Social Sciences' and 'Punjab Politics'. He has also presented his research work at various platforms and published various scientific papers in the reputed journals.

Dr. Kansal is Chairperson of Risk Management Committee and member of Audit Committee, Stakeholders' Relationship Committee, Nomination & Remuneration Committee and Committee of Directors on Corporate Social Responsibility & Sustainability of NHPC Limited.

*Date of Birth and Age:* September 24, 1975 (46 years)

*Nature of Expertise in specific functional areas:* Dr. Amit Kansal is an academician and has obtained his Doctorate in Political Science from Punjabi University, Patiala. He also holds three Master degrees in Political Science, Journalism and Mass Communication & Distance education with distinction from various recognised Institutions & Universities. Recently, Dr. Kansal graduated in Law (LL.B.).

*Disclosure of relationships between Directors inter-se:* There is no relationship between directors inter-se.

*Other companies including Listed Entities in which Dr. Kansal holds directorship and the membership of Committees of the Board:* None

*Listed Entities from which Dr. Kansal has resigned in the past three years:* None

*Shareholding in the Company including shareholding as beneficial owner (as on 31.03.2022):* None

*Skills and Capabilities:* Please refer to the Skills & Competency matrix in the Report on Corporate Governance and the details given in the Explanatory Statement.

*Key terms and conditions of Appointment:* As decided by appointing authority i.e. President of India acting through Ministry of Power, Government of India.

*Date of first appointment to the Board and number of Board meetings attended during FY 2021-22:* Dr. Amit Kansal was appointed on the Board of NHPC Limited as Additional and Independent Director w.e.f. November 21, 2021 till the date of this AGM. Details pertaining to number of meetings attended is provided in the Report on Corporate Governance, which forms part of the Annual Report for FY 2021-22.

**D. Dr. Rashmi Sharma Rawal, Independent Director (DIN: 09410683)**

Dr. Rashmi Sharma Rawal is an Additional and Independent Director of NHPC Limited. At present, Dr. Rawal is working as an Associate Professor and In-charge of Geography Department at R.S.M. (PG) College, Dhampur, Bijnor, Uttar Pradesh. She has written 16 Directing Thesis, 90 minor directed/ guided Dissertations and has published 25 research papers. Further, Six (06) number of books written by her have been published so far. Dr. Rawal is Talker of various subjects/ topics in Akashvani (AIR), Najibabad (Prasar Bharti) since 1984 and is also the chief editor of the Rohilkhand Geographical journal of India- a refereed research journal (ISSN No. 0976-8556).

Dr. Rawal is an Examiner (Answer-book evaluation), Question Paper Writer and Reviewer for Uttar Pradesh Public Service Commission (UPPSC), Prayagraj. She is also Examiner (Post-book evaluation) of Jharkhand Public Service Commission, Ranchi.

Dr. Rawal is Chairperson of Nomination & Remuneration Committee and Committee of Directors on Corporate Social Responsibility & Sustainability and member of Audit Committee, Stakeholders' Relationship Committee and Risk Management Committee of NHPC Limited.

*Date of Birth and Age:* June 21, 1967 (55 years)

*Nature of Expertise in specific functional areas:* Dr. Rashmi Sharma Rawal is an academician and holds Master's degree in Arts (Geography) from Rohilkhand University and has completed her PhD in Geography (Population Geography).

*Disclosure of relationships between Directors inter-se:* There is no relationship between directors inter-se.

*Other companies including Listed Entities in which Dr. Rawal holds directorship and the membership of Committees of the Board:* None

*Listed Entities from which Dr. Rawal has resigned in the past three years:* None

*Shareholding in the Company including shareholding as beneficial owner (as on 31.03.2022):* None

*Skills and Capabilities:* Please refer to the Skills & Competency matrix in the Report on Corporate Governance and the details given in the Explanatory Statement.

*Key terms and conditions of Appointment:* As decided by appointing authority i.e. President of India acting through Ministry of Power, Government of India.

*Date of first appointment to the Board and number of Board meetings attended during FY 2021-22:* Dr. Rashmi Sharma Rawal was appointed on the Board of NHPC Limited as Additional and Independent Director w.e.f. November 30, 2021 till the date of this AGM. Details pertaining to number of meetings attended is provided in the Report on Corporate Governance, which forms part of the Annual Report for FY 2021-22.

**E. Shri Jiji Joseph, Independent Director (DIN: 09415941)**

Shri Jiji Joseph is an Additional and Independent Director of NHPC Limited. He is an entrepreneur and is engaged in the business of Advertisement Film making, Creative, Media Planning and Releases.

Shri Joseph is member of Audit Committee, Stakeholders' Relationship Committee, Nomination & Remuneration Committee, Committee of Directors on Corporate Social Responsibility & Sustainability and Risk Management Committee of NHPC Limited.

*Date of Birth and Age:* October 14, 1973 (48 years)

*Nature of Expertise in specific functional areas:* Shri Jiji Joseph holds Bachelor's Degree in Arts from Calicut University, Kerala and is associated with Business & Politics.

*Disclosure of relationships between Directors inter-se:* There is no relationship between directors inter-se.

*Other companies including Listed Entities in which Shri Joseph holds directorship and the membership of Committees of the Board:* None

*Listed Entities from which Shri Joseph has resigned in the past three years:* None

*Shareholding in the Company including shareholding as beneficial owner (as on 31.03.2022):* None

*Skills and Capabilities:* Please refer to the Skills & Competency matrix in the Report on Corporate Governance and the details given in the Explanatory Statement.

*Key terms and conditions of Appointment:* As decided by appointing authority i.e. President of India acting through Ministry of Power, Government of India.

*Date of first appointment to the Board and number of Board meetings attended during FY 2021-22:* Shri Jiji Joseph was appointed on the Board of NHPC Limited as Additional and Independent Director w.e.f. December 01, 2021 till the date of this AGM. Details pertaining to number of meetings attended is provided in the Report on Corporate Governance, which forms part of the Annual Report for FY 2021-22.

**Annexure-A**

<To be printed on letterhead>

**DECLARATION FOR CLAIMING BENEFITS UNDER DTAA**

Date:

To,

**NHPC Limited**
NHPC Office Complex,
Sector 33, Faridabad, Haryana-121003,
Email: investorcell@nhpc.nic.in

**Subject : Declaration for eligibility to claim benefit under Double Taxation Avoidance Agreement between Government of India and Government of..... <country of tax residency> ("DTAA/Treaty"), as modified by Multilateral Instrument ("MLI"), if applicable**

With reference to above, I/We wish to declare as below:

1. I/We, ..... <Full name of the shareholder>, having permanent account number (PAN) ..... <mention PAN> under the Indian Income tax Act, 1961 ("the IT Act"), and holding .....<mention number of shares held> number of shares of NHPC Limited ("the Company") under demat account number/ folio number ..... as on the record date, am / are a tax resident of .....<country name> in terms of Article .....<mention relevant Article number of the DTAA> of the DTAA as modified by MLI (if applicable) and do not qualify as a 'resident' of India under section 6 of the Indian Income-tax Act, 1961 ("the IT Act"). A copy of the valid tax residency certificate for ..... <period>, alongwith Form 10F which is valid as on the Record Date, is attached herewith.
2. I/We am/are and will continue to remain a tax resident of .....<country name> during the relevant Financial Year.
3. I/We am/are the legal and beneficial owner of the dividend income to be received from the Company.
4. I/We am/are eligible to be governed by the provisions of the DTAA as modified by MLI (if applicable), in respect of the dividend income and meet all the necessary conditions to claim Treaty rate.
5. I/We do not have a Permanent Establishment ("PE") in India in terms of Article .....<mention relevant Article number of the DTAA> of the DTAA as modified by MLI (if applicable) or a fixed base in India and the amounts paid/payable to us, in any case, are not attributable to the PE or fixed base, if any, which may have got constituted otherwise.
6. I/We do not have a PE in a third country and the amounts paid/payable to me/us, in any case, is/are not attributable to a PE in third jurisdiction, if any, which may have got constituted otherwise.
7. I/We do not have a Business Connection in India according to the provision of section 9(1)(i) of the Act and the amounts paid/ payable to me/us, in any case, are not attributable to business operations, if any, carried out in India.
8. I/We confirm that the main purpose or the principal purpose of arranging my affairs/affairs of .....<Full name of the shareholder> was not to obtain tax benefits available under the applicable Treaty.
9. Further, our claim for relief under the Treaty is not restricted by application of Limitation of Benefit clause, if any, thereunder.

I/We hereby certify that the declarations made above are true and bonafide. I/we hereby certify that in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by me/us.

I/we will be responsible to pay and indemnify such income tax demand (including interest, penalty, etc.) and provide the Company with all information/ documents that may be necessary and co-operate in any proceedings before any income tax/ appellate authority.

**For..... <Mention the name of the payee>**

**Authorised Signatory**
**<Name of the person signing>**
**<Designation of the person signing>**

# DIRECTORS' REPORT

Dear Members,

The Board of Directors of your Company are pleased to present before you the 46th Annual Report of your Company, highlighting the development and progress for the year 2021-22 along with audited financial statements, Auditors' Report thereon, Secretarial Auditor's Report and review of financial statements by the Comptroller and Auditor General of India (C&AG).

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

- NHPC has earned highest ever Profit After Tax (PAT) of ₹ 3,537.71 crore on standalone basis in the FY 2021-22 compared to ₹ 3,245.06 crore in the previous FY. The consolidated net profit rose to ₹ 3,774.33 crore in FY 2021-22 from ₹ 3,599.88 crore in previous FY.
- Total income and revenue from operations (net) on standalone basis were ₹ 9,379.98 crore and ₹ 8,353.80 crore respectively during the FY 2021-22. Total comprehensive income and other comprehensive income for FY 2021-22 were ₹ 3,550.47 crore and ₹ 12.76 crore respectively.
- Despite enormous challenges posed by 2nd wave of COVID-19 pandemic, NHPC Power Stations were able to achieve second highest ever annual generation of 24,855 Million Units (MUs) during FY 2021-22. Further, NHPC power stations recorded highest ever annual Plant Availability Factor (PAF) of 88.19%.
- Cash contribution of ₹ 1,183.05 crore was made to Government of India's exchequer through dividend (final dividend for FY 2020-21 of ₹ 249.44 crore and interim dividend for FY 2021-22 of ₹ 933.61 crore) during the FY 2021-22.
- NHPC has signed Promoters' Agreement with Green Energy Development Corporation of Odisha Ltd. (GEDCOL) on January 4, 2022 for "Development of 500 MW Floating Solar Projects on different water bodies in Odisha". The proposed equity participation in the Joint Venture between NHPC and GEDCOL shall be in proportion of 74:26. On completion, this project is going to be one of the largest Floating Solar project in the world.
- Hon'ble Prime Minister Shri Narendra Modi laid the foundation stones of 850 MW Ratle Hydroelectric Power Project (being implemented through Ratle Hydroelectric Power Corporation Limited, subsidiary of NHPC) and 540 MW Kwar Hydroelectric Project (being implemented through Chenab Valley Power Projects Private Limited, subsidiary of NHPC) in UT of Jammu and Kashmir on April 24, 2022.
- NHPC has signed Letter of Intent for "Development of 10000 MW Renewable Energy Parks/ Projects in Rajasthan with Rajasthan Renewable Energy Corporation Limited and Rajasthan Urja Vikas Nigam Ltd." on February 8, 2022.
- NHPC bagged 1000 MW capacity Solar Power Project at a Viability Gap Funding (VGF) of ₹ 44.90 lakh/MW under CPSU Scheme, Phase-II, Tranche-III in the e-Reverse auction conducted by Indian Renewable Energy Development Agency Limited (IREDA).
- The Government of Andhra Pradesh has consented to allot seven pump storage projects with installed capacity of 6600 MW. These projects will be developed through Joint Venture between NHPC and the State Government.
- NHPC has formally taken over the 1856 MW Sawalkot HE Project from Jammu & Kashmir State Power Development Corporation Ltd. on December 11, 2021.
- NHPC has signed an agreement with HDFC Bank for monetization of future cash flows by way of securitization of Return on Equity (RoE) of its Chamera-I Power Station (540 MW), Himachal Pradesh. The monetization deal has fetched present value of ₹ 1,016.39 crore against the future cash flow of 10 years of Chamera-I Power Station.
- NHPC has signed MOU with NIT Durgapur for availing services of NIT Durgapur for undertaking R&D activities in the field of Science, Engineering and Technology.
- The River Diversion works of 1000 MW Pakal Dul HE Project was inaugurated on November 1, 2021 and River Diversion of 120 MW Rangit IV HE Project has also been successfully completed on November 7, 2021.

- NHPC has been featured amongst the top 25 Green Utilities in the "Top 100 Green Utilities" published by Energy Intelligence, an Independent US consulting firm specializing in energy market.
- On January 26, 2022, District Administration, Faridabad, Haryana, awarded Certificate of Appreciation to NHPC for outstanding work done in the field of 'Sanitization'.

## 1. FINANCIAL PERFORMANCE

The important financial highlights for the FY ended March 31, 2022 are given in table below.

(₹ in crore)

| PARTICULARS | FY | |
|---|---|---|
| | 2021-22 | 2020-21 |
| Revenue from operations | 8,353.80 | 8,506.58 |
| Profit before depreciation, interest, exceptional items, rate regulated income and tax | 5,704.83 | 5,782.30 |
| Depreciation | 1,126.22 | 1,228.65 |
| Profit after depreciation but before exceptional items, rate regulated income, interest and tax | 4,578.61 | 4,553.65 |
| Interest and finance charges | 531.75 | 571.49 |
| Profit after depreciation and interest but before exceptional items, rate regulated income and tax | 4,046.86 | 3,982.16 |
| Exceptional Items | 0.00 | (185.00) |
| Rate regulated income | (1,270.42) | 128.03 |
| Tax | (761.27) | 680.13 |
| **Profit after depreciation, interest, exceptional items, rate regulated income and tax** | **3,537.71** | **3,245.06** |
| Other Comprehensive Income (OCI) | 12.76 | 7.20 |
| **Total Comprehensive Income (TCI)** | **3,550.47** | **3,252.26** |
| Surplus from statement of profit and loss of earlier years (including Other Comprehensive Income) | 7,935.70 | 5,954.08 |
| Transfer from bond redemption reserve | 275.70 | 306.43 |
| **Sub-total** | **11,761.87** | **9,512.77** |
| **Less : Appropriations** | | |
| Dividend | 1,667.48 | 1,577.07 |
| **Closing Balance of Retained Earnings including Other Comprehensive Income** | **10,094.39** | **7,935.70** |

### 1.1 REVENUE

Your Company has generated total income of ₹ 9,379.98 crore during the FY 2021-22. The total income during the FY 2020-21 was ₹ 9,662.56 crore.

### 1.2 EXPENSES

The total expenditure during FY 2021-22 decreased to ₹ 5,333.12 crore as compared to ₹ 5,680.40 crore in the previous FY.

### 1.3 TOTAL COMPREHENSIVE INCOME

Total Comprehensive Income of your Company increased to ₹ 3,550.47 crore during the FY 2021-22 as compared to ₹ 3,252.26 crore in the previous FY.

### 1.4 NET WORTH

Your Company's net worth as on March 31, 2022 was ₹ 33,486.10 crore as compared to ₹ 31,603.11 crore at the end of previous FY.

### 1.5 SHARE CAPITAL

Your Company's paid-up share capital as on March 31, 2022 was ₹ 10,045.03 crore. There was no change in paid-up share capital of the Company during FY 2021-22.

### 1.6 TRANSFER TO RESERVES

During the year 2021-22, Company did not transfer any amount to any reserve.

## 2. DIVIDEND

Your Company has a consistent track record of dividend payment. The Board of Directors has recommended a final dividend of ₹ 0.50 per equity share for the FY 2021-22 amounting to ₹ 502.25 crore. The above dividend is in addition to the interim dividend of ₹ 1.31 per equity share amounting to ₹ 1,315.90 crore paid in March, 2022. Accordingly, total dividend for the FY 2021-22 comes to ₹ 1.81 per equity share amounting to ₹ 1,818.15 crore. Your Company has a Dividend Distribution Policy in place since May, 2017. As per Dividend Distribution Policy of the Company, broadly the dividend payment shall be 30% of PAT or 5% of the Net worth, whichever is higher. Accordingly, total

dividend payout for FY 2021-22 (subject to approval of final dividend by members of the Company) @₹1.81 per share will be ₹1,818.15 crore representing 51% of PAT for FY 2021-22 and 5.43% of Net worth as on March 31, 2022 as against total dividend pay-out of ₹ 1,607.21 crore representing 50% of the PAT for FY 2020-21 and 5.08% of Net Worth as on March 31, 2021. The Dividend Distribution Policy of the Company is available on website of the Company at http://www.nhpcindia.com/writereaddata/Images/pdf/Dividend-Policy-21062017%20-NHPC%20website.pdf

## 3. OPERATIONAL PERFORMANCE

Your Company has achieved generation of 24,855 MUs (including infirm generation of 361 MUs from Parbati-II) of electricity during the FY 2021-22 as against generation of 24,471 MUs in the previous FY. NHPC achieved highest ever overall PAF of 88.19% during FY 2021-22 as against 84.87% PAF of previous year. Your Directors are pleased to inform that NHPC power stations performed remarkably well and remained operational even during lockdown period due to COVID-19 pandemic. All NHPC power stations were operated as per COVID-19 guidelines issued by Central/State Government. NHPC has also earned highest ever deviation charges of ₹ 189.75 crore with efficient operation and timely response to change in the grid frequency. The power station wise generation and PAF are given in table below:

| S. No. | NAME OF POWER STATION | GENERATION TARGET* (MU) | ACTUAL GENERATION (MU) | ACTUAL PAF (%) |
|---|---|---|---|---|
| 1. | Loktak | 510 | 401 | 97.42 |
| 2. | Chamera – I | 2447 | 1899 | 89.80 |
| 3. | Rangit | 340 | 338 | 95.82 |
| 4. | Chamera – II | 1517 | 1359 | 96.22 |
| 5. | Dhauliganga | 1179 | 1213 | 99.56 |
| 6. | Dulhasti | 2257 | 2216 | 100.55 |
| 7. | Teesta – V | 2771 | 2672 | 98.03 |
| 8. | Sewa – II[1] | 504 | 63 | 6.66 |
| 9. | Chamera – III | 1108 | 1005 | 99.40 |
| 10. | TLDP – III | 594 | 601 | 93.36 |
| 11. | TLDP – IV | 734 | 737 | 95.61 |
| 12. | Bairasiul[2] | 709 | 587 | 80.62 |
| 13. | Salal | 3722 | 3485 | 89.77 |
| 14. | Tanakpur | 484 | 540 | 81.21 |
| 15. | Uri | 2950 | 3038 | 95.17 |
| 16. | Chutak | 213 | 171 | 57.71 |
| 17. | Nimoo Bazgo | 239 | 235 | 87.38 |
| 18. | Uri – II | 1656 | 1650 | 95.49 |
| 19. | Parbati – III | 744 | 613 | 59.73 |
| 20. | Kishanganga | 1713 | 1506 | 86.39 |
| 21. | Parbati – II[3] | 395 | 361 | - |
| | **TOTAL (HYDRO)** | **26786** | **24690** | **88.19** |
| 22. | Wind Power Project, Jaisalmer | 104 | 76 | - |
| 23. | Solar Power Project, Tamil Nadu | 106 | 89 | - |
| | **TOTAL (WIND & SOLAR)** | **210** | **165** | **-** |
| | **TOTAL (NHPC)** | **26996** | **24855** | **88.19** |

* As per MoU FY 2021-22, Consolidated Generation Target is 29646 MUs i.e. including Generation Target of NHPC Ltd. & NHDC Ltd.

Note:

1 Less generation & PAF is due to complete shutdown of Power Station due to damage of HRT w.e.f 25-Sep-2020 to 21-Feb-2022.

2 Unit#3 of Bairasiul Power Station was under outage for R&M works w.e.f 27-Nov-2020 to 30-Aug-2021.

3 Actual Generation shown is infirm power.

During the FY 2021-22:

- Four (4) power stations viz. Chutak, Nimoo Bazgo, TLDP-III & Kishanganga have achieved highest annual generation since their commissioning.
- Ten (10) power stations of your company viz. Salal, Tanakpur, Chamera-I, Uri, Dulhasti, Dhauliganga, Teesta-V, Uri-II, TLDP-III & TLDP-IV have achieved their respective annual design energy.
- Six (6) power stations viz. Uri, Dhauliganga, Chamera-III, TLDP-IV, Nimoo Bazgo & Kishanganga have achieved highest ever PAF since their commissioning.

NHPC has completed the Renovation & Modernization for Life Extension (R&M & LE) of Bairasiul Power Station during FY 2021-22. Bairasiul Power Station (3x60 MW), commissioned in the year 1981, had completed its 35 years of commercial operation in FY 2016-17. The R&M & LE of all 03 units have been completed and are under operation since August 30, 2021. NHPC is also undertaking the R&M & LE of Loktak Power Station (3x35 MW), which has completed its 35 years of commercial operation in FY 2018-19. NHPC has successfully carried out major repair of HRT of Chamera-I Power Station (540 MW) during FY 2021-22.

## 4. COMMERCIAL PERFORMANCE

### 4.1 SALES AND REALIZATION

During the year under report, your Company's sales from operations stood at ₹ 8,353.80 crore. We are pleased to inform that your Company has been able to realize an amount of ₹ 9,387.68 crore including surcharge of ₹ 271.95 crore during the FY 2021-22.

As on 31st March 2022, the total outstanding dues of ₹ 1,134.23 crore (including surcharge of ₹ 78.71 crore) were pending for more than 45 days, which is the all-time lowest at the closing of a FY since inception of all the power stations. Your Company is making all out efforts to liquidate the outstanding dues by continuous follow-up.

### 4.2 SIGNING OF POWER PURCHASE AGREEMENTS (PPAs):

Availability of long term PPAs for our Power Stations is key to survival of organisation as this gives revenue visibility for the organisation and assured rate of return which can be utilised for business expansion. This was critical in the light of the fact that Power Stations with cheap tariff had PPAs for 35 years, while PPAs valid initially for 5 year period for significant number of Power Stations with costly tariff, had expired/ were about to expire. Although power was being supplied to DISCOMs from such station, but NHPC was in a vulnerable position without a legal document like PPA. Therefore, a conscious decision has been taken to focus on this area. During the FY, NHPC has signed PPA in respect of following power stations:

| S. No. | Beneficiary DISCOMs | Power Station | Date of Signing of PPA | Validity of PPA |
|---|---|---|---|---|
| 1 | PSPCL, Punjab | Bairasiul | 22.03.2022 | 30.08.2046 (25 years from Renovation and Modernization of last unit) |
| 2 | HPPC, Haryana | | 03.08.2021 | |
| 3 | PSPCL, Punjab | Sewa-II | 22.03.2022 | 23-07-2050 (40 years from COD) |
| | | Chamera-III | | 03-07-2052 (40 years from COD) |
| | | Uri-II | | 28-02-2054 (40 years from COD) |
| | | Parbati-III | | 05-06-2054 (40 years from COD) |
| 4 | Manipur | Loktak | 17.01.2022 | Signed for period upto 25 years from Renovation and Modernization of last unit |
| 5 | Nagaland | | 26.07.2021 | |
| 6 | Assam | | 18.02.2022 | |
| 7 | Tripura | | 22.07.2021 | |
| 8 | Mizoram | | 12.08.2021 | |
| 9 | Arunachal Pradesh | | 13.01.2022 | |
| 10 | West Bengal | TLDP-IV | 02.09.2021 | 31.03.2031 |

## 5. STATUS OF HYDROELECTRIC PROJECTS UNDER CONSTRUCTION

At present, your Company is actively engaged in the construction of 08 Hydro Power Projects of 6434 MW Capacity (including JV & Subsidiaries). The detail is given in table below:

| S. No. | PROJECT | STATE/ UNION TERRITORY | INSTALLED CAPACITY (MW) |
|---|---|---|---|
| **A. STANDALONE BASIS** | | | |
| 1. | Parbati-II HE Project | Himachal Pradesh | 800 |
| 2. | Subansiri Lower HE Project | Assam/Arunachal Pradesh | 2,000 |
| **Sub-total (A)** | | | **2800** |
| **B. THROUGH SUBSIDIARIES/ JOINT VENTURES** | | | |
| 1. | Teesta Stage-VI HE Project under Lanco Teesta Hydro Power Limited (LTHPL) (A wholly owned subsidiary of NHPC) | Sikkim | 500 |
| 2. | Rangit-IV HE Project under Jalpower Corporation Limited (JPCL) (A wholly owned subsidiary of NHPC) | Sikkim | 120 |
| 3. | PakalDul HE Project under CVPPPL (A Joint Venture with JKSPDC) | Jammu & Kashmir | 1000 |
| 4. | Kiru HE Project under CVPPPL | | 624 |
| 5. | Kwar HE Project under CVPPPL | | 540 |
| 6. | Ratle HE Project under Ratle Hydroelectric Power Corporation Limited (RHPCL) (A Joint Venture with JKSPDC) | | 850 |
| **Sub-total (B)** | | | **3634** |
| **Total (A+B)** | | | **6434** |

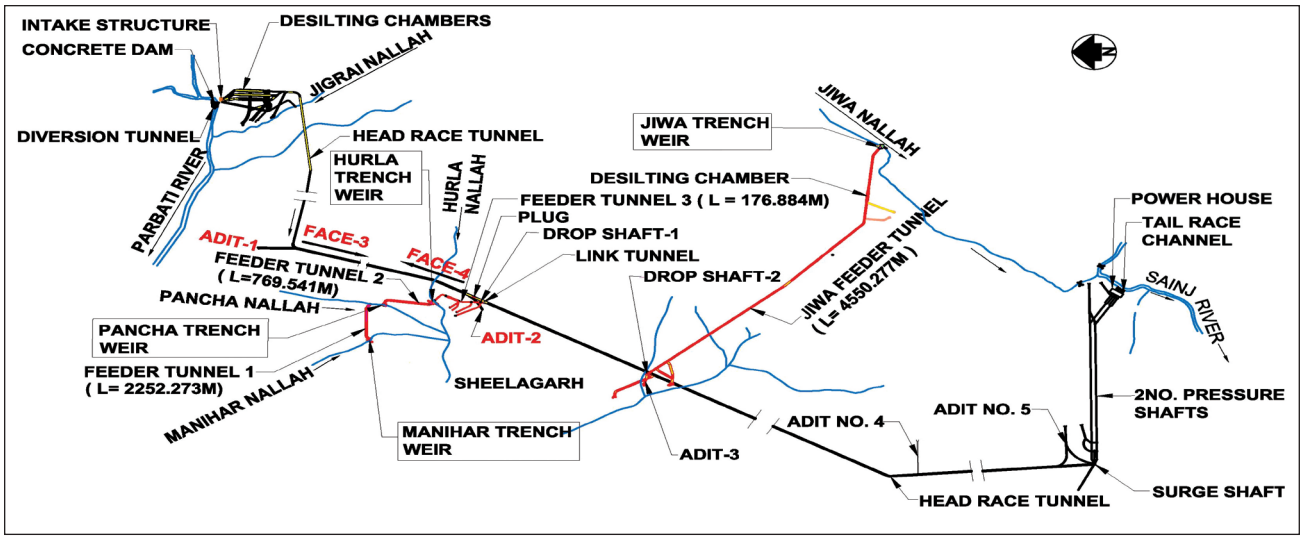
### 5.1 NHPC STANDALONE PROJECTS

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

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

**SALIENT FEATURES**

| | |
|---|---|
| Location of Dam | Parbati River in Kullu District of Himachal Pradesh |
| Dam | Concrete Gravity Dam, 83.7 m high and 110m long |
| Spillway Radial Gate | 3 nos., 6.0m x 9.0m |
| De-silting Chamber | 3 nos., Dufour type, 15 m x 16 m x 170 m |
| Head Race Tunnel (HRT) | 31.5 Km long (24.3 Km Horse Shoe Shape by DBM and 7.2 Km Circular shape by TBM) |
| Surge Shaft | 17 m dia., 130 m high underground orifice type. |
| Pressure Shaft | 2nos., 3.50m dia, Underground Inclined pressure shafts of length 2121.5 m (Right) & 2149.5 m (Left) |
| Power House | Surface Powerhouse with 4 units (Pelton) of 200 MW each |
| Generation | 3124.60 MUs |
| Discharge per unit | 29 cumecs |
| Reservoir Capacity | Gross Storage : 6.83 Mcum |
| | Diurnal Storage : 3.09 Mcum |

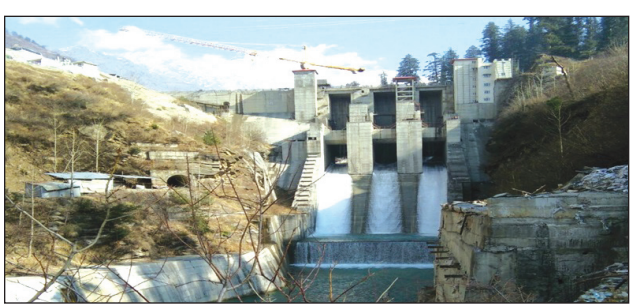



PROJECT LAYOUT

Concrete Gravity Dam of 83.7 m height has been constructed at Village Pulga in Parbati valley to divert the river water through a 31.5 Km long Head Race Tunnel (HRT). An underground Power House of 800 MW (4 x 200 MW) capacity has been constructed at Village Suind in Sainj valley utilizing gross head of 863 m. The diverted discharge of the Parbati River is to be further augmented by diverting the discharge of various nallahs viz. Jiwa, Hurla, Pancha and Manihar falling along the HRT alignment.

Major civil works of Dam, intake structure, desilting chamber, pressure shafts, surge shaft, power house, all nallahs viz. Jiwa, Hurla, Pancha and Manihar have been completed. At present, HRT excavation from two faces (face-3 and face-4) is being carried out using Drill and Blast Method (DBM) and Tunnel Boring Machine (TBM) respectively. 97% HRT excavation has been completed till March, 2022.

Major HM Works have been completed. Electro-Mechanical (E&M) works of the project have also been completed and all units have been synchronized with grid at part load. At present, generation of electricity (infirm power) is being made as per availability of water from Jiwa, Manihar, Pancha and Hurla Nallah. 829 MUs energy have been generated till March, 2022 from Parbati-II in the form of infirm power.



DAM



POWER HOUSE

The project has suffered various adverse conditions such as very poor/weak geology conditions, heavy ingress of water with silt in HRT resulting in burial of TBM and other drilling equipments and flooding of tunnel from time to time, encountering of extra ordinary geological occurrences, failure of Back hill slope of Power House, non-performance of HRT works contractors, protest by labour unions, Law and order problems, etc.

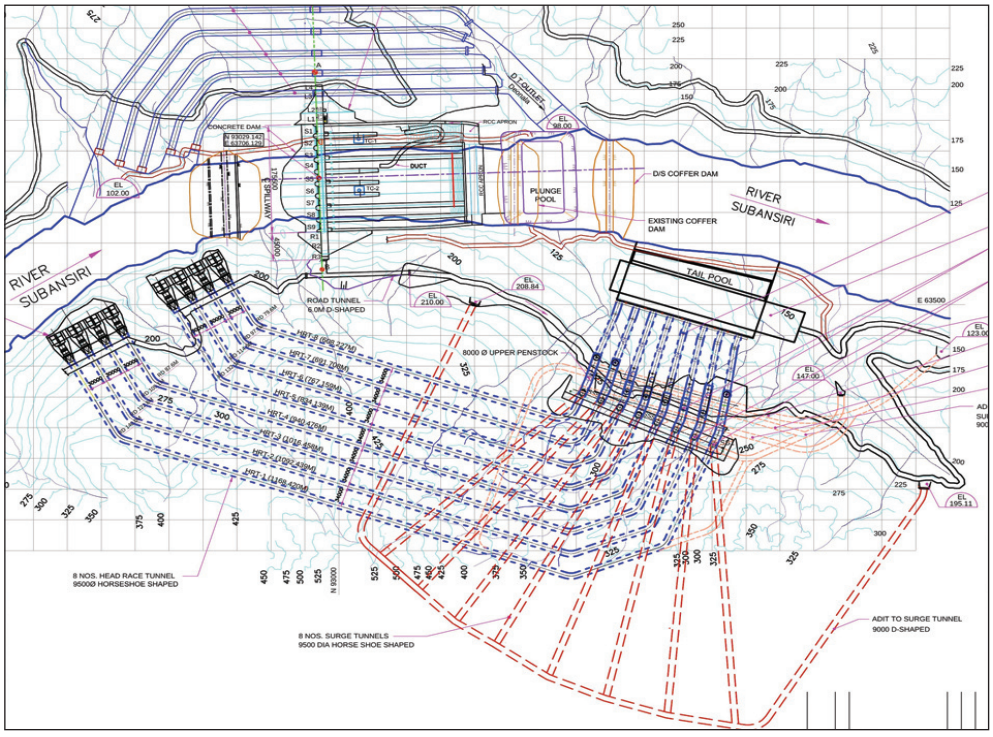
Surpassing all odds, your Company's management has taken various initiatives to expedite the progress. Some of them are as under:

- Constituted various high level committees, ED's committee, Task force, Panel of Experts (POE) etc.
- Several Contracts of executing agencies were terminated due to non-performance and re-awarded to new agencies.

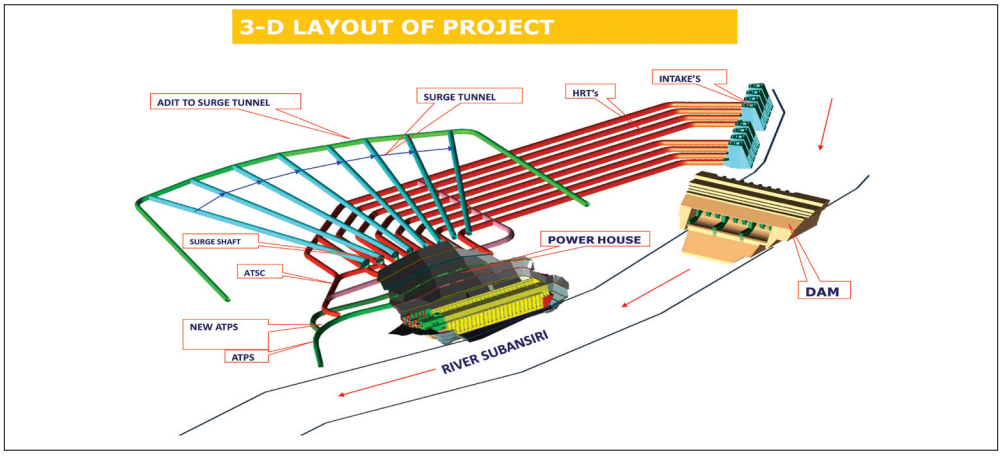
- Real Time Analysis of Cycle Time – Regular improvement in Cycle time by proper analysis and resource planning.
- Adoption of improvised support system i.e. Mc Nally support system resulted in advancement of TBM in poor geology.
- Deployment of continuous gantry shutter 48 m (4x12 m) – to achieve 2500 m HRT lining in 5 months.
- Additional resources and efforts made for channelizing ingress of water.

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

Subansiri Lower HE Project is the biggest hydroelectric project under construction in India so far and is a run-of-the-river scheme on Subansiri River, a tributary of Brahmaputra. The project is located at Gerukamukh (Dhemaji District)/ Kolaptukar (Kamle District) on the border of Assam and Arunachal Pradesh. The right bank of river Subansiri is situated in Arunachal Pradesh and left bank is in Assam. At the right bank of river Subansiri all the major project component viz. Intake, HRT, Power House & TRC etc are situated and on the left bank Diversion Tunnels are located.




GENERAL LAYOUT OF PROJECT




3D LAYOUT OF THE PROJECT

The CCEA sanction to the project was accorded in September 2003 and NHPC started construction works in January 2005 after Final Forest Clearance on 12.10.2004. The construction work was halted in December, 2011 due to various agitation & protests, raising downstream impact and safety related issues and also, petitions were filed in National Green Tribunal (NGT) subsequently. Hon'ble NGT dismissed all the petitions and cleared the project vide order dated 31.07.2019 and the construction work of the Project resumed w.e.f. 15th October, 2019. Meanwhile, Memorandum of Agreement (MoA) with Govt. of Assam and PPA with Govt. of Arunachal Pradesh were signed in August, 2019. PPAs with other beneficiary states are already in place except Delhi which is being pursued.

**SALIENT FEATURES**

| | |
|---|---|
| Dam | Concrete Gravity Dam (116m high, 271m wide, 284m long) |
| HRT | 8 Nos., 9.5m dia, horse shoe shaped, 7102m total length |
| Power House | Surface, 285m x 61m x 64m housing 8 units of 250MW |
| Spillway radial Gates | 9 Nos., 11.5m x 14.0m |
| Pressure Shaft | 8 Nos., Vertical 48m deep. (Circular, Dia varying from 9.5 to 7m and length 209m to 231m) |
| Gross Head | 91m |
| Annual generation | 7422 MUs in a 90% dependable year |

Following are the unique features of Subansiri Lower HE Project:

- The project involves 1200 TPH aggregate processing plant which is the largest such plant commissioned in India so far in a hydroelectric project. Also, it has a 300 m span conveyor bridge over river Subansiri which is longest span conveyor bridge in India.
- The concrete batching and mixing plant consists of 880 cum capacity plants, a twin shaft mixing plant and a chilling and ice plant from KTI Germany. This is the single largest batching and mixing plant for Dam construction in India.
- Rotec's Tower belt System used first time in India for concreting of Dam of Subansiri Lower HE Project.
- Biggest Radial gates in terms of size and head combination (11.5m x 14.0m) and effective head of 64m.
- Unique feature of 8 lanes of pressure shafts each having 8m dia, 10 numbers Diversion Tunnel gates and 24 numbers draft tube gates.
- The Generator of Subansiri Project is the largest capacity hydro generator of the country with its MVA rating of 306 MVA.
- The Rotor is the biggest equipment ever handled in a hydro power plant with its weight of 620 ton and diameter of approx. 11.45 m.
- The Stator of the Project is the largest in the country in term of its weight of 395 ton and bore dia. of 11.5 m.
- The runner of the project is the heaviest Francis Turbine runner of the country in its category with its weight of approx. 105 ton.
- The main inlet valve with its weight of about 355 ton and dia of 7 m is the biggest main inlet valve in the country.
- The 420 KV GIS with total 22 no. of bays shall be the biggest GIS of the country in any of the hydro projects in the country.

The power allocation from the project is as tabulated below:

| | |
|---|---|
| Assam (25*+508) | 533 MW |
| Arunachal Pradesh (240* + 34) | 274 MW |
| Other North Eastern States | |
| Manipur, Meghalaya, Nagaland, Tripura & Mizoram | 198MW |
| Northern States | |
| Haryana, Punjab, Rajasthan, U.P, Chandigarh & Delhi | 500 MW |
| Western States | |
| Gujarat, M.P., Chattisgarh, Maharashtra & Goa | 500 MW |
| **TOTAL** | **2000 MW** |

* Free Power. 0.25% (5 MW) free power to Assam to be absorbed by NHPC from its own resources

The major works of Subansiri Lower HE Project are being carried out by four Agencies of International repute selected through International Competitive Bidding (ICB) viz. Dam & Diversion Tunnel Works: M/s BGS-SGS-SOMA JV (JV with Russian Company) which includes Cutoff wall works completed by Soletanchy

Bachy, a renowned French Company, Power House & Underground Structure: M/s Patel Engineering Ltd. in September 2020 (M/s L&T was engaged earlier till foreclosure in 2015), Hydro mechanical works: M/s Texmaco Rail & Engineering Ltd., Kolkata and Electro-mechanical work: M/s Consortium for GE Hydro France and GE Power India Limited.

The works at different work packages are going on full swing since resumption of work in October, 2019 despite various hindrances faced from time to time. More than 7000 labours have been engaged in the project on daily basis to carry out the construction/ erection works. About 83% of Dam concreting has been achieved so far. Further, HRT excavation has been almost completed and lining has also been achieved about 90%. Power House concreting of 60% has been achieved which includes completion of civil work of Unit # 1&2. Major supplies of HM and E&M equipment have been completed and erection activities are at advanced stages. Boxing of Unit # 1 has been completed on 13.06.2022 and for Unit # 2, 60% work has been completed. HRT Intake Gates have been installed and erection of Radial gates and Draft tube gates including Pressure shaft liner works are progressing expeditiously. The overall progress of works of project at present is approx. 80%. Component wise progress of the project as on 19.06.2022 is as under:

| S. No. | Activities | Unit | Total | Cumm Progress | Progress % |
|---|---|---|---|---|---|
| 1 | Dam Concreting | Cum | 2057392 | 1714798 | 83% |
| 2 | Intake Concreting | Cum | 279454 | 274582 | 98% |
| 3 | HRT Excavation (Heading) | M | 7102 | 7102 | 100% |
| 4 | HRT Excavation (Benching) | M | 7102 | 6995 | 98% |
| 5 | HRT Overt lining | M | 7102 | 6407 | 90% |
| 6 | HRT Invert lining | M | 7102 | 4415 | 62% |
| 7 | Surge Tunnel heading excavation | M | 3545 | 3300 | 93% |
| 8 | Surge Tunnel benching excavation | M | 3545 | 2257 | 63% |
| 9 | Powerhouse concreting | Cum | 512000 | 307468 | 60% |
| 10 | Cut off Wall works | Completed (100%) | | | |
| 11 | HM Works | Supply: 90%, Erection: DT-97.5%<br>Intake gate-80%, PS Liner-53% | | | |
| 12 | E&M Works | Supply: 97%, Erection: Unit #1 - 90 %, Unit #2 - 60 %<br>Unit#3 - 5.4%, Unit#4 - 3.75%, Unit# 5 - 5.35 %,<br>Unit# 6- 2.65 % | | | |



DAM



POWER HOUSE

Since resumption of works in October 2019 till date, the project has faced numerous major challenges which have adversely affected the progress of work in different work packages. Immediately after resumption, the progress of works suffered for more than six months due to COVID-19 pandemic i.e. on account of Lock down and various restrictions issued by State Govt./ Central Govt., Local Administrations from time to time since March 2020. Others hindrances/ challenges faced are slope failure at left bank near DT outlet in May 2020 cutting the approach to dam, Breach of Power House coffer wall in July

2020, Intermittent forcible stoppages/bandhs due to Labour unrest and unprecedented rainfall in the region since last week of March, 2022 till now which have recorded around 2800 mm during this season.

Despite the above hindrances, all out efforts have been made to improve the progress of work and completion of balance works at the earliest possible time. In this regard, number of major decisions have been taken by the management to improvise the progress such as installation of 5 numbers extra Tower Cranes to facilitate reinforcement and shuttering works for Dam as well as extended Dam portions, Construction of Road Tunnel at Left bank as an alternative access to Dam keeping in view the vulnerable Deonallah slope, Dedicated truss supported shuttering for trunnion beam to keep spillway free, provision of Cross Girder at EL 168.0 m of spillway bays to facilitate simultaneous working of HM works with dam concreting works and Construction of Dyke upstream of dam to accelerate the concreting of Dam as well as to facilitate Radial gate erection works. With these efforts, concreting to the tune of more than 9.0 Lakh cum has been done in last two & half years despite numerous major challenges faced. All the civil works as well as E&M and Hydro-mechanical works are at advance stages of completion. All attempts and necessary measures are being taken to complete the balance work and commissioning of project at the earliest.

In addition to implementation of major works of project, Subansiri Lower HE Project is also implementing downstream protection works upto 30 km downstream of dam and downstream developmental works for safety and uplifting the living status of local people in downstream of dam through various livelihood intervention engaging Institute of Rural Management, Anand, Gujarat. Further, various Corporate Social Responsibility and Sustainable Development programs have been implemented for welfare of the local populace of Assam/ Arunachal Pradesh. The Project would provide a great relief from the flood devastation being faced by the region every year since time immemorial by controlling the flood through regulated discharge of water in river. During flood period (i.e. June, July and August) the reservoir will be operated 15 m below the Full Reservoir Level (FRL) providing a flood cushion of 442 Million Cubic meter i.e. during flood period one third of the reservoir will remain emptied to absorb the flood water. This project has brought prosperity for local people and well as the region boosting local economy and general improvement in living standard of masses, providing employment to the local youths (approx. 90% of 7000 people engaged in construction works are local), Indirect employment generated in various forms like deployment of inspection vehicles, contractor, sub-contractors, petty contractors, R&M works and other works.

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

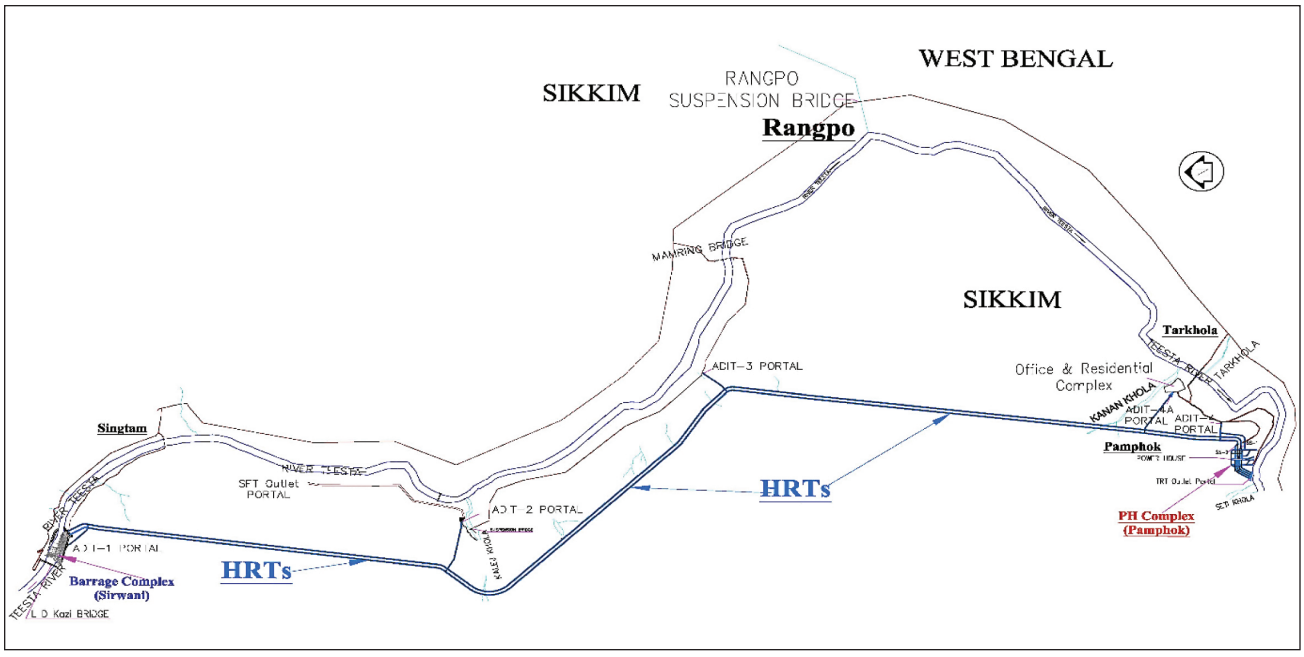
## 5.2 UNDER WHOLLY OWNED SUBSIDIARIES:

### 5.2.1 Teesta Stage-VI HE Project: 500 MW (4x125MW) Sikkim under Lanco Teesta Hydro Power Limited (LTHPL) :

LTHPL was acquired by NHPC through Corporate Insolvency Resolution Process (CIRP) in October, 2019 and is a wholly owned subsidiary of NHPC which is developing 500 MW Teesta VI HE Project in Sikkim. The project is a Run of River (RoR) Scheme in Sirwani Village of Sikkim to utilize the power potential of Teesta River Basin in a cascade manner. Major components of the project include 26.5m high barrage and underground Power house having 4 units of 125 MW each. The project is having an estimated annual energy generation of 2,400 MUs in a 90% dependable year.

**SALIENT FEATURES:**

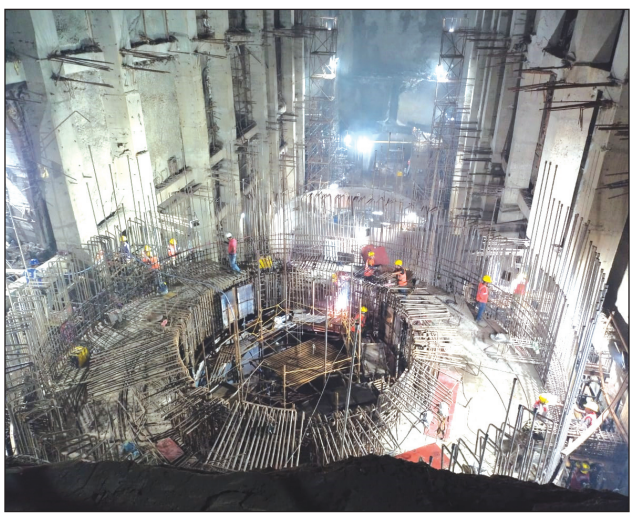
| | |
|---|---|
| Location | River Teesta, Barrage at Sirwani, Power House at Tarkhola, Sikkim. |
| Barrage | 26.5m high, 105m long, 5 No. Radial Gates 15m(W) x 17.5m(H) |
| HRT | 2nos. HRT, D-Shape 8m dia., Length 71m & 92.6m, Modified Horse Shoe-Shape 9.8 m dia. Length 13712m & 13815m. |
| Pressure Shafts | 4nos. Pressure Shafts, 5.4m dia. (steellined), length varying from 151m to 198m |
| Surge Shaft | 2no, 16m dia., 89.30m depth |
| Power House | Underground, 142.75m(L) x 18.5m(W) x 52.44m(H), 4 units of 125MW each |
| TRT | 04Nos, (8.5mX7.5m), D Shaped, each 247m length. |
| Gross Head/ Annual Generation | 116m/2400MUs. |




PROJECT LAYOUT



BARRAGE



POWER HOUSE

All contract packages of Civil, HM and E&M works have been awarded. Construction works of Barrage, Excavation of HRT, Power House works are in progress. Detailed Engineering of HM and E&M component is in progress. E&M and HM works at various fronts are in process.

### 5.2.2 Rangit-IV HE Project: 120 MW (3x40MW) under Jalpower Corporation Limited (JPCL):

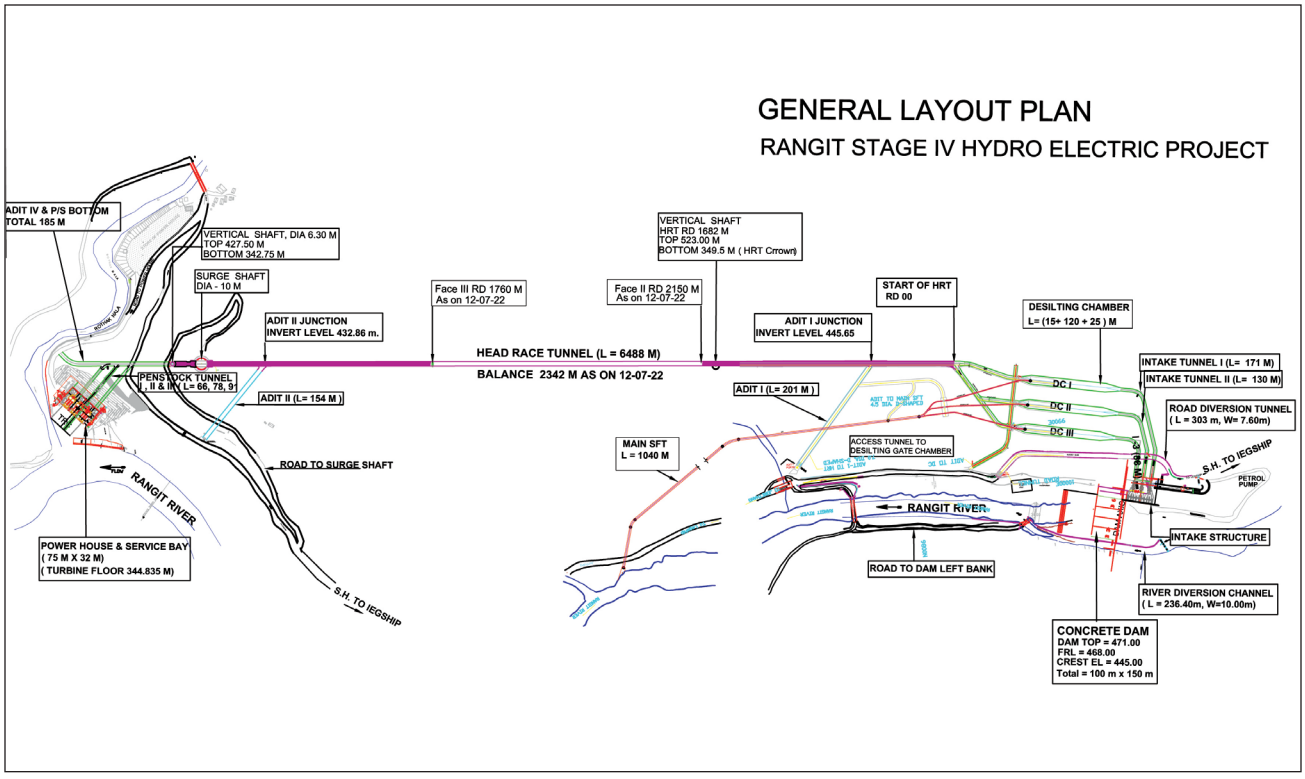
JPCL was acquired by NHPC through CIRP in March, 2021 and is a wholly owned subsidiary of NHPC which is developing Rangit-IV HE Project in Sikkim. The project is located on Rangit River near Rishi village, West Sikkim and is a run of the river scheme envisages construction of a 44m high concrete gravity dam to generate 120 MW (3x40MW) of power. The estimated design energy of the project is 507.88 MU in a 90% dependable year.

**SALIENT FEATURES:**

| | |
|---|---|
| Location | Rishi village, West Sikkim |
| Dam | 44 m high concrete gravity dam. |
| Head Race Tunnel | 1 no., 6.4 m dia., 6488 m length horse shoe shaped |

| | |
|---|---|
| Surge Shaft | 1 nos., restricted orifice type, semi-underground, 18 m dia. |
| Pressure Shaft | 01 no., 5.5 m dia., Circular, Steel lined, Underground |

| | |
|---|---|
| Power house | Surface, 3 units of 40 MW each, Francis Turbine |
| Net Head | 103.67 m |
| Annual Generation | 507.88 MUs. |




PROJECT LAYOUT



DAM



POWER HOUSE

Civil, HM and E&M work packages of the project have been awarded. 1st stage river diversion successfully achieved in November, 2021. Cumulative physical progress of 38.88% has been achieved till March 2022.

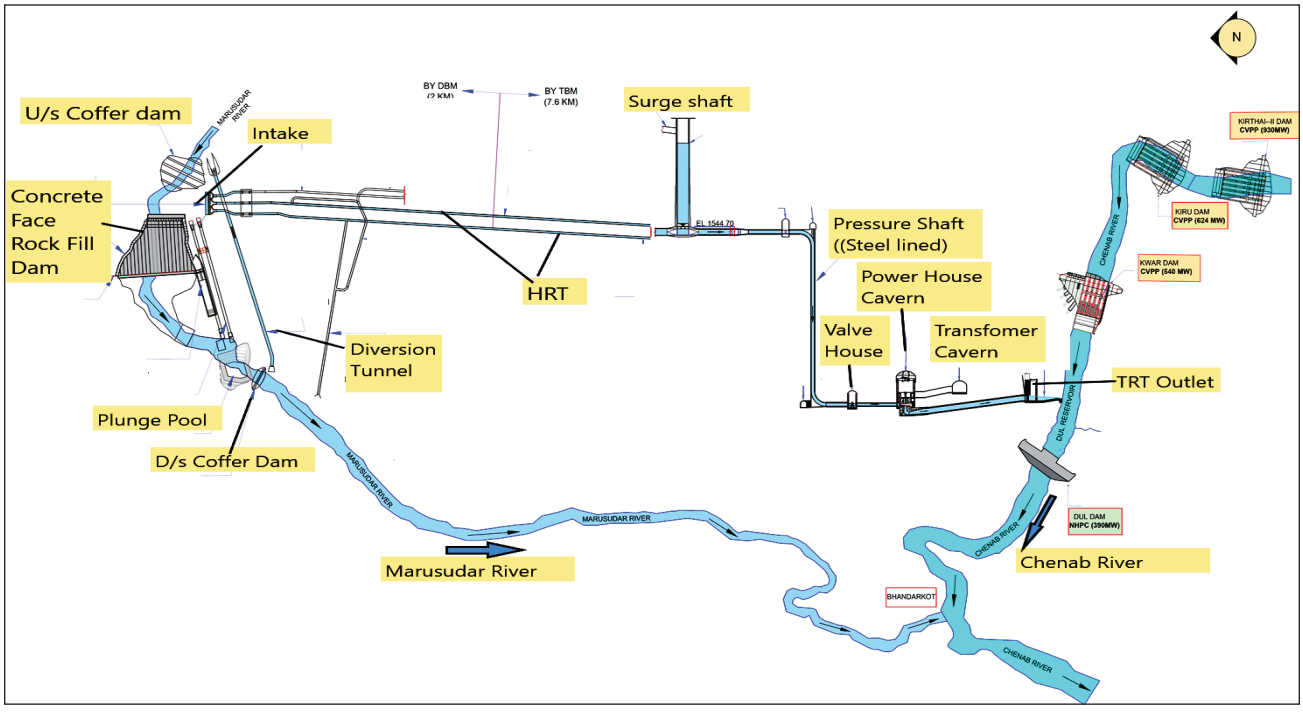
## 5.3 UNDER JOINT VENTURE COMPANIES

### 5.3.1 Pakal Dul HE Project: 1000 MW (4x250MW), J&K under Chenab Valley Power Projects Private Limited (CVPPPL):

The project is being developed on Marusudar River, a tributary of Chenab in Kishtwar District, UT of Jammu & Kashmir. The project has been planned as a storage scheme and shall utilise the permissible storage under Indus Water Treaty with storage of 0.1 Million Acre Feet (MAF). The scheme envisages construction of a 167m high Concrete-Face Rockfill (CFRD) Dam (highest in India) to store and carry water through two HRTs of 9.6 Km length each to an underground power house, thereby utilizing a net rated head of 397.30 m to generate 3,230 MUs energy annually through 4 units of 250 MW each.

**SALIENT FEATURES:**

| | |
|---|---|
| Dam | Concrete Face Rock Fill Dam (167m high, 305 m long) |
| HRT | 2 Nos., 7.2 m dia, Horse shoe shaped/Circular, HRT-1 – 9612 m, HRT-2- 9619 m length |
| Surge Shaft | 2 nos. 13 m dia and 200 m height |
| Power House | Underground, 166 m x 20.20 m x 50.5 m housing 4 units |
| Rated Head | 397.30 m |
| Annual generation | 3230.18 MU in a 90% dependable year |
| CCEA Approval | 28.10.2014 |




PROJECT LAYOUT

**STATUS OF MAJOR WORKS:**

Excavation of Power House Cavern, MIV cavern, Transformer Hall cavern completed and excavation of valve House cavern, Pressure Shafts, Surge Shafts, Tail Race Tunnel and Pothead yard is in progress. Subsequent to construction of Diversion Tunnel (DT) and river diversion, excavation of HRTs through DBM, Surface excavation works of Surface Spillway, Tunnel Spillway and power Intakes, Filling & Grouting works of Upstream (U/s) & Downstream (D/s) coffer dam and Rock filling of CFRD is in progress.

Detailed Engineering, manufacturing, inspection & supply of E&M and HM components are in progress. Various Erection work of E&M and HM are in process.

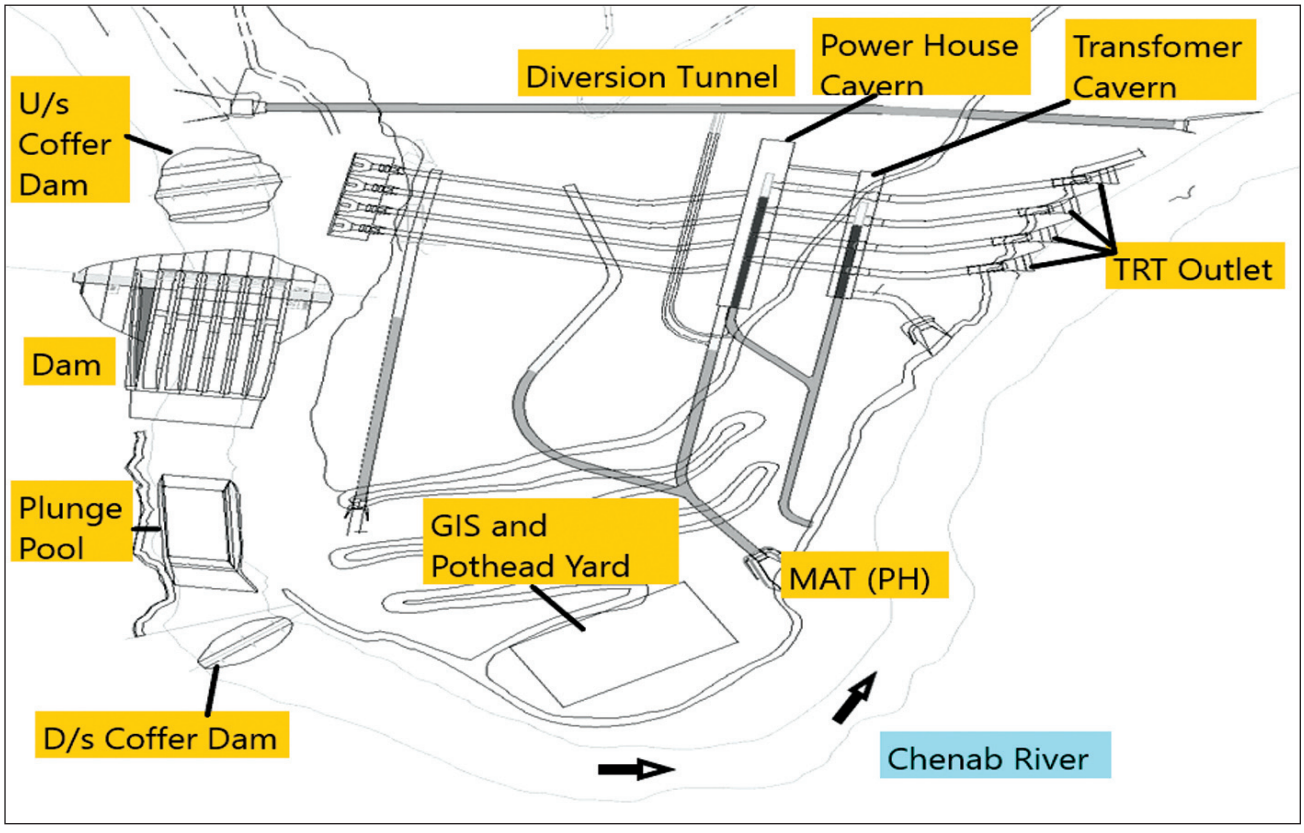
### 5.3.2 Kiru HE Project (624 MW) under Chenab Valley Power Projects Private Limited (CVPPPL):

Kiru HE Project is located at 25km upstream of dam site of Dulhasti H.E. Project in Kishtwar District of J&K. The project has been planned as run-of-river scheme on river Chenab and is located at Village Kiru/ Pathrnakki in Kishtwar District of UT of Jammu

& Kashmir. Major components of project includes 135 m high concrete gravity dam, 4 numbers (5.5 m dia) pressure shafts/ penstocks and an underground Power House having 4 units of 156 MW each. The project is having estimated annual energy generation of 2,272 MUs in a 90% dependable year.

**SALIENT FEATURES:**

| | |
|---|---|
| Dam | Concrete gravity dam (135 m high, 193 m long) |
| Pressure Shaft/ Penstock | 4 Nos., 5.5 m dia, Underground Circular steel lined, 316 m to 322 m length |
| Tail Race Tunnel | 4 nos. 7 m dia Horse Shoe shaped, length varies from 165 m to 190 m |
| Power House | Underground, size 182 m x 23.6 m x 51.2 m, 4 Units of 156 MW each |
| Rated Head | 117.98 m |
| Annual generation | 2272.02 MUs in a 90% dependable year |
| CCEA Approval | 08.03.2019 |




PROJECT LAYOUT

All contracts packages have been awarded. Construction of Coffer Dam U/s and D/s has been completed. River diversion achieved in December, 2021. Excavation work of Power House Cavern & Transformer Cavern in progress. Pressure shaft, Dam and diversion tunnel works have been started and are in progress.

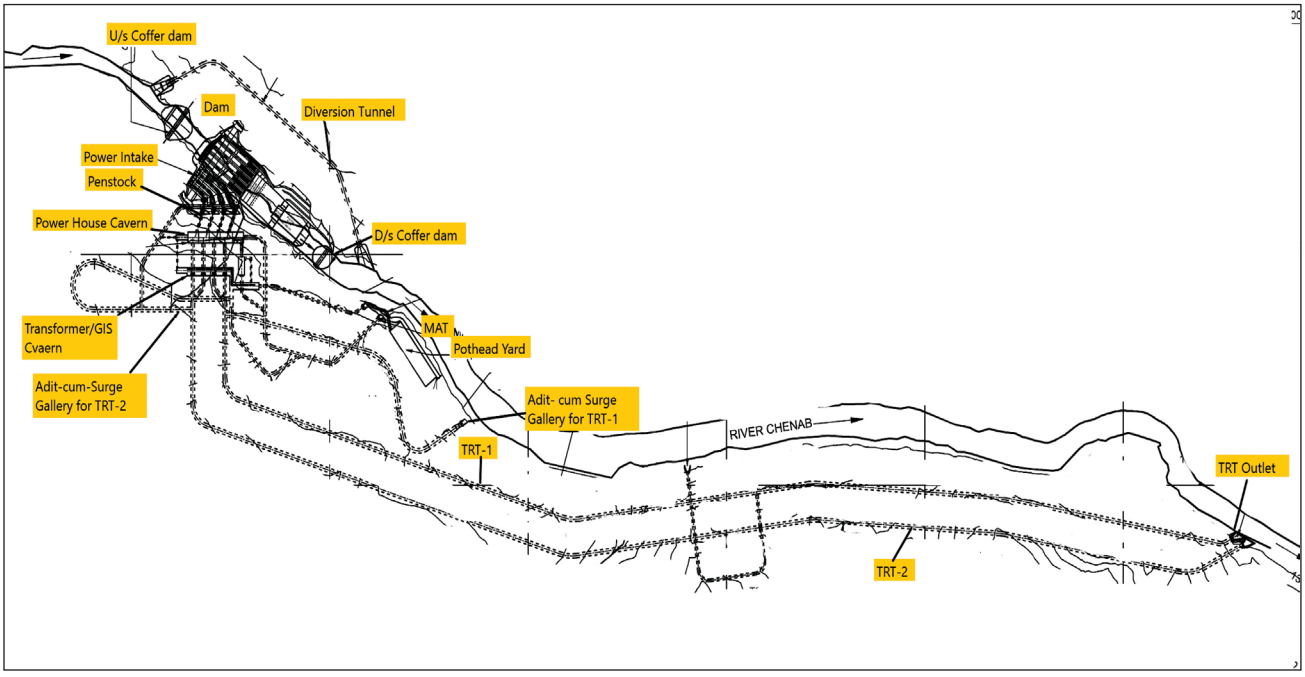
Detailed engineering/ manufacturing/ inspection of E&M and HM equipment's is in progress. Model testing of turbine completed. Procurement and manufacturing of turbine, MIV and generator has been commenced.

### 5.3.3 Kwar HE Project (540 MW) under Chenab Valley Power Projects Private Limited (CVPPPL):

The Project is a run-of-river type development scheme, planned across Chenab River, near Padyarna village in Kishtwar District of Jammu region. The nearest Rail head to the project is Udhampur and nearest Airport is Jammu.

**SALIENT FEATURES:**

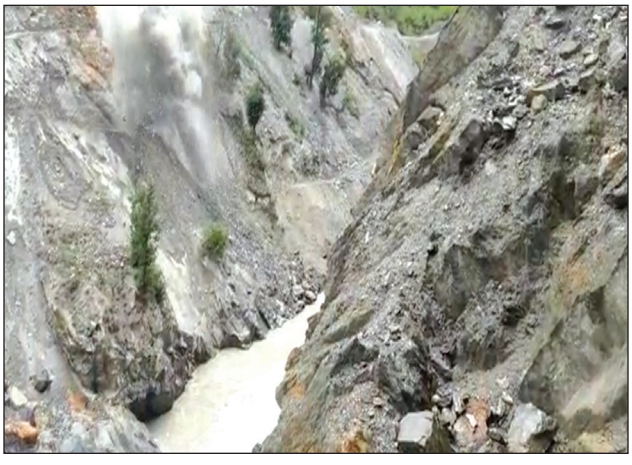
| | |
|---|---|
| Dam | Concrete gravity dam (109 m high, 195 m long) |
| Pressure Shaft/ Penstock | 4 Nos., 5.65 m dia, Underground Circular steel lined. |
| Tail Race Tunnel | 2 nos. 9.5m dia horse shoe shaped, concrete line TRT's of lengths 2786m and 2963m. |
| Power House | Underground, size 140 m x 23.3 m x 50 m, 4 Units of 135 MW each |
| Rated Head | 102.5 m |
| Annual generation | 1975.54 MUs in a 90% dependable year |
| CCEA Approval | 10.05.2022 |




PROJECT LAYOUT

Civil works Package (Lot-I) awarded, Tendering of E&M and HM Packages is in process. Approach road to project has been constructed and other infrastructure works are in progress.

First blast for Diversion Tunnel Portal Excavation was successfully taken at project on 20.06.2022.



### 5.3.4 Ratle HE Project (850 MW) under Ratle Hydroelectric Power Corporation Limited (RHPCL):

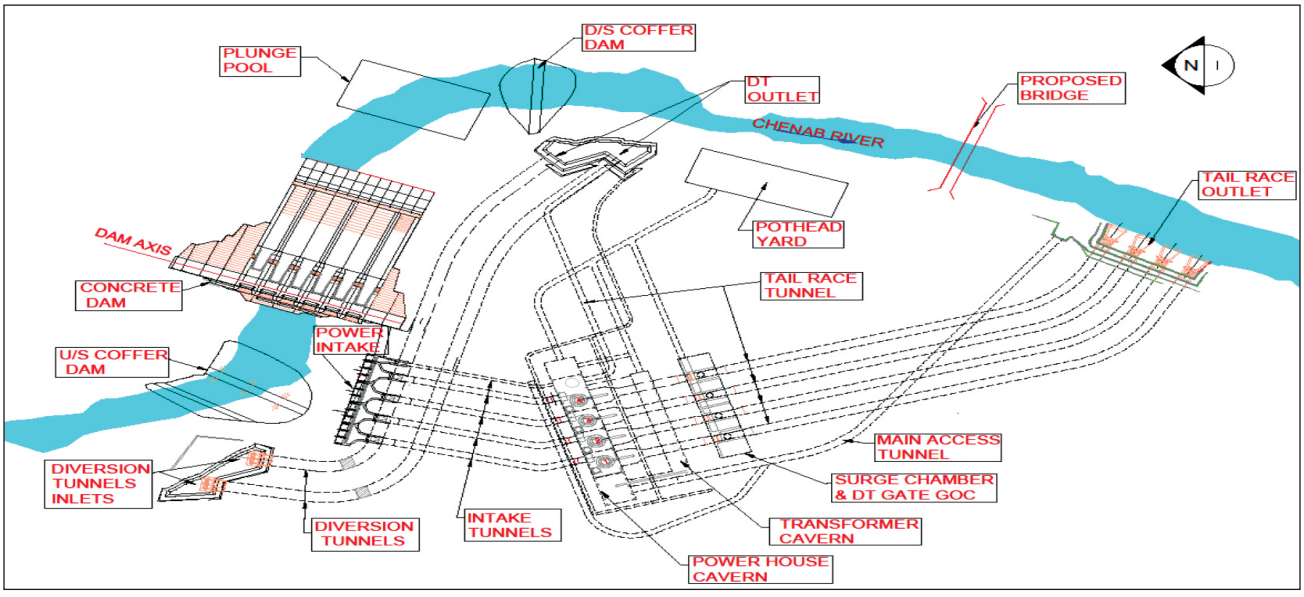
The project is a run-of-river scheme on Chenab River and is located at Kishtwar District of UT of Jammu & Kashmir. Major components of the project include 133m high concrete gravity dam and an underground power house having 4 units of 205 MW each. In addition, a unit of 30 MW is envisaged to utilize the stipulated continuous release of environmental flows. The project is having estimated annual energy generation of 3,137 MUs in a 90% dependable year.

**SALIENT FEATURES:**

| | |
|---|---|
| Dam | Concrete gravity dam (133 m high, 194.8 m long) |
| Pressure Shaft/ Penstock | Main: 4 Nos., 6.6 m dia, Circular steel lined of length 172 to 211 m Auxiliary: 1 no. Circular steel lined of length 162 m |

| | |
|---|---|
| Tail Race Tunnel | Main: 4 nos. 8.7m dia Circular, lengths 314.4 m to 378.6 m. Auxiliary: 1 no. 4.7 m dia circular, length 290 m |
| Power House | Underground, 168 m x 24.5 m x 49 m housing 4 units (205 MW) + 1 unit (30 MW) |

| | |
|---|---|
| Net Head | Main: 97.37 m, Auxiliary: 98.9 m |
| Annual generation | 3137 MUs in a 90% dependable year |
| CCEA Approval | 11.02.2021 |




PROJECT LAYOUT



DIVERSION TUNNEL-1

The excavation of Diversion Tunnels (DT) and repairing of roads and infrastructural works are in progress. EPC contract for the project was awarded in January, 2022 and construction works are under progress.

Diversion Tunnel-1 has been day-lighted on 11.06.2022.

## 6. HYDROPOWER PROJECTS UNDER CLEARANCE/APPROVAL

The status of hydro projects including of subsidiaries/joint ventures under various stages of clearance/approval are given in table below:

| S. No. | PROJECT | STATE/ UNION TERRITORY | INSTALLED CAPACITY (MW) |
|---|---|---|---|
| **A. STANDALONE BASIS** | | | |
| 1. | Dibang | Arunachal Pradesh | 2,880 |
| 2. | Sawalkot | Jammu & Kashmir | 1,856 |
| 3. | Dugar | Himachal Pradesh | 500 |
| 4. | Teesta-IV | Sikkim | 520 |
| **Sub-total (A)** | | | **5,756** |
| **B. THROUGH SUBSIDIARIES/ JOINT VENTURES** | | | |
| 1. | Kirthai-II through Chenab Valley Power Projects Private Limited (A Joint Venture with JKSPDCL) | Jammu & Kashmir | 930 |
| 2. | Loktak Downstream H.E. Project through Loktak Downstream Hydroelectric Corporation Limited (A Joint Venture with Govt. of Manipur) | Manipur | 66 |
| **Sub-total (B)** | | | **996** |
| **Total (A+B)** | | | **6752** |

### 6.1 NHPC STANDALONE

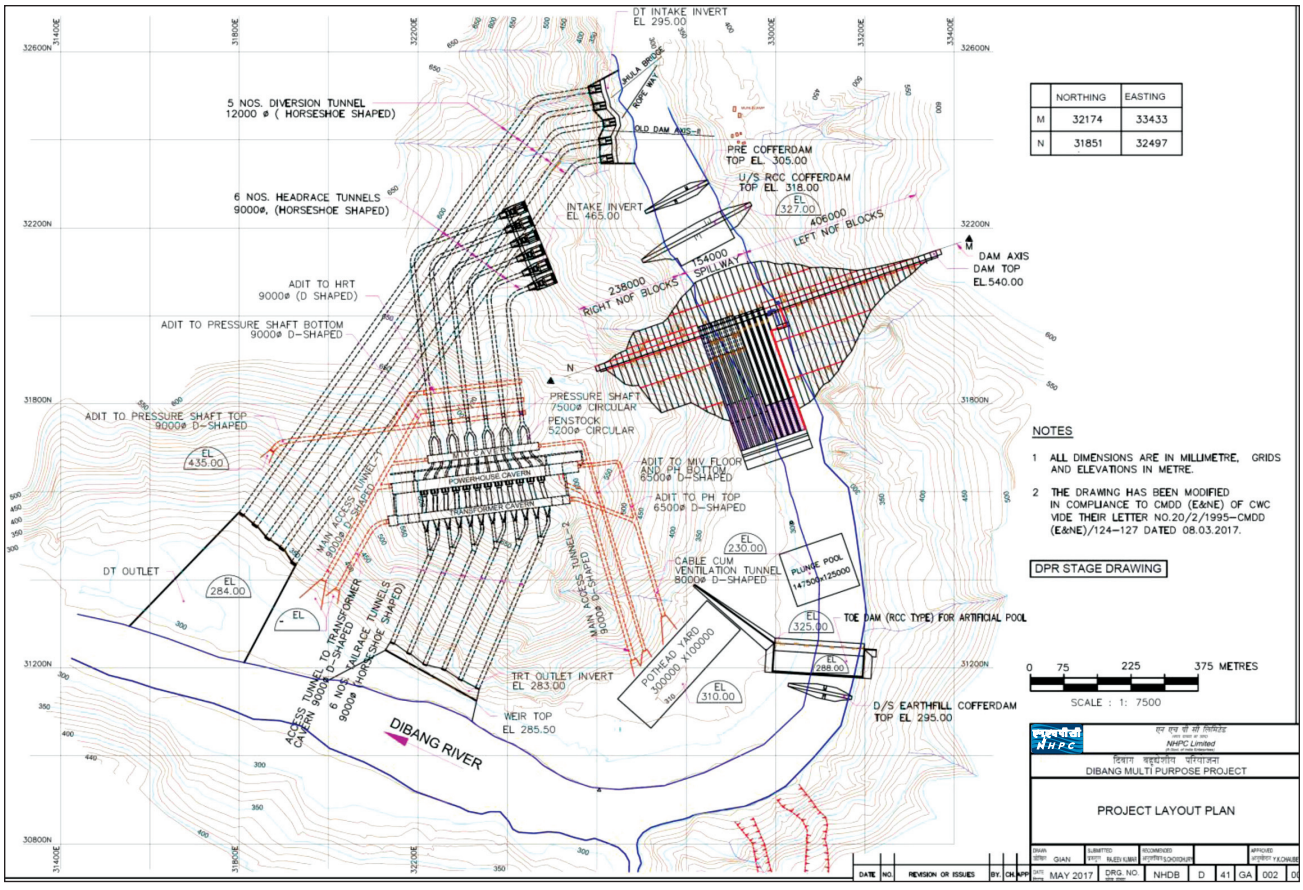
### 6.1.1 DIBANG MULTIPURPOSE PROJECT – 2880 MW (12X240 MW), ARUNACHAL PRADESH

Dibang Multipurpose Project, one of the largest project in the country, is a hydropower cum flood moderation scheme. The Project envisages utilization of gross head of 230 m by construction of a 278m high concrete dam across river Dibang. The estimated energy generation with an installed capacity of 2,880 MW works out to be 11,223 MUs for the 90% dependable year. In addition, the reservoir created behind the dam will provide flood moderation benefit in the downstream, for which reservoir will be kept 40.10 m below FRL in monsoon period. The back water in the reservoir will travel up to a length of 41 km in Dibang River and its tributaries. The flood moderation will save erosion of agricultural land, damage to crops and further save crores of rupees being spent on flood control measures by the Govt.

**SALIENT FEATURES:**

| | |
|---|---|
| Location/ District | Village Munli (Dist. Lower Dibang Valley), Arunachal Pradesh |
| Dam | 278 m high, 798 m long concrete gravity |
| Power House | Underground of size 24.5 m (W) x 56.3 m (H) x 419.0 m (L) housing 12 units of 240 MW each, Francis Turbine |
| Diversion Tunnel | 5nos. 12m dia, Horse Shoe Shape (Length: 1175 m to 1325 m) |
| Head Race Tunnel | 6nos, 9m dia, Horse Shoe Shaped, Concrete Lined (Length: 300 m to 600 m, Total 2700m) |
| Pressure Shaft | 6nos. Steel lined,7.5m dia, Circular shaped, Inclined (Length: 231 m each) |
| Penstock | 12nos. Steel lined, 5.2 to 4.0 m dia, Circular shape |
| Annual Energy | 11223 MUs. |

Part CCEA approval for Pre-investment activities of Dibang Multipurpose Project (2880 MW) amounting to ₹ 1600 crore was accorded on 02nd August 2019. Accordingly, payment towards NPV, compensatory afforestation, CAT Plan and wild life sanctuary released to CAMPA Fund and Forest Clearance (FC-II) was accorded on 12th March 2020 for diversion of 4577.84 Ha land by MoEF. Possession of 1412 Ha Community Land in Lower Dibang Valley and 1689 Ha Community Land in Dibang Valley District have been acquired by Project for Project Construction Components.




PROJECT LAYOUT PLAN OF DIBANG MULTIPURPOSE PROJECT

### 6.1.2 SAWALKOT H.E. PROJECT: 1856 MW, J&K

Subsequent to signing of MoU with JKSPDC, NHPC has taken over Sawalkot HE Project. The project, a run of the river scheme envisages harnessing hydropower potential of River Chenab and is located in the Ramban and Udhampur Districts of Jammu & Kashmir in the UT of J&K.

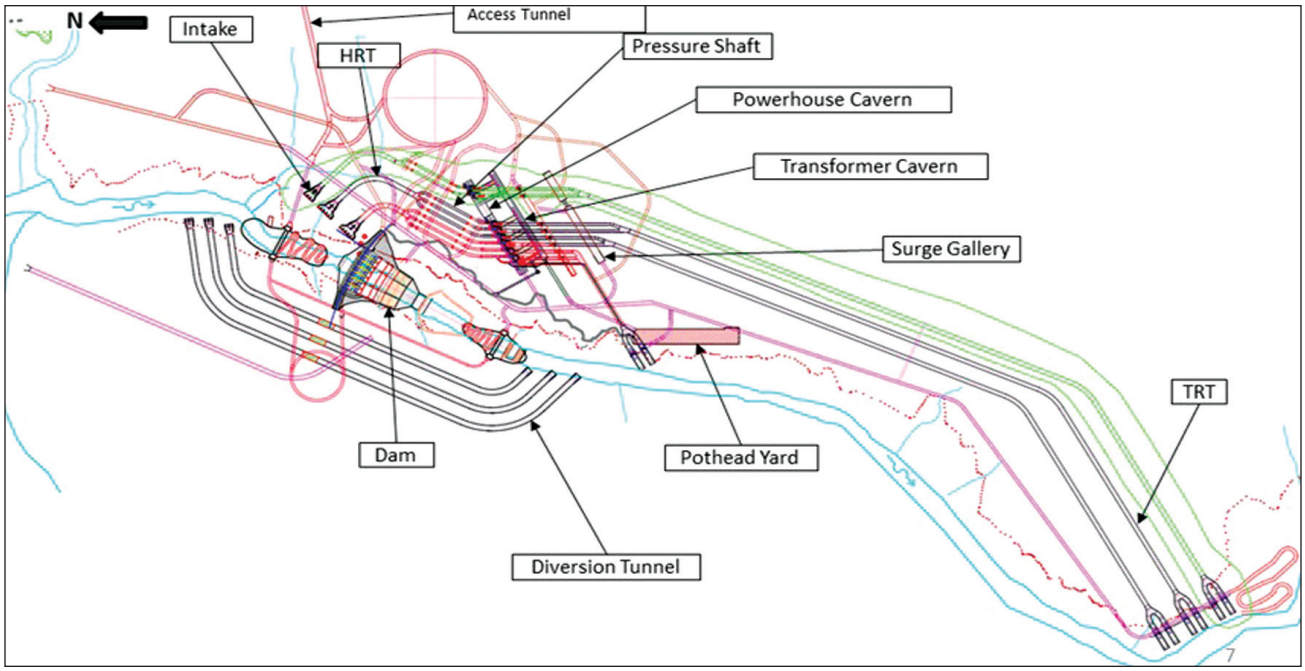
**SALIENT FEATURES:**

| | |
|---|---|
| Dam | 192.5 m high & 240 m long RCC gravity dam |
| Power House | Underground, vertical Francis Turbine<br>• 6x 225 MW+1 x 56 MW capacity (1406 MW for Stage-I)<br>• 2 x 225 MW (450 MW for Stage- II Total 1856 MW) |
| Annual Energy | 8196.10 MU |
| Diversion Tunnel | 13.5m X 19m, 3 nos, Horse shoe Shaped (965m, 1130m, 1280m) |
| Head Race Tunnel | Two 12.8 m dia for Stage-I & one 10.8 m dia for Stage-II (Circular type) (Length: about 200 m each) |
| Pressure Shaft/ Penstock | 6 No. for Stage - I & 2 no. for Stage -II<br>• PS-1 to PS-5:- 6 m dia. each<br>• PS-6:- 6.7 m dia.<br>• 2.75 m dia penstock for 56 MW<br>Length : 130m -140m for inclined and 50m -115m for Horizontal |
| Net Rated head | • 155.7 m for Unit-1, 2, 3, 4, 7 and 8<br>• 153.5m for Unit 5, 6 and Environmental Unit |

**Status:**

- MoU signed on 03.01.2021 between NHPC and JKSPDC for execution of Sawalkot (1856 MW) Hydroelectric Project and other Projects by NHPC.
- Agreement for handing over/ taking over of Sawalkot HE Project (1856 MW) signed between NHPC and JKSPDC on 11.12.2021.

- Forest clearance (FC-1) - Proposal uploaded by NHPC on Parivesh Portal on 31.12.2021.
- PIB meeting for approval of Pre-investment activities was held on 06.05.2022. Minutes of meeting issued on 27.05.22, wherein, approval of the pre-investment activities of ₹ 973 Cr. is recommended.
- EIA and EMP study work awarded on 25.05.22.




PROJECT LAYOUT

### 6.1.3 DUGAR HE PROJECT: 500 MW, HIMACHAL PRADESH:

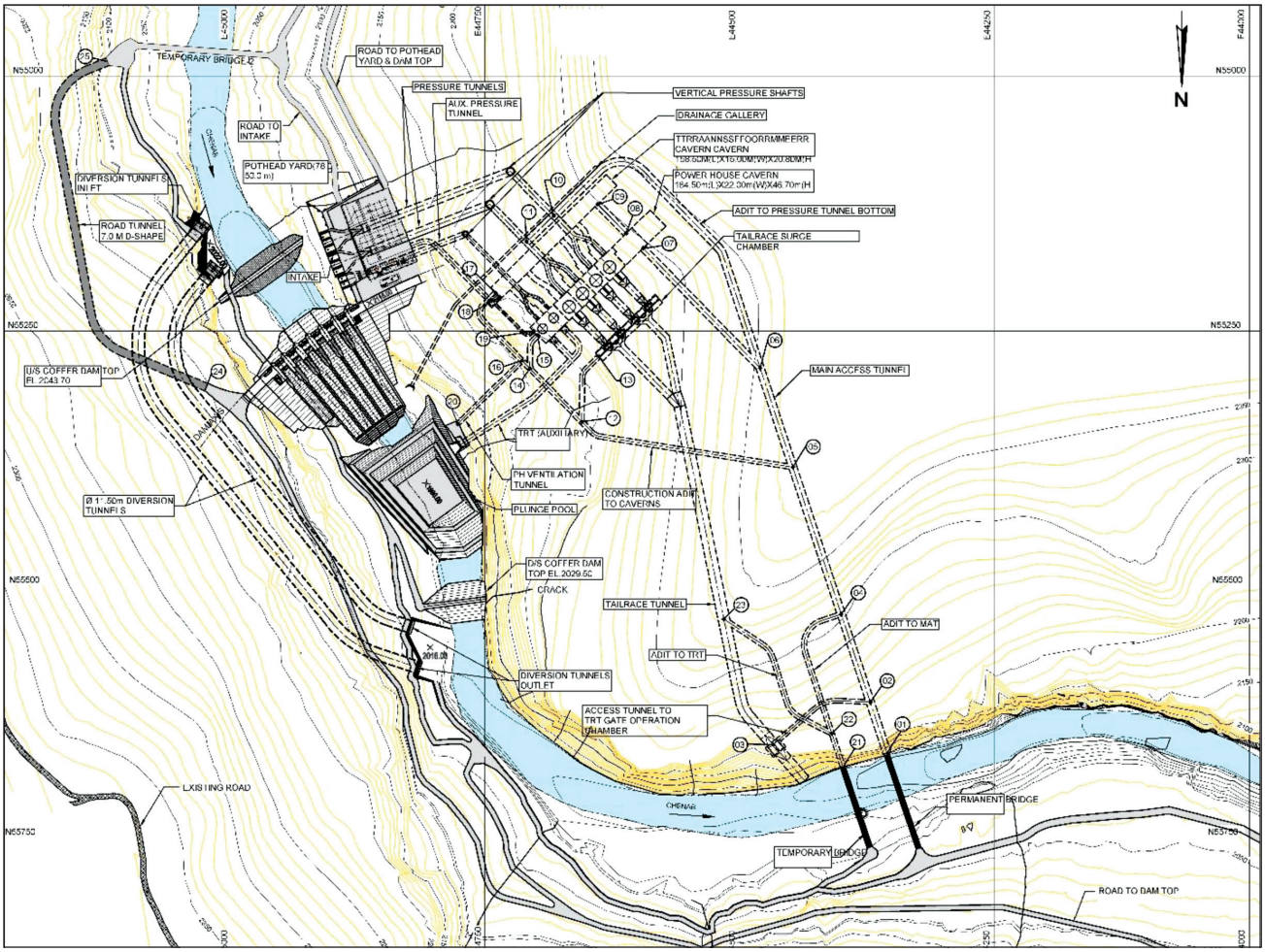
Dugar HE Project has been allotted to NHPC by State Govt. of Himachal Pradesh on Build-Own-Operate and Transfer basis (BOOT) for a period of 70 years. The project is a run-of-river scheme that envisages harnessing hydropower potential of River Chenab and is located in Pangi valley in Chamba District of Himachal Pradesh.

**SALIENT FEATURES:**

| | |
|---|---|
| Dam | Concrete gravity dam of 128 m height and 210.65 m length at the top of dam |
| Power House | Underground, 164.5 m (L) x 22 m (W) x 46.7 m (H)<br>4 x 103 MW (Main units) &<br>2 x 44 MW (Auxiliary units) |
| Annual Energy | 1758.40 MUs |
| Diversion Tunnel | 11.5 m dia, 2 nos, Horse shoe Shaped (463 m, 577m) |
| Pressure Shaft | 2 no. 7.25 m diameter and 312.4 m & 272.7m length for main units and 1 no. 5.10 m dia and 251.7 m length for aux. unit. (Circular Steel-lined) |
| Penstock | 4 no. 4.85 m diameter and 37.2 m length for main units and 2 no. 3.7 m dia and 29.2 m length for aux. unit. |
| Net Rated head | 89.92 |

**Status:**

- CEA accorded the Concurrence on 26.04.2022. The completion cost of the project is ₹ 4250.20 crore at April, 2021 PL.
- Public Hearing was conducted on 20.04.2022 at Killar and Proceedings of public hearing was issued by HPSPCB, Shimla on 06.05.2022.
- Draft EIA&EMP report is being finalized for its submission to MOEF&CC for Environment Clearance.
- Proposal for Forest clearance has been processed by State Forest Department.




PROJECT LAYOUT

## 6.2 UNDER JOINT VENTURE COMPANIES

### 6.2.1 KIRTHAI-II HE PROJECT (930 MW)

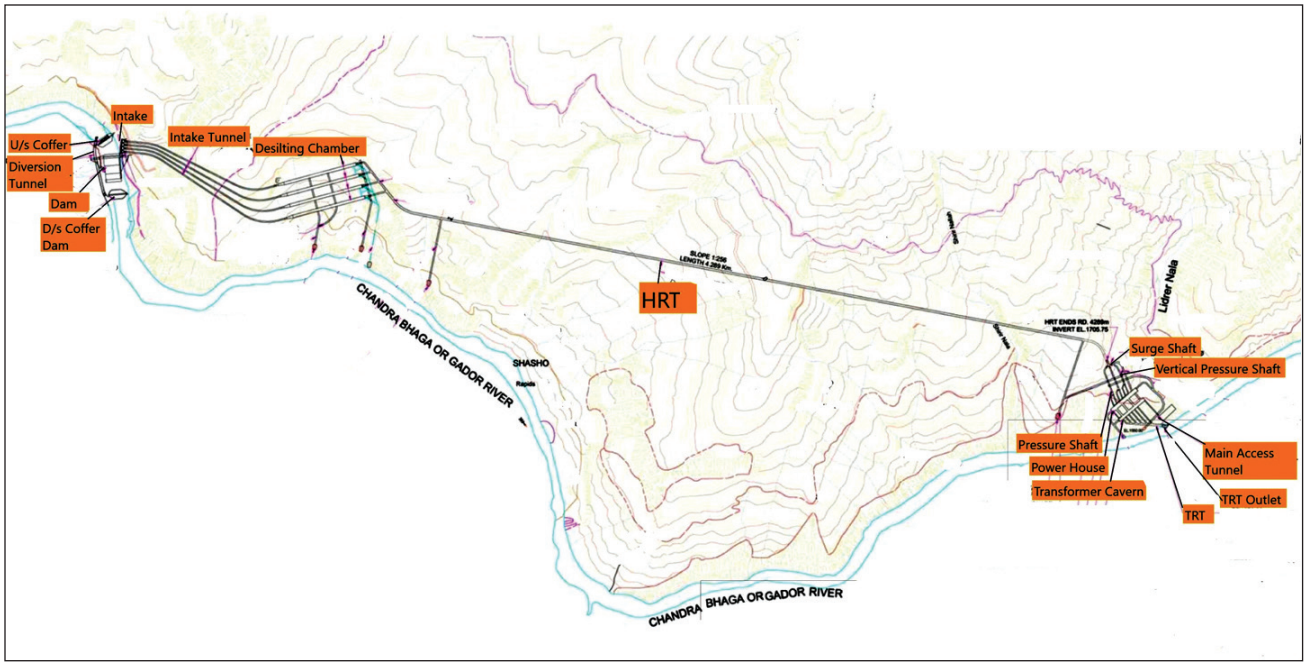
Kirthai-II HE Project is a run-of- river project located in Kishtwar district, J&K at about 25Kms upstream of Kiru H.E. Project on river Chenab.

**SALIENT FEATURES:**

| | |
|---|---|
| Dam | Concrete gravity dam (121 m high, 219.8 m long) |
| HRT | Horse shoe, 10.5m dia., 4.29 Km long |
| Desilting Chamber | 4 nos., 440m x19mx 24.87m |
| Power House | Underground, 187.5x22x49.7m housing 4 units, Surface (2x10+2x35= 90 MW) |
| Net Head | 220.62 m |
| Completion Time | 5 years |

**Status:**

- MOU for implementation of Kirthai-II HEP (930 MW) through CVPPPL has been signed between JKSPDC and NHPC on 03.01.2021.
- Agreement has been signed between NHPC and CVPPPL on 19.03.2021 to provide consultancy services to CVPPPL for the project.
- Obtaining of requisite clearances of the project is under progress. Conditional TEC accorded by CEA on 14.06.2019.
- Necessary Investigation works for submission of revised DPR is in progress.




PROJECT LAYOUT

## 7. PROJECTS UNDER SURVEY AND INVESTIGATION (S&I)

NHPC is at present engaged in survey and investigation of Garba Tawaghat Project (630 MW) in Uttarakhand, Uri-I Stage-II (240 MW) and Dulhasti Stage-II (260 MW) Projects in UT of Jammu & Kashmir with aggregate installed capacity of 1,130 MW.

## 8. NEW HYDRO PROJECTS INDICATED BY MINISTRY OF POWER FOR ALLOTMENT BY STATE GOVERNMENT TO NHPC

Ministry of Power has identified three Hydro Power Projects viz. Subansiri Upper (2000MW), Subansiri Middle (1800MW), Siang Lower (2700MW) in Arunachal Pradesh for possible allotment to NHPC and the process of due diligence and valuation of these projects through a professional consultant for submission to MoP has been taken up to arrive at a decision to take over the project from Government of Arunachal Pradesh.

### 8.1. SUBANSIRI MIDDLE (KAMALA) H.E. PROJECT - 1800 MW:

Subansiri Middle (Kamala) HE project is a flood moderation cum power generation scheme to harness the hydro-potential of Kamala River (a tributary of river Subansiri). The project is located in Kamle District of Arunachal Pradesh.

The project was earlier transferred to NHPC from Brahmaputra Board by MOWR, GOI in March, 2000, when NHPC took up S&I works and prepared the DPR. But before submission of DPR for concurrence to CEA, the Project was allotted to IPP by Government of Arunachal Pradesh in August, 2009. The DPR was updated by the IPP and submitted for concurrence to CEA in 2013. Clearances on 17 out of 24 aspects were obtained by the IPP. However, the DPR was returned by CEA in January, 2018 rescinding all part clearances issued and since then IPP has made no progress.

As per above DPR, the estimated annual energy generation from the project is 7338 MUs in a 90% dependable year. The scheme features 216 m high concrete gravity dam and an underground power house of 1728 MW capacity with auxiliary Dam toe power House of 72 MW.

### 8.2. SUBANSIRI UPPER H.E. PROJECT - 2000 MW, ARUNACHAL PRADESH:

Subansiri Upper HE project is a flood moderation cum power generation scheme to harness the hydro-potential of river Subansiri. The project is located in Upper Subansiri District of Arunachal Pradesh.

The project was earlier transferred to NHPC from Brahmaputra Board by MOWR, GOI in March, 2000, when NHPC took up S&I works and prepared the DPR. But before submission of DPR for concurrence to CEA, the project was allotted to IPP by Government of Arunachal Pradesh in March, 2010. The IPP did not carry out any noticeable work and did not prepare the DPR.

As per NHPC DPR, the estimated annual energy generation from the project is 6768.5 MUs in a 90% dependable year. The scheme features 237 m high concrete gravity dam and an underground power house of 2000 MW capacity.

### 8.3. SIANG LOWER PROJECT - 2700 MW:

Siang Lower HE project is a power generation scheme to harness the hydro-potential of Siang River. The project is located in East Siang District of Arunachal Pradesh.

The project was transferred to NHPC from Brahmaputra Board by MOWR, GOI in March, 2000, when NHPC took up S&I works and prepared the DPR with 2000 MW capacity. But before submission of DPR for concurrence to CEA, the Project was allotted to IPP by GoAP in February, 2006. The DPR was updated by IPP for 2700 MW and concurrence was obtained in February, 2010. However, the validity of same has expired in February, 2019, since then the IPP has made no progress.

As per above DPR, the estimated annual energy generation from the project is 13236.47 MUs in a 90% dependable year. The scheme features 111 m high concrete gravity dam and a surface power house of 2700 MW capacity.

The due diligence and valuation of this project is dependent upon finalization of site/ technical parameters of Siang Upper Multipurpose Storage Project, located at Upper Siang district, for which NHPC has been entrusted for preparation of PFR/DPR by MoJS.

## 9 RENEWABLE ENERGY PROJECTS

Your Company is diversifying its business and making efforts to develop renewable energy projects and intends to be part of the renewable energy growth story of India by contributing to the target of 500 GW installed electricity capacity from non-fossil fuel sources by 2030, set by the Government of India. World over, various new and advanced technologies are being explored in the transition to a net-zero carbon future and your Company is aggressively looking forward in this direction. NHPC, in line with the latest technological developments and advancements, is now exploring road maps and strategies to scale up its renewable energy projects. NHPC has also incorporated a wholly owned subsidiary company i.e. NHPC Renewable Energy Limited (NHPC REL) in February, 2022 as a separate vertical for developing renewable energy projects.

Your Company has identified mega scale solar projects under different schemes of Ministry of New and Renewable Energy (MNRE) such as CPSU scheme, solar park scheme etc. in the states of Rajasthan, Gujarat, Andhra Pradesh, Odisha, Uttar Pradesh, Kerala, Tamil Nadu etc., which are under various stages of planning and development. Your Company is actively working for increasing its renewable energy portfolio by making efforts for capacity addition through different sources of renewable energy. The efforts of the Company for establishment of such projects are as under:

### 9.1 SOLAR POWER PROJECTS

#### 9.1.1 Solar Projects under construction stage are given in table below:

| S. No. | PROJECT | STATE | INSTALLED CAPACITY (MW) |
|---|---|---|---|
| **A. STANDALONE BASIS** | | | |
| (i) | 40 MW Solar Power Project, Ganjam | Odisha | 40 |
| (ii) | 600 MW Solar Power Project under CPSU scheme | Gujarat | 600 |
| (iii) | 300 MW Solar Power Project under CPSU scheme | Rajasthan | 300 |
| (iv) | 100 MW Solar Power Project under CPSU scheme | Andhra Pradesh | 100 |
| | | **Sub-total (A)** | **1040** |
| **B. THROUGH JOINT VENTURES** | | | |
| (i) | 65 MW Solar Power Project, Kalpi Under BSUL | Uttar Pradesh | 65 |
| | | **Sub-total (B)** | **65** |
| | | **TOTAL** | **1105** |

**(i) 40 MW Solar Power Project, Ganjam:**

MNRE has conveyed its in-principle approval to NHPC for development of 40 MW Project in Ganjam District. Approval of State Technical Committee for the project has been obtained and necessary lands for development of the project has been identified. 175 Acre of identified land has been allocated to NHPC

by The Odisha Industrial Infrastructure Development Corporation (IDCO). EPC contract for 40 MW project along with 10 years comprehensive O&M has been issued to M/s Tata Power Solar System Limited, Mumbai on May 24, 2021. The project is expected to be commissioned in FY 2022-23

**(ii) Projects awarded under CPSU Scheme, Phase-II, Tranche-III of MNRE/ IREDA:**

Your Company has been selected for setting up 1000 MW Grid Connected Solar Power Projects, under CPSU Scheme, Phase-II, Tranche-III vide IREDA LOA dated 04/10/2021, after VGF based competitive bidding, followed by e-RA. The scheme mandates the use of domestically manufactured Modules and Cells for the setting up of solar power plants. EPC Contracts for the complete allocated capacity of 1000 MW have been awarded on 12/05/2022, as under:

i) M/s Adani Infra (India) Limited for 600 MW capacity in the State of Gujarat

ii) M/s Tata Power Solar System Limited for 300 MW capacity in the State of Rajasthan

iii) M/s SSEL-ASR JV for 100 MW capacity in the State of Andhra Pradesh

Above projects have scheduled completion period of 18 months.

**(iii) 65 MW Solar Power Project, Kalpi:**

The project is being developed by Bundelkhand Saur Urja Limited (a Joint Venture Company with Uttar Pradesh New & Renewable Energy Development Agency). EPC contract for the project has been awarded on March 17, 2021 along with comprehensive O&M for 10 years. The project is expected to be commissioned in 2nd quarter of FY 2022-23.

### 9.1.2 Projects envisaged under Ultra Mega Renewable Energy Power Parks Scheme (UMREPPS) of MNRE

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

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

Your Company has signed a Memorandum of Understanding (MoU) with Green Energy Development Corporation of Odisha Limited (GEDCOL) in July, 2020 for setting up of a Joint Venture Company (JVC) for exploring and developing 500 MW Floating Solar and other such power projects in the State of Odisha.

The projects will be developed in a phased manner by the JVC. Approval process for formation of JVC has been obtained. MNRE has already given in-principle approval for development of 300 MW Floating Solar Power Projects under UMREPPS mode of Solar Park Scheme through the proposed JVC. Detailed Project Report (DPR) of 100MW project has been approved by MNRE while Detailed Project Report (DPR) of 200MW project is under approval process. Matter is being taken up with GRIDCO, Govt of Odisha for PPA for 300MW capacity, following which JVC incorporation & project development activities shall be taken up.

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

MNRE has accorded in-principle approval for development of 50 MW Floating Solar Power Project at West Kallada, Kerala by NHPC under UMREPPS mode of Solar Park Scheme. DPR of the project has been submitted to MNRE. Transfer of water body/ land to NHPC, signing of PPA and other activities for the development of project are in progress.

**(iii) Explorations at other locations**

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

### 9.1.3 Development of Solar Projects in Developer Mode (As an Intermediary Procurer)

NHPC has awarded an aggregate capacity of 2,000 MW ISTS connected Solar Power projects to the selected five developers as an 'Intermediary Procurer'. Power Sale Agreements (PSAs) with State Discoms and Power Purchase Agreements (PPAs) with selected developers have been signed for 25 years project life period. The developmental activities are in progress by the selected developers. The awarded projects are expected to be commissioned in FY 2022-23.

### 9.1.4 Development of Solar Power Projects for sale of energy through Power Exchange

NHPC is also exploring the option of development of Solar Power Projects for sale of energy through Power Exchange. In the 1st phase of this mode, EPC Bids have been invited for 75 MW Grid Connected Solar Power Project.

### 9.1.5 Development of Solar Power Projects after getting allocation through tariff based competitive bidding

In order to gain business in Renewable Energy Sector with secured Power Purchase Agreement, NHPC and

its subsidiaries are participating in various tariff based competitive bids being invited by different agencies like SECI/ NTPC/ State Discoms/ Other agencies in RE Sector. In this mode, NHDC has been selected for setting up 88 MW Floating Solar Power Project in Omkareshwar Reservoir, during auction conducted by RUMSL in May, 2022. For development of the project, EPC Bids have been invited.

### 9.2 GREEN HYDROGEN TECHNOLOGY

Green Hydrogen Technology is at nascent stage and emerging as the future source of energy in zero carbon emission scenario. NHPC is willing to leverage the emerging opportunities of green hydrogen in power sector to fulfil the grid balancing services and also explore the end demand of hydrogen in other sectors. Accordingly, as an R&D initiative the company has initially planned following 3 Green Hydrogen Based Pilot projects:

i Pilot Green Hydrogen Based Fuel-Cell Microgrid (25 kWe) at NBPS Guest House, Leh

ii Pilot Green Hydrogen Mobility Station at Kargil, UT of Ladakh (for running of 2 Green Hydrogen Based Buses)

iii Pilot Green Hydrogen Mobility Station at Chamba, Himachal Pradesh (for running of 1 Green Hydrogen Based Bus)

With the data and experience obtained from above Pilot Projects, NHPC proposes to venture suitably in the Green Hydrogen business in emerging hydrogen economy in future.

## 10 POWER TRADING BUSINESS AND POWER TRADING LICENSE

Your Company had ventured into power trading business as part of its business expansion and diversification program and had already obtained category-I license from CERC for interstate trading of electricity in whole of India in the year 2018. NHPC is registered at DEEP (Discovery of Efficient Electricity Price) e-bidding portal and had obtained trader membership in Indian Energy Exchange (IEX) & Power Exchange of India Limited (PXIL). As part of power trading, Company is providing efficient and smart business solutions to its various clients, viz. buyers/Distribution Companies (DISCOMs), sellers/ Generating Companies (GENCOMs), state utilities etc. During the FY 2021-22, Company had traded energy of 133.36 MUs with turnover of ₹ 44.84 crore.

NHPC was appointed as intermediary procurer/nodal agency for implementing 2,000 MW solar power from ISTS grid connected solar photo voltaic projects scheme under tariff based competitive bidding in FY 2020-21. NHPC had already signed Power Sale Agreement (PSA) for 2,000 MW with the following utilities:

(i) M. P. Power Management Company Limited, Madhya Pradesh for 1000 MW,

(ii) Jammu & Kashmir Power Corporation Limited, Jammu & Kashmir for 300 MW,

(iii) Chhattisgarh State Power Distribution Company Limited, Chhattisgarh for 400 MW and

(iv) Punjab State Power Corporation Limited, Punjab for 300 MW.

NHPC had also signed Power Purchase Agreement (PPAs) on back to back basis with Solar Power Developer (SPD) for purchase of power.

## 11 DETAILS OF SUBSIDIARIES AND ASSOCIATE / JOINT VENTURE COMPANIES

During the FY 2021-22, RHPCL & NHPC REL were incorporated as subsidiary companies of NHPC Limited. Besides above, no other subsidiary/joint venture company was incorporated or ceased during the year under review.

A statement containing the salient features of the financial statements of subsidiaries and associate/ joint venture companies in AOC-I as per Section 129(3) of the Companies Act, 2013 and details of individual contribution of these companies in the overall performance of the Company during the FY 2021-22 is given under Consolidated Financial Statements.

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

Your Company has following subsidiaries and associate/joint venture companies as on March 31, 2022:

### 11.1 Subsidiary Companies:

**i) NHDC Limited (NHDC):**

NHDC was incorporated as a joint venture of NHPC and Government of Madhya Pradesh in August, 2000. The shareholding pattern of NHDC as on March 31, 2022 was NHPC (51.08%), GoMP (26%) and Narmada Basin Projects Company

Limited (Wholly owned by GoMP) (22.92%) respectively.

NHDC has two operating power stations viz. Indira Sagar (1,000 MW) and Omkareshwar (520 MW) in Madhya Pradesh. During the FY 2021-22, NHDC generated 2,645.34 MUs from its power stations i.e. 1,717.14 MUs from Indira Sagar Power Station and 928.2 MUs from Omkareshwar Power Station.

**ii) Loktak Downstream Hydroelectric Corporation Limited (LDHCL):**

LDHCL is subsidiary of NHPC with 74.83% shareholding of NHPC and 25.17% shareholding of Government of Manipur as on March 31, 2022. LDHCL was incorporated in October, 2009 to execute Loktak Downstream Hydro-electric Project (66 MW) in Noney District of Manipur. All statutory clearances for the project have been received and PPA had already been signed with Govt. of Manipur. However, Public Investment Board (PIB) approval for the project is awaited.

**iii) Bundelkhand Saur Urja Limited (BSUL):**

BSUL is a joint venture between NHPC and Uttar Pradesh New & Renewable Energy Development Agency (UPNEDA). As on March 31, 2022, shareholding of NHPC and UPNEDA was 86.67% and 13.33% respectively.

BSUL was incorporated in February, 2015 for development of Solar Power Project in Tehsil Kalpi, District Jalaun, Uttar Pradesh and other conventional & non-conventional power projects entrusted by the Govt. of Uttar Pradesh. At present, BSUL is developing 65 MW solar project in Tehsil Kalpi, District Jalaun. The details of the project is given elsewhere in the report.

BSUL is in the process of development of 1500 MW (approx.) Solar Power Projects in Uttar Pradesh through various modes of implementation i.e. in EPC mode and development of Solar Park followed by plant installation in developer mode. Detailed Project Reports (DPRs) of two projects viz. Mirzapur SPP (100 MW) and Madhogarh SPP (45 MW) had already been approved. DPR for Mirzapur Solar Park has been approved by MNRE in December, 2021. DPR for 1,200 MW Solar Park under UMREPPS is under consideration of UPNEDA.

**iv) Lanco Teesta Hydro Power Limited (LTHPL):**

LTHPL was acquired by NHPC through Corporate Insolvency Resolution Process (CIRP) in October, 2019 and equity of ₹ 897.50 crore was infused as consideration amount pursuant to approved resolution plan. LTHPL is a wholly owned subsidiary of NHPC. LTHPL is executing 500 MW Teesta VI HE Project in Sikkim and construction works are at full swing. The status of Teesta VI HE Project has been provided elsewhere in the report. The merger of LTHPL with NHPC is under process. Approval of Ministry of Power has been obtained for merger of LTHPL with NHPC Limited.

**v) Jalpower Corporation Limited (JPCL):**

JPCL was acquired by NHPC through CIRP in March, 2021 and equity of ₹ 165 crore was infused as consideration amount pursuant to approved resolution plan. JPCL is a wholly owned subsidiary of NHPC. JPCL is developing Rangit-IV HE Project in Sikkim and construction works are at full swing.The status of Rangit-IV HE Project has been provided elsewhere in the report. The merger of JPCL with NHPC is under process.

**vi) Chenab Valley Power Projects Private Limited (CVPPPL):**

CVPPPL is a joint venture of NHPC and Jammu & Kashmir State Power Development Corporation Limited with shareholding of 55.13% and 44.87% respectively as on March 31, 2022. CVPPPL was incorporated in June, 2011.

CVPPPL is developing four hydro-electric projects in UT of Jammu & Kashmir i.e. Pakal Dul HE Project (1,000 MW), Kiru HE Project (624 MW), Kwar HE Project (540 MW) and Kirthai-II HE Project (930 MW). The status of Pakal Dul HE Project, Kiru HE Project, Kwar HE Project and Kirthai-II HE Project is provided elsewhere in the report.

**vii) Ratle Hydroelectric Power Corporation Limited (RHPCL):**

RHPCL was incorporated in June, 2021 as joint venture of NHPC and Jammu & Kashmir State Power Development Corporation Limited (JKSPDCL). As on March 31, 2022, shareholding of NHPC and JKSPDCL was 73.53% and 26.47% respectively. RHPCL is developing Ratle Hydroelectric Project (850 MW) in UT of Jammu & Kashmir. The status of Ratle Hydroelectric Project has been provided elsewhere in the report.

**viii) NHPC Renewable Energy Limited (NHPC REL):**

NHPC REL was incorporated in February, 2022 as wholly owned subsidiary of NHPC for taking up Solar, Wind, Small Hydro and Green Hydrogen ventures. NHPC REL is exploring various renewable energy projects for expansion of its activities.

### 11.2 Associate/Joint Venture Company:

**National High Power Test Laboratory Private Limited (NHPTL):**

NHPTL, incorporated in May, 2009, is a joint venture between five (5) entities viz. 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 765 kV level is already operational at Bina, Madhya Pradesh. Laboratory for Medium Voltage Transformer (MVTR) has not been commissioned till date.

## 12 GLOBAL INITIATIVES

Your Company is venturing across borders of nation for seeking hydropower business with the desire to increase geographic footprint in the neighbouring countries of India and efforts are being made to transform into globally respected multinational company in the long run and be able to generate substantial revenues from foreign operations. Company has already marked its footprints in countries like Nepal, Bhutan, Myanmar, Tajikistan, Nigeria and Ethiopia and is looking further to expand its business in various other countries. During the year, senior level business delegations from NHPC visited Nepal and held discussions with the highest functionaries of Government of Nepal for extending support to NHPC initiatives for development of hydropower schemes in Nepal. Talks are at an advanced stage with Government of Nepal/ its agencies for allocation of hydropower schemes totaling ~ 3000 MW in Nepal to NHPC Limited on standalone or JV basis.

During the year, NHPC has also submitted a detailed proposal to Ministry of External Affairs, GOI for development of Sankosh HE Project (2585 MW) in Nepal.

## 13 HEALTH, SAFETY & ENVIRONMENT (HSE)

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

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

## 14 CONSULTANCY SERVICES

Your Company takes up consultancy assignments in the country and in its neighboring countries. The main aim is to share its best practices with fellow organizations and other stakeholders in the hydropower sector in construction of hydro-electric projects in the geologically fragile Himalayan Region. The best O&M practices, which have allowed NHPC to achieve best plant availability, increased efficiency and increased plant/equipment life across its various power stations are also shared through consultancy.

During the FY 2021-22, a payment of ₹ 54.37 crore have been received by NHPC for consultancy services rendered to its different clients.

## 15 FINANCING OF NEW PROJECTS

Internal accruals of the Company are sufficient to finance the equity component for the new/upcoming projects. NHPC is well positioned to raise the borrowings as per CERC norms given its low geared capital structure and strong credit ratings. NHPC is exploring domestic as well as international borrowing options including overseas development assistance provided by multilateral/bilateral agencies to mobilize the debt required for the planned capacity addition programmes. During the FY 2021-22, your Company

has raised ₹ 2500 crore through Long Term Loan from Banks and ₹ 1016.39 crore against monetization of future cash flow by way of securitization of Return on Equity (RoE) of Chamera-I Power Station for next 10 years under the ambit of Assets Monetisation Plan.

## 16 CREDIT RATINGS

- **Domestic Rating**

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

- **International Rating**

  NHPC has International Credit Rating of BBB(–) with negative outlook rated by the S&P Global Rating.

## 17 INFORMATION TECHNOLOGY AND COMMUNICATION

NHPC considers Information Technology as a strategic tool for the attainment of sustainable growth in business and to improve overall productivity and efficiency. All locations of the Company including remotely located Power Stations/ Projects are connected to Corporate Office/ Regional offices through multimode communication links using MPLS-VPN/ ILL/ VSAT-Ku band/ VSAT Phones. These multimode links have been integrated through SDWAN (Software Defined Wide Area Network) technology to function in a fail-safe mode. IP Telephony has been recently deployed between corporate office/ Regional Offices and Power Stations/ Projects. VMS (Video Management System) has been recently made operational for better monitoring/ management and surveillance of projects/ power stations.

NHPC has implemented Enterprise Resource Planning (ERP) application across all its locations integrating its various business processes. NHPC has appointed PMCA (Project Management Consulting Agency) for implementation of New Age ERP in the organization to further strengthen business processes and incorporate business intelligence. Apart from ERP, NHPC has implemented a host of other software applications/ mobile apps to take care of day-to-day business requirements. NHPC's bilingual website and integrated intranet are functioning as powerful information dissemination systems to take care of external/ internal information requirements. As per Government of India directives, e-procurement, Government e-Market (GeM), Vendor payment portal and e-Reverse auction system are operational in the Company.

During the FY 2021-22, office functioning remained uninterrupted amid Covid-19 lockdowns through the efficient functioning of various software applications/ tools i.e. e-office, e-IOM, ERP/ ESS, video conferencing, e-mails etc.

Critical IT Infrastructure including servers, data storage, communication equipment etc. have been installed at safe locations and are being managed through internal resources. IT & Cyber Security policy is in place to ensure optimum and secure utilization of the assets owned by the company. NHPC has been certified with ISMS ISO 27001:2013 certification in Corporate Office which assures confidentiality, integrity and availability of information assets. ISMS ISO 27001:2013 certification is in process of implementation at all NHPC's power stations and certification for 5 nos. power stations have already been obtained. VAPT Audit has been carried out at all generating power stations to secure valuable information and vital infrastructure. A centralised End Point Security Software solution has also been implemented to protect Servers/ Desktops against Cyber threats. Revised IT and Cyber Security Policy of NHPC has been recently approved by NHPC management and same has been implemented.

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

## 18 HUMAN RESOURCES

Your company has a strong and dedicated workforce of 5,092 employees, consisting of 3,166 executives and 1,926 non-executives as on March 31, 2022. The above workforce includes 545 women employees.

Your Company is strongly focused towards lifelong learning and competency development of its employees for their overall capacity building by improving their performance and enhancing organizational capabilities. Training programmes to employees are facilitated through internal faculty as well as through external agencies. NHPC has four regional hydro training centers located at Salal Power Station, Tanakpur Power Station, Chamera-I Power Station and Uri-I Power Station. NHPC has organized various training and development programmes for its employees through premier management and engineering institutions like IIMs, IITs etc. to enhance their skills and competencies and to encourage them

to utilize their full potential in their respective field of operations. Your Company also deputes senior and high potential employees to foreign training programmes to keep them abreast with the latest know how and to understand the global scenario in the field of hydro power. NHPC also sponsors its executives to acquire higher qualification and specialization to improve their productivity and effectiveness. During COVID-19 pandemic, your company has organized virtual workshops to fulfill training requirements of its employees in addition to knowledge sharing sessions through webinars.

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

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

## 19 RESETTLEMENT AND REHABILITATION (R&R)

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

## 20 VIGILANCE

The objective of the vigilance function is to ensure maintenance of the highest level of integrity throughout the Company. Your Company has a Vigilance Department headed by Chief Vigilance Officer to ensure transparency, objectivity and quality of decision making in its operations.

All the procedures are documented to monitor and handle vigilance complaints and disciplinary cases. Vigilance Department co-ordinates with Ministry of Power, Central Bureau of Investigation (CBI), Central Vigilance Commission (CVC) and other concerned departments of the Government. One vigilance case related to misconduct has been disposed off during FY 2021-22. Two vigilance cases i.e. one related to offence of accepting illegal gratification and other related to disproportionate assets are under disciplinary proceedings as on 31st March 2022.

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

## 21 INTERNAL FINANCIAL CONTROLS

Adequate internal financial controls with reference to financial reporting are in place in the Company. During the FY 2021-22, such controls were tested and no reportable material weakness in the design or operation was observed.

## 22 RISK MANAGEMENT

NHPC recognizes that it is exposed to a number of uncertainties, which is inherent to the power sector. The volatility of the power sector affects the financial and non-financial results of the business. NHPC has well-defined and dynamic Risk Management Policy since 2009 to manage risk associated with the company and enhance company's operational effectiveness. The policy statement is as under:-

a. To ensure protection of shareholder value through the establishment of an integrated Risk Management Framework for identifying, assessing, mitigating, monitoring, evaluating and reporting of all risks.

b. To provide clear and strong basis for informed decision making at all levels of the organization.

c. To continually strive towards strengthening the Risk Management System through continuous learning and improvement and to achieve the objectives of this policy through proper implementation and monitoring.

d. To ensure that new emerging risks are identified and managed effectively.

e. To put in place systems for effective implementation for achievement of policy objectives through systematic monitoring and effective course corrections from time to time.

At present, 67 key risks have been identified which has been broadly classified into four categories namely Operational Risks, Financial Risks, Strategic

Risks and Compliance Risks. During the year under report, changes in the Risk Management Policy were made which are briefed as under:

(i) Risk Assessment: A combined rating of likelihood and impact rating has been assigned on a scale of 1-25.These two measures when plotted on the chart gives a quick and clear view of the priority that needs to be given to each risk.

(ii) Risk Categorization: Risk categorization have been broadly classified into four Categories namely Operational Risks, Financial Risks, Strategic Risk and Compliance Risk. Number of risks have been increased from 54 to 67 as per present Scenario.

(iii) Risk Co-ordinators: New Risk Co-ordinators have been assigned to different risks for better monitoring of risks as per their domain area.

## 23 PROCUREMENT FROM MICRO & SMALL ENTERPRISES

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

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

During the FY 2021-22, NHPC has procured products and services from MSEs, which has constituted 44.0% 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, 2302 MSEs were benefited out of which 94 MSEs and 213 MSEs were owned by SC/ST and Women entrepreneurs respectively.

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

## 24 IMPLEMENTATION OF OFFICIAL LANGUAGE

During the year, your Company had dedicatedly and with great enthusiasm, complied with provisions of the Official Languages Act, 1963 and rules made thereunder. At all times, efforts were made to increase the use of Official Language in accordance with the policy of Government of India. During the period under review, quarterly meetings of the Committee constituted for implementation of Official Language were conducted through video conferencing following the Covid-19 pandemic guidelines. During these e-meetings, progressive use of Official Language across the Company was reviewed by the management.

Various programmes like Hindi Pakhwara, Hindi Competitions including 'Online Hindi Quiz Competition', distribution of Rajbhasha Shield, Hindi Kavi Sammelan, Akhil Bhartiya Rajbhasha Sammelan, e-Workshops were organised during the year for promoting the use of Official Language – Hindi in the Company.

Attractive incentive schemes for employees such as contributing for articles/ write-ups in Hindi, Hindi books reading, Noting & Drafting in Hindi, etc. were implemented in the Company.

## 25 SPORTS AND OTHER ACTIVITIES

NHPC has always encouraged sports culture in the organization. NHPC employees have participated in various sports tournaments in individual and team events. NHPC Sports Scholarship holders have given stellar performances in many tournaments. NHPC hosted the 25th Inter CPSU Bridge Tournament under the aegis of Power Sports Control Board (PSCB), Ministry of Power, Govt. of India from 21st to 23rd October 2021 at Chandigarh. NHPC achieved podium finish positions in Inter CPSU Athletics, Carrom and Badminton Tournaments.

Under the aegis of Bureau of Energy Efficiency (BEE), Ministry of Power, Govt. of India, NHPC organized State Level Painting Competition in six States/UTs (J&K, Ladakh, Arunachal Pradesh, Sikkim, Manipur & Madhya Pradesh) in the month of November/ December 2021. It is notable to mention that one participant from Ladakh won 2nd Prize and 2 participants from J&K won consolation prizes at the National Level for which prizes were distributed on 14th December 2021.

Your company has organized Vasant Utsav 2022 with great fervour and enthusiasm at NHPC Residential Complex, Faridabad on March 13, 2022. Stalls promoting local handicrafts, dress materials, food delicacies etc. from various states/ union territories such as J&K, Himachal Pradesh, Sikkim, West Bengal,

Manipur, Uttarakhand, Assam etc. were set up.

During the year, NHPC has been actively contributing towards the celebration of Azadi ka Amrit Mahotsav across all its locations spread across the country. These programmes have witnessed enthusiastic participation from NHPC employees as well as the local people. The events organized were of varied nature but with a common theme of National pride and celebrating the idea of INDIA through educational trips, competitions, awareness campaigns, cultural events, patriotic programmes, sports, health and medical initiatives.

## 26 AWARDS & RECOGNITIONS

NHPC has been proud recipient of following awards for excellence in different areas:-

- NHPC has won the Gold Shield for 'Excellence in Financial Reporting' awarded by the Institute of Chartered Accountants of India (ICAI) for FY 2020-21 in the category "Infrastructure & Construction Sector- Turnover equal to or more than ₹ 500 Crore". The Company has also won the Certificate of Merit for the 'Best Presented Annual Report' from the South Asian Federation of Accountants (SAFA) in the Category "Public Sector Entities".
- NHPC's Rajbhasha journal 'Rajbasha Jyoti' has been awarded 'First Prize' under 'Rajbhasha Kirti Puruskar (Griha Patrika)' in Region 'A' by Ministry of Home Affairs, Govt. of India for the year 2019-20 under 'Rajbhasha Kirti Puruskar' scheme. NHPC has also been awarded Second Prize for commendable work in implementation of Rajbhasha under Rajbasha Kirti Puruskar scheme.
- NHPC was conferred with "PSU developer of the year" Award in Gold Category by EQ international during EQ's PV Invest Tech India Conference & Awards at New Delhi.
- NHPC was honoured as 'Winner' in category of 'Best Implementation of Dam Rehabilitation Project' at the Water Digest Water Awards, 2021-2022.
- NHPC has been conferred with 'AEOHD Occupational Health Excellence Award – Public Sector' in recognition of its exemplary contribution in the field of Environmental & Occupational Health (ENOCH) by AEOHD (Association of Environmental & Occupational Health, Delhi).
- NHPC's 510 MW Teesta-V Power Station has been conferred with the prestigious Blue Planet Prize by International Hydropower Association (IHA), a London based non-profit membership association operating in 120 countries.




Shri Abhay Kumar Singh (4th from left), CMD, NHPC alongwith Shri R. P. Goyal (4th from right), Director (Finance), NHPC and other senior officers of NHPC receiving the Gold Shield for 'Excellence in Financial Reporting' awarded by the Institute of Chartered Accountants of India (ICAI) for FY 2020-21 in the category "Infrastructure & Construction Sector- Turnover equal to or more than ₹ 500 Crore"




Shri Abhay Kumar Singh (6th from left), CMD, NHPC alongwith Shri R. P. Goyal (3rd from right), Director (Finance), NHPC and other senior officers of NHPC receiving the Certificate of Merit for the 'Best Presented Annual Report' from the South Asian Federation of Accountants (SAFA) in the Category "Public Sector Entities"

## 27 RIGHT TO INFORMATION ACT

The Right to Information Act, 2005 has been implemented in NHPC to provide information to citizens and to maintain accountability and transparency. The Company has placed various documents/records on its website i.e. www.nhpcindia.com for access to all. NHPC has designated Appellate Authority, Transparency Officer and Central Public Information Officer (CPIO) at Corporate Office and Assistant Public Information Officers (APIOs) at all Power Stations/ Projects / Regional Offices/ Units.

During the FY 2021-22, 588 applications and 70 first stage appeals were received out of which 581 (99%) applications and 69 (99%) first stage appeals were replied/disposed-off. 5 second stage appeals were

filed by the applicants before the Central Information Commissioner (CIC) which were also disposed-off in favour of NHPC.

## 28 CORPORATE SOCIAL RESPONSIBILITY

Your company is playing a vital role for the greater welfare of the society since years through its various CSR initiatives. The positive impacts of CSR initiatives of your company have penetrated deeply amongst the needy sections of the society by addressing the social, economic, environmental and welfare concerns of the stakeholders. The CSR initiatives of the Company includes programs on promoting Education & Skill Development, Healthcare & Sanitation, Rural Development, Women Empowerment, Sports, promoting & conserving Art & Culture etc. in accordance with Schedule VII of the Companies Act, 2013. While selecting & implementing the CSR & Sustainability projects, your Company strives hard to ensure that the maximum benefit percolates down the line to the underprivileged sections of the society.

Your company is committed to support the State Governments in setting up new Engineering Colleges, smart classes in Schools, infrastructural facilities, improvement in ITIs, employment oriented skill development for livelihood enhancement of unemployed youth & divyangjans, augmentation of health care facilities by way of providing ambulances, hearse van, state of the art medical equipment in Primary/ Community/ District Hospitals, installation of oxygen plants, aids and assistive devices such as wheel chairs etc. to differently abled persons in different corners of the country. As a responsible corporate entity, your Company has also contributed ₹ 30 crores in PM CARES under its CSR initiatives to support the Government to fight in emergency situations.

Your Company's focused approach to work in the areas aligning its CSR target to national priorities and optimal utilization of resources has maximized the socio-economic impact on the society. Over the passage of time, the footprints of your company's CSR initiatives have reached its intended area of coverage to manifold.

Your Company has adopted the Policy on CSR in line with applicable provisions of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. The major highlights of the CSR Policy of your company are as under:

- Preference to the Local area around NHPC's Projects is being given by allocating at-least 80% of the CSR Budget amount. However, other locations are also being selected based on the needs and as per the direction of Government of India on national schemes and campaign, wherein about 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 is made so as to ensure maximum benefits reach the poor/ backward and needy sections of the society and contribute to improve the quality of environment.
- NHPC is open to join hands with 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.
- The policy has defined roles & responsibilities at various levels for proper selection, planning, execution & monitoring of CSR activities.

During the FY 2021-22, the CSR Policy was revised to include provisions with respect to following:

a. Formulation & recommendation of Annual Action Plan by the CSR Committee,

b. Engagement of international organizations for designing, monitoring and evaluation of the CSR Projects or programs,

c. Collaboration with other companies on joint CSR projects,

d. Treatment of unspent CSR amount for ongoing & other CSR activities,

e. Chief Financial Officer (CFO) Certification for the utilization of CSR funds,

f. Creation or acquisition of capital assets from CSR expenditure,

g. Provision for setting off excess expenditure,

h. Eligibility criteria, provision for Impact Assessment

The CSR Policy is available on website of the Company at http://www.nhpcindia.com/csr-policy.htm A report on CSR activities undertaken by your company during the FY 2021-22 is given as **Annexure-I** to this report.

## 29 CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

Your company has not entered into any material transaction with any of its related parties during the FY 2021-22. Company's major related party transactions are generally with its subsidiary and associate companies for providing consultancy services, leasing out of properties, manpower services etc. All the contracts/ arrangements/ transactions entered into with related parties were on arm's length basis, intended to further the company's interest. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

Attention of the members is also drawn to notes of the standalone financial statements, which sets out related party disclosures as per Ind AS-24.

## 30 VIGIL MECHANISM - POLICY ON WHISTLE BLOWER AND FRAUD PREVENTION

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

The identity of the whistle blower is kept confidential so that he/she shall not be subjected to any discriminatory practice. A senior level officer has been nominated as Coordinator for effective implementation of the policy and to deal with complaints reported under the policy. During the FY 2021-22, no complaint was received under Whistle Blower Policy. Your Company has also framed a Fraud Prevention & Detection Policy to prevent, detect and allow speedy disposal of fraud or suspected fraud. Mechanism under the policy is appropriately communicated within the organization across all levels and has been displayed on company's intranet. The Whistle Blower Policy is available at website of the Company at http://www.nhpcindia.com/writereaddata/images/pdf/wbp.pdf

## 31 PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

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

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

Disclosure in respect of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the FY 2021-22 is as under:

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

* complaint is under investigation by the Internal Complaints Committee.

## 32 DEBENTURE TRUSTEES

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

## 33 COVID 19

NHPC continues its endeavors to fight COVID-19 pandemic in its varying magnitude while, its top priority remains safety & well-being of employees along with business continuity for clients. NHPC acts in accordance with the guidelines issued by Ministry of

Home Affairs, Ministry of Health & Family Welfare and Ministry of Power from time to time and implemented elaborate support measures to sensitize employees, their dependent and other stakeholders about safety measures for COVID-19 pandemic. Your Company has taken all necessary measures for mitigating impact of challenges being faced due to COVID-19 pandemic by setting up of COVID-19 care centers with oxygen support facilities at various NHPC locations, augmenting supply side logistics related to availability of Medical oxygen by funding the setting up of oxygen plants at various Govt. hospitals, besides providing support for purchase of oxygen concentrators. NHPC also facilitated vaccination drives including booster doses for employees of various organizations and PSUs under Ministry of Power/ MNRE and their dependents. NHPC has ensured 100% Covid-19 vaccination of all the regular employees, their dependents as well as contract employees. Various RT-PCR testing camps and COVID-19 vaccination camps for the benefit of the employees/ retired employees and their dependents were organized throughout the year.

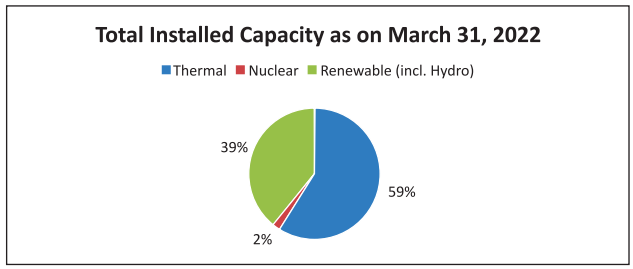
Your Company had also established 24x7 help-desk, coordinated support measures such as tie-ups with testing labs, video consultation with doctors, COVID leave provision, medicines and counselling support. Amid these transitions and pandemic-related uncertainties, the well-being of our employees has become a critical focal point. Through concentrated efforts over the last 24 months, NHPC had implemented several well-being initiatives for its employees including sessions with experts on mental health, self-care, women's health, work-life balance etc.

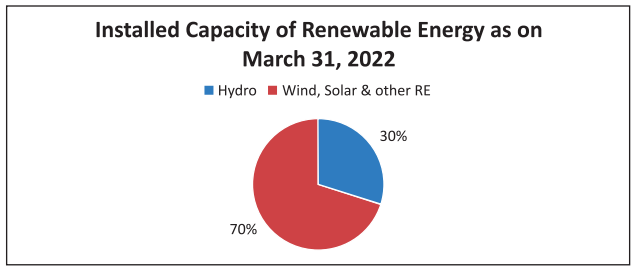
## 34 MANAGEMENT DISCUSSION & ANALYSIS

### 34.1 INDUSTRY STRUCTURE AND DEVELOPMENT

Electricity is one of the most critical components for the infrastructure development of a country affecting economic growth and well-being of the people at large. Power Sector is a key enabler for India's economic growth. The sector consists of generation, transmission and distribution utilities and is a crucial component of India's infrastructure. The total installed capacity of all the power stations of India as on March 31, 2022 was 3,99,497 MW with contribution of 2,36,109 MW, 6,780 MW, and 1,56,608 MW from Thermal, Nuclear and Renewable power respectively, wherein contribution of Hydro was 46,723 MW.[1]

The total electricity generation from conventional sources in the Country during the FY 2021-22 was 1320.88 billion units as compared to 1234.61 billion units during last year, registering an increase of 6.99%[2].




India has gradually shifted from a country with a shortage of energy to a state close to an energy surplus. During the FY 2021-22, peak power demand witnessed a historic pace of growth of 6.73%, owing to multitude of factors boosting industrial and residential load. According to the International Energy Agency (IEA), power demand in India is likely to grow at an annual rate of 6.5% between 2022 and 2024.

India is a resource-rich and diverse country. With abundance of Renewable Energy Source, Indian renewable energy sector is one of the most attractive renewable energy market in the world. At the 26th session of the Conference of Parties to UNFCCC (COP-26 summit) conference in Glasgow, India has committed to an ambitious five-part "Panchamrit" pledge, which included targets:

a. To achieve non-fossil energy capacity to 500 GW by 2030.

b. To meet 50 percent of energy requirements from renewable energy by 2030.

c. To reduce the total projected carbon emissions by one billion tonnes from now till 2030.

d. To reduce the carbon intensity of its economy by less than 45 percent by 2030.

e. To achieve the target of Net Zero by the year 2070.

[1] Source: Website of Ministry of Power
[2] Source: Central Electricity Authority

The government is providing all incentives to the power sector to ensure sustainable production through one or another scheme such as Ujwal DISCOM Assurance Yojana (UDAY) scheme, Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan (PM-KUSUM), etc. Further, continued promotion of schemes like 'Make in India' will increase power demand in the industrial sector by promotion of local manufacturing. Faster adoption and manufacturing of Electric Vehicles in the counrty will expand development of charging infrastructure and increase in power demand.

Hydropower assumes greater importance to provide stability to the electric grid due to the intermittent availability of solar and wind to produce power. In addition to reducing carbon emissions, hydropower energy enables to take electricity to new remote locations, help increase security over energy generation and reduce impact of geopolitical issues. Hydropower is highly relevant for grid integration of renewable energy and for balancing infirmities.

India is moving towards becoming the fastest growing green economy of the world and the outlook of the sector looks positive. The coming decade is set to witness a profound transformation in the Indian power system with respect to demand growth, energy mix and market operations.

### 34.2 HYDROPOWER POTENTIAL IN INDIA

Our country is endowed with an enormous hydro power potential and ranks amongst top countries worldwide for possessing feasible hydropower capacity, much of which remains unutilized. As per the re-assessment studies of hydro electric potential of the Country completed in 1987 by Central Electricity Authority, 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.

### 34.3 MEASURES TAKEN BY GOVERNMENT OF INDIA TO PROMOTE HYDRO POWER SECTOR

The Government of India in past had taken several policy initiatives for hydro power development in the country viz., National Electricity Policy, 2005, National Tariff Policy, 2016, National Rehabilitation & Resettlement Policy, 2007 and Right to Fair Compensation & Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013. Over the period of last two years, the Government had also issued measures to promote Hydro Power Sector, which included:-

- Declaration of Large Hydro power Projects (LHPs, i.e. > 25 MW Projects) as renewable energy source.
- Notification of Hydro power Purchase Obligation (HPO) as a separate entity within Non–solar Renewable Purchase Obligation (RPO). As per the notification, 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 long term PPA) of the commissioned Power Station.
- HPO trajectory for the period 2021-22 to 2029-30 has also been notified by the Government on 29.01.2021.
- 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 to rationalize hydro power tariff.
- Extension of Budgetary Support for Flood Moderation/Storage Hydro-electric Projects (HEPs).
- Extension of Budgetary Support for the Cost of Enabling Infrastructure i.e. roads/ bridges @ ₹ 1.50 crore/MW for project upto 200 MW and ₹ 1.00 crore/MW for project above 200 MW.
- Notification of final guidelines for Budgetary Support for Flood Moderation/ Storage Hydro-electric Projects (HEPs) and Budgetary Support towards Cost of Enabling Infrastructure i.e. roads/ bridges on September 28, 2021 by Ministry of Power.

Central Electricity Regulatory Commission (CERC) has notified draft CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022, wherein hydro power has been considered for Renewable Energy Certificates with a multiplier of 1.5. On finalization, the said draft regulations shall play a vital role in sale of power from upcoming hydro power stations.

### 34.4 GOVERNMENT INITIATIVES FOR RENEWABLE ENERGY SECTOR

At the COP-26 conference in Glasgow, Scotland, Hon'ble Prime Minister of India presented the agenda for the country to combat climate change, which inter-alia included the target to achieve 500 GW of installed electricity capacity from non-fossil fuel sources. Amid various challenges, meeting the

target of 500 GW of renewables by 2030 will require a dramatic acceleration in installed capacity. The Government of India has taken major steps to reform the energy sector and usher in a climate-friendly energy transition that will deliver energy security, affordability and sustainability, thereby achieving inclusive growth in Power Sector. The steps include proposing the Electricity (Amendment) Bill, 2020, PM-KUSUM and Roof Top Solar scheme, various schemes to promote large scale Solar Power Development such as CPSU Scheme, Solar Park Scheme, Production linked incentive schemes etc., proposing amendments to Energy Conservation Act, 2001, Pradhan Mantri Ujjwala Yojana, and so on.

The initiatives of Govt. of India in the Renewable Energy Sector in conjunction with technological advancements have made the investment in solar power business highly attractive. NHPC is also making its efforts to explore new opportunities for the generation of power through development of solar parks/Floating solar projects and solar power projects under CPSU Scheme in various potential rich states across the country.

The Ministry of Power, Government of India on February 17, 2022 had notified the green hydrogen policy aimed at boosting the domestic production of green hydrogen and making India an export hub for the clean fuel. The new policy offers the following:

a. 25 years of free power transmission for any new renewable energy plants set up to supply power for green hydrogen production before July, 2025.

b. Single portal for all clearances required for setting up green hydrogen production as well as a facility for producers to bank any surplus renewable energy generated with discoms for up to 30 days and use it as required. The requirement of time bound clearances for these projects would spur investment while grid connectivity on priority will ease operational processes.

c. Energy plants set up to produce green hydrogen/ ammonia would be given connectivity to the grid on a priority basis.

d. Power distribution companies may also procure renewable energy to supply to green hydrogen producers but will be required to do so at a concessional rate which will only include the cost of procurement, wheeling charges and a small margin as determined by the state commission, under the new policy. Such procurement would also count towards a state's Renewable Purchase Obligation (RPO) under which it is required to procure a certain proportion of its requirements from renewable energy sources.

Subsequent to the announcement of Green Hydrogen Policy by Govt. of India, NHPC has started taking up preliminary actions to set up Pilot Green Hydrogen Mobility Station as R&D Project in Himachal Pradesh and UT of Ladakh. Further, the Ministry of Power has issued Guidelines for Procurement and Utilization of Battery Energy Storage Systems as part of Generation, Transmission and Distribution Assets along with ancillary services on March 11, 2022. NHPC being a Category-I Trading License holder is also exploring to act as a Designated Intermediary Procurer to facilitate development of such storage projects.

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

As a measure of Payment Security Mechanism, all PPAs have provision regarding Letter of Credit (LC). However, LCs were not provided by DISCOMs resulting in large outstanding dues. To restrain such practice, MOP vide their order dated June 28, 2019 had re-emphasized the need of maintenance of adequate Letter of Credit (LC) as Payment Security Mechanism. Further, National Load Dispatch Center (NLDC)/ Regional Load Dispatch Center (RLDC) were directed to schedule power to DISCOMs only after intimation by Generating Companies (GENCOs) that LCs for desired quantum of power has been opened by DISCOMs. Further, MOP had also permitted LC for shorter duration of one week/ fortnight and payment of advance through electronic mode for one day purchase of electricity.

Ministry of Power had issued further directions for strict compliance to Payment Security Mechanism and directed that DISCOMs have to liquidate current dues after February 01, 2021 in time and if DISCOMs are unable to pay their current dues within specified period then LC has to be encashed invariably by GENCOs. In case of accumulated dues of period before February 01, 2021, an installment plan to liquidate the dues has to be worked out by the DISCOMs and GENCOs. Any failure on part of DISCOMs will result in regulation of power supply and/or invocation of Tripartite Agreement.

Consequent to aforesaid measures, DISCOMs have become vigilant in releasing the payments for electricity drawn from 01.02.2021 onwards. In view of low interest regime prevalent and raising of the issue of high surcharge rate by DISCOMs, Ministry of Power vide Gazette notification dated Febrauary 22, 2021 has reduced the surcharge from 18% per annum to SBI MCLR (1 Year) as on 1st April of the FY plus 5%, which results in to surcharge of 12.75% per annum for balance period of FY 2020-21 from the date of issue of order. Simultaneously it has been directed that all payments from DISCOMs shall be first adjusted towards surcharge and thereafter towards Principal amount, starting from the longest overdue bill.

**34.6 CERC REGULATIONS:**

**a. CERC Tariff Regulations, 2019 and its amendments:**

CERC has issued CERC (Terms and Conditions of Tariff) Regulations, 2019 in March, 2019 and its Second Amendment on February 19, 2021. The Regulations are applicable for the period from April 1, 2019 to March 31, 2024. Some of the major highlights of the above regulations (including amendments) 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. Further, security expenses shall be separately reimbursed.
- The charges payable by beneficiary DISCOMs shall be first adjusted towards late payment surcharge on the outstanding charges and thereafter, towards monthly charges billed by the generating company starting from the longest overdue bill.

**b. CERC Ancillary Services Regulations, 2022:**

CERC has issued Central Electricity Regulatory Commission (Ancillary Services) Regulations, 2022 which has came into force from January 31, 2022. Some of the major highlights of the regulations are as under:

- "Ancillary Service" or "AS" in relation to power system operation means the service necessary to support the grid operation in maintaining power quality, reliability and security of the grid and includes Primary Reserve Ancillary Service, Secondary Reserve Ancillary Service, Tertiary Reserve Ancillary Service, active power support for load following, reactive power support, black start and such other services as defined in the Grid Code.
- Regulatory mechanism has been provided for ancillary services in the interest of reliability, safety and security of the grid.
- Mechanisms for procurement, through administered as well as market based mechanisms, deployment and payment of Ancillary Services at the regional and national level has been provided for maintaining the grid frequency close to 50 Hz, and restoring the grid frequency within the allowable band as specified in the Grid Code, for relieving congestion in the transmission network, to ensure smooth operation of the power system, and safety and security of the grid.
- Measures were provided for maintaining grid frequency within allowable band and for relieving transmission congestion to support reliable and stable operation of the grid, besides procurement and commercial mechanism for Secondary Reserve Ancillary Services (SRAS) and Tertiary Reserve Ancillary Services (TRAS).
- The regulations are applicable to regional entities, including entities having energy storage resources and entities capable of providing demand response qualified to provide Ancillary Services and other entities as provided in these regulations.

- The mechanism of procurement, deployment and payment of SRAS and TRAS has been specified.

**c. CERC Deviation Settlement Mechanism Regulations 2022:**

CERC has notified the Deviation Settlement Mechanism and Related Matters Regulations, 2022. The regulations seek to ensure, through a commercial mechanism that users of the grid do not deviate from and adhere to their schedule of drawal and injection of electricity in the interest of security and stability of the grid. The date of operation is yet to be notified by CERC. Some of the major highlights of the regulations are as under:

- For a secure and stable operation of the grid, every grid connected regional entity shall adhere to its schedule as per the Grid Code and shall not deviate from its schedule.
- Any deviation shall be managed by the Load Despatch Centre as per the Ancillary Services Regulations, and the computation, charges and related matters in respect of such deviation shall be dealt with as per provisions of the regulations.
- A Run-of-River (ROR) plant with pondage, a generating station shall be paid back for over injection upto 2% at reference rate (energy charge rate) and for over injection beyond 2%, the seller shall pay @10% of normal rate to Deviation and Ancillary Service pool account. In case of under injection upto 2%, the seller shall pay @ reference rate, for under injection between 2% and 10%, the seller shall pay @120% of normal rate and for under injection beyond 10%, the seller shall pay @150% of normal rate to Deviation and Ancillary Service pool account.
- For a ROR plant, a generating station shall be paid back for over injection upto 2% at reference rate. In case of under injection upto 2%, the seller shall pay @ reference rate, for under injection between 2% and 10%, the seller shall pay @ normal rate and for under injection beyond 10%, the seller shall pay @110% of normal rate to Deviation and Ancillary Service pool account

## 34.7 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 which has extensive experience in the industry with capabilities and expertise in conceptualization, construction, commissioning and operation of hydro-electric projects. Their skills, industry knowledge and experience provide significant competitive advantage to the Company.

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

  NHPC has a full-fledged Design division dedicated to cater the design and engineering requirements of its projects. The in-house design team with extensive experience in hydro power sector gives NHPC an edge over other hydro power companies. NHPC is using the latest geo-physical exploration techniques on site for data interpretation and preparation of in-house reports. NHPC is the only hydro utility in India having expertise in techniques like tunnel seismic prediction, tomography and resistivity imaging which provide sub-surface information in an effective and economic way. It has also developed in-house rock mechanics testing laboratory with high end testing instruments and a sophisticated remote sensing lab. Its engineering capabilities ranges right from the stage of conceptualization till the commissioning of projects.

- **Extensive experience in construction and operation**

  NHPC has extensive experience & expertise in developing hydro-electric projects in complex geological regions by overcoming number of geo technical challenges using in-house state-of-art technology. It has successfully completed construction of some of the challenging hydro-electric projects in India situated in remote hilly areas with various challenges like inaccessibility, poor logistic, adverse climate and technological hindrances. With its strong team of competent, efficient and experienced professionals, it is capable of executing all types and sizes of hydro-electric projects by overcoming such obstacles.

- **Strong financial position**

  NHPC has paid-up share capital of ₹ 10,045.03 crore and an investment base of over ₹ 70,299 crore as on March 31, 2022. NHPC has credit rating of 'AAA' with stable outlook assigned by domestic credit rating agencies for its listed bonds. S&P Global Rating has maintained international rating BBB(-) with negative outlook. 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. NHPC with its fleet of power stations is a flagship company in hydro power sector in India.

- **Seismic safety assessment**

  NHPC is totally committed to seismic safety of its power stations. It has developed one of its kind state-of-art centralized real time seismic data centre at its Corporate Office for online seismic monitoring of all its power stations. The data centre records and provides quick assessment of any earthquake event within the vicinity of respective power stations. This is a big step towards risk assessment measures and enables dam safety reviews for each of its power stations.

**(ii) OPPORTUNITIES**

- **Untapped hydro potential**

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

- **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 other Companies have been generally failing, is a beacon of hope in the hydro sector. As a result, NHPC's forte in hydro projects construction is creating new space for its growth in the future.

- **Renewable Energy**

  Government of India has targeted to achieve 175 GW capacity by 2022, comprising of 100 GW Solar, 60 GW Wind, 5 GW of Small hydro and 10 GW of biomass and others. Further, as a part of agenda for the country to combat climate change, Govt. of India has set up ambitious target to achieve 500 GW of installed electricity capacity from non-fossil fuel sources by 2030. Generation of electricity using solar PV is picking up in India with Govt. initiatives and policy supports. The abundance of natural resources and various initiatives and schemes taken up by the Govt. of India for harnessing the renewable energy potential has made the sector very attractive for investment. NHPC is making its efforts to explore new opportunities for the generation of power through renewable energy projects. NHPC is exploring all possible opportunities to develop solar parks/Floating solar projects and to develop solar power projects under CPSU Scheme and pilot Green Hydrogen Projects in various potential rich states across the country. Recently, NHPC has formed a wholly owned subsidiary company namely NHPC Renewable Energy Limited (NREL) for taking up Renewable Energy, Small Hydro Projects and Hydrogen Technology based projects.

- **Grid Balancing Requirement**

  In view of Government of India's present initiative for extensive renewable energy development particularly large scale development of solar power, hydro power would be required for grid balancing/stability. The present scenario would create opportunities for NHPC to develop hydro power due to its inherent qualities of fast ramping up and down and flexibility imparted to the system.

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

- **Geological uncertainties:**

  Inaccessible terrain and constraints of logistic and limits of investigation, poses serious consequences for execution of projects. Excavation of tunnels under high superincumbent

cover also poses serious problems in timely completion of projects due to severe stress related problems and heavy ingress of water.

- **Time and cost overruns**

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

- **Time consuming clearance process:**

  Before any hydro-electric project is implemented, it needs to be cleared by various agencies by obtaining various statutory as well as non-statutory clearances. Often projects get bogged down with the lengthy clearance procedures involving multiple agencies/ organizations, states etc. Obtaining the requisite clearances is a complex, tedious and time-consuming process which sometimes leads to abnormal delay ultimately affecting the project implementation.

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

  Sale of energy from projects having higher tariff is getting difficult in present day's power trading scenario. Beneficiaries prefer to purchase their additional power requirement on short term basis through power exchange or e-procurement rather than opting for long term/medium term PPAs. As hydro-electric projects are site specific and its tariff depends on location/design parameters and high initial investment, the tariff for new hydro-electric projects is relatively higher. Due to above reasons, NHPC is facing difficulties in dispatch of power from new projects through long term PPA's.

- **High initial cost/ tariff**

  The development of hydro-electric projects involves long gestation period and require large initial investment which results into high initial tariff. Cash flow and results of operations of hydro-electric projects are also subject to variations as per tariff regulations notified by CERC from time to time. High initial costs and tariffs sometimes prove detrimental in obtaining investment sanction and require extensive financial re-engineering and different waivers from various stakeholders to bring the project on the anvil.

- **Law & order**

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

- **Opposition to hydro-electric projects:**

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

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

  Several state hydro policies favours for payment of upfront premium, free power over & above the required 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 dependence on few available contractors in the Country.

### 34.8 RISKS AND CONCERNS

NHPC has a well-defined and dynamic Risk Management Policy since 2009 to provide overall framework for the risk management in the company. The policy is modified and updated from time-to-time. The present policy was approved for implementation after revision in 2022. At present, 67 key risks which may have detrimental effect on

the business of the Company have been identified alongwith their mitigation measures and recorded in the risk register. To ensure effective implementation of the Risk Management Policy, two committees have been constituted:

i. A Board level Risk Management Committee comprising of Directors, to assist the Board in management of key risks. The Committee inter-alia ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.

ii. Risk Assessment Committee comprising of Chief Risk Officer and Risk Coordinators-HOD(s) of various divisions responsible for risk mitigation pertaining to their division as well as for Power Station/Projects/Divisions of Corporate office. 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.

### 34.9 OUTLOOK

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 prominent role to play in tapping the hydro power potential of the Country and has already developed twenty-two power stations (including one solar project and one wind project) across the country. The standalone installed capacity of the Company as on March 31, 2022 stood at 5,551.20 MW. NHPC is diversifying its portfolio by taking different renewable energy projects, details of which are mentioned elsewhere in this report. Subsequent to the announcement of Green Hydrogen Policy by Govt. of India, NHPC has also started taking up preliminary actions to set up Pilot Green Hydrogen Mobility Station as R&D Project in Himachal Pradesh and UT of Ladakh.

Your Company has taken some very effective initiatives and successfully streamlined the processes for sustainable growth and consistent performance in the electricity business. It has adopted new and relevant technologies in the areas of electro-mechanical, civil and hydro-mechanical engineering. NHPC has applied contemporary practices to reduce construction time delays as well as cost overrun. The power stations of your Company are run in an optimized way to reduce silting problem of its reservoir. Construction supervision, post-commissioning monitoring and hurdle free operation are ensured and augmented by use of information technology. Presently, operations of all power stations of the Company are either semi or fully automated. 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.

