

एनएचपीसी लिमिटेड  
(भारत सरकार का उद्यम)

**NHPC Limited**

(A Government of India Enterprise)

फोन/Phone : \_\_\_\_\_

दिनांक/Date : **03.10.2018**

संदर्भ सं./Ref. No. **NH/CS/199**

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

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

ISIN No. INE848E01016

**Sub: Annual Report for the Financial Year 2017-18.**

विषय: वित्तीय वर्ष 2017-18 के वार्षिक रिपोर्ट के संदर्भ में।

Sirs/महोदय,

This is to inform that the 42<sup>nd</sup> Annual General Meeting of NHPC Limited was held on Thursday, the 27<sup>th</sup> September, 2018 at 11:00 A.M. at Jal Tarang Auditorium, NHPC Office Complex, Sector-33, Faridabad, Haryana-121003. In compliance to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, please find enclosed herewith Annual Report for the financial year 2017-18 of the Company.

This is for your record and information.

आप को यह सूचित किया जाता है की एनएचपीसी लिमिटेड की 42<sup>वीं</sup> वार्षिक आम बैठक गुरुवार दिनांक 27 सितंबर 2018 को सुबह 11:00 बजे जल तरंग सभागार, एनएचपीसी कार्यालय परिसर, सेक्टर -33, फरीदाबाद, हरियाणा-121003 को किया गया | सेबी (लिस्टिंग दायित्वों और प्रकटीकरण आवश्यकताओं), विनियमन, 2015 के नियमन 34 के अनुसार कृपया वित्तीय वर्ष 2017-18 की वार्षिक रिपोर्ट संलग्न प्राप्त करें।

यह आपकी जानकारी और रिकॉर्ड के लिए है।

धन्यवाद,

संलग्न: उपरोक्त अनुसार

भवदीय

(विजय-गुप्ता)  
कंपनी सचिव

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

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

CIN : L40101HR1975GOI032564; Website : www.nhpcindia.com

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

बिजली से संबंधित शिकायतों के लिए 1912 डायल करें। Dial 1912 for Complaints on Electricity



# 42<sup>nd</sup> **Annual Report** 2017-18

---

Annual General Meeting at 11:00 a.m. on Thursday,  
27<sup>th</sup> September, 2018 at Jal Tarang Auditorium,  
NHPC Office Complex, Sector-33, Faridabad, Haryana

## CORPORATE VISION

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

## CORPORATE MISSION

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



Shri Balraj Joshi, CMD (centre) and Shri M.K. Mittal, Director (Finance) (2<sup>nd</sup> from left) with other senior officers of NHPC during the Analyst Meet at Mumbai on 1<sup>st</sup> June 2018.

## **NHPC**

Digest of Important Financial Data (Five Years).....	2
Reference Information.....	3
Letter to Shareholders.....	5
NHPC's Performance.....	7
Directors' Profile.....	8
Directors' Report.....	14
Report on Corporate Governance.....	29
Compliance Certificate on Corporate Governance.....	55
Management Discussion and Analysis Report.....	56
Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.	71
Business Responsibility Report.....	73
Annual Report on CSR Activities.....	82
Extract of Annual Return.....	87
Dividend Distribution Policy.....	98
Secretarial Audit Report.....	101
Statutory Auditor's Report.....	103
Financial Statements.....	110

## **CONSOLIDATED**

Statutory Auditor's Report.....	219
Financial Statements.....	224
Comments of Comptroller and Auditor General of India and Management Reply thereon ....	347
E-Communication Registration Form	



## DIGEST OF IMPORTANT FINANCIAL DATA (STANDALONE ACCOUNTS)

(₹ in crore)