### 34.10 SEGMENT-WISE OR PRODUCT WISE PERFORMANCE

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

### 34.11 INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY

The Company has sound internal control systems and processes in place for smooth and efficient conduct of business and ensure compliance to relevant laws and regulations. NHPC has clearly defined organizational structure, manual and standard operating procedures to ensure orderly, ethical and efficient conduct of its business. A comprehensive delegation of power from Chairman and Managing Director to down below is in place to assist in smooth decision making, which is periodically reviewed to align it with changing business environment and for speedier decision making.

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 a General Manager (Finance) as Chief Internal Auditor of the Company. The department has qualified and experienced workforce to carry out periodical as well as special audits.

The Internal Audit department submits their audit observations and action taken reports to Audit Committee. The recommendations of the committee are duly complied with. In compliance to Section 134 of the Companies Act, 2013, M/s Arora & Choudhary Associates, Chartered Accountants, New Delhi was appointed to provide independent assurance on implementation of Internal Financial Controls in the Company during the FY 2021-22. The firm, in its report, acknowledged the effectiveness of prevailing internal financial control systems in the Company.

## 34.12 FINANCIAL DISCUSSION AND ANALYSIS

**PROFIT & LOSS ITEMS**

A detailed analysis of the Audited Financial Results of the Company for the Fiscal 2022 vis-à-vis Fiscal 2021 is as under: -

**Income** (₹ in crore)

| Particulars | Fiscal 2022 | Fiscal 2021 |
|---|---|---|
| **Units of electricity generated (in million units)** | 24,494 | 24,235 |
| **Income** | | |
| (i) Sales of Energy | 7,451.55 | 7,010.44 |
| (ii) Income from Finance Lease | 344.95 | 371.62 |
| (iii) Income from Operating Lease | 384.07 | 712.00 |
| (iv) Revenue from Contracts, Project Management and Consultancy Works | 46.16 | 38.52 |
| (v) Revenue from Power - Trading | 44.85 | 216.48 |
| (vi) Other Operating Income | 82.22 | 157.52 |
| **Revenue from operations** [sum of (i) to (vi)] | **8,353.80** | **8,506.58** |
| Add: Other Income | 1,026.18 | 1,155.98 |
| **Total Income** | **9,379.98** | **9,662.56** |

Total income in Fiscal 2022 decreased by 2.92% to ₹ 9,379.98 crore from ₹ 9,662.56 crore in Fiscal 2021, primarily due to decrease in Other Income, decrease in Revenue from Power – Trading, decrease in Lease Income partially offset by increase in Revenue from Project Management and Consultancy works and increase in generation in Fiscal 2022.

***Sale of Energy***

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

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 2021-22.

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

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

In Fiscal 2022, 24,494 MUs of electricity (excluding infirm power of 361 MUs generated by Parbati-II HE Project during FY 2021-22) was generated from installed capacity of 5,551MW as against 24,235 MUs (excluding infirm power of 236 MUs generated by Parbati-II HE Project during FY 2020-21) from installed capacity of 5,551MW in Fiscal 2021. Accordingly, there was an increase of 1.07% 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 ₹ 3.66 per unit for 21,536 million units sold in Fiscal 2022 as against ₹ 3.67 per unit for 21,272 million units sold in Fiscal 2021. During Fiscal 2022, the Company has earned ₹ 750.28 crore towards incentives against ₹ 762.90 crore in Fiscal 2021.

Sale of energy increased by 6.29% to ₹ 7,451.55 crore in Fiscal 2022 from ₹ 7,010.44 crore in Fiscal 2021 primarily due to higher generation in Power Stations. Company's Plant Availability Factor (PAF) in Fiscal 2022 was 88.19% as compared to 85.76% in Fiscal 2021.

***Adjusted Sales of Energy***

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

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

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

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

(₹ in crore)

| Particulars | Fiscal 2022 | Fiscal 2021 |
|---|---|---|
| Net Sales (including lease income) | 8,180.57 | 8,094.06 |
| Less: Earlier year sales | 288.68 | 290.99 |
| **Adjusted Sales of Energy** | **7,891.89** | **7,803.07** |

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

The revenue under this head includes revenue from assignments pertaining to Construction Contracts, Project Management & Consultancy Contracts. These assignments primarily include consultancy assignments in respect of Chenab Valley Power Projects Private Limited and Lanco Teesta Hydro Power Limited. The income from contracts, project management and consultancy works increased by 19.83% from ₹ 38.52 crore in Fiscal 2021 to ₹ 46.16 crore in Fiscal 2022 due to increase in assignments in Fiscal 2022.

***Revenue from Power – Trading***

The revenue under this head includes revenue from Power Trading activity which the Company ventured into during Fiscal 2019. The revenue from Power-Trading decreased from ₹ 216.48 crore in Fiscal 2021 to ₹ 44.85 crore in Fiscal 2022 due to decreased Power Trading activities in Fiscal 2022.

***Other Operating Income***

Other operating income in Fiscal 2022 was ₹ 82.22 crore i.e. a decrease of 47.80% as against ₹ 157.52 crore in Fiscal 2021. Components of other operating income are placed hereunder:

(₹ in crore)

| Other Operating Income | Fiscal 2022 | Fiscal 2021 |
|---|---|---|
| Income From Sale of Self-Generated VERs/REC | 52.70 | 1.92 |
| Income on account of generation based incentive (GBI) | 3.61 | 2.96 |
| Interest from beneficiary states | 25.91 | 152.64 |
| **Total** | **82.22** | **157.52** |

***Other Income***

Other income in Fiscal 2022 was ₹ 1,026.18 crore i.e. a decrease of 11.23% as against ₹ 1,155.98 crore in Fiscal 2021. Major components of Other Income are placed and discussed hereunder:

(₹ in crore)

| Other Income | Fiscal 2022 | Fiscal 2021 |
|---|---|---|
| Interest on Loan to Govt. of Arunachal Pradesh | 66.30 | 60.82 |
| Interest on Term Deposits/ Investments | 59.85 | 53.36 |
| Dividend (mainly from NHDC-a Subsidiary Co.) | 301.71 | 292.68 |
| Late Payment Surcharge | 229.00 | 532.81 |
| Realisation of loss due to Business Interruption | 161.86 | 0.00 |
| Liability/ Provisions not required written back | 28.13 | 21.64 |
| Income from Insurance Claim | 21.34 | 65.05 |
| Exchange Rate Variation | 49.28 | 34.21 |
| Other miscellaneous income | 108.71 | 95.41 |
| **Total** | **1,026.18** | **1,155.98** |

During Fiscal 2022, ₹ 229.00 crore was earned as Late Payment Surcharge from beneficiaries, as against ₹ 532.81 crore during Fiscal 2021.

During Fiscal 2022, ₹ 301.71 crore was earned as Dividend from investments, mainly from subsidiary company (NHDC Ltd), as against ₹ 292.68 crore during Fiscal 2021.

***Expenditure***

(₹ in crore)

| Expenditure | Fiscal 2022 | Fiscal 2021 |
|---|---|---|
| Purchase of Power - Trading | 44.58 | 212.37 |
| Generation Expenses | 841.24 | 854.37 |
| Employee Benefits Expense | 1,440.78 | 1,393.91 |
| Finance Costs | 531.75 | 571.49 |
| Depreciation & Amortization Expense | 1,126.22 | 1,228.65 |
| Other Expenses | 1,348.55 | 1,419.61 |
| **Total Expenditure** | **5,333.12** | **5,680.40** |

Total expenditure decreased by 6.11% to ₹ 5,333.12 crore in Fiscal 2022 from ₹ 5,680.40 crore in Fiscal 2021 mainly due to decrease in Purchase of Power-Trading by ₹ 167.79 crore, decrease in Generation Expenses by ₹ 13.13 crore, decrease in Other Expenses by ₹ 71.06 crore, decrease in Finance Cost by ₹ 39.74 crore, decrease in Depreciation & Amortization Expense by ₹ 102.43 crore partially offset by increase in Employee Benefits Expense by ₹ 46.87 crore. Our total expenditure as a percentage of total income was 56.86% in Fiscal 2022 as compared to 58.79% in Fiscal 2021.

***Purchase of Power –Trading***

Purchase of Power – Trading consists of expenses on purchase of power for Trading. These expenses represent approximately 0.84% of the total expenditure in Fiscal 2022.

***Generation Expenses***

Generation expenses consist of Water Cess and Consumption of stores and spare parts. These expenses represent approximately 15.77% of the total expenditure in Fiscal 2022 compared to 15.04% of the total expenditure in Fiscal 2021. In absolute terms, these expenses were ₹ 841.24 crore in Fiscal 2022 as against ₹ 854.37 crore in Fiscal 2021. The decrease of ₹ 13.13 crore in generation expenses is primarily on account of decreased water cess due to lower power generation at some of the J&K based Power Stations.

***Employee Benefits Expense***

Employee benefits expense include Salaries and Wages, Allowances, Incentives, Contribution to Provident Fund, Contribution to Employees Defined Contribution Superannuation Scheme and expenses related to other employee welfare funds. These expenses represent 27.02% of our total expenditure in Fiscal 2022 as against 24.54% in Fiscal 2021. Employee costs has increased from ₹ 1,393.91 crore in Fiscal 2021 to ₹ 1,440.78 crore in Fiscal 2022 i.e. an increase of ₹ 46.87 crore in Fiscal 2022. The addition is mainly due to expenditure recognised on account of impairment of certain investments made by the Provident Fund Trust during Fiscal 2022.

There were 5092 employees on the payroll as of March 31, 2022 compared to 5569 employees as of March 31, 2021. Out of this 2694 and 3108 employees were engaged in Operation & Maintenance areas of our business during Fiscal 2022 & 2021 respectively.

***Finance Costs***

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

Finance Cost represent 9.97% of the total expenditure in Fiscal 2022 compared to 10.06% of the total expenditure in Fiscal 2021. Finance Cost decreased by 6.95% to ₹ 531.75 crore in Fiscal 2022 from ₹ 571.49 crore in Fiscal 2021. The decrease in Finance Cost is mainly due to repayment of loans and change in weighted average rate of interest in Fiscal 2022.

***Depreciation & Amortization Expense***

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

Depreciation cost decreased by 8.34% to ₹ 1,126.22 crore in Fiscal 2022 from ₹ 1,228.65 crore in Fiscal 2021. The decrease in depreciation expenses is primarily due to completion of 12 years of life of Teesta-V Power Station in Fiscal 2021.

As a percentage of total expenditure, depreciation & amortization expense decreased to 21.12% in Fiscal 2022 from 21.63% in Fiscal 2021.

***Other Expenses***

Other expenses consist primarily of Repair & Maintenance of Buildings and Plant & Machinery, Security Expenses, Insurance Expenses, Electricity Charges, CSR, Other Administrative Overheads, Provisions etc. These expenses represent approximately 25.29% of the total expenditure in Fiscal 2022 as against 24.99% in Fiscal 2021. In absolute terms, these expenses decreased approximately by 5.01% to ₹ 1,348.55 crore in Fiscal 2022 from ₹ 1,419.61 crore in Fiscal 2021. The decrease of ₹ 71.06 crore in other expenses is primarily due to decrease in provision against S&I Expenses and Current Assets, losses on insured assets partially offset by increase in CSR Expenses, Interest to Beneficiary states, Travelling & Conveyance Expenses, Security Expenses, Insurance Expenses, etc. which are higher in Fiscal 2022.

***Exceptional Item***

During Fiscal 2021, in line with the directions of the Ministry of Power dated May 15 & 16, 2020, the Company had given a one-time rebate of ₹ 185 crore to DISCOMs and Power Departments of States/ Union territories for passing on to ultimate consumers on account of COVID-19 pandemic. The said rebate had been presented as an "Exceptional item" in the Financial Statements in Fiscal 2021.

***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 ₹ (-)1,270.42 crore. This includes Depreciation due to moderation of Tariff in respect of Kishanganga Power Station, ₹ 198.35 crore, Exchange Differences against monetary Items, ₹ (-)0.17 crore, Adjustment against Deferred Tax Recoverable for tariff period up to 2009, ₹ (-)49.52 crore, Adjustment against Deferred Tax Liabilities for tariff period 2014-19, ₹ 10.72 crore, Provision created wage revision of employees, ₹ (-)116.53 crore, Regulatory Liability recognised against MAT Credit to be passed to beneficiaries amounting to ₹ 1,313.27 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 2022 on account of below mentioned five factors:

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

The Company has carried out moderation of depreciation as a component of tariff of Kishanganga Power Station to make the tariff saleable which has been allowed by the CERC. This entitles the Company to recover the lower depreciation considered in tariff during the first ten years of operation over the balance useful life of the Power Station. Accordingly, the right to recover the difference between the depreciation charged in the books as per CERC Tariff Regulations, 2019-24 and that recoverable through tariff amounting to ₹ 198.35 Crore during Fiscal 2022 (Fiscal 2021 ₹ 195.51 Crore) has been recognised as Regulatory Income.

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

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

Accordingly, the Company has created Regulatory Assets and recognised corresponding Regulatory Income of ₹ (-)0.17 crore during Fiscal 2022 (Fiscal 2021 ₹ 1.70 Crore), which is recoverable from beneficiaries in future periods.

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

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

in future years was presented as an adjustment to deferred tax liability.

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

The regulated assets (+)/liability (-) recognized in the books during Fiscal 2022 are as follows:

In respect of deferred tax recoverable for tariff period upto 2009, ₹ 49.52 Crore has been utilized during Fiscal 2022 (Fiscal 2021 ₹ 75.46 Crore) and in respect of deferred tax adjustment against deferred tax liabilities (pertaining to tariff period 2014-19), ₹ 10.72 Crore has been recognised as Regulatory Income during Fiscal 2022 (Fiscal 2021 ₹ 6.28 Crore).

**(iv) 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.

Keeping in view the significant impact of above on the profitability of the Company and as allowed by the CERC in past, the company has created regulatory assets towards expenses pertaining to wage revision up to the period ended 31.03.2019. These balances are to be adjusted from the year in which they become recoverable from the beneficiaries as per approval of the CERC.

In FY 2021-22, Petition Order of Truing up of Tariff for the period 2014-19 in respect of two Power Stations has received. Accordingly RDA Balances amounting to ₹ 116.53 crores has been adjusted in Fiscal 2022.

**(v) Recognition of Minimum Alternative Tax (MAT) Credit and Regulatory Deferral Account (Credit) balances thereon**

NHPC is currently paying its income tax liability under MAT mainly due to availment of deduction claim u/s 80-IA of the Income Tax Act, 1961 in respect of its Power Stations commissioned before 31.03.2017.

During FY 2021-22, out of the available MAT Credit of ₹ 2,424.58 crore, the Company has recognised ₹ 1,478.62 crore as MAT Credit out of which ₹ 1,313.27 crore is to be passed on to the beneficiaries. Accordingly, the MAT Credit to be passed on to the beneficiaries has further been recognised as Regulatory Deferral Account (Credit) balance.

***Profit before Tax (including Rate Regulated Income and impact of MAT credit)***

Due to the reasons outlined above, our profit before tax increased by 8.40% to ₹ 4,255.06 crore in Fiscal 2022 from ₹ 3,925.19 crore in Fiscal 2021.

***Tax Expenses***

In Fiscal 2022, we provided ₹ (-) 761.27 crore for tax expenses as compared to ₹ 680.13 crore in Fiscal 2021. The decrease in tax expenses in Fiscal 2022 is on account of decrease in deferred tax expenses by ₹ 1,453.46 crore which is partially offset by increase in current year taxes by ₹ 9.06 crore and earlier year tax by ₹ 3.00 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 2022 was ₹ 12.76 crore against ₹ 7.20 crore in Fiscal 2021.

***Total Comprehensive Income (TCI)***

Total Comprehensive Income (TCI) i.e. total profit inclusive of OCI in Fiscal 2022 was ₹ 3,550.47 crore i.e. an increase of 9.17% as against ₹ 3,252.26 crore in Fiscal 2021.

***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 ₹ 937.78 crore and ₹ 145.57 crore as of March 31, 2022 and 2021 respectively.

***Cash Flows***

(₹ in crore)

| | Fiscal 2022 | Fiscal 2021 |
|---|---|---|
| Net cash inflow/(outflow) from operating activities | 6,140.79 | 4,526.91 |
| Net cash inflow/(outflow) from investing activities | (4,872.34) | (1,605.14) |
| Net cash inflow/(outflow) from financing activities | (476.24) | (2,785.07) |

***Net Cash from operating activities***

In Fiscal 2022, the 'Net cash from operating activities' was ₹ 6,140.79 crore and 'Profit before Tax and Regulated Income but after exceptional items' was ₹ 4,046.86 crore. Net cash from operating activities has been arrived at after adjusting non-cash items mainly depreciation of ₹ 1,126.22 crore, interest expenses of ₹ 531.75 crore, ₹ 42.54 crore towards provisions, ₹ 34.70 crore towards tariff adjustment (loss), ₹ 44.02 crore towards sales adjustment on a/c of FERV, ₹ 12.55 crore loss on sale of assets/claims written off, ₹ 48.25 crore for deferred revenue on account of advance against depreciation, ₹ 28.13 crore on account of provisions/liabilities not required written back, ₹ 301.71 crore on account of dividend income, ₹ 384.34 crore towards interest earned on Deposits/ Investments & Late Payment Surcharge and other non-operating items, ₹ 49.28 crore towards exchange rate variation (gain), ₹ 33.20 crore towards amortization of government grants, ₹ 2.04 crore towards adjustment against consultancy charges from subsidiary companies. Changes in Operating Assets & Liabilities had impact of cash inflow by ₹ 1,880.19 crore, which was due to the net effect of change in Inventories, Trade Receivables, Other Financial Assets, Loans & Advances, Other Financial Liabilities & Provisions and Regulatory Deferral Account Credit Balances.

In Fiscal 2021, the 'Net cash from operating activities' was ₹ 4,526.91 crore and 'Profit before Tax and Regulated Income but after exceptional items' was ₹ 3,797.16 crore. Net cash from operating activities has been arrived at after adjusting non-cash items mainly depreciation of ₹ 1,228.65 crore, interest expenses of ₹ 571.49 crore, ₹ 220.40 crore towards provisions, ₹ 50.03 crore towards sales adjustment on account of FERV, ₹ 8.69 crore loss on sale of assets/ claims written off, ₹ 48.38 crore for deferred revenue on account of advance against depreciation, ₹ 21.82 crore on account of provisions/liabilities not required written back, ₹ 292.68 crore on account of dividend income, ₹ 680.14 crore towards interest earned on Deposits/Investments & Late Payment Surcharge and other non-operating items, ₹ 34.21 Crore towards exchange rate variation (gain), ₹ 32.26 Crore towards amortization of government grants, ₹ 2.63 crore towards adjustment against consultancy charges from subsidiary companies. Changes in Operating Assets & Liabilities had impact of cash inflow by ₹ 343.25 crore, which was due to the net effect of change in Inventories, Trade Receivables, Other Financial Assets, Loans & Advances and Other Financial Liabilities & Provisions.

***Net Cash from Investing Activities***

Our net cash used in investing activities was ₹ 4,872.34 crore in Fiscal 2022. This mainly reflected expenditure on Fixed Assets i.e. Property, Plant & Equipment, Other Intangible Assets & Expenditure on construction projects of ₹ 4,311.03 crore, ₹ 451.56 crore towards Investment in Joint Venture and ₹ 744.18 crore towards Investment in Subsidiaries partly offset by interest income on Deposits/Investments & Late Payment Surcharge by ₹ 329.94 crore, an amount of ₹ 301.71 crore towards dividend income and ₹ 2.78 crore towards sale of assets.

Our net cash used in investing activities was ₹ 1,605.14 crore in Fiscal 2021. This mainly reflected expenditure on Fixed Assets i.e. Property, Plant & Equipment, Other Intangible Assets & Expenditure on construction projects of ₹ 1,861.69 crore, ₹ 500.00 crore towards Investment in Joint Venture and ₹ 280.41 crore towards Investment in Subsidiaries partly offset by interest income on Deposits/Investments & Late Payment Surcharge by ₹ 743.63 crore, an amount of ₹ 292.68 crore towards dividend income and ₹ 0.25 crore towards sale of assets.

***Net Cash from Financing Activities***

In Fiscal 2022, our net cash outflow from financing activities was ₹ 476.24 crore. We raised ₹ 4,114.26 crore from domestic banks. Borrowings to the tune of ₹ 1,398.18 crore were repaid. Our cash outflow on account of repayment of lease liability including interest thereon was to the tune of ₹ 3.80 crore. The amount related to interest servicing was ₹ 1,521.05 crore. In Fiscal 2022, total dividend amounting to ₹ 1,667.48 crore was paid.

In Fiscal 2021, our net cash outflow from financing activities was ₹ 2,785.05 crore. We raised ₹ 2,327.03 crore from issue of bonds and domestic banks. Borrowings to the tune of ₹ 2,116.14 crore were repaid. Our cash outflow on account of repayment

of lease liability including interest thereon was to the tune of ₹ 4.96 crore. The amount related to interest servicing was ₹ 1,413.93 crore. In Fiscal 2021, Total dividend amounting to ₹ 1,577.07 crore was paid.

## BALANCE SHEET ITEMS

### Balance Sheet Highlights

### Assets

(₹ in crore)

| Particulars | As of March 31, | |
|---|---|---|
| | 2022 | 2021 |
| **Non-Current Assets** | | |
| Property, Plant and Equipment, Capital Work in Progress, Right of Use Assets, Investment Property, Intangible Assets | 41,389.11 | 38,788.09 |
| Non-Current Investments | 5,414.34 | 3,921.68 |
| Long Term Loans and Advances | 1,017.59 | 920.27 |
| Other Financial Assets | 4,502.78 | 4,940.27 |
| Non-Current Tax Assets (Net) | 9.52 | 0.00 |
| Other Non-Current Assets | 3,753.96 | 3,560.71 |
| **Total Non-Current Assets** | **56,087.30** | **52,131.02** |
| **Current Assets** | | |
| Inventories | 130.30 | 124.42 |
| Trade Receivables | 4,621.48 | 4,532.49 |
| Cash & Bank Balances | 1,160.71 | 913.96 |
| Short Term Loans | 55.68 | 48.08 |
| Other Financial Assets | 731.73 | 1,067.12 |
| Current Tax Assets (Net) | 123.17 | 165.73 |
| Other Current Assets | 441.14 | 372.08 |
| **Total Current Assets** | **7,264.21** | **7,223.88** |
| Regulatory Deferral Account Debit Balances | 6,948.11 | 6,902.93 |
| **Total Assets and Regulatory Deferral Account Debit Balances** | **70,299.62** | **66,257.83** |

### Equity and Liabilities

(₹ in crore)

| Particulars | As of March 31, | |
|---|---|---|
| | 2022 | 2021 |
| **Equity** | | |
| Equity Share Capital | 10,045.03 | 10,045.03 |
| Other Equity | 23,441.07 | 21,558.08 |
| **Net Worth** | **33,486.10** | **31,603.11** |
| **Non-Current Liabilities** | | |
| Long Term Borrowings | 23,179.49 | 21,241.22 |
| Other Financial Liabilities | 2,088.04 | 2,054.34 |
| Long Term Provisions | 48.05 | 28.38 |
| Deferred Tax Liabilities (Net) | 2,100.74 | 3,589.36 |
| Other Non-Current Liabilities | 2,026.16 | 2,034.79 |
| **Total Non-Current Liabilities** | **29,442.48** | **28,948.09** |
| **Current Liabilities** | | |
| Short Term Borrowings | 2,851.03 | 2,121.56 |
| Trade Payables | 189.57 | 198.27 |
| Other Financial Liabilities | 1,370.72 | 1,532.97 |
| Other Current Liabilities | 510.70 | 565.85 |
| Short Term Provisions | 1,135.75 | 1,252.98 |
| Current Tax Liabilities (Net) | 0.00 | 35.00 |
| **Total Current Liabilities** | **6,057.77** | **5,706.63** |
| Regulatory Deferral Account Credit Balances | 1,313.27 | 0.00 |
| **Total Equity, Liabilities and Regulatory Deferral Account Credit Balances** | **70,299.62** | **66,257.83** |

## Financial Condition

### Property, Plant and Equipment (PPE), Capital Work in Progress (CWIP), Right of Use Assets (ROU), Investment Property, Intangible Assets

Our PPE consisting of Land, Dams, Tunnels, Buildings including Power House Buildings, Construction Equipment, Plant & Machinery, Office Equipment, Computers after Depreciation, were ₹ 19,024.55 crore and ₹ 19,174.60 crore as of March 31, 2022 and March 31, 2021 respectively.

Capital Work in Progress which includes Hydraulic Works, Buildings including Power House Buildings, Construction Equipment, Plant & Machinery and S&I works at our power projects were ₹ 20,573.84 crore and ₹ 17,852.56 crore as of March 31, 2022 and March 31, 2021 respectively.

Right of Use Assets (ROU) including forest land under right of use and other leased assets were ₹ 1,783.12 crore and ₹ 1,752.92 crore as of March 31, 2022 and March 31, 2021 respectively.

Investment Property consists of one piece of land at Bangalore amounting to ₹ 4.49 crore.

Intangible Assets comprising of computer software were ₹ 3.11 crore and ₹ 3.52 crore as of March 31, 2022 and March 31, 2021 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 ₹ 5,414.34 crore and ₹ 3,921.68 crore as of March 31, 2022 and March 31, 2021 respectively.

The increase in Investment is the net effect of increase in investment in subsidiary companies, investment in one of our Joint Venture Company and increase in fair value of investment in equity instruments.

During FY 2021-22, the Company has made fresh investment in subsidiary/Joint Venture Companies amounting to ₹ 1,511.74 crore. The Company has also made impairment provision of ₹ 14.07 crore in respect of investment made in National High Power Test Laboratory Private Limited (a Joint Venture Company) against the original investment of ₹ 30.40 crore.

***Loans (Current & Non-Current)***

Loans include loans to our employees, loan including interest to Govt. of Arunachal Pradesh and National High Power Test Laboratory Limited (NHPTL). Loans as of March 31, 2022 and of March 31, 2021 were ₹ 1,073.27 crore and ₹ 968.35 crore respectively i.e. there is an increase of 10.83 % over figures of previous Fiscal mainly due to increase in loan including interest to Govt. of Arunachal Pradesh and increase in employee loans during Fiscal 2022.

***Other Financial Assets (Current & Non-Current)***

The other financial assets as at March 31, 2022 stood at ₹ 5,234.51 crore against ₹ 6,007.39 crore for the previous fiscal i.e. there is a decrease of 12.87% over figures of previous Fiscal. Other Financial Assets include amount recoverable on account of Bonds fully serviced by Govt. of India, Lease rent receivable, Interest income accrued on Bank Deposits, claim recoverable from different agencies, Share Application Money pending allotment and Receivable from Subsidiaries/JVs, etc.

The decrease of 12.87% in Fiscal 2022 as compared to the figures in Fiscal 2021 is mainly due to decrease in Share Application Money pending allotment, claim recoverable from different agencies, Interest recoverable from beneficiary, decrease in Receivable on account of late payment surcharge partially offset by increase in Lease rent receivable.

***Tax Assets (Current & Non-Current)***

Tax assets as of March 31, 2022 and 2021 were ₹ 132.69 crore and ₹ 165.73 crore respectively i.e. there is a decrease of 19.94% over figures of previous Fiscal. Tax Assets include Advance Income Tax & Tax Deducted at Source over and above provision for current tax upto FY 2020-21.

***Other Non-Current Assets***

Other non-current assets mainly comprise deferred foreign currency fluctuation assets, advances (Capital as well as Other than Capital) and advance to contractor against arbitration awards. Our other non-current assets as of March 31, 2022 and 2021 were ₹ 3,753.96 crore and ₹ 3,560.71 crore respectively. The increase of 5.43% in Fiscal 2022 as compared to the figures in Fiscal 2021 is mainly due to increase in advance to contractor against arbitration awards, increase in capital advances partially offset by decrease in deferred foreign currency fluctuation assets.

***Inventories***

Inventories are valued at cost or Net Realisable Value whichever is lower. Our inventories were valued at ₹ 130.30 crore and ₹ 124.42 crore as of March 31, 2022 and 2021 respectively.

***Trade Receivables***

These consist primarily of receivables against the sale of electricity including unbilled revenue. The Trade receivables (net of provision for doubtful debts) as of March 31, 2022 and 2021 were ₹ 4,621.48 crore and ₹ 4,532.49 crore respectively. Increase of 1.96% in trade receivables in Fiscal 2022 as compared to Fiscal 2021 is due to increase in Receivable on account of unbilled revenue partially offset by increase in realisation of outstanding dues from the beneficiaries.

***Cash and Bank Balances***

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

Cash and Cash equivalents as of March 31, 2022 and 2021, respectively, were ₹ 937.78 crore and ₹ 145.57 crore. The increase of ₹ 792.21 crore during Fiscal 2022 is net result of cash inflow from operating activities of ₹ 6,140.79 crore offset by cash outflow on investing

activities by ₹ 4,872.34 crore & ₹ 476.24 crore on account of financing activities respectively.

Bank balances other than Cash and Cash Equivalents as of March 31, 2022 and 2021, respectively, were ₹ 222.93 crore and ₹ 768.39 crore.

Our bank balances other than Cash and Cash Equivalents included ₹ 86.76 crore (Previous Year ₹ 155.81 crore) held for Rural Road and Rural Electrification works being executed by Company on behalf of other agencies and also included unpaid dividend, unpaid interest & other earmarked balances of ₹ 136.17 crore (previous year ₹ 112.58 Crore) which were not freely available for the business of the Company.

***Other Current Assets***

Other Current Assets mainly comprises Advances to contractors and suppliers, Prepaid Expenditure and Deferred Foreign Currency Fluctuation Assets. Our other Current Assets, as of March 31, 2022 and 2021 respectively were ₹ 441.14 crore and ₹ 372.08 crore, an increase of 18.56% in Fiscal 2022 as compared to the figures in Fiscal 2021 is mainly due to increase in Receivable on account of material issue to contractors.

***Regulatory Deferral Account Debit Balances***

In line with the Guidance Note on "Accounting for Rate Regulated Activities" issued by the Institute of Chartered Accountants of India as well as keeping in view the provisions of Ind-AS 114-Regulatory Deferral Accounts, 'Regulatory Assets' has been created and corresponding 'Regulatory Income' has been recognized.

Regulatory Deferral Account Debit balances as on March 31, 2022 and March 31, 2021 were as under:

(₹ in crore)

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Regulatory Deferral Account balances in respect of Subansiri Lower Project | 3,470.59 | 3,470.59 |
| Wage Revision as per 3rd Pay Revision committee | 456.38 | 570.58 |
| Differential depreciation due to Moderation of Tariff in respect of Kishanganga Power Station | 761.46 | 563.11 |
| Exchange differences on Foreign Currency Monetary items | 1.55 | 1.72 |
| Adjustment against Deferred Tax Recoverable for tariff period upto 2009 | 1,404.04 | 1,453.56 |
| Adjustment against Deferred Tax Liabilities for tariff period 2014-2019 | 854.09 | 843.37 |
| **Total** | **6,948.11** | **6,902.93** |

***Net worth***

The net worth of the Company at the end of Fiscal 2022 increased to ₹ 33,486.10 crore from ₹ 31,603.11 crore in the previous Fiscal registering an increase of 5.96% mainly due to increase in Profit after tax and increase in retained earnings.

***Long Term Borrowings***

Long Term Borrowings mainly comprised of Bonds, Secured Term Loans & Unsecured Loans including Foreign Currency Loans amounting to ₹ 14,517.90 crore, ₹ 2,658.00 crore and ₹ 5,990.71 crore in Fiscal 2022 as against ₹ 15,679.99 crore, ₹ 316.00 crore and ₹ 5,235.00 crore respectively in Fiscal 2021. 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 Borrowings to the extent of 9.13% over previous fiscal is mainly on account of borrowings from domestic banks including securitization of return on equity of one of the power station partly offset by redemption of bonds and repayment of borrowings.

***Other Financial Liabilities (Current & Non-Current)***

Other Financial Liabilities include amount payable towards Bonds fully serviced by Govt. of India, interest accrued but not due on borrowings, Liability against capital works/supplies, EMD/ Retention Money, etc. The other financial liabilities as at March 31, 2022 stood at ₹ 3,458.76 crore against ₹ 3,587.31 crore for the previous fiscal i.e. there is a decrease of 3.58% over figures of previous fiscal.

***Provisions (Current & Non-Current)***

Provisions include provision for Performance Related Pay, Superannuation/Pension fund, Provision towards employee benefits (actuarial valuation), Provision for Tariff Adjustment, Provision for Wage Revision – 3rd Pay Revision Committee, Provision for Committed Capital Expenditure and Other Provisions etc. Total provisions stood at ₹ 1,183.80 crore as at March 31, 2022 as against ₹ 1,281.36 crore for previous fiscal i.e. there is a decrease of 7.61 % over figures of previous fiscal.

**Deferred Tax Liabilities**

The Deferred Tax Liabilities as at March 31, 2022 stood at ₹ 2,100.74 crore against ₹ 3,589.36 crore for the previous fiscal.

***Other Non-Current Liabilities***

The Other Non-Current Liabilities as at March 31, 2022 stood at ₹ 2,026.16 crore against ₹ 2,034.79 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, 2022 stood at ₹ 2,851.03 crore against ₹ 2,121.56 crore for the previous fiscal. Short term borrowings consist of amount payable to the banks by the beneficiaries on account of bills discounted against trade receivables and current maturities of long term borrowings.

***Trade Payables***

The Trade payables as at March 31, 2022 stood at ₹ 189.57 crore against ₹ 198.27 crore for the previous fiscal i.e. there is a decrease of 4.39% over figures of previous fiscal.

***Other Current Liabilities***

The other current liabilities as at March 31, 2022 stood at ₹ 510.70 crore against ₹ 565.85 crore for the previous fiscal i.e. there is a decrease of 9.75% over figures of previous fiscal.

***Current Tax Liabilities***

The current tax liabilities as at March 31, 2022 stood at ₹ Nil against ₹ 35.00 crore for the previous fiscal. This represents excess provision of current tax over and above Advance Income Tax & TDS for FY 2020-21.

**Off-Balance Sheet Items**

***Contingent Liabilities***

The following table sets forth the components of our contingent liabilities as of Fiscal 2022 and 2021.

(₹ in crore)

| Particulars | Fiscal 2022 | Fiscal 2021 |
|---|---|---|
| Claims against the Company not acknowledged as debts in respect of: | | |
| Capital Works | 9,546.17 | 9,480.36 |
| Land Compensation Cases | 217.01 | 235.04 |
| Disputed Tax matters and Other Items | 1,357.74 | 1,325.22 |
| **Total** | **11,120.92** | **11,040.62** |

Contingent liabilities increased by 0.73% from ₹ 11,040.62 crore as of March 31, 2021 to ₹ 11,120.92 crore as of March 31, 2022.

**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, 2022 and 2021, respectively was ₹ 1,085.29 crore and ₹ 1,349.06 crore. The Profit After Tax of NHDC Ltd. for the financial year ended March 31, 2022 and 2021, respectively was ₹ 512.96 crore and ₹ 670.70 crore. Paid up share capital of the company is ₹ 1,962.58 crore of which NHPC's contribution is ₹ 1,002.42 crore.

***Loktak Downstream Hydroelectric Corporation Limited***

Loktak Downstream Hydroelectric Corporation Limited was incorporated on 23.10.2009 as a Joint Venture of NHPC Ltd. (74%) and Government of Manipur (26%) having authorized share capital of ₹ 230 Crore. Paid up share capital of the company is ₹ 138.09 crore of which NHPC's contribution is ₹ 103.34 crore. The Company is yet to start operations.

***Bundelkhand Saur Urja Limited***

Bundelkhand Saur Urja Limited was incorporated on 02.02.2015, as a Joint Venture of NHPC Ltd. and Government of Uttar Pradesh (UPNEDA), with NHPC's share not less than 74%. The authorized share capital of the company is ₹ 450.00 crore. Paid up share capital of the company is ₹ 97.17 crore of which NHPC's contribution is ₹ 84.22 crore (86.67%). The Company is yet to start operations.

***Lanco Teesta Hydro Power Limited***

During the FY 2019-20, NHPC has acquired Lanco Teesta Hydro Power Limited as its wholly owned subsidiary under CIRP. The acquisition was made as per the resolution plan submitted by NHPC and approved by the Hon'ble National Company Law Tribunal (NCLT). The authorized share capital of the company is ₹ 2,500.00 crore. Paid up share capital

of the company is ₹ 1,440.50 crore in which 100% contribution has been made by NHPC. The Company is involved in construction of Teesta-VI hydro power project.

***Jalpower Corporation Limited***

On 31.03.2021, NHPC has acquired Jalpower Corporation Limited under CIRP for a consideration of ₹ 165.00 crore and the Company has become a wholly owned subsidiary of NHPC from that date. The acquisition was made as per the resolution plan submitted by NHPC and approved by the Hon'ble National Company Law Tribunal (NCLT). The authorized share capital of the company is ₹ 350.00 crore. Paid up share capital of the company is ₹ 281.49 crore in which 100% contribution has been made by NHPC. The Company is involved in construction of 120MW Rangit-IV Hydroelectric Project.

***Ratle Hydroelectric Power Corporation Limited***

Ratle Hydroelectric Power Corporation Limited was incorporated on 01.06.2021, as a Joint Venture of NHPC Ltd. and Jammu and Kashmir State Power Development Corporation Limited (JKSPDCL), with equity participation of 51:49 respectively. The authorized share capital of the company is ₹ 1,600.00 crore. Paid up share capital of the company is ₹ 185.14 crore of which NHPC's contribution is ₹ 136.14 crore (73.53%). The Company is yet to start operations.

***Chenab Valley Power Projects Private Limited***

Chenab Valley Power Projects Private Limited was incorporated on 13.06.2011 as a Joint Venture of NHPC Ltd. (49%), Jammu & Kashmir State Power Development Corporation (JKSPDC) (49%) & PTC India Ltd. (2%) having authorized share capital of ₹ 5,200 crore for execution of PakalDul, Kiru&Kwar H.E. Projects in Chenab River Basin. Paid up share capital of the company is ₹ 3,336.45 crore of which NHPC's contribution is ₹ 1,839.56 crore. During the year, NHPC Limited has acquired the equity of PTC India Limited in CVPPPL for an amount of ₹ 4.19 crore. The company's shareholding in CVPPPL due to acquisition of shares and additional equity infusion is 55.13% as on 31st March, 2022. The Company is yet to start operations.

***National High Power Test Laboratory Private Limited (NHPTL)***

NHPTL was incorporated on 22.05.2009 as a Joint Venture Company of NHPC Ltd., NTPC Ltd., Power Grid Corporation of India Limited (Power Grid) and Damodar Valley Corporation (DVC) each having 25% of equity participation. During the Fiscal 2013, Central Power Research Institute also entered into the Joint Venture thereby revising the equity participation to 20% of each Joint Venture partner. The Company has been incorporated to set up an Online High Power Test Laboratory for short-circuit test facility in the Country having Authorised Share Capital of ₹ 153 crore. As on March 31, 2022 paid up share capital of the company is ₹ 152 crore of which NHPC's contribution is ₹ 30.40 crore. The company has started commercial operation during Fiscal 2018. For the financial year ended March 31, 2022, the Company incurred a loss of ₹ 20.03 crore while loss for the financial year ended March 31, 2021 was ₹ 19.08 crore.

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

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

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

(₹ in crore)

| Particulars | Fiscal 2022 | Fiscal 2021 |
|---|---|---|
| Total Income | 10,152.84 | 10,710.86 |
| Total Expenses | 5,724.01 | 6,137.80 |
| Profit after Tax (after adjustment of Non-Controlling Interest) | 3,523.57 | 3,271.78 |

**HIGHLIGHTS OF CONSOLIDATED BALANCE SHEET**

(₹ in crore)

| Particulars | Fiscal 2022 | Fiscal 2021 |
|---|---|---|
| Non-Current Assets | 61,189.62 | 56,533.55 |
| Current Assets | 8,846.15 | 9,389.89 |
| Regulatory Deferral Account Debit Balances | 7,248.73 | 7,203.55 |
| **Total** | **77,284.50** | **73,126.99** |
| Total Equity | 37,783.85 | 35,888.62 |
| Non-Current Liabilities | 30,877.62 | 30,271.56 |
| Current Liabilities | 6,606.31 | 6,203.03 |
| Regulatory Deferral Account Credit Balances | 2,016.72 | 763.78 |
| **Total** | **77,284.50** | **73,126.99** |

***Key Financial Ratios (Standalone basis)***

| S. No. | Ratios | Fiscal 2022 | Fiscal 2021 | % Change |
|---|---|---|---|---|
| 1 | Debtors Turnover Ratio (Revenue from Operations/Average Debtors) | 1.81 | 1.65 | 9.70% |
| 2 | Inventory Turnover Ratio (Revenue from Operations/Average Inventory) | 62.59 | 65.71 | (-) 4.75% |
| 3 | Interest Service Coverage Ratio (ISCR) # (Profit after Tax but before Interest and Depreciation/ Interest) | 7.18 | 6.60 | 8.79% |
| 4 | Debt Service Coverage Ratio (DSCR) # (Profit after Tax but before Interest and Depreciation/ Principal repayment excluding payment under put option and Interest) | 3.62 | 3.03 | 19.47% |
| 5 | Current Ratio (Current Assets/Current Liabilities) | 1.20 | 1.27 | (-) 5.51% |
| 6 | Debt Equity Ratio (Paid up Debt Capital/ Shareholder's Equity) | 0.84 | 0.80 | 5.00% |
| 7 | Operating Profit Margin (Operating Profit/ Revenue from Operations) | 43.50% | 42.24% | 2.98% |
| 8 | Net Profit Margin (Net Profit/ Revenue from Operations) | 42.35% | 38.15% | 11.01% |
| 9 | PE Ratio (Market Price Per Share*/ Earning Per Share) | 7.90 | 7.57 | 4.36% |
| 10 | EBITDA (₹ in crore) | 5,704.66 | 5,599.00 | 1.89% |
| 11 | EBITDA Margin (EBITDA/ Revenue from Operations) | 68.29% | 65.82% | 3.75% |

# For the calculation of ISCR and DSCR, amount of interest and Principal repayments against the borrowings of the operational projects have been considered.

* Closing Price as on 31st March of respective Fiscal has been considered for Market Price per Share.

***Return on Net worth (PAT/ Average Shareholder's Equity)***

Return on Net worth of the company at the end of Fiscal 2022 increased to 10.87% from 10.55% in the previous Fiscal 2021 registering an increase of 3.03% mainly due to increase in Profit after tax partially compensated by increase in retained earnings.

## 34.13 MATERIAL DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS FRONT

Your Company has a highly talented team of committed professionals and has been able to induct, develop and retain the best talent. NHPC endeavors to acquire the best talent in the Country from leading educational institutions and universities. It has been working towards nurturing and retaining talent by providing opportunities to improve their knowledge and skills. Job rotation and inter-location transfer throughout the organization facilitate planned development of careers and broaden the outlook of employees. Employees' participation has been ensured through information sharing with employees, seeking their support, suggestions and co-operation.

### (i) TRAINING OF EMPLOYEES

NHPC organizes various developmental programmes for its employees in the areas of behavioural, managerial skills and core competencies. These programmes organized by the Company are either in-house or through premier management & engineering institutions which helps employees to keep them abreast with the latest developments and changes taking place in the area of their operation. In addition to above, NHPC also sponsors its executives on regular basis to acquire higher qualification and specialization to enhance their productivity and effectiveness.

### (ii) EMPLOYEE STRENGTH

The employee strength of the company as on March 31, 2022 was 5,092 (3,166 executives, 173 supervisors & 1,753 workmen).

### (iii) WELFARE MEASURES FOR WOMEN EMPLOYEES

The number and percentage of women employees as on March 31, 2022 is given in the table below:

| Total no. of employees | No. of women employees | % of overall employee strength |
|---|---|---|
| 5092 | 545 | 10.70 |

**Steps taken for the welfare of women employees**

- Women employees are regularly nominated to various programmes/seminars on women empowerment and other issues related to women.
- Women employees are entitled for child care leave with pay up to 730 days for taking care of two children up to the age of 18 years (no age limit in respect of child with minimum disability of 40%).
- Women employees have option to declare parents/parents-in-law as their dependents under medical rules.
- Internal Complaints Committees (ICCs) have been constituted at all locations of the Company to examine the grievances/complaints relating to sexual harassment of women employees.
- Women representatives are nominated on selection board/committee constituted for promotion/recruitment of employees.
- Women employees may avail maternity leave as per service rules.
- NHPC Corporate Office, Faridabad has Crèche facility for infants of the employees.
- Relaxations in attendance timings are given to women employees posted at Corporate Office.
- WIPS (Women in Public Sector Forum) Cell has been constituted in Corporate Office.

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

Your Company is providing reservation and relaxation to SC/ST and OBC candidates in direct recruitment as per guidelines issued by DoPT from time to time. The relaxed standard and reservation is also applicable to SC/ST employees, while considering them for promotion. The management holds periodical meetings with SC/ST/OBC employees for discussing various issues related to them. SC/ST & OBC Cells headed by separate Liaison Officers have been set up for the welfare of SC/ST and OBC employees. Representation of SC/ST/OBC employees as on 31.03.2022 is given in table below:

| Total no. of employees | REPRESENTATION | | | | | |
|---|---|---|---|---|---|---|
| | SC | % age | ST | % age | OBC | % age |
| 5092 | 781 | 15.34 | 345 | 6.78 | 838 | 16.46 |

**(v) WELFARE MEASURES FOR DIFFERENTLY ABLED EMPLOYEES:**

Representation of differently abled employees as on 31.03.2022 is given in table below:

| Total No of employees | Differently abled employees | | | % of differently abled employees | |
|---|---|---|---|---|---|
| | VH | HH | OH | TOTAL | %AGE |
| 5092 | 12 | 3 | 99 | 114 | 2.24 |

**VH**=Visual Handicap, **HH**=Hearing Handicap, **OH**=Orthopaedic Handicap

**Steps taken for the welfare of differently abled employees:**

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

- Differently abled employees as well as employees who are care giver to dependent physically/mentally disabled child are exempted from rotational transfer. These employees are given option about their preference in place of posting at the time of transfer/promotion.
- Financial assistance is provided to employees (who get physically handicapped while in service) for vocational training.
- Reimbursement of expenses for purchase of hearing aid is given to hearing impaired employees/their dependents.
- Reimbursement of the cost of artificial limbs and interest free loan are being given to employees/ their dependents.
- Restriction of age is not applicable in respect of physically/mentally retarded children for considering them as dependents for medical and other benefits.
- Lifetime medical facility to the dependent mentally or physically disabled 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.

## 34.14 ENVIRONMENTAL PROTECTION AND CONSERVATION, TECHNOLOGICAL ABSORPTION, RENEWABLE ENERGY DEVELOPMENTS & FOREIGN EXCHANGE CONSERVATION

**(i) Environment Protection and Conservation:**

Your Company has a "Corporate Environment Policy" (CEP) which aims to address the environmental and social concerns for the sustainable development of conventional & non-conventional sources of energy. Major highlights of CEP are to integrate environmental considerations into planning, execution and operation of projects, to undertake the post-construction impact assessment studies and to undertake unique voluntary initiatives beyond statutory obligations. NHPC also makes efforts to create conditions so that economic growth and environmental preservation become compatible in the long run. Environmental Impact Assessment (EIA) for NHPC projects is undertaken during investigation stage to identify probable impacts on environment. Based on the findings of EIA studies, Environmental Management Plans (EMPs) are proposed and implemented to compensate the adverse impacts of the project by taking necessary measures like, compensatory afforestation, catchment area treatment, bio-diversity conservation, green belt development, fishery management, rejuvenation of dumping and quarry sites including resettlement & rehabilitation, etc. Environment and Diversity Management Division has been established at the Corporate Office to monitor and facilitate implementation aspects of environmental safeguard measures at all the projects.

**Compliance under Corporate Environmental Policy:**

Environment Management Cells have been constituted at all projects/ power stations of your company, for effective implementation of EMPs and voluntary initiatives. Various voluntary initiatives have been taken up at many NHPC Projects/ Power Stations for Waste Management, Water Conservation and Energy Conservation. Six monthly progress reports for various Projects/ Power Stations for period ended March, 2021 and September, 2021 were submitted to Ministry of Environment, Forest and Climate Change (MoEF&CC) and its concerned Regional offices. These reports were also uploaded on the website of the Company i.e. www.nhpcindia.com.

The company also conducts post-construction Environment Impact Assessment (EIA) Studies to evaluate the effectiveness of the management plans implemented during the course of construction of the project.

Your Company has conducted Post construction EIA studies in respect of various Power Stations viz. Uri (UT of J&K), Rangit (Sikkim), Dhauliganga (Uttarakhand) and Teesta-V (Sikkim), both through in-house and external agencies. Post construction EIA Study of Loktak Power Station (Manipur) and Uri-II Power Station (UT of J&K) through external agency are currently in progress. NHPC also conducted sustainability assessment of Teesta-V Power Station, Sikkim through Sustainability Assessment Protocol of International Hydropower Association (IHA) for operational projects. As per the findings of the assessment, out of 20 parameters on which the Teesta-V Power Station was assessed, it meets basic good practice on all parameters, meets proven best practice on 6 parameters and exceeds basic Good Practice on 9 parameters.

**(ii) Renewable Energy Developments:**

Your company is diversifying its activities to explore renewable energy projects such as solar and wind power projects. The details of renewable energy projects are given else where in this report.

**(iii) Foreign Exchange Conservation:**

In accordance with *"Make in India"* policy of Government of India, your company is making efforts to encourage the participation of local firms in the bidding process. The participation of local firms as well as Micro & Small Enterprises helps in conservation of foreign exchange and growth of Indian industry at large.

**(iv) Technological Absorption:**

Information regarding technology absorption has been included elsewhere in this report.

## 34.15 CORPORATE SOCIAL RESPONSIBILITY

Information regarding Corporate Social Responsibility has been included elsewhere in this Report.

## 34.16 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.

## 35 CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The particulars as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014, in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo are as under:

### A. CONSERVATION OF ENERGY

**(i) Steps taken or impact on conservation of energy**

- Energy Conservation Task Force has been constituted at Corporate office for creating awareness amongst users, monitor effectiveness of measures adopted for energy conservation and provide vertical and horizontal feedback to the Management/ users. Energy Conservation Task force suggests time to time measures for the Energy Saving at Corporate Office.
- The Energy Audit of the NHPC Office Complex at Faridabad was conducted through External Agencies certified from BEE. The recommendations of the Energy Audit are being implemented.
- Neer Shakti Sadan and Jyoti Sadan of Corporate Office has been rated as Four Star Rated Building and Three Star Rated Building respectively by Bureau of Energy Efficiency, Ministry of Power, Government of India.
- Monthly maintenance of 900TR and 1200TR HVAC system/equipments is being taken up to guarantee efficient operation throughout the year. HVAC filters are regularly changed or cleaned every month during peak cooling or heating season as dirty filters cost more to use, overwork the equipments and result in low indoor air quality.
- As an Energy Conservation measure, movement detectors have been installed in the toilets of Jyoti Sadan which are renovated from time to time as per requirement.

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

Grid Solar Power Plant Energy of capacity of 80 KWp and 150 KWp has been installed at the roof top of the buildings of Corporate Office. The cleaning of the plant is being taken up on regular basis (after sun set and before sun rise) for obtaining maximum output. Preventive Maintenance is being done on regular basis for obtaining maximum uptime.

**(iii) Capital investment on energy conservation equipments**

Capital investment on energy conservation equipments has been around ₹ 52.48 lakh.

### B. TECHNOLOGY ABSORPTION

**(i) Efforts made towards technology absorption**

**a) R&D projects completed in FY 2021-22:**

- **Development of Erosion Resistant Steel to ward off underwater corrosion:** Effect of Silt on underwater components of turbine is an important issue in the Himalayas. NHPC undertook a study on "Composition for Erosion Resistance Steel and a Process for the Preparation Thereof" in collaboration with CSIR, SJVNL & CPRI. NHPC has also been granted Intellectual Property Right for this invention. The use of this newly developed alloy reduces the corrosion effects due to siltation which in turn reduces expense of maintenance of underwater parts.
- **Study for evaluation of abrasion resistance of repair mortars as per EN1504-3 (R4):** The abrasion resistance and bonding strength of cementitious repair product (having CE marks) has been identified in the R&D project. This shows abrasion resistance (underwater method) of cementitious repair mortar is capable enough to protect damages in concrete caused due to erosion. This product is suitable to structural repair of pier, face slab of CFRD, freezing & thawing related damages, silt flushing tunnels, etc. where erosion/damages occurred mainly due to abrasive forces.
- **Performance evaluation of concrete spillway glacis rehabilitated with steel liner at Dhauliganga Power Station:** For effective protection of severely eroded spillway glacis of Dhauliganga dam, steel liner was installed at downstream of radial gate sill beam and has been performing satisfactorily against erosion.

The success of steel liner at Dhauliganga Dam can be used as reference case for installation of steel liner using anchor for rehabilitation of already constructed spillways.

- **Hydraulic studies related to cavitation in high head spillway by FLOW3D for Subansiri Lower HE Project:** NHPC conducted studies jointly with CWPRS for understanding the flow characteristics and cavitation profiles for minimum damage to spillway profiles.

**b) On Going R&D Projects:**

- NHPC has installed the Online Cavitation Monitoring System at Teesta-V Power Station in collaboration with M/s GE Power India Limited for monitoring of cavitation in underwater component of hydro turbine. This study will be helpful to understand the effect of cavitation on turbine and operation of machines.
- NHPC is conducting study on "Numerical and physical model studies for elimination of desilting basins in hydroelectric projects by sediment management through reservoir operation techniques" in association with CWPRS, Pune (MH).
- Geological surprises during construction are a major cause of time and cost overrun for a hydro project. To minimize these surprises and to undertake construction activities in a cost effective manner, Geophysical techniques like Resistivity Imaging for design of safe, economic and effective earthmat, Ground Penetration Radar, Seismic Tomography to optimize geological uncertainities etc. are innovatively applied for different NHPC projects. At present, three R&D projects are running in the department.
- Application of Remote sensing and GIS Technology for issues like Post Project Environmental Evaluation, Assessment on socio-economics etc. is taken up for projects like Rangit HE Project, Sikkim and Sewa-II HE Project, UT of J&K.
- Study on "Monitoring Hydro abrasive erosion and suspended sediment for optimal operation of hydro power plant" is being conducted jointly through IIT Roorkee in Bairasiul Power Station. Pre & Post monsoon 3D scanning is being carried out for Runner & Guide Plumes.
- To tackle seismicity related issues NHPC has set up a centralized online Real Time Seismic Data Center connecting all SMA's installed at power stations of NHPC and its JVs. Analysis of the seismic data from this network is being done for development of Himalayan specific site specific peak ground acceleration attenuation relationship. This work is taken up jointly with IIT Roorkee and results will help in optimizing the design parameters of our projects.
- Measurement of Green House Gas (GHG) emissions from Reservoir of Chamera-I Power Station on Ravi River in Himachal Pradesh is being carried out. First & second season samplings have been completed.
- Development of inflow forecasting system for Chamera-III Power Station in consultation with IIT Roorkee.
- **Development of Design Guidelines/Charts for quick estimation of Caverns behaviour & support layout including openings based on 3D FEM Analysis (IIT Kanpur):** The objective of this Project is safe and economic design of underground caverns of various upcoming projects. The aims is to develop easy-to-use design charts/guidelines based on advanced 3D numerical analysis for direct estimation of optimal cavern dimensional parameters and external support requirements, without undergoing detailed computational analysis.
- Development of Partial Discharge Monitoring Solutions for High Voltage Electrical Apparatus is under process which will help NHPC to move towards a "Predictive Maintenance Practice" from its current Preventive Maintenance Practice. This will improve the system reliability and minimize the breakdown period.
- Study of Landslides in the vicinity of nine commissioned/under construction hydroelectric projects of NHPC utilizing Remote Sensing & GIS Technology has been taken up jointly with Indian Institute of Remote Sensing, Dehradun. Preparation of temporal landslide inventory and changes during the period of observation from satellite data are the main criteria of the study. The main objective is to analyze whether construction of the project has any impact on landslides in the project area.
- **Collaborative research related to growth of power sector:** As per Ministry of Power recommendations for support and growth of

power sector, studies/research related to policy initiative, reforms, restructuring will provide crucial inputs for policy formulation. For this a corpus for funding these studies has been setup jointly with MoP and CPSUs like NHPC, NTPC, PGCIL, PFC & REC. NHPC has been undertaking collaborative research for overall growth of power sector.

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

a. Development of erosion resistant steel helps in reducing corrosion effects due to siltation which in turn helps in reduction of expenses of maintenance of underwater parts.

b. Installation of steel liner using anchor for rehabilitation of already constructed spillways has helped against erosion problem at Dhauliganga Dam.

Further, 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 FY 2021-22 was ₹ 10.07 crore.

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Crore)

| S. No. | Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---|---|---|---|
| a) | Expenditure in Foreign Currency: | | |
| | i) Interest | 23.47 | 26.50 |
| | ii) Other Misc. Matters | 6.43 | 5.26 |
| b) | Value of spare parts and Components consumed in operating units: | | |
| | i) Imported | - | - |
| | ii) Indigenous | 18.18 | 19.78 |

## 36 AUDIT AND AUDITORS'REPORT

### 36.1 SECRETARIAL AUDIT

M/s Agarwal S. & Associates, Company Secretaries, Delhi has been appointed by the Board to conduct Secretarial Audit of the Company for the FY 2021-22. The Secretarial Auditor, in its report, has given certain observations. The Secretarial Auditor's Report is given as **Annexure-II** to this Report. The management replies against observations raised by Secretarial Auditor are as under:

| Qualification / Observation | Management Reply |
|---|---|
| 1. Regulation 17(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the second proviso of Section 149(1) of the Companies Act, 2013, the Board of Directors did not consist of an Independent Women Director during the period from 01.04.2021 to 29.11.2021 and the number of Non-executive Directors on the Board was less than fifty percent during the period from 01.04.2021 to 30.11.2021. | As per Article 34 of the Articles of Association of the Company read with Ministry of Corporate Affairs notification dated 05th June 2015, the Directors including Independent Directors (IDs) on the Board of the Company are appointed by the President of India through Administrative Ministry i.e. Ministry of Power (MoP). Consequent upon orders of MoP, four independent directors, including one-woman independent director, were appointed on the Board of NHPC in the month of November/ December 2021. |
| 2. Regulation 17(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the number of Independent Directors on the Board | As on 31.03.2022, Board of Directors of the Company comprised of 9 Directors, including 1 CMD, 3 Whole Time Directors, 1 Part Time Government Nominee Director and 4 Independent Directors. |

| Qualification / Observation | Management Reply |
|---|---|
| is less than fifty percent during the FY and as per clause 3.1.2 of DPE Guidelines, the number of Functional Directors exceeded 50% of the actual strength of the Board during the period from 01.04.2021 to 30.11.2021. | More than 50% of the Board comprised of Non-Executive Directors including one-woman Independent Director w.e.f. 01.12.2021 after the appointment of 4 Independent Directors. Further, the matter regarding appointment of requisite number of Independent Directors is being regularly pursued with the Administrative Ministry i.e. Ministry of Power. |
| 3. The Company did not have Nomination and Remuneration Committee during the period from 01.04.2021 to 06.12.2021 and the composition of Audit Committee, Stakeholder's Relationship Committee and Committee on Corporate Social Responsibility & Sustainability during the period 01.04.2021 to 06.12.2021 and Risk Management Committee from 05.08.2021 to 06.12.2021 was not in accordance with Section 135, 177 & 178 of the Companies Act, 2013, Regulations 18, 19, 20 & 21 of SEBI (LODR) 2015 and chapter 4 & 5 of DPE Guidelines. | It was not possible to have a Nomination and Remuneration Committee during the period from 08.09.2020 to 06.12.2021 and the composition of the Audit Committee, Stakeholders' Relationship Committee and Committee on Corporate Social Responsibility & Sustainability from 21.03.2021 to 06.12.2021 and Risk Management Committee from 05.08.2021 to 06.12.2021 could not be in terms of SEBI (LODR) Regulations, 2015 due to non-appointment of Independent Directors by Administrative Ministry i.e. Ministry of Power (MoP).<br><br>Consequent upon appointment of four independent directors including one woman independent director, the Mandatory Committees were reconstituted in compliance with SEBI LODR, the Companies Act, 2013 and DPE Guidelines on Corporate Governance w.e.f. 07.12.2021. |

In compliance to Regulation 24A of SEBI LODR, Secretarial Audit Report of NHDC Limited, which is a material unlisted subsidiary of NHPC, is also given elsewhere in the Annual Report.

### 36.2 STATUTORY AUDIT

In line with provisions of the Companies Act, 2013, the Statutory Auditors of your Company are appointed by the Comptroller & Auditor General of India (C&AG). C&AG had appointed following Joint Statutory Auditors for the FY 2021-22:

1. M/s P. C. Bindal & Co., Srinagar
2. M/s K.G. Somani & Co., LLP, New Delhi
3. M/s Chaturvedi & Co., Kolkata

The Joint Statutory Auditors have given un-modified opinion in their report on the standalone and consolidated financial statements of the Company for the FY 2021-22. 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.

### 36.3 REVIEW OF ACCOUNTS BY C&AG

The C&AG has given its comments on the standalone and consolidated financial statements of your Company for the year ended March 31, 2022 after conducting supplementary audit under Section 143(6)(a) of the Companies Act, 2013. There are no comments of C&AG for both the standalone and consolidated financial statements of your Company for the year ended March 31, 2022. The comments of C&AG are appearing elsewhere in the Annual Report.

### 36.4 COST AUDIT

The Company maintains necessary cost records as specified by Central Government under Section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014. As recommended by the Audit Committee, your Board has appointed the following firms of Cost Accountants to conduct audit of cost accounting records of power stations for the FY 2021-22 under Section 148 of the Companies Act, 2013:

| Name of the Firm | Power Stations |
|---|---|
| M/s Dhananjay V. Joshi & Associates, Delhi (Lead Cost Auditor) | Tanakpur and Dhauliganga |
| M/s ABK & Associates, Gurgaon | Uri-I, Uri-II and Kishanganga |

| | |
|---|---|
| M/s Narasimha Murthy & Co., Delhi | Chamera-I, Sewa-II and Parbati-III |
| M/s R. M. Bansal & Co., Delhi | Dulhasti, Salal and Wind Power Project, Jaisalmer |
| M/s K. G. Goyal & Co., Jaipur | Bairasiul, Chamera-II and Chamera-III |
| M/s AJS and Associates, Dehradun | Chutak & Nimoo Bazgo |
| M/s Bandyopadhyaya Bhaumik & Co., Kolkata | Loktak, TLDP-III and TLDP-IV |
| M/s Y. S. Thakar & Co., Asansol, West Bengal | Rangit, Teesta-V and Solar Power Project, Tamil Nadu |

The consolidated Cost Audit Report in XBRL format for the year ended March 31, 2021 was filed with the Ministry of Corporate Affairs on September 3, 2021. The Cost Audit Report for the year ended March 31, 2022 shall be endeavoured to be filed within the prescribed time period.

## 37 ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013, the Annual Return of the Company as on March 31, 2022 is available on the Company's website at http://www.nhpcindia.com/NHPC-annual-reports.htm

## 38 PARTICULARS OF LOANS, INVESTMENTS AND CORPORATE GUARANTEES

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

## 39 PARTICULARS OF EMPLOYEES

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

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

## 40 BOARD AND COMMITTEES OF THE BOARD

The Board of Directors met ten (10) times during the FY 2021-22. The details of meetings of Board of Directors and attendance of Directors therein are given in the Report on Corporate Governance, which forms part of the Annual Report. The details of various committees of the Board along with their meetings and composition are given in Corporate Governance Report.

## 41 PERFORMANCE EVALUATION OF BOARD, BOARD LEVEL COMMITTEES AND DIRECTORS

Your Company has framed a policy on Performance Evaluation of Board, Board level Committees and Directors in line with provisions of Companies Act, 2013 and SEBI-LODR. There was no Independent Director on Board of the Company for the period from September 8, 2020 to November 14, 2021. Accordingly, the annual performance evaluation of Board, Board level Committees and Independent Directors of the Company for the FY 2020-21 was not carried out as there was no Independent Director on Board of the Company as on March 31, 2021. The Board of Directors has approved the revised Policy on 'Performance Evaluation of Board, Board level Committees and Directors' on recommendation of Nomination & Remuneration Committee. The Performance Evaluation of Board, Board Level Committees and Directors for the FY 2021-22 has been undertaken. As per the policy, following evaluation process has been followed by the Company:

1. Every Director of the Company rate performance of the Board, Board level Committees and the Individual Directors on pre-determined criteria.
2. The Nomination & Remuneration Committee reviews the performance of Independent Directors & the Board of Directors and determines whether to extend the term of the Independent Director.
3. Independent Directors review the performance of Non-Independent Directors, Chairperson of the Company and the Board as a whole.
4. Board evaluates the performance of Independent Directors, excluding the Director being evaluated.

## 42 DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

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

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

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

## 43 SECRETARIAL STANDARDS

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

## 44 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 FY till the date of this report, which affect the financial position of the Company.
5. Details related to public deposits as required under Chapter V of the Act.
6. Details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof.
7. Application made or proceeding pending under Insolvency & Bankruptcy Code, 2016.

## 45 BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

The following changes in composition of Board of Directors and Key Managerial Personnel took place during the year 2021-22:

1. Shri Tanmay Kumar (DIN: 02574098), Government Nominee Director ceased to be Director on Board of the Company w.e.f. September 13, 2021.
2. Shri Raghuraj Madhav Rajendran (DIN: 07772370), Joint Secretary (Hydro), Ministry of Power was appointed as Government Nominee Director on Board of the Company w.e.f. September 16, 2021.
3. Dr. Uday Sakharam Nirgudkar (DIN: 07592413) was appointed as Independent Director on Board of the Company w.e.f. November 15, 2021.
4. Dr. Amit Kansal (DIN: 07722428) was appointed as Independent Director on Board of the Company w.e.f. November 21, 2021.
5. Dr. Rashmi Sharma Rawal (DIN: 09410683) was appointed as Independent Director on Board of the Company w.e.f. November 30, 2021.
6. Shri Jiji Joseph (DIN: 09415941) was appointed as Independent Director on Board of the Company w.e.f. December 1, 2021.
7. Shri Nikhil Kumar Jain (DIN: 05332456) ceased to be Director (Personnel) of the Company w.e.f. December 2, 2021.
8. Shri Saurabh Chakravorty ceased to be Company Secretary of the Company w.e.f. September 24, 2021 consequent upon appointment of Smt. Rupa Deb as Company Secretary of the Company w.e.f. September 24, 2021.

Details of remuneration and sitting fee paid to directors during the FY 2021-22 are given in the Report on Corporate Governance.

All Independent Directors of the Company as on March 31, 2022, have declared that they meet the

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

As the Independent Directors were appointed by Board of Directors as Additional Directors, their appointment is proposed in the forthcoming Annual General Meeting (AGM). Brief profile of the Independent Directors is given in the Notice of AGM. Shri Rajendra Prasad Goyal, Director (Finance) is liable to retire by rotation and being eligible, has proposed himself to be re-appointed at the forthcoming AGM. Brief profile of Shri Goyal, proposed to be appointed/ re-appointed at the forthcoming AGM, is given in the Notice of AGM.

## 46 ACKNOWLEDGEMENT

The Board of Directors wish to place on record their sincere appreciation to all the employees for their dedication and commitment. Their hard work and unstinted efforts enabled the Company to sustain its excellent performance and consolidate its sectoral leadership. The commitment displayed by the employees at all levels, particularly during the ongoing pandemic situation, is exemplary and praise worthy. NHPC is proud of continuous untiring efforts of its employees especially posted at power stations & projects of the Company.

The Board of Directors would like to express their gratitude for the guidance and co-operation received from Govt. of India, particularly the Ministry of Power, Department of Public Enterprises, Office of the Comptroller and Auditor General of India, and other concerned Govt. departments/agencies at the Central and State level.

The Board is also thankful to all its stakeholders, valued customers, contractors, vendors and consultants for their continued support and confidence reposed in the company.

The Board also acknowledges invaluable guidance and inputs received from Statutory Auditors, Secretarial Auditor and Cost Auditor of the Company. The Board also conveys its sincere thanks to the national and international financial institutions, multilateral financial institutions, domestic and international credit rating agencies for their valuable support and continued trust in the company.

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



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

**Date: July 02, 2022**
**Place: Kumarakom, Kerala**

Annexure-I

# ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY

## 1. Brief outline on CSR Policy of the Company

Your Company has formulated a CSR & Sustainability Policy and revised it, time to time, in line with Section 135 of the Companies Act, 2013, Schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 read with its amendments & General Circulars issued on CSR by the Ministry of Corporate Affairs; and Guidelines/ Office Memorandums of Department of Public Enterprises (DPE). It includes the guiding principles for Selection, implementation and monitoring of activities as well as formulation of Annual Action Plan. The CSR Policy of your company, broadly includes the followings:

- In terms of Section 135 of Companies Act 2013, the company shall spend, in every financial year, at least two percent of the average net profits of the company made during the 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. NHPC takes up schemes/activities which give visible social, economic or environmental benefits to the society.
- Preference to the local area around NHPC's Projects has been given by allocating at least 80% of the budget amount. However, other locations may also be chosen based on the needs and as per the direction of GOI on national schemes and campaign, wherein more than 20% amount of the CSR budget may be spent, for the larger benefit of society/environment.
- The CSR initiatives includes programs on promoting Education & Skill development, Healthcare & Sanitation, Rural development, Women empowerment, Sports, Art & Culture etc. in accordance with Schedule VII of the Companies Act, 2013. Expenditure on any other activity not in conformity with Schedule VII is not accounted towards CSR expenditure.
- Selection of CSR & Sustainability Schemes ensure the outreach of maximum benefits to the poor/ backward & needy sections of the society and contribute to improve the quality of environment.
- Your Company is open to joining hands with the other CPSEs in planning, implementing and monitoring of Mega-Projects for optimal use of resources, synergy of expertise and capabilities for maximizing socio-economic or environmental impact.
- CSR & Sustainability Schemes for implementation are made in consultation/ association with the Administrative Authorities of District/ Sub-division/ Blocks/ Panchayats in which the NHPC's Units are operating.
- A three tier management structure exists in your company for identification, implementation and monitoring of CSR & Sustainability schemes/ activities.
- Any amount remaining unspent relating to an ongoing activity shall be transferred within a period of thirty day from the end of the financial year to an unspent Corporate Social Responsibility account in any Scheduled Bank for that financial year. This amount shall be spent in pursuance of its obligation towards the Corporate Social Responsibility policy within a period of 03 financial years from the date of such transfer, failing which, the company shall transfer the same to a fund specified in schedule-VII, within a period of 30 days from the date of completion of the third financial year.
- If an unspent amount does not relate to an ongoing project the referred amount shall be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. The reasons for the non-utilization will be specified in Board's Report.
- Any surplus arising out of CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy or transfer such surplus amount to a fund specified in Schedule-VII, within a period of six months of the expiry of the financial year.

**2. The Composition of Committee on CSR & Sustainability:**

**For the FY 2021-22**

| Sl. No. | Name of Director | Designation/Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year | Status as on 31.03.2022 (Active/ ceased) |
|---|---|---|---|---|---|
| 1. | Sh. Yamuna Kumar Chaubey | Director (Technical)- Ex-Officio Member (Chairperson) | 2 | 2 | Ceased |
| 2. | Sh. Rajendra Prasad Goyal | Director (Finance) - Ex-Officio Member | | 2 | Active |
| 3. | Sh. Biswajit Basu | Director (Projects) - Ex-Officio Member | | 2 | Active |

The Board of Directors in its 450th meeting held on 07.12.2021 has reconstituted the Committee on CSR & Sustainability with following members:

| Sl. No. | Name of Director | Designation/Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year | Status as on 31.03.2022 (Active/ ceased) |
|---|---|---|---|---|---|
| 1. | Dr. Rashmi Sharma Rawal | Chairperson of the Committee (Independent Director) | 3 | 3 | Active |
| 2. | Dr. Uday Sakharam Nirgudkar | Independent Director- Member | | 3 | Active |
| 3. | Dr. Amit Kansal | Independent Director- Member | | 3 | Active |
| 4 | Sh. Jiji Joseph | Independent Director- Member | | 3 | Active |
| 5 | Sh. Rajendra Prasad Goyal | Director (Finance) - Ex-Officio Member | | 3 | Active |
| 6 | Sh. Biswajit Basu | Director (Projects) - Ex-Officio Member | | 3 | Active |

**3.** Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

The web-link on the website of the company where Composition of CSR committee is disclosed:

http://www.nhpcindia.com/writereaddata/images/pdf/List_of_Committees_08122021_E.pdf

The web-link on the website of the company where the CSR Policy approved by the Board is disclosed is:
http://www.nhpcindia.com/writereaddata/images/pdf/corporate_resp_rev_III.pdf

The web-link on the website of the company where CSR projects are disclosed:
http://www.nhpcindia.com/writereaddata/images/pdf/2021-22%20approved%20activity%20english_CMA_202203_2_E.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule(3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

As per sub-rule(3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, impact assessments are to be carried out of the CSR projects having outlays of One Crore rupees or more, and which have been completed not less than one year before undertaking the impact study. Accordingly, the Impact Assessment of following CSR projects/ activities have been carried out through an independent agency:

1. Installation of 282 Nos. Solar Street lights in village of Karalpura, Chandaji, Mantrigam & Chack of Bandipora district of U.T of Jammu and Kashmir.
2. Electrification of hamlets in Alchi village, Leh.
3. Implementation of LED based (high mast) solar public lighting & solar street lights in nearby areas of Kanpur district, of Uttar Pradesh.
4. Supply, Installation and commissioning of twin set PVC dustbins at different locations in Himachal Pradesh.

The summary of the impact assessment reports is attached as **Annexure-A** and the impact assessment reports of above CSR projects are available on the website at:

http://www.nhpcindia.com/Impact-Assessment-Reports.htm.

5. Details of the amount available for set off in pursuance of sub-rule(3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (in ₹) | Amount required to be set-off for the financial year, if any (in ₹) |
|---|---|---|---|
| 1 | 2021-22 | 20.20 Crore | 20.20 Crore |
| **Total** | | **20.20 Crore** | **20.20 Crore** |

6. Average net profit of the company as per section 135(5): ₹ **3272.30 Crore.**

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ **65.45 Crore.**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: ₹ **0.00**

(c) Amount required to be set off for the financial year, if any: ₹ **20.20 Crore.**

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ **45.25 Crore.**

8. (a) CSR amount spent or unspent for the financial year 2021-22:

| Total Amount Spent for the Financial Year (₹ in Cr.) | Amount Unspent (₹ in Crore) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second provision to section 135(5) | | |
| | Amount | Date of transfer | Name of fund | Amount | Date of transfer |
| 105.29 | 0.00 | N/A | N/A | 0.00 | N/A |

(b) Details of CSR Amount spent against ongoing projects for the financial year 2021-22:
**As per Annexure-B attached (Total= ₹ 17.9168 Crore)**

(c) Details of CSR Amount spent against other than ongoing projects for the financial year 2021-22:
**As per Annexure-C attached (Total= ₹ 83.5188 Crore)**

(d) Amount spent in Administrative Overheads: ₹ **3.8571 Crore.**

(e) Amount spent on Impact Assessment, if applicable: ₹ **0.0 Crore**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ **105.29 Crore.**

(g) Excess amount for set off, if any

| Sl. No. | Particular | Amount (₹ in Cr.) |
|---|---|---|
| (i) | Two percent of average net profit of the company as per section135(5) | 65.45 |
| (ii) | Excess amount spent in FY 2020-21 | 20.20 |
| (iii) | Total amount spent for the Financial Year | 105.29 |
| (iv) | Excess amount spent for the financial year[(iii)+(ii)-(i)] | 60.04 |
| (v) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | 0.00 |
| (vi) | Amount available for set off in succeeding financial years[(iv)-(v)] | 60.04 |

**9.** (a) Details of unspent CSR amount for the preceding three financial years:

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135(6) (₹ in Cr.) | Amount spent in the reporting Financial Year (₹ in Cr.) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any | | | Amount remaining to be spent in succeeding financial Years (₹ in Cr.) |
|---|---|---|---|---|---|---|---|
| | | | | Name of the Fund | Amount (₹ in Cr.) | Date of transfer | |
| 1. | 2020-21 | 0.00 | 0.00 | N/A | 0.00 | N/A | N/A |
| 2. | 2019-20 | 0.00 | 0.00 | N/A | 0.00 | N/A | N/A |
| 3. | 2018-19 | 0.00 | 0.00 | N/A | 0.00 | N/A | N/A |
| **Total** | | | **0** | | | | |

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **As per Annexure-D attached**

**10.** In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **(asset-wise details)**.

| | | |
|---|---|---|
| (a) | Date of creation or acquisition of the capital asset(s). | **As per Annexure-E attached** |
| (b) | Amount of CSR spent for creation or acquisition of capital asset. | |
| (c) | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. | |
| (d) | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). | |

**11.** Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5). - N/A

**Sd/-**
**(A. K. Singh)**
**Chairman & Managing Director**
**DIN: 08646003**

**Sd/-**
**(Dr. Rashmi Sharma Rawal)**
**Independent Director & Chairperson-Committee on CSR & Sustainability**
**DIN: 09410683**

**Date: July 02, 2022**
**Place: Kumarakom, Kerala**

Annexure - A

# CSR PROJECTS

**Installation of 282 nos. Solar Street lights in village of Karalpura, Chandaji, Mantrigam & Chack of Bandipora district of U.T. of Jammu & Kashmir**

| | |
|---|---|
| **Project Proponent** | NHPC Limited |
| **Project Executioner** | Jammu & Kashmir Energy Development Agency (JAKEDA), Science and Technology Department, Govt of J&K |
| **Start Date** | 27.12.2016 |
| **Completion Date** | 31.08.2019 |
| **State/U.T.** | U.T. of Jammu and Kashmir |
| **Activities** | Installation of 282 solar street lights |
| **Total Expenditure** | ₹ 100.24 Lakh |



**Executive Summary**

NHPC Limited has supported the project 'Implementation of Solar Lights in adjoining villages of Kishanganga HE Project' for making the area safe and secure in night time and achieving the Target 7 of the Sustainable Development Goals. In this project around 282 street lights were installed and commissioned by NHPC Limited.

This project impacted positively in the overall well being of the people living in the identified areas. This project found in alignment with NHPC's corporate social vision, and will also promote green and energy efficient technologies thus modernising societies in accordance with the DPE Guidelines on CSR and sustainability. Local people have access to high quality, sustainable lighting solutions of renewable energy due to this project.

Planning and training of Investigators were done by Impact Assessment experts of SR Asia. SR Asia has deployed teams in selected constituencies where the project was implemented. During the fieldwork, the team covered selected villages of Bandipora district and performed surveys using the random sampling method.

It was observed that at few places solar street light is not in operation because of poor maintenance. Project beneficiaries and local stakeholders are happy with the initiative of providing these infrastructure. But people are not satisfied with its maintenance. As per local community it has improved safety and security at night time. There has been increase in economic and other activities in night time. This initiative also enhanced beautification of roads in the project area. NHPC may take steps towards maintenance and management of solar infrastructure created in Bandipora District to make this project a success.

**Electrification of hamlets in Alchi village, Leh**

| | |
|---|---|
| **Project Proponent** | NHPC Limited |
| **Project Executioner** | M/s Avisha Infrastructure Pvt. Limited |
| **Start Date** | 19.11.2016 |
| **Completion Date** | 30.08.2018 |
| **State/U.T.** | U.T. of Ladakh |
| **Activities** | • 11 KV OH line on Rabbit Conductor for 9.5 km.<br>• 11 KV T-off Arrangement with isolator.<br>• LT line 1-Ph, 2-wire for 4.5 km.<br>• LT line 3-Ph, 4-wire for 3.0 Km.<br>• Construction of 04 nos. 25 KVA, 3-Ph Sub- Station.<br>• Construction of 63 KVA, 3-Ph Sub-Station. |
| **Total Expenditure** | ₹ 138.72 lakhs |

**Executive Summary**

NHPC Limited has supported the project 'Electrification of hamlets in Alchi village, Leh' for achieving 100%

electrification in and around affected villages due to construction of NBPS, Alchi Dam. This project is a major milestone towards attaining the Sustainable Development Goal target 7.1 of providing universal access to affordable, reliable and modern energy services in rural hamlets of U.T. of Ladakh.

The study was initiated with the preparation of research tools and methodology based on the guidelines given by the CSR & SD Division of NHPC Limited. There were 7 households who are the direct beneficiary of the project and other people including farmers or small business owners from other villages are the indirect beneficiaries of the project. Impact Assessment team consulted with family heads of all the households. It also mapped the project location and observed electricity transmission line from Sub-station to the every household. Planning and training of Investigators were done by Impact Assessment experts of SR Asia. SR Asia has deployed teams in selected constituencies where the project was implemented. During the fieldwork, the team covered both the hamlets where transmission line was commissioned by NHPC.

The objective of the study was to understand the outcome of the initiative and its contribution in 100% electrification of the remote rural hamlets. The assessment was made in terms of installation, commissioning, utilization, and present condition of the 11 KV transmission line. This CSR project is aligned to national developmental priorities with a view to empower people living in remote rural areas.

The project has created a positive impact on several indicators such as standard of living, daily output in local activities, increase in use of technology, as well as other socio- economic indicators. It was observed that the installation was done and it has been the source of 24/7 electricity supply for people. It had a positive impact in the life of people living in and around the project site. The overall impact of the project is found to be satisfactory.

**Implementation of LED based (High Mast) Solar Public Lighting & Solar Street Lights in nearby areas of Kanpur District, of Uttar Pradesh.**

| | |
|---|---|
| **Project Proponent** | M/s Energy Efficiency Services Limited. |
| **Project Executioner** | M/s Gautam Solar Pvt. Ltd. New Delhi, M/s Eon Electric Limited, Noida |
| **Start Date** | 24.03.2017 |
| **Completion Date** | 15.01.2019 |
| **State/U.T.** | Uttar Pradesh |
| **Activities** | Installation of 188 nos. of LED based High Mast Solar Lights & 420 nos. of Solar Street Lights |
| **Total Expenditure** | ₹ 2,75,16,950/- |



**Executive Summary**

The CSR project 'Implementation of LED based (High Mast) Solar Public Lighting and Solar Street Lights in nearby areas of Kanpur District, Uttar Pradesh' is framed and implemented under rural development initiative. About 420 Solar Street Lights and 188 High Mast Lights were installed and commissioned in Arya Nagar, Govind Nagar, Kanpur Cantt. and Maharajpur.

This project impacted positively in the overall well being of the people living in the identified areas. This project found in aligned with NHPC's corporate social vision, and will also promote green and energy efficient technologies thus modernizing societies in accordance with the DPE Guidelines on CSR and sustainability. Local people have access to high quality, sustainable lighting solutions of renewable energy due this project.

NHPC awarded the work of Impact Assessment to SR Asia. The study was initiated with the formation of Impact Assessment team, preparation of research tools and methodology based on the guidelines given by the CSR & SD Division of NHPC Limited.

Planning and training of Investigators were done by Impact Assessment experts of SR Asia. SR Asia has deployed teams in selected constituencies where the project was implemented. During the fieldwork, the team covered all project sites in the Kanpur district and performed surveys as per the random sampling method.

The study concluded that the implementation of the project was satisfactory but its maintenance and sustainability is an issue. It was observed that at few places solar street light an high mast light is not in operation because of poor maintenance. Project beneficiaries and local stakeholders are happy with the initiative of providing these infrastructure. But people are not satisfied with its maintenance. As per local community it has improved safety and security at night time. There has been increase in economic and other activities in night time. This initiative also enhanced beautification of roads in the project area. NHPC may take steps towards maintenance and management of solar infrastructure created in Kanpur district of UP, to make this project a resounding success.

**Supply, installation and Commissioning of twin set PVC dustbins at different locations in Himachal Pradesh through EESL.**

| | |
|---|---|
| **Project Proponent** | M/s Energy Efficiency Services Limited |
| **Project Executioner** | M/s Aristoplast Products Pvt. Limited |
| **Start Date** | 20.02.2018 |
| **Completion Date** | 31.08.2019 |
| **State/U.T.** | Himachal Pradesh |
| **Activities** | Installation of 13000 no's of twin set dustbins in 13 assembly constituencies. |
| **Total Expenditure** | ₹ 5,75,71,020/- |






**Executive Summary**

NHPC Limited has supported the project 'Supply, installation and Commissioning of twin set PVC dustbins at different locations in Himachal Pradesh through EESL' for promoting Swachh Bharat Abhiyan launched by the Government of India. This project was developed and implemented for promoting cleanliness and achieving the Target 6 of the Sustainable Development Goals.

NHPC awarded the work of Impact Assessment to SR Asia on 25th April, 2022. The study was initiated on 29th April, 2022 with the preparation of research tools and methodology based on the guidelines given by the CSR & SD Division of NHPC Limited.

Planning and training of Investigators were done by Impact Assessment experts of SR Asia. SR Asia has deployed teams in selected constituencies where the project was implemented. During the fieldwork, the team covered selected villages of all 13 constituencies and performed surveys as per the random sampling method.

The objective of the study was to understand the outcome of the initiative and its contribution in overall waste management in rural and urban settlements. The assessment was made in terms of installation, utilization, and present condition of the dustbin set.

The study concluded that the implementation of the project was quite effective. It was observed that the installation was done and these dustbins are being used for garbage collection and segregation of waste as wet and dry. It had a positive impact on the cleanliness and beautification of the public places and institutional areas. The overall impact of the project is found to be satisfactory. In parallel, this initiative also enlightens citizens about waste management.

**Annexure-B**

## Details of CSR amount spent against ongoing projects for the FY 2021-22 (refer Sl No. 8b of Annual Report on CSR FY 2021-22)

Amount (₹ in lakh)

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | 9 | 10 | 11 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sl. N0. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/ No) | Location of Project | | Project Duration (in months) | Amount allocated to the project | Amount spent in the current Financial Year | Amount transferred to Unspent CSR Accounts for the project as per Section 135(6) | Mode of Implemen-tation - Direct (Yes/No) | Mode of Implementation through Implementing Agency | |
| | | | | State/UT | District | | | | | | Name | CSR Registration No. |
| 1 | Providing 1.5 Tesla MRI Machine. | Health & Sanitation | Yes | Himachal Pradesh | Chamba | 27 | 485.17 | 485.16 | - | No | District Administration, Chamba | - |
| 2 | Implementation of LED based Solar Street Lights in Shimla and Kangra Parliamentary Constituencies of Himachal Pradesh | Rural Development | No | Himachal Pradesh | Shimla and Kangra | 110 | 432.85 | 432.85 | - | No | M/s EESL, New Delhi. | - |
| 3 | Distribution of Aids & Appliances to around 2000 Persons with Disabilities (PwD) at Bandipora, Lakhimpur, Dhemaji, Pithoragarh, West Siang, Churachandpur through ALIMCO. | Health & Sanitation | Yes | Various States | Bandipora, Lakhimpur, Dhemaji, Pithoragarh, West Siang, Churachand-pur | 20 | 204.14 | 208.31 | - | No | ALIMCO | - |
| 4 | Employment Oriented Vocational Training beyond Project periphery (up to 25 Kms.)-3000 Nos. Through NSDC and 1000 Nos. through other Skill Development Agency i.e. NHFDC/ KVIC for livelihood enhancement of Divyang & others | Education & Skill Development | Yes | UT of J&K | Baramulla | 37 | 184.28 | 111.77 | - | No | National Skill Development Corporation (NSDC) & National Hadicapped Finance Development Corporation (NHFDC) | - |
| 5 | Construction of 6 no. class rooms at Munderi Govt. Higher Secondary School, Kannur, Kerala under the 'Development, Renovation and Advancement Plan'. | Education & Skill Development | No | Kerala | Kannur | 23 | 84.00 | 84.00 | - | No | Secretary, District Panchayat, Kannur, Kerala | - |
| 6 | Providing 128 slice CT Scan machine with CMC for 8 years. | Health & Sanitation | Yes | Himachal Pradesh | Chamba | 27 | 78.17 | 78.17 | - | No | District Administration, Chamba | - |
| 7 | Adoption of village Bidda in district Reasi by Salal Power Station as Adarsh Gaon.<br>a) RCC surface water tank.<br>b) Construction of retaining wall and black topping of Bidda road. | Rural Development | Yes | UT of J&K | Reasi | 29 | 71.00 | 65.60 | - | Yes | NHPC | - |

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | 9 | 10 | 11 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sl. N0. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/ No) | Location of Project | | Project Duration (in months) | Amount allocated to the project | Amount spent in the current Financial Year | Amount transferred to Unspent CSR Accounts for the project as per Section 135(6) | Mode of Implemen-tation - Direct (Yes/No) | Mode of Implementation through Implementing Agency | |
| | | | | State/UT | District | | | | | | Name | CSR Registration No. |
| 8 | Orthopaedic Camp for free distribution of artificial limbs, clutches and wheel chairs to the selected beneficiaries in Baramula District (J&K) | Health & Sanitation | Yes | UT of J&K | Baramulla | 38 | 50.00 | 49.99 | - | No | ALIMCO | - |
| 9 | Civil Works and Machinery equipment for Health Care Centres, Sopore, District-Baramulla (J&K). | Health & Sanitation | Yes | UT of J&K | Baramulla | 28 | 127.95 | 45.00 | - | No | DC, Baramulla | - |
| 10 | Construction of PCC Road in different villages of Shahpur Block, Arrah (Bhojpur District).<br>(a) Construction of Community Centre, two room with toilet, Chathh Ghat, Vented Crossway, Chabutra with Shed and one no. toilet in different villages of Shahpur Block, Arrah (Bhojpur District).<br>(b) Providing Basic need facilities after need based survey in Education up gradation, Rural infrastructure, Health care promotion, Sanitation, Livelihood etc. in various village of Shahpur Block, Bhojpur Dist. (Bihar) | Rural Development | Yes | Bihar | Bhojpur (Arrah) | 49 | 69.00 | 43.68 | - | Yes | NHPC | - |
| 11 | Development of Bandipora Nishat Garden. | Swachh Bharat Abhiyan | Yes | UT of J&K | Bandipora | 35 | 36.82 | 36.82 | - | No | District Development Commissioner, Bandipora | - |
| 12 | Installation of 100 no. High Mast Solar lights in Legislative Assembly, Sarojini Nagar, Distt.-Lucknow. | Environment | No | Uttar Pradesh | Sarojni Nagar | 87 | 28.00 | 23.46 | - | No | M/s Bhartiya Co-operative Gramin Vikas Evam Nirman Ltd., Lucknow | - |
| 13 | Proposal for undertaking project under CSR initiative of NHPC for distribution of Aid & Appliances to the persons with disabilities in Chamba District | Health & Sanitation | Yes | Himachal Pradesh | Chamba | 33 | 22.66 | 22.47 | - | No | ALIMCO | - |
| 14 | Development of Gulshan Chowk in Bandipora. | Swachh Bharat Abhiyan | Yes | UT of J&K | Bandipora | 34 | 18.56 | 18.55 | - | No | District Development Commissioner, Bandipora | - |

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | 9 | 10 | 11 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sl. N0. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/ No) | Location of Project | | Project Duration (in months) | Amount allocated to the project | Amount spent in the current Financial Year | Amount transferred to Unspent CSR Accounts for the project as per Section 135(6) | Mode of Implemen-tation - Direct (Yes/No) | Mode of Implementation through Implementing Agency | |
| | | | | State/UT | District | | | | | | Name | CSR Registration No. |
| 15 | Up gradation of infrastructure-Construction of School building in Gingle High School in place of Old Building damaged in earthquake in 2005 | Education & Skill Development | Yes | UT of J&K | Baramulla | 37 | 27.00 | 14.74 | - | Yes | NHPC | - |
| 16 | Repair and maintenance of local water supply line in nearby villages such as Karalpora, Mantrigam, Chandaji | Rural Development | Yes | UT of J&K | Bandipora | 30 | 12.71 | 12.71 | - | No | District Development Commissioner, Bandipora | - |
| 17 | Employment Oriented Vocational Training for Other locations for 3000 youths as approved by MOP (Through NSDC and other SDTs) through T&HRD, CO | Education & Skill Development | Yes | UT of J&K | Baramulla | 57 | 12.85 | 11.97 | - | No | National Skill Development Corporation (NSDC) | - |
| 18 | Implementation of LED based Solar Public Lighting (High Mast) and Solar Street Lights in outer rural areas of Kanpur District, Uttar Pradesh. | Rural Development | No | Uttar Pradesh | Kanpur | 72 | 7.89 | 7.89 | - | No | M/S Energy Efficiency services Ltd. (EESL), Delhi | - |
| 19 | Construction of 2/3 Culverts and Repairing/ extension of water supply Line in Check Village, Bandipora (J&K) | Rural Development | Yes | UT of J&K | Bandipora | 37 | 7.61 | 7.60 | - | No | District Development Commissioner, Bandipora | - |
| 20 | Construction of Auditorium at Government Inter College, Khet near Dam Site. | Education & Skill Development | Yes | Uttarakhand | Pithoragarh | 26 | 6.09 | 5.61 | - | Yes | NHPC | - |
| 21 | CSR Support for the Project Hospital, Surangini, which is declared as dedicated Covid Care Center by the Govt. of Himachal Pradesh.(Bairasiul). | Health & Sanitation | Yes | Himachal Pradesh | Chamba | 23 | 6.50 | 5.54 | - | Yes | NHPC | - |
| 22 | Repair, Restoration and Cleaning of Kuls, Culverts and Footpaths for nearby villages-Kralpora, Check, Mantrigram, Chandaji and Gurez. | Rural Development | Yes | UT of J&K | Bandipora | 33 | 5.18 | 4.18 | - | No | District Development Commissioner, Bandipora | - |
| 23 | Improvement/ extension & providing of Water Supply to village Kotla and Theru (Ransoo) Distt. Reasi | Rural Development | Yes | UT of J&K | Reasi | 33 | 42.00 | 3.00 | - | No | PHE Reasi (Through DC Office) | - |
| 24 | Repair and maintenance of Kuls in nearby villages. | Rural Development | Yes | UT of J&K | Bandipora | 33 | 4.75 | 2.45 | - | No | District Development Commissioner, Bandipora | - |

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | 9 | 10 | 11 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sl. N0. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/ No) | Location of Project | | Project Duration (in months) | Amount allocated to the project | Amount spent in the current Financial Year | Amount transferred to Unspent CSR Accounts for the project as per Section 135(6) | Mode of Implemen-tation - Direct (Yes/No) | Mode of Implementation through Implementing Agency | |
| | | | | State/UT | District | | | | | | Name | CSR Registration No. |
| 25 | Project proposal request for Grant in Aid for the project "PAD WOMEN" menstrual health awareness and livelihood Program for the women of the underprivileged section of the Society in Mewat region of Haryana. | Women Empowerment/ Senior Citizen | No | Haryana | Mewat | 14 | 2.09 | 2.09 | - | No | M/s Nutan Prayatn, Delhi | - |
| 26 | Covid-19 assistance to District administration. | Health & Sanitation | Yes | UT of J&K | Bandipora | 24 | 2.00 | 2.00 | - | No | District Development Commissioner, Bandipora | - |
| 27 | Providing Drinking Water facility through Bore well and Laying of Pipelines at Khaltse Village. | Health & Sanitation | Yes | UT of Laddakh | Leh | 31 | 2.00 | 2.00 | - | Yes | NHPC | - |
| 28 | Construction of Shamshan Ghat and approach to Shamshan Ghat in Jabla Village | Rural Development | Yes | UT of J&K | Baramulla | 9 | 1.78 | 1.77 | - | Yes | NHPC | - |
| 29 | Contribution for plantation and 5 years maintenance of 200 trees at Parikrama Marg, Giriraj Talhati, Govardhan, Mathura. | Environment | No | Uttar Pradesh | Mathura | 60 | 1.46 | 1.46 | - | No | Vanshivat Ashram, Govardhan, Mathura | - |
| 30 | Request for providing Solar High Mast Lights (4 x 18 W) in Mirzapur Parliamentary Constituency of Uttar Pradesh. | Environment | No | Uttar Pradesh | Mirzapur | 102 | 32.78 | 1.28 | - | No | UP Small Industries Corporation Ltd. | - |
| 31 | Providing of Solar street lights (12 W) in Bijnor Parliamentary constituency. | Environment | No | Uttar Pradesh | Bijnor | 63 | 1.02 | 1.02 | - | No | M/s Rajasthan Electronic & instruments Limited. | - |
| 32 | Proposal for installation of Solar Street Lights (12 W) in Bikaner constituency. | Environment | No | Rajasthan | Bikaner | 64 | 1.02 | 1.02 | - | No | M/s Rajasthan Electronic & instruments Limited. | - |
| 33 | CSR support on collaborative mode for Providing Bus service for movement of Disabled students from outer rural areas to Hansraj College, University of Delhi. | Education & Skill Development | Yes | Delhi | North Delhi | 31 | 1.00 | 1.00 | - | No | Principal, Hansraj College, University of Delhi. | - |

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | 9 | 10 | 11 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sl. N0. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/ No) | Location of Project | | Project Duration (in months) | Amount allocated to the project | Amount spent in the current Financial Year | Amount transferred to Unspent CSR Accounts for the project as per Section 135(6) | Mode of Implemen-tation - Direct (Yes/No) | Mode of Implementation through Implementing Agency | |
| | | | | State/UT | District | | | | | | Name | CSR Registration No. |
| 34 | Safe Drinking Water facilities with bore well, filtration as per site requirement in public areas, community centres etc. | Swachh Bharat Abhiyan | Yes | Assam | Dhemaji/ Lakhimpur/ Majuli/ Narayanpur | 72 | 25.00 | 0.71 | - | No | Local Panchayat/ Namghar/ School/ Public Representative Committee | |
| 35 | Strengthening by way of training and material for local sports, art & culture. | Sports | Yes | UT of J&K | Bandipora | 20 | 0.40 | 0.39 | - | No | District Development Commissioner, Bandipora | - |
| 36 | Construction of two rooms at Govt. Primary School, Bhandar. | Rural Development | Yes | Himachal Pradesh | Chamba | 34 | 3.01 | 0.39 | - | Yes | NHPC | - |
| 37 | Construction of Girls Toilets at GHS, Sari. | Education & Skill Development | Yes | Himachal Pradesh | Kullu | 20 | 1.76 | 0.36 | - | No | SMC, Sari | - |
| 38 | Construction of community hall with toilet and kitchen at Deorali, Teesta Valley. | Rural Development | Yes | West Bengal | Darjeeling | 19 | 0.32 | 0.31 | - | Yes | NHPC | - |
| 39 | Re-Construction of Surangani bus Stand | Rural Development | Yes | Himachal Pradesh | Chamba | 16 | 0.08 | 0.08 | - | Yes | NHPC | - |
| 40 | Repair of Compound Wall and Floor of the Govt. Middle School, Bagwan Mohalla, Kishtwar | Education & Skill Development | Yes | UT of J&K | Kishtwar | 37 | 5.42 | 0.00 | - | No | Assistant Commisioner Development, Kishtwar, Rural Development Deptt, Govt of UT of J&K | - |
| 41 | Maintenance/ repair/ renovation of building of Govt. Girls H. School Sangrambhata, Kishtwar. | Education & Skill Development | Yes | UT of J&K | Kishtwar | 37 | 3.70 | 0.00 | - | No | Assistant Commisioner Development, Kishtwar, Rural Development Deptt, Govt of UT of J&K | - |
| 42 | Construction of Toilet Complex at Tuberculosis Centre, Kishtwar | Health & Sanitation | Yes | UT of J&K | Kishtwar | 37 | 3.60 | 0.00 | - | No | Assistant Commisioner Development, Kishtwar, Rural Development Deptt, Govt of UT of J&K | - |

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | 9 | 10 | 11 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sl. N0. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/ No) | Location of Project | | Project Duration (in months) | Amount allocated to the project | Amount spent in the current Financial Year | Amount transferred to Unspent CSR Accounts for the project as per Section 135(6) | Mode of Implemen-tation - Direct (Yes/No) | Mode of Implementation through Implementing Agency | |
| | | | | State/UT | District | | | | | | Name | CSR Registration No. |
| 43 | Development of Herbal Park for Preventive health care and developing area through Plantation for Environment sustainability at Noapachchi of Barsar HEP location in Block Marwa | Environment | Yes | UT of J&K | Kishtwar | 37 | 13.86 | 0.00 | - | No | Assistant Commisioner Development, Kishtwar, Rural Development Deptt, Govt of UT of J&K | - |
| 44 | Providing for machinery equipment in various health care centres of Districts (like PHC/ CHC and Sub District Hospitals) viz USG Color Doppler, X-ray Machine, Urine Analyzer, Cardiac Monitor, Oxygen Concentration, Generator Set, CR System, Dental Chain in District- Baramulla (J&K). | Health & Sanitation | Yes | UT of J&K | Baramulla | 31 | 247.62 | 0.00 | - | No | DC, Baramulla | - |
| 45 | Providing water supply & sanitation arrangement and other related facility in the proposed Yatri Niwas at Pantha Chowk, Srinagar. | Health & Sanitation | No | UT of J&K | Srinagar | 20 | 350.00 | 0.00 | - | No | SHRI AMARNATH SHRINE BOARD | CSR 00021564 |
| 46 | Modernization of Horticulture Nurseries at Khawaja Bagh, Baramulla and Baghi Sundari Sopore (for Capacity enhancement). | Rural Development | Yes | UT of J&K | Baramulla | 31 | 64.50 | 0.00 | - | No | DC, Baramulla | - |
| 47 | Construction of toilets in schools. | Swachh Vidyalaya Abhiyan | Yes | UT of J&K | Baramulla | 48 | 2.36 | 0.00 | - | Yes | NHPC | - |
| 48 | Strengthening of bridge abutment and construction of footpath near middle school Jabla. | Rural Development | Yes | UT of J&K | Baramulla | 39 | 2.73 | 0.00 | - | Yes | NHPC | - |
| 49 | Rural Development of Salamabad Village, Upgradation & repairing of Govt. Hr. Sec. Salamabad | Rural Development | Yes | UT of J&K | Baramulla | 24 | 25.00 | 0.00 | - | Yes | NHPC | - |
| 50 | Organizing Medical Camps (Minimum 2-3 camps or as per medical requirements in one or two focused locations on regular intervals for sustainable healthcare) - at Bandipora and Gurez Locations. | Health & Sanitation | Yes | UT of J&K | Bandipora | 36 | 10.17 | 0.00 | - | No | District Development Commissioner, Bandipora | - |
| 51 | Solar Street Lighting of approach Roads leading to Project implemented through MOU with JKEDA for up keeping and maintenance support for 5 years. | Environment | Yes | UT of J&K | Bandipora | 73 | 80.26 | 0.00 | - | No | District Development Commissioner, Bandipora | - |

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | 9 | 10 | 11 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sl. N0. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/ No) | Location of Project | | Project Duration (in months) | Amount allocated to the project | Amount spent in the current Financial Year | Amount transferred to Unspent CSR Accounts for the project as per Section 135(6) | Mode of Implemen-tation - Direct (Yes/No) | Mode of Implementation through Implementing Agency | |
| | | | | State/UT | District | | | | | | Name | CSR Registration No. |
| 52 | Solar street lights in Check village, Bandipora. | Environment | Yes | UT of J&K | Bandipora | 54 | 27.56 | 0.00 | - | No | District Development Commissioner, Bandipora | - |
| 53 | Plantation under "Pollution Abating Plants Abhiyan (PAPA) | Environment | Yes | UT of J&K | Bandipora | 42 | 5.00 | 0.00 | - | No | District Development Commissioner, Bandipora/ DFO project officer CAT | - |
| 54 | Trainings, Seminars & Workshops for Empowerment of Tribal Youth by SVPRET | Education & Skill Development | No | Gujrat | Narmada | 24 | 200.00 | 0.00 | - | No | Sardar Vallabhbhai Patel Rastriya Ekta Trust | CSR 00009170 |
| 55 | Supply and Installation of 12 Watt LED Solar Street Light System in various rural villages across Faridabad District (Haryana)- 450 Nos through MOU with district administration for CSR sustainability. | Environment | Yes | Haryana | Faridabad | 71 | 1.88 | 0.00 | - | No | M/s Energy Efficiency services Ltd. (EESL), Delhi | - |
| 56 | Proposal for providing 500 number Solar lights in Siddharth Nagar District of U.P. under CSR. | Environment | No | Uttar Pradesh | Siddharth Nagar | 84 | 45.00 | 0.00 | - | No | UP Small Industries Corporation Ltd. | - |
| 57 | CSR Support of ₹ 1.00 Cr for re-construction of Govt. Schools and Health centres damaged during unpreecedented rainfall in the Uttaranchal state for the FY 2021-22. | Disaster Management | Yes | Uttarakhand | Vaious Districts | 18 | 100.00 | 0.00 | - | No | Uttarakhand State Disaster Management Authority | CSR 00017007 |
| 58 | CSR support for Supply, installation and Commissioning of one unit of 250 LPH RO System and its two-year maintenance at National Association for the Blind. | Education & Skill Development | Yes | Haryana | Faridabad | 24 | 0.09 | 0.00 | - | No | M/s National Association for the Blind | - |
| 59 | Construction of Civic Amenity Building, Badrinath Dham to Shri Kedarnath Utthan Charitable trust (SKUCT). | Art & Culture | No | Uttarakhand | Chamoli | 24 | 213.77 | 0.00 | - | No | Shri Kedarnath Utthan Charitable trust (SKUCT) | CSR 00009855 |

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | 9 | 10 | 11 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sl. N0. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/ No) | Location of Project | | Project Duration (in months) | Amount allocated to the project | Amount spent in the current Financial Year | Amount transferred to Unspent CSR Accounts for the project as per Section 135(6) | Mode of Implemen-tation - Direct (Yes/No) | Mode of Implementation through Implementing Agency | |
| | | | | State/UT | District | | | | | | Name | CSR Registration No. |
| 60 | Providing regular sports training to Persons with Intellectual and Development Disability (PWIDD) | Sports | Yes | Delhi | New Delhi | 36 | 100.00 | 0.00 | - | No | Special Olympics Bharat, New Delhi. | CSR 00008863 |
| 61 | 10 RO Cum Sanitation Complex through MOU with District Authority for CSR sustainability. | Swachh Bharat Abhiyan | Yes | Assam & Arunachal Pradesh | Dhemaji/ Lakhimpur/ Majuli/ Narayanpur/ Kamle | 80 | 10.00 | -0.21 | - | No | Local Panchayat/ Namghar/ School/ Public Representative Committee | - |
| 62 | Improvement of existing buildings and const. of boundary wall/ protection walls and other facilities in Govt. Schools in Trintha, Bakal, Kundra and Kheral of Reasi, Chinkha and Pouni educational zones of Distt. Reasi | Education & Skill Development | Yes | UT of J&K | Reasi | 12 | 0.00 | -5.48 | - | Yes | NHPC | |
| | **G. Total** | | | | | | **2306.98** | **1791.68** | | | | |

**Annexure-C**

## Details of CSR amount spent against other then ongoing projects for the FY 2021-22 (refer Sl No. 8c of Annual Report on CSR FY 2021-22)

Amount (₹ in lakh)

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | |
|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/ No) | Location of Project | | Amount spent for the project | Mode of Implementation - Direct (Yes/No) | Mode of Implementation through Implementing Agency | |
| | | | | State/UT | District | | | Name | CSR Registration No. |
| 1 | CSR contribution of ₹ 30 crores to PM CARE Funds | Central Govt Fund | No | Delhi | New Delhi | 3000.00 | Yes | NHPC | - |
| 2 | Expenditure on Kendriya Vidyalaya/Other Schools for Outsiders – CSR. | Education & Skill Development | Yes | Himachal Pradesh | Kullu | 372.42 | Yes | NHPC | - |
| 3 | Expenditure on Kendriya Vidyalaya/Other Schools for Outsiders – CSR. | Education & Skill Development | Yes | UT of J&K | Kishtwar | 341.12 | Yes | NHPC | - |
| 4 | Expenditure on Kendriya Vidyalaya/Other Schools for Outsiders – CSR. | Education & Skill Development | Yes | Sikkim | East & South Sikkim | 316.31 | Yes | NHPC | - |
| 5 | Expenditure on Kendriya Vidyalaya/Other Schools for Outsiders – CSR. | Education & Skill Development | Yes | Sikkim | South Sikkim | 304.31 | Yes | NHPC | - |
| 6 | Expenditure on Kendriya Vidyalaya/Other Schools for Outsiders – CSR. | Education & Skill Development | Yes | Uttarakhand | Champawat | 285.84 | Yes | NHPC | - |
| 7 | Fund for rectification/ maintenance/ refurbishment work of the dysfunctional toilets to make them workable. | Swachh Vidyalaya Abhiyan | Yes | Assam & Arunachal Pradesh | Vaious Districts | 275.11 | No | Education department of respective district and SMC of respective school. | - |
| 8 | Expenditure on Kendriya Vidyalaya/Other Schools for Outsiders – CSR. | Education & Skill Development | Yes | Manipur | Churachandpur & Bishnupur | 267.82 | Yes | NHPC | - |
| 9 | Expenditure on Kendriya Vidyalaya/Other Schools for Outsiders – CSR. | Education & Skill Development | Yes | Uttarakhand | Pithoragarh | 253.83 | Yes | NHPC | - |
| 10 | Expenditure on Kendriya Vidyalaya/Other Schools for Outsiders – CSR. | Education & Skill Development | Yes | Himachal Pradesh | Chamba | 249.21 | Yes | NHPC | - |
| 11 | Expenditure on Kendriya Vidyalaya/Other Schools for Outsiders-CSR. | Education & Skill Development | Yes | UT of J&K | Reasi | 248.75 | Yes | NHPC | - |
| 12 | Supply, Installation, testing and commissioning of one no. of Oxygen Generation Plant of 1000 LPM with booster facility for refilling of Cylinders at B.K Hospital, Faridabad. | Health & Sanitation | Yes | Haryana | Faridabad | 212.61 | Yes | NHPC | - |
| 13 | Expenditure on Kendriya Vidyalaya/Other Schools for Outsiders-CSR. | Education & Skill Development | Yes | Assam | Dhemaji | 183.78 | Yes | NHPC | - |
| 14 | Expenditure on Kendriya Vidyalaya/Other Schools for Outsiders – CSR. | Education & Skill Development | Yes | West Bengal | Darjeeling | 176.60 | Yes | NHPC | - |

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | |
|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/ No) | Location of Project | | Amount spent for the project | Mode of Implementation - Direct (Yes/No) | Mode of Implementation through Implementing Agency | |
| | | | | State/UT | District | | | Name | CSR Registration No. |
| 15 | Expenditure on Kendriya Vidyalaya/Other Schools for Outsiders – CSR. | Education & Skill Development | Yes | Himachal Pradesh | Chamba | 160.76 | Yes | NHPC | - |
| 16 | CSR Support for 02 nos. oxygen plant each of at least 500 LPM capacity, one for COVID dedicate Hospital, Kargil & another for CHC Sankoo. | Health & Sanitation | Yes | UT of Laddakh | Kargil | 160.00 | No | District Authority, Kargil | - |
| 17 | Repair & Maintenance and providing Water Supply system in School toilets constructed by NHPC RO, Siliguri. | Swachh Vidyalaya Abhiyan | Yes | West Bengal | Jalpaiguri | 152.09 | Yes | NHPC | - |
| 18 | For COVID-19 augmentation of CCE (Cold chain equipment) infrastructure etc. | Health & Sanitation | Yes | UT of J&K | Srinagar | 139.10 | Yes | NHPC | - |
| 19 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | Manipur | Churachandpur & Bishnupur | 82.31 | Yes | NHPC | - |
| 20 | Expenditure on Kendriya Vidyalaya/Other Schools for Outsiders – CSR. | Education & Skill Development | Yes | UT of J&K | Baramulla | 72.56 | Yes | NHPC | - |
| 21 | Expenditure on Kendriya Vidyalaya/Other Schools for Outsiders – CSR. | Education & Skill Development | Yes | UT of J&K | Baramulla | 72.56 | Yes | NHPC | - |
| 22 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | Sikkim | East & South Sikkim | 70.20 | Yes | NHPC | - |
| 23 | Procurement of 01 no. oxygen plant of capacity 500 LPM, 45 KVA DG Set and Misc. Civil works for CHC Dhar Chula. | Health & Sanitation | Yes | Uttarakhand | Pithoragarh | 65.74 | No | CMO, Pithoragarh | - |
| 24 | Procurement of 01 no. Oxygen Generation Plant of capacity 200 LPM and other related services/ equipment for CHC Khalsi. | Health & Sanitation | Yes | UT of Laddakh | Leh | 58.90 | No | District Administration, Leh | - |
| 25 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | Assam & Arunachal Pradesh | Dhemaji/ Lakhimpur/ Kamle | 58.05 | Yes | NHPC | - |
| 26 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | Himachal Pradesh | Chamba | 52.81 | Yes | NHPC | - |
| 27 | For CSR project 'Arogya-Primary health Screening and provision of Primary health services and facilitation of the secondary care with high emphasis for Non Communicable Diseases in District Doda'(RO Jammu). | Health & Sanitation | Yes | UT of J&K | Doda | 50.25 | No | Sahara Health & Development Society | CSR 00011639 |
| 28 | CSR support to District Hospital, Siddharth Nagar, Uttar Pradesh for setting up of one no. oxygen generation plant | Health & Sanitation | No | Uttar Pradesh | Siddharth nagar | 50.00 | No | District Magistrate, Siddharth Nagar | CSR 00009393 |

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | |
|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/ No) | Location of Project | | Amount spent for the project | Mode of Implementation - Direct (Yes/No) | Mode of Implementation through Implementing Agency | |
| | | | | State/UT | District | | | Name | CSR Registration No. |
| 29 | CSR Support to Commissioner of Police Faridabad for purchase of Patrolling Vehicles for ensure better protection for vulnerable members of society in particular women, children and senior citizen. | Women empowerment/ Senior Citizen | Yes | Haryana | Faridabad | 46.21 | No | Commissioner of Police, Faridabad | - |
| 30 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | Sikkim | South Sikkim | 34.75 | Yes | NHPC | - |
| 31 | Fund for rectification/ maintenance/ refurbishment work of the dysfunctional toilets to make them workable. | Swachh Vidyalaya Abhiyan | Yes | Manipur | Churachandpur | 30.59 | Yes | NHPC | - |
| 32 | Providing 02 Nos Hearse Van for Office of Superintendent of Police, Basti, UP | Health & Sanitation | No | Uttar Pradesh | Basti | 28.40 | No | Superintendent of Police, Basti | - |
| 33 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | Himachal Pradesh | Chamba | 28.34 | Yes | NHPC | - |
| 34 | Fund for rectification/ maintenance/ refurbishment work of the dysfunctional toilets to make them workable. | Swachh Vidyalaya Abhiyan | Yes | UT of J&K | Baramulla | 26.63 | Yes | NHPC | - |
| 35 | CSR Support for the procurement/ purchase of ambulance (Including registration) for Sewa Bharti, a NGO which is providing ambulance services to ailing persons of far flung areas of Doda, Kishtwar & Udhampur Districts of UT of J&K. | Health & Sanitation | Yes | UT of J&K | Kishtwar | 25.02 | No | Sewa Bharti, Jammu | CSR 00001542 |
| 36 | Support for outreach Health services project in Kathua District of J&K. | Health & Sanitation | Yes | UT of J&K | Kathua | 25.00 | No | Sahara Health & Development Society | CSR 00011639 |
| 37 | For COVID-19 augmentation of CCE (Cold chain equipment) infrastructure etc. | Health & Sanitation | No | Arunachal Pradesh | Papumpare | 21.50 | No | Directorate of family welfare, Govt of Arunachal Pradesh, Naharlagun | - |
| 38 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | Himachal Pradesh | Chamba | 19.78 | Yes | NHPC | - |
| 39 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | Himachal Pradesh | Chamba | 19.63 | Yes | NHPC | - |
| 40 | Fund for rectification/ maintenance/ refurbishment work of the dysfunctional toilets to make them workable. | Swachh Vidyalaya Abhiyan | Yes | West Bengal | Darjeeling | 19.34 | Yes | NHPC | - |
| 41 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | UT of Laddakh | Leh | 17.95 | Yes | NHPC | - |

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | |
|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/ No) | Location of Project | | Amount spent for the project | Mode of Implementation - Direct (Yes/No) | Mode of Implementation through Implementing Agency | |
| | | | | State/UT | District | | | Name | CSR Registration No. |
| 42 | Providing 02 Nos SUV Type Ambulances in Kamle District Arunachal Pradesh. | Health & Sanitation | Yes | Arunachal Pradesh | Kamle/Ziro | 16.38 | Yes | NHPC | - |
| 43 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | Himachal Pradesh | Chamba | 15.08 | Yes | NHPC | - |
| 44 | Fund for rectification/ maintenance/ refurbishment work of the dysfunctional toilets to make them workable. | Swachh Vidyalaya Abhiyan | Yes | Uttarakhand | Champawat | 14.52 | Yes | NHPC | - |
| 45 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | UT of J&K | Baramulla | 14.07 | Yes | NHPC | - |
| 46 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | UT of J&K | Kishtwar | 13.16 | Yes | NHPC | - |
| 47 | Development of Community Area for protection/ preservation of Heritage in Dohak Village, Gram Panchayat, Badgaon Galu tehsil Jhandutta, District Bilaspur, HP. | Rural Development | Yes | Himachal Pradesh | Bilaspur | 12.42 | No | Block Development Officer, Jhandutta | - |
| 48 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | UT of Laddakh | Kargil | 12.41 | Yes | NHPC | - |
| 49 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | West Bengal | Darjeeling | 12.09 | Yes | NHPC | - |
| 50 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders-CSR. | Health & Sanitation | Yes | UT of J&K | Reasi | 10.98 | Yes | NHPC | - |
| 51 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | Arunachal Pradesh | Lower Dibang Valley | 10.92 | Yes | NHPC | - |
| 52 | Scholarship to meritorious Candidates | Education & Skill Development | Yes | Sikkim | East Sikkim | 10.80 | Yes | NHPC | - |
| 53 | Fund for rectification/ maintenance/ refurbishment work of the dysfunctional toilets to make them workable. | Swachh Vidyalaya Abhiyan | Yes | Uttarakhand | Pithoragarh | 10.53 | No | School Management Committees of concerned Schools | - |
| 54 | Fund for rectification/ maintenance/ refurbishment work of the dysfunctional toilets to make them workable. | Swachh Vidyalaya Abhiyan | Yes | UT of J&K | Kishtwar | 10.00 | Yes | NHPC | - |
| 55 | Providing tractor trolleys to complement & expedite the Swachhta Movement in Faridabad to Municipal Corporation of Faridabad. | Health & Sanitation | Yes | Haryana | Faridabad | 9.97 | No | Municipal Corporation Faridabad | - |
| 56 | Construction of motorable road from RD 10000 to village Railla/Sainj District Kullu. | Rural Development | Yes | Himachal Pradesh | Kullu | 8.63 | No | Block Development Officer, Kullu | - |

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | |
|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/ No) | Location of Project | | Amount spent for the project | Mode of Implementation - Direct (Yes/No) | Mode of Implementation through Implementing Agency | |
| | | | | State/UT | District | | | Name | CSR Registration No. |
| 57 | Fund for rectification/ maintenance/ refurbishment work of the dysfunctional toilets to make them workable. | Swachh Vidyalaya Abhiyan | Yes | West Bengal | Darjeeling/ Kalimpong | 7.53 | Yes | NHPC | - |
| 58 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | Uttarakhand | Pithoragarh | 6.84 | Yes | NHPC | - |
| 59 | Fund for rectification/ maintenance/ refurbishment work of the dysfunctional toilets to make them workable. | Swachh Vidyalaya Abhiyan | Yes | UT of J&K | Baramulla | 6.64 | Yes | NHPC | - |
| 60 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | UT of J&K | Kathua | 6.48 | Yes | NHPC | - |
| 61 | Reconstruction of Sarai Bhawan at Bijli Mahadev, Makimi Mathaan, District Kullu. | Rural Development | Yes | Himachal Pradesh | Kullu | 6.16 | No | Block Development Officer, Kullu | - |
| 62 | Providing an ambulance to Lions Club, Jalpaiguri. | Health & Sanitation | Yes | West Bengal | Jalpaiguri | 6.02 | Yes | NHPC | - |
| 63 | Scholarship to meritorious Candidates | Education & Skill Development | Yes | Himachal Pradesh | Kullu | 4.56 | Yes | NHPC | - |
| 64 | Vocational training courses of cutting & tailoring, Beauty culture and certificate in computer applications to rural youth. | Education & Skill Development | Yes | Himachal Pradesh | Chamba | 4.50 | No | YMVT, Banikhet | CSR 00016152 |
| 65 | Providing medical equipment in PHC/ CHC for Up gradation of health facility in Dhemaji & Lakhimpur Districts (Assam) & Kamle District (Arunachal Pradesh). | Health & Sanitation | Yes | Assam & Arunachal Pradesh | Dhemaji/ Lakhimpur/ Kamle | 4.36 | Yes | NHPC | - |
| 66 | CSR support for setting up a Project Management Unit (PMU) for institutionalizing "Shikshit Haryana" Project to improve pass percentage of Govt. schools. | Education & Skill Development | Yes | Haryana | Faridabad | 4.00 | No | Deputy Commissioner-Faridabad, Haryana | - |
| 67 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | Uttarakhand | Champawat | 3.65 | Yes | NHPC | - |
| 68 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | Himachal Pradesh | Kullu | 3.36 | Yes | NHPC | - |
| 69 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | West Bengal | Darjeeling | 3.35 | Yes | NHPC | - |
| 70 | Providing Gl Sheet for fire affected people as a relief to village Majhaan, Tensil Sainj. | Disaster Management | Yes | Himachal Pradesh | Kullu | 2.99 | Yes | NHPC | - |
| 71 | Purchase of 2.3 MT CGI Sheets for providing tin Sheets to SDM gurez for the fire effected families of Village Gurez. | Disaster Management | Yes | UT of J&K | Bandipora | 2.86 | Yes | NHPC | - |

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | |
|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/ No) | Location of Project | | Amount spent for the project | Mode of Implementation - Direct (Yes/No) | Mode of Implementation through Implementing Agency | |
| | | | | State/UT | District | | | Name | CSR Registration No. |
| 72 | Providing drinking water through Tanker supply. | Health & Sanitation | Yes | UT of Laddakh | Kargil | 2.74 | Yes | NHPC | - |
| 73 | Providing Oxygen Cylinders to Red Cross Society. | Health & Sanitation | Yes | Himachal Pradesh | Kullu | 2.49 | Yes | NHPC | - |
| 74 | Financial support to Anushruti Academy for the Deaf (AAD), IIT Roorkee for Improving the Drawing & Painting Lab. | Education & Skill Development | No | Uttarakhand | Roorkee | 2.34 | No | Anushruti Deaf Academy | - |
| 75 | CSR Support for Purchase & distribution of Wheel Chair to District Administration, Mandi. | Health & Sanitation | Yes | Himachal Pradesh | Mandi | 2.00 | Yes | NHPC | - |
| 76 | Fund for rectification/ maintenance/ refurbishment work of the dysfunctional toilets to make them workable. | Swachh vidyalaya Abhiyan | Yes | Arunachal Pradesh | Lower Dibang Valley | 1.67 | Yes | NHPC | - |
| 77 | Fund for rectification/ maintenance/ refurbishment work of the dysfunctional toilets to make them workable. | Swachh Vidyalaya Abhiyan | Yes | UT of J&K | Udhampur | 1.60 | Yes | NHPC | - |
| 78 | Fund for rectification/ maintenance/ refurbishment work of the dysfunctional toilets to make them workable. | Swachh Vidyalaya Abhiyan | Yes | Himachal Pradesh | Chamba | 1.50 | Yes | NHPC | - |
| 79 | Fund for rectification/ maintenance/ refurbishment work of the dysfunctional toilets to make them workable. | Swachh Vidyalaya Abhiyan | Yes | UT of Laddakh | Leh | 1.23 | Yes | NHPC | - |
| 80 | Providing Tablet to poor & needy students for attending online classes. | Education & Skill Development | Yes | UT of J&K | Baramulla | 1.20 | Yes | NHPC | - |
| 81 | Construction of ramp for Navchetna School Building for PWD students, Kullu. | Education & Skill Development | Yes | Himachal Pradesh | Kullu | 1.14 | No | Block Development Officer, Kullu | - |
| 82 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | UT of J&K | Baramulla | 1.05 | Yes | NHPC | - |
| 83 | Medical Expenditure NHPC Hospital/ Dispensaries for Outsiders – CSR. | Health & Sanitation | Yes | Himachal Pradesh | Kullu/Mandi | 0.49 | Yes | NHPC | - |
| 84 | Providing scholarship to old 02 nos. students, who are recipient of 1st and 2nd year scholarship. | Education & Skill Development | Yes | Sikkim | South Sikkim | 0.48 | Yes | NHPC | - |
| 85 | Purchase and distribution of sanitizers, masks, gloves, hand wash etc. amongst the people of 11 Gram Panchayats.(KotliBhel). | Health & Sanitation | Yes | Uttarakhand | Tehri garhwal | 0.48 | Yes | NHPC | - |
| 86 | Fund for rectification/ maintenance/ refurbishment work of the dysfunctional toilets to make them workable. | Swachh Vidyalaya Abhiyan | Yes | UT of Laddakh | Kargil | 0.10 | Yes | NHPC | - |

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | |
|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/ No) | Location of Project | | Amount spent for the project | Mode of Implementation - Direct (Yes/No) | Mode of Implementation through Implementing Agency | |
| | | | | State/UT | District | | | Name | CSR Registration No. |
| 87 | Construction of two additional storey building above the existing building of Balika Niketan, Ved Mandir Committee, Amphalla, Jammu | Women empowerment/ Senior Citizen | Yes | UT of J&K | Jammu | 0.00 | Yes | NHPC | - |
| 88 | Repairing & Maintenance Works (Building boundary wall and toilets) at Govt. Primary School, Thanpal, Distt Reasi, J&K. | Education & Skill Development | Yes | UT of J&K | Reasi | 0.00 | Yes | NHPC | - |
| 89 | Installation of 25 Solar Lights to ward no.9, Thanpal Railla Thanpal, Distt Reasi, J&K. | Environment | Yes | UT of J&K | Reasi | 0.00 | Yes | NHPC | - |
| 90 | Construction of Toilet, Wash area & Tiles work at Ziyarat-Syed Wahab Uddin Bukhari Near Bus Stand Uri. | Swachh Bharat Abhiyan | Yes | UT of J&K | Baramulla | 0.00 | Yes | NHPC | - |
| 91 | CSR support providing water for alchi village through repairing of concrete artificial pond. | Rural Development | Yes | UT of Laddakh | Leh | 0.00 | No | District Administration, Leh | - |
| 92 | CSR support for formation of artificial glacier at Alchi Skangrings Plu for irrigation purpose. | Rural Development | Yes | UT of Laddakh | Leh | 0.00 | Yes | NHPC | - |
| 93 | Providing Cell Counter Machine to clinical laboratories of Indian Red Cross Society, Chamba at Dalhousie and Tissa. | Health & Sanitation | Yes | Himachal Pradesh | Chamba | 0.00 | Yes | NHPC | - |
| 94 | Repair and Maintenance of Govt. Secondary School located at Dollungmukh Circle, Kamle District, Arunachal Pradesh. | Education & Skill Development | Yes | Arunachal Pradesh | Kamle | 0.00 | No | School Management Committees of concerned Schools | - |
| 95 | Construction of RCC bridge / culvert and flood control works at TAA River, Champak Chajjo village, Arunachal Pradesh. | Rural Development | Yes | Arunachal Pradesh | West Siang | 0.00 | Yes | NHPC | - |
| 96 | Construction of Double Story Rostrum cum Mini stadium at Durpai Village, Kangku Circle, Lower Siang, Arunachal Pradesh- Subansiri Lower Project. | Rural Development | Yes | Arunachal Pradesh | Lower Siang | 0.00 | No | Water Resource Department. Govt of Arunachala Pradesh | - |
| 97 | Construction of reinforced cement concrete drain in Ekka Nallah at Durpai village" under Kanghu Circle, Lower Siang, Arunachal Pradesh | Rural Development | Yes | Arunachal Pradesh | Lower Siang | 0.00 | No | Through District Admistration | - |
| 98 | Construction of Multicultural Hall -Cum-Badminton indoor Hall at Kolaptukar/ Dollungmukh Circle, Kamle district, Arunachal Pradesh. | Sports | Yes | Arunachal Pradesh | Kamle | 0.00 | No | Through District Admistration | - |

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | |
|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/ No) | Location of Project | | Amount spent for the project | Mode of Implementation - Direct (Yes/No) | Mode of Implementation through Implementing Agency | |
| | | | | State/UT | District | | | Name | CSR Registration No. |
| 99 | CSR support for running of one Education and One 222 Sewing Training Centres for socially and economically weaker sections in the Faridabad District, Haryana for one year. | Education & Skill Development | Yes | Haryana | Faridabad | 0.00 | No | Punar Jagran Samiti, New Delhi | CSR 00004423 |
| 100 | CSR to Paryas Society, Hamirpur, Himachal Pradesh for providing access to healthcare services through Medical Mobile Units (MMUs) | Health & Sanitation | No | Himachal Pradesh | Hamirpur | 0.00 | No | Paryas Society, Hamirpur, HP | CSR 00001812 |
| 101 | The work of Operation & maintenance of TTSP Booths, Water line & Tube wells for Choti and Badi parikrama at Govardhan, Mathura. | Health & Sanitation | No | Uttar Pradesh | Mathura | 0.00 | No | Uttar Pradesh Braj Tirth Vikas Parishad | - |
| 102 | CSR support to Sankalp Cancer Care Foundation, for purchase of a Mobile Cancer Screening Van. | Health & Sanitation | No | Delhi | New Delhi | 0.00 | No | Sankalp Cancer Care Foundation | CSR 00011691 |
| 103 | Construction of 3rd Floor of Dr. Suraj Prasad Aarogya Kendra (Day Care cum Diagnostic Centre) located at Sector-8, Faridabad. | Health & Sanitation | Yes | Haryana | Faridabad | 0.00 | No | Bhartvikas Parishad Social Welfare trust, Faridabad | - |
| 104 | Procurement of 01 no. Mobile Medical Unit for Mobile Health Clinic for rural area of Sunaam, District Sangrur, Punjab. | Health & Sanitation | No | Punjab | Sangrur | 0.00 | No | Organization for Social & Cultural Awareness (OSCA), Delhi. | CSR 00020695 |
| 105 | Intervention for enhansing health and immunity among the village community in the Nuh Aspirational District, Haryana. | Health & Sanitation | Yes | Haryana | Nuh | 0.00 | No | Bisnouli Sarvodaya Gramodyog Sewa Sansthan (BSGSS) | CSR 00001405 |
| 106 | Support for the plantation program: Vriksh Mitra-Gram mitra Abhiyan, Sonbhadra & Mathura Districts of UP | Environment | No | Uttar Pradesh | Sonbhadra & Mathura | 0.00 | No | Khushhali Foudation NGO | CSR 00015266 |
| 107 | Purchase and installation of 20 nos Heavy Lamps at the prominent places of Sunaam, District Sangrur, Punjab. | Environment | No | Punjab | Sangrur | 0.00 | No | Organization for Social & Cultural Awareness (OSCA), Delhi. | CSR 00020695 |
| 108 | Proposal for undertaking project under CSR initiative of NHPC for distribution of Aid & Appliances to the persons with disabilities in West Sikkim District | Health & Sanitation | Yes | Sikkim | West Sikkim | -0.07 | No | ALIMCO | - |
| | **G. Total** | | | | | **8351.88** | | | |

**Annexure-D**

**Details of CSR amount spent in the FY 2021-22 for ongoing projects of the preceding financial year(s) (refer Sl No. 9b of Annual Report on CSR FY 2021-22):**

Amount (₹ in lakh)

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|---|---|---|
| Sl. No. | Project ID | Name of the Project | Financial year in which the project was commenced | Project Duration (in months) | Total Amount allocated for the project | Amount spent on the project in the reporting FY | Cumulative Amount spent at the end of reporting FY | Status of the project completed/ ongoing |
| 1 | 1903108002 | Providing 1.5 Tesla MRI Machine. | 2019-20 | 27 | 785.17 | 485.16 | 785.16 | Completed |
| 2 | 1712100001 | Implementation of LED based Solar Street Lights in Shimla and Kangra Parliamentary Constituencies of Himachal Pradesh | 2017-18 | 110 | 554.63 | 432.85 | 554.63 | Ongoing |
| 3 | 1903100003 | Distribution of Aids & Appliances to around 2000 Persons with Disabilities (PwD) at Bandipora, Lakhimpur, Dhemaji, Pithoragarh, West Siang, Churachandpur through ALIMCO. | 2019-20 | 20 | 204.14 | 208.31 | 208.31 | Completed |
| 4 | 1804100005 | Employment Oriented Vocational Training beyond Project periphery (up to 25 Kms.)-3000 Nos. Through NSDC and 1000 Nos. through other Skill Development Agency i.e. NHFDC/ KVIC for livelihood enhancement of Divyang & others | 2018-19 | 37 | 887.22 | 111.77 | 814.71 | Completed |
| 5 | 1904100003 | Construction of 6 no. class rooms at Munderi Govt. Higher Secondary School, Kannur, Kerala under the 'Development, Renovation and Advancement Plan'. | 2019-20 | 23 | 210.00 | 84.00 | 210.00 | Completed |
| 6 | 1903108003 | Providing 128 slice CT Scan machine with CMC for 8 years. | 2019-20 | 27 | 678.17 | 78.17 | 678.17 | Completed |
| 7 | 1912103002 | Adoption of village Bidda in district Reasi by Salal Power Station as Adarsh Gaon.<br>a) RCC surface water tank.<br>b) Construction of retaining wall and black topping of Bidda road. | 2019-20 | 29 | 101.88 | 65.60 | 96.48 | Completed |
| 8 | 1803100001 | Orthopaedic Camp for free distribution of artificial limbs, clutches and wheel chairs to the selected beneficiaries in Baramula District (J&K) | 2018-19 | 38 | 50.00 | 49.99 | 49.99 | Completed |
| 9 | 1903106003 | Civil Works and Machinery equipment for Health Care Centres, Sopore, District-Baramulla (J&K). | 2019-20 | 28 | 228.00 | 45.00 | 145.05 | Ongoing |
| 10 | 1712508001 | Construction of PCC Road in different villages of Shahpur Block, Arrah (Bhojpur District).<br>(a)Construction of Community Centre, two room with toilet, Chathh Ghat, Vented Crossway, Chabutra with Shed and one no. toilet in different villages of Shahpur Block, Arrah (Bhojpur District).<br>(b)Providing Basic need facilities after need based survey in Education up gradation, Rural infrastructure, Health care promotion, Sanitation, Livelihood etc. in various village of Shahpur Block, Bhojpur Dist. (Bihar) | 2017-18 | 49 | 375.81 | 43.68 | 350.49 | Ongoing |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|---|---|---|
| Sl. No. | Project ID | Name of the Project | Financial year in which the project was commenced | Project Duration (in months) | Total Amount allocated for the project | Amount spent on the project in the reporting FY | Cumulative Amount spent at the end of reporting FY | Status of the project completed/ ongoing |
| 11 | 1715120002 | Development of Bandipora Nishat Garden. | 2017-18 | 35 | 162.72 | 36.82 | 162.72 | Completed |
| 12 | 2006100001 | Installation of 100 no. High Mast Solar lights in Legislative Assembly, Sarojini Nagar, Distt.-Lucknow. | 2020-21 | 87 | 40.00 | 23.46 | 35.46 | Ongoing |
| 13 | 1803100004 | Proposal for undertaking project under CSR initiative of NHPC for distribution of Aid & Appliances to the persons with disabilities in Chamba District | 2018-19 | 33 | 22.66 | 22.47 | 22.47 | Completed |
| 14 | 1715120001 | Development of Gulshan Chowk in Bandipora. | 2017-18 | 34 | 103.49 | 18.55 | 103.48 | Completed |
| 15 | 1804106001 | Up gradation of infrastructure-Construction of School building in Gingle High School in place of Old Building damaged in earthquake in 2005 | 2019-20 | 37 | 41.93 | 14.74 | 29.67 | Ongoing |
| 16 | 1912120002 | Repair and maintenance of local water supply line in nearby villages such as Karalpora, Mantrigam, Chandaji | 2019-20 | 30 | 13.17 | 12.71 | 13.17 | Completed |
| 17 | 1604100002 | Employment Oriented Vocational Training for Other locations for 3000 youths as approved by MOP (Through NSDC and other SDTs) through T&HRD, CO | 2016-17 | 57 | 157.90 | 11.97 | 157.02 | Completed |
| 18 | 1612100004 | Implementation of LED based Solar Public Lighting (High Mast) and Solar Street Lights in outer rural areas of Kanpur District, Uttar Pradesh. | 2016-17 | 72 | 259.64 | 7.89 | 259.64 | Ongoing |
| 19 | 1812120001 | Construction of 2/3 Culverts and Repairing/ extension of water supply Line in Check Village, Bandipora (J&K) | 2018-19 | 37 | 13.97 | 7.60 | 13.96 | Completed |
| 20 | 1904110001 | Construction of Auditorium at Government Inter College, Khet near Dam Site. | 2019-20 | 26 | 9.59 | 5.61 | 9.11 | Completed |
| 21 | 1812120002 | Repair, Restoration and Cleaning of Kuls, Culverts and Footpaths for nearby villages-Kralpora, Check, Mantrigram, Chandaji and Gurez. | 2019-20 | 33 | 7.02 | 4.18 | 6.02 | Ongoing |
| 22 | 1912103003 | Improvement/ extension & providing of Water Supply to village Kotla and Theru (Ransoo) Distt. Reasi | 2019-20 | 33 | 81.50 | 3.00 | 42.50 | Ongoing |
| 23 | 1912120001 | Repair and maintenance of Kuls in nearby villages. | 2019-20 | 33 | 23.85 | 2.45 | 21.55 | Ongoing |
| 24 | 1805100002 | Project proposal request for Grant in Aid for the project "PAD WOMEN" menstrual health awareness and livelihood Program for the women of the underprivileged section of the Society in Mewat region of Haryana. | 2018-19 | 30 | 13.85 | 2.09 | 13.85 | Completed |
| 25 | 1903120003 | Covid-19 assistance to District administration. | 2019-20 | 24 | 2.00 | 2.00 | 2.00 | Completed |
| 26 | 1903121002 | Providing Drinking Water facility through Bore well and Laying of Pipelines at Khaltse Village. | 2019-20 | 31 | 20.00 | 2.00 | 20.00 | Completed |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|---|---|---|
| Sl. No. | Project ID | Name of the Project | Financial year in which the project was commenced | Project Duration (in months) | Total Amount allocated for the project | Amount spent on the project in the reporting FY | Cumulative Amount spent at the end of reporting FY | Status of the project completed/ ongoing |
| 27 | 1812116012 | Construction of Shamshan Ghat and approach to Shamshan Ghat in Jabla Village | 2018-19 | 9 | 15.48 | 1.77 | 15.47 | Completed |
| 28 | 2006100002 | Contribution for plantation and 5 years maintenance of 200 trees at Parikrama Marg, Giriraj Talhati, Govardhan, Mathura. | 2016-17 | 60 | 13.77 | 1.46 | 13.77 | Completed |
| 29 | 1806100004 | Request for providing Solar High Mast Lights (4 x 18 W) in Mirzapur Parliamentary Constituency of Uttar Pradesh. | 2018-19 | 102 | 45.00 | 1.28 | 13.50 | Ongoing |
| 30 | 1806100003 | Providing of Solar street lights (12 W) in Bijnor Parliamentary constituency. | 2018-19 | 63 | 43.45 | 1.02 | 43.45 | Ongoing |
| 31 | 1806100005 | Proposal for installation of Solar Street Lights (12 W) in Bikaner constituency. | 2018-19 | 64 | 43.45 | 1.02 | 43.45 | Ongoing |
| 32 | 1904100001 | CSR support on collaborative mode for Providing Bus service for movement of Disabled students from outer rural areas to Hansraj College, University of Delhi. | 2019-20 | 31 | 10.00 | 1.00 | 10.00 | Completed |
| 33 | 1615115003 | Safe Drinking Water facilities with bore well, filtration as per site requirement in public areas, community centres etc. | 2016-17 | 72 | 1289.17 | 0.71 | 1264.87 | Completed |
| 34 | 1909120001 | Strengthening by way of training and material for local sports, art & culture. | 2019-20 | 20 | 5.01 | 0.39 | 5.00 | Completed |
| 35 | 1912101004 | Construction of two rooms at Govt. Primary School, Bhandar. | 2019-20 | 34 | 7.53 | 0.39 | 4.91 | Ongoing |
| 36 | 1904119002 | Construction of Girls Toilets at GHS, Sari. | 2019-20 | 20 | 4.33 | 0.36 | 2.93 | Completed |
| 37 | 1812114003 | Construction of community hall with toilet and kitchen at Deorali, Teesta Valley. | 2018-19 | 19 | 24.38 | 0.31 | 24.37 | Completed |
| 38 | 1912101001 | Re-Construction of Surangani bus Stand | 2019-20 | 4 | 9.14 | 0.08 | 9.14 | Completed |
| 39 | 1904109003 | Repair of Compound Wall and Floor of the Govt. Middle School, Bagwan Mohalla, Kishtwar | 2019-20 | 37 | 6.59 | 0.00 | 1.17 | Ongoing |
| 40 | 1904109002 | Maintenance/ repair/ renovation of building of Govt. Girls H. School Sangrambhata, Kishtwar. | 2019-20 | 37 | 7.40 | 0.00 | 3.70 | Ongoing |
| 41 | 1903109002 | Construction of Toilet Complex at Tuberculosis Centre, Kishtwar | 2019-20 | 37 | 7.44 | 0.00 | 3.84 | Ongoing |
| 42 | 1906109001 | Development of Herbal Park for Preventive health care and developing area through Plantation for Environment sustainability at Noapachchi of Barsar HEP location in Block Marwa | 2019-20 | 37 | 15.00 | 0.00 | 1.14 | Ongoing |
| 43 | 1903106002 | Providing for machinery equipment in various health care centres of Districts (like PHC/ CHC and Sub District Hospitals) viz USG Color Doppler, X-ray Machine, Urine Analyzer, Cardiac Monitor, Oxygen Concentration, Generator Set, CR System, Dental Chain in District- Baramulla (J&K). | 2019-20 | 31 | 803.20 | 0.00 | 555.58 | Ongoing |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|---|---|---|
| Sl. No. | Project ID | Name of the Project | Financial year in which the project was commenced | Project Duration (in months) | Total Amount allocated for the project | Amount spent on the project in the reporting FY | Cumulative Amount spent at the end of reporting FY | Status of the project completed/ ongoing |
| 44 | 1912106001 | Modernization of Horticulture Nurseries at Khawaja Bagh, Baramulla and Baghi Sundari Sopore (for Capacity enhancement). | 2019-20 | 31 | 107.50 | 0.00 | 43.00 | Ongoing |
| 45 | 1614116001 | Construction of toilets in schools. | 2016-17 | 48 | 5.15 | 0.00 | 2.79 | Completed |
| 46 | 1812116004 | Strengthening of bridge abutment and construction of footpath near middle school Jabla. | 2018-19 | 39 | 4.00 | 0.00 | 1.27 | Ongoing |
| 47 | 1812116008 | Rural Development of Salamabad Village, Upgradation & repairing of Govt. Hr. Sec. Salamabad | 2019-20 | 24 | 27.74 | 0.00 | 2.74 | Ongoing |
| 48 | 1903120001 | Organizing Medical Camps (Minimum 2-3 camps or as per medical requirements in one or two focused locations on regular intervals for sustainable healthcare) - at Bandipora and Gurez Locations. | 2019-20 | 36 | 13.91 | 0.00 | 3.74 | Ongoing |
| 49 | 1706120001 | Solar Street Lighting of approach Roads leading to Project implemented through MOU with JKEDA for up keeping and maintenance support for 5 years. | 2017-18 | 73 | 104.30 | 0.00 | 24.04 | Ongoing |
| 50 | 1806120001 | Solar street lights in Check village, Bandipora. | 2019-20 | 54 | 29.04 | 0.00 | 1.48 | Ongoing |
| 51 | 1906120001 | Plantation under "Pollution Abating Plants Abhiyan (PAPA) | 2019-20 | 42 | 5.00 | 0.00 | 0.00 | Ongoing |
| 52 | 1806100001 | Supply and Installation of 12 Watt LED Solar Street Light System in various rural villages across Faridabad District (Haryana)- 450 Nos through MOU with district administration for CSR sustainability. | 2018-19 | 71 | 80.56 | 0.00 | 78.68 | Ongoing |
| 53 | 1906100001 | Proposal for providing 500 number Solar lights in Siddharth Nagar District of U.P. under CSR. | 2019-20 | 84 | 45.00 | 0.00 | 0.00 | Ongoing |
| 54 | 2004100005 | CSR support for Supply, installation and Commissioning of one unit of 250 LPH RO System and its two-year maintenance at National Association for the Blind. | 2020-21 | 24 | 1.09 | 0.00 | 1.00 | Ongoing |
| 55 | 1915115001 | 10 RO Cum Sanitation Complex through MOU with District Authority for CSR sustainability. | 2019-20 | 80 | 69.75 | -0.21 | 59.53 | Ongoing |
| 56 | 1904103001 | Improvement of existing buildings and const. of boundary wall/ protection walls and other facilities in Govt. Schools in Trintha, Bakal, Kundra and Kheral of Reasi, Chinkha and Pouni educational zones of Distt. Reasi | 2019-20 | 12 | 51.11 | -5.48 | 45.63 | Completed |
| | | **G. Total** | | | **7942.81** | **1786.14** | **7085.80** | |

**Annexure-E**

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year 2021-22.**

Total amount of CSR spent for creation or acquisition of capital asset is ₹ 11.28 Cr. **(Asset-wise details).**

**1. Name of CSR activity: Construction of 6 no. class rooms at Munderi Govt. Higher Secondary School, Kannur, Kerala.**

| | | |
|---|---|---|
| (a) | Date of creation or acquisition of the capital asset(s) | 10.02.2022 |
| (b) | Amount of CSR spent for creation or acquisition of capital asset | ₹ 84,00,000/- |
| (c) | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, the address etc. | Secretary, District Panchayat, Kannur, Kerala |
| (d) | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). | Construction of 6 no. class rooms at Munderi Govt. Higher Secondary School, Kannur, Kerala |

**2. Name of CSR activity: Installation of one no. oxygen generation plant at District Hospital, Siddharth Nagar, Uttar Pradesh.**

| | | |
|---|---|---|
| (a) | Date of creation or acquisition of the capital asset(s) | 31.03.2022 |
| (b) | Amount of CSR spent for creation or acquisition of capital asset | ₹ 49,99,999/- |
| (c) | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, the address etc. | District Magistrate, Siddharath Nagar, UP |
| (d) | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). | Installation of 01 no. Oxygen generation plant of 570 LPM in the campus of District Hospital, Siddharth Nagar, UP |

**3. Name of CSR activity: Supply, Installation, testing and commissioning of one no. of Oxygen Generation Plant of 1000 LPM with booster facility for refilling of Cylinders at B.K. Hospital, Faridabad.**

| | | |
|---|---|---|
| (a) | Date of creation or acquisition of the capital asset(s) | 31.03.2022 |
| (b) | Amount of CSR spent for creation or acquisition of capital asset | ₹ 2,12,60,923/- |
| (c) | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, the address etc. | Principal Medical Officer, District Civil (B.K.) Hospital, Faridabad. |
| (d) | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). | Supply, Installation, testing and commissioning of one no. of Oxygen Generation Plant of 1000 LPM with booster facility for refilling of Cylinders in the campus of District Civil B.K. Hospital, Faridabad. |

4. **Name of CSR activity: Purchase of Patrolling Vehicles for ensure better protection for vulnerable members of society in particular women, children and senior citizen.**

| | | |
|---|---|---|
| (a) | Date of creation or acquisition of the capital asset(s) | 31.03.2022 |
| (b) | Amount of CSR spent for creation or acquisition of capital asset | ₹ 46,20,710/- |
| (c) | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, the address etc. | Commissioner of Police, Faridabad, Haryana |
| (d) | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). | 05 Nos Maruti Suzuki Ertiga as Patrolling Vehicles at Commissioner of Police, Faridabad, Haryana |

5. **Name of CSR activity: Providing 02 Nos Hearse Van for Office of Superintendent of Police, Basti, UP.**

| | | |
|---|---|---|
| (a) | Date of creation or acquisition of the capital asset(s) | 30.03.2022 |
| (b) | Amount of CSR spent for creation or acquisition of capital asset | ₹ 28,40,420/- |
| (c) | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, the address etc. | Superintendent of Police, Basti, UP |
| (d) | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). | 02 Nos Hearse Van, Office of Superintendent of Police, Basti, UP. |

6. **Name of CSR activity: Providing Solar High Mast Lights (4 x 18 W) in Mirzapur Parliamentary Constituency of Uttar Pradesh.**

| | | |
|---|---|---|
| (a) | Date of creation or acquisition of the capital asset(s) | In Progress |
| (b) | Amount of CSR spent for creation or acquisition of capital asset | ₹ 1,28,000/- |
| (c) | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, the address etc. | UP Small Industries Corporation Ltd. |
| (d) | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). | 45 nos of Solar High Mast Lights (4 x 18 W) in Mirzapur Parliamentary Constituency of Uttar Pradesh. |

7. **Name of CSR activity: Providing tractor's trollies to complement & expedite the Swachhta Movement in Faridabad to Municipal Corporation of Faridabad.**

| | | |
|---|---|---|
| (a) | Date of creation or acquisition of the capital asset(s) | In Progress |
| (b) | Amount of CSR spent for creation or acquisition of capital asset | ₹ 9,96,510/- |
| (c) | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, the address etc. | Municipal Commissioner, Municipal Corporation Faridabad, Haryana |
| (d) | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). | 10 Nos. tractor's trollies, Municipal Corporation Faridabad, Haryana |

**8. Name of CSR activity: Implementation of LED based Solar Street Lights in Shimla and Kangra Parliamentary Constituencies of Himachal Pradesh**

| | | |
|---|---|---|
| (a) | Date of creation or acquisition of the capital asset(s) | 08.12.2021 |
| (b) | Amount of CSR spent for creation or acquisition of capital asset | ₹ 4,32,85,053/- |
| (c) | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, the address etc. | M/S Energy Efficiency Services Ltd. (EESL), Delhi |
| (d) | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). | 3250 LED based Solar Street Lights in Shimla and Kangra Parliamentary Constituencies of Himachal Pradesh. |

**9. Name of CSR activity: Installation of 100 no. High Mast Solar lights in Legislative Assembly, Sarojini Nagar, Distt. Lucknow.**

| | | |
|---|---|---|
| (a) | Date of creation or acquisition of the capital asset(s) | 25.02.2022 |
| (b) | Amount of CSR spent for creation or acquisition of capital asset | ₹ 23,45,514/- |
| (c) | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, the address etc. | M/s Bhartiya Co-operative Gramin Vikas Evam Nirman Ltd., Lucknow |
| (d) | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). | 30 nos. High Mast Solar lights in Legislative Assembly, Sarojini Nagar, Distt.-Lucknow |

**10. Name of CSR activity: Construction of retaining wall and Black topping of Bidda road.**

| | | |
|---|---|---|
| (a) | Date of creation or acquisition of the capital asset(s) | In Progress |
| (b) | Amount of CSR spent for creation or acquisition of capital asset | ₹ 13,35,818/- |
| (c) | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, the address etc. | PWD, Reasi , (J&K)-UT |
| (d) | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). | Bidda Road (Length 2.115KM) , Vill- Bidda,Distt-Reasi (J&K)-UT |

**11. Name of CSR activity: For Covid-19 augmentation of Cold Chain Equipments (CCE) infrastructure etc.**

| | | |
|---|---|---|
| (a) | Date of creation or acquisition of the capital asset(s) | 06.03.2021 & 13.04.2021 |
| (b) | Amount of CSR spent for creation or acquisition of capital asset | ₹ 1,39,09,997/- |
| (c) | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, the address etc. | Asstt. Director, Family Welfare, MCH & Immunization, Block A 2nd Floor, Old Secretariat, Srinagar, UT of J&K |

| | | |
|---|---|---|
| (d) | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). | Ice Line Refrigerator (Large-29nos, Small-83nos), Deep Freezer (Large-01nos, Small-62nos), Walk in Freeze-01nos<br>Directorate of Family Welfare Stores (Controller Stores (H)), Behind Bones & Joints Hospital, Barzulla, Srinagar, UT of Jammu & Kashmir, PIN – 190018. |

**12. Name of CSR activity: Procurement of 01 no. Oxygen Generation Plant of capacity 200 LPM and other related services/ equipment for CHC Khalsi**

| | | |
|---|---|---|
| (a) | Date of creation or acquisition of the capital asset(s) | 10.12.2021 |
| (b) | Amount of CSR spent for creation or acquisition of capital asset | ₹ 58,90,000/- |
| (c) | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, the address etc. | Dy Commissioner, Leh |
| (d) | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). | Oxygen Generation Plant of capacity 200 LPM with oxygen pipeline, CHC-Khalsi, Leh Ladakh-194106 |

**13. Name of CSR activity: Providing Drinking Water facility through Bore well and laying of Pipelines at Khaltse Village.**

| | | |
|---|---|---|
| (a) | Date of creation or acquisition of the capital asset(s) | 07.03.2022 |
| (b) | Amount of CSR spent for creation or acquisition of capital asset | ₹ 2,00,000/- |
| (c) | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, the address etc. | Sarpanch and Panch Halqa Panchayat Khaltsi, Vill-Khalsi Leh Ladakh-194106 |
| (d) | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). | Drinking Water facility through Bore well and Laying of Pipelines in Vill-Khalsi, Leh Ladakh-194106 |

**14. Name of CSR activity: CSR Support for Purchase and distribution of Wheel Chair to District Administration, Mandi**

| | | |
|---|---|---|
| (a) | Date of creation or acquisition of the capital asset(s) | 22.11.2021 |
| (b) | Amount of CSR spent for creation or acquisition of capital asset | ₹ 2,00,000/- |
| (c) | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, the address etc. | District Administration, Mandi/ Red Cross Society, Mandi |
| (d) | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). | Purchase and distribution of Wheel Chair to District Administration, Mandi/ Red Cross Society, Mandi |

**15. Name of CSR activity: CSR Support to District Red Cross Society, Kullu for Purchase of Oxygen Cylinders.**

| | | |
|---|---|---|
| (a) | Date of creation or acquisition of the capital asset(s) | 15.07.2021 |
| (b) | Amount of CSR spent for creation or acquisition of capital asset | ₹ 2,48,865/- |
| (c) | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, the address etc. | District Administration, Kullu/ District Nodal Officer for Medical Oxygen, Kullu |
| (d) | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). | Purchase of Oxygen Cylinders, District Administration, Kullu/ District Nodal Officer for Medical Oxygen, Kullu |

**16. Name of CSR activity: Providing Gl Sheet for fire affected people as a relief to village Majhaan, Tensil Sainj.**

| | | |
|---|---|---|
| (a) | Date of creation or acquisition of the capital asset(s) | 11.01.2022 |
| (b) | Amount of CSR spent for creation or acquisition of capital asset | ₹ 2,99,135/- |
| (c) | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, the address etc. | Fire affected people of village Majhaan, Tensil Sainj, Distt. Kullu (H.P.) |
| (d) | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). | Providing Gl Sheet for fire affected people of village Majhaan, Tensil Sainj, Distt. Kullu (H.P.) |

**17. Name of CSR activity: Construction of Ramp for Navchetna School Building for PWD students, Kullu**

| | | |
|---|---|---|
| (a) | Date of creation or acquisition of the capital asset(s) | 04.02.2022 |
| (b) | Amount of CSR spent for creation or acquisition of capital asset | ₹ 1,14,000/- |
| (c) | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, the address etc. | Block Development Officer, Kullu, District Kullu (HP) |
| (d) | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). | Construction of Ramp for Navchetna School Building for PWD students, District Kullu (HP) |

**18. Name of CSR activity: Construction of Motorable Road RD 10000 to Village Railla/ Sainj, District Kullu.**

| | | |
|---|---|---|
| (a) | Date of creation or acquisition of the capital asset(s) | 04.02.2022 |
| (b) | Amount of CSR spent for creation or acquisition of capital asset | ₹ 8,63,000/- |
| (c) | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, the address etc. | Block Development Officer, Kullu, District Kullu (HP) |
| (d) | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). | Construction of Motorable Road RD 10000 to Village Railla/ Sainj, District Kullu (HP) |

19. **Name of CSR activity: Reconstruction of Sarai Bhawan at Bijli Mahadev, Makimi Mathaan, District Kullu.**

| | | |
|---|---|---|
| (a) | Date of creation or acquisition of the capital asset(s) | 04.02.2022 |
| (b) | Amount of CSR spent for creation or acquisition of capital asset | ₹ 6,16,000/- |
| (c) | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, the address etc. | Block Development Officer, Kullu, District Kullu (HP) |
| (d) | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). | Reconstruction of Sarai Bhawan at Bijli Mahadev, Makimi Mathaan, District Kullu (HP) |

20. **Name of CSR activity: Construction of Shamshan Ghat and approach to Shamshan Ghat in Jabla Village.**

| | | |
|---|---|---|
| (a) | Date of creation or acquisition of the capital asset(s) | 27.08.2019 |
| (b) | Amount of CSR spent for creation or acquisition of capital asset | ₹ 1,76,602/- |
| (c) | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, the address etc. | Sikh Community Salamabad, Baramulla, UT of J&K |
| (d) | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). | Construction of Shamshan Ghat and approach to Shamshan Ghat in Village: Jabla, Distt. Baramulla, UT of J&K |

21. **Name of CSR activity: Re-Construction of Surangani Bus Stand.**

| | | |
|---|---|---|
| (a) | Date of creation or acquisition of the capital asset(s) | 12.03.2021 |
| (b) | Amount of CSR spent for creation or acquisition of capital asset | ₹ 7,802/- |
| (c) | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, the address etc. | Deputy Commissioner, Distt. Chamba (H.P.) |
| (d) | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). | Re-construction of Surangani bus stand, Distt. Chamba (H.P.) |

22. **Name of CSR activity: Construction of two rooms at Govt. Primary School, Bhandar.**

| | | |
|---|---|---|
| (a) | Date of creation or acquisition of the capital asset(s) | 24.12.2021 |
| (b) | Amount of CSR spent for creation or acquisition of capital asset | ₹ 38,563/- |
| (c) | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, the address etc. | Govt. Primary School, Bhandar, Education Block, Sundla, Teh. Salooni, Distt. Chamba (H.P.) |
| (d) | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). | Construction of two rooms at Govt. Primary School, Bhandar, Sundla, Teh. Salooni, Distt. Chamba (H.P.) |

**23. Name of CSR activity: Construction of Girls Toilets at GHS, Sari.**

| | | |
|---|---|---|
| (a) | Date of creation or acquisition of the capital asset(s) | 06.04.2020 |
| (b) | Amount of CSR spent for creation or acquisition of capital asset | ₹ 36,073/- |
| (c) | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, the address etc. | Principal Government High School, Sari Distt. Kullu (H.P.) |
| (d) | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). | Construction of Girls Toilets at GHS, Sari Distt. Kullu (H.P.) |

Annexure-II

# Secretarial Audit Report

**For the financial year ended 31st March, 2022**

{Pursuant to Section 204(1) of the Companies Act, 2013 read with
Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

**To**
**The Members**
**NHPC Limited.**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NHPC Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2022 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, 2022 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;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

  (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

  (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(vi) Compliances/processes/systems under other specific applicable Laws (as applicable to the industry) to the Company are being relied on the basis of periodic certificate under internal Compliance system submitted to the Board of Directors of the Company.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards, as amended from time to time, issued by the Institute of Company Secretaries of India.