FINANCIAL	2017-18	2016-17	2015-16	2014-15	2013-14
A SALE OF ENERGY	6,868.64	7,139.46	7,265.71	6,736.64	5,335.11
B OTHER OPERATING INCOME & REVENUE FROM CONTRACTS, PROJECT MANAGEMENT AND CONSULTANCY WORKS	65.39	131.71	87.29	65.61	201.93
C OTHER INCOME ( INCLUDES EXCEPTIONAL ITEM)	1,491.00	1,457.67	992.07	861.33	1,456.95
<b>D TOTAL INCOME (A) + (B) + (C)</b>	<b>8,425.03</b>	<b>8,728.84</b>	<b>8,345.07</b>	<b>7,663.58</b>	<b>6,993.99</b>
E GENERATION EXPENSES	716.39	773.67	790.87	778.91	656.94
F EMPLOYEE BENEFITS EXPENSES	1,585.33	1,574.84	1,158.36	1,149.23	1,058.67
G DEPRECIATION & AMORTIZATION EXPENSES	1,405.89	1,388.40	1,359.07	1,425.87	1,210.76
H FINANCE COST	922.32	1,073.22	1,072.10	1,179.77	1,022.40
I OTHER EXPENSES	989.18	1,158.10	1,335.07	825.58	1,462.16
<b>J TOTAL EXPENSES (E) + (F) + (G) + (H) + (I)</b>	<b>5,619.11</b>	<b>5,968.23</b>	<b>5,715.47</b>	<b>5,359.36</b>	<b>5,410.93</b>
<b>K PROFIT BEFORE TAX AND RATE REGULATED INCOME (D) - (J)</b>	<b>2,805.92</b>	<b>2,760.61</b>	<b>2,629.60</b>	<b>2,304.22</b>	<b>1,583.06</b>
L RATE REGULATED INCOME ON ACCOUNT OF FINANCE COST	331.39	365.32	396.22	406.83	-
M RATE REGULATED INCOME ON ACCOUNT OF OTHERS	388.43	348.67	154.68	115.12	-
<b>N TOTAL RATE REGULATED INCOME (L) + (M)</b>	<b>719.82</b>	<b>713.99</b>	<b>550.90</b>	<b>521.95</b>	-
<b>O PROFIT BEFORE TAX (K) + (N)</b>	<b>3,525.74</b>	<b>3,474.60</b>	<b>3,180.50</b>	<b>2,826.17</b>	<b>1,583.06</b>
P INCOME TAX EXPENSES	767.09	679.01	750.61	701.70	604.27
<b>Q PROFIT AFTER TAX (O) - (P)</b>	<b>2,758.65</b>	<b>2,795.59</b>	<b>2,429.89</b>	<b>2,124.47</b>	<b>978.79</b>
<b>R OTHER COMPREHENSIVE INCOME</b>	<b>5.88</b>	<b>7.67</b>	<b>3.24</b>	-	-
<b>S TOTAL COMPREHENSIVE INCOME (Q) + (R)</b>	<b>2,764.53</b>	<b>2,803.26</b>	<b>2,433.13</b>	<b>2,124.47</b>	<b>978.79</b>
T AUTHORISED SHARE CAPITAL	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
U PAID UP EQUITY SHARE CAPITAL	10,259.32	10,259.32	11,070.67	11,070.67	11,070.67
V OTHER EQUITY (RESERVE AND SURPLUS)	18,068.83	16,682.81	18,690.48	17,215.72	14,996.98
W LONG TERM/NON-CURRENT BORROWINGS	16,728.20	17,245.64	18,181.08	18,171.03	18,580.52
X OTHER LONG TERM LIABILITY & LONG TERM PROVISIONS	1,688.94	1,985.03	1,829.95	2,224.12	2,420.51
Y DEFERRED TAX LIABILITIES	1,076.64	938.49	861.93	810.44	766.67
Z NET TANGIBLE & INTANGIBLE FIXED ASSETS INCLUDING INVESTMENT PROPERTY	19,994.31	20,977.21	21,303.90	22,695.16	24,079.54
AA CAPITAL WORK-IN-PROGRESS	18,813.96	17,350.13	16,578.71	16,054.72	14,657.13
AB INVESTMENTS (NON-CURRENT)	2,209.56	2,100.32	1,683.01	1,977.75	2,227.02
AC OTHER LONG TERM LOANS & ADVANCES AND OTHER NON-CURRENT ASSETS	3,882.86	3,424.21	3,645.30	1,978.10	1,986.06
AD REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES	3,600.46	2,904.32	2,181.28	1,630.39	-
AE WORKING CAPITAL	(679.22)	355.10	5,241.91	5,155.86	4,885.60
<b>AF GROSS CAPITAL EMPLOYED (Z) + (AA) + (AB) + (AC) + (AD) + (AE)</b>	<b>47,821.93</b>	<b>47,111.29</b>	<b>50,634.11</b>	<b>49,491.98</b>	<b>47,835.35</b>
AG CURRENT MATURITIES OF LONG TERM BORROWINGS	1,593.91	1,678.59	1,757.14	1,665.31	1,285.97
<b>AH NET WORTH (U)+(V)</b>	<b>28,328.15</b>	<b>26,942.13</b>	<b>29,761.15</b>	<b>28,286.39</b>	<b>26,067.65</b>
<b>AI DIVIDEND PAID (INCLUDING INTERIM DIVIDEND)</b>	<b>1,251.65</b>	<b>2,524.13</b>	<b>1,461.33</b>	<b>553.55</b>	<b>738.04</b>
<b>RATIOS</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>
RETURN ON CAPITAL EMPLOYED [(O) + (H) -(L)] / (AF)	8.61%	8.88%	7.62%	7.27%	5.45%
RETURN ON NET WORTH (Q) / (AH)	9.74%	10.38%	8.16%	7.51%	3.75%
NET PROFIT TO SALE OF ENERGY (Q) / (A)	40.16%	39.16%	33.44%	31.54%	18.35%
BOOK VALUE PER SHARE (in ₹)	27.61	26.26	26.88	25.55	23.55
EARNING PER SHARE (in ₹)	2.69	2.53	2.19	1.92	0.82
DIVIDEND PER SHARE (INTERIM+PROPOSED FOR THE YEAR) (in ₹)	1.40	1.80	1.50	0.60	0.30
DEBT EQUITY RATIO [(W)+(AG)] / (AH)	0.65	0.70	0.67	0.70	0.76
CURRENT RATIO	0.88	1.07	2.10	2.08	1.80
<b>OPERATING PERFORMANCE</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>
GENERATION (M.U.)	22,975.00	23,275.00	23,683.00	22,341.00	18,542.00
CAPACITY (IN MW)	5,551.20	5,171.20	5,041.20	4,961.20	4,831.20
PLANT AVAILABILITY FACTOR (%)	85.32	83.41	81.60	77.30	77.70
MAN POWER (Nos.)	7351	8009	8654	9211	9838

Note:-1 Figures upto FY 2014-15 are IGAAP compliant and figures from FY 2015-16 are IND AS compliant.

Note:-2 Dividend at S.No-"AI" is actual dividend paid during the year.

Note:-3 Previous periods figures have been regrouped/rearranged wherever considered necessary.

## REFERENCE INFORMATION

---

### Registered & Corporate Office

---

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

---

### Company Secretary

---

Shri Vijay Gupta

---

### Statutory Auditors

---

#### M/s S.N. Dhawan & Co., LLP

Chartered Accountants,  
410, Ansal Bhawan,  
16, Kasturba Gandhi Marg,  
New Delhi-110001

#### M/s Arora Vohra & Co.

Chartered Accountants,  
Chaitanya Complex, Prem Bhawan,  
Residency Road, Jammu Tawi - 180001  
Jammu & Kashmir

#### M/s Ray & Ray

Chartered Accountants,  
Webel Bhawan, Ground Floor,  
Block EP & GP, Salt Lake, Sector-V,  
Kolkata-700091

---

### Cost Auditors

---

#### M/s Chandra Wadhwa & Co.

204, Krishna House, 4805/24,  
Bharat Ram Road, Darya Ganj,  
New Delhi-110002

#### M/s Balwinder & Associates

F-125, Phase VIII-B, Indl. Area,  
Sector 74, Mohali, Punjab - 160071

#### M/s Sanjay Gupta & Associates

C4E/135, Janak Puri, New Delhi - 110058

#### M/s K.L. Jaisingh & Co.

J-7, Sector-XI, Jaisingh House, Noida,  
Uttar Pradesh - 201301

#### M/s K. G. Goyal & Associates

289, Mahaveer Nagar-II,  
Maharani Farms, Durgapura,  
Jaipur, Rajasthan - 302018

#### M/s R.J. Goel & Co.

1011, Pearls Best Heights-II,  
C-9, Netaji Subhash Place, Pitampura,  
Delhi - 110034

#### M/s DGM & Associates

64, B.B.Ganguly Street, 2<sup>nd</sup> Floor,  
Kolkata, West Bengal – 700012

#### M/s Niran & Co.

Mohit Kali Apartment, Block-A, Flat-2D,  
161, Sabarnapara Road, PO - Barisha,  
Kolkata, West Bengal - 700008

---

### Secretarial Auditor

---

#### M/s P.C. Jain & Co.

Company Secretaries  
2382, I Floor, Sector- 16,  
Faridabad – 121002

---

### Internal Auditor

---

Shri Vijay Kumar, Executive Director (Finance)

---

### Bankers

---

State Bank of India  
Indian Overseas Bank  
ICICI Bank Limited  
Jammu & Kashmir Bank Limited  
Bank of India  
Axis Bank  
HDFC Bank  
IndusInd Bank  
Bank of Baroda  
Deutsche Bank  
Central Bank of India  
Kotak Mahindra Bank  
RBL Bank  
IDBI Bank  
Yes Bank  
IDFC Bank



# NHPC Limited

(A Government of India Enterprise)

---

## Registrar & Share Transfer Agent

---

### For Equity Shares & Tax Free Bonds:

M/s Karvy Computershare Private Limited  
Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial  
District, Nanakramguda, Hyderabad – 500 032  
Ph: +91 40 67161500, 67162222  
Email: einward.ris@karvy.com  
Website: www.karvycomputershare.com

### For other Bonds:

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

---

## Chief Investor Relations Officer

---

Shri Anuj Kapoor, Chief (Finance)