(ii) 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:

*I. Regulation 17(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the second proviso of Section 149(1) of the Companies Act, 2013, the Board of Directors did not consist of an Independent Women Director during the period from 01.04.2021 to 29.11.2021 and the number of Non-executive Directors on the Board was less than fifty percent during the period from 01.04.2021 to 30.11.2021.*

*II. Regulation 17(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the number of Independent Directors on the Board is less than fifty percent during the financial year and as per clause 3.1.2 of DPE Guidelines, the number of Functional Directors exceeded 50% of the actual strength of the Board during the period from 01.04.2021 to 30.11.2021.*

*III. The Company did not have Nomination and Remuneration Committee during the period from 01.04.2021 to 06.12.2021 and the composition of Audit Committee, Stakeholder's Relationship Committee and Committee on Corporate Social Responsibility & Sustainability during the period 01.04.2021 to 06.12.2021 and Risk Management Committee from 05.08.2021 to 06.12.2021 was not in accordance with Section 135, 177 & 178 of the Companies Act, 2013, Regulations 18, 19, 20 & 21 of SEBI (LODR) 2015 and chapter 4 & 5 of DPE Guidelines.*

**We further report that** the Board of Directors of the Company was not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors during the financial year 2021-22. 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 were given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or at shorter notice by adhering to the statutory requirements 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 or through requisite majority.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period, no specific events/ actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above has occurred in the Company.

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

**Sd/-**
CS Sachin Agarwal
Partner
FCS No.: 5774
CP No.: 5910
UDIN: **F005774D000537571**

Place: New Delhi
Date: 28.06.2022

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*
Peer Review Cert. No.: 626/2019

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

**FORM MR-3**

# Secretarial Audit Report

**For the financial year ended 31st March, 2022**

[Pursuant to Section 204(1) of the Companies Act, 2013 and
Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

To,
**The Members,**
**NHDC Limited**
NHDC Parisar, Near Hotel Lake View,
Shyamla Hills, Bhopal, MP – 462013 IN

We have conducted the secretarial audit of the compliances of the applicable statutory provisions and adherence to good corporate practices by NHDC Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2022 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 NHDC Limited ("the Company") for the financial year ended on 31st March 2022 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 (**Not Applicable** as none of the shares or any other securities specified hereunder, are listed in any stock exchange during the financial year under review);

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (**Not Applicable** as none of the shares or any other securities specified hereunder, are held in dematerialized form during the financial year under review);

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 (**Not Applicable** as the Company has not entered in any foreign transactions governed under the aforementioned Act during the financial year under review);

v. The Following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') (**Not Applicable** as none of the shares or any other securities specified hereunder, are listed in any stock exchange during the financial year under review):-

   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, 1992;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   f. 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;

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliances with the applicable clauses of the following:

I. Secretarial Standards issued by The Institute of Company Secretaries of India.

II. The Listing Agreements entered into by the Company with Stock Exchanges, if applicable (**Not Applicable** as none of the shares or any other securities specified hereunder, are listed in any stock exchange during the financial year under review);

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 after examination that as per the quarterly report of the departmental heads and the Company Secretary taken on record by the board of directors and as per the clarifications given to us, the Company has complied with all the applicable Central and State Laws/rules/regulations as applicable to the company.

**We further report that:-**

- NHDC is a Joint Venture of NHPC Limited (Government of India Enterprise) and Government of Madhya Pradesh and all directors are nominated by the joint venture partners i.e. NHPC and GoMP. The Board of Directors of the Company is duly constituted with Executive Directors, Non-executive Directors including Women Directors. 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 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 clarification on the agenda items before the meeting and for meaningful participation at the meeting.
- All declaration at the Board Meeting and Committee Meeting 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 members 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, regulations and 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.

The above policies have been placed on the website of the Company, wherever needed.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. Adequate in-house system has been developed to obtain quarterly/ annual compliance certificates from all Heads of Projects and Heads of Departments at projects and corporate office level in this regard. We are also given to understand that Finance Division of NHDC has intimated to the Statutory Auditors of NHDC regarding applicability of relevant clause(s) of SEBI circular dated 18.10.2019.

**We further report** that the compliance by the company for the applicable Financial Laws like Direct Taxes, Indirect Taxes and the compliance of the accounting standards and the annual financial statements, Cost Records has not been reviewed in this audit report, since the same have been subject to the statutory financial audit/cost audit by other designated professionals. 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.

**We further report** that during the audit period of the Company, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

**For Amit Kumar Jain & Associates**

**Sd/-**
**CS Amit Kumar Jain**
**Practicing Company Secretary**
**M. No. F-6522**
**CP No. 7136**

**Date: 24.06.2022**
**Place: Bhopal**

**ANNEXURE - A**

# ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members,
NHDC LIMITED,
NHDC Parisar, Near Hotel Lake View,
Shyamla Hills, Bhopal, MP – 462013 IN

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our 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.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations 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.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Amit Kumar Jain & Associates**

**Sd/-**
**CS Amit Kumar Jain**
**Practicing Company Secretary**
**M. No. F-6522**
**CP No. 7136**

**UDIN: F006522D000541221**

**Date: 24.06.2022**
**Place: Bhopal**

# REPORT ON CORPORATE GOVERNANCE

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

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

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

The report on compliance with corporate governance and disclosure requirements for the FY 2021-22 is given as under:

## 2. BOARD OF DIRECTORS

The role of the Board of Directors is to plan and strategize goals of the company and to put mechanisms in place to monitor progress against the objectives. Diverse approach to board composition brings out a range of expertise, perspectives and knowledge that adequately reflect the broader concerns of various stakeholders. All statutory and other significant material information are placed before the Board for effective & efficient discharge of its responsibilities.

The Board of your Company constantly endeavours to achieve goal of producing sustainable long-term value creation, in line with vision & mission of your Company.

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

In terms of Articles of Association of the Company, the Board shall have minimum four and not more than fifteen directors. As on March 31, 2022, the Board comprised of nine directors out of which four were Executive Directors (including Chairman & Managing Director), one was Government Nominee Director and four were Independent Directors.

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

During the FY 2021-22, composition of the Board of Directors was not in conformity with the provisions of the Companies Act, 2013, SEBI LODR and DPE Guidelines on Corporate Governance in the absence of requisite number of Independent Directors. Company has requested Govt. of India from time to time through MoP to appoint requisite number of Independent Directors on its Board. Ministry of Power vide letters dated 08.11.2021 and 10.11.2021 conveyed the appointment of Dr. Uday Sakharam Nirgudkar (DIN: 07592413), Dr. Amit Kansal (DIN: 07722428), Dr. Rashmi Sharma Rawal (DIN: 09410683) and Shri Jiji Joseph (DIN: 09415941) as Non-Official Independent Directors on the Board of NHPC Limited for a period of three years w.e.f. date of notification of their appointment, or until further orders. Accordingly, the Board of Directors had appointed them as Additional and Independent Directors w.e.f. 15.11.2021, 21.11.2021, 30.11.2021 and 01.12.2021 respectively.

**ii) Tenure of Directors:**

The Chairman and Managing Director and other Whole-Time Directors are generally appointed for a period of five years from the date of their taking over the charge or till the date of their superannuation or until further orders from the Govt. of India, whichever is earlier. Independent Directors are usually appointed

for a period of three years. Government Nominee Directors continue on the Board, at the discretion of the nominating authority or till ceasing to be officials of such nominating authority.

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

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

**iv) Skills/ expertise/ competence of Directors**

Your company recognises and embraces the benefits of having a diverse Board that possesses a balance of skills, experience and expertise taking into account knowledge, professional experience and qualifications, gender, age, cultural and educational background, and any other factors that might be considered relevant from time to time.

All Board appointments are made by the President of India acting through administrative ministry i.e. Ministry of Power, Government of India. For recruitment of the functional directors, vacancy indicating job description, desirable qualification and experience of candidates is issued by Public Enterprises Selection Board. Knowledge and experience in areas such as Power Sector & Power Trading, Finance, Legal, Risk Management, Human Resources, etc. are duly considered while making appointments of the Board members to the Board level Committees. The matrix given at **Annexure- A** of this report summarizes core skills/ expertise/ competencies of directors.

**v) Board Meetings:**

The Board of Directors of the Company met ten times during the FY 2021-22. The details of board meetings held during the FY 2021-22 and attendance thereat are given as under:

**Board meetings held during the FY 2021-22**

| Sl. No. | Board Meeting Number | Board Meeting Date | Board Strength | No. of Directors Present | | % of Attendance |
|---|---|---|---|---|---|---|
| | | | | In Person | Through Video Conferencing | |
| 1. | 445 | May 15, 2021 | 6 | 4 | 2 | 100 |
| 2. | 446 | June 10, 2021 | 6 | 4 | 2 | 100 |
| 3. | 447 | August 13, 2021 | 6 | 5 | 1 | 100 |
| 4. | 448 | September 24, 2021 | 6 | 5 | 0 | 83.33 |
| 5. | 449 | November 11, 2021 | 6 | 5 | 1 | 100 |
| 6. | 450 | December 7, 2021 | 9 | 5 | 4 | 100 |
| 7. | 451 | December 30, 2021 | 9 | 8 | 1 | 100 |
| 8. | 452 | January 28, 2022 | 9 | 8 | 1 | 100 |
| 9. | 453 | February 11, 2022 | 9 | 8 | 1 | 100 |
| 10. | 454 | March 16, 2022 | 9 | 8 | 1 | 100 |

The maximum time interval between any two meetings of the Board did not exceed three months. Necessary quorum for Board meetings held before December 07, 2021 was not present due to non-availability of Independent Directors.

The detail of directors, their attendance at Board meetings/ last AGM, number of shares held in the Company, their directorships in other listed companies and number of directorships & board level committee membership(s)/chairpersonship(s) of other companies as on March 31, 2022 are given as under:

| Name of Director (Shri/Smt.) | Number of Board Meetings held and attended during their respective tenure | Attendance at last AGM (September 29, 2021) | Number of Shares held in the Company | Number of director-ships held in other Companies* | No. of committee membership(s) held in other companies** | | Directorship in other listed entities (Category of Directorship) |
|---|---|---|---|---|---|---|---|
| | | | | | As Chairperson | As member | |
| **Functional Directors** | | | | | | | |
| Abhay Kumar Singh, Chairman & Managing Director | 10/10 | YES | 16,425 | 2 | NIL | NIL | NIL |
| Nikhil Kumar Jain, Director (Personnel)[1] | 4/5 | NO | N.A. | N.A. | N.A. | N.A. | N.A. |
| Yamuna Kumar Chaubey, Director (Technical) | 10/10 | YES | NIL | 3 | NIL | NIL | NIL |
| Rajendra Prasad Goyal, Director (Finance) | 10/10 | YES | 17,488 | 4 | 2 | NIL | NIL |
| Biswajit Basu, Director (Projects) | 10/10 | YES | 9500 | 5 | NIL | NIL | NIL |
| **Government Nominee Directors** | | | | | | | |
| Tanmay Kumar, Joint Secretary (Hydro), Ministry of Power[2] | 3/3 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| Raghuraj Madhav Rajendran, Joint Secretary (Hydro), Ministry of Power[3] | 7/7 | NO | NIL | 2 | NIL | NIL | 1. SJVN Limited (Part Time Director)<br>2. PTC India Limited (Govt. Nominee Director) |
| **Independent Directors** | | | | | | | |
| Uday Sakharam Nirgudkar[4] | 5/5 | NA | NIL | 1 | NIL | NIL | NIL |
| Amit Kansal[5] | 5/5 | NA | NIL | NIL | NIL | NIL | NIL |
| Rashmi Sharma Rawal[6] | 5/5 | NA | NIL | NIL | NIL | NIL | NIL |
| Jiji Joseph[7] | 5/5 | NA | NIL | NIL | NIL | 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. Ceased to be Director on the Board of the Company w.e.f. 02.12.2021 as per the orders issued by Ministry of Power.
2. Ceased to be Director on the Board of the Company w.e.f. 13.09.2021 as per the orders issued by Ministry of Power.
3. Appointed as Director on the Board of the Company w.e.f. 16.09.2021 as per the orders issued by Ministry of Power.
4. Appointed as Director on the Board of the Company w.e.f. 15.11.2021 as per the orders issued by Ministry of Power.
5. Appointed as Director on the Board of the Company w.e.f. 21.11.2021 as per the orders issued by Ministry of Power.
6. Appointed as Director on the Board of the Company w.e.f. 30.11.2021 as per the orders issued by Ministry of Power.
7. Appointed as Director on the Board of the Company w.e.f. 01.12.2021 as per the orders issued by Ministry of Power.

**Notes:**

- None of the directors of the Company held office of director at any point of time in more than ten (10) public companies including seven (7) listed companies.
- None of the directors of the Company is a member in more than ten (10) committees or chairperson of more than five (5) Board level committees across all the companies in which he is a director. For the purpose of determination of limit of the Board level Committees, Chairmanship or Membership of Audit Committee & Stakeholders' Relationship Committee has only been considered.
- None of the whole-time directors of the Company is serving as an independent director in more than three listed companies.
- None of the independent directors of the Company is serving as an independent director in more than seven listed companies.
- The directors of the Company do not have any inter-se relationship.
- NHPC has not issued any convertible instrument till date therefore, none of the non-executive directors hold any such instrument.

**(vi) Board Independence:**

The Independent Directors of the Company are appointed/ nominated by the President of India acting through administrative ministry i.e. Ministry of Power, Government of India. Accordingly, the appointing authority considers the integrity, expertise and experience of the individual to be appointed/ nominated as Independent Director on the Board of the Company. All Independent Directors on the Board of the Company met the criteria of Independence as required by law and were registered in the databank of Independent Directors maintained by Indian Institute of Corporate Affairs (IICA) during FY 2021-22. No Independent Director has resigned from his post before the expiry of his tenure.

**vii) Familiarization/ Training Programme for Directors:**

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

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

http://www.nhpcindia.com/writereaddata/Images/pdf/Familirisation%20Programme%20IDs-%20English_IFA_upto%2031-03-22.pdf

**viii) Performance Evaluation**

Ministry of Corporate Affairs (MCA) vide its notification dated 5th June, 2015 had inter-alia exempted Government Companies from providing information in the Directors' report about the manner, in which annual performance evaluation of Board, its committees and individual directors has been made, in case, the performance of directors is being evaluated by the Administrative Ministry.

The performance of all Functional Directors of the Company is being evaluated by the Administrative Ministry i.e. MOP, as per the mechanism for performance appraisal of top management incumbents of CPSEs, specified by DPE. The performance of Nominee Directors of the Company is also evaluated by the nominating authority. Performance Evaluation of Independent Directors was not carried out in FY 2021-22 as there was no Independent Director on the Board since September 8, 2020 due to completion of tenure of remaining two Independent Directors on September 7, 2020.

In terms of requirements of provisions of the Companies Act 2013 and SEBI LODR, NHPC had in place a "Policy on performance evaluation of Board, Board level committees and Independent Directors"

applicable w.e.f. 26.04.2016. Your company had modified the Policy as "Policy on performance evaluation of Board, Board level committees and Directors" and has included performance evaluation of all the Board Members, Board as a whole and mandatory committees of the Board. The aforesaid Policy is effective from 27.04.2022. Performance evaluation Criteria have been duly approved by the Nomination & Remuneration Committee. The performance evaluation for FY 2021-22 shall be carried out during FY 2022-23.

## 3. COMMITTEES OF THE BOARD:

The Committees of the Board play a crucial role in governance structure of the Company and assist Board in taking informed decisions by focusing on specific areas/ activities. The recommendations of the Committees on matters under their scope are placed before the Board for approval. In compliance to provisons of SEBI LODR and the Companies Act 2013, following mandatory committees have been constituted by the Board:

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

To substantially comply with the requirements prescribed under the Companies Act, 2013, SEBI LODR and DPE Guidelines on Corporate Governance, the aforesaid mandatory Committees (except Nomination & Remuneration Committee) were re-constituted by the Board of Directors with available Non-Independent Directors for part of the year due to non-availability of Independent Directors.

As per the orders of Ministry of Power (MoP), Govt. of India dated 08.11.2021 and 10.11.2021, four independent directors including one woman independent director, were appointed on the Board of NHPC in the month of November/December, 2021. Subsequently the Board had reconstituted the aforesaid mandatory committees w.e.f. 07.12.2021 in line with the provisions of the Companies Act, 2013, SEBI LODR and DPE Guidelines on Corporate Governance.

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

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

### 3.1 Audit Committee

As on March 31, 2022, the Audit Committee comprised the following members:

| | | | |
|---|---|---|---|
| i) | Dr. Uday Sakharam Nirgudkar | Independent Director | Chairman |
| ii) | Shri Jiji Joseph | Independent Director | Member |
| iii) | Shri Yamuna Kumar Chaubey | Director (Technical) | Ex-Officio Member |

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

**Terms of reference:**

The brief terms of reference of the Committee is oversight of the Company's financial reporting process and the disclosure of its financial information. It also recommends fixation of audit fees and approves payment to auditors for any other services rendered by them. The Committee reviews with Management, the quarterly and annual financial statements and auditor's report thereon. It reviews the adequacy of internal control systems and

internal audit department. It reviews the functioning of Whistle Blower Mechanism. It also approves Related Party Transactions and carries out functions as mentioned in the terms of reference of the Audit Committee pursuant to the provisions of the Companies Act, 2013, SEBI LODR and DPE Guidelines on Corporate Governance. The detailed terms of reference of the Committee is available at http://www.nhpcindia.com/writereaddata/images/pdf/Terms_of-Reference_Committee_of_Directors_06012022_E.pdf

**Meetings and Attendance:**

The Committee met ten times during the FY under report. Details of the meetings and attendance of members are given as under:

| S. No. | Date of Meeting | Shri Tanmay Kumar[1] | Shri Nikhil Kumar Jain[2] | Shri Yamuna Kumar Chaubey | Shri Raghuraj Madhav Rajendran[3] | Dr. Uday Sakharam Nirgudkar[4] | Shri Jiji Joseph[5] |
|---|---|---|---|---|---|---|---|
| 1. | 10.06.2021 | 🖳 | 🖳 | 👤 | N.A. | N.A. | N.A. |
| 2. | 06.07.2021 | 🖳 | 🖳 | 👤 | N.A. | N.A. | N.A. |
| 3. | 10.07.2021 | 🖳 | ● | 👤 | N.A. | N.A. | N.A. |
| 4. | 21.07.2021* | 🖳 | 🖳 | 👤 | N.A. | N.A. | N.A. |
| 5. | 13.08.2021 | 🖳 | 🖳 | 👤 | N.A. | N.A. | N.A. |
| 6. | 11.11.2021 | N.A. | 👤 | 👤 | 🖳 | N.A. | N.A. |
| 7. | 29.12.2021 | N.A. | N.A. | 👤 | N.A. | 👤 | 👤 |
| 8. | 11.02.2022 | N.A. | N.A. | 👤 | N.A. | 👤 | 👤 |
| 9. | 15.02.2022 | N.A. | N.A. | 👤 | N.A. | 👤 | 👤 |
| 10. | 16.03.2022 | N.A. | N.A. | 👤 | N.A. | 👤 | 👤 |
| **Number of meetings held during respective tenure** | | 5 | 6 | 10 | 1 | 4 | 4 |
| **Meetings attended** | | 5 | 5 | 10 | 1 | 4 | 4 |
| **% of meetings attended** | | 100 | 83.33 | 100 | 100 | 100 | 100 |

* Adjourned Meeting.

[1] Ceased to be member of the Committee w.e.f. 13.09.2021.

[2] Ceased to be member of the Committee w.e.f. 02.12.2021.

[3] Appointed as Chairman of the Committee w.e.f. 24.09.2021 and ceased to be member of the Committee w.e.f. 07.12.2021

[4] Appointed as Chairman of the Committee w.e.f. 07.12.2021

[5] Appointed as member of the Committee w.e.f. 07.12.2021

● Leave of absence, 👤 present in person 🖳 present through Video Conferencing

Shri Tanmay Kumar, Government Nominee Director chaired all the meetings from 01.04.2021 to 13.08.2021. Shri Raghuraj Madhav Rajendran chaired the Audit Committee meeting held on 11.11.2021. Subsequently, the Audit Committee was reconstituted by the Board on 07.12.2021 upon the appointment of Independent Directors on the Board of the company. Accordingly, Dr. Uday Sakharam Nirgudkar, Independent Director chaired all the audit committee meetings held after 07.12.2021.

The then Chairperson of the Audit Committee was not present in the last AGM of the Company held on September 29, 2021, however he had nominated a member of Audit Committee as an authorized representative on his behalf to answer shareholders' query, if any.

### 3.2 Stakeholders' Relationship Committee

As on March 31, 2022, composition of Stakeholders' Relationship Committee was as under:

| | | | |
|---|---|---|---|
| i) | Dr. Uday Sakharam Nirgudkar | Independent Director | Chairperson |
| ii) | Shri Yamuna Kumar Chaubey | Director (Technical) | Ex-Officio Member |
| iii) | Shri Rajendra Prasad Goyal | Director (Finance) | Ex-Officio Member |

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

**Terms of reference:**

The brief terms of reference of the Committee is to resolve the grievances of the security holders. It also reviews measures taken for effective exercise of voting rights by shareholders and carries out functions as required by the provisions of the Companies Act, 2013, SEBI LODR and Corporate Governance Guidelines issued by DPE. The detailed terms of reference of the Committee is available at http://www.nhpcindia.com/writereaddata/images/pdf/Terms_of-Reference_Committee_of_Directors_06012022_E.pdf

The Committee met two times during the FY under report. Details of the meeting and attendance of members are given as under:

| S. No. | Date of Meeting | Shri Rajendra Prasad Goyal[1] | Shri Nikhil Kumar Jain[2] | Shri Yamuna Kumar Chaubey | Shri Biswajit Basu[3] | Dr. Uday Sakharam Nirgudkar[4] |
|---|---|---|---|---|---|---|
| 1. | November 10, 2021 | 👤 | 👤 | 👤 | 👤 | N.A. |
| 2. | January 28, 2022 | 👤 | N.A. | 👤 | N.A. | 👤 |
| **Number of meetings held during respective tenure** | | 2 | 1 | 2 | 1 | 1 |
| **Meetings attended** | | 2 | 1 | 2 | 1 | 1 |
| **% of meetings attended** | | 100 | 100 | 100 | 100 | 100 |

[1]. Ceased to be Chairperson of the Committee w.e.f. 07.12.2021

[2]. Ceased to be member of the Committee w.e.f. 02.12.2021

[3]. Ceased to be member of the Committee w.e.f. 07.12.2021

[4]. Appointed as Chairperson of the Committee w.e.f. 07.12.2021

👤 present in person

**Name and Designation of Compliance Officer:**

Shri Saurabh Chakravorty acted as Company Secretary and Compliance Officer of the Company from 01.04.2021 to 24.09.2021.

Subsequently, Smt. Rupa Deb was appointed as Company Secretary and Compliance Officer of the Company w.e.f. September 24, 2021, in terms of Regulation 6 of SEBI LODR.

**Shareholders'/Bondholders' Grievances:**

During the FY 2021-22, shareholders'/bondholders' grievances received through various mediums such as e-mails, letters, SEBI SCORES, etc. were attended expeditiously except the cases constrained by disputes or legal impediments. The details of complaints received and resolved during the year are given as under:

| Description | Equity Shareholders | Bondholders |
|---|---|---|
| Opening balance as on April 1, 2021 | 2 | NIL |
| Received during the year | 1085 | 112 |
| Resolved during the year | 1085 | 112 |
| Pending as on March 31, 2022 | 2 | NIL |

### 3.3 Nomination & Remuneration Committee

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

The Composition of Committee as on March 31, 2022 was as under:

| | | | |
|---|---|---|---|
| i) | Dr. Rashmi Sharma Rawal | Independent Director | Chairperson |
| ii) | Dr. Uday Sakharam Nirgudkar | Independent Director | Member |
| iii) | Shri Jiji Joseph | Independent Director | Member |

**Terms of reference:**

The brief terms of reference of the Committee is to formulate the criteria for determining positive attributes and independence of a Director and criteria for the evaluation of independent directors and the board, to devise a policy on board diversity. It also identifies persons who may be appointed in senior management in accordance with the criteria laid down and recommend to the board their appointment and removal and carries out functions as may be required under the provisions of the Companies Act, 2013, SEBI LODR and Corporate Governance Guidelines issued by DPE. The detailed terms of reference of the Committee is available at http://www.nhpcindia.com/writereaddata/images/pdf/Terms_of-Reference_Committee_of_Directors_06012022_E.pdf

**Meetings and Attendance:**

The Committee met once during the FY under report. Details of the meeting and attendance of members are given as under:

| S. No. | Date of Meeting | Dr. Rashmi Sharma Rawal[1] | Dr. Uday Sakharam Nirgudkar[2] | Shri Jiji Joseph[2] |
|---|---|---|---|---|
| 1. | March 16, 2022 | 🕭 | 🕭 | 🕭 |
| **Number of meetings held during respective tenure** | | 1 | 1 | 1 |
| **Meetings attended** | | 1 | 1 | 1 |
| **%age of meetings attended** | | 100 | 100 | 100 |

[1] Appointed as Chairperson of the Committee w.e.f. 07.12.2021.

[2] Appointed as member of the Committee w.e.f. 07.12.2021.

🕭 present in person

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

As on March 31, 2022, composition of Committee on Corporate Social Responsibility (CSR) and Sustainability was as under:

| | | | |
|---|---|---|---|
| 1 | Dr. Rashmi Sharma Rawal | Independent Director | Chairperson |
| 2 | Dr. Uday Sakharam Nirgudkar | Independent Director | Member |
| 3 | Dr. Amit Kansal | Independent Director | Member |
| 4 | Shri Jiji Joseph | Independent Director | Member |
| 5 | Shri Rajendra Prasad Goyal | Director (Finance) | Ex-Officio Member |
| 6 | Shri Biswajit Basu | Director (Projects) | Ex-Officio Member |

**Terms of Reference:**

The brief terms of reference of the Committee is to formulate and recommend to the Board, a Corporate Social Responsibility & Sustainability Policy and an Annual Action Plan. It also monitor the Policy from time to time, mechanism for implementation of the CSR projects /programmes / activities undertaken by the Company. It approves the content of annual report on CSR activities and periodically submit reports to the Board of Directors for their information, consideration and necessary directions. It further complies with the other requirements on Corporate Social Responsibility Policy, as amended from time to time. The detailed terms of reference of the Committee is available at http://www.nhpcindia.com/writereaddata/images/pdf/Terms_of-Reference_Committee_of_Directors_06012022_E.pdf

**Meetings and Attendance:**

The Committee met five times during the FY under report. Details of the meetings and attendance of members are given as under:

| S. No. | Date of Meeting | Shri Yamuna Kumar Chaubey[1] | Shri Rajendra Prasad Goyal | Shri Biswajit Basu | Dr. Rashmi Sharma Rawal[2] | Dr. Uday Sakharam Nirgudkar[3] | Dr. Amit Kansal[3] | Shri Jiji Joseph[3] |
|---|---|---|---|---|---|---|---|---|
| 1. | July 5, 2021 | 👤 | 👤 | 👤 | N.A. | N.A. | N.A. | N.A. |
| 2. | November 10, 2021 | 👤 | 👤 | 👤 | N.A. | N.A. | N.A. | N.A. |
| 3. | December 23, 2021 | N.A. | 👤 | 🖥 | 🖥 | 🖥 | 👤 | 🖥 |
| 4. | January 28, 2022 | N.A. | 👤 | 👤 | 👤 | 👤 | 👤 | 👤 |
| 5. | March 16, 2022 | N.A. | 👤 | 👤 | 👤 | 👤 | 👤 | 👤 |
| **Number of meetings held during respective tenure** | | 2 | 5 | 5 | 3 | 3 | 3 | 3 |
| **Meetings attended** | | 2 | 5 | 5 | 3 | 3 | 3 | 3 |
| **% of meetings attended** | | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

[1] Ceased to be member of the Committee w.e.f. 07.12.2021.

[2] Appointed as Chairperson of the Committee w.e.f. 07.12.2021

[3] Appointed as member of the Committee w.e.f. 07.12.2021.

👤 present in person 🖥 present through Video Conferencing

### 3.5 Risk Management Committee

As per requirements of SEBI LODR, top 500 listed entities (w.e.f. 07.09.2021, top 1000 listed entities) determined on the basis of market capitalization, as at the end of immediate previous FY shall constitute a Risk Management Committee. As on March 31, 2021, NHPC was amongst the top 500 listed entities determined on the basis of market capitalization.

As on March 31, 2022, composition of Risk Management Committee was as under:

| | | | |
|---|---|---|---|
| i) | Dr. Amit Kansal | Independent Director | Chairperson |
| ii) | Shri Yamuna Kumar Chaubey | Director (Technical) | Ex-officio Member |
| iii) | Shri Rajendra Prasad Goyal | Director (Finance) | Ex-officio Member |

**Terms of Reference:**

The brief terms of reference of the Committee is to formulate a detailed risk management policy. It ensures that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company. It also approves and review risk disclosure statements in any public documents or disclosures and carries out functions as required by the provisions of the Companies Act, 2013, SEBI LODR and Corporate Governance Guidelines issued by DPE. The detailed terms of reference of the Committee is available at http://www.nhpcindia.com/writereaddata/images/pdf/Terms_of-Reference_Committee_of_Directors_06012022_E.pdf

**Meetings and Attendance:**

The Committee met three times during the FY under report. Details of the meeting and attendance of members are given as under:

| S. No. | Date of Meeting | Shri Yamuna Kumar Chaubey | Shri Rajendra Prasad Goyal | Shri Biswajit Basu[1] | Dr. Amit Kansal[2] |
|---|---|---|---|---|---|
| 1. | August 05, 2021 | 🕴 | 🕴 | ● | N.A. |
| 2. | November 10, 2021 | 🕴 | 🕴 | 🕴 | N.A. |
| 3. | March 16, 2022 | 🕴 | 🕴 | N.A. | 🕴 |
| **Number of meetings held during respective tenure** | | 3 | 3 | 2 | 1 |
| **Meetings attended** | | 3 | 3 | 1 | 1 |
| **% of meetings attended** | | 100 | 100 | 50 | 100 |

[1] Ceased to be member of the Committee w.e.f. 07.12.2021.

[2] Appointed as Chairperson of the Committee w.e.f. 07.12.2021.

● Leave of absence, 🕴 present in person

## 4. PROCEDURE FOR BOARD/ COMMITTEE MEETINGS:

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

## 5. MEETING OF INDEPENDENT DIRECTORS:

Pursuant to the requirements of Schedule IV of the Companies Act, 2013 read with Department of Public Enterprises Office Memorandum No.16 (4)/2012-GM dated December 28, 2012 and SEBI LODR, a separate

meeting of Independent Directors without the presence of Non-Independent Directors and members of the management is required to be held in each FY. During the financial year 2021-22 a separate meeting of Independent Directors was held on January 27, 2022.

## 6. FRAUD PREVENTION AND DETECTION POLICY:

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

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

## 7. CODE FOR PREVENTION OF INSIDER TRADING IN SECURITIES OF NHPC LIMITED (CODE):

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

The code is applicable to designated persons defined as under:

i. All Directors, Key Managerial Personnel (KMPs) and Chief Vigilance Officer of the Company;

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

iii. Directors, KMPs & employees (executives at the level of General Managers and above) and Chief Vigilance Officer of material subsidiary companies of the Company; and

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

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

Shri Saurabh Chakravorty, Manager (CS) has been designated as Compliance Officer under the code. The code is available on website of the Company at the link: http://www.nhpcindia.com/writereaddata/Images/pdf/Revised%20Insider%20Code%20dated%2007092020.pdf

## 8. REMUNERATION OF DIRECTORS:

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

At present, sitting fee of ₹ 30,000/- is being paid to Independent Directors for attending each meeting of the Board and committees thereof. The sitting fee was increased from ₹ 20,000/- to ₹ 30,000/- during the financial year.

Details of remuneration paid to Functional Directors of the Company and details of sitting fees paid to Independent Directors for attending meetings of the Board and its Committees, during the FY 2021-22, are given in **Table A and Table B** respectively.

**Table A: Remuneration of Functional Directors paid during the FY 2021-22**

(Amount in ₹)

| Name of Director | Designation | Salary | Benefits* | Performance Related Pay (PRP) | Total |
|---|---|---|---|---|---|
| Shri Abhay Kumar Singh | Chairman & Managing Director | 46,24,801 | 29,99,534 | 17,23,775 | 93,48,110 |
| Shri Nikhil Kumar Jain[1] | Director (Personnel) | 28,24,190 | 35,65,045 | 18,21,318 | 82,10,553 |
| Shri Yamuna Kumar Chaubey | Director (Technical) | 56,99,531 | 13,21,997 | 16,98,543 | 87,20,071 |
| Shri Rajendra Prasad Goyal | Director (Finance) | 48,94,518 | 29,84,504 | 13,82,916 | 92,61,938 |
| Shri Biswajit Basu | Director (Projects) | 44,14,038 | 1,15,69,233 | 14,24,394 | 1,74,07,665 |

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

[1] Ceased to be Director w.e.f. 02.12.2021

**Notes:**

1. The Company had not given any stock options during the FY 2021-22. 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 benefits as per applicable rules of the Company.

**Table B: Details of sitting fees paid to Independent Directors for the meetings held during the FY 2021-22**

(Amount in ₹)

| Name of Independent Director | Sitting Fees* | | Total |
|---|---|---|---|
| | Board Meetings | Committee Meetings | |
| Dr. Uday Sakharam Nirgudkar | 1,30,000 | 2,70,000 | 4,00,000 |
| Dr. Rashmi Sharma Rawal | 1,30,000 | 2,10,000 | 3,40,000 |
| Dr. Amit Kansal | 1,30,000 | 2,10,000 | 3,40,000 |
| Shri Jiji Joseph | 1,30,000 | 2,40,000 | 3,70,000 |

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

Except as mentioned above, the non-executive directors have no pecuniary relationship or transaction with the Company during the FY 2021-22.

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

## 9. SUBSIDIARY COMPANIES:

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

## 10. GENERAL MEETINGS:

**Annual General Meeting**

Date, time and location of the last three Annual General Meetings and special resolutions passed therein are given as under:

| FY | Date | Time | Location | Special Resolution(s) Passed |
|---|---|---|---|---|
| 2020-21 | September 29, 2021 | 03:00 P.M. | Meeting held through Video Conferencing/ Other Audio Visual Means | a) To increase borrowing limit of the Company from ₹ 30,000 Crore to ₹ 40,000 Crore.<br>b) To create Mortgage and/or charge over the movable and immovable properties of the Company. |
| 2019-20 | September 29, 2020 | 03:00 P.M. | Meeting held through Video Conferencing/ Other Audio Visual Means | NIL |
| 2018-19 | September 23, 2019 | 11:00 A.M. | Jal Tarang Auditorium, NHPC Office Complex, Sector-33, Faridabad, Haryana-121003 | a) To re-appoint Prof. (Smt.) Kanika T. Bhal (DIN 06944916), as an Independent Director of the Company.<br>b) To re-appoint Shri Satya Prakash Mangal (DIN 01052952), as an Independent Director of the Company.<br>c) To re-appoint Prof. Arun Kumar (DIN 07346292), as an Independent Director of the Company |

No Special Resolution was passed through Postal Ballot during FY 2021-22 and no special resolution at present is proposed to be passed through Postal Ballot during the FY 2022-23.

## 11. DISCLOSURES:

**(i) Related Party Transactions:**

The Company has formulated a policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions, in compliance with Regulation 23 of SEBI LODR. During the FY 2021-22, all contracts/ arrangements/ transactions entered into by the Company with related parties were on arm's length basis, intended to further the company's interest. There was no materially significant related party transaction, which have potential conflict with the interest of the Company at large.

The Policy on Materiality of Related Party Transactions and on Dealing with 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/Approved%20Policy_RPT.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 the statutory requirements of the regulations and guidelines prescribed by

SEBI including regulations 17 to 27 (except in respect of appointment of requisite number of Independent Directors, appointment of Woman Independent Director upto 29.11.2021, composition and constitution of Board Level Committees upto 06.12.2021, etc. under Regulation 17, 17(2A), 18, 19, 20 and 21) and clauses(b) to (i) of Sub-regulation(2) of Regulation 46 of SEBI LODR. The Company has also complied with the requirements of the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by Department of Public Enterprises (DPE) Govt. of India except certain clauses of Chapter 3, 4 & 5. The non-compliances were due to non-appointment of Independent Directors on the Board of the Company.

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

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

During the preceding three FYs, your Company had received communications from Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited imposing penalty(ies) for different quarters for non-compliance in respect of appointment of requisite number of Independent Directors, appointment of Woman Independent Director upto 29.11.2021, composition and constitution of Board Level Committees upto 06.12.2021, etc. under Regulation 17, 17(2A), 18, 19, 20 and 21 of SEBI LODR. Company has requested the Stock Exchanges to waive-off the aforesaid penalty(ies) in view of the justifications submitted by the Company. BSE Limited has already waived-off the fines imposed upto quarter ended on December 31, 2020 (except the fine imposed for non-compliance of Regulation 21 of SEBI LODR). Response regarding waiver of fine is awaited from NSE / BSE for remaining period.

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

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

**c) Presidential Directives:**

During the FY 2021-22, Company has received a Presidential directive regarding review of profitability with respect to pay revision of Board level & below Board level Executives and Non-Unionised Supervisors w.e.f. 01.01.2017. The last presidential directive was received during financial year 2018-19.

**d) Accounting Treatment:**

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

**e) Whistle Blower Policy:**

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

During the FY 2021-22, no complaint was reported under Whistle Blower Policy.

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

Providing a safe and harassment-free workplace for every women employee working in the Company has always been an endeavour of the management. Moving a step ahead in this direction, Company has included Sexual harassment of women as misconduct under "NHPC (Conduct, Discipline and Appeal) Rules". During the FY 2021-22, no complaint of sexual harassment was received by the Company. The details regarding number of complaints filed, disposed and pending at the end of the FY are given in Directors' Report.

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

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

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

(Figures in %)

| Details | 2020-21 | 2021-22 | Reasons for increase |
|---|---|---|---|
| Administrative expenses as a percentage of total expenses | 20.38 | 20.40 | There is no major variance in administrative expenses as a percentage of total expenses and finance expenses in FY 2021-22 vs FY 2020-21. |
| Administrative expenses as a percentage of finance expenses | 202.54 | 204.57 | |

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

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

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

Detail of fees paid to statutory auditors during FY 2021-22 is given in notes to the Standalone Financial Statements. The detail of fee paid to auditors on consolidated basis during FY 2021-22 was as under:

| Particulars | Amount (₹ in crore) |
|---|---|
| **i) Statutory Auditors** | |
| **As Auditor** | |
| Audit Fees | 0.90 |
| Tax Audit Fees | 0.23 |
| **In other Capacity** | |
| Taxation Matters | 0.01 |
| Other Matters/ services | 0.62 |
| Reimbursement of expenses | 0.27 |
| **ii) Cost Auditors** | |
| Audit Fees | 0.21 |
| Reimbursement of expenses | - |
| **iii) Goods and Service Tax (GST) Auditors** | |
| Audit Fees | 0.05 |
| **Reimbursement of expenses** | **0.01** |
| **Total Audit Expenses** | **2.30** |

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

The Company has formulated a policy for determining material subsidiaries as per Regulation 16 (1) (c) of SEBI LODR. The policy is available on the website at the following link: http://www.nhpcindia.com/writereaddata/Images/pdf/Policy-Material-Subsidiary.pdf

**m) During the FY 2021-22, Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI LODR, 2015.**

**n) Other Disclosures:**

i. As per the requirements of Schedule V of SEBI LODR and DPE Guidelines on Corporate Governance, a Certificate from M/s. Agarwal S. & Associates, Practicing Company Secretaries regarding compliance to conditions of Corporate Governance has been received and forms part of this report as **Annexure-B**. A certificate from Shri Rakesh Kumar Jain, Practicing Company Secretary for the FY ended 31.03.2022, stating that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such other statutory authority, has been received and is given at **Annexure-B**.

ii. None of the securities of the Company was suspended from trading during the FY 2021-22

iii. Adoption of the non-mandatory requirements:-

a) The Board: The Company is headed by an Executive Chairman.

b) Shareholders' Rights: A half-yearly declaration of financial performance, including a summary of significant events during the last six months is not sent individually to every shareholder. However, periodic financial results are made available on the Company's website www.nhpcindia.com and are published in the leading newspapers as mentioned under the heading 'means of communication' in this Report. The shareholders of the Company are also apprised about the financial performance of the Company through e-mail on quarterly basis.

c) Modified opinion(s) in audit report: It is always Company's endeavour to present unqualified financial statements.

d) Separate posts of chairperson and the Managing Director or chief executive officer: The post of Chairperson and Managing Director in the Company is held by a single person appointed by President of India acting through Ministry of Power (MOP), Govt. of India.

e) Reporting of Internal Auditor: Shri Kuppile Lakshman Acharyulu, General Manager (Finance) is the Chief Internal Auditor of the Company. As per the organization structure, Shri Acharyulu is reporting to Director (Finance) of the Company.

**o) No loans and advances was given to firms/companies in which Directors were interested.**

## 12. CEO/CFO COMPLIANCE CERTIFICATION:

In terms of Regulation 17 (8) of SEBI LODR, a compliance certificate duly signed by Shri Abhay Kumar Singh, Chairman & Managing Director and Shri Rajendra Prasad Goyal, Director (Finance) & CFO is annexed to the Corporate Governance Report as **Annexure-C**.

## 13. MEANS OF COMMUNICATION:

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

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

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

The quarterly unaudited financial results and yearly audited financial results of the Company are announced within stipulated period. During the period under report, the results were published in leading newspapers like Business Standard, Navbharat Times, The Economic Times and Hindustan Times. The results were also published in other newspapers for wider circulation.

## 14. INFORMATION FOR SHAREHOLDERS

### (i) Details of Annual General Meeting (AGM)

**Date: Thursday, August 25, 2022**

**Time: 12:30 P.M. (IST)**

In order to curb the spread of COVID-19 in the country and in line with the relaxations extended by Ministry of Corporate Affairs (MCA) vide circular dated 05.05.2022 read with circular dated 08.04.2020, 13.04.2020 and 05.05.2020 and by SEBI vide circular dated 13.05.2022, the AGM of the Company for FY 2021-22 shall be held through Video Conferencing or other audio visual means.

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

### (ii) Financial calendar for FY 2022-23

| Particulars | Date |
|---|---|
| Accounting period | April 1, 2022 to March 31, 2023 |
| Unaudited financial results for the first three quarters | Board Meeting to be held within forty five days from the end of each quarter. Financial results will be intimated to Stock Exchanges within stipulated time from the conclusion of the Board Meeting. |
| Fourth quarter results/ annual audited financial results for the year ending on March 31, 2023 | Board Meeting to be held on or before May 30, 2023. Financial results will be intimated to Stock Exchanges within stipulated time from the conclusion of the Board Meeting. |
| AGM – 2023 | August/ September, 2023 (Tentative) |

### (iii) Book Closure

The register of members and share transfer books of the Company will remain closed from Friday, August 12, 2022 to Thursday, August 25, 2022 (both days inclusive).

### (iv) Payment of Dividend

The Company had declared an interim dividend of ₹ 1.31/- per equity share for the FY 2021-22 in Febuary, 2022. In addition to above, the Board of Directors of the Company has recommended a final dividend of ₹ 0.50/- per equity share for the FY 2021-22. The total dividend for the year comes to ₹ 1.81/- per equity share, if final dividend is approved by the shareholders in ensuing Annual General Meeting.

The members whose name appear in the Register of Members/ list of Beneficial Owners as on Thursday, August 11, 2022 (record date) will be entitled to receive final dividend. The final dividend, if declared at the AGM, will be paid as per the provisions of the Companies Act, 2013.

### (v) Dividend History

Details of dividend paid by the Company since listing are given as under:

| FY | Total amount of dividend declared (₹ in crore) | Date of AGM/Board Meeting in which dividend was declared | Date of payment |
|---|---|---|---|
| 2009-10 | 676.54 | September 22, 2010 | October 1, 2010 |
| 2010-11 | 738.04 | September 19, 2011 | September 28, 2011 |
| 2011-12 | 861.05 | September 17, 2012 | September 26, 2012 |
| 2012-13 | 738.04 | September 16, 2013 | September 25, 2013 |
| 2013-14 | 332.13 | September 26, 2014 | October 7, 2014 |
| 2014-15 | 664.27 (including interim dividend of ₹ 221.43 crore) | January 16, 2015 & September 23, 2015 | February 12, 2015 & October 3, 2015 |

| | | | |
|---|---|---|---|
| 2015-16 | 1,660.60 (including interim dividend of ₹ 1,018.50 crore) | February 10, 2016 & September 22, 2016 | March 2, 2016 & October 3, 2016 |
| 2016-17 | 1,984.62 (including interim dividend of ₹ 1,882.02 crore) | January 12, 2017 & September 27, 2017 | January 27, 2017 & October 5, 2017 |
| 2017-18 | 1,436.31 (including interim dividend of ₹ 1,149.05 crore) | February 12, 2018 & September 27, 2018 | March 8, 2018 & October 22, 2018 |
| 2018-19 | 1,466.58 (including interim dividend of ₹ 713.20 crore) | February 8, 2019 & September 23, 2019 | March 05, 2019 & October 18, 2019 |
| 2019-20 | 1506.75 (including interim dividend of ₹ 1,185.31 crore) | February 7, 2020 & September 29, 2020 | March 3, 2020 & October 22, 2020 |
| 2020-21 | 1,607.21 (including Interim Dividend of ₹ 1,255.63 crore) | February 11, 2021 & September 29, 2021 | March 05, 2021 & October 21, 2021 |
| 2021-22 | 1315.90 crore (Interim Dividend) | February 11, 2022 | March 04, 2022 |

**(vi) Listing on Stock Exchanges**

NHPC equity shares are listed on the following Stock Exchanges:

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

The Annual Listing Fee for the FY 2022-23 has been paid to both stock exchanges i.e. National Stock Exchange of India Limited and BSE Limited within the due dates. Also, the Annual Custodian Fee for the FY 2022-23 has been paid to both depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited.

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

Comparison of NHPC share price with BSE Sensex and NSE Nifty is given in **Table A and Table B** respectively

**Table A: Sensex and NHPC Share Price**

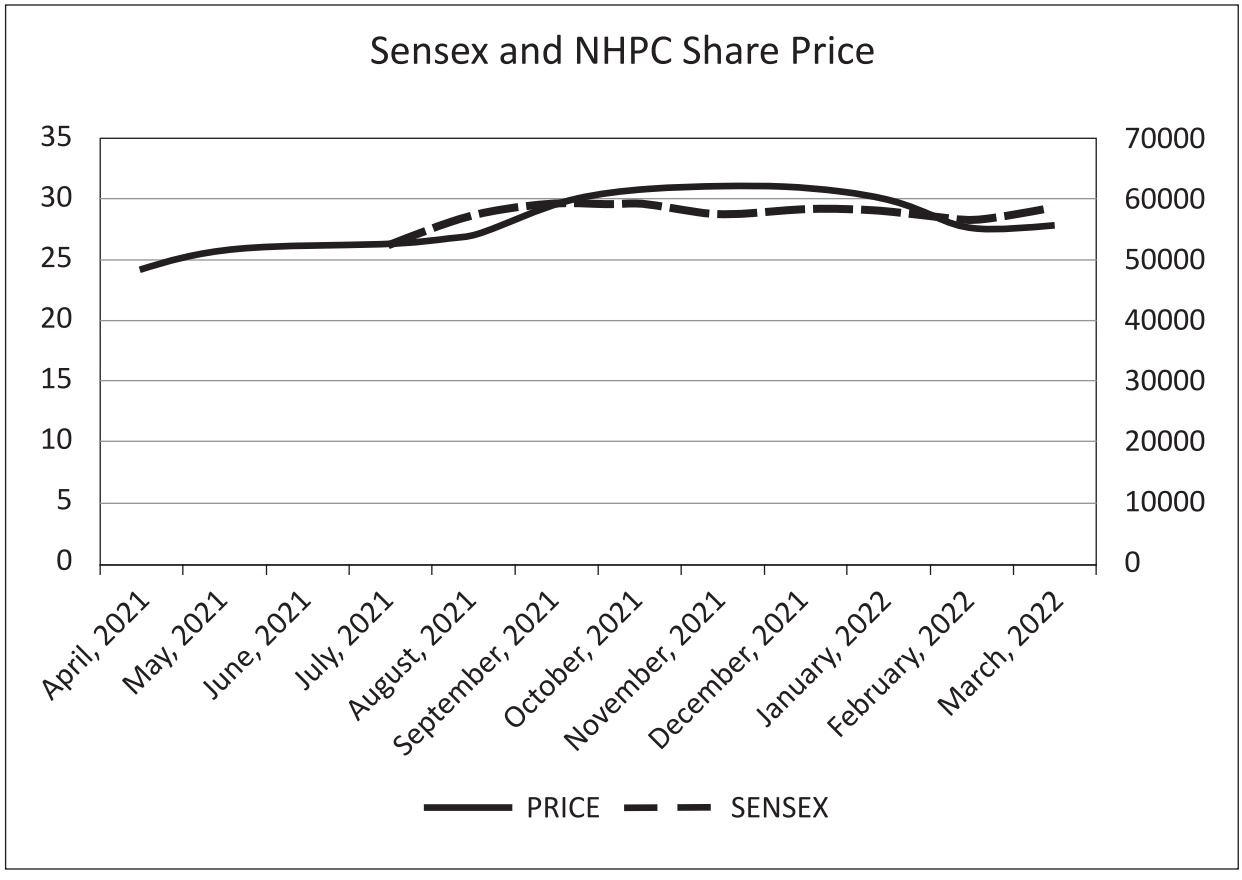
| SENSEX | | | | NHPC SHARE PRICE AT BSE | | | |
|---|---|---|---|---|---|---|---|
| **Month** | **High** | **Low** | **Closing** | **Month** | **High (₹)** | **Low (₹)** | **Closing (₹)** |
| Apr-21 | 50375.77 | 47204.50 | 48782.36 | Apr-21 | 24.90 | 23.40 | 24.25 |
| May-21 | 52013.22 | 48028.07 | 51937.44 | May-21 | 27.65 | 23.95 | 26.00 |
| Jun-21 | 53126.73 | 51450.58 | 52482.71 | Jun-21 | 27.50 | 25.05 | 26.25 |
| Jul-21 | 53290.81 | 51802.73 | 52586.84 | Jul-21 | 26.70 | 25.50 | 26.25 |
| Aug-21 | 57625.26 | 52804.08 | 57552.39 | Aug-21 | 27.30 | 25.25 | 26.95 |
| Sep-21 | 60412.32 | 57263.90 | 59126.36 | Sep-21 | 30.10 | 26.70 | 29.80 |
| Oct-21 | 62245.43 | 58551.14 | 59306.93 | Oct-21 | 37.00 | 28.85 | 30.75 |
| Nov-21 | 61036.56 | 56382.93 | 57064.87 | Nov-21 | 34.80 | 29.10 | 31.10 |
| Dec-21 | 59203.37 | 55132.68 | 58253.82 | Dec-21 | 34.70 | 29.30 | 30.95 |
| Jan-22 | 61475.15 | 56409.63 | 58014.17 | Jan-22 | 32.50 | 29.30 | 30.00 |
| Feb-22 | 59618.51 | 54383.20 | 56247.28 | Feb-22 | 30.45 | 27.05 | 27.45 |
| Mar-22 | 58890.92 | 52260.82 | 58568.51 | Mar-22 | 29.65 | 27.05 | 27.80 |

**Table B: NIFTY and NHPC Share Price**

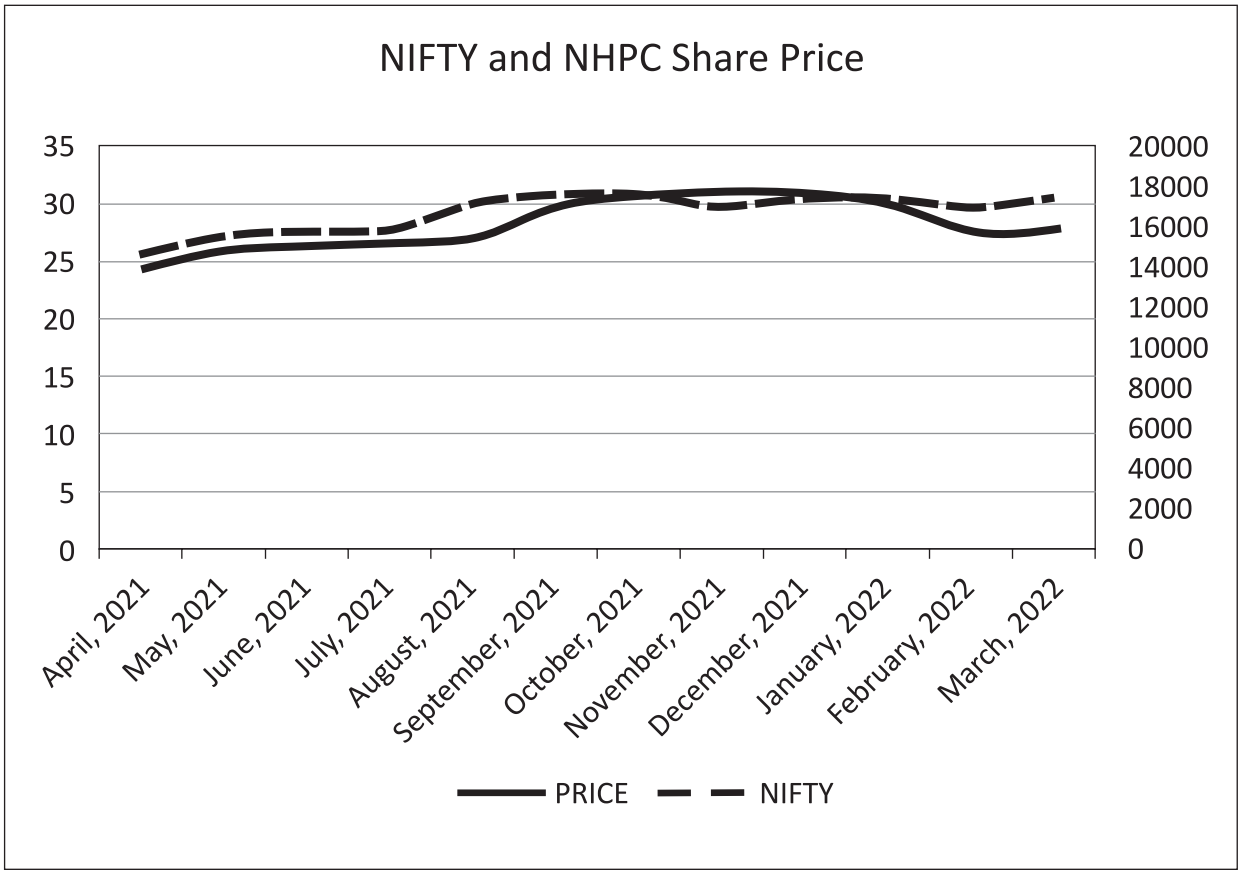
| NIFTY | | | |
|---|---|---|---|
| **Month** | **High** | **Low** | **Closing** |
| Apr-21 | 15044.35 | 14151.40 | 14631.10 |
| May-21 | 15606.35 | 14416.25 | 15582.80 |
| Jun-21 | 15915.65 | 15450.90 | 15721.50 |
| Jul-21 | 15962.25 | 15513.45 | 15763.05 |
| Aug-21 | 17153.50 | 15834.65 | 17132.20 |
| Sep-21 | 17947.65 | 17055.05 | 17618.15 |
| Oct-21 | 18604.45 | 17452.90 | 17671.65 |
| Nov-21 | 18210.15 | 16782.40 | 16983.20 |
| Dec-21 | 17639.50 | 16410.20 | 17354.05 |
| Jan-22 | 18350.95 | 16836.80 | 17339.85 |
| Feb-22 | 17794.60 | 16203.25 | 16793.90 |
| Mar-22 | 17559.80 | 15671.45 | 17464.75 |

| NHPC SHARE PRICE AT NSE | | | |
|---|---|---|---|
| **Month** | **High (₹)** | **Low (₹)** | **Closing (₹)** |
| Apr-21 | 24.90 | 23.40 | 24.25 |
| May-21 | 27.60 | 23.95 | 26.00 |
| Jun-21 | 27.50 | 25.05 | 26.20 |
| Jul-21 | 26.70 | 25.50 | 26.25 |
| Aug-21 | 27.30 | 25.30 | 26.95 |
| Sep-21 | 30.10 | 26.65 | 29.85 |
| Oct-21 | 37.05 | 28.80 | 30.70 |
| Nov-21 | 34.85 | 29.10 | 31.10 |
| Dec-21 | 34.90 | 29.25 | 30.95 |
| Jan-22 | 32.55 | 29.35 | 30.00 |
| Feb-22 | 30.35 | 27.05 | 27.40 |
| Mar-22 | 29.70 | 27.05 | 27.80 |

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




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




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

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

| For Equity Shares | For Tax Free Bonds |
|---|---|
| M/s Alankit Assignments Limited,<br>Alankit House, 4E/2 Jhandewalan Extension,<br>New Delhi - 110055, INDIA<br>Tel: 011 4254 1234, 011 2354 1234<br>Fax:011 4254 1201, 011 2355 2001<br>E-mail ID: alankit.nhpc@alankit.com<br>Toll free No: 18601212155<br><br>(M/s Kfin Technologies Limited was the Share Transfer Agent of the Company upto April 30, 2021) | M/s KFin Technologies Limited,<br>Selenium Tower- B, Plot No. 31-32,<br>Gachibowli Financial District, Nanakramguda,<br>Serilingampally, Hyderabad,<br>Rangareddi, Telangana– 500 032<br>Tel: 040 6716 2222<br>Toll Free No: 1800 309 4001<br>Fax: 040 2300 1153<br>E-mail ID: einward.ris@kfintech.com |
| **For other Bonds** | |
| M/s RCMC Share Registry Private Limited<br>B-25/1, First Floor, Okhla Phase-II,<br>New Delhi-110020<br>Tel: 011 26387320<br>E-mail ID: investor.services@rcmcdelhi.com | |

**(x) Credit Ratings**

The credit ratings obtained by the Company are as under:

| S. No. | Rating Agency | Credit Rating | Borrowings in respect of which ratings were obtained |
|---|---|---|---|
| **DOMESTIC** | | | |
| 1 | India Rating | IND AAA/ Stable | P, Q, R (R1, R2 & R3), TAX FREE, S (S1 & S2), T, U, U1, V2, X, Y, Y1, AA and AA1, AB and AC Series, GOI Bonds & Long term Bank facilities/ FIS |
| | | IND A1+ | Short term working capital limit |
| 2 | ICRA | [ICRA] AAA (Stable) | Q, R (R1, R2 & R3), W1, W2, Y, Y1 and Tax Free Bonds |
| 3 | CARE | CARE AAA: Stable | Q, S (S1 & S2), T, U, U1, V2, W1, W2, Tax Free, X, AA, AA1, AB, AC Series and GOI Bonds |
| **INTERNATIONAL** | | | |
| 1 | S&P | "BBB-" Outlook: Negative | - |

**(xi) Share Transfer System**

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

During the year under report, no request for transfer of shares held in physical form was processed by the RTA.

Pursuant to Regulation 40 of SEBI LODR, Certificate from Practicing Company Secretary 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 during FY 2021-22 had been submitted to Stock Exchanges.

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

During the FY 2021-22, unpaid/ unclaimed dividend for the FY 2013-14 aggregating to ₹ 80,24,853/- and the corresponding 7,53,390 number of equity shares for which dividend entitlements remained unpaid/ unclaimed for seven consecutive years or more, have been transferred by the Company to IEPF established by the Central Government, pursuant to provisions of Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, within the statutorily stipulated timeframe.

Before effecting transfer of shares to IEPF, company has informed all such members, whose shares were liable to be transferred to IEPF during the FY 2021-22 & 2022-23 through individually addressed letters and publication of notice in newspapers.

The details of unpaid/ unclaimed dividend and corresponding shares transferred to IEPF, unpaid and unclaimed amounts lying with the Company and procedure for claiming the dividend and shares from IEPF Authority are available on website of the Company at the link: http://www.nhpcindia.com/IEPF.htm and also on the website of Investor Education and Protection Fund Authority i.e. www.iepf.gov.in. Shareholders

may claim their unpaid/ unclaimed dividend and the corresponding shares from the IEPF Authority through online application in prescribed form i.e. IEPF-5 at its website www.iepf.gov.in.

Unpaid/unclaimed interim dividend pertaing to FY 2014-15 and the corresponding shares have already been transferred to IEPF during the year 2022-23. Further, unpaid/unclaimed final dividend pertaining to FY 2014-15 and the corresponding shares shall be transferred to IEPF during the year 2022-23. The last date for claiming final dividend declared during FY 2014-15 which remained unpaid/ unclaimed is October 28, 2022. Members may forward their claims for unpaid/ unclaimed final dividend to the Company's RTA before it is due to be transferred to IEPF. No claim shall lie against the Company in respect of the dividend/ shares so transferred.

**xiii. Distribution of shareholding**

Shares held according to the size of holdings and by different categories of shareholders as on March 31, 2022 are given in **Table A and Table B** respectively:

**(i) Table A: Distribution of shareholding according to size and percentage of holding as on March 31, 2022**

| Number of shares | Number of shareholders | % of shareholders* | Total shares | % of shares* |
|---|---|---|---|---|
| 1-5,000 | 8,35,950 | 98.52 | 34,88,67,390 | 3.47 |
| 5,001-10,000 | 7,148 | 0.84 | 5,29,22,886 | 0.53 |
| 10,001-20,000 | 2,956 | 0.35 | 4,21,77,317 | 0.42 |
| 20,001-30,000 | 929 | 0.11 | 2,29,39,999 | 0.23 |
| 30,001-40,000 | 375 | 0.04 | 1,31,89,389 | 0.13 |
| 40,001-50,000 | 264 | 0.03 | 1,23,92,583 | 0.12 |
| 50,001-1,00,000 | 410 | 0.05 | 2,98,02,755 | 0.30 |
| 1,00,001 and above | 489 | 0.06 | 9,52,27,42,486 | 94.80 |
| **Total** | **8,48,521** | **100** | **10,04,50,34,805** | **100.00** |

*rounded off to 2 decimal places

**ii) Table B: Category wise Shareholding Pattern as on March 31, 2022**

| Category | As on March 31, 2021 | | | As on March 31, 2022 | | | Change % Increase/ (Decrease)* |
|---|---|---|---|---|---|---|---|
| | No. of Share-holders | Total Shares | % of share-hold-ing* | No. of Share-holders | Total Shares | % of share-holding* | |
| Government of India | 1 | 7,12,67,72,676 | 70.95 | 1 | 7,12,67,72,676 | 70.95 | 0.00 |
| Mutual Funds | 35 | 65,97,51,528 | 6.57 | 29 | 75,62,87,189 | 7.53 | 0.96 |
| Foreign Portfolio Investors | 136 | 40,57,12,886 | 4.04 | 189 | 57,19,22,469 | 5.69 | 1.65 |
| Financial Institutions/ Banks | 11 | 6,13,76,706 | 0.61 | 10 | 6,14,50,720 | 0.61 | 0.00 |
| Insurance Companies | 14 | 77,44,25,487 | 7.71 | 12 | 71,48,57,635 | 7.12 | (0.59) |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Resident Individuals/ HUFs | 6,95,807 | 56,80,15,830 | 5.65 | 8,41,077 | 54,94,08,115 | 5.47 | (0.18) |
| Non- Resident Indians | 5,083 | 1,38,40,972 | 0.14 | 5,396 | 1,23,25,979 | 0.12 | (0.02) |
| Clearing Members | 362 | 94,28,369 | 0.09 | 167 | 85,20,382 | 0.08 | (0.01) |
| IEPF | 1 | 28,93,782 | 0.03 | 1 | 36,35,162 | 0.04 | 0.01 |
| Bodies Corporate | 1,483 | 41,70,81,676 | 4.15 | 1361 | 23,47,64,077 | 2.34 | (1.81) |
| Trusts | 47 | 16,74,433 | 0.02 | 43 | 15,69,071 | 0.02 | 0.00 |
| Others (NBFCs, Foreign Nationals, Overseas Corporate bodies, Alternate Investment Fund, Qualified Institutional Buyers, Foreign Institutional Investors, Employees, Central Government) | 16 | 40,60,460 | 0.04 | 235 | 35,21,330 | 0.03 | (0.01) |
| **Total** | **7,02,996** | **10,04,50,34,805** | **100** | **8,48,521** | **10,04,50,34,805** | **100** | |

*rounded off to 2 decimal places

**(iii) Top Ten Shareholders as on March 31, 2022**

Details of top ten shareholders of NHPC Limited as on March 31, 2022 are given as under:

| S. No. | Name of shareholder | Total shares | % to Equity* |
|---|---|---|---|
| 1 | President of India | 7,12,67,72,676 | 70.95 |
| 2 | Life Insurance Corporation of India | 69,75,64,636 | 6.94 |
| 3 | SBI Focused Equity Fund | 21,35,29,481 | 2.13 |
| 4 | Power Finance Corporation Ltd | 18,62,86,983 | 1.85 |
| 5 | CPSE Exchange Traded Scheme (CPSE ETF) | 18,30,70,557 | 1.82 |
| 6 | HDFC Trustee Company Ltd. A/C HDFC Balanced Advantage Fund | 10,39,74,793 | 1.04 |
| 7 | SBI Balanced Advantage Fund | 7,94,44,381 | 0.79 |
| 8 | Franklin Templeton Investment Funds - Templeton Global Climate Change Fund | 6,51,09,131 | 0.65 |
| 9 | FIH Private Investments Ltd | 3,84,30,000 | 0.38 |
| 10 | Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds | 3,18,21,307 | 0.32 |
| **Total** | | **8,72,60,03,945** | **86.87** |

*rounded off to 2 decimal places.

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

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

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

No. of shares held in dematerialized and physical mode as on March 31, 2022 are as under:

| Particulars | Total Shares | % to Equity* |
|---|---|---|
| Shares in dematerialized form with NSDL | 9,62,61,26,213 | 95.83 |
| Shares in dematerialized form with CDSL | 41,88,31,465 | 4.17 |
| Physical | 77,127 | 0.00 |
| **Total** | **10,04,50,34,805** | **100.00** |

* rounded off to 2 decimal places

The names and addresses of the depositories are as under:

1. **National Securities Depository Limited**
   Trade World, A-Wing, 4th Floor,
   Kamala Mills Compound,
   Lower Parel, Mumbai – 400 013
2. **Central Depository Services (India) Limited**
   Marathon Futurex, A-Wing,
   25th Floor, NM Joshi Marg,
   Lower Parel, Mumbai – 400 013

**(xv) Demat Suspense Account**

Details of shares in the suspense account as on March 31, 2022 is given as under.

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

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

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

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

**xvii. Location of NHPC Power Stations**

| | | |
|---|---|---|
| 1. | Bairasiul | NHPC Limited, Surangani, Distt. Chamba, Himachal Pradesh - 176 317 |
| 2. | Loktak | NHPC Limited, P.O. Loktak, Komkeirap, Manipur - 795 124 |
| 3. | Salal | NHPC Limited, P.O. Jyotipuram, Distt. Reasi, UT of Jammu & Kashmir - 182 312 |
| 4. | Tanakpur | NHPC Limited, P.O. T.P.S. Campus, Banbassa, Distt. Champawat, Uttarakhand - 262 310 |
| 5. | Chamera-I | NHPC Limited, Khairi, Distt. Chamba, Himachal Pradesh - 176 325 |
| 6. | Uri | NHPC Limited, Gingle, P.O. Mohra, Distt. Baramulla, UT of Jammu & Kashmir - 193 122 |
| 7. | Rangit | NHPC Limited, P.O. Rangit Nagar, South Sikkim - 737 111 |
| 8. | Chamera-II | NHPC Limited, Karian, Distt. Chamba, Himachal Pradesh - 176 310 |
| 9. | Dhauliganga | NHPC Limited, Post Box No. 1, Tapovan, Dharchula, Distt. Pithoragarh, Uttarakhand - 262 545 |
| 10. | Dulhasti | NHPC Limited, Chenab Nagar, Sector-II, Kishtwar, Distt. Kishtwar, UT of Jammu & Kashmir - 182 206 |
| 11. | Teesta-V | NHPC Limited, P.O. Singtam, East Sikkim - 737 134 |
| 12. | Sewa-II | NHPC Limited, Mashka, Distt. Kathua, UT of Jammu & Kashmir - 176 325 |
| 13. | Chamera-III | NHPC Limited, Village Dharwala, P.O. 9, Distt. Chamba, Himachal Pradesh - 176 311 |
| 14. | Chutak | NHPC Limited, P.O. Minji, Distt. Kargil, UT of Ladakh - 194 103 |
| 15. | Teesta Low Dam - III | NHPC Limited, Rambi Bazar, P.O. Reang, Distt. Darjeeling, West Bengal - 734 321 |
| 16. | Nimoo Bazgo | NHPC Limited, Alchi, Distt. Leh, UT of Ladakh - 194 101 |
| 17. | Uri- II | NHPC Office cum Residential Complex, Nowpora, Uri, Distt. Baramulla, UT of Jammu & Kashmir - 193 122 |
| 18. | Parbati-III | NHPC Limited, Village Behali, P.O. Larji, Distt. Kullu, Himachal Pradesh–175 122 |
| 19. | Teesta Low Dam - IV | NHPC Limited, Kalijhora, P.O. Kalijhora Bazar, Distt. Darjeeling, West Bengal - 734 320 |
| 20. | Kishanganga | NHPC Limited, NHPC Office & Residential Complex, Karalpora, Distt. Bandipora, UT of Jammu & Kashmir - 193 502 |
| 21. | Jaisalmer Wind Power Station | NHPC Limited, Village Lakhmana, District Jaisalmer, Rajasthan |
| 22. | Tamilnadu Solar Power Station | NHPC Limited, Renganathapuram Village, A. Vadipatti Road, Periyakulam Taluk, District Theni, Tamilnadu - 625 602 |

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

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

**(xix) Address for Correspondence:**

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

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

| | Telephone Number | Fax No. |
|---|---|---|
| Registered Office | 0129-2588110 | 0129-2278018 |
| Investor Relation Cell | 0129-2250437 | - |
| E-mail ID | investorcell@nhpc.nic.in | |
| Shri K.K. Goel, Executive Director (Finance) | | |
| Chief Investor Relations Officer | 0129-2258829 | - |
| E-mail ID | goelkk@nhpc.nic.in | |

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

**Declaration of compliance with code of conduct as provided 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, 2022.

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

**Date: May 25, 2022**
**Place: Faridabad**

**ANNEXURE-A**

| S. No. | Names of Director | Designation | Core Skills / Expertise / Competencies of Directors | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Power Sector and Power Trading | Information Technology | Finance | Legal | Risk Management | Human Resources | Academics | Research & Development | Public Relations |
| 1. | Shri Abhay Kumar Singh | Chairman & Managing Director | ✓ | | | | | ✓ | | ✓ | ✓ |
| 2. | Shri Yamuna Kumar Chaubey | Director (Technical) | ✓ | | ✓ | | ✓ | ✓ | | ✓ | |
| 3. | Shri Rajendra Prasad Goyal | Director (Finance) | ✓ | ✓ | ✓ | | ✓ | | | | |
| 4. | Shri Biswajit Basu | Director (Projects) | ✓ | ✓ | | | | | | ✓ | ✓ |
| 5. | Shri Raghuraj Madhav Rajendran | Govt. Nominee Director | ✓ | ✓ | | ✓ | | ✓ | | | ✓ |
| 6. | Dr. Uday Sakharam Nirgudkar | Independent Director | | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ |
| 7. | Dr. Amit Kansal | Independent Director | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ |
| 8. | Dr. Rashmi Sharma Rawal | Independent Director | | | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ |
| 9. | Shri Jiji Joseph | Independent Director | | | ✓ | | ✓ | ✓ | | | ✓ |

**ANNEXURE-B**

# Certificate on Corporate Governance

The Members,
**NHPC Limited.**

1. We have examined the compliance of conditions of Corporate Governance by **NHPC Limited** (CIN: L40101HR1975GOI032564) for the year ended 31st March, 2022, 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.
2. 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.
3. 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:
   - *I. Regulation 17(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the second proviso of Section 149(1) of the Companies Act, 2013, the Board of Directors did not consist of an Independent Women Director during the period from 01.04.2021 to 29.11.2021 and the number of Non-executive Directors on the Board was less than fifty percent during the period from 01.04.2021 to 30.11.2021.*
   - *II. Regulation 17(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the number of Independent Directors on the Board is less than fifty percent during the financial year and as per clause 3.1.2 of DPE Guidelines, the number of Functional Directors exceeded 50% of the actual strength of the Board during the period from 01.04.2021 to 30.11.2021.*
   - *III. The Company did not have Nomination and Remuneration Committee during the period from 01.04.2021 to 06.12.2021 and the composition of Audit Committee and Stakeholder's Relationship Committee during the period 01.04.2021 to 06.12.2021 and Risk Management Committee from 05.08.2021 to 06.12.2021 was not in accordance with Section 177 & 178 of the Companies Act, 2013, Regulations 18, 19, 20 & 21 of SEBI (LODR) 2015 and chapter 4 & 5 of DPE Guidelines.*
4. The Management of the Company explained that NHPC being government company, the power to appoint Directors including Independent Directors vests with the President of India and the said matter is being regularly pursued with the administrative Ministry i.e. Ministry of Power, Govt. of India. Consequent upon orders of MoP, four independent directors including one woman independent director were appointed on the Board of NHPC and accordingly the company had reconstituted its Mandatory Committees in compliance to SEBI LODR and the Companies Act, 2013 w.e.f. 07.12.2021.
5. We further report that the National Stock Exchange of India Limited and BSE Limited have levied monetary fines for non-compliance under Regulations 17, 18, 19, 20 & 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, against which the Company has submitted responses along with the waiver requests.
6. We further state that such compliance certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Sd/-
CS Ajay Kumar Choudhary
Partner
ACS No.: 51674
CP No.: 21297

Date: 23.06.2022
Place: New Delhi
UDIN: A051674D000522474

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the FY ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| S. No. | Name of the Directors | DIN |
|---|---|---|
| 1 | Shri Abhay Kumar Singh | 08646003 |
| 2 | Shri Yamuna Kumar Chaubey | 08492346 |
| 3 | Shri Rajendra Prasad Goyal | 08645380 |
| 4 | Shri Biswajit Basu | 09003080 |
| 5 | Shri Raghuraj Madhav Rajendran | 07772370 |
| 6 | Dr. Uday Sakharam Nirgudkar | 07592413 |
| 7 | Dr. Amit Kansal | 07722428 |
| 8 | Dr. Rashmi Sharma Rawal | 09410683 |
| 9 | Shri Jiji Joseph | 09415941 |

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

Sd/-
(Rakesh Kumar Jain)
Practising Company Secretary
FCS 2162, CP2334
UDIN – **F002162D000178932**

Place : New Delhi
Date : 21.04.2022

**ANNEXURE-C**

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

A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2022 and that to the best of our knowledge and belief :

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

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

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2022 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, 2022;

   ii. significant changes in accounting policies during the year ended 31st March, 2022 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/-**
**(R.P. Goyal)**
**Director (Finance)**
**DIN 08645380**

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

**Place: Faridabad**
**Date: May 24, 2022**

# 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. **FY reported**

   2021-22

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

| *Group | Class | Sub-Class | Description |
|---|---|---|---|
| 351 | 3510 | 35101 | Electric power generation by hydroelectric power plants. |

* As per classification under National Industrial Classification, Central Statistical Organization, Ministry of Statistics and Program Implementation, Government of India, New Delhi

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

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

   (ii) Consultancy Services

   (iii) Power Trading Business

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

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

   - NHPC had signed a broad based MOU for cooperation in the development of hydropower projects in Nepal with HIDCL on 22.06.2020, with MOU validity upto 20.12.2021. Subsequently, NHPC has submitted EOI to Ministry of Energy, Water Resources and Irrigation, Nepal and its associate company VUCL for joint implementation of Phukot Karnali (480 MW) and Mugu Karnali (1902 MW) HE projects. Further, NHPC has submitted proposal to Investment Board of Nepal for taking up the implementation of West Seti and SR6 HE projects subject to validation of the project feasibility by NHPC. Discussions with highest levels of Govt. of Nepal are in progress regarding allocation of the above schemes.

   **9.2. Number of National Locations**

   **Hydro Projects:**

   We have 20 power stations and 2 construction projects in 8 states/UTs across the country.

| States/ UTs | Location/ District | |
|---|---|---|
| | Under Operation (20 Nos) | Under Construction (2 Nos) |
| Union Territory of J&K | Baramulla (2), Kathua, Reasi, Kishtwar, Bandipora | - |
| Union Territory of Ladakh | Kargil, Leh | - |
| Himachal Pradesh | Chamba (4) and Kullu | Kullu |
| Uttarakhand | Champawat, Pithoragarh | - |
| West Bengal | Darjeeling (2) | - |
| Arunachal Pradesh | - | Lower Subansiri / Dhemaji (Assam) |
| Sikkim | East Sikkim, South Sikkim | - |
| Manipur | Bishnupur | - |

**Solar/ Wind Projects**

We have 1 Wind & 1 Solar Power Station and 2 (including 1 combined Solar of 1000 MW

having 600 MW in Gujarat, 300 MW in Rajasthan & 100 MW in Andhra Pradesh) Solar Project in construction in 5 states across the country.

| States | Location/ District | |
|---|---|---|
| | Under Operation (2 Nos) | Under Construction (2 Nos) |
| Rajasthan | Jaisalmer | Bikaner (under 1000 MW scheme) |
| Tamilnadu | Dindigul | - |
| Odisha | - | Ganjam |
| Gujarat | - | Kutch (under 1000 MW scheme) |
| Andhra Pradesh | - | Ananthpur (under 1000 MW scheme) |

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

NHPC is the leading CPSE producer of hydroelectricity in India. Electricity generated through various power plants of NHPC is sold to beneficiary DISCOMs in various States/ UTs. NHPC has also ventured into Power Trading Business in FY 2018-19 and sold power to various DISCOMs procured from other generators. In FY 2021-22 following States/ UTs have been served by NHPC:

| | | |
|---|---|---|
| Union Territory of J&K | Rajasthan | Assam |
| Union Territory of Ladakh | Uttar Pradesh | Sikkim |
| Himachal Pradesh | Madhya Pradesh | Manipur |
| Punjab | Chhattisgarh | Arunachal Pradesh |
| Union Territory of Chandigarh | Odisha | Mizoram |
| Uttarakhand | West Bengal | Tripura |
| Haryana | Bihar | Nagaland |
| Delhi | Jharkhand | Tamilnadu |

In addition to above, 14 MW Power is supplied/ exported to Nepal from Tanakpur Power Station under Mahakali Treaty of Ministry of External Affairs.

## Section B: Financial Details of the Company

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

₹ 10045.03 Crores (as on 31.03.2022)

**2. Total Turnover (INR)**

₹ 8353.80 Crores (FY 2021-22)

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

₹ 3537.71 Crores (FY 2021-22)

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

During FY 2021-22, an expenditure of ₹ 105.29 Crores was incurred by NHPC on CSR, which is 3.22% 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 and Swachh Vidyalaya Abhiyan activities)
- Rural Development
- Environment & Sustainability
- Women Empowerment & Senior Citizen
- Disaster Management
- Contribution to PM CARES Fund

## Section C: Other Details

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

Yes. NHPC Limited has eight Subsidiary Companies as on 31.03.2022, namely:

i. NHDC Limited
ii. Loktak Downstream Hydroelectric Corporation Limited
iii. Bundelkhand Saur Urja Limited
iv. Chenab Valley Power Projects Private Limited
v. Lanco Teesta Hydro Power Limited
vi. Jalpower Corporation Limited
vii. Ratle Hydroelectric Power Corporation Limited
viii. NHPC Renewable Energy 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%]**

No.

## Section D: BR Information

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

a. Details of the Director/Directors responsible for implementation of the BR policy/ policies

- DIN: 08645380
- Name: Mr. R. P. Goyal
- Designation: Director (Finance)

b. Details of the BR head

- DIN: 09451562
- Name: Mr. V. R. Shrivastava
- Designation: ED (Planning)
- Telephone Number: (0129) 2278014
- Email Id: vrsrivastava@nhpc.nic.in

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

**a) Details of compliance (Reply in Y/N)**

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

* Weblink for relevant policies to be viewed online is as under:

| Policy | | Weblink |
|---|---|---|
| CSR & Sustainability Policy | : | http://www.nhpcindia.com/writereaddata/images/pdf/CSR_Policy_E_CMA_201811_1.pdf |

| Policy | | Weblink |
|---|---|---|
| Fraud Prevention & Detection Policy | : | http://www.nhpcindia.com/writereaddata/images/pdf/NHPCFraudPrevention-Detectionpolicy-may16.pdf |
| Resettlement & Rehabilitation Initiatives | : | www.nhpcindia.com/r-and-r-initiative.htm |
| Whistle Blower Policy | : | www.nhpcindia.com/writereaddata/images/pdf/wbp.pdf |
| Policy for Banning of Business dealings | : | www.nhpcindia.com/writereaddata/images/pdf/Guidelines-BanningofBusinessDealings-Revised.pdf |
| Corporate Governance compliance | : | www.nhpcindia.com/corporate-governance.htm |
| Integrity pact | : | http://www.nhpcindia.com/writereaddata/images/pdf/ip_ip_program.pdf |
| Code of Business Conduct and Ethics | : | http://www.nhpcindia.com/code-of-conduct.htm |
| Corporate Environment Policy | : | http://www.nhpcindia.com/writereaddata/Images/pdf/EnvironmentPolicy-16.pdf |
| Integrated Management System Certificate (ISO 9001:2015) | : | http://www.nhpcindia.com/writereaddata/images/pdf/ISO-9001-2020-2023.pdf |
| Integrated Management System Certificate (ISO 14001:2015) | : | http://www.nhpcindia.com/writereaddata/images/pdf/ISO-14001-2020-2023.pdf |
| Integrated Management System Certificate (ISO 45001:2018) | : | http://www.nhpcindia.com/writereaddata/images/pdf/ISO-45001-2020-2023.pdf |

Besides above, Social Accountability Policy (SA 8000) and NHPC Conduct, Discipline and Appeal Rules are available over the Company's intranet.

**b) If answer to the question at S. No. 2a) against any principle, is 'No', please explain why:**

| Sl. No. | Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | The Company has not understood the Principles | Not Applicable | | | | | | | | |
| 2 | The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | | | | | | | | | |
| 3 | The Company does not have financial or manpower resources available for the task | | | | | | | | | |
| 4 | It is planned to be done within next 6 months | | | | | | | | | |
| 5 | It is planned to be done within the next 1 year | | | | | | | | | |
| 6 | Any other reason (please specify) | | | | | | | | | |

**3. Governance related to Business Responsibility**

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

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

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

This Business Responsibility Report is a part of Annual Report 2021-22. The Annual Report can be accessed at http://www.nhpcindia.com/NHPC-annual-reports.htm.

## Section E: Principle-wise performance

### Principle 1

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

The company considers Corporate Governance norms as an integral part of good management. The Company has a Code of Business Conduct and Ethics, which is applicable to its Board Members and senior management personnel as per Code issued vide NHPC Circular dated 20.11.2014. In addition, the company has a Fraud Prevention & Detection Policy to prevent fraud or suspected fraud. The policy applies to any fraud, or suspected fraud involving employees of NHPC Limited (all full time, part time or employees appointed on adhoc/temporary/contract basis) as well as representatives of vendors, suppliers, contractors, consultants, service providers or any outside agency(ies) doing any type of business with NHPC Limited.

NHPC Limited has also adopted Whistle Blower policy, which is applicable to all employees, directors and contractors of the company as well as the vendors interacting with NHPC Limited.

Further, the company has implemented an Integrity Pact for all the procurement works of the value of ₹ 1 Crores and more, procurement of services of the value of ₹ 15 lacs and more and for procurement of goods of the value of ₹ 7 Lacs and more. In addition, NHPC also has policy and procedure in place for banning business dealings with bidders (i.e. Suppliers/ Contractors) in the event of an unethical behaviour. This is applicable for NHPC Limited only.

**2. How many stakeholder complaints have been received in the past FY and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

The status of Complaints received in FY 2021-22 is as below:

A) Corporate Governance norms and Code of Business Conduct and Ethics.

The numbers of shareholders complaints available are as follows:

| Description | Opening Balance as on 01.04.2021 | Received During the Year 2021-22 | Resolved During the Year 2021-22 | Pending as on 31st March, 2022 |
|---|---|---|---|---|
| Non-receipt of refund orders | 0 | 0 | 0 | 0 |
| Non-receipt of dividend warrants | 0 | 1070 | 1070 | 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** | **1085** | **1085** | **2** |

100% shareholders complaints received other than in consumer forum/ court cases during FY 2021-22 were resolved satisfactorily by Management.

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

| Description | Opening Balance as on 01.04.2021 | Received During the Year 2021-22 | Resolved During the Year 2021-22 | Pending as on 31st March, 2022 |
|---|---|---|---|---|
| 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 | 93 | 93 | 0 |
| Non-receipt of Bonds/ Securities | 0 | 19 | 19 | 0 |
| **Total** | **0** | **112** | **112** | **0** |

100% Tax Free Bondholder's complaints received during FY 2021-22 were resolved satisfactorily by Management.

C) Status of complaints under NHPC Whistle Blower Policy during the FY 2021-22 is as under:

| Total number of complaints received during the FY 2021-22 | Total number of complaints disposed during the FY 2021-22 | Number of complaints pending as on 31.03.2022 |
|---|---|---|
| 0 | 0 | 0 |

D) The company have observed 14 (fourteen) cases of fraudulent practices/ collusive practices/ misrepresentation of facts/ submission of forged documents/ poor performance and non-performance of awarded work etc. categorised under guidelines for Banning of Business dealing in respect of Bidders/ Contractor/ Supplier whose period of banning was falling during F.Y. 2021-22, details of which are as under:

i. M/s Mithila Malleables Pvt. Ltd. banned for 05 (five) years from 29.06.2017 across NHPC.

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

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

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

v. M/s Helpline Facility Management Pvt. Ltd., Noida banned for 03 (three) years from 16.12.2019 for Corporate Office.

vi. M/s Dileep Kumar banned for 02 (two) years from 15.06.2020 across NHPC.

vii. M/s Tech Tools Engineers banned for 02 (two) years from 01.03.2021 across NHPC.

viii. M/s Swamina International Private Limited banned for 02 (two) years from 14.06.2021 across NHPC.

ix. M/s Dolphin Construction banned for 06 (six) months from 04.10.2021 for Teesta-V HE Project.

x. M/s Narayan Thapa banned for 06 (six) months from 04.10.2021 for Teesta-V HE Project.

xi. M/s Pal Facility Management Services Pvt. Ltd. banned for 02 (two) years from 22.10.2021 for Corporate Office.

xii. M/s Gopal Sharma banned for 05 (five) years from 10.12.2021 for Parbati-II HE Project including its Liaison offices/ associated offices.

xiii. M/s Vinayak Construction Company banned for 02 (two) years from 17.02.2022 for Parbati-III HE Project including its Liaison offices/ associated offices.

xiv. M/s North Hill Construction Company banned for 06 (six) months from 09.02.2022 across NHPC.

**Principle 2**

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

Generation of Hydro, Solar and Wind power.

**2. For each such product, provide the details in respect of resource use (energy, water, raw material etc.) per unit of product (optional).**

Hydroelectric projects generate electricity by non-consumptive use of water so there is no reduction of resources, whereas in Solar and Wind Power Sun light and Wind are the natural resources used as raw material to generate electricity. Hydro, Solar and Wind power fall under 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 selection of qualified, competent and performing agencies for executing the construction of Hydro Power Projects. The techno-commercial bids are examined in line with ICB practices, CVC guidelines, prescribed norms/ initiatives of Govt. of India and various other vendor practices like safe working conditions, implementation of labour laws, environment policies etc. Directions of Govt. of India under Public Procurement (Preference to Make in India), Order 2017 with latest amendments is being complied with in order to promote indigenous products. 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 sustainable source inputs from these suppliers as various kinds of goods/services 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. The corporation has framed policies for Project Affected Families (PAFs) where in the people residing in the vicinity of the project get benefitted by such reservations of certain works and services. 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. Apart from this, provisions have also made for Micro and Small Enterprises and Start-Ups, in bidding and award of procurement of services and goods with special preference for Micro and Small Enterprises owned by SC/ ST and Women Entrepreneurs.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)**

Hydroelectric/ Solar/ Wind power generation does not produce any waste. Electricity, thus produced by non-consumptive use of all the three resources is the final product of power plants. Hydro/solar/wind power, being a source of renewable energy, is the main factor in the global energy transition towards mitigating anthropogenic climate change. Proper mix of all these power sources are potentially important alternative to coal-based power stations in the world in terms of avoided carbon emissions. Moreover, the massive afforestation activities undertaken in the hydroelectric project area not only bring out visible green transition, but will also act as carbon sink and improve carbon sequestration in the region. Further, 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 31.03.2022 was 5092.

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 31.03.2022 was 545.

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

Total number of permanent employees with disabilities as on 31.03.2022 was 114.

5. **Do you have an employee association that is recognized by management?**

No formal recognition has been extended to any association or union from the Corporation.

6. **What percentage of your permanent employees is members of this recognized employee association?**

Not Applicable

**7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

| | |
|---|---|
| Number of complaints relating to child labour, forced labour, involuntary labour in 2021-22 and pending, as of end 2021-22. | None received in this category and none pending. |
| Number of complaints relating to sexual harassment in 2021-22 and pending, as of end 2021-22. | No new complaint received in this category and one pending as of end of FY 2021-22. |
| Number of complaints relating to discriminatory employment in 2021-22 and pending, as of end 2021-22. | None received in this category and none pending. |

**8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

Percentage of employees who underwent safety training in FY (2021-22) is as under:

| | |
|---|---|
| (a) Permanent Employees | 9.67 % |
| (b) Permanent Women Employees | 4.58 % |
| (c) Casual/Temporary/ Contractual Employees | Nil |
| (d) Employees with Disabilities | 14.03 % |

**Principle 4**

**1. Has the company mapped its internal and external stakeholders? Yes/No**

Yes. We have mapped and identified internal and external stakeholders, including disadvantaged, vulnerable and marginalized stakeholders. Our stakeholders include-employees, customers, local communities, suppliers and contractors, investors and shareholders, government and regulators and peers and industry ecosystem.

**2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

Our disadvantaged and vulnerable stakeholders include differently-abled employees, girl/ women, SC/ST communities and rural/ project displaced communities in and around our projects.

**3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

- Differently-abled employees: Company endeavours to make NHPC a workplace which is conducive to differently abled employees and employees with special needs. It aims to make these employees self-confident through an array of events, forums and trainings specifically crafted for their benefit.
- Girl/women and SC/ST communities: In the vicinity of project locations the company provides scholarship to SC/ST & girl students for education and facilitating literacy programmes in rural areas.

**Principle 5**

**1. Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?**

The company commits to conduct its business in a socially and ethically responsible manner by conforming to all the requirements of SA 8000 standard. Currently, the "NHPC Conduct, Discipline and Appeal Rules" is applicable to only our employees, though we expect our stakeholders to adhere and uphold the standards contained therein. The "NHPC Conduct, Discipline and Appeal Rules" are meant to protect any employee right or privilege to which he is entitled, by or under any law for the time being in force, or by the terms and conditions of service or any agreement subsisting between such employee and the company.

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

The number of complaints as available with Employee Grievance Redressal Cell is as under:

| Opening Balance on 01.04.2021 | Received During the Year 2021-22 | Resolved During the Year 2021-22 | Closing Balance as on 31.03.2022 |
|---|---|---|---|
| 08 | 21 | 24 | 05 |

82.75% complaints received in Employee Grievance Redressal Cell in FY 2021-22 were satisfactorily resolved by the management.

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

| Opening Balance on 01.04.2021 | Received During the Year 2021-22 | Resolved During the Year 2021-22 | Closing Balance as on 31.03.2022 |
|---|---|---|---|
| 07 | 71 | 75 | 03 |

96.15% Public Grievances as per "Centralised Public Grievance Redressal & Monitoring System" linked with Ministry of Power, received in FY 2021-22 were satisfactorily resolved by the management.

**Principle 6**

**1. Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others**

NHPC possesses Integrated Management System certificate, which covers quality, environment and occupational health & safety management system for its Corporate Office and projects/ power stations.

**2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

Yes, the company is in the business of power generation through Hydropower, Solar & Wind Energy, which produces clean power and reduces greenhouse gases compared to other conventional mode of power generation. Hydropower also enhances energy security of the country where there is deficit of energy and shortage to meet peak demand.

Besides this, NHPC is an Integrated Management System (IMS) certified company, which addresses the requirements of International Standards ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environment Management System) and ISO 45001:2018 (Occupational Health and Safety Management System). IMS certification truly reflects its international acceptability for the efforts put in for carrying out the development in an environmentally congenial manner.

NHPC has also formulated its Corporate Environment Policy (CEP) which aims to address the environmental and social concerns for sustainable development of conventional & non-conventional sources of energy. Besides implementation of approved Environment Management Plans, various environmental conservation and protection measures are also taken up under Voluntary Initiatives such as Voluntary Afforestation, Waste Management, Water Conservation and Energy Conservation. Under CEP, Environment Management Cells have been constituted at Projects/ Power Stations, for effective implementation of Environment Management Plans and Voluntary Initiatives.

Few key areas of focus for NHPC in the field of Environmental Management are as under:

i. Catchment Area Treatment (CAT)
ii. Compensatory Afforestation/ Voluntary Afforestation
iii. Green Belt Development & Landscaping
iv. Reservoir Rim Treatment
v. Rejuvenation of Muck Dumping and Quarry sites
vi. Biodiversity Conservation
vii. Conservation and Management of Fishes
viii. Post Construction Impact Evaluation

The details of these key areas are available at www.nhpcindia.com/key-areas.htm

**3. Does the company identify and assess potential environmental risks? Y/N**

Yes, NHPC is committed to hydropower generation in a sustainable manner. Environmental Impact Assessment (EIA) is undertaken during Detailed Project Report (DPR) preparation stage to identify probable impacts (positive as well as negative) on environment. Based on the findings of the EIA, Environmental Management Plans (EMP) are proposed and implemented during project construction to minimize adverse impact.

**4. Does the company have any project related to Clean Development Mechanism? If Yes, whether any environmental compliance report is filed?**

Yes, two hydroelectric power projects of NHPC

namely Nimoo Bazgo and Chutak located in the U/T of Ladakh are certified under Clean Development Mechanism (CDM) of United Nations Framework Convention on Climate Change (UNFCCC). After compliance of CDM guidelines of UNFCCC, Certified Emission Reductions (CERs) were issued by CDM Registry Administrator, UNFCCC for Nimoo Bazgo Power Station and Chutak Power Station. This stands informed to MoEF&CC, Govt. of India.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page etc.**

Hydroelectric Power Generation is itself a renewable energy initiative. However, the company has taken up additional initiative on developments of Renewable Energy Projects. A 50 MW each Wind and Solar Power Projects has already been commissioned in Rajasthan and Tamilnadu respectively. 40 MW Solar Power Project in District Ganjam, Odisha is under construction. NHPC has awarded an aggregate capacity of 1000 MW EPC Contract on 12.05.2022 for development of grid connected solar PV Project under Tranche-III of CPSU Scheme Phase-II.

Further, Roof Top Solar Projects with aggregate capacity 3.29 MW has also been commissioned at different NHPC Locations. Additional roof top solar plants of aggregate capacity 0.794 MW is also under installation at various NHPC Locations.

NHPC, as an Intermediary Procurer, has awarded an aggregate capacity of 2000 MW ISTS connected Solar Power projects to the selected 5 nos. of developers. Power Sale Agreements (PSA) with State Discoms and Power Purchase Agreements with selected developers have been signed for 25 years project life period. The developmental activities are in progress by the selected developers and projects are likely to be commissioned by FY 2022-23.

NHPC is further in the process of development of Solar/ Wind Power Projects in different potential rich states such as Odisha (500 MW Floating Solar in JV Mode with State Nodal Agency GEDCOL under UMREPP Mode), Rajasthan (600 MW Solar Park under UMREPP Mode), 75 MW capacity ISTS connected Solar Power Project anywhere in India for sale of energy through Power Exchange etc. NHPC has signed Letter of Intent on 08.02.2022 for "Development of 10,000 MW Renewable Energy Projects/ Parks in Rajasthan".

NHPC has also initiated actions for development of Green Hydrogen Technology and following three pilot projects are in pipeline:

i) Pilot Green Hydrogen Based Fuel-Cell Microgrid (25 kWe) at NBPS Guest House, Leh

ii) Pilot Green Hydrogen Mobility Station at Kargil, UT of Ladakh

iii) Pilot Green Hydrogen Mobility Station at Chamba, Himachal Pradesh

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

During the course of power generation from hydro project, no solid waste, liquid effluent or gaseous emissions are generated. In addition, there is no contamination of water during the process of Hydro power generation. However, river water quality is regularly analyzed to assess any change in quality of river water, the same remains within the permissible limits given by CPCB/SPCB.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.**

No such notices from CPCB/ SPCB were pending as on the end of the FY 2021-22.

**Principle 7**

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.**

NHPC is a member of Standing Conference of Public Enterprises (SCOPE). SCOPE has basic objective of promoting "better understanding among the public about the individual & collective contribution of public sector".

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box:**

**Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

We strongly campaign the cause of Governance and Administration for advancement of public good.

**Principle 8**

**1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Yes, NHPC through its structured CSR initiatives/ projects in the areas of healthcare & sanitation, education, skill development, rural development, environmental sustainability and women empowerment, Disaster Management etc. is continually striving for sustainable development of its neighboring communities and society at large particularly in the remote areas of States and Union Territories like J&K and Ladakh, Himachal Pradesh, Sikkim, Uttarakhand, Arunachal Pradesh, Assam, West Bengal, Manipur, Uttar Pradesh, Bihar and Haryana.

These Programs promote excellence in Healthcare, Education, environmental Management, and Empowerment of marginalized and underprivileged sections/ communities.

**2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?**

The company's CSR Projects are implemented mostly through in-house teams, besides few programs are implemented by/ in association with Non-Government Organizations (NGOs)/ Government Institutions/ District Administration/ Authorities.

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

In pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, assessments are to be carried out of the CSR projects taken up or completed on or after January 22, 2021. The work of conducting Impact Assessment of CSR projects/ activities having outlay of one crore rupee or more, and which have been completed not less than one year, has been awarded to an independent agency and their assessment reports will be uploaded on the NHPC website after receipt.

As a good governance practice, NHPC has been conducting impact assessment, of its CSR projects through independent agencies in the past also, which are disclosed on the website at:

http://www.nhpcindia.com/Impact-Assessment-Reports.htm

**4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?**

Total contribution to community development Projects during FY 2021-22 were ₹ 105.29 Crore. The details are as under-

| Project | | Amount (₹) for 2021-22 |
|---|---|---|
| i. | Education & Skill development | ₹ 35.59 Crore |
| ii. | Health Care & Sanitation (incl. Swachh Bharat Abhiyan and Swachh Vidyalaya Abhiyan activities) | ₹ 28.92 Crore |
| iii. | Rural Development | ₹ 6.10 Crore |
| iv. | Environment & Sustainability | ₹ 0.28 Crore |
| v. | Women Empowerment/ Senior Citizen | ₹ 0.48 Crore |
| vi. | PM CARES Fund | ₹ 30.00 Crore |
| vii. | Disaster Management | ₹ 0.06 Crore |
| viii. | Administrative Overheads | ₹ 3.86 Crore |
| **Total expenditure** | | **₹ 105.29 Crore** |

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

**1. Education & skill development**

a) Skill development and vocational training programs.

b) Construction & Up-gradation of school buildings such as auditorium, toilets, rooms and labs and providing infrastructure in Schools.

c) Providing Bus service for movement of Disabled students.

d) Provided scholarship to students for higher education.

e) Installation of one unit of 250 LPH RO System at National Association for the Blind.

f) Setting up Project Management Unit (PMU) for institutionalizing "Shikshit Haryana" project to improve pass percentage of Govt. schools.

g) 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 & Sanitation (incl. Swachh Bharat Abhiyan and Swachh Vidyalaya Abhiyan activities)**

a) Providing machinery/equipment viz. USG Colour Doppler, X-ray Machine, Urine Analyser, Cardiac Monitor, Oxygen Concentrator, Generator Set, CR System, Dental Chain etc. in various health care centres like PHC/ CHC and Sub District Hospitals.

b) Providing 06 Nos Oxygen plants with 200, 250, 500 & 1000 LPM capacity at Different locations and distribution of oxygen cylinder, oxygen concentrators, oximeters, hand sanitizers, PPE kits, face shields masks, thermometers etc.

c) Arogya-Primary health Screening and provision of Primary health services and facilitation of the secondary care with high emphasis for Non Communicable Diseases

d) Providing ambulances, Mobile Cancer Screening Van and hearse Van.

e) Organizing medical camps, in surrounding areas of Projects/ Power Stations and distributed free medicines to economically weaker families/ individuals.

f) Providing aids and assistive devices such as wheel chairs etc. to differently abled persons.

g) Safe drinking water facilities with bore well, filtration in public areas, community centers etc.

h) Providing 1.5 Tesla MRI Machine & 128 slice CT Scan machine to Govt. Department.

i) Community drinking water facility with bore wells and RO Plant.

j) Construction/Installation of toilets in schools & public places.

k) Construction/Installation of water supply lines and sanitation in villages.

l) Water supply system for schools.

m) Under COVID-19 distribution of emergency medical items and COVID-19 augmentation of CCE (Cold chain equipment) infrastructure etc.

**3. Rural Development**

a) Rural development to augment basic infrastructure facilities like Community Centre, Water Supply Lines, Drains, Roads/ Paths, Irrigation canals etc.

b) Construction activities of cremation sheds, rain shelters, passenger sheds, multipurpose hall etc.

c) Support for development of Adarsh Gaon.

d) Providing drinking water facilities.

e) Modernization of Horticulture Nurseries.

f) Other infrastructure and community development as per local needs.

**4. Environment & Sustainability**

a) Plantation of trees & development of Herbal parks.

b) Installation of Solar Street Light.

**5. Women Empowerment/Senior Citizen**

a) Skill development programs for Women Empowerment.

b) Arrangement of training to local self-help groups on tailoring, knitting, fast food making etc.

c) Setting of sanitary pad manufacturing units - livelihood program for the women of the under privileged section of the society.

d) Provide Patrolling Vehicles for ensure better protection for vulnerable members of society in particular women, children and senior citizen.

**6. Disaster Management**

a) Providing Gl & CGI Sheets for fire affected village a relief to rehabilitation

b) Renovation of Govt. Schools and Health centres damaged during unprecedented rainfall

**7. Contribution in PM CARES Fund**

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Yes, NHPC has taken steps to ensure that our community development initiatives are successfully adopted by the community. In order to ensure this, NHPC adopts a bottoms up approach for initiating any CSR activity for the community. This is characterized by the fact that stakeholders are part of the process of Need Identification/ Assessment. Baseline data is also gathered and analysed by our in-house team before carrying out community development initiatives. Comprehensive DPRs are prepared and analysed before initiating any CSR activity. An institutional mechanism of monitoring exists in the organization and it is done by the appropriate level at appropriate intervals during the implementation. Further, the beneficiaries' feedbacks on our initiatives are also collected for future planning purpose.

**Principle 9**

**1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.**

Electricity is a regulated Sector. Electricity is an intangible product/service and is being supplied to various beneficiary DISCOMs. No customer complaint has been received during FY 2021-22. No case from FY 2020-21 is pending.

**2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks (additional information)**

Electricity Sector is a regulated one. Tariff of NHPC Power Station(s) is governed by orders of Hon'ble Central Electricity Regulatory Commission. At the time of determination of tariff for a tariff period, details of Annual Fixed Charges (AFC) of Power Station are published in two daily newspapers, one in English and one in vernacular language, having circulation in each of the State/ Union Territory.

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year?**

Beneficiaries DISCOMs have not filed any case against the company for unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years.

**4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

NHPC is taking regular feedback from its beneficiaries which help us to serve our customers in a better and more effective way. NHPC is regularly receiving feedback from its beneficiaries and feedbacks are satisfactory. NHPC is also connected with beneficiary States through Regional Power Committees (RPCs) which is a statutory body under Electricity Act, 2003. This is a common forum for regular interaction of beneficiary DISCOMs and for resolving of outstanding issues. NHPC also conduct periodic Customer meets for its beneficiary DISCOMs for interaction and for resolving the outstanding issues, if any.

## 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 2022.

The preparation of financial statements of NHPC Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 25 May 2022.

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 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

**For and on behalf of the**
**Comptroller & Auditor General of India**

**Sd/-**
**(Deepak Kapoor)**
**Director General of Audit (Energy), Delhi**

Place: New Delhi
Dated: July 21, 2022

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## 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 2022

The preparation of consolidated financial statements of NHPC Limited for the year ended 31 March 2022 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 25 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statement of NHPC Limited for the year ended 31 March 2022 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 and subsidiaries/joint ventures/associate companies mentioned in **Annexure**, but did not conduct supplementary audit of the financial statements of Loktak Downstream Hydroelectric Corporation Limited, Chenab Valley Power Projects (P) 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 comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

**For and on behalf of the**
**Comptroller & Auditor General of India**

**Sd/-**
**(Deepak Kapoor)**
**Director General of Audit (Energy), Delhi**

Place: New Delhi
Dated: July 21, 2022

**Annexure**

Name of the subsidiaries/ joint ventures/ associate companies of which supplementary audit has been conducted by the Comptroller and Auditor General of India.

| Sl. No. | Name of the Subsidiary |
|---|---|
| 1 | NHDC Limited |
| 2 | Bundelkhand Saur Urja Limited |
| 3 | Lanco Teesta Hydro Power Limited |
| 4 | Jalpower Corporation Limited |
| 5 | Ratle Hydroelectric Power Corporation Limited |

# INDEPENDENT AUDITORS' REPORT

**To the Members of NHPC Limited**

**Report on the Audit of the Standalone Financial Statements**

## Opinion

We have audited the accompanying Standalone Financial Statements of NHPC Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Standalone Financial Statements, including a summary of Significant Accounting Policies and Other Explanatory Notes for the year ended on that date (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act 2013 (" the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, 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 Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have considered the matters described below to be the Key Audit Matters for incorporation in our Report.

| | Key audit Matters | Addressing the Key Audit Matters |
|---|---|---|
| 1. | **Regulatory Deferral Account Debit Balances and accruals of revenue pending tariff Notifications.**<br>The operating activities of the Company are subject to cost of service regulations whereby tariff charged for electricity generated is based on allowable capital and other cost and expenses and stipulated return there against. The Company invoices its customers on the basis of pre-approved/ provisional tariff which is subject to truing up.<br>The Company recognizes revenue as the amount invoiced to customers based on pre-approved/ | **Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the carrying the value of Regulatory Deferral Account Debit Balances include the following:**<br>• Understanding and testing the design and operating effectiveness of controls as established by the management for accrual of income and determination of the amounts recoverable there against.<br>• Obtaining and understanding of the amount recoverable in terms of CERC Regulations and assessing, testing and evaluating the reasonableness thereof keeping in view the |

| | Key audit Matters | Addressing the Key Audit Matters |
|---|---|---|
| | provisional tariff rates agreed with the regulator. As the Company is entitled to a fixed return on equity, the difference between the revenue recognized and entitlement as per the regulations is recognized as regulatory assets / liabilities.<br><br>As at March 31, 2022, the Company has recognized Regulatory Deferral Account Debit balances of Rs. 6948.11 Crores (Rs. 6902.93 Crores up to 31st March 2021) as given in Note 14 of the Standalone Financial Statements. This include accruals aggregating to Rs. 3470.59 Crores on account of interest cost and other attributable expenses pertaining to Subansiri Lower Project for the period from the date of interruption of work i.e. 16.12.2011 till 30.09.2019 as indicated in Note 34(22A).<br><br>Regulatory Deferral Accounts Debit Balances are determined based on tariff regulations and past tariff orders and are subject to verification and approval by the regulators. The Regulatory Deferral Accounts Debit Balances are recognized on undiscounted basis based on the estimates and assumptions with respect to the probability that future economic benefit will flow to the entity as a result of actual or expected action of regulator under applicable regulatory framework and therefore recoverability thereof is dependent upon Tariff Regulations and related approvals and notifications.<br><br>The accruals made as above are vital and proprietary to the business in which the Company is operating. In absence of specific notification and rate fixation, these are based on the management's assumptions and estimates which are subject to finalization of tariff by CERC and commencement of operations of the Projects. | significant judgements applied by the management for such assessments.<br><br>• The above includes the evaluation of the CERC guidelines and acceptance of the claim made by the Company in the past and the trend of disallowances on various count and adherences and compliances thereof by the management and rationale for assumptions taken under the given situation and business environment.<br><br>• Evaluating the various assumptions considered by the management for arriving at the value of Cash generating Unit, Note 34(18) of Standalone Financial Statements in case of Subansiri Lower HE Project and adequacy thereof with respect to the carrying value of the Project in Progress and balances pertaining to the said project under Regulatory deferral Accounts.<br><br>• Assessing the application of provisions of Ind AS 114, Guidance Note on Accounting of Rate Regulated Activities issued by ICAI for recognition of regulatory deferral balances.<br><br>• Reviewing the adequacy and reasonableness of amounts recognised and measurement policies followed by the Company and adequacy of the disclosure made with respect to the same in the Standalone Financial Statements of the Company. |
| 2. | **Impairment Assessment of carrying amount of Property, Plant and Equipment (PPE) and Capital Work in Progress (CWIP)**<br><br>Each of the Hydro electricity generating plant has been considered as Cash Generating Units (CGUs) of the company and impairment indicators and requirements thereof have been assessed with respect to the Property, Plant and Equipment (PPE) and Capital Work in Progress (CWIP) as given in Note 34(18) of the Standalone Financial Statements. This has been assessed that no significant change with an adverse effect on the | **Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the non-provisioning of any CGU based on impairment testing include the following:**<br><br>• Critical evaluation of internal and external factors impacting the entity and indicators of impairment (or reversal thereof) in line with Ind AS 36;<br><br>• Review of impairment valuation models used in relation to CGU to determine the recoverable amount by analysing the key assumptions used by management in this respect including: |

| | Key audit Matters | Addressing the Key Audit Matters |
|---|---|---|
| | company has taken place during the year or is expected to take place in the near future, in the technological, economic or legal environment in which the company operates. Based on the assessment, the company has concluded that there exists no significant impairment indicator or any impairment in respect of the CGUs of the company tested for impairment during the year 2021-22. Based on the above assessment, no provision for impairment against PPE or CWIP has been considered necessary by the Company.<br><br>Impairment exercise undertaken which justifies the carrying amount of certain assets as above include the regulatory deferral account balances pertaining to Subansiri Lower Project as dealt with under Para 1(a) above, is significant and vital to the Company's operations.<br><br>Evaluation of the impairment involves assessment of value in use of the Cash Generating Units (CGUs) and requires significant judgements and assumptions about the future cash flow forecasts, forecast production, forecast volumes, prices and discount rate. | - Consistency with respect to forecast for arriving at the valuation and assessing the potential impact of any variances;<br>- Price assumptions used in the models;<br>- Factoring of risk inherent to the CGUs in the Cash Flow projections or the discount rate.<br>- The assumption/estimation for the weighted average cost of capital and rate of discount for arriving at the value in use.<br>• Reviewed the Government policy and approval for setting up the Projects, decision of the Board and the efforts and steps being undertaken in this respect.<br>• Reliance has been placed on management projections for completion timeline, volume of generation and resultant revenue based on expected tariff there against. |
| 3. | **Contingent Liabilities – against claim from Contractors (Note 34.1(a)(i) of Standalone Financial Statements)**<br><br>Various claims lodged by the Contractors against Capital Works amount to Rs. 10240.95 Crore of which Rs. 418.63 Crore have been provided for, Rs. 9546.17 Crore have been disclosed under Contingent Liability and in respect of the rest of the claims, possibility of any outflow in settlement is considered as remote. This includes matters under arbitration and/ or before the Court which have been decided against the Company. Further, amounts have been paid/deposited pursuant to the NITI Aayog directions or Court order in some cases as referred in Note 34 (1) (e) (i) & (ii) of the Standalone Financial Statements.<br><br>Claims made against the Company are significant. These are pending for decision before arbitration or other judicial forums and consequential and possible impact thereof. Provisions/disclosure required have been based on the management's assessment of the probability of the occurrence of the liability. | **Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the Contingent Liabilities include the following:**<br>• Obtained the status of the cases from the legal department and their view on the matter;<br>• Evaluated the contractual terms and conditions and management's rationale for the adequacy of the provision so far made and the amount remaining unprovided against the demands made against the Company;<br>• Discussion with management and perusing/ reviewing the correspondences Memos and Notes on related matters.<br>• Reliance has been placed on the legal views and decisions on similar matters and probability of the liability arising therefrom and provision made by the Management pending final judgement/ decisions;<br>• Reviewed the appropriateness and adequacy of the disclosure and provision by the management as required in terms of the requirement of IND AS 37 "Provisions, Contingent Liabilities and Contingent Assets". |

| | Key audit Matters | Addressing the Key Audit Matters |
|---|---|---|
| 4. | **Expenditure incurred on Survey and Investigation Projects and those under preconstruction stage upto 31.03.2022**<br><br>Expenditure of Rs. 1234.97 Crores as given in Note 2.2.3 of the Standalone Financial Statements has been incurred for conducting survey and investigation on projects. This includes Interest, administrative and other costs attributable to these projects. Out of this Rs. 962.00 (including Rs. 7.42 Crores during the year) Crores have been provided for keeping in view uncertainty with respect to clearances, approvals for implementing the Projects, leaving Rs. 272.97 Crores which has been carried forward as Capital Work in Progress.<br><br>Further, Capital Work in Progress also includes Projects where active construction activities are yet to be undertaken.<br><br>Interest, Administrative and other Costs are capitalized till the projects are abandoned, however, provisions are made as given herein above in cases where in view of the management there are uncertainties in implementing the projects undertaken.<br><br>In the event of related Projects not being undertaken, amounts spent on survey and investigations and those incurred/ allocated prior to construction thereof will no longer be eligible to be carried forward as Capital Work in Progress. | **Our audit procedures based on which we arrived at the conclusion regarding carrying the amount of expenditure incurred on survey and Investigation Projects incurred include the following:**<br><br>• Obtained the status of the Projects under Survey and Investigation stage as provided by the management and the reason thereof of keeping them in abeyance.<br><br>• Understanding and testing the design and operating effectiveness of controls as established by the management for accounting the expenses incurred (a) for survey and investigation projects and the policy followed for making provisions/ write off for such expenses given the nature of business of the Company, (b) for project under preconstruction stage and allocation of Borrowing and other cost incurred and allocated there against.<br><br>• Evaluating the management's rationale with respect to continuing such projects under Capital Work in Progress in spite of there being uncertainties and delay in implementing the same and expected economic use of the same in future.<br><br>• Evaluating the tenure of pre and under construction stage of project and management contention of normal period required for the same given the location, size and nature in each case of the respective project.<br><br>• The matter being technical and proprietary to the nature of business in which the company is operating, reliance has been placed on the management's contention and representation on the matter. |
| 5. | **Recognition of MAT Credit**<br><br>During the current Financial Year, the Company has assessed the recoverability of MAT Credit of Rs 2424.58 crore available to it. Based on such assessment, the Company has recognized deferred tax asset relating to MAT credit entitlement of Rs 1478.62 crore as the amount of MAT Credit which shall be utilized by the Company in future years by way of lower outflow of Income Tax in future years. Consequently, the Company has also recognized Regulatory Deferral (Credit) balance of Rs 1313.27 crore in respect of ibid MAT Credit recognized, being the amount, which shall be passed on to the beneficiaries in future as per CERC Tariff Regulations. The recoverability of this | **Our audit procedures based on which we arrived at the conclusion regarding appropriateness of MAT Credit recognized and Regulatory Deferral (Credit) balances created thereagainst:**<br><br>• Understanding and testing the operating effectiveness of the company's control relating to taxation and assessment of carrying amount of deferred tax assets/ liabilities.<br><br>• Review of the Company's accounting policy in respect of deferred tax assets on unutilized MAT credit and current year developments, if any, requiring change in such policy and management contention on the same.<br><br>• Evaluation of tax credit entitlement as legally available to the company based on internal |

| | Key audit Matters | Addressing the Key Audit Matters |
|---|---|---|
| | deferred tax asset relating to MAT credit entitlement is dependent upon the generation of sufficient future taxable profits to utilize such entitlement within the stipulated period prescribed under the Income Tax Act,1961.<br><br>The recognition of MAT Credit and Regulatory Deferral (Credit) balance thereagainst is important to the intended users of the Standalone Financial Statements in view of its materiality and requirement of judgement in forecasting future taxable profits for recognition of MAT credit entitlement considering the recoverability of such tax credits within allowed time frame as per the provisions of the Income Tax Act,1961.<br><br>Relevant disclosures in this regard have been provided at Note Nos. 14.2, 18, 30.1, 31, 34(22)(E) read with Significant Accounting Policy No. 20.0(b) of the Standalone Financial Statements. | forecasts prepared by the company and probability of future taxable income.<br>• Review of underlying assumptions for consistency and uncertainty involved and principle of prudence for arriving at a reasonable degree of probability of utilisation of MAT Credit recognized.<br>• Review of implication pertaining to regulatory regime under which the company operates and estimations prepared by the Company regarding MAT Credit arising out of Generation activity to be passed on to beneficiaries and impact thereof on the Standalone Financial Statements under the given current Regulatory provisions and period of applicability thereof.<br>• Evaluation of adequacy and appropriateness of disclosures made in the Standalone Financial Statements. |

**Information other than the Financial Statements and Auditors' Report thereon**

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

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

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

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

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

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

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

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

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

**Auditors' 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 Standalone Financial Statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matters**

The Standalone Financial Statements for the year ended 31st March 2021 have been audited by then Joint Statutory Auditors of the Company. Two of them were predecessor audit firms and had expressed an unmodified opinion vide their report dated June 10, 2021. Reliance has been placed on the figures and other information incorporated for the purpose of these Standalone Financial Statements.

Our opinion is not modified in respect of above matter.

**Report on Other Legal and Regulatory Requirements**

i. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 Standalone Financial Statements are compiled offline based on balances and transactions generated from ERP system.<br>We have neither been informed nor we have come across during the course of our audit any accounting transactions having impact on the integrity of the accounts along with the financial implications which have been processed outside the IT system. |
| 2 | Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender company) | According to information and explanations given to us and based on our audit, there is no case of restructuring of an existing loan or cases of waiver/ write off of debts / loans / interest etc. made by lender to the Company. Further in respect of loan given by the company to National High Power Test Laboratory Private limited (Joint Venture) where interest is receivable in half yearly instalments starting from 30.04.2021, Interest accrued for the FY 2021-22 amounting to Rs. 1.67 Crore has not been accounted for in the books of accounts in view of significant uncertainty of realization due to cash losses incurred by the joint ventures. The same has been disclosed in the Note no.34 (18) of the Standalone Financial Statements. |

| | | |
|---|---|---|
| 3 | Whether funds (grants/ subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation. | According to information and explanations given to us and based on our audit, the Company has accounted for and utilized the funds received for specific schemes from Central/State agencies as per the terms and conditions of the schemes. |

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

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

d) in our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act

e) in terms of Notification no. G.S.R. 463 (E) dated 05th June 2015 issued by the Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualifications of the Directors, are not applicable as it is a Government Company;

f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal control; and

g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 and Companies (Audit and Auditors) Amendment Rules, 2021 in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note no. 34 Para 1 to the Standalone Financial Statements;

ii. The Company did not have any material foreseeable losses against long-term contracts including derivative contracts and thereby requirement for making provision in this respect is not applicable to the Company;

iii. There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

iv. As per notification number G.S.R. 463 (E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, section 197 of the Act as regards the managerial remuneration is not applicable to the Company, since it is a Government Company;

v. a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or

- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (v)(a) and (v)(b) contain any material mis-statement.

vi. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

**For K G Somani & Co LLP**

Chartered Accountants
FRN : 006591N/N500377

**Bhuvnesh Maheshwari**
Partner
M. No.088155
UDIN: 22088155AJOVOC1369

Place: Faridabad
Date: May 25, 2022

**For Chaturvedi & Co.**

Chartered Accountants
FRN: 302137E

**R. K. Nanda**
Partner
M. No. 510574
UDIN:22510574AJORWD4417

Place: Faridabad
Date: May 25, 2022

**For P C Bindal and Co.**

Chartered Accountants
FRN : 003824N

**Manushree Bindal**
Partner
M. No. 517316
UDIN:22517316AJOVNS7051

Place: Faridabad
Date: May 25, 2022

## ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

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

i) a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situations of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

b. As per the information and explanations given to us and on the basis of our examination of the records of the Company, the Property, Plant and Equipment except Land in certain Units, have been physically verified by the management/ outside agencies, in a phased manner, which in our opinion is reasonable, having regard to the size of Company and nature of its business. The reconciliation of physically verified assets with the book records in certain cases is in progress. Discrepancies noticed on the physical verification and consequential adjustments are carried out on completion of reconciliation. According to information and explanations given by the management and in our opinion, the same are not material.

c. According to the information and explanations given to us, the records examined by us and based on the Title deeds provided to us, we report that, the title deeds, comprising all the immovable properties (including leased assets where the Company is a lessee) of land and building, are held in the name of the Company as on the balance sheet date except for the following where the title deeds are not in the name of the Company:

| Relevant line item in the Balance sheet | Description of Item of Property | Gross Carrying Value (Rs. in Crore) | Title Deeds held in the name of | Whether title deed holder is a promoter, director or relative of Promoter/director or employee of promoter/director | Property held since which date | Reason for not being held in the name of the Company |
|---|---|---|---|---|---|---|
| Property, Plant and Equipment | Land (7.0844 Hectare) | 36.07 | Various Parties | NO | 27.09.2021 | The land is under possession of NHPC Parbati-II Project, documents are yet to be executed in favour of Company. |
| Property, Plant and Equipment | Land (4.69 Hectare) | 6.33 | Various Parties | NO | 10.04.2008 | In respect of Teesta-V Power Station, documents are yet to be executed in favour of Company |
| Property, Plant and Equipment | Land (0.09 Hectare) | 0.01 | Prem Tshering Lepcha | NO | 31.03.2000 | In respect of Rangit Power Station, present owner of the property has passed away. Execution of Title Deed is pending. |
| Property, Plant and Equipment | Land (1458.45 Hectare) | 6.51 | Hind Sarkar, (Govt. of India) | NO | Since 1987 | In respect of Salal Power Station, documents are yet to be executed in favour of Company. |
| Property, Plant and Equipment | Land (0.10 Hectare) | 0.0004 | Various Parties | NO | Since 1987 | In respect of Salal Power Station, documents are yet to be executed in favour of Company. |
| Property, Plant and Equipment | Land (74.95 Hectare) | 0.00 | Govt of India 74.08 hectare and Pvt. land 0.87 hectare | NO | Since January 1978 | In respect of Bairasiul Power Station, documents are yet to be executed in favour of Company. |

| | | | | | | |
|---|---|---|---|---|---|---|
| Right Of Use Assets | Land (122.93 Hectare) | 140.86 | Govt. of J&K under occupa-ncy of NHPC | NO | 24.03.2011 | In respect of Kishanganga Power Station, documents are yet to be executed in favour of Company . |
| Right Of Use Assets | Land (28.13 Hectare) | 18.53 | Govt. land | NO | 2006-2011 | In respect of Uri-II Power Station, documents are yet to be executed in favour of Company. |
| Right Of Use Assets | Land (219.56 Hectare) | 6.15 | Govt. land | NO | Since 1984 | In respect of Dulhasti Power Station, documents are yet to be executed in favour of Company. |
| Right Of Use Assets | Land (175.40 Hectare) | 3.21 | Govt. land | NO | 24.05.2021 | In respect of Solar Project Ganjam. Execution of lease agreement is under process. |
| Right Of Use Assets | Land (3.99 Hectare) | 0.27 | JKPDC | NO | 31.07.2003 | In respect of Chutak Power Station, documents are yet to be executed in favour of Company |
| Right Of Use Assets | Land (7.72 Hectare) | 0.19 | JKPDC & SDM, Bani (J&K) | NO | Since 2000 | In respect of Sewa-II Power Station. Matter is under regular correspondence with JKPDC & SDM, Bani (J&K) for issuance of No Objection certificate. NOC is still awaited from concerned state department |
| Right Of Use Assets | Land (11.32 Hectare) | 0.15 | Govt. land | NO | 1991-92 | In respect of Uri-I Power Station. Case is pending at court/State revenue authority. |
| Right Of Use Assets | Land (0.34 Hectare) | 0.06 | Govt. land | NO | 30.09.2010 | In respect of Nimoo Bazgo Power Station. The draft of lease deed has been provided to Tehsildar, Leh for the execution of title deed in favour of company |
| Right Of Use Assets | Land (1.56 Hectare) | 0.02 | Govt. land | NO | 1984 | In respect of Chamera-I Power Station. Matter is pending before court. |
| Right Of Use Assets | Land (2.72 Hectare) | 0.00 | Govt. land | NO | 2004 | In respect of Subansiri lower Project, documents are yet to be executed in favour of Company |

d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.

e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii) (a) As informed, the inventories of the Company except for inventories in transit have been physically verified by the management/ outside agencies during the year. In our opinion and according to the information and explanations given to us, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory. Minor discrepancies noticed during physical verification were properly dealt within the books of account.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments in subsidiaries and joint venture and provided guarantee to a bank in respect of loan taken by a subsidiary company.

(a) (A) Based on the audit procedures carried out by us and as per the information and explanations given to us, the Company has issued an irrevocable and unconditional Corporate Guarantee favouring HDFC Bank in support of the credit facility sanctioned by the Bank to Bundelkhand Saur Urja Ltd (BSUL), a Subsidiary Company of NHPC Limited during the year. Details of the guarantee is as given below:

| Particulars | Amount (₹ in Crore) |
|---|---|
| Aggregate amount during the year | 213.25 |
| Balance outstanding as at balance sheet date | 213.25 |

Out of the credit facility of Rs. 213.25 crore, the loan availed by BSUL is Rs. 60.19 Crore which is outstanding as on 31st March, 2022.

(B) Based on the audit procedures carried out by us and as per the information and explanations given to us, during the year, the Company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to parties other than subsidiaries and joint ventures.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made and terms and conditions of the guarantees provided are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular except in case of Loan given to National High Power Test Laboratory (P) Limited (Joint Venture) where interest is receivable in half yearly installments starting from 30.04.2021. The interest accrued for the FY 2021-22 amounting to Rs. 1.67 Crore has not been accounted for in view of significant uncertainty of realization due to cash losses incurred by the Joint Venture. Further, impairment allowance has been created in respect of interest already accrued for previous periods aggregating to Rs. 0.42 Crore considering being doubtful. The same has been disclosed in the notes to Standalone Financial Statements. Refer note no. 34(18) of Standalone Financial Statements.

(d)

| No. of cases | Principal Amount Overdue (₹ in Crore) | Interest overdue (₹ in Crore) | Total overdue (₹ in Crore) | Remarks (if any) |
|---|---|---|---|---|
| 1 | NIL | 0.42 | 0.42 | Reasonable steps have been taken by the Company for recovery of overdue interest. |

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment.

iv) In our opinion and according to information and explanations given to us the Company has, in respect of loans, investments, guarantees, and security, complied with the provisions of section 185 and 186 of the Act.

v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of sections 73 to 76 or any other relevant provisions of the Act. In respect of overdue earnest money deposits and security deposits, Management is of the view that overdue earnest money deposits and security deposits of suppliers/contractors appearing in the books are in the nature of retention money for performance of contracts for supply of goods and services and accordingly, not to be treated as deemed deposits by virtue of amendment in rule 2, sub rule (1), clause (c) of the Companies (Acceptance of Deposits) Amendment Rules 2016.

vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

vii) a. According to the information and explanations given to us, during the year, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues as applicable to it.

There were no undisputed amounts payable in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrear as at March 31, 2022 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, the details of disputed dues of Goods and Services Tax, provident fund, employees' state insurance, income- tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, if any, as at March 31, 2022, are as follows:

| Name of Statute | Nature of Dues | Financial Year to which it pertains | Forum at which case is pending | Gross Disputed Amount (₹ in Crore) | Amount Deposited under Protest (₹ in Crore) |
|---|---|---|---|---|---|
| Building and Other Construction Workers Welfare Cess Act, 1996 | BOCW | 2010 | Labour officer cum cess assessment officer, Chamba | 9.24 | 9.24 |
| Uttarakhand Water Tax on Electricity Generation Act, 2012 | Water Cess | 2015-16 to 2021-22 | High Court of Uttarakhand Nainital | 98.29 | - |
| | Water Cess | 2015-16 to 2020-21 | High Court of Uttarakhand Nainital | 111.32 | - |

| | | | | | |
|---|---|---|---|---|---|
| Uttarakhand Green Energy Cess Act, 2014 | Green Energy Cess | 2015-16 to 2021-22 | High Court of Uttarakhand Nainital | 60.98 | - |
| | Green Energy Cess | 2015-16 to 2020-21 | High Court of Uttarakhand Nainital | 28.07 | - |
| J&K Urban Immovable Property Tax Act, 1962 | Property Tax | 01.04.1991 to 31.03.1997 | Tax Tribunal | 0.05 | 0.01 |
| | Property Tax | 01.04.1997 to 31.03.2002 | Tax Tribunal | 0.15 | 0.01 |
| Central Sales Tax and VAT Acts of Various States | Sales Tax/ VAT | 2014-15 | Appellate authority | 0.02 | 0.01 |
| | Sales Tax/ VAT | 1994-95 | J&K State sales tax appellate tribunal Srinagar | 224.03 | - |
| | Sales Tax/ VAT | 2004-05 | West Bengal Taxation Tribunal, Kolkata | 0.17 | 0.17 |
| | Sales Tax/ VAT | 2005-06 | West Bengal Taxation Tribunal, Kolkata | 1.44 | 1.44 |
| | Sales Tax/ VAT | 2006-07 | West Bengal Taxation Tribunal, Kolkata | 4.99 | 4.85 |
| | Sales Tax/ VAT | 2007-08 | West Bengal Taxation Tribunal, Kolkata | 3.48 | 2.73 |
| | Sales Tax/ VAT | 2008-09 | West Bengal Taxation Tribunal, Kolkata | 1.67 | 1.24 |
| | Sales Tax/ VAT | 2009-10 | West Bengal Taxation Tribunal, Kolkata | 1.59 | 1.52 |
| | Sales Tax/ VAT | 2010-11 | West Bengal Taxation Tribunal, Kolkata | 1.21 | 1.21 |
| | Sales Tax/ VAT | 2011-12 | West Bengal Taxation Tribunal, Kolkata | 2.14 | 2.14 |
| | Sales Tax/ VAT | 2012-13 | JC, Siliguri Charge | 2.74 | - |
| | Sales Tax/ VAT | 2012-13 | Appellate Authority | 15.39 | 4.64 |

| | | | | | |
|---|---|---|---|---|---|
| | Sales Tax/ VAT | 2013-14 | Appellate Authority | 7.43 | 2.41 |
| | Sales Tax/ VAT | 2014-15 | Appellate Authority | 20.83 | 8.01 |
| | Sales Tax/ VAT | 2015-16 | Appellate Authority | 41.63 | 16.26 |
| | Sales Tax/ VAT | 2016-17 | Appellate Authority | 7.97 | 4.48 |
| | Sales Tax/ VAT | 2017-18 | Appellate Authority | 2.95 | 1.69 |
| Finance Act, 1994 | Service Tax | 2004-2009 | CESTAT, Chandigarh | 19.14 | 1.70 |
| | Service Tax | 2008-09 to June 2017 | CESTAT Kolkata | 27.25 | 27.25 |
| | Service Tax | | Appellate Authority | 1.42 | 1.42 |
| | Service Tax | 2013-14 to 2017-18 | Central Excise and Service Tax Appellate Tribunal | 101.00 | - |
| | Service Tax | 2016-17 to 2017-18 | Joint Commissioner, Dibrugarh | 1.08 | - |
| Custom Act,1962 | Custom Duty | 2019-20 | CESTAT Kolkata | 25.15 | - |
| Income Tax Act,1961 | Income Tax | 2016-17 | CIT (Appeal), faceless centre | 4.30 | 0.86 |
| | Income Tax | 2010-11 | ITO, Srinagar | 0.01 | 0 |
| **TOTAL** | | | | **827.13** | **93.29** |

viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix) (a) In our opinion and on the basis of information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint ventures. Accordingly, clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures. Accordingly, clause 3(ix)(f) of the Order is not applicable.

x) (a) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year. Accordingly, clause 3 (x)(b) of the Order is not applicable to the Company.

xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information and explanations given to us, no whistle blower complaints have been received by the company during the year.

xii) The Company is not a Nidhi Company. Hence, reporting under clauses 3(xii) (a), (b) and (c) of the Order is not applicable to the Company.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Note No.34(8) of Standalone Financial Statements as required by the applicable accounting standards.

xiv) (a) The company is having Internal Audit Department responsible for carrying out the internal audit of various sections at corporate office, power stations, project offices and other offices at periodical intervals as per the approved audit plan. The internal audit system adopted by the internal audit department is commensurate with the size and nature of the business of the company.

(b) We have considered the internal audit reports for the year under audit, submitted by Internal Audit Department to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv) According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clauses 3(xv) of the Order is not applicable.

xvi) According to the information and explanations given to us and based on our examination of the records of the Company,

a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

b) The company has not conducted any Non- Banking Financial or Housing Finance activities during the year.

c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

d) The Group does not have any CIC.

Accordingly, clauses 3(xvi) (a), (b), (c) and (d) of the Order are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

**Bhuvnesh Maheshwari**
Partner
M. No.088155
UDIN: 22088155AJOVOC1369

Place: Faridabad
Date: May 25, 2022

**For Chaturvedi & Co.**
Chartered Accountants
FRN: 302137E

**R. K. Nanda**
Partner
M. No. 510574
UDIN:22510574AJORWD4417

Place: Faridabad
Date: May 25, 2022

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

**Manushree Bindal**
Partner
M. No. 517316
UDIN:22517316AJOVNS7051

Place: Faridabad
Date: May 25, 2022

## ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

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

**Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls with reference to Standalone Financial Statements of NHPC Limited ("the Company") as at March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone Financial Statements.

**Meaning of Internal Financial Controls with reference to Standalone Financial Statements**

A Company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

**Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Bhuvnesh Maheshwari**
Partner
M. No.088155
UDIN: 22088155AJOVOC1369

Place: Faridabad
Date: May 25, 2022

**For Chaturvedi & Co.**
Chartered Accountants
FRN: 302137E

**R. K. Nanda**
Partner
M. No. 510574
UDIN:22510574AJORWD4417

Place: Faridabad
Date: May 25, 2022

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

**Manushree Bindal**
Partner
M. No. 517316
UDIN:22517316AJOVNS7051

Place: Faridabad
Date: May 25, 2022

## STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2022

(₹ in Crore)

| | PARTICULARS | Note No. | As at 31st March, 2022 | As at 31st March, 2021 | As at 1st April, 2020 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **(1)** | **NON-CURRENT ASSETS** | | | | |
| a) | Property, Plant and Equipment | 2.1 | 19,024.55 | 19,174.60 | 21,468.76 |
| b) | Capital Work In Progress | 2.2 | 20,573.84 | 17,852.56 | 16,097.65 |
| c) | Right of Use Assets | 2.3 | 1,783.12 | 1,752.92 | 1,826.98 |
| d) | Investment Property | 2.4 | 4.49 | 4.49 | 4.49 |
| e) | Intangible Assets | 2.5 | 3.11 | 3.52 | 0.72 |
| f) | **Financial Assets** | | | | |
| | i) Investments | 3.1 | 5,414.34 | 3,921.68 | 3,400.74 |
| | ii) Loans | 3.2 | 1,017.59 | 920.27 | 776.20 |
| | iii) Others | 3.3 | 4,502.78 | 4,940.27 | 3,458.36 |
| g) | Non Current Tax Assets (Net) | 4 | 9.52 | - | 138.90 |
| h) | Other Non Current Assets | 5 | 3,753.96 | 3,560.71 | 3,035.41 |
| | **TOTAL NON CURRENT ASSETS** | | **56,087.30** | **52,131.02** | **50,208.21** |
| **(2)** | **CURRENT ASSETS** | | | | |
| a) | Inventories | 6 | 130.30 | 124.42 | 118.24 |
| b) | **Financial Assets** | | | | |
| | i) Trade Receivables | 7 | 4,621.48 | 4,532.49 | 5,731.95 |
| | ii) Cash and Cash Equivalents | 8 | 937.78 | 145.57 | 8.87 |
| | iii) Bank balances other than Cash and Cash Equivalents | 9 | 222.93 | 768.39 | 380.25 |
| | iv) Loans | 10 | 55.68 | 48.08 | 45.55 |
| | v) Others | 11 | 731.73 | 1,067.12 | 786.61 |
| c) | Current Tax Assets (Net) | 12 | 123.17 | 165.73 | 127.14 |
| d) | Other Current Assets | 13 | 441.14 | 372.08 | 375.91 |
| | **TOTAL CURRENT ASSETS** | | **7,264.21** | **7,223.88** | **7,574.52** |
| **(3)** | Regulatory Deferral Account Debit Balances | 14 | 6,948.11 | 6,902.93 | 6,774.90 |
| | **TOTAL ASSETS** | | **70,299.62** | **66,257.83** | **64,557.63** |
| **EQUITY AND LIABILITIES** | | | | | |
| **(1)** | **EQUITY** | | | | |
| (a) | Equity Share Capital | 15.1 | 10,045.03 | 10,045.03 | 10,045.03 |
| (b) | Other Equity | 15.2 | 23,441.07 | 21,558.08 | 19,882.89 |
| | **TOTAL EQUITY** | | **33,486.10** | **31,603.11** | **29,927.92** |

| | PARTICULARS | Note No. | As at 31st March, 2022 | As at 31st March, 2021 | As at 1st April, 2020 |
|---|---|---|---|---|---|
| **(2)** | **LIABILITIES** | | | | |
| | **NON-CURRENT LIABILITIES** | | | | |
| a) | **Financial Liabilities** | | | | |
| | i) Borrowings | 16.1 | 23,166.61 | 21,230.99 | 20,878.66 |
| | ia) Lease Liabilities | 16.2 | 12.88 | 10.23 | 11.08 |
| | ii) Other financial liabilities | 16.3 | 2,088.04 | 2,054.34 | 2,059.23 |
| b) | Provisions | 17 | 48.05 | 28.38 | 27.66 |
| c) | Deferred Tax Liabilities (Net) | 18 | 2,100.74 | 3,589.36 | 3,641.19 |
| d) | Other non-current Liabilities | 19 | 2,026.16 | 2,034.79 | 2,082.65 |
| | **TOTAL NON CURRENT LIABILITIES** | | **29,442.48** | **28,948.09** | **28,700.47** |
| **(3)** | **CURRENT LIABILITIES** | | | | |
| a) | **Financial Liabilities** | | | | |
| | i) Borrowings | 20.1 | 2,848.76 | 2,119.14 | 2,331.26 |
| | ia) Lease Liabilities | 20.2 | 2.27 | 2.42 | 2.83 |
| | ii) Trade Payables | 20.3 | | | |
| | Total outstanding dues of micro enterprises and small enterprises | | 23.12 | 30.79 | 18.85 |
| | Total outstanding dues of Creditors other than micro enterprises and small enterprises | | 166.45 | 167.48 | 281.55 |
| | iii) Other financial liabilities | 20.4 | 1,370.72 | 1,532.97 | 1,264.15 |
| b) | Other Current Liabilities | 21 | 510.70 | 565.85 | 802.44 |
| c) | Provisions | 22 | 1,135.75 | 1,252.98 | 1,228.16 |
| d) | Current Tax Liabilities (Net) | 23 | - | 35.00 | - |
| | **TOTAL CURRENT LIABILITIES** | | **6,057.77** | **5,706.63** | **5,929.24** |
| **(4)** | **Regulatory Deferral Account Credit Balances** | 14.2 | 1,313.27 | - | - |
| | **TOTAL EQUITY AND LIABILITIES** | | **70,299.62** | **66,257.83** | **64,557.63** |
| | **Accompanying notes to the Standalone Financial Statements** | 1-35 | | | |

**Note: The figures as at 31st March 2021 and 1st April 2020 as given above are restated (Note No-35)**

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

| | | |
|---|---|---|
| **RUPA DEB**<br>Company Secretary | **RAJENDRA PRASAD GOYAL**<br>Director (Finance)<br>DIN 08645380 | **ABHAY KUMAR SINGH**<br>Chairman & Managing Director<br>DIN 08646003 |

**As per report of even date**

| | | |
|---|---|---|
| **For K G Somani & Co LLP**<br>Chartered Accountants<br>FRN: 006591N/N500377 | **For Chaturvedi & Co**<br>Chartered Accountants<br>FRN: 302137E | **For P C Bindal & Co.**<br>Chartered Accountants<br>FRN: 003824N |
| **Bhuvnesh Maheshwari**<br>Partner<br>M. No. 088155 | **R.K. Nanda**<br>Partner<br>M. No. 510574 | **Manushree Bindal**<br>Partner<br>M. No. 517316 |

Place: Faridabad
Date: 25th May, 2022

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crore)

| PARTICULARS | Note No. | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|---|
| **INCOME** | | | |
| i) Revenue from Operations | 24.1 | 8,353.80 | 8,506.58 |
| ii) Other Income | 24.2 | 1,026.18 | 1,155.98 |
| **TOTAL INCOME** | | **9,379.98** | **9,662.56** |
| **EXPENSES** | | | |
| i) Purchase of Power - Trading | 25.1 | 44.58 | 212.37 |
| ii) Generation Expenses | 25.2 | 841.24 | 854.37 |
| iii) Employee Benefits Expense | 26 | 1,440.78 | 1,393.91 |
| iv) Finance Costs | 27 | 531.75 | 571.49 |
| v) Depreciation and Amortization Expense | 28 | 1,126.22 | 1,228.65 |
| vi) Other Expenses | 29 | 1,348.55 | 1,419.61 |
| **TOTAL EXPENSES** | | **5,333.12** | **5,680.40** |
| **PROFIT BEFORE EXCEPTIONAL ITEMS, REGULATORY DEFERRAL ACCOUNT BALANCES AND TAX** | | **4,046.86** | **3,982.16** |
| Exceptional items | 34 (36) | - | 185.00 |
| **PROFIT BEFORE REGULATORY DEFERRAL ACCOUNT BALANCES AND TAX** | | **4,046.86** | **3,797.16** |
| **Tax Expenses** | 30.1 | | |
| i) Current Tax | | 726.23 | 714.17 |
| ii) Deferred Tax | | (1,487.50) | (34.04) |
| **Total Tax Expenses** | | **(761.27)** | **680.13** |
| **PROFIT FOR THE YEAR BEFORE NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES** | | **4,808.13** | **3,117.03** |
| Movement in Regulatory Deferral Account Balances (Net of Tax) | 31 | (1,270.42) | 128.03 |
| **PROFIT FOR THE YEAR (A)** | | **3,537.71** | **3,245.06** |
| **OTHER COMPREHENSIVE INCOME (B)** | 30.2 | | |
| **(i) Items that will not be reclassified to profit or loss (Net of Tax)** | | | |
| (a) Remeasurement of the post employment defined benefit obligations | | 9.51 | (40.29) |
| Less:-Movement in Regulatory Deferral Account Balances in respect of tax on defined benefit obligations | | (3.73) | 2.87 |
| -Movement in Regulatory Deferral Account Balances-Remeasurement of post employment defined benefit obligations | | 2.33 | - |
| **Sub total (a)** | | **15.57** | **(43.16)** |
| (b) Investment in Equity Instruments | | 5.40 | 47.13 |
| **Sub total (b)** | | **5.40** | **47.13** |
| **Total (i)=(a)+(b)** | | **20.97** | **3.97** |

| PARTICULARS | Note No. | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|---|
| **(ii) Items that will be reclassified to profit or loss (Net of Tax)** | | | |
| - Investment in Debt Instruments | | (8.21) | 3.23 |
| **Total (ii)** | | **(8.21)** | **3.23** |
| **Other Comprehensive Income (B)=(i+ii)** | | **12.76** | **7.20** |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B) (COMPRISING PROFIT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR)** | | **3,550.47** | **3,252.26** |
| **Earning per share (Basic and Diluted) (Equity shares, face value of ₹ 10/- each)** | 34 (12) | | |
| Before movements in Regulatory Deferral Account Balances | | 4.79 | 3.10 |
| After movements in Regulatory Deferral Account Balances | | 3.52 | 3.23 |
| **Accompanying notes to the Standalone Financial Statements** | 1-35 | | |

**Note : The figures for the year ended 31st March 2021 as given above are restated (Note No 35)**

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

| | | |
|---|---|---|
| **RUPA DEB**<br>Company Secretary | **RAJENDRA PRASAD GOYAL**<br>Director (Finance)<br>DIN 08645380 | **ABHAY KUMAR SINGH**<br>Chairman & Managing Director<br>DIN 08646003 |

**As per report of even date**

| | | |
|---|---|---|
| **For K G Somani & Co LLP**<br>Chartered Accountants<br>FRN: 006591N/N500377 | **For Chaturvedi & Co**<br>Chartered Accountants<br>FRN: 302137E | **For P C Bindal & Co.**<br>Chartered Accountants<br>FRN: 003824N |
| **Bhuvnesh Maheshwari**<br>Partner<br>M. No. 088155 | **R.K. Nanda**<br>Partner<br>M. No. 510574 | **Manushree Bindal**<br>Partner<br>M. No. 517316 |

Place: Faridabad
Date: 25th May, 2022

# STATEMENT OF STANDALONE CASH FLOWS FOR THE YEAR ENDED 31st March, 2022

(₹ in Crore)

| | | For the Year ended 31st March, 2022 | | For the Year ended 31st March, 2021 | |
|---|---|---|---|---|---|
| **A.** | **CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| | **Profit before tax for the year including movements in Regulatory Deferral Account Balance** | | 2776.44 | | 3925.19 |
| | Less: Movement in Regulatory Deferral Account Balances | | (1270.42) | | 128.03 |
| | **Profit before Tax** | | **4046.86** | | **3797.16** |
| | **ADD :** | | | | |
| | Depreciation and Amortization | 1126.22 | | 1228.65 | |
| | Finance Cost (Net of EAC) | 531.75 | | 571.49 | |
| | Provisions (Net Loss) | 42.54 | | 220.40 | |
| | Tariff Adjustment (loss) | 34.70 | | - | |
| | Sales adjustment on account of Exchange Rate Variation | 44.02 | | 50.03 | |
| | Loss/(Profit) on Sale of assets/Claims written off | 12.55 | | 8.69 | |
| | | | 1791.78 | | 2079.26 |
| | | | **5838.64** | | **5876.42** |
| | **LESS :** | | | | |
| | Advance against Depreciation written back | 48.25 | | 48.38 | |
| | Provisions (Net gain) | 28.13 | | 21.82 | |
| | Adjustment against Consultancy Charges from Subsidiary Companies | 2.04 | | 2.63 | |
| | Dividend Income | 301.71 | | 292.68 | |
| | Interest Income including Late Payment Surcharge | 384.34 | | 680.14 | |
| | Exchange rate variation (Gain) | 49.28 | | 34.21 | |
| | Fair Value Adjustments | 0.40 | | (0.78) | |
| | Amortisation of Government Grants | 33.20 | | 32.26 | |
| | | | 847.35 | | 1111.34 |
| | **Cash flow from Operating Activities before Operating Assets and Liabilities adjustments and Taxes** | | **4991.29** | | **4765.08** |
| | **Changes in Operating Assets and Liabilities:** | | | | |
| | Inventories | (5.93) | | (6.26) | |
| | Trade Receivables | (88.99) | | 1987.52 | |
| | Other Financial Assets, Loans and Advances | 933.45 | | (1537.22) | |
| | Other Financial Liabilities and Provisions | (271.61) | | (100.79) | |
| | Regulatory Deferral Account Credit Balances | 1313.27 | | - | |
| | | | 1880.19 | | 343.25 |
| | **Cash flow from operating activities before taxes** | | **6871.48** | | **5108.33** |
| | Less : Taxes Paid | | 730.69 | | 581.42 |
| | **NET CASH FLOW FROM OPERATING ACTIVITIES (A)** | | **6140.79** | | **4526.91** |
| **B.** | **CASH FLOW FROM INVESTING ACTIVITIES** | | | | |
| | Purchase of Property, Plant and Equipment, Investment Property, Other Intangible Assets & Expenditure on construction projects (including expenditure attributable to construction forming part of Capital Work in Progress for the year) - Net of Grant | | (4311.03) | | (1861.69) |
| | Sale of Assets | | 2.78 | | 0.25 |

| | | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|---|
| | Investment in Joint Venture (Including Share Application Money Pending Allotment) | (451.56) | (500.00) |
| | Investment in Subsidiaries (Including Share Application Money Pending Allotment) | (744.18) | (280.41) |
| | Proceeds from Sale of Investment | - | 0.40 |
| | Dividend Income | 301.71 | 292.68 |
| | Interest Income including Late Payment Surcharge | 329.94 | 743.63 |
| | **NET CASH FLOW FROM/USED IN INVESTING ACTIVITIES (B)** | **(4872.34)** | **(1605.14)** |
| **C.** | **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| | Dividend Paid | (1667.48) | (1577.07) |
| | Proceeds from Long Term Borrowings | 3516.39 | 2315.31 |
| | Proceeds from Short Term Borrowings | 597.87 | 11.72 |
| | Repayment of Borrowings | (1398.18) | (2116.14) |
| | Interest & Finance Charges | (1521.05) | (1413.93) |
| | Principal Repayment of Lease Liability | (2.69) | (3.86) |
| | Interest paid on Lease Liability | (1.11) | (1.10) |
| | **NET CASH FLOW FROM/USED IN FINANCING ACTIVITIES (C)** | **(476.24)** | **(2785.07)** |
| **D.** | **NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)** | **792.21** | **136.70** |
| | Cash and Cash Equivalents at the beginning of the year | 145.57 | 8.87 |
| | Cash and Cash Equivalents at the close of the year | 937.78 | 145.57 |

**EXPLANATORY NOTES TO STATEMENT OF STANDALONE CASH FLOWS**

1 Cash and Cash equivalents consists of Cash in hand, cheques/drafts in hands and Bank Balances including Short Term Deposits with original maturity of less than three months. The details of Cash and Cash equivalents is as under:

(₹ in crore)

| | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| **Balances with Banks** | | |
| With scheduled Banks: | | |
| - In Current Account | 937.78 | 145.56 |
| - In Deposits Account | - | - |
| (Deposits with original maturity of less than three months) | | |
| **Cash on Hand** | - | 0.01 |
| **Cash and Cash equivalents** | **937.78** | **145.57** |

2 Interest and finance charges in Cash Flow from Financing Activities includes borrowing cost of ₹ 993.62 Crore (Previous year ₹ 840.53 Crore) capitalised during the period on account of Expenditure attributable to construction (EAC).

3 Amount of undrawn loan as on 31.03.2022 : ₹ 1425.00 Crore (Previous Year ₹ 475.00 Crore).

4 Company has incurred ₹ 94.96 Crore in cash on account of Corporate Social Responsibility (CSR) expenditure during the year ended 31.03.2022 (Previous Year ₹ 76.66 Crore).

5 **Net debt reconciliation:-**

(₹ in crore)

| | 31.03.2022 | 31.03.2021 |
|---|---|---|
| Borrowings (Current & Non-Current) | 26651.47 | 24010.85 |
| Lease Liability | 15.14 | 12.65 |
| **Total** | **26666.61** | **24023.50** |

(₹ in crore)

| Particulars | For the year ended 31st March,2022 | | | For the year ended 31st March,2021 | | |
|---|---|---|---|---|---|---|
| | *Borrowings (Current & Non-Current) | Lease Liability | Total | *Borrowings (Current & Non-Current) | Lease Liability | Total |
| **Opening Net Debt as on 1st April** | **24010.85** | **12.65** | **24,023.50** | **23,853.01** | **13.91** | **23866.92** |
| Proceeds from Borrowings | 4114.26 | - | 4,114.26 | 2,327.03 | 0.00 | 2327.03 |
| Repayment of Borrowings/Lease Liability | (1398.18) | (2.69) | (1400.87) | (2116.14) | (3.86) | (2120.00) |
| Interest paid | (1521.05) | (1.11) | (1522.16) | (1413.93) | (1.10) | (1415.03) |
| **Other Non-Cash Movements :** | | | | | | |
| -Increase in Lease Liability | - | 5.18 | 5.18 | - | 2.60 | 2.60 |
| -Foreign exchange adjustments | (58.77) | - | (58.77) | (49.71) | - | (49.71) |
| -Interest and Finance Charges | 1497.62 | 1.11 | 1,498.73 | 1,432.68 | 1.10 | 1433.78 |
| -Fair value adjustments | 6.74 | - | 6.74 | (22.09) | 0.00 | (22.09) |
| **Closing Net Debt as on 31st March** | **26,651.47** | **15.14** | **26,666.61** | **24,010.85** | **12.65** | **24,023.50** |

* For borrowings refer Note No. 16.1, 20.1 and 20.4 (Extracts)

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

**7 Previous year figures have been regrouped/reclassified wherever required (Refer Note-35).**

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

**RUPA DEB**
Company Secretary

**RAJENDRA PRASAD GOYAL**
Director (Finance)
DIN 08645380

**ABHAY KUMAR SINGH**
Chairman & Managing Director
DIN 08646003

**As per report of even date**

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

**Bhuvnesh Maheshwari**
Partner
M. No. 088155

**For Chaturvedi & Co**
Chartered Accountants
FRN: 302137E

**R.K. Nanda**
Partner
M. No. 510574

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

**Manushree Bindal**
Partner
M. No. 517316

Place: Faridabad
Date: 25th May, 2022

# STATEMENT OF CHANGES IN EQUITY AS AT 31ST March, 2022

## A. EQUITY SHARE CAPITAL

| Particulars | Note No. | Amount (₹ in Crore) |
|---|---|---|
| **As at 1st April 2021** | 15.1 | 10,045.03 |
| Change in Equity Share Capital | | - |
| **As at 31st March 2022** | 15.1 | 10,045.03 |

## B. OTHER EQUITY

(₹ in Crore)

| Particulars | Reserve and Surplus | | | | Other Comprehensive Income | | Total |
|---|---|---|---|---|---|---|---|
| | Capital Redemption Reserve | Bond Redemption Reserve | General Reserve | Surplus/ Retained Earnings | Debt instruments through OCI | Equity Instruments through OCI | |
| **Balance as at 1st April, 2021** | **2,255.71** | **1,641.95** | **9,724.72** | **7,808.95** | **45.41** | **81.34** | **21,558.08** |
| Profit for the period | - | - | - | 3,537.71 | - | - | 3,537.71 |
| Other Comprehensive Income | - | - | - | 15.57 | (8.21) | 5.40 | 12.76 |
| **Total Comprehensive Income for the year** | **-** | **-** | **-** | **3,553.28** | **(8.21)** | **5.40** | **3,550.47** |
| Amount transferred from Bond Redemption Reserve to Surplus/Retained Earning | - | (275.70) | - | 275.70 | - | - | - |
| Dividend | | | | (1,667.48) | | | (1,667.48) |
| **Balance as at 31st March 2022** | **2,255.71** | **1,366.25** | **9,724.72** | **9,970.45** | **37.20** | **86.74** | **23,441.07** |

**Refer Note No. 15.2.1 for nature and purpose of Reserves.**

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

**(RUPA DEB)**
Company Secretary

**(RAJENDRA PRASAD GOYAL)**
Director (Finance)
DIN 08645380

**(ABHAY KUMAR SINGH)**
Chairman & Managing Director
DIN 08646003

**As per report of even date**

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

**(Bhuvnesh Maheshwari)**
Partner
M. No. 088155

**For Chaturvedi & Co**
Chartered Accountants
FRN: 302137E

**(R.K. Nanda)**
Partner
M. No. 510574

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

**(Manushree Bindal)**
Partner
M. No. 517316

Place: Faridabad
Date: 25th May, 2022

## STATEMENT OF CHANGES IN EQUITY AS AT 31ST March, 2021

### A. EQUITY SHARE CAPITAL

| Particulars | Note No. | Amount (₹ in Crore) |
|---|---|---|
| **As at 1st April 2020** | 15.1 | 10,045.03 |
| Changes in Equity Share Capital | | - |
| **As at 31st March 2021** | 15.1 | 10,045.03 |

### B. OTHER EQUITY

(₹ in Crore)

| Particulars | Reserve and Surplus | | | | Other Comprehensive Income | | Total |
|---|---|---|---|---|---|---|---|
| | Capital Redemption Reserve | Bond Redemption Reserve | General Reserve | Surplus/ Retained Earnings | Debt instruments through OCI | Equity Instruments through OCI | |
| **Balance as at 1st April, 2020** | **2,255.71** | **1,948.38** | **9,724.72** | **5,877.69** | **42.18** | **34.21** | **19,882.89** |
| Profit for the year | - | - | - | 3,245.06 | - | - | 3,245.06 |
| Other Comprehensive Income | - | - | - | (43.16) | 3.23 | 47.13 | 7.20 |
| **Total Comprehensive Income for the year** | **-** | **-** | **-** | **3,201.90** | **3.23** | **47.13** | **3,252.26** |
| Amount transferred from Bond Redemption Reserve to Surplus/Retained Earning | - | (306.43) | - | 306.43 | - | - | - |
| Dividend | | | | (1,577.07) | | | (1,577.07) |
| **Balance as at 31st March 2021** | **2,255.71** | **1,641.95** | **9,724.72** | **7,808.95** | **45.41** | **81.34** | **21,558.08** |

**Refer Note No. 15.2.1 for nature and purpose of Reserves.**
**Note: The figures as at 31st March 2021 and 1st April 2020 as given above are restated (Note No-35)**

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

| | | |
|---|---|---|
| **RUPA DEB** | **RAJENDRA PRASAD GOYAL** | **ABHAY KUMAR SINGH** |
| Company Secretary | Director (Finance) | Chairman & Managing Director |
| | DIN 08645380 | DIN 08646003 |

**As per report of even date**

| | | |
|---|---|---|
| **For K G Somani & Co LLP** | **For Chaturvedi & Co** | **For P C Bindal & Co.** |
| Chartered Accountants | Chartered Accountants | Chartered Accountants |
| FRN: 006591N/N500377 | FRN: 302137E | FRN: 003824N |
| **(Bhuvnesh Maheshwari)** | **(R.K. Nanda)** | **(Manushree Bindal)** |
| Partner | Partner | Partner |
| M. No. 088155 | M. No. 510574 | M. No. 517316 |

Place: Faridabad
Date: 25th May, 2022

## NOTE NO. 1: COMPANY INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

### (I) Reporting entity

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

### (II) Basis of preparation

#### (A) Statement of Compliance

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

These financial statements were authorised for issue by the Board of Directors on 25th May, 2022.

#### (B) Basis of Measurement

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

- Certain financial assets and liabilities measured at fair value.
- Plan assets of defined employee benefit plans measured at fair value.

The methods used to measure fair values are discussed in Note 33.

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition or the amount of proceeds received in exchange for the obligation, or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### (C) Application of new and revised standards

During the year, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amendment Rules, 2021 which has brought about certain amendments in the existing Indian Accounting Standards. Impact of these amendments are disclosed hereunder:

(i) **Interest rate benchmark reform – Phase 2: Amendments to Ind AS 109, Ind AS 107 and Ind AS 116:** The Companies (Indian Accounting Standards) Amendment Rules, 2021 has added certain provisions regarding interest rate benchmark reforms under Ind AS 109" Financial Instruments". Consequential amendments have also been made in Ind AS 107- Financial Instruments-Disclosures and Ind AS 116- Leases. There is, however, no material impact on the financial statements of the Company.

(ii) **Ind AS 116: COVID-19 related rent concession:** MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

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

(iii) **Amendment to Ind AS 105, Ind AS 16 and Ind AS 28:** The definition of "Recoverable amount"

is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". Consequential amendments have been made in Ind AS 105, Ind AS 16 and Ind AS 28.

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

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

**(D) Functional and presentation currency**

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

**(E) Use of estimates and management judgments**

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

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

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

**Critical judgments and estimates**

**a) Leases**

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

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

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

b. the right to direct the use of the identified asset.

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

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

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

extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

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

The Company enters into power purchase agreements with beneficiaries. Power Purchase Agreements (PPA) in the nature of embedded lease with a single beneficiary where the minimum lease term is for the major part of the plant's economic life and the minimum lease payments amount to substantially all the fair value of the plant are considered as a Finance Lease. Other embedded leases are considered as Operating Lease. For embedded leases in the nature of a Finance Lease, the investment in the power station is recognised as a Lease Receivable. The minimum lease payments are identified by segregating the embedded lease payments from the rest of the contract amounts. Each lease receipt is allocated between the receivable and finance lease income so as to achieve a constant rate of return on the Lease Receivable outstanding.

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

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

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

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

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

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

**d) Post-retirement benefit plans**

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

**e) Revenue**

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

**f) Provisions and contingencies**

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

**g) Recoverable Amount of Rate Regulated Assets**

The operating activities of the Company are subject to cost-of-service regulations whereby tariff charged for electricity generated is based on allowable costs like interest costs, depreciation, operation and maintenance including a stipulated return. Guidance Note on Rate Regulated Activities issued by the ICAI (previous GAAP) and Ind AS 114- 'Regulatory Deferral Accounts' permits an entity to include in the rate base, as part of the cost of self-constructed (tangible) PPE or internally generated intangible assets, amounts that would otherwise be recognised as an expense in the Statement of Profit and Loss in accordance with Ind AS. The Company estimates that items of regulatory deferral accounts recognised in the financial statements are recoverable as per the current CERC Tariff Regulations 2019-24. However, changes in CERC tariff regulations beyond the current tariff period may affect the recoverability of such balances.

**h) Impairment of Trade Receivables**

Considering the historical credit loss experience for trade receivables, the Company does not envisage either impairment in the value of receivables from beneficiaries or loss due to time value of money owing to delay in realization of trade receivables, except to the extent already provided for.

**i) Investment in Subsidiaries and Joint Ventures**

Investment has been carried at cost and as per assessment by the Company, there is no indication of impairment on such investments. Any changes in assumption may have a material impact on the measurement of the recoverable amount.

**j) Insurance Claim Recoverable**

The recoverable amount of insurance claims in respect of damages to Property, Plant and Equipment, Capital Work in Progress is based on estimates and assumptions as per terms and conditions of insurance policies.

## (III) SIGNIFICANT ACCOUNTING POLICIES:

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

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

**1.0 Property, Plant and Equipment (PPE)**

a) An item of PPE is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

b) PPE are initially measured at cost of acquisition/construction including decommissioning or restoration cost wherever required. The cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. In cases where final settlement of bills with contractors is pending, but the asset is complete and available for operating in the manner intended by the management, capitalisation is

done on estimated basis subject to necessary adjustments, including those arising out of settlement of arbitration/court cases.

c) Expenditure incurred on renovation and modernization of power station on completion of the originally estimated useful life of the power station is added to the cost of the related asset when it meets the recognition criteria. PPE acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

d) After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation/ amortisation and accumulated impairment losses, if any.

e) Deposits, payments made/ liabilities created provisionally towards compensation (including interest on enhanced compensation till the date of award by the Court), rehabilitation & resettlement and other expenses including expenditure on environment management plans relatable to land in possession are treated as cost of land.

f) Assets over which the Company has control, though created on land not belonging to the Company, are included under Property, Plant and Equipment.

g) Standby equipment and servicing equipment which meet the recognition criteria of Property, Plant and Equipment are capitalized.

h) Spares parts (procured along with the Plant and Machinery or subsequently) which meet the recognition criteria are capitalized. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other spare parts are treated as "stores and spares" forming part of inventory.

i) If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection carried out.

j) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

**2.0 Capital work in Progress (CWIP)**

a) Expenditure incurred on assets under construction (including a project) is carried at cost under CWIP. Such costs comprise purchase price of assets including import duties and non-refundable taxes (after deducting trade discounts and rebates), expenditure in relation to survey and investigation activities of projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, etc.

b) Costs including employee benefits, professional fees, expenditure on maintenance and up-gradation of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management are accumulated under "Expenditure Attributable to Construction (EAC)" and subsequently allocated on systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects. Net pre-commissioning income/ expenditure is adjusted directly in the cost of related assets.

c) Capital Expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential principally for construction of the project is accumulated under "Expenditure Attributable to Construction" and carried under "Capital Work in Progress" and subsequently allocated on a systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects, keeping in view the "attributability" and the "Unit of Measure" concepts in Ind AS 16- "Property, Plant and Equipment". Expenditure of such nature incurred after completion of the project, is charged to the Statement of Profit and Loss.

**3.0 Investment Property**

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

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

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

**4.0 Intangible Assets and Intangible Assets under Development**

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

b) Intangible assets that are acquired by the Company and which have finite useful lives, are measured on initial recognition at cost. Cost includes any directly attributable expenses necessary to make the assets ready for its intended use. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

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

d) An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

**5.0 Foreign Currency Transactions**

a) Transactions in foreign currency are initially recorded at the functional currency spot rate at the date the transaction first qualifies for recognition. At each reporting date, monetary items denominated in foreign currency are translated at the functional currency exchange rates prevailing on that date.

b) Exchange differences relating to PPE/capital work-in-progress arising out of transaction entered into prior to April 1, 2004 are adjusted to the carrying cost of respective PPE/capital work-in-progress.

c) Exchange differences arising from translation of foreign currency borrowings entered into prior to March 31, 2016 recoverable from or payable to beneficiaries in subsequent periods as per CERC Tariff regulations are recognised as "Deferred Foreign Currency Fluctuation Recoverable/ Payable Account" and adjusted from the year in which the same is recovered/ paid.

d) Exchange differences arising from settlement/ translation of monetary items denominated in foreign currency entered into on or after April 1, 2016 to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized as 'Regulatory Deferral Account Balances' during construction period and adjusted from the year in which the same become recoverable from or payable to the beneficiaries.

e) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Where the Company has paid or received advance consideration in a foreign currency, the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it), is the date when the Company initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

**6.0 Regulatory Deferral Accounts**

a) Where an item of expenditure incurred during the period of construction of a project is recognised as expense in the Statement of Profit and Loss i.e., not allowed to be capitalized as part of cost of relevant PPE in accordance with Ind AS, but is nevertheless permitted by CERC to be recovered from the beneficiaries in future through tariff, the right to recover the same is recognized as "Regulatory Deferral Account balances."

b) Expense/ income recognised in the Statement of Profit and Loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognised as "Regulatory Deferral Account balances."

c) These Regulatory Deferral Account balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries.

d) Regulatory Deferral Account balances are evaluated at each Balance Sheet date to ensure that the underlying activities meet the recognition criteria and it is probable that future economic benefits associated with such balances will flow to the entity. If these criteria are not met, the Regulatory Deferral Account balances are derecognised.

e) Regulatory Deferral Account balances are tested for impairment at each Balance Sheet date.

**7.0 Fair value measurement**

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

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

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

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

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

**8.0 Investments in subsidiaries and joint ventures**

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

**9.0 Financial assets other than investment in subsidiaries and joint ventures**

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

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

**a) Classification**

The Company classifies its financial assets in the following categories:

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

The classification depends on the following:

(a) The entity's business model for managing the financial assets and

(b) The contractual cash flow characteristics of the financial asset.

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

**b) Initial recognition and measurement**

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

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

**c) Subsequent measurement**

**Debt instruments at amortised cost**

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

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

ii) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

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

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

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

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

ii) The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

Debt instruments at fair value through Other Comprehensive Income are measured at each reporting date at fair value. Fair value movements are recognized in Other Comprehensive Income (OCI). However, the Company recognizes interest income, impairment losses, reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the

asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest income from these financial assets is included in other income using the EIR method.

**Equity investments:**

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

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

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

**Trade Receivables:**

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

**d) Derecognition**

A financial asset is derecognised only when:

i) The Company has transferred the rights to receive cash flows from the financial asset, or

ii) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

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

**e) Impairment of financial assets**

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

i) Financial assets that are debt instruments, and are measured at amortised cost.

ii) Financial assets that are debt instruments and are measured as at FVTOCI

iii) Contract Assets and Trade Receivables under Ind AS 115-*Revenue from Contracts with Customers*

iv) Lease Receivables under Ind AS 116-*Leases*.

The Company follows the 'simplified approach' permitted under Ind AS 109, "Financial Instruments" for recognition of impairment loss allowance based on life time expected credit

loss from initial recognition on contract assets, lease receivables and trade receivables resulting from transactions within the scope of Ind AS 116 and Ind AS 115.

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

**10.0 Inventories**

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

Scrap is valued at net realisable value.

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

**11.0 Dividends**

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

**12.0 Financial liabilities**

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

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

**a) Classification, initial recognition and measurement**

Financial liabilities are recognised initially at fair value less transaction costs that are directly attributable and subsequently measured at amortised cost. Financial liabilities are classified as subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss or in the carrying amount of an asset if another standard permits such inclusion, over the period of the borrowings using the effective rate of interest.

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

**b) Subsequent measurement**

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

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

**c) Derecognition**

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

**d) Offsetting of financial instruments**

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

**e) Derivative financial instruments**

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

**13.0 Government Grants**

a) The benefits of a government loan at a below market rate of interest is treated as Government Grant. The loan is initially recognised and measured at fair value and the government grant is measured as the difference between the initially recognized amount of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities and government grant is recognized initially as deferred income and subsequently in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

b) Monetary grants from the government for creation of assets are initially recognised as deferred income when there is reasonable assurance that the grant will be received and the company will comply with the conditions associated with the grant. The deferred income so recognised is subsequently amortised in the Statement of Profit and Loss over the useful life of the related assets.

c) Government grant related to income is recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

**14.0 Provisions, Contingent Liabilities and Contingent Assets**

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

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

b) Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly

within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each Balance Sheet date and are adjusted to reflect the current management estimate.

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

**15.0 Revenue Recognition and Other Income**

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

**a) Revenue from sale of power**

i) Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over the products or services to a customer.

ii) Revenue from sale of power (except minimum lease receipts in respect of power stations considered as Finance Lease/Operating Lease) is accounted for as per tariff notified by the Central Electricity Regulatory Commission (CERC) under the CERC (Terms & Conditions of Tariff) Regulations, 2019 as modified by the orders of Appellate Tribunal for Electricity to the extent applicable. In the case of Power Stations where provisional/ final tariff is yet to be notified or where incentives/ disincentives are chargeable/ payable as per CERC (Terms & Conditions of Tariff) Regulations, revenue is recognised to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Rebates given to beneficiaries as early payments incentives are deducted from the amount of revenue.

iii) Customers are billed on a periodic and regular basis. As at each reporting date, revenue from sale of power includes an accrual for sales delivered to customers but not yet billed (unbilled revenue).

iv) Recovery/ refund towards foreign currency variation in respect of foreign currency loans and recovery towards Income Tax are recognised on year to year basis based on regulatory norms. Recovery towards deferred tax items recognized till March 31, 2009 are accounted for when the same materialises.

v) Adjustments arising out of finalisation of Regional Energy Account (REA), though not material, are effected in the year of respective finalisation.

vi) Advance Against Depreciation (AAD) considered as deferred income up to 31st March 2009 is included in sales on straight line basis over the balance useful life after a period of 12 years from the date of commercial operation of the Power Station.

**b) Revenue from Project Management / Construction Contracts/ Consultancy assignments**

i) Revenue from Project Management / Construction Contracts/ Consultancy assignments is measured based on the consideration that is specified in a contract with a customer or is expected

to be received in exchange for the services and excludes amounts collected on behalf of third parties. The Company recognises revenue on the basis of input method. Input method recognises revenue on the basis of the costs incurred towards the satisfaction of a performance obligation relative to the total expected costs to the satisfaction of that performance obligation.

ii) Contract modifications, if any, are accounted for when there is a change in the scope or price (or both) of a contract that is approved by the parties to the contract and when the parties to a contract approve a modification that either creates new or changes existing enforceable rights and obligations of the parties to the contract. Accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Contract modifications are recorded on standalone basis when the scope of the contract increases because of the addition of promised goods or services or the price of the contract increases by an amount of consideration that reflects the Company's standalone selling prices of the additional promised goods or services and any appropriate adjustments to that price to reflect the circumstances of the particular contract. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

**c) Revenue from trading of power**

i) Accounting for revenue from trading of power involves assessment of the contract conditions to determine whether the Company is required to act in the capacity of a principal or as an agent. The Company acts in the nature of a principal in case it obtains control of the electricity before transferring it to the customer. Indicators of control includes assessment of whether the company is primarily responsible for fulfilling the promise to provide the electricity, it has the discretion to establish the price or whether it bears the inventory risk. Where the Company does not obtain control of the electricity before transferring it to the customer and its performance obligation is to arrange for the supply of electricity by another party, it acts in the nature of an agent.

ii) Where the Company acts as a principal in a contract for trading of power, the amount of the transaction price allocated to the performance obligation that is satisfied is recognised as revenue.

iii) Where the Company acts as an agent in a contract for trading of power, the net consideration retained after paying the supplier for the electricity provided to the customer is recognised as revenue from operations. Financial assets and liabilities arising out of these transactions are not set off.

**d) Other income**

i) Dividend income is recognized when the right to receive the same is established.

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

iii) Interest/Surcharge recoverable from customers including those arising out of contracts for trading of power and liquidated damages /interest on advances to contractors is recognised when it is highly probable that a significant reversal in the amount of revenue recognised will not occur in the future.

**16.0 Employee Benefits**

**i) Short-term employee benefits**

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

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

**ii) Defined contribution plans**

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

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

**iii) Defined benefit plans**

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

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

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

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

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

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

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

**iv) Other long-term employee benefits**

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

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

**v) Termination benefits**

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

**17.0 Borrowing costs**

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

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

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

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

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

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

**18.0 Depreciation and amortization**

a) Depreciation on additions to /deductions from Property, Plant & Equipment (PPE) during the year is charged on pro-rata basis from / up to the date on which the asset is available for use / disposal.

b) (i) Depreciation on Property, Plant and Equipment of Operating Units of the Company capitalized till five years before the end of the useful life of the Power Station is charged to the Statement of Profit & Loss on straight-line method following the rates and methodology notified by CERC for the fixation of tariff except for assets specified in Policy No. 18.0(d).

(ii) Depreciation on Property, Plant and Equipment capitalized during the last five years of the useful life of a Power Station is charged on straight-line method for the period of extended life as per CERC Tariff Regulations/Orders, from the date on which such asset becomes available for use.

(iii) Where the life and / or efficiency of a Power Station is increased due to renovation and modernization, the expenditure thereon along with its unamortized depreciable amount is charged prospectively on straight-line method over the revised / remaining useful life.

c) i) Depreciation on Property, Plant and Equipment (except old and used) of other than Operating Units of the Company is charged to the extent of 90% of the cost of the asset following the rates notified by CERC for the fixation of tariff except for assets specified in Policy No. 18.0(d).

ii) Depreciation on old and used items of PPE of other than Operating Units is charged on straight-line method to the extent of 90% of the cost of the asset over estimated useful life determined on the basis of technical assessment.

d) i) Depreciation in respect of following items of PPE is provided on straight line method based on the useful life and residual value (5%) given in the Schedule II of the Companies Act, 2013:

- Construction Plant and Machinery
- Computer and Peripherals

ii) Based on management assessment, depreciation on Mobile Phones is provided on straight line basis over a period of three years with residual value of Re 1.

iii) Based on management assessment, depreciation on Roof Top Solar Power System / Equipment is provided on straight line basis over a period of twenty five years with residual value of 10%.

e) Temporary erections are depreciated fully (100%) in the year of acquisition/capitalization by retaining Re. 1/- as WDV.

f) Assets valuing Rs. 5000/- or less but more than Rs. 750/- are fully depreciated during the year in which the asset becomes available for use with Re. 1/- as WDV.

g) Low value items, which are in the nature of assets (excluding immovable assets) and valuing up to Rs. 750/- are not capitalized and charged off to expenditure in the year of use.

h) Leasehold Land of operating units, is amortized over the period of lease or 40 years whichever is lower, following the rates and methodology notified vide CERC tariff regulations.

i) Leasehold Land and buildings, of units other than operating units, is amortized over the period of lease or 40 years, whichever is lower.

j) PPE created on leasehold land are depreciated to the extent of 90% of original cost over the balance available lease period of respective land from the date such asset is available for use or at the applicable depreciation rates & methodology notified by CERC tariff regulations for such assets, whichever is higher.

k) Right to use in respect of land is amortized over a period of 30 years from the date of commercial operation of the project in line with CERC tariff regulations notified for tariff fixation.

l) Cost of software recognized as 'Intangible Assets' is amortized on straight line method over a

period of legal right to use or three financial years, whichever is earlier, starting from the year in which it is acquired.

m) Where the cost of depreciable assets has undergone a change during the year due to increase/ decrease in long term liabilities on account of exchange fluctuation, price adjustment, settlement of arbitration/court cases, change in duties or similar factors, the unamortized balance of such assets is depreciated prospectively over the residual life of such assets at the rate of depreciation and methodology notified by CERC tariff regulations.

n) Spare parts procured along with the Plant and Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery at the rates and methodology notified by CERC.

o) Useful life, method of depreciation and residual value of assets where depreciation is charged as per management assessment are reviewed at the end of each financial year and adjusted prospectively over the balance useful life of the asset, wherever required.

**19.0 Impairment of non-financial assets other than inventories**

a) The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss.

b) In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

c) In case of expenditure on survey & investigation of projects, if it is decided to abandon such a project, expenditure incurred thereon is charged to the Statement of Profit and Loss in the year in which such decision is taken.

d) In case a project under survey and Investigation remains in abeyance by the order of appropriate authority/ by injunction of court order, any expenditure incurred on such projects from the date of order/ injunction of court is provided in the books from the date of such order till the period project is kept in abeyance by such order/ injunction. Provision so made is however reversed on the revocation of aforesaid order/ injunction.

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

**20.0 Income Taxes**

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

**a) Current tax**

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

**b) Deferred tax**

i) Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the Balance Sheet method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of an asset or liability in a transaction that at the time of the transaction affects neither the taxable profit or loss nor the accounting profit or loss.

ii) The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

iii) Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would flow in the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

iv) Deferred tax is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in Other Comprehensive Income or Equity.

v) Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

vi) Deferred tax recovery adjustment account is credited/ debited to the extent the deferred tax for the current period forms part of current tax in the subsequent periods and affects the computation of return on equity (ROE), a component of tariff.

vii) When there is uncertainty regarding income tax treatments, the Company assesses whether a tax authority is likely to accept an uncertain tax treatment. If it concludes that the tax authority is unlikely to accept an uncertain tax treatment, the effect of the uncertainty on taxable income, tax bases and unused tax losses and unused tax credits is recognised. The effect of the uncertainty is recognised using the method that, in each case, best reflects the outcome of the uncertainty: the most likely outcome or the expected value. For each case, the Company evaluates whether to consider each uncertain tax treatment separately, or in conjunction with another or several other uncertain tax treatments, based on the approach that best prefixes the resolution of uncertainty.

**21.0 Compensation from third parties**

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

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

**22.0 Segment Reporting**

a) In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's "Chief Operating Decision Maker" or "CODM" within the meaning of Ind AS 108.

b) Electricity generation is the principal business activity of the Company. Other operations viz., Contracts, Project Management, Consultancy works and Trading of Power do not form a reportable segment as per the Ind AS -108.

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

**23.0 Leases**

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

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
    - the Company has the right to operate the asset; or
    - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

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

**i. Company as a lessee**

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial

direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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

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

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

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

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

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

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

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

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

**ii. Company as a lessor**

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating

lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

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

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

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

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

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

**24.0 Business combinations**

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

**25.0 Material prior period errors**

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

**26.0 Earnings per share**

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

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

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

**27.0 Statement of Cash Flows**

a) **Cash and Cash Equivalents:**

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

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

**28.0 Current versus non-current classification**

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

a) An asset is current when it is:

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

All other assets are classified as non-current.

b) A liability is current when:

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

All other liabilities are classified as non-current.

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

**29.0 Miscellaneous**

a) Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

b) Liabilities for Goods in transit/Capital works executed but not certified are not provided for, pending transfer of ownership, inspection and acceptance by the Company.

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

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain Indian Accounting Standards, and are effective April 1, 2022. The summary of the major amendments and its impact on the Company are given hereunder:

**(i) Ind AS 16 – Proceeds before intended use**

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

The Company does not expect the amendment to have any impact in the financial statements.

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

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

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

**(iii) Ind AS 103: Business Combination**

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

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

**(iv) Ind AS 109 – Annual improvement to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the "ten percent" test of Ind AS 109 in assessing whether to derecognise a financial liability.

The Company does not expect the amendment to have any impact in the financial statements.

## NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENT

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2021 | Addition | Deduction | Adjust-ment | As at 31.03.2022 | As at 01.04.2021 | For the year | Adjust-ment | As at 31.03.2022 | As at 31.03.2022 | As at 31.03.2021 |
| Land – Freehold **(Refer Note 2.1.1 and 2.1.2)** | 405.40 | 730.10 | 0.05 | (0.27) | 1135.18 | - | - | - | - | 1,135.18 | 405.40 |
| Roads and Bridges | 309.01 | 4.00 | 1.15 | (1.49) | 310.37 | 76.14 | 11.64 | (0.42) | 87.36 | 223.01 | 232.87 |
| Buildings | 2,252.69 | 23.53 | 0.11 | (8.71) | 2267.40 | 484.77 | 77.71 | (0.03) | 562.45 | 1,704.95 | 1,767.92 |
| Railway Sidings | 13.06 | - | - | - | 13.06 | 13.06 | - | - | 13.06 | - | - |
| Hydraulic Works (Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels) | 15,767.74 | 83.87 | 2.55 | (37.64) | 15811.42 | 4,802.34 | 650.98 | 0.63 | 5,453.95 | 10,357.47 | 10,965.40 |
| Generating Plant and Machinery | 7,819.44 | 158.45 | 13.24 | 10.71 | 7975.36 | 2,352.98 | 338.07 | 16.82 | 2,707.87 | 5,267.49 | 5,466.46 |
| Plant and machinery - Sub-Station | 54.14 | 1.79 | 0.30 | 0.31 | 55.94 | 15.31 | 2.39 | 0.17 | 17.87 | 38.07 | 38.83 |
| Plant and machinery - Transmission Lines | 70.62 | 0.84 | 0.08 | (0.03) | 71.35 | 25.35 | 2.98 | (0.03) | 28.30 | 43.05 | 45.27 |
| Plant and machinery - Others | 39.24 | 0.73 | 0.25 | (0.03) | 39.69 | 13.75 | 2.11 | (0.15) | 15.71 | 23.98 | 25.49 |
| Construction Plant and Machinery | 52.32 | 1.43 | 0.50 | - | 53.25 | 26.19 | 3.32 | (0.11) | 29.40 | 23.85 | 26.13 |
| Water Supply System/Drainage and Sewerage | 59.06 | 3.94 | - | (0.17) | 62.83 | 12.56 | 2.50 | - | 15.06 | 47.77 | 46.50 |
| Electrical Installations | 17.14 | 3.39 | 0.05 | - | 20.48 | 2.30 | 0.88 | (0.02) | 3.16 | 17.32 | 14.84 |
| Vehicles | 23.30 | 4.22 | 0.49 | - | 27.03 | 9.39 | 1.29 | (0.17) | 10.51 | 16.52 | 13.91 |
| Aircraft/ Boats | 1.93 | 0.05 | 0.01 | - | 1.97 | 0.58 | 0.14 | - | 0.72 | 1.25 | 1.35 |
| Furniture and Fixtures | 37.49 | 1.67 | 0.34 | - | 38.82 | 13.37 | 2.07 | (0.14) | 15.30 | 23.52 | 24.12 |
| Computer and Peripherals | 49.87 | 7.00 | 1.56 | 0.12 | 55.43 | 34.18 | 6.19 | (1.00) | 39.37 | 16.06 | 15.69 |
| Communication Equipments | 13.21 | 0.80 | 0.53 | - | 13.48 | 4.21 | 0.60 | (0.23) | 4.58 | 8.90 | 9.00 |
| Office Equipments | 116.70 | 9.35 | 3.25 | - | 122.80 | 41.28 | 6.86 | (1.50) | 46.64 | 76.16 | 75.42 |
| **TOTAL** | **27,102.36** | **1,035.16** | **24.46** | **(37.20)** | **28,075.86** | **7,927.76** | **1,109.73** | **13.82** | **9,051.31** | **19,024.55** | **19,174.60** |
| Previous Year | 28,694.70 | 254.86 | 52.20 | (1,795.00) | 27,102.36 | 7,225.94 | 1,219.68 | (517.86) | 7,927.76 | 19,174.60 | |

**Note: -**

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

2.1.2 Freehold Land includes 8 hectare (Previous year 8 hectare) of land being used by Loktak Downstream Hydroelectric Corporation Limited (LDHCL) (A subsidiary of NHPC Limited) for a consideration of ₹ 100 per annum as rent, for which a lease agreement has been entered between NHPC Limited and LDHCL.

2.1.3 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.

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

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

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

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

2.1.7 Additional disclosure of Property Plant and Equipment (PPE) as per gross block of assets and accumulated depreciation under previous GAAP has been provided as **Annexure-II** to this Note.

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

| Relevent Line item in the Balance Sheet | Description of Item of Property | Gross Carrying Value (Rs. in Crore) | Title Deeds held in the name of | Whether title deed holder is a promoter, director or relative of Promoter/director or employee of promoter/ director | Property held since which date/year | Reason for not being held in the name of the Company |
|---|---|---|---|---|---|---|
| Property, Plant and Equipment-Land Freehold | Land (1458.45 Hectare) | 6.51 | Hind Sarkar (Govt. of India) | NO | Since 1987 | In respect of Salal Power Station, documents are yet to be executed in favour of Company. |
| | Land (7.0844 Hectare) | 36.07 | Various Parties | NO | 27.09.2021 | The land is under possession of NHPC Parbati-II. Documents are yet to be executed in favour of Company. |
| | Land (4.69 Hectare) | 6.33 | Various Parties | NO | 10.04.2008 | In respect of Teesta-V Power Station, documents are yet to be executed in favour of Company |
| | Land (0.09 Hectare) | 0.01 | Prem Tshering Lepcha | NO | 31.03.2000 | In respect of Rangit Power Station, present owner of the property has passed away. Execution of Title Deed is pending. |
| | Land (0.10 Hectare) | 0.0004 | Various Parties | NO | Since 1987 | In respect of Salal Power Station, documents are yet to be executed in favour of Company. |
| | Land (74.95 Hectare) | 0.00 | Govt of India 74.08 hectare and pvt land 0.87 hectare | NO | Since January 1978 | In respect of Bairasiul Power Station, documents are yet to be executed in favour of Company. |

## ANNEXURE-II TO NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENT

**Additional Disclosure of Property, Plant and Equipment**

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2021 | Addition | Deduction | Adjust-ment | As at 31.03.2022 | As at 01.04.2021 | For the year | Adjust-ment | As at 31.03.2022 | As at 31.03.2022 | As at 31.03.2021 |
| Land – Freehold | 405.40 | 730.10 | 0.05 | (0.27) | 1,135.18 | - | - | - | - | 1,135.18 | 405.40 |
| Roads and Bridges | 402.23 | 4.00 | 1.91 | (1.48) | 402.84 | 169.36 | 11.64 | (1.17) | 179.83 | 223.01 | 232.87 |
| Buildings | 2,966.45 | 23.53 | 0.44 | (8.71) | 2,980.83 | 1,198.53 | 77.71 | (0.36) | 1,275.88 | 1,704.95 | 1,767.92 |
| Railway Sidings | 31.98 | - | - | - | 31.98 | 31.98 | - | - | 31.98 | - | - |
| Hydraulic Works (Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels) | 21,464.61 | 83.87 | 7.78 | (38.73) | 21,501.97 | 10,499.21 | 650.98 | (5.69) | 11,144.50 | 10,357.47 | 10,965.40 |
| Generating Plant and Machinery | 10,726.38 | 158.45 | 16.08 | (10.89) | 10,857.86 | 5,259.92 | 338.07 | (7.62) | 5,590.37 | 5,267.49 | 5,466.46 |
| Plant and machinery - Sub-Station | 105.41 | 1.79 | 0.37 | (0.02) | 106.81 | 66.58 | 2.39 | (0.23) | 68.74 | 38.07 | 38.83 |
| Plant and machinery - Transmission Lines | 97.59 | 0.84 | 0.10 | (0.03) | 98.30 | 52.32 | 2.98 | (0.05) | 55.25 | 43.05 | 45.27 |
| Plant and machinery - Others | 54.88 | 0.73 | 0.71 | (0.03) | 54.87 | 29.39 | 2.11 | (0.61) | 30.89 | 23.98 | 25.49 |
| Construction Plant and Machinery | 109.93 | 1.43 | 4.81 | - | 106.55 | 83.80 | 3.32 | (4.42) | 82.70 | 23.85 | 26.13 |
| Water Supply System/Drainage and Sewerage | 68.81 | 3.94 | 0.01 | (0.16) | 72.58 | 22.31 | 2.50 | - | 24.81 | 47.77 | 46.50 |
| Electrical Installations | 18.33 | 3.39 | 0.08 | - | 21.64 | 3.49 | 0.88 | (0.05) | 4.32 | 17.32 | 14.84 |
| Vehicles | 32.90 | 4.22 | 1.48 | - | 35.64 | 18.99 | 1.29 | (1.16) | 19.12 | 16.52 | 13.91 |
| Aircraft/ Boats | 2.17 | 0.05 | 0.07 | - | 2.15 | 0.82 | 0.14 | (0.06) | 0.90 | 1.25 | 1.35 |
| Furniture and Fixtures | 61.40 | 1.67 | 0.62 | - | 62.45 | 37.28 | 2.07 | (0.42) | 38.93 | 23.52 | 24.12 |
| Computer and Peripherals | 76.23 | 7.00 | 6.14 | 0.03 | 77.12 | 60.54 | 6.19 | (5.67) | 61.06 | 16.06 | 15.69 |
| Communication Equipments | 18.76 | 0.80 | 1.23 | - | 18.33 | 9.76 | 0.60 | (0.93) | 9.43 | 8.90 | 9.00 |
| Office Equipments | 170.34 | 9.35 | 7.13 | - | 172.56 | 94.92 | 6.86 | (5.38) | 96.40 | 76.16 | 75.42 |
| **TOTAL** | **36,813.80** | **1,035.16** | **49.01** | **(60.29)** | **37,739.66** | **17,639.20** | **1,109.73** | **(33.82)** | **18,715.11** | **19,024.55** | **19,174.60** |
| Previous Year | 38,607.69 | 254.86 | 63.47 | (1,985.28) | 36,813.80 | 17,138.93 | 1,219.68 | (719.41) | 17,639.20 | 19,174.60 | |

**Note: -**

Underground works amounting to ₹ 10496.48 crore (Previous Year ₹ 10494.51 crore ), created on "Land -Right to Use" classified under Right of use Assets, are included under the relevant heads of Property, Plant and Equipment.

## NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENT

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2020 | Addition | Deduction | Adjust-ment | As at 31.03.2021 | As at 01.04.2020 | For the year | Adjust-ment | As at 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Land – Freehold **(Refer Note 2.1.1 and 2.1.2)** | 392.37 | 13.64 | 0.30 | (0.31) | 405.40 | - | - | - | - | 405.40 | 392.37 |
| Roads and Bridges | 312.02 | 4.41 | 0.11 | (7.31) | 309.01 | 65.65 | 11.66 | (1.17) | 76.14 | 232.87 | 246.37 |
| Buildings | 2,404.26 | 31.38 | 0.52 | (182.43) | 2252.69 | 440.45 | 76.13 | (31.81) | 484.77 | 1,767.92 | 1,963.81 |
| Railway Sidings | 16.57 | - | - | (3.51) | 13.06 | 16.57 | - | (3.51) | 13.06 | - | - |
| Hydraulic Works (Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels) | 16,737.99 | 19.77 | 0.17 | (989.85) | 15767.74 | 4,330.75 | 748.75 | (277.16) | 4,802.34 | 10,965.40 | 12,407.24 |
| Generating Plant and Machinery | 8,313.65 | 147.22 | 47.24 | (594.19) | 7819.44 | 2,198.82 | 350.85 | (196.69) | 2,352.98 | 5,466.46 | 6,114.83 |
| Plant and machinery - Sub-Station | 56.01 | 1.16 | 0.55 | (2.48) | 54.14 | 13.65 | 2.38 | (0.72) | 15.31 | 38.83 | 42.36 |
| Plant and machinery - Transmission Lines | 71.08 | 1.11 | - | (1.57) | 70.62 | 21.90 | 4.04 | (0.59) | 25.35 | 45.27 | 49.18 |
| Plant and machinery - Others | 36.19 | 3.68 | 0.19 | (0.44) | 39.24 | 11.93 | 1.95 | (0.13) | 13.75 | 25.49 | 24.26 |
| Construction Plant and machinery | 54.42 | 2.49 | 0.08 | (4.51) | 52.32 | 23.86 | 3.69 | (1.36) | 26.19 | 26.13 | 30.56 |
| Water Supply System/Drainage and Sewerage | 55.36 | 5.17 | 0.04 | (1.43) | 59.06 | 10.50 | 2.31 | (0.25) | 12.56 | 46.50 | 44.86 |
| Electrical Installations | 16.17 | 1.18 | - | (0.21) | 17.14 | 1.61 | 0.71 | (0.02) | 2.30 | 14.84 | 14.56 |
| Vehicles | 22.75 | 1.40 | 0.41 | (0.44) | 23.30 | 8.31 | 1.34 | (0.26) | 9.39 | 13.91 | 14.44 |
| Aircraft/ Boats | 1.91 | 0.17 | 0.05 | (0.10) | 1.93 | 0.47 | 0.14 | (0.03) | 0.58 | 1.35 | 1.44 |
| Furniture and Fixtures | 37.81 | 1.74 | 0.24 | (1.82) | 37.49 | 11.78 | 2.14 | (0.55) | 13.37 | 24.12 | 26.03 |
| Computer and Peripherals | 45.42 | 7.67 | 1.33 | (1.89) | 49.87 | 30.04 | 6.40 | (2.26) | 34.18 | 15.69 | 15.38 |
| Communication Equipments | 12.23 | 1.23 | 0.17 | (0.08) | 13.21 | 3.70 | 0.65 | (0.14) | 4.21 | 9.00 | 8.53 |
| Office Equipments | 108.49 | 11.44 | 0.80 | (2.43) | 116.70 | 35.95 | 6.54 | (1.21) | 41.28 | 75.42 | 72.54 |
| **TOTAL** | **28,694.70** | **254.86** | **52.20** | **(1,795.00)** | **27,102.36** | **7,225.94** | **1,219.68** | **(517.86)** | **7,927.76** | **19,174.60** | **21,468.76** |
| Previous Year | 28,660.92 | 386.17 | 30.98 | (1.82) | 28,694.70 | 5,720.23 | 1,541.74 | (13.59) | 7,225.94 | 21,468.76 | |

**Note:-**

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

2.1.2 Freehold Land includes 8 hectare (Previous year 8 hectare) of land being used by Loktak Downstream Hydroelectric Corporation Limited (LDHCL) (A subsidiary of NHPC Limited) for a consideration of ₹ 100 per annum as rent, for which a lease agreement has been entered between NHPC Limited and LDHCL.

2.1.3 Adjustments to Gross Block and depreciation include adjustment for amount derecognised from PPE and recognised as Lease Receivables under Financial Assets in respect of TLD-III Power Station which is accounted as Finance Lease under Ind AS 116- Leases. ( Refer Note 34 (16) (B))

2.1.4 Pending approval of revised cost estimates (RCE) of Sewa-II, Kishanganga, Chamera-III, Teesta Low Dam-III, Uri-II & Teesta Low Dam-IV Power Stations, capital expenditure incurred on these power stations has been considered for capitalisation.

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

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

2.1.7 Foreign Exchange Rate Variation included in Adjustments to gross block of the assets are as follows: -

| PARTICULARS | For the year ended 31.03.2021 (₹ in crore) | For the year ended 31.03.2020 (₹ in crore) |
|---|---|---|
| Roads and Bridges | (1.03) | - |
| Buildings | (7.29) | - |
| Hydraulic Works (Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels) | (32.76) | - |
| Generating Plant and machinery | (8.52) | - |
| Plant and machinery Sub station | (0.07) | - |
| Water Supply System/Drainage and Sewerage | (0.04) | - |
| **Total** | **(49.71)** | **-** |

2.1.8 Additional disclosure of Property Plant and Equipment (PPE) as per gross block of assets and accumulated depreciation under previous GAAP has been provided as **Annexure-II** to this Note.

## Annexure-I to Note 2.1:-Title deeds of Immovable Properties not held in the name of the Company as on 31st March 2021

| Relevent Line item in the Balance Sheet | Description of Item of Property | Gross Carrying Value (Rs. in Crore) | Title Deeds held in the name of | Whether title deed holder is a promoter, director or relative of Promoter/director or employee of promoter/ director | Property held since which date/ year | Reason for not being held in the name of the Company |
|---|---|---|---|---|---|---|
| Property, Plant and Equipment- Land Freehold | Land (1458.45 Hectare) | 6.51 | Hind Sarkar (Govt. of India) | NO | Since 1987 | In respect of Salal Power Station, documents are yet to be executed in favour of Company. |
| | Land (98.38 Hectare) | 24.90 | Private Parties | NO | Since FY 2020-21 | In respect of Dibang Project. Land mutation is under process |
| | Land (4.69 Hectare) | 6.33 | Various Parties | NO | 10.04.2008 | In respect of Teesta-V Power Station, documents are yet to be executed in favour of Company |
| | Land (12.94 Hectare) | 0.36 | Private Parties | NO | 18.07.2002 | In respect of Subansiri Lower Project, the land is in the process of returning back to land owners. |
| | Land (0.09 Hectare) | 0.01 | Prem Tshering Lepcha | NO | 31.03.2000 | In respect of Rangit Power Station, present owner of the property has passed away. Execution of Title Deed is pending. |
| | Land (0.10 Hectare) | 0.0004 | Various Parties | NO | Since 1987 | In respect of Salal Power Station, documents are yet to be executed in favour of Company. |
| | Land (74.95 Hectare) | 0.00 | Govt of India 74.08 hectare and pvt land 0.87 hectare | NO | Since January 1978 | In respect of Bairasiul Power Station, documents are yet to be executed in favour of Company. |

## ANNEXURE-II TO NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENT

**Additional Disclosure of Property, Plant and Equipment**

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2020 | Addition | Deduction | Adjust-ment | As at 31.03.2021 | As at 01.04.2020 | For the year | Adjust-ment | As at 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Land – Freehold | 392.37 | 13.64 | 0.30 | (0.31) | 405.40 | - | - | - | - | 405.40 | 392.37 |
| Roads and Bridges | 405.63 | 4.41 | 0.14 | (7.67) | 402.23 | 159.26 | 11.66 | (1.56) | 169.36 | 232.87 | 246.37 |
| Buildings | 3,130.33 | 31.38 | 0.52 | (194.74) | 2,966.45 | 1,166.52 | 76.13 | (44.12) | 1,198.53 | 1,767.92 | 1,963.81 |
| Railway Sidings | 36.10 | - | - | (4.12) | 31.98 | 36.10 | - | (4.12) | 31.98 | - | - |
| Hydraulic Works (Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels) | 22,543.91 | 19.77 | 0.18 | (1,098.89) | 21,464.61 | 10,136.67 | 748.75 | (386.21) | 10,499.21 | 10,965.40 | 12,407.24 |
| Generating Plant and Machinery | 11,293.72 | 147.22 | 53.88 | (660.68) | 10,726.38 | 5,178.89 | 350.85 | (269.82) | 5,259.92 | 5,466.46 | 6,114.83 |
| Plant and machinery - Sub-Station | 107.52 | 1.16 | 0.72 | (2.55) | 105.41 | 65.16 | 2.38 | (0.96) | 66.58 | 38.83 | 42.36 |
| Plant and machinery - Transmission Lines | 98.27 | 1.11 | - | (1.79) | 97.59 | 49.09 | 4.04 | (0.81) | 52.32 | 45.27 | 49.18 |
| Plant and machinery - Others | 52.50 | 3.68 | 0.81 | (0.49) | 54.88 | 28.24 | 1.95 | (0.80) | 29.39 | 25.49 | 24.26 |
| Construction Plant and Machinery | 112.59 | 2.49 | 0.49 | (4.66) | 109.93 | 82.03 | 3.69 | (1.92) | 83.80 | 26.13 | 30.56 |
| Water Supply System/Drainage and Sewerage | 65.16 | 5.17 | 0.03 | (1.49) | 68.81 | 20.30 | 2.31 | (0.30) | 22.31 | 46.50 | 44.86 |
| Electrical Installations | 17.37 | 1.18 | - | (0.22) | 18.33 | 2.81 | 0.71 | (0.03) | 3.49 | 14.84 | 14.56 |
| Vehicles | 32.71 | 1.40 | 0.77 | (0.44) | 32.90 | 18.27 | 1.34 | (0.62) | 18.99 | 13.91 | 14.44 |
| Aircraft/ Boats | 2.15 | 0.17 | 0.05 | (0.10) | 2.17 | 0.71 | 0.14 | (0.03) | 0.82 | 1.35 | 1.44 |
| Furniture and Fixtures | 62.08 | 1.74 | 0.36 | (2.06) | 61.40 | 36.05 | 2.14 | (0.91) | 37.28 | 24.12 | 26.03 |
| Computer and Peripherals | 73.29 | 7.67 | 2.60 | (2.13) | 76.23 | 57.91 | 6.40 | (3.77) | 60.54 | 15.69 | 15.38 |
| Communication Equipments | 17.94 | 1.23 | 0.33 | (0.08) | 18.76 | 9.41 | 0.65 | (0.30) | 9.76 | 9.00 | 8.53 |
| Office Equipments | 164.05 | 11.44 | 2.29 | (2.86) | 170.34 | 91.51 | 6.54 | (3.13) | 94.92 | 75.42 | 72.54 |
| **TOTAL** | **38,607.69** | **254.86** | **63.47** | **(1,985.28)** | **36,813.80** | **17,138.93** | **1,219.68** | **(719.41)** | **17,639.20** | **19,174.60** | **21,468.76** |
| Previous Year | 38,595.53 | 386.17 | 39.13 | (1.87) | 38,607.69 | 15,654.84 | 1,541.74 | (21.80) | 17,138.93 | 21,468.76 | |

**Note:-**

Underground works amounting to ₹ 10494.51 crore (Previous Year ₹ 10491.91 crore ), created on "Land -Right to Use"classified under Right of use Assets, are included under the relevant heads of Property, Plant and Equipment.

## Note No. 2.2 Capital Work in Progress (CWIP)

(₹ in crore)

| Particulars | As at 01.04.2021 | Addition | Adjustment | Capitalised | As at 31.03.2022 |
|---|---|---|---|---|---|
| Roads and Bridges | 8.28 | 11.87 | 0.42 | 4.42 | 16.15 |
| Buildings | 921.72 | 206.28 | 0.39 | 27.39 | 1,101.00 |
| Hydraulic Works (Dams, Water Conductor System, Hydro mechanical Gates, Tunnels) | 5,581.94 | 962.06 | (2.14) | 78.22 | 6,463.64 |
| Generating Plant and Machinery | 2,658.90 | 129.46 | (0.09) | 100.25 | 2,688.02 |
| Plant and Machinery - Sub-Station | 2.41 | 1.74 | - | 0.42 | 3.73 |
| Plant and Machinery - Transmission Lines | 2.38 | 1.02 | - | 0.30 | 3.10 |
| Plant and Machinery - Others | 1.67 | 1.76 | - | 2.70 | 0.73 |
| Water Supply System/Drainage and Sewerage | 1.65 | 2.36 | - | 3.78 | 0.23 |
| Computers | - | 0.48 | - | 0.48 | - |
| Office Equipments | - | 0.13 | 0.24 | 0.24 | 0.13 |
| Assets awaiting Installation | 11.24 | 30.75 | - | 30.37 | 11.62 |
| Survey, Investigation, Consultancy and Supervision Charges | 182.02 | 18.12 | - | - | 200.14 |
| Expenditure Attributable to Construction **(Refer Note-32 and 2.2.9)** | 9,359.51 | 1,569.61 | 1.98 | 20.57 | 10,910.53 |
| **Sub total** | **18,731.72** | **2,935.64** | **0.80** | **269.14** | **21,399.02** |
| Less: Capital Work in Progress provided **(Refer Note 2.2.3)** | 954.58 | 7.47 | - | - | 962.05 |
| **Sub total (a)** | **17,777.14** | **2,928.17** | **0.80** | **269.14** | **20,436.97** |
| Construction Stores | 75.75 | 61.87 | (0.48) | - | 137.14 |
| Less : Provisions for construction stores | 0.33 | 0.02 | (0.08) | - | 0.27 |
| **Sub total (b)** | **75.42** | **61.85** | **(0.40)** | **-** | **136.87** |
| **TOTAL (a + b)** | **17,852.56** | **2,990.02** | **0.40** | **269.14** | **20,573.84** |
| Previous Year | 16,097.65 | 2,039.04 | (94.12) | 190.01 | 17,852.56 |

**Note:-**

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

(₹ in crore)

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

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

(₹ in crore)

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

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

2.2.3 Capital Work in Progress (CWIP) includes a cumulative expenditure of ₹ 1234.97 Crore (Previous Year ₹ 1192.72 Crore) including Survey, Investigation, Consultancy and Supervision Charges of ₹ 156.27 crore (Previous Year ₹ 138.52 Crore) on projects under Survey & Investigation stage. Of this, a sum of ₹ 43.52 Crore (Previous Year ₹ 43.52 Crore) pertains to Subansiri Upper Project, which had been decided by Government of Arunachal Pradesh to be handed over to a Private Developer. However, pending

handing over of the project & recovery of expenditure incurred thereon, the said amount remains provided for in the books as an abundant precaution. Out of the balance of ₹ 1191.45 Crore (Previous Year ₹ 1149.20 Crore) pertaining to projects with the company, a sum of ₹ 918.48 Crore (Previous Year ₹ 911.06 Crore) has been provided for where uncertainties are attached and ₹ 272.97 Crore (Previous Year ₹ 238.14 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)).**

2.2.4 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.

2.2.5 Underground Works amounting to ₹ 2469.60 Crore (Previous Year ₹ 2317.10 Crore) created on "Land -Right to Use" classified under Right of Use Assets, are included under respective heads of Capital Work in Progress (CWIP).

2.2.6 Refer Note no. 34(9) of Standalone Financial Statements for information of non-current assets pledged with banks as security for related borrowings.

2.2.7 Capital Expenditure on projects under construction approved by the competent authority undergoes revision over a period of time as hydroelectric projects are time intensive and some projects take longer period than envisaged. As a consequence cost escalations occur, which require approval of competent authority. Pending such approval the expenditure incurred is carried forward in Capital Work in Progress (CWIP).

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

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

## Note No. 2.2 Capital Work in Progress (CWIP)

(₹ in crore)

| Particulars | As at 01.04.2020 | Addition | Adjustment | Capitalised | As at 31.03.2021 |
|---|---|---|---|---|---|
| Roads and Bridges | 7.13 | 5.56 | - | 4.41 | 8.28 |
| Buildings | 929.54 | 45.71 | (21.58) | 31.95 | 921.72 |
| Hydraulic Works (Dams, Water Conductor System, Hydro mechanical Gates, Tunnels) | 5,031.26 | 612.96 | (47.81) | 14.47 | 5,581.94 |
| Generating Plant and Machinery | 2,650.57 | 106.17 | (12.09) | 85.75 | 2,658.90 |
| Plant and Machinery - Sub-Station | - | 2.41 | - | - | 2.41 |
| Plant and Machinery - Transmission Lines | 1.52 | 1.13 | - | 0.27 | 2.38 |
| Plant and Machinery - Others | 0.49 | 2.34 | - | 1.16 | 1.67 |
| Water Supply System/Drainage and Sewerage | 2.95 | 3.51 | - | 4.81 | 1.65 |
| Assets awaiting Installation | 15.02 | 34.02 | (3.96) | 33.84 | 11.24 |
| Survey, Investigation, Consultancy and Supervision Charges | 162.02 | 21.78 | (0.31) | 1.47 | 182.02 |
| Expenditure Attributable to Construction **(Refer Note-32)** | 8,028.63 | 1,348.08 | (5.32) | 11.88 | 9,359.51 |
| **Sub total** | **16,829.13** | **2,183.67** | **(91.07)** | **190.01** | **18,731.72** |
| Less: Capital Work in Progress provided **(Refer Note 2.2.3)** | 820.78 | 144.63 | (10.83) | - | 954.58 |
| **Sub total (a)** | **16,008.35** | **2,039.04** | **(80.24)** | **190.01** | **17,777.14** |
| Construction Stores | 90.65 | | (14.90) | | 75.75 |
| Less : Provisions for construction stores | 1.35 | | (1.02) | | 0.33 |
| **Sub total (b)** | **89.30** | **-** | **(13.88)** | **-** | **75.42** |
| **TOTAL (a + b)** | **16,097.65** | **2,039.04** | **(94.12)** | **190.01** | **17,852.56** |
| Previous Year | 14,898.11 | 1,503.81 | (16.58) | 287.69 | 16,097.65 |

**Note:-**

**2.2.1 (a) CWIP aging schedule as on 31st March 2021** (₹ in crore)

| CWIP | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | |
| Projects in Progress | 1,990.83 | 1,318.12 | 1,023.44 | 13,520.17 | 17,852.56 |
| Projects temporarily Suspended | - | - | - | - | - |
| **Total** | **1,990.83** | **1,318.12** | **1,023.44** | **13,520.17** | **17,852.56** |

**2.2.1 (b) CWIP Completion Schedule as on 31st March 2021 for delayed projects** (₹ in crore)

| CWIP | To be completed in | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | |
| Parbati-II | - | 8,455.18 | | | 8,455.18 |
| Subansiri Lower Project | 3.49 | 5,168.93 | 3,289.47 | | 8,461.89 |
| **Total** | **3.49** | **13,624.11** | **3,289.47** | **-** | **16,917.07** |

2.2.2 Expenditure attributable to Construction (EAC) includes ₹ 996.87 Crore (Previous year ₹ 661.79 Crore) towards borrowing cost capitalised during the year. **(Also Refer Note-32)**

2.2.3 Capital Work in Progress (CWIP) includes a cumulative expenditure of ₹ 1192.72 Crore (Previous Year ₹ 1141.05 Crore) including Survey, Investigation, Consultancy and Supervision Charges of ₹ 138.52 crore (Previous Year ₹ 119.54 Crore) on projects under Survey & Investigation stage. Of this, a sum of ₹ 43.52 Crore(Previous Year ₹ 43.52 Crore) pertains to Subansiri Upper Project, which had been decided by Government of Arunachal Pradesh to be handed over to a Private Developer. However, pending handing over of the project & recovery of expenditure incurred thereon, the said amount remains provided for in the books as an abundant precaution. Out of the balance of ₹ 1149.20 Crore (Previous Year ₹ 1097.53 Crore) pertaining to projects with the company, a sum of ₹ 911.06 Crore (Previous Year ₹ 777.26 Crore) has been provided for where uncertainties are attached and ₹ 238.14 Crore (Previous Year ₹ 320.27 Crore), pertaining to other projects having reasonable certainty of getting clearance, is carried over. **(Also Refer Note 34(24), 34(25), 34(26) and 34(27)).**

2.2.4 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.

2.2.5 Underground Works amounting to ₹ 2317.10 Crore (Previous Year ₹ 2234.15 Crore) created on "Land -Right to Use" classified under Right of Use Assets, are included under respective heads of Capital Work in Progress (CWIP).

2.2.6 Refer Note no. 34(9) of Standalone Financial Statements for information of non-current assets pledged with banks as security for related borrowings.

2.2.7 Capital Expenditure on projects under construction approved by the competent authority undergoes revision over period of time as hydroelectric projects are time intensive and some projects take longer period than envisaged. As a consequence cost escalations occur, which require approval of competent authority. Pending such approval the expenditure incurred is carried forward in Capital Work in Progress (CWIP).

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

2.2.9 Post Renovation and Modernization, the Company has commissioned and capitalised Unit#1 of Bairasiul Power Station during the year.

## NOTE NO. 2.3 RIGHT OF USE ASSETS

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION/ AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2021 | Addition | Deduction | Adjust-ment | As at 31.03.2022 | As at 01.04.2021 | For the year | Adjust-ment | As at 31.03.2022 | As at 31.03.2022 | As at 31.03.2021 |
| Land – Leasehold **(Refer Note 2.3.1 (a))** | 311.94 | 4.09 | 0.45 | 0.24 | 315.82 | 44.37 | 11.40 | 0.10 | 55.87 | 259.95 | 267.57 |
| Building under Lease | 5.40 | 0.41 | 0.73 | - | 5.08 | 3.05 | 1.14 | (0.55) | 3.64 | 1.44 | 2.35 |
| Vehicles | 4.40 | 4.97 | - | - | 9.37 | 3.14 | 1.57 | - | 4.71 | 4.66 | 1.26 |
| Land-Right of Use **(Refer Note 2.3.1 (b))** | 1,524.95 | 45.64 | - | 1.86 | 1,572.45 | 43.21 | 10.31 | 1.86 | 55.38 | 1,517.07 | 1,481.74 |
| **TOTAL** | **1,846.69** | **55.11** | **1.18** | **2.10** | **1,902.72** | **93.77** | **24.42** | **1.41** | **119.60** | **1,783.12** | **1,752.92** |
| Previous Year | 1,904.18 | 3.04 | 18.12 | (42.41) | 1,846.69 | 77.20 | 25.30 | (8.73) | 93.77 | 1,752.92 | |

**Note: -**

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

b) Land- Right of use includes forest land which is diverted by the State Forest Department only for use by project.

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

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

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

| Relevent Line item in the Balance Sheet | Description of Item of Property | Gross Carrying Value (At deemed cost) ₹ in Crore | Title Deeds held in the name of | Whether Title deed holder is a promoter, director or relative of Promoter/director or employee of promoter/ director | Property held since which date | Reason for not being held in the name of the Company |
|---|---|---|---|---|---|---|
| Rignt of Use Assets- Land Leasehold | Land (122.93 Hectare) | 140.86 | Govt. of J&K under occupancy of NHPC | NO | 24.03.2011 | The Land in respect of Kishanganga Power Station, documents are yet to be executed in favour of Company . |
| | Land (28.13 Hectare) | 18.53 | Govt. land | NO | 2006-2011 | In respect of Uri-II Power Station, documents are yet to be executed in favour of Company. |
| | Land (219.56 Hectare) | 6.15 | Govt. land | NO | Since 1984 | In respect of Dulhasti Power Station, documents are yet to be executed in favour of Company. |
| | Land (175.40 Hectare) | 3.21 | Govt. land | NO | 24.05.2021 | In respect of Solar Project Ganjam. Lease agreement is under process |

| Relevent Line item in the Balance Sheet | Description of Item of Property | Gross Carrying Value ( At deemed cost) ₹ in Crore | Title Deeds held in the name of | Whether Title deed holder is a promoter, director or relative of Promoter/director or employee of promoter/ director | Property held since which date | Reason for not being held in the name of the Company |
|---|---|---|---|---|---|---|
| | Land (3.99 Hectare) | 0.27 | JKPDC | NO | 31.07.2003 | In respect of Chutak Power Station, documents are yet to be executed in favour of Company |
| | Land (7.72 Hectare) | 0.19 | JKPDC & SDM, Bani (J&K) | NO | Since 2000 | In respect of Sewa-II Power Station. Matter is under regular correspondence with JKPDC & SDM,Bani (J&K) for issuance of No Objection certificate. NOC is still awaited from concerned state department |
| | Land (11.32 Hectare) | 0.15 | Govt. land | NO | 1991-92 | In respect of Uri-I Power Station. Case is pending at court/State revenue authority. |
| | Land (0.34 Hectare) | 0.06 | Govt. land | NO | 30.09.2010 | In respect of Nimoo Bazgo Power Station. The draft of lease deed has been provided to Tehsildar, Leh for the execution of title deed in favour of NHPC |
| | Land (1.56 Hectare) | 0.02 | Govt. land | NO | 1984 | In respect of Chamera-I Power Station. Matter is pending before court. |
| | Land (2.72 Hectare) | 0.00 | Govt. land | NO | 2004 | In respect of Subansiri lower Project, documents are yet to be executed in favour of Company |

## ANNEXURE-II TO NOTE NO. 2.3 RIGHT OF USE ASSETS

**Additional Disclosure of Right of Use Assets**

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION/ AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2021 | Addition | Deduction | Adjust-ment | As at 31.03.2022 | As at 01.04.2021 | For the year | Adjust-ment | As at 31.03.2022 | As at 31.03.2022 | As at 31.03.2021 |
| Land – Leasehold | 325.09 | 4.09 | 0.45 | (0.02) | 328.71 | 57.52 | 11.40 | (0.16) | 68.76 | 259.95 | 267.57 |
| Building under Lease | 5.40 | 0.41 | 0.73 | - | 5.08 | 3.05 | 1.14 | (0.55) | 3.64 | 1.44 | 2.35 |
| Vehicles | 4.40 | 4.97 | - | - | 9.37 | 3.14 | 1.57 | - | 4.71 | 4.66 | 1.26 |
| Land-Right of Use | 1,552.04 | 45.64 | - | - | 1,597.68 | 70.30 | 10.31 | - | 80.61 | 1,517.07 | 1,481.74 |
| **TOTAL** | **1,886.93** | **55.11** | **1.18** | **(0.02)** | **1,940.84** | **134.01** | **24.42** | **(0.71)** | **157.72** | **1,783.12** | **1,752.92** |
| Previous Year | 1,946.54 | 3.04 | 18.12 | (44.53) | 1,886.93 | 119.56 | 25.30 | (10.85) | 134.01 | 1,752.92 | |

## NOTE NO. 2.3 RIGHT OF USE ASSETS

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION / AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2020 | Addition | Deduction | Adjust-ment | As at 31.03.2021 | As at 01.04.2020 | For the year | Adjust-ment | As at 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Land – Leasehold **(Refer Note 2.3.1(a))** | 315.44 | - | - | (3.50) | 311.94 | 33.65 | 11.33 | (0.61) | 44.37 | 267.57 | 281.79 |
| Building under Lease | 21.27 | 1.47 | 17.34 | - | 5.40 | 2.38 | 1.85 | (1.18) | 3.05 | 2.35 | 18.89 |
| Vehicles | 3.44 | 1.57 | 0.61 | - | 4.40 | 1.93 | 1.82 | (0.61) | 3.14 | 1.26 | 1.51 |
| Land-Right of Use **(Refer Note 2.3.1 (b))** | 1,564.03 | - | 0.17 | (38.91) | 1,524.95 | 39.24 | 10.30 | (6.33) | 43.21 | 1,481.74 | 1,524.79 |
| **TOTAL** | **1,904.18** | **3.04** | **18.12** | **(42.41)** | **1,846.69** | **77.20** | **25.30** | **(8.73)** | **93.77** | **1,752.92** | **1,826.98** |
| Previous Year | 14.90 | 636.87 | 0.37 | | 1,904.18 | | 27.32 | (0.10) | 77.20 | 1,826.98 | |

**Note: -**

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

b) Land- Right of use includes forest land which is diverted by the State Forest Department only for use by project.

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

2.3.3 Adjustments to Gross Block and depreciation include adjustment for amount derecognised from Right of Use Assets and recognised as Lease Receivables under Financial Assets in respect of TLD-III Power Station which is accounted as Finance Lease under Ind AS 116- Leases. (Refer Note 34 (16) (B)).

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

## Annexure-I to Note 2.3:- Title deed/Lease deed/Mutation in respect of lease hold land not held in name of the company as on 31st March, 2021

| Relevent Line item in the Balance Sheet | Description of Item of Property | Gross Carrying Value at deemed cost (₹ in Crore | Title Deeds held in the name of | Whether title deed holder is a promoter, director or relative of Promoter/director or employee of promoter/ director | Property held since which date | Reason for not being held in the name of the Company |
|---|---|---|---|---|---|---|
| Rignt of Use Assets- Land Leasehold | Land (122.93 Hectare) | 140.86 | Govt. of J&K under occupancy of NHPC | NO | 24.03.2011 | The Land in respect of Kishanganga Power Station, documents are yet to be executed in favour of Company . |
| | Land (28.13 Hectare) | 18.53 | Govt. land | NO | 2006-2011 | In respect of Uri-II Power Station, documents are yet to be executed in favour of Company. |
| | Land (219.56 Hectare) | 5.27 | Govt. land | NO | Since 1984 | In respect of Dulhasti Power Station, documents are yet to be executed in favour of Company. |
| | Land (3.99 Hectare) | 0.27 | JKPDC | NO | 31.07.2003 | In respect of Chutak Power Station, documents are yet to be executed in favour of Company |

| Relevent Line item in the Balance Sheet | Description of Item of Property | Gross Carrying Value at deemed cost (₹ in Crore | Title Deeds held in the name of | Whether title deed holder is a promoter, director or relative of Promoter/director or employee of promoter/ director | Property held since which date | Reason for not being held in the name of the Company |
|---|---|---|---|---|---|---|
| | Land (7.72 Hectare) | 0.19 | JKPDC & SDM, Bani (J&K) | NO | Since 2000 | In respect of Sewa-II Power Station. Matter is under regular correspondence with JKPDC & SDM,Bani (J&K) for issuance of No Objection certificate. NOC is still awaited from concerned state department |
| | Land (11.32 Hectare) | 0.15 | Govt. land | NO | 1991-92 | In respect of Uri-I Power Station. Case is pending at court/State revenue authority. |
| | Land (0.34 Hectare) | 0.06 | Govt. land | NO | 30.09.2010 | In respect of Nimoo Bazgo Power Station. The draft of lease deed has been provided to Tehsildar, Leh for the execution of title deed in favour of NHPC |
| | Land (1.56 Hectare) | 0.02 | Govt. land | NO | 1984 | In respect of Chamera-I Power Station. Matter is pending before court. |
| | Land (2.72 Hectare) | 0.00 | Govt. land | NO | 2004 | In respect of Subansiri lower Project, Documents are yet to be executed in favour of Company |

## ANNEXURE-II TO NOTE NO. 2.3 RIGHT OF USE ASSETS

**Additional Disclosure of Right of Use Assets**

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2020 | Addition | Deduction | Adjust-ment | As at 31.03.2021 | As at 01.04.2020 | For the year | Adjust-ment | As at 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Land – Leasehold | 328.85 | - | - | (3.76) | 325.09 | 47.06 | 11.33 | (0.87) | 57.52 | 267.57 | 281.79 |
| Building under Lease | 21.27 | 1.47 | 17.34 | - | 5.40 | 2.38 | 1.85 | (1.18) | 3.05 | 2.35 | 18.89 |
| Vehicles | 3.44 | 1.57 | 0.61 | - | 4.40 | 1.93 | 1.82 | (0.61) | 3.14 | 1.26 | 1.51 |
| Land-Right of Use | 1,592.98 | - | 0.17 | (40.77) | 1,552.04 | 68.19 | 10.30 | (8.19) | 70.30 | 1,481.74 | 1,524.79 |
| **TOTAL** | **1,946.54** | **3.04** | **18.12** | **(44.53)** | **1,886.93** | **119.56** | **25.30** | **(10.85)** | **134.01** | **1,752.92** | **1,826.98** |
| Previous Year | 14.90 | 636.87 | 0.37 | (0.01) | 1,946.54 | | 27.32 | (0.10) | 119.56 | 1,826.98 | |

## NOTE NO. 2.4 INVESTMENT PROPERTY

(₹ in crore)

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

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

(₹ in crore)

| | As at 31.03.2022 | As at 31.03.2021 |
|---|---|---|
| Rental income | Nil | Nil |
| Direct operating expenses from property that generated rental income | Nil | Nil |
| Direct operating expenses from property that did not generate rental income | Nil | Nil |

(₹ in crore)

| | As at 31.03.2022 | As at 31.03.2021 |
|---|---|---|
| **2.4.2 Fair Value of investment property** | 78.90 | 72.87 |

**2.4.3** Investment property comprise of freehold land which was bought for normal business requirements of the Company. However, due to change in business plans, the Company is in the process of finalising the future use of the property. IND AS 40, Investment Property, provides by way of example that land held for a currently undetermined future use is to be regarded as held for capital appreciation and hence to be classified as Investment Property.

**2.4.4 Valuation process**

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

## NOTE NO. 2.4 INVESTMENT PROPERTY

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2020 | Addition | Deduction | Adjust-ment | As at 31.03.2021 | As at 01.04.2020 | For the year | Adjust-ment | As at 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Land – Freehold | 4.49 | - | - | - | 4.49 | - | - | - | - | 4.49 | 4.49 |
| **TOTAL** | **4.49** | **-** | **-** | **-** | **4.49** | **-** | **-** | **-** | **-** | **4.49** | **4.49** |
| Previous Year | 4.49 | - | - | - | 4.49 | - | - | - | - | 4.49 | |

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

(₹ in crore)

| | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|
| Rental income | Nil | Nil |
| Direct operating expenses from property that generated rental income | Nil | Nil |
| Direct operating expenses from property that did not generate rental income | Nil | Nil |

(₹ in crore)

| | As at 31.03.2021 | As at 31.03.2020 |
|---|---|---|
| **2.4.2 Fair Value of investment property** | 72.87 | 53.58 |

**2.4.3** Investment property comprise of freehold land which was bought for normal business requirements of the Company. However, due to change in business plans, the Company is in the process of finalising the future use of the property. IND AS 40, Investment Property, provides by way of example that land held for a currently undetermined future use is to be regarded as held for capital appreciation and hence to be classified as Investment Property.

**2.4.4 Valuation process**

The above land is carried in the financial statements at cost. However, the fair value of investment property has been arrived on the basis of market value as per valuation report and considered to be level-II of fair valuation hierarchy.

## NOTE NO. 2.5 INTANGIBLE ASSETS

(₹ in crore)

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

**Note: -**

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

## ANNEXURE-I TO NOTE NO. 2.5 INTANGIBLE ASSETS

**Additional Disclosure of Intangible Assets**

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2021 | Addition | Deduction | Adjust-ment | As at 31.03.2022 | As at 01.04.2021 | For the year | Adjust-ment | As at 31.03.2022 | As at 31.03.2022 | As at 31.03.2021 |
| Computer Software | 52.87 | 4.23 | 0.05 | (0.08) | 56.97 | 49.35 | 4.63 | (0.12) | 53.86 | 3.11 | 3.52 |
| **TOTAL** | **52.87** | **4.23** | **0.05** | **(0.08)** | **56.97** | **49.35** | **4.63** | **(0.12)** | **53.86** | **3.11** | **3.52** |
| Previous Year | 48.59 | 5.03 | 0.47 | (0.28) | 52.87 | 47.87 | 2.22 | (0.74) | 49.35 | 3.52 | |

## NOTE NO. 2.5 INTANGIBLE ASSETS

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2020 | Addition | Deduction | Adjust-ment | As at 31.03.2021 | As at 01.04.2020 | For the year | Adjust-ment | As at 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Computer Software | 10.96 | 5.03 | 0.17 | (0.23) | 15.59 | 10.24 | 2.22 | (0.39) | 12.07 | 3.52 | 0.72 |
| **TOTAL** | **10.96** | **5.03** | **0.17** | **(0.23)** | **15.59** | **10.24** | **2.22** | **(0.39)** | **12.07** | **3.52** | **0.72** |
| Previous Year | 943.52 | 0.66 | 0.03 | | 10.96 | 36.86 | 0.95 | (0.03) | 10.24 | 0.72 | |

**Note :**

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

## ANNEXURE-I TO NOTE NO. 2.5 INTANGIBLE ASSETS

**Additional Disclosure of Intangible Assets**

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2020 | Addition | Deduction | Adjust-ment | As at 31.03.2021 | As at 01.04.2020 | For the year | Adjust-ment | As at 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Computer Software | 48.59 | 5.03 | 0.47 | (0.28) | 52.87 | 47.87 | 2.22 | (0.74) | 49.35 | 3.52 | 0.72 |
| **TOTAL** | **48.59** | **5.03** | **0.47** | **(0.28)** | **52.87** | **47.87** | **2.22** | **(0.74)** | **49.35** | **3.52** | **0.72** |
| Previous Year | 1,010.24 | 0.66 | 0.17 | | 48.59 | 103.58 | 0.95 | (0.17) | 47.87 | 0.72 | |

## NOTE NO. 3.1 NON CURRENT INVESTMENTS

(₹ in crore)

| Particulars | As at 31st March 2022 | | As at 31st March 2021 | |
|---|---|---|---|---|
| | Number of shares/ bonds/ securities (in Units) | Amount (₹ in Crore) | Number of shares/ bonds/ securities (in Units) | Amount (₹ in Crore) |
| **A. Quoted Equity Instruments - At Fair Value through Other Comprehensive Income (OCI)** | | | | |
| **Bodies Corporate** | | | | |
| PTC India Limited (Fully Paid Up) (Face Value of ₹ 10/- each) | 12000000 | 98.70 | 12000000 | 93.30 |
| **Total (A)** | | **98.70** | | **93.30** |
| **B. Unquoted Equity Instruments - At Cost** | | | | |
| **(i) In Subsidiaries (Fully Paid Up)** | | | | |
| - NHDC Limited **(Refer Note No-34(8))** (Face Value of ₹ 1000/- each) | 10024200 | 1002.42 | 10024200 | 1002.42 |
| - Loktak Downstream Hydroelectric Corporation Limited **(Refer Note No-34(8) and 34(17))** (Face Value of ₹ 10/- each) | 103342309 | 103.34 | 98902309 | 98.90 |
| - Bundelkhand Saur Urja Limited **(Refer Note 34(8) and 34(17))** (Face Value of ₹ 10/- each) | 84220893 | 84.22 | 16263500 | 16.26 |
| - Lanco Teesta Hydro Power Limited. **(Refer Note 34(8) and 34(17))** (Face Value of ₹ 10/- each) | 1440500000 | 1440.50 | 970500000 | 970.50 |
| - Jalpower Corporation Limited **(Refer Note 34(8) and 34(17))** (Face Value of ₹ 10/- each) | 281486,000 | 281.49 | - | - |
| - Ratle Hydroelectric Power Corporation Limited **(Refer Note 34(8) and 34(17))** (Face Value of ₹ 10/- each) | 136140000 | 136.14 | - | - |
| **(ii) Joint Ventures (Fully Paid Up)** | | | | |
| - Chenab Valley Power Projects Private Limited **(Refer Note 34(8) and 34(17))** (Face Value of ₹ 10/- each) acquired at face value | 1835371286 | 1835.37 | 1287850000 | 1287.85 |
| (Face Value of ₹ 10/- each) acquired at ₹ 10.27 each **(Refer Note 3.1.5)** | 4080000 | 4.19 | - | - |
| - National High Power Test Laboratory (P) Limited **(Refer Note No-34(8) and 34(18))** (Face Value of ₹ 10/- each) | 30400000 | 30.40 | 30400000 | 30.40 |
| **Sub-total (B)** | | **4918.07** | | **3406.33** |
| **Less : Impairment in the value of Investment (Refer note No. 3.1.6)** | | 14.07 | | - |
| **Total (B)** | | **4904.00** | | **3406.33** |
| **C Quoted Debt Instruments - At Fair Value through Other Comprehensive Income (OCI)** | | | | |
| **(a) Government Securities (Refer Note 3.1.2 and 3.1.4)** | | | | |
| 8.35% SBI Right Issue GOI Special Bonds 27 March 2024 (Per Unit Value of ₹ 10000/- each) | 150000 | 158.43 | 150000 | 162.28 |
| 8.20% Oil Marketing Companies GOI Special Bonds 15 September 2024 (Per Unit Value of ₹ 10000/- each) | 12380 | 13.12 | 12380 | 13.37 |

| Particulars | As at 31st March 2022 | | As at 31st March 2021 | |
|---|---|---|---|---|
| | Number of shares/ bonds/ securities (in Units) | Amount (₹ in Crore) | Number of shares/ bonds/ securities (in Units) | Amount (₹ in Crore) |
| 8.28% GOI 21 September 2027 (Per Unit Value of ₹ 10000/- each) | 57000 | 61.82 | 57000 | 63.04 |
| 8.26% GOI 02 August 2027 (Per Unit Value of ₹ 10000/- each) | 17940 | 19.39 | 17940 | 19.78 |
| 8.28% GOI 15 February 2032 (Per Unit Value of ₹ 10000/- each) | 35000 | 38.20 | 35000 | 39.26 |
| 8.32% GOI 02 August 2032 (Per Unit Value of ₹ 10000/- each) | 34000 | 37.17 | 34000 | 38.24 |
| **Sub-total (a)** | | **328.13** | | **335.97** |
| **(b) Bonds of Public Sector Undertaking/Public Financial Institution and Body Corporates** | | | | |
| 7.41% IIFCL Tax Free Bonds 15.11.2032 (Per Unit Value of ₹ 10,00,000/- each) | 120 | 13.79 | 120 | 13.79 |
| 8.12% REC Tax Free Bonds 27.03.2027 (Per Unit Value of ₹ 1000/- each) | 100000 | 12.23 | 100000 | 12.50 |
| 8.48% NHAI TAX FREE 22.11.2028 (Per Unit Value of ₹ 10,00,000/- each) | 473 | 57.49 | 473 | 59.79 |
| **Sub-total (b)** | | **83.51** | | **86.08** |
| **Total (C) (a+b)** | | **411.64** | | **422.05** |
| **Total (A+B+C)** | | **5414.34** | | **3921.68** |

| | | | |
|---|---|---|---|
| 3.1.1 | (i) Aggregate amount and market value of quoted investments | 510.34 | 515.35 |
| | (ii) Aggregate amount of unquoted investments | 4904.00 | 3406.33 |

3.1.2 Investment in Government Securities at cost of ₹ 174.31 Crore/- (Previous Year ₹ 165.50 Crore) is earmarked as security against ₹ 174.31 Crore/- (Previous Year ₹ 165.42 Crore) being 15 percent of total redemption value of Bonds maturing during the Financial Year 2022-2023.

3.1.3 Particulars of Investments as required in terms of Section 186 (4) of the Companies Act, 2013 have been disclosed under Note 3.1 above.

3.1.4 Market Value of Quoted Investments in respect of debt instruments for which recent quotations are not available has been considered based on the value published by Fixed Income Money Market and Derivatives Association of India (FIMMDA).

3.1.5 During FY 2021-22, NHPC has obtained the approval of the Ministry of Power, Govt. of India for acquiring the shareholding from M/s PTC (India) Ltd., one of the Joint Venture partners, amounting to 2% of the equity shares of CVPPPL on 12th May, 2021. Purchase consideration of ₹ 4.19 Crore/- has been paid to M/s PTC (India) Ltd for acquisition of 40,80,000 shares of CVPPPL (Face Value of ₹ 10 each). Shares of CVPPPL have been alloted to NHPC and recognised at Cost.

3.1.6 During FY 2021-22, the company has made impairment provision amounting to ₹ 14.07 Crore/- (Previous Year Nil) In respect of investment made in National High Power Test Laboratory Private Limited.

## NOTE NO. 3.2 NON-CURRENT - FINANCIAL ASSETS - LOANS

(₹ in crore)

| | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| | **At Amortised Cost** | | |
| **A** | **Loan to Related Party (including interest thereon) - Considered good- Unsecured * and #** | | |
| | - National High Power Test Laboratory (P) Limited **(Refer Note 34(8) and 3.2.1)** | 17.48 | 18.40 |
| **B** | **Loans to Employees (Refer Note 3.2.1 and Refer Note 3.2.2)** | | |
| | - Considered good - Secured | 137.27 | 108.55 |
| | - Considered good - Unsecured | 59.92 | 56.70 |
| | **Sub-total** | **197.19** | **165.25** |
| **C** | **Loan including Interest to Government of Arunachal Pradesh (Refer Note 3.2.3 and 33(2)(B))#** | | |
| | - Considered good- Unsecured | 802.92 | 736.62 |
| | **Sub-total** | **802.92** | **736.62** |
| | **TOTAL** | **1,017.59** | **920.27** |

* Detail of Repayment:- ₹ 6.00 crore was granted on 11.05.2018 and ₹ 12.40 crore was granted on 31.03.2021 at the rate of 10% compounded anually. Loan is repayable in 20 equal half yearly instalments starting from 31.10.2022. The interest is payable half yearly on 30th April and 31st October in every financial year starting from 30.04.2021.

# Represents loan granted for business purpose.

| | | | |
|---|---|---|---|
| **3.2.1** | Loans and advances in the nature of loan that are repayable on demand. | Nil | Nil |
| | Loans and advances in the nature of loan that are without specifying any terms or period of repayment. | Nil | Nil |
| **3.2.2** | Due from directors or other officers of the company. | 0.34 | 0.06 |
| **3.2.3** | Loan to Government of Arunachal Pradesh granted for Business Purpose includes : | | |
| | - Principal | 225.00 | 225.00 |
| | - Interest | 577.92 | 511.62 |

**3.2.4** Loans are non-derivative financial assets which generate a fixed or variable interest income for the company. The Carrying value may be affected by the changes in the credit risk of the counterparties.

**3.2.5** Particulars of Loans as required in terms of Section 186 (4) of the Companies Act, 2013 have been disclosed under Note 3.2 above.

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

## NOTE NO. 3.3 NON-CURRENT - FINANCIAL ASSETS - OTHERS

(₹ in crore)

| | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| **A** | **Deposits** | | |
| | - Considered good - Unsecured | 23.19 | 23.00 |
| | **Sub-Total** | **23.19** | **23.00** |
| **B** | Bank Deposits with more than 12 Months Maturity **(Refer Note 3.3.3)** | 0.35 | 0.35 |
| **C** | Lease Rent receivable (Finance Lease) **(Refer Note 34(16)(B))** | 2,435.91 | 2,563.17 |
| **D** | Amount Recoverable on account of Bonds Fully Serviced by Government of India **(Refer Note 3.3.1 and also Refer 11(I))** | 2,017.20 | 2,017.20 |
| **E** | Interest accrued on: | | |
| | - Bank Deposits with more than 12 Months Maturity | - | 0.05 |
| **F** | Derivative Mark to Market Asset | 22.35 | 18.21 |
| **G** | Share Application Money Pending Allotment - Subsidiary /Joint Venture **(Refer Note 3.3.2)** | 3.78 | 318.29 |
| | **TOTAL** | **4,502.78** | **4,940.27** |

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

**3.3.2** Share application money pending allotment includes company contribution towards subscription of Share Capital in following subsidiary/joint venture company:

(₹ in crore)

| Subsidiary Company | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| Bundelkhand Saur Urja Limited (Date of Share allotment 18th April 2021) | - | 28.14 |
| Jalpower Corporation Limited (Date of Share allotment 6th May 2021) | - | 165.00 |
| Lanco Teesta Hydro Power Limited (Date of Share allotment 21st April 2021) | - | 25.00 |
| Loktak Downstream Hydroelectric Corporation Limited (Date of Share allotment 13th April 2022) | 2.22 | - |
| Ratle Hydroelectric Power Corporation Limited (Date of Share allotment 1st April 2022) | 1.56 | - |
| **Joint Venture Company** | | |
| a) Chenab Valley Power Projects Private Limited (Date of Share allotment 5th April 2021) | - | 100.15 |
| **TOTAL** | **3.78** | **318.29** |

**3.3.3** Bank Deposits of more than 12 months maturity includes FDR of Rs. 0.35 Crore which has been taken to provide 100% margin money for Bank Guarantee issued by the Company for optaining electricity connection.

**3.3.4** 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 2022 | As at 31st March 2021 |
|---|---|---|
| Advance Income Tax including Tax Deducted at Source | 726.90 | - |
| **Less:** Provision for Current Tax | 719.74 | - |
| Non Current Tax **(Refer Note No-23)** | 2.36 | - |
| **TOTAL** | **9.52** | **-** |

## NOTE NO. 5 OTHER NON-CURRENT ASSETS

(₹ in crore)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|
| **A. CAPITAL ADVANCES** | | |
| - Considered good- Secured | 64.07 | 56.70 |
| - Considered good- Unsecured | | |
| – Against bank guarantee | 150.04 | 154.00 |
| – Others | 370.90 | 175.79 |
| **Less :** Expenditure booked pending utilisation certificate | 19.28 | 19.18 |
| - Considered doubtful - Unsecured | 6.07 | 6.07 |
| **Less : Allowances for doubtful advances (Refer Note 5.1)** | 6.07 | 6.07 |
| **Sub-total** | **565.73** | **367.31** |
| **B. ADVANCES OTHER THAN CAPITAL ADVANCES** | | |
| **i) DEPOSITS** | | |
| - Considered good- Unsecured | 51.15 | 49.35 |
| - Considered doubtful - Unsecured | - | - |
| **Less : Allowances for Doubtful Deposits (Refer Note 5.2)** | - | - |
| **Sub-total** | **51.15** | **49.35** |
| **ii) Other advances** | | |
| - Considered good- Unsecured | 3.06 | 0.24 |
| **Sub-total** | **3.06** | **0.24** |
| **C. Interest accrued** | | |
| Others | | |
| - Considered Good | 1.44 | 2.52 |
| **Sub-total** | **1.44** | **2.52** |
| **D. Others** | | |
| **i) Advance against arbitration awards towards capital works (Unsecured)** | | |
| Released to Contractors - Against Bank Guarantee | 1,140.40 | 1,140.45 |
| Released to Contractors - Others | 34.61 | 34.61 |
| Deposited with Court | 1,420.48 | 1,383.31 |
| **Sub-total** | **2,595.49** | **2,558.37** |
| **ii) Deferred Foreign Currency Fluctuation Assets/ Expenditure** | | |
| Deferred Foreign Currency Fluctuation Assets | 260.15 | 356.93 |
| Deferred Expenditure on Foreign Currency Fluctuation | 224.43 | 173.83 |
| **Sub-total** | **484.58** | **530.76** |
| **iii) Deferred Cost on Employees Advances** | **52.51** | **52.16** |
| **TOTAL** | **3,753.96** | **3,560.71** |

| | | | |
|---|---|---|---|
| **5.1** | **Allowances for doubtful Advances** | | |
| | Opening Balance | 6.07 | 10.20 |
| | Used during the year | - | 4.13 |
| | **Closing balance** | **6.07** | **6.07** |
| **5.2** | **Allowances for doubtful Deposits** | | |
| | Opening Balance | - | 0.04 |
| | Reversed during the year | - | 0.04 |
| | **Closing balance** | **-** | **-** |
| **5.3** | Advances due from Directors or other officers at the end of the year | Nil | Nil |
| **5.4** | Advances due by Firms or Private Companies in which any director of the Company is a director or member. | Nil | Nil |

**5.5** 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 2022 | As at 31st March 2021 |
|---|---|---|
| **(Valued at lower of Cost or Net Realisable Value)** | | |
| Stores and spares | 130.26 | 128.38 |
| Stores in transit/ pending inspection | 0.12 | 0.63 |
| Loose tools | 2.48 | 2.03 |
| Scrap inventory | 1.15 | 1.88 |
| **Less:** Allowances for Obsolescence and Diminution in Value **(Refer Note 6.1)** | 3.71 | 8.50 |
| **TOTAL** | **130.30** | **124.42** |
| **6.1 Allowances for Obsolescence and Diminution in Value** | | |
| Opening Balance | 8.50 | 7.75 |
| Addition during the year **(Refer Note 6.1.1)** | 0.60 | 0.83 |
| Reversed during the year **(Refer Note 6.1.2)** | 5.39 | 0.08 |
| **Closing balance** | **3.71** | **8.50** |
| **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. | 0.60 | 0.83 |
| **6.1.2** Allowances for Obsolescence and Diminution in value of inventory booked in earlier years and reversed during the year. | 5.39 | 0.08 |

## NOTE NO. 7 FINANCIAL ASSETS - CURRENT - TRADE RECEIVABLES

(₹ in crore)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|
| - Trade Receivables- Considered Good- Unsecured **(Refer Note 7.2, 7.3, 7.4 and 7.7)** | 2,660.17 | 3,173.82 |
| - Trade Receivables-Unbilled- Considered Good- Unsecured **(Refer Note 7.4 and 7.5)** | 1,961.31 | 1,358.67 |
| - Trade Receivables- Credit Impaired **(Refer Note 7.2, 7.3 and 7.4)** | 35.33 | 33.76 |
| **Less: Impairment allowances for Trade Receivables (Refer Note 7.1)** | 35.33 | 33.76 |
| **TOTAL** | **4,621.48** | **4,532.49** |
| **7.1 Impairment allowances for Trade Receivables** | | |
| Opening Balance | 33.76 | 37.71 |
| Addition during the year | 3.95 | - |
| Reversed during the year | 2.38 | 3.95 |
| **Closing balance** | **35.33** | **33.76** |
| **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. | 17.60 | 10.37 |
| **7.4** Refer Annexure-I to Note No-7 for Ageing schedule of Trade Receivables. | | |

| | | | |
|---|---|---|---|
| **7.5** | **Represents receivable on account of :** | | |
| | Water Usage Charges | 11.32 | 64.89 |
| | Unbilled sale for the month of March | 585.16 | 481.59 |
| | MEA Sales | 6.11 | 7.12 |
| | Revision in NAPAF for 2009-14-Sewa-II Power Station | 32.97 | 49.52 |
| | Impact of AFC billed and recoverable as per New Regulation 2019-24 including Security Expenses | 1,071.80 | 760.02 |
| | Rate Revision-TLDP-III Power Station | - | (157.12) |
| | Saving due to refinancing & Bond Issue Expenses | (23.22) | (23.33) |
| | Tax adjustment including Deferred Tax Materialized | 15.94 | 55.81 |
| | Energy Shortfall | 212.20 | 63.85 |
| | Foreign Exchange Rate Variation | 44.78 | 51.92 |
| | Others | 4.25 | 4.40 |
| | **Total** | **1,961.31** | **1,358.67** |

**7.6** Due to the short-term nature of current Trade Receivables, their carrying amount is assumed to be the same as their fair value.

**7.7** Trade Receivables amounting to ₹ 1323.90 Crore (Previous Year ₹ 726.03 Crore ) liquidated by way of discounting of bills from various banks have not been derecognised in view of terms of the bill discounting agreement as per which the Company guarantees to compensate the banks for credit losses that may occur in case of default by the respective beneficiaries. Refer Note 20.1.1 with regard to liability recognised in respect of discounted bills.

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

## ANNEXURE-I TO NOTE NO-7

**As at 31st March 2022**

(₹ in crore)

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

**As at 31st March 2021**

(₹ in crore)

| | Particulars | Unbilled | Not Due | Trade Receivable due and outstanding for following period from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Less than 6 months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 Years | |
| (i) | Undisputed Trade receivables-Considered Good | 1,358.67 | - | 2,534.50 | 454.88 | 150.13 | 33.22 | 1.09 | 4,532.49 |
| (ii) | Disputed Trade receivables-Credit Impaired | - | - | - | - | - | - | 33.76 | 33.76 |
| | **Total** | **1,358.67** | **-** | **2,534.50** | **454.88** | **150.13** | **33.22** | **34.85** | **4,566.25** |

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

(₹ in crore)

| | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| **A** | **Balances with banks** | | |
| | With scheduled banks | | |
| | - In Current Account | 937.78 | 145.56 |
| **B** | **Cash on hand (Refer Note 8.1)** | - | 0.01 |
| | **TOTAL** | **937.78** | **145.57** |
| **8.1** | Includes stamps on hand | - | 0.01 |

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

(₹ in crore)

| | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| **A** | Bank Deposits for original maturity more than 3 months and upto 12 months **(Refer Note 9.1)** | 86.76 | 655.81 |
| **B** | Deposit -Unpaid Dividend | 47.54 | 23.47 |
| **C** | Deposit -Unpaid Interest | 87.17 | 87.14 |
| **D** | Other Earmarked Balances with Banks **(Refer Note 9.2)** | 1.46 | 1.97 |
| | **TOTAL** | **222.93** | **768.39** |
| **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. | 86.76 | 155.81 |
| **9.2** | Includes balances which are not freely available for the business of the Company : | | |
| | **(i)** held for works being executed by Company on behalf of other agencies. | 0.87 | 1.41 |
| | **(ii)** NHPC Emergency relief fund created in pursuance of order of Hon'ble High Court of Sikkim. | 0.59 | 0.56 |

## NOTE NO. 10 FINANCIAL ASSETS - CURRENT - LOANS

(₹ in crore)

| | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| **A** | **Loan (including interest thereon) to Related Party - Unsecured (Considered good)*** | | |
| | - National High Power Test Laboratory (P) Limited **(Refer Note 34(8) and 10.1)** | 1.34 | 0.42 |
| | **Less :** Impairment Allowances for Doubtful Accrued Interest **(Refer Note 10.3)** | 0.42 | - |
| | **Sub-total** | **0.92** | **0.42** |
| **B** | **Employees Loan (including accrued interest) (Refer Note 10.2)** | | |
| | - Loans Receivables- Considered good- Secured | 17.47 | 14.30 |
| | - Loans Receivables- Considered good- Unsecured | 37.29 | 33.36 |
| | - Loans Receivables which have significant increase in Credit Risk | 0.01 | 0.01 |
| | **Less :** Impairment allowances for loans which have significant increase in Credit Risk **(Refer Note 10.4)** | 0.01 | 0.01 |
| | **Sub-total** | **54.76** | **47.66** |
| | **TOTAL** | **55.68** | **48.08** |

* Detail of Repayment:- ₹ 6.00 crore was granted on 11.05.2018 and ₹ 12.40 crore was granted on 31.03.2021 at the rate of 10% compounded anually. Loan is repayable in 20 equal half yearly instalments starting from 31.10.2022. The interest is payable half yearly on 30th April and 31st October in every financial year starting from 30.04.2021.Current maturity of ₹ 0.92 crore is due within one year.

* Represents loan granted for business purpose.

| | | | |
|---|---|---|---|
| **10.1** | Loans and advances in the nature of loan that are repayable on demand. | Nil | Nil |
| | Loans and advances in the nature of loan that are without specifying any terms or period of repayment. | Nil | Nil |
| **10.2** | Due from directors or other officers of the company. **(Refer Note 34(8))** | 0.08 | 0.22 |
| **10.3** | **Impairment Allowances for Doubtful Accrued Interest** | Nil | Nil |
| | Addition during the year | 0.42 | - |
| | **Closing balance** | **0.42** | **-** |
| **10.4** | Impairment Allowances for loan which have significant increase in Credit Risk | | |
| | Opening Balance | 0.01 | 0.01 |
| | **Closing balance** | **0.01** | **0.01** |
| **10.5** | Advance due by firms or private companies in which any Director of the Company is a Director or member. | Nil | Nil |

**10.6** Particulars of Loans as required in terms of Section 186 (4) of the Companies Act, 2013 have been disclosed under Note 10 above.

**10.7** Refer Note 34(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 2022 | As at 31st March 2021 |
|---|---|---|---|
| **A** | **Deposits** | | |
| | - Considered good- Unsecured | 0.36 | 0.36 |
| | **Sub-total** | **0.36** | **0.36** |
| **B** | Amount recoverable | 741.80 | 922.14 |
| | Less: Allowances for Doubtful Recoverables **(Refer Note 11.1)** | 282.62 | 275.15 |
| | **Sub-total** | **459.18** | **646.99** |
| **C** | Receivable from Subsidiaries / Joint Ventures **(Refer Note 11.3 and 34(8))** | 55.92 | 47.82 |
| **D** | Receivable on account of Late Payment Surcharge | 78.71 | 121.97 |
| **E** | Lease Rent receivable (Finance Lease) **(Refer Note 34(16)(B ))** | 119.31 | 101.29 |
| **F** | Interest Income accrued on Bank Deposits **(Refer Note 11.2)** | 0.68 | 0.25 |
| **G** | Interest recoverable from beneficiary | 10.55 | 141.42 |
| **H** | Interest Accrued on Investment (Bonds) | 2.53 | 2.53 |
| **I** | Amount Recoverable on account of Bonds Fully Serviced by Government of India **(Refer Note 3.3(D ))** | | |
| | - Interest accrued | 4.49 | 4.49 |
| | **TOTAL** | **731.73** | **1,067.12** |
| **11.1** | **Allowances for Doubtful Recoverables** | | |
| | Opening Balance | 275.15 | 285.72 |
| | Addition during the year | 9.03 | 8.50 |
| | Used during the year | 1.38 | 17.56 |
| | Reversed during the year | 0.18 | 1.51 |
| | **Closing balance** | **282.62** | **275.15** |
| **11.2** | Includes Interest accrued on balances held for works being executed by Company on behalf of other agencies and not freely available for the business of the Company. | 0.11 | 0.16 |

**11.3** Receivable from Subsidiaries / Joint ventures includes claim of the company towards capital expenditure incurred on Kiru & Kwar HE Projects which have been transferred to M/s Chenab Valley Power Projects Private Limited (a joint venture company of NHPC Limited and Jammu and Kashmir State Power Development Corporation).

**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 2022 | As at 31st March 2021 |
|---|---|---|---|
| | **Current Tax Assets** | | |
| A | Advance Income Tax including Tax Deducted at Source | 1,340.04 | 2,784.04 |
| B | Less: Provision for Current Tax | 1,218.67 | 2,620.11 |
| | **Net Current Tax Assets (A-B)** | **121.37** | **163.93** |
| | Income Tax Refundable | 1.80 | 1.80 |
| | **Total** | **123.17** | **165.73** |

## NOTE NO. 13 OTHER CURRENT ASSETS

(₹ in crore)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|
| **A. Advances other than Capital Advances** | | |
| **a) Deposits** | | |
| - Considered good- Unsecured | 27.68 | 25.67 |
| - Considered doubtful- Unsecured | 84.89 | 74.79 |
| **Less :** Allowances for Doubtful Deposits **(Refer Note 13.1)** | 84.89 | 74.79 |
| **Sub-total** | **27.68** | **25.67** |
| **b) Advance to contractors and suppliers (Refer Note 13.7)** | | |
| - Considered good- Secured | 0.38 | - |
| - Considered good- Unsecured | | |
| – Against bank guarantee | 0.66 | 1.02 |
| – Others | 44.23 | 28.74 |
| **Less :** Expenditure booked pending utilisation certificate | 17.45 | 12.41 |
| - Considered doubtful- Unsecured | 45.52 | 45.52 |
| **Less :** Allowances for doubtful advances **(Refer Note 13.2)** | 45.52 | 45.52 |
| **Sub-total** | **27.82** | **17.35** |
| **c) Other advances - Employees** | | |
| - Considered good- Unsecured **(Refer Note 13.6)** | 0.80 | 0.67 |
| **Sub-total** | **0.80** | **0.67** |
| **d) Interest accrued** | | |
| Others | | |
| - Considered Good | 1.67 | 1.32 |
| **Sub-total** | **1.67** | **1.32** |
| **B. Others** | | |
| a) Expenditure awaiting adjustment | 37.06 | 37.06 |
| Less: Allowances for project expenses awaiting write off sanction **(Refer Note 13.3)** | 37.06 | 37.06 |
| **Sub-total** | **-** | **-** |
| b) Losses awaiting write off sanction/pending investigation | 12.32 | 8.47 |
| Less: Allowances for losses pending investigation/awaiting write off / sanction **(Refer Note 13.4)** | 12.32 | 8.47 |
| **Sub-total** | **-** | **-** |
| c) **Prepaid Expenditure** | 144.65 | 177.45 |
| d) **Deferred Cost on Employees Advances** | 11.65 | 9.29 |
| e) **Deferred Foreign Currency Fluctuation** | | |
| Deferred Foreign Currency Fluctuation Assets | 44.02 | 50.03 |
| Deferred Expenditure on Foreign Currency Fluctuation | 6.36 | 4.56 |
| f) **Surplus / Obsolete Assets (Refer Note 13.8)** | 6.81 | 10.82 |
| **Sub-total** | **213.49** | **252.15** |
| g) **Goods and Services Tax Input Receivable** | 77.24 | 28.78 |
| Less: Allowances for Goods and Services Tax Input Receivable **(Refer Note 13.5)** | 44.63 | 13.54 |
| **Sub-total** | **32.61** | **15.24** |
| h) **Others (Mainly on account of Material Issued to Contractors)** | 137.07 | 59.68 |
| **TOTAL** | **441.14** | **372.08** |
| **13.1 Allowances for Doubtful Deposits** | | |
| Opening Balance | 74.79 | 0.01 |
| Addition during the year | 10.10 | 74.78 |
| **Closing balance** | **84.89** | **74.79** |

| | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| **13.2** | **Allowances for doubtful advances (Contractors and Suppliers)** | | |
| | Opening Balance | 45.52 | 45.52 |
| | **Closing balance** | **45.52** | **45.52** |
| **13.3** | **Allowances for project expenses awaiting write off sanction in respect of Siang Upper Project** | | |
| | Opening Balance | 37.06 | 37.06 |
| | **Closing balance** | **37.06** | **37.06** |
| **13.4** | **Allowances for losses pending investigation/ awaiting write off / sanction** | | |
| | Opening Balance | 8.47 | 11.45 |
| | Addition during the year | 6.28 | 0.21 |
| | Used during the year | 2.22 | 0.18 |
| | Reversed during the year | 0.21 | 3.01 |
| | **Closing balance** | **12.32** | **8.47** |
| **13.5** | **Allowances for Goods and Services Tax Input Receivable** | | |
| | Opening Balance | 13.54 | - |
| | Addition during the year | 31.09 | 13.54 |
| | **Closing balance** | **44.63** | **13.54** |
| **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 2022 | As at 31st March 2021 |
|---|---|---|---|
| **A** | **Regulatory Deferral Account Balances in respect of Subansiri Lower Project** | | |
| | Opening Balance | 3,470.59 | 3,470.59 |
| | **Closing balance** | **3,470.59** | **3,470.59** |
| **B** | **Wage Revision as per 3rd Pay Revision Committee** | | |
| | Opening Balance | 570.58 | 570.58 |
| | Adjustment during the year (through Statement of Profit and Loss) **(Refer Note 31)** | (116.53) | - |
| | Adjustment during the year (through Other Comprehensive Income) **(Refer Note 30.2)** | 2.33 | - |
| | **Closing balance** | **456.38** | **570.58** |
| **C** | **Kishanganga Power Station: Differential Depreciation due to Moderation of Tariff** | | |
| | Opening Balance | 563.11 | 367.60 |
| | Addition during the year **(Refer Note 31)** | 198.35 | 195.51 |
| | **Closing balance** | **761.46** | **563.11** |
| **D** | **Exchange Differences on Monetary Items** | | |
| | Opening Balance | 1.72 | 0.02 |
| | Addition during the year **(Refer Note 31)** | (0.17) | 1.70 |
| | **Closing balance** | **1.55** | **1.72** |
| **E** | **Adjustment against Deferred Tax Recoverable for tariff period upto 2009** | | |
| | Opening Balance | 1,453.56 | 1,529.02 |
| | Used during the year **(Refer Note 31)** | 49.52 | 75.46 |
| | **Closing balance** | **1,404.04** | **1,453.56** |

| | | | |
|---|---|---|---|
| **F** | **Adjustment against Deferred Tax Liabilities for tariff period 2014-2019 and onwards** | | |
| | Opening Balance | 843.37 | 837.09 |
| | Addition during the year **(Refer Note 31)** | 10.72 | 6.28 |
| | **Closing balance** | **854.09** | **843.37** |
| | **Closing Balance (A+B+C+D+E+F)** | **6,948.11** | **6,902.93** |
| | Less: Deferred Tax on Regulatory Deferral Account Balances | (290.28) | (306.68) |
| | Add: Deferred Tax recoverable from Beneficiaries | (290.28) | (306.68) |
| | **Regulatory Deferral Account Balances net of Deferred Tax.** | **6,948.11** | **6,902.93** |

**14.1** Refer Note-34 (18) and 34 (22) of Standalone Financial Statements.

## NOTE NO. 14.2 REGULATORY DEFERRAL ACCOUNT CREDIT BALANCES

(₹ in crore)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|
| **MAT CREDIT** | | |
| Opening Balance | - | - |
| Addition during the year **(Refer Note 31)** | 1,313.27 | - |
| **Closing balance** | **1,313.27** | **-** |

**14.2.1** Refer Note-34 (18) and 34 (22) of Standalone Financial Statements.

## NOTE NO. 15.1 EQUITY SHARE CAPITAL

| Particulars | As at 31st March 2022 | | As at 31st March 2021 | |
|---|---|---|---|---|
| | Nos | Amount (₹ in Crore) | Nos | Amount (₹ in Crore) |
| Authorized Share Capital (Par value per share Rs. 10) | 15000000000 | 15,000.00 | 15000000000 | 15,000.00 |
| Equity shares issued, subscribed and fully paid (Par value per share Rs. 10) | 10045034805 | 10,045.03 | 10045034805 | 10,045.03 |

**15.1.1 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:**

| Particulars | As at 31st March 2022 | | As at 31st March 2021 | |
|---|---|---|---|---|
| | Nos | Amount (₹ in Crore) | Nos | Amount (₹ in Crore) |
| **Opening Balance** | 10045034805 | 10,045.03 | 10045034805 | 10,045.03 |
| **Closing Balance** | 10045034805 | 10,045.03 | 10045034805 | 10,045.03 |

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**15.1.3** Shares in the company held by each shareholder holding more than 5 percent specifying the number of shares held :-

| | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|
| | Number | In (%) | Number | In (%) |
| - President of India | 7126772676 | 70.95% | 7126772676 | 70.95% |
| - Life Insurance Corporation of India | 704952213 | 7.02% | 762090767 | 7.59% |

**15.1.4** 21,42,85,714 equity shares of ₹ 10 each were bought back during the period of five years immediately preceeding the date of Balance Sheet.

**15.1.5** Shareholding of Promoters as at 31st March 2022

| Promoter Name | No. of Shares | % of Total Shares | % Change during the Year |
|---|---|---|---|
| President of India | 7126772676 | 70.95 | Nil |

**15.1.6** Shareholding of Promoters as at 31st March 2021

| Promoter Name | No. of Shares | % of Total Shares | % Change during the Year |
|---|---|---|---|
| President of India | 7126772676 | 70.95 | Nil |

## NOTE NO. 15.2 OTHER EQUITY

(₹ in crore)

| | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| **(i)** | **Capital Redemption Reserve** | | |
| | As per last Balance Sheet | 2,255.71 | 2,255.71 |
| | **As at Balance Sheet date** | **2,255.71** | **2,255.71** |
| **(ii)** | **Bond Redemption Reserve** | | |
| | As per last Balance Sheet | 1,641.95 | 1,948.38 |
| | Less: Transfer to Surplus/Retained Earnings | 275.70 | 306.43 |
| | **As at Balance Sheet date** | **1,366.25** | **1,641.95** |
| **(iii)** | **General Reserve** | | |
| | As per last Balance Sheet | 9,724.72 | 9,724.72 |
| | **As at Balance Sheet date** | **9,724.72** | **9,724.72** |
| **(iv)** | **Surplus/ Retained Earnings** | | |
| | As per last Balance Sheet | 7,808.95 | 5,877.69 |
| | Add: Profit during the year | 3,537.71 | 3,245.06 |
| | Add: Other Comprehensive Income during the year | 15.57 | (43.16) |
| | Add: Transfer from Bond Redemption Reserve | 275.70 | 306.43 |
| | Less: Dividend (Final and Interim) | 1,667.48 | 1,577.07 |
| | **As at Balance Sheet date** | **9,970.45** | **7,808.95** |
| **(v)** | **Fair value through Other Comprehensive Income (FVTOCI)-Debt Instruments** | | |
| | As per last Balance Sheet | 45.41 | 42.18 |
| | Add: Change in Fair value of FVTOCI (Net of Tax) | (8.21) | 3.23 |
| | **As at Balance Sheet date** | **37.20** | **45.41** |
| **(vi)** | **Fair value through Other Comprehensive Income (FVTOCI)-Equity Instruments** | | |
| | As per last Balance Sheet | 81.34 | 34.21 |
| | Add: Change in Fair value of FVTOCI (Net of Tax) | 5.40 | 47.13 |
| | **As at Balance Sheet date** | **86.74** | **81.34** |
| | **TOTAL** | **23,441.07** | **21,558.08** |

**15.2.1 Nature and Purpose of Reserves**

(i) **Capital Redemption Reserve:** The company is required to create a capital redemption reserve from distributable profit if the buy-back of shares is out of free reserves. The nominal value of the shares so bought back is required to be transferred to capital redemption reserve.

(ii) **Bond Redemption Reserve:** As per the Companies (Share Capital and Debentures) Rules, 2014, the Company was required to create a Bond Redemption Reserve out of available profits for the purpose of redemption of bonds. The Companies (Share Capital and Debentures) Amendment Rules, 2019 exempts the Company from creation of Bond Redemption Reserve. The Amendment Rules, 2019 further stipulate that the amount credited to Debenture Redemption Reserve shall not be utilized by the company except for the purpose of redemption of debentures. Accordingly, though the Bond Redemption Reserve created till 31.03.2019 has been carried forward and further utilised for bonds redeemed during the current year, no further accrual to the reserve has been made.

(iii) **General Reserve:** The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes, as the same is created by transfer from one component of equity to another.

(iv) **Surplus/ Retained Earnings:** Surplus/ Retained earnings generally represent the undistributed profit/ amount of accumulated earnings of the company and includes remeasurement gain/ losses on defined benefit obligations.

(v) **Fair value through Other Comprehensive Income (FVTOCI)-Debt Instruments:** The Company has elected to recognise changes in the fair value of certain investments in debt securities in other comprehensive income. This reserve represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income. The Company transfers amounts from this reserve to retained earnings when the relevant debt securities are disposed.

(vi) **Fair value through Other Comprehensive Income (FVTOCI)-Equity Instruments :** The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed.

## NOTE NO. 16.1 FINANCIAL LIABILITIES - NON CURRENT - BORROWINGS

(₹ in crore)

| | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| | **At Amortised Cost** | | |
| **A** | **- Secured Loans** | | |
| | **-Bonds** | 14,517.90 | 15,679.99 |
| | **-Term Loan** | | |
| | - from Banks | 2,500.00 | - |
| | - from Other (Financial Institutions) | 158.00 | 316.00 |
| **B** | **- Unsecured Loans** | | |
| | **-Term Loan** | | |
| | - from Bank | 930.25 | - |
| | - from Government of India (Subordinate Debts) | 3,686.39 | 3,654.28 |
| | - from Other (in Foreign Currency) | 1,374.07 | 1,580.72 |
| | **TOTAL** | **23,166.61** | **21,230.99** |

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

**16.1.2** Particulars of Redemption, Repayments and Securities.

## NOTE NO. 16.1.2

(₹ in crore)

| | 16.1.2.A Particulars of redemptions, repayments and securities | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| **(A)** | **BONDS (Non-convertible and Non-cumulative)-Secured** | | |
| **i)** | **TAX FREE BONDS- 3A SERIES (Refer Note 16.1.2.B(2&5))**<br>(8.67% p.a. 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each).<br>(Date of redemption 02.11.2033) | 336.07 | 336.07 |
| **ii)** | **TAX FREE BONDS- 3B SERIES (Refer Note 16.1.2.B(2&5))**<br>(8.92% p.a. 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each).<br>(Date of redemption 02.11.2033) | 253.62 | 253.62 |
| **iii)** | **BONDS- U SERIES (Refer Note 16.1.2.B(1&6))**<br>(8.24% p.a. 15 Years Secured Redeemable Non-Cumulative Non-Convertible Taxable Bonds of ₹ 10,00,000/- each).<br>(Date of redemption 27.06.2031) | 540.00 | 540.00 |
| **iv)** | **BONDS- U1 SERIES (Refer Note 16.1.2.B(1&6))**<br>(8.17% p.a. 15 Years Secured Redeemable Non-Cumulative Non-Convertible Taxable Bonds of ₹ 10,00,000/- each).<br>(Date of redemption 27.06.2031) | 360.00 | 360.00 |
| **v)** | **TAX FREE BONDS- 2A SERIES (Refer Note 16.1.2.B(2&5))**<br>(8.54% p.a. 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each).<br>(Date of redemption 02.11.2028) | 213.12 | 213.12 |
| **vi)** | **TAX FREE BONDS- 2B SERIES (Refer Note 16.1.2.B(2&5))**<br>(8.79% p.a. 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each).<br>(Date of redemption 02.11.2028) | 85.61 | 85.61 |
| **vii)** | **BONDS-AC SERIES (Refer Note 16.1.2.B(12))**<br>(6.86% p.a. 15 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 10 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/10th of face value of Bond).<br>(Bond issue amount of ₹ 1500 Crores redeemable in 10 equal annual installments commencing from 12.02.2027). | 1,500.00 | 1,500.00 |

| 16.1.2.A Particulars of redemptions, repayments and securities | | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| viii) | **BONDS-AB SERIES (Refer Note 16.1.2.B (11))**<br>(6.80% p.a. 10 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond).<br>(Bond issue amount of ₹ 750 Crores redeemable in 5 equal annual installments commencing from 24.04.2026). | 750.00 | 750.00 |
| ix) | **BONDS-AA-1 SERIES (Refer Note 16.1.2.B (10))**<br>(6.89% p.a. 10 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond).<br>(Bond issue amount of ₹ 500 Crores redeemable in 5 equal annual installments commencing from 11.03.2026). | 500.00 | 500.00 |
| x) | **BONDS-AA SERIES (Refer Note 16.1.2.B (10))**<br>(7.13% p.a. 10 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond).<br>(Bond issue amount of ₹ 1500 Crores redeemable in 5 equal annual installments commencing from 11.02.2026). | 1,500.00 | 1,500.00 |
| xi) | **BONDS-Y-1 SERIES (Refer Note 16.1.2.B (9))**<br>(7.38% p.a. 10 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond).<br>(Bond issue amount of ₹ 500 Crores redeemable in 5 equal annual installments commencing from 03.01.2026). | 500.00 | 500.00 |
| xii) | **BONDS-Y SERIES (Refer Note 16.1.2.B (9)**<br>(7.50% p.a. 10 years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separetely Transferable Redeemable Principal Part comprising 1/5th of face value of Bond.)<br>(Bond issue amount of ₹ 1500 crores redeemable in 5 equal annual installments commencing from 07.10.2025). | 1,500.00 | 1,500.00 |
| xiii) | **TAX FREE BONDS- 1A SERIES (Refer Note 16.1.2.B(2&5))**<br>(8.18% p.a. 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each).<br>(Date of redemption 02.11.2023) | 50.81 | 50.81 |
| xiv) | **TAX FREE BONDS- 1B SERIES (Refer Note 16.1.2.B(2&5))**<br>(8.43% p.a. 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each).<br>(Date of redemption 02.11.2023) | 60.77 | 60.77 |
| xv) | **BONDS-W2 SERIES (Refer Note 16.1.2.B(8))**<br>(7.35% p.a. 10 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 50,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond).<br>(Bond issue amount of ₹ 750 Crore redeemable in 5 equal annual installments comencing from 15.09.2023) | 750.00 | 750.00 |
| xvi) | **BONDS-V2 SERIES (Refer Note 16.1.2.B(2))**<br>(7.52% p.a. 10 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 50,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond).<br>(Bond issue amount of ₹ 1475 Crore redeemable in 5 equal annual installments comencing from 06.06.2023) | 1,475.00 | 1,475.00 |

| 16.1.2.A Particulars of redemptions, repayments and securities | | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| xvii) | **BONDS-X SERIES (Refer Note 16.1.2.B(2))**<br>(8.65% p.a. 10 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each Redeemable in 7 equal yearly installments).<br>(Bond issue amount of ₹ 1500 Crores redeemable in 7 equal annual installments commencing from 08.02.2023). | 1,500.00 | 1,500.00 |
| xviii) | **BONDS-T SERIES (Refer Note 16.1.2.B(1 and 6))**<br>(8.50% p.a. 15 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond).<br>(Bond issue amount of ₹ 1474.92 Crores redeemable in 12 equal annual installments commencing from 12.07.2019. As on 31.03.2022, 9 annual installments of ₹ 122.91 Crore each are outstanding). | 1,106.19 | 1,229.10 |
| xix) | **BONDS-R-3 SERIES (Refer Note 16.1.2.B(2))**<br>(8.78% p.a. 15 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 10 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/10th of face value of Bond).<br>(Bond issue amount of ₹ 892.00 Crores redeemable in 10 equal annual installments commencing from 11.02.2019. (As on 31.03.2022, 6 annual installments of ₹ 89.20 Crores each are outstanding). | 535.20 | 624.40 |
| xx) | **BONDS-S-2 SERIES (Refer Note 16.1.2.B(6))**<br>(8.54% p.a. 15 Years Secured Non-Cumulative Non-Convertible Redeemable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond).<br>(Bond issue amount of ₹ 660.00 Crores redeemable in 12 equal annual installments commencing from 26.11.2018. As on 31.03.2022, 8 annual installments of ₹ 55.00 Crore each are outstanding). | 440.00 | 495.00 |
| xxi) | **BONDS-W1 SERIES (Refer Note 16.1.2.B(8))**<br>(6.91% p.a. 5 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 50,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond).<br>(Bond issue amount of ₹ 1500 Crores redeemable in 5 equal annual installments commencing from 15.09.2018. As on 31.03.2022, last installments of ₹ 300 Crores is outstanding). | 300.00 | 600.00 |
| xxii) | **BONDS-V SERIES (Refer Note 16.1.2.B(2))**<br>(6.84% p.a. 5 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 5,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond)<br>(Bond issue amount of ₹ 775 Crores redeemable in 5 equal annual insallments commencing from 24.01.2018). | - | 155.00 |
| xxiii) | **BONDS-Q SERIES (Refer Note 16.1.2.B(3&7))**<br>(9.25% p.a. 15 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond).<br>(Bond issue amount of ₹ 1266.00 Crores redeemable in 12 equal annual insallments commencing from 12.03.2016. As on 31.03.2022, 5 annual installments of ₹ 105.50 Crores each are outstanding). | 527.50 | 633.00 |
| xxiv) | **BONDS-R-2 SERIES (Refer Note 16.1.2.B(2))**<br>(8.85% p.a. 14 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond).<br>(Bond issue amount of ₹ 382.08 Crores redeemable in 12 equal annual insallments commencing from 11.02.2016. As on 31.03.2022, 5 annual installments of ₹ 31.84 Crores each are outstanding). | 159.20 | 191.04 |

| 16.1.2.A Particulars of redemptions, repayments and securities | | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| xxv) | **BONDS-P SERIES (Refer Note 16.1.2.B(2,4&5))**<br>(9.00% p.a. 15 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each redeemable in 10 equal yearly installments).<br>(Bond issue amount of ₹ 2000 Crores redeemable in 10 equal annual insallments commencing from 01.02.2016. As on 31.03.2022, 3 annual installments of ₹ 200 Crores each are outstanding). | 600.00 | 800.00 |
| xxvi) | **BONDS-S-1 SERIES (Refer Note 16.1.2.B(6))**<br>(8.49% p.a. 10 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 10 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/10th of face value of Bond).<br>(Bond issue amount of ₹ 365 Crores redeemable in 10 equal annual insallments commencing from 26.11.2015. As on 31.03.2022, 3 annual installments of ₹ 36.50 Crores each are outstanding). | 109.50 | 146.00 |
| xxvii) | **BONDS-R-1 SERIES (Refer Note 16.1.2.B(2))**<br>(8.70% p.a. 13 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond).<br>(Bond issue amount of ₹ 82.20 Crores redeemable in 12 equal annual insallments commencing from 11.02.2015. As on 31.03.2022, 4 annual installments of ₹ 6.85 Crores each are outstanding). | 27.40 | 34.25 |
| | **Total Bonds** | **15,679.99** | **16,782.79** |
| | **Less Current Maturities** | 1,162.09 | 1,102.80 |
| | **Bonds - Net of current maturities (A)** | **14,517.90** | **15,679.99** |
| **(B)** | **TERM LOANS - Secured (Banks)** | | |
| **i)** | **CENTRAL BANK OF INDIA (Refer Note 16.1.2.B(2&3))**<br>(Repayable in 92 equal monthly instalments of ₹ 5.4348 crore each upto 01.12.2031 at Floating interest rate (Repo 4.00% plus 1.39% spread with RBI Policy reset) of 5.39% p.a. as on 31.03.2022). | 500.00 | - |
| **ii)** | **HDFC BANK LIMITED (Refer Note 16.1.2.B(12,13&14))**<br>(Repayable in 92 equal monthly instalments of ₹ 21.7391 crore each upto 01.10.2031 at Floating interest rate (3 months Treasury Bill 3.73% plus 1.93% spread with quarterly reset) of 5.66% p.a. as on 31.03.2022. ) | 2,000.00 | - |
| | **Total Term Loan - Banks (Secured)** | **2,500.00** | **-** |
| | **Less Current Maturities** | - | - |
| | **Term Loan - Banks Net of current maturities (B)** | **2,500.00** | **-** |
| **(C)** | **Term Loan-From other (Secured)** | | |
| **i)** | **LIFE INSURANCE CORPORATION OF INDIA (Refer Note 16.1.2.B(3&7))**<br>(Repayable in 4 equal half yearly instalments of ₹ 79 Crore each upto 31.10.2023 at Fixed Interest rate of 9.118% p.a.) | 316.00 | 474.00 |
| | **Total Term Loan - Other Parties (Secured)** | **316.00** | **474.00** |
| | **Less Current Maturities** | 158.00 | 158.00 |
| | **Term Loan - other Net of current maturities (C)** | **158.00** | **316.00** |
| **(D)** | **Term Loan-From Banks (Unsecured)** | | |
| **i)** | **HDFC Bank Ltd. (Securitization of Return on Equity of Chamera-I Power Station) (Refer Note 34(28))**<br>(Repayable in 120 monthly instalments upto 29.02.2032 at floating interest rate of 5.24% p.a. (3 months Treasury Bill i.e. 3.71% PLUS 1.53% Spread with Quaterly reset) as on 31.03.2022 and 5% of Income booked by NHPC for the Power Station against sale of Secondary Energy Units for previous 12 – month period shall be paid to the HDFC at the end of the next month of every 12 month period completed inclusive of the month of disbursement).<br>(As on 31.03.2022, 119 monthly installments are outstanding). | 1,010.01 | - |
| | **Total Term Loan - From Banks (Unsecured)** | **1,010.01** | **-** |
| | **Less Current Maturities** | 79.76 | - |
| | **Term Loan - From Banks (Unsecured) Net of current maturities (D)** | **930.25** | **-** |

| 16.1.2.A Particulars of redemptions, repayments and securities | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| **(E) Term Loan - From Government of India (Unsecured)** | | |
| **Loans from Government of India (At fair value)** | | |
| **i) Subordinate Debt from Government of India for Nimoo-Bazgo Power Station** (Repayable in 18 equal annual instalments of ₹ 29.09 Crore each in respect of undiscounted amount from the 12th year after commissioning of the project i.e. from 10.10.2025 at fixed interest rate of 4% p.a.). | 433.63 | 429.13 |
| **ii) Subordinate Debt from Government of India for Chutak Power Station** (Repayable in 24 equal annual instalments of ₹ 23.11 Crore each in respect of undiscounted amount from the 6th year after commissioning of the project i.e. from 01.02.2019 at fixed interest rate of 2.50% p.a.) (As on 31.03.2022, 20 annual installments of ₹ 23.11 Crore each are outstanding) | 405.82 | 424.01 |
| **iii) Subordinate Debt from Government of India for Kishanganga Power Station** (Repayable in 10 equal annual instalments of ₹ 377.429 Crore each in respect of undiscounted amount from the 11th year after commissioning of the project at fixed interest rate of 1% p.a. Interest accrues and is payable annually after 11 years of commissioning of the project i.e. from 24.05.2029) | 2,870.05 | 2,824.25 |
| **Total Term Loan -Government (Unsecured)** | **3,709.50** | **3,677.39** |
| **Less Current Maturities** | 23.11 | 23.11 |
| **Term Loan - Other Parties Net of current maturities (E)** | **3,686.39** | **3,654.28** |
| **(F) TERM LOANS - From Others- Foreign Currency (Unsecured)** | | |
| **i) Japan International Cooperation Agency Tranche-I (Refer Note 16.1.2.B(15))** (Repayable in 8 equal half yearly instalments of ₹ 7.60 Crore each upto 20.01.2026 at fixed interest rate of 2.3% as on 31.03.2022) | 60.80 | 81.44 |
| **ii) Japan International Cooperation Agency Tranche-II (Refer Note 16.1.2.B(15))** (Repayable in 12 equal half yearly instalments of ₹ 24.93 Crore each upto 20.12.2027 at fixed interest rate of 2.3% as on 31.03.2022) | 299.19 | 374.06 |
| **iii) Japan International Cooperation Agency Tranche-III (Refer Note 16.1.2.B(15))** (Repayable in 24 equal half yearly instalments of ₹ 18.42 Crore each upto 20.03.2034 at fixed interest rate of 1.3% as on 31.03.2022) | 441.98 | 513.12 |
| **iv) MUFG Bank Limited, Singapore** (Repayable in one installment bullet on 25.07.2024 at 6 monthly compounded reference rate (CAS+ Tona + 0.75% ). The loan is hedged at coupon only swap fixed rate of 0.931 % (INR) p.a. & call spread coupan at fixed rate of 6.25% (INR) p.a. with JPY strike price of ₹ 0.90.) | 674.00 | 721.30 |
| **Total Term Loan - Other Parties - Foreign Currency (Unsecured)** | **1,475.97** | **1,689.92** |
| **Less Current Maturities** | 101.90 | 109.20 |
| **Term Loan - Other Parties - Foreign Currency (Unsecured) (F)** | **1,374.07** | **1,580.72** |
| **Grand Total (A+B+C+D+E+F)** | **23,166.61** | **21,230.99** |

**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 Uri-I Power Station situated in the state of Jammu & Kashmir.
2. Secured by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati-II HE Project situated in the state of Himachal Pradesh.
3. Secured by pari-passu charge by way of equitable mortgage/hypothecation against immovable/movable assets (except for Book Debts and Stores) of Company's Teesta Low Dam-III Power Station situated in the state of West Bengal.
4. Secured by pari-passu charge by way of equitable mortgage and charge over all the immoveable and moveable assets (except for Book Debts and Stores) of the Company's Dhauliganga Power Station situated in the state of Uttrakhand.
5. Secured by a first charge on pari-passu basis by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Chamera-III Power Station situated in the state of Himachal Pradesh.
6. Secured by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati -III Power Station situated in the state of Himachal Pradesh.

7. Secured by pari-passu charge by way of equitable mortgage/hypothecation against immovable/movable assets (except for Book Debts and Stores) of Company's Teesta-V Power Station situated in the state of Sikkim.
8. Security creation by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati -II Project situated in the state of Himachal Pradesh and Secured by pari-passu charge by way of hypothecation against the moveable assets (except for Book Debts and Stores) of the Company's Dulhasti Power Station situated in the state of Jammu & Kashmir.
9. Security creation by pari-passu charge by way of mortgage and hypothecation against the immovable and movable assets (except for Book Debts and Stores) of the Company's Parbati-II Project situated in the state of Himachal Pradesh and secured by pari-passu charge by way of hypothecation against the movable assets (except for book debts and stores) of the company's Kishanganga Power Station situated in the state of J & K.
10. Security creation by pari-passu charge, by way of mortgage/hypothecation against the movable and immovable assets (except for book debts and stores) of the Company's Parbati II Project, Parbati III Power Station, Chamera II Power Station situated in the state of Himachal Pradesh and Dhauliganga Power Station situated in the state of Uttrakhand.
11. Security creation by pari-passu charge by way of mortgage/hypothecation against the immovable and movable assets (except for Book Debts and Stores) of the Company's Chamers II Power Station situated in the state of Himachal Pradesh .
12. Security creation by pari-passu charge by way of hypothecation against the movable assets (except for Book Debts and Stores) of the Company's Subansiri Lower Project situated in the state of Assam and Arunachal Pradesh.
13. Security creation by pari-passu charge by way of hypothecation against the movable assets (except for Book Debts and Stores) of the Company's TLDP-IV Power Station situated in the state of West Bengal.
14. Security creation by pari-passu charge by way of hypothecation against the movable assets (except for Book Debts and Stores) of the Company's URI-II Power Station situated in the state of Jammu & Kashmir.
15. Loans mentioned at sl. nos. F(i),F(ii) and F(iii) above are guaranteed by Government of India.

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

(₹ in crore)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|
| Lease Liabilities **(Refer Note 34(16)(A))** | 12.88 | 10.23 |
| **TOTAL** | **12.88** | **10.23** |

## NOTE NO. 16.3 FINANCIAL LIABILTIES - NON CURRENT - OTHERS

(₹ in crore)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|
| Payable towards Bonds Fully Serviced by Government of India **(Refer Note 16.3.1)** | | |
| - Principal | 2,017.20 | 2,017.20 |
| Retention Money | 70.84 | 37.14 |
| **TOTAL** | **2,088.04** | **2,054.34** |

**16.3.1** For meeting funding requirement of Government of India for the Scheme of Power System Development Fund (PSDF) during the financial year 2018-19, the company has raised an 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.Further, the amount recoverable by the company from Government of India has been shown as "Amount recoverable on Account of Bonds fully Serviced by Government of India" under Non-Current Financial Assets-Others under **Note No-3.3(D)**.

Interest paid by the Company to the Bond holders is recognised as a recoverable from Government of India under "Financial Assets".

**Detail of Government of India Fully Serviced Bonds raised during financial year 2018-19 is as under :**

**Government of India Fully Serviced Bond-I Series:**

| | | |
|---|---|---|
| 8.12% semi-annual, 10 year unsecured, Non-Cumulative, redeemable, non-convertible Taxable Bonds of ₹ 10,00,000/- each. (Date of redemption - 22.03.2029 in one bullet.) | 2,017.20 | 2,017.20 |

## NOTE NO. 17 PROVISIONS - NON CURRENT

(₹ in crore)

| | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| **A.** | **PROVISION FOR EMPLOYEE BENEFITS** | | |
| **i)** | **Provision for Long term Benefits (Provided for on the basis of actuarial valuation)** | | |
| | As per last Balance Sheet | 6.85 | 7.17 |
| | Additions during the year | 19.60 | - |
| | Amount used during the year | 0.58 | 0.32 |
| | **Closing Balance** | **25.87** | **6.85** |
| **B.** | **OTHERS** | | |
| **i)** | **Provision For Committed Capital Expenditure** | | |
| | As per last Balance Sheet | 1.37 | 1.43 |
| | Additions during the year | - | 0.01 |
| | Amount used during the year | 0.10 | 0.21 |
| | Unwinding of discount | 0.14 | 0.14 |
| | **Closing Balance** | **1.41** | **1.37** |
| **ii)** | **Provision For Livelihood Assistance** | | |
| | As per last Balance Sheet | 19.09 | 18.57 |
| | Additions during the year | 0.23 | 1.03 |
| | Amount used during the year | - | 0.85 |
| | Amount reversed during the year | - | 0.08 |
| | Unwinding of discount | 0.38 | 0.42 |
| | **Closing Balance** | **19.70** | **19.09** |
| **iii)** | **Provision-Others** | | |
| | As per last Balance Sheet | 1.07 | 0.49 |
| | Additions during the year | - | 0.73 |
| | Amount used during the year | - | 0.15 |
| | **Closing Balance** | **1.07** | **1.07** |
| | **TOTAL** | **48.05** | **28.38** |

**17.1** Information about Provisions is given in Note 34 (21) of Standalone Financial Statements.

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

(₹ in crore)

| | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| | **Deferred Tax Liability** | | |
| a) | Property, Plant and Equipments, Right of Use, Investment Property and Intangible Assets. | 4,049.40 | 4,012.53 |
| b) | Financial Assets at FVTOCI | 22.69 | 25.19 |
| c) | Other Items | 2.24 | (0.05) |
| | **Deferred Tax Liability** | **4,074.33** | **4,037.67** |
| | **Less:-Set off Deferred Tax Assets pursuant to set off provisions** | | |
| a) | Provision for employee benefit scheme, doubtful debts, inventory and others | 437.67 | 411.79 |
| b) | Other Items | 57.30 | 36.52 |
| c) | MAT credit entitlement **(Refer Note 18.3)** | 1,478.62 | - |
| | **Deferred Tax Assets** | **1,973.59** | **448.31** |
| | **Deferred Tax Liability (Net)** | **2,100.74** | **3,589.36** |

**18.1** Movement in Deferred Tax Liability/ (Assets) is given as Annexure to Note 18.1

**18.2** Pursuant to the provisions of Section 115BAA of the Income Tax Act 1961 announced by Tax Laws (amended) Ordinance 2019 and promulgated as Taxation Laws (amendment) Act 2019 enacted on 11th December 2019 applicable with effect from 1st April 2019, Domestic Companies have options to pay Income Tax at concessional rates by forgoing certain exemptions/ deductions (the new tax regime) as specified in the said section. The company has Minimum Alternate Tax (MAT) credit of ₹ 2424.58 Crore lying unutilized as on 31st March, 2022 (Previous year ₹ 2379.94 Crore) and is availing tax deductions in respect of its profit from generation of power from certain power stations. In view of the same, it has been decided to continue with existing tax structure for Current and Deferred Tax recognition. Necessary decision for exercising the option under section 115BAA will be taken once tax deductions are not available and MAT credit is substantially exhausted.

**18.3** During the year, the Company has recognised MAT credit amounting to ₹ 1478.62 Crore (Previous year Rs. Nil), out of total MAT Credit of ₹ 2424.58 crore available to the Company (Previous year ₹ 2379.94 Crore) as the same is likely to give rise to future economic benefits in the form of availability of set off against future income tax liability. Out of the above, an amount of ₹ 1313.27 Crore (Previous year Rs. Nil) has been recognised as payable to beneficiaries by way of regulatory deferral account (Credit) balances. **(Refer Note 14.2)**.

## ANNEXURE TO NOTE NO. 18.1

**Financial Year 2021-22**

**Movement in Deferred Tax Liability**

(₹ in crore)

| Particulars | Property, Plant and Equipments,Investment Property and Intangible Assets | Financial Assets at FVTOCI | Other Items | Total |
|---|---|---|---|---|
| **At 1st April 2021** | **4,012.53** | **25.19** | **(0.05)** | **4,037.67** |
| **Charge/(Credit)** | | | | |
| -to Statement of Profit and Loss | 36.87 | (1.38) | 2.29 | 37.78 |
| -to Other Comprehensive Income | - | (1.12) | - | (1.12) |
| **At 31st March 2022** | **4,049.40** | **22.69** | **2.24** | **4,074.33** |

**Movement in Deferred Tax Assets**

(₹ in crore)

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

**Financial Year 2020-21**

**Movement in Deferred Tax Liability**

(₹ in crore)

| Particulars | Property, Plant and Equipments,Investment Property and Intangible Assets | Financial Assets at FVTOCI | Other Items | Total |
|---|---|---|---|---|
| **At 1st April 2020** | **3,980.45** | **42.98** | **(6.36)** | **4,017.07** |
| **Charge/(Credit)** | | | | |
| -to Statement of Profit and Loss | 32.08 | - | 6.31 | 38.39 |
| -to Other Comprehensive Income | - | (17.79) | - | (17.79) |
| **At 31st March 2021** | **4,012.53** | **25.19** | **(0.05)** | **4,037.67** |

**Movement in Deferred Tax Assets**

(₹ in crore)

| Particulars | Provision for employee benefit scheme, doubtful debts, inventory and others | Other Items | Total |
|---|---|---|---|
| **At 1st April 2020** | **358.61** | **17.27** | **375.88** |
| **( Charge)/Credit** | | | |
| -to Statement of Profit and Loss | 53.18 | 19.25 | 72.43 |
| -to Other Comprehensive Income | - | - | - |
| **At 31st March 2021** | **411.79** | **36.52** | **448.31** |

## NOTE NO. 19 OTHER NON CURRENT LIABILITIES

(₹ in crore)

| | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| | Income received in advance-Advance Against Depreciation | 787.84 | 836.10 |
| | Deferred Income from Foreign Currency Fluctuation Account | 40.13 | 41.37 |
| | Grants in aid-from Government-Deferred Income **(Refer Note 19.1)** | 1,198.19 | 1,157.32 |
| | **TOTAL** | **2,026.16** | **2,034.79** |
| **19.1** | **GRANTS IN AID-FROM GOVERNMENT-DEFERRED INCOME** | | |
| | **Opening Balance (Current and Non Current)** | 1,190.52 | 1,187.61 |
| | Add: Received during the year | 74.07 | 35.17 |
| | Less: Transferred to Statement of Profit and Loss **(Refer Note 24.2)** | 33.20 | 32.26 |
| | **Closing Balance (Current and Non Current) (Refer Note 19.1.1)** | **1,231.39** | **1,190.52** |
| | Grants in Aid-from Government-Deferred Income (Current)- **(Refer Note No-21)** | 33.20 | 33.20 |
| | Grants in Aid-from Government-Deferred Income (Non-Current) | 1,198.19 | 1,157.32 |
| **19.1.1** | **Grant includes:-** | | |
| (i) | Fair valuation of Subordinate Debts received from Government of India for Chutak Power Station, Nimoo Bazgo Power Station and Kishanganga Power Station accounted for as Grant In Aid. | 1,135.17 | 1,167.32 |
| (ii) | Funds received from Government of India for Downstream Protection Measures in respect of Subansiri Lower HE Project accounted for as Grant in Aid. | 74.07 | - |
| (iii) | Funds received from Government of India through Solar Energy Corporation of India (SECI) for setting up 50 MW Solar Power Project in Tamilnadu and Funds received from Government of India for setting up rooftop Solar Power Plant accounted for as Grant In Aid. | 22.15 | 23.20 |
| | **Total** | **1,231.39** | **1,190.52** |

## NOTE NO. 20.1 BORROWINGS - CURRENT

(₹ in crore)

| | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| **A** | **Other Loans** | | |
| | From Bank-Secured **(Refer Note 20.1.1)** | 1,323.90 | 726.03 |
| **B** | **Current maturities of long term debt (Refer Note 20.1.2)** | | |
| | - Bonds | 1,162.09 | 1,102.80 |
| | - Term Loan -Banks-Unsecured | 79.76 | - |
| | - Term Loan -Financial Institutions-Secured | 158.00 | 158.00 |
| | - Unsecured-From Government (Subordinate Debts) | 23.11 | 23.11 |
| | - Other-Unsecured (in Foreign Currency) | 101.90 | 109.20 |
| | **Sub Total (B )** | **1,524.86** | **1,393.11** |
| | **TOTAL** | **2,848.76** | **2,119.14** |

**20.1.1** Secured loan from Bank amounting to ₹ 1323.90 Crore (Previous Year ₹ 726.03 Crore ) is towards amount payable to the banks by the beneficiaries on account of bills discounted with recourse against trade receivables. Refer Note 7.7 on continuing recognition of trade receivables liquidated by way of bill discounting.

**20.1.2** Details in respect of redemption, rate of interest, terms of repayment and particulars of security are disclosed in **Note No-16.1.2**

## NOTE NO. 20.2 LEASE LIABILTIES - CURRENT

(₹ in crore)

| PARTICULARS | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|
| Current maturities of Lease Liabilities **(Refer Note 34(16)(A))** | 2.27 | 2.42 |
| **TOTAL** | **2.27** | **2.42** |

## NOTE NO. 20.3 TRADE PAYABLE - CURRENT

(₹ in crore)

| PARTICULARS | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|
| Total outstanding dues of micro enterprise and small enterprise(s) **(Refer Note 20.3.1)** | 23.12 | 30.79 |
| Total outstanding dues of Creditors other than micro enterprises and small enterprises | 166.45 | 167.48 |
| **TOTAL** | **189.57** | **198.27** |

**20.3.1 Disclosure regarding Micro, Small and Medium Enterprises :-**

| | | |
|---|---|---|
| Outstanding Liabilities towards Micro, Small and Medium Enterprises | 23.12 | 30.79 |

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

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

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

## ANNEXURE-I TO NOTE NO-20.3

**As at 31st March 2022**

(₹ in crore)

| | Particulars | Unbilled | Not Due | Trade Payable due and outstanding for following period from due date of payment | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 Years | |
| (i) | MSME | 7.69 | - | 13.94 | 1.04 | 0.25 | 0.11 | 23.03 |
| (ii) | Others | 30.59 | 3.61 | 101.01 | 9.68 | 6.27 | 15.29 | 166.45 |
| (iii) | Disputed dues-MSME | - | - | 0.04 | - | 0.05 | - | 0.09 |
| | **Total** | **38.28** | **3.61** | **114.99** | **10.72** | **6.57** | **15.40** | **189.57** |

**As at 31st March 2021**

(₹ in crore)

| | Particulars | Unbilled | Not Due | Trade Payable due and outstanding for following period from due date of payment | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 Years | |
| (i) | MSME | 1.99 | 0.63 | 27.32 | 0.43 | 0.37 | 0.01 | 30.75 |
| (ii) | Others | 10.79 | 4.53 | 113.81 | 14.59 | 6.39 | 17.37 | 167.48 |
| (iii) | Disputed dues-MSME | - | - | - | 0.04 | - | - | 0.04 |
| | **Total** | **12.78** | **5.16** | **141.13** | **15.06** | **6.76** | **17.38** | **198.27** |

## NOTE NO. 20.4 OTHER FINANCIAL LIABILITIES - CURRENT

(₹ in crore)

| PARTICULARS | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|
| Liability against capital works/supplies other than Micro and Small Enterprises | 399.43 | 397.67 |
| Liability against capital works/supplies-Micro and Small Enterprises **(Refer Note 20.4.1)** | 6.59 | 7.73 |
| Liability against Corporate Social Responsibility | 10.54 | 2.97 |
| Interest accrued but not due on borrowings | 636.10 | 660.72 |
| Payable towards Bonds Fully Serviced by Government of India | | |
| - Interest **(Refer Note 16.3.1 and 11(I))** | 4.49 | 4.49 |
| Earnest Money Deposit/ Retention Money | 233.65 | 319.06 |
| Due to Subsidiaries **(Refer Note 34(8))** | 2.99 | 2.14 |
| Unpaid dividend **(Refer Note 20.4.2)** | 24.64 | 23.47 |
| Unpaid interest **(Refer Note 20.4.2)** | 0.54 | 0.50 |
| Payable to Employees | 26.68 | 26.74 |
| Payable to Others | 25.07 | 87.48 |
| **TOTAL** | **1,370.72** | **1,532.97** |

**20.4.1 Disclosure regarding Micro, Small and Medium Enterprise :-**

| | | |
|---|---|---|
| Outstanding Liabilities towards Micro, Small and Medium Enterprise (including Liability for Corporate Social Responsibility). | 7.41 | 8.07 |
| Outstanding Interest towards Micro, Small and Medium Enterprise | - | - |

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

**20.4.2** "Unpaid Dividend" and "Unpaid Interest" include the amounts which have not been claimed by the investors/holders of the equity shares/bonds. Out of the above, the amount required to be transferred to Investor Education and Protection Fund has been transferred. There is no amount due for payment to Investor Education and Protection Fund.