---

## Listing of Securities

---

### Share & Tax Free Bonds:

BSE Limited  
National Stock Exchange of India Limited

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

'V', 'V2' and 'W' Series Bonds – BSE Limited  
All other Bonds – National Stock Exchange of India Limited

---

## Depositories

---

National Securities Depository Limited  
Central Depository Services (India) Limited

---

## Debenture Trustees

---

### 7.70% O Series Bonds

### Axis Trustee Services Limited

2<sup>nd</sup> Floor, Red Fort Capital Parsvanath  
Tower, Bhai Veer Singh Marg,  
Gole Market, New Delhi -110 001  
Ph.: +91 11 47396656  
Email: debenturetrustee@axistrustee.com

### 9% P Series, 9.25% Q Series, Tax Free Bonds NHPC 2013

(Series 1A, 1B,  
2A, 2B, 3A and  
3B), 8.49%

S1, 8.54% S2  
Series, 8.50%

T Series Bonds,  
6.84% V Series

Bonds, 7.52%

V2 Series

Bonds, 6.91%

W1 Series

Bonds and

7.35% W2

Series Bonds

### IDBI Trusteeship Services Limited

Asian Building, Ground Floor 17,  
R. Kamani Marg Ballard Estate  
Mumbai- 400 001  
Ph.: +91 22 40807000  
Email: itsl@idbitrustee.com

8.70% R1,

8.85% R2,

8.78% R3

Series,

8.24% U Series

and 8.17% U1

Series

Bonds

### SBICAP Trustee Company Limited

Apeejay House, 6<sup>th</sup> Floor,  
3, Dinshaw Wachha Road, Church Gate,  
Mumbai - 400020  
Ph.: +91 22 43025553  
Email: helpdesk@sbicaptrustee.com

## LETTER TO SHAREHOLDERS



### Dear Shareholders,

I am delighted to share with you the performance of your company during the Financial Year (FY) 2017-18 and present the 42<sup>nd</sup> Annual Report of the Company. I feel gratified to share that despite adverse and challenging conditions at sites, your company has been able to successfully commission all the three units of Kishanganga H.E. Project (3X110 MW), Jammu & Kashmir in March, 2018. The Project has been dedicated to the nation by the Hon'ble Prime Minister of India, Shri Narendra Modi in May, 2018. In addition to above, with the commencement of commercial operation of the 50 MW Solar Power Project in Tamil Nadu, your company has also forayed into the field of Solar Energy. With the commissioning of these projects, the installed capacity of your company on standalone basis has increased to 5,551 MW and on consolidated basis to 7,071 MW. I assure you that in our journey for the growth of power sector of the country, we will continue the current momentum of building capabilities for charting a higher growth path.

On financial fronts, your Company has registered a total income of ₹ 8,425.03 crore and Profit After Tax (PAT) of ₹ 2,758.65 crore in financial year 2017-18 as compared to ₹ 8,728.84 crore and ₹ 2,795.59 crore respectively in the previous year. Your company has succeeded in minimizing the corresponding impact of decrease in total income, on Profit After Tax by reduction in finance cost and other expenditures during the FY 2017-18.

Your company has generated 22,975 MUs and also achieved highest ever Plant Availability Factor (PAF) of 85.32% during FY 2017-18. Sales during FY 2017-18 were ₹ 6,934.03 crore whereas realization, including liquidation of outstanding amount of previous years and surcharge were ₹ 8,024 crore.

Your Company's management has always believed in maximizing shareholder's wealth. In furtherance of the same, the Company has already paid an interim dividend of ₹ 1.12/- per share in March, 2018 and has recommended a final dividend of Re. 0.28 per equity share for FY 2017-18, subject to your approval at the forthcoming Annual General Meeting. On approval, the total dividend payout for the FY 2017-18 will be 14% of paid up share capital and 52% of the profit after tax.

During the FY 2017-18 and till the time I am writing to you, Govt. of India had divested 0.54% and 0.29% in November, 2017 and July, 2018 respectively, totaling to 0.83% of the paid up equity share capital of the Company through Bharat 22 ETF. After the divestments, the holding of the Government of India in your Company stands reduced at 73.67% of the total paid up capital of the Company.

Presently, two projects of your company namely, Parbati-II H.E. Project and Subansiri Lower H.E. Project with total capacity of 2,800 MW are under construction. Due to acute geological conditions being faced in excavation of Head Race Tunnel (HRT) of Parbati-II H.E. Project (800 MW),





# NHPC Limited

(A Government of India Enterprise)

the project has now been rescheduled for commissioning in December, 2021. Your Company is in constant touch with the Central Government, State Govt. of Assam and other stakeholders for early resumption of works at Subansiri Lower H.E. Project (2,000 MW). The project is expected to be completed in four years time from the date of resumption of works.

Your Company is in the process of obtaining clearances for six prospective projects having planned capacity of 5,795 MW. It is also envisaging hydropower projects having planned capacity of 1,934 MW through Joint ventures. Another hydro project with capacity of 66 MW is being taken up in Manipur through its subsidiary viz. Loktak Downstream Hydroelectric Corporation Limited.

Your company's forte is development of Hydro power in all its aspects. However, your Company has been making efforts to provide power from varied sources of energy and at the same time expand into new avenues of business. Moving ahead in this direction, your Company has diversified into Solar and Wind Power sector. At present, your Company has a 50 MW Wind Power project in Jaisalmer and a 50 MW Solar Power Plant at Theni / Dindigul District in Tamil Nadu. In addition to above, development of 8 MW capacity out of 72 MW (+10%) wind power project is under advanced stage of tender at Agali site, Palakkad, Kerela. Your Company (in joint venture with UPNEDA) is also in the process of executing a 32 MW solar power project in Uttar Pradesh. Further, opportunities for development of pumped storage schemes in potential rich states are also being explored.

In addition to above, your Company has obtained Inter-state Power Trading license from CERC, to undertake inter-state trading in electricity across the Country. Your Company has also taken 'trader membership' of Indian Energy exchange to undertake inter-state trading in electricity. This has created new business opportunities for your Company and with concerted efforts, we will make this venture successful.

During the year 2017-18, the procurement from MSEs was 25.56 % of the total annual procurement value. The above procurement was under 'Make in India' initiative of Govt. of India and had benefitted 562 MSEs.

NHPC's CSR & Sustainability Policy aims at facilitating long-term environmental, social and economic development of the Company and its stakeholders. During the Year, your Company implemented wide range of activities in the field of Health, Sanitation, Drinking water, Education and Skill development, capacity building, Women Empowerment, Social infrastructure development etc. The expenditure on CSR & SD activities during the Financial Year 2017-18 was ₹ 38.55 crores as against the required amount of ₹ 59.52 crore, under the Companies Act, 2013. The expenditure of requisite amount could not be made due to various reasons such as unfavorable climatic conditions in Himalayan belt and law and order problems in Jammu & Kashmir region, spillover of works and payments, which were under different stages of tendering, work award and release of final balance payments, etc. However, your company is committed to

fulfill stakeholders' aspiration and contributing to sustainable development of people, planet and the organization.

As a commitment to reduce the carbon footprints of the company in its day-to-day working, your Company has installed roof top solar power plants at various projects / power stations including corporate office with aggregate capacity of 860 KWp. Roof top solar projects with aggregate capacity of 834.7 KWp are under execution at various locations of the Company.

To maintain highest standards of Corporate Governance in business activities has always been an area of focus for your company. Besides adhering to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your company also follows the guidelines on Corporate Governance for CPSEs issued by Department of Public Enterprises (DPE), Government of India. Your Company has also adopted Whistle Blower Policy for reporting the instances of unethical/improper conduct.

During the year 2017-18, your company was bestowed with various prestigious awards and accolades such as "Best Project Developer in Hydro sector for a project under construction for Kishanganga H.E. Project" at CBIP awards, "CIDC Partner in Progress Trophy 2018" at 10<sup>th</sup> Construction Industry Development Council (CIDC) Vishwakarma Awards, First prize under "Rajbhasha Kirti Puraskar" by Ministry of Home Affairs, Govt. of India for commendable work in implementation of Rajbhasha amongst the PSUs located in Region 'A' for the year 2016-17.

I would like to express my gratitude to all stakeholders, business partners, customers, CERC and various Ministries of Govt. of India, especially Ministry of Power for providing valuable guidance and support in our efforts. I would also like to thank various State Government(s) for all the support they had extended to our business. I would also like to place on record my sincere appreciation to my esteemed colleagues on the Board for their continued support. Last but not the least, I thank all the employees without whose continuous and untiring efforts, none of this would have been possible.

I, on behalf of all the NHPCians affirm you that we shall be making continuous efforts to create an environmentally & socially responsive, technology & talent driven organization which works for value creation for all our stakeholders. I look forward for your continued support in all our endeavours