**20.4.3** 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 2022 | As at 31st March 2021 |
|---|---|---|
| Income received in advance (Advance against depreciation) | 48.25 | 48.25 |
| Deferred Income from Foreign Currency Fluctuation Account | 1.42 | 1.60 |
| Water Usage Charges Payable | 103.42 | 165.28 |
| Statutory dues payable | 138.80 | 132.91 |
| Contract Liabilities-Deposit Works | 6.30 | 7.53 |
| Contract Liabilities-Project Management/ Consultancy Work | 112.54 | 144.09 |
| Advance from Customers and Others | 66.77 | 32.99 |
| Grants in aid-from Government-Deferred Income **(Refer Note No-19.1)** | 33.20 | 33.20 |
| **TOTAL** | **510.70** | **565.85** |

**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 2022 | As at 31st March 2021 |
|---|---|---|
| **A. PROVISION FOR EMPLOYEE BENEFITS** | | |
| **i) Provision for Long term Benefits (Provided for on the basis of actuarial valuation)** | | |
| As per last Balance Sheet | 1.08 | 1.13 |
| Additions during the year | 1.77 | 0.51 |
| Amount used during the year | 1.09 | 0.56 |
| **Closing Balance** | **1.76** | **1.08** |
| **ii) Provision for Performance Related Pay/Incentive** | | |
| As per last Balance Sheet | 446.28 | 361.10 |
| Additions during the year | 233.85 | 266.07 |
| Amount used during the year | 384.34 | 180.89 |
| Amount reversed during the year | 31.86 | - |
| **Closing Balance** | **263.93** | **446.28** |
| **Less:-Advance Paid** | **0.39** | **93.09** |
| **Closing Balance Net of Advance** | **263.54** | **353.19** |
| **B. OTHERS** | | |
| **i) Provision For Tariff Adjustment** | | |
| As per last Balance Sheet | 109.16 | 109.16 |
| Additions during the year | 25.64 | - |
| Adjustment | 22.71 | - |
| Amount used during the year | 9.47 | - |
| **Closing Balance** | **148.04** | **109.16** |
| **ii) Provision For Committed Capital Expenditure** | | |
| As per last Balance Sheet | 98.69 | 124.31 |
| Additions during the year | 0.10 | 0.20 |
| Amount used during the year | 22.90 | 25.65 |
| Amount reversed during the year | - | 0.17 |
| **Closing Balance** | **75.89** | **98.69** |
| **iii) Provision for Restoration expenses of Insured Assets** | | |
| As per last Balance Sheet | 148.18 | 54.11 |
| Additions during the year | 21.02 | 147.24 |
| Amount used during the year | 82.64 | 49.12 |
| Amount reversed during the year | 1.39 | 4.05 |
| **Closing Balance** | **85.17** | **148.18** |

| | | | |
|---|---|---|---|
| **iv)** | **Provision For Livelihood Assistance** | | |
| | As per last Balance Sheet | 16.18 | 16.03 |
| | Additions during the year | 0.17 | 0.88 |
| | Amount used during the year | 2.88 | 0.87 |
| | Unwinding of discount | 0.05 | 0.14 |
| | **Closing Balance** | **13.52** | **16.18** |
| **v)** | **Provision in respect of arbitration award/ court cases** | | |
| | As per last Balance Sheet | 368.45 | 353.20 |
| | Additions during the year | 6.26 | 0.09 |
| | Adjustment | - | 15.34 |
| | Amount used during the year | 27.26 | - |
| | Amount reversed during the year | 15.68 | 0.18 |
| | **Closing Balance** | **331.77** | **368.45** |
| **vi)** | **Provision - Others** | | |
| | As per last Balance Sheet | 158.05 | 209.12 |
| | Additions during the year | 100.11 | 20.28 |
| | Adjustment | (22.71) | (15.34) |
| | Amount used during the year | 18.93 | 0.88 |
| | Amount reversed during the year | 0.46 | 55.13 |
| | **Closing Balance** | **216.06** | **158.05** |
| | **TOTAL** | **1,135.75** | **1,252.98** |

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

## NOTE NO. 23 CURRENT TAX LIABILITIES (NET)

(₹ in crore)

| PARTICULARS | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|
| **Current Tax Liability as per last Balance Sheet** | 716.74 | 581.27 |
| Additions during the year | 725.73 | 714.17 |
| Amount adjusted during the year | (716.74) | (578.70) |
| **Closing Balance of Current Tax Liablity (A)** | **725.73** | **716.74** |
| Less: Current Advance Tax including Tax Deducted at Source (B) | 728.09 | 681.74 |
| **Net Current Tax Liabilities (A-B)** | **(2.36)** | **35.00** |
| **(Disclosed under Note No-4 above)** | **2.36** | **-** |
| **TOTAL** | **-** | **35.00** |

## NOTE NO. 24.1 REVENUE FROM OPERATIONS

(₹ in crore)

| | PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|---|
| | **Operating Revenue** | | |
| **A** | **SALES (Refer Note 24.1.1 and 24.1.3)** | | |
| | Sale of Power | 6,815.67 | 6,300.23 |
| | Advance Against Depreciation -Written back during the period | 48.25 | 48.38 |
| | Performance based Incentive | 750.28 | 762.90 |
| | **Sub-total (i)** | **7,614.20** | **7,111.51** |
| | **Less :** | | |
| | Sales adjustment on account of Foreign Exchange Rate Variation | 44.02 | 50.03 |
| | Tariff Adjustments **(Refer Note 24.1.2)** | 34.70 | - |
| | Income from generation of electricity – precommissioning (Transferred to Expenditure Attributable to Construction) | 53.81 | 34.73 |
| | Rebate to customers | 30.12 | 16.31 |
| | **Sub-total (ii)** | **162.65** | **101.07** |
| | **Sub - Total (A) = (i-ii)** | **7,451.55** | **7,010.44** |

| | PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|---|
| **B** | **Income from Finance Lease (Refer Note 34(16)(B))** | 344.95 | 371.62 |
| **C** | **Income from Operating Lease (Refer Note 34(16)(C))** | 384.07 | 712.00 |
| **D** | **Revenue From Contracts, Project Management and Consultancy Works** | | |
| | Contract Income | 0.02 | 0.06 |
| | Revenue from Project management/ Consultancy works | 46.14 | 38.46 |
| | **Sub - Total (D)** | **46.16** | **38.52** |
| **E** | **Revenue from Power Trading** | | |
| | Sale of Power | 45.76 | 218.52 |
| | Less: Rebate to Customers | 0.91 | 2.04 |
| | **Sub - Total (E)** | **44.85** | **216.48** |
| | **Sub-Total-I (A+B+C+D+E)** | **8,271.58** | **8,349.06** |
| **F** | **OTHER OPERATING REVENUE** | | |
| | Income From Sale of Self Generated VERs/REC | 52.70 | 1.92 |
| | Income on account of generation based incentive (GBI) | 3.61 | 2.96 |
| | Interest from Beneficiary States -Revision of Tariff | 25.91 | 152.64 |
| | **Sub-Total-II** | **82.22** | **157.52** |
| | **TOTAL (I+II)** | **8,353.80** | **8,506.58** |
| **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. | 76.13 | 116.00 |
| | (ii) Earlier year sales | 288.68 | 290.99 |
| **24.1.2** | Tariff Adjustment:- Tariff regulation notified by Central Electricity Regulatory Commission (CERC) vide notification dated 21.02.2014 inter-alia provides that capital cost considered for fixation of tariff for current tariff period shall be subject to truing up at the end of the tariff period, which may result in increase or decrease in tariff. Accordingly, stated amount has been provided in the books during the year. | 34.70 | Nil |
| **24.1.3** | Amount of unbilled revenue included in Sales. | 1,184.50 | 886.15 |

## NOTE NO. 24.2 OTHER INCOME

(₹ in crore)

| | PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|---|
| **A)** | **Interest Income** | | |
| | - Investments carried at FVTOCI- Non Taxable | 5.67 | 5.67 |
| | - Investments carried at FVTOCI- Taxable | 25.82 | 25.79 |
| | - Loan to Government of Arunachal Pradesh | 66.30 | 60.82 |
| | - Deposit Account | 28.81 | 25.38 |
| | - Employee's Loans and Advances (Net of Rebate) | 29.00 | 14.20 |
| | - Advance to contractors | 17.34 | 15.56 |
| | - Others | 0.19 | 17.27 |

| | PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|---|
| **B)** | **Dividend Income** | | |
| | - Dividend from subsidiaries **(Refer Note 34.8)** | 292.71 | 283.68 |
| | - Dividend - Others | 9.00 | 9.00 |
| **C)** | **Other Non Operating Income (Net of Expenses directly attributable to such income)** | | |
| | Late payment surcharge | 229.00 | 532.81 |
| | Realization of Loss Due To Business Interruption **(Refer Note 34(23))** | 161.86 | - |
| | Income from Insurance Claim | 21.34 | 138.64 |
| | Liabilities/ Impairment Allowances/ Provisions not required written back **(Refer Note 24.2.1)** | 28.56 | 23.48 |
| | **Material Issued to contractor** | | |
| | (i) Sale on account of material issued to contractors | 255.19 | 89.42 |
| | (ii) Cost of material issued to contractors on recoverable basis | (421.41) | (174.89) |
| | (iii) Adjustment on account of material issued to contractor | 166.22 | 85.47 |
| | Amortization of Grant in Aid **(Refer Note No-19.1)** | 33.20 | 32.26 |
| | Exchange rate variation (Net) | 49.28 | 34.21 |
| | Mark to Market Gain on Derivative | 4.14 | - |
| | Others | 45.38 | 34.02 |
| | **Sub-total** | **1,047.60** | **1,252.79** |
| | Less: transferred to Expenditure Attributable to Construction | 20.97 | 93.33 |
| | Less: transferred to Advance/ Deposit from Client/Contractees and against Deposit Works | 0.45 | 3.48 |
| | **Total** | **1,026.18** | **1,155.98** |

| | | | |
|---|---|---|---|
| **24.2.1** | **Detail of Liabilities/Impairment Allowances/Provisions not required written back** | | |
| a) | Allowances for Obsolescence & Diminution in Value of Inventories | 5.37 | 0.08 |
| b) | Impairment Allowances for trade receivables | 2.38 | 3.95 |
| c) | Allowances for Bad & Doubtful Deposits | - | 0.04 |
| d) | Allowances for doubtful recoverables | 0.18 | 1.51 |
| e) | Allowances for project expenses awaiting write off sanction | - | 4.88 |
| f) | Allowances for losses pending investigation/awaiting write off / sanction | 0.21 | 3.01 |
| g) | Provision for Restoration expenses of Insured Assets | 1.38 | 3.97 |
| h) | Provision in respect of arbitration award/ court cases | 15.68 | - |
| i) | Others | 3.36 | 6.04 |
| | **TOTAL** | **28.56** | **23.48** |

## NOTE NO. 25.1 PURCHASE OF POWER - TRADING

(₹ in crore)

| PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|
| Purchase of Power | 45.49 | 216.71 |
| Less : Rebate from Supplier | 0.91 | 4.34 |
| **Total** | **44.58** | **212.37** |

## NOTE NO. 25.2 GENERATION EXPENSES

(₹ in crore)

| PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|
| Water Usage Charges | 823.21 | 835.02 |
| Consumption of stores and spare parts | 18.18 | 19.78 |
| **Sub-total** | **841.39** | **854.80** |
| Less: transferred to Expenditure Attributable to Construction | 0.15 | 0.43 |
| **Total** | **841.24** | **854.37** |

## NOTE NO. 26 EMPLOYEE BENEFITS EXPENSE

(₹ in crore)

| PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|
| Salaries and Wages | 1,334.57 | 1,398.16 |
| Contribution to provident and other funds **(Refer Note 26.4)** | 292.71 | 201.79 |
| Staff welfare expenses | 96.08 | 71.36 |
| **Sub-total** | **1,723.36** | **1,671.31** |
| Less: transferred to Expenditure Attributable to Construction | 282.58 | 277.40 |
| **Total** | **1,440.78** | **1,393.91** |

**26.1** Disclosure about leases towards residential accomodation for employees are given in Note 34 (16) (A).

| **26.2** **Contribution to provident and other funds include contributions:** | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|
| i) towards Employees Provident Fund | 81.71 | 84.31 |
| ii) towards Employees Defined Contribution Superannuation Scheme | 104.16 | 103.42 |
| **26.3** Salary and wages includes expenditure on short term leases as per IND AS-116 ''Leases". | 0.26 | 0.99 |

**26.4** "The Employees' Provident Funds and Miscellaneous Provisions Act, 1952" requires the Company to reimburse the Provident Fund Trust in respect of any loss to the trust. Accordingly, the Company has recognised ₹ 49.00 crore (previous year ₹ NIL) towards expenditure recognised on provisional basis on account of impairment of certain investments made by the Provident Fund Trust in interest-bearing securities including overdue interest thereon.

**26.5** Employee benefit expenditure includes an amount of Rs. 0.33 Crore for FY 2021-22 in respect of employees engaged in R&D Activities of the Company.

## NOTE NO. 27 FINANCE COSTS

(₹ in crore)

| | PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|---|
| **A** | **Interest on Financial Liabilities at Amortized Cost** | | |
| | Bonds | 1,289.19 | 1,285.14 |
| | Term loan | 51.47 | 66.63 |
| | Foreign loan | 23.47 | 26.50 |
| | Government of India loan | 70.73 | 70.64 |
| | Short Term Loan | 5.40 | 2.13 |
| | Lease Liabilities | 1.11 | 1.10 |
| | Unwinding of discount-subordinate debts from Government of India | 55.22 | 49.69 |
| | **Sub-total** | **1,496.59** | **1,501.83** |
| **B** | **Other Borrowing Cost** | | |
| | Call spread/ Coupon Swap | 43.91 | 43.64 |
| | Bond issue/ service expenses | 1.16 | 1.93 |
| | Guarantee fee on foreign loan | 11.62 | 13.59 |
| | Other finance charges | 0.66 | 0.59 |
| | Unwinding of discount-Provision & Financial Liablities | 4.45 | 4.21 |
| | **Sub-total** | **61.80** | **63.96** |
| **C** | **Interest on Income Tax** | 2.50 | 2.57 |
| | **TOTAL (A + B + C)** | **1,560.89** | **1,568.36** |
| | Less: Transferred to Expenditure Attributable to Construction | 1,029.14 | 996.87 |
| | **TOTAL** | **531.75** | **571.49** |

## NOTE NO. 28 DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in crore)

| PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|
| Depreciation -Property, Plant and Equipment | 1,109.73 | 1,219.68 |
| Depreciation-Right of use Assets | 24.42 | 25.30 |
| Amortization -Intangible Assets | 4.63 | 2.22 |
| Depreciation adjustment on account of Foreign Exchange Rate Variation **(Refer Note 19 and 5(D)(ii)** | 4.95 | (1.22) |
| **Sub-total** | **1,143.73** | **1,245.98** |
| Less: Transferred to Expenditure Attributable to Construction | 17.51 | 17.33 |
| **TOTAL** | **1,126.22** | **1,228.65** |

## NOTE NO. 29 OTHER EXPENSES

(₹ in crore)

| | PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|---|
| **A.** | **REPAIRS AND MAINTENANCE** | | |
| | - Building | 66.10 | 65.36 |
| | - Machinery | 63.21 | 64.76 |
| | - Others | 170.41 | 150.63 |
| **B.** | **OTHER EXPENSES** | | |
| | Rent **(Refer Note 29.3)** | 15.61 | 18.25 |
| | Hire Charges | 31.77 | 24.79 |
| | Rates and taxes | 15.95 | 14.46 |
| | Insurance | 264.78 | 197.66 |
| | Security expenses | 412.86 | 385.38 |
| | Electricity Charges | 42.54 | 42.91 |
| | Travelling and Conveyance | 13.11 | 8.97 |
| | Expenses on vehicles | 6.48 | 6.00 |
| | Telephone, telex and Postage | 15.32 | 14.71 |
| | Advertisement and publicity | 4.24 | 4.59 |
| | Entertainment and hospitality expenses | 0.85 | 0.99 |
| | Printing and stationery | 3.53 | 3.88 |
| | Consultancy charges - Indigenous | 11.03 | 10.21 |
| | Audit expenses **(Refer Note 29.2)** | 2.02 | 1.96 |
| | Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses | 0.33 | 5.78 |
| | Expenses on work of downstream protection works **(Refer Note 29.4)** | 158.50 | - |
| | Expenditure on land not belonging to company | 14.68 | 10.42 |
| | Loss on Assets (Net) | 12.55 | 8.69 |
| | Losses on Insured Assets | 21.77 | 148.61 |
| | Donation | 1.00 | - |
| | Corporate social responsibility **(Refer Note 34(14))** | 105.29 | 79.63 |
| | Directors' Sitting Fees | 0.14 | 0.05 |
| | Interest to beneficiary | 33.92 | 3.80 |
| | Expenditure on Self Generated VER's/REC | 8.04 | - |
| | Training Expenses | 4.21 | 4.16 |
| | Petition Fee /Registration Fee /Other Fee – To CERC/RLDC/RPC/ IEX/PXIL | 9.70 | 12.20 |
| | Operational/Running Expenses of Kendriya Vidyalay | 7.62 | 6.25 |
| | Operational/Running Expenses of Other Schools | 0.35 | 0.51 |
| | Operational/Running Expenses of Guest House/Transit Hostel | 22.22 | 21.80 |
| | Operating Expenses of DG Set-Other than Residential | 7.03 | 6.40 |
| | Change in Fair Value of Derivatives | - | 15.50 |
| | Other general expenses | 42.74 | 30.39 |
| | **Sub-total** | **1,589.90** | **1,369.70** |
| | Less: Transferred to Expenditure Attributable to Construction | 283.90 | 170.49 |
| | **Sub-total (i)** | **1,306.00** | **1,199.21** |

| | PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|---|
| **C.** | **PROVISIONS/ IMPAIRMENT ALLOWANCE** | | |
| | Impairment allowance for trade receivables | 3.95 | - |
| | Allowance for Bad and doubtful advances / deposits | 10.11 | 74.78 |
| | Allowance for Bad and doubtful recoverable | 5.94 | 0.03 |
| | Allowance for Doubtful Interest | 0.42 | - |
| | Allowance for stores and spares/ Construction stores | 0.58 | 0.83 |
| | Allowance against diminution in the value of investment | 14.07 | - |
| | Allowance for Project expenses / Capital Work In Progress | 7.47 | 144.63 |
| | Allowance for losses pending investigation/ awaiting write off / sanction | 0.03 | 0.21 |
| | Allowances for Goods and Services Tax Input Receivable | 31.09 | 13.54 |
| | **Sub-total** | **73.66** | **234.02** |
| | Less: transferred to Expenditure Attributable to Construction | 31.11 | 13.62 |
| | **Sub-total (ii)** | **42.55** | **220.40** |
| | **TOTAL (i+ii)** | **1,348.55** | **1,419.61** |

**29.1** Disclosure about leases are given in Note 34 (16) (A).

(₹ in Crore)

| **29.2** | **Detail of audit expenses are as under: -** | **For the Year ended 31st March, 2022** | **For the Year ended 31st March, 2021** |
|---|---|---|---|
| | **i) Statutory auditors** | | |
| | **As Auditor** | | |
| | Audit Fees | 0.73 | 0.73 |
| | Tax Audit Fees | 0.21 | 0.21 |
| | **In other Capacity** | | |
| | Taxation Matters | 0.01 | 0.01 |
| | Other Matters/services | 0.57 | 0.63 |
| | Reimbursement of expenses | 0.26 | 0.08 |
| | **ii) Cost Auditors** | | |
| | Audit Fees | 0.19 | 0.20 |
| | **iii) Goods and Service Tax (GST) Auditors** | | |
| | Audit Fees | 0.04 | 0.10 |
| | Reimbursement of expenses | 0.01 | - |
| | **Total Audit Expenses** | **2.02** | **1.96** |

| | | | |
|---|---|---|---|
| **29.3** | Rent includes the following expenditure as per IND AS-116 '' Leases". | | |
| **(i)** | Expenditure on short-term leases other than lease term of one month or less | 10.66 | 13.71 |
| **(ii)** | Expenditure on long term lease of low-value assets | - | 0.02 |
| **(iii)** | Variable lease payments not included in the measurement of lease liabilities | 4.96 | 4.51 |

**29.4** Expense of ₹ 158.50 Crore on Downstream Protection works incurred in Subansiri Lower Project has been capitalized by way of Expenditure Attributable to Construction (EAC) **(Refer Note 2.2.9)**

## NOTE NO. 30.1 TAX EXPENSES

(₹ in crore)

| | PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|---|
| | **Current Tax** | | |
| | Provision for Current Tax | 723.23 | 714.17 |
| | Adjustment Relating To Earlier periods | 3.00 | - |
| | **Total current tax expenses** | **726.23** | **714.17** |
| | **Deferred Tax** | | |
| | **Decrease (increase) in deferred tax assets** | | |
| | - Relating to origination and reversal of temporary differences | (40.15) | (52.82) |
| | - Adjustments on account of MAT credit entitlement | (1,478.62) | - |
| | **Increase (decrease) in deferred tax liabilities** | | |
| | - Relating to origination and reversal of temporary differences | 31.27 | 18.78 |
| | **Total deferred tax expenses (benefits)** | (1,487.50) | (34.04) |
| | **Net Deferred Tax** | (1,487.50) | (34.04) |
| | **Total** | **(761.27)** | **680.13** |
| **30.1.1** | **Reconciliation of tax expense and the accounting profit multiplied by India's domestic rate** | **For the Year ended 31st March, 2022** | **For the Year ended 31st March, 2021** |
| | Accounting profit/loss before income tax including movement in Regulatory Deferral Account Balance | 4,089.71 | 3,925.19 |
| | Applicable tax rate (%) | 34.9440 | 34.9440 |
| | **Computed tax expense** | **1,429.11** | **1,371.62** |
| | **Tax effects of amounts which are not deductible (Taxable) in calculating taxable income.** | | |
| | Non Deductible Tax Expenses | 42.42 | 31.50 |
| | Tax Exempt Income | (1.98) | (1.98) |
| | Tax Incentives (80-IA Deductions) | (625.10) | (797.75) |
| | Minimum Alternate Tax Adjustments | (1,478.62) | 183.10 |
| | Deduction u/s 80M | (130.10) | (102.27) |
| | Adjustment Relating To Earlier periods | 3.00 | (4.09) |
| | **Income tax expense reported in Statement of Profit and Loss** | **(761.27)** | **680.13** |
| **30.1.2** | **Amounts recognised directly in Equity** | | |
| | Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited/(credited) to equity | | |
| | Current Tax | Nil | Nil |
| | Deferred tax | Nil | Nil |
| | **Total** | **Nil** | **Nil** |
| **30.1.3** | **Tax losses and credits** | | |
| | (i) Unused tax losses for which no deferred tax asset has been recognised | Nil | Nil |
| | Potential tax benefit @ 30% | Nil | Nil |
| | (ii) The details of MAT Credit available to the Company in future but not recognised in the books of account **(Refer Note 30.1.5)** | 945.96 | 2,379.94 |
| **30.1.4** | **Unrecognised temporary differences** | | |
| | Temporary differences relating to investments in subsidiaries for which deferred tax liabilities have not been recognised. | | |
| | Undistributed Earnings | Nil | Nil |
| | Unrecognised deferred tax liabilities relating to the above temporary differences | Nil | Nil |

**30.1.5** The details of Minimum Alternate Tax (MAT) Credit available to the Company in future but not recognised in the Books of Accounts

(₹ in Crore)

| Financial Years | As at 31st March 2022 | | As at 31st March 2021 | |
|---|---|---|---|---|
| | Amount | Year of Expiry | Amount | Year of Expiry |
| 2021-22 | - | - | - | - |
| 2020-21 | - | - | 183.10 | 2035-36 |
| 2019-20 | - | - | 156.02 | 2034-35 |
| 2018-19 | - | - | 696.15 | 2033-34 |
| 2017-18 | - | - | 210.11 | 2032-33 |
| 2016-17 | - | - | 11.59 | 2031-32 |
| 2015-16 | - | - | 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 | 291.72 | 2027-28 | 291.72 | 2027-28 |
| 2008-09 | 125.59 | 2023-24 | 125.59 | 2023-24 |
| **TOTAL** | **945.96** | | **2379.94** | |

Deferred tax assets in respect of aforesaid MAT credit available to company in future has not been recognised considering its uncertainty of reversal in foreseeable future.

## NOTE NO. 30.2 OTHER COMPREHENSIVE INCOME

(₹ in crore)

| PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|
| **(i) Items that will not be reclassified to profit or loss** | | |
| (a) Remeasurement of the post employment defined benefit obligations | 14.62 | (61.93) |
| Less: Income Tax on remeasurement of the post employment defined benefit obligations | 5.11 | (21.64) |
| **Remeasurement of the post employment defined benefit obligations (net of Tax)** | **9.51** | **(40.29)** |
| Less:-Movement in Regulatory Deferral Account Balances in respect of tax on defined benefit obligations | (3.73) | 2.87 |
| -Movement in Regulatory Deferral Account Balances-Remeasurement of post employment defined benefit obligations | 2.33 | - |
| **Remeasurement of the post employment defined benefit obligations (net of Tax) and Regulatory deferral account balances (a)** | **15.57** | **(43.16)** |
| (b) Investment in Equity Instruments | 5.40 | 47.13 |
| Less: Income Tax on Equity Instruments | - | - |
| **Sub total (b)** | **5.40** | **47.13** |
| **Total (i)=(a)+(b)** | **20.97** | **3.97** |
| **(ii) Items that will be reclassified to profit or loss** | | |
| - Investment in Debt Instruments | (10.71) | 4.21 |
| Less: Income Tax on investment in Debt Instruments | (2.50) | 0.98 |
| **Total (ii)** | **(8.21)** | **3.23** |
| **Total =(i+ii)** | **12.76** | **7.20** |

## NOTE NO. 31 MOVEMENT IN REGULATORY DEFERRAL ACCOUNT BALANCES

(₹ in crore)

| | PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|---|
| | **Movement in Regulatory Deferral Account Balances on account of:-** | | |
| **(i)** | Wage Revision as per 3rd Pay Revision Committee | (116.53) | - |
| **(ii)** | Kishanganga Power Station:-Depreciation due to moderation of Tariff | 198.35 | 195.51 |
| **(iii)** | Exchange Differences on Monetary Items | (0.17) | 1.70 |
| **(iv)** | Adjustment against Deferred Tax Recoverable for tariff period upto 2009 | (49.52) | (75.46) |
| **(v)** | Adjustment against Deferred Tax Liabilities for tariff period 2014-2019 and onwards | 10.72 | 6.28 |
| **(vi)** | MAT Credit | (1,313.27) | - |
| | **TOTAL (i)+(ii)+(iii)+(iv+(v)+(vi)** | **(1,270.42)** | **128.03** |
| | **Impact of Tax on Regulatory Deferral Accounts** | | |
| | Less: Deferred Tax on Regulatory Deferral Account Balances | 13.56 | 24.18 |
| | Add: Deferred Tax recoverable from Beneficiaries | 13.56 | 24.18 |
| | **TOTAL** | **(1,270.42)** | **128.03** |

**31.1** Refer Note 14 and 14.2 of Standalone Financial Statements.

## NOTE NO. 32 EXPENDITURE ATTRIBUTABLE TO CONSTRUCTION (EAC) FORMING PART OF CAPITAL WORK IN PROGRESS FOR THE YEAR

(₹ in crore)

| | PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|---|
| **A.** | **GENERATION EXPENSE** | | |
| | Consumption of stores and spare parts | 0.15 | 0.43 |
| | **Sub-total** | **0.15** | **0.43** |
| **B.** | **EMPLOYEE BENEFITS EXPENSE** | | |
| | Salaries and Wages | 146.07 | 138.90 |
| | Contribution to provident and other funds | 21.83 | 20.08 |
| | Staff welfare expenses | 6.55 | 6.17 |
| | **Sub-total** | **174.45** | **165.15** |
| **C.** | **FINANCE COSTS** | | |
| | Interest on : **(Refer Note 2.2.2)** | | |
| | Bonds | 950.35 | 911.05 |
| | Foreign loan | 7.18 | 6.64 |
| | Term loan | 25.22 | 32.97 |
| | | **982.75** | **950.66** |
| | Exchange differences regarded as adjustment to interest cost | - | 2.16 |
| | Loss on Hedging Transactions | 43.91 | 41.47 |
| | Transfer of expenses to EAC-Interest on security deposit/ retention money-adjustment on account of effective interest | 1.81 | 1.35 |
| | Transfer of expenses to EAC- Interest on FC Loans - Effective Interest Adjustment | 0.47 | 0.92 |
| | **Sub-total** | **1,028.94** | **996.56** |
| **D.** | **DEPRECIATION AND AMORTISATION EXPENSES** | 14.80 | 15.14 |
| | **Sub-total** | **14.80** | **15.14** |

| | PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|---|
| **E.** | **OTHER EXPENSES** | | |
| | Repairs And Maintenance : | | |
| | - Building | 9.01 | 7.31 |
| | - Machinery | 2.09 | 1.05 |
| | - Others | 27.87 | 10.29 |
| | Rent & Hire Charges | 9.31 | 8.05 |
| | Rates and taxes | 2.42 | 2.07 |
| | Insurance | 12.39 | 9.95 |
| | Security expenses | 28.57 | 26.89 |
| | Electricity Charges | 4.37 | 4.58 |
| | Travelling and Conveyance | 1.94 | 1.43 |
| | Expenses on vehicles | 0.79 | 0.76 |
| | Telephone, telex and Postage | 1.86 | 1.71 |
| | Printing and stationery | 0.42 | 0.35 |
| | Design and Consultancy charges: | | |
| | - Indigenous | 4.13 | 4.58 |
| | Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses | 0.29 | 0.42 |
| | Expenses on works of downstream protection works **(Refer Note 29.4)** | 158.50 | - |
| | Expenditure on land not belonging to company | 1.06 | - |
| | Assets/ Claims written off | 0.09 | 75.96 |
| | Losses on sale of assets | 0.04 | - |
| | Other general expenses | 8.89 | 6.55 |
| | **Sub-total** | **274.04** | **161.95** |
| **F.** | **PROVISIONS** | 31.11 | 13.62 |
| | **Sub-total** | **31.11** | **13.62** |
| **G.** | **CORPORATE OFFICE/REGIONAL OFFICE EXPENSES** | | |
| | Other Income | (0.55) | (0.43) |
| | Other Expenses | 9.86 | 8.54 |
| | Employee Benefits Expense | 108.13 | 112.25 |
| | Depreciation & Amortisation Expenses | 2.71 | 2.19 |
| | Finance Cost | 0.20 | 0.31 |
| | **Sub-total** | **120.35** | **122.86** |
| **H.** | **LESS: RECEIPTS AND RECOVERIES** | | |
| | Income from generation of electricity – precommissioning | 53.81 | 34.73 |
| | Interest on loans and advances | 17.34 | 15.53 |
| | Profit on sale of assets | - | 0.03 |
| | Provision/Liability not required written back | 0.43 | 1.85 |
| | Miscellaneous receipts | 2.65 | 75.49 |
| | **Sub-total** | **74.23** | **127.63** |
| | **TOTAL (A+B+C+D+E+F+G-H) (Refer Note 2.2)** | **1,569.61** | **1,348.08** |

## 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, 2022 | | | As as 31st March, 2021 | | |
|---|---|---|---|---|---|---|---|
| | | Fair value through Profit or Loss | Fair value through Other Comprehensive Income | Amortised Cost | Fair value through Profit or Loss | Fair value through Other Comprehensive Income | Amortised Cost |
| **Non-current Financial assets** | | | | | | | |
| (i) Non-current investments | | | | | | | |
| a) In Equity Instrument (Quoted) | 3.1 | | 98.70 | | | 93.30 | |
| b) In Debt Instruments (Government/Public Sector Undertaking) - Quoted | 3.1 | | 411.64 | | | 422.05 | |
| **Sub-total** | | | **510.34** | | | **515.35** | |
| (ii) Loans | | | | | | | |
| a) Loans to Joint Venture (National High Power Test Laboratory (P) Limited) | 3.2 | | | 17.48 | | | 18.40 |
| b) Employees | 3.2 | | | 197.19 | | | 165.25 |
| c) Loan to Government of Arunachal Pradesh (Including interest) accrued) | 3.2 | | | 802.92 | | | 736.62 |
| (iii) Others | | | | | | | |
| Deposits | 3.3 | | | 23.19 | | | 23.00 |
| - Lease Receivables including interest | 3.3 | | | 2,435.91 | | | 2,563.17 |
| - Recoverable on account of Bonds fully Serviced by Government of India | 3.3 | | | 2,017.20 | | | 2,017.20 |
| - Share Application Money Pending Allotment | 3.3 | | | 3.78 | | | 318.29 |
| - Derivative Mark to Market Asset | 3.3 | 22.35 | | | 18.21 | | |
| - Bank Deposits with more than 12 Months Maturity (Including interest accrued) | 3.3 | | | 0.35 | | | 0.40 |
| **Total Non-current Financial assets** | | **22.35** | **510.34** | **5,498.02** | **18.21** | **515.35** | **5,842.33** |
| **Current Financial assets** | | | | | | | |
| (i) Trade Receivables | 7 | | | 4,621.48 | | | 4,532.49 |
| (ii) Cash and cash equivalents | 8 | | | 937.78 | | | 145.57 |
| (iii) Bank balances other than Cash and Cash Equivalents | 9 | | | 222.93 | | | 768.39 |

| Financial assets | Notes | As at 31st March, 2022 | | | As as 31st March, 2021 | | |
|---|---|---|---|---|---|---|---|
| | | Fair value through Profit or Loss | Fair value through Other Comprehensive Income | Amortised Cost | Fair value through Profit or Loss | Fair value through Other Comprehensive Income | Amortised Cost |
| (iv) Loans | 10 | | | | | | |
| - Employee Loans | | | | 54.76 | | | 47.66 |
| - Loans to Joint Venture (National High Power Test Laboratory Private Limited) (Net of Impairment Allowances) | | | | 0.92 | | | 0.42 |
| (v) others (Excluding Lease Receivables) | 11 | | | 612.42 | | | 965.83 |
| (vi) others (Lease Receivables including interest) | 11 | | | 119.31 | | | 101.29 |
| **Total Current Financial Assets** | | **-** | **-** | **6,569.60** | **-** | **-** | **6,561.65** |
| **Total Financial Assets** | | **22.35** | **510.34** | **12,067.62** | **18.21** | **515.35** | **12,403.98** |

| Financial Liabilities | Notes | As at 31st March, 2022 | | | As as 31st March, 2021 | | |
|---|---|---|---|---|---|---|---|
| | | Fair value through Profit or Loss | Fair value through Other Comprehensive Income | Amortised Cost | Fair value through Profit or Loss | Fair value through Other Comprehensive Income | Amortised Cost |
| (i) Long-term borrowings | 16.1 | | | 23,166.61 | | | 21,230.99 |
| (ii) Long term maturities of lease liabilities | 16.2 | | | 12.88 | | | 10.23 |
| (iii) Other Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India) | 16.3 | | | 2,088.04 | | | 2,054.34 |
| (iv) Borrowing -Short Term including current maturities of long term borrowings | 20.1 | | | 2,848.76 | | | 2,119.14 |
| (v) Current maturities of lease obligations | 20.2 | | | 2.27 | | | 2.42 |
| (vi) Trade Payables including Micro, Small and Medium Enterprises | 20.3 | | | 189.57 | | | 198.27 |
| (vii) Other Current financial liabilities | | | | | | | |
| a) Interest Accrued but not due on borrowings | 20.4 | | | 636.10 | | | 660.72 |
| b) Other Current Liabilities | 20.4 | | | 734.62 | | | 872.25 |
| **Total Financial Liabilities** | | | | **29,678.85** | | | **27,148.36** |

## B) FAIR VALUATION MEASUREMENT

### (i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the following three levels prescribed under Ind AS-113 "Fair Value Measurements".

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and traded bonds that have quoted price. The fair value of all equity instruments including bonds which are traded in the recognised Stock Exchange and money markets are valued using the closing prices as at the reporting date.

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

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.The fair value of financial assets and liabilities included in level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments. This includes derivative MTM assets/liabilities, security deposits/ retention money and loans at below market rates of interest.

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

(₹ in crore)

| PARTICULARS | Note No. | As at 31st March, 2022 | | | As as 31st March, 2021 | | |
|---|---|---|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **Financial Assets at FVTOCI** | | | | | | | |
| **(i) Investments-** | | | | | | | |
| - In Equity Instrument (Quoted) | 3.1 | 98.70 | | | 93.30 | | |
| - In Debt Instruments (Government/ Public Sector Undertaking)- Quoted* | 3.1 | 411.64 | | | 422.05 | | |
| **Financial Assets at FVTPL :** | | | | | | | |
| (i) Derivative MTM Asset (Call spread option and Coupon only swap) | 3.3 | | 22.35 | | | 18.21 | |
| **Total** | | **510.34** | **22.35** | **-** | **515.35** | **18.21** | **-** |

**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, 2022 | | | As as 31st March, 2021 | | |
|---|---|---|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | | | | | |
| **(i) Loans** | | | | | | | |
| a) Employees | 3.2 | | 257.88 | | | 216.86 | |
| b) Loans to Joint Venture (National High Power Test Laboratory Private Limited | 3.2 | | 17.48 | | | 18.40 | |

| PARTICULARS | Note No. | As at 31st March, 2022 | | | As as 31st March, 2021 | | |
|---|---|---|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| c) Loan to Government of Arunachal Pradesh (including Interest Accrued) | 3.2 | | 802.92 | | | 736.62 | |
| **(ii) Others** | | | | | | | |
| -Deposits | 3.3 | | | 23.19 | | | 23.00 |
| -Bank Deposits with more than 12 Months Maturity (Including Interest accrued) | 3.3 | | 0.35 | | | 0.40 | |
| -Recoverable on account of Bonds fully Serviced by Government of India | 3.3 | 2,017.20 | | | 2,017.20 | | |
| **Total Financial Assets** | | **2,017.20** | **1,078.63** | **23.19** | **2,017.20** | **972.28** | **23.00** |
| **Financial Liabilities** | | | | | | | |
| (i) Long-term borrowings including current maturities and accrued interest | 16.1, 20.1 & 20.4 | 18,245.84 | 3,847.01 | 2,991.21 | 19,083.09 | 2,207.18 | 2,881.38 |
| (ii) Long term and Short term maturities of lease obligations | 16.2 & 20.2 | | | 15.15 | | | 12.65 |
| (iii) Other Long Term Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India) | 16.3 | 2,017.20 | | 76.95 | 2,017.20 | | 42.12 |
| **Total Financial Liabilities** | | **20,263.04** | **3,847.01** | **3,083.31** | **21,100.29** | **2,207.18** | **2,936.15** |

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

(₹ in Crore)

| Particulars | Note No. | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|---|
| | | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| **Financial assets** | | | | | |
| (i) Loans | | | | | |
| a) Employees | 3.2 | 197.19 | 257.88 | 165.25 | 216.86 |
| b) Loans to Joint Venture (National High Power Test Laboratory Private Limited) | 3.2 | 17.48 | 17.48 | 18.40 | 18.40 |
| c) Loan to Government of Arunachal Pradesh (including Interest Accrued) | 3.2 | 802.92 | 802.92 | 736.62 | 736.62 |
| **(ii) Others** | | | | | |
| Deposits | 3.2 | 23.19 | 23.19 | 23.00 | 23.00 |
| - Bank Deposits with more than 12 Months Maturity (Including Interest accrued) | 3.3 | 0.35 | 0.35 | 0.40 | 0.40 |

| Particulars | Note No. | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|---|
| | | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| - Recoverable on account of Bonds fully Serviced by Government of India | 3.3 | 2,017.20 | 2,017.20 | 2,017.20 | 2,017.20 |
| **Total Financial Assets** | | **3,058.33** | **3,119.02** | **2,960.87** | **3,012.48** |
| **Financial Liabilities** | | | | | |
| (i) Long-term borrowings including Current maturities and accrued interest | 16.1, 20.1 & 20.4 | 25,327.57 | 25,084.06 | 23,284.82 | 24,171.65 |
| (ii) Long term and Short term maturities of lease obligations | 16.2 & 20.2 | 15.15 | 15.15 | 12.65 | 12.65 |
| (iii) Other Long Term Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India) | 16.3 | 2,088.04 | 2,094.15 | 2,054.34 | 2,059.32 |
| **Total Financial Liabilities** | | **27,430.76** | **27,193.36** | **25,351.81** | **26,243.62** |

**Note:-**

1. The Carrying amounts of current investments, Trade and other receivables, Cash and cash equivalents, Short-term loans and advances, Short term borrowings, Trade payables and other current financial liabilities are considered to be the same as their fair values, due to their short term nature.
2. For financial assets and financial liabilities measured at fair value, the carrying amounts are equal to the fair value.

**(d) Valuation techniques and process used to determine fair values**

(1) The Company values financial assets or financial liabilities using the best and most relevant data available. Specific valuation techniques used to determine fair value of financial instruments includes:

- Use of Quoted market price or dealer quotes for similar instruments.
- Fair value of remaining financial instruments is determined using discounted cash flow analysis.

(2) The discount rate used to fair value financial instruments classified at Level -3 is based on the Weighted Average Rate of company's outstanding borrowings except subordinate debts and foreign currency borrowings.

(3) Financial liabilities that are subsequently measured at amortised cost are recognised initially at fair value minus transaction costs using the effective interest method where such transaction costs incurred on long term borrowings are material.

**(2) Financial Risk Management**

**(A) Financial risk factors**

| Risk | Exposure arising from | Measurement | Management |
|---|---|---|---|
| Credit risk | Cash & Cash equivalents, Other Bank Balances ,Trade receivables and financial assets measured at amortised cost, Lease Receivable. | Aging analysis, credit rating. | Diversification of bank deposits, letter of credit for selected customers. |
| Liquidity Risk | Borrowings and other facilities. | Rolling cash flow forecasts & Budgets | Availability of committed credit lines and borrowing facilities. |
| Market Risk- Interest rate | Long term borrowings at variable rates | Sensitivity Analysis | 1. Diversification of fixed rate and floating rates<br>2. Refinancing<br>3. Actual Interest is recovered through tariff as per CERC Regulation |
| Market Risk- security prices | Investment in equity and debt securities | Sensitivity Analysis | Portfolio diversification |
| Market Risk- foreign exchange | Recognised financial liabilities not denominated in INR. | Sensitivity Analysis | Foreign exchange rate variation is recovered through tariff as per CERC Regulation.<br>Call spread option and coupon only swap |

**Risk management framework**

The Company's activities make it susceptible to various risks. The Company has taken adequate measures to address such concerns by developing adequate systems and practices. Company has a well-defined risk management policy to provide overall framework for the risk management in the Company. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

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

**i) Credit risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables/leased assets) and from its financing activities including deposits with banks and financial institutions.

**ii) Liquidity risk.**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

**iii) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The company operates in a regulated environment. Tariff of the company is fixed by the Central Electricity Regulatory Commission (CERC) through Annual Fixed Charges (AFC) comprising the following five components: 1. Return on Equity (RoE), 2. Depreciation, 3. Interest on Loans, 4. Operation & Maintenance Expenses and 5. Interest on Working Capital Loans. In addition to the above Foreign Currency Exchange variations and Taxes are also recoverable from Beneficiaries in terms of the Tariff Regulations. Hence variation in interest rate, currency exchange rate variations and other price risk variations are recoverable from tariff and do not impact the profitability of the company.

**(B) Credit Risk**

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

**Trade Receivables, unbilled revenue & lease receivables :-**

The Company extends credit to customers in normal course of business. The Company monitors the payment track record of the customers. Outstanding receivables are regularly monitored. The Company evaluates the concentration

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

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

**Financial assets at amortised cost :-**

**Employee Loans:** The Company has given loans to employees at concessional rates as per Company's policy which have been measured at amortised cost at Balance Sheet date. The recovery of the loan is on fixed instalment basis from the monthly salary of the employees. The loans are secured by way of mortgage/hypothecation of the assets for which such loans are given. Management has assessed the past data and does not envisage any probability of default on these loans.

**Loans to Government of Arunanchal Pradesh :** The Company has given loan to Government of Arunachal Pradesh at 9% rate of interest as per the terms and conditions of Memorandum of understanding signed between the Company and Government of Arunachal Pradesh for construction of hydroelectric projects in the state. The loan has been measured at amortised cost. The loan is recoverable from the share of free power of the state government from the first hydroelectric project to be commissioned in the state. Management does not envisage any probability of default on the loan.

**Financial instruments and cash deposits :-**

The Company considers factors such as track record, size of the bank, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the banks with which the Company has also availed borrowings. The Company invests surplus cash in short term deposits with scheduled banks. The company has balances and deposits with banks which are well diversified across private and public sector banks with limited exposure with any single bank.

**Corporate Guarantee issued by the Company:**

The Company has issued an irrevocable and unconditional Corporate Guarantee favouring HDFC Bank in support of the credit facility of Rs. 213.25 crore sanctioned by the Bank to Bundelkhand Saur Urja Ltd (BSUL), a Subsidiary Company of NHPC Limited for a Guarantee Fee of 1.20% plus applicable GST. Exposure of the Company from the Guarantee shall be the principal outstanding under the said credit facility including any interest, commission, charges etc. payable to the Bank by BSUL. However, on the reporting date management does not envisage any probability of the default by the Subsidiary Company.

**(i) Exposure to credit risk**

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

(₹ in Crore)

| PARTICULARS | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| **Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)** | | |
| Non-current investments (Other than Subsidiaries and Joint Ventures) | 510.34 | 515.35 |
| Loans -Non Current (including interest) | 1,040.78 | 943.27 |
| Other Non Current Financial Assets | 2,017.55 | 2,017.60 |
| Cash and cash equivalents | 937.78 | 145.57 |
| Bank balances other than Cash and Cash Equivalents | 222.93 | 768.39 |
| Loans -Current | 55.68 | 48.08 |
| Other Financial Assets (Excluding Lease Receivables) | 612.42 | 965.83 |
| **Total (A)** | **5,397.48** | **5,404.09** |
| **Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)** | | |
| Trade Receivables | 4,621.48 | 4,532.49 |
| Lease Receivables (Including Interest) | 2,555.22 | 2,664.46 |
| **Total (B)** | **7,176.70** | **7,196.95** |
| **TOTAL (A+B)** | **12,574.18** | **12,601.04** |

**(ii) Provision for expected credit losses :-**

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

The Company assesses outstanding receivables on an ongoing basis considering changes in payment behaviour and provides for expected credit loss on case-to-case basis.

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

A default in recovery of financial assets occurs when in view of the management there is no significant possibility of recovery of receivables after considering all available options for recovery. As the power stations and beneficiaries of the company are spread over various states of India, geographically there is no concentration of credit risk.

The Company primarily sells electricity to bulk customers comprising mainly of state utilities owned by State Governments. The Company has a robust payment security mechanism in the form of Letters of Credit (LC) backed by the Tri-Partite Agreements (TPA) signed among the Govt. of India, RBI and the individual State Governments subsequent to the issuance of the One Time Settlement Scheme of SEBs dues during 2001-02 by the GOI, which was valid till October 2016. Govt of India has approved the extension of these TPAs for another period of 10 years. Most of the States have signed these TPAs and signing is in progress for the balance states. As per the provisions of the TPA, the customers are required to establish LC covering 105% of the average monthly billing of the Company for last 12 months. The TPA also provided that if there is any default in payment of current dues by any State Utility the outstanding dues can be deducted from the Central Plan Assistance of the State and paid to the concerned CPSU. There is also provision of regulation of power by the Company in case of non payment of dues and non-establishment of LC.

CERC Tariff Regulations 2019-24 allow the Company to raise bills on beneficiaries for late-payment surcharge. which adequately compensates the Company for time value of money arising due to delay in payment. Further, the fact that beneficiaries are primarily State Governments/ State Discoms and considering the historical credit loss experience for trade receivables, the Company does not envisage either impairment in the value of receivables from beneficiaries or loss due to time value of money due to delay in realization of trade receivables. However, the Company assesses outstanding trade receivables on an ongoing basis considering changes in operating results and payment behaviour and provides for expected credit loss on case-to-case basis. As at the reporting date company does not envisage any default risk on account of non-realisation of trade receivables.

**(iii) Reconciliation of impairment loss provisions**

The movement in the allowance for impairment in respect of financial assets during the period was as follows:

(₹ in Crore)

| | Trade Receivables | Investments | Claim Recoverable | Loans | Total |
|---|---|---|---|---|---|
| **Balance as at 1.4.2020** | **37.71** | **-** | **285.72** | **0.01** | **323.44** |
| Changes in Loss Allowances | (3.95) | - | (10.57) | - | (14.52) |
| **Balance as at 1.4.2021** | **33.76** | **-** | **275.15** | **0.01** | **308.92** |
| Changes in Loss Allowances | 1.57 | 14.07 | 7.47 | - | 23.11 |
| **Balance as at 31.3.2022** | **35.33** | **14.07** | **282.62** | **0.01** | **332.03** |

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

**(C) Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

i) The Company's objective is to maintain optimum levels of liquidity at all times to meet its cash and collateral requirements. The Company relies on a mix of borrowings and excess operating cash flows to meet its need for funds. The current committed lines of credit and internal accruals are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet capital expenditure and operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the borrowing limits or covenants (where applicable) are not breached on any of its borrowing facilities.

The company had access to the following undrawn borrowing facilities at the end of the reporting year:

(₹ in Crore)

| PARTICULARS | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| At Floating Rate | 1,425.00 | 475.00 |
| **Total** | **1,425.00** | **475.00** |

**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, 2022**

(₹ in Crore)

| Contractual Maturities of Financial Liabilities | Note No. | Outstanding Debt as on 31.3.2022 | 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 | 27,080.91 | 2,848.76 | 4,337.53 | 5,321.14 | 14,573.48 |
| Lease obligations | 16.2 & 20.2 | 24.13 | 2.27 | 4.39 | 3.01 | 14.46 |
| Other financial Liabilities | 16.3 & 20.4 | 3,476.56 | 1,371.41 | 12.04 | 6.41 | 2,086.70 |
| Trade Payables | 20.3 | 189.57 | 189.57 | - | - | - |
| **Total Financial Liabilities** | | **30,771.17** | **4,412.01** | **4,353.96** | **5,330.56** | **16,674.64** |

**As at 31st March, 2021**

(₹ in Crore)

| CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES | Note No. | Outstanding Debt as on 31.3.2021 | Within 1 Year | More than 1 Year & Less than 3 Years | More than 3 Years & Less than 5 Years | More than 5 Years |
|---|---|---|---|---|---|---|
| Borrowings | 16.1 & 20.1 | 24,423.60 | 2,119.14 | 3,161.38 | 4,160.14 | 14,982.94 |
| Lease obligations | 16.2 & 20.2 | 24.06 | 2.42 | 4.29 | 1.87 | 15.48 |
| Other financial Liabilities | 16.3 & 20.4 | 3,605.36 | 1,533.69 | 11.32 | 7.40 | 2,052.95 |
| Trade Payables | 20.3 | 198.27 | 198.27 | - | - | - |
| **Total Financial Liabilities** | | **28,251.29** | **3,853.52** | **3,176.99** | **4,169.41** | **17,051.37** |

**(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 year are as follows:

| PARTICULARS | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|
| | weighted average interest rate (%) | (₹ in Crore) | weighted average interest rate (%) | (₹ in Crore) |
| Floating Rate Borrowings (INR) | 5.64 | 3,510.01 | - | - |
| Fixed Rate Borrowings (INR) | 7.87 | 19,705.49 | 7.89 | 20,934.19 |
| Fixed Rate Borrowings (FC) | 1.38 | 1,475.97 | 1.41 | 1,689.92 |
| **Total** | | **24,691.47** | | **22,624.11** |

**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) Interest Rate Benchmark reform rate:**

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

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

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

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

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

**(ii) Price Risk:**

**(a) Exposure**

The company's exposure to price risk arises from investment in equity shares and debt instruments classified in the financial statements as Fair Value Through OCI. Company's investment in equity shares are listed in recognised stock exchange and are publicly traded in the stock exchanges. Company's investment in debt instruments comprise quoted Government Securities and Public Sector Bonds and are publicly traded in the market. The investment has been classified under non-current investment in Balance Sheet.

**(b) Price Risk Sensitivity**

**For Investment in Equity Instruments (Investment in equity shares of PTC)**

The table below summarises the impact of increase/decrease in the market price of investment in equity instruments on the company's equity for the year:

(₹ in Crore)

| PARTICULARS | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|
| Investment in Equity shares of : | % change | Impact on other components of equity | % change | Impact on other components of equity |
| PTC India Ltd | 8.62% | 8.50 | 1.54 | 1.43 |

Sensitivity has been worked out based on the previous 3 years average of six monthly fluctuations in the share price as quoted on the National Stock Exchange (NSE).

**For Investment in Debt Instruments (Investments in Government and Public Sector Undertaking Bonds)**

The table below summarises the impact of increase/decrease of the market value of the debt instruments on company's equity for the year:

(₹ in Crore)

| PARTICULARS | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|
| | % change | Impact on other components of equity | % change | Impact on other components of equity |
| Government Securities | 0.61 | 2.01 | 1.11 | 3.77 |
| Public Sector Undertaking Tax Free Bonds | 1.42 | 1.20 | 2.14 | 1.88 |

**(iii) Foreign Currency Risk**

The company is compensated for variability in foreign currency exchange rate through recovery by way of tariff adjustments under the CERC Tariff Regulations.

**(a) Foreign Currency Exposure:**

The company's exposure to foreign currency risk at the end of the reporting year expressed in INR are as follows :

(₹ in Crore)

| PARTICULARS | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| **Financial Liabilities:** | | |
| Foreign Currency Loans | | |
| Japan International Corporation LTD ( JPY) | 801.97 | 968.62 |
| MUFG BANK ( JPY) | 674.00 | 721.30 |
| Other Financial Liabilities | 49.77 | 48.91 |
| **Net Exposure to foreign currency (liabilities)** | **1,525.74** | **1,738.83** |

Out of the above, loan from MUFG bank is hedged by derivative instrument. For balance exposure gain/(loss) on account of exchange variation is recoverable from beneficiaries as per Tariff Regulation 2019-24. Therefore, currency risk in respect of such exposure would not be very significant.

**(b) Sensitivity Analysis**

There is no impact of foreign currency fluctuations on the profit of the company as these are either adjusted to the carrying cost of respective fixed asset/Capital Work-in-Progress or recovered through tariff as per CERC Tariff Regulation 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 total debt divided by total capital. The Debt : Equity ratio are as follows:

**Statement of Gearing Ratio**

| PARTICULARS | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| (a) Total Debt (₹ in Crore) | 28,047.72 | 25,379.98 |
| (b) Total Capital (₹ in Crore) | 33,486.10 | 31,603.11 |
| Gearing Ratio (a/b) | 0.84 | 0.80 |

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

**(b) Loan Covenants:**

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

1. Company shall maintain credit rating AAA and if rating comes down, rate of interest shall be increased by 25 basis point for each notch below AAA rating .
2. Debt to net worth should not exceed 2:1.
3. Interest coverage ratio should be more than 2 times and should be calculated as ((Net Profit+Non Cash Expenditures+Interest Payable-Non Cash Income)/Interest Payable))
4. The gross Debt Service Coverage Ratio of the Company will no time be less than 1.25 during the currency of loan.
5. The Government of India holding in the company not to fall below 51%.
6. First Charge on Assets with 1:1.33 coverage on pari paasu basis.

**During the year the company has complied with the above loan covenants.**

**(c) Dividends: (Refer Note 15.2)**

(₹ in Crore)

| PARTICULARS | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| **(i) Equity Shares** | | |
| Final dividend for the year 2020-21 of INR 0.35 per fully paid share approved in Sep-2021 paid in Oct-2021. (31st March 2020- INR 0.32 fully paid share for FY 2019-20). | 351.58 | 321.44 |
| Interim dividend for the year ended 31st March 2022 of INR 1.31 (31st March 2021- INR 1.25) per fully paid share. | 1,315.90 | 1255.63 |
| **(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 0.50 (31st March 2021- INR 0.35) per fully paid up Shares. The proposed dividend is subject to the approval of shareholders in the ensuring AGM. | 502.25 | 351.58 |

## Note No-33(4) : Ratios

**The Following are analytical ratios for the year ended March 31,2022 and March 31,2021**

| S. No | Particulars | Numerator | Denominator | 31st March 2022 | 31st March 2021 | % Variance | Reason for variance |
|---|---|---|---|---|---|---|---|
| (a) | Current Ratio | Current Assets | Current Liabilities | 1.20 | 1.27 | -5.27 | |
| (b) | Debt-Equity Ratio | Total Debts | Shareholder's Equity | 0.84 | 0.80 | 4.30 | |
| (c ) | Debt Service Coverage Ratio | Earning Available for debt service | Debt Service | 3.62 | 3.03 | 19.68 | |
| (d) | Return on Equity Ratio (In %) | Profit After Tax | Average Shareholder's Equity | 10.87 | 10.55 | 3.06 | |
| (e ) | Inventory turnover Ratio | Revenue From Operations | Average Inventory | 62.59 | 65.71 | -4.75 | |
| (f) | Trade Receivable turnover ratio | Revenue From Operations | Average Debtors | 1.81 | 1.65 | 10.05 | |
| (g) | Trade Payables turnover ratio | Purchases | Average Trade Payables | 5.16 | 4.46 | 15.72 | |
| (h) | Net Capital turnover ratio | Revenue From Operations | Working Capital | 6.92 | 5.61 | 23.50 | Increase is on account of reduction in working capital. |
| (i) | Net Profit ratio (In %) | Net Profit | Revenue from operations | 42.35 | 38.15 | 11.01 | |
| (j) | Return on Capital Employed (In %) | Earning Before Interest and Taxes | Capital Employed (Total Assets- Current Liabilities) | 7.19 | 7.43 | -3.13 | |

| S. No | Particulars | Numerator | Denominator | 31st March 2022 | 31st March 2021 | % Variance | Reason for variance |
|---|---|---|---|---|---|---|---|
| (k) | Return on investment- Quoted Investment (In %) | | | | | | |
| | (i) Quoted Equity | Income generated from investments | Time weighted average investments | 15.43 | 120.85 | -87.23 | Reduction is on account of reduction in market value of Investment. |
| | (ii) Quoted Debt Instruments | | | 4.95 | 8.52 | -41.90 | Reduction is on account of reduction in market value of Investment. |
| | (iii) Equity Investment in Subsidiary Companies (Unquoted) | | | 5.12 | 8.76 | -41.55 | Reduction is on account of reduction in value of NHPC Holding as on 31.3.2022 in NHDC Limited and equity contribution by NHPC Limited in other subsidiary companies which yet to commence commercial operation. |

## NOTE NO. 34: Other Explanatory Notes to Accounts

**1. Disclosures relating to Contingent Liabilities:**
**Contingent Liabilities to the extent not provided for -**

**a) Claims against the Company not acknowledged as debts in respect of:**

**(i) Capital works**

Contractors have lodged claims aggregating to ₹ **10240.95 Crore** (Previous year ₹ **10099.97 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 ₹ **6040.86 Crore** (Previous year ₹ **5772.52 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 ₹ **418.63 Crore** (Previous year ₹ **412.91 Crore**) based on probability of outflow of resources embodying economic benefits and estimated ₹ **9546.17 Crore** (Previous year ₹ **9480.36 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 ₹ **260.87 Crore** (Previous year ₹ **238.30 Crore**) before various authorities/ courts. Pending settlement, the Company has assessed and provided an amount of ₹ **43.86 Crore** (Previous year ₹ **3.26 Crore**) based on probability of outflow of resources embodying economic benefits and estimated ₹ **217.01 Crore** (Previous year ₹ **235.04 Crore**) as the amount of contingent liability as outflow of resources is considered as not probable.

**(iii) Disputed Tax Demands**

Disputed Income Tax/Sales Tax/Service Tax/ Water Cess/ Green Energy Cess/other taxes/duties matters pending before various appellate authorities amount to ₹ **1905.72 Crore** (Previous year ₹ **923.22 Crore**). Pending settlement, the Company has assessed and provided an amount of ₹ **17.52 Crore** (Previous year ₹ **17.52 Crore**) based on probability of outflow of resources embodying economic benefits and ₹ **704.29 Crore** (Previous year ₹ **645.25 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 ₹ **765.02 Crore** (Previous year ₹ **777.54 Crore**). These claims are pending before various forums. Pending settlement, the Company has assessed and provided an amount of ₹ **102.24 Crore** (Previous year ₹ **92.49 Crore**) based on probability of outflow of resources embodying economic benefits and estimated ₹ **653.45 Crore** (Previous year ₹ **679.97 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 31.03.2022 | up to date Provision against the claims | Contingent liability as on 31.03.2022 | Contingent liability as on 31.03.2021 | Addition to/ (deduction) from contingent liability during the year | Decrease of contingent liability from Opening Balance as on 01.04.2021 |
|---|---|---|---|---|---|---|---|
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii)=(v)-(vi) | (viii) |
| 1. | Capital Works | 10,240.95 | 418.63 | 9,546.17 | 9480.36 | 65.81 | 751.88 |
| 2. | Land Compensation cases | 260.87 | 43.86 | 217.01 | 235.04 | (18.03) | 27.65 |
| 3. | Disputed tax matters | 1,905.72 | 17.52 | 704.29 | 645.25 | 59.04 | 2.59 |
| 4. | Others | 765.02 | 102.24 | 653.45 | 679.97 | (26.52) | 88.39 |
| | **Total** | **13,172.56** | **582.25** | **11,120.92** | **11040.62** | **80.30** | **870.51** |

(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 ₹ **462.67 Crore** (Previous year ₹ **469.82 Crore**) against the above Contingent Liabilities.

(e) (i) An amount of ₹ **1140.40 Crore** (Previous year ₹ **1140.45 Crore**) stands paid towards above Contingent Liabilities in respect of Capital Works, pursuant to Niti Aayog directions issued vide OM No. 14070/14/2016-PPPAU dated 5th September 2016, in cases where Arbitral Tribunals have passed orders in favour of contractors and such awards/orders have been further challenged/being challenged by the Company in a Court of Law. The amount so paid has been shown under Other Non-Current Assets (Also refer Note No. 5).

(ii) An amount of ₹ **1656.11 Crore** (Previous year ₹ **1568.68 Crore**) stands paid /deposited with courts/ paid as per Court Order towards above contingent liabilities to contest the cases and has been shown under Other Non-Current/ Current Assets/ adjusted against other liabilities of the claimants.

(f) The Management does not expect that the above claims/obligations (including under litigation), when ultimately concluded and determined, will have a material and adverse effect on the company's results of operations or financial condition.

(g) Category of agency wise details of contingent liabilities as at 31.03.2022 are as under:

(₹ in Crore)

| Sl. No. | Particulars | Claims as on 31.03.2022 | up to date Provision against the claims | Contingent liability as on 31.03.2022 | Contingent liability as on 31.03.2021 | Addition to/ (deduction) from contingent liability during the year | Decrease of contingent liability from Opening Balance as on 01.04.2021 |
|---|---|---|---|---|---|---|---|
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii)=(v)-(vi) | (viii) |
| 1 | Central Government departments | 1,257.17 | 0.83 | 72.43 | 71.82 | 0.61 | - |
| 2 | State Government departments or Local Bodies | 688.97 | 46.01 | 642.36 | 586.85 | 55.51 | 5.85 |
| 3 | Central Public Sector Enterprises (CPSEs) | 137.94 | 101.87 | 7.19 | 15.59 | (8.40) | 9.49 |
| 4 | Others | 11,088.48 | 433.54 | 10,398.94 | 10,366.36 | 32.58 | 855.17 |
| | **TOTAL** | **13,172.56** | **582.25** | **11,120.92** | **11,040.62** | **80.30** | **870.51** |

**2. Contingent Assets:** Contingent assets in respect of the Company are on account of the following:

**a) Counter Claims lodged by the company on other entities:**

The company has lodged counter claims aggregating to ₹ **1067.90 Crore** (Previous year ₹ **971.12 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 ₹ **26.74 Crore** (Previous year ₹ **28.16 Crore**) towards arbitration awards including updated interest thereon.

Based on Management assessment, a favourable outcome is probable in respect of the claims aggregating ₹ **828.50 Crore** (Previous year ₹ **841.22 Crore**) and for rest of the claims, the possibility of any inflow is remote. Accordingly, these claims have not been recognised.

**b) Late Payment Surcharge:**

CERC (Terms and Conditions of Tariff) Regulations 2014-19/2019-24 provide for levy of Late Payment Surcharge by generating company in case of delay in payment by beneficiaries beyond specified days from the date of presentation of bill. In view of significant uncertainties in the ultimate collection from beneficiaries, an amount of ₹ **25.61 Crore** (previous year ₹ **60.94 Crore**) as estimated by the management has not been recognised.

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

Tariff orders on account of petition fee for 2019-24 are pending in respect of all Power stations. Management has assessed that additional revenue of ₹ **7.26 Crore** (Previous year ₹ **4.93 Crore**) is likely to accrue on account of tariff revision which has not been recognised due to significant uncertainty for the approval thereof.

**d) Business Interruption Losses**

Insurance Claims due to Business Interruption Losses in respect of Power Stations are recognised when no significant uncertainty of ultimate collection exists. Management has assessed the claim of ₹ **192.71 Crore** (Previous Year ₹ **417.57 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 comprising of interest on amounts deposited as per NITI Aayog directions/court orders in respect of cases pending in court, liquidated damages, due from ex-employees etc. estimated by Management at ₹ **826.00 Crore** (Previous year ₹ **553.04 Crore**) have not been recognised.

**3. Commitments (to the extent not provided for):**

(a) Estimated amount of contracts remaining to be executed on capital account are as under:

(₹ in Crore)

| Sl. No. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
|---|---|---|---|
| (i) | (ii) | (iii) | (iv) |
| 1. | Property Plant and Equipment (including Capital Work in Progress) | 2130.30 | 3263.38 |
| 2. | Intangible Assets | 0.85 | 0.02 |
| | **Total** | **2131.15** | **3263.40** |

(b) The Company has commitments of ₹ **1344.47 Crore** (Previous year ₹ **1414.47 Crore**) towards further investment in the subsidiary companies as at 31st March 2022.

(c) The Company has commitments of ₹ **762.19 Crore** (Previous year ₹ **807.27 Crore**) towards further investment in the joint venture companies as at 31st March 2022.

**4. Commitments regarding Corporate Guarantee issued by the Company to BSUL:** During the year, the Company has issued an irrevocable and unconditional Corporate Guarantee favouring HDFC Bank in

support of the credit facility of ₹ 213.25 crore sanctioned by the Bank to Bundelkhand Saur Urja Ltd (BSUL), a Subsidiary Company of NHPC Limited, for which a Guarantee Fee of 1.20% plus applicable GST is being charged. Exposure of the Company from the Guarantee shall be the principal outstanding under the said credit facility including any interest, commission, charges etc. payable to the Bank by BSUL. Accordingly, exposure as on 31st March, 2022 is ₹ **60.19 crore** (31st March 2021: Nil). Income recognised towards Guarantee fee receivable from BSUL is ₹ **0.03 Crore** (31st March, 2021: NIL).

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

**(A) Nature of goods and services**

**Majority of Revenue:** The revenue of the Company comprises of income from electricity sales, sale of electricity through trading, consultancy and other services. The following is a description of the principal activities:

**(a) Revenue from sale of electricity**

The major revenue of the Company comes from sale of electricity. The Company sells electricity to bulk customers, mainly electricity utilities owned by State Governments as well as private Discoms operating in States. Sale of electricity is generally made pursuant to long-term Power Purchase Agreements (PPAs) entered into with the beneficiaries.

The details of nature, timing of satisfaction of performance obligations and significant payment terms under contracts for electricity sales are as under:

| Product/ Service | Nature, timing of satisfaction of performance obligations and significant payment terms |
|---|---|
| Sale of electricity | The Company recognises revenue from contracts for electricity sales on the basis of long-term Power Purchase Agreements entered into with the beneficiaries, which is for substantially the entire life of the Power Stations, i.e., 40 years. Revenue from sale of electricity is accounted for based on tariff rates approved by the CERC for tariff periods of 5 years as modified by the orders of Appellate Tribunal for Electricity to the extent applicable. In case of power stations where the tariff rates are yet to be approved/approved provisionally by the CERC in their orders, provisional rates are adopted considering the applicable CERC Tariff Regulations. Revenue from sale of electricity is recognised once the electricity has been delivered to the beneficiary. Beneficiaries are billed on a periodic and regular basis. |

**(b) Project Management / Construction Contracts / Consultancy assignments (Projects and Consultancies)**

The Company undertakes consultancy and project execution & maintenance contracts for domestic and international clients. Services are rendered in various areas, viz. Design and engineering, procurement, project management and supervision, construction management, operation and maintenance of power plants, rural road projects and rural electrification projects.

The details of nature, timing of satisfaction of performance obligations and significant payment terms under contracts for consultancy and other services are as under:

| Product/ Service | Nature, timing of satisfaction of performance obligations and significant payment terms |
|---|---|
| Consultancy services | The Company recognises revenue from contracts for consultancy services over the time as the customers simultaneously receive and consume the benefits provided by the Company. The assets (e.g. deliverables, reports etc.) transferred under the contracts do not have any alternative use to the Company and the Company has enforceable right to payment for performance completed to date. The revenue from consultancy services is determined as per the terms of the contracts. The amounts are billed as per the terms of the contracts and are payable within contractually agreed credit period. |

| Product/ Service | Nature, timing of satisfaction of performance obligations and significant payment terms |
|---|---|
| Rural Road Project / Rural Electrification Project | The Company recognises revenue from work done under the scheme over time as the assets do not have alternative use to the Company and the Company has enforceable right to payment for performance completed to date. The revenue from the scheme is determined as per the terms of the contract. The amounts are billed as per the terms of the contracts and are payable within contractually agreed credit period. |

**(c) Trading of Power**

The Company purchases power from Generating Companies and sells it to the Discoms. Depending on the nature and the risks and reward profile of the agreements, the Company accounts for revenue from trading of power either as an agent or as a principal.

Below are the details of nature, timing of satisfaction of performance obligations and significant payment terms under contracts for sale of electricity through trading:

| Product/ Service | Nature, timing of satisfaction of performance obligations and significant payment terms |
|---|---|
| Sale of electricity through trading | The Company recognises revenue from contracts for sale of electricity through trading over the time as the customers simultaneously receive and consume the benefits provided by the Company. The tariff for computing revenue from sale of electricity through trading is determined as per the terms of the agreements. The amounts are billed as per periodicity specified in the Contract and are payable within contractually agreed credit period. |

**(B) Disaggregation of Revenue**

In the following table, revenue is disaggregated by type of product and services, geographical market and timing of revenue recognition:

(₹ in Crore)

| Particulars | Generation of electricity for the year ended (including revenue classified under Finance and Operating Leases) | | Project Management / Construction Contracts / Consultancy assignments | | Trading of Power | | Others | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Geographical markets** | **31st March 2022** | **31st March 2021** | **31st March 2022** | **31st March 2021** | **31st March 2022** | **31st March 2021** | **31st March 2022** | **31st March 2021** | **31st March 2022** | **31st March 2021** |
| India | 8,180.57 | 8,094.06 | 45.57 | 38.36 | 44.85 | 216.48 | 82.22 | 157.52 | 8,353.21 | 8,506.42 |
| Others | | | 0.59 | 0.16 | - | - | - | - | 0.59 | 0.16 |
| **Total** | **8,180.57** | **8,094.06** | **46.16** | **38.52** | **44.85** | **216.48** | **82.22** | **157.52** | **8,353.80** | **8,506.58** |
| **Timing of revenue recognition:** | | | | | | | | | | |
| Products and services transferred over time | 8,180.57 | 8,094.06 | 46.16 | 38.52 | 44.85 | 216.48 | 82.22 | 157.52 | 8353.80 | 8,506.58 |
| Units Sold (MU) | 21377 | 21281 | - | - | - | - | - | - | 21377 | 21281 |

**(C) Contract Balances**

Details of trade receivables, unbilled revenue and advances from customers / clients for Deposit Works and Contract Liabilities-Project Management/Consultancy Work are as under:

(₹ in Crore)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| | Current | Current |
| Trade Receivables (including unbilled) | 4,621.48 | 4,532.49 |
| Contract Liabilities-Deposit Works | 6.30 | 7.53 |
| Contract Liabilities- Project Management/ Consultancy Work | 112.54 | 144.09 |
| Advance from Customers and Others | 66.77 | 32.99 |

The Company has recognised revenue of ₹ **NIL** (Previous Year ₹ **NIL**) from opening contract liabilities.

**(D)** Transaction price allocated to the remaining performance obligations is either not applicable or not material to the Company's operations.

**(E) Practical expedients applied as per Ind AS 115 'Revenue from Contracts with Customers':**

(i) The company has not disclosed information about remaining performance obligations that have original expected duration of one year or less and where the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date.

(ii) Company does not have any contracts in the normal course of business where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Accordingly, transaction price has been adjusted for the time value of money only where such time value of money is significant.

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

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

(₹ in Crore)

| Sl. No. | Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---|---|---|---|
| (i) | Amount charged to Statement of Profit and Loss as FERV | (49.28) | (34.21) |
| (ii) | Amount adjusted in the carrying amount of PPE | (58.77) | (49.71) |
| (iii) | Amount recognised in Regulatory Deferral Account Balances | (0.17) | (1.70) |

**7. Operating Segment:**

a) Electricity generation (including income from embedded Finance/Operating leases) is the principal business activity of the Company. Other operations viz., Contracts, Project Management, Consultancy works and Power Trading Business do not form a reportable segment as per the Ind AS – 108 on 'Operating Segment'.

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

c) Information about major customers: Revenue of ₹ **4895.89 Crore** (Previous year ₹ **4987.24 Crore**) is derived from following customers as per details below:

| Sl. No. | Name of Customer | Revenue from customer for the year ended 31st March, 2022 | | Revenue from customer for the year ended 31st March, 2021 | |
|---|---|---|---|---|---|
| | | Amount (₹ In Crore) | % of Total Revenue | Amount (₹ In Crore) | % of Total Revenue |
| 1 | Uttar Pradesh Power Corporation Limited. | 1702.31 | 20.38% | 1463.35 | 17.20% |
| 2 | Power Development Department , Jammu & Kashmir Govt./ JK Power Corporation Limited | 1535.71 | 18.38% | 1452.30 | 17.07% |
| 3 | West Bengal State Electricity Board | 819.76 | 9.81% | 1302.30 | 15.31% |
| 4 | Punjab State Power Corporation Limited | 838.11 | 10.03% | 769.29 | 9.04% |
| | **Total** | **4895.89** | **58.60%** | **4,987.24** | **58.62%** |

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

(₹ in crore)

| Sl. No | Revenue from External Customers | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---|---|---|---|
| 1 | Nepal | 0.59 | - |
| 2 | Bhutan | - | 0.16 |
| | **Total** | **0.59** | **0.16** |

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

**8. Disclosures under Ind AS-24 "Related Party Disclosures":**

**(A) List of Related parties:**

**(i) Subsidiaries:**

| Name of Companies | Principle place of operation |
|---|---|
| NHDC Limited (NHDC) | India |
| Loktak Downstream Hydroelectric Corporation Limited (LDHCL) | India |
| Bundelkhand Saur Urja Limited (BSUL) | India |
| Lanco Teesta Hydro Power Limited (LTHPL) | India |
| Jalpower Corporation Limited (JPCL) with effect from 31.03.2021 | India |
| Ratle Hydroelectric Power Corporation (w.e.f. 01.06.2021) (RHPCL) | 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. (CVPPPL) | India |

**(iii) Key Managerial Personnel:**

| Sl. No. | Name | Position Held |
|---|---|---|
| 1 | Shri Abhay Kumar Singh | Chairman and Managing Director;<br>Additional Charge of Director (Personnel)<br>(From 03.12.2021 to 02.03.2022) |
| 2 | Shri Nikhil Kumar Jain | Director (Personnel) (Ceased on 02.12.2021) |
| 3 | Shri Yamuna Kumar Chaubey | Director (Technical);<br>Additional Charge of Director (Personnel) (From 03.03.2022 to 31.03.2022) |
| 4 | Shri Rajendra Prasad Goyal | Director (Finance) and CFO |
| 5 | Shri Biswajit Basu | Director (Projects) |
| 6 | Shri Tanmay Kumar | Govt. Nominee Director (Joint Secretary, Ministry of Power) (Ceased on 13.09.2021) |
| 7 | Shri Raghuraj Madhav Rajendran | Govt. Nominee Director (Joint Secretary, Ministry of Power) (Appointed on 16.09.2021) |
| 8 | Dr. Uday Sakharam Nirgudkar | Independent Director (Appointed on 15.11.2021) |
| 9 | Dr. Amit Kansal | Independent Director (Appointed on 21.11.2021) |
| 10 | Dr. Rashmi Sharma Rawal | Independent Director (Appointed on 30.11.2021) |
| 11 | Shri Jiji Joseph | Independent Director (Appointed on 01.12.2021) |
| 12 | Smt. Rupa Deb | Company Secretary (Appointed on 24.09.2021) |
| 13 | Shri Saurabh Chakravorty | Company Secretary (Ceased on 24.09.2021) |

**(iv) Post-Employment Benefit Plans :**

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

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

The Company is a Central Public Sector Undertaking (CPSU) controlled by Central Government by holding majority of shares. The Company has applied the exemption available for government related entities and has made limited disclosures in the Financial Statements in accordance with Ind AS 24. Therefore, party-wise details of such transactions have not been given since such transactions are carried out in the ordinary course of business at normal commercial terms and are not considered to be significant.

| Sl. No. | Name of the Government | Nature of Relationship with NHPC |
|---|---|---|
| 1 | Government of India | Shareholder having control over company |
| 2 | Various Central Public Sector Enterprises and Other Govt. Controlled entities (BHEL, IOCL, POSOCO, SAIL, New India Assurance Company, Damodar Valley Corporation, PGCIL, REC, BSNL, EESL, KV, Balmer Lawrie & Co. Ltd. etc.) | Entities controlled by the same Government (Central Government) that has control over NHPC |

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

**(i) Transactions and Balances with Subsidiaries**

(₹ in crore)

| Transactions with Subsidiaries | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---|---|---|
| (i) | (ii) | (iii) |
| **Services provided by the Company** | | |
| • NHDC | 0.01 | 0.03 |
| • BSUL | 0.03 | - |
| • LDHCL | 1.28 | 1.29 |
| • LTHPL | 10.34 | 14.92 |
| • JPCL | 5.87 | - |
| • RHPCL | 4.89 | - |
| **Dividend received by the company** | | |
| • NHDC | 292.71 | 283.68 |
| **Equity contributions (including share application money) by the company** | | |
| • BSUL | 39.82 | 39.40 |
| • LDHCL | 6.66 | 8.61 |
| • LTHPL | 445.00 | 75.00 |
| • JPCL | 116.49 | 165.00 |
| • RHPCL | 137.70 | - |
| **Reimbursement of Cost of employee on deputation/Posted at** | | |
| • NHDC | 2.05 | 1.91 |
| • BSUL | 0.17 | 0.17 |
| • LDHCL | 0.30 | 0.03 |
| • LTHPL | 1.80 | 1.28 |
| • JPCL | 0.69 | - |
| • RHPCL | 0.70 | - |

(₹ in crore)

| Balances with Subsidiaries | As at 31.03.2022 | As at 31.03.2021 |
|---|---|---|
| (i) | (ii) | (iii) |
| **Receivable/(Payable) -unsecured** | | |
| • NHDC | (0.76) | (0.86) |
| • BSUL | (0.05) | (0.07) |
| • LDHCL | 0.24 | (0.01) |
| • LTHPL | 1.02 | 2.94 |
| • JPCL | 3.40 | - |
| • RHPCL | 5.78 | - |
| **Investment in Equity (Including Share Application Money)** | | |
| • NHDC | 1002.42 | 1002.42 |
| • BSUL | 84.22 | 44.40 |
| • LDHCL | 105.56 | 98.90 |
| • LTHPL | 1440.50 | 995.50 |
| • JPCL | 281.49 | 165.00 |
| • RHPCL | 137.70 | - |
| **Corporate Guarantee given to:** | | |
| • BSUL (Refer Note 34 (4)) | 60.19 | - |

**(ii) Transactions and Balances with Joint Ventures**

(₹ in crore)

| Transactions with Joint Ventures | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---|---|---|
| (i) | (ii) | (iii) |
| **Services Provided by the Company** | | |
| • CVPPPL | 33.22 | 23.33 |
| **Equity contributions (including share application money) by the company** | | |
| • CVPPPL | 451.56 | 500.00 |
| **Reimbursement of Cost of employee on deputation/ Posted at** | | |
| • CVPPPL | 2.95 | 2.81 |
| **Loan given by the company to:** | | |
| • NHPTL | - | 12.40 |
| **Interest on Loan by the company from:** | | |
| • NHPTL | - | 0.60 |

(₹ in crore)

| Balances with Joint Ventures | As at 31.03.2022 | As at 31.03.2021 |
|---|---|---|
| (i) | (ii) | (iii) |
| **Receivable (unsecured)** | | |
| • CVPPPL | 60.89 | 54.07 |
| **Investment in Equity** | | |
| • CVPPPL | 1839.56 | 1388.00 |
| • NHPTL | 30.40 | 30.40 |
| **Loans & Advances Receivable (including accrued interest) from:** | | |
| • NHPTL | 18.82 | 18.82 |

**(iii) Transactions and Balances with Key Management Personnel:**

(₹ in crore)

| Compensation to Key Management Personnel | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---|---|---|
| Short Term Employee Benefits | 5.11 | 4.48 |
| Post-Employment Benefits | 0.49 | 0.92 |
| Other Long Term Benefits | 0.09 | 0.78 |

| Other Transactions with KMP | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---|---|---|
| Sitting Fees to independent directors | 0.14 | 0.05 |
| Interest Received during the year | 0.09 | 0.03 |

| Balances with KMP | As at 31.03.2022 | As at 31.03.2021 |
|---|---|---|
| Receivable on account of Employee Loans | 0.42 | 0.28 |

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

(₹ in crore)

| Post -Employment Benefit Plans | Contribution by the company (Net of Refund from Post -Employment Benefit Plans) | | Balances with Post - Employment Benefit Plans Receivable/(Payable) | |
|---|---|---|---|---|
| | For the year ended 31.03.2022 | For the year ended 31.03.2021 | As at 31.03.2022 | As at 31.03.2021 |
| NHPC Limited Employees Provident Fund | 320.61 | 360.79 | (53.54) | - |
| NHPC Limited Employees Group Gratuity Assurance Fund | 78.53 | (82.92) | 7.78 | 58.14 |
| NHPC Limited Retired Employees Health Scheme Trust | (37.39) | 33.81 | 5.60 | 95.26 |
| NHPC Limited Employees Social Security Scheme Trust | 5.39 | 5.93 | (0.43) | (0.48) |
| NHPC Limited Employees Defined Contribution Superannuation Scheme Trust | 182.83 | 136.72 | (40.35) | (51.16) |
| NHPC Limited Employee Leave Encashment Trust | 14.78 | (8.09) | 4.98 | 49.51 |

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

(₹ in crore)

| Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---|---|---|
| (i) | (ii) | (iii) |
| Guarantee Fee on Foreign Loans to Govt. of India | 11.62 | 13.59 |
| Interest on Subordinate debts paid by company (including interest accrued) | 70.73 | 70.64 |
| Interest received on account of 8.12% NHPC GOI Fully Serviced Bonds Issued on mandate of MOP and paid to GOI (including Interest Accrued) | 163.80 | 163.58 |
| Services Provided by the Company | 40.75 | 19.20 |
| Sale of goods ( Electricity) by the Company | 25.47 | 25.70 |
| Dividend Paid during the year | 1183.04 | 1118.90 |
| Subordinate Debts received by the company | - | 65.31 |
| Services Received by the Company | 0.45 | - |

### (vi) Outstanding balances and guarantees with Central Government:

(₹ in crore)

| Particulars | As at 31.03.2022 | As at 31.03.2021 |
|---|---|---|
| (i) | (ii) | (iii) |
| **Balances with Central Government (that has control over the Company)** | | |
| Loan Payable to Government (Subordinate debts) (Including Interest Accrued) | 4831.02 | 4854.05 |
| Receivable - 8.12% NHPC GOI Fully Service Bonds Issued on mandate of MOP and Paid to GOI (including interest accrued) | 2021.69 | 2021.69 |
| Payables (unsecured) | - | - |
| Receivables (Unsecured) | 54.55 | 19.24 |
| Guarantee Received from Government (Against Foreign Currency Borrowing) | 801.97 | 968.62 |

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

(₹ in crore)

| Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---|---|---|
| (i) | (ii) | (iii) |
| Purchase of property/Other assets | 29.35 | 17.68 |
| Purchase of Construction Materials, Stores, Etc. | 460.03 | 169.65 |
| Services received by the company | 572.42 | 494.51 |
| Services provided by the company | 0.59 | 0.81 |
| Sale of goods/Inventory made by the company | 72.76 | 73.11 |
| Settlement of claims/Amount received by the company against insurance claim | 105.20 | 8.16 |

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

(₹ in crore)

| Particulars | As at 31.03.2022 | As at 31.03.2021 |
|---|---|---|
| (i) | (ii) | (iii) |
| Payables | 50.73 | 86.87 |
| Receivables | 178.24 | 156.25 |

**(C) Other notes to related party transactions:**

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

(a) Transactions with the state governments and entities controlled by the Government of India are carried out at market terms on arms- length basis (except subordinate debts received from Central Government at concessional rate) through a transparent price discovery process against open tenders, except in a few cases of procurement of spares/services from Original Equipment Manufacturers (OEMs) for proprietary items on single tender basis due to urgency, compatibility or other reasons. Such single tender procurements are also done through a process of negotiation with prices benchmarked against available price data of same/similar items.

(b) Unsecured loan of ₹ **18.40 crore** (Previous Year ₹ **18.40 crore**) granted to NHPTL is interest bearing @ 10% to be compounded annually.

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

(d) Outstanding balances of subsidiary and joint venture companies as at 31.03.2022 are unsecured and settlement occurs through banking transactions. These balances other than loans are interest free. Assessment of impairment is undertaken at each financial year through examining the financial position of the related party and the market in which the related party operates. During the current FY, interest accrued on unsecured loan to NHPTL has been provided for.

(e) Contributions to post-employment benefit plans are net of refunds from trusts.

**(ii)** Commitment towards further investments in the joint venture companies are disclosed at Note 34(3).

**(iii)** During the FY 2021-22, the Company has incorporated a wholly owned subsidiary company in the name of NHPC Renewable Energy Limited (NREL) on 16.02.2022 for development of renewable energy, small hydro and green hydrogen projects. However, there is no investment in NREL during FY 2021-22.

**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 31.03.2022 | As at 31.03.2021 |
|---|---|---|---|
| | **First Charge** | | |
| 1 | Property Plant and Equipment | 9777.30 | 9,763.04 |
| 2 | Capital Work In Progress | 11690.91 | 10,782.38 |
| 3 | Financial Assets- Others | 1065.49 | 1,155.07 |
| | **Total** | **22533.70** | **21,700.49** |

**10. Disclosures Under Ind AS-19 " Employee Benefits":**

**(A) Defined Contribution Plans -**

**(i) Social Security Scheme:** The Company has a Social Security Scheme in lieu of the erstwhile scheme of compassionate appointment which has been is in operation i.e. 01.06.2007. The Company also makes a matching contribution per month per employee. The scheme has been created to take care of and helping bereaved families in the event of death or permanent total disability of its employee. The expenses recognised during the year towards social security scheme are ₹ **2.70 Crore** (Previous year ₹ **2.96 Crore**).

**(ii) Employees Defined Contribution Superannuation Scheme (EDCSS):** The Company has an employee defined contribution superannuation scheme for providing pension benefits to employees. As per the scheme, each employee contributes @ 5% of Basic Pay and Dearness Allowance. The company contributes to the extent of balance available after deducting employers' contribution to Provident Fund, contribution to Gratuity Trust and REHS Trust, from the amount worked out @ 30% of the Basic Pay and DA. The Scheme is managed by Life Insurance Corporation of India. The expenses recognised during the year towards Employees Defined Contribution Superannuation Scheme (EDCSS) are ₹ **98.13 Crore** (Previous year ₹ **96.69 Crore**).

**(B) Defined Benefit Plans -** Company has following defined post-employment benefit obligations :

**(a) Description of Plans:**

**(i) Provident Fund:** The Company pays fixed contribution to Provident Fund at predetermined rates to a separate Trust, which invests the funds in permitted securities. The contribution to the fund for the year is recognised as expense and is charged to the Statement of Profit and Loss/Expenditure Attributable to Construction. The obligation of the Company is to make fixed contribution and to ensure a minimum rate of return to the members as specified by Government of India (GoI).

**(ii) Gratuity:** The Company has a defined benefit gratuity plan. The ceiling limit of gratuity is fixed as per the Payment of Gratuity Act, 1972, whereby every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹ **0.20 Crore** on superannuation, resignation, termination, disablement or death. Such ceiling limit of gratuity shall, however, increase by 25% when Industrial Dearness Allowance increased by 50%. The plan is being managed by a separate Trust created for the purpose and obligation of the company is to make contribution to the Trust based on actuarial valuation.

**(iii) Retired Employees Health Scheme (REHS):** The Company has a Retired Employee Health Scheme, under which retired employee and/or spouse of retiree and eligible dependent children of deceased/ retired employees are provided medical facilities in the Company hospitals / empanelled hospitals. They can also avail treatment as Out-Patient subject to a ceiling limit fixed by the Company. The liability for REHS is recognised on the basis of actuarial valuation. The Scheme is being managed by a separate Trust created for the purpose and obligation of the company is to make contribution to the Trust based on such actuarial valuation.

(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.

(vi) **NHPC Employees Family Economic Rehabilitation Scheme:** NHPC Limited has introduced "NHPC Employees Family Economic Rehabilitation Scheme" w.e.f. 01.04.2021. The objective of this scheme is to provide monetary assistance and support to an employee in case of Permanent Total Disablement of the employee and to his family in case of death of the employee, provided the Permanent Total Disablement / death as the case may be, takes place while the employee is in service of the Company. On the separation of an employee from the service of the Company on account of Death / Permanent Total Disablement, the beneficiary is entitled to monthly payment equivalent to 50% of one month Basic Pay & DA last drawn by the employee and other benefits including HRA, Children's Education Allowance, etc. provided the beneficiary deposits the amounts received under Social Security Scheme to the Company. The liability for the Scheme is recognised on the basis of actuarial valuation.

**(b) Disclosure of Balance Sheet amounts and sensitivity analysis of Plans:**

**(i) Provident Fund :** Movements in the net defined benefit obligation during the years 2021-22 and 2020-21 are as follows:

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount of Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | 2021-22 | | |
| **Opening Balance as at 01.04.2021** | **2994.16** | **3002.27** | **(8.11)** |
| Current Service Cost | 90.54 | - | 90.54 |
| Interest Expenses/ (Income) | 231.17 | 234.35 | (3.18) |
| **Total** | **321.71** | **234.35** | **87.36** |
| **Re-measurements** | | | |
| Return on Plan Assets, excluding amount included in interest expenses/(Income) | - | 12.03 | (12.03) |
| (Gain)/loss from change in demographic assumptions | - | - | - |
| (Gain)/loss from change in financial assumptions | (0.35) | - | (0.35) |
| Experience (gains)/Losses | (14.14) | - | (14.14) |
| **Total** | **(14.49)** | **12.03** | **(26.52)** |
| Contributions:- | | | |
| - Employers | - | 90.54 | (90.54) |
| - Plan participants | 263.01 | 263.01 | - |
| Benefit payments | (574.47) | (574.47) | - |
| **Closing Balance as at 31.03.2022** | **2989.92** | **3027.73** | **(37.81)** |

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount of Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2020-21 | |
| **Opening Balance as at 01.04.2020** | **2870.09** | **2884.12** | **(14.03)** |
| Current Service Cost | 97.13 | - | 97.13 |
| Interest Expenses/ (Income) | 240.10 | 240.10 | - |
| **Total** | **337.23** | **240.10** | **97.13** |
| **Re-measurements** | | | |
| Return on Plan Assets, excluding amount included in interest expenses/(Income) | - | (3.76) | 3.76 |
| (Gain)/loss from change in demographic assumptions | - | - | - |
| (Gain)/loss from change in financial assumptions | 0.09 | - | 0.09 |
| Experience (gains)/Losses | 2.07 | 0.00 | 2.07 |
| **Total** | **2.16** | **(3.76)** | **5.92** |
| Contributions:- | | | |
| - Employers | - | 97.13 | (97.13) |
| - Plan participants | 315.69 | 315.69 | - |
| Benefit payments | (531.01) | (531.01) | - |
| **Closing Balance as at 31.03.2021** | **2994.16** | **3002.27** | **(8.11)** |

**The net liability disclosed above related to funded and unfunded plans are as follows:**

(₹ in Crore)

| Particulars | 31st March 2022 | 31st March 2021 |
|---|---|---|
| Present Value of funded obligations | 2989.92 | 2994.16 |
| Fair value of Plan Assets | 3027.73 | 3002.27 |
| **Deficit/(Surplus) of funded plans** | **(37.81)** | **(8.11)** |
| Unfunded Plans | - | - |
| **Deficit/(Surplus) before asset ceiling** | **(37.81)** | **(8.11)** |

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 ₹ **37.81 Crore** determined through actuarial valuation. Accordingly, Company has not recognised the surplus as an asset, and the actuarial gains in Other Comprehensive Income, as these pertain to the Provident Fund Trust and not to the company.

**Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:**

| Particulars | Change in Assumptions | | Impact on Defined Benefit Obligation | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Increase in Assumption | | | Decrease in Assumptions | |
| | 31st March 2022 | 31st March 2021 | | 31st March 2022 | 31st March 2021 | | 31st March 2022 | 31st March 2021 |
| Discount Rate | 0.50% | 0.50% | Decrease by | 0.007% | 0.006% | Increase by | 0.007% | 0.006% |

(ii) **Gratuity:** The amount recognised in the Balance Sheet as at 31.03.2022 and 31.03.2021 along with the movements in the net defined benefit obligation during the years 2021-22 and 2020-21 are as follows:

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount of Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | 2021-22 | | |
| **Opening Balance as at 01.04.2021** | **602.75** | **650.34** | **(47.59)** |
| Current Service Cost | 16.06 | - | 16.06 |
| Past Service Cost | 33.75 | - | 33.75 |
| Interest Expenses/ (Income) | 39.48 | 42.60 | (3.12) |
| **Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction** | **89.29** | **42.60** | **46.69** |
| **Remeasurements** | | | |
| Return on Plan Asset, excluding amount included in interest expenses/ (Income) | - | 2.36 | (2.36) |
| (Gain)/loss from change in demographic assumptions | 0.09 | - | 0.09 |
| (Gain)/loss from change in financial assumptions | (16.51) | - | (16.51) |
| Experience (gains)/Losses | (9.91) | - | (9.91) |
| **Total Amount recognised in Other Comprehensive Income** | **(26.33)** | **2.36** | **(28.69)** |
| Contributions:- | | | |
| - Employers | - | (29.33) | 29.33 |
| - Plan participants | - | - | - |
| Benefit payments | (96.53) | (99.56) | 3.03 |
| **Closing Balance as at 31.03.2022** | **569.18** | **566.40** | **2.78** |

Keeping in view the provision whereby the ceiling limit of gratuity increases by 25% when Industrial Dearness Allowance increased by 50%,and considering the fact that the current Industrial Dearness Allowance is 30% as on 31.03.2022, Gratuity ceiling of ₹ 0.23 Crore has been considered for actuarial valuation in respect of employees retiring after 01.01.2027.

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount of Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | 2020-21 | | |
| **Opening Balance as at 01.04.2020** | **644.12** | **673.86** | **(29.74)** |
| Current Service Cost | 16.03 | - | 16.03 |
| Interest Expenses/ (Income) | 43.67 | 45.69 | (2.02) |
| **Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction** | **59.70** | **45.69** | **14.01** |

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount of Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2020-21 | |
| **Remeasurements** | | | |
| Return on Plan Asset, excluding amount included in interest expenses/ (Income) | - | (4.13) | 4.13 |
| (Gain)/loss from change in demographic assumptions | (0.89) | - | (0.89) |
| (Gain)/loss from change in financial assumptions | 9.03 | - | 9.03 |
| Experience (gains)/Losses | (7.83) | - | (7.83) |
| **Total Amount recognised in Other Comprehensive Income** | **0.31** | **(4.13)** | **4.44** |
| Contributions:- | | | |
| -Employers | - | 52.88 | (52.88) |
| -Plan participants | - | - | - |
| Benefit payments | (101.38) | (117.96) | 16.58 |
| **Closing Balance as at 31.03.2020** | **602.75** | **650.34** | **(47.59)** |

Total amount recognised in the Statement of Profit and Loss/ Expenditure attributable to Constructions and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report. This includes an amount of ₹ **1.36 Crore** (previous year ₹ **0.84 Crore**) accounted as receivable/(payable) from/to Subsidiaries/Joint Ventures in respect of employees of NHPC posted in the Subsidiaries/Joint Ventures of the Company.

**The net liability disclosed above related to funded and unfunded plans are as follows:**

(₹ in Crore)

| Particulars | 31st March 2022 | 31st March 2021 |
|---|---|---|
| Present Value of funded obligations | 569.18 | 602.75 |
| Fair value of Plan Assets | 566.40 | 650.34 |
| **Deficit/(Surplus) of funded plans** | **2.78** | **(47.59)** |
| Unfunded Plans | - | - |
| **Deficit/(Surplus) before asset ceiling** | **2.78** | **(47.59)** |

**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 2022 | 31st March 2021 | | 31st March 2022 | 31st March 2021 | | 31st March 2022 | 31st March 2021 |
| Discount Rate | 0.50% | 0.50% | Decrease by | 3.38% | 3.23% | Increase by | 3.60% | 3.44% |
| Salary growth rate | 0.50% | 0.50% | Increase by | 0.44% | 0.40% | Decrease by | 0.52% | 0.47% |

(iii) **Retired Employees Health Scheme (REHS):** The amount recognised in the Balance Sheet as at 31.03.2022 and 31.03.2021 along with the movements in the net defined benefit obligation during the years 2021-22 and 2020-21 are as follows:

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount of Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | 2021-22 | | |
| **Opening Balance as at 01.04.2021** | **948.36** | **1043.88** | **(95.52)** |
| Current Service Cost | 16.73 | - | 16.73 |
| Interest Expenses/ (Income) | 62.12 | 68.37 | (6.25) |
| **Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction** | **78.85** | **68.37** | **10.48** |
| **Remeasurements** | | | |
| Return on Plan Asset, excluding amount included in interest expenses/(Income) | - | 7.01 | (7.01) |
| (Gain)/loss from change in demographic assumptions | - | - | - |
| (Gain)/loss from change in financial assumptions | (56.46) | - | (56.46) |
| Experience (gains)/Losses | 73.19 | - | 73.19 |
| **Total Amount recognised in Other Comprehensive Income** | **16.73** | **7.01** | **9.72** |
| Contributions:- | | | |
| -Employers | - | (67.30) | 67.30 |
| -Plan participants | - | - | - |
| Benefit payments | (45.57) | (47.73) | 2.16 |
| **Closing Balance as at 31.03.2022** | **998.37** | **1004.23** | **(5.86)** |

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount of Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | 2020-21 | | |
| **Opening Balance as at 01.04.2020** | **842.87** | **978.64** | **(135.77)** |
| Current Service Cost | 16.79 | - | 16.79 |
| Interest Expenses/ (Income) | 57.15 | 66.06 | (8.91) |
| **Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction** | **73.94** | **66.06** | **7.88** |
| **Remeasurements** | | | |
| Return on Plan Asset, excluding amount included in interest expenses/(Income) | - | 5.63 | (5.63) |
| (Gain)/loss from change in demographic assumptions | - | - | - |
| (Gain)/loss from change in financial assumptions | 29.31 | - | 29.31 |
| Experience (gains)/Losses | 36.17 | - | 36.17 |
| **Total Amount recognised in Other Comprehensive Income** | **65.48** | **5.63** | **59.85** |
| Contributions:- | | | |
| -Employers | - | (6.45) | 6.45 |

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount of Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2020-21 | |
| -Plan participants | - | - | - |
| Benefit payments | (33.93) | - | (33.93) |
| **Closing Balance as at 31.03.2021** | **948.36** | **1043.88** | **(95.52)** |

Total amount recognised in the Statement of Profit and Loss/ Expenditure attributable to Construction and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report. This includes an amount of ₹ **1.22 Crore** (previous year ₹ **1.04 Crore**) accounted as receivable/(payable) from/to Subsidiaries/Joint Ventures in respect of employees of NHPC posted in the Subsidiaries/Joint Ventures of the Company.

**The net liability disclosed above related to funded and unfunded plans are as follows:**

(₹ in Crore)

| Particulars | 31st March 2022 | 31st March 2021 |
|---|---|---|
| Present Value of funded obligations | 998.37 | 948.36 |
| Fair value of Plan Assets | 1004.23 | 1043.88 |
| **Deficit/(Surplus) of funded plans** | **(5.86)** | **(95.52)** |
| Unfunded Plans | - | - |
| **Deficit/(Surplus) before asset ceiling** | **(5.86)** | **(95.52)** |

**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 2022 | 31st March 2021 | | 31st March 2022 | 31st March 2021 | | 31st March 2022 | 31st March 2021 |
| Discount Rate | 0.50% | 0.50% | Decrease by | 6.67% | 6.68% | Increase by | 6.71% | 6.74% |
| Medical Cost Rate | 0.50% | 0.50% | Increase by | 6.73% | 6.75% | Decrease by | 6.69% | 6.70% |

**(iv) Allowances on Retirement/Death:** The amount recognised in the Balance Sheet as at 31.03.2022 and 31.03.2021 along with the movements in the net defined benefit obligation during the years 2021-22 and 2020-21 are as follows:

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount of Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2021-22 | |
| **Opening Balance as at 01.04.2021** | **4.83** | **-** | **4.83** |
| Current Service Cost | 0.19 | - | 0.19 |
| Interest Expenses/ (Income) | 0.32 | - | 0.32 |
| **Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction** | **0.51** | **-** | **0.51** |

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount of Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2021-22 | |
| **Remeasurements** | | | |
| Return on Plan Asset, excluding amount included in interest expenses/(Income) | - | - | - |
| (Gain)/loss from change in demographic assumptions | - | - | - |
| (Gain)/loss from change in financial assumptions | (0.17) | - | (0.17) |
| Experience (gains)/Losses | 0.19 | - | 0.19 |
| **Total Amount recognised in Other Comprehensive Income** | **0.02** | **-** | **0.02** |
| Contributions:- | | | |
| -Employers | - | - | - |
| -Plan participants | - | - | - |
| Benefit payments | (0.84) | | (0.84) |
| **Closing Balance as at 31.03.2022** | **4.52** | **-** | **4.52** |

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount of Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2020-21 | |
| **Opening Balance as at 01.04.2020** | **4.93** | **-** | **4.93** |
| Current Service Cost | 0.21 | - | 0.21 |
| Interest Expenses/ (Income) | 0.33 | - | 0.33 |
| **Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction** | **0.54** | **-** | **0.54** |
| **Remeasurements** | | | |
| Return on Plan Asset, excluding amount included in interest expenses/(Income) | - | - | - |
| (Gain)/loss from change in demographic assumptions | - | - | - |
| (Gain)/loss from change in financial assumptions | 0.09 | - | 0.09 |
| Experience (gains)/Losses | (0.37) | - | (0.37) |
| **Total Amount recognised in Other Comprehensive Income** | **(0.28)** | **-** | **(0.28)** |
| Contributions:- | | | |
| -Employers | - | - | - |
| -Plan participants | - | - | - |
| Benefit payments | (0.36) | - | (0.36) |
| **Closing Balance as at 31.03.2021** | **4.83** | **-** | **4.83** |

Total amount recognised in the Statement of Profit and Loss/ Expenditure attributable to Constructions and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report. This includes an amount of ₹ **0.03 Crore** (previous year ₹ **0.01 Crore**) accounted as receivable/(payable) from/to Subsidiaries/Joint Ventures in respect of employees of NHPC posted in the Subsidiaries/Joint Ventures of the Company.

The net liability disclosed above related to unfunded plans.

**Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:**

| Particulars | Change in Assumptions | | Impact on Defined Benefit Obligation | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Increase in Assumption | | | Decrease in Assumptions | | |
| | 31st March 2022 | 31st March 2021 | | 31st March 2022 | 31st March 2021 | | 31st March 2022 | 31st March 2021 |
| Discount Rate | 0.50% | 0.50% | Decrease by | 4.34% | 3.98% | Increase by | 4.75% | 4.43% |
| Cost Increase | 0.50% | 0.50% | Increase by | 5.00% | 4.53% | Decrease by | 4.44% | 4.13% |

**(v) Memento to employees on attaining the age of superannuation:** The amount recognised in the Balance Sheet as at 31.03.2022 and 31.03.2021 along with the movements in the net defined benefit obligation during the years 2021-22 and 2020-21 are as follows:

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount of Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | 2021-22 | | |
| **Opening Balance as at 01.04.2021** | **3.12** | **-** | **3.12** |
| Current Service Cost | 0.11 | - | 0.11 |
| Interest Expenses/ (Income) | 0.20 | - | 0.20 |
| **Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction** | **0.31** | **-** | **0.31** |
| **Remeasurements** | | | |
| Return on Plan Asset, excluding amount included in interest expenses/(Income) | - | - | - |
| (Gain)/loss from change in demographic assumptions | - | - | - |
| (Gain)/loss from change in financial assumptions | (0.08) | - | (0.08) |
| Experience (gains)/Losses | (0.20) | - | (0.20) |
| **Total Amount recognised in Other Comprehensive Income** | **(0.28)** | **-** | **(0.28)** |
| Contributions:- | | | |
| -Employers | - | - | - |
| -Plan participants | - | - | - |
| Benefit payments | (0.43) | - | (0.43) |
| **Closing Balance as at 31.03.2022** | **2.72** | **-** | **2.72** |

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount of Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | 2020-21 | | |
| **Opening Balance as at 01.04.2020** | **3.38** | **-** | **3.38** |
| Current Service Cost | 0.13 | - | 0.13 |
| Interest Expenses/ (Income) | 0.23 | - | 0.23 |
| **Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction** | **0.36** | **-** | **0.36** |

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount of Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2020-21 | |
| **Remeasurements** | | | |
| Return on Plan Asset, excluding amount included in interest expenses/(Income) | - | - | - |
| (Gain)/loss from change in demographic assumptions | - | - | - |
| (Gain)/loss from change in financial assumptions | 0.05 | - | 0.05 |
| Experience (gains)/Losses | (0.16) | - | (0.16) |
| **Total Amount recognised in Other Comprehensive Income** | **(0.11)** | **-** | **(0.11)** |
| Contributions:- | | | |
| -Employers | - | - | - |
| -Plan participants | - | - | - |
| Benefit payments | (0.51) | - | (0.51) |
| **Closing Balance as at 31.03.2021** | **3.12** | **-** | **3.12** |

Total amount recognised in the Statement of Profit and Loss/ Expenditure attributable to Constructions and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report. This includes an amount of ₹ **NIL** (previous year ₹ **0.01 Crore**) accounted as receivable/ (payable) from/to Subsidiaries/Joint Ventures in respect of employees of NHPC posted in the Subsidiaries/ Joint Ventures of the Company.

The net liability disclosed above related to unfunded plans.

**Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:**

| Particulars | Change in Assumptions | | Impact on Defined Benefit Obligation | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Increase in Assumption | | | Decrease in Assumptions | | |
| | 31st March 2022 | 31st March 2021 | | 31st March 2022 | 31st March 2021 | | 31st March 2022 | 31st March 2021 |
| Discount Rate | 0.50% | 0.50% | Decrease by | 3.20% | 3.19% | Increase by | 3.36% | 3.36% |

**(vi) NHPC Employees Family Economic Rehabilitation Scheme:** The amount recognised in the Balance Sheet as at 31.03.2022 along with the movements in the net defined benefit obligation during the years 2021-22 are as follows:

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount of Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2021-22 | |
| **Opening Balance as at 01.04.2021** | **-** | **-** | **-** |
| Current Service Cost | 0.84 | - | 0.84 |
| Past Service Cost | 16.68 | - | 16.68 |
| Interest Expenses/ (Income) | - | - | - |
| **Total Amount recognised in Statement of Profit and Loss** | **17.52** | **-** | **17.52** |

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | 2021-22 | | |
| **Remeasurements** | | | |
| Return on Plan Asset, excluding amount included in interest expenses/(Income) | - | - | - |
| (Gain)/loss from change in demographic assumptions | - | - | - |
| (Gain)/loss from change in financial assumptions | - | - | - |
| Experience (gains)/Losses | - | - | - |
| **Total Amount recognised in Other Comprehensive Income** | **-** | **-** | **-** |
| Contributions:- | | | |
| -Employers | - | - | - |
| -Plan participants | 3.08 | - | 3.08 |
| Benefit payments | (0.20) | - | (0.20) |
| **Closing Balance as at 31.03.2022** | **20.40** | **-** | **20.40** |

Total amount recognised in the Statement of Profit and Loss and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report.

The net liability disclosed above related to unfunded plans.

**Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:**

| Particulars | Change in Assumptions | Impact on Defined Benefit Obligation | | | |
|---|---|---|---|---|---|
| | | | Increase in Assumption | | Decrease in Assumptions |
| | 31st March 2022 | | 31st March 2022 | | 31st March 2022 |
| Discount Rate | 0.50% | Decrease by | 2.78% | Increase by | 2.93% |
| Salary growth rate | 0.50% | Increase by | 1.79% | Decrease by | 1.75% |

**(c) Defined Benefit Plans: Significant estimates: Actuarial assumptions:**

| Particulars | 31st March 2022 | 31st March 2021 |
|---|---|---|
| Discount Rate | 7.00% | 6.55% |
| Salary growth rate | 6.50% | 6.50% |

**(d) The major categories of Plan Assets are as follows:**

**Provident Fund:**

(₹ in Crore)

| Particulars | 31st March 2022 | | | |
|---|---|---|---|---|
| | Quoted | Unquoted | Total | In % |
| **Debt Instruments** | | | | |
| Government Bonds | 1808.81 | - | **1808.81** | 59.74 |
| Corporate Bonds | 1035.78 | - | **1035.78** | 34.21 |
| **Investment Funds** | | | | |
| Mutual Funds | 75.85 | - | **75.85** | 2.51 |
| **Cash and Cash Equivalents** | | 45.54 | **45.54** | 1.50 |
| **Accrued Interest** | **61.74** | **-** | **61.74** | 2.04 |
| **Total** | **2982.18** | **45.54** | **3027.72** | **100.00** |

(₹ in Crore)

| Particulars | 31st March 2021 | | | |
|---|---|---|---|---|
| | Quoted | Unquoted | Total | In % |
| **Debt Instruments** | | | | |
| Government Bonds | 1,745.52 | - | **1,745.52** | 58.19 |
| Corporate Bonds | 1,048.17 | - | **1,048.17** | 34.94 |
| **Investment Funds** | | | | |
| Mutual Funds | 62.60 | - | **62.60** | 2.09 |
| **Cash and Cash Equivalents** | **-** | 79.01 | **79.01** | 2.63 |
| **Accrued Interest** | **64.63** | - | **64.63** | 2.15 |
| **Total** | **2920.92** | **79.01** | **2,999.93** | **100.00** |

**Gratuity**

(₹ in Crore)

| Particulars | 31st March 2022 | | | |
|---|---|---|---|---|
| | Quoted | Unquoted | Total | In % |
| **Investment Funds** | | | | |
| LIC Scheme | - | 566.38 | **566.38** | 100.00 |
| **Cash and Cash Equivalents** | - | 0.01 | **0.01** | - |
| **Total** | **-** | **566.39** | **566.39** | **100.00** |

(₹ in Crore)

| Particulars | 31st March 2021 | | | |
|---|---|---|---|---|
| | Quoted | Unquoted | Total | In % |
| **Investment Funds** | | | | |
| LIC Scheme | - | 650.33 | **650.33** | 100.00 |
| **Cash and Cash Equivalents** | - | - | **-** | - |
| **Total** | **-** | **650.33** | **650.33** | **100.00** |

**Retired Employees Health Scheme (REHS):**

(₹ in Crore)

| Particulars | 31st March 2022 | | | |
|---|---|---|---|---|
| | Quoted | Unquoted | Total | In % |
| **Debt Instruments** | | | | |
| Government Bonds | - | - | **-** | - |
| Corporate Bonds | 424.01 | - | **424.01** | 42.22 |
| LIC Scheme | **-** | 564.81 | **564.81** | 56.24 |
| **Cash and Cash Equivalents** | - | 0.02 | **0.02** | - |
| **Accrued Interest** | 15.38 | - | **15.38** | 1.54 |
| **Total** | **439.39** | **564.83** | **1004.22** | **100.00** |

(₹ in Crore)

| Particulars | 31st March 2021 | | | |
|---|---|---|---|---|
| | Quoted | Unquoted | Total | In % |
| **Debt Instruments** | | | | |
| Government Bonds | - | - | **-** | - |
| Corporate Bonds | 497.81 | - | **497.81** | 47.74 |
| LIC Scheme | **-** | 528.49 | **528.49** | 50.69 |
| **Cash and Cash Equivalents** | - | 0.01 | **0.01** | - |
| **Accrued Interest** | 16.36 | - | **16.36** | 1.57 |
| **Total** | **514.17** | **528.50** | **1,042.67** | **100.00** |

**(e) Risk Exposure:** Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

**Description of Risk Exposures:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such, the company is exposed to various risks as follows:

A) Salary Increase – Actual salary increase will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B) Investment Risk – If Plan is funded then assets-liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

C) Discount Rate – Reduction in discount rate in subsequent valuations can increase the plan's liability.

D) Mortality and disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

**(f) Defined benefit liability and employer contributions:** Funding levels are monitored on an annual basis and the current contribution rate is 30% of basic salary and dearness allowance. The Company considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

Expected contributions to defined-benefit plans for the year ending March 31, 2023 are ₹ **135.41 Crore**.

The weighted average duration of the defined benefit obligations is **10.49 Years** (2020-2021: 10.39 years).

The expected maturity analysis of undiscounted defined benefit plans is as follows:

**The expected maturity analysis of Provident Fund (NHPC Ltd. Employees Provident Fund)**

(₹ in Crore)

| Particulars | Between 0-1 year | Between 1-5 years | Between 5-10 years | Over 10 years | Total |
|---|---|---|---|---|---|
| 31.03.2022 | 490.13 | 877.54 | 588.36 | 1033.89 | **2989.92** |
| 31.03.2021 | 528.87 | 921.05 | 570.54 | 973.69 | **2994.15** |

**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 and NHPC Employees Family Economic Rehabilitation Scheme are as under:**

(₹ in Crore)

| Particulars | Less than a year | Between 1-2 years | Between 2-5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| **31.03.2022** | | | | | |
| Gratuity | 78.88 | 62.28 | 113.01 | 315.00 | 569.17 |
| Post-employment Medical Benefits (REHS) | 43.38 | 45.99 | 201.89 | 707.11 | 998.37 |
| Allowances on Retirement/Death | 0.56 | 0.47 | 0.93 | 2.56 | 4.52 |
| Memento to employees on attaining the age of superannuation | 0.41 | 0.35 | 0.62 | 1.35 | 2.73 |
| NHPC Employees Family Economic Rehabilitation Scheme | 0.80 | 0.82 | 2.56 | 16.22 | 20.40 |
| **TOTAL** | **124.03** | **109.91** | **319.01** | **1,042.24** | **1,595.19** |
| **31.03.2021** | | | | | |
| Gratuity | 90.80 | 74.66 | 139.80 | 297.49 | 602.75 |
| Post-employment Medical Benefits (REHS) | 34.93 | 41.11 | 147.53 | 698.14 | 921.71 |
| Allowances on Retirement/Death | 0.61 | 0.53 | 1.09 | 2.60 | 4.83 |
| Memento to employees on attaining the age of superannuation | 0.48 | 0.39 | 0.73 | 1.52 | 3.12 |
| **TOTAL** | **126.82** | **116.69** | **289.15** | **999.75** | **1,532.41** |

**(C) Other long-term employee benefits (Leave Benefit):** The Company provides for earned leave and half-pay leave to the employees which accrue annually @ 30 days and 20 days respectively. Earned Leave (EL) is also encashable while in service. The maximum ceiling of encashment of earned leave is limited to 300 days. However, any shortfall in the maximum limit of 300 days in earned leave on superannuation shall be fulfilled by half pay leave to that extent. The liability for the same is recognised on the basis of actuarial valuation. The expenses recognised during the year on the basis of actuarial valuation are ₹ **62.09 Crore** (Previous Year ₹ **64.15 Crore**).

**11.** Particulars of income and expenditure in foreign currency and consumption of spares are as under:-

(₹ in Crore)

| Sl. No | Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---|---|---|---|
| a) | Expenditure in Foreign Currency | | |
| | i) Interest | 23.47 | 26.50 |
| | ii) Other Misc. Matters | 6.43 | 5.26 |
| b) | Value of spare parts and Components consumed in operating units. | | |
| | i) Imported | - | - |
| | ii) Indigenous | 18.18 | 19.78 |

**12. Earnings Per Share:**

a) The Earnings Per Share (Basic and Diluted) are as under:

| Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---|---|---|
| Earnings per Share before Regulatory Income (₹) – Basic and Diluted | 4.79 | 3.10 |
| Earnings per Share after Regulatory Income (₹) – Basic and Diluted | 3.52 | 3.23 |
| Par value per share (₹) | 10 | 10 |

b) Reconciliation of Earning used in calculating Earnings Per Share:

| Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---|---|---|
| Net Profit after Tax but before Regulatory Income used as numerator (₹ in crore) | 4808.13 | 3117.03 |
| Net Profit after Tax and Regulatory Income used as numerator (₹ in crore) | 3537.71 | 3245.06 |

c) Reconciliation of weighted average number of shares used as denominator:

| Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---|---|---|
| Weighted Average number of equity shares used as denominator | 10045034805 | 10045034805 |

**13. Disclosure related to Confirmation of Balances is as under :**

(a) Balances shown under material issued to contractors, claims recoverable including insurance claims, loans (other than employees), advances for Capital expenditure, Trade Receivable, Advances to Contractors, Trade Payable and Deposits/Earnest money from contractors other than as given at (b) below are subject to reconciliation/ confirmation and respective consequential adjustments. Claims recoverable also include claims in respect of projects handed over or decided to be handed over to other agencies in terms of Government of India directives.

(b) The confirmation in respect of Trade Receivables, Trade Payables, Deposits, loans (other than employees), Advances to Contractors/Suppliers/Service Providers/Others including for capital expenditure and material issued to contractors have been sought for outstanding balances of ₹ **0.05 crore** or above in respect of each party as at 31st December, 2021. Status of confirmation of balances as at December 31, 2021 as well as amount outstanding as on 31.03.2022 is as under:

(₹ in Crore)

| Particulars | Outstanding amount as on 31.12.2021 | Amount confirmed | Outstanding amount as on 31.03.2022 |
|---|---|---|---|
| Trade receivable (excluding unbilled)* | 3258.71 | 3009.95 | 2639.29 |
| Deposits, Loans, Advances to contractors/ suppliers/ service providers/ others including for capital expenditure and material issued to contractors | 2525.99 | 904.89 | 2458.29 |
| Trade/Other payables | 664.16 | 106.77 | 634.19 |
| Security Deposit/Retention Money payable | 307.76 | 43.12 | 322.29 |

* Trade receivables are including receivables on account of interest receivable from Beneficiaries and net of advance from customers.

(c) In the opinion of the management, unconfirmed balances will not require any adjustment having any material impact on the Financial Statements of the Company.

**14. Disclosure related to Corporate Social Responsibility (CSR) (Refer Note 29)**

(i) The breakup of CSR expenditure under various heads of expenses incurred is as below:

(₹ in Crore)

| Sl. No | Heads of Expenses constituting CSR expenses | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---|---|---|---|
| 1 | Health Care and Sanitation | 22.77 | 13.69 |
| 2 | Education and Skill Development | 35.59 | 38.09 |
| 3 | Women Empowerment /Senior Citizen | 0.48 | 0.09 |
| 4 | Environment | 0.28 | 0.92 |
| 5 | Art and Culture | - | 0.10 |
| 6 | Sports | - | 0.02 |
| 7 | Rural Development | 6.10 | 3.39 |
| 8 | Swachh Vidyalaya Abhiyan | 5.59 | - |
| 9 | Swachh Bharat Abhiyan | 0.56 | 3.74 |
| 10 | Disaster Management | 0.06 | 0.86 |
| 11 | Contribution to Central Government Fund (including Contribution to PM CARES Fund) | 30.00 | 15.00 |
| 12 | Administrative Overhead | 3.86 | 3.73 |
| | **Total Amount** | **105.29** | **79.63** |

(ii) Other disclosures:-

(a) Details of expenditure incurred during the year paid in cash and yet to be paid in cash along with the nature of expenditure (capital or revenue nature) is as under:

(₹ in Crore)

| | Purpose | For the year ended 31.03.2022 | | | For the year ended 31.03.2021 | | |
|---|---|---|---|---|---|---|---|
| | | Paid in cash (a) | Yet to be paid in cash (b) | Total (a+b) | Paid in cash (a) | Yet to be paid in cash (b) | Total (a+b) |
| (i) | Construction/ Acquisition of any asset | 6.68 | 4.60 | 11.28 | 9.87 | 1.55 | 11.42 |
| (ii) | For purpose other than (i) above | 88.28 | 5.73 | 94.01 | 66.79 | 1.42 | 68.21 |
| | **Total** | **94.96** | **10.33** | **105.29** | **76.66** | **2.97** | **79.63** |

(b) As stated above, a sum of ₹ **10.33 Crore** out of the total expenditure of ₹ **105.29 crore** is yet to be paid to concerned parties which are included in the relevant head of accounts pertaining to liabilities.

(iii) As per Section 135 read with Section 198 of Companies Act 2013, the amount required to be spent towards CSR is ₹ **65.45 Crore** for the financial year 2021-22 (based on 2% of average net profit of preceding three financial years) (Previous Year ₹ **59.43 Crore**). The Company has spent an amount of ₹ **105.29 Crore** towards CSR for the financial year 2021-22.

(iv) The company has spent an excess amount of ₹ **60.04 Crore** on CSR during FY 2021-22 (After adjusting excess spending of ₹ **20.20 Crore** during FY 2020-21), which is available for carry forward over the next three financial years.

(v) The Board of Directors had allocated a total budget of ₹ **138.78 Crore** towards CSR for financial year 2021-22.

**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 31.03.2022 | As at 31.03.2021 |
|---|---|---|---|
| (i) | The principal amount and the interest due thereon remaining unpaid to any supplier on Balance Sheet date: | | |
| | a) Trade Payables: | | |
| | - Principal (Refer Note 20.3) | 23.12 | 30.79 |
| | - Interest | - | - |
| | b) Others: | | |
| | - Principal (Refer Note 20.4) | 7.41 | 8.07 |
| | - Interest | - | - |
| (ii) | The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year. | - | - |
| (iii) | The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006; | - | - |
| (iv) | The amount of interest accrued and remaining unpaid as on Balance Sheet date | - | - |
| (v) | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |

**16. Disclosures regarding leases as per IND AS-116 "Leases":**

**A) Company as Lessee:**

**(i) Treatment of Leases as per Ind AS-116 :**

The Company assesses whether a contract is or contains a lease, at the inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The Company had applied the following practical expedients on initial application of Ind AS 116:

a. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

b. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

c. Excluded the initial direct costs, if any from the measurement of the right-of-use asset at the date of recognition of right-of-use asset.

d. Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The weighted average incremental borrowing rate applied to leases recognised during FY 2021-22 is 6.20%.

**(ii)** **Nature of lease:** The Company's significant leasing arrangements are in respect of the following assets:

(a) Premises under cancellable lease arrangements for residential use of employees ranging from 3-4 months to three years.

(b) Premises for offices, guest houses and transit camps on lease which are not non-cancellable and are usually renewable on mutually agreeable terms.

(c) Land obtained on lease for construction of projects and / or administrative offices.

(d) Vehicles on operating leases generally for a period of 1 to 2 years and such leases are not non-cancellable.

**(iii)** Amount recognised in the Statement of Profit and Loss / Expenditure Attributable to Construction in respect of short term, low value and variable lease are as under:

(₹ in Crore)

| Sl. No | Description | 31.03.2022 | 31.03.2021 |
|---|---|---|---|
| 1 | Expenditure on short-term leases | 10.92 | 14.70 |
| 2 | Expenditure on lease of low-value assets | - | 0.02 |
| 3 | Variable lease payments not included in the measurement of lease liabilities | 4.96 | 4.51 |

**(iv)** Commitment for Short Term Leases as on 31.03.2022 is ₹ **4.26 Crore** (Previous Year ₹ **3.72 Crore**).

**(v)** Movement in lease liabilities during the year:

(₹ in Crore)

| Particulars | 31.03.2022 | 31.03.2021 |
|---|---|---|
| Opening Balance | 12.65 | 13.91 |
| Additions in lease liabilities | 5.19 | 2.61 |
| Finance cost accrued during the year | 1.11 | 1.10 |
| **Less:** Payment of lease liabilities | 3.80 | 4.97 |
| **Closing Balance** | **15.15** | **12.65** |

**B) Finance Lease – Company as Lessor**

**Power Stations as Finance Lease**

The Company has entered into lease arrangements with a single beneficiary, Power Development Department, Jammu & Kashmir for sale of the entire power generated by two power stations, namely Nimoo Bazgo and Chutak Power Stations for the substantial period of the stipulated life of these Power Stations. Under the agreements, the customer is obliged to purchase the entire output at prices determined by the Central Electricity Regulatory Commission (CERC). Further, the Company has entered into a supplementary PPA with M/s WBSEDCL for offtake of the entire power generated by TLDP-III Power Station for its balance useful life of 35 years on mutually agreed tariff w.e.f 1st April, 2019. The arrangements have been assessed by the Company and classified as Finance Lease. Other financial assets (Current and Non-Current) include lease receivables representing the present value of future lease rentals receivable on the finance lease arrangements entered into by the company.

The Company has earned "Income from Finance Lease" of ₹ **344.95 Crore** during the year (previous year ₹ **371.62 Crore**)

**The following table sets out the maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the end of the financial year as at 31.03.2022:**

(₹ in Crore)

| Particulars | 31.03.2022 | 31.03.2021 |
|---|---|---|
| **Undiscounted lease payments receivable:** | | |
| Less than one year | 448.92 | 445.11 |
| One to two years | 449.37 | 448.93 |
| Two to three years | 441.50 | 449.37 |
| Three to four years | 394.94 | 441.50 |
| Four to five years | 298.09 | 394.94 |
| More than five years | 6,727.79 | 7025.84 |
| **Total undiscounted lease payments receivable** | **8,760.60** | **9205.69** |
| Add: unguaranteed residual value | 382.48 | 381.12 |
| Less: Unearned finance income | 6,587.86 | 6922.35 |
| **Net investment in the lease** | **2,555.22** | **2664.46** |
| Discounted unguaranteed residual value included in the net investment in lease | 6.98 | 6.08 |

**Significant changes in the carrying amount of the net investment in finance leases**

(₹ in Crore)

| Particulars | 31.03.2022 | 31.03.2021 |
|---|---|---|
| Opening Balances | 2,664.46 | 1,436.22 |
| Additions/(deductions) during the year | 19.25 | 1,293.32 |
| Income from Finance Lease for the year | 344.95 | 371.62 |
| **Less:** Amount received during the year | 473.44 | 436.70 |
| **Closing Balances** | **2,555.22** | **2,664.46** |

**C) Operating Lease – Company as Lessor :**

The Company has entered into Power Purchase Agreements (PPA) with West Bengal State Electricity Board for sale of power from TLDP-IV power station for a period of 10 years and with Jodhpur Vidyut Vitran Nigam Limited (JVVNL) for sale of power from 50 MW Wind Power Project, Jaisalmer for a period of 3 years. Power Purchase Agreement with JVVNL has expired on March 31, 2019 and extension of PPA is under process, though power is being scheduled to the customer. As per the PPAs, the customer is obliged to purchase the entire output of these Power Stations at prices determined by the Central Electricity Regulatory Commission and has been recognised as Operating Lease arrangements.

The Company has earned "Income from Operating Lease" for the year of ₹ **384.07 Crore** during the year (previous year ₹ **712.00 Crore**).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the end of the financial year as per Power Purchase Agreement:

(₹ in Crore)

| Particulars | 31.03.2022 | 31.03.2021 |
|---|---|---|
| Less than one year | 312.21 | - |
| One to two years | 312.21 | - |
| Two to three years | 312.21 | - |
| Three to four years | 312.21 | - |
| Four to five years | 320.10 | - |
| More than five years | 1280.41 | - |
| **Total** | **2849.35** | **-** |

**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 | |
|---|---|---|---|---|
| | | | 31.03.2022 | 31.03.2021 |
| NHDC Limited | India | Power Generation | 51.08% | 51.08% |
| Loktak Downstream Hydroelectric Corporation Limited | India | Power Generation | 74.83% | 74.92% |
| Bundelkhand Saur Urja Limited | India | Power Generation | 86.67% | 74.00% |
| Lanco Teesta Hydro Power Limited # | India | Power Generation | 100.00% | 100.00% |
| Jalpower Corporation Limited ## | India | Power Generation | 100.00% | 100.00% |
| Ratle Hydroelectric Power Corporation Limited (RHPCL) (w.e.f 01.06.2021)### | India | Power Generation | 73.53% | - |

# The Board of Directors of the Company in its meeting held on December 7, 2021 has approved the merger/ amalgamation of Lanco Teesta Hydro Power Limited (a wholly owned subsidiary of NHPC Limited) with NHPC Limited under Section 230-232 of the Companies Act, 2013 and other statutory provisions as per the terms and conditions mentioned in the Scheme of Amalgamation (Scheme). The Scheme will be filed with the relevant regulatory authorities including Ministry of Corporate Affairs or any other appropriate authority for their approval and sanction.

## The Board of Directors of the Company in its meeting held on September 24, 2021 has approved the proposal to initiate the process of merger of Jalpower Corporation Limited (a wholly owned subsidiary of NHPC Limited) with NHPC Limited as per applicable provisions of the Companies Act, 2013 subject to approval of Government of India.

### NHPC Limited has formed a new Subsidary Company with Jammu and Kashmir State Power Development Corporation Limited (JKSPDCL) with equity participation of 51:49 respectively, in the name of "Ratle Hydroelectric Power Corporation Limited, which was incorporated on 01.06.2021.

**(b) Interest in Joint Ventures:**

| Name of Companies | Principle place of operation | Principal activities | Proportion of Ownership interest as at | |
|---|---|---|---|---|
| | | | 31.03.2022 | 31.03.2021 |
| 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 | 55.13% | 51.93% |

# The Company has obtained the approval from Ministry of Power vide its letter dated 12.05.2021 for taking over of 2% equity of PTC India Limited (PTC) in Chenab Valley Power Projects Private Limited (A Joint Venture Company between NHPC (49%), Jammu and Kashmir State Power Development Corporation Limited (JKSPDCL) (49%) and PTC (2%)). The purchase consideration of Rs 4.19 crore has been released to PTC on 25.05.2021. During the year, the company has invested Rs. 551.71 crore while JKPDC has invested Rs. 309.15 crore in Chenab Valley Power Project Ltd. (CVPPPL), The company's shareholding in CVPPPL due to acquisition of shares of PTC and additional equity infusion increased from 51.93% as on 31st March, 2021 to 55.13% as on 31st March, 2022. Pending modifications in the Promoter's Agreement and completion of other requisite formalities, CVPPPL continues to be a Joint Venture owing to control being exercised jointly with the other joint venturers, pursuant to the Joint Venture agreement currently in force.

Equity investments in Subsidiaries and Joint Ventures are measured at cost as per the provisions of Ind AS 27 on 'Separate Financial Statements'.

**18.** Ind AS 36- Impairment of Assets requires an entity to assess on each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the entity is required to estimate the recoverable amount of the asset. If there is no indication of a potential impairment loss, the Standard does not require an enterprise to make a formal estimate of the recoverable amount.

Management has determined that each of the Project / Power Station of the Company is the smallest identifiable group of assets that generate cash inflows from continuing use that is largely independent of the cash inflows from other assets or groups of assets and accordingly qualifies to be designated as a Cash Generating Unit (CGU). Impairment indicators applicable to these CGUs have been assessed and based on such assessment, Management is of the opinion that no significant change with an adverse effect on the Company has taken place during the year, or is expected to take place in the near future, in the technological, economic or legal environment in which the Company and its Subsidiaries and Joint Ventures operate. This includes the regulations notified by CERC for the tariff period 2019-24 where there are no major amendments that can have a significantly adverse impact on the future cash flow from the CGUs. There is no evidence available from internal reporting that indicates that the economic performance of a CGU is, or will be, worse than expected.

Further, seven CGUs of the Company and two CGUs of one of the subsidiaries were assessed for impairment as on 31st March, 2022. The CGUs of the Company were selected based on criteria like capital cost per MW, tariff, etc. and include the two major construction projects of the Company, one Renewable Energy Generation Station and the four most recently commissioned Power Stations over 100 MW capacity. Regulatory Deferral Account balances to be recovered in future through tariff as part of capital cost recognised in one of the CGUs has also been considered along with the carrying amount of the CGU for impairment assessment. In respect of the subsidiary, both the operating power stations have been considered for impairment assessment.

The impairment analysis was carried out on the basis of value-in-use calculation by measuring the recoverable amount of the CGUs as per cash flow projections based on the applicable CERC Tariff Regulations adjusted for the risks specific to each CGU and a pre-tax discount rate arrived at on the basis of the Capital Asset Pricing Model that reflects market assessments of the time value of money.

Based on the assessment, there exists no significant indicator that would suggest an impairment of the carrying amounts of the CGUs of the company including Regulatory Deferral Account Balances and its investment in subsidiaries and Joint Ventures during FY 2021-22, except for impairment of investment in National High Power Test Laboratory Pvt. Ltd. (NHPTL), one of the Joint Venture Companies against which impairment provision of ₹ 14.07 Crore has been made during the year against the original investment of ₹ 30.40 Crore. Further loan of ₹ 18.40 crore is outstanding with NHPTL, against which interest accrued amounting to ₹ 0.42 crore up to 31.03.2021 has also been provided for. Further, interest accrued on ibid loan for FY 2021-22 amounting to ₹ 1.67 crore has not been recognised due to significant uncertainty in realisation.

Further, there exists no impairment in respect of the Projects / Power Stations of the company and its subsidiaries tested for impairment during FY 2021-22.

**19.** As per Hydro Policy 2008, 100 units of electricity is to be provided to each Project Affected Family (PAF) notified by the State Government for a period of 10 years from the date of commissioning of a project. Notification by the respective State Governments regarding PAFs is yet to be made. Since the electricity to be provided to the PAFs is to be deducted from free power to the State Government, there would not be any impact on the profit of the Company.

**20.** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020 and has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will account for any related impact in the year the Code becomes effective.

**21.** Nature and details of provisions (refer Note No. 17 and 22)

**(i) General**

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the

reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a Finance Cost.

**(ii) Provision for employee benefits (Other than provisions for defined contribution and defined benefit plans which have been disclosed as per Ind AS-19 at S. No. 10 of Note No. 34):**

**a) Provision for Performance Related Pay/Incentive:**

Short-term Provision has been recognised in the accounts towards Performance Related Pay/ incentive to employees on the basis of Management estimates as per company's rules in this regard which are based on the guidelines of the Department of Public Enterprises, Government of India.

**b) Provision For Wage Revision as per 3rd Pay Revision Committee (PRC):**

Short term provision for wage revision of the employees of the company was recognised earlier as per notification of the Department of Public Enterprises, Government of India.

**(iii) Other Provisions:**

**a) Provision For Tariff Adjustment:**

Provision for tariff adjustment is made on estimated basis against probable refund to beneficiaries on reassessment of tariff billed, pending approval of Tariff/ truing up for the Year 2014-19/ 2019-24 by the Central Electricity Regulatory Commission (CERC).

**b) Provision for Livelihood Assistance:**

Provision has been recognised at discounted value adjusted for average inflation in the accounts towards special financial package finalised in consultation with the State Government and approved by the Board of Directors of NHPC for livelihood assistance of the project affected families (PAFs) in Parbati-II and Parbati-III. As per the package, pending finalisation of modalities of payment, one eligible person from each PAF shall be provided livelihood assistance equivalent to minimum wage of unskilled category as per the Government of Himachal Pradesh/ Central Government whichever is higher, on monthly instalment basis, for the Years as under:

i) Till the date of superannuation for PAFs eligible for employment.

ii) For 2000 days to those PAFs left with zero balance land but excluded for employment.

iii) For 1000 days to all remaining PAFs.

**c) Provision for Committed Capital Expenditure:**

Provision has been recognised at discounted value in case of non- current amount for Capital Expenditure to be incurred towards environment, compensatory afforestation, local area development, etc. which was a pre-condition for granting approval for construction of the project and expenditure towards which had not been completed till commissioning of the project. Such provisions are adjusted against the incurrence of actual expenditure as per demand raised by the concerned State Government Authorities.

**d) Provision for restoration expenses of insured assets:**

Provision has been recognised in the accounts based on Management Estimates for restoration of damaged assets insured under Mega Policy and Construction Plant and Machinery Policy. Utilization of the provision is to be made against incurrence of actual expenditure towards restoration of the assets.

**e) Provisions for expenditure in respect of Arbitration Award/Court cases:**

This includes provisions created on the basis of management assessment as to probable outflow in respect of contractors claims against which arbitration award/Court decision have been received and

which have been further challenged in a Court of Law. Utilization/outflow of the provision is to be made on the outcome of the case.

**f) Provisions - Others:** This includes provisions towards:-

(i) Contractor claims, Land compensation cases, disputed tax demands and other cases created on the basis of management assessment towards probable outflow. Utilization/outflow of the provision is to be made on the outcome of the case.

(ii) Wage revision of Central Government Employees whose services are utilised by the company.

(iii) Provision for interest to beneficiaries on excess tariff recovered in terms of Tariff Regulations for the Year 2014-19 where the capital cost considered for fixation of tariff by the CERC on the basis of projected capital cost as on Commercial Operation Date or the projected additional capital expenditure exceeds the actual capital cost incurred.

(iv) Upfront provision for rebate towards interest on House Building Advance provided to employees based on the historical trend of rebate allowed.

(v) Upfront provision for rebate to customers for sale of power based on the historical trend of rebate allowed.

(vi) Provision for impairment of investment by Employees Provident Fund Trust in certain interest-bearing Financial Instruments including interest accrued thereon but not received.

**22. Disclosures relating to creation of Regulatory Deferral Account (RDA) balances as per Ind AS 114:**

The Company is principally engaged in the construction and operation of hydroelectric power projects. The price (tariff) to be charged by the company for electricity sold to its customers is determined by Central Electricity Regulatory Commission (CERC) under applicable CERC (terms and conditions of tariff) Regulations. The said price (tariff) is based on allowable costs like interest costs, depreciation, operation and maintenance charges plus a stipulated return. This form of rate regulation is known as cost-of-service regulations. The basic objective of such regulations is to give the entity the opportunity to recover its costs of providing the goods or services plus a fair return.

For the purpose, the Company is required to make an application to CERC based on capital expenditure incurred duly certified by the Auditors or already admitted by CERC or projected to be incurred upto the date of commercial operation and additional capital expenditure duly certified by the Auditor or projected to be incurred during tariff year. The tariff determined by CERC is recovered from the customers (beneficiaries) on whom the same is binding.

The above rate regulation results in creation of right (asset) or an obligation (liability) as envisaged in the accounting framework which is not the case in other industries. Guidance Note on Accounting for Rate Regulated Activities (Previous GAAP) issued by the ICAI is applicable to entities that provide goods or services whose prices are subject to cost-of-service regulations and the tariff determined by the regulator is binding on the customers (beneficiaries). As per guidance note, a regulatory asset is recognized when it is probable (a reasonable assurance) that the future economic benefits associated with it will flow to the entity as a result of the actual or expected actions of the regulator under applicable regulatory framework and the amount can be measured reliably.

The guidance note also provides that in some cases, a regulator permits an entity to include in the rate base, as part of the cost of self-constructed (tangible) fixed assets or internally generated intangible assets, amounts that would otherwise be recognized as expense in the statement of profit and loss in accordance with Accounting Standards.

With effect from 01.04.2016, such rate regulated items are to be accounted for as per Ind AS 114 'Regulatory Deferral Accounts.' Ind AS 114 allows an entity to continue to apply previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances. For this purpose, Guidance Note of the ICAI on 'Accounting for Rate Regulated Activities' shall be considered to be the Previous GAAP.

**A) Regulatory Deferral Account balances in respect of Subansiri Lower Project:**

Construction activities at site of Subansiri Lower Project were interrupted w.e.f. 16.12.2011 and the matter was pending before National Green Tribunal. Technical and administrative work at the project was however continued.

Vide order dated 31st July 2019, the Hon'ble NGT has held that there is no justification in the petitions of the applicants pleading bias in the constitution of the Expert Committee by the MoEF & CC and accordingly, the cases against Subansiri Lower Project pending with the NGT have been dismissed. Active construction work at the project has been resumed from October-2019.

In line with the opinion of Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), borrowing cost of ₹ **2735.61 Crore** (upto Previous year ₹ **2735.61 Crore**), employee benefits expense, depreciation and other expense of ₹ **1427.67 crore** (upto Previous year ₹ **1427.67 Crore**), net of other income of ₹ **322.60 Crore** (upto Previous year ₹ **322.60 Crore**) incurred till 30th September 2019 has been charged to the Statement of Profit and Loss.

As active construction work at the project has been resumed during FY 2019-20, borrowing cost, employee benefits expense, depreciation and other expense (net of other income) incurred with effect from 01.10.2019 has been capitalized as Expenditure attributable to Construction.

During financial year 2014-15, the company had adopted the accounting as per Guidance Note on Rate Regulated Activities issued by the ICAI which allows recognition of 'Regulatory Asset' and corresponding 'Regulatory Income' of the right to recover such expense which are not allowed to be capitalized as part of cost of relevant fixed asset in accordance with the Accounting Standards, but are nevertheless permitted by Central Electricity Regulatory Commission (CERC), the regulator, to be recovered from the beneficiaries in future through tariff.

Since Ind AS 114 'Regulatory Deferral Accounts' allows an entity to continue to apply previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances and recognizes the Guidance Note of the ICAI on 'Accounting for Rate Regulated Activities' as the previous GAAP, the company has continued with the accounting policy for regulatory deferral account balances.

The total Regulatory Deferral Account Debit balances recognised in respect of Subansiri Lower Project for and upto the quarter ended 31.03.2022 are as under:

(₹ in Crore)

| **Regulatory asset created in relation to:** | **Upto 31.03.2022** |
|---|---|
| Borrowing Costs | 2509.67 |
| Employee Benefit expense | 628.73 |
| Depreciation and Amortisation | 54.86 |
| Other Expense | 562.83 |
| Other Income | (285.50) |
| **Total** | **3470.59** |

Further, no regulatory deferral account balances has been recognized during the year 2021-22.

As per management assessment, there is no impairment in the carrying amount of ₹ **10479.22 crore** included under Capital Work in Progress of the Project including the regulatory deferral account balances recognized therein.

After Commercial Operation Date (COD) of the Project, amount recognized as Regulatory Deferral Account balances in respect of Subansiri Lower Project shall be amortized/ liquidated in proportion to depreciation following the rates and methodology notified under CERC Tariff Regulations over the life of the Project, i.e. 40 years.

Tariff Regulations for the period 2019-2024 have been notified by the CERC. In addition to the existing Tariff Regulations (2014-19) authorizing capitalisation of borrowing and other attributable costs incurred due to uncontrollable factors including force majeure events like blockade/ embargo as per Tariff Regulations 2014-19, the new regulations also include delay in obtaining statutory approval for projects as one of the force majeure events. Accordingly, Management considers that adverse changes in Tariff Regulations are not likely to be a significant area of risk for the future recovery of RDA balances recognized in respect of Subansiri Lower Project.

Risks and uncertainties that might affect the future recovery of the Regulatory Deferral Account balances being created in respect of Subansiri Lower Project are:

a) **Demand Risk:** Recovery of the Regulatory Deferral Account Balances shall be by way of depreciation through tariff. Accordingly, the same is affected by the normal risks and uncertainties impacting sale of electricity in India like difficulty in signing of long term Power Purchase Agreements (PPAs), at the rate covering the cost and required return ensuring the viability of the Project.

b) **Regulatory Risk:** Tariff regulations further provide that if the delay is not attributable to the generating company but is due to uncontrollable factors, IEDC may be allowed after due prudence check. Any disallowance of expenditure after prudence check can affect the quantum of regulatory deferral account balances to be recovered from beneficiaries.

**B) Regulatory Deferral Account balances in respect of expenditure recognized due to 3rd Pay Revision of Central Public Sector Units (CPSUs):**

Pay of employees of CPSUs including Central Govt. Employees under IDA pay scale have been revised from 1st January, 2017. As approved by the Government of India, in addition to enhancing Basic Pay, DA and allowances with effect from 01.01.2017, the ceiling limit of Gratuity has been enhanced from the existing ₹ **0.10 crores** to ₹ **0.20 crores** with effect from 01.01.2017. Pay revision for all employees have been implemented.

CERC Tariff Regulations 2014-19 read with the Statement of Reasons CERC (Terms and Conditions of Tariff) Regulations, 2014 provides that the impact of actual increase in employee cost on account of wage revision of operational Power Stations including employees of Kendriya Vidyalaya and CISF Personnel is recoverable from the beneficiaries in future through tariff. Further, during the tariff period 2004-09, CERC had allowed recovery of the actual increase in employee cost on account of wage revision (with effect from 01.01.2007) upto 50% of the salary and wages (Basic + DA) of the employees of the petitioner company as on 31.12.2006 from the beneficiaries in twelve equal monthly installments. Tariff Regulations for the period 2019-2024 read with corrigendum dated 15th March 2019 notified by the CERC also provide for recoverability of pay revision from the beneficiaries in future through tariff.

Keeping in view the provisions of Ind AS 114- "Regulatory Deferral Accounts", additional expenditure on employee benefits (including employees of Kendriya Vidyalaya and CISF Personnel) due to revision of pay/ gratuity ceiling, to the extent charged to the Statement of Profit and Loss and to Other Comprehensive Income till 31st March 2019, amounting to ₹ **631.90 Crore** have been recognized as 'Regulatory Deferral Account balances'. These balances shall be recovered by way of billing to beneficiaries once the petition filed with CERC in this regard is approved.

As opposed to tariff period 2014-19 where RDA balances of pay revision had been created based on the expectation that CERC would allow the same in tariff in line with that allowed earlier for pay revision during FY 2009, tariff regulation 2019-24 specifically allows for recovery of additional expenditure on account of pay revision. Accordingly, additional expenditure due to 3rd PRC from FY 2019-20 has been recognized as revenue with corresponding Trade Receivables.

During the current year, Management has reassessed the recoverability and derecognized part of ibid Regulatory Deferral Account (Debit) balance to the tune of ₹ **61.32 crore** in respect of additional expenditure on 3rd Pay Revision of Central Public Sector Enterprises w.e.f. January 1, 2017 based on Management assessment as to recoverability. The amount so derecognized has been retrospectively restated and relevant disclosures has been provided at **Note 35**.

The total RDA Debit balances recognized till 31.03.2022 in the financial statement are as under:

(₹ in Crore)

| Sl. No. | Particulars | Regulatory Deferral Account Balances |
|---|---|---|
| A | Opening balance as on 01.04.2021 | **570.58** |
| B | Addition during the year (+) | - |
| C | Amount Used/collected during the year (-) | 114.20 |
| D | **Regulatory income recognized in the Statement of Profit and Loss & Other Comprehensive Income (B+C)** | **(114.20)** |
| E | **Closing balance as on 31.03.2022 (A+D)** | **456.38** |

Recoverability of the Regulatory Deferral Account balances on account of Pay Revision of Employees is however, subject to Regulatory Risk since such expenditures are generally allowed by the CERC after due prudence check. Any disallowance of expenditure after prudence check can affect the quantum of regulatory deferral account balances to be recovered from beneficiaries. The company expects to recover the carrying amount of Regulatory Deferral Account balances in respect of 3rd pay revision during the current CERC Regulation 2019-24 periods.

**C) Regulatory Deferral Account balances due to moderation of tariff of Kishanganga Power Station:**

As per CERC Tariff Regulations 2014-19/2019-24, depreciation on capital cost of a Power Station forms one of the components of tariff. Depreciation is charged in the books as per the rates provided in the Tariff Regulations 2014-19/2019-24 in the initial operating period of 12 years and thereafter the balance depreciation is spread over equally in the remaining 23/28 years so as to recover 90 percent of the capital cost of the Power Station by way of depreciation. As per Tariff regulations 2019-24, the operating life of a hydro-power station is 40 years.

As per CERC Tariff Regulations, 2019-24, tariff for sale of electricity by the generating company may also be determined in deviation of the norms specified in the Regulations provided the levelised tariff over the useful life of the project on the basis of the norms in deviation does not exceed the levelised tariff calculated on the basis of the norms specified in the Regulations. Similar provisions exist in the Tariff Regulations for the period 2019-2024 notified by the CERC.

In the case of Kishanganga Power Station (Commercial Operation Date: 17th May, 2018), the Company has made moderation in tariff of Kishanganga Power Station by fixing lower tariff in the initial ten years and then fixing higher tariff in the remaining 25 years by way of charging 1.5% depreciation from the 1st to the 10th year and 2.5% depreciation from 11th to the 40th year, thus aggregating 90 percent of the Capital Cost of the Power Station. This moderation, with the intent to reduce tariff in the initial years of operation, has been duly approved by the CERC.

Moderation of depreciation rates for tariff determination in Kishanganga Power Station gives rise to a significant mismatch by way of higher depreciation charged in the books (as per CERC Tariff Regulations, 2019-24) during the first 12 years of commercial operation and recovery by way of tariff as per Tariff Order of the Power Station approved by the CERC. The lower recovery during the first 12 years would, however, be compensated over the balance period of the operational life of the Power Station by way of higher recovery of depreciation through tariff than that charged in the books. This deferment of recovery of costs with the intent to reduce tariff in the initial years and its recovery in subsequent years demonstrates that an asset exists by way of the right to recover current costs in future through tariff and such right is enforceable.

Keeping in view the provisions of Ind AS 114- "Regulatory Deferral Accounts", difference between depreciation charged to the Statement of Profit and Loss Account as per Tariff Regulations 2019-24 and the depreciation allowed by way of tariff and which is recoverable from the beneficiaries in subsequent periods is being recognized as 'Regulatory Deferral Account balances' with effect from Commercial Operation Date of the Power Station. RDA balances created during the first 12 years of commercial operation shall

be recovered from beneficiaries by way of higher depreciation as a component of tariff over the balance useful life of the Power Station, i.e. over a period of 28 years.

The regulated assets (+)/liability (-) recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

(₹ in Crore)

| Sl. No. | Particulars | Regulatory Deferral Account Balances |
|---|---|---|
| A | Opening balance as on 01.04.2021 | **563.11** |
| B | Addition during the year (assets (+)/ liability (-)) | 198.35 |
| C | Amount collected (-)/refunded (+) during the year | - |
| D | **Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)** | **198.35** |
| E | **Closing balance as on 31.03.2022 (A+D)** | **761.46** |

The Company has long term Power Purchase Agreements in respect of Kishanganga Power Station. Since the proposal for moderation of tariff already stands approved by the CERC, the Company does not envisage any significant risk as regards recoverability of the Regulatory Deferral Account balances created in respect of Kishanganga Power Station.

However, as depreciation charge in the books and recovery thereof through tariff are dependent on the Capital Cost of the Power Station as allowed by CERC, recovery of the regulatory deferral account balances in respect of Kishanganga Power Station would be subject to Regulatory Risk. Approval of actual capital expenditure on the Power Station including expenditure on account of time and cost overruns etc. are subject to prudence check by the CERC. Any disallowance of expenditure after prudence check can affect the quantum of regulatory deferral account balances to be recovered from beneficiaries.

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

As per Ind AS 23- "Borrowing Costs", borrowing cost on foreign currency loans to the extent treated as an adjustment to interest costs is allowed to be capitalised during construction period. Further, Ind AS 21- "The Effects of Changes in Foreign Exchange Rates" provides that exchange differences arising on settlement or translation of monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognized in the Profit and Loss in the period in which they arise.

Para D13AA of Ind AS 101- "First Time Adoption of Ind AS" provides that a first-time adopter may continue the existing accounting policy adopted for accounting of exchange differences arising from translation of long-term foreign currency monetary items. Accordingly, for periods beginning on or after 01.04.2016, all exchange differences arising on translation/ settlement of monetary items other than exchange difference on borrowings to the extent treated as an adjustment to interest cost during construction period are to be charged to the Statement of Profit and Loss.

As per the CERC Tariff Regulations 2014-19, any gain or loss on account of exchange risk variation shall be recoverable as part of capital cost for calculation of tariff on Commercial Operation Date (COD) of a project and on actual payment basis during Operation and Maintenance (O&M) period. Further, CERC in previous tariff orders has allowed exchange differences incurred during the construction period as a part of capital cost.

Keeping in view the provisions of Ind AS 114- "Regulatory Deferral Accounts" as regards recognition and CERC Tariff Regulations 2014-19 as regards recoverability, exchange differences arising on translation/ settlement of foreign currency monetary items to the extent charged to the Statement of Profit and Loss are being recognized as 'Regulatory Deferral Account balances' with effect from 01.04.2016. These balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries after Commercial Operation Date (COD) of the Project.

The regulated assets (+)/liability (-) recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

(₹ in Crore)

| Sl. No. | Particulars | Regulatory Deferral Account Balances |
|---|---|---|
| A | Opening balance as on 01.04.2021 | **1.72** |
| B | Addition during the year (assets (+)/ liability (-)) | (0.17) |
| C | Amount collected (-)/refunded (+) during the year | - |
| D | **Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)** | **(0.17)** |
| E | **Closing balance as on 31.03.2022 (A+D)** | **1.55** |

Tariff Regulations for the period 2019-2024 have been notified by the CERC. Regulations regarding recoverability of Foreign Exchange rate Variation (FERV) as part of capital cost for calculation of tariff on Commercial Operation Date (COD) of a project and on actual payment basis during O&M period of a Power Station as per Tariff Regulations 2014-19 have been continued for the tariff period 2019-24 also. Accordingly, Management considers that adverse changes in Tariff Regulations are not likely to be a significant area of risk for the future recovery of RDA balances recognized in respect of exchange differences on Foreign Currency Monetary items.

Recoverability of the Regulatory Deferral account balances is however, subject to **Demand Risk** since recovery/payment of the regulatory deferral debit/credit balance shall be by way of billing to the beneficiaries. Accordingly, the same is affected by the normal risks and uncertainties impacting sale of electricity in India like difficulty in signing of long term PPAs, etc.

**E) Regulatory Deferral Account balances on account of deferred tax recoverable from beneficiaries / Payable to beneficiaries:**

As per CERC Tariff Regulations, deferred tax arising out of generating income for the tariff period 2004-09 is recoverable from beneficiaries in the year the same materializes as current tax. For the tariff period 2014-19, deferred tax is recoverable by way of grossing up the Return on Equity by the effective tax rate based on actual tax paid. Till 31st March, 2018 the deferred tax recoverable from beneficiaries in future years was presented as an adjustment to deferred tax liability and was not recognised as RDA.

The practice was reviewed based on an opinion of the Expert Advisory Committee of the Institute of Chartered Accountants of India (EAC of the ICAI) obtained during FY 2018-19. Such deferral account balance which as per EAC of ICAI is not a deductible temporary difference resulting into deferred tax asset under Ind AS 12 ,rather fulfils the definition of regulatory deferral account balance in terms of Ind AS 114.

Accordingly, the Company had reclassified the deferred tax recoverable upto 2009 and deferred tax adjustment against deferred tax liabilities pertaining to tariff period 2014-19 earlier presented as an adjustment to Deferred Tax Liability, as a Regulatory Deferral Account balance during FY 2019-20.

As per Tariff Regulations 2019-24 notified by the CERC, there is no change in mode of recovery of current tax and deferred tax as provided in the earlier Tariff Regulations 2014-19.

The regulated assets (+)/liability (-) recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

**In respect of deferred tax recoverable for tariff period upto 2009:**

(₹ in Crore)

| Sl. No. | Particulars | Regulatory Deferral Account Debit Balances |
|---|---|---|
| A | Opening balance as on 01.04.2021 | **1453.56** |
| B | Addition during the year (assets (+)/ liability (-)) | - |
| C | Amount collected (-)/refunded (+) during the year | 49.52 |
| D | **Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)** | **(49.52)** |
| E | **Closing balance as on 31.03.2022 (A+D)** | **1404.04** |

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

(₹ in Crore)

| Sl. No. | Particulars | Regulatory Deferral Account Debit Balances |
|---|---|---|
| A | Opening balance as on 01.04.2021 | **843.37** |
| B | Addition during the year (assets (+)/ liability (-)) | 10.72 |
| C | Amount collected (-)/refunded (+) during the year | - |
| D | **Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)** | **10.72** |
| E | **Closing balance as on 31.03.2022 (A+D)** | **854.09** |

**Regulatory Deferral Account Credit balances on account of Minimum Alternative Tax (MAT) Credit:**

During the Year, the company has recognised Deferred Tax Assets on account of MAT Credit entitlement amounting to ₹ **1478.62 Crore** based on the management estimate that sufficient taxable profit will be available in future to utilize the amount of recognised MAT Credit in the Books of Accounts .

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 and 2019-24 deferred tax is recoverable by way of grossing up the Return on Equity by the effective tax rate based on actual tax paid.

Accordingly, Regulatory Deferral Account Credit Balances amounting to ₹ **1313.27 Crore** has been recognised in respect of MAT Credit to be utilised in future and further passed on to the beneficiaries.

The Movement in Regulatory Deferral Account Credit Balances recognized in respect of MAT Credit payable to beneficiaries in future periods are as follows:

(₹ in Crore)

| Sl. No. | Particulars | Regulatory Deferral Account Debit Balances |
|---|---|---|
| A | Opening balance as on 01.04.2021 | - |
| B | Addition during the year (assets (+)/ liability (-)) | 1313.27 |
| C | Amount collected (-)/refunded (+) during the year | - |
| D | **Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)** | **1313.27** |
| E | **Closing balance as on 31.03.2022 (A+D)** | **1313.27** |

Recoverability of Regulatory Deferral Account balance recognised on account of deferred tax recoverable/ payable upto tariff period 2004-2009, deferred tax adjustment against deferred tax liabilities pertaining to tariff period 2014-19 and that pertaining to recognition of MAT Credit are dependent upon the future operating performance of the Company. Further, since these Regulatory Deferral Account balances relate to past tariff periods, recoverability is also subject to the regulatory risk of CERC allowing recovery of such balances in future tariff regulations.

**23 (i)** Uri-II Power Station, where accidental fire broke out on 20.11.2014, resulting in stoppage of generation, was restored during the months of June, July and August 2015. The Assets of the power station and

loss of generation are covered under Mega Risk Policy. Status of Insurance claim as on 31.03.2022 is as under:

(₹ in Crore)

| Particulars of claims | Updated claim lodged | Amount received net of refund | Up to date Amount charged to Statement of Profit and Loss | Balance receivable | |
|---|---|---|---|---|---|
| | | | | As at 31st March, 2022 | As at 31st March, 2021 |
| Business Interruption Loss | 202.98 | 74.01 | - | 128.97* | 128.97* |

* Included in Contingent Assets in Para 2 (d) to Note no. 34.

# Income recognised in respect of Business Interruption Loss during the year is **NIL** (Cumulative as on date is ₹ **NIL**).

**(ii)** Sewa -II Power Station, where Head Race Tunnel (HRT) was damaged on September 25, 2020 due to land slide. Restoration of the damages has since been completed and power station is currently in operation. The Assets of the power station and loss of generation are covered under Mega Risk Policy. Status of Insurance claim as on 31.03.2022 is as under:

(₹ in Crore)

| Particulars of claims | Updated claim lodged | Amount received/ to be received | Up to date Amount charged to Statement of Profit and Loss | Balance receivable | |
|---|---|---|---|---|---|
| | | | | As at 31st March, 2022 | As at 31st March, 2021 |
| Against material damage | 50.80 | 9.19 | 2.54 | 39.07 | 38.00 |
| Business Interruption Loss | 225.60 | 161.86 | - | 63.74* | 274.60* |
| **Total** | **276.40** | **171.05** | **2.54** | **102.81** | **312.60** |

* Included in Contingent Assets in Para 2 (d) to Note no. 34.

# Income recognised in respect of Business Interruption Loss during the year is ₹ **161.86 Crore** (Cumulative as on date is ₹ **161.86 Crore**).

**(iii)** Status of Insurance claim in respect of power stations (other than major claims of Uri-II, and Sewa-II) disclosed at para 23 (i) and (ii) above as on 31.03.2022 is as under:

(₹ in Crore)

| Particulars of claims | Updated claim lodged | Amount received | Up to date Amount charged to Statement of Profit and Loss | Balance receivable | |
|---|---|---|---|---|---|
| | | | | As at 31st March, 2022 | As at 31st March, 2021 |
| Against material damage | 99.97 | 22.68 | 38.60 | 38.69 | 44.74 |
| Business Interruption Loss | - | - | - | - | 14.00* |
| **Total** | **99.97** | **22.68** | **38.60** | **38.69** | **58.74** |

* Included in Contingent Assets in Para 2 (d) to Note no. 34.

**24.** As per deliberations of the Board of Directors in its meeting held on 20.03.2014, the viability of Bursar HE Project is dependent upon financial support from Government of India and Government of Jammu & Kashmir. Ministry of Power (MOP), Government of India was approached to provide funding for Survey and Investigation of **Bursar Project** to make it viable. As advised by the MoP, Ministry of Water Resources (MoWR) was approached to provide funds. In the meeting held with MoWR on 27.04.2015, it was informed by the representatives of MoWR that the request of the company for release of funds for preparation of DPR is under consideration for approval of Government of India. Detailed Project Report (DPR) of the project was submitted to CEA and expenditure of ₹ **226.78 Crore** (previous year ₹ **226.78 Crore**) incurred have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision in respect of ibid expenditure had been recognised in earlier years and the same 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 31.03.2022 amounting to ₹ **278.11 crore** (previous year ₹ **274.35 Crore**), ₹ **42.95 crore** (previous year ₹ **42.95 Crore**)and ₹ **51.42 crore** (previous year ₹ **51.42 Crore**) have been carried forward as Capital Work in Progress in respect of Kotlibhel-1A, Kotlibhel-IB and Kotlibhel-II projects respectively. However, as an abundant precaution, provision for these amounts totalling ₹ **372.48 crore** (previous year ₹ **368.72 Crore**) up to 31.03.2022 has been made in the books of accounts.

**26.** Expenditure incurred on Tawang Stage-I and Stage-II Hydroelectric Projects amounting to ₹ **237.15 crore** (previous year ₹ **233.68 Crore**) has been carried forward as Capital Work in Progress. However, considering delay in receipt of clearances, difficulty in acquisition of land and overall uncertainties associated with these projects, provision for expenditure incurred in these projects upto 31.03.2022 amounting to ₹ **237.15 crore** (previous year ₹ **233.68 crore**) has been made in the accounts as an abundant precaution.

**27.** (a) Implementation of Dhauliganga Intermediate, Chungar Chal and Kharmoli Lumti Tulli Hydroelectric Projects has been temporarily put on hold. Pending final decision to hand over these projects to the Government of Uttarakhand, the expenditure incurred upto 31.03.2022 amounting to ₹ **35.70 Crore** (previous year ₹ **35.70 Crore**) have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision for ₹ **35.70 Crore** (previous year ₹ **35.70 Crore**) has been made in the books of accounts.

b) Measures to reduce capital cost and optimise tariff of Goriganga IIIA Project are being explored. Pending decision on the same, the expenditure incurred upto 31.03.2022 amounting to ₹ **46.37 Crore** (previous year ₹ **46.18 Crore**) have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision for ₹ **46.37 Crore** (previous year ₹ **46.18 Crore**) has been made in the books of accounts.

**28.** **Disclosure regarding securitization of Return On Equity (ROE) of Chamera Power Station-I by NHPC:** During FY 2021-22, the Company has entered into an agreement with HDFC Bank Limited for securitisation of Return on Equity (ROE) of Chamera-I Power Station under the National Monetisation Pipeline issued by the NITI Aayog for an amount of ₹ **1016.39 crore** which is repayable to the Bank over a period of 10 years in the following manner:

(a) Fixed component: ₹ **10.90 crore** per month @ 5.24% discount rate (3-month T- bill 3.71% as on 31-Jan-2022 plus spread of 1.53%). The discount rate shall be reset every three months based on the benchmark rate. First such reset shall take place on the first day of April 2022 and every three months thereafter.

(b) Variable component: 5% of revenue on account of secondary energy of the Power Station, payable annually.

The amount realized on securitization has been initially recognised as a Financial Liability (Borrowings) at fair value in accordance with Ind AS 109. Interest expense has been recognised under Finance Cost as per the Effective Interest Rate method.

**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 | |
|---|---|---|---|---|
| | 31.03.2022 | 31.03.2021 | 2021-22 | 2020-21 |
| National High Power Test Laboratory (P) Ltd. | 18.82 | 18.82 | 18.82 | 18.82 |

(iii) To Firms/companies in which directors are interested : **NIL** (Previous Year-**NIL**)

**B.** Investment by the loanee (as detailed above) in the shares of NHPC : **NIL** (Previous Year - **NIL**)

**30.** Quantitative details of Carbon Credit Certificates in respect of Hydro Generating Power Stations:

| Sl. No. | Description | Quantity (in Numbers) | |
|---|---|---|---|
| | | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
| 1 | Opening Balance | 6930932 | 3525556 |
| 2 | Issued/Generated during the Year | 138595 | 5141442 |
| 3 | Sold during the year | 4632688 | 1736066 |
| 4 | Closing Balance | 2436839 | 6930932 |

Due to significant uncertainities in ultimate realisation, closing balance of Carbon Credits available with the Company as on 31st March 2022 have not been accounted for.

**31.** Following is the disclosure regarding "borrowings from banks or financial institutions on the basis of security of current assets" as per requirement of Schedule-III of the Companies Act, 2013:

(₹ in Crore)

| Quarter | Name of the Bank | Particulars of security provided | Amount as per books of accounts | Amount as reported in the quarterly return/ statement | Amount of difference | Reason for material discrepancies |
|---|---|---|---|---|---|---|
| June 2021 | State Bank of India | Debtors for Sale of Power (excluding unbilled debtors) | 3940.50 | 3940.50 | - | - |
| Sept, 2021 | State Bank of India | Debtors for Sale of Power (excluding unbilled debtors) | 3423.68 | 3423.68 | - | - |
| Dec, 2021 | State Bank of India | Debtors for Sale of Power (excluding unbilled debtors) | 3249.07 | 3249.07 | - | - |
| Mar,2022 | State Bank of India | Debtors for Sale of Power (excluding unbilled debtors) | 2686.52 | 2686.52 | - | - |

**32. Disclosure regarding Relationship with Struck off Companies:** Following is the disclosure regarding balances with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 as per requirement of Schedule-III of the Companies Act, 2013:

(₹ in crore)

| Name of the struck off company | Nature of Transactions with struck off company | Balance Outstanding as at 31st March, 2022 | Relationship with the struck off company, if any, to be disclosed | Balance Outstanding as at 31st March, 2021 | Relationship with the struck off company, if any, to be disclosed |
|---|---|---|---|---|---|
| KISHAN SINGH AND CO PVT LTD | Receivables | 0.22 | - | 0.22 | - |
| K S TRADERS PVT LTD | Payables | - | - | 0.17 | - |
| RMS ELECTRONICS PRIVATE LIMITED | Payables | 0.02 | - | 0.02 | - |
| RATTAN CHAND AND SONS PVT LTD | Payables | - | - | 0.06 | - |
| BHAGWATI HARDWARE PRODUCTS PRIVATE LIMITED | Payables | - | - | 0.01 | - |
| M M ENTERPRISES PVT LTD | Payables | - | - | 0.02 | - |
| ROYAL BIOTECH PRIVATE LIMITED | Payables | 0.03 | - | 0.01 | - |
| BAIBHAV CONST.PVT.LTD. | Payables | - | - | 0.01 | - |
| SHRISHTI DEVELOPERS PVT. LTD | Payables | - | - | 0.08 | - |
| EVEREST INFRASTRUCTURE PVT LTD | Payables | - | - | 0.15 | - |
| R.K.BUILDING SOLUTIONS PVT. LTD | Payables | 0.13 | - | 0.13 | - |
| M/S ROLTAMAX PORT- TECH PRIVATE LIMITED | Payables | 0.02 | - | 0.02 | - |
| STAR INFORMATIC PVT LTD | Payables | - | - | 0.02 | - |
| TOTAL SOLUTIONS PRIVATE LIMITED | Payables | 0.02 | - | - | - |
| VITALINK WEALTH ADVISORY SERVICES PRIVATE LIMITED | Shares held by struck off company | 0.01 | - | 0.01 | |
| WRITING NETWORK INDIA PRIVATE LIMITED | Shares held by struck off company | - | - | 0.01 | - |
| QUANTUM SECURITIES P LTD | Shares held by struck off company | 0.01 | - | 0.00 | - |

Note: Outstanding balances with 37 number of struck off companies which are individually not material have not been reported.

**33.** During the Financial year, there is no delay by the Company in the registration of charges or satisfaction with Registrar of Companies beyond statutory period.

**34.** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**35.** The Company has not been declared wilful defaulter by any bank or financial institutions or other lenders.

**36. IMPACT OF COVID-19**

The Company's primary source of revenue is from generation and sale of hydroelectricity. Consequent to the outbreak of COVID-19 and recent surge in number of cases thereof, Government of India and/ or State Governments have declared lockdowns which have affected business in general. Power supply being an essential service and considering the must-run status for Run-of-the-River (ROR) projects and scheduling to the extent possible by RLDCs in case of ROR with Pondage and Storage Projects, no material impact of COVID-19 on the financial performance of the Company including interalia the carrying value of various current and non-current assets or the ability to service the debt of the company, is expected to arise.

However, in line with the directions of the Ministry of Power dated 15th & 16th May 2020, the company had given a one-time rebate of ₹ **185 crore** to DISCOMs and Power Departments of States/ Union territories for passing on to ultimate consumers on account of COVID-19 pandemic during FY 2020-21. The said rebate had been presented as an **"Exceptional item"** in the Financial Statement during FY 2020-21.

In respect of projects under construction / under survey & investigation, the management does not foresee any large-scale contraction in demand which could result in down-sizing of its project portfolio. No contraction in the demand for the Company's debt instruments which could result in an increase in the cost of borrowings to fund future capital expenditure is foreseen.

Trade receivables amounting to ₹ **4621.48 Crore** forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for loss allowance using the expected credit loss method. Beneficiaries of the Company are mostly State DISCOMS and considering the infusion of liquidity declared by the Government of India to these beneficiaries under the Atmanirbhar Bharat Special Economic & Comprehensive Package, the Company does not anticipate any enhancement of credit risk in realization of trade receivables.

A significant part of the financial assets of the Company are classified as Level 1 and the fair value of these assets which are mainly investments in liquid equity and debt securities is marked to an active market which factors in the uncertainties arising out of COVID-19. In respect of Financial Assets carried at amortised cost in the form of cash and cash equivalents, bank deposits and earmarked balances with banks as at March 31, 2022, the Company has assessed that there is no enhancement in the counterparty credit risk. In respect of other financial assets classified as Level 2 and Level 3, the management does not anticipate any enhancement in credit risk based on an assessment of the profile of the counterparty, most of whom are either employees of the Company or State Government / Central Government entities.

Accordingly, management is of the opinion that there are no reasons to anticipate impairment in the carrying amount of Property, Plant & Equipment / Capital Work in Progress in respect of Projects under construction. Similarly, there is no impact of CoVID-19 as regards recoverability of deferred tax assets/ regulatory deferral account balances and regulatory deferral account balances against deferred tax liabilities recognized by the Company.

As regards Ind AS 116- Leases, no changes in lease terms are anticipated in cases where the Company accounts for contracts as a lessee. Further, in the case of embedded leases in respect of Power Stations with single beneficiary, no relaxation in lease terms is proposed.

As per assessment, there is no enhancement in credit risk in respect of amounts receivable from other debtors, including Subsidiaries and Joint Ventures of the Company. Further, consultancy contracts

entered into with other entities (primarily with Subsidiaries and Joint Ventures of the Company) have not become onerous since these Subsidiaries and Joint Ventures of the Company are in the same line of business.

Based on assessment of the management, no material impact of COVID-19 on the financial performance inter alia including the carrying value of various current and non- current assets or on the going concern assumptions of the Company is expected to arise. Further impact of COVID-19, if any, is dependent upon future developments. The company will continue to monitor the impact of the pandemic and the same will be taken into consideration on crystallization.

**37.** Figures for the previous year have been regrouped/restated wherever necessary.

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

| | | |
|---|---|---|
| **RUPA DEB**<br>Company Secretary | **RAJENDRA PRASAD GOYAL**<br>Director (Finance)<br>DIN 08645380 | **ABHAY KUMAR SINGH**<br>Chairman & Managing Director<br>DIN 08646003 |

**As per report of even date**

| | | |
|---|---|---|
| **For K G Somani & Co LLP**<br>Chartered Accountants<br>FRN: 006591N/N500377 | **For Chaturvedi & Co**<br>Chartered Accountants<br>FRN: 302137E | **For Lodha & Co.**<br>Chartered Accountants<br>FRN: 003824N |
| **Bhuvnesh Maheshwari**<br>Partner<br>M. No. 088155 | **R.K. Nanda**<br>Partner<br>M. No. 510574 | **Manushree Bindal**<br>Partner<br>M. No. 517316 |

Place: Faridabad
Date: 25th May, 2022

## NOTE NO. 35 TO STANDALONE FINANCIAL STATEMENTS

During the year ended on 31.03.2022, retrospective reclassifications/restatements have been carried out in respect of certain items in the financial statements of previous periods. Accordingly, to comply with the requirements of Ind AS 1, the company has presented a 3rd Balance Sheet as at the begnining of preceding period. i.e. as on 01.04.2020. Major restatements/reclassifications are explained as under :

**(A) Restated Standalone Financial Statements for the year ended 31st March, 2021 and as at 1st April, 2020**

RESTATED STANDALONE BALANCE SHEET AS AT 31st MARCH, 2021 and as at 1st April, 2020

(₹ in crore)

| | PARTICULARS | Note No. of Standalone Financial Statements | Notes | As at 31st March, 2021 (Reported Earlier) | Impact of Restatements/ Reclassi-fications | As at 31st March, 2021 (Restated) | As at 1st April, 2020 (Reported Earlier) | Impact of Restatements/ Reclassi-fications | As at 1st April, 2020 (Restated) |
|---|---|---|---|---|---|---|---|---|---|
| | **ASSETS** | | | | | | | | |
| **(1)** | **NON-CURRENT ASSETS** | | | | | | | | |
| a) | Property, Plant and Equipment | 2.1 | 35.1 (a) | 19,163.61 | 10.99 | 19,174.60 | 21,463.33 | 5.43 | 21,468.76 |
| b) | Capital Work In Progress | 2.2 | 35.1 (b) | 17,754.48 | 98.08 | 17,852.56 | 16,097.65 | - | 16,097.65 |
| c) | Right Of Use Assets | 2.3 | | 1,752.92 | - | 1,752.92 | 1,826.98 | - | 1,826.98 |
| d) | Investment Property | 2.4 | | 4.49 | - | 4.49 | 4.49 | - | 4.49 |
| e) | Intangible Assets | 2.5 | | 3.52 | - | 3.52 | 0.72 | - | 0.72 |
| f) | **Financial Assets** | | | | | | | - | - |
| | i) Investments | 3.1 | | 3,921.68 | - | 3,921.68 | 3,400.74 | - | 3,400.74 |
| | ii) Loans | 3.2 | 35.1 (c ) | 943.27 | (23.00) | 920.27 | 798.65 | (22.45) | 776.20 |
| | iii) Others | 3.3 | 35.1 (c ) | 4,917.27 | 23.00 | 4,940.27 | 3,435.91 | 22.45 | 3,458.36 |
| g) | Non Current Tax Assets (Net) | 4 | | - | - | - | 138.90 | - | 138.90 |
| | i) Other Non Current Assets | 5 | | 3,560.71 | - | 3,560.71 | 3,035.41 | - | 3,035.41 |
| | **TOTAL NON CURRENT ASSETS** | | | **52,021.95** | **109.07** | **52,131.02** | **50,202.78** | **5.43** | **50,208.21** |
| **(2)** | **CURRENT ASSETS** | | | | | | | | |
| a) | Inventories | 6 | | 124.42 | - | 124.42 | 118.24 | - | 118.24 |
| b) | **Financial Assets** | | | | | | | - | |
| | i) Trade Receivables | 7 | 35.1 (c ) | 3,206.02 | 1,326.47 | 4,532.49 | 3,585.12 | 2,146.83 | 5,731.95 |
| | ii) Cash & Cash Equivalents | 8 | | 145.57 | - | 145.57 | 8.87 | - | 8.87 |

| | PARTICULARS | Note No. of Standalone Financial Statements | Notes | As at 31st March, 2021 (Reported Earlier) | Impact of Restatements/ Reclassi-fications | As at 31st March, 2021 (Restated) | As at 1st April, 2020 (Reported Earlier) | Impact of Restatements/ Reclassi-fications | As at 1st April, 2020 (Restated) |
|---|---|---|---|---|---|---|---|---|---|
| | iii) Bank balances other than Cash and Cash Equivalents | 9 | | 768.39 | - | 768.39 | 380.25 | - | 380.25 |
| | iv) Loans | 10 | 35.1 (c ) | 48.44 | (0.36) | 48.08 | 46.03 | (0.48) | 45.55 |
| | v) Others | 11 | 35.1 (c ), (d) and (f) | 2,386.12 | (1,319.00) | 1,067.12 | 2,932.96 | (2,146.35) | 786.61 |
| c) | Current Tax Assets (Net) | 12 | | 165.73 | - | 165.73 | 127.14 | - | 127.14 |
| d) | Other Current Assets | 13 | | 372.08 | - | 372.08 | 375.91 | - | 375.91 |
| | **TOTAL CURRENT ASSETS** | | | **7,216.77** | **7.11** | **7,223.88** | **7,574.52** | **-** | **7,574.52** |
| **(3)** | Regulatory Deferral Account Debit Balances | 14 | 35.1(b) &(e) | 7,063.31 | (160.38) | 6,902.93 | 6,836.22 | (61.32) | 6,774.90 |
| | **TOTAL ASSETS** | | | **66,302.03** | **(44.20)** | **66,257.83** | **64,613.52** | **(55.89)** | **64,557.63** |
| | **EQUITY AND LIABILITIES** | | | | | | | | |
| **(1)** | **EQUITY** | | | | | | | | |
| (a) | Equity Share Capital | 15.1 | | 10,045.03 | - | 10,045.03 | 10,045.03 | - | 10,045.03 |
| (b) | Other Equity | 15.2 | 35.1(a) and ( e) | 21,602.28 | (44.20) | 21,558.08 | 19,938.78 | (55.89) | 19,882.89 |
| | **TOTAL EQUITY** | | | **31,647.31** | **(44.20)** | **31,603.11** | **29,983.81** | **(55.89)** | **29,927.92** |
| **(2)** | **LIABILITIES** | | | | | | | | |
| | **NON-CURRENT LIABILITIES** | | | | | | | | |
| a) | **Financial Liabilities** | | | | | | | | |
| | i) Borrowings | 16.1 | 35.1 (c ) | 21,241.22 | (10.23) | 21,230.99 | 20,889.74 | (11.08) | 20,878.66 |
| | ia) Lease Liabilities | 16.2 | 35.1 (c ) | - | 10.23 | 10.23 | | 11.08 | 11.08 |
| | ii) Other financial liabilities | 16.3 | | 2,054.34 | - | 2,054.34 | 2,059.23 | - | 2,059.23 |
| b) | Provisions | 17 | | 28.38 | - | 28.38 | 27.66 | - | 27.66 |
| c) | Deferred Tax Liabilities (Net) | 18 | | 3,589.36 | - | 3,589.36 | 3,641.19 | - | 3,641.19 |
| d) | Other non-current Liabilities | 19 | 35.1 (f ) | 2,034.60 | 0.19 | 2,034.79 | 2,082.65 | - | 2,082.65 |
| | **TOTAL NON CURRENT LIABILITIES** | | | **28,947.90** | **0.19** | **28,948.09** | **28,700.47** | **-** | **28,700.47** |

| | PARTICULARS | Note No. of Standalone Financial Statements | Notes | As at 31st March, 2021 (Reported Earlier) | Impact of Restatements/ Reclassi-fications | As at 31st March, 2021 (Restated) | As at 1st April, 2020 (Reported Earlier) | Impact of Restatements/ Reclassi-fications | As at 1st April, 2020 (Restated) |
|---|---|---|---|---|---|---|---|---|---|
| **(3)** | **CURRENT LIABILITIES** | | | | | | | | |
| a) | **Financial Liabilities** | | | | | | | | |
| | i) Borrowings | 20.1 | 35.1 (c ) | 726.03 | 1,393.11 | 2,119.14 | 714.31 | 1,616.95 | 2,331.26 |
| | ia) Lease Liabilities | 20.2 | 35.1 (c ) | - | 2.42 | 2.42 | - | 2.83 | 2.83 |
| | ii) Trade Payables | 20.3 | | | | | | | |
| | Total outstanding dues of micro enterprises and small enterprises | | 35.1 (g ) | 30.94 | (0.15) | 30.79 | 18.85 | - | 18.85 |
| | Total outstanding dues of Creditors other than micro enterprises and small enterprises | | 35.1 (g) & (f) | 170.40 | (2.92) | 167.48 | 285.41 | (3.86) | 281.55 |
| | iii) Other financial liabilities | 20.4 | 35.1 (c ) & (g) | 2,925.62 | (1,392.65) | 1,532.97 | 2,880.07 | (1,615.92) | 1,264.15 |
| b) | Other Current Liabilities | 21 | | 565.85 | - | 565.85 | 802.44 | - | 802.44 |
| c) | Provisions | 22 | | 1,252.98 | - | 1,252.98 | 1,228.16 | - | 1,228.16 |
| d) | Current Tax Liabilities (Net) | 23 | | 35.00 | - | 35.00 | - | - | - |
| | **TOTAL CURRENT LIABILITIES** | | | **5,706.82** | **(0.19)** | **5,706.63** | **5,929.24** | **-** | **5,929.24** |
| | **TOTAL EQUITY & LIABILITIES** | | | **66,302.03** | **(44.20)** | **66,257.83** | **64,613.52** | **(55.89)** | **64,557.63** |

## (B) RESTATED STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in crore)

| PARTICULARS | Note No. of Standalone Financial Statements | Notes | For the Year ended 31st March, 2021 (Reported Ealier) | Impact of Restatements/ Reclassifications | For the Year ended 31st March, 2021 (Restated) |
|---|---|---|---|---|---|
| **INCOME** | | | | | |
| i) Revenue from Operations | 24.1 | | 8,506.58 | - | 8,506.58 |
| ii) Other Income | 24.2 | 35.1 (b)&(f) | 1,150.81 | 5.17 | 1,155.98 |
| **TOTAL INCOME** | | | **9,657.39** | **5.17** | **9,662.56** |
| **EXPENSES** | | | | | |
| i) Purchase of Power - Trading | 25.1 | | 212.37 | - | 212.37 |
| ii) Generation Expenses | 25.2 | | 854.37 | - | 854.37 |
| iii) Employee Benefits Expense | 26 | 35.1 (b) | 1,409.26 | (15.35) | 1,393.91 |
| iv) Finance Costs | 27 | 35.1 (b) | 649.59 | (78.10) | 571.49 |
| v) Depreciation and Amortization Expense | 28 | 35.1 (a) & (b) | 1,234.50 | (5.85) | 1,228.65 |
| vi) Other Expenses | 29 | 35.1 (b) | 1,425.89 | (6.28) | 1,419.61 |
| **TOTAL EXPENSES** | | | **5,785.98** | **(105.58)** | **5,680.40** |
| **PROFIT BEFORE EXCEPTIONAL ITEMS, REGULATORY DEFERRAL ACCOUNT BALANCES AND TAX** | | | 3,871.41 | 110.75 | 3,982.16 |
| Exceptional items | 34(36) | | 185.00 | - | 185.00 |
| **PROFIT BEFORE REGULATORY DEFERRAL ACCOUNT BALANCES AND TAX** | | | **3,686.41** | **110.75** | **3,797.16** |
| **Tax Expenses** | 30.1 | | | | |
| i) Current Tax | | | 714.17 | - | 714.17 |
| ii) Adjustments for Income Tax | | | (34.04) | - | (34.04) |
| **Total Tax Expenses** | | | **680.13** | **-** | **680.13** |
| **PROFIT FOR THE YEAR BEFORE NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES** | | | 3,006.28 | 110.75 | 3,117.03 |
| Movement in Regulatory Deferral Account Balances (Net of Tax) | 31 | | 227.09 | (99.06) | 128.03 |

| PARTICULARS | Note No. of Standalone Financial Statements | Notes | For the Year ended 31st March, 2021 (Reported Ealier) | Impact of Restatements/ Reclassifications | For the Year ended 31st March, 2021 (Restated) |
|---|---|---|---|---|---|
| **PROFIT FOR THE YEAR (A)** | | | **3,233.37** | **11.69** | **3,245.06** |
| **OTHER COMPREHENSIVE INCOME (B)** | 30.2 | | | | |
| **(i) Items that will not be reclassified to profit or loss (Net of Tax)** | | | | | |
| (a) Remeasurement of the post employment defined benefit obligations | | | (40.29) | - | (40.29) |
| Less:-Movement in Regulatory Deferral Account Balances in respect of tax on defined benefit obligations | | | 2.87 | - | 2.87 |
| **Sub total (a)** | | | **(43.16)** | **-** | **(43.16)** |
| (b) Investment in Equity Instruments | | | 47.13 | - | 47.13 |
| **Sub total (b)** | | | **47.13** | **-** | **47.13** |
| **Total (i)=(a)+(b)** | | | **3.97** | **-** | **3.97** |
| **(ii) Items that will be reclassified to profit or loss (Net of Tax)** | | | | | |
| - Investment in Debt Instruments | | | 3.23 | - | 3.23 |
| **Total (ii)** | | | **3.23** | **-** | **3.23** |
| **Other Comprehensive Income (B)=(i+ii)** | | | **7.20** | **-** | **7.20** |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B) (COMPRISING PROFIT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR)** | | | **3,240.57** | **11.69** | **3,252.26** |
| Earning per share (Basic and Diluted) (Equity shares, face value of ₹ 10/- each) | 34(12) | 35.1 (h) | | | |
| Before movements in Regulatory Deferral Account Balances | | | 2.99 | 0.11 | 3.10 |
| After movements in Regulatory Deferral Account Balances | | | 3.22 | 0.01 | 3.23 |

## (C) STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH 2021

### OTHER EQUITY

(₹ in crore)

| PARTICULARS | Notes | Reserve & Surplus | | | | Other Comprehensive Income | | Total |
|---|---|---|---|---|---|---|---|---|
| | | Capital Redemption Reserve | Bond Redemption Reserve | General Reserve | Surplus/ Retained Earnings | Debt instruments through OCI | Equity Instruments through OCI | |
| **Balance as at 1st April, 2020** | | **2,255.71** | **1,948.38** | **9,724.72** | **5,933.58** | **42.18** | **34.21** | **19,938.78** |
| Changes in accounting policy or prior period errors | 35.1(a) and ( e) | - | - | - | (55.89) | - | - | (55.89) |
| **Restated balances as at 1st April 2020** | | **2,255.71** | **1,948.38** | **9,724.72** | **5,877.69** | **42.18** | **34.21** | **19,882.89** |
| Profit for the year | | - | - | - | 3,245.06 | - | - | 3,245.06 |
| Other Comprehensive Income | | - | - | - | (43.16) | 3.23 | 47.13 | 7.20 |
| **Total Comprehensive Income for the year** | | **-** | **-** | **-** | **3,201.90** | **3.23** | **47.13** | **3,252.26** |
| Amount transferred from Bond Redemption Reserve | | - | (306.43) | - | 306.43 | - | - | - |
| Dividend | | | | | (1,577.07) | | | (1,577.07) |
| **Balance as at 31st March 2021** | | **2,255.71** | **1,641.95** | **9,724.72** | **7,808.95** | **45.41** | **81.34** | **21,558.08** |

**35.1 Material retrospective restatements are explained as under:-**

a) Reversal of excess depreciation charged during earlier years with corresponding increase in Property, Plant & Equipment.

b) Reversal of Regulatory Deferral Account (Debit) balances amounting to Rs 99.06 crore recognised during previous year in respect of borrowing and other costs incurred in construction projects during the 1st COVID lockdown period pursuant to the opinion of the Expert Advisory Committee of the Institute of Chartered Accountants of India and recognition of the same as Capital Work in Progress.

c) The following presentation changes in previous year figures have been carried out consequent upon the amendments in Schedule-III of the Companies Act, 2013 notified by the Ministry of Corporate Affairs, vide notification dated 24th March, 2021:

| Particulars | Earlier Classification | Revised Classification | As at 31st March, 2021 | As at 1st April, 2020 |
|---|---|---|---|---|
| Security Deposits-Non Current | Financial Assets-Non Current-Loans **(Note No-3.2)** | Financial Assets-Non Current-Others **(Note No-3.3)** | 23.00 | 22.45 |
| Security Deposits-Current | Financial Assets-Current-Loans **(Note No-10)** | Financial Assets-Current-Others **(Note No-11)** | 0.36 | 0.48 |
| Receivable on account of unbilled revenue | Financial Assets-Current-Others **(Note No-11)** | Financial Assets-Current-Trade Receivables **(Note No-7)** | 1,358.67 | 2,146.83 |
| Financial Liabilities-Non Current-Lease Liabilities | Financial Liabilities-Non Current-Borrowings **(Note No-16.1)** | Financial Liabilities-Non Current-Lease Liabilities **(Note No-16.2)** | 10.23 | 11.08 |
| Financial Liabilities-Current-Lease Liabilities | Financial Liabilities-Current-Others **(Note No-20.4)** | Financial Liabilities-Current-Lease Liabilities **(Note No-20.2)** | 2.42 | 2.83 |
| Current Maturities of Long term Borrowings | Financial Liabilities-Current-Others **(Note No-20.4)** | Financial Liabilities-Current-Borrowings **(Note No-20.1)** | 1,393.11 | 1,616.95 |

d) Receivables towards late payment surcharge from power trading business earlier classified under Trade Receivables have been reclassified as "Current Financial Assets-Others"

e Part reversal of Regulatory Deferral Account (Debit) balance amounting to ₹ 61.32 crore in respect of additional expenditure on 3rd Pay Revision of Central Public Sector Enterprises w.e.f. January 1, 2017 based on Management assessment as to recoverability.

f Recognition of Other Income pertaining to previous year with corresponding increase in Financial Assets-Others by ₹ 7.11 crore.

g Liability on account of CSR works earlier classified as Trade Payables has been reclassified as Financial Liabiliities- Others.

h Basic and Diluted earning per share for the year 2020-21 have also been restated. The basic and diluted earnings per share has increased by ₹ 0.11 before movement in regulatory Deferral Account Balances and by ₹ 0.01 per share after movement in regulatory Deferral Account Balances.

i Impact of Restatement in Cash Flow Statement (extract) for the Year Ended 31st March, 2021.

| Sl. No. | PARTICULARS | Reported Amount For the Year ended 31st March, 2021 | Restatements | Restated Amount For the Year ended 31st March, 2021 |
|---|---|---|---|---|
| 1 | Cash Flow from Operating Activities | 4,509.80 | 17.11 | 4,526.91 |
| 2 | Cash Flow from Investing Activities | (1,507.34) | (97.80) | (1,605.14) |
| 3 | Cash Flow from Financing Activities | (2,865.76) | 80.69 | (2,785.07) |
| | **Net Increase/(Decrease) in Cash and Cash Equivalents (1+2+3)** | **136.70** | **-** | **136.70** |

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

**RUPA DEB**
Company Secretary

**RAJENDRA PRASAD GOYAL**
Director (Finance)
DIN 08645380

**ABHAY KUMAR SINGH**
Chairman & Managing Director
DIN 08646003

**As per report of even date**

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

**Bhuvnesh Maheshwari**
Partner
M. No. 088155

**For Chaturvedi & Co**
Chartered Accountants
FRN: 302137E

**R.K. Nanda**
Partner
M. No. 510574

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

**Manushree Bindal**
Partner
M. No. 517316

Place: Faridabad
Date: 25th May, 2022

# INDEPENDENT AUDITORS' REPORT

**To the Members of NHPC Limited**

**Report on the Audit of the Consolidated Financial Statements**

## Opinion

We have audited the accompanying Consolidated Financial Statements of NHPC Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Group") which includes the Group's share of net profit in its Joint Ventures, which comprise the consolidated Balance Sheet as at March 31, 2022, 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 and its Joint Ventures as at March 31, 2022, and profit, changes in equity and its cash flows for the year ended on that date.

## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have considered the matters described below to be the Key Audit Matters for incorporation in our Report. We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements. The below mentioned Key Audit Matters have been reported taking into account such matters to the extent considered material and relevant for the purpose of Consolidated Financial Statements of the Group in respect of two subsidiaries where Key Audit Matters have been reported by the statutory auditors in their report on the financial statements of those Companies. The statutory auditors of other components have not reported any Key Audit Matters in their reports on the financial statements of the respective Company.

The figures and the matters referred herein below under Key Audit Matters unless specifically mentioned otherwise pertain to Holding Company only since such figures in case of all other components have not been reported upon by the statutory auditors.

| | Key audit Matters | Addressing the Key Audit Matters |
|---|---|---|
| 1. | **Regulatory Deferral Account Debit Balances and accruals of revenue pending tariff Notifications.**<br><br>The operating activities of the Company are subject to cost of service regulations whereby tariff charged for electricity generated is based on allowable capital and other cost and expenses and stipulated return there against. The Company invoices its customers on the basis of pre-approved/ provisional tariff which is subject to truing up.<br><br>The Company recognizes revenue as the amount invoiced to customers based on pre-approved/ provisional tariff rates agreed with the regulator. As the Company is entitled to a fixed return on equity, the difference between the revenue recognized and entitlement as per the regulations is recognized as regulatory assets / liabilities.<br><br>As at 31st March 2022, the holding company has recognized Regulatory Deferral Account Debit balances of Rs. 6948.11 Crores (Rs. 6902.93 Crores up to 31st March 2021) as given in Note 14 of the Standalone Financial Statements of the Holding Company. This include accruals aggregating to Rs. 3470.59 Crores on account of interest cost and other attributable expenses pertaining to Subansiri Lower Project for the period from the date of interruption of work i.e. 16.12.2011 till 30.09.2019 as indicated in Note 34(23A) of the Consolidated Financial Statements.<br><br>Similar matters have also been reported by statutory auditors of NHDC Limited, one of the subsidiaries of the company.<br><br>Regulatory Deferral Accounts Debit Balances are determined based on tariff regulations and past tariff orders and are subject to verification and approval by the regulators. The Regulatory Deferral Accounts Debit Balances are recognized on undiscounted basis based on the estimates and assumptions with respect to the probability that future economic benefit will flow to the entity as a result of actual or expected action of regulator under applicable regulatory framework and therefore recoverability thereof is dependent upon Tariff Regulations and related approvals and notifications. | **Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the carrying value of Regulatory Deferral Account Debit Balances include the following:**<br><br>• Understanding and testing the design and operating effectiveness of controls as established by the management for accrual of income and determination of the amounts recoverable there against.<br><br>• Obtaining and understanding of the amount recoverable in terms of CERC Regulations and assessing, testing and evaluating the reasonableness thereof keeping in view the significant judgements applied by the management for such assessments.<br><br>• Assessing the application of provisions of Ind AS 114, Guidance Note on Accounting of Rate Regulated Activities issued by ICAI for recognition of regulatory deferral balances.<br><br>• The above includes the evaluation of the CERC guidelines and acceptance of the claim made by the Company in the past and the trend of disallowances on various count and adherences and compliances thereof by the management and rationale for assumptions taken under the given situation and business environment.<br><br>• Evaluating the various assumptions considered by the management for arriving at the value of Cash generating Unit, Note 34(19) of Consolidated Financial Statements in case of Subansiri Lower HE Project and adequacy thereof with respect to the carrying value of the Project in Progress and balances pertaining to the said project under Regulatory Deferral Accounts.<br><br>• Reviewed the adequacy and reasonableness of amounts recognised and measurement policies followed by the Company in this respect and adequacy of the disclosure made with respect to the same. |

| | Key audit Matters | Addressing the Key Audit Matters |
|---|---|---|
| | The accruals made as above are vital and proprietary to the business in which the Company is operating. In absence of specific notification and rate fixation, these are based on the management's assumptions and estimates which are subject to finalization of tariff by CERC and commencement of operations of the Projects. | |
| 2. | **Impairment Assessment of carrying amount of Property, Plant and Equipment (PPE) and Capital Work in Progress (CWIP)**<br>Each of the Hydro electricity generating plant has been considered as Cash Generating Units (CGUs) of the company and impairment indicators and requirements thereof have been assessed with respect to the Property, Plant and Equipment and Capital Work in Progress in respect of projects as given in Note 34(19). This has been assessed that no significant change with an adverse effect on the company has taken place during the year, or is expected to take place in the near future, in the technological, economic or legal environment in which the company operate. Based on the assessment, the company has concluded that there exists no significant impairment indicator or any impairment in respect of the CGUs of the company tested for impairment during the year 2021-22. Based on the above assessment, no provision for impairment has been considered necessary by the Company.<br>Impairment exercise undertaken which justifies the carrying amount of certain assets including the regulatory deferral account balances pertaining to Subansiri Lower Project as dealt with under Para 1 above, is significant and vital to the Company's operations.<br>Similar matters have also been reported by statutory auditors of subsidiaries, NHDC Limited and Bundelkhand Saur Urja Limited (BSUL)<br>Evaluation of the impairment involves assessment of value in use of the Cash Generating Units (CGUs) and requires significant judgments 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:**<br>• Critical evaluation of internal and external factors impacting the entity and indicators of impairment (or reversal thereof) in line with Ind AS 36.<br>• Review of impairment valuation models used in relation to CGU to determine the recoverable amount by analysing the key assumptions used by management in this respect including:<br>- Consistency with respect to forecast for arriving at the valuation and assessing the potential impact of any variances.<br>- Price assumptions used in the models;<br>- Factoring of risk inherent to the CGUs in the Cash Flow projections or the discount rate.<br>- The assumption/estimation for the weighted average cost of capital and rate of discount for arriving at the value in use.<br>• Reviewed the Government policy and approval for setting up the Projects, decision of the Board and the efforts and steps being undertaken in this respect.<br>• Reliance has been placed on management projections for completion timeline, volume of generation and resultant revenue based on expected tariff there against. |
| 3. | **Contingent Liabilities – against claim from Contractors (Note 34.2(a)(i)) of Consolidated Financial Statements**<br>Various claims lodged by the Contractors on Holding Company against Capital Works | **Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the Contingent Liabilities include the following:**<br>• Obtained the status of the cases from the legal department and their view on the matter; |

| | Key audit Matters | Addressing the Key Audit Matters |
|---|---|---|
| | amount to Rs. 10240.95 Crore of which Rs. 418.63 Crore have been provided for, Rs. 9546.17 Crore have been disclosed under Contingent Liability and in respect of rest of the claims, possibility of any outflow is considered as remote. This includes matters under arbitration and/ or before the Court which have been decided against the Company. Further, amounts have been paid/ deposited pursuant to the NITI Aayog directions or Court order in some cases as referred in Note 34 (2) (e) (i) & (ii) of the Consolidated Financial Statements.<br>In case of NHDC Limited, one of the subsidiary, the amount of such claim as disclosed in Contingent Liability has been reported to be Rs. 241.34 Crore (out of total contingent liability disclosed Rs. 526.05 crore)<br>Claims made against the Companies are significant. These are pending for decision before arbitration or other judicial forums and consequential and possible impact thereof. Provisions/disclosure required have been based on the management's assessment of the probability of the occurrence of the liability. | • Evaluated the contractual terms and conditions and management's rationale for the adequacy of the provision so far made and the amount remaining unprovided against the demands made against the Company;<br>• Discussion with management and reading/ reviewing the correspondences Memos and Notes on related matters.<br>• Reliance has been placed on the legal views and decisions on similar matters and probability of the liability arising therefrom pending final judgement/ decisions;<br>Reviewed the appropriateness and adequacy of the disclosure by the management as required in terms of the requirement of IND AS 37 "Provisions, Contingent Liabilities and Contingent Assets". |
| 4. | **Expenditure incurred on Survey and Investigation Projects and those under preconstruction stage upto 31.03.2022**<br>Expenditure of Rs. 1234.97 Crores in respect of Holding Company as given in Note 2.2.3 of Consolidated Financial Statements has been incurred for conducting survey and investigation on projects. This includes Interest, administrative and other costs attributable to these projects. Out of this Rs. 962.00 Crores (including Rs. 7.42 Crores during the year) have been provided for keeping in view uncertainty with respect to clearances, approvals for implementing the Projects, leaving Rs. 272.97 Crores which has been carried forward as Capital Work in Progress.<br>Further, Capital Work in Progress also includes Projects where active construction activities are yet to be undertaken.<br>Interest, Administrative and other Costs are capitalized till the projects are abandoned, however, provisions are made as given herein above in cases where in view of the management there are uncertainties in implementing the projects undertaken. | **Our audit procedures based on which we arrived at the conclusion regarding carrying the amount of expenditure incurred on survey and Investigation Projects incurred include the following:**<br>• Obtained the status of the Projects under Survey and Investigation stage as provided by the management and the reason thereof of keeping them in abeyance.<br>• Understanding and testing the design and operating effectiveness of controls as established by the management for accounting the expenses incurred (a) for survey and investigation projects and the policy followed for making provisions/ write off for such expenses given the nature of business of the Company, (b) for project under preconstruction stage and allocation of Borrowing and other cost incurred and allocated there against.<br>• Evaluating the management's rationale with respect to continuing such projects under Capital Work in Progress inspite of there being uncertainties and delay in implementing the same and expected economic use of the same in future |

| | Key audit Matters | Addressing the Key Audit Matters |
|---|---|---|
| | In the event of related Projects not being undertaken, amounts spent on survey and investigations and those incurred/ allocated prior to construction thereof will no longer be eligible to be carried forward as Capital Work in Progress. | • Evaluating the tenure of pre and under construction stage of project and management contention of normal period required for the same given the location, size and nature in each case of the respective project.<br>• The matter being technical and proprietary to the nature of industry in which the company is operating, reliance has been placed on the management's contention and representation on the matter. |
| 5. | **Recognition of MAT Credit**<br>During the current Financial Year, the Holding company has assessed the recoverability of MAT Credit of Rs. 2424.58 crore available to it. Based on such assessment, it has recognized deferred tax asset relating to MAT credit entitlement of Rs. 1478.62 crore as the amount of MAT Credit which shall be utilized by the holding company in future years by way of lower outflow of Income Tax in future years. Consequently, the holding company has also recognized Regulatory Deferral (Credit) balance of Rs. 1313.27 crore in respect of ibid MAT Credit recognized, being the amount, which shall be passed on to the beneficiaries in future as per CERC Tariff Regulations. The recoverability of this deferred tax asset relating to MAT credit entitlement is dependent upon the generation of sufficient future taxable profits to utilize such entitlement within the stipulated period prescribed under the Income Tax Act, 1961.<br>The recognition of MAT Credit and Regulatory Deferral (Credit) balance thereagainst is important to the intended users of the Financial Statements in view of its materiality and requirement of judgement in forecasting future taxable profits for recognition of MAT credit entitlement considering the recoverability of such tax credits within allowed time frame as per the provisions of the Income Tax Act, 1961.<br>Relevant disclosures in this regard have been provided at Note Nos. 14.2, 18, 30.1, 31, 34(22)(E) read with Significant Accounting Policy No. 20.0(b) of Consolidated Financial Statements. | **Our audit procedures based on which we arrived at the conclusion regarding appropriateness of MAT Credit recognized and Regulatory Deferral (Credit) balances created thereagainst:**<br>• Understanding and testing the operating effectiveness of the company's control relating to taxation and assessment of carrying amount of deferred tax assets/ liabilities.<br>• Review of the Company's accounting policy in respect of deferred tax assets on unutilized MAT credit and current year developments, if any, requiring change in such policy and management contention on the same.<br>• Evaluation of tax credit entitlement as legally available to the company based on internal forecasts prepared by the company and probability of future taxable income.<br>• Review of underlying assumptions for consistency and uncertainty involved and principle of prudence for arriving at a reasonable degree of probability of utilisation of MAT Credit recognized.<br>• Review of implication pertaining to regulatory regime under which the company operates and estimations prepared by the Company regarding MAT Credit arising out of Generation activity to be passed on to beneficiaries and impact thereof on the financial statements under the given current Regulatory provisions and period of applicability thereof.<br>• Evaluation of adequacy and appropriateness of disclosures made in the financial statements. |

**Information Other than the Financial Statements and Auditors' Report Thereon**

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

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available, compare with the financial statements of the subsidiaries and joint venture audited by the other auditors or the unaudited Joint Venture duly certified by the management, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors/ management certification and consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and joint ventures is traced from their financial statements audited by the other auditors or management certified.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that gives a true and fair view of the consolidated state of affairs (financial position), consolidated Profit or Loss (financial performance including Other Comprehensive Income), consolidated Changes in Equity and consolidated Cash Flows of the Group including its Joint Ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act.

This responsibility of the respective Board of Directors of the companies included in the Group and of its joint ventures also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its Joint Ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of their financial 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 Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and its Joint Ventures are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its Joint Ventures are also responsible for overseeing the financial reporting process of the Group and of its Joint Ventures.

**Auditors' Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a

material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability including its Joint Ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its Joint Ventures to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group and its joint ventures to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such business activities included in the Consolidated Financial Statements of which we are the independent auditors. For the business activities included in the Consolidated Financial Statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Parent regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matters**

1. We did not audit the financial statements of six subsidiaries whose financial statements reflect total assets and total net assets as at 31st March, 2022, total revenues and net cash inflow/(outflow) for the year ended on that date considered as under in the Consolidated Financial Statements based on financial statements audited by other auditors:

(₹ in Crore)

| Name of the Subsidiaries | Total Assets as on March 31, 2022 | Net Assets as on March 31, 2022 | Total Revenues for the year ended March 31, 2022 | Net Cash Inflows/ (Outflows) |
|---|---|---|---|---|
| NHDC Limited | 7711.88 | 5644.67 | 1085.29 | (80.20) |
| Loktak Downstream Hydroelectric Corporation Limited (LDHC Limited) | 162.03 | 160.21 | 0.02 | 0.76 |
| Bundelkhand Saur Urja Limited (BSUL) | 185.81 | 95.03 | 0.94 | (28.36) |
| Lanco Teesta Hydro Power Limited (LTHPL) | 1543.52 | 1480.96 | - | (26.41) |
| Jalpower Corporation Limited | 325.74 | 304.16 | 0.70 | 72.59 |
| Ratle Hydroelectric Power Corporation Limited | 303.37 | 186.27 | 2.09 | 136.81 |
| **Total** | **10232.35** | **7871.30** | **1089.04** | **75.19** |

2. The Consolidated Financial Statements also include the Group's share of net profit in respect of a Joint Venture including other comprehensive income for the year ended 31st March, 2022 considered as under based on financial statements not audited by us:

(₹ in Crore)

| Name of the Company | Group's share in Net Profit for the year ended 31st March, 2022 | Group's share in Net Other Comprehensive Income for the year ended 31st March, 2022 | Group share– Total |
|---|---|---|---|
| Chenab Valley Power Projects (P) Limited (CVPPPL) | 2.58 | - | 2.58 |

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 Financial Statements also includes the Group's share of net profit in respect of a Joint Venture including other comprehensive income for the year ended 31st March, 2022 considered as under based on financial statements not audited by us:

(₹ in Crore)

| Name of the Company | Group's share in Net Profit for the year ended 31st March, 2022 | Group's share in Net Other Comprehensive Income for the year ended 31st March, 2022 | Group share – Total |
|---|---|---|---|
| National High Power Test Laboratory Private Limited (NHPTL) | (3.97) | - | (3.97) |

This financial information is unaudited and has 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 as above, is based solely on unaudited financial information. In our opinion and according to information and explanations given to us by the Management, this financial information is not material to the Group.

Further, during the year the Holding Company has made impairment provision amounting to Rs. 14.07 crores against the investment of Rs. 30.40 crores made in NHPTL due to continuing cash losses since incorporation.

5. The other Auditors of the aforesaid components excluding NHDC Limited and Bundelkhand Saur Urja Limited have not reported the Key Audit Matters in their Auditors' Report.

6. In case of components, Jalpower Corporation Limited & Chenab Valley Power Projects Private Limited, "Information Other than the Financial Statements and Auditors' Report Thereon" have not been reported in Auditors' Report.

   In the absence of the same, we are unable to incorporate these matters for all the companies.

7. The Consolidated Financial Statements for the year ended 31st March 2021 have been audited by then Joint Statutory Auditors of the Holding Company. Two of them were predecessor audit firms and had expressed an unmodified opinion vide their report dated June 10, 2021. Reliance has been placed on the figures and other information incorporated for the purpose of these financial statements.

   Our opinion on Consolidated Financial Statements in respect of our reliance on work performed and reports submitted by independent auditors on the financial statements of Subsidiaries and a Joint Venture and other matters as stated in para 1 to 7 above is not modified.

**Report on Other Legal and Regulatory Requirements**

As required by sub-section 3 of Section 143 of the Act, based on our audit and on the consideration of report of other auditors on separate Financial Statements and on the other financial information of subsidiaries and joint ventures, as noted in 'Other Matters' paragraph above, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act;

e) In terms of Notification no. G.S.R. 463 (E) dated 05th June 2015 issued by the Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualifications of the Directors, are not applicable to the Group and its Joint Ventures, being Government Companies;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and its Joint Ventures and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the Auditors' Report of the Holding Company, Subsidiaries and Joint Ventures which have been audited. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group and its Joint Ventures; and

g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 and Companies (Audit and Auditors) Amendment Rules, 2021 in our opinion and to the best of our information and according to the explanations given to us:

   i. The Consolidated Financial Statements have disclosed the impact of pending litigations on its financial position of the Group and its Joint Ventures – Refer Note no. 34 Para 2 to the Consolidated Financial Statements.

ii. The Group and its Joint Venture did not have any material foreseeable losses against long-term contracts including derivative contracts and thereby requirement for making provision in this respect is not applicable to the Group and its Joint Ventures.

iii. There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Group and its Joint Ventures.

iv. As per notification number G.S.R. 463 (E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, section 197 of the Act as regards the managerial remuneration is not applicable to the Group and its Joint Ventures, being Government Companies.

v. a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its Subsidiaries or its Joint Ventures incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its Subsidiary Companies or its Joint Venture incorporated in India or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies or its joint venture incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its Subsidiary companies or its Joint Ventures incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

c. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (v)(a) and (v)(b) contain any material mis-statement.

vi. The dividend declared or paid during the year by the Holding Company and one of its subsidiary company incorporated in India are in compliance with section 123 of the Act.

h) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued for the Company and its Subsidiaries and a Joint Venture included in the Consolidated Financial Statements of the Group and its Joint Ventures, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

**Bhuvnesh Maheshwari**
Partner
M. No. 088155
UDIN:22088155AJOVSV7615

Place: Faridabad
Date: 25th May 2022

**For Chaturvedi & Co.**
Chartered Accountants
FRN: 302137E

**R. K. Nanda**
Partner
M. No. 510574
UDIN:22510574AJOSJQ1075

Place: Faridabad
Date: 25th May 2022

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

**Manushree Bindal**
Partner
M.No. 517316
UDIN:22517316AJOVRX6658

Place: Faridabad
Date: 25th May 2022

## ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

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

**Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

In conjunction with our audit of the Consolidated Financial Statements of the Group as of and for the year ended 31st March, 2022, we have audited the internal financial controls with reference to financial statements of **NHPC Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries and Joint Ventures which are companies incorporated in India as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company, 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 Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by 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 Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Group and its Joint Ventures' internal financial controls with reference to 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 Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

**Meaning of Internal Financial Controls with reference to financial statements**

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles including the Indian Accounting Standards (Ind AS). A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company

are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us the Holding Company, Subsidiary Companies and its Joint Ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at 31st March, 2022, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**Other Matters**

i. 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 six subsidiaries, is based on the corresponding reports of the auditors of such companies incorporated in India.

ii. In case of Joint Venture Chenab Valley Power Projects Private Limited , Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act is not applicable, whereas in case of National High Power Test Laboratory Private Limited (NHPTL), an another Joint Venture, the financial statements are unaudited.

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements in so far as it relates to two joint ventures incorporated in India, whose financial statements/ financial information are either unaudited or otherwise requirement with respect to reporting of Internal Financial Control is not applicable. Our opinion on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements of the Group and its Joint Ventures, as explained by the management, is not affected as these financial statements/financial information are not material to the Group and its Joint Ventures.

Our opinion on Consolidated Financial Statements in respect of our reliance on work performed and reports submitted by independent auditors on the financial statements of Subsidiaries and Joint Ventures and other matters as stated in Para (i) and (ii) above are not modified.

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

**Bhuvnesh Maheshwari**
Partner
M. No. 088155
UDIN:22088155AJOVSV7615

Place: Faridabad
Date: 25th May 2022

**For Chaturvedi & Co.**
Chartered Accountants
FRN: 302137E

**R. K. Nanda**
Partner
M. No. 510574
UDIN:22510574AJOSJQ1075

Place: Faridabad
Date: 25th May 2022

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

**Manushree Bindal**
Partner
M.No. 517316
UDIN:22517316AJOVRX6658

Place: Faridabad
Date: 25th May 2022

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2022

(₹ in Crore)

| | PARTICULARS | Note No. | As at 31st March, 2022 | As at 31st March, 2021 | As at 1st April, 2020 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **(1)** | **NON-CURRENT ASSETS** | | | | |
| a) | Property, Plant and Equipment | 2.1 | 19,191.08 | 19,338.23 | 21,635.76 |
| b) | Capital Work In Progress | 2.2 | 22,521.90 | 19,166.79 | 17,180.41 |
| c) | Right Of Use Assets | 2.3 | 2,626.25 | 2,647.01 | 2,766.31 |
| d) | Investment Property | 2.4 | 4.49 | 4.49 | 4.49 |
| e) | Intangible Assets | 2.5 | 3.28 | 3.52 | 0.72 |
| f) | Intangible Assets under development | 2.6 | 0.51 | 0.17 | - |
| g) | Investments accounted for using the equity method | 2.7.1 | 1,876.16 | 1,326.89 | 933.53 |
| h) | **Financial Assets** | | | | |
| | i) Investments | 3.1 | 510.34 | 515.35 | 464.13 |
| | ii) Loans | 3.2 | 1,044.10 | 944.16 | 796.26 |
| | iii) Others | 3.3 | 9,389.28 | 8,983.32 | 7,598.72 |
| i) | Non Current Tax Assets (Net) | 4 | 20.39 | 9.92 | 153.29 |
| j) | Other Non Current Assets | 5 | 4,001.84 | 3,593.70 | 3,049.20 |
| | **TOTAL NON CURRENT ASSETS** | | **61,189.62** | **56,533.55** | **54,582.82** |
| **(2)** | **CURRENT ASSETS** | | | | |
| a) | Inventories | 6 | 140.44 | 133.69 | 126.62 |
| b) | **Financial Assets** | | | | |
| | i) Trade Receivables | 7 | 5,175.84 | 5,133.42 | 6,172.63 |
| | ii) Cash and Cash Equivalents | 8 | 1,314.67 | 447.27 | 42.17 |
| | iii) Bank balances other than Cash and Cash Equivalents | 9 | 643.68 | 1,809.55 | 1,651.10 |
| | iv) Loans | 10 | 61.04 | 52.51 | 51.01 |
| | v) Others | 11 | 901.66 | 1,238.37 | 946.93 |
| c) | Current Tax Assets (Net) | 12 | 145.79 | 188.32 | 175.11 |
| d) | Other Current Assets | 13 | 463.03 | 386.76 | 397.01 |
| | **TOTAL CURRENT ASSETS** | | **8,846.15** | **9,389.89** | **9,562.58** |
| **(3)** | Regulatory Deferral Account Debit Balances | 14 | 7,248.73 | 7,203.55 | 7,075.53 |
| | **TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES** | | **77,284.50** | **73,126.99** | **71,220.93** |
| **EQUITY AND LIABILITIES** | | | | | |
| **(1)** | **EQUITY** | | | | |
| (a) | Equity Share Capital | 15.1 | 10,045.03 | 10,045.03 | 10,045.03 |
| (b) | Other Equity | 15.2 | 24,875.95 | 23,008.27 | 21,284.12 |
| | **Total Equity attributable to owners of the Company** | | **34,920.98** | **33,053.30** | **31,329.15** |
| (c) | Non-controlling interests | 15.3 | 2,862.87 | 2,835.32 | 2,777.71 |
| | **TOTAL EQUITY** | | **37,783.85** | **35,888.62** | **34,106.86** |

| | PARTICULARS | Note No. | As at 31st March, 2022 | As at 31st March, 2021 | As at 1st April, 2020 |
|---|---|---|---|---|---|
| **(2)** | **LIABILITIES** | | | | |
| | **NON-CURRENT LIABILITIES** | | | | |
| a) | **Financial Liabilities** | | | | |
| | i) Borrowings | 16.1 | 23,226.61 | 21,230.99 | 20,878.66 |
| | ia) Lease Liabilities | 16.2 | 17.46 | 12.28 | 13.14 |
| | ii) Other financial liabilities | 16.3 | 2,098.97 | 2,055.25 | 2,060.29 |
| b) | Provisions | 17 | 54.29 | 29.69 | 55.56 |
| c) | Deferred Tax Liabilities (Net) | 18 | 2,442.44 | 3,845.88 | 3,859.22 |
| d) | Other non-current Liabilities | 19 | 3,037.85 | 3,097.47 | 3,199.47 |
| | **TOTAL NON - CURRENT LIABILITIES** | | **30,877.62** | **30,271.56** | **30,066.34** |
| **(3)** | **CURRENT LIABILITIES** | | | | |
| a) | **Financial Liabilities** | | | | |
| | i) Borrowings | 20.1 | 2,848.76 | 2,119.14 | 2,331.26 |
| | ia) Lease Liabilities | 20.2 | 3.12 | 2.83 | 3.34 |
| | ii) Trade Payables | 20.3 | | | |
| | Total outstanding dues of micro enterprises and small enterprises | | 30.37 | 36.04 | 19.10 |
| | Total outstanding dues of Creditors other than micro enterprises and small enterprises | | 183.74 | 173.82 | 297.56 |
| | iii) Other financial liabilities | 20.4 | 1,577.12 | 1,580.87 | 1,303.17 |
| b) | Other Current Liabilities | 21 | 607.90 | 681.70 | 902.44 |
| c) | Provisions | 22 | 1,340.74 | 1,573.61 | 1,442.94 |
| d) | Current Tax Liabilities (Net) | 23 | 14.56 | 35.02 | - |
| | **TOTAL CURRENT LIABILITIES** | | **6,606.31** | **6,203.03** | **6,299.81** |
| (4) | Regulatory Deferral Account Credit Balances | 14.2 | 2,016.72 | 763.78 | 747.92 |
| | **TOTAL EQUITY AND LIABILITIES** | | **77,284.50** | **73,126.99** | **71,220.93** |
| | Accompanying notes to the Consolidated Financial Statement | 1-35 | | | |

Note : The figures as at 31st March 2021 and 1st April 2020 as given above are restated (Note No-35)

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

| | | |
|---|---|---|
| **RUPA DEB**<br>Company Secretary | **RAJENDRA PRASAD GOYAL**<br>Director (Finance)<br>DIN 08645380 | **ABHAY KUMAR SINGH**<br>Chairman & Managing Director<br>DIN 08646003 |

**As per report of even date**

| | | |
|---|---|---|
| For K G Somani & Co. LLP<br>**Chartered Accountants**<br>FRN: 006591N/N500377 | For Chaturvedi & Co.<br>**Chartered Accountants**<br>FRN: 302137E | For P C Bindal & Co.<br>**Chartered Accountants**<br>FRN: 003824N |
| **Bhuvnesh Maheshwari**<br>Partner<br>M. No. 088155 | **R.K. Nanda**<br>Partner<br>M. No. 510574 | **Manushree Bindal**<br>Partner<br>M. No. 517316 |

Place : Faridabad
Date : 25th May, 2022

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crore)

| | PARTICULARS | Note No. | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|---|---|
| **INCOME** | | | | |
| i) | Revenue from Operations | 24.1 | 9,188.78 | 9,647.89 |
| ii) | Other Income | 24.2 | 964.06 | 1,062.97 |
| | **TOTAL INCOME** | | **10,152.84** | **10,710.86** |
| **EXPENSES** | | | | |
| i) | Purchase of Power - Trading | 25.1 | 44.58 | 212.37 |
| ii) | Generation Expenses | 25.2 | 844.12 | 857.55 |
| iii) | Employee Benefits Expense | 26 | 1,554.76 | 1,520.28 |
| iv) | Finance Costs | 27 | 532.28 | 572.00 |
| v) | Depreciation and Amortization Expense | 28 | 1,190.30 | 1,292.46 |
| vi) | Other Expenses | 29 | 1,557.97 | 1,683.14 |
| | **TOTAL EXPENSES** | | **5,724.01** | **6,137.80** |
| **PROFIT BEFORE EXCEPTIONAL ITEMS, REGULATORY DEFERRAL ACCOUNT BALANCES AND TAX** | | | **4,428.83** | **4,573.06** |
| | Share of Net Profit of Joint Ventures accounted for using the equity method | 2.7.2 | (1.39) | (5.49) |
| | Exceptional items | 34(38) | - | 185.00 |
| **PROFIT BEFORE RATE REGULATED ACTIVITIES AND TAX** | | | **4,427.44** | **4,382.57** |
| | **Tax Expenses** | 30.1 | | |
| i) | Current Tax | | 915.69 | 919.75 |
| ii) | Deferred Tax | | (1,472.67) | (24.89) |
| | **Total Tax Expenses** | | **(556.98)** | **894.86** |
| **PROFIT FOR THE YEAR BEFORE NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES** | | | **4,984.42** | **3,487.71** |
| | Movement in Regulatory Deferral Account Balances (Net of Tax) | 31 | (1,210.09) | 112.17 |
| **PROFIT FOR THE YEAR (A)** | | | **3,774.33** | **3,599.88** |
| | **OTHER COMPREHENSIVE INCOME (B)** | 30.2 | | |
| | **(i) Items that will not be reclassified to profit or loss** | | | |
| | (i) Items that will not be reclassified to profit or loss (Net of Tax) | | 8.28 | (40.08) |
| | Less:- Movement in Regulatory Deferral Account Balances in respect of tax on defined benefit obligations | | (3.07) | 2.75 |
| | -Movement in Regulatory Deferral Account Balances-Remeasurement of post employment defined benefit obligations | | 2.33 | - |
| | Share of Other Comprehensive Income of Joint Ventures accounted for using the equity method | 2.7.3 | - | - |
| | **Sub total (a)** | | **13.68** | **(42.83)** |
| | (b)Investment in Equity Instruments | | 5.40 | 47.13 |
| | **Sub total (b)** | | **5.40** | **47.13** |
| | **Total (i)=(a)+(b)** | | **19.08** | **4.30** |

| PARTICULARS | Note No. | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|---|
| **(ii) Items that will be reclassified to profit or loss** | | | |
| - Investment in Debt Instruments | | (8.22) | 3.23 |
| **Total (ii)** | | **(8.22)** | **3.23** |
| **Other Comprehensive Income (B)=(i+ii)** | | **10.86** | **7.53** |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B) (COMPRISING PROFIT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR)** | | **3,785.19** | **3,607.41** |
| **Profit is attributable to:** | | | |
| Owners | | 3,523.57 | 3,271.78 |
| Non-Controlling interests | | 250.76 | 328.10 |
| | | **3,774.33** | **3,599.88** |
| **Other comprehensive income is attributable to:** | | | |
| Owners | | 11.79 | 7.37 |
| Non-Controlling interests | | (0.93) | 0.16 |
| | | **10.86** | **7.53** |
| **Total comprehensive income is attributable to:** | | | |
| Owners | | 3,535.36 | 3,279.15 |
| Non-Controlling interests | | 249.83 | 328.26 |
| | | **3,785.19** | **3,607.41** |
| **Total comprehensive income attributable to owners arises from:** | | | |
| Continuing operations | | 3,535.36 | 3,279.15 |
| Discontinued operations | | - | - |
| | | **3,535.36** | **3,279.15** |
| **"Earning per share (Basic and Diluted) (Equity shares, face value of ₹ 10/- each)"** | 34(14) | | |
| Before movements in Regulatory Deferral Account Balances | | 4.71 | 3.15 |
| After movements in Regulatory Deferral Account Balances | | 3.51 | 3.26 |
| Accompanying notes to the Consolidated Financial Statements | 1-35 | | |

Note: The figures for the year ended 31st March 2021 as given above are restated (Note No-35)

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

| | | |
|---|---|---|
| **RUPA DEB**<br>Company Secretary | **RAJENDRA PRASAD GOYAL**<br>Director (Finance)<br>DIN 08645380 | **ABHAY KUMAR SINGH**<br>Chairman & Managing Director<br>DIN 08646003 |

**As per report of even date**

| | | |
|---|---|---|
| **For K G Somani & Co LLP**<br>Chartered Accountants<br>FRN: 006591N/N500377 | **For Chaturvedi & Co.**<br>Chartered Accountants<br>FRN: 302137E | **For P C Bindal & Co.**<br>Chartered Accountants<br>FRN: 003824N |
| **Bhuvnesh Maheshwari**<br>Partner<br>M. No. 088155 | **R.K. Nanda**<br>Partner<br>M. No. 510574 | **Manushree Bindal**<br>Partner<br>M. No. 517316 |

Place : Faridabad
Date : 25th May, 2022

# STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crore)

| | | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|---|
| **A.** | **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| | **Profit before tax for the year including movements in Regulatory Deferral Account Balance** | 3,217.35 | 4,494.75 |
| | Less: Movement in Regulatory Deferral Account Balances | (1,210.09) | 112.17 |
| | **Profit before Tax** | **4427.44** | **4,382.58** |
| | **ADD :** | | |
| | Depreciation and Ammortisation | 1,190.30 | 1,292.45 |
| | Finance Costs (Net of EAC) | 532.33 | 571.99 |
| | Provisions (Net) | 42.58 | 285.22 |
| | Tariff Adjustment (loss) | 94.37 | 58.37 |
| | Sales adjustment of account of Exchange Rate Variation | 44.02 | 50.03 |
| | Loss (Profit) on sale of assets/Claims written off | 13.88 | 9.06 |
| | | 1,917.48 | 2,267.12 |
| | | **6,344.92** | **6,649.70** |
| | **LESS :** | | |
| | Advance against Depreciation written back | 52.60 | 52.73 |
| | Provisions (Net gain) | 45.57 | 21.82 |
| | Dividend Income | 9.00 | 9.00 |
| | Interest Income including Late Payment Surcharge | 528.82 | 804.28 |
| | Exchange rate variation (Gain) | 49.28 | 34.21 |
| | Other Adjustments | 13.03 | (1.00) |
| | Fair Value Adjustments | 1.34 | (0.40) |
| | Amortisation of Government Grants | 97.26 | 96.04 |
| | Share of Net Profit /(Loss) of Joint Ventures (accounted for using the equity method) | (1.39) | (5.49) |
| | | 795.51 | 1,011.19 |
| | **Cash flow from Operating Activities before Operating Assets and Liabilities adjustments** | **5,549.41** | **5,638.51** |
| | **Changes in Operating Assets and Liabilities:** | | |
| | Inventories | (6.88) | (7.16) |
| | Trade Receivables | (42.41) | 1,812.71 |
| | Other Financial Assets, Loans and Advances | 908.15 | (1,533.05) |
| | Other Financial Liabilities and Provisions | (413.10) | (113.11) |
| | Regulatory Deferral Account Credit Balances | 1,313.27 | |
| | | 1,759.03 | 159.39 |
| | **Cash flow from operating activities before taxes** | **7,308.44** | **5,797.90** |
| | Less : Taxes Paid | 836.65 | 728.11 |
| | **NET CASH FROM OPERATING ACTIVITIES (A)** | **6,471.79** | **5,069.79** |
| **B.** | **CASH FLOW FROM INVESTING ACTIVITIES** | | |
| | "Purchase of Property, Plant and Equipment, Other Intangible Assets & Expenditure on construction projects (including expenditure attributable to construction forming part of Capital Work in Progress for the year) - **Net of Grant**" | (5,014.48) | (2,058.26) |

| | | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|---|
| | Sale of Assets | 2.78 | 0.25 |
| | Realization/ (Payments) for Investments / Bonds / Bank Deposits | 17.91 | 80.19 |
| | Investment in Joint Venture (Including Share Application Money Pending Allotment) | (451.56) | (500.00) |
| | Proceeds from Sale of Investments | - | (0.28) |
| | Dividend Income | 9.00 | 9.00 |
| | Interest Income including Late Payment Surcharge | 470.32 | 861.96 |
| | **NET CASH FLOW FROM/USED IN INVESTING ACTIVITIES (B)** | **(4,966.03)** | **(1,607.14)** |
| **C.** | **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| | Equity proceeds from Non-Controlling Interest | 59.38 | - |
| | Dividend Paid (including Non-Controlling Interests) | (1,947.84) | (1,848.80) |
| | Proceeds from Long Term Borrowings | 3,576.39 | 2,315.31 |
| | Proceeds from Short Term Borrowings | 597.87 | 11.72 |
| | Repayment of Borrowings | (1,398.18) | (2,116.14) |
| | Interest and Finance Charges | (1,521.02) | (1,413.92) |
| | Principal Repayment of Lease Liability | (3.48) | (4.37) |
| | Interest paid on Lease Liability | (1.46) | (1.35) |
| | **NET CASH FLOW FROM/USED IN FINANCING ACTIVITIES (C)** | **(638.36)** | **(3,057.55)** |
| **D.** | **NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)** | **867.40** | **405.10** |
| | Cash and Cash Equivalents (Opening balance) | 447.27 | 42.17 |
| | Cash and Cash Equivalents (Closing balance) | 1,314.67 | 447.27 |

**EXPLANATORY NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS**

1 Cash and Cash equivalents consists of Cash in hand, cheques/drafts in hands and Bank Balances including Short Term Deposits with original maturity of less than three months. The details of Cash and Cash equivalents is as under:

(₹ in crore)

| | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| **Balances with Banks** | | |
| With scheduled Banks: | | |
| - In Current Account | 1009.82 | 231.31 |
| - In Deposits Account (Deposits with original maturity of less than three months) | 304.85 | 215.95 |
| **Cash on Hand** | - | 0.01 |
| **Cash and Cash equivalents** | **1314.67** | **447.27** |

2 Interest and finance charges in Cash Flow from Financing Activities includes borrowing cost of ₹ 993.62 Crore (Previous year ₹ 840.53 Crore) capitalised during the period on account of Expenditure attributable to construction (EAC).

3 Amount of undrawn loan as on 31.03.2022 : ₹ 1578.25 Crore (Previous Year ₹ 475.00 Crore).

4 Company has incurred ₹ 111.17 Crore in cash on account of Corporate Social Responsibility (CSR) expenditure during the year ended 31.03.2022 (Previous Year ₹ 95.99 Crore).

5 **Net debt reconciliation**

(₹ in crore)

| | 31/03/2022 | 31/03/2021 |
|---|---|---|
| Borrowings (Current & Non-Current) | 26711.66 | 24010.85 |
| Lease Liability | 20.59 | 15.10 |
| **Total** | **26732.25** | **24025.95** |

(₹ in crore)

| Particulars | For the year ended 31st March, 2022 | | | For the year ended 31st March, 2021 | | |
|---|---|---|---|---|---|---|
| | *Borrowings (Current & Non-Current) | Lease Liability | Total | *Borrowings (Current & Non-Current) | Lease Liability | Total |
| **Opening Net Debt as on 1st April** | **24010.85** | **15.10** | **24,025.95** | **23,853.01** | **16.35** | **23869.36** |
| Proceeds from Borrowings | 4174.26 | - | 4,174.26 | 2,327.03 | - | 2327.03 |
| Repayment of Borrowings/ Lease Liability | (1,398.18) | (3.48) | (1,401.66) | (2,116.14) | (4.36) | (2,120.50) |
| Interest paid | (1,521.02) | (1.46) | (1,522.48) | (1,413.92) | (1.35) | (1,415.27) |
| **Other Non-Cash Movements :** | | | | | | |
| - Increase in Lease Liability | - | 8.97 | 8.97 | - | 3.11 | 3.11 |
| - Foreign exchange adjustments | (58.77) | - | (58.77) | (49.71) | - | (49.71) |
| - Interest and Finance Charges | 1497.78 | 1.46 | 1,499.24 | 1,432.67 | 1.35 | 1,434.02 |
| - Fair value adjustments | 6.74 | - | 6.74 | (22.09) | - | (22.09) |
| **Closing Net Debt as on 31st March** | **26711.66** | **20.59** | **26,732.25** | **24,010.85** | **15.10** | **24,025.95** |

* For Borrowings refer Note No. 16.1, 20.1 & 20.4 (Extracts)

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

7 Previous year figures have been regrouped/reclassified wherever required (Refer Note-35)

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

**RUPA DEB**
Company Secretary

**RAJENDRA PRASAD GOYAL**
Director (Finance)
DIN 08645380

**ABHAY KUMAR SINGH**
Chairman & Managing Director
DIN 08646003

**As per report of even date**

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

**Bhuvnesh Maheshwari**
Partner
M. No. 088155

**For Chaturvedi & Co.**
Chartered Accountants
FRN: 302137E

**R.K. Nanda**
Partner
M. No. 510574

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

**Manushree Bindal**
Partner
M. No. 517316

Place : Faridabad
Date : 25th May, 2022

# STATEMENT OF CHANGES IN EQUITY AS AT 31ST March, 2022

## A. EQUITY SHARE CAPITAL

| Particulars | Note No. | Amount (₹ in Crore) |
|---|---|---|
| **As at 1st April 2021** | 15.1 | 10,045.03 |
| Changes in Equity Share Capital | | - |
| **As at 31st March 2022** | 15.1 | 10,045.03 |

## B. OTHER EQUITY

(₹ in Crore)

| Particulars | Reserve and Surplus | | | | | Other Comprehensive Income | | Total | Non-Controlling Interest (NCI) | Total after NCI |
|---|---|---|---|---|---|---|---|---|---|---|
| | Capital Reserve | Capital Redemption Reserve | Bond Redemption Reserve | General Reserve | Surplus/ Retained Earnings | Debt instruments through OCI | Equity Instruments through OCI | | | |
| **Balance as at 1st April, 2021** | 64.08 | 2,255.71 | 1,641.95 | 11,544.83 | 7,374.95 | 45.41 | 81.34 | 23,008.27 | 2,835.32 | 25,843.59 |
| Profit for the year | | | | | 3,523.57 | | | 3,523.57 | 250.76 | 3,774.33 |
| Other Comprehensive Income | | | | | 14.61 | (8.22) | 5.40 | 11.79 | (0.93) | 10.86 |
| **Total Comprehensive Income for the year** | - | - | - | - | 3,538.18 | (8.22) | 5.40 | 3,535.36 | 249.83 | 3,785.19 |
| **Issue of Equity Shares during the year.** | | | | | | | | - | 57.89 | 57.89 |
| **Transfer from Retained Earning** | | | | | | | | | | |
| Transaction with Non-Controlling Interest | | | | | (0.20) | | | (0.20) | 0.20 | - |
| Amount transferred from Bond Redemption Reserve to Surplus/Retained Earnings | | | (275.70) | | 275.70 | | | - | | - |
| Dividend paid | | | | | (1,667.48) | | | (1,667.48) | (280.37) | (1,947.85) |
| **Balance as at 31st March, 2022** | **64.08** | **2,255.71** | **1,366.25** | **11,544.83** | **9,521.15** | **37.19** | **86.74** | **24,875.95** | **2,862.87** | **27,738.82** |

Refer Note No. 15.2.1 for nature and purpose of Reserve.

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

| | | |
|---|---|---|
| **RUPA DEB**<br>Company Secretary | **RAJENDRA PRASAD GOYAL**<br>Director (Finance)<br>DIN 08645380 | **ABHAY KUMAR SINGH**<br>Chairman & Managing Director<br>DIN 08646003 |

**As per report of even date**

| | | |
|---|---|---|
| **For K G Somani & Co LLP**<br>Chartered Accountants<br>FRN: 006591N/N500377 | **For Chaturvedi & Co**<br>Chartered Accountants<br>FRN: 302137E | **For P C Bindal & Co.**<br>Chartered Accountants<br>FRN: 003824N |
| **Bhuvnesh Maheshwari**<br>Partner<br>M. No. 088155 | **R. K. Nanda**<br>Partner<br>M. No. 510574 | **Manushree Bindal**<br>Partner<br>M. No. 517316 |

Place: Faridabad
Date: 25th May, 2022

# STATEMENT OF CHANGES IN EQUITY AS AT 31ST March, 2021

## A. EQUITY SHARE CAPITAL

| Particulars | Note No. | Amount (₹ in Crore) |
|---|---|---|
| **As at 1st April 2020** | 15.1 | 10,045.03 |
| Changes in Equity Share Capital | | - |
| **As at 31st March 2021** | 15.1 | 10,045.03 |

## B. OTHER EQUITY

(₹ in Crore)

| Particulars | Reserve and Surplus | | | | | | Other Comprehensive Income | | Total | Non-Controlling Interest (NCI) | Total after NCI |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Capital Reserve | Capital Redemption Reserve | Bond Redemption Reserve | Corporate Social Responsibility Fund | General Reserve | Surplus/ Retained Earnings | Debt instruments through OCI | Equity Instruments through OCI | | | |
| **Balance as at 1st April, 2020** | 40.93 | 2,255.71 | 1,948.38 | 3.61 | 11,544.83 | 5,414.27 | 42.18 | 34.21 | 21,284.12 | 2,777.71 | 24,061.83 |
| Profit for the year | | | | | | 3,271.78 | | | 3,271.78 | 328.10 | 3,599.88 |
| Other Comprehensive Income | | | | | | (42.99) | 3.23 | 47.13 | 7.37 | 0.16 | 7.53 |
| **Total Comprehensive Income for the year** | | | | | | 3,228.79 | 3.23 | 47.13 | 3,279.15 | 328.26 | 3,607.41 |
| **Issue of Equity Shares during the year.** | | | | | | | | | - | | - |
| Capital Reserve on Business Acquisition (Refer Note 34(33)) | 23.15 | | | | | | | | 23.15 | | 23.15 |
| **Transfer from Retained Earning** | | | | | | | | | - | | - |
| Transaction with Non-Controlling Interest | | | | | | 0.69 | | | 0.69 | (0.69) | - |
| Amount transferred from Bond Redemption Reserve to Surplus/Retained Earnings | | | (306.43) | | | 306.43 | | | - | | - |
| Amount transferred from Corporate Social Responsibility Fund | | | | (3.61) | | 1.84 | | | (1.77) | 1.77 | - |
| Dividend paid | | | | | | (1,577.07) | | | (1,577.07) | (271.73) | (1,848.80) |
| **Balance as at 31st March, 2021** | **64.08** | **2,255.71** | **1,641.95** | **-** | **11,544.83** | **7,374.95** | **45.41** | **81.34** | **23,008.27** | **2,835.32** | **25,843.59** |

Refer Note No. 15.2.1 for nature and purpose of Reserve.

The figures as at 31st March 2021 and 1st April 2020 as given above are restated (Refer Note No-35)

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

| | | |
|---|---|---|
| **RUPA DEB**<br>Company Secretary | **RAJENDRA PRASAD GOYAL**<br>Director (Finance)<br>DIN 08645380 | **ABHAY KUMAR SINGH**<br>Chairman & Managing Director<br>DIN 08646003 |

**As per report of even date**

| | | |
|---|---|---|
| **For K G Somani & Co LLP**<br>Chartered Accountants<br>FRN: 006591N/N500377 | **For Chaturvedi & Co**<br>Chartered Accountants<br>FRN: 302137E | **For P C Bindal & Co.**<br>Chartered Accountants<br>FRN: 003824N |
| **Bhuvnesh Maheshwari**<br>Partner<br>M. No. 088155 | **R. K. Nanda**<br>Partner<br>M. No. 510574 | **Manushree Bindal**<br>Partner<br>M. No. 517316 |

Place: Faridabad
Date: 25th May, 2022

## NOTE NO. 1: GROUP INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

### (I) Reporting entity

NHPC Limited (the "Company") is a Company domiciled in India and limited by shares. The shares of the Company are listed and traded on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange India Limited (BSE) in India. The address of the Company's registered office is NHPC Limited, NHPC Office Complex, Sector-33, Faridabad, Haryana- 121003.

These consolidated financial statements comprise the financial statements of the Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in its joint ventures. The Group is primarily involved in the generation and sale of bulk power to various Power Utilities. Other business in which the Company is involved includes providing project management/ construction contracts/ consultancy assignment services and trading of power.

### (II) Basis of preparation

#### (A) Statement of Compliance

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

The Group's consolidated financial statements have been approved for issue by the Board of Directors on 25th May, 2022.

#### (B) Basis of Measurement

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

- Certain financial assets and liabilities measured at fair value.
- Plan assets of defined employee benefit plans.

The methods used to measure fair values are discussed in Note 33.

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition or the amount of proceeds received in exchange for the obligation, or the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### (C) Application of new and revised standards

During the year, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amendment Rules, 2021 which has brought about certain amendments in the existing Indian Accounting Standards. Impact of these amendments are disclosed hereunder:

**(i) Interest rate benchmark reform – Phase 2: Amendments to Ind AS 109, Ind AS 107 and Ind AS 116:** The Companies (Indian Accounting Standards) Amendment Rules, 2021 has added certain provisions regarding interest rate benchmark reforms under Ind AS 109 "Financial Instruments". Consequential amendments have also been made in Ind AS 107- Financial Instruments-Disclosures and Ind AS 116- Leases. There is, however, no material impact on the financial statements of the Group.

**(ii) Ind AS 116: COVID-19 related rent concession**

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements

for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

These amendments had no material impact on the financial statements of the Group.

**(iii) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28**

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". Consequential amendments have been made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no material impact on the financial statements of the Group.

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

**(D) Functional and presentation currency**

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

**(E) Basis of Consolidation**

**a) Subsidiaries**

i) A subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date such control ceases.

ii) The Group combines the financial statements of the parent and its subsidiaries on a line by line basis, adding together like items of assets, liabilities, equity, income and expenses. The carrying amounts of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary are eliminated. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses on transactions between Group companies are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

iii) Non-controlling interests are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated Balance Sheet, consolidated Statement of Profit and Loss and consolidated Statement of Changes in Equity.

iv) A change in the ownership interest of a subsidiary which does not result in a loss of control, is accounted for as an equity transaction.

v) If the Group loses control over a subsidiary, it derecognizes the assets, liabilities, carrying amount of any non-controlling interests and the cumulative translation differences recorded in equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost, with the resulting gain/ loss recognised in the Statement of Profit and Loss.

**b) Joint ventures**

i) A joint venture is a joint arrangement whereby parties that have joint control of the arrangement have rights to the net assets of the arrangement. Interests in joint ventures are initially recognised at cost and thereafter accounted for using the equity method.

ii) Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter for the post-acquisition changes in the Group's share of the net assets of the

investee. The Group's share of the post-acquisition profits or losses and other comprehensive income of the investee are included in the Statement of Profit and Loss and Other Comprehensive Income of the Group. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

iii) When the Group's share of losses in a joint venture equals or exceeds its investment in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

iv) Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses on transactions between the Group and its joint ventures are also eliminated to the extent of the Group's interest in these entities unless the transaction provides evidence of an impairment of the asset transferred. Where the accounting policies of joint ventures are different from those of the Group, appropriate adjustments are made for like transactions and events in similar circumstances to ensure conformity with the policies adopted by the group.

v) Any gain or loss on dilution arising on a reduced stake in the joint venture, but still retaining the joint control, is recognizedin the Statement of Profit and Loss.

vi) When the investment ceases to be a joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value with the change in carrying amount recognised in the Statement of Profit and Loss. The fair value of the retained interest becomes the initial carrying amount for the purpose of accounting for the retained interest as a financial asset. Any amounts previously recognised in other comprehensive income in respect of that joint venture are reclassified to the Statement of Profit and Loss.

**(F) Use of estimates and management judgments**

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

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

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

**Critical judgments and estimates**

**a) Leases**

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

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

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

b. the right to direct the use of the identified asset.

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

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

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

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

The Group enters into power purchase agreements with beneficiaries. Power Purchase Agreements (PPA) in the nature of embedded lease with a single beneficiary where the minimum lease term is for the major part of the power station's economic life and the minimum lease payments amount to substantially all the fair value of the power station are considered as a Finance Lease. Other embedded leases are considered as Operating Lease.

For embedded leases in the nature of a Finance Lease, the investment in the power station is recognised as a Lease Receivable. The minimum lease payments are identified by segregating the embedded lease payments from the rest of the contract amounts. Each lease receipt is allocated between the receivable and finance lease income so as to achieve a constant rate of return on the Lease Receivable outstanding.

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

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

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

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

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

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

**d) Post-retirement benefit plans**

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount

rates, the rate of salary increase, the inflation rate and expected rate of return on plan assets. The Group considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have an impact on the resulting calculations.

**e) Revenue**

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

**f) Provisions and contingencies**

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

**g) Recoverable Amount of Rate Regulated Assets**

The operating activities of the Group are subject to cost-of-service regulations whereby tariff charged for electricity generated is based on allowable costs like interest costs, depreciation, operation and maintenance including a stipulated return. Guidance Note on Rate Regulated Activities issued by the ICAI (previous GAAP) and Ind AS 114- 'Regulatory Deferral Accounts' permits an entity to include in the rate base, as part of the cost of self-constructed PPE or internally generated intangible assets, amounts that would otherwise be recognised as an expense in the statement of profit and loss in accordance with Ind AS. The Group estimates that items of regulatory deferral accounts recognised in the financial statements are recoverable as per the current CERC Tariff Regulations2019-24. However, recoverability of these amounts is subject to finalization of tariff by CERC and/ or changes in CERC tariff regulations beyond the current tariff period.

**h) Impairment of Trade Receivables**

Considering the historical credit loss experience for trade receivables, the Group does not envisage either impairment in the value of receivables from beneficiaries or loss due to time value of money owing to delay in realization of trade receivables, except to the extent already provided for.

**i) Investment in Joint Ventures**

Investment has been carried at cost and as per assessment by the Group, there is no indication of impairment on such investments. Any changes in assumption may have a material impact on the measurement of the recoverable amount.

**j) Insurance Claim Recoverable**

The recoverable amount of insurance claims in respect of damages to Property, Plant and Equipment, Capital Work in Progress is based on estimates and assumptions as per terms and conditions of insurance policies.

**k) Income taxes**

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

## (III) SIGNIFICANT ACCOUNTING POLICIES:

Summary of the significant accounting policies for the preparation of consolidated financial statements as given below have been applied consistently to all periods presented in the financial statements.These

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

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

**1.0 Property, Plant and Equipment (PPE)**

a) An item of PPE is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

b) PPE are initially measured at cost of acquisition/construction including decommissioning or restoration cost wherever required. The cost includes expenditure that is directly attributable to the acquisition/ construction of the asset. In cases where final settlement of bills with contractors is pending, but the asset is complete and available for operating in the manner intended by the management, capitalisation is done on estimated basis subject to necessary adjustments, including those arising out of settlement of arbitration/court cases.

c) Expenditure incurred on renovation and modernization of power station on completion of the originally estimated useful life of the power station is added to the cost of the related asset when it meets the recognition criteria. PPE acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

d) After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation/ amortisation and accumulated impairment losses, if any.

e) Deposits, payments made/ liabilities created provisionally towards compensation (including interest on enhanced compensation till the date of award by the Court), rehabilitation & resettlement and other expenses including expenditure on Environment Management Plans relatable to land in possession are treated as cost of land.

f) Assets over which the Group has control, though created on land not belonging to the Group are included under Property, Plant and Equipment.

g) Standby equipment and servicing equipment which meet the recognition criteria of Property, Plant and Equipment are capitalized.

h) Spares parts (procured along with the Plant and Machinery or subsequently) which meet the recognition criteria are capitalized. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other spare parts are treated as "stores and spares" forming part of inventory.

i) If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/ inspection component was, when the item was acquired or inspection carried out.

j) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

**2.0 Capital work in Progress (CWIP)**

a) Expenditure incurred on assets under construction (including a project) is carried at cost under CWIP. Such costs comprise purchase price of assets including import duties and non-refundable taxes (after

deducting trade discounts and rebates), expenditure in relation to survey and investigation activities of projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, etc.

b) Costs including employee benefits, professional fees, expenditure on maintenance and up-gradation of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management are accumulated under "Expenditure Attributable to Construction (EAC)" and subsequently allocated on systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects. Net pre-commissioning income/expenditure is adjusted directly in the cost of related assets.

c) Capital Expenditure incurred for creation of facilities, over which the Group does not have control but the creation of which is essential principally for construction of the project is accumulated under "Expenditure Attributable to Construction" and carried under "Capital Work in Progress" and subsequently allocated on a systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects, keeping in view the "attributability" and the "Unit of Measure" concepts in Ind AS 16- "Property, Plant and Equipment". Expenditure of such nature incurred after completion of the project, is charged to the Statement of Profit and Loss.

**3.0 Investment Property**

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

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

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

**4.0 Intangible Assets and Intangible Assets under development**

a) Expenditure on research is charged to expenditure as and when incurred. Expenditure on development is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to & has sufficient resources to complete development and to use or sell the asset.

b) Intangible assets acquired separately are measured on initial recognition at cost. Cost includes any directly attributable expenses necessary to make the assets ready for its intended use. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

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

d) An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

**5.0 Foreign Currency Transactions**

a) Transactions in foreign currency are initially recorded at the functional currency spot rate at the date the transaction first qualifies for recognition. At each reporting date, monetary items denominated in foreign currency are translated at the functional currency exchange rates prevailing on that date.

b) Exchange differences relating to PPE/capital work-in-progress arising out of transaction entered into prior to April 1, 2004 are adjusted to the carrying cost of respective PPE/capital work-in-progress.

c) Exchange differences arising from translation of foreign currency borrowings entered into prior to March 31, 2016 recoverable from or payable to beneficiaries in subsequent periods as per CERC Tariff regulations are recognised as "Deferred Foreign Currency Fluctuation Recoverable/ Payable Account" and adjusted from the year in which the same is recovered/ paid.

d) Exchange differences arising from settlement/ translation of monetary items denominated in foreign currency entered into on or after 01.04.2016 to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized as 'Regulatory Deferral Account Balances' during construction period and adjusted from the year in which the same become recoverable from or payable to the beneficiaries.

e) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Where the Group has paid or received advance consideration in a foreign currency, the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it), is the date when the Group initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

**6.0 Regulatory Deferral Accounts**

a) Where an item of expenditure incurred during the period of construction of a project is recognised as expense in the Statement of Profit and Loss i.e. not allowed to be capitalized as part of cost of relevant PPE in accordance with Ind AS, but is nevertheless permitted by CERC to be recovered from the beneficiaries in future through tariff, the right to recover the same is recognized as "Regulatory Deferral Account balances."

b) Expense/ income recognised in the Statement of Profit and Loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognised as "Regulatory Deferral Account balances."

c) These Regulatory Deferral Account balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries.

d) Regulatory Deferral Account balances are evaluated at each Balance Sheet date to ensure that the underlying activities meet the recognition criteria and it is probable that future economic benefits associated with such balances will flow to the entity. If these criteria are not met, the Regulatory Deferral Account balances are derecognised.

e) Regulatory Deferral Account balances are tested for impairment at each Balance Sheet date.

**7.0 Fair value measurement**

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

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

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

• Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

**8.0 Investment in joint ventures**

Investments in equity shares of joint ventures are accounted for using the Equity Method.

**9.0 Financial assets other than investment in joint ventures**

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

Financial assets of the Group comprise Cash and Cash Equivalents,Bank Balances, Investments in equity shares of companies, Trade Receivables, Loan to employees, security deposit, claims recoverable etc.

**a) Classification**

The Group classifies its financial assets in the following categories:

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

The classification depends on the following:

(a) The entity's business model for managing the financial assets and

(b) The contractual cash flow characteristics of the financial asset.

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

**b) Initial recognition and measurement**

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

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

**c) Subsequent measurement**

**Debt instruments at amortised cost**

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

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

ii) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost

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

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

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

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

ii) The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

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

**Equity investments:**

All equity investments are measured at fairvalue. Equity instruments which are held for trading, if any, are classified at Fair Value through Profit or Loss (FVTPL). For all other equity instruments, the Group classifies the same as at FVTOCI. The Group makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

All fair value changes on an equity instrument classified at FVTOCI, are recognized in the OCI. There is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Group's right to receive payments is established.

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

**Trade Receivables:**

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

**d) Derecognition**

A financial asset is derecognised only when:

i) The Group has transferred the rights to receive cash flows from the financial asset, or

ii) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

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

**e) Impairment of financial assets**

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

i) Financial assets that are debt instruments, and are measured at amortised cost.

ii) Financial assets that are debt instruments and are measured as at FVTOCI

iii) Contract Assets and Trade Receivables under Ind AS 115- Revenue from Contracts with Customers

iv) Lease Receivables under Ind AS 116- Leases.

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

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

**10.0 Inventories**

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

Scrap is valued at net realisable value.

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

**11.0 Dividends**

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

**12.0 Financial liabilities**

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

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

**a) Classification, initial recognition and measurement**

Financial liabilities are recognised initially at fair value less transaction costs that are directly attributable and subsequently measured at amortised cost. Financial liabilities are classified as subsequently measured at amortized cost. Any difference between the proceeds (net of transaction

costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss or in the carrying amount of an asset if another standard permits such inclusion, over the period of the borrowings using the effective rate of interest.

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

**b) Subsequent measurement**

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

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

**c) Derecognition**

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

**d) Offsetting of financial instruments**

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

**e) Derivative financial instruments**

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

**13.0 Government Grants**

a) The benefits of a government loan at a below market rate of interest is treated as Government Grant. The loan is initially recognised and measured at fair value and the government grant is measured as the difference between the initially recognized amount of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities and government grant is recognized initially as deferred income and subsequently in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

b) Monetary grants from the government for creation of assets are initially recognised as deferred income when there is reasonable assurance that the grant will be received and the group will comply with the conditions associated with the grant. The deferred income so recognised is subsequently amortised in the Statement of Profit and Loss over the useful life of the related assets.

c) Government grant related to income is recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

**14.0 Provisions, Contingent Liabilities and Contingent Assets**

a) Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic

benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the Balance Sheet date. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision net of any reimbursement is presented in the Statement of Profit and Loss or in the carrying amount of an asset if another standard permits such inclusion.

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

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

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

**15.0 Revenue Recognition and Other Income**

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

**a) Revenue from sale of power**

i) Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over the products or services to a customer.

ii) Revenue from sale of power (except minimum lease receipts in respect of power stations considered as Finance/Operating Lease) is accounted for as per tariff notified by the Central Electricity Regulatory Commission (CERC) under the CERC (Terms & Conditions of Tariff) Regulations, 2019 as modified by the orders of Appellate Tribunal for Electricity to the extent applicable.. In the case of Power Stations where provisional/ final tariff is yet to be notified or where incentives/ disincentives are chargeable/ payable as per CERC (Terms & Conditions of Tariff) Regulations, revenue is recognised to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Rebates given to beneficiaries as early payments incentives are deducted from the amount of revenue.

iii) Customers are billed on a periodic and regular basis. As at each reporting date, revenue from sale of power includes an accrual for sales delivered to customers but not yet billed (unbilled revenue).

iv) Recovery/ refund towards foreign currency variation in respect of foreign currency loans and recovery towards Income Tax are recognised on year to year basis based on regulatory norms. Recovery towards deferred tax items recognized till March 31, 2009 are accounted for when the same materialises.

v) Adjustments arising out of finalisation of Regional Energy Account (REA), though not material, are effected in the year of respective finalisation.

vi) Advance Against Depreciation (AAD) considered as deferred income up to 31st March 2009 is included in sales on straight line basis over the balance useful life after a period of 12 years from the date of commercial operation of the Power Station.

**b) Revenue from Project Management/ Construction Contracts/ Consultancy assignments**

i) Revenue from Project Management/ Construction Contracts/ Consultancy assignments is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the services and excludes amounts collected on behalf of third parties. The Group recognises revenue on the basis of input method. Input method recognises revenue on the basis of the costs incurred towards the satisfaction of a performance obligation relative to the total expected costs to the satisfaction of that performance obligation.

ii) Contract modifications, if any, are accounted for when there is a change in the scope or price (or both) of a contract that is approved by the parties to the contract and when the parties to a contract approve a modification that either creates new or changes existing enforceable rights and obligations of the parties to the contract. Accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Contract modifications are recorded on standalone basis when the scope of the contract increases because of the addition of promised goods or services or the price of the contract increases by an amount of consideration that reflects the Group's standalone selling prices of the additional promised goods or services and any appropriate adjustments to that price to reflect the circumstances of the particular contract. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

**c) Revenue from trading of power**

i) Accounting for revenue from trading of power involves assessment of the contract conditions to determine whether the Group is required to act in the capacity of a principal or as an agent. The Group acts in the nature of a principal in case it obtains control of the electricity before transferring it to the customer. Indicators of control includes assessment of whether the Group is primarily responsible for fulfilling the promise to provide the electricity, it has the discretion to establish the price or whether it bears the inventory risk. Where the Group does not obtain control of the electricity before transferring it to the customer and its performance obligation is to arrange for the supply of electricity by another party, it acts in the nature of an agent.

ii) Where the Group acts as a principal in a contract for trading of power, the amount of the transaction price allocated to the performance obligation that is satisfied is recognised as revenue.

iii) Where the Group acts as an agent in a contract for trading of power, the net consideration retained after paying the supplier for the electricity provided to the customer is recognised as revenue from operations. Financial assets and liabilities arising out of these transactions are not set off.

**d) Other income**

i) Dividend income is recognized when the right to receive the same is established.

ii) For all debt instruments measured either at amortised cost or at fair value through other

comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

iii) Interest/ Surcharge recoverable from customers including those arising out of contracts for trading of power and liquidated damages/ interest on advances to contractors is recognised when it is highly probable that a significant reversal in the amount of revenue recognised will not occur in the future.

**16.0 Employee Benefits**

**i) Short-term employee benefits**

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

A liability is recognised for the amount expected to be paid under short-term performance related cash 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 expensein the Statement of Profit and Lossor included in the carrying amount of an asset if another standard permits such inclusion in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction from future payments is available. Contributions to a defined contribution plan that is due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

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

**iii) Defined benefit plans**

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

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

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

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

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

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

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

**iv) Other long-term employee benefits**

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

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

**v) Termination benefits**

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

**17.0 Borrowing costs**

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

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

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

Income earned on temporary investment of the borrowings pending their expenditure on the

qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

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

**18.0 Depreciation and amortization**

a) Depreciation on additions to/ deductions from Property, Plant and Equipment (PPE) during the year is charged on pro-rata basis from/ up to the date on which the asset is available for use/ disposal.

b) (i) Depreciation on Property, Plant and Equipment of Operating Units of the Group capitalized till five years before the end of the useful life of the Power Station is charged to the Statement of Profit & Loss on straight-line method following the rates and methodology notified by CERC for the fixation of tariff except for assets specified in Policy No. 18.0(d).

(ii) Depreciation on Property, Plant and Equipment capitalized during the last five years of the useful life of a Power Station is charged on straight-line method for the period of life extension as per CERC Tariff Regulations/ Orders, from the date on which such asset becomes available for use.

(iii) Where the life and/ or efficiency of a Power Station is increased due to renovation and modernization, the expenditure thereon along with its unamortized depreciable amount is charged prospectively on straight-line method over the revised/ remaining useful life.

c) i) Depreciation on Property, Plant and Equipment (except old and used) of other than Operating Units of the Group is charged to the extent of 90% of the cost of the asset following the rates notified by CERC for the fixation of tariff except for assets specified in Policy No. 18.0(d).

ii) Depreciation on old and used items of PPE of other than Operating Units is charged on straight-line method to the extent of 90% of the cost of the asset over estimated useful life determined on the basis of technical assessment.

d) i) Depreciation in respect of following items of PPE is provided on straight line method based on the useful life and residual value (5%) given in the Schedule II of the Companies Act, 2013:

- Construction Plant and Machinery

- Computer and Peripherals

ii) Based on management assessment, depreciation on Mobile Phones is provided on straight line basis over a period of three years with residual value of Re. 1/-.

iii) Based on management assessment, depreciation on Roof Top Solar Power System / Equipment is provided on straight line basis over a period of twenty five years with residual value of 10%.

e) Temporary erections are depreciated fully (100%) in the year of acquisition /capitalization by retaining Re. 1/- as WDV.

f) Assets valuing Rs. 5000/- or less but more than Rs. 750/- are fully depreciated during the year in which the asset becomes available for use with Re. 1/- as WDV.

g) Low value items, which are in the nature of assets (excluding immovable assets) and valuing upto Rs. 750/- are not capitalized and charged off to revenue in the year of use.

h) Leasehold Land of operating units, is amortized over the period of lease or 40 years whichever is lower, following the rates and methodology notified vide CERC tariff regulations.

i) Leasehold Land and buildings of units other than operating units, is amortized over the period of lease or 40 years whichever is lower.

j) PPE created on leasehold land are depreciated to the extent of 90% of original cost over the balance available lease period of respective land from the date such asset is available for use or at the applicable depreciation rates & methodology notified by CERC tariff regulations for such assets, whichever is higher.

k) Land-Right to use is amortized over a period of 30 years from the date of commercial operation of the project in line with CERC tariff regulations notified for tariff fixation.

l) Cost of software recognized as 'Intangible Assets' is amortized on straight line method over a period of legal right to use or three financial years, whichever is earlier, starting from the year in which it is acquired.

m) Where the cost of depreciable assets has undergone a change during the year due to increase/ decrease in long term liabilities on account of exchange fluctuation, price adjustment, settlement of arbitration/court cases, change in duties or similar factors, the unamortized balance of such assets is depreciated prospectively over the residual life of such assets at the rate of depreciation and methodology notified by CERC tariff regulations.

n) Spares parts procured along with the Plant and Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery at the rates and methodology notified by CERC.

o) Useful life, method of depreciation and residual value of assets where depreciation is charged as per management assessment are reviewed at the end of each financial year and adjusted prospectively over the balance useful life of the asset, wherever required.

**19.0 Impairment of non-financial assets other than inventories**

a) The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Group. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss.

b) In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

c) In case of expenditure on survey & investigation of projects, if it is decided to abandon such a project, expenditure incurred thereon is charged to theStatement of Profit and Loss in the year in which such decision is taken.

d) In case a project under Survey and Investigation remains in abeyance by the order of appropriate authority/ by injunction of court order, any expenditure incurred on such projects from the date of order/ injunction of court is provided in the books from the date of such order till the period project is kept in abeyance by such order/ injunction. Provision so made is however reversed on the revocation of aforesaid order/ injunction.

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

**20.0 Income Taxes**

Income tax expense comprises current and deferred tax. Tax is recognised in the Statement of Profit and

Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case the tax is also recognised directly in equity or in other comprehensive income.

**a) Current tax**

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

**b) Deferred tax**

i) Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Group's financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the Balance Sheet method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of an asset or liability in a transaction that at the time of the transaction affects neither the taxable profit orloss nor the accounting profit or loss.

ii) The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

iii) Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would flow in the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

iv) Deferred tax is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

v) Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

vi) Deferred tax recovery adjustment account is credited/ debited to the extent the deferred tax for the current period which forms part of current tax in the subsequent periods and affects the computation of return on equity (ROE), a component of tariff.

vii) Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and joint ventures where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

viii) When there is uncertainty regarding income tax treatments, the Company assesses whether a tax authority is likely to accept an uncertain tax treatment. If it concludes that the tax authority is unlikely to accept an uncertain tax treatment, the effect of the uncertainty on

taxable income, tax bases and unused tax losses and unused tax credits is recognised. The effect of the uncertainty is recognised using the method that, in each case, best reflects the outcome of the uncertainty: the most likely outcome or the expected value. For each case, the Company evaluates whether to consider each uncertain tax treatment separately, or in conjunction with another or several other uncertain tax treatments, based on the approach that best prefixes the resolution of uncertainty.

**21.0 Compensation from third parties**

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

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

**22.0 Segment Reporting**

a) In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of internal reports used by the Group's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Group's "Chief Operating Decision Maker" or "CODM" within the meaning of Ind AS 108.

b) Electricity generation is the principal business activity of the Group. Other operations viz., Contracts, Project Management, Consultancy works and Trading of Power do not form a reportable segment as per the Ind AS -108.

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

**23.0 Leases**

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

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

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

**i) Group as a Lessee:**

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

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

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

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

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

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

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

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

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

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

**ii) Group as a Lessor:**

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

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

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

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

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

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

**24.0 Business combinations**

Acquisition of subsidiaries and businesses are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in each business combination is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquire, if any. The identifiable assets acquired and liabilities assumed are recognized at fair values on their acquisition date (except certain assets and liabilities which are required to be measured as per the applicable standard) and the non-controlling interest is initially recognized at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Acquisition related costs are recognized in the consolidated statement of profit and loss.

Goodwill is initially measured at cost, being the excess of the consideration transferred over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities recognized.

Where the fair value of the identifiable assets acquired and liabilities assumed exceed the consideration transferred, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognized as capital reserve on consolidation.

Business combinations arising from transfers of interests in entities that are under the common control are accounted for using the pooling of interest method. The difference between any consideration transferred and the aggregate historical carrying values of assets and liabilities of the acquired entity are recognized in shareholder's equity.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any

gains or losses arising from such remeasurement are recognized in statement of profit and loss or OCI, as appropriate.

**25.0 Material prior period errors**

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

**26.0 Earnings per share**

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

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

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

**27.0 Statement of Cash Flows**

a) **Cash and Cash Equivalents:**

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

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

**28.0 Current versus non-current classification**

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

a) An asset is current when it is:

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

All other assets are classified as non-current.

b) A liability is current when:

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

All other liabilities are classified as non-current.

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

**29.0 Miscellaneous**

a) Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

b) Liabilities for Goods in transit/ Capital works executed but not certified are not provided for, pending transfer of ownership, inspection and acceptance by the Group.

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

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain Indian Accounting Standards, and are effective April 1, 2022. The summary of the major amendments and its impact on the Group are given hereunder:

**(i) Ind AS 16 – Proceeds before intended use**

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

The Group does not expect the amendment to have any impact in the financial statements.

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

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

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

**(iii) Ind AS 103: Business Combination**

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

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

**(iv) Ind AS 109 – Annual improvement to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the "ten percent" test of Ind AS 109 in assessing whether to derecognise a financial liability.

The Group does not expect the amendment to have any impact in the financial statements.

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## NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENT

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2021 | Addition | Deduction | Adjust-ment | As at 31.03.2022 | As at 01.04.2021 | For the year | Adjust-ment | As at 31.03.2022 | As at 31.03.2022 | As at 31.03.2021 |
| Land – Freehold (Refer Note 2.1.1 and 2.1.2) | 414.01 | 737.41 | 0.05 | (0.26) | 1,151.11 | - | - | - | - | 1,151.11 | 414.01 |
| Roads and Bridges | 309.41 | 4.00 | 1.15 | (1.47) | 310.79 | 76.24 | 11.66 | (0.42) | 87.48 | 223.31 | 233.17 |
| Buildings | 2,255.73 | 23.53 | 0.10 | (8.71) | 2,270.45 | 485.10 | 77.81 | (0.03) | 562.88 | 1,707.57 | 1,770.63 |
| Railway sidings | 13.06 | - | - | - | 13.06 | 13.06 | - | - | 13.06 | - | - |
| Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels) | 16,003.01 | 83.87 | 2.55 | (37.63) | 16,046.70 | 4,887.41 | 657.19 | 0.65 | 5,545.25 | 10,501.45 | 11,115.60 |
| Generating Plant and machinery | 7,819.45 | 158.45 | 13.24 | 10.70 | 7,975.36 | 2,353.07 | 338.07 | 16.81 | 2,707.95 | 5,267.41 | 5,466.38 |
| Plant and machinery - Sub station | 54.17 | 1.78 | 0.31 | 0.31 | 55.95 | 15.31 | 2.39 | 0.18 | 17.88 | 38.07 | 38.86 |
| Plant and machinery - Transmission lines | 70.99 | 0.84 | 0.08 | (0.03) | 71.72 | 25.35 | 2.99 | (0.04) | 28.30 | 43.42 | 45.64 |
| Plant and machinery - Others | 39.28 | 0.79 | 0.24 | (0.03) | 39.80 | 13.76 | 2.11 | (0.13) | 15.74 | 24.06 | 25.52 |
| Construction Plant and Machinery | 52.38 | 1.52 | 0.51 | - | 53.39 | 26.20 | 3.34 | (0.12) | 29.42 | 23.97 | 26.18 |
| Water Supply System/Drainage and Sewerage | 59.06 | 3.94 | - | (0.17) | 62.83 | 12.57 | 2.50 | - | 15.07 | 47.76 | 46.49 |
| Electrical installations | 17.20 | 3.39 | 0.06 | - | 20.53 | 2.31 | 0.88 | (0.04) | 3.15 | 17.38 | 14.89 |
| Vehicles | 23.40 | 4.22 | 0.51 | - | 27.11 | 9.39 | 1.29 | (0.17) | 10.51 | 16.60 | 14.01 |
| Aircraft/ Boats | 1.93 | 0.05 | 0.01 | - | 1.97 | 0.58 | 0.14 | - | 0.72 | 1.25 | 1.35 |
| Furniture and fixture | 37.98 | 2.21 | 0.34 | - | 39.85 | 13.47 | 2.12 | (0.16) | 15.43 | 24.42 | 24.51 |
| Computer and Peripherals | 50.36 | 7.88 | 1.59 | 0.12 | 56.77 | 34.36 | 6.39 | (1.01) | 39.74 | 17.03 | 16.00 |
| Communication Equipment | 13.24 | 0.82 | 0.53 | - | 13.53 | 4.21 | 0.61 | (0.23) | 4.59 | 8.94 | 9.03 |
| Office Equipments | 117.43 | 10.26 | 3.29 | - | 124.40 | 41.47 | 7.10 | (1.50) | 47.07 | 77.33 | 75.96 |
| **TOTAL** | **27,352.09** | **1,044.96** | **24.56** | **(37.17)** | **28,335.32** | **8,013.86** | **1,116.59** | **13.79** | **9,144.24** | **19,191.08** | **19,338.23** |
| Previous Year | 28,940.11 | 259.30 | 52.32 | (1,795.00) | 27,352.09 | 7,304.35 | 1,227.36 | (517.85) | 8,013.86 | 19,338.23 | 21,635.76 |

**Note: -**

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

2.1.2 Freehold Land includes 8 hectare (Previous year 8 hectare) of land being used by Loktak Downstream Hydroelectric Corporation Limited (LDHCL) (A subsidiary of NHPC Limited) for a consideration of ₹ 100 per annum as rent, for which a lease agreement has been entered between NHPC Limited and LDHCL.

2.1.3 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.

2.1.4 Refer Note No 34(11) of Consolidated Financial Statements for information on non-current assets equitably mortgaged/hypothecated with banks as security against borrowings.

2.1.5 Refer Note no. 34(19) of Consolidated Financial Statements for information regarding Impairment of Assets.

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

| PARTICULARS | For the year ended 31.03.2022 (₹ in crore) | For the year ended 31.03.2021 (₹ in crore) |
|---|---|---|
| Roads and Bridges | (1.22) | (1.03) |
| Buildings | (8.63) | (7.29) |
| Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels) | (38.73) | (32.73) |
| Generating Plant and machinery | (10.07) | (8.52) |
| Plant and machinery Sub station | (0.08) | (0.07) |
| Water Supply System/Drainage and Sewerage | (0.04) | (0.04) |
| **Total** | **(58.77)** | **(49.68)** |

2.1.7 Additional disclosure of Property Plant and Equipment (PPE) as per gross block of assets and accumulated depreciation under previous GAAP has been provided as **Annexure-II** to this Note.

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

| Relevant Line Item in the Balance Sheet | Description of Item of Property | Gross Carrying Value (Rs. In Crore) | Title Deeds held in the name of | Whether title deed holder is a promoter, director or relative of Promoter/director or employee of promoter/director | Property held since which date | Reason for not being held in the name of the Company |
|---|---|---|---|---|---|---|
| Property, Plant and Equipment-Land Freehold | Land (1458.45 Hectare) | 6.51 | Hind Sarkar (Govt. of India) | NO | Since 1987 | In respect of Salal Power Station, documents are yet to be executed in favour of Company. |
| | Land (7.0844 Hectare) | 36.07 | Various Parties | NO | 27.09.2021 | The land is under possession of NHPC Parbati-II. Documents are yet to be executed in favour of Company. |
| | Land (4.69 Hectare) | 6.33 | Various Parties | NO | 10.04.2008 | In respect of Teesta-V Power Station, documents are yet to be executed in favour of Company |
| | Land (0.09 Hectare) | 0.01 | Prem Tshering Lepcha | NO | 31.03.2000 | In respect of Rangit Power Station, present owner of the property has passed away. Execution of Title Deed is pending. |
| | Land (0.10 Hectare) | 0.0004 | Various Parties | NO | Since 1987 | In respect of Salal Power Station, documents are yet to be executed in favour of Company. |
| | Land (74.95 Hectare) | 0.00 | Govt. of India-74.08 Hectare and Private land-0.87 Hectare | NO | Since January 1978 | In respect of Bairasiul Power Station, documents are yet to be executed in favour of Company. |

## ANNEXURE-II 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 01.04.2021 | Addition | Deduction | Adjust-ment | As at 31.03.2022 | As at 01.04.2021 | For the year | Adjust-ment | As at 31.03.2022 | As at 31.03.2022 | As at 31.03.2021 |
| Land – Freehold | 414.01 | 737.41 | 0.05 | (0.26) | 1,151.11 | - | - | - | - | 1,151.11 | 414.01 |
| Roads and Bridges | 402.74 | 4.00 | 1.91 | (1.47) | 403.36 | 169.57 | 11.66 | (1.18) | 180.05 | 223.31 | 233.17 |
| Buildings | 2,969.86 | 23.53 | 0.43 | (8.70) | 2,984.26 | 1,199.23 | 77.81 | (0.35) | 1,276.69 | 1,707.57 | 1,770.63 |
| Railway sidings | 31.98 | - | - | - | 31.98 | 31.98 | - | - | 31.98 | - | - |
| Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels) | 21,840.52 | 83.87 | 7.79 | (38.73) | 21,877.87 | 10,724.92 | 657.19 | (5.69) | 11,376.42 | 10,501.45 | 11,115.60 |
| Generating Plant and machinery | 10,726.38 | 158.45 | 16.08 | (10.90) | 10,857.85 | 5,260.00 | 338.07 | (7.63) | 5,590.44 | 5,267.41 | 5,466.38 |
| Plant and machinery - Sub station | 105.41 | 1.78 | 0.37 | (0.02) | 106.80 | 66.55 | 2.39 | (0.21) | 68.73 | 38.07 | 38.86 |
| Plant and machinery - Transmission lines | 97.97 | 0.84 | 0.10 | (0.02) | 98.69 | 52.32 | 2.99 | (0.04) | 55.27 | 43.42 | 45.65 |
| Plant and machinery - Others | 54.94 | 0.79 | 0.71 | (0.04) | 54.98 | 29.42 | 2.11 | (0.61) | 30.92 | 24.06 | 25.52 |
| Construction Plant and Machinery | 110.71 | 1.52 | 4.88 | (0.01) | 107.34 | 84.53 | 3.34 | (4.50) | 83.37 | 23.97 | 26.18 |
| Water Supply System/Drainage and Sewerage | 68.80 | 3.94 | 0.01 | (0.16) | 72.57 | 22.31 | 2.50 | - | 24.81 | 47.76 | 46.49 |
| Electrical installations | 18.38 | 3.40 | 0.08 | - | 21.70 | 3.49 | 0.88 | (0.05) | 4.32 | 17.38 | 14.89 |
| Vehicles | 33.39 | 4.22 | 1.67 | - | 35.94 | 19.38 | 1.29 | (1.33) | 19.34 | 16.60 | 14.01 |
| Aircraft/ Boats | 2.16 | 0.05 | 0.06 | - | 2.15 | 0.81 | 0.14 | (0.05) | 0.90 | 1.25 | 1.35 |
| Furniture and fixture | 61.99 | 2.21 | 0.62 | 0.02 | 63.60 | 37.48 | 2.12 | (0.42) | 39.18 | 24.42 | 24.51 |
| Computer and Peripherals | 76.92 | 7.88 | 6.29 | 0.03 | 78.54 | 60.92 | 6.39 | (5.80) | 61.51 | 17.03 | 16.00 |
| Communication Equipment | 18.80 | 0.82 | 1.24 | - | 18.38 | 9.77 | 0.61 | (0.94) | 9.44 | 8.94 | 9.03 |
| Office Equipments | 171.33 | 10.26 | 7.25 | 0.01 | 174.35 | 95.38 | 7.10 | (5.46) | 97.02 | 77.33 | 75.95 |
| **TOTAL** | **37,206.29** | **1,044.97** | **49.54** | **(60.25)** | **38,141.47** | **17,868.06** | **1,116.59** | **(34.26)** | **18,950.39** | **19,191.08** | **19,338.23** |
| Previous Year | 38,995.89 | 259.30 | 63.61 | (1,985.29) | 37,206.29 | 17,360.13 | 1,227.36 | (719.43) | 17,868.06 | 19,338.23 | 21,635.76 |

**Explanatory Note: -**

Underground works amounting to ₹ **10496.48 crore** (Previous Year ₹ **10494.51 crore**), created on "Land -Right to Use" classified under Right of use Assets, are included under the relevant heads of Property, Plant and Equipment.

## NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENT

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2020 | Addition | Deduction | Adjust-ment | As at 31.03.2021 | As at 01.04.2020 | For the year | Adjust-ment | As at 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Land – Freehold (Refer Note 2.1.1 and 2.1.2) | 398.08 | 16.54 | 0.30 | (0.31) | 414.01 | - | - | - | - | 414.01 | 398.08 |
| Roads and Bridges | 312.38 | 4.45 | 0.11 | (7.31) | 309.41 | 65.73 | 11.68 | (1.17) | 76.24 | 233.17 | 246.65 |
| Buildings | 2,407.30 | 31.38 | 0.52 | (182.43) | 2,255.73 | 440.77 | 76.14 | (31.81) | 485.10 | 1,770.63 | 1,966.53 |
| Railway sidings | 16.57 | - | - | (3.51) | 13.06 | 16.57 | - | (3.51) | 13.06 | - | - |
| Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels) | 16,973.26 | 19.77 | 0.17 | (989.85) | 16,003.01 | 4,408.43 | 756.14 | (277.16) | 4,887.41 | 11,115.60 | 12,564.83 |
| Generating Plant and machinery | 8,313.65 | 147.22 | 47.24 | (594.18) | 7,819.45 | 2,198.82 | 350.94 | (196.69) | 2,353.07 | 5,466.38 | 6,114.83 |
| Plant and machinery - Sub station | 56.02 | 1.16 | 0.55 | (2.46) | 54.17 | 13.65 | 2.38 | (0.72) | 15.31 | 38.86 | 42.37 |
| Plant and machinery - Transmission lines | 71.08 | 1.48 | - | (1.57) | 70.99 | 21.89 | 4.06 | (0.60) | 25.35 | 45.64 | 49.19 |
| Plant and machinery - Others | 36.21 | 3.70 | 0.19 | (0.44) | 39.28 | 11.93 | 1.96 | (0.13) | 13.76 | 25.52 | 24.28 |
| Construction Plant and Machinery | 54.46 | 2.52 | 0.08 | (4.52) | 52.38 | 23.87 | 3.69 | (1.36) | 26.20 | 26.18 | 30.59 |
| Water Supply System/Drainage and Sewerage | 55.37 | 5.17 | 0.04 | (1.44) | 59.06 | 10.51 | 2.31 | (0.25) | 12.57 | 46.49 | 44.86 |
| Electrical installations | 16.18 | 1.23 | - | (0.21) | 17.20 | 1.62 | 0.71 | (0.02) | 2.31 | 14.89 | 14.56 |
| Vehicles | 22.79 | 1.46 | 0.41 | (0.44) | 23.40 | 8.31 | 1.34 | (0.26) | 9.39 | 14.01 | 14.48 |
| Aircraft/ Boats | 1.91 | 0.17 | 0.05 | (0.10) | 1.93 | 0.47 | 0.14 | (0.03) | 0.58 | 1.35 | 1.44 |
| Furniture and fixture | 38.02 | 2.04 | 0.26 | (1.82) | 37.98 | 11.83 | 2.15 | (0.51) | 13.47 | 24.51 | 26.19 |
| Computer and Peripherals | 45.68 | 7.99 | 1.41 | (1.90) | 50.36 | 30.19 | 6.45 | (2.28) | 34.36 | 16.00 | 15.49 |
| Communication Equipment | 12.26 | 1.23 | 0.17 | (0.08) | 13.24 | 3.70 | 0.65 | (0.14) | 4.21 | 9.03 | 8.56 |
| Office Equipments | 108.89 | 11.79 | 0.82 | (2.43) | 117.43 | 36.06 | 6.62 | (1.21) | 41.47 | 75.96 | 72.83 |
| **TOTAL** | **28,940.11** | **259.30** | **52.32** | **(1,795.00)** | **27,352.09** | **7,304.35** | **1,227.36** | **(517.85)** | **8,013.86** | **19,338.23** | **21,635.76** |

**Note: -**

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

2.1.2 Freehold Land includes 8 hectare (Previous year 8 hectare) of land being used by Loktak Downstream Hydroelectric Corporation Limited (LDHCL) (A subsidiary of NHPC Limited) for a consideration of ₹ **100 per annum** as rent, for which a lease agreement has been entered between NHPC Limited and LDHCL.

2.1.3 Adjustments to Gross Block and depreciation include adjustment for amount derecognised from PPE and recognised as Lease Receivables under Financial Assets in respect of TLD-III Power Station which is accounted as Finance Lease under Ind AS 116- Leases. (Refer Note 34 (18) (B) (ii))

2.1.4 Pending approval of revised cost estimates (RCE) of Sewa-II, Kishanganga, Chamera-III, Teesta Low Dam-III, Uri-II & Teesta Low Dam-IV Power Stations, capital expenditure incurred on these power stations has been considered for capitalisation.

2.1.5 Refer Note No 34(11) of Consolidated Financial Statements for information of non-current assets equitably mortgaged/hypothecated with banks as security for related borrowings.

2.1.6 Refer Note no. 34(19) of Consolidated financial statement for information regarding Impairment of Assets.

2.1.7 Foreign Exchange Rate Variation included in Adjustments to gross block of the assets are as follows: -

| PARTICULARS | For the year ended 31.03.2021 (₹ in crore) | For the year ended 31.03.2020 (₹ in crore) |
|---|---|---|
| Roads and Bridges | (1.03) | - |
| Buildings | (7.29) | - |
| Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels) | (32.73) | - |
| Generating Plant and machinery | (8.52) | - |
| Plant and machinery Sub station | (0.07) | - |
| Water Supply System/Drainage and Sewerage | (0.04) | - |
| **Total** | **(49.68)** | **-** |

2.1.8 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 Additional disclosure of Property Plant and Equipment (PPE) as per gross block of assets and accumulated depreciation under previous GAAP has been provided as **Annexure-II** to this Note.

## Annexure-I to Note 2.1:-Title deeds of Immoveable Properties not held in the name of the Company as on 31st March 2021

| Relevant Line Item in the Balance Sheet | Description of Item of Property | Gross Carrying Value (Rs. In Crore) | Title Deeds held in the name of | Whether title deed holder is a promoter, director or relative of Promoter/director or employee of promoter/director | Property held since which date | Reason for not being held in the name of the Company |
|---|---|---|---|---|---|---|
| Property, Plant and Equipment-Land Freehold | Land (1458.45 Hectare) | 6.51 | Hind Sarkar (Govt. of India) | NO | Since 1987 | In respect of Salal Power Station, documents are yet to be executed in favour of Company. |
| | Land (98.38 Hectare) | 24.90 | Private Parties | NO | Since FY 2020-21 | In respect of Dibang Project. Land mutation is under process |
| | Land (4.69 Hectare) | 6.33 | Various Parties | NO | 10.04.2008 | In respect of Teesta-V Power Station, Documents are yet to be executed in favour of Company |
| | Land (12.94 Hectare) | 0.36 | Private Parties | NO | 18.07.2002 | In respect of Subansiri Lower Project, the land is in the process of returning back to land owners. |
| | Land (0.09 Hectare) | 0.01 | Prem Tshering Lepcha | NO | 31.03.2000 | In respect of Rangit Power Station, present owner of the property has passed away. Execution of Title Deed is pending. |
| | Land (0.10 Hectare) | 0.0004 | Various Parties | NO | Since 1987 | In respect of Salal Power Station, documents are yet to be executed in favour of Company. |
| | Land (74.95 Hectare) | 0.00 | Govt. of India-74.08 Hectare and Private land-0.87 Hectare | NO | Since january 1978 | In respect of Bairasiul Power Station, documents are yet to be executed in favour of Company. |

## ANNEXURE-II TO NOTE NO. 2.1 PROPERTY PLANT AND EQUIPMENTS

**Additional Disclosure of Property, Plant and Equipment**

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2020 | Addition | Deduction | Adjustment | As at 31.03.2021 | As at 01.04.2020 | For the year | Adjust-ment | As at 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Land – Freehold | 398.08 | 16.54 | 0.30 | (0.31) | 414.01 | - | - | - | - | 414.01 | 398.08 |
| Roads and Bridges | 406.10 | 4.45 | 0.14 | (7.67) | 402.74 | 159.45 | 11.68 | (1.56) | 169.57 | 233.17 | 246.65 |
| Buildings | 3,133.74 | 31.38 | 0.52 | (194.74) | 2,969.86 | 1,167.21 | 76.14 | (44.12) | 1,199.23 | 1,770.63 | 1,966.53 |
| Railway sidings | 36.10 | - | - | (4.12) | 31.98 | 36.10 | - | (4.12) | 31.98 | - | - |
| Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels) | 22,919.83 | 19.77 | 0.18 | (1,098.90) | 21,840.52 | 10,355.00 | 756.14 | (386.22) | 10,724.92 | 11,115.60 | 12,564.83 |
| Generating Plant and machinery | 11,293.72 | 147.22 | 53.88 | (660.68) | 10,726.38 | 5,178.89 | 350.94 | (269.83) | 5,260.00 | 5,466.38 | 6,114.83 |
| Plant and machinery - Sub station | 107.52 | 1.16 | 0.72 | (2.55) | 105.41 | 65.15 | 2.38 | (0.98) | 66.55 | 38.86 | 42.37 |
| Plant and machinery - Transmission lines | 98.27 | 1.48 | - | (1.79) | 97.96 | 49.08 | 4.06 | (0.82) | 52.32 | 45.64 | 49.19 |
| Plant and machinery - Others | 52.53 | 3.70 | 0.81 | (0.48) | 54.94 | 28.25 | 1.96 | (0.79) | 29.42 | 25.52 | 24.28 |
| Construction Plant and Machinery | 113.35 | 2.52 | 0.50 | (4.66) | 110.71 | 82.76 | 3.69 | (1.92) | 84.53 | 26.18 | 30.59 |
| Water Supply System/Drainage and Sewerage | 65.16 | 5.17 | 0.04 | (1.49) | 68.80 | 20.30 | 2.31 | (0.30) | 22.31 | 46.49 | 44.86 |
| Electrical installations | 17.37 | 1.23 | - | (0.22) | 18.38 | 2.81 | 0.71 | (0.03) | 3.49 | 14.89 | 14.56 |
| Vehicles | 33.14 | 1.46 | 0.77 | (0.44) | 33.39 | 18.66 | 1.34 | (0.62) | 19.38 | 14.01 | 14.48 |
| Aircraft/ Boats | 2.15 | 0.17 | 0.05 | (0.11) | 2.16 | 0.71 | 0.14 | (0.04) | 0.81 | 1.35 | 1.44 |
| Furniture and fixture | 62.39 | 2.04 | 0.38 | (2.06) | 61.99 | 36.20 | 2.15 | (0.87) | 37.48 | 24.51 | 26.19 |
| Computer and Peripherals | 73.73 | 7.98 | 2.67 | (2.12) | 76.92 | 58.24 | 6.45 | (3.77) | 60.92 | 16.00 | 15.49 |
| Communication Equipment | 17.99 | 1.23 | 0.34 | (0.08) | 18.80 | 9.43 | 0.65 | (0.31) | 9.77 | 9.03 | 8.56 |
| Office Equipments | 164.72 | 11.80 | 2.31 | (2.87) | 171.34 | 91.89 | 6.62 | (3.13) | 95.38 | 75.96 | 72.83 |
| **TOTAL** | **38,995.89** | **259.30** | **63.61** | **(1,985.29)** | **37,206.29** | **17,360.13** | **1,227.36** | **(719.43)** | **17,868.06** | **19,338.23** | **21,635.76** |

**Explanatory Note: -**

2.1.1 Underground works amounting to ₹ 10494.51 crore (Previous Year ₹ 10491.91 crore), created on "Land -Right to Use" classified under Right of use Assets, are included under the relevant heads of Property, Plant and Equipment.

## Note No. 2.2 Capital Work in Progress (CWIP)

(₹ in crore)

| Particulars | As at 01.04.2021 | Addition | Adjustment | Capitalised | As at 31.03.2022 |
|---|---|---|---|---|---|
| Roads and Bridges | 63.47 | 77.08 | 0.41 | 5.53 | 135.43 |
| Buildings | 1,036.25 | 227.36 | 0.38 | 29.24 | 1,234.75 |
| Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels) | 6,298.23 | 1,308.34 | (2.13) | 84.47 | 7,519.97 |
| Generating Plant and Machinery | 2,905.94 | 268.13 | (0.67) | 112.92 | 3,060.48 |
| Plant and Machinery - Sub station | 2.58 | 4.51 | 0.01 | 0.60 | 6.50 |
| Plant and Machinery - Transmission lines | 6.94 | 5.18 | - | 0.30 | 11.82 |
| Plant and Machinery - Others | 1.67 | 1.76 | - | 2.70 | 0.73 |
| Water Supply System/Drainage and Sewerage | 1.90 | 2.36 | - | 3.78 | 0.48 |
| Computers | - | 0.48 | - | 0.48 | - |
| Office Equipments | - | 0.13 | 0.24 | 0.24 | 0.13 |
| Other assets awaiting installation | 11.68 | 31.33 | (0.01) | 31.10 | 11.90 |
| Survey, investigation, consultancy and supervision charges | 203.54 | 25.56 | - | - | 229.10 |
| Expenditure on compensatory Afforestation | 15.95 | - | - | - | 15.95 |
| Expenditure Attributable to Construction **(Refer Note-32)** | 9,497.73 | 1,640.67 | 1.96 | 20.57 | 11,119.79 |
| **Sub total** | **20,045.88** | **3,592.89** | **0.19** | **291.93** | **23,347.03** |
| Less: Capital Work in Progress provided **(Refer Note 2.2.3)** | 954.58 | 7.47 | - | - | 962.05 |
| **Sub total (a)** | **19,091.30** | **3,585.42** | **0.19** | **291.93** | **22,384.98** |
| Construction Stores | 75.81 | | 61.37 | | 137.18 |
| Less : Provisions for construction stores | 0.32 | | (0.06) | | 0.26 |
| **Sub total (b)** | **75.49** | | **61.43** | | **136.92** |
| **TOTAL (a + b)** | **19,166.79** | **3,585.42** | **61.62** | **291.93** | **22,521.90** |
| Previous Year | 17,180.41 | 2,287.04 | (94.08) | 206.58 | 19,166.79 |

**Explanatory Note: -**

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

| CWIP | Amount in CWIP for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Projects in Progress | 3,547.06 | 1,959.30 | 2,185.13 | 14,830.41 | 22,521.90 |
| Projects temporarily Suspended | - | - | - | - | - |
| **Total** | **3,547.06** | **1,959.30** | **2,185.13** | **14,830.41** | **22,521.90** |

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

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

2.2.2 Expenditure attributable to Construction (EAC) includes ₹ **1029.85 Crore** (Previous year ₹ **997.08 Crore**) towards borrowing cost capitalised during the year. **(Also Refer Note-32)**

2.2.3 Capital Work in Progress (CWIP) includes a cumulative expenditure of ₹ **1234.97 Crore** (Previous Year ₹ **1192.72 Crore**) including Survey, Investigation, Consultancy and Supervision Charges of ₹ **156.27 Crore** (Previous Year ₹ **138.52 Crore**) on projects under Survey & Investigation stage. Of this, a sum of ₹ **43.52 Crore** (Previous Year ₹ **43.52 Crore**) pertains to Subansiri Upper Project, which had been decided by Government of Arunachal Pradesh to be handed over to a Private Developer. However, pending handing over of the project & recovery of expenditure incurred thereon, the said amount remains provided for in the books as an abundant precaution. Out of the balance of ₹ **1191.45 Crore** (Previous Year ₹ **1149.20 Crore**) pertaining to projects with the company, a sum of ₹ **918.48 Crore** (Previous Year ₹ **911.06 Crore**) has been provided for where uncertainties are attached and ₹ **272.97 Crore** (Previous Year ₹ **238.14 Crore**), pertaining to other projects having reasonable certainty of getting clearance, is carried over. **(Also Refer Note 34(25), 34(26), 34(27)and 34(28))**

2.2.4 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.

2.2.5 Underground Works amounting to ₹ **2469.60 Crore** (Previous Year ₹ **2317.10 Crore**) created on Land - Right of use, are included under respective heads of Capital Work in Progress (CWIP).

2.2.6 Refer Note no. 34(11) of Consolidated Financial Statements for information of non-current assets pledged with banks as security for related borrowings.

2.2.7 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).

2.2.8 Refer Note no. 34(19) of Consolidated Financial Statements for information regarding Impairment of Assets.

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

## Note No. 2.2 Capital Work in Progress (CWIP)

(₹ in crore)

| Particulars | As at 01.04.2020 | Addition | Adjustment | Capitalised | As at 31.03.2021 |
|---|---|---|---|---|---|
| Roads and Bridges | 54.75 | 13.13 | - | 4.41 | 63.47 |
| Buildings | 1,002.82 | 91.85 | (21.21) | 37.21 | 1,036.25 |
| Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels) | 5,637.89 | 719.63 | (44.82) | 14.47 | 6,298.23 |
| Generating Plant and Machinery | 2,839.91 | 165.00 | (9.69) | 89.28 | 2,905.94 |
| Plant and Machinery - Sub station | - | 2.58 | - | - | 2.58 |
| Plant and Machinery - Transmission lines | 6.15 | 6.61 | - | 5.82 | 6.94 |
| Plant and Machinery - Others | 0.49 | 2.34 | - | 1.16 | 1.67 |
| Water Supply System/Drainage and Sewerage | 2.95 | 3.76 | - | 4.81 | 1.90 |
| Other assets awaiting installation | 18.13 | 35.98 | (6.36) | 36.07 | 11.68 |
| Survey, investigation, consultancy and supervision charges | 183.05 | 22.27 | (0.31) | 1.47 | 203.54 |
| Expenditure on compensatory Afforestation | 15.95 | - | - | - | 15.95 |
| Expenditure Attributable to Construction **(Refer Note-32)** | 8,149.77 | 1,368.52 | (8.68) | 11.88 | 9,497.73 |
| **Sub total** | **17,911.86** | **2,431.67** | **(91.07)** | **206.58** | **20,045.88** |
| Less: Capital Work in Progress provided **(Refer Note 2.2.3)** | 820.78 | 144.63 | (10.83) | - | 954.58 |
| **Sub total (a)** | **17,091.08** | **2,287.04** | **(80.24)** | **206.58** | **19,091.30** |
| Construction Stores | 90.67 | | (14.86) | | 75.81 |
| Less : Provisions for construction stores | 1.34 | | (1.02) | | 0.32 |
| **Sub total (b)** | **89.33** | | **(13.84)** | | **75.49** |
| **TOTAL (a + b)** | **17,180.41** | **2,287.04** | **(94.08)** | **206.58** | **19,166.79** |
| **Previous Year** | **15,036.80** | **2,454.43** | **(14.12)** | **296.70** | **17,180.41** |

**Explanatory Note: -**

**2.2.1 (a) CWIP ageing schedule as on 31st March 2021**

| CWIP | Amount in CWIP for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Projects in Progress | 2,230.82 | 2,257.15 | 1,027.93 | 13,650.89 | 19,166.79 |
| Projects temporarily Suspended | - | - | - | - | - |
| **Total** | **2,230.82** | **2,257.15** | **1,027.93** | **13,650.89** | **19,166.79** |

**(b) CWIP Completion Schedule as on 31st March 2021 for delayed projects**

| CWIP | To be completed in | | | | |
|---|---|---|---|---|---|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Parbati-II | - | 8,455.18 | | - | 8,455.18 |
| Subansiri Lower Project | 3.49 | 5,168.93 | 3,289.47 | - | 8,461.89 |
| **Total** | **3.49** | **13,624.11** | **3,289.47** | **-** | **16,917.07** |

2.2.2 Expenditure attributable to Construction (EAC) includes ₹ **997.08 Crore** (Previous year ₹ **661.87 Crore**) towards borrowing cost capitalised during the period. **(Also Refer Note-32)**

2.2.3 Capital Work in Progress (CWIP) includes a cumulative expenditure of ₹ **1192.72 Crore** (Previous Year ₹ **1141.05 Crore**) including Survey, Investigation, Consultancy and Supervision Charges of ₹ **138.52 crore** (Previous Year ₹ **119.54 Crore**) on projects under Survey & Investigation stage. Of this, a sum of ₹ **43.52 Crore** (Previous Year ₹ **43.52 Crore**) pertains to

Subansiri Upper Project, which had been decided by Government of Arunachal Pradesh to be handed over to a Private Developer. However, pending handing over of the project & recovery of expenditure incurred thereon, the said amount remains provided for in the books as an abundant precaution. Out of the balance of ₹ **1149.20** Crore (Previous Year ₹ **1097.53 Crore)** pertaining to projects with the company, a sum of ₹ **911.06 Crore** (Previous Year ₹ **777.26 Crore**) has been provided for where uncertainties are attached and ₹ **238.14 Crore** (Previous Year ₹ **320.27 Crore**), pertaining to other projects having reasonable certainty of getting clearance, is carried over. **(Also Refer Note 34(25), 34(26), 34(27) and 34(28))**

2.2.4 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.

2.2.5 Underground Works amounting to ₹ **2317.10 Crore** (Previous Year ₹ **2234.15 Crore**) created on Land - Right of use, are included under respective heads of Capital Work in Progress (CWIP).

2.2.6 Refer Note no. 34(11) of Consolidated Financial Statements for information of non-current assets pledged with banks as security for related borrowings.

2.2.7 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).

2.2.8 Refer Note no. 34(19) of of Consolidated Financial Statements for information regarding Impairment of Assets.

2.2.9 Post Renovation and Modernization, the Company has commissioned and capitalised Unit#1 of Bairasiul Power Station during the year.

## NOTE NO. 2.3 RIGHT OF USE ASSETS

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION / AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2021 | Addition | Deduction | Adjust-ment | As at 31.03.2022 | As at 01.04.2021 | For the year | Adjust-ment | As at 31.03.2022 | As at 31.03.2022 | As at 31.03.2021 |
| Land – Leasehold **(Refer Note 2.3.1 (a))** | 314.87 | 8.35 | 1.03 | 0.24 | 322.43 | 45.02 | 12.44 | (0.04) | 57.42 | 265.01 | 269.85 |
| Building under Lease | 5.40 | 0.41 | 0.74 | - | 5.07 | 3.04 | 1.14 | (0.56) | 3.62 | 1.45 | 2.36 |
| Vehicles | 4.40 | 4.96 | - | - | 9.36 | 3.15 | 1.57 | - | 4.72 | 4.64 | 1.25 |
| Land-Right of Use **(Refer Note 2.3.1 (b))** | 2,751.38 | 49.77 | - | 1.86 | 2,803.01 | 377.83 | 68.17 | 1.86 | 447.86 | 2,355.15 | 2,373.55 |
| **TOTAL** | **3,076.05** | **63.49** | **1.77** | **2.10** | **3,139.87** | **429.04** | **83.32** | **1.26** | **513.62** | **2,626.25** | **2,647.01** |
| Previous Year | 3,122.27 | 15.38 | 19.19 | (42.41) | 3,076.05 | 355.96 | 82.32 | (9.24) | 429.04 | 2,647.01 | - |

**Note: -**

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

b) Land- Right of use includes forest land which is diverted by the State Forest Department only for use by project.

2.3.2 Refer Note no. 34(19) of Consolidated Financial Statements for information regarding Impairment of Assets.

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

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

| Relevant Line Item in the Balance Sheet | Description of Item of Property | Gross Carrying Value (at deemed cost) (Rs. In Crore) | Title Deeds held in the name of | Whether Title deed holder is a promoter, director or relative of Promoter/director or employee of promoter/director | Property held since which date/ year | Reason for not being held in the name of the Company |
|---|---|---|---|---|---|---|
| Right of Use Assets - Land Leasehold | Land (122.93 Hectare) | 140.86 | Govt. of J&K under occupancy of NHPC | No | 24.03.2011 | The Land in respect of Kishanganga Power Station, documents are yet to be executed in favour of Company . |
| | Land (28.13 Hectare) | 18.53 | Govt. land | No | 2006-2011 | In respect of Uri-II Power Station, documents are yet to be executed in favour of Company. |
| | Land (219.56 Hectare) | 6.15 | Govt. land | No | Since 1984 | In respect of Dulhasti Power Station, documents are yet to be executed in favour of Company. |
| | Land (175.40 Hectare) | 3.21 | Govt. land | No | 24.05.2021 | In respect of Solar Project Ganjam. Lease agreement is under process |
| | Land (3.99 Hectare) | 0.27 | JKPDC | No | 31.07.2003 | In respect of Chutak Power Station, documents are yet to be executed in favour of Company |
| | Land (7.72 Hectare) | 0.19 | JKPDC & SDM, Bani (J&K) | No | Since 2000 | In respect of Sewa-II Power Station. Matter is under regular correspondence with JKPDC & SDM,Bani (J&K) for issuance of No Objection certificate. NOC is still awaited from concerned state department |
| | Land (11.32 Hectare) | 0.15 | Govt. land | No | 1991-92 | In respect of Uri-I Power Station. Case is pending at court/State revenue authority. |
| | Land (0.34 Hectare) | 0.06 | Govt. land | No | 30.09.2010 | In respect of Nimoo Bazgo Power Station. The draft of lease deed has been provided to Tehsildar, Leh for the execution of title deed in favour of NHPC |
| | Land (1.56 Hectare) | 0.02 | Govt. land | No | 1984 | In respect of Chamera-I Power Station. Matter is pending before court. |
| | Land (2.72 Hectare) | 0.00 | Govt. land | No | 2004 | In respect of Subansiri lower Project, documents are yet to be executed in favour of Company |

## ANNEXURE-II TO NOTE NO. 2.3 RIGHT OF USE ASSETS

### Additional Disclosure of Right of Use Assets

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION / AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2021 | Addition | Deduction | Adjust-ment | As at 31.03.2022 | As at 01.04.2021 | For the year | Adjust-ment | As at 31.03.2022 | As at 31.03.2022 | As at 31.03.2021 |
| Land – Leasehold | 328.02 | 8.35 | 1.03 | (0.02) | 335.32 | 58.17 | 12.44 | (0.30) | 70.31 | 265.01 | 269.85 |
| Building under Lease | 5.40 | 0.41 | 0.74 | - | 5.07 | 3.04 | 1.14 | (0.56) | 3.62 | 1.45 | 2.36 |
| Vehicles | 4.40 | 4.96 | - | - | 9.36 | 3.15 | 1.57 | - | 4.72 | 4.64 | 1.25 |
| Land-Right of Use | 3,102.04 | 49.77 | - | - | 3,151.81 | 728.49 | 68.17 | - | 796.66 | 2,355.15 | 2,373.55 |
| **TOTAL** | **3,439.86** | **63.49** | **1.77** | **(0.02)** | **3,501.56** | **792.85** | **83.32** | **(0.86)** | **875.31** | **2,626.25** | **2,647.01** |
| Previous Year | 3,488.20 | 15.38 | 19.19 | (44.53) | 3,439.86 | 721.89 | 82.32 | (11.36) | 792.85 | 2,647.01 | |

## NOTE NO. 2.3 RIGHT OF USE ASSETS

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION / AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2020 | Addition | Deduction | Adjust-ment | As at 31.03.2021 | As at 01.04.2020 | For the year | Adjust-ment | As at 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Land – Leasehold **(Refer Note 2.3.1 (a))** | 317.39 | - | - | (3.50) | 313.89 | 33.79 | 11.84 | (0.61) | 45.02 | 268.87 | 283.60 |
| Building under Lease | 22.34 | 2.45 | 18.41 | - | 6.38 | 2.76 | 1.97 | (1.69) | 3.04 | 3.34 | 19.58 |
| Vehicles | 3.44 | 1.57 | 0.61 | - | 4.40 | 1.94 | 1.82 | (0.61) | 3.15 | 1.25 | 1.50 |
| Land-Right of Use **(Refer Note 2.3.1 (b))** | 2,779.10 | 11.36 | 0.17 | (38.91) | 2,751.38 | 317.47 | 66.69 | (6.33) | 377.83 | 2,373.55 | 2,461.63 |
| **TOTAL** | **3,122.27** | **15.38** | **19.19** | **(42.41)** | **3,076.05** | **355.96** | **82.32** | **(9.24)** | **429.04** | **2,647.01** | **2,766.31** |
| Previous Year | 16.22 | 683.35 | 0.37 | - | 3,122.27 | - | 85.04 | (0.10) | 355.96 | 2,766.31 | |

**Note: -**

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

b) Land- Right of use includes forest land which is diverted by the State Forest Department only for use by project.

2.3.2 Refer Note no. 34(19) of Consolidated Financial Statements for information regarding Impairment of Assets.

2.3.3 Adjustments to Gross Block and depreciation include adjustment for amount derecognised from Right of Use Assets and recognised as Lease Receivables under Financial Assets in respect of TLD-III Power Station which is accounted as Finance Lease under Ind AS 116- Leases. (Refer Note 34 (18) (B).

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

## Annexure-I to Note 2.3:- Title deed/Lease deed in respect of lease hold land not held in name of the company as on 31st March 2021

| Relevant Line Item in the Balance Sheet | Description of Item of Property | Gross Carrying Value (at deemed cost) (Rs. In Crore) | Title Deeds held in the name of | Whether title deed holder is a promoter, director or relative of Promoter/director or employee of promoter/director | Property held since which date | Reason for not being held in the name of the Company |
|---|---|---|---|---|---|---|
| Right of Use Assets - Land Leasehold | Land (122.93 Hectare) | 140.86 | Govt. of J&K under occupancy of NHPC | No | 24.03.2011 | The Land in respect of Kishanganga Power Station, documents are yet to be executed in favour of Company. |
| | Land (28.13 Hectare) | 18.53 | Govt. land | No | 2006-2011 | In respect of Uri-II Power Station, documents are yet to be executed in favour of Company. |
| | Land (219.56 Hectare) | 5.27 | Govt. land | No | Since 1984 | In respect of Dulhasti Power Station, documents are yet to be executed in favour of Company. |
| | Land (3.99 Hectare) | 0.27 | JKPDC | No | 31.07.2003 | In respect of Chutak Power Station, documents are yet to be executed in favour of Company |
| | Land (7.72 Hectare) | 0.19 | JKPDC & SDM, Bani (J&K) | No | Since 2000 | In respect of Sewa-II Power Station. Matter is under regular correspondence with JKPDC & SDM,Bani (J&K) for issuance of No Objection certificate. NOC is still awaited from concerned state department |
| | Land (11.32 Hectare) | 0.15 | Govt. land | No | 1991-92 | In respect of Uri-I Power Station. Case is pending at court/State revenue authority. |
| | Land (0.34 Hectare) | 0.06 | Govt. land | No | 30.09.2010 | In respect of Nimoo Bazgo Power Station. The draft of lease deed has been provided to Tehsildar, Leh for the execution of title deed in favour of NHPC |
| | Land (1.56 Hectare) | 0.02 | Govt. land | No | 1984 | In respect of Chamera-I Power Station, matter is pending before court. |
| | Land (2.72 Hectare) | 0.00 | Govt. land | No | 2004 | In respect of Subansiri lower Project, documents are yet to be executed in favour of Company |

## ANNEXURE-II TO NOTE NO. 2.3 RIGHT OF USE ASSETS

### Additional Disclosure of Right of Use Assets

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION / AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2020 | Addition | Deduction | Adjust-ment | As at 31.03.2021 | As at 01.04.2020 | For the year | Adjust-ment | As at 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Land – Leasehold | 330.80 | 0.98 | - | (3.76) | 328.02 | 47.20 | 11.84 | (0.87) | 58.17 | 269.85 | 283.60 |
| Building under Lease | 22.34 | 1.47 | 18.41 | - | 5.40 | 2.76 | 1.97 | (1.69) | 3.04 | 2.36 | 19.58 |
| Vehicles | 3.44 | 1.57 | 0.61 | - | 4.40 | 1.94 | 1.82 | (0.61) | 3.15 | 1.25 | 1.50 |
| Land-Right of Use | 3,131.62 | 11.36 | 0.17 | (40.77) | 3,102.04 | 669.99 | 66.69 | (8.19) | 728.49 | 2,373.55 | 2,461.63 |
| **TOTAL** | **3,488.20** | **15.38** | **19.19** | **(44.53)** | **3,439.86** | **721.89** | **82.32** | **(11.36)** | **792.85** | **2,647.01** | **2,766.31** |
| Previous Year | 16.22 | 683.35 | 0.37 | - | 3,488.20 | - | 85.04 | (0.10) | 721.89 | 2,766.31 | - |

## NOTE NO. 2.4 INVESTMENT PROPERTY

(₹ in crore)

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

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

(₹ in crore)

| | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---|---|---|
| Rental income | Nil | Nil |
| Direct operating expenses from property that generated rental income | Nil | Nil |
| Direct operating expenses from property that did not generate rental income | Nil | Nil |

(₹ in crore)

| | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---|---|---|
| **2.4.2 Fair Value of investment property** | 78.90 | 72.87 |

**2.4.3** Investment property comprise of freehold land which was bought for normal business requirements of the group. However, due to change in business plans, the group is in the process of finalising the future use of the property. IND AS 40, Investment Property, provides by way of example that land held for a currently undetermined future use is to be regarded as held for capital appreciation and hence to be classified as Investment Property.

**2.4.4 Valuation process**

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

## NOTE NO. 2.4 INVESTMENT PROPERTY

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION/ AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2020 | Addition | Deduction | Adjust-ment | As at 31.03.2021 | As at 01.04.2020 | For the year | Adjust-ment | As at 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Land – Freehold | 4.49 | | - | - | 4.49 | - | | - | - | 4.49 | 4.49 |
| **TOTAL** | **4.49** | | **-** | **-** | **4.49** | **-** | | **-** | **-** | **4.49** | **4.49** |
| Previous Year | 4.49 | | - | - | 4.49 | - | | - | - | 4.49 | |

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

(₹ in crore)

| | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|
| Rental income | Nil | Nil |
| Direct operating expenses from property that generated rental income | Nil | Nil |
| Direct operating expenses from property that did not generate rental income | Nil | Nil |

(₹ in crore)

| | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|---|---|---|
| **2.4.2 Fair Value of investment property** | 72.87 | 53.58 |

**2.4.3** Investment property comprise of freehold land which was bought for normal business requirements of the group. However, due to change in business plans, the group is in the process of finalising the future use of the property. IND AS 40, Investment Property, provides by way of example that land held for a currently undetermined future use is to be regarded as held for capital appreciation and hence to be classified as Investment Property.

**2.4.4 Valuation process**

The above land is carried in the financial statements at cost. However, the fair value of investment property has been arrived on the basis of market value as per valuation report and considered to be level -II of fair valuation hierarchy.