With best wishes,

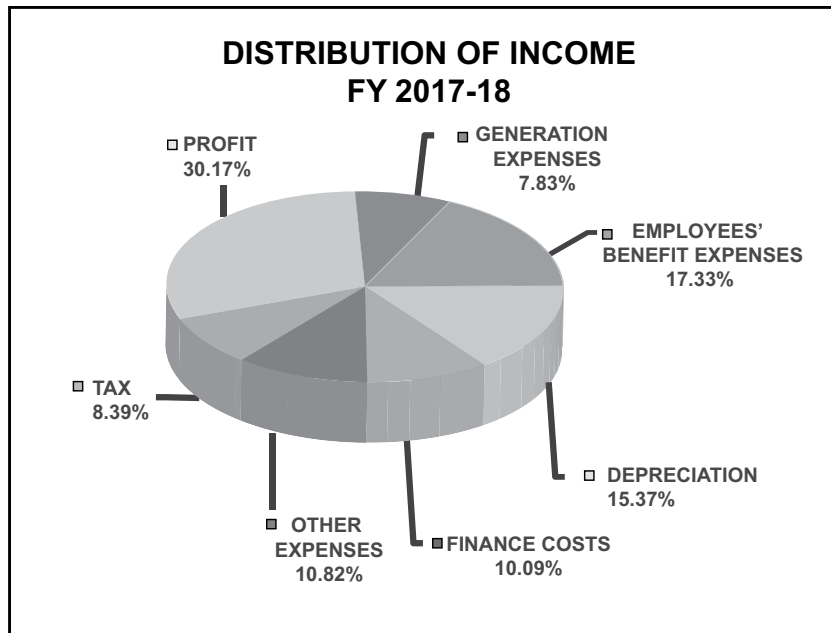
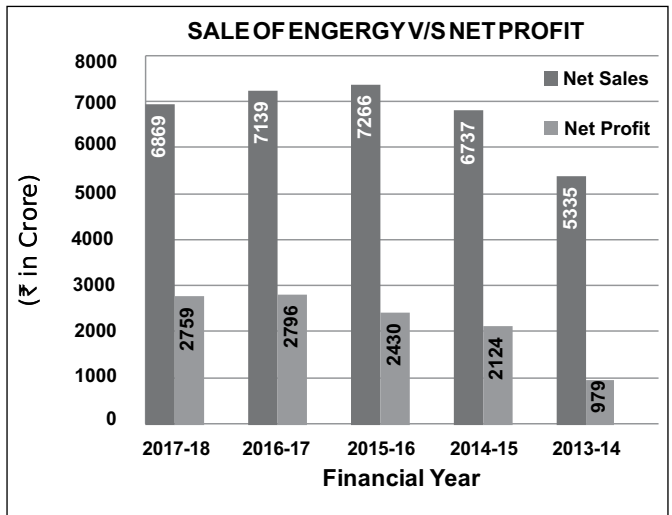
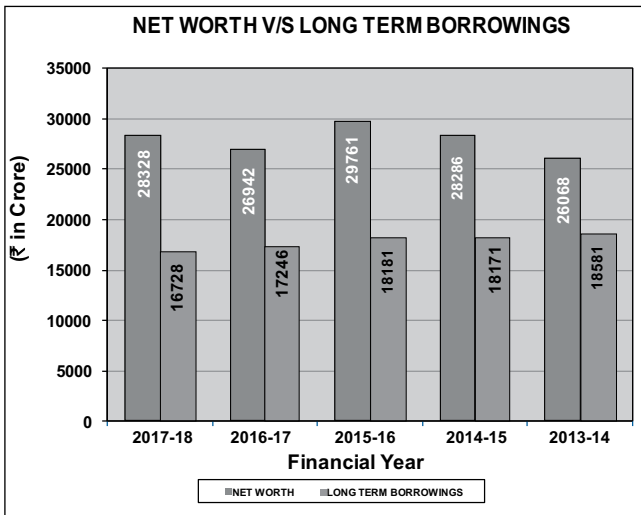
Yours sincerely,

**(Balraj Joshi)**

Chairman and Managing Director  
DIN 07449990

Date: August 6, 2018  
Place: Faridabad

## NHPC's PERFORMANCE





## DIRECTORS' PROFILE



### Shri Balraj Joshi, Chairman and Managing Director

DIN 07449990

**Shri Balraj Joshi** (58 years) is the Chairman and Managing Director of NHPC and is also the chairman of Board of Directors of NHDC Limited and LDHCL.

Shri Joshi is a Civil Engineering graduate with more than 35 years of extensive experience in the field of Hydro Power development. He is well versed with all the aspects of Hydro power Development and holds a Post Graduate Qualification in Hydro Power Development and Planning from Norwegian Technical Institute. Shri Joshi commenced his professional life as a Probationary Executive in NHPC in the year 1982 at Salal HE Project. After gathering a rich field experience of about 17 years by way of working on the construction of various types of structures in Dulhasti Project, Kurichhu Project (Bhutan) & Bakreshwar Project,

he joined Design & Engineering Division in Corporate Office and has led the design work of some of the landmark projects of NHPC like Teesta-V, Teesta Low Dam-III, Teesta Low Dam- IV and Parbati-III. During his long association with NHPC, he has served the organization with notable contributions. Recognising his contribution in development of Hydro Power, Construction Industry Development Council (CIDC) has conferred Industry Doyen award on him.