## NOTE NO. 2.5 INTANGIBLE ASSETS

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2021 | Additions | Deductions | Adjust-ments | As at 31.03.2022 | As at 01.04.2021 | For the year | Adjust-ments | As at 31.03.2022 | As at 31.03.2022 | As at 31.03.2021 |
| Computer Software | 15.61 | 4.47 | - | - | 20.08 | 12.09 | 4.71 | - | 16.80 | 3.28 | 3.52 |
| **Total** | **15.61** | **4.47** | **-** | **-** | **20.08** | **12.09** | **4.71** | **-** | **16.80** | **3.28** | **3.52** |
| Previous Year | 10.98 | 5.03 | 0.17 | (0.23) | 15.61 | 10.26 | 2.22 | (0.39) | 12.09 | 3.52 | |

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

## ANNEXURE-I TO NOTE NO. 2.5 INTANGIBLE ASSETS

**Additional disclosure of Intangible Assets**

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2021 | Additions | Deductions | Adjust-ments | As at 31.03.2022 | As at 01.04.2021 | For the year | Adjust-ments | As at 31.03.2022 | As at 31.03.2022 | As at 31.03.2021 |
| Computer Software | 52.90 | 4.47 | 0.05 | (0.08) | 57.24 | 49.38 | 4.71 | (0.13) | 53.96 | 3.28 | 3.52 |
| **Total** | **52.90** | **4.47** | **0.05** | **(0.08)** | **57.24** | **49.38** | **4.71** | **(0.13)** | **53.96** | **3.28** | **3.52** |
| Previous Year | 48.62 | 5.03 | 0.47 | (0.28) | 52.90 | 47.90 | 2.22 | (0.74) | 49.38 | 3.52 | |

## NOTE NO. 2.5 INTANGIBLE ASSETS

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2020 | Additions | Deductions | Adjust-ments | As at 31.03.2021 | As at 01.04.2020 | For the year | Adjust-ments | As at 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Computer Software | 10.98 | 5.03 | 0.17 | (0.23) | 15.61 | 10.26 | 2.22 | (0.39) | 12.09 | 3.52 | 0.72 |
| **Total** | **10.98** | **5.03** | **0.17** | **(0.23)** | **15.61** | **10.26** | **2.22** | **(0.39)** | **12.09** | **3.52** | **0.72** |
| Previous Year | 2,113.82 | 0.66 | 0.03 | - | 10.98 | 257.92 | 0.96 | 0.04 | 10.26 | 0.72 | |

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

## ANNEXURE-I TO NOTE NO. 2.5 INTANGIBLE ASSETS

**Additional disclosure of Intangible Assets**

(₹ in crore)

| PARTICULARS | GROSS BLOCK | | | | | AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2020 | Additions | Deductions | Adjust-ments | As at 31.03.2021 | As at 01.04.2020 | For the year | Adjust-ments | As at 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Computer Software | 48.62 | 5.03 | 0.47 | (0.28) | 52.90 | 47.90 | 2.22 | (0.74) | 49.38 | 3.52 | 0.72 |
| **Total** | **48.62** | **5.03** | **0.47** | **(0.28)** | **52.90** | **47.90** | **2.22** | **(0.74)** | **49.38** | **3.52** | **0.72** |
| Previous Year | 2,504.12 | 0.66 | 0.17 | (6.40) | 48.62 | 648.22 | 0.96 | (0.18) | 47.90 | 0.72 | |

## NOTE NO. 2.6 INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in crore)

| PARTICULARS | As at 01.04.2021 | Additions | Adjustment | Capitalised | As at 31.03.2022 |
|---|---|---|---|---|---|
| Computer Software | 0.17 | 0.47 | - | 0.13 | 0.51 |
| **Total** | **0.17** | **0.47** | **-** | **0.13** | **0.51** |
| Previous Year | - | 0.17 | - | - | 0.17 |

**2.6.1 a) Intangible Assets Under Development ageing schedule as on 31st March 2022**

| Intangible Assets Under Development | Amount in CWIP for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Projects in Progress | 0.47 | 0.04 | - | - | 0.51 |
| Projects temporarily Suspended | - | - | - | - | - |
| **Total** | **0.47** | **0.04** | **-** | **-** | **0.51** |

**(b) Intangible Assets Under Development Completion Schedule as on 31st March 2022 for delayed projects**

| Intangible Assets Under Development | To be completed in | | | | |
|---|---|---|---|---|---|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| | - | - | - | - | - |
| **Total** | **-** | **-** | **-** | **-** | **-** |

## NOTE NO. 2.6 INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in crore)

| PARTICULARS | As at 01.04.2020 | Additions | Adjustment | Capitalised | As at 31.03.2021 |
|---|---|---|---|---|---|
| Computer Software | | 0.17 | | | 0.17 |
| **Total** | **-** | **0.17** | **-** | **-** | **0.17** |
| Previous Year | - | - | - | - | - |

**2.6.1 a) Intangible Assets Under Development ageing schedule as on 31st March 2021**

| Intangible Assets Under Development | Amount in CWIP for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Projects in Progress | 0.15 | 0.02 | - | - | 0.17 |
| Projects temporarily Suspended | - | - | - | - | - |
| **Total** | **0.15** | **0.02** | **-** | **-** | **0.17** |

**(b) Intangible Assets Under Development Completion Schedule as on 31st March 2021 for delayed projects**

| Intangible Assets Under Development | To be completed in | | | | |
|---|---|---|---|---|---|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| | - | - | - | - | - |
| **Total** | **-** | **-** | **-** | **-** | **-** |

## NOTE NO. 2.7.1 : INVESTMENT ACCOUNTED FOR USING EQUITY METHOD

**INTERESTS IN JOINT VENTURES**

The entities listed below have share capital consisting solely of equity shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

(₹ in crore)

| Name of entity & Relationship | Place of business | Accounting Method | % of Ownership interest | | Carrying amount | |
|---|---|---|---|---|---|---|
| | | | 31-Mar-22 | 31-Mar-21 | 31-Mar-22 | 31-Mar-21 |
| National High Power Test Laboratory Private Limited (NHPTL) Joint Venture | India | Equity Method | 20.00% | 20.00% | 14.24 | 18.22 |
| Chenab Valley Power Projects (P) Limited (CVPPPL) Joint Venture | India | Equity Method | 55.13% | 51.93% | 1861.92 | 1308.67 |
| **Total Equity accounted investments** | | | | | **1,876.16** | **1,326.89** |

## NOTE NO. 2.7.2 : SHARE OF NET PROFIT/(LOSS) OF JOINT VENTURES ACCOUNTED FOR USING EQUITY METHOD

(₹ in crore)

| Name of entity | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| National High Power Test Laboratory Private Limited (NHPTL) | (3.97) | (3.85) |
| Chenab Valley Power Projects (P) Limited. (CVPPPL) | 2.58 | (1.64) |
| **TOTAL** | **(1.39)** | **(5.49)** |

## NOTE NO. 2.7.3 : SHARE OF OTHER COMPREHENSIVE INCOME OF JOINT VENTURES ACCOUNTED FOR USING EQUITY METHOD

(₹ in crore)

| Name of entity | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| National High Power Test Laboratory Private Limited (NHPTL) | - | - |
| Chenab Valley Power Projects (P) Limited. (CVPPPL) | - | - |
| **TOTAL** | **-** | **-** |

**Explanatory Note:**

**SUMMARISED FINANCIAL INFORMATION FOR JOINT VENTURES**

The tables below provide summarised financial information for joint ventures of the group. The information disclosed reflects the amounts presented in the financial statements of the joint ventures. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

### 1. Summarised Balance Sheet

(₹ in crore)

| | NHPTL | | CVPPPL | |
|---|---|---|---|---|
| | 31-Mar-22 | 31-Mar-21 | 31-Mar-22 | 31-Mar-21 |
| Current Assets | | | | |
| Cash & Cash Equivalents | 2.58 | 4.09 | 394.33 | 197.55 |
| Other Assets | 3.15 | 5.54 | 739.53 | 389.56 |
| Total Current Assets | 5.73 | 9.63 | 1,133.86 | 587.11 |
| Total non-current assets | 328.61 | 332.96 | 3,252.45 | 2,469.46 |
| **Total Assets (A)** | **334.34** | **342.59** | **4,386.31** | **3,056.57** |

| | NHPTL | | CVPPPL | |
|---|---|---|---|---|
| | 31-Mar-22 | 31-Mar-21 | 31-Mar-22 | 31-Mar-21 |
| Current Liabilities | | | | |
| Financial Liabilities (excluding Trade payables) | 65.60 | 62.23 | 131.05 | 48.92 |
| Other Liabilities | 9.69 | 2.47 | 147.81 | 225.53 |
| Total current liabilities | 75.29 | 64.70 | 278.86 | 274.45 |
| Non-current liabilities | | | | |
| Financial Liabilities (excluding trade payables) | 185.19 | 186.29 | 211.91 | 2.66 |
| Other liabilities | 2.66 | 0.52 | 405.18 | 6.47 |
| Total non-current liabilities | 187.85 | 186.81 | 617.09 | 9.13 |
| **Total Liabilities (B)** | **263.14** | **251.51** | **895.95** | **283.58** |
| **Net Assets (A-B)** | **71.20** | **91.08** | **3,490.36** | **2,772.99** |
| Less:-Share application money received pending allotment | - | - | 100.00 | 243.88 |
| **Net Asset after adjusting share application money pending allotment** | **71.20** | **91.08** | **3,390.36** | **2,529.11** |

## 2. Reconciliation to Carrying Amounts

(₹ in crore)

| | NHPTL | | CVPPPL | |
|---|---|---|---|---|
| | 31-Mar-22 | 31-Mar-21 | 31-Mar-22 | 31-Mar-21 |
| Opening Net Assets | 91.08 | 110.32 | 2,529.11 | 1,832.60 |
| Profit for the year | (20.03) | (19.23) | 4.67 | (3.19) |
| Other comprehensive income | - | (0.01) | - | - |
| Equity Contribution | - | - | 856.67 | 699.70 |
| Adjustment in other equity (Opening) | 0.15 | - | - | - |
| **Closing Net Assets** | **71.20** | **91.08** | **3,390.45** | **2,529.11** |
| Group's share (in %) | 20.00% | 20.00% | 55.13% | 51.93% |
| Group's share | 14.24 | 18.22 | 1869.23 | 1313.47 |
| Goodwill/(Capital Reserve) | - | - | (2.46) | (0.99) |
| **Carrying Amount** | **14.24** | **18.22** | **1,866.77** | **1,312.48** |
| Less:-Profit on intra group transaction | **-** | **-** | **4.85** | **3.81** |
| **Net Carrying amount** | **14.24** | **18.22** | **1,861.92** | **1,308.67** |

## 3. Summarised statement of Profit & Loss

(₹ in crore)

| | NHPTL | | CVPPPL | |
|---|---|---|---|---|
| | 31-Mar-22 | 31-Mar-21 | 31-Mar-22 | 31-Mar-21 |
| Revenue | 14.65 | 15.38 | - | - |
| Interest Income | 0.38 | 0.15 | 31.39 | 17.63 |
| Depreciation & Amortisation | 8.51 | 8.33 | 1.05 | 1.00 |
| Interest Expense | 19.18 | 18.91 | 0.03 | 0.03 |
| Other Expenditure | 7.36 | 7.54 | 17.84 | 15.35 |
| Income Tax Expense | - | - | 7.90 | 4.43 |
| Movement in Regulatory Deferral Account Balances (Net of Tax) | - | - | 0.10 | 0.01 |
| **Profit from continuing operations** | **(20.02)** | **(19.25)** | **4.67** | **(3.17)** |
| **Profit for the year** | **(20.02)** | **(19.25)** | **4.67** | **(3.17)** |
| Other Comprehensive income | - | - | - | - |
| **Total Comprehensive Income** | **(20.02)** | **(19.25)** | **4.67** | **(3.17)** |

## NOTE NO. 3.1 NON CURRENT INVESTMENTS

(₹ in Crore)

| Particulars | As at 31st March 2022 | | As at 31st March 2021 | |
|---|---|---|---|---|
| | Number of shares/ bonds/ securities (in Units) | Amount (₹ in Crore) | Number of shares/ bonds/ securities (in Units) | Amount (₹ in Crore) |
| **A. Quoted Equity Instruments - At Fair Value through Other Comprehensive Income (OCI)** | | | | |
| **Bodies Corporate** | | | | |
| PTC India Ltd. (Fully Paid Up) (Face Value of ₹ 10/- each) | 12,000,000 | 98.70 | 12,000,000 | 93.30 |
| **Total (A)** | | **98.70** | | **93.30** |
| **B. Quoted Debt Instruments - At Fair Value through Other Comprehensive Income (OCI)** | | | | |
| **(a) Government Securities (Refer Note 3.1.2 and 3.1.4)** | | | | |
| 8.35% SBI Right Issue GOI Special Bonds 27 Mar 2024 (Per Unit Value of ₹ 10000/- each) | 150,000 | 158.43 | 150,000 | 162.28 |
| 8.20% Oil Marketing Companies GOI Special Bonds 15 Sep 2024 (Per Unit Value of ₹ 10000/- each) | 12,380 | 13.12 | 12,380 | 13.37 |
| 8.28% GOI 21 Sep 2027 (Per Unit Value of ₹ 10000/- each) | 57,000 | 61.82 | 57,000 | 63.04 |
| 8.26% GOI 02 Aug 2027 (Per Unit Value of ₹ 10000/- each) | 17,940 | 19.39 | 17,940 | 19.78 |
| 8.28% GOI 15 Feb 2032 (Per Unit Value of ₹ 10000/- each) | 35,000 | 38.20 | 35,000 | 39.26 |
| 8.32% GOI 02 Aug 2032 (Per Unit Value of ₹ 10000/- each) | 34,000 | 37.17 | 34,000 | 38.24 |
| **Sub-total (a)** | | **328.13** | | **335.97** |
| **(b) Bonds of Public Sector Undertaking/Public Financial Institution & Corporates** | | | | |
| 7.41% IIFCL Tax Free Bonds 15.11.2032 (Per Unit Value of ₹ 10,00,000/- each) | 120 | 13.79 | 120 | 13.79 |
| 8.12% REC Tax Free Bonds 27.03.2027 (Per Unit Value of ₹ 1000/- each) | 100,000 | 12.23 | 100,000 | 12.50 |
| 8.48% NHAI TAX FREE 22.11.2028 (Per Unit Value of ₹ 10,00,000/- each) | 473 | 57.49 | 473 | 59.79 |
| **Sub-total (b)** | | **83.51** | | **86.08** |
| **Total (B) (a+b)** | | **411.64** | | **422.05** |
| **Total (A+B)** | | **510.34** | | **515.35** |
| 3.1.1 Aggregate amount and market value of quoted investments | | 510.34 | | 515.35 |

3.1.2 Investment in Government Securities at cost of ₹ **174.31 Crore/-** (Previous Year ₹ **165.50 Crore**) is earmarked as security against ₹ **174.31 Crore/-** (Previous Year ₹ **165.42 Crore**) being 15 percent of total redemption value of Bonds maturing during the Financial Year 2022-2023.

3.1.3 Particulars of Investments as required in terms of Section 186 (4) of the Companies Act, 2013 have been disclosed under Note 3.1 above.

3.1.4 Market Value of Quoted Investments in respect of debt instruments for which recent quotations are not available has been considered based on the value published by Fixed Income Money Market and Derivatives Association of India (FIMMDA).

## NOTE NO. 3.2 NON-CURRENT - FINANCIAL ASSETS - LOANS

(₹ in Crore)

| | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| | **At Amortised Cost** | | |
| **A** | **Loan to Related Party - Considered good- Unsecured* and #**<br>- National High Power Test Laboratory (P) Limited<br>**(Refer Note 34(8) and 3.2.1)** | 17.48 | 18.40 |
| | **Sub-total** | **17.48** | **18.40** |
| **B** | **Loans to Employees (Refer Note 3.2.1 and 3.2.2)** | | |
| | - Considered good- Secured | 162.58 | 130.43 |
| | - Considered good- Unsecured | 61.12 | 58.71 |
| | **Sub-total** | **223.70** | **189.14** |
| **C** | **Loan including Interest to Government of Arunachal Pradesh (Refer Note 3.2.3 and 33(2)(B))#** | | |
| | - Considered good- Unsecured | 802.92 | 736.62 |
| | **Sub-total** | **802.92** | **736.62** |
| | **TOTAL** | **1044.10** | **944.16** |

* Detail of Repayment: ₹ **6.00 crore** was granted on 11.05.2018 and ₹ **12.40 crore** was granted on 31.03.2021 at the rate of 10% compounded anually. Loan is repayable in 20 equal half yearly instalments starting from 31.10.2022. The interest shall be paid half yearly on 30th April and 31st October in every financial year starting from 30.04.2021.

\# Represents loan granted for business purpose.

| | | | |
|---|---|---|---|
| 3.2.1 | Loans and advances in the nature of loan that are repayable on demand. | - | - |
| | Loans and advances in the nature of loan that are without specifying any terms or period of repayment. | - | - |
| 3.2.2 | Due from directors or other officers of the company (refer Note 34(10)) | 0.34 | 0.06 |
| 3.2.3 | Loan to Government of Arunachal Pradesh granted for business purpose includes : | | |
| | - Principal | 225.00 | 225.00 |
| | - Interest | 577.92 | 511.62 |

3.2.4 Loans are non-derivative financial assets which generate a fixed or variable interest income for the company. The Carrying value may be affected by the changes in the credit risk of the counterparties.

3.2.5 Particulars of Loans as required in terms of Section 186(4) of the Companies Act, 2013 have been disclosed under Note 3.2 above.

3.2.6 Refer Note 34(17) of the Consolidated Financial Statement with regard to confirmation of balances.

## NOTE NO. 3.3 NON-CURRENT - FINANCIAL ASSETS - OTHERS

(₹ in Crore)

| | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| **A** | **Deposits** | | |
| | - Considered good- Unsecured | 25.16 | 25.14 |
| | **Sub-total** | **25.16** | **25.14** |
| B | Bank Deposits with more than 12 Months Maturity **(Refer Note 3.3.5)** | 1,187.84 | 554.32 |
| C | Lease Rent receivable **(Refer Note 34(18(B))** | 6,086.51 | 6,248.71 |
| D | Amount Recoverable on account of Bonds Fully Serviced by Government of India **(Refer Note 3.3.1 and 11(I))** | 2,017.20 | 2,017.20 |
| E | Amount Recoverable **(Refer Note 3.3.4)** | 10.38 | - |
| F | Interest accrued on: | | |
| | - Bank Deposits with more than 12 Months Maturity | 39.84 | 19.59 |

| | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| G | Derivative Mark to Market Asset | 22.35 | 18.21 |
| H | Share Application Money Pending Allotment -Joint Venture **(Refer Note 3.3.2)** | - | 100.15 |
| | **TOTAL** | **9389.28** | **8983.32** |

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

3.3.2 Share Application Money Pending Allotment includes Company Contribution towards subscription of Share Capital in following Joint Venture Company:

| | | |
|---|---|---|
| - Chenab Valley Power Projects Private Limited (Date of Share allotment-5th April 2021) | - | 100.15 |

3.3.3 Refer Note 34(17) of the Consolidated Financial Statements with regard to confirmation of balances.

3.3.4 Amount Recoverable from employees on account of PRP (at amortised cost) for the period 2017-18 to 2020-21

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

## NOTE NO. 4 NON CURRENT TAX ASSETS (NET)

(₹ in Crore)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|
| Advance Income Tax including Tax Deducted at Source | 1,125.98 | 212.78 |
| Less: Provision for Current Tax | 1,108.93 | 212.66 |
| Non Current Tax **(Refer Note No-23)** | 3.34 | 9.80 |
| **Total** | **20.39** | **9.92** |

## NOTE NO. 5 OTHER NON-CURRENT ASSETS

(₹ in Crore)

| | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| **A.** | **CAPITAL ADVANCES** | | |
| | - Considered good- Secured | 145.12 | 57.92 |
| | - Considered good- Unsecured | | |
| | – Against bank guarantee | 267.47 | 165.45 |
| | – Others | 405.39 | 182.46 |
| | Less : Expenditure booked pending utilisation certificate | 19.28 | 19.18 |
| | - Considered doubtful- Unsecured | 201.76 | 201.76 |
| | Less : Allowances for doubtful advances **(Refer Note 5.1)** | 201.76 | 201.76 |
| | **Sub-total** | **798.70** | **386.65** |
| **B.** | **ADVANCES OTHER THAN CAPITAL ADVANCES** | | |
| | **i) Deposits** | | |
| | - Considered good- Unsecured | 51.38 | 49.56 |
| | **Sub-total** | **51.38** | **49.56** |
| | **ii) Other advances** | | |
| | - Considered good- Unsecured | 3.12 | 0.41 |
| | **Sub-total** | **3.12** | **0.41** |
| **C.** | **INTEREST ACCRUED** | | |
| | Others | | |
| | - Considered good | 1.44 | 2.59 |

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|
| **D. Others** | | |
| **i) Advance against arbitration awards towards capital works (Unsecured)** | | |
| Released to Contractors - Against Bank Guarantee | 1,140.40 | 1,140.45 |
| Released to Contractors - Others | 34.61 | 34.61 |
| Deposited with Court | 1,420.48 | 1,383.31 |
| **Sub-total** | **2,595.49** | **2,558.37** |
| **ii) Deferred Foreign Currency Fluctuation Assets/Expenditure** | | |
| Deferred Foreign Currency Fluctuation Assets | 260.15 | 356.93 |
| Deferred Expenditure on Foreign Currency Fluctuation | 224.42 | 173.83 |
| **Sub-total** | **484.57** | **530.76** |
| **iii) Deferred Cost on Employees Advances** | **67.14** | **65.36** |
| **TOTAL** | **4,001.84** | **3,593.70** |
| **5.1 Allowances for doubtful Advances** | | |
| Opening Balance | 201.76 | 145.58 |
| Addition during the year | - | 60.32 |
| Used during the year | - | 4.14 |
| **Closing balance** | **201.76** | **201.76** |
| **5.2 Allowances for doubtful Deposits** | | |
| Opening Balance | - | 0.04 |
| Reversed during the year | - | 0.04 |
| **Closing balance** | **-** | **-** |
| 5.3 Advances due from Directors or other officers at the end of the Year | - | - |
| 5.4 Advances due by Firms or Private Companies in which any director of the Company is a director or member | - | - |

5.5 Refer Note 34(17) of the Consolidated Financial Statement with regard to confirmation of balances.

## NOTE NO. 6 INVENTORIES

(₹ in Crore)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|
| **(Valued at lower of Cost or Net Realisable Value)** | | |
| Stores and spares | 133.45 | 131.74 |
| Stores in transit/ pending inspection | 0.34 | 0.69 |
| Loose tools | 2.48 | 2.03 |
| Scrap inventory | 1.19 | 2.10 |
| Material at site | 6.87 | 5.79 |
| Less: Allowances for Obsolescence and Diminution in Value **(Refer Note 6.1)** | 3.89 | 8.66 |
| **TOTAL** | **140.44** | **133.69** |
| **6.1 Allowances for Obsolescence and Diminution in Value** | | |
| Opening Balance | 8.66 | 7.91 |
| Addition during the year **(Refer Note 6.1.1)** | 0.62 | 0.84 |
| Used during the year | - | 0.01 |
| Reversed during the year **(Refer Note 6.1.2)** | 5.39 | 0.08 |
| **Closing balance** | **3.89** | **8.66** |
| 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. | 0.62 | 0.84 |
| 6.1.2 Allowances for Obsolence and Diminution in value of inventory booked in earlier years and reversed during the year. | 5.39 | 0.08 |

## NOTE NO. 7 FINANCIAL ASSETS - CURRENT - TRADE RECEIVABLES

(₹ in Crore)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|
| - Trade Receivables- Considered Good- Unsecured **(Refer Note 7.2, 7.3, 7.4 and 7.7)** | 2,827.88 | 3,377.68 |
| - Trade Receivables-Unbilled- Considered Good- Unsecured **(Refer Note 7.5)** | 2,347.96 | 1,755.74 |
| - Trade Receivables- Credit Impaired **(Refer Note 7.2, 7.3 and 7.4)** | 35.33 | 33.76 |
| Less: Impairment allowances for Trade Receivables **(Refer Note 7.1)** | 35.33 | 33.76 |
| **TOTAL** | **5,175.84** | **5,133.42** |

| | | | |
|---|---|---|---|
| **7.1** | **Impairment allowances for Trade Receivables** | | |
| | Opening Balance | 33.76 | 37.71 |
| | Addition during the year | 3.95 | - |
| | Reversed during the year | 2.38 | 3.95 |
| | **Closing balance** | **35.33** | **33.76** |
| 7.2 | Debt due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director of the Company is a partner or a director or a member. | Nil | Nil |
| 7.3 | Debt due by Joint Ventures and others related parties of the company | 5.65 | 6.24 |
| 7.4 | Refer Annexure-I to Note No-7 for Ageing schedule of Trade Receivables. | | |
| 7.5 | Represents receivable on account of : | | |
| | Water Usage Charges | 11.32 | 64.89 |
| | Unbilled sale for the month of March | 672.78 | 561.09 |
| | Revision in NAPAF for 2009-14- Sewa-II Power Station | 32.97 | 49.52 |
| | MEA Sales | 6.11 | 7.12 |
| | Saving due to refinancing & Bond Issue Expenses | (23.22) | (23.33) |
| | Tax adjustment including Deferred Tax Materialized | 15.94 | 55.81 |
| | Energy Shortfall | 469.66 | 292.48 |
| | Foreign Exchange Rate Variation | 44.78 | 51.92 |
| | Rate Revision -TLDP-III Power Station | - | (157.12) |
| | Impact of AFC billed and recoverable as per New Regulation 2019-24 including Security Expenses | 1,121.39 | 821.77 |
| | Others | (3.77) | 31.59 |
| | **Total** | **2,347.96** | **1,755.74** |

7.6 Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

7.7 Trade Receivables amounting to ₹ **1323.90 Crore** (Previous Year ₹ **726.03 Crore**) liquidated by way of discounting of bills from various banks have not been derecognised in view of terms of the bill discounting agreement as per which the Company guarantees to compensate the banks for credit losses that may occur in case of default by the respective beneficiaries. Refer Note 20.1.1 with regard to liability recognised in respect of discounted bills.

7.8 Refer Note 34(17) of the Consolidated Financial Statement with regard to confirmation of balances.

## ANNEXURE-I TO NOTE NO-7

**As at 31st March 2022**

(₹ in crore)

| | Particulars | Unbilled | Not Due | Trade Receivable due and outstanding for following period from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Less than 6 months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 Years | |
| (i) | Undisputed Trade receivables-Considered Good | 2,347.96 | 55.82 | 2,298.08 | 429.02 | 24.03 | 19.09 | 1.84 | 5,175.84 |
| (ii) | Disputed Trade receivables-Credit Impaired | - | - | - | - | - | - | 35.33 | 35.33 |
| | **Total** | **2,347.96** | **55.82** | **2,298.08** | **429.02** | **24.03** | **19.09** | **37.17** | **5,211.17** |

**As at 31st March 2021**

(₹ in crore)

| | Particulars | Unbilled | Not Due | Trade Receivable due and outstanding for following period from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Less than 6 months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 Years | |
| (i) | Undisputed Trade receivables-Considered Good | 1,755.74 | - | 2,738.67 | 454.56 | 150.13 | 33.22 | 1.09 | 5,133.41 |
| (ii) | Disputed Trade receivables-Credit Impaired | - | - | - | - | - | - | 33.76 | 33.76 |
| | **Total** | **1,755.74** | **-** | **2,738.67** | **454.56** | **150.13** | **33.22** | **34.85** | **5,167.17** |

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

(₹ in Crore)

| | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| **A** | **Balances with banks** | | |
| | With scheduled banks | | |
| | - In Current Account | 1,009.82 | 231.31 |
| | - In deposits account (Deposits with original maturity of less than three months) | 304.85 | 215.95 |
| **B** | Cash on hand **(Refer Note 8.1)** | - | 0.01 |
| | **TOTAL** | **1,314.67** | **447.27** |
| 8.1 | Includes stamps on hand | - | 0.01 |

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

(₹ in Crore)

| | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| **A** | Bank Deposits for original maturity more than 3 months and upto 12 months **(Refer Note 9.1)** | 507.52 | 1,696.97 |
| **B** | Deposit -Unpaid Dividend | 47.54 | 23.47 |
| **C** | Deposit -Unpaid Interest | 87.16 | 87.14 |
| **D** | Other Earmarked Balances with Banks **(Refer Note 9.2)** | 1.46 | 1.97 |
| | **TOTAL** | **643.68** | **1,809.55** |

| | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| 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. | 86.77 | 155.81 |
| 9.2 | Includes balances which are not freely available for the business of the Company: | | |
| | (i) held for works being executed by Company on behalf of other agencies. | 0.87 | 1.41 |
| | (ii) NHPC Emergency relief fund created in pursuance of order of Hon'ble High Court of Sikkim. | 0.59 | 0.56 |
| | (iii) Bank Deposits include an amount representing deposit by Oustees towards Land for Land in respect of Omkareshwar Project, which is not freely available for the business of the Company. | 0.08 | 0.09 |
| | (iv) Bank Deposits include an amount under lien with banks as per orders of Hon'ble Court of Law, which is not freely available for the business of the Company included in stated amount. | 7.52 | 7.18 |

## NOTE NO. 10 FINANCIAL ASSETS - CURRENT - LOANS

(₹ in Crore)

| | Particulars | As at 31st March 2022 | As at 31st March 2022 |
|---|---|---|---|
| **A** | **Loan (including interest thereon) to Related Party -Considered good- Unsecured (Refer Note 34(10) and 10.1)*** | | |
| | - National High Power Test Laboratory (P) Limited | 1.34 | 0.42 |
| | Less : Impairment Allowances for Doubtful Accrued Interest **(Refer Note 10.3)** | 0.42 | - |
| | **Sub-total** | **0.92** | **0.42** |
| **B** | **Employees Loan (including accrued interest) (Refer Note 10.2)** | | |
| | - Loans Receivables- Considered good- Secured | 20.50 | 16.86 |
| | - Loans Receivables- Considered good- Unsecured | 39.62 | 35.23 |
| | - Loans Receivables which have significant increase in Credit Risk | 0.01 | 0.01 |
| | Less : Impairment allowances for loans which have significant increase in Credit Risk (Refer Note 10.4) | 0.01 | 0.01 |
| | **Sub-total** | **60.12** | **52.09** |
| | **TOTAL** | **61.04** | **52.51** |

* Detail of Repayment: ₹ **6.00 crore** was granted on 11.05.2018 and ₹ **12.40 crore** was granted on 31.03.2021 at the rate of 10% compounded anually. Loan is repayable in 20 equal half yearly instalments starting from 31.10.2022. The interest is payable half yearly on 30th April and 31st October in every financial year starting from 30.04.2021. Current maturity of ₹ **0.92 crore** is due within one year.

* Represents loan granted for business purpose.

| | | | |
|---|---|---|---|
| 10.1 | Loans and advances in the nature of loan that are repayable on demand. | Nil | Nil |
| | Loans and advances in the nature of loan that are without specifying any terms or period of repayment. | Nil | Nil |
| 10.2 | Due from directors or other officers of the company. (Refer Note 34(10)) | 0.11 | 0.22 |
| 10.3 | Impairment Allowances for Doubtful Accrued Interest | | |
| | Addition during the year | 0.42 | - |
| | **Closing balance** | **0.42** | **-** |

| Particulars | As at 31st March 2022 | As at 31st March 2022 |
|---|---|---|
| 10.4 Impairment allowances for loan which have significant increase in Credit Risk | | |
| Opening Balance | 0.01 | 0.01 |
| **Closing balance** | **0.01** | **0.01** |
| 10.5 Advance due by firms or private companies in which any Director of the Company is a Director or member. | Nil | Nil |

10.6 Particulars of Loans as required in terms of section 186(4) of Companies Act 2013 have been disclosed under Note 10 above.

10.7 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 2022 | As at 31st March 2021 |
|---|---|---|---|
| **A** | **Deposits** | | |
| | - Considered good- Unsecured | 0.36 | 0.36 |
| | **Sub-total** | **0.36** | **0.36** |
| **B** | Amount recoverable **(Refer Note 11.4 & 11.5)** | 809.80 | 977.65 |
| | Less: Allowances for Doubtful Recoverables **(Refer Note 11.1)** | 282.65 | 275.18 |
| | **Sub-total** | **527.15** | **702.47** |
| **C** | Receivable from Joint Ventures **(Refer Note 11.3 & 34(10))** | 55.24 | 44.02 |
| **D** | Receivable on account of Late Payment Surcharge | 81.77 | 125.14 |
| **E** | Lease Rent receivable (Finance Lease) **(Refer Note 34(18)(B))** | 185.32 | 166.84 |
| **F** | Interest Income accrued on Bank Deposits **(Refer Note 11.2)** | 34.25 | 51.11 |
| **G** | Interest recoverable from beneficiary | 10.55 | 141.41 |
| **H** | Interest Accrued on Investment (Bonds) | 2.53 | 2.53 |
| **I** | Amount Recoverable on account of Bonds Fully Serviced by Government of India (Refer Note 3.3(D)) | | |
| | - Interest accrued | 4.49 | 4.49 |
| | **TOTAL** | **901.66** | **1,238.37** |
| **11.1** | **Allowances for Doubtful Recoverables** | | |
| | Opening Balance | 275.18 | 285.78 |
| | Addition during the year | 9.03 | 8.50 |
| | Used during the year | 1.38 | 17.56 |
| | Reversed during the year | 0.18 | 1.54 |
| | **Closing balance** | **282.65** | **275.18** |
| 11.2 | Includes Interest accrued on balances of held for works being executed by Company on behalf of other agencies and are not freely available for the business of the Company. | 0.11 | 0.16 |

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 and Jammu and Kashmir State Power Development Corporation ).

11.4 Amount recoverable includes a sum of ₹ **38.68 crore** (As on 31.03.2021 ₹ **40.70 crore**) due from Govt. of Madhya Pradesh. It also includes duplicate payments recoverable from oustees of ₹ **0.03 crore** (As on 31.03.2021 ₹ **0.03 crore**) already provided for.

11.5 Amount recoverable also includes an amount of ₹ **26.93 crore** (As on 31.03.2021 ₹ **13.49 crore**) on account of PRP recoverable from employees for the period 2017-18 to 2020-21.

11.6 Refer Note 34(17) of the Consolidated Financial Statement with regard to confirmation of balances.

## NOTE NO. 12 CURRENT TAX ASSETS (NET)

(₹ in Crore)

| | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| | **Current Tax Assets** | | |
| **A** | Advance Income Tax including Tax Deducted at Source | 1,340.23 | 2,784.07 |
| **B** | Less: Provision for Current Tax | 1,218.80 | 2,620.11 |
| | **Net Current Tax Assets (A-B)** | **121.43** | **163.96** |
| | Income Tax Refundable | 24.36 | 24.36 |
| | **Total** | **145.79** | **188.32** |

## NOTE NO. 13 OTHER CURRENT ASSETS

(₹ in Crore)

| | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| **A.** | **Advances other than Capital Advances** | | |
| **a)** | **Deposits** | | |
| | - Considered good- Unsecured | 29.10 | 27.23 |
| | - Considered doubtful- Unsecured | 84.89 | 74.79 |
| | **Less :** Allowances for Doubtful Deposits **(Refer Note 13.1)** | 84.89 | 74.79 |
| | **Sub-total** | **29.10** | **27.23** |
| **b)** | **Advance to contractors and suppliers (Refer Note 13.7)** | | |
| | - Considered good- Secured | 0.38 | - |
| | - Considered good- Unsecured | | |
| | – Against bank guarantee | 0.66 | 1.02 |
| | – Others | 47.85 | 30.20 |
| | Less : Expenditure booked pending utilisation certificate | 17.45 | 12.41 |
| | - Considered doubtful- Unsecured | 61.93 | 61.93 |
| | Less : Allowances for doubtful advances **(Refer Note 13.2)** | 61.93 | 61.93 |
| | **Sub-total** | **31.44** | **18.81** |
| **c)** | **Other advances - Employees** | | |
| | - Considered good- Unsecured **(Refer Note 13.6)** | 0.88 | 0.81 |
| | - Considered doubtful- Unsecured | 0.01 | |
| | **Sub-total** | **0.89** | **0.81** |
| **d)** | **Interest accrued** | | |
| | Others | | |
| | - Considered Good | 6.90 | 1.32 |
| | **Sub-total** | **6.90** | **1.32** |
| **B.** | **Others** | | |
| a) | Expenditure awaiting adjustment | 37.06 | 37.06 |
| | Less: Allowances for project expenses awaiting write off sanction **(Refer Note 13.3)** | 37.06 | 37.06 |
| | **Sub-total** | **-** | **-** |
| b) | Losses awaiting write off sanction/pending investigation | 12.37 | 8.51 |
| | Less: Allowances for losses pending investigation/awaiting write off/ sanction **(Refer Note 13.4)** | 12.37 | 8.51 |
| | **Sub-total** | **-** | **-** |
| c) | Prepaid Expenditure | 154.74 | 187.56 |
| d) | Deferred Cost on Employees Advances | 12.98 | 10.31 |

| | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| e) | Deferred Foreign Currency Fluctuation | | |
| | Deferred Foreign Currency Fluctuation Assets | 44.02 | 50.03 |
| | Deferred Expenditure on Foreign Currency Fluctuation | 6.36 | 4.56 |
| f) | Surplus / Obsolete Assets **(Refer Note 13.8)** | 6.92 | 11.09 |
| g) | Goods and Services Tax Input Receivable | 77.24 | 29.09 |
| | Less: Allowances for Goods and Services Tax Input Receivable **(Refer Note 13.5)** | 44.63 | 13.54 |
| | **Sub-total** | **32.61** | **15.55** |
| h) | Others (Mainly on account of Material Issued to Contractors) | 137.07 | 59.49 |
| | **TOTAL** | **463.03** | **386.76** |
| **13.1** | **Allowances for Doubtful Deposits** | | |
| | Opening Balance | 74.79 | 0.01 |
| | Addition during the year | 10.10 | 74.79 |
| | Reversed during the year | - | 0.01 |
| | **Closing balance** | **84.89** | **74.79** |
| **13.2** | **Allowances for doubtful advances (Contractors and Suppliers)** | | |
| | Opening Balance | 61.93 | 45.52 |
| | Addition during the year | - | 16.41 |
| | **Closing balance** | **61.93** | **61.93** |
| **13.3** | **Allowances for project expenses awaiting write off sanction** | | |
| | Opening Balance | 37.06 | 37.06 |
| | **Closing balance** | **37.06** | **37.06** |
| **13.4** | **Allowances for losses pending investigation/ awaiting write off/ sanction** | | |
| | Opening Balance | 8.51 | 11.49 |
| | Addition during the year | 6.28 | 0.21 |
| | Used during the year | 2.21 | 0.18 |
| | Reversed during the year | 0.21 | 3.01 |
| | **Closing balance** | **12.37** | **8.51** |
| **13.5** | **Allowances for Goods and Services Tax Input Receivable** | | |
| | Opening Balance | 13.54 | - |
| | Addition during the year | 31.09 | 13.54 |
| | **Closing balance** | **44.63** | **13.54** |
| **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 2022 | As at 31st March 2021 |
|---|---|---|---|
| **A** | **Regulatory Deferral Account Balances in respect of Subansiri Lower Project** | | |
| | Opening Balance | 3,470.59 | 3,470.59 |
| | **Closing balance** | **3,470.59** | **3,470.59** |

| | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| **B** | **Wage Revision as per 3rd Pay Revision Committee** | | |
| | Opening Balance | 609.61 | 609.61 |
| | Adjustment during the year (through Statement of Profit and Loss) **(Refer Note 31)** | (116.53) | - |
| | Addition during the year (through Other Comprehensive Income) | 2.33 | - |
| | **Closing balance** | **495.41** | **609.61** |
| **C** | **Kishanganga Power Station: Differential Depreciation due to Moderation of Tariff** | | |
| | Opening Balance | 563.11 | 367.60 |
| | Addition during the year **(Refer Note 31)** | 198.35 | 195.51 |
| | **Closing balance** | **761.46** | **563.11** |
| **D** | **Exchange Differences on Monetary Items** | | |
| | Opening Balance | 1.72 | 0.02 |
| | Addition during the year (Refer Note 31) | (0.17) | 1.70 |
| | **Closing balance** | **1.55** | **1.72** |
| **E** | **Adjustment against Deferred Tax Recoverable for tariff period upto 2009** | | |
| | Opening Balance | 1,715.15 | 1,790.61 |
| | Used during the year **(Refer Note 31)** | 49.52 | 75.46 |
| | **Closing balance** | **1,665.63** | **1,715.15** |
| **F** | **Adjustment against Deferred Tax Liabilities for tariff period 2014-2019 and onwards** | | |
| | Opening Balance | 843.37 | 837.09 |
| | Addition during the year **(Refer Note 31)** | 10.72 | 6.28 |
| | **Closing balance** | **854.09** | **843.37** |
| | **Closing Balance (A+B+C+D+E+F)** | **7,248.73** | **7,203.55** |
| | Less: Deferred Tax on Regulatory Deferral Account Balances | (280.39) | (296.79) |
| | Add: Deferred Tax recoverable from Beneficiaries | (280.39) | (296.79) |
| | **Regulatory Deferral Account Balances net of Deferred Tax.** | **7,248.73** | **7,203.55** |

**14.1** Refer Note 34(19) and 34(23) of Consolidated Financial Statement.

## NOTE NO. 14.2 REGULATORY DEFERRAL ACCOUNT CREDIT BALANCES

(₹ in Crore)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|
| **Minimum Alternate Tax Credit Entitlement** | | |
| Opening Balance | 763.78 | 747.92 |
| Addition during the year (Refer Note 31) | 1,313.27 | 45.21 |
| Used during the Year | 60.33 | 29.35 |
| **Closing Balance** | **2,016.72** | **763.78** |

14.2.1 Refer Note 34(19) & 34(23) of Consolidated Financial Statement.

## NOTE NO. 15.1 EQUITY SHARE CAPITAL

| Particulars | As at 31st March 2022 | | As at 31st March 2021 | |
|---|---|---|---|---|
| | Nos | Amount (₹ in Crore) | Nos | Amount (₹ in Crore) |
| Authorized Share Capital (Par value per share ₹ 10) | 15000000000 | 15,000.00 | 15000000000 | 15,000.00 |
| Equity shares issued, subscribed and fully paid (Par value per share ₹ 10) | 10045034805 | 10,045.03 | 10045034805 | 10,045.03 |

**15.1.1** Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:

| Particulars | As at 31st March 2022 | | As at 31st March 2021 | |
|---|---|---|---|---|
| | Nos | Amount (₹ in Crore) | Nos | Amount (₹ in Crore) |
| **Opening Balance** | 10045034805 | 100,450,348,050 | 10045034805 | 100,450,348,050 |
| **Closing Balance** | 10045034805 | 100,450,348,050 | 10045034805 | 100,450,348,050 |

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**15.1.3** Shares in the company held by each shareholder holding more than 5 percent specifying the number of shares held : -

| Particulars | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|
| | Number | In (%) | Number | In (%) |
| President of India | 7126772676 | 70.95% | 7126772676 | 70.95% |
| Life Insurance Corporation of India | 704952213 | 7.02% | 762090767 | 7.59% |

15.1.4 21,42,85,714 equity shares of ₹ 10 each were bought back during the period of five years immediately preceeding the date of Balance Sheet.

15.1.5 Shareholding of Promoters as at 31st March 2022

| Promoter Name | No. of Shares | % of Total Shares | % Change during the Period |
|---|---|---|---|
| President of India | 7126772676 | 70.95% | - |

15.1.6 Shareholding of Promoters as at 31st March 2021

| Promoter Name | No. of Shares | % of Total Shares | % Change during the Period |
|---|---|---|---|
| President of India | 7126772676 | 70.95% | - |

## NOTE NO. 15.2 OTHER EQUITY

(₹ in Crore)

| | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| **(i)** | **Capital Reserve** | | |
| | As per last Balance Sheet | 64.08 | 40.93 |
| | Add: Addition During the Year **(Refer Note 34 (33)** | - | 23.15 |
| | **As at Balance Sheet date** | **64.08** | **64.08** |
| **(ii)** | **Capital Redemption Reserve** | **-** | |
| | As per last Balance Sheet | 2,255.71 | 2,255.71 |
| | **As at Balance Sheet date** | **2,255.71** | **2,255.71** |

| | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| (iii) | **Bond Redemption Reserve** | | |
| | As per last Balance Sheet | 1,641.95 | 1,948.38 |
| | Add: Transfer to Surplus/ Retained Earnings | 275.70 | 306.43 |
| | **As at Balance Sheet date** | **1,366.25** | **1,641.95** |
| (iv) | **Corporate Social Responsibility Fund** | | |
| | As per last Balance Sheet | - | 3.61 |
| | Less: Write back during the year | - | 3.61 |
| | **As at Balance Sheet date** | **-** | **-** |
| (v) | **General Reserve** | | |
| | As per last Balance Sheet | 11,544.83 | 11,544.83 |
| | **As at Balance Sheet date** | **11,544.83** | **11,544.83** |
| (vi) | **Surplus/Retained Earnings** | | |
| | As per last Balance Sheet | 7,374.95 | 5,414.27 |
| | Add: Profit during the year | 3,523.57 | 3,271.78 |
| | Add: Other Comprehensive Income during the year | 14.61 | (42.99) |
| | Add: Amount written back from Bond Redemption Reserve | - | 306.43 |
| | Add: Transfer from Bond Redemption Reserve | 275.70 | - |
| | Add: Amount transferred from Corporate Social Responsibility Fund | - | 1.84 |
| | Less: Dividend (Final and Interim) **(Refer Note 33(3)(C))** | 1,667.48 | 1,577.07 |
| | Add: Transactions with NCI | (0.20) | 0.69 |
| | **As at Balance Sheet date** | **9,521.15** | **7,374.95** |
| (vii) | **FVTOCI-Debt Instruments** | | |
| | As per last Balance Sheet | 45.41 | 42.18 |
| | Add:-Change in Fair value of FVTOCI (Net of Tax) | (8.22) | 3.23 |
| | **As at Balance Sheet date** | **37.19** | **45.41** |
| (viii) | **FVTOCI-Equity Instruments** | | |
| | As per last Balance Sheet | 81.34 | 34.21 |
| | Add:-Change in Fair value of FVTOCI (Net of tax) | 5.40 | 47.13 |
| | **As at Balance Sheet date** | **86.74** | **81.34** |
| | **TOTAL** | **24,875.95** | **23,008.27** |

**15.2.1 Nature and Purpose of Reserves**

**(i) Capital Reserve :** The Company had acquired Jalpower Corporation Limited (JPCL) and Lanco Teesta Hydro Power Limited through National Company Law Tribunal (NCLT) during previous years. The gain on bargain purchase of these companies has been recognised in Capital Reserve.

**(ii) Capital Redemption Reserve :** The company is required to create a capital redemption reserve from distributable profit if the buy-back of shares is out of free reserves. The nominal value of the shares so bought back is required to be transferred to capital redemption reserve.

**(iii) Bond Redemption Reserve :** As per the Companies (Share Capital and Debentures) Rules, 2014, the Company was required to create a Bond Redemption Reserve out of available profits for the purpose of redemption of bonds. The Companies (Share Capital and Debentures) Amendment Rules, 2019 exempts the Company from creation of Bond Redemption Reserve. The Amendment Rules, 2019 further stipulate that the amount credited to Debenture Redemption Reserve shall not be utilized by the company except for the purpose of redemption

of debentures. Accordingly, though the Bond Redemption Reserve created till 31.03.2019 has been carried forward and further utilised for bonds redeemed during the current year, no further accrual to the reserve has been made.

**(iv) 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-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.

**(vii) FVTOCI-Equity Instruments :** The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed.

## NOTE NO. 15.3 : NON-CONTROLLING INTERESTS (NCI)

(₹ in Crore)

| Name of Subsidiaries | 31-Mar-22 | 31-Mar-21 |
|---|---|---|
| NHDC Limited | 2,761.56 | 2,791.90 |
| Loktak Downstream Hydroelectric Corporation Ltd. (LDHCL) | 39.76 | 38.08 |
| Bundelkhand Saur Urja Pvt. Ltd. (BSUL) | 12.66 | 5.34 |
| Lanco Teesta Hydro Power Limited (LTHPL) | - | - |
| Jalpower Corporation Limited (JPCL) | - | - |
| Ratle Hydroelectric Power Corporation Limited (RHPCL) w.e.f. 01-Jun-2021 | 48.89 | - |
| **TOTAL** | **2,862.87** | **2,835.32** |

**Explanatory Note:**

**a) INTERESTS IN OTHER ENTITIES**

The group's subsidiaries at 31st March, 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

(₹ in Crore)

| 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-22 % | 31-Mar-21 % | 31-Mar-22 % | 31-Mar-21 % | |
| NHDC Limited | India | 51.08 | 51.08 | 48.92 | 48.92 | Electricity generation |
| Loktak Downstream Hydroelectric Corporation Ltd. (LDHCL) | India | 74.83 | 74.92 | 25.17 | 25.08 | Electricity generation |
| Bundelkhand Saur Urja Pvt. Ltd. (BSUL) | India | 86.67 | 74.00 | 13.33 | 26.00 | Electricity generation |
| Lanco Teesta Hydro Power Limited (LTHPL) (w.e.f. 09.10.2019) | India | 100.00 | 100.00 | 0.00 | 0.00 | Electricity generation |

| Name of entity | Place of business/ country of incorpo-ration | Ownership interest held by the group | | Ownership interest held by non-controlling interests | | Principal activities |
|---|---|---|---|---|---|---|
| | | 31-Mar-22 % | 31-Mar-21 % | 31-Mar-22 % | 31-Mar-21 % | |
| Jalpower Corporation Limited (JPCL) (w.e.f. 31.03.2021)# | India | 100.00 | 100.00 | 0.00 | 0.00 | Electricity generation |
| Ratle Hydroelectric Power Corporation Limired (RHPCL) (w.e.f 01.06.2021)## | India | 73.53 | 0.00 | 26.47 | 0.00 | Electricity generation |

# NHPC Limited acquired Jalpower Corporation Limited through NCLT on 31.03.2021.

## NHPC Limited has formed a new Subsidary Company with Jammu and Kashmir State Power Development Corporation Limited (JKSPDCL) with equity participation of 51:49 respectively, in the name of "Ratle Hydroelectric Power Corporation Limited, which was incorporated on 01.06.2021.

**b) Non-Controlling Interest (NCI)**

Set out below is summarised financial information for each subsidiary that has non-controlling interests to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

(₹ in Crore)

| Particulars | NHDC Limited | | Loktak Downstream Hydroelectric Corporation Ltd. | | Bundelkhand Saur Urja Pvt. Ltd. | | Lanco Teesta Hydro Power Limited (LTHPL) | | Jalpower Corporation Limited (JPCL) (w.e.f 31.03.2021) | | Ratle Hydroelectric Power Corporation Limited (RHPCL) (w.e.f. 01.06.2021) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 31-Mar-22 | 31-Mar-21 | 31-Mar-22 | 31-Mar-21 | 31-Mar-22 | 31-Mar-21 | 31-Mar-22 | 31-Mar-21 | 31-Mar-22 | 31-Mar-21 | 31-Mar-22 | 31-Mar-21 |
| Current Assets | 1,310.51 | 2,078.31 | 1.85 | 1.69 | 18.39 | 46.82 | 15.19 | 45.31 | 73.27 | 0.14 | 178.34 | - |
| Current Liabilities | 358.70 | 473.57 | 1.82 | 2.43 | 15.47 | 14.12 | 51.58 | 12.38 | 19.50 | 0.15 | 117.10 | - |
| **Net Current Assets** | **951.81** | **1,604.74** | **0.03** | **(0.74)** | **2.92** | **32.70** | **(36.39)** | **32.93** | **53.77** | **(0.01)** | **61.24** | **-** |
| Non-current Assets | 6,100.73 | 5,630.34 | 160.18 | 152.62 | 167.42 | 15.97 | 1,528.34 | 1,004.92 | 252.47 | 188.17 | 125.03 | - |
| Regulatory Deferral Account Balance | (402.81) | (463.15) | - | - | - | - | - | - | - | - | - | - |
| Non-current Liabilities | 1,005.05 | 1,065.25 | - | - | 75.32 | - | 10.99 | 1.69 | 2.08 | - | - | - |
| **Net Non-current Assets** | **4,692.87** | **4,101.94** | **160.18** | **152.62** | **92.10** | **15.97** | **1,517.35** | **1,003.23** | **250.39** | **188.17** | **125.03** | **-** |
| **Net Assets** | **5,644.68** | **5,706.68** | **160.21** | **151.88** | **95.02** | **48.67** | **1,480.96** | **1,036.16** | **304.16** | **188.16** | **186.27** | **-** |
| **Share Application money received from Parent** | **-** | | **2.22** | | **-** | **28.14** | **-** | **-** | **-** | **-** | **1.56** | **-** |
| **Total of Non Controlling Interest** | **2,761.56** | **2,791.90** | **39.76** | **38.08** | **12.66** | **5.34** | **-** | **-** | **-** | **-** | **48.89** | **-** |

### c) Summarised statement of profit and loss

(₹ in Crore)

| Particulars | NHDC Limited | | Loktak Downstream Hydroelectric Corporation Ltd. | | Bundelkhand Saur Urja Pvt. Ltd. | | Lanco Teesta Hydro Power Limited (LTHPL) | | Jalpower Corporation Limited (JPCL) (w.e.f 31.03.2021) | | Ratle Hydroelectric Power Corporation Limited (RHPCL) (w.e.f. 01.06.2021) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 31-Mar-22 | 31-Mar-21 | 31-Mar-22 | 31-Mar-21 | 31-Mar-22 | 31-Mar-21 | 31-Mar-22 | 31-Mar-21 | 31-Mar-22 | 31-Mar-21 | 31-Mar-22 | 31-Mar-21 |
| Revenue | 1,085.29 | 1,348.42 | 0.02 | 0.02 | 0.94 | 0.13 | - | - | 0.70 | - | 2.09 | - |
| Profit/(Loss) for the year | 452.63 | 674.37 | 0.01 | - | (0.70) | (0.13) | (0.20) | (0.21) | (0.48) | - | (0.43) | - |
| Regulatory Deferral Income | 60.33 | (9.74) | | | - | - | - | - | - | - | - | - |
| Other Comprehensive income | (1.89) | 0.33 | - | - | - | - | - | - | - | - | - | - |
| **Total Comprehensive income** | **511.07** | **664.96** | **0.01** | **-** | **(0.70)** | **(0.13)** | **(0.20)** | **(0.21)** | **(0.48)** | **-** | **(0.43)** | **-** |
| Profit allocated to NCI | 250.96 | 325.16 | - | | (0.09) | (0.03) | - | - | - | - | (0.11) | - |
| Dividends (including DDT) paid to NCI | 280.37 | | - | - | - | - | - | - | - | - | - | - |

### d) Summarised Cash Flows

(₹ in Crore)

| Particulars | NHDC Limited | | Loktak Downstream Hydroelectric Corporation Ltd. | | Bundelkhand Saur Urja Pvt. Ltd. | | Lanco Teesta Hydro Power Limited (LTHPL) | | Jalpower Corporation Limited (JPCL) (w.e.f 31.03.2021) | | Ratle Hydroelectric Power Corporation Limited (RHPCL) (w.e.f. 01.06.2021) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 31-Mar-22 | 31-Mar-21 | 31-Mar-22 | 31-Mar-21 | 31-Mar-22 | 31-Mar-21 | 31-Mar-22 | 31-Mar-21 | 31-Mar-22 | 31-Mar-21 | 31-Mar-22 | 31-Mar-21 |
| Cash flows from operating activities | 332.62 | 577.55 | - | 0.35 | (2.30) | (0.21) | (0.95) | (17.09) | (1.49) | - | 2.99 | - |
| Cash flows from investing activities | 160.70 | 188.72 | (7.56) | (9.02) | (133.10) | (1.62) | (469.36) | (34.32) | (42.40) | 0.10 | (52.88) | - |
| Cash flows from financing activities | (573.52) | (555.46) | 8.31 | 8.61 | 107.04 | 35.80 | 443.90 | 75.00 | 116.49 | - | 186.70 | - |
| **Net increase /(decrease) in cash and cash equivalents** | **(80.20)** | **210.81** | **0.75** | **(0.06)** | **(28.36)** | **33.97** | **(26.41)** | **23.59** | **72.60** | **0.10** | **136.81** | **-** |

## NOTE NO. 16.1 FINANCIAL LIABILITIES - NON CURRENT - BORROWINGS

(₹ in Crore)

| | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| | **At Amortised Cost** | | |
| **A** | **- Secured Loans** | | |
| | **-Bonds** | 14,517.90 | 15,679.99 |
| | **-Term Loan** | | |
| | - from Banks | 2,560.00 | - |
| | - from Other (Financial Institutions) | 158.00 | 316.00 |
| **B** | **- Unsecured Loans** | | |
| | **-Term Loan** | | |
| | - from Bank | 930.25 | - |
| | - from Government of India (Subordinate Debts) | 3,686.39 | 3,654.28 |
| | - from Other (in Foreign Currency) | 1,374.07 | 1,580.72 |
| | **TOTAL** | **23,226.61** | **21,230.99** |

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

**16.1.2** Particulars of Redemption, Repayments and Securities.

## NOTE NO. 16.1.2

(₹ in Crore)

| | 16.1.2.A Particulars of redemptions, repayments and securities | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|---|
| **(A)** | **BONDS (Non-convertible and Non-cumulative)-Secured** | | |
| **i)** | **TAX FREE BONDS- 3A SERIES (Refer Note 16.1.2.B(2&5))**<br>(8.67% p.a. 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each).<br>(Date of redemption 02.11.2033) | 336.07 | 336.07 |
| **ii)** | **TAX FREE BONDS- 3B SERIES (Refer Note 16.1.2.B(2&5))**<br>(8.92% p.a. 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each).<br>(Date of redemption 02.11.2033) | 253.62 | 253.62 |
| **iii)** | **BONDS- U SERIES (Refer Note 16.1.2.B(1&6))**<br>(8.24% p.a. 15 Years Secured Redeemable Non-Cumulative Non-Convertible Taxable Bonds of ₹ 10,00,000/- each).<br>(Date of redemption 27.06.2031) | 540.00 | 540.00 |
| **iv)** | **BONDS- U1 SERIES (Refer Note 16.1.2.B(1&6))**<br>(8.17% p.a. 15 Years Secured Redeemable Non-Cumulative Non-Convertible Taxable Bonds of ₹ 10,00,000/- each).<br>(Date of redemption 27.06.2031) | 360.00 | 360.00 |
| **v)** | **TAX FREE BONDS- 2A SERIES (Refer Note 16.1.2.B(2&5))**<br>(8.54% p.a. 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each).<br>(Date of redemption 02.11.2028) | 213.12 | 213.12 |
| **vi)** | **TAX FREE BONDS- 2B SERIES (Refer Note 16.1.2.B(2&5))**<br>(8.79% p.a. 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each).<br>(Date of redemption 02.11.2028) | 85.61 | 85.61 |

| 16.1.2.A Particulars of redemptions, repayments and securities | | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|---|
| vii) | **BONDS-AC SERIES (Refer Note 16.1.2.B (12))**<br>(6.86% p.a. 15 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 10 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/10th of face value of Bond).<br>(Bond issue amount of ₹ 1500 Crore redeemable in 10 equal annual installments commencing from 12.02.2027) | 1,500.00 | 1,500.00 |
| viii) | **BONDS-AB SERIES (Refer Note 16.1.2.B(11))**<br>(6.80% p.a. 10 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond).<br>(Bond issue amount of ₹ 750 Crore redeemable in 5 equal annual installments commencing from 24.04.2026). | 750.00 | 750.00 |
| ix) | **BONDS-AA-1 SERIES (Refer Note 16.1.2.B(10))**<br>(6.89% p.a. 10 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond).<br>(Bond issue amount of ₹ 500 Crore redeemable in 5 equal annual installments commencing from 11.03.2026). | 500.00 | 500.00 |
| x) | **BONDS-AA SERIES (Refer Note 16.1.2.B(10))**<br>(7.13% p.a. 10 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond).<br>(Bond issue amount of ₹ 1500 Crore redeemable in 5 equal annual installments commencing from 11.02.2026). | 1,500.00 | 1,500.00 |
| xi) | **BONDS-Y-1 SERIES (Refer Note16.1.2.B(9))**<br>(7.38% p.a. 10 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond).<br>(Bond issue amount of ₹ 500 Crore redeemable in 5 equal annual installments commencing from 03.01.2026). | 500.00 | 500.00 |
| xii) | **BONDS-Y SERIES (Refer Note 16.1.2.B(9))**<br>(7.50% p.a. 10 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond).<br>(Bond issue amount of ₹ 1500 Crore redeemable in 5 equal annual installments commencing from 07.10.2025). | 1,500.00 | 1,500.00 |
| xiii) | **TAX FREE BONDS- 1A SERIES (Refer Note 16.1.2.B(2&5))**<br>(8.18% p.a. 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each).<br>(Date of redemption 02.11.2023) | 50.81 | 50.81 |
| xiv) | **TAX FREE BONDS- 1B SERIES (Refer Note 16.1.2.B(2&5))**<br>(8.43% p.a. 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each).<br>(Date of redemption 02.11.2023) | 60.77 | 60.77 |
| xv) | **BONDS-W2 SERIES (Refer Note 16.1.2.B(8))**<br>(7.35% p.a. 10 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 50,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond).<br>(Bond issue amount of ₹ 750 Crore redeemable in 5 equal annual installments commencing from 15.09.2023). | 750.00 | 750.00 |

| 16.1.2.A Particulars of redemptions, repayments and securities | | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|---|
| xvi) | **BONDS-V2 SERIES (Refer Note 16.1.2.B(2))**<br>(7.52% p.a. 10 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 50,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond).<br>(Bond issue amount of ₹ 1475 Crore redeemable in 5 equal annual installments commencing from 06.06.2023). | 1,475.00 | 1,475.00 |
| xvii) | **BONDS-X SERIES (Refer Note 16.1.2.B(2))**<br>(8.65% p.a. 10 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each Redeemable in 7 equal yearly installments).<br>(Bond issue amount of ₹ 1500 Crore redeemable in 7 equal annual installments commencing from 08.02.2023.) | 1,500.00 | 1,500.00 |
| xviii) | **BONDS-T SERIES (Refer Note 16.1.2.B(1 and 6))**<br>(8.50% p.a. 15 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond).<br>(Bond issue amount of ₹ 1474.92 Crore redeemable in 12 equal annual installments commencing from 12.07.2019. As on 31.03.2022, 9 annual installments of ₹ 122.91 crore each are outstanding). | 1,106.19 | 1,229.10 |
| xix) | **BONDS-R-3 SERIES (Refer Note 16.1.2.B(2))**<br>(8.78% p.a. 15 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 10 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/10th of face value of Bond).<br>(Bond issue amount of ₹ 892.00 Crore redeemable in 10 equal annual installments commencing from 11.02.2019. As on 31.03.2022, 6 annual installments of ₹ 89.20 Crore each are outstanding). | 535.20 | 624.40 |
| xx) | **BONDS-S-2 SERIES (Refer Note 16.1.2.B(6))**<br>(8.54% p.a. 15 Years Secured Non-Cumulative Non-Convertible Redeemable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond).<br>(Bond issue amount of ₹ 660.00 Crore redeemable in 12 equal annual installments commencing from 26.11.2018. As on 31.03.2022, 8 annual installments of ₹ 55.00 crore each are outstanding). | 440.00 | 495.00 |
| xxi) | **BONDS-W1 SERIES (Refer Note 16.1.2.B(8))**<br>(6.91% p.a. 5 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 50,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond).<br>(Bond issue amount of ₹ 1500 Crore redeemable in 5 equal annual installments commencing from 15.09.2018. As on 31.03.2022, last installment of ₹ 300 Crore is outstanding). | 300.00 | 600.00 |
| xxii) | **BONDS-V SERIES (Refer Note 16.1.2.B(2))**<br>(6.84% p.a. 5 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 5,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond)<br>(Bond issue amount of ₹ 775 Crore redeemable in 5 equal annual installments commencing from 24.01.2018. | - | 155.00 |
| xxiii) | **BONDS-Q SERIES (Refer Note 16.1.2.B(3&7))**<br>(9.25% p.a. 15 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond).<br>(Bond issue amount of ₹ 1266.00 Crore redeemable in 12 equal annual insallments commencing from 12.03.2016. As on 31.03.2022, 5 annual installments of ₹ 105.50 Crore each are outstanding). | 527.50 | 633.00 |

| 16.1.2.A Particulars of redemptions, repayments and securities | | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|---|
| xxiv) | **BONDS-R-2 SERIES (Refer Note 16.1.2.B(2))**<br>(8.85% p.a. 14 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond).<br>(Bond issue amount of ₹ 382.08 Crore redeemable in 12 equal annual insallments commencing from 11.02.2016. As on 31.03.2022, 5 annual installments of ₹ 31.84 Crore each are outstanding). | 159.20 | 191.04 |
| xxv) | **BONDS-P SERIES (Refer Note 16.1.2.B (2, 4 & 5))**<br>(9.00% p.a. 15 Year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each redeemable in 10 equal yearly installments).<br>(Bond issue amount of ₹ 2000 Crore redeemable in 10 equal annual insallments commencing from 01.02.2016. As on 31.03.2022, 3 annual installments of ₹ 200 Crore each are outstanding). | 600.00 | 800.00 |
| xxvi) | **BONDS-S-1 SERIES (Refer Note 16.1.2.B(6))**<br>(8.49% p.a. 10 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 10 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/10th of face value of Bond)<br>(Bond issue amount of ₹ 365 Crore redeemable in 10 equal annual insallments commencing from 26.11.2015. As on 31.03.2022, 3 annual installments of ₹ 36.50 Crore each are outstanding). | 109.50 | 146.00 |
| xxvii) | **BONDS-R-1 SERIES (Refer Note 16.1.2.B(2))**<br>(8.70% p.a. 13 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond).<br>(Bond issue amount of ₹ 82.20 Crore redeemable in 12 equal annual insallments commencing from 11.02.2015. As on 31.03.2022, 4 annual installments of ₹ 6.85 Crore each are outstanding). | 27.40 | 34.25 |
| | **Total Bonds** | **15,679.99** | **16,782.79** |
| | **Less Current Maturities** | **1,162.09** | **1,102.80** |
| | **Bonds - Net of current maturities (A)** | **14,517.90** | **15,679.99** |
| (B) | **TERM LOANS - Secured (Banks)** | | |
| i) | **CENTRAL BANK OF INDIA (Refer Note 16.1.2.B(2&3))**<br>(Repayable in 92 equal monthly installments of ₹ 5.4348 crore each upto 01.12.2031 at Floating interest rate (Repo 4.00% plus 1.39% spread with RBI Policy reset) of 5.39% p.a. as on 31.03.2022.) | 500.00 | - |
| ii) | **HDFC BANK LIMITED (Refer Note 16.1.2.B (12,13&14))**<br>(Repayable in 92 equal monthly installments of ₹ 21.7391 crore each upto 01.10.2031 at Floating interest rate (3 months Treasury Bill 3.73% plus 1.93% spread with quarterly reset) of 5.66% p.a. as on 31.03.2022. ) | 2,000.00 | -<br>- |
| iii) | **HDFC BANK LIMITED (Refer Note 16.1.2.B (16))**<br>(Repayable in 13 years on quarterly basis starting from 3rd quarter of FY 2023-24 (with moratorium of 2 years) at Floating interest rate (RBI Repo rate plus 2.48 %). The loan has been taken by Bundekhand Saur Urja Limited. | 60.00 | |
| | **Total Term Loan - Banks (Secured)** | **2,560.00** | **-** |
| | **Less Current Maturities** | **-** | **-** |
| | **Term Loan - Banks Net of current maturities (B)** | **2,560.00** | **-** |
| (C) | **Term Loan-From other (Secured)** | | |
| i) | **LIFE INSURANCE CORPORATION OF INDIA (Refer Note 16.1.2.B(3&7))**<br>(Repayable in 4 equal half yearly installments of Rs. 79 Crore each upto 31.10.2023 at Fixed Interest rate of 9.118% p.a.) | 316.00 | 474.00 |
| | **Total Term Loan - Other Parties (Secured)** | **316.00** | **474.00** |
| | **Less Current Maturities** | **158.00** | **158.00** |
| | **Term Loan - Other Net of current maturities (C )** | **158.00** | **316.00** |

| 16.1.2.A Particulars of redemptions, repayments and securities | | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|---|
| **(D)** | **Term Loan-From Banks (Unsecured)** | | |
| **i)** | HDFC Bank Ltd. (Securitization of Return on Equity of Chamera-I Power Station) **(Refer Note 34(29))**<br>(Repayable in 120 monthly installments upto 29.02.2032 at floating interest rate of 5.24% p.a. (3 months Treasury Bill i.e. 3.71% PLUS 1.53% Spread with Quaterly reset) as on 31.03.2022 and 5% of Income booked by NHPC for the Power Station against sale of Secondary Energy Units for previous 12 month period shall be paid to the HDFC at the end of the next month of every 12 month period completed inclusive of the month of disbursement).<br>(As on 31.03.2022, 119 monthly installments are outstanding). | 1,010.01 | - |
| | **Total Term Loan - From Banks (Unsecured)** | **1,010.01** | **-** |
| | **Less Current Maturities** | **79.76** | **-** |
| | **Term Loan - From Banks (Unsecured) Net of current maturities (D)** | **930.25** | **-** |
| **(E)** | **Term Loan-From Government of India (Unsecured)** | | |
| | **Loans from Government of India (At fair value)** | | |
| **i)** | **Subordinate Debt from Government of India for Nimoo-Bazgo Power Station**<br>(Repayable in 18 equal annual installments of ₹ 29.09 Crore each in respect of undiscounted amount from the 12th year after commissioning of the project i.e. from 10.10.2025 at fixed interest rate of 4% p.a.) | 433.63 | 429.13 |
| **ii)** | **Subordinate Debt from Government of India for Chutak Power Station**<br>(Repayable in 24 equal annual installments of ₹ 23.11 Crore each in respect of undiscounted amount from the 6th year after commissioning of the project i.e. from 01.02.2019 at fixed interest rate of 2.50% p.a.)<br>(As on 31.03.2022, 20 annual installments of ₹ 23.11 Crore each are outstanding). | 405.82 | 424.01 |
| **iii)** | **Subordinate Debt from Government of India for Kishanganga Power Station**<br>(Repayable in 10 equal annual installments of ₹ 377.429 Cr. each in respect of undiscounted amount from the 11th year after commissioning of the project at fixed interest rate of 1% p.a. Interest accrues and is payable annually after 11 years of commissioning of the project i.e. from 24.05.2029) | 2,870.05 | 2,824.25 |
| | **Total Term Loan -Government (Unsecured)** | **3,709.50** | **3,677.39** |
| | **Less Current Maturities** | **23.11** | **23.11** |
| | **Term Loan - Other Parties Net of current maturities (E)** | **3,686.39** | **3,654.28** |
| **(F)** | **TERM LOANS - From Others- Foreign Currency (Unsecured)** | | |
| **i)** | **Japan International Cooperation Agency Tranche-I (Refer Note 16.1.2.B(15))**<br>(Repayable in 8 equal half yearly installments of ₹ 7.60 Crore each upto 20.01.2026 at fixed interest rate of 2.3% as on 31.03.2022) | 60.80 | 81.44 |
| **ii)** | **Japan International Cooperation Agency Tranche-II (Refer Note 16.1.2.B(15))**<br>(Repayable in 12 equal half yearly installments of ₹ 24.93 Crore each upto 20.12.2027 at fixed interest rate of 2.3% as on 31.03.2022) | 299.19 | 374.06 |
| **iii)** | **Japan International Cooperation Agency Tranche-III (Refer Note 16.1.2.B(15))**<br>(Repayable in 24 equal half yearly installments of ₹ 18.42 Crore each upto 20.03.2034 at fixed interest rate of 1.3% as on 31.03.2022) | 441.98 | 513.12 |
| **iv)** | **MUFG Bank Limited, Singapore**<br>(Repayable in one installment bullet on 25.07.2024 at 6 monthly compounded reference rate (CAS+ Tona + 0.75% ). The loan is hedged at coupon only swap fixed rate of 0.931 % (INR) p.a. & call spread coupon at fixed rate of 6.25% (INR) p.a. with JPY strike price of Rs 0.90.) | 674.00 | 721.30 |

| 16.1.2.A Particulars of redemptions, repayments and securities | | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|---|
| Total Term Loan -Other Parties -Foreign Currency (Unsecured) | | 1,475.97 | 1,689.92 |
| Less Current Maturities | | 101.90 | 109.20 |
| Term Loan - Other Parties- Foreign Currency (Unsecured) | (F) | 1,374.07 | 1,580.72 |
| Grand Total (A+B+C+D+E+F) | | 23,226.61 | 21,230.99 |

**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 Uri-I Power Station situated in the state of Jammu & Kashmir.
2. Secured by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati-II HE Project situated in the state of Himachal Pradesh.
3. Secured by pari-passu charge by way of equitable mortgage/hypothecation against immovable/movable assets (except for Book Debts and Stores) of Company's Teesta Low Dam-III Power Station situated in the state of West Bengal.
4. Secured by pari-passu charge by way of equitable mortgage and charge over all the immoveable and moveable assets (except for Book Debts and Stores) of the Company's Dhauliganga Power Station situated in the state of Uttrakhand.
5. Secured by a first charge on pari-passu basis by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Chamera-III Power Station situated in the state of Himachal Pradesh.
6. Secured by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati -III Power Station situated in the state of Himachal Pradesh.
7. Secured by pari-passu charge by way of equitable mortgage/hypothecation against immovable/movable assets (except for Book Debts and Stores) of Company's Teesta-V Power Station situated in the state of Sikkim.
8. Security creation by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati -II Project situated in the state of Himachal Pradesh and Secured by pari-passu charge by way of hypothecation against the moveable assets (except for Book Debts and Stores) of the Company's Dulhasti Power Station situated in the state of Jammu & Kashmir.
9. Security creation by pari-passu charge by way of mortgage and hypothecation against the immovable and movable assets (except for Book Debts and Stores) of the Company's Parbati-II Project situated in the state of Himachal Pradesh and secured by pari-passu charge by way of hypothecation against the movable assets (except for book debts and stores) of the company's Kishanganga Power Station situated in the state of J & K.
10. Security creation by pari-passu charge, by way of mortgage/hypothecation against the movable and immovable assets (except for book debts and stores) of the Company's Parbati II Project, Parbati III Power Station, Chamera II Power Station situated in the state of Himachal Pradesh and Dhauliganga Power Station situated in the state of Uttrakhand.
11. Security creation by pari-passu charge by way of mortgage/hypothecation against the immovable and movable assets (except for Book Debts and Stores) of the Company's Chamers II Power Station situated in the state of Himachal Pradesh.
12. Security creation by pari-passu charge by way of hypothecation against the movable assets (except for Book Debts and Stores) of the Company's Subansiri Lower Project situated in the state of Assam and Arunachal Pradesh.
13. Security creation by pari-passu charge by way of hypothecation against the movable assets (except for Book Debts and Stores) of the Company's TLDP-IV Power Station situated in the state of West Bengal.
14. Security creation by pari-passu charge by way of hypothecation against the movable assets (except for Book Debts and Stores) of the Company's URI-II Power Station situated in the state of Jammu & Kashmir.
15. Loans mentioned at sl. nos. F(i),F(ii) and F(iii) above are guaranteed by Government of India.
16. Loan is secured by hypothecation against immovable/movable assets of Bundelkhand Saur Urja Limited (Subsidiary). The loan is also secured by irrevocable and unconditional Corporate Guarantee from NHPC Limited.

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

(₹ in Crore)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|
| Lease Liabilities (Refer Note 34(18)(A)) | 17.46 | 12.28 |
| TOTAL | 17.46 | 12.28 |

## NOTE NO. 16.3 FINANCIAL LIABILITIES - NON CURRENT - OTHERS

(₹ in Crore)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|
| Payable towards Bonds Fully Serviced by Government of India **(Refer Note 16.3.1)** | | |
| - Principal | 2,017.20 | 2,017.20 |
| Retention Money | 81.77 | 38.05 |
| **TOTAL** | **2,098.97** | **2,055.25** |

16.3.1 For meeting funding requirement of Government of India for the Scheme of Power System Development Fund (PSDF) during the year 2018-19, the company has raised an aggregate amount of ₹ **2017.20 Crore** through private placement of Unsecured Non-cumulative Non-convertible Redeemable, taxable 'Government of India Fully Serviced Bonds- Series- I', with face value of ₹ **10,00,000/- each** , in the nature of debentures (Bonds). As per Ministry of Power (MoP) letter dated 12.03.2019 read with letter of Ministry of Finance (MoF) dated 21.01.2019 & 11.03.2019, the repayment of principal and interest of the above bonds shall be made by Government of India by making suitable budget provisions in the demand of Ministry of Power as per estimated liabilities. Accordingly, the amount of such bonds along with interest payable to Bond Holders is appearing as financial liability as above and also the amount recoverable by the company from Government of India has been shown as "Amount recoverable on account of Bonds fully serviced by Government of India" under Non-Current Financial Assets-Others under Note No-3.3 (C).

**Detail of Government of India Fully Serviced Bonds raised during financial year 2018-19 is as under :**

| | | |
|---|---|---|
| **Government of India Fully Serviced Bond-I Series:**<br>8.12% semi-annual, 10 year unsecured, non-cumulative, redeemable, non-convertible Taxable Bonds of ₹ **10,00,000/- each.**<br>(Date of redemption - 22.03.2029) | 2,017.20 | 2,017.20 |

## NOTE NO. 17 PROVISIONS - NON CURRENT

(₹ in Crore)

| | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| **A.** | **PROVISION FOR EMPLOYEE BENEFITS** | | |
| **i)** | **Provision for Long term Benefits (Provided for on the basis of actuarial valuation)** | | |
| | As per last Balance Sheet | 8.17 | 35.07 |
| | Additions during the year | 24.52 | 0.11 |
| | Amount used during the year | 0.58 | 27.01 |
| | **Closing Balance** | **32.11** | **8.17** |
| **B.** | **OTHERS** | | |
| **i)** | **Provision For Committed Capital Expenditure** | | |
| | As per last Balance Sheet | 1.37 | 1.43 |
| | Additions during the year | - | 0.01 |
| | Amount used during the year | 0.10 | 0.21 |
| | Unwinding of discount | 0.14 | 0.14 |
| | **Closing Balance** | **1.41** | **1.37** |
| **ii)** | **Provision For Livelihood Assistance** | | |
| | As per last Balance Sheet | 19.08 | 18.57 |
| | Additions during the year | 0.23 | 1.03 |
| | Amount used during the year | - | 0.85 |
| | Amount reversed during the year | - | 0.08 |
| | Unwinding of discount | 0.39 | 0.41 |
| | **Closing Balance** | **19.70** | **19.08** |

| | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| iii) | **Provision-Others** | | |
| | As per last Balance Sheet | 1.07 | 0.49 |
| | Additions during the year | - | 0.73 |
| | Amount used during the year | - | 0.15 |
| | **Closing Balance** | **1.07** | **1.07** |
| | **TOTAL** | **54.29** | **29.69** |

**17.1** Information about Provisions is given in Note 34 (22) of Consolidated Financial Statement.

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

(₹ in Crore)

| | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| | **Deferred Tax Liability** | | |
| a) | Property, Plant and Equipments, Right of Use, Investment Property and Intangible Assets. | 4,049.39 | 4,012.53 |
| b) | Financial Assets at FVTOCI | 22.69 | 25.19 |
| c) | Other Items | 745.81 | 717.65 |
| d) | Undistributed Earnings | 529.69 | 538.23 |
| | **Deferred Tax Liability** | **5,347.58** | **5,293.60** |
| | **Less:-Set off Deferred Tax Assets pursuant to set off provisions** | | |
| a) | Provision for employee benefit scheme, doubtful debts, inventory and others | 445.66 | 417.80 |
| b) | Other Items | 57.80 | 36.52 |
| c) | MAT credit entitlement **(Refer Note 18.2 and 18.4)** | 2,401.68 | 993.40 |
| | **Deferred Tax Assets** | **2,905.14** | **1,447.72** |
| | **Deferred Tax Liability (Net)** | **2,442.44** | **3,845.88** |

**18.1** Movement in Deferred Tax Liability/ (Assets).

**18.2** Recognition of MAT Credit by NHDC Ltd., a subsidiary of the Group- CERC Regulation provides convincing evidence of realization of Annual Fixed cost. Hence on the above consideration future taxable income will result in partial utilisation of MAT credit. The MAT credit entitlement as on 31st March 2022 amounting to ₹ 923.06 crore (Prevoius Year ₹ 993.40 Crore), after utilization of MAT credit of ₹ 70.34 crore (Previous Year ₹ 29.35 crore) during the current year has been recognized as deferred tax asset on account of unused tax credits as on 31st March 2022. Out of above, an amount of ₹ 703.45 Crore ( Previous Year ₹ 763.78 Crore) has been recognized as regulatory deferral credit balances (as the same is to be appropriated/adjusted in future years through grossing up of ROE at effective tax rate as per CERC regulation 2019-24) (Refer Note 14.2).

**18.3** Pursuant to the provisions of Section 115BAA of the Income Tax Act 1961 announced by Tax Laws (amended) Ordinance 2019 and promulgated as Taxation Laws (amendment) Act 2019 enacted on 11th December 2019 applicable with effect from 1st April 2019, Domestic Companies have options to pay Income Tax at concessional rates by forgoing certain exemptions/ deductions (the new tax regime) as specified in the said section. Parent company has Minimum Alternate Tax (MAT) credit of ₹ 2424.58 Crore lying unutilized as on 31st March, 2022 (Previous year ₹ 2379.94 Crore) and is availing tax deductions in respect of its profit from generation of power from certain power stations. In view of the same, it has been decided to continue with existing tax structure for Current and Deferred Tax recognition. Necessary decision for exercising the option under section 115BAA will be taken once tax deductions are not available and MAT credit is substantially exhausted.

**18.4** During the year, Parent Company has has recognised MAT credit amounting to ₹ 1478.62 Crore (Previous year Rs. Nil), out of total MAT Credit of ₹ 2424.58 crore available to the Company (Previous year ₹ 2379.94 Crore) as the same is likely to give rise to future economic benefits in the form of availability of set off against future income tax liability. Out of the above, an amount of ₹ 1313.27 Crore (Previous year ₹ Nil) has been recognised as payable to beneficiaries by way of regulatory deferral account (Credit) balances. Also refer Note 14.2.

## 18.1: MOVEMENT IN DEFERRED TAX LIABILITY/ (ASSETS)

### Financial Year 2021-22

**Movement in Deferred Tax Liability**

(₹ in Crore)

| Particulars | Property, Plant and Equipments, Investment Property and Intangible Assets. | Financial Assets at FVTOCI | Other Items | Undistributed Earnings | Total |
|---|---|---|---|---|---|
| **At 1st April 2021** | **4,012.53** | **25.19** | **717.65** | **538.23** | **5,293.60** |
| **Charged/(Credited)** | | | | | |
| -to Profit or loss | 36.86 | (1.38) | 28.82 | (8.54) | 55.76 |
| -to OCI | - | (1.12) | (0.66) | - | (1.78) |
| **At 31st March 2022** | **4,049.39** | **22.69** | **745.81** | **529.69** | **5,347.58** |

**Movement in Deferred Tax Assets**

(₹ in Crore)

| Particulars | Provision for employee benefit scheme, doubtful debts, inventory and others | Other Items | MAT Credit | Total |
|---|---|---|---|---|
| **At 1 April 2021** | **417.80** | **36.52** | **993.40** | **1,447.72** |
| **Charged/(Credited)** | | | | |
| -to Profit or loss | 28.52 | 21.28 | 1,478.62 | 1,528.42 |
| -MAT Credit Utilized against Current Tax Provision | - | - | (70.34) | (70.34) |
| -to OCI | (0.66) | - | - | (0.66) |
| **At 31st March 2022** | **445.66** | **57.80** | **2,401.68** | **2,905.14** |

### Financial Year 2020-21

**Movement in Deferred Tax Liability**

(₹ in Crore)

| Particulars | Property, Plant and Equipments, Investment Property and Intangible Assets. | Financial Assets at FVTOCI | Other Items | Undistributed Earnings | Total |
|---|---|---|---|---|---|
| **At 1st April 2020** | **3,980.45** | **42.98** | **695.61** | **514.46** | **5,233.50** |
| **Charged/(Credited)** | | | | | |
| -to Profit or loss | 32.08 | - | 21.93 | 23.77 | 77.78 |
| -to OCI | - | (17.79) | 0.12 | - | (17.67) |
| **At 31st March 2021** | **4,012.53** | **25.19** | **717.66** | **538.23** | **5,293.61** |

**Movement in Deferred Tax Assets**

(₹ in Crore)

| Particulars | Provision for employee benefit scheme, doubtful debts, inventory and others | Other Items | MAT Credit | Total |
|---|---|---|---|---|
| **At 1st April 2020** | **373.52** | **17.27** | **983.49** | **1,374.28** |
| **Charged/(Credited)** | | | | |
| -to Profit or loss | 44.17 | 19.25 | 9.91 | 73.33 |
| -to OCI | 0.11 | - | - | 0.11 |
| **At 31st March 2021** | **417.80** | **36.52** | **993.40** | **1,447.72** |

## NOTE NO. 19 OTHER NON CURRENT LIABILITIES

(₹ in Crore)

| | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| | Income received in advance-Advance Against Depreciation | 886.69 | 939.28 |
| | Deferred Income from Foreign Currency Fluctuation Account | 40.13 | 41.37 |
| | Grants in aid-from Government-Deferred Income **(Refer Note 19.1)** | 2,111.03 | 2,116.82 |
| | **TOTAL** | **3,037.85** | **3,097.47** |
| **19.1** | **GRANTS IN AID-FROM GOVERNMENT-DEFERRED INCOME** | | |
| | **Opening Balance (Current and Non Current)** | 2,227.30 | 2,278.41 |
| | Add: Received during the year | 78.71 | 44.93 |
| | Less: Transferred to Statement of Profit and Loss (Refer Note 24.2) | 97.26 | 96.04 |
| | **Closing Balance (Current and Non Current) (Refer Note 19.1.1)** | **2,208.75** | **2,227.30** |
| | Grants in Aid-from Government-Deferred Income (Current)-(Refer Note No-21) | 97.72 | 110.48 |
| | Grants in Aid-from Government-Deferred Income (Non-Current) | 2,111.03 | 2,116.82 |
| **19.1.1** | **Grant includes:-** | | |
| (i) | Fair valuation of Subordinate Debts received from Government of India for Chutak Power Station, Nimoo Bazgo Power Station and Kishanganga Power Station accounted as Grant In Aid. | 1,135.17 | 1,167.32 |
| (ii) | Funds (Grant in Aid) received from Government of India for Downstream Protection Measures in respect of Subansiri Lower HE Project accounted as Grant in Aid. | 74.07 | - |
| (iii) | Funds (Grant in Aid) received from Government of India through Solar Energy Corporation of India (SECI) for setting up 50 MW Solar Power Project in Tamilnadu and Funds (Grant in Aid) received from Government of India for setting up rooftop Solar Power Plant. | 22.15 | 23.20 |
| (iv) | Grant received from Government of Madhya Pradesh for Indira Sagar & Omkareshwar Power Stations. (Refer Note 34(7)) | 963.34 | 1,023.28 |
| (v) | Funds (Grant in Aid) received from Govt. of Uttar Pradesh for setting up Solar Power Project in the state including interest accrued thereon. | 14.02 | 13.50 |
| | **Total** | **2,208.75** | **2,227.30** |

## NOTE NO. 20.1 BORROWINGS - CURRENT

(₹ in Crore)

| | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| **A** | **Other Loans** | | |
| | From Bank-Secured (Refer Note 20.1.1) | 1,323.90 | 726.03 |
| **B** | **Current maturities of long term debt (Refer Note 20.3.1)** | | |
| | - Bonds | 1,162.09 | 1,102.80 |
| | - Term Loan-Banks-Unsecured | 79.76 | - |
| | - Term Loan-Financial Institutions-Secured | 158.00 | 158.00 |
| | - Unsecured-From Government (Subordinate Debts) | 23.11 | 23.11 |
| | - Other-Unsecured (in Foreign Currency) | 101.90 | 109.20 |
| | **Sub Total (B)** | **1,524.86** | **1,393.11** |
| | **TOTAL (A+B)** | **2,848.76** | **2,119.14** |

20.1.1 Secured loan from Bank amounting to ₹ **1323.90 Crore** (Previous Year ₹ **726.03 Crore**) is towards amount payable to the banks by the beneficiaries on account of bills discounted with recourse against trade receivables. Refer Note 7.7 on continuing recognition of trade receivables liquidated by way of bill discounting.

20.1.2 Details in respect of redemption, rate of interest, terms of repayment and particulars of security are disclosed in Note No-16.1.2

## NOTE NO. 20.2 LEASE LIABILTIES - CURRENT

(₹ in Crore)

| PARTICULARS | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|
| Current maturities of Lease Liabilities (Refer Note 34(18)(A)) | 3.12 | 2.83 |
| **TOTAL** | **3.12** | **2.83** |

## NOTE NO. 20.3 TRADE PAYABLE - CURRENT

(₹ in Crore)

| PARTICULARS | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|
| Total outstanding dues of micro enterprise and small enterprise(s) | 30.37 | 36.04 |
| Total outstanding dues of Creditors other than micro enterprises and small enterprises | 183.74 | 173.82 |
| **TOTAL** | **214.11** | **209.86** |

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

**20.3.2** Refer Note 34(17) of the Consolidated Financial Statements with regard to confirmation of Balances.

## ANNEXURE-I TO NOTE NO-20.3

As at 31st March 2022

| Particulars | Unbilled | Not Due | Trade Payable due and outstanding for following period from due date of payment | | | | Total |
|---|---|---|---|---|---|---|---|
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 Years | |
| (i) MSME | 7.69 | - | 21.39 | 1.11 | 0.27 | 0.11 | 30.57 |
| (ii) Others | 47.66 | 3.61 | 100.90 | 9.73 | 6.27 | 15.29 | 183.46 |
| (iii) Disputed dues-MSME | - | - | 0.04 | - | 0.04 | - | 0.08 |
| **Total** | **55.35** | **3.61** | **122.33** | **10.84** | **6.58** | **15.40** | **214.11** |

As at 31st March 2021

| Particulars | Unbilled | Not Due | Trade Payable due and outstanding for following period from due date of payment | | | | Total |
|---|---|---|---|---|---|---|---|
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 Years | |
| (i) MSME | 2.04 | 4.30 | 24.92 | 0.44 | 0.37 | 0.01 | 32.08 |
| (ii) Others | 15.61 | 9.39 | 117.75 | 9.66 | 7.95 | 17.38 | 177.74 |
| (iii) Disputed dues-MSME | - | - | - | 0.04 | - | - | 0.04 |
| **Total** | **17.65** | **13.69** | **142.67** | **10.14** | **8.32** | **17.39** | **209.86** |

## NOTE NO. 20.4 OTHER FINANCIAL LIABILITIES - CURRENT

(₹ in Crore)

| PARTICULARS | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|
| Liability against capital works/supplies other than micro and small enterprises | 583.87 | 432.15 |
| Liability against capital works/supplies-Micro and Small Enterprises | 12.59 | 12.97 |
| Liability against Corporate Social Responsibility **(Refer Note 20.4.1 and 20.4.2)** | 14.89 | 3.43 |
| Interest accrued but not due on borrowings | 636.29 | 660.72 |

| PARTICULARS | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|
| Interest Payable on account of Bonds Fully Serviced by Government of India **(Refer Note- 16.3.1 & 11 (I))** | 4.49 | 4.49 |
| Earnest Money Deposit/ Retention Money | 247.44 | 328.13 |
| Unpaid dividend **(Refer Note 20.4.1)** | 24.64 | 23.47 |
| Unpaid interest **(Refer Note 20.4.1)** | 0.54 | 0.50 |
| Payable to Employees | 27.15 | 27.21 |
| Payable to Others | 25.22 | 87.80 |
| **TOTAL** | **1,577.12** | **1,580.87** |

20.4.1 "Unpaid Dividend" and "Unpaid Interest" includes the amounts which have not been claimed by the investors/holders of the equity shares/bonds. Out of the above, the amount required to be transferred to Investor Education and Protection Fund has been transferred. There is no amount due for payment to Investor Education and Protection Fund.

20.4.2 Refer Note 34(17) of the Consolidated Financial Statement with regard to confirmation of Balances.

## NOTE NO. 21 OTHER CURRENT LIABILITIES

(₹ in Crore)

| PARTICULARS | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|
| Income received in advance (Advance against depreciation) | 52.60 | 52.60 |
| Deferred Income from Foreign Currency Fluctuation Account | 1.42 | 1.60 |
| Water usage charges Payable | 103.42 | 165.28 |
| Statutory dues payables | 167.11 | 167.14 |
| Contract Liabilities-Deposit Works | 6.30 | 7.52 |
| Contract Liabilities-Project Management/ Consultancy Work | 112.54 | 144.09 |
| Advance from Customers and Others | 66.79 | 32.99 |
| Grants in aid-from Government-Deferred Income **(Refer Note No-19.1)** | 97.72 | 110.48 |
| **TOTAL** | **607.90** | **681.70** |

**21.1** Refer Note 34(17) of the Consolidated Financial Statements with regard to confirmation of Balances.

## NOTE NO. 22 PROVISIONS - CURRENT

(₹ in Crore)

| | PARTICULARS | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| **A.** | **PROVISION FOR EMPLOYEE BENEFITS** | | |
| **i)** | **Provision for Long term Benefits (Provided for on the basis of actuarial valuation)** | | |
| | As per last Balance Sheet | 1.09 | 2.38 |
| | Additions during the year | 1.92 | 0.51 |
| | Amount used during the year | 1.09 | 1.80 |
| | **Closing Balance** | **1.92** | **1.09** |
| **ii)** | **Provision for Wage Revision** | | |
| | As per last Balance Sheet | 0.22 | 0.34 |
| | Amount used during the year | 0.01 | 0.12 |
| | Amount reversed during the year | 0.13 | - |
| | **Closing Balance** | **0.08** | **0.22** |

| | PARTICULARS | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| iii) | **Provision for Performance Related Pay/Incentive** | | |
| | As per last Balance Sheet | 510.34 | 418.08 |
| | Additions during the year | 240.43 | 294.89 |
| | Amount used during the year | 422.15 | 201.80 |
| | Amount reversed during the year | 42.91 | 0.83 |
| | **Closing Balance** | **285.71** | **510.34** |
| | **Less: Advance Paid** | **0.39** | **111.86** |
| | **Provision for Performance Related Pay/Incentive net of advance** | **285.32** | **398.48** |
| B. | **OTHERS** | | |
| i) | **Provision For Tariff Adjustment** | | |
| | As per last Balance Sheet | 202.08 | 155.92 |
| | Additions during the year | 85.31 | 49.69 |
| | Adjustment | 22.71 | - |
| | Amount used during the year | 89.61 | 3.53 |
| | Amount reversed during the year | 6.24 | - |
| | **Closing Balance** | **214.25** | **202.08** |
| ii) | **Provision For Committed Capital Expenditure** | | |
| | As per last Balance Sheet | 145.23 | 157.48 |
| | Additions during the year | 0.10 | 15.48 |
| | Amount used during the year | 23.07 | 27.56 |
| | Amount reversed during the year | - | 0.17 |
| | **Closing Balance** | **122.26** | **145.23** |
| iii) | **Provision for Restoration expenses of Insured Assets** | | |
| | As per last Balance Sheet | 148.18 | 54.11 |
| | Additions during the year | 21.02 | 147.24 |
| | Amount used during the year | 82.64 | 49.12 |
| | Amount reversed during the year | 1.39 | 4.05 |
| | **Closing Balance** | **85.17** | **148.18** |
| iv) | **Provision For Livelihood Assistance** | | |
| | As per last Balance Sheet | 16.16 | 16.01 |
| | Additions during the year | 0.17 | 0.88 |
| | Amount used during the year | 2.87 | 0.87 |
| | Unwinding of discount | 0.05 | 0.14 |
| | **Closing Balance** | **13.51** | **16.16** |
| v) | **Provision in respect of arbitration award/ court cases** | | |
| | As per last Balance Sheet | 384.83 | 369.83 |
| | Additions during the year | 6.40 | 2.55 |
| | Adjustment | - | 15.07 |
| | Amount used during the year | 27.77 | 2.43 |
| | Amount reversed during the year | 15.92 | 0.19 |
| | **Closing Balance** | **347.54** | **384.83** |

| | PARTICULARS | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| vi) | **Provision - Others** | | |
| | As per last Balance Sheet | 277.34 | 268.79 |
| | Additions during the year | 100.48 | 84.19 |
| | Adjustment | (22.71) | (15.10) |
| | Amount used during the year | 83.12 | 4.15 |
| | Amount reversed during the year | 1.30 | 56.39 |
| | **Closing Balance** | **270.69** | **277.34** |
| | **TOTAL** | **1,340.74** | **1,573.61** |

**22.1** Information about Provisions is given in Note 34(22) of Consolidated Financial Statement.

## NOTE NO. 23 CURRENT TAX LIABILITIES (NET)

(₹ in Crore)

| PARTICULARS | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|
| **Current Tax Liability as per last Balance Sheet** | 716.90 | 793.71 |
| Additions during the year | 915.60 | 920.22 |
| Less: MAT Credit Utilized during the year | 70.34 | 29.35 |
| Amount adjusted during the year | (716.74) | (791.14) |
| Amount used during the year | 0.16 | - |
| **Closing Balance of Current Tax Liablity (A)** | **845.26** | **893.44** |
| Less: Current Advance Tax including Tax Deducted at Source (B) | 834.04 | 868.22 |
| **Net Current Tax Liabilities (A-B)** | 11.22 | 25.22 |
| (Disclosed under **Note No-4)** | 3.34 | 9.80 |
| **TOTAL** | **14.56** | **35.02** |

## NOTE NO. 24.1 REVENUE FROM OPERATIONS

(₹ in Crore)

| | PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|---|
| | **Operating Revenue** | | |
| **A** | **SALES (Refer Note 24.1.1 and 24.1.3)** | | |
| | Sale of Power | 7,122.89 | 6,691.28 |
| | Advance Against Depreciation -Written back during the year | 52.60 | 52.73 |
| | Performance based Incentive | 836.04 | 1,058.62 |
| | **Sub-total (i)** | **8,011.53** | **7,802.63** |
| | Less : | | |
| | Sales adjustment on account of Foreign Exchange Rate Variation | 44.02 | 50.03 |
| | Tariff Adjustments **(Refer Note 24.1.2)** | 94.37 | 58.37 |
| | Income from generation of electricity – precommissioning (Transferred to Expenditure Attributable to Construction) | 53.81 | 34.73 |
| | Rebate to customers | 30.12 | 18.11 |
| | **Sub-total (ii)** | **222.32** | **161.24** |
| | **Sub - Total (A) = (i-ii)** | **7,789.21** | **7,641.39** |

| | PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|---|
| **B** | **Income from Finance Lease (Refer Note 34(18(B))** | 865.51 | 899.08 |
| **C** | **Income from Operating Lease (Refer Note 34(18(C))** | 384.07 | 712.00 |
| **D** | **Revenue From Project Management and Consultancy Works** | | |
| | Contract Income | 0.02 | 0.06 |
| | Revenue from Project management/ Consultancy works | 22.90 | 21.36 |
| | **Sub - Total (D)** | **22.92** | **21.42** |
| **E** | **Revenue from Power Trading** | | |
| | Sale of Power (Net of Rebate) | 45.76 | 218.52 |
| | Less: Rebate to Customers | 0.91 | 2.04 |
| | **Sub - Total (E)** | **44.85** | **216.48** |
| | **Sub-Total-I (A+B+C+D+E)** | **9,106.56** | **9,490.37** |
| **F** | **Other Operating Revenue** | | |
| | Income From Sale of Self Generated VERs/REC | 52.70 | 1.92 |
| | Income on account of generation based incentive (GBI) | 3.61 | 2.96 |
| | Interest from Beneficiary States - Revision of Tariff | 25.91 | 152.64 |
| | **Sub-Total-II** | **82.22** | **157.52** |
| | **TOTAL (I+II)** | **9,188.78** | **9,647.89** |
| **24.1.1** | Sale of Power includes :- | | |
| | (i) Amount recovered/recoverable directly from beneficiary towards deferred tax liability pertaining to the period upto 2009 and materialised during the year. | 76.13 | 116.00 |
| | (ii) Earlier year sales | 288.68 | 290.99 |
| | (iii) Electricity Duty & Energy Development Cess recoverable from beneficiary and accordingly billed to the beneficiary: | | |
| | - Electricity Duty | 0.43 | 19.15 |
| | - Energy Development Cess | 39.54 | 63.33 |
| **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. | 94.37 | 58.37 |
| **24.1.3** | Amount of unbilled revenue included in Sales. | 1,229.86 | 920.40 |

## NOTE NO. 24.2 OTHER INCOME

(₹ in Crore)

| | PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|---|
| **A** | **Interest Income** | | |
| | - Investments carried at FVTOCI- Non Taxable | 5.67 | 5.67 |
| | - Investments carried at FVTOCI- Taxable | 25.82 | 25.79 |
| | - Loan to Government of Arunachal Pradesh | 66.30 | 60.82 |
| | - Deposit Account | 128.44 | 134.72 |

| | PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|---|
| | - Employee's Loans and Advances (Net of Rebate) | 32.66 | 16.99 |
| | - Advance to contractors | 25.34 | 15.64 |
| | - Others | 1.41 | 17.79 |
| **B** | **Dividend Income** | | |
| | - Dividend - Others | 9.00 | 9.00 |
| **C** | **Other Non Operating Income (Net of Expenses directly attributable to such income)** | | |
| | Late payment surcharge | 271.91 | 545.92 |
| | Realization of Loss Due To Business Interruption **(Refer Note 34(24))** | 161.86 | - |
| | Income from Insurance Claim | 21.34 | 138.64 |
| | Liabilities/ Impairment Allowances/ Provisions not required written back **(Refer Note 24.2.1)** | 46.01 | 23.48 |
| | **Material Issued to contractor** | | |
| | (i) Sale on account of material issued to contractors | 255.19 | 89.42 |
| | (ii) Cost of material issued to contractors on recoverable basis | (421.41) | (174.89) |
| | (iii) Adjustment on account of material issued to contractor | 166.22 | 85.47 |
| | Amortization of Grant in Aid **(Refer Note 19.1)** | 97.26 | 96.04 |
| | Exchange rate variation (Net) | 49.28 | 34.21 |
| | Mark to Market Gain on Derivative | 4.14 | - |
| | Others | 48.33 | 44.47 |
| | **Sub-total** | **994.77** | **1,169.18** |
| | Less: Transferred to Expenditure Attributable to Construction | 30.09 | 102.24 |
| | Less: Transferred to Advance/ Deposit from Client/Contractees and against Deposit Works | 0.45 | 3.48 |
| | Less: Transfer of other income to grant | 0.17 | 0.49 |
| | **TOTAL** | **964.06** | **1,062.97** |
| **24.2.1** | **Detail of Liabilities/Impairment Allowances/Provisions not required written back** | | |
| a) | Allowances for Obsolescence & Diminution in Value of Inventories | 5.39 | 0.08 |
| b) | Impairment Allowances for trade receivables | 2.38 | 3.95 |
| c) | Allowances for Bad & Doubtful Deposits | - | 0.04 |
| d) | Allowances for doubtful recoverable | 0.18 | 1.51 |
| e) | Allowances for project expenses awaiting write off sanction | - | 4.88 |
| f) | Allowances for losses pending investigation/awaiting write off / sanction | 0.21 | 3.01 |
| g) | Provision for PRP / Incentive /Productivity Linked Incentive | 11.05 | - |
| h) | Provision for tariff adjustment | 6.24 | - |
| i) | Provision for Restoration expenses of Insured Assets | 1.39 | 3.97 |
| j) | Provision in respect of arbitration award/ court cases | 15.68 | - |
| k) | Others | 3.49 | 6.04 |
| | **TOTAL** | **46.01** | **23.48** |

## NOTE NO. 25.1 PURCHASE OF POWER - TRADING

(₹ in Crore)

| PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|
| Purchase of Power | 45.49 | 216.71 |
| Less : Rebate from Supplier | 0.91 | 4.34 |
| **TOTAL** | **44.58** | **212.37** |

## NOTE NO. 25.2 GENERATION EXPENSES

(₹ in Crore)

| PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|
| Water Usage Charges | 823.21 | 835.02 |
| Consumption of stores and spare parts | 21.06 | 22.96 |
| **Sub-total** | **844.27** | **857.98** |
| Less: Transferred to Expenditure Attributable to Construction | 0.15 | 0.43 |
| **TOTAL** | **844.12** | **857.55** |

## NOTE NO. 26 EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

| PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|
| Salaries and Wages | 1,451.40 | 1,516.96 |
| Contribution to provident and other funds **(Refer Note 26.4)** | 316.89 | 222.30 |
| Staff welfare expenses | 111.95 | 78.83 |
| **Sub-total** | **1,880.24** | **1,818.09** |
| Less: Transferred to Expenditure Attributable to Construction | 325.48 | 297.81 |
| **TOTAL** | **1,554.76** | **1,520.28** |

**26.1** Disclosure about leases towards residential accomodation for employees are given in Note 34 (18) (A).

**26.2** Contribution to provident and other funds include contributions:

| | | |
|---|---|---|
| i) towards Employees Provident Fund | 90.74 | 91.34 |
| ii) towards Employees Defined Contribution Superannuation Scheme | 115.23 | 114.06 |

**26.3** Salary and wages includes expenditure on short term leases as per IND AS-116 "Leases". **(Refer Note 34(18A))** — 0.37 | 1.13

**26.4** "The Employees' Provident Funds and Miscellaneous Provisions Act, 1952" requires the Company to reimburse the Provident Fund Trust in respect of any loss to the trust. Accordingly, the Company has recognised ₹ 49.00 crore (previous year ₹ NIL) towards expenditure recognised on provisional basis on account of impairment of certain investments made by the Provident Fund Trust in interest-bearing securities including overdue interest thereon.

**26.5** Employee benefit expenditure includes an amount of ₹ 0.33 crore for FY 2021-22 in respect of employees engaged in R&D activities of the Company.

## NOTE NO. 27 FINANCE COSTS

(₹ in Crore)

| | PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|---|
| **A** | **Interest on Financial Liabilities at Amortized Cost** | | |
| | Bonds | 1,289.19 | 1,285.14 |
| | Term loan | 51.66 | 66.63 |
| | Foreign loan | 23.47 | 26.50 |
| | Government of India Loan | 70.73 | 70.64 |
| | Short Term Loan | 5.40 | 2.13 |
| | Lease Liabilities | 1.46 | 1.35 |
| | Unwinding of discount-Government of India Loan | 55.22 | 49.69 |
| | **Sub-total** | **1,497.13** | **1,502.08** |
| **B** | **Other Borrowing Cost** | | |
| | Call spread/ Coupon Swap | 43.91 | 43.64 |
| | Bond issue/ service expenses | 1.16 | 1.93 |
| | Guarantee fee on foreign loan | 11.62 | 13.59 |
| | Other finance charges | 0.66 | 0.58 |
| | Unwinding of discount-Provision & Financial Liablities | 4.74 | 4.36 |
| | **Sub-total** | **62.09** | **64.10** |
| **C** | **Interest on Income Tax** | 2.91 | 2.90 |
| | **Total (A + B + C)** | **1,562.13** | **1,569.08** |
| | Less: Transferred to Expenditure Attributable to Construction | 1,029.85 | 997.08 |
| | **TOTAL** | **532.28** | **572.00** |

## NOTE NO. 28 DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in Crore)

| PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|
| Depreciation -Property, Plant and Equipment | 1,116.59 | 1,227.36 |
| Depreciation-Right of use Assets | 83.32 | 82.32 |
| Amortization-Intangible Assets | 4.71 | 2.22 |
| Depreciation adjustment on account of Foreign Exchange Rate Variation **(Refer Note 19 and 5(D)(ii))** | 4.95 | (1.21) |
| **Sub-total** | **1,209.57** | **1,310.69** |
| Less: Transferred to Expenditure Attributable to Construction | 19.27 | 18.23 |
| **TOTAL** | **1,190.30** | **1,292.46** |

## NOTE NO. 29 OTHER EXPENSES

(₹ in Crore)

| | PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|---|
| **A** | **REPAIRS AND MAINTENANCE** | | |
| | - Building | 80.19 | 75.14 |
| | - Machinery | 71.35 | 72.50 |
| | - Others | 192.06 | 169.73 |

| | PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|---|
| **B** | **OTHER EXPENSES** | | |
| | Rent | 17.43 | 19.09 |
| | Hire Charges | 36.83 | 29.41 |
| | Rates and taxes | 61.89 | 97.77 |
| | Insurance | 278.61 | 211.49 |
| | Security expenses | 434.53 | 403.79 |
| | Electricity Charges | 51.83 | 51.80 |
| | Travelling and Conveyance | 14.62 | 9.81 |
| | **Expenses on vehicles** | **6.84** | **6.31** |
| | Telephone, telex and Postage | 16.53 | 15.44 |
| | Advertisement and publicity | 4.54 | 4.73 |
| | Entertainment and hospitality expenses | 0.98 | 1.14 |
| | Printing and stationery | 4.44 | 4.71 |
| | Consultancy charges - Indigenous | 16.96 | 14.21 |
| | Audit expenses | 2.30 | 2.21 |
| | Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses | 14.43 | 5.78 |
| | Expenses on work of downstream protection works **(Refer Note 29.3)** | 158.50 | - |
| | Expenditure on land not belonging to company | 14.76 | 14.15 |
| | Loss on Assets (Net) | 13.90 | 9.12 |
| | Losses on insured assets | 21.77 | 148.62 |
| | Donation | 1.00 | - |
| | Corporate Social Responsibility | 125.35 | 99.46 |
| | Directors' Sitting Fees | 0.18 | 0.06 |
| | Interest on Arbitration/ Court Cases | 0.65 | 0.74 |
| | Interest to beneficiary | 53.30 | 3.80 |
| | Expenditure on Self Generated VER's/REC | 8.04 | - |
| | Training Expenses | 4.50 | 4.21 |
| | Petition Fee /Registration Fee/Other Fee – To CERC/RLDC/RPC/ IEX/PXIL | 10.52 | 13.13 |
| | Operational/Running Expenses of Kendriya Vidyalay | 8.65 | 6.98 |
| | Operational/Running Expenses of Other Schools | 0.35 | 0.51 |
| | Operational/Running Expenses of Guest House/Transit Hostel | 24.76 | 23.72 |
| | Operating Expenses of DG Set-Other than Residential | 7.27 | 6.83 |
| | Change in Fair Value of Derivatives | - | 15.50 |
| | Other general expenses | 88.31 | 34.35 |
| | **Sub-total** | **1,848.17** | **1,576.24** |
| | Less: Transferred to Expenditure Attributable to Construction | 318.71 | 178.32 |
| | **Sub-total (i)** | **1,529.46** | **1,397.92** |
| **C** | **PROVISIONS/ IMPAIRMENT ALLOWANCE** | | |
| | Impairment allowance for trade receivables | 3.95 | - |

| | PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|---|
| | Allowance for Bad and doubtful advances / deposits | 10.11 | 74.78 |
| | Allowance for Bad and doubtful recoverable | 5.94 | 0.03 |
| | Allowance for Doubtful Interest | 0.42 | - |
| | Allowance for stores and spares/ Construction stores | 0.61 | 0.83 |
| | Allowance for Project expenses | 7.47 | 144.63 |
| | Allowance for losses pending investigation/ awaiting write off/ sanction | 0.03 | 0.21 |
| | Interest to Beneficiary | - | 2.18 |
| | Allowances for Goods and Service Tax input receivables | - | 13.54 |
| | Others | 31.09 | 62.64 |
| | **Sub-total** | **59.62** | **298.84** |
| | Less: Transferred to Expenditure Attributable to Construction | 31.11 | 13.62 |
| | **Sub-total (ii)** | **28.51** | **285.22** |
| | **TOTAL (i+ii)** | **1,557.97** | **1,683.14** |
| **29.1** | Disclosure about leases are given in Note 34(18A). | | |
| **29.2** | Rent includes the following expenditure as per IND AS-116 Leases. | | |
| **(i)** | Expenditure on short-term leases other than lease term of one month or less | 12.20 | 14.39 |
| **(ii)** | Expenditure on long term lease of low-value assets | - | 0.02 |
| **(iii)** | Variable lease payments not included in the measurement of lease liabilities | 5.41 | 4.67 |

**29.3** Expense of ₹ 158.50 Crore on Downstream Protection works incurred in Subansiri Lower Project has been capitalized by way of Expenditure Attributable to Construction (EAC) (Refer Note 2.2.9)

## NOTE NO. 30.1 TAX EXPENSES

(₹ in Crore)

| PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|
| **Current Tax** | | |
| Provision for Current Tax | 912.69 | 919.88 |
| Adjustment Relating To Earlier periods | 3.00 | (0.13) |
| **Total current tax expenses** | **915.69** | **919.75** |
| **Deferred Tax** | | |
| **Decrease (increase) in deferred tax assets** | | |
| - Relating to origination and reversal of temporary differences | (43.31) | (47.70) |
| - Adjustments on account of MAT credit entitlement | (1,478.62) | (35.47) |
| **Increase (decrease) in deferred tax liabilities** | | - |
| - Relating to origination and reversal of temporary differences | 57.80 | 34.51 |
| - Relating to undisributed Earnings | (8.54) | 23.77 |
| **Total deferred tax expenses (benefits)** | **(1,472.67)** | **(24.89)** |
| **Net Deferred Tax** | **(1,472.67)** | **(24.89)** |
| **Total** | **(556.98)** | **894.86** |

| 30.1.1 | Reconciliation of tax expense and the accounting profit multiplied by India's domestic rate. | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|---|
| | Accounting profit/loss before income tax including movement in Regulatory Deferral Account Balance | 4,471.23 | 4,494.74 |
| | Applicable tax rate (%) | 34.9440 | 34.9440 |
| | **Computed tax expense** | **1,562.43** | **1,570.64** |
| | **Tax effects of amounts which are not deductible (Taxable) in calculating taxable income.** | | |
| | Non Deductible Tax Expenses | 67.27 | 54.53 |
| | Tax Exempt Income | 100.30 | 97.15 |
| | Tax Incentives (80-IA Deductions) | (658.62) | (890.86) |
| | Adjustment for current tax of earlier periods | 3.00 | (1.94) |
| | Minimum Alternate Tax Adjustments | (1,478.62) | 143.84 |
| | Undistributed Profit | (8.54) | 23.77 |
| | Deduction U/S 80M | (130.10) | (102.27) |
| | Others | (14.10) | - |
| | **Income tax expense reported in Statement of Profit and Loss** | **(556.98)** | **894.86** |
| **30.1.2** | **Amounts recognised directly in Equity** | | |
| | Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited/(credited) to equity | | |
| | Current Tax | Nil | Nil |
| | Deferred tax | Nil | Nil |
| | **Total** | **Nil** | **Nil** |
| **30.1.3** | **Tax losses and credits** | | |
| | (i) Unused tax losses for which no deferred tax asset has been recognised | Nil | Nil |
| | Potential tax benefit @ 30% | Nil | Nil |
| | (ii) The details of MAT Credit available to the Company in future but not recognised in the books of account **(Refer Note 30.1.5)** | 945.95 | 2,382.61 |
| **30.1.4** | **Unrecognised temporary differences** | | |
| | Temporary differences relating to investments in subsidiaries for which deferred tax liabilities have not been recognised. | | |
| | Undistributed Earnings | Nil | Nil |
| | Unrecognised deferred tax liabilities relating to the above temporary differences | Nil | Nil |

**30.1.5** The details of Minimum Alternate Tax (MAT) Credit available to the Company in future but not recognised in the Books of Accounts

(₹ in Crore)

| Financial Years | As at 31st March 2022 | | As at 31st March 2021 | |
|---|---|---|---|---|
| | Amount | Year of Expiry | Amount | Year of Expiry |
| 2020-21 | - | 2035-36 | 183.10 | 2035-36 |
| 2019-20 | - | 2034-35 | 158.70 | 2034-35 |
| 2018-19 | - | 2033-34 | 696.15 | 2033-34 |
| 2017-18 | - | 2032-33 | 210.11 | 2032-33 |
| 2016-17 | - | 2031-32 | 11.59 | 2031-32 |
| 2015-16 | - | 2030-31 | 177.01 | 2030-31 |
| 2014-15 | 46.81 | 2029-30 | 46.81 | 2029-30 |

| Financial Years | As at 31st March 2022 | | As at 31st March 2021 | |
|---|---|---|---|---|
| | Amount | Year of Expiry | Amount | Year of Expiry |
| 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** | **945.95** | | **2,382.61** | |

Deferred tax assets in respect of aforesaid MAT credit available to Company in future has not been recognised considering its uncertainty of reversal in foreseeable future.

## NOTE NO. 30.2 OTHER COMPREHENSIVE INCOME

(₹ in Crore)

| PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|
| **(i) Items that will not be reclassified to profit or loss** | | |
| (a) Remeasurement of the post employment defined benefit obligations | 12.73 | (61.60) |
| Less: Deferred Tax on remeasurement of the post employment defined benefit obligations | 4.45 | (21.52) |
| **Remeasurement of the post employment defined benefit obligations (net of Tax)** | **8.28** | **(40.08)** |
| Less:-Movement in Regulatory Deferral Account Balances in respect of Tax on defined benefit obligations | (3.07) | 2.75 |
| Movement in Regulatory Deferral Account Balances-Remeasurement of post employment defined benefit obligations | 2.33 | - |
| **Sub total (a)** | **13.68** | **(42.83)** |
| (b) Investment in Equity Instruments | 5.40 | 47.13 |
| **Sub total (b)** | **5.40** | **47.13** |
| **Total (i)=(a)+(b)** | **19.08** | **4.30** |
| **(ii) Items that will be reclassified to profit or loss** | | |
| Investment in Debt Instruments | (10.72) | 4.21 |
| Less: Income Tax on investment in Debt Instruments | (2.50) | 0.98 |
| **Total (ii)** | **(8.22)** | **3.23** |
| **TOTAL =(i+ii)** | **10.86** | **7.53** |

## NOTE NO. 31 MOVEMENT IN REGULATORY DEFERRAL ACCOUNT BALANCES

(₹ in Crore)

| | PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|---|
| (i) | Wage Revision as per 3rd Pay Revision Committee | (116.53) | - |
| (ii) | Kishanganga Power Station:-Depreciation due to moderation of Tariff | 198.35 | 195.51 |
| (iii) | Exchange Differences on Monetary Items | (0.17) | 1.70 |
| (iv) | Adjustment against Deferred Tax Recoverable for tariff period upto 2009 | (49.52) | (75.46) |
| (v) | Adjustment against Deferred Tax Liabilities for tariff period 2014-2019 and onwards | 10.72 | 6.28 |
| (vi) | MAT Credit | (1,252.94) | (15.86) |
| | **Total A=(i)+(ii)+(iii)+(iv)+(v)+(vi)** | **(1,210.09)** | **112.17** |

| PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|
| **Impact of Tax on Regulatory Deferral Accounts** | | |
| Less: Deferred Tax on Regulatory Deferral Account Balances | 13.56 | 24.18 |
| Add: Deferred Tax recoverable from Beneficiaries | 13.56 | 24.18 |
| **Total (B)** | **-** | **-** |
| **TOTAL (A-B)** | **(1,210.09)** | **112.17** |

31.1 Refer Note 14 of Consolidated Financial Statements.

## NOTE NO. 32 EXPENDITURE ATTRIBUTABLE TO CONSTRUCTION (EAC) FORMING PART OF CAPITAL WORK IN PROGRESS FOR THE YEAR

(₹ in Crore)

| | PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|---|
| **A.** | **GENERATION EXPENSE** | | |
| | Consumption of stores and spare parts | 0.15 | 0.43 |
| | **Sub-total** | **0.15** | **0.43** |
| **B.** | **EMPLOYEE BENEFITS EXPENSE** | | |
| | Salaries and Wages | 182.09 | 156.82 |
| | Contribution to provident and other funds | 26.74 | 22.04 |
| | Staff welfare expenses | 8.52 | 6.70 |
| | **Sub-total** | **217.35** | **185.56** |
| **C.** | **FINANCE COST** | | |
| | Interest on : **(Refer Note 2.2.2)** | | |
| | Bonds | 950.35 | 911.05 |
| | Foreign loan | 7.18 | 6.64 |
| | Term loan | 25.41 | 32.97 |
| | **Sub-total** | **982.94** | **950.66** |
| | Exchange differences regarded as adjustment to interest cost | - | 2.16 |
| | Loss on Hedging Transactions | 43.91 | 41.47 |
| | Guarantee fee on loan | 0.03 | - |
| | Transfer of expenses to EAC- Interest on loans from Central Government-adjustment on account of effective interest | 1.81 | - |
| | Transfer of expenses to EAC-Interest on security deposit/ retention money-adjustment on account of effective interest | 0.96 | 1.56 |
| | Transfer of expenses to EAC- Interest on FC Loans - Effective Interest Adjustment | - | 0.92 |
| | **Sub-total** | **46.71** | **46.11** |
| **D.** | **DEPRECIATION AND AMORTISATION EXPENSES** | **16.55** | **16.04** |
| | **Sub-total** | **16.55** | **16.04** |
| **E.** | **OTHER EXPENSES** | | |
| | Repairs And Maintenance : | | |
| | -Building | 11.40 | 8.52 |
| | -Machinery | 2.09 | 1.05 |
| | -Others | 28.66 | 10.68 |

| | PARTICULARS | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|---|
| | Rent & Hire Charges | 11.60 | 9.19 |
| | Rates and taxes | 2.89 | 2.40 |
| | Insurance | 12.85 | 9.96 |
| | Security expenses | 31.71 | 28.39 |
| | Electricity Charges | 4.80 | 4.71 |
| | Travelling and Conveyance | 2.75 | 1.65 |
| | Expenses on vehicles | 0.86 | 0.84 |
| | Telephone, telex and Postage | 2.35 | 1.79 |
| | Advertisement and publicity | - | 0.01 |
| | Printing and stationery | 0.65 | 0.46 |
| | Design and Consultancy charges: | | |
| | - Indigenous | 7.79 | 6.37 |
| | Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses | 14.38 | 0.42 |
| | Expenses on works of downstream protection works **(Refer Note 29.3)** | 158.50 | - |
| | Expenditure on land not belonging to company | 1.08 | 0.03 |
| | Assets/ Claims written off | 0.11 | 76.01 |
| | Losses on sale of assets | 0.04 | - |
| | Other general expenses | 14.34 | 6.93 |
| | Exchange rate variation (Debit) | - | 0.37 |
| | **Sub-total** | **308.85** | **169.78** |
| **F.** | **PROVISIONS** | **31.11** | **13.62** |
| | **Sub-total** | **31.11** | **13.62** |
| **G.** | **CORPORATE OFFICE/REGIONAL OFFICE EXPENSES** | | |
| | Other Income | (0.55) | (0.43) |
| | Other Expenses | 9.86 | 8.54 |
| | Employee Benefits Expense | 108.13 | 112.25 |
| | Depreciation and Amortization Expenses | 2.72 | 2.19 |
| | Finance Cost | 0.20 | 0.31 |
| | **Sub-total** | **120.36** | **122.86** |
| **H.** | **LESS: RECEIPTS AND RECOVERIES** | | |
| | Income from generation of electricity – precommissioning | 53.81 | 34.73 |
| | Interest on loans and advances | 25.07 | 15.61 |
| | Profit on sale of assets | - | 0.03 |
| | Provision/Liability not required written back | 0.44 | 1.85 |
| | Miscellaneous receipts | 3.40 | 84.32 |
| | Transfer of fair value gain to EAC- security deposit | 0.63 | - |
| | **Sub-total** | **83.35** | **136.54** |
| | **TOTAL (A+B+C+D+E+F+G-H) (Refer Note 2.2)** | **1,640.67** | **1,368.52** |

## 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, 2022 | | | As as 31st March, 2021 | | |
|---|---|---|---|---|---|---|---|
| | | Fair value through Profit or Loss | Fair value through Other Comprehensive Income | Amortised Cost | Fair value through Profit or Loss | Fair value through Other Comprehensive Income | Amortised Cost |
| **Non-current Financial Assets** | | | | | | | |
| **(i) Non-current investments** | | | | | | | |
| a) In Equity Instrument (Quoted) | 3.1 | - | 98.70 | - | - | 93.30 | - |
| b) In Debt Instruments (Government/ Public Sector Undertaking)- Quoted | 3.1 | - | 411.64 | - | - | 422.05 | - |
| **Sub-total** | | **-** | **510.34** | **-** | **-** | **515.35** | **-** |
| (ii) Loans | | | | | | | |
| a) Loans to Joint Venture (National High Power Test Laboratory (P) Limited) | 3.2 | - | - | 17.48 | - | - | 18.40 |
| b) Employees | 3.2 | - | - | 223.70 | - | - | 189.14 |
| c) Loan to Government of Arunachal Pradesh (Including interest accrued) | 3.2 | - | - | 802.92 | - | - | 736.62 |
| (iii) Others | | | | | | | |
| a) Deposits | 3.2 | - | - | 25.16 | - | - | 25.14 |
| b) Lease Receivables including interest | 3.3 | - | - | 6,086.51 | - | - | 6,248.71 |
| c) Recoverable on account of Bonds fully Serviced by Government of India | 3.3 | - | - | 2,017.20 | - | - | 2,017.20 |
| d) Share Application Money Pending Allotment | 3.3 | - | - | - | - | - | 100.15 |
| e) Derivative MTM Asset | 3.3 | 22.35 | - | | 18.21 | - | |
| f) Bank Deposits with more than 12 Months Maturity (Including interest accrued) | 3.3 | - | - | 1,227.68 | - | - | 573.91 |
| **Total Non-current Financial assets** | | **22.35** | **510.34** | **10,400.65** | **18.21** | **515.35** | **9,909.27** |
| **Current Financial assets** | | | | | | | |
| (i) Trade Receivables | 7 | | | 5,175.84 | | | 5,133.42 |
| (ii) Cash and cash equivalents | 8 | | | 1,314.67 | | | 447.27 |
| (iii) Bank balances other than Cash and Cash Equivalents | 9 | | | 643.68 | | | 1,809.55 |
| (iv) Loans | 10 | | | | | | |

| Financial assets | Notes | As at 31st March, 2022 | | | As as 31st March, 2021 | | |
|---|---|---|---|---|---|---|---|
| | | Fair value through Profit or Loss | Fair value through Other Comprehensive Income | Amortised Cost | Fair value through Profit or Loss | Fair value through Other Comprehensive Income | Amortised Cost |
| a) Employee Loans | | | | 60.12 | | | 52.09 |
| b) Loans to Joint Venture (National High Power Test Laboratory (P) Limited) (Net of Impairment Allowances) | | | | 0.92 | | | 0.42 |
| c) Deposits | 11 | | | 0.36 | | | 0.36 |
| (v) Others (Excluding Lease Receivables) | 11 | | | 682.09 | | | 1,020.42 |
| (vi) Others ( Lease Receivables including interest) | 11 | | | 219.57 | | | 217.95 |
| **Total Current Financial Assets** | | - | - | **8,097.25** | - | - | **8,681.48** |
| **Total Financial Assets** | | **22.35** | **510.34** | **18,497.90** | - | **515.35** | **18,590.75** |

| Financial Liabilities | Notes | As at 31st March, 2022 | | | As at 31st March, 2021 | | |
|---|---|---|---|---|---|---|---|
| | | Fair value through Profit or Loss | Fair value through Other Comprehensive Income | Amortised Cost | Fair value through Profit or Loss | Fair value through Other Comprehensive Income | Amortised Cost |
| (i) Long-term borrowings | 16.1 | | | 23,226.61 | | | 21,230.99 |
| (ii) Long term maturities of lease liabilities | 16.2 | | | 17.46 | | | 12.28 |
| (iii) Other Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India) | 16.3 | | | 2,098.97 | | | 2,055.25 |
| (iv) Borrowing -Short Term including current maturities of long term borrowings | 20.1 | | | 2,848.76 | | | 2,119.14 |
| (v) Current maturities of lease obligations | 20.2 | | | 3.12 | | | 2.83 |
| (vi) Trade Payables including Micro, Small and Medium Enterprises | 20.3 | | | 214.11 | | | 209.86 |
| (vii) Other Current financial liabilities | | | | | | | |
| a) Interest Accrued but not due on borrowings | 20.4 | | | 636.29 | | | 660.72 |
| b) Other Current Liabilities | 20.4 | | | 940.83 | | | 920.15 |
| **Total Financial Liabilities** | | | | **29,986.15** | | | **27,211.22** |

**B) FAIR VALUATION MEASUREMENT**

**(i) Fair Value Hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the following three levels prescribed under Ind AS-113 "Fair Value Measurements"

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and traded bonds that have quoted price. The fair value of all equity instruments including bonds which are traded in the recognised Stock Exchange and money markets are valued using the closing prices as at the reporting date.

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

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments. This includes derivative MTM assets/liabilities, security deposits/ retention money and loans at below market rates of interest.

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

(₹ in Crore)

| PARTICULARS | Note No. | As at 31st March, 2022 | | | As as 31st March, 2021 | | |
|---|---|---|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **Financial Assets at FVTOCI** | | | | | | | |
| **(i) Investments-** | | | | | | | |
| - In Equity Instrument (Quoted) | 3.1 | 98.70 | | | 93.30 | | |
| - In Debt Instruments (Government/ Public Sector Undertaking)- Quoted* | 3.1 | 411.64 | | | 422.05 | | |
| **Financial Assets at FVTPL :** | | | | | | | |
| (i) Derivative MTM Asset (Call spread option and Coupon only swap) | 3.3 | | 22.35 | - | | 18.21 | - |
| **Total** | | **510.34** | **22.35** | **-** | **515.35** | **18.21** | **-** |

**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, 2022 | | | As as 31st March, 2021 | | |
|---|---|---|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | | | | | |
| **(i) Loans** | | | | | | | |
| a) Employees | 3.2 | | 284.39 | | | 240.74 | |
| b) Loan to Joint Venture (National High Power Test Laboratory (P) Limited) | 3.2 | | 17.48 | | | 18.40 | |

| PARTICULARS | Note No. | As at 31st March, 2022 | | | As as 31st March, 2021 | | |
|---|---|---|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| c) Loan to Government of Arunachal Pradesh (including Interest Accrued) | 3.2 | | 802.92 | | | 736.62 | |
| **(ii) Others** | | | | | | | |
| a) Deposits | 3.3 | | | 25.16 | | | 25.14 |
| b) Bank Deposits with more than 12 Months Maturity (Including Interest accrued) | 3.3 | | 1,227.68 | | | 573.91 | |
| c) Recoverable on account of Bonds fully Serviced by Government of India | 3.3 | 2,006.82 | | | 2,017.20 | | |
| d) Claim recoverable from employees on account of PRP | 3.3 | | 10.54 | | | | |
| **Total Financial Assets** | | **2,006.82** | **2,332.47** | **25.16** | **2,017.20** | **1,569.67** | **25.14** |
| **Financial Liabilities** | | | | | | | |
| (i) Long-term borrowings including current maturities and accrued interest | 16.1, 20.1 & 20.4 | 19,083.09 | 2,207.18 | 2,881.38 | 19,083.09 | 2,207.18 | 2,881.38 |
| (ii) Long term & Short term maturities of lease obligations | 16.2 & 20.2 | - | - | 20.58 | - | - | 27.39 |
| (iii) Other Long Term Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India) | 16.3 | 2,006.82 | | 98.25 | 2,017.20 | | 43.09 |
| **Total Financial Liabilities** | | **21,089.91** | **2,207.18** | **3,000.21** | **21,100.29** | **2,207.18** | **2,951.86** |

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

(₹ in Crore)

| PARTICULARS | Note No. | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|---|
| | | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| **Financial assets** | | | | | |
| **(i) Loans** | | | | | |
| a) Employees | 3.2 | 223.70 | 284.39 | 189.14 | 240.74 |
| b) Loans to Joint Venture (National High Power Test Laboratory (P) Limited) | 3.2 | 17.48 | 17.48 | 18.40 | 18.40 |
| c) Loan to Government of Arunachal Pradesh (including Interest Accrued) | 3.2 | 802.92 | 802.92 | 736.62 | 736.62 |
| **(ii) Others** | | | | | |
| a) Deposits | 3.3 | 25.16 | 25.16 | 25.14 | 25.14 |
| b) Bank Deposits with more than 12 Months Maturity (Including Interest accrued) | 3.3 | 1,227.68 | 1,227.68 | 573.91 | 573.91 |
| c) Recoverable on account of Bonds fully Serviced by Government of India | 3.3 | 2,017.20 | 2,017.20 | 2,017.20 | 2,017.20 |
| **Total Financial Assets** | | **4,314.14** | **4,374.83** | **3,560.41** | **3,612.01** |

| PARTICULARS | Note No. | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|---|
| | | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| **Financial Liabilities** | | | | | |
| (i) Long-term borrowings including Current maturities and accrued interest | 16.1, 20.1 & 20.4 | 25,387.76 | 25,144.25 | 23,284.82 | 24,171.65 |
| (ii) Long term & Short term maturities of lease obligations | 16.2 & 20.2 | 20.58 | 20.58 | 27.39 | 27.39 |
| (iii) Other Long Term Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India) | 16.3 | 2,098.97 | 2,105.07 | 2,055.25 | 2,060.29 |
| **Total Financial Liabilities** | | **27,507.31** | **27,269.90** | **25,367.46** | **26,259.33** |

**Note:-**

1. The Carrying amounts of current investments, Trade and other receivables, Cash and cash equivalents,Short-term loans and advances, Short term borrowings, Trade payables and other current financial liabilities are considered to be the same as their fair values, due to their short term nature.
2. For financial assets and financial liabilities measured at fair value, the carrying amounts are equal to the fair value.

**(d) Valuation techniques and process used to determine fair values**

(1) The Group values financial assets or financial liabilities using the best and most relevant data available. Specific valuation techniques used to determine fair value of financial instruments includes:

- Use of Quoted market price or dealer quotes for similar instruments.
- Fair value of remaining financial instruments is determined using discounted cash flow analysis.

(2) The discount rate used to fair value financial instruments classified at Level -3 is based on the Weighted Average Rate of Group's outstanding borrowings except subordinate debts and foreign currency borrowings.

(3) Financial liabilities that are subsequently measured at amortised cost are recognised initially at fair value minus transaction costs using the effective interest method where such transaction costs incurred on long term borrowings are material.

**(2) Financial Risk Management**

**(A) Financial risk factors**

**The Group's activities expose it to a variety of financial risks:**

| Risk | Exposure arising from | Measurement | Management |
|---|---|---|---|
| Credit risk | Cash & Cash equivalents, Other Bank Balances, Trade receivables and financial assets measured at amortised cost, Lease Receivable. | Aging analysis, credit rating. | Diversification of bank deposits, letter of credit for selected customers. |
| Liquidity Risk | Borrowings and other facilities. | Rolling cash flow forecasts & Budgets | Availability of committed credit lines and borrowing facilities. |
| Market Risk-Interest rate | Long term borrowings at variable rates | Sensitivity Analysis | 1. Diversification of fixed rate and floating rates<br>2. Refinancing<br>3. Actual Interest is recovered through tariff as per CERC Regulation |
| Market Risk-security prices | Investment in equity and debt securities | Sensitivity Analysis | Portfolio diversification |
| Market Risk-foreign exchange | Recognised financial liabilities not denominated in INR. | Sensitivity Analysis | Foreign exchange rate variation is recovered through tariff as per CERC Regulation.<br>Call spread option and coupon only swap |

**Risk management framework**

The Group's activities make it susceptible to various risks. The Group has taken adequate measures to address such concerns by developing adequate systems and practices. Group has a well-defined risk management policy to provide overall framework for the risk management in the Group. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

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

**i) Credit risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables/leased assets) and from its financing activities including deposits with banks and financial institutions.

**ii) Liquidity risk**

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

**iii) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group operates in a regulated environment. Tariff of the Group is fixed by the Central Electricity Regulatory Commission (CERC) through Annual Fixed Charges (AFC) comprising the following five components: 1. Return on Equity (RoE), 2. Depreciation, 3. Interest on Loans, 4. Operation & Maintenance Expenses and 5. Interest on Working Capital Loans. In addition to the above, Foreign Currency Exchange variations and Taxes are also recoverable from Beneficiaries in terms of the Tariff Regulations. Hence variation in interest rate, currency exchange rate variations and other price risk variations are recoverable from tariff and do not impact the profitability of the Group.

**(B) Credit Risk**

The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

**Trade Receivables, unbilled revenue & lease receivables :-**

The Group extends credit to customers in normal course of business. The Group monitors the payment track record of the customers. Outstanding receivables are regularly monitored. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are mainly state government authorities and operate in largely independent markets. Unbilled revenue primarily relates to the Group's right to consideration for work completed but not billed at the reporting date and have substantially the same risk characteristics as trade receivables for the same type of contracts.

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

**Financial assets at amortised cost :-**

**Employee Loans:** The Group has given loans to employees at concessional rates as per Group's policy which have been measured at amortised cost at Balance Sheet date. The recovery of the loan is on fixed instalment basis from the monthly salary of the employees. The loans are secured by way of mortgage/hypothecation of the assets for which such loans are given. Management has assessed the past data and does not envisage any probability of default on these loans.

**Loans to Government of Arunanchal Pradesh :** The Group has given loan to Government of Arunachal Pradesh at 9% rate of interest as per the terms and conditions of Memorandum of Understanding signed between the Group and Government of Arunachal Pradesh for construction of hydroelectric projects in the state. The loan has been measured at amortised cost. The loan is recoverable from the share of free power of the state government from the first hydroelectric project to be commissioned in the state. Management does not envisage any probability of default on the loan.

**Financial instruments and cash deposits :-**

The Group considers factors such as track record, size of the bank, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the banks with which the Group has also availed borrowings. The Group invests surplus cash in short term deposits with scheduled banks. The Group has balances and deposits with banks which are well diversified across private and public sector banks with limited exposure with any single bank.

**Corporate Guarantee issued by the Company: -**

The Company has issued an irrevocable and unconditional Corporate Guarantee favouring HDFC Bank in support of the credit facility of ₹ 213.25 crore sanctioned by the Bank to Bundelkhand Saur Urja Ltd (BSUL), a Subsidiary Company of NHPC Limited for a Guarantee Fee of 1.20% plus applicable GST. Exposure of the Company from the Guarantee shall be the principal outstanding under the said credit facility including any interest, commission, charges etc. payable to the Bank by BSUL. However, on the reporting date management does not envisage any probability of the default by the Subsidiary Company.

**(i) Exposure to credit risk**

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

(₹ in Crore)

| PARTICULARS | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| **Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)** | | |
| Non-current investments (Other than Subsidiaries and Joint Ventures) | 510.34 | 515.35 |
| Loans -Non Current (including interest) | 1,069.26 | 969.30 |
| Other Non Current Financial Assets | 3,244.88 | 2,591.11 |
| Cash and cash equivalents | 1,314.67 | 447.27 |
| Bank balances other than Cash and Cash Equivalents | 643.68 | 1,809.55 |
| Loans -Current | 61.40 | 52.87 |
| Other Financial Assets (Excluding Lease Receivables) | 682.09 | 1,020.42 |
| **Total (A)** | **7,526.32** | **7,405.87** |

| PARTICULARS | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| **Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)** | | |
| Trade Receivables | 5,175.84 | 5,133.42 |
| Lease Receivables (Including Interest) | 6,306.08 | 6,466.66 |
| **Total (B)** | **11,481.92** | **11,600.08** |
| **TOTAL (A+B)** | **19,008.24** | **19,005.95** |

**(ii) Provision for expected credit losses :-**

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

The Group assesses outstanding receivables on an ongoing basis considering changes in payment behaviour and provides for expected credit loss on case-to-case basis.

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

A default in recovery of financial assets occurs when in view of the management there is no significant possibility of recovery of receivables after considering all available options for recovery. As the power stations and beneficiaries of the Group are spread over various states of India, geographically there is no concentration of credit risk.

The Group primarily sells electricity to bulk customers comprising mainly of state utilities owned by State Governments. The Group has a robust payment security mechanism in the form of Letters of Credit (LC) backed by the Tri-Partite Agreements (TPA) signed among the Govt. of India, RBI and the individual State Governments subsequent to the issuance of the One Time Settlement Scheme of SEBs dues during 2001-02 by the GOI, which was valid till October 2016. Govt of India has approved the extension of these TPAs for another period of 10 years. Most of the States have signed these TPAs and signing is in progress for the balance states. As per the provisions of the TPA, the customers are required to establish LC covering 105% of the average monthly billing of the Group for last 12 months. The TPA also provided that if there is any default in payment of current dues by any State Utility the outstanding dues can be deducted from the Central Plan Assistance of the State and paid to the concerned CPSU. There is also provision of regulation of power by the Group in case of non payment of dues and non-establishment of LC.

CERC Tariff Regulations 2019-24 allow the Group to raise bills on beneficiaries for late-payment surcharge. which adequately compensates the Group for time value of money arising due to delay in payment. Further, the fact that beneficiaries are primarily State Governments/ State Discoms and considering the historical credit loss experience for trade receivables, the Group does not envisage either impairment in the value of receivables from beneficiaries or loss due to time value of money due to delay in realization of trade receivables. However, the Group assesses outstanding trade receivables on an ongoing basis considering changes in operating results and payment behaviour and provides for expected credit loss on case-to-case basis. As at the reporting date Group does not envisage any default risk on account of non-realisation of trade receivables.

**(iii) Reconciliation of impairment loss provisions**

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

(₹ in Crore)

| | Trade Receivables | Amount Recoverable | Loans | Total |
|---|---|---|---|---|
| **Balance as at 1.4.2020** | **37.71** | **285.78** | **0.01** | **323.50** |
| Changes in Loss Allowances | (3.95) | (10.60) | - | (14.55) |
| **Balance as at 1.4.2021** | **33.76** | **275.18** | **0.01** | **308.95** |
| Changes in Loss Allowances | 1.57 | 7.47 | - | 9.04 |
| **Balance as at 31.3.2022** | **35.33** | **282.65** | **0.01** | **317.99** |

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

**(C) Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

**i)** The Group's objective is to maintain optimum levels of liquidity at all times to meet its cash and collateral requirements. The Group relies on a mix of borrowings and excess operating cash flows to meet its need for funds. The current committed lines of credit and internal accruals are sufficient to meet its short to medium term expansion needs. The Group monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet capital expenditure and operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the borrowing limits or covenants (where applicable) are not breached on any of its borrowing facilities.

The Group had access to the following undrawn borrowing facilities at the end of the reporting year:

(₹ in Crore)

| PARTICULARS | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| At Floating Rate | 1,425.00 | 475.00 |
| **Total** | **1,425.00** | **475.00** |

**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, 2022** (₹ in Crore)

| Contractual Maturities of Financial Liabilities | Note No. | Outstanding Debt as on 31.3.2022 | 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 | 27,080.92 | 2,848.76 | 4,337.53 | 5,321.14 | 14,573.49 |
| Lease obligations | 16.2 & 20.2 | 30.86 | 3.12 | 7.51 | 4.14 | 16.09 |
| Other financial Liabilities | 16.3 & 20.4 | 3,701.41 | 1,581.51 | 15.05 | 18.15 | 2,086.70 |
| Trade Payables | 20.3 | 214.11 | 214.11 | - | - | - |
| **Total Financial Liabilities** | | **31,027.30** | **4,647.50** | **4,360.09** | **5,343.43** | **16,676.28** |

**As at 31st March, 2021** (₹ in Crore)

| Contractual Maturities of Financial Liabilities | Note No. | Outstanding Debt as on 31.3.2021 | Within 1 Year | More than 1 Year & Less than 3 Years | More than 3 Years & Less than 5 Years | More than 5 Years |
|---|---|---|---|---|---|---|
| Borrowings | 16.1 & 20.1 | 24,423.60 | 2,119.14 | 3,161.38 | 4,160.14 | 14,982.94 |
| Lease obligations | 16.2 & 20.2 | 27.42 | 2.82 | 5.87 | 2.82 | 15.91 |
| Other financial Liabilities | 16.3 & 20.4 | 3,656.48 | 1,583.79 | 12.24 | 7.45 | 2,053.00 |
| Trade Payables | 20.3 | 209.86 | 209.86 | - | - | - |
| **Total Financial Liabilities** | | **28,317.36** | **3,915.61** | **3,179.49** | **4,170.41** | **17,051.85** |

**(D) Market Risk:**

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligation provisions and on the non-financial assets and liabilities. The sensitivity of the relevant item of the Statement of Profit and Loss is the effect of the assumed changes in the respective market risks. The Group's activities expose it to a variety of financial risks, including the effects of changes in interest rates.

**(i) Interest rate risk and sensitivity**

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with floating interest rates. Group's policy is to maintain most of its borrowings at fixed rate. Group's fixed rate borrowings are carried at amortised cost and are not subject to interest rate risk. Further the Group refinance these debts as and when favourable terms are available. The Group is also compensated for variability in floating rate through recovery by way of tariff adjustments under CERC tariff regulations.

The exposure of the Group's borrowing to interest rate changes at the end of the reporting year are as follows:

| PARTICULARS | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|
| | Weighted average interest rate (%) | (₹ in Crore) | Weighted average interest rate (%) | (₹ in Crore) |
| Floating Rate Borrowings (INR) | 5.64 | 3,510.01 | - | - |
| Fixed Rate Borrowings (INR) | 7.87 | 19,705.49 | 7.89 | 20,934.19 |
| Fixed Rate Borrowings (FC) | 1.38 | 1,475.97 | 1.41 | 1,689.92 |
| **Total** | | **24,691.47** | | **22,624.12** |

**Interest Rate Sensitivity Analysis**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The majority of the borrowings of the Group are at fixed interest rate. In case of floating rate borrowings there is no impact on Statement of Profit and Loss of the Group due to increase/decrese in interest rates, as the same is recoverable from beneficiaries through tariff.

(ii) **Interest Rate Benchmark reform rate:**

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

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

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

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

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

**(ii) Price Risk:**

**(a) Exposure**

The Group's exposure to price risk arises from investment in equity shares and debt instruments classified in the financial statements as Fair Value Through OCI. Group's investment in equity shares are listed in recognised stock exchange and are publicly traded in the stock exchanges. Group's investment in debt instruments comprise quoted Government Securities and Public Sector Bonds and are publicly traded in the market. The investment has been classified under non-current investment in Balance Sheet.

**(b) Price Risk Sensitivity**

**For Investment in Equity Instruments (Investment in equity shares of PTC)**

The table below summarises the impact of increase/decrease in the market price of investment in equity instruments on the Group's equity for the year:

| PARTICULARS | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|
| | % change | Impact on other components of equity (₹ in Crore) | % change | Impact on other components of equity (₹ in Crore) |
| **Investment in Equity shares of :** | | | | |
| PTC India Ltd | 8.62 | 8.50 | 1.54 | 1.43 |

Sensitivity has been worked out based on the previous 3 years average of six monthly fluctuations in the share price as quoted on the National Stock Exchange (NSE).

**For Investment in Debt Instruments (Investments in Government and Public Sector Undertaking Bonds)**

The table below summarises the impact of increase/decrease of the market value of the debt instruments on Group's equity for the year:

| PARTICULARS | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|
| | % change | Impact on other components of equity (₹ in Crore) | % change | Impact on other components of equity (₹ in Crore) |
| **Investment in Equity shares of :** | | | | |
| Government Securities | 0.61 | 2.01 | 1.11 | 3.77 |
| Public Sector Undertaking Tax Free Bonds | 1.42 | 1.20 | 2.14 | 1.88 |

**(iii) Foreign Currency Risk**

The Group is compensated for variability in foreign currency exchange rate through recovery by way of tariff adjustments under the CERC Tariff Regulations.

**(a) Foreign Currency Exposure:**

The Group's exposure to foreign currency risk at the end of the reporting year expressed in INR are as follows :

(₹ in Crore)

| PARTICULARS | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| **Financial Liabilities:** | | |
| Foreign Currency Loans | | |
| Japan International Corporation LTD ( JPY) | 801.97 | 968.62 |
| MUFG BANK ( JPY) | 674.00 | 721.30 |
| Other Financial Liabilities | 49.77 | 48.91 |
| **Net Exposure to foreign currency (liabilities)** | **1,525.74** | **1,738.83** |

Out of the above, loan from MUFG bank is hedged by derivative instrument. For balance exposure gain/(loss) on account of exchange variation is recoverable from beneficieries asper Tariff Regulation 2019-24. Therefore, currency risk in respect of such exposure would not be very significant.

**(b) Sensitivity Analysis**

There is no impact of foreign currency fluctuations on the profit of the Group as these are either adjusted to the carrying cost of respective fixed asset/Capital Work-in-Progress or recovered through tariff as per CERC Tariff Regulation, therefore sensitivity analysis for currency risk is not disclosed.

## (3) Capital Management

**(a) Capital Risk Management**

The primary objective of the Group's capital management is to maximize the shareholder value. CERC Tariff Regulations prescribe Debt : Equity ratio of 70:30 for the purpose of fixation of tariff of Power Projects. Accordingly the Group manages its capital structure to maintain the normative capital structure prescribed by the CERC.

The Group monitors capital using Debt : Equity ratio, which is total debt divided by total capital. The Debt : Equity ratio are as follows:

**Statement of Gearing Ratio**

| PARTICULARS | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| (a) Total Debt (₹ in Crore) | 28,113.15 | 25,382.44 |
| (b) Total Equity Attributable to Owners of the Company (₹ in Crore) | 34,920.98 | 33,053.30 |
| Gearing Ratio (a/b) | 0.81 | 0.77 |

**Note:** For the purpose of the Group's capital management, capital includes issued capital and reserves. Net debt includes interest bearing loans and borrowings.

**(b) Loan Covenants:**

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

1. Group shall maintain credit rating AAA and if rating comes down, rate of interest shall be increased by 25 basis point for each notch below AAA rating .
2. Debt to net worth should not exceed 2:1.
3. Interest coverage ratio should be more than 2 times and should be calculated as ((Net Profit+Non Cash Expenditures+Interest Payable-Non Cash Income)/Interest Payable))
4. The gross Debt Service Coverage Ratio of the Company will no time be less than 1.25 during the currency of loan.
5. The Government of India holding in the Company not to fall below 51%.
6. First Charge on Assets with 1:1.33 coverage on pari paasu basis.

During the year the Group has complied with the above loan covenants.

**(c) Dividends:**

| PARTICULARS | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| **(i) Equity Shares** | | |
| Final dividend for the year 2020-21 of INR 0.35 per fully paid share approved in Sep-2021 paid in Oct-2021. (31st March 2020- INR 0.32 fully paid share for FY 2019-20 ). | 351.58 | 321.44 |
| Interim dividend for the year ended 31st March 2022 of INR 1.31 (31st March 2021- INR 1.25) per fully paid share. | 1,315.90 | 1,255.63 |
| **(ii) Dividend not recognised at the end of the reporting period** | | |
| In addition to the above dividends, since year end the directors of the Company have recommended the payment of a final dividend of INR 0.50 (31st March 2021- ₹ 0.35) per fully paid up Shares. The proposed dividend is subject to the approval of shareholders in the ensuring AGM. | 502.25 | 351.58 |

## Note No. 34: Other Explanatory Notes to Accounts

**1.** The subsidiaries and joint venture companies considered in the Consolidated Financial Statement are:

| Name of the Company | Country of Incorporation | Proportion (%) of Ownership Interest | |
|---|---|---|---|
| | | 31.03.2022 | 31.03.2021 |
| **A. Subsidiary Companies** | | | |
| NHDC Limited | India | 51.08% | 51.08% |
| Loktak Downstream Hydroelectric Corporation Limited (LDHC Limited) | India | 74.83% | 74.92% |
| Bundelkhand Saur Urja Limited (BSUL) | India | 86.67% | 74.00% |
| Lanco Teesta Hydro Power Limited* (w.e.f. 09.10.2019) | India | 100.00% | 100.00% |
| Jalpower Corporation Limited** (w.e.f. 31.03.2021) | India | 100.00% | 100.00% |
| Ratle Hydroelectric Power Corporation (w.e.f. 01.06.2021) (RHPCL)*** | India | 73.53% | - |
| **B. Joint Venture Companies** | | | |
| Chenab Valley Power Projects (P) Limited (CVPPPL)**** | India | 55.13% | 51.93% |
| National High Power Test Laboratory Private Limited (NHPTL)***** | India | 20.00% | 20.00% |

* The Board of Directors of the Company in its meeting held on December 7, 2021 has approved the merger/amalgamation of Lanco Teesta Hydro Power Limited (a wholly owned subsidiary of NHPC Limited) with NHPC Limited under Section 230-232 of the Companies Act, 2013 and other statutory provisions as per the terms and conditions mentioned in the Scheme of Amalgamation (Scheme). The Scheme will be filed with the relevant regulatory authorities including Ministry of Corporate Affairs or any other appropriate authority for their approval and sanction.

** The Board of Directors of the Company in its meeting held on September 24, 2021 has approved the proposal to initiate the process of merger of Jalpower Corporation Limited (a wholly owned subsidiary of NHPC Limited) with NHPC Limited as per applicable provisions of the Companies Act, 2013 subject to approval of Government of India.

*** NHPC Limited has formed a new Subsidary Company with Jammu and Kashmir State Power Development Corporation Limited (JKSPDCL) with equity participation of 51:49 respectively, in the name of "Ratle Hydroelectric Power Corporation Limited, which was incorporated on 01.06.2021.

**** The Company has obtained the approval from Ministry of Power vide its letter dated 12.05.2021 for taking over of 2% equity of PTC India Limited (PTC) in Chenab Valley Power Projects Private Limited (A Joint Venture Company between NHPC (49%), Jammu and Kashmir State Power Development Corporation Limited (JKSPDCL) (49%) and PTC (2%)). The purchase consideration of ₹ 4.19 crore has been released to PTC on 25.05.2021. During the year, the company has invested ₹ 551.71 crore while JKPDC has invested ₹ 309.15 crore in Chenab Valley Power Project Private Ltd. (CVPPPL), The company's shareholding in CVPPPL due to acquisition of shares of PTC and additional equity infusion increased from 51.93% as on 31st March, 2021 to 55.13% as on 31st March, 2022.

Pending modifications in the Promoter's Agreement and completion of other requisite formalities, CVPPPL continues to be a Joint Venture owing to control being exercised jointly with the other joint venturers, pursuant to the Joint Venture agreement currently in force.

***** 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 ₹ **10482.29 Crore** (Previous year ₹ **10336.09 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 ₹ **6281.87 Crore** (Previous year ₹ **6003.27 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 ₹ **418.63 Crore** (Previous year ₹ **412.91 Crore**) based on probability of outflow of resources embodying economic benefits and estimated ₹ **9787.51 Crore** (Previous year ₹ **9716.48 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 ₹ **554.17 Crore** (Previous year ₹ **519.99 Crore**) before various authorities/ courts. Pending settlement, the Group has assessed and provided an amount of ₹ **59.63 Crore** (Previous year ₹ **19.64 Crore**) based on probability of outflow of resources embodying economic benefits and estimated ₹ **494.54 Crore** (Previous year ₹ **500.35 Crore**) as the amount of contingent liability as outflow of resources is considered as not probable.

**(iii) Disputed Tax Demands**

Disputed Income Tax/Sales Tax/Service Tax/ Water Cess/ Green Energy Cess /other taxes/duties matters pending before various appellate authorities amount to ₹ **1905.83 Crore** (Previous year ₹ **923.33 Crore**). Pending settlement, the Group has assessed and provided an amount of ₹ **17.52 Crore** (Previous year ₹ **17.52 Crore**) based on probability of outflow of resources embodying economic benefits and ₹ **704.40 Crore** (Previous year ₹ **645.36 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 ₹ **772.20 Crore** (Previous year ₹ **888.41 Crore**). These claims are pending before various forums. Pending settlement, the Group has assessed and provided an amount of ₹ **102.24 Crore** (Previous year ₹ **155.13 Crore**) based on probability of outflow of resources embodying economic benefits and estimated ₹ **660.62 Crore** (Previous year ₹ **728.20 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 31.03.2022 | up to date Provision against the claims | Contingent liability as on 31.03.2022 | Contingent liability as on 31.03.2021 | Addition/ (deduction) from contingent liability during the year | Decrease of contingent liability from Opening Balance as on 01.04.2021 |
|---|---|---|---|---|---|---|---|
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii)=(v)-(vi) | (viii) |
| 1. | Capital Works | 10482.29 | 418.63 | 9787.51 | 9716.48 | 71.03 | 756.93 |

| Sl. No. | Particulars | Claims as on 31.03.2022 | up to date Provision against the claims | Contingent liability as on 31.03.2022 | Contingent liability as on 31.03.2021 | Addition/ (deduction) from contingent liability during the year | Decrease of contingent liability from Opening Balance as on 01.04.2021 |
|---|---|---|---|---|---|---|---|
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii)=(v)-(vi) | (viii) |
| 2. | Land Compensation cases | 554.17 | 59.63 | 494.54 | 500.35 | (5.81) | 29.71 |
| 3. | Disputed tax matters | 1905.83 | 17.52 | 704.40 | 645.36 | 59.04 | 2.59 |
| 4. | Others | 772.20 | 102.24 | 660.62 | 728.20 | (67.58) | 130.57 |
| | **Total** | **13714.49** | **598.02** | **11647.07** | **11590.39** | **56.68** | **919.80** |

(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 ₹ **462.67 Crore** (Previous year ₹ **469.82 Crore**) towards above Contingent Liabilities.

(e) (i) An amount of ₹ **1140.40 Crore** (Previous year ₹ **1140.45 Crore**) stands paid towards above Contingent Liabilities in respect of Capital Works, pursuant to Niti Aayog directions issued vide OM No. 14070/14/2016-PPPAU dated 5th September 2016, in cases where Arbitral Tribunals have passed orders in favour of contractors and such awards/orders have been further challenged/ being challenged by the Group in a Court of Law. The amount so paid has been shown under Other Non-Current Assets (Also refer Note No. 5).

(ii) An amount of ₹ **1657.55 Crore** (Previous year ₹ **1570.26 Crore**) stands paid/ deposited with courts/ paid as per Court Order towards above contingent liabilities to contest the cases and has been shown under Other Non-Current/ Current Assets/ adjusted against other liabilities of the claimants.

(f) The Management does not expect that the above claims/obligations (including under litigation), when ultimately concluded and determined, will have a material and adverse effect on the Group's results of operations or financial condition.

(g) Category of agency wise details of contingent liabilities as at 31.03.2022 are as under:

(₹ in Crore)

| Sl. No. | Category of Agency | Claims as on 31.03.2022 | up to date Provision against the claims | Contingent liability as on 31.03.2022 | Contingent liability as on 31.03.2021 | Addition(+)/ deduction (-) from contingent liability during the year | Decrease of contingent liability from Opening Balance as on 01.04.2021 |
|---|---|---|---|---|---|---|---|
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii)=(v)-(vi) | (viii) |
| 1 | Central Government departments | 1257.28 | 0.83 | 72.54 | 71.93 | 0.61 | - |
| 2 | State Government departments or Local Bodies | 696.08 | 46.01 | 649.47 | 634.01 | 15.46 | 47.03 |
| 3 | Central Public Sector Enterprises (CPSEs) | 137.94 | 101.87 | 7.19 | 16.59 | (9.40) | 10.49 |
| 4 | Others | 11623.19 | 449.32 | 10917.87 | 10,867.86 | 50.01 | 862.28 |
| | **TOTAL** | **13714.49** | **598.03** | **11647.07** | **11,590.39** | **56.68** | **919.80** |

**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 ₹ **1067.90 Crore** (Previous year ₹ **971.12 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 ₹ **26.74 Crore** (Previous year ₹ **28.16 Crore**) towards arbitration awards including updated interest thereon.

Based on Management assessment,a favourable outcome is probable in respect of the claims aggregating ₹ **828.50 Crore** (Previous year ₹ **841.22 Crore**) and for rest of the claims, the possibility of any inflow is remote.Accordingly, these claims have not been recognised.

**b) Late Payment Surcharge:**

CERC (Terms & Conditions of Tariff) Regulations 2014-19/2019-24 provide for levy of Late Payment Surcharge by generating Group in case of delay in payment by beneficiaries beyond specified days from the date of presentation of bill. In view of significant uncertainties in the ultimate collection from beneficiaries, an amount of ₹ **25.61 Crore** (previous year ₹ **60.94 Crore**) as estimated by the management has not been recognised.

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

Tariff orders on account of petition fee for 2019-24 are pending in respect of all Power stations. Management has assessed that additional revenue of ₹ **7.26 Crore** (Previous year ₹ **23.75 Crore**) is likely to accrue on account of tariff revision which has not been recognised due to significant uncertainty for the approval thereof.

**d) Business Interruption Losses**

Insurance Claims due to Business Interruption Losses in respect of Power Stations are recognised when no significant uncertainty of ultimate collection exists. Management has assessed the claim of ₹ **192.71 Crore** (Previous Year ₹ **417.57 Crore**) in this respect which has not been recognised. Power Station-wise details of claims are given at Note 34(24) of the Consolidated Financial Statements.

**e) Other Cases**

Claims on account of other miscellaneous matters comprising of interest on amounts deposited as per NITI Aayog Directions/ Court Orders in respect of cases pending in court, liquidated damages, dues from ex-employees etc. estimated by Management at ₹ **933.28 Crore** (Previous year ₹ **578.93 Crore**) have not been recognised.

**4. Commitments (to the extent not provided for):**

(a) Estimated amount of contracts remaining to be executed on capital account are as under:

(₹ in Crore)

| Sl. No. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
|---|---|---|---|
| (i) | (ii) | (iii) | (iv) |
| 1. | Property Plant and Equipment (including Capital Work in Progress) | 9203.58 | 5751.27 |
| 2. | Intangible Assets | 33.09 | 16.22 |
| | **Total** | **9236.67** | **5767.49** |

(b) The Company has commitments of ₹ **762.19 Crore** (Previous year ₹ **807.26 Crore**) towards further investment in the joint venture companies as at 31st March, 2022.

5. **Commitments regarding Corporate Guarantee issued by the Company to BSUL:** During the year, the Company has issued an irrevocable and unconditional Corporate Guarantee favouring HDFC Bank in support of the credit facility of ₹ **213.25 crore** sanctioned by the Bank to Bundelkhand Saur Urja Ltd (BSUL), a Subsidiary Company of NHPC Limited. Exposure of the Company from the Guarantee shall be the

principal outstanding under the said credit facility including any interest, commission, charges etc. payable to the Bank by BSUL. Accordingly, exposure as on 31st March, 2022 is ₹ **60.19 crore** (31st March 2021: Nil).

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

**(A) Nature of goods and services**

Majority of Revenue: The revenue of the Group comprises of income from electricity sales, sale of electricity through trading, consultancy and other services. The following is a description of the principal activities:

**(a) Revenue from sale of electricity**

The major revenue of the Group comes from sale of electricity. The Group sells electricity to bulk customers, mainly electricity utilities owned by State Governments as well as private Discoms operating in States. Sale of electricity is generally made pursuant to long-term Power Purchase Agreements (PPAs) entered into with the beneficiaries.

The details of nature, timing of satisfaction of performance obligations and significant payment terms under contracts for electricity sales are as under:

| Product/ Service | Nature, timing of satisfaction of performance obligations and significant payment terms |
|---|---|
| Sale of electricity | The Group recognises revenue from contracts for electricity sales on the basis of long term Power Purchase Agreements entered into with the beneficiaries, which is for substantially the entire life of the Power Stations, i.e. 40 years. Revenue from sale of electricity is accounted for based on tariff rates approved by the CERC for tariff periods of 5 years as modified by the orders of Appellate Tribunal for Electricity to the extent applicable. In case of power stations where the tariff rates are yet to be approved/ approved provisionally by the CERC in their orders, provisional rates are adopted considering the applicable CERC Tariff Regulations. Revenue from sale of electricity is recognised once the electricity has been delivered to the beneficiary. Beneficiaries are billed on a periodic and regular basis. |

**(b) Project Management/ Construction Contracts/ Consultancy assignments (Projects and Consultancies)**

The details of nature, timing of satisfaction of performance obligations and significant payment terms under contracts for consultancy and other services are as under:

| Product/ Service | Nature, timing of satisfaction of performance obligations and significant payment terms |
|---|---|
| Consultancy services | The Group recognises revenue from contracts for consultancy services over the time as the customers simultaneously receive and consume the benefits provided by the Group. The assets (e.g. deliverables, reports etc.) transferred under the contracts do not have any alternative use to the Group and the Group has enforceable right to payment for performance completed to date. The revenue from consultancy services is determined as per the terms of the contracts. The amounts are billed as per the terms of the contracts and are payable within contractually agreed credit period. |
| Rural Road Project/ Rural Electrification Project | The Group recognises revenue from work done under the scheme over time as the assets do not have alternative use to the Group and the Group has enforceable right to payment for performance completed to date. The revenue from the scheme is determined as per the terms of the contract. The amounts are billed as per the terms of the contracts and are payable within contractually agreed credit period. |

**(c) Trading of Power**

The Group purchases power from Generating Companies and sells it to the Discoms. Depending on the nature and the risks and reward profile of the agreements, the Group accounts for revenue from trading of power either as an agent or as a principal.

Below are the details of nature, timing of satisfaction of performance obligations and significant payment terms under contracts for sale of electricity through trading:

| Product/ Service | Nature, timing of satisfaction of performance obligations and significant payment terms |
|---|---|
| Sale of electricity through trading | The Group recognises revenue from contracts for sale of electricity through trading over the time as the customers simultaneously receive and consume the benefits provided by the Group. The tariff for computing revenue from sale of electricity through trading is determined as per the terms of the agreements. The amounts are billed as per periodicity specified in the Contract and are payable within contractually agreed credit period. |

## (B) Disaggregation of Revenue

In the following table, revenue is disaggregated by type of product and services, geographical market and timing of revenue recognition:

(₹ in Crore)

| Particulars | Generation of electricity for the year ended (including revenue classified under Finance and Operating Leases) | | Project Management/ Construction Contracts/ Consultancy assignments | | Trading of Power | | Others | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Geographical markets** | **31st March 2022** | **31st March 2021** | **31st March 2022** | **31st March 2021** | **31st March 2022** | **31st March 2021** | **31st March 2022** | **31st March 2021** | **31st March 2022** | **31st March 2021** |
| India | 9,038.79 | 9,252.47 | 22.33 | 21.26 | 44.85 | 216.48 | 82.22 | 157.52 | 9,188.19 | 9,647.73 |
| Others | - | - | 0.59 | 0.16 | - | - | - | - | 0.59 | 0.16 |
| **Total** | **9,038.79** | **9,252.47** | **22.92** | **21.42** | **44.85** | **216.48** | **82.22** | **157.52** | **9,188.78** | **9,647.89** |
| **Timing of revenue recognition:** | | | | | | | | | | |
| Products and services transferred over time | 9,038.79 | 9,252.47 | 22.92 | 21.42 | 44.85 | 216.48 | 82.22 | 157.52 | 9,188.78 | 9,647.89 |
| **Units Sold (MU)** | **24007** | **25494** | **-** | **-** | **-** | **-** | **-** | **-** | **24007** | **25494** |

## (C) Contract Balances

Details of trade receivables, unbilled revenue and 'advances from customers / clients for Deposit Works and Contract Liabilities-Project Management/Consultancy Work are as under:

(₹ in Crore)

| Particulars | As at 31st March, 2022 Current | As at 31st March, 2021 Current |
|---|---|---|
| Trade Receivables (including unbilled) | 5,175.84 | 5,133.42 |
| Contract Liabilities- Deposit Works | 6.30 | 7.52 |
| Contract Liabilities- Project Management/ Consultancy Work | 112.54 | 144.09 |
| Advance from Customers and Others | 66.79 | 32.99 |

The Group has recognised revenue of ₹ **NIL**(Previous Year ₹ **NIL**) from opening contract liabilities.

**(D)** Transaction price allocated to the remaining performance obligations is either not applicable or not material to the Company's operations.

**(E) Practical expedients applied as per Ind AS 115 'Revenue from Contracts with Customers':**

(i) The Group has not disclosed information about remaining performance obligations that have original expected duration of one year or less and where the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date.

(ii) Group does not have any contracts in the normal course of business where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Accordingly, transaction price has been adjusted for the time value of money only where such time value of money is significant.

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

**7.** Government of Madhya Pradesh (GoMP), being a joint venture partner, contributed on various accounts through Narmada Valley Development Authority (NVDA) as per CCEA approval, details given below:- (Refer Note No. 19 of Balance Sheet)

**Movement during FY 2021-22:**

**Indira Sagar Project (ISP): -**

(₹ in Crore)

| **(A) Amount received in Cash or in kind** | **Cumulative up to 31.03.2021** | **During 2021-22** | **Cumulative up to 31.03.2022** |
|---|---|---|---|
| i. Expenditure by NVDA on account of Project | 1,375.67 | 2.97 | 1,378.64 |
| ii. Cash Received | 672.83 | - | 672.83 |
| iii. Amount transferred from OSP A/c | 8.56 | - | 8.56 |
| **Total of (A)** | **2,057.06** | **2.97** | **2,060.03** |
| **(B) Due/Adjusted on account of** | | | |
| i. Equity Capital | 660.00 | - | 660.00 |
| ii. Irrigation Component | 406.91 | 0.35 | 407.26 |
| iii. SSP Component | 519.95 | 0.46 | 520.41 |
| iv. Sub-vention towards excess R&R Expenses | 422.57 | 2.57 | 425.14 |
| v. Electricity charges and water supply maintenance charges | 5.04 | - | 5.04 |
| vi. Equity of OSP | 33.08 | - | 33.08 |
| **Total of (B)** | **2,047.55** | **3.38** | **2,050.93** |
| **(C) Amount recoverable from NVDA i.e. (B-A)** | **(9.51)** | **0.41** | **(9.10)** |

**Omkareshwar Project (OSP): -**

(₹ in Crore)

| **(D) Amount received in Cash or in kind** | **Cumulative up to 31.03.2021** | **During 2021-22** | **Cumulative up to 31.03.2022** |
|---|---|---|---|
| i. Expenditure by NVDA on account of Project | 127.76 | 0.18 | 127.94 |
| ii. Cash Received | 655.41 | 3.00 | 658.41 |
| iii. Amount transferred from ISP A/C | 33.08 | - | 33.08 |
| **Total of (D)** | **816.25** | **3.18** | **819.43** |

| (D) Amount received in Cash or in kind | Cumulative up to 31.03.2021 | During 2021-22 | Cumulative up to 31.03.2022 |
|---|---|---|---|
| **(E) Due/Adjusted on account of** | | | |
| i. Equity Capital | 300.16 | - | 300.16 |
| ii. Irrigation Component | 243.03 | 0.09 | 243.12 |
| iii. Sub-venation towards excess R&R Expenses | 82.72 | 0.65 | 83.37 |
| iv. Amount Transferred to ISP A/C | 8.56 | - | 8.56 |
| v. Additional Special R&R Package | 231.99 | - | 231.99 |
| **Total of (E)** | **866.46** | **0.74** | **867.20** |
| **(F) Amount recoverable from NVDA i.e. (E-D)** | **50.21** | **(2.44)** | **47.77** |
| **(G) Total Amount recoverable i.e (C+F)** | **40.70** | **(2.03)** | **38.67** |

**Movement of Grant in Reserve during Financial Year 2021-22 is as under:-**

(₹ in Crore)

| Sl. No. | Particulars | 01.04.2021 | Additions | Deductions | 31.03.2022 |
|---|---|---|---|---|---|
| 1. | Proportionate contribution by Govt. of Madhya Pradesh towards Irrigation Component in ISPS as a Grant-in-Aid | 200.79 | 0.35 | 12.63 | 188.51 |
| 2. | Proportionate Sub-vention towards Sardar Sarovar project transferred from NVDA Account for ISPS. | 256.60 | 0.46 | 16.14 | 240.92 |
| 3. | Contribution by Govt. of Madhya Pradesh towards R&R of ISPS. | 238.33 | 2.57 | 16.71 | 224.19 |
| 4. | Proportionate contribution by Govt. of Madhya Pradesh towards Irrigation Component in OSPS as Grant-in-Aid | 115.35 | 0.09 | 5.82 | 109.62 |
| 5. | Contribution by Govt. of Madhya Pradesh towards R&R of OSPS. | 212.23 | 0.65 | 12.78 | 200.10 |
| | **Total** | **1,023.30** | **4.12** | **64.07** | **963.34** |

**Movement during FY 2020-21:**

**Indira Sagar Project (ISP): -**

(₹ in Crore)

| (A) Amount received in Cash or in kind | Cumulative up to 31.03.2020 | During 2020-21 | Cumulative up to 31.03.2021 |
|---|---|---|---|
| i. Expenditure by NVDA on account of Project | 1,370.72 | 4.95 | 1,375.67 |
| ii. Cash Received | 669.71 | 3.12 | 672.83 |
| iii. Amount transferred from OSP A/c | 8.56 | - | 8.56 |
| **Total of (A)** | **2,049.00** | **8.07** | **2,057.06** |
| **(B) Due/Adjusted on account of** | | | |
| i. Equity Capital | 660.00 | - | 660.00 |
| ii. Irrigation Component | 406.57 | 0.34 | 406.91 |

| (A) Amount received in Cash or in kind | Cumulative up to 31.03.2020 | During 2020-21 | Cumulative up to 31.03.2021 |
|---|---|---|---|
| iii. SSP Component | 519.52 | 0.43 | 519.95 |
| iv. Sub-vention towards excess R&R Expenses | 419.99 | 2.58 | 422.57 |
| v. Electricity charges and water supply maintenance charges | 5.04 | - | 5.04 |
| vi. Equity of OSP | 33.08 | - | 33.08 |
| **Total of (B)** | **2,044.20** | **3.35** | **2,047.55** |
| **(C) Amount recoverable from NVDA i.e. (B-A)** | **(4.80)** | **(4.72)** | **(9.51)** |

**Omkareshwar Project (OSP): -**

(₹ in Crore)

| (D) Amount received in Cash or in kind | Cumulative up to 31.03.2020 | During 2020-21 | Cumulative up to 31.03.2021 |
|---|---|---|---|
| i. Expenditure by NVDA on account of Project | 127.76 | - | 127.76 |
| ii. Cash Received | 651.41 | 4.00 | 655.41 |
| iii. Amount transferred from ISP A/C | 33.08 | - | 33.08 |
| **Total of (D)** | **812.25** | **4.00** | **816.25** |
| **(E) Due/Adjusted on account of** | | | |
| i. Equity Capital | 300.16 | - | 300.16 |
| ii. Irrigation Component | 240.07 | 2.96 | 243.03 |
| iii. Sub-venation towards excess R&R Expenses | 78.89 | 3.83 | 82.72 |
| iv. Amount Transferred to ISP A/C | 8.56 | - | 8.56 |
| v. Additional Special R&R Package | 232.86 | (0.87) | 231.99 |
| **Total of (E)** | **860.54** | **5.92** | **866.46** |
| **(F) Amount recoverable from NVDA i.e. (E-D)** | **48.29** | **1.92** | **50.21** |
| **(G) Total Amount recoverable i.e (C+F)** | **43.49** | **(2.80)** | **40.70** |

**Movement of Grant in Reserve during Financial Year 2020-21 is as under:-**

(₹ in Crore)

| Sl. No. | Particulars | 01.04.2020 | Additions | Deductions | 31.03.2021 |
|---|---|---|---|---|---|
| 1. | Proportionate contribution by Govt. of Madhya Pradesh towards Irrigation Component in ISPS as a Grant-in-Aid | 213.06 | 0.34 | 12.61 | 200.79 |
| 2. | Proportionate Sub-vention towards Sardar Sarovar project transferred from NVDA Account for ISPS. | 272.28 | 0.43 | 16.11 | 256.60 |
| 3. | Contribution by Govt. of Madhya Pradesh towards R&R of ISPS. | 252.28 | 2.58 | 16.53 | 238.33 |
| 4. | Proportionate contribution by Govt. of Madhya Pradesh towards Irrigation Component in OSPS as Grant-in-Aid | 118.19 | 2.96 | 5.80 | 115.35 |
| 5. | Contribution by Govt. of Madhya Pradesh towards R&R of OSPS. | 221.99 | 2.96 | 12.72 | 212.23 |
| | **Total** | **1,077.79** | **9.27** | **63.76** | **1023.30** |

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

(₹ in Crore)

| Sl. No. | Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---|---|---|---|
| (i) | Amount charged to Statement of Profit and Loss as FERV | (49.28) | (34.21) |
| (ii) | Amount recognised in Regulatory Deferral Account Balances | (0.17) | 1.70 |
| (iii) | Amount adjusted by addition to the carrying amount of Property, Plant and Equipment | (58.77) | (49.68) |

**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 Segments'.

b) The Grouphas a single geographical segment as all its Power Stations are located within the Country.

c) Information about major customers: Revenue of ₹ **5754.09 Crore** (Previous year ₹ **6145.65 Crore**) is derived from following customers as per details below:

| Sl. No. | Name of Customer | Revenue from customer for the year ended 31st March, 2022 | | Revenue from customer for the year ended 31st March, 2021 | |
|---|---|---|---|---|---|
| | | Amount (₹ In Crore) | % of Total Revenue | Amount (₹ In Crore) | % of Total Revenue |
| 1 | Uttar Pradesh Power Corporation Limited. | 1,702.31 | 18.53% | 1463.35 | 15.17% |
| 2 | Power Development Department, Jammu & Kashmir Govt./ JK Power Corporation Limited | 1,535.71 | 16.71% | 1452.3 | 15.05% |
| 3 | West Bengal State Electricity Board | 819.76 | 8.92% | 1302.3 | 13.50% |
| 4 | Madhya Pradesh Power Management Company Limited | 858.20 | 9.34% | 1158.41 | 12.01% |
| 5 | Punjab State Power Corporation Limited | 838.11 | 9.12% | 769.29 | 7.97% |
| | **Total** | **5,754.09** | **62.62%** | **6145.65** | **63.70%** |

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

(₹ in Crore)

| Sl. No | Revenue from External Customers | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---|---|---|---|
| 1 | Nepal | 0.59 | - |
| 2 | Bhutan | - | 0.16 |
| | **Total** | **0.59** | **0.16** |

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

**10. Disclosures under Ind AS-24 "Related Party Disclosures":**

**(A) List of Related parties:**

**(i) Joint Ventures:**

| Name of Companies | Principle place of operation |
|---|---|
| National High Power Test Laboratory (P) Ltd. (NHPTL) | India |
| Chenab Valley Power Projects Private Ltd. (CVPPPL) | India |

**(ii) Key Managerial Personnel:**

| Sl. No. | Name | Position Held |
|---|---|---|
| 1 | Shri Abhay Kumar Singh | Chairman and Managing Director; Additional Charge of Director (Personnel) (From 03.12.2021 to 02.03.2022) |
| 2 | Shri Nikhil Kumar Jain | Director (Personnel) (Ceased on 02.12.2021) |
| 3 | Shri Yamuna Kumar Chaubey | Director (Technical); Additional Charge of Director (Personnel) (From 03.03.2022 to 31.03.2022) |
| 4 | Shri Rajendra Prasad Goyal | Director (Finance) and CFO |
| 5 | Shri Biswajit Basu | Director (Projects) |
| 6 | Shri Tanmay Kumar | Govt. Nominee Director (Joint Secretary, Ministry of Power) (Ceased on 13.09.2021) |
| 7 | Shri Raghuraj Madhav Rajendran | Govt. Nominee Director (Joint Secretary, Ministry of Power) (Appointed on 16.09.2021) |
| 8 | Dr. Uday Sakharam Nirgudkar | Independent Director (Appointed on 15.11.2021) |
| 9 | Dr. Amit Kansal | Independent Director (Appointed on 21.11.2021) |
| 10 | Dr. Rashmi Sharma Rawal | Independent Director (Appointed on 30.11.2021) |
| 11 | Shri Jiji Joseph | Independent Director (Appointed on 01.12.2021) |
| 12 | Smt. Rupa Deb | Company Secretary (Appointed on 24.09.2021) |
| 13 | Shri Saurabh Chakravorty | Company Secretary (Ceased on 24.09.2021) |

**(iii) Post-Employment Benefit Plans :**

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

**(iv) Other entities with joint-control or significant influence over the Group:**

The Group is a Central Public Sector Undertaking (CPSU) controlled by Central Government by holding majority of shares. The Group has applied the exemption available for government related entities and has made limited disclosures in the Financial Statements in accordance with Ind AS 24. Therefore, party-wise details of such transactions have not been given since such transactions are carried out in the ordinary course of business at normal commercial terms and are not considered to be significant.

| Sl. No. | Name of the Government | Nature of Relationship with NHPC |
|---|---|---|
| 1 | Government of India | Shareholder having control over Group |
| 2 | State government of Madhya Pradesh, Uttar Pradesh (UPNEDA) , Manipur and UT of Jammu & Kashmir (JKSPDC) | Shareholder (NCI) in subsidiaries of NHPC |
| 3 | Various Central Public Sector Enterprises and Other Govt. Controlled entities (BHEL, IOCL, POSOCO, SAIL, New India Assurance Company, DamodarVally Corporation, PGCIL, REC, BSNL, EESL, KV, Balmer Lawrie & Co. Ltd. etc.) | Entities controlled by the same Government (Central Government) that has control over NHPC |

**(B) Transactions with related parties are as follows:**

**(i) Transactions with Joint Ventures**

(₹ in Crore)

| Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---|---|---|
| (i) | (ii) | (iii) |
| **Services Provided by the Group** | | |
| ▪ CVPPPL | 33.22 | 23.33 |
| **Equity contributions (including share application money) by the Group** | | |
| ▪ CVPPPL | 451.56 | 500.00 |
| **Reimbursement of Cost of employee on deputation/ posted at** | | |
| ▪ CVPPPL | 2.95 | 2.81 |
| **Loan given by the Group** | | |
| ▪ NHPTL | - | 12.40 |
| **Interest on Loan given** | | |
| ▪ NHPTL | - | 0.60 |

(₹ in Crore)

| Balances with Joint Ventures | As at 31.03.2022 | As at 31.03.2021 |
|---|---|---|
| (i) | (ii) | (iii) |
| **Receivable (unsecured)** | | |
| ▪ CVPPPL | 60.89 | 54.07 |
| **Investment in Equity** | | |
| ▪ CVPPPL | 1839.56 | 1388.00 |
| ▪ NHPTL | 30.40 | 30.40 |
| **Loans & Advances Receivable (including accrued interest) from:** | | |
| ▪ NHPTL | 18.82 | 18.82 |

**(ii) Transactions and Balances with Key Management Personnel:**

(₹ in Crore)

| Compensation to Key Management Personnel | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---|---|---|
| Short Term Employee Benefits | 5.11 | 4.48 |
| Post-Employment Benefits | 0.49 | 0.92 |
| Other Long Term Benefits | 0.09 | 0.78 |

(₹ in Crore)

| Other Transactions with KMP | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---|---|---|
| Sitting Fees and other reimbursements to non-executive/independent directors | 0.14 | 0.05 |
| Interest Received during the year | 0.09 | 0.03 |

| Balances with KMP | As at 31.03.2022 | As at 31.03.2021 |
|---|---|---|
| Receivable on account of Employee Loans | 0.42 | 0.28 |

**(iii) Transactions & Balances with Post -Employment Benefit Plans**

(₹ in Crore)

| Post -Employment Benefit Plans | Contribution by the company (Net of Refund from Post - Employment Benefit Plans) | | Balances with Post - Employment Benefit Plans Receivable/(Payable) | |
|---|---|---|---|---|
| | for the year ended 31.03.2022 | for the year ended 31.03.2021 | As at 31.03.2022 | As at 31.03.2021 |
| Employees Provident Fund | 326.68 | 366.38 | (54.05) | (0.06) |
| Employees Group Gratuity Assurance Fund | 78.61 | (79.27) | 9.10 | 58.89 |
| Retired Employees Health Scheme Trust | (36.74) | 34.44 | 1.03 | 94.7 |
| Employees Social Security Scheme Trust | 5.65 | 6.18 | (0.45) | (0.5) |
| Employees Defined Contribution Superannuation Scheme Trust | 190.28 | 144.70 | (41.17) | (54.89) |
| Employee Leave Encashment Trust | 19.64 | 19.84 | 2.06 | 45.20 |

**(iv) Transactions with Government that has control over the Company (i.e Central Government)**

(₹ in Crore)

| Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---|---|---|
| (i) | (ii) | (iii) |
| Guarantee Fee on Foreign Loans to Govt. of India | 11.62 | 13.59 |
| Interest on Subordinate debts paid by Group (including interest accrued) | 70.73 | 70.64 |

| Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---|---|---|
| (i) | (ii) | (iii) |
| Interest received on account of 8.12% NHPC GOI Fully Serviced Bonds Issued on mandate of MOP and paid to GOI (including Interest Accrued) | 163.80 | 163.58 |
| Services Provided by the Group | 40.75 | 19.20 |
| Sale of goods ( Electricity) by the Group | 25.47 | 25.70 |
| Dividend Paid during the year | 1183.04 | 1118.90 |
| Subordinate Debts received by the Group | - | 65.31 |
| Services Received by the Group | 0.45 | - |
| Grant received from MNRE | 0.35 | - |

**(v) Outstanding balances and guarantees with Central Government**

(₹ in Crore)

| Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---|---|---|
| (i) | (ii) | (iii) |
| **Balances with Central Government (that has control over the Company)** | | |
| Loan Payable to Government (Subordinate debts) (Including Interest Accrued) | 4831.02 | 4854.05 |
| Receivable - 8.12% NHPC GOI Fully Service Bonds Issued on mandate of MOP and Paid to GOI (including interest accrued) | 2021.69 | 2021.69 |
| Receivables (Unsecured) | 54.55 | 19.24 |
| Guarantee Received from Government (Against Foreign Currency Borrowing) | 801.97 | 968.62 |

**(vi) Transactions with minority Shareholders in Subsidiaries of NHPC (i.e. State Govt. of Manipur and Madhya Pradesh, UPNEDA and JKSPDC):**

(₹ in Crore)

| Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---|---|---|
| (i) | (ii) | (iii) |
| Purchase of Property/Assets by the Group | 109.38 | - |
| Sale of goods (Electricity) by the Group | 919.03 | 1279.33 |
| Dividend Paid during the year by the Group | 280.36 | 271.73 |
| Equity contribution Received by the Group | 57.88 | - |
| Services Received by the Group | 11.76 | 9.10 |
| Grant received by Group | 4.12 | 9.27 |
| Service provided by the Group | - | 21.80 |

**(vii) Balances with Shareholders in Subsidiaries of NHPC (i.e. State Govt. of Manipur and Madhya Pradesh, UPNEDA and JKSPDC):**

(₹ in Crore)

| Particulars | As at 31.03.2022 | As at 31.03.2021 |
|---|---|---|
| (i) | (ii) | (iii) |
| Receivable | 219.44 | 273.92 |
| Payable | 136.46 | 0.23 |
| Equity contribution | 1056.86 | 998.98 |

**(viii) Transactions with entities controlled by the Government that has control over the Group**

(₹ in Crore)

| Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---|---|---|
| (i) | (ii) | (iii) |
| Purchase of property/Other assets | 29.35 | 17.87 |
| Purchase of Construction Materials, Stores, etc. | 460.36 | 169.65 |
| Services Received by the Group | 618.08 | 530.67 |
| Services Provided by the Group | 0.59 | 0.81 |
| Sale of goods/Inventories made by the Group | 72.76 | 73.11 |
| Settlement of claims/Amount received by the Group against Insurance Claims | 105.20 | 8.16 |

**(ix) Balances with entities controlled by the Government that has control over the Group**

(₹ in Crore)

| Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---|---|---|
| (i) | (ii) | (iii) |
| **Balances with Entities controlled by the Government that has control over the Group** | | |
| ▪ Payables | 52.73 | 88.42 |
| ▪ Receivables | 208.27 | 163.89 |

**(C) Other notes to related party transactions:**

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

(a) Transactions with the state governments and entities controlled by the Government of India are carried out at market terms on arms-length basis (except subordinate debts received from Central Government at concessional rate) through a transparent price discovery process against open tenders, except in a few cases of procurement of spares/services from Original Equipment Manufacturers (OEMs) for proprietary items on single tender basis due to urgency, compatibility or other reasons. Such single tender procurements are also done through a process of negotiation with prices benchmarked against available price data of same/similar items.

(b) Unsecured loan of ₹ 18.40 crore (Previous Year ₹ 18.40 crore) granted to NHPTL is interest bearing @ 10% to be compounded annually.

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

(d) Outstanding balances of joint venture companies as at 31.03.2022 are unsecured and settlement occurs through banking transactions. These balances other than loans are interest free. Assessment of impairment is undertaken at each financial year through examining the financial position of the related party and the market in which the related party operates. During the current FY, interest accrued on unsecured loan to NHPTL has been provided for.

(e) Contributions to post-employment benefit plans are net of refunds from trusts.

**(ii)** Commitment towards further investments in the joint venture companies are disclosed at Note 34(4).

**(iii)** During the FY 2021-22, the Company has incorporated a wholly owned subsidiary company in the name of NHPC Renewable Energy Limited (NREL) on 16.02.2022 for development of renewable energy, small hydro and green hydrogen projects. However, there is no investment in NREL during FY 2021-22.

**11. Particulars of Security: The carrying amount of assets mortgaged/ hypothecated as security for borrowings are as under.**

(₹ in Crore)

| Sl. No | Particulars | As at 31.03.2022 | As at 31.03.2021 |
|---|---|---|---|
| | **First Charge** | | |
| 1 | Property, Plant and Equipment | 9,790.32 | 9,763.04 |
| 2 | Capital Work In Progress | 11,813.08 | 10,782.38 |
| 3 | Financial Assets- Others | 1,200.68 | 1,155.07 |
| | **Total** | **22,804.08** | **21,700.49** |

**12. Disclosures Under Ind AS-19 "Employee Benefits":**

**(A) Defined Contribution Plans-**

**(i) Social Security Scheme:** The Company has a Social Security Scheme in lieu of the erstwhile scheme of compassionate appointment which has been in operation i.e. 01.06.2007. The Company also makes a matching contribution per month per employee. 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 ₹ **2.94 Crore** (Previous year ₹ **3.20 Crore**).

**(ii) Employees Defined Contribution Superannuation Scheme (EDCSS):** The Group has an employee defined contribution superannuation scheme for providing pension benefits to employees. As per the scheme, each employee contributes @ 5% of Basic Pay and Dearness Allowance. The Group contributes to the extent of balance available after deducting employers' contribution to Provident Fund, contribution to Gratuity Trust and REHS Trust, from the amount worked out @ 30% of the Basic Pay and DA. The Scheme is managed by Life Insurance Corporation of India. The expenses recognised during the period towards Employees Defined Contribution Superannuation Scheme (EDCSS) is ₹ **104.93 Crore** (Previous year ₹ **104.55 Crore**).

**(B) Defined Benefit Plans-** Group has following defined post-employment benefit obligations :

**(a) Description of Plans:**

**(i) Provident Fund:** The Group pays fixed contribution to Provident Fund at predetermined rates to a separate Trust, which invests the funds in permitted securities. The contribution to the fund for the year is recognised as expense and is charged to the Statement of Profit and Loss/Expenditure Attributable to Construction. The obligation of the Group is to make fixed contribution and to ensure a minimum rate of return to the members as specified by Government of India (GoI).

**(ii) Gratuity:** The Group has a defined benefit gratuity plan. The ceiling limit of gratuity is fixed as per the Payment of Gratuity Act, 1972, whereby every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary plus

dearness allowance) for each completed year of service subject to a maximum of ₹ **0.20 Crore** on superannuation, resignation, termination, disablement or death. Such ceiling limit of gratuity shall, however, increase by 25% when Industrial Dearness Allowance increased by 50%. The plan is being managed by a separate Trust created for the purpose and obligation of the Group is to make contribution to the Trust based on actuarial valuation.

**(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 limit fixed by the Group. The liability REHS is recognised on the basis of actuarial valuation. The Scheme is being managed by a separate Trust created for the purpose and obligation of the Group to make contribution to the Trust based on such actuarial valuation.

**(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.

**(vi) Employees Family Economic Rehabilitation Scheme:** Group has introduced "Employees Family Economic Rehabilitation Scheme" w.e.f. 01.04.2021. The objective of this scheme is to provide monetary assistance and support to an employee in case of Permanent Total Disablement of the employee and to his family in case of death of the employee, provided the Permanent Total Disablement/ death as the case may be, takes place while the employee is in service of the Company. On the separation of an employee from the service of the Group on account of Death/ Permanent Total Disablement, the beneficiary is entitled to monthly payment equivalent to 50% of one month Basic Pay & DA last drawn by the employee and other benefits including HRA, Children's Education Allowance, etc. provided the beneficiary deposits the amounts received under Social Security Scheme to the Group. The liability for the Scheme is recognised on the basis of actuarial valuation.

**(b) Disclosure of Balance Sheet amounts and sensitivity analysis of Plans:**

**(i) Provident Fund :** Movements in the net defined benefit obligation during the years 2021-22 and 2020-21 are as follows:

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2021-22 | |
| **Opening Balance as at 01.04.2021** | **3136.25** | **3144.22** | **(7.97)** |
| Adjustment | - | - | - |
| Current Service Cost | 96.48 | - | 96.48 |
| Interest Expenses/ (Income) | 242.82 | 246.47 | (3.65) |
| **Total** | **339.30** | **246.47** | **92.83** |
| **Re-measurements** | | | |
| Return on Plan Assets, excluding amount included in interest expenses/(Income) | - | 13.27 | (13.27) |
| (Gain)/loss from change in demographic assumptions | - | - | - |
| (Gain)/loss from change in financial assumptions | (0.41) | - | (0.41) |
| Experience (gains)/Losses | (13.96) | - | (13.96) |
| **Total** | **(14.37)** | **13.27** | **(27.64)** |

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| Contributions:- | | | |
| -Employers | - | 96.48 | (96.48) |
| -Additional Contribution Employee for last year loss | - | - | - |
| -Plan participants | 275.04 | 275.04 | - |
| Benefit payments | (584.70) | (584.70) | - |
| **Closing Balance as at 31.03.2022** | **3151.52** | **3190.78** | **(39.26)** |

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2020-21 | |
| **Opening Balance as at 01.04.2020** | **2987.17** | **2999.68** | **(12.51)** |
| Adjustment | 101.80 | - | 101.80 |
| Current Service Cost | - | - | - |
| Interest Expenses/ (Income) | 250.39 | 240.10 | 10.29 |
| **Total** | **352.19** | **240.10** | **112.09** |
| **Re-measurements** | | | |
| Return on Plan Assets, excluding amount included in interest expenses/(Income) | - | 8.40 | (8.40) |
| (Gain)/loss from change in demographic assumptions | - | - | - |
| (Gain)/loss from change in financial assumptions | 0.10 | - | 0.10 |
| Experience (gains)/Losses | 3.33 | - | 3.33 |
| **Total** | **3.43** | **8.40** | **(4.97)** |
| Contributions:- | | | |
| -Employers | - | 101.80 | (101.80) |
| -Additional Contribution Employee for last year loss | - | 0.78 | (0.78) |
| -Plan participants | 327.09 | 327.09 | - |
| Benefit payments | (533.63) | (533.63) | - |
| **Closing Balance as at 31.03.2021** | **3136.25** | **3144.22** | **(7.97)** |

**The net liability disclosed above related to funded and unfunded plans are as follows:**

(₹ in Crore)

| Particulars | 31st March 2022 | 31st March 2021 |
|---|---|---|
| Present Value of funded obligations | 3151.52 | 3136.25 |
| Fair value of Plan Assets | 3190.78 | 3144.22 |
| **Deficit/(Surplus) of funded plans** | **(39.26)** | **(7.97)** |
| Unfunded Plans | - | - |
| **Deficit/(Surplus) before asset ceiling** | **(39.26)** | **(7.97)** |

As per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Group has no right to the benefits either in the form of refund from the plan or lower future contribution to the plan towards the net surplus of ₹ **7.97 Crore** determined through actuarial valuation. Accordingly, Group has not recognised the surplus as an asset, and the actuarial gains in Other Comprehensive Income, as these pertain to the Provident Fund Trust and not to the Group

**Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:**

| Particulars | Change in Assumptions | | | Impact on Defined Benefit Obligation | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Increase in Assumption | | | Decrease in Assumptions | |
| | 31st March 2022 | 31st March 2021 | | 31st March 2022 | 31st March 2021 | | 31st March 2022 | 31st March 2021 |
| Discount Rate | 0.50% | 0.50% | Decrease by | 0.007% | 0.007% | Increase by | 0.007% | 0.007% |

**(ii) Gratuity:** The amount recognised in the Balance Sheet as at 31.03.2022 and 31.03.2021 along with the movements in the net defined benefit obligation during the years 2021-22 and 2020-21 are as follows:

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | 2021-22 | | |
| **Opening Balance as at 01.04.2021** | **631.80** | **680.11** | **(48.31)** |
| Current Service Cost | 17.72 | - | 17.72 |
| Past Service cost | 33.75 | - | 33.75 |
| Interest Expenses/ (Income) | 41.38 | 44.55 | (3.17) |
| **Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction** | **92.85** | **44.55** | **48.30** |
| **Remeasurements** | | | |
| Return on Plan Asset, excluding amount included in interest expenses/ (Income) | - | 2.61 | (2.61) |
| (Gain)/loss from change in demographic assumptions | 0.24 | - | 0.24 |
| (Gain)/loss from change in financial assumptions | (18.49) | - | (18.49) |
| Experience (gains)/Losses | (9.74) | - | (9.74) |
| **Total Amount recognised in Other Comprehensive Income** | **(27.99)** | **2.61** | **(30.60)** |
| Contributions:- | | | |
| -Employers | - | (29.33) | 29.33 |
| -Plan participants | - | - | - |
| Benefit payments | (96.81) | (99.56) | 2.75 |
| **Closing Balance as at 31.03.2022** | **599.85** | **598.38** | **1.47** |

Keeping in view the provision whereby the ceiling limit of gratuity increases by 25% when Industrial Dearness Allowance increased by 50%,and considering the fact that the current Industrial Dearness Allowance is 30% as on 31.03.2022, Gratuity ceiling of ₹ **0.23 Crore** has been considered for actuarial valuation in respect of employees retiring after 01.01.2027.

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | 2020-21 | | |
| **Opening Balance as at 01.04.2020** | **670.95** | **698.37** | **(27.42)** |
| Current Service Cost | 17.80 | - | 17.80 |
| Interest Expenses/ (Income) | 45.49 | 45.69 | (0.20) |
| **Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction** | **63.29** | **45.69** | **17.60** |
| **Remeasurements** | | | |
| Return on Plan Asset, excluding amount included in interest expenses/ (Income) | - | (2.52) | 2.52 |
| (Gain)/loss from change in demographic assumptions | (0.87) | - | (0.87) |
| (Gain)/loss from change in financial assumptions | 9.79 | - | 9.79 |
| Experience (gains)/Losses | (9.38) | - | (9.38) |
| **Total Amount recognised in Other Comprehensive Income** | **(0.46)** | **(2.52)** | **2.06** |
| Contributions:- | | | |
| -Employers | - | 56.53 | (56.53) |
| -Plan participants | - | - | - |
| Benefit payments | (101.98) | (117.96) | 15.98 |
| **Closing Balance as at 31.03.2021** | **631.80** | **680.11** | **(48.31)** |

Total amount recognised in the Statement of Profit and Loss/ Expenditure attributable to Constructions and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report.

**The net liability disclosed above related to funded and unfunded plans are as follows:**

(₹ in Crore)

| Particulars | 31st March 2022 | 31st March 2021 |
|---|---|---|
| Present Value of funded obligations | 599.85 | 631.80 |
| Fair value of Plan Assets | 598.38 | 680.11 |
| **Deficit/(Surplus) of funded plans** | **1.47** | **(48.31)** |
| Unfunded Plans | - | - |
| **Deficit/(Surplus) before asset ceiling** | **1.47** | **(48.31)** |

**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 2022 | 31st March 2021 | | 31st March 2022 | 31st March 2021 | | 31st March 2022 | 31st March 2021 |
| Discount Rate | 0.50% | 0.50% | Decrease by | 3.46% | 3.33% | Increase by | 3.70% | 3.56% |
| Salary growth rate | 0.50% | 0.50% | Increase by | 0.53% | 0.51% | Decrease by | 0.61% | 0.57% |

**(iii) Retired Employees Health Scheme (REHS):** The amount recognised in the Balance Sheet as at 31.03.2022 and 31.03.2021 along with the movements in the net defined benefit obligation during the years 2021-22 and 2020-21 are as follows:

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | 2021-22 | | |
| **Opening Balance as at 01.04.2021** | **959.29** | **1054.25** | **(94.96)** |
| Current Service Cost | 17.57 | - | 17.57 |
| Interest Expenses/ (Income) | 62.83 | 69.05 | (6.22) |
| **Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction** | **80.40** | **69.05** | **11.35** |
| **Remeasurements** | | | |
| Return on Plan Asset, excluding amount included in interest expenses/(Income) | - | 7.39 | (7.39) |
| (Gain)/loss from change in demographic assumptions | 0.08 | - | 0.08 |
| (Gain)/loss from change in financial assumptions | (57.99) | - | (57.99) |
| Experience (gains)/Losses | 78.95 | - | 78.95 |
| **Total Amount recognised in Other Comprehensive Income** | **21.04** | **7.39** | **13.65** |
| Contributions:- | | | |
| -Employers | - | (66.74) | 66.74 |
| -Plan participants | - | - | - |
| Benefit payments | (45.81) | (47.73) | 1.92 |
| **Closing Balance as at 31.03.2022** | **1014.92** | **1016.22** | **(1.30)** |

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | 2020-21 | | |
| **Opening Balance as at 01.04.2020** | **852.18** | **987.72** | **(135.54)** |
| Current Service Cost | 17.38 | - | 17.38 |
| Interest Expenses/ (Income) | 57.78 | 66.06 | (8.28) |
| **Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction** | **75.16** | **66.06** | **9.10** |
| **Remeasurements** | | | |
| Return on Plan Asset, excluding amount included in interest expenses/(Income) | - | 6.29 | (6.29) |
| (Gain)/loss from change in demographic assumptions | (0.02) | - | (0.02) |
| (Gain)/loss from change in financial assumptions | 29.63 | - | 29.63 |
| Experience (gains)/Losses | 36.37 | - | 36.37 |
| **Total Amount recognised in Other Comprehensive Income** | **65.98** | **6.29** | **59.69** |

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| Contributions:- | | | |
| -Employers | - | (5.82) | 5.82 |
| -Plan participants | - | - | - |
| Benefit payments | (34.03) | - | (34.03) |
| **Closing Balance as at 31.03.2021** | **959.29** | **1054.25** | **(94.96)** |

Total amount recognised in the Statement of Profit and Loss/ Expenditure attributable to Construction and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report.

**The net liability disclosed above related to funded and unfunded plans are as follows:**

(₹ in Crore)

| Particulars | 31st March 2022 | 31st March 2021 |
|---|---|---|
| Present Value of funded obligations | 1014.92 | 959.29 |
| Fair value of Plan Assets | 1016.22 | 1054.25 |
| **Deficit/(Surplus) of funded plans** | **(1.30)** | **(94.96)** |
| Unfunded Plans | - | - |
| **Deficit/(Surplus) before asset ceiling** | **(1.30)** | **(94.96)** |

**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 2022 | 31st March 2021 | | 31st March 2022 | 31st March 2021 | | 31st March 2022 | 31st March 2021 |
| Discount Rate | 0.50% | 0.50% | Decrease by | 6.73% | 6.72% | Increase by | 6.78% | 6.79% |
| Medical cost rate | 0.50% | 0.50% | Increase by | 6.80% | 6.79% | Decrease by | 6.76% | 6.74% |

**(iv) Allowances on Retirement/Death:** The amount recognised in the Balance Sheet as at 31.03.2022 and 31.03.2021 along with the movements in the net defined benefit obligation during the years 2021-22 and 2020-21 are as follows:

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | 2021-22 | | |
| **Opening Balance as at 01.04.2021** | **6.05** | **-** | **6.05** |
| Current Service Cost | 0.27 | - | 0.27 |
| Interest Expenses/ (Income) | 0.40 | - | 0.40 |

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| **Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction** | **0.67** | **-** | **0.67** |
| **Remeasurements** | | | |
| Return on Plan Asset, excluding amount included in interest expenses/(Income) | - | - | - |
| (Gain)/loss from change in demographic assumptions | - | - | - |
| (Gain)/loss from change in financial assumptions | (0.26) | - | (0.26) |
| Experience (gains)/Losses | 0.15 | - | 0.15 |
| **Total Amount recognised in Other Comprehensive Income** | **(0.11)** | **-** | **(0.11)** |
| Contributions:- | | | |
| -Employers | - | - | - |
| -Plan participants | - | - | - |
| Benefit payments | (0.84) | - | (0.84) |
| **Closing Balance as at 31.03.2022** | **5.77** | **-** | **5.77** |

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2020-21 | |
| **Opening Balance as at 01.04.2020** | **6.05** | **-** | **6.05** |
| Current Service Cost | 0.29 | - | 0.29 |
| Interest Expenses/ (Income) | 0.41 | - | 0.41 |
| **Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction** | **0.70** | **-** | **0.70** |
| **Remeasurements** | | | |
| Return on Plan Asset, excluding amount included in interest expenses/(Income) | - | - | - |
| (Gain)/loss from change in demographic assumptions | 0.03 | - | 0.03 |
| (Gain)/loss from change in financial assumptions | 0.08 | - | 0.08 |
| Experience (gains)/Losses | (0.45) | - | (0.45) |
| **Total Amount recognised in Other Comprehensive Income** | **(0.34)** | **-** | **(0.34)** |
| Contributions:- | | | |
| -Employers | - | - | - |
| -Plan participants | - | - | - |
| Benefit payments | (0.36) | - | (0.36) |
| **Closing Balance as at 31.03.2021** | **6.05** | **-** | **6.05** |

Total amount recognised in the Statement of Profit and Loss/ Expenditure attributable to Constructions and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report.

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 2022 | 31st March 2021 | | 31st March 2022 | 31st March 2021 | | 31st March 2022 | 31st March 2021 |
| Discount Rate | 0.50% | 0.50% | Decrease by | 4.76% | 4.49% | Increase by | 5.10% | 4.85% |
| Cost Increase | 0.50% | 0.50% | Increase by | 5.32% | 4.95% | Decrease by | 4.85% | 4.62% |

**(v) Memento to employees on attaining the age of superannuation:** The amount recognised in the Balance Sheet as at 31.03.2022 and 31.03.2021 along with the movements in the net defined benefit obligation during the years 2021-22 and 2020-21 are as follows:

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | 2021-22 | | |
| **Opening Balance as at 01.04.2021** | **3.21** | **-** | **3.21** |
| Current Service Cost | 0.12 | - | 0.12 |
| Interest Expenses/ (Income) | 0.21 | - | 0.21 |
| **Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction** | **0.33** | **-** | **0.33** |
| **Remeasurements** | | | |
| Return on Plan Asset, excluding amount included in interest expenses/(Income) | - | - | - |
| (Gain)/loss from change in demographic assumptions | - | - | - |
| (Gain)/loss from change in financial assumptions | (0.08) | - | (0.08) |
| Experience (gains)/Losses | (0.19) | - | (0.19) |
| **Total Amount recognised in Other Comprehensive Income** | **(0.27)** | **-** | **(0.27)** |
| Contributions:- | | | |
| -Employers | - | - | - |
| -Plan participants | - | - | - |
| Benefit payments | (0.44) | - | (0.44) |
| **Closing Balance as at 31.03.2022** | **2.83** | **-** | **2.83** |

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2020-21 | |
| **Opening Balance as at 01.04.2020** | **3.45** | **-** | **3.45** |
| Current Service Cost | 0.14 | - | 0.14 |
| Interest Expenses/ (Income) | 0.24 | - | 0.24 |
| **Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction** | **0.38** | **-** | **0.38** |
| **Remeasurements** | | | |
| Return on Plan Asset, excluding amount included in interest expenses/(Income) | - | - | - |
| (Gain)/loss from change in demographic assumptions | - | - | - |
| (Gain)/loss from change in financial assumptions | 0.05 | - | 0.05 |
| Experience (gains)/Losses | (0.16) | - | (0.16) |
| **Total Amount recognised in Other Comprehensive Income** | **(0.11)** | **-** | **(0.11)** |
| Contributions:- | | | |
| -Employers | - | - | - |
| -Plan participants | - | - | - |
| Benefit payments | (0.51) | - | (0.51) |
| **Closing Balance as at 31.03.2021** | **3.21** | **-** | **3.21** |

Total amount recognised in the Statement of Profit and Loss/ Expenditure attributable to Constructions and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report.

**The net liability disclosed above related to unfunded plans.**

**Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:**

| Particulars | Change in Assumptions | | | Impact on Defined Benefit Obligation | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Increase in Assumption | | | Decrease in Assumptions | |
| | 31st March 2022 | 31st March 2021 | | 31st March 2022 | 31st March 2021 | | 31st March 2022 | 31st March 2021 |
| Discount Rate | 0.50% | 0.50% | Decrease by | 3.27% | 3.25% | Increase by | 3.44% | 3.43% |

**(vi) Employees Family Economic Rehabilitation Scheme:** The amount recognised in the Balance Sheet as at 31.03.2022 along with the movements in the net defined benefit obligation during the years 2021-22 are as follows:

(₹ in Crore)

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| | | 2021-22 | |
| Opening Balance as at 01.04.2021 | - | - | - |
| Current Service Cost | 1.13 | - | 1.13 |

| Particulars | Present Value of Obligation | Fair value of Plan Assets | Net Amount Obligation/ (Asset) |
|---|---|---|---|
| | (i) | (ii) | iii=(i)-(ii) |
| Past Service Cost | 21.03 | - | 21.03 |
| Interest Expenses/ (Income) | - | - | - |
| **Total Amount recognised in Statement of Profit and Loss** | **22.16** | **-** | **22.16** |
| **Remeasurements** | | | |
| Return on Plan Asset, excluding amount included in interest expenses/(Income) | - | - | - |
| (Gain)/loss from change in demographic assumptions | - | - | - |
| (Gain)/loss from change in financial assumptions | - | - | - |
| Experience (gains)/Losses | - | - | - |
| **Total Amount recognised in Other Comprehensive Income** | **-** | **-** | **-** |
| Contributions:- | | | |
| -Employers | - | - | - |
| -Plan participants | 3.08 | - | 3.08 |
| Benefit payments | 0.20 | - | 0.20 |
| **Closing Balance as at 31.03.2022** | **25.44** | **-** | **25.44** |

Total amount recognised in the Statement of Profit and Loss and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report.

The net liability disclosed above 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 2022 | | 31st March 2022 | | 31st March 2022 | |
| Discount Rate | 0.50% | Decrease by | 2.89% | Increase by | 3.13% | |
| Salary growth rate | 0.50% | Increase by | 1.43% | Decrease by | 1.40% | |

**(c) Defined Benefit Plans: Significant estimates: Actuarial assumptions:**

| Particulars | 31st March 2022 | 31st March 2021 |
|---|---|---|
| Discount Rate Parent Company (NHPC) | 7.00% | 6.55% |
| Subsidiary Company (NHDC) | 7.14% | 6.55% |
| Salary growth rate | 6.50% | 6.50% |

**(d) The major categories of Plan Assets are as follows:**

**Provident Fund:**

(₹ in Crore)

| Particulars | 31st March 2022 | | | |
|---|---|---|---|---|
| | Quoted | Unquoted | Total | In % |
| **Debt Instruments** | | | | |
| Government Bonds | 1,904.14 | - | **1,904.14** | 59.73 |
| Corporate Bonds | 1,091.12 | - | **1,091.12** | 34.23 |
| **Investment Funds** | | | | |
| Mutual Funds | 80.78 | | **80.78** | 2.53 |
| **Cash and Cash Equivalents** | - | 46.70 | **46.70** | 1.46 |
| **Accrued Interest** | 65.26 | - | **65.26** | 2.05 |
| **Total** | **3,141.30** | **46.70** | **3,188.00** | **100.00** |

(₹ in Crore)

| Particulars | 31st March 2021 | | | |
|---|---|---|---|---|
| | Quoted | Unquoted | Total | In % |
| **Debt Instruments** | | | | |
| Government Bonds | 1820.46 | - | **1820.46** | 58.03 |
| Corporate Bonds | 1100.04 | - | **1100.04** | 35.07 |
| **Investment Funds** | | | | |
| Mutual Funds | 67.80 | - | **67.80** | 2.16 |
| LIC | - | - | **-** | - |
| **Cash and Cash Equivalents** | - | 83.95 | **83.95** | 2.68 |
| **Accrued Interest** | 64.63 | - | **64.63** | 2.06 |
| **Total** | **3052.93** | **83.95** | **3136.88** | **100.00** |

**Gratuity**

(₹ in Crore)

| Particulars | 31st March 2022 | | | |
|---|---|---|---|---|
| | Quoted | Unquoted | Total | In % |
| **Investment Funds** | | | | |
| LIC Scheme | - | 598.35 | **598.35** | 100.00 |
| **Cash and Cash Equivalents** | **-** | 0.02 | **0.02** | - |
| **Total** | **-** | **598.37** | **598.37** | **100.00** |

(₹ in Crore)

| Particulars | 31st March 2021 | | | |
|---|---|---|---|---|
| | Quoted | Unquoted | Total | In % |
| **Investment Funds** | | | | |
| LIC Scheme | - | 680.10 | **680.10** | 100.00 |
| **Cash and Cash Equivalents** | **-** | 0.01 | **0.01** | - |
| **Total** | **-** | **680.11** | **680.11** | **100.00** |

**Retired Employees Health Scheme (REHS):**

(₹ in Crore)

| Particulars | 31st March 2022 | | | |
|---|---|---|---|---|
| | Quoted | Unquoted | Total | In % |
| **Debt Instruments** | | | | |
| Government Bonds | 4.82 | - | 4.82 | 0.47 |
| Corporate Bonds | 430.52 | - | 430.52 | 42.38 |
| LIC Scheme | - | 564.81 | 564.81 | 55.59 |
| Cash and Cash Equivalents | - | 0.09 | 0.09 | 0.01 |
| Accrued Interest | 15.74 | - | 15.74 | 1.55 |
| **Total** | **451.08** | **564.90** | **1,015.98** | **100.00** |

(₹ in Crore)

| Particulars | 31st March 2021 | | | |
|---|---|---|---|---|
| | Quoted | Unquoted | Total | In % |
| **Debt Instruments** | | | | |
| Government Bonds | 4.72 | - | 4.72 | 0.45 |
| Corporate Bonds | 503.02 | - | 503.02 | 47.77 |
| LIC Scheme | - | 528.49 | 528.49 | 50.19 |
| Cash and Cash Equivalents | - | 0.07 | 0.07 | 0.01 |
| Accrued Interest | 16.74 | - | 16.74 | 1.59 |
| **Total** | **524.48** | **528.56** | **1053.04** | **100.00** |

**(e)** **Risk Exposure:** Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

**Description of Risk Exposures:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such, the Group is exposed to various risks as follow -

A) Salary Increase- Actual salary increase will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B) Investment Risk – If Plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

C) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

D) Mortality and disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

**(f)** **Defined benefit liability and employer contributions:** Funding levels are monitored on an annual basis and the current contribution rate is 30% of basic salary and dearness allowance. The Group considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

Expected contributions to defined-benefit plans for the year ending March 31, 2023 are ₹ **145.81 Crore.**

The weighted average duration of the defined benefit obligations is 10.49 Years (2020-2021 : 10.39 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 |
|---|---|---|---|---|---|
| 31.03.2022 | 499.94 | 885.14 | 604.77 | 1161.67 | **3151.52** |
| 31.03.2021 | 534.56 | 929.62 | 585.02 | 1087.05 | **3136.24** |

**The expected maturity analysis of Gratuity (NHPC Ltd. Employees Group Gratuity Assurance Fund), Post employment Medical Benefits (NHPC Ltd. Retired Employees Health Scheme Trust), Allowances on Retirement/Death, Memento and Employees Family Economic Rehabilitation Scheme are as under.**

(₹ in Crore)

| Particulars | Less than a year | Between 1-2 years | Between 2-5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| **31.03.2022** | | | | | |
| Gratuity | 80.41 | 63.48 | 115.38 | 340.55 | 599.82 |
| Post-employment Medical Benefits (REHS) | 43.59 | 46.22 | 202.81 | 722.31 | 1,014.93 |
| Allowances on Retirement/Death | 0.57 | 0.52 | 1.00 | 3.69 | 5.78 |
| Memento to employees on attaining the age of superannuation | 0.41 | 0.35 | 0.63 | 1.43 | 2.82 |
| NHPC Employees Family Economic Rehabilitation Scheme | 0.94 | 0.96 | 3.01 | 20.52 | 25.43 |
| **TOTAL** | **125.92** | **111.53** | **322.83** | **1,088.50** | **1,648.78** |
| **31.03.2021** | | | | | |
| Gratuity | 91.42 | 75.67 | 142.34 | 322.34 | 631.77 |
| Post-employment Medical Benefits (REHS) | 35.06 | 41.26 | 148.20 | 708.13 | 932.65 |
| Allowances on Retirement/Death | 0.61 | 0.56 | 1.15 | 3.73 | 6.05 |
| Memento to employees on attaining the age of superannuation | 0.48 | 0.40 | 0.73 | 1.59 | 3.20 |
| **TOTAL** | **127.57** | **117.89** | **292.42** | **1,035.79** | **1,573.67** |

**(C) Other long-term employee benefits (Leave Benefit):** The Group provides for earned leave and half-pay leave to the employees which accrue annually @ 30 days and 20 days respectively. Earned Leave (EL) is also encashable while in service. The maximum ceiling of encashment of earned leave is limited to 300 days. However, any shortfall in the maximum limit of 300 days in earned leave on superannuation shall be fulfilled by half pay leave to that extent. The liability for the same is recognised on the basis of actuarial valuation. The expenses recognised during the year on the basis of actuarial valuation are ₹ **65.01 Crore** (31st March 2021: ₹ **68.46 Crore**).

**13.** Particulars of income and expenditure in foreign currency and consumption of spares are as under:-

(₹ in Crore)

| Sl. No | Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---|---|---|---|
| a) | Expenditure in Foreign Currency | | |
| | i) Interest | 23.47 | 26.50 |
| | ii) Other Misc. Matters | 6.43 | 5.26 |
| b) | Value of spare parts and Components consumed in operating units. | | |
| | i) Imported | - | - |
| | ii) Indigenous | 21.06 | 22.96 |

**14. Earnings Per Share:**

a) The Earnings Per Share (Basic and Diluted) are as under:

| Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---|---|---|
| Earnings per Share before Regulatory Income (₹) – Basic and Diluted | 4.71 | 3.15 |
| Earnings per Share after Regulatory Income (₹) – Basic and Diluted | 3.51 | 3.26 |
| Par value per share (₹) | 10 | 10 |

b) Reconciliation of Earning used in calculating Earnings Per Share:

| Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---|---|---|
| Net Profit after Tax but before Regulatory Income used as numerator (₹ in Crore) | 4733.66 | 3159.61 |
| Net Profit after Tax and Regulatory Income used as numerator (₹ in Crore) | 3523.57 | 3271.78 |

c) Reconciliation of weighted average number of shares used as denominator :

| Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---|---|---|
| Weighted Average number of equity shares used as denominator | 10045034805 | 10045034805 |

**15. Disclosure as per Schedule-III of Companies Act,2013 :**

(₹ in Crore)

| Name of the entities in the Group | Net Assets, i.e., total assets minus total liabilities | | Share in profit or loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated profit or loss | Amount | As % of consolidated profit or loss | Amount |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| **Parent** | | | | | | | | |
| **NHPC** | | | | | | | | |
| 31.03.2022 | 75.64 | 28578.31 | 86.27 | 3256.01 | 117.49 | 12.76 | 86.36 | 3268.77 |
| 31.03.2021 | 77.97 | 27978.64 | 82.20 | 2958.78 | 95.62 | 7.20 | 82.22 | 2965.98 |

| Name of the entities in the Group | Net Assets, i.e., total assets minus total liabilities | | Share in profit or loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated profit or loss | Amount | As % of consolidated profit or loss | Amount |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| **Subsidiaries** | | | | | | | | |
| **NHDC** | | | | | | | | |
| 31.03.2022 | 6.23 | 2353.43 | 7.18 | 270.55 | (8.93) | (0.97) | 7.13 | 269.58 |
| 31.03.2021 | 6.62 | 2376.55 | 8.87 | 318.80 | 2.26 | 0.17 | 8.85 | 318.97 |
| **Loktak Downstream Hydroelectric Corporation Ltd. (LDHC Ltd.)** | | | | | | | | |
| 31.03.2022 | 0.30 | 115.12 | - | 0.01 | - | - | - | 0.01 |
| 31.03.2021 | 0.30 | 108.58 | - | - | - | - | - | - |
| **Bundelkhand Saur Urja Ltd. (BSUL)** | | | | | | | | |
| 31.03.2022 | 0.22 | 82.36 | (0.02) | (0.61) | - | - | (0.02) | (0.61) |
| 31.03.2021 | 0.12 | 43.33 | (0.01) | (0.10) | - | - | (0.01) | (0.10) |
| **Lanco Teesta Hydro Power Limited (LTHPL)** | | | | | | | | |
| 31.03.2022 | 3.90 | 1475.01 | (0.01) | (0.20) | - | - | (0.01) | (0.20) |
| 31.03.2021 | 2.87 | 1031.16 | (0.01) | (0.21) | - | - | (0.01) | (0.21) |
| **Jalpower Corporation Limited (JPCL)** | | | | | | | | |
| 31.03.2022 | 0.80 | 303.63 | (0.01) | (0.48) | - | - | (0.01) | (0.48) |
| 31.03.2021 | 0.52 | 188.15 | - | - | - | - | - | - |
| **Ratle Hydroelectric Power Corporation (RHPCL)** | | | | | | | | |
| 31.03.2022 | 0.36 | 136.96 | (0.01) | (0.32) | - | - | (0.01) | (0.32) |
| 31.03.2021 | - | - | - | - | - | - | - | - |
| **Non-controlling Interests in all subsidiaries** | | | | | | | | |
| 31.03.2022 | 7.58 | 2862.87 | 6.64 | 250.76 | (8.56) | (0.93) | 6.60 | 249.83 |
| 31.03.2021 | 7.90 | 2835.32 | 9.11 | 328.10 | 2.12 | 0.16 | 9.10 | 328.26 |
| **Joint Ventures (Investments as per the equity method)** | | | | | | | | |
| **National High Power Test Laboratory Private Limited (NHPTL)** | | | | | | | | |
| 31.03.2022 | 0.04 | 14.24 | (0.11) | (3.97) | - | - | (0.11) | (3.97) |
| 31.03.2021 | 0.05 | 18.22 | (0.11) | (3.85) | - | - | (0.11) | (3.85) |
| **Chenab Valley Power Projects (P) Ltd. (CVPPPL)** | | | | | | | | |
| 31.03.2022 | 4.93 | 1861.92 | 0.07 | 2.58 | - | - | 0.07 | 2.58 |
| 31.03.2021 | 3.65 | 1308.67 | (0.05) | (1.64) | - | - | (0.05) | (1.64) |
| **TOTAL** | | | | | | | | |
| **31.03.2022** | **100.00** | **37783.85** | **100.00** | **3774.33** | **100.00** | **10.86** | **100.00** | **3785.19** |
| **31.03.2021** | **100.00** | **35888.62** | **100.00** | **3599.88** | **100.00** | **7.53** | **100.00** | **3607.41** |

## 16. Commitments and contingent liabilities in respect of Joint Ventures:

(₹ in Crore)

| | Particulars | 31.03.2022 | 31.03.2021 |
|---|---|---|---|
| A | Contingent Liabilities | 80.61 | 75.82 |
| B | Capital Commitments | 5,100.29 | 5,192.83 |

**17. Disclosure related to Confirmation of Balances is as under :**

(a) Balances shown under material issued to contractors, claims recoverable including insurance claims, loans (other than employees), advances for Capital expenditure, Trade Receivable, Advances to Contractors, Trade Payable and Deposits/Earnest money from contractors other than as given at (b) below are subject to reconciliation/ confirmation and respective consequential adjustments. Claims recoverable also include claims in respect of projects handed over or decided to be handed over to other agencies in terms of Government of India directives.

(b) The confirmation in respect of Trade Receivables, Trade Payables, Deposits, loans (other than employees), Advances to Contractors/Suppliers/Service Providers/Others including for capital expenditure and material issued to contractors have been sought for outstanding balances of ₹ **0.05 crore** or above in respect of each party as at 31st December, 2021. Status of confirmation of balances as at December 31, 2021 as well as amount outstanding as on 31.03.2022 is as under:

(₹ in Crore)

| Particulars | Outstanding amount as on 31.12.2021 | Amount confirmed | Outstanding amount as on 31.03.2022 |
|---|---|---|---|
| Trade receivable (excluding unbilled)* | 4141.52 | 3181.16 | 2806.97 |
| Deposits, Loans, Advances to contractors/ suppliers/ service providers/ others including for capital expenditure and material issued to contractors | 2768.33 | 1080.68 | 2782.89 |
| Trade/Other payables | 690.34 | 108.46 | 850.68 |
| Security Deposit/Retention Money payable | 322.06 | 49.16 | 350.80 |

* Trade receivables are including receivables on account of interest receivable from Beneficiaries and net of advance from customers.

(c) In the opinion of the management, unconfirmed balances will not require any adjustment having any material impact on the Financial Statements of the Company.

**18. Disclosures regarding leases as per IND AS -116 "Leases":**

**A) Group as Lessee:**

**(i) Accounting Treatment of Leases as per Ind AS 116 :**

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The Group has applied the following practical expedients on initial application of Ind AS 116:

a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

c) Excluded the initial direct costs, if any from the measurement of the right-of-use asset at the date of recognition of right-of-use asset.

d) Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

e) The weighted average incremental borrowing rate applied to leases recognised during FY 2021-22 is 6.20%.

**(ii) Nature of lease:** The Group's significant leasing arrangements are in respect of the following assets:

(a) Premises under cancellable lease arrangements for residential use of employees ranging from 3-4 months to three years.

(b) Premises for offices, guest houses and transit camps on lease which are not non-cancellable and are usually renewable on mutually agreeable terms.

(c) Land obtained on lease for construction of projects and/ or administrative offices.

(d) Vehicles on operating leases generally for a period of 1 to 2 years and such leases are not non-cancellable.

**(iii)** Amount recognised in the Statement of Profit and Loss/ Expenditure Attributable to Construction in respect of short term, low value and variable lease are as under:-

(₹ in Crore)

| Sl. No | Particulars | 31.03.2022 | 31.03.2021 |
|---|---|---|---|
| 1 | Expenditure on short-term leases | 12.57 | 15.52 |
| 2 | Expenditure on lease of low-value assets | - | 0.02 |
| 3 | Variable lease payments not included in the measurement of lease liabilities | 5.41 | 4.67 |

**(iv)** Commitment for Short Term Leases as on 31.03.2022 is ₹ **4.31 Crore** (Previous Year ₹ **3.72 Crore**).

**(v)** Movement in lease liabilities during the year:

(₹ in Crore)

| Particulars | 31.03.2022 | 31.03.2021 |
|---|---|---|
| Opening Balance | 15.11 | 16.48 |
| Additions in lease liabilities | 8.96 | 3.00 |
| Finance cost accrued during the year | 1.46 | 1.35 |
| **Less:** Payment of lease liabilities | 4.95 | 5.72 |
| **Closing Balance** | **20.58** | **15.11** |

**B) Finance Lease – Group as Lessor**

The Group has entered into lease arrangements with a single beneficiary, Power Development Department, Jammu & Kashmir for sale of the entire power generated by two power stations, namely Nimoo Bazgo and Chutak Power Stations and Madhya Pradesh Power Management Group for sale of the entire power generated by two power stations namely Indira Sagar and Omkareshwar Power stations for the substantial period of the expected life of these Power Stations. Under the agreements, the customer is obliged to purchase the entire output at prices determined by the Central Electricity Regulatory Commission (CERC). Further, the Group has entered into a supplementary PPA with M/s WBSEDCL for offtake of the entire power generated by TLDP-III Power Station for its balance useful life of 35 years on mutually agreed tariff w.e.f 1st April, 2019. The arrangements have been assessed by the Company and classified as Finance Lease. Other financial assets (Current and Non-Current) include lease receivables representing the present value of future lease rentals receivable on the embedded finance lease arrangements entered into by the Group.

The Group has earned "Income from Finance Lease" of ₹ **865.51 Crore** during the year (previous year ₹ **899.08 Crore**)

**The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the end of the financial year as at 31.03.2022:**

(₹ in Crore)

| Particulars | 31.03.2022 | 31.03.2021 |
|---|---|---|
| **undiscounted lease payments receivable:** | | |
| Less than one year | 1,028.39 | 1,030.01 |
| One to two years | 1,018.28 | 1,023.46 |
| Two to three years | 999.86 | 1,013.52 |
| Three to four years | 942.74 | 995.28 |
| Four to five years | 835.34 | 938.34 |
| More than five years | 16,343.59 | 17,135.81 |
| **Total undiscounted lease payments receivable** | **21,168.19** | **22,136.42** |
| Add: unguaranteed residual value | 806.75 | 803.82 |
| Less: Unearned finance income | 15,703.11 | 16,524.69 |
| **Net investment in the lease** | **6,271.83** | **6,415.55** |
| Discounted unguaranteed residual value included in net investment in lease | 21.72 | 18.73 |

**Significant changes in the carrying amount of the net investment in finance leases**

(₹ in Crore)

| Particulars | 31.03.2022 | 31.03.2021 |
|---|---|---|
| Opening Balances | 6,415.55 | 5,229.23 |
| Additions during the year | 49.36 | 1,331.31 |
| Income from Finance Lease for the year | 865.51 | 899.08 |
| **Less:** Amount received during the year | 1,058.59 | 1,044.07 |
| **Closing Balances** | **6,271.83** | **6,415.55** |

**C) Operating Lease – Group as Lessor :**

The Group has entered into Power Purchase Agreements (PPA) with West Bengal State Electricity Board for sale of power from TLDP-IV power station for a period of 10 years and with Jodhpur Vidyut Vitran Nigam Limited (JVVNL) for sale of power from 50 MW Wind Power Project, Jaisalmer for a period of 3 years. Power Purchase Agreement with JVVNL has expired on March 31, 2019 and extension of PPA is under process, though power is being scheduled to the customer. As per the PPAs, the customer is obliged to purchase the entire output of these Power Stations at prices determined by the Central Electricity Regulatory Commission and has been recognised as Operating Lease arrangements

The Group has earned "Income from Operating Lease" for the year of ₹ **384.07 Crore** during the year (previous year ₹ **712.00 Crore**).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the end of the financial year as per Power Purchase Agreement:

(₹ in Crore)

| Particulars | 31.03.2022 | 31.03.2021 |
|---|---|---|
| Less than one year | 312.21 | - |
| One to two years | 312.21 | - |

| Particulars | 31.03.2022 | 31.03.2021 |
|---|---|---|
| Two to three years | 312.21 | - |
| Three to four years | 312.21 | - |
| Four to five years | 320.10 | - |
| More than five years | 1280.41 | - |
| **Total** | **2849.35** | **-** |

**19.** As per Ind AS 36- *Impairment of Assets* requires an entity to assess on each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the entity is required to estimate the recoverable amount of the asset. If there is no indication of a potential impairment loss, the Standard does not require an enterprise to make a formal estimate of the recoverable amount.

Management has determined that each of the Project/ Power Station of the Group is the smallest identifiable group of assets that generate cash inflows from continuing use that is largely independent of the cash inflows from other assets or groups of assets and accordingly qualifies to be designated as a Cash Generating Unit (CGU). Impairment indicators applicable to these CGUs have been assessed and based on such assessment, Management is of the opinion that no significant change with an adverse effect on the Group has taken place during the year, or is expected to take place in the near future, in the technological, economic or legal environment in which the Group operate. This includes the regulations notified by CERC for the tariff period 2019-24 where there are no major amendments that can have a significantly adverse impact on the future cash flow from the CGUs. There is no evidence available from internal reporting that indicates that the economic performance of a CGU is, or will be, worse than expected.

Further, nine CGUs of the Group were assessed for impairment as on 31st March, 2022. The CGUs of the Company were selected based on criteria like capital cost per MW, tariff, etc. and include the two major construction projects of the Company, one Renewable Energy Generation Station and the four most recently commissioned Power Stations over 100 MW capacity. Regulatory Deferral Account balances to be recovered in future through tariff as part of capital cost recognised in one of the CGUs has also been considered along with the carrying amount of the CGU for impairment assessment.

The impairment analysis was carried out on the basis of value-in-use calculation by measuring the recoverable amount of the CGUs as per cash flow projections based on the applicable CERC Tariff Regulations adjusted for the risks specific to each CGU and a pre-tax discount rate arrived at on the basis of the Capital Asset Pricing Model that reflects market assessments of the time value of money.

Based on the assessment, there exists no significant indicator that would suggest an impairment of the carrying amounts of the CGUs including Regulatory Deferral Account Balances of the Group during FY 2021-22. Further, there exists no impairment in respect of the Projects / Power Stations of the Group during FY 2021-22.

**20.** As per Hydro Policy 2008, 100 units of electricity is to be provided to each Project Affected Family (PAF) notified by the State Government for a period of 10 years from the date of commissioning of a project. Notification by the respective State Governments regarding PAFs is yet to be made. Since the electricity to be provided to the PAFs is to be deductedfrom free power to the State Government, there would not be any impact on the profit of the Group.

**21.** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020 and has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the year the Code becomes effective.

**22.** Nature and details of provisions (refer Note No. 17 and 22)

**(i) General**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required

to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a Finance Cost.

**(ii) Provision for employee benefits (Other than provisions for defined contribution and defined benefit plans which have been disclosed as per Ind AS-19 at S. No. 12 of Note No. 34):**

**a) Provision for Performance Related Pay/Incentive:**

Short-term Provision has been recognised in the accounts towards Performance Related Pay/ incentive to employees on the basis of Management estimates as per Group's rules in this regard which are based on the guidelines of the Department of Public Enterprises, Government of India.

**b) Provision For Wage Revision as per 3rd Pay Revision Committee (PRC):**

Short term provision for wage revision of the employees of the company was recognised earlier as per notification of the Department of Public Enterprises, Government of India.

**(iii) Other Provisions:**

**a) Provision For Tariff Adjustment:**

Provision for tariff adjustment is made on estimated basis against probable refund to beneficiaries on reassessment of tariff billed, pending approval of Tariff/truing up for the Year 2014-19/2019-24 by Central Electricity Regulatory Commission (CERC).

**b) Provision for Livelihood Assistance:**

Provision has been recognised at discounted value adjusted for average inflation in the accounts towards special financial package finalised in consultation with the State Government and approved by the Board of Directors of NHPC for livelihood assistance of the project affected families (PAFs) in Parbati-II and Parbati-III. As per the package, pending finalisation of modalities of payment, one eligible person from each PAF shall be provided livelihood assistance equivalent to minimum wage of unskilled category as per the Government of Himachal Pradesh/ Central Government whichever is higher, on monthly instalment basis, for the Years as under:

i) Till the date of superannuation for PAFs eligible for employment.

ii) For 2000 days to those PAFs left with zero balance land but excluded for employment.

iii) For 1000 days to all remaining PAFs.

**c) Provision for Committed Capital Expenditure:**

Provision has been recognised at discounted value in case of non- current amount for Capital Expenditure to be incurred towards environment, compensatory afforestation, local area development, etc. which was a pre-condition for granting approval for construction of the project and expenditure towards which had not been completed till commissioning of the project. Such provisions are adjusted against the incurrence of actual expenditure as per demand raised by the concerned State Government Authorities.

**d) Provision for restoration expenses of insured assets:**

Provision has been recognised in the accounts based on Management Estimates for restoration of damaged assets insured under Mega Policy and Construction Plant and Machinery Policy. Utilization of the provision is to be made against incurrence of actual expenditure towards restoration of the assets.

**e) Provisions for expenditure in respect of Arbitration Award/ Court cases:**

This includes provisions created on the basis of management assessment as to probable outflow in

respect of contractors claims against which arbitration award/ Court decision have been received and which have been further challenged in a Court of Law. Utilization/ outflow of the provision is to be made on the outcome of the case.

**f) Provisions- Others:** This includes provisions towards:-

(i) Contractor claims, Land compensation cases, disputed tax demands and other cases created on the basis of management assessment towards probable outflow. Utilization/outflow of the provision is to be made on the outcome of the case.

(ii) Wage revision of Central Government Employees whose services are utilised by the Group.

(iii) Provision for interest to beneficiaries on excess tariff recovered in terms of Tariff Regulations for the Year 2014-19 where the capital cost considered for fixation of tariff by the CERC on the basis of projected capital cost as on Commercial Operation Date or the projected additional capital expenditure exceeds the actual capital cost incurred.

(iv) Upfront provision for rebate towards interest on House Building Advance provided to employees based on the historical trend of rebate allowed.

(v) Upfront provision for rebate to customers for sale of power based on the historical trend of rebate allowed.

(vi) Provision for impairment of investment by Employees Provident Fund Trust in certain interest-bearing Financial Instruments including interest accrued thereon but not received.

**23. Disclosures relating to creation of Regulatory Deferral Account (RDA) balances as per Ind AS 114:**

The Group is principally engaged in the construction and operation of hydroelectric power projects. The price (tariff) to be charged by the Group for electricity sold to its customers is determined by Central Electricity Regulatory Commission (CERC) under applicable CERC (terms & conditions of tariff) Regulations. The said price (tariff) is based on allowable costs like interest costs, depreciation, operation and maintenance charges plus a stipulated return. This form of rate regulation is known as cost-of-service regulations. The basic objective of such regulations is to give the entity the opportunity to recover its costs of providing the goods or services plus a fair return.

For the purpose, the Group is required to make an application to CERC based on capital expenditure incurred duly certified by the Auditors or already admitted by CERC or projected to be incurred upto the date of commercial operation and additional capital expenditure duly certified by the Auditor or projected to be incurred during tariff year. The tariff determined by CERC is recovered from the customers (beneficiaries) on whom the same is binding.

The above rate regulation results in creation of right (asset) or an obligation (liability) as envisaged in the accounting framework which is not the case in other industries. Guidance Note on Accounting for Rate Regulated Activities (Previous GAAP) issued by the ICAI is applicable to entities that provide goods or services whose prices are subject to cost-of-service regulations and the tariff determined by the regulator is binding on the customers (beneficiaries). As per guidance note, a regulatory asset is recognized when it is probable (a reasonable assurance) that the future economic benefits associated with it will flow to the entity as a result of the actual or expected actions of the regulator under applicable regulatory framework and the amount can be measured reliably.

The guidance note also provides that in some cases, a regulator permits an entity to include in the rate base, as part of the cost of self-constructed (tangible) fixed assets or internally generated intangible assets, amounts that would otherwise be recognized as expense in the statement of profit and loss in accordance with Accounting Standards.

With effect from 01.04.2016, such rate regulated items are to be accounted for as per Ind AS 114 'Regulatory Deferral Accounts.' Ind AS 114 allows an entity to continue to apply previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances. For this purpose, Guidance Note of the ICAI on 'Accounting for Rate Regulated Activities' shall be considered to be the Previous GAAP.

**A) Regulatory Deferral Account balances in respect of Subansiri Lower Project:**

Construction activities at site of Subansiri Lower Project were interrupted w.e.f. 16.12.2011 and the matter was pending before National Green Tribunal. Technical and administrative work at the project was however continued.

Vide order dated 31st July 2019, the Hon'ble NGT has held that there is no justification in the petitions of the applicants pleading bias in the constitution of the Expert Committee by the MoEF & CC and accordingly, the cases against Subansiri Lower Project pending with the NGT have been dismissed. Active construction work at the project has been resumed from October-2019.

In line with the opinion of Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), borrowing cost of ₹ **2735.61 Crore** (upto Previous year ₹ **2735.61 Crore**), employee benefits expense, depreciation and other expense of ₹ **1427.67 crore** (upto Previous year ₹ **1427.67 Crore**), net of other income of ₹ **322.60 Crore** (upto Previous year ₹ **322.60 Crore**) incurred till 30th September 2019 has been charged to the Statement of Profit and Loss.

As active construction work at the project has been resumed during FY 2019-20, borrowing cost, employee benefits expense, depreciation and other expense (net of other income) incurred with effect from 01.10.2019 has been capitalized as Expenditure attributable to Construction.

During financial year 2014-15, the Group had adopted the accounting as per Guidance Note on Rate Regulated Activities issued by the ICAI which allows recognition of 'Regulatory Asset' and corresponding 'Regulatory Income' of the right to recover such expense which are not allowed to be capitalized as part of cost of relevant fixed asset in accordance with the Accounting Standards, but are nevertheless permitted by Central Electricity Regulatory Commission (CERC), the regulator, to be recovered from the beneficiaries in future through tariff.

Since Ind AS 114 'Regulatory Deferral Accounts' allows an entity to continue to apply previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances and recognizes the Guidance Note of the ICAI on 'Accounting for Rate Regulated Activities' as the previous GAAP, the Group has continued with the accounting policy for regulatory deferral account balances.

The total Regulatory Deferral Account Debit balances recognised in respect of Subansiri Lower Project for and upto the year ended 31.03.2022 are as under:

(₹ in Crore)

| **Regulatory asset created in relation to:** | **Upto 31.03.2022** |
|---|---|
| Borrowing Costs | 2509.67 |
| Employee Benefit expense | 628.73 |
| Depreciation and Amortisation | 54.86 |
| Other Expense | 562.83 |
| Other Income | (285.50) |
| **Total** | **3470.59** |

Further, no regulatory deferral account balances has been recognized during the year 2021-22.

As per management assessment, there is no impairment in the carrying amount of ₹ **10479.22 crore** included under Capital Work in Progress of the Project including the regulatory deferral account balances recognized therein.

After Commercial Operation Date (COD) of the Project, amount recognized as Regulatory Deferral Account balances in respect of Subansiri Lower Project shall be amortized/ liquidated in proportion to depreciation following the rates and methodology notified under CERC Tariff Regulations over the life of the Project, i.e. 40 years.

Tariff Regulations for the period 2019-2024 have been notified by the CERC. In addition to the existing Tariff Regulations (2014-19) authorizing capitalisation of borrowing and other attributable costs incurred due to uncontrollable factors including force majeure events like blockade/ embargo as per Tariff Regulations 2014-19, the new regulations also include delay in obtaining statutory approval for projects as one of the force majeure events. Accordingly, Management considers that adverse changes in Tariff Regulations are not likely to be a significant area of risk for the future recovery of RDA balances recognized in respect of Subansiri Lower Project.

Risks and uncertainties that might affect the future recovery of the Regulatory Deferral Account balances being created in respect of Subansiri Lower Project are:

a) **Demand Risk:** Recovery of the Regulatory Deferral Account Balances shall be by way of depreciation through tariff. Accordingly, the same is affected by the normal risks and uncertainties impacting sale of electricity in India like difficulty in signing of long term Power Purchase Agreements (PPAs), at the rate covering the cost and required return ensuring the viability of the Project.

b) **Regulatory Risk:** Tariff regulations further provide that if the delay is not attributable to the generating Group but is due to uncontrollable factors, IEDC may be allowed after due prudence check. Any disallowance of expenditure after prudence check can affect the quantum of regulatory deferral account balances to be recovered from beneficiaries.

**B) Regulatory Deferral Account balances in respect of expenditure recognized due to 3rd Pay Revision of Central Public Sector Units (CPSUs):**

Pay of employees of CPSUs including Central Govt. Employees under IDA pay scale have been revised from 1st January, 2017. As approved by the Government of India, in addition to enhancing Basic Pay, DA and allowances with effect from 01.01.2017, the ceiling limit of Gratuity has been enhanced from the existing ₹ 0.10 Crores to ₹ 0.20 Crores with effect from 01.01.2017. Pay revision for all employees have been implemented.

CERC Tariff Regulations 2014-19 read with the Statement of Reasons CERC (Terms and Conditions of Tariff) Regulations, 2014 provides that the impact of actual increase in employee cost on account of wage revision of operational Power Stations including employees of Kendriya Vidyalaya and CISF Personnel is recoverable from the beneficiaries in future through tariff. Further, during the tariff period 2004-09, CERC had allowed recovery of the actual increase in employee cost on account of wage revision (with effect from 01.01.2007) upto 50% of the salary and wages (Basic + DA) of the employees of the petitioner Group as on 31.12.2006 from the beneficiaries in twelve equal monthly installments. Tariff Regulations for the period 2019-2024 read with corrigendum dated 15th March 2019 notified by the CERC also provide for recoverability of pay revision from the beneficiaries in future through tariff.

Keeping in view the provisions of Ind AS 114- "Regulatory Deferral Accounts", additional expenditure on employee benefits (including employees of Kendriya Vidyalaya and CISF Personnel) due to revision of pay/ gratuity ceiling, to the extent charged to the Statement of Profit and Loss and to Other Comprehensive Income till 31st March 2019, amounting to ₹ **670.90 Crore** have been recognized as 'Regulatory Deferral Account balances'. These balances shall be recovered by way of billing to beneficiaries once the petition filed with CERC in this regard is approved.

As opposed to tariff period 2014-19 where RDA balances of pay revision had been created based on the expectation that CERC would allow the same in tariff in line with that allowed earlier for pay revision during FY 2009, tariff regulation 2019-24 specifically allows for recovery of additional expenditure on account of pay revision. Accordingly, additional expenditure due to 3rd PRC from FY 2019-20 has been recognized as revenue with corresponding Trade Receivables.

During the current year, Management has reassessed the recoverability and derecognized part of ibid Regulatory Deferral Account (Debit) balance to the tune of ₹ **61.32 crore** in respect of additional expenditure on 3rd Pay Revision of Central Public Sector Enterprises w.e.f. January 1, 2017 based on Management assessment as to recoverability. The amount so derecognized has been retrospectively restated and relevant disclosures has been provided at **Note 35**.

The total RDA Debit balances recognised till 31.03.2022 in the financial statement are as under:

(₹ in Crore)

| Sl. No. | Particulars | Regulatory Deferral Account Balances |
|---|---|---|
| A | Opening balance as on 01.04.2021 | **609.61** |
| B | Addition during the year (+) | - |
| C | Amount collected during the year (-) | 114.20 |
| D | **Regulatory income recognized in the Statement of Profit and Loss & Other Comprehensive Income (B+C)** | **(114.20)** |
| E | **Closing balance as on 31.03.2022 (A+D)** | **495.41** |

Recoverability of the Regulatory Deferral Account balances on account of Pay Revision of Employees is however, subject to Regulatory Risk since such expenditures are generally allowed by the CERC after due prudence check. Any disallowance of expenditure after prudence check can affect the quantum of regulatory deferral account balances to be recovered from beneficiaries. The Group expects to recover the carrying amount of Regulatory Deferral Account balances in respect of 3rd pay revision during the current CERC Regulation 2019-24 periods.

**C) Regulatory Deferral Account balances due to moderation of tariff of Kishanganga Power Station:**

As per CERC Tariff Regulations 2014-19/2019-24, depreciation on capital cost of a Power Station forms one of the components of tariff. Depreciation is charged in the books as per the rates provided in the Tariff Regulations 2014-19/2019-24 in the initial operating period of 12 years and thereafter the balance depreciation is spread over equally in the remaining 23/28 years so as to recover 90 percent of the capital cost of the Power Station by way of depreciation. As per Tariff regulations 2019-24, the operating life of a hydro-power station is 40 years.

As per CERC Tariff Regulations, 2019-24, tariff for sale of electricity by the generating Group may also be determined in deviation of the norms specified in the Regulations provided the levelised tariff over the useful life of the project on the basis of the norms in deviation does not exceed the levelised tariff calculated on the basis of the norms specified in the Regulations. Similar provisions exist in the Tariff Regulations for the period 2019-2024 notified by the CERC.

In the case of Kishanganga Power Station (Commercial Operation Date: 17th May, 2018), the Group has made moderation in tariff of Kishanganga Power Station by fixing lower tariff in the initial ten years and then fixing higher tariff in the remaining 25 years by way of charging 1.5% depreciation from the 1st to the 10th year and 2.5% depreciation from 11th to the 40th year, thus aggregating 90 percent of the Capital Cost of the Power Station. This moderation, with the intent to reduce tariff in the initial years of operation, has been duly approved by the CERC.

Moderation of depreciation rates for tariff determination in Kishanganga Power Station gives rise to a significant mismatch by way of higher depreciation charged in the books (as per CERC Tariff Regulations, 2019-24) during the first 12 years of commercial operation and recovery by way of tariff as per Tariff Order of the Power Station approved by the CERC. The lower recovery during the first 12 years would, however, be compensated over the balance period of the operational life of the Power Station by way of higher recovery of depreciation through tariff than that charged in the books. This deferment of recovery of costs with the intent to reduce tariff in the initial years and its recovery in subsequent years demonstrates that an asset exists by way of the right to recover current costs in future through tariff and such right is enforceable.

Keeping in view the provisions of Ind AS 114- "Regulatory Deferral Accounts", difference between depreciation charged to the Statement of Profit and Loss as per Tariff Regulations 2019-24 and the depreciation allowed by way of tariff and which is recoverable from the beneficiaries in subsequent periods is being recognized as 'Regulatory Deferral Account balances' with effect from Commercial Operation Date of the Power Station. RDA balances created during the first 12 years of commercial operation life shall

be recovered from beneficiaries by way of higher depreciation as a component of tariff over the balance useful life of the Power Station, i.e. over a period of 28 years.

The regulated assets (+)/liability (-) recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

(₹ in Crore)

| Sl. No. | Particulars | Regulatory Deferral Account Balances |
|---|---|---|
| A | Opening balance as on 01.04.2021 | **563.11** |
| B | Addition during the year (assets (+)/ liability (-)) | 198.35 |
| C | Amount collected (-)/refunded (+) during the year | - |
| D | **Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)** | **198.35** |
| E | **Closing balance as on 31.03.2022 (A+D)** | **761.46** |

The Group has long term Power Purchase Agreements in respect of Kishanganga Power Station. Since the proposal for moderation of tariff already stands approved by the CERC, the Group does not envisage any significant risk as regards recoverability of the Regulatory Deferral Account balances created in respect of Kishanganga Power Station.

However, as depreciation charge in the books and recovery thereof through tariff are dependent on the Capital Cost of the Power Station as allowed by CERC, recovery of the regulatory deferral account balances in respect of Kishanganga Power Station would be subject to **Regulatory Risk**. Approval of actual capital expenditure on the Power Station including expenditure on account of time and cost overruns etc. are subject to prudence check by the CERC. Any disallowance of expenditure after prudence check can affect the quantum of regulatory deferral account balances to be recovered from beneficiaries.

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

As per Ind AS 23- "Borrowing Costs", borrowing cost on foreign currency loans to the extent treated as an adjustment to interest costs is allowed to be capitalised during construction period. Further, Ind AS 21-"The Effects of Changes in Foreign Exchange Rates" provides that exchange differences arising on settlement or translation of monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognized in the Profit and Loss in the period in which they arise.

Para D13AA of Ind AS 101- "First Time Adoption of Ind AS" provides that a first-time adopter may continue the existing accounting policy adopted for accounting of exchange differences arising from translation of long-term foreign currency monetary items. Accordingly, for periods beginning on or after 01.04.2016, all exchange differences arising on translation/ settlement of monetary items other than exchange difference on borrowings to the extent treated as an adjustment to interest cost during construction period are to be charged to the Statement of Profit and Loss.

As per the CERC Tariff Regulations 2014-19, any gain or loss on account of exchange risk variation shall be recoverable as part of capital cost for calculation of tariff on Commercial Operation Date (COD) of a project and on actual payment basis during Operation and Maintenance (O&M) period. Further, CERC in past tariff orders has allowed exchange differences incurred during the construction period as a part of capital cost.

Keeping in view the provisions of Ind AS 114- "Regulatory Deferral Accounts" as regards recognition and CERC Tariff Regulations 2014-19 as regards recoverability, exchange differences arising on translation/ settlement of foreign currency monetary items to the extent charged to the Statement of Profit and Loss are being recognized as 'Regulatory Deferral Account balances' with effect from 01.04.2016. These balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries after Commercial Operation Date (COD) of the Project.

The regulated assets (+)/liability (-) recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

(₹ in Crore)

| Sl. No. | Particulars | Regulatory Deferral Account Balances |
|---|---|---|
| A | Opening balance as on 01.04.2021 | **1.72** |
| B | Addition during the year (assets (+)/ liability (-)) | (0.17) |
| C | Amount collected (-)/refunded (+) during the year | - |
| D | **Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)** | **(0.17)** |
| E | **Closing balance as on 31.03.2022 (A+D)** | **1.55** |

Tariff Regulations for the period 2019-2024 have been notified by the CERC. Regulations regarding recoverability of Foreign Exchange rate Variation (FERV) as part of capital cost for calculation of tariff on Commercial Operation Date (COD) of a project and on actual payment basis during O&M period of a Power Station as per Tariff Regulations 2014-19 have been continued for the tariff period 2019-24 also. Accordingly, Management considers that adverse changes in Tariff Regulations are not likely to be a significant area of risk for the future recovery of RDA balances recognized in respect of exchange differences on Foreign Currency Monetary items.

Recoverability of the Regulatory Deferral account balances is however, subject to **Demand Risk** since recovery/payment of the regulatory deferral debit/credit balance shall be by way of billing to the beneficiaries. Accordingly, the same is affected by the normal risks and uncertainties impacting sale of electricity in India like difficulty in signing of long term PPAs, etc.

**E) Regulatory Deferral Account balances on account of deferred tax recoverable from / payable to beneficiaries:**

As per CERC Tariff Regulations, deferred tax arising out of generating income for the tariff period 2004-09 is recoverable from beneficiaries in the year the same materializes as current tax. For the tariff period 2014-19, deferred tax is recoverable by way of grossing up the Return on Equity by the effective tax rate based on actual tax paid. Till 31st March, 2018 the deferred tax recoverable from beneficiaries in future years was presented as an adjustment to deferred tax liability and was not recognised as RDA.

The practice was reviewed based on an opinion of the Expert Advisory Committee of the Institute of Chartered Accountants of India (EAC of the ICAI) obtained during FY 2018-19. Such deferral account balance which as per EAC of ICAI is not a deductible temporary difference resulting into deferred tax asset under Ind AS 12 but rather fulfils the definition of regulatory deferral account balance in terms of Ind AS 114.

Accordingly, the Group has reclassified the deferred tax recoverable upto 2009 and deferred tax adjustment against deferred tax liabilities pertaining to tariff period 2014-19 earlier presented as an adjustment to Deferred Tax Liability, as Regulatory Deferral Account balance.

As per Tariff Regulations 2019-24 notified by the CERC, there is no change in mode of recovery of current tax and deferred tax as provided in the earlier Tariff Regulations 2014-19.

The regulated assets (+)/liability (-) recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

**Movement of Regulatory Deferral Account Debit Balances:**

**(i) In respect of deferred tax recoverable for tariff period upto 2009:**

(₹ in Crore)

| Sl. No. | Particulars | Regulatory Deferral Account Balances |
|---|---|---|
| A | Opening balance as on 01.04.2021 | **1715.15** |
| B | Addition during the year (assets (+)/ liability (-)) | - |
| C | Amount collected (-)/refunded (+) during the year | 49.52 |
| D | **Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)** | **(49.52)** |
| E | **Closing balance as on 31.03.2022 (A+D)** | **1665.63** |

**(ii) In respect of deferred tax adjustment against deferred tax liabilities (pertaining to tariff period 2014-19 and onwards):**

(₹ in Crore)

| Sl. No. | Particulars | Regulatory Deferral Account Balances |
|---|---|---|
| A | Opening balance as on 01.04.2021 | **843.37** |
| B | Addition during the year (assets (+)/ liability (-)) | 10.72 |
| C | Amount collected (-)/refunded (+) /Reversed (-)during the year | |
| D | **Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)** | **10.72** |
| E | **Closing balance as on 31.03.2022 (A+D)** | **854.09** |

**(iii) Regulatory Deferral Account Credit balances on account of Minimum Alternative Tax (MAT) Credit:**

(₹ in Crore)

| Sl. No. | Particulars | Regulatory Deferral Account Credit Balances |
|---|---|---|
| A | Opening balance as on 01.04.2021 | **763.78** |
| B | Addition during the year (assets (+)/ liability (-)) | 1313.27 |
| C | Amount collected (-)/refunded (+) /Reversed (-)during the year | 60.33 |
| D | **Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)** | **1252.94** |
| E | **Closing balance as on 31.03.2022 (A+D)** | **2016.72** |

Recoverability of Regulatory Deferral Account balance recognised on account of deferred tax recoverable/ payable upto tariff period 2004-2009, deferred tax adjustment against deferred tax liabilities pertaining to tariff period 2014-19 and that pertaining to recognition of MAT Credit are dependent upon the future operating performance of the Group. Further, since these Regulatory Deferral Account balances relate to past tariff periods, recoverability is also subject to the regulatory risk of CERC allowing recovery of such balances in future tariff regulations.

**24 (i)** Uri-II Power Station, where accidental fire broke out on 20.11.2014, resulting in stoppage of generation, was restored during the months of June, July and August 2015. The Assets of the power station and loss of generation are covered under Mega Risk Policy. Status of Insurance claim as on 31.03.2022 is as under:

(₹ in Crore)

| Particulars of claims | Updated claim lodged | Amount received net of refund | Up to date Amount charged to Statement of Profit and Loss | Balance receivable | |
|---|---|---|---|---|---|
| | | | | As at 31st March, 2022 | As at 31st March, 2021 |
| Business Interruption Loss | 202.98 | 74.01 | - | 128.97* | 128.97* |

* Included in Contingent Assets in Para 3 (d) to Note no. 34.

# Income recognised in respect of Business Interruption Loss during the year is **NIL** (Cumulative as on date is ₹ **Nil Crore**).

**(ii)** Sewa -II Power Station, where Head Race Tunnel (HRT) was damaged on September 25, 2020 due to land slide. Restoration of the damages has since been completed and power station is currently in operation. The Assets of the power station and loss of generation are covered under Mega Risk Policy. Status of Insurance claim as on 31.03.2022 is as under:

(₹ in Crore)

| Particulars of claims | Updated claim lodged | Amount received/ to be received | Up to date Amount charged to Statement of Profit and Loss | Balance receivable | |
|---|---|---|---|---|---|
| | | | | As at 31st March, 2022 | As at 31st March, 2021 |
| Against material damage | 50.80 | 9.19 | 2.54 | 39.07 | 38.00 |
| Business Interruption Loss | 225.60 | 161.86 | - | 63.74* | 274.60* |
| **Total** | **276.40** | **171.05** | **2.54** | **102.81** | **312.60** |

* Included in Contingent Assets in Para 3 (d) to Note no. 34.

# Income recognised in respect of Business Interruption Loss during the year is ₹ **161.86 Crore** (Cumulative as on date is ₹ **161.86 Crore**).

**(iii)** Status of Insurance claim in respect of power stations (other than major claims of Uri-II, and Sewa II) disclosed at para 24 (i) and (ii) above as on 31.03.2022 is as under:

(₹ in Crore)

| Particulars of claims | Updated claim lodged | Amount received | Up to date Amount charged to Statement of Profit and Loss | Balance receivable | |
|---|---|---|---|---|---|
| | | | | As at 31st March, 2022 | As at 31st March, 2021 |
| Against material damage | 99.97 | 22.68 | 38.60 | 38.69 | 44.74 |
| Business Interruption Loss | - | - | - | - | 14.00* |
| **Total** | **99.97** | **22.68** | **38.60** | **38.69** | **58.74** |

* Included in Contingent Assets in Para 3 (d) to Note no. 34.

**25.** As per deliberations of the Board of Directors in its meeting held on 20.03.2014, the viability of Bursar HE Project is dependent upon financial support from Government of India and Government of Jammu & Kashmir. Ministry of Power (MOP), Government of India was approached to provide funding for Survey and Investigation of Bursar Project to make it viable. As advised by the MoP, Ministry of Water Resources (MoWR) was approached to provide funds. In the meeting held with MoWR on 27.04.2015, it was informed by the representatives of MoWR that the request of the company for release of funds for preparation of DPR is under consideration for approval of Government of India. Detailed Project Report (DPR) of the project was submitted to CEA and expenditure of ₹ **226.78 Crore** (previous year ₹ **226.78 Crore**) incurred have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision in respect of ibid expenditure had been recognised in earlier years and the same 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 31.03.2022 amounting to ₹ **278.11 crore** (previous year ₹ **274.35 Crore**), ₹ **42.95 crore** (previous year ₹ **42.95 Crore**) and ₹ **51.42 crore** (previous year ₹ **51.42 Crore**) have been carried forward as Capital Work in Progress in respect of Kotlibhel-1A, Kotlibhel-IB and Kotlibhel-II projects respectively. However, as an abundant precaution, provision for these amounts totalling ₹ **372.48 crore** (previous year ₹ **368.72 Crore**) up to 31.03.2022 has been made in the books of accounts.

**27.** Expenditure incurred on Tawang Stage-I and Stage-II Hydroelectric Projects amounting to ₹ **237.15 crore** (previous year ₹ **233.68 Crore**) has been carried forward as Capital Work in Progress. However, considering delay in receipt of clearances, difficulty in acquisition of land and overall uncertainties associated with these projects, provision for expenditure incurred in these projects upto 31.03.2022 amounting to ₹ **237.15 crore** (previous year ₹ **233.68 crore**) has been made in the accounts as an abundant precaution.

**28. a)** Implementation of Dhauliganga Intermediate, Chungar Chal and Kharmoli Lumti Tulli Hydroelectric Projects has been temporarily put on hold. Pending final decision to hand over these projects to the Government of Uttarakhand, the expenditure incurred upto 31.03.2022 amounting to ₹ **35.70 Crore** (previous year ₹ **35.70 Crore**) have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision for ₹ **35.70 Crore** (previous year ₹ **35.70 Crore**) has been made in the books of accounts.

b) Measures to reduce capital cost and optimise tariff of Goriganga IIIA Project are being explored. Pending decision on the same, the expenditure incurred upto 31.03.2022 amounting to ₹ **46.37 Crore** (previous year ₹ **46.18 Crore**) have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision for ₹ **46.37 Crore** (previous year ₹ **46.18 Crore**) has been made in the books of accounts.

**29. Disclosure regarding securitization of Return On Equity (ROE) of Chamera Power Station-I by NHPC:**
During FY 2021-22, the Group has entered into an agreement with HDFC Bank Limited for securitisation of Return on Equity (ROE) of Chamera-I Power Station under the National Monetisation Pipeline issued by the NITI Aayog for an amount of ₹ **1016.39 crore** which is repayable to the Bank over a period of 10 years in the following manner:

(a) Fixed component: ₹ **10.90 crore** per month @ 5.24% discount rate (3-month T- bill 3.71% as on 31-Jan-2022 plus spread of 1.53%). The discount rate shall be reset every three months based on the benchmark rate. First such reset shall take place on the first day of April 2022 and every three months thereafter.

(b) Variable component: 5% of revenue on account of secondary energy of the Power Station, payable annually.

The amount realized on securitization has been initially recognised as a Financial Liability (Borrowings) at fair value in accordance with Ind AS 109. Interest expense has been recognised under Finance Cost as per the Effective Interest Rate method.

**30. Information on CAPEX as per criteria laid down in Consolidated MoU Guidelines Circulated by the Department of Public Enterprises, Ministry of Finance, Government of India for the FY 2021-22 and onwards (Only for verification of MOU particulars):-**

Capital Expenditure (CAPEX) is the expenditure incurred towards acquisition/ addition of any asset which form part of Fixes Assets (Property, Plant and Equipment, Capital Work in Progress, Intangible Assets etc.). During the year Capital expenditure incurred by the Group towards CAPEX are as under:

(₹ In Crore)

| Capex Incurred by | Particulars | For the year ended 31st March, 2022 |
|---|---|---|
| **NHPC (Consolidated Basis)** | Addition in Property, Plant & Equipment | 1,044.96 |
| | Change in Capital Work in Progress (Closing-Opening) | 3,355.11 |
| | Addition in Right of Use Assets | 63.49 |
| | Addition in Intangible Assets | 4.47 |
| | Change in Intangible Assets under Development (Closing-Opening) | 0.34 |
| | Change in Capital Advances (Closing-Opening) | 412.15 |
| **Joint Venture Company-CVPPPL (Proportionate to the Share holding as at 31.03.2022, i.e 55.13%)** | Addition in Property, Plant & Equipment | 24.51 |
| | Change in Capital Work in Progress (Closing-Opening) | 316.43 |
| | Addition in Right of Use Assets | 9.67 |
| | Change in Capital Advances (Closing-Opening) | 72.37 |
| | **Total** | **5,303.50** |

**31. Disclosure as required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

**(A) Loans and advances in the nature of loans:**

(i) Joint Venture Companies:

(₹ in Crore)

| Name of Company | Outstanding Balances as at | | Maximum amount outstanding during the Year | |
|---|---|---|---|---|
| | 31.03.2022 | 31.03.2021 | 2021-22 | 2020-21 |
| National High Power Test Laboratory (P) Ltd. | 18.82 | 18.82 | 18.82 | 18.82 |

(ii) To Firms/companies in which directors are interested : NIL (Previous Year-NIL)

**B. Investment by the loanee (as detailed above) in the shares of NHPC : NIL (Previous Year- NIL)**

**32. Quantitative details of Carbon Credit Certificates in respect of Hydro Generating Power Stations:**

| Sl. No. | Description | Quantity (in Numbers) | |
|---|---|---|---|
| | | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
| 1 | Opening Balance | 6930932 | 3525556 |
| 2 | Issued/Generated during the Year | 138595 | 5141442 |
| 3 | Sold during the year | 4632688 | 1736066 |
| 4 | Closing Balance | 2436839 | 6930932 |

Due to significant uncertainties in ultimate realization, closing balance of Carbon Credits available with the Group as on 31st March, 2022 have not been accounted for.

**33. Disclosure as per Ind AS 103 'Business Combinations':**

**No acquisition during the Year ended 31.03.2022.**

**Acquisition during the year ended 31.03.2021**

**Acquisition of Jalpower Corporation Limited ('JPCL'):** During the year, National Company Law Tribunal ('NCLT') approved the resolution plan submitted by the Company for acquisition of Jalpower Corporation Limited (JPCL) at a consideration of ₹ 165.00 Crore. Pursuant to this order and on payment of the consideration amount of ₹ 165 crore, JPCL has become a wholly owned subsidiary of the Company with 100% voting equity interests with effect from 31st March, 2021.

(i) The Primary reasons for the acquisition:

a) Business development of the Company.

b) Achieve economies of scale and develop the project at a low cost due to vast in-house expertise and strong presence of the Company in the state of Sikkim.

(ii) Consideration transferred: The Group paid ₹ 165.00 crore as purchase consideration in cash for acquisition of Jalpower Corporation Limited.

(iii) **(a) Identifiable assets acquired and liabilities assumed:** The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the date of acquisition i.e. 31.03.2021:

(₹ in Crore)

| Particulars | Amount |
|---|---|
| **Assets** | |
| Property, Plant & Equipment | 3.17 |
| Capital Work in Progress | 182.72 |
| Right of Use Assets | 2.09 |
| Other Assets | 0.23 |
| Cash & Cash Equivalents | 0.10 |
| **Total Assets** | 188.31 |
| **Total Liabilities** | 0.16 |
| **Total Net Identifiable Assets Acquired** | 188.15 |
| **Less: Purchase Consideration** | 165.00 |
| **Capital Reserve** | 23.15 |

**(b) No Trade Receivables and Contingent Liabilities were acquired by the Group.**

(iv) **Purchase Consideration – Cash Outflow**

(₹ in Crore)

| Particulars | Amount |
|---|---|
| Cash consideration | 165.00 |
| Less: Cash and cash equivalents acquired | 0.10 |
| **Net outflow of cash – Investing activities** | **164.90** |

(v) **Capital Reserve:** The resolution plan submitted by NHPC Limited was ultimately approved by the Committee of Creditors of JPCL and thereafter approved by the National Company Law Tribunal. The Company has applied the requirement of Para 36A of Ind AS 103- Business Combination and reviewed the underlying reasons for classifying the business combination as a bargain purchase. As the disposal of the company was carried out under the Insolvency & Bankruptcy Code through an open bidding system as per the process laid down by law and there being no pre-existing relationship between the acquirer (NHPC) and the acquiree (JPCL), there is no clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Accordingly, the Group has recognised ₹ **23.15 Crore**, being the excess of fair value of net assets acquired over the consideration paid as Capital Reserve within 'Other Equity'.

(vi) **Acquisition related costs:** The group incurred acquisition-related costs of ₹ **0.05 crore** on legal and professional fees. These costs have been included in "Other Expenses" in Statement of Profit and Loss and under operating activities in the Statement of Cash Flows.

(vii) **Revenue and profit contribution**

JPCL has become a wholly owned subsidiary of the Company with 100% voting equity interests with effect from 31st March, 2021. The Company contributed revenue of ₹ **NIL crore** and Profit/ loss of ₹ **NIL crore** to the group's result. Since the Company has not yet commenced operations, impact on revenue and profit before tax of the Group for the year 2020-21 had the acquisition occurred on 1st April 2020 is not ascertainable.

**34.** Following is the disclosure in respect of Parent Company regarding "borrowings from banks or financial institutions on the basis of security of current assets" as per requirement of Schedule-III of the Companies Act, 2013:

(₹ in Crore)

| Quarter | Name of the Bank | Particulars of security provided | Amount as per books of accounts | Amount as reported in the quarterly return/ statement | Amount of difference | Reason for material discrepancies |
|---|---|---|---|---|---|---|
| June 2021 | State Bank of India | Debtors for Sale of Power (excluding unbilled debtors) | 3940.50 | 3940.50 | - | - |
| Sept, 2021 | State Bank of India | | 3423.68 | 3423.68 | - | - |
| Dec, 2021 | State Bank of India | | 3249.07 | 3249.07 | - | - |
| Mar, 2022 | State Bank of India | | 2686.52 | 2686.52 | - | - |

**35. Disclosure regarding Relationship with Struck off Companies:** Following is the disclosure regarding balances with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 as per requirement of Schedule-III of the Companies Act, 2013:

(₹ in Crore)

| Name of the struck off company | Nature of Transactions with struck off company | Balance Outstanding as at 31st March, 2022 | Relationship with the struck off company, if any, to be disclosed | Balance Outstanding as at 31st March, 2021 | Relationship with the struck off company, if any, to be disclosed |
|---|---|---|---|---|---|
| KISHAN SINGH AND CO PVT LTD | Receivables | 0.22 | - | 0.22 | - |
| K S TRADERS PVT LTD | Payables | - | - | 0.17 | - |

| Name of the struck off company | Nature of Transactions with struck off company | Balance Outstanding as at 31st March, 2022 | Relationship with the struck off company, if any, to be disclosed | Balance Outstanding as at 31st March, 2021 | Relationship with the struck off company, if any, to be disclosed |
|---|---|---|---|---|---|
| RMS ELECTRONICS PRIVATE LIMITED | Payables | 0.02 | - | 0.02 | - |
| RATTAN CHAND AND SONS PVT LTD | Payables | - | - | 0.06 | - |
| BHAGWATI HARDWARE PRODUCTS PRIVATE LIMITED | Payables | - | - | 0.01 | - |
| M M ENTERPRISES PVT LTD | Payables | - | - | 0.02 | - |
| ROYAL BIOTECH PRIVATE LIMITED | Payables | 0.03 | - | 0.01 | - |
| BAIBHAV CONST.PVT. LTD. | Payables | - | - | 0.01 | - |
| SHRISHTI DEVELOPERS PVT. LTD | Payables | - | - | 0.08 | - |
| EVEREST INFRASTRUCTURE PVT LTD | Payables | - | - | 0.15 | - |
| R.K.BUILDING SOLUTIONS PVT. LTD | Payables | 0.13 | - | 0.13 | - |
| M/S ROLTAMAX PORT-TECH PRIVATE LIMITED | Payables | 0.02 | - | 0.02 | - |
| STAR INFORMATIC PVT LTD | Payables | - | - | 0.02 | - |
| TOTAL SOLUTIONS PRIVATE LIMITED | Payables | 0.02 | - | - | - |
| VITALINK WEALTH ADVISORY SERVICES PRIVATE LIMITED | Shares held by struck off company | 0.01 | - | 0.01 | - |
| WRITING NETWORK INDIA PRIVATE LIMITED | Shares held by struck off company | - | - | 0.01 | - |
| QUANTUM SECURITIES PVT LTD | Shares held by struck off company | 0.01 | - | - | - |

Note: Outstanding balances with 37 number of struck off companies which are individually not material have not been reported.

**36.** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**37.** The Group has not been declared wilful defaulter by any bank or financial institutions or other lenders.

**38. IMPACT OF COVID-19**

The Group's primary source of revenue is from generation and sale of hydroelectricity. Consequent to the outbreak of COVID-19 and recent surge in number of cases thereof, Government of India and/or State Governments have declared lockdowns which have affected business in general. Power supply being an essential service and considering the must-run status for Run-of-the-River (ROR) projects and scheduling to the extent possible by RLDCs in case of ROR with Pondage and Storage Projects, no material impact of COVID-19 on the financial performance of the Group including interalia the carrying value of various current and non-current assets or the ability to service the debt of the company, is expected to arise.

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

In respect of projects under construction/ under survey & investigation, the management does not foresee any large-scale contraction in demand which could result in down-sizing of its project portfolio. No contraction in the demand for the Company's debt instruments which could result in an increase in the cost of borrowings to fund future capital expenditure is foreseen.

Trade receivables amounting to ₹ **5175.84 Crore** forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for loss allowance using the expected credit loss method. Beneficiaries of the Company are mostly State DISCOMS and considering the infusion of liquidity declared by the Government of India to these beneficiaries under the Atmanirbhar Bharat Special Economic & Comprehensive Package, the Group does not anticipate any enhancement of credit risk in realization of trade receivables.

A significant part of the financial assets of the Group are classified as Level 1 and the fair value of these assets which are mainly investments in liquid equity and debt securities is marked to an active market which factors in the uncertainties arising out of COVID-19. In respect of Financial Assets carried at amortised cost in the form of cash and cash equivalents, bank deposits and earmarked balances with banks as at March 31, 2022, the Group has assessed that there is no enhancement in the counterparty credit risk. In respect of other financial assets classified as Level 2 and Level 3, the management does not anticipate any enhancement in credit risk based on an assessment of the profile of the counterparty, most of whom are either employees of the Group or State Government/ Central Government entities.

Accordingly, management is of the opinion that there are no reasons to anticipate impairment in the carrying amount of Property, Plant & Equipment/ Capital Work in Progress in respect of Projects under construction. Similarly, there is no impact of CoVID-19 as regards recoverability of deferred tax assets/ regulatory deferral account balances and regulatory deferral account balances against deferred tax liabilities recognized by the Group.

As regards Ind AS 116- Leases, no changes in lease terms are anticipated in cases where the Company accounts for contracts as a lessee. Further, in the case of embedded leases in respect of Power Stations with single beneficiary, no relaxation in lease terms is proposed.

As per assessment, there is no enhancement in credit risk in respect of amounts receivable from other debtors of the Group.

Based on assessment of the management, no material impact of COVID-19 on the financial performance inter alia including the carrying value of various current and non- current assets or on the going concern assumptions of the Group is expected to arise. Further impact of COVID-19, if any, is dependent upon future developments. The Group will continue to monitor the impact of the pandemic and the same will be taken into consideration on crystallization.

**39.** Figures for the previous year have been regrouped/restated wherever necessary.

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

| | | |
|---|---|---|
| **RUPA DEB** | **RAJENDRA PRASAD GOYAL** | **ABHAY KUMAR SINGH** |
| Company Secretary | Director (Finance) | Chairman & Managing Director |
| | DIN 08645380 | DIN 08646003 |

**As per report of even date**

| | | |
|---|---|---|
| **For K G Somani & Co LLP** | **For Chaturvedi & Co.** | **For P C Bindal & Co.** |
| Chartered Accountants | Chartered Accountants | Chartered Accountants |
| FRN: 006591N/N500377 | FRN: 302137E | FRN: 003824N |
| **Bhuvnesh Maheshwari** | **R.K. Nanda** | **Manushree Bindal** |
| Partner | Partner | Partner |
| M. No. 088155 | M. No. 510574 | M. No. 517316 |

Place : Faridabad
Date : 25th May, 2022

## Note No. 35 to Consolidated Financial Statements

During the year ended on 31.03.2021, retrospective reclassifications/restatements have been carried out in respect of certain items in the financial statements of previous periods. Accordingly, to comply with the requirements of Ind AS 1, the company has presented a 3rd Balance Sheet as at the begnining of preceding period. i.e. as on 01.04.2020. Major restatements/reclassifications are explained as under:-

**(A) Restated Consolidated Financial Statements for the year ended 31st March, 2021 and as at 1st April, 2020**

RESTATED CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021 AND AS AT 1ST APRIL, 2020

(₹ in Crore)

| | PARTICULARS | Note No. of Consilidated Financial Statements | Notes | As at 31st March, 2021 (Reported Earlier) | Impact of Restatements/ Reclassi-fications | As at 31st March, 2021 (Restated) | As at 1st April, 2020 (Reported Earlier) | Impact of Restatements/ Reclassi-fications | As at 1st April, 2020 (Restated) |
|---|---|---|---|---|---|---|---|---|---|
| | **ASSETS** | | | | | | | | |
| **(1)** | **NON-CURRENT ASSETS** | | | | | | | | |
| a) | Property, Plant and Equipment | 2.1 | 35.1 (a) | 19,327.24 | 10.99 | 19,338.23 | 21,630.33 | 5.43 | 21,635.76 |
| b) | Capital Work In Progress | 2.2 | 35.1 (b) | 19,067.91 | 98.88 | 19,166.79 | 17,180.41 | - | 17,180.41 |
| c) | Right Of Use Assets | 2.3 | | 2,647.01 | - | 2,647.01 | 2,766.31 | - | 2,766.31 |
| d) | Investment Property | 2.4 | | 4.49 | - | 4.49 | 4.49 | - | 4.49 |
| e) | Intangible Assets | 2.5 | | 3.52 | - | 3.52 | 0.72 | - | 0.72 |
| f) | Intangible Assets under development | 2.6 | | 0.17 | - | 0.17 | - | - | - |
| g) | Investments accounted for using the equity method | 2.7.1 | | 1,326.89 | - | 1,326.89 | 933.53 | - | 933.53 |
| h) | **Financial Assets** | | | | | | | | |
| | i) Investments | 3.1 | | 515.35 | - | 515.35 | 464.13 | - | 464.13 |
| | ii) Loans | 3.2 | 35.1 (c ) | 969.30 | (25.14) | 944.16 | 820.81 | (24.55) | 796.26 |
| | iii) Others | 3.3 | 35.1 (c ) & (g) | 8,958.18 | 25.14 | 8,983.32 | 7,567.27 | 31.45 | 7,598.72 |
| i) | Non Current Tax Assets (Net) | 4 | | 10.07 | (0.15) | 9.92 | 153.29 | - | 153.29 |
| j) | Deferred Tax Assets (Net) | 18.1 | | | - | - | - | - | - |
| k) | Other Non Current Assets | 5 | | 3,593.28 | 0.42 | 3,593.70 | 3,049.20 | - | 3,049.20 |
| | **TOTAL NON CURRENT ASSETS** | | | **56,423.41** | **110.14** | **56,533.55** | **54,570.49** | **12.33** | **54,582.82** |
| **(2)** | **CURRENT ASSETS** | | | | | | | | |
| a) | Inventories | 6 | | 133.69 | - | 133.69 | 126.62 | - | 126.62 |
| b) | Financial Assets | | | | | | | | |
| | i) Trade Receivables | 7 | 35.1 (c ) | 3,409.88 | 1,723.54 | 5,133.42 | 3,583.22 | 2,589.41 | 6,172.63 |

| | PARTICULARS | Note No. of Consilidated Financial Statements | Notes | As at 31st March, 2021 (Reported Earlier) | Impact of Restatements/ Reclassi-fications | As at 31st March, 2021 (Restated) | As at 1st April, 2020 (Reported Earlier) | Impact of Restatements/ Reclassi-fications | As at 1st April, 2020 (Restated) |
|---|---|---|---|---|---|---|---|---|---|
| | ii) Cash & Cash Equivalents | 8 | | 447.27 | - | 447.27 | 42.17 | - | 42.17 |
| | iii) Bank balances other than Cash and Cash Equivalents | 9 | | 1,809.55 | - | 1,809.55 | 1,651.10 | - | 1,651.10 |
| | iv) Loans | 10 | 35.1 (c ) | 52.87 | (0.36) | 52.51 | 51.01 | - | 51.01 |
| | v) Others | 11 | 35.1 (c), (d), (f) and (g) | 2,940.95 | (1,702.58) | 1,238.37 | 3,535.17 | (2,588.24) | 946.93 |
| c) | Current Tax Assets (Net) | 12 | | 188.32 | - | 188.32 | 175.11 | - | 175.11 |
| d) | Other Current Assets | 13 | | 387.18 | (0.42) | 386.76 | 397.01 | - | 397.01 |
| | **TOTAL CURRENT ASSETS** | | | **9,369.71** | **20.18** | **9,389.89** | **9,561.41** | **1.17** | **9,562.58** |
| **(3)** | Regulatory Deferral Account Debit Balances | 14 | 35.1(b) &(e) | 7,363.93 | (160.38) | 7,203.55 | 7,136.85 | (61.32) | 7,075.53 |
| | **TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES** | | | **73,157.05** | **(30.06)** | **73,126.99** | **71,268.75** | **(47.82)** | **71,220.93** |
| | **EQUITY AND LIABILITIES** | | | | | | | | |
| **(1)** | **EQUITY** | | | | | | | | |
| (a) | Equity Share Capital | 15.1 | | 10,045.03 | - | 10,045.03 | 10,045.03 | - | 10,045.03 |
| (b) | Other Equity | 15.2 | 35.1(a), (e) and (g) | 23,045.26 | (36.99) | 23,008.27 | 21,335.89 | (51.77) | 21,284.12 |
| | **Total Equity attributable to owners of the Company** | | | **33,090.29** | **(36.99)** | **33,053.30** | **31,380.92** | **(51.77)** | **31,329.15** |
| (c) | Non Controlling Interest | 15.3 | 35.1(g) | 2,828.40 | 6.92 | 2,835.32 | 2,773.76 | 3.95 | 2,777.71 |
| | **TOTAL EQUITY** | | | **35,918.69** | **(30.07)** | **35,888.62** | **34,154.68** | **(47.82)** | **34,106.86** |
| **(2)** | **LIABILITIES** | | | | | | | | |
| | **NON-CURRENT LIABILITIES** | | | | | | | | |
| **a)** | **Financial Liabilities** | | | | | | | | |
| | i) Borrowings | 16.1 | 35.1 (c ) | 21,243.27 | (12.28) | 21,230.99 | 20,891.80 | (13.14) | 20,878.66 |
| | ia) Lease Liabilities | 16.2 | 35.1 (c ) | - | 12.28 | 12.28 | - | 13.14 | 13.14 |
| | ii) Other financial liabilities | 16.3 | | 2,055.25 | - | 2,055.25 | 2,060.29 | - | 2,060.29 |
| b) | Provisions | 17 | | 29.69 | - | 29.69 | 55.56 | - | 55.56 |

| | PARTICULARS | Note No. of Consilidated Financial Statements | Notes | As at 31st March, 2021 (Reported Earlier) | Impact of Restatements/ Reclassi-fications | As at 31st March, 2021 (Restated) | As at 1st April, 2020 (Reported Earlier) | Impact of Restatements/ Reclassi-fications | As at 1st April, 2020 (Restated) |
|---|---|---|---|---|---|---|---|---|---|
| c) | Deferred Tax Liabilities (Net) | 18 | | 3,852.00 | (6.12) | 3,845.88 | 3,859.22 | - | 3,859.22 |
| d) | Other non-current Liabilities | 19 | 35.1 (f ) | 3,097.28 | 0.19 | 3,097.47 | 3,199.47 | - | 3,199.47 |
| | **TOTAL NON CURRENT LIABILITIES** | | | **30,277.49** | **(5.93)** | **30,271.56** | **30,066.34** | **-** | **30,066.34** |
| **(3)** | **CURRENT LIABILITIES** | | | | | | | | |
| **a)** | **Financial Liabilities** | | | | | | | | |
| | i) Borrowings | 20.1 | 35.1 (c ) | 726.03 | 1,393.11 | 2,119.14 | 714.31 | 1,616.95 | 2,331.26 |
| | ia) Lease Liabilities | 20.2 | 35.1 (c ) | | 2.83 | 2.83 | | 3.34 | 3.34 |
| | ii) Trade Payables | 20.3 | | | | | | | |
| | Total outstanding dues of micro enterprises and small enterprises | | 35.1 (h) | 36.19 | (0.15) | 36.04 | 22.96 | (3.86) | 19.10 |
| | Total outstanding dues of Creditors other than micro enterprises and small enterprises | | 35.1 (h) | 177.19 | (3.37) | 173.82 | 293.70 | 3.86 | 297.56 |
| | iii) Other financial liabilities | 20.4 | 35.1 (c) & (h) | 2,973.47 | (1,392.60) | 1,580.87 | 2,923.46 | (1,620.29) | 1,303.17 |
| b) | Other Current Liabilities | 21 | | 681.70 | - | 681.70 | 902.44 | - | 902.44 |
| c) | Provisions | 22 | | 1,573.61 | - | 1,573.61 | 1,442.94 | - | 1,442.94 |
| d) | Current Tax Liabilities (Net) | 23 | | 35.02 | - | 35.02 | | - | |
| | **TOTAL CURRENT LIABILITIES** | | | **6,203.21** | **(0.18)** | **6,203.03** | **6,299.81** | **-** | **6,299.81** |
| (4) | **Regulatory Deferral Account Credit Balances** | **14.2** | | **757.66** | **6.12** | **763.78** | **747.92** | **-** | **747.92** |
| | **TOTAL EQUITY & LIABILITIES** | | | **73,157.05** | **(30.06)** | **73,126.99** | **71,268.75** | **(47.82)** | **71,220.93** |

## (B) RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Crore)

| PARTICULARS | Note No. of Standalone Financial Statements | Notes | For the Year ended 31st March, 2021 (Reported Ealier) | Impact of Restatements/ Reclassifications | For the Year ended 31st March, 2021 (Restated) |
|---|---|---|---|---|---|
| **INCOME** | | | | | |
| i) Revenue from Operations | 24.1 | | 9,647.89 | | 9,647.89 |
| ii) Other Income | 24.2 | 35.1 (b)&(f) | 1,057.15 | 5.82 | 1,062.97 |
| **TOTAL INCOME** | | | **10,705.04** | **5.82** | **10,710.86** |
| **EXPENSES** | | | | | |
| i) Purchase of Power - Trading | 25.1 | | 212.37 | - | 212.37 |
| ii) Generation Expenses | 25.2 | | 857.55 | - | 857.55 |
| iii) Employee Benefits Expense | 26 | 35.1 (b) & (g) | 1,540.40 | (20.12) | 1,520.28 |
| iv) Finance Costs | 27 | 35.1 (b) | 649.95 | (77.95) | 572.00 |
| v) Depreciation and Amortization Expense | 28 | 35.1 (a) & (b) | 1,298.30 | (5.84) | 1,292.46 |
| vi) Other Expenses | 29 | 35.1 (b) | 1,690.22 | (7.08) | 1,683.14 |
| **TOTAL EXPENSES** | | | **6,248.79** | **(110.99)** | **6,137.80** |
| **PROFIT BEFORE EXCEPTIONAL ITEMS, REGULATORY DEFERRAL ACCOUNT BALANCES AND TAX** | | | **4,456.25** | **116.81** | **4,573.06** |
| Share of Net Profit of Joint Ventures accounted for using the equity method | 2.7.2 | | (5.49) | - | (5.49) |
| Exceptional items | 34(38) | | 185.00 | | 185.00 |
| **PROFIT BEFORE REGULATORY DEFERRAL ACCOUNT BALANCES AND TAX** | | | **4,265.76** | **116.81** | **4,382.57** |
| **Tax Expenses** | 30.1 | | | | |
| i) Current Tax | | | 925.87 | (6.12) | 919.75 |
| ii) Adjustments for Income Tax | | | - | - | - |
| iii) Deferred Tax | | 35.1 (e) | (24.89) | - | (24.89) |
| **Total Tax Expenses** | | | **900.98** | **(6.12)** | **894.86** |
| Movement in Regulatory Deferral Account Balances (Net of Tax) | 31 | 35.1 (e) | 217.35 | (105.18) | 112.17 |
| **PROFIT FOR THE YEAR AFTER NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES** | | | 3,582.13 | 17.75 | 3,599.88 |
| **Profit for the year from continuing operations (A)** | | | **3,582.13** | **17.75** | **3,599.88** |

| PARTICULARS | Note No. of Standalone Financial Statements | Notes | For the Year ended 31st March, 2021 (Reported Ealier) | Impact of Restatements/ Reclassifications | For the Year ended 31st March, 2021 (Restated) |
|---|---|---|---|---|---|
| Profit from discontinued operations | | | - | | |
| Tax expense of discontinued operations | | | - | | |
| **OTHER COMPREHENSIVE INCOME (B)** | **30.2** | | | | |
| **(i) Items that will not be reclassified to profit or loss** | | | | | |
| (a) Remeasurement of the post employment defined benefit | | | (40.08) | - | (40.08) |
| Less:-Movement in Regulatory Deferral Account Balances in respect of tax on defined benefit obligations | | | 2.75 | - | 2.75 |
| **Sub total (a)** | | | **(42.83)** | **-** | **(42.83)** |
| (b) Investment in Equity Instruments | | | 47.13 | - | 47.13 |
| **Sub total (b)** | | | **47.13** | **-** | **47.13** |
| **Total (i)=(a)+(b)** | | | **4.30** | **-** | **4.30** |
| **(ii) Items that will be reclassified to profit or loss** | | | | | |
| Investment in Debt Instruments | | | 3.23 | - | 3.23 |
| **Total (ii)** | | | **3.23** | **-** | **3.23** |
| **Other Comprehensive Income (B)=(i+ii)** | | | **7.53** | **-** | **7.53** |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)** | | | **3,589.66** | **17.75** | **3,607.41** |
| **Profit is attributable to:** | | | | | |
| Owners | | | 3,257.00 | 14.78 | 3,271.78 |
| Non-Controlling interests | | | 325.13 | 2.97 | 328.10 |
| | | | 3,582.13 | 17.75 | 3,599.88 |
| **Other comprehensive income is attributable to:** | | | | | |
| Owners | | | 7.37 | - | 7.37 |
| Non-Controlling interests | | | 0.16 | - | 0.16 |
| | | | 7.53 | - | 7.53 |
| **Total comprehensive income is attributable to:** | | | | | |
| Owners | | | 3,264.37 | 14.78 | 3,279.15 |
| Non-Controlling interests | | | 325.29 | 2.97 | 328.26 |
| | | | 3,589.66 | 17.75 | 3,604.41 |
| **Total comprehensive income attributable to owners arises from:** | | | | | |
| Continuing operations | | | 3,264.37 | 14.78 | 3,279.15 |
| Discontinued operations | | | - | - | - |
| | | | 3,264.37 | 14.78 | 3,279.15 |

| PARTICULARS | Note No. of Standalone Financial Statements | Notes | For the Year ended 31st March, 2021 (Reported Ealier) | Impact of Restatements/ Reclassifications | For the Year ended 31st March, 2021 (Restated) |
|---|---|---|---|---|---|
| **Earning per share (Basic and Diluted) (Equity shares, face value of ₹ 10/- each)** | 34(14) | 35.1 (j) | | | |
| Before movements in Regulatory Deferral Account Balances | | | 3.03 | 0.12 | 3.15 |
| After movements in Regulatory Deferral Account Balances | | | 3.24 | 0.02 | 3.26 |

## C. STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH, 2021 (RESTATED)

### A. EQUITY SHARE CAPITAL

| Particulars | Note No. | Amount (₹ in Crore) |
|---|---|---|
| **As at 1st April 2020** | 15.1 | 10,045.03 |
| Changes in Equity Share Capital | | - |
| **As at 31st March 2021** | 15.1 | 10,045.03 |

### B. OTHER EQUITY

(₹ in Crore)

| Particulars | Reserve and Surplus | | | | | | Other Comprehensive Income | | Total | Non-Controlling Interest (NCI) | Total after NCI |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Capital Reserve | Capital Redemption Reserve | Bond Redemption Reserve | Corporate Social Responsibility Fund | General Reserve | Surplus/ Retained Earnings | Debt instruments through OCI | Equity Instruments through OCI | | | |
| **Balance as at 1st April, 2020** | 40.93 | 2,255.71 | 1,948.38 | 3.61 | 11,544.83 | 5,466.04 | 42.18 | 34.21 | 21,335.89 | 2,773.76 | 24,109.65 |
| **Changes on account of prior period Errors** | | | | | | (51.77) | | | (51.77) | 3.95 | (47.82) |
| **Restated Balance as at 1st April, 2020** | **40.93** | **2,255.71** | **1,948.38** | **3.61** | **11,544.83** | **5,414.27** | **42.18** | **34.21** | **21,284.12** | **2,777.71** | **24,061.83** |
| Profit for the year | | | | | | 3,271.78 | | | 3,271.78 | 328.10 | 3,599.88 |
| Other Comprehensive Income | | | | | | (42.99) | 3.23 | 47.13 | 7.37 | 0.16 | 7.53 |
| **Total Comprehensive Income for the year** | | | | | | **3,228.79** | **3.23** | **47.13** | **3,279.15** | **328.26** | **3,607.41** |
| Issue of Equity Shares during the year. | | | | | | | | | - | | - |
| Capital Reserve on Business Acquisition (Refer Note 34(32)) | 23.15 | | | | | | | | 23.15 | | 23.15 |
| **Transfer from Retained Earning** | | | | | | | | | - | | - |
| Transaction with Non-Controlling Interest | | | | | | 0.69 | | | 0.69 | (0.69) | - |
| Amount transferred from Bond Redemption Reserve to Surplus/Retained Earnings | | | (306.43) | | | 306.43 | | | - | | - |
| Amount transferred from Corporate Social Responsibility Fund | | | | (3.61) | | 1.84 | | | (1.77) | 1.77 | - |
| Dividend paid | | | | | | (1,577.07) | | | (1,577.07) | (271.73) | (1,848.80) |
| **Balance as at 31st March, 2021** | **64.08** | **2,255.71** | **1,641.95** | **-** | **11,544.83** | **7,374.95** | **45.41** | **81.34** | **23,008.27** | **2,835.32** | **25,843.59** |

**35.1** Material retrospective restatements are explained as under:-

a Reversal of excess depreciation charged during earlier years with corresponding increase in Property, Plant & Equipment.

b Reversal of Regulatory Deferral Account (Debit) balances amounting to ₹ 99.06 crore recognised during previous year in respect of borrowing and other costs incurred in construction projects during the 1st COVID lockdown period pursuant to the opinion of the Expert Advisory Committee of the Institute of Chartered Accountants of India and recognition of the same as Capital Work in Progress.

c The following presentation changes in previous year figures have been carried out consequent upon the amendments in Schedule-III of the Companies Act, 2013 notified by the Ministry of Corporate Affairs, vide notification dated 24th March, 2021:

| Particulars | Earlier Classification | Revised Classification | As at 31st March, 2021 | As at 1st April, 2020 |
|---|---|---|---|---|
| Security Deposits-Non Current | Financial Assets-Non Current-Loans (Note No-3.2) | Financial Assets-Non Current-Others (Note No-3.3) | 25.14 | 24.55 |
| Security Deposits-Current | Financial Assets-Current-Loans (Note No-10) | Financial Assets-Current-Others (Note No-11) | 0.36 | 0.48 |
| Receivable on account of unbilled revenue | Financial Assets-Current-Others (Note No-11) | Financial Assets-Current-Trade Receivables (Note No-7) | 1,755.74 | 2,589.41 |
| Financial Liabilities-Non Current-Lease Liabilities | Financial Liabilities-Non Current-Borrowings (Note No-16.1) | Financial Liabilities-Non Current-Lease Liabilities (Note No-16.2) | 12.28 | 13.14 |
| Financial Liabilities-Current-Lease Liabilities | Financial Liabilities-Current-Others (Note No-20.4) | Financial Liabilities-Current-Lease Liabilities (Note No-20.2) | 2.83 | 3.34 |
| Current Maturities of Long term Borrowings | Financial Liabilities-Current-Others (Note No-20.4) | Financial Liabilities-Current-Borrowings (Note No-20.1) | 1,393.11 | 1,616.95 |

d Receivables towards late payment surcharge from power trading business earlier classified under Trade Receivables have been reclassified as "Current Financial Assets-Others"

e Part reversal of Regulatory Deferral Account (Debit) balance amounting to ₹ 61.32 crore in respect of additional expenditure on 3rd Pay Revision of Central Public Sector Enterprises w.e.f. January 1, 2017 based on Management assessment as to recoverability.

f Recognition of Other Income pertaining to previous year with corresponding increase in Financial Assets-Others by ₹ 7.11 crore .

g Other Equity and Non-Controlling Interest increased by ₹ 8.07 crore as at 31st March 2020 and ₹ 5.42 crore as at 31st March 2021 on account of PRP recoverable from employees with corresponding increase in Financial Assets-Others.

h Liability on account of CSR works earlier classified as Trade Payables has been reclassified as Financial Liabiliities- Others.

i Tax Computations has been restated as per actual tax computation for the Income Tax Return of FY 2020-21.

j Basic and Diluted earning per share for the year 2020-21 have also been restated. The basic and diluted earnings per share has increased by ₹ 0.12 before movement in regulatory Deferral Account Balances and by ₹ 0.02 per share after movement in regulatory Deferral Account Balances.

k Impact of Restatement in Cash Flow Statement (extract) for the Year Ended 31st March, 2021.

(₹ in crore)

| Sl. No. | Activity | Existing Figures as on 31.03.2021 | Impact of Restatements/ Reclassifications | Revised Figures as on 31.03.2021 |
|---|---|---|---|---|
| 1 | Cash Flow from Operating Activities | 5072.80 | (3.01) | 5069.79 |
| 2 | Cash Flow from Investing Activities | (1530.16) | (76.98) | (1607.14) |
| 3 | Cash Flow from Financing Activities | (3137.54) | 79.99 | (3057.55) |

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

**RUPA DEB**
Company Secretary

**RAJENDRA PRASAD GOYAL**
Director (Finance)
DIN 08645380

**ABHAY KUMAR SINGH**
Chairman & Managing Director
DIN 08646003

**As per report of even date**

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

**Bhuvnesh Maheshwari**
Partner
M. No. 088155

**For Chaturvedi & Co.**
Chartered Accountants
FRN: 302137E

**R. K. Nanda**
Partner
M. No. 510574

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

**Manushree Bindal**
Partner
M. No. 517316

Place: Faridabad
Date: 25th May, 2022

## Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures**

**Part "A": Subsidiaries**

(₹ in Crore)

| 1 | Sl. No. | 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|---|---|
| 2 | Name of the subsidiary | NHDC Ltd. | Loktak Downstream Hydroelectric Corporation Ltd. | Bundelkhand Saur Urja Ltd. | Lanco Teesta Hydro Power Limited | Jalpower Corporation Limited | Ratle Hydroelectric Power Corporation Ltd. *** |
| 3 | The date since when subsidiary was acquired | 01-08-2000 | 23-10-2009 | 02-02-2015 | 09-10-2019 | 31-03-2021 | 01-06-2021 |
| 4 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | Same as that of Holding Company (01.04.2021-31.03.2022) | Same as that of Holding Company (01.04.2021-31.03.2022) | Same as that of Holding Company (01.04.2021-31.03.2022) | Same as that of Holding Company (01.04.2021-31.03.2022) | Same as that of Holding Company (01.04.2021-31.03.2022) | Same as that of Holding Company (01.04.2021-31.03.2022) |
| 5 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | NA | NA | NA | NA | NA | NA |
| 6 | Share capital | 1,962.58 | 138.09 | 97.17 | 1,440.50 | 281.49 | 185.14 |
| 7 | Reserves & surplus | 3,682.09 | 22.11 | (2.14) | 40.46 | 22.68 | 1.13 |
| 8 | Total assets | 7,711.88 | 162.03 | 185.81 | 1,543.52 | 325.74 | 303.37 |
| 9 | Total Liabilities | 2,067.21 | 1.82 | 90.79 | 62.56 | 21.57 | - |
| 10 | Investments | Nil | Nil | Nil | Nil | Nil | Nil |
| 11 | Turnover | 858.20 | - | - | - | - | - |
| 12 | Profit before taxation* | 725.95 | 0.01 | (0.88) | (0.20) | (0.35) | (0.53) |
| 13 | Provision for taxation** | 212.99 | (0.01) | (0.17) | - | 0.12 | (0.10) |
| 14 | Profit after taxation | 512.96 | 0.02 | (0.71) | (0.20) | (0.48) | (0.43) |
| 15 | Proposed dividend | 111.87 | Nil | Nil | Nil | Nil | Nil |
| 16 | Extent of shareholding (in percentage) | 51.08% | 74.83% | 86.67% | 100.00% | 100.00% | 73.53% |

* Including income on regulatory deferral account balances.

** Provision for taxation includes tax expenses and tax on regulatory deferral account balances.

"*** NHPC Limited has formed a new Subsidary Company with Jammu and Kashmir State Power Development Corporation Limited (JKSPDCL) with equity participation of 51:49 respectively, in the name of "Ratle Hydroelectric Power Corporation Limited, which was incorporated on 01.06.2021.

**Notes:**

| | |
|---|---|
| 1. Names of subsidiaries which are yet to commence operations | 1. Loktak Downstream Hydroelectric Corporation Ltd.<br>2. Bundelkhand Saur Urja Ltd.<br>3. Lanco Teesta Hydro Power Limited<br>4. Jalpower Corporation Limited<br>5. Ratle Hydroelectric Power Corporation 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 [P] Ltd. |
|---|---|---|---|
| 1 | Latest audited Balance Sheet Date | 31st March 2022 | 31st March 2021* |
| 2 | Date on which Joint Venture was associated or acquired | 13.06.2011 | 22.05.2009 |
| 3 | Shares of Joint Ventures held by the company on the year end | | |
| | No. | 1,839,451,286 | 30,400,000 |
| | Amount of Investment in Joint Venture | 1,839.56 | 30.40 |
| | Extend of Holding % | 55.13% | 20% |
| 4 | Description of how there is significant influence | NA | NA |
| 5 | Reason why the joint venture is not consolidated | NA | NA |
| 6 | Net worth attributable to Shareholding as per latest audited Balance Sheet | 1,924.29 | 14.24 |
| 7 | Profit / (Loss) for the year | | |
| i | Considered in Consolidation | 2.58 | (3.97) |
| ii | Not Considered in Consolidation | NA | NA |

* Management certified accounts of National High Power Test Laboratory Private Limited has been considered for Group consolidation for the financial year ended 31.03.2022.

**Notes:**

| | |
|---|---|
| 1. Names of Joint Ventures which are yet to commence operations. | 1. Chenab Valley Power Projects [P] Ltd. |
| 2. Names of Joint Ventures which have been liquidated or sold during the year. | Nil |

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

| | | |
|---|---|---|
| **RUPA DEB**<br>Company Secretary | **RAJENDRA PRASAD GOYAL**<br>Director (Finance)<br>DIN 08645380 | **ABHAY KUMAR SINGH**<br>Chairman & Managing Director<br>DIN 08646003 |

**As per report of even date**

| | | |
|---|---|---|
| **For K G Somani & Co LLP**<br>Chartered Accountants<br>FRN: 006591N/N500377 | **For Chaturvedi & Co.**<br>Chartered Accountants<br>FRN: 302137E | **For P C Bindal & Co.**<br>Chartered Accountants<br>FRN: 003824N |
| **Bhuvnesh Maheshwari**<br>Partner<br>M. No. 088155 | **R.K. Nanda**<br>Partner<br>M. No. 510574 | **Manushree Bindal**<br>Partner<br>M. No. 517316 |

Place : Faridabad
Date : 25th May, 2022



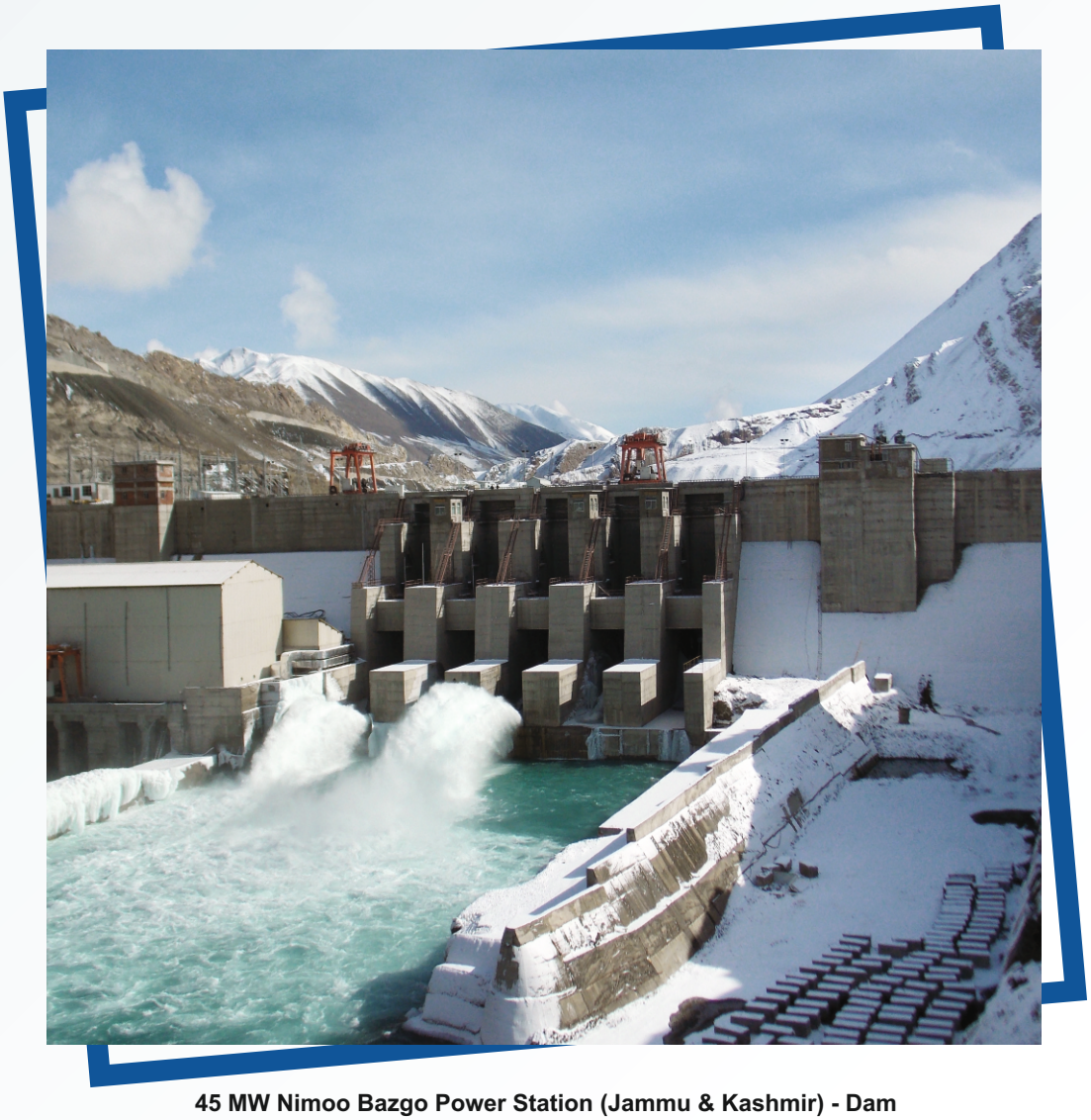
800 MW Parbati-II Project (Himachal Pradesh)- View of Machine Hall



2000 MW Subansiri Lower Project (Arunachal Pradesh/ Assam) - Dam under construction

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**45 MW Nimoo Bazgo Power Station (Jammu & Kashmir) - Dam**

CIN L40101HR1975GOI032564

एनएचपीसी लिमिटेड
(भारत सरकार का उद्यम)

**NHPC Limited**
*(A Government of India Enterprise)*

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