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

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



### Shri Ratish Kumar, Director (Projects)

DIN 06852735

**Shri Ratish Kumar** (57 years) holds B.Tech in Electrical Engineering from GB Pant University of Agriculture & Technology, Pantnagar (Uttarakhand). Shri Ratish Kumar started his professional career in NHPC Limited as Trainee Engineer in October 1982 from Baira Siul Project.

Shri Ratish Kumar has over 35 years of experience in NHPC where he climbed up the professional ladder with utmost sense of responsibility, ethics and dedication. In his present assignment as Director (Projects), Shri Ratish Kumar is in-charge of all NHPC projects which are under construction and pre-construction stages. This includes hydro as well as solar & wind renewable energy projects. He is also responsible for Joint-ventures and Consultancy Assignments being

undertaken by the Company. In addition, major functions viz. Contracts, Project Monitoring and Support Group, Cost Engineering, Business Development and Design (E&M) also come under his ambit.

Prior to joining NHPC Board, Shri Ratish Kumar served NHPC in various capacities including as the Executive Director (Design-E&M). His major contributions include construction and erection of Salal Power Station Stage-II, commissioning of major projects of NHPC, restoration of Dhauliganga and Uri-II power station, advancement of commissioning of TLDP-IV, construction of dam of Kishanganga HEP in 2016 and commissioning of 330 MW Kishanganga HEP in March, 2018. It further includes design and engineering of E&M packages of projects viz. Parbati-II, Parbati-III, Subansiri Lower HE Project, Teesta-V, Sewa-II, Chamera-III, Dhauliganga projects etc. He was also associated with various International assignments including preparation of DPR of Tamanthi & Shwezaye in Myanmar, Kuri-Gongri, Chamkharchhu & Mangdechhu in Bhutan. Shri Ratish Kumar had been a Nominee Director on the Board of National High Power Test Laboratory Private Limited w.e.f. 24-03-2014 to 08-02-2016.

Shri Ratish Kumar has excellent command in construction & erection of Hydro Power Plants, Design & Engineering of E&M equipments, Power Potential and Optimization Studies, layout engineering, preparation of detailed project report including project appraisal and cost benefit analysis for obtaining TEC from CEA. He has been an expert member in numerous National Level Publications, CBIP Manual on GIS 2013, Bus Duct 2013 and Transformer 2013 etc.

Shri Ratish Kumar joined the Board of NHPC Limited on January 6, 2016.

## DIRECTORS' PROFILE



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

DIN 05332456

**Shri Nikhil Kumar Jain** (56 years) holds a Bachelors' degree in Industrial Engineering from IIT Roorkee and Bachelors' degree in Law from Delhi University.

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

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



**Shri Mahesh Kumar Mittal, Director (Finance)**

DIN 02889021

**Shri Mahesh Kumar Mittal** (57 years) has a distinguished academic background and is M.Com (Gold medalist) and Masters in Financial Management (Previous). He is also a Fellow member of the Institute of Cost Accountants of India and a Fellow Member of the Institute of Company Secretaries of India.

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

at Haryana Vidyut Prasaran Nigam Ltd.

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



**Shri Janardan Choudhary, Director (Technical)**

DIN 07871968

**Shri Janardan Choudhary** (58 years) holds a degree in Electrical Engineering from Bihar Institute of Technology, Sindri (Jharkhand). He started his professional career in NHPC Limited as Executive Trainee in December, 1984 from Tanakpur Project.

Shri Janardan Choudhary has over 33 years of rich experience in implementation of hydro projects, encompassing all areas of hydropower development from inception to commissioning and operation and maintenance. Prior to joining NHPC board, he held the position of Executive Director (O&M) and has been instrumental in optimizing the operational performance of the Power Stations within the regulatory framework. He was associated in finalization of DPR for R&M (Life Extension) of Baira Siul and Loktak power

stations. Shri Choudhary was actively involved in detailed design & engineering, preparation of Power potential & optimization studies, and preparation of Detailed Project Reports (DPR) for E&M equipment of many projects like Rangit, Parbati-III, Sewa-II, Omkareshwar, Chamera-III, Parbati-II, Subansiri Lower and Dibang. He was involved in erection, testing & commissioning activities of Tanakpur, Rangit and Kurichhu projects and has also been associated with NHPC's consultancy assignments for many projects as 1,200 MW Tamanthi in Myanmar, 720 MW Mangdechhu and 60 MW Kurichhu in Bhutan. He served in various capacities at power stations namely Tanakpur & Uri and as the Head of the Plant at Chamera-I and Chamera-II.

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



# NHPC Limited

(A Government of India Enterprise)

## DIRECTORS' PROFILE



### Shri Aniruddha Kumar, Government Nominee Director

DIN 07325440

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

He began his career with NTPC where he worked at Singrauli Thermal Power Station from 1984 to 1987. Thereafter, he joined Indian Revenue Service in 1987 and during his illustrious career of more than 30 years he has served in various key departments like Tax Policy Wing of Deptt. of Revenue, Ministry of Finance, Various positions in Income Tax Department, Ministry of Urban Development (2005 to 2009), Ministry of Science and Technology (2009 to 2010) and Principal Commissioner of Income Tax in Agra. Shri Aniruddha Kumar has travelled extensively all over the world as a member of Indian

delegations in various conferences and meetings.

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

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



### CA Satya Prakash Mangal, Independent Director

DIN 01052952

**CA Satya Prakash Mangal** (58 years) is a practicing Chartered Accountant and founding partner of M/s Satya Prakash Mangal & Company, Chartered Accountants, New Delhi. He has significant experience in Special & Forensic Audit. His forte is determining the optimal route for financial engineering and financial restructuring and revival of project. He is also a life member of Administrative Staff College of India Association, Hyderabad.

Shri Satya Prakash Mangal has served as Director of Punjab & Sind Bank (A Government of India Undertaking) and UCO Bank (A Government of India Undertaking). He is working on project "AAS-आस (HOPE)" (Advance Alert System) for Banking Industry which provide preventive measures for arresting NPA.

Additionally, he has wide knowledge of Assurance and Compliances, SEBI Compliance, Risk management. He has completed course of Management audit, which includes Management Audit of Finance, Human Resources, Marketing, Information systems & Technology & Risk Management system. He has credentials to guide on best practice of corporate governance and CSR (Corporate Social Responsibility). He is pursuing Certificate Course on Corporate Governance from Indian Institute of Corporate Affairs.

Shri Satya Prakash Mangal is a Project Coordinator for Vriksha Vandana (A Project which is bringing Green Revolution and Protection of Environment in Goverdhan Dist. Mathura (U.P) by planting and caring trees). He has been nominated as Chairman of National Committee of Krishna Circuit (Swadesh Darshan) by Ministry of Tourism, Government of India. He is playing a vital role in bringing Integrated Ecological Development of Goverdhan (Mathura). Shri Mangal is secretary of SEWAYAN which is bringing cultural revolution amongst Tea Tribes of Assam & North Bengal through Samohik Vivah, he is also the Founder Trustee of "AROGYA FOUNDATION OF INDIA" (Carrying Rural Health Mission Program in more than 45,000 tribal and backward Villages of Bharat), Trustee of "Maharaja Agrasen Naturopathy & Yoga Sadhana Research Trust" (Balajee Nirog Dham Delhi). As Secretary of JEEVNA he plays a vital role in conducting "National Workshop on Behavioural Game Theory and Human Values".

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

Shri Satya Prakash Mangal joined the Board of NHPC Limited on November 26, 2015.

## DIRECTORS' PROFILE



**Prof. Arun Kumar, Independent Director**

DIN 07346292

**Prof. Arun Kumar** (59 years) is a Bachelor in civil engineering from IIT Roorkee, Masters in Civil Engineering from IISc Bengaluru and holds PhD in Hydro Power Development from IIT Roorkee. He did Diploma studies in Hydro Power Development from NTH, Trondheim (Norway). His contribution in the field of hydropower and environmental Management of rivers and lakes is well recognized both within India as well as internationally.

Prof. Kumar has over 36 years of experience in the field of Hydro Power Development and environmental management of river and lakes. He served as Coordinating Lead author for Hydropower on Special Report on Renewable Energy Sources for Intergovernmental Panel on Climate Change – working group III during 2009–11. During his distinguished career,

Prof. Kumar had received various awards and recognitions for his exemplary work such as, Cash your Ideas Award by Central Board for Irrigation and Power in 1991, Surya Award from IIRDSS, New Delhi in 2001 and Eminent Engineers Award 2015 from the Institution of Engineers (India) Uttrakhand State Centre, award of Excellence from Himalaya Power Producers Association and eminent Engineer award from The Institution of Engineers (India) Roorkee in 2017. He headed the Alternate Hydro Energy Centre (AHEC), IIT Roorkee from 1998 to 2011 and held MNRE Chair Professor (renewable energy) during 2013-18. Prof. Kumar is currently working as Professor of AHEC, IIT Roorkee.

Prof. Arun Kumar joined the Board of NHPC Limited on November 26, 2015.



**Prof. Kanika T. Bhal, Independent Director**

DIN 06944916

**Prof. Kanika T. Bhal** (53 years) is Professor at the Department of Management Studies at IIT Delhi. A PhD from IIT Kanpur and a visiting fellow at Sloan School of Management, she is an expert in behavioural sciences in general and leadership in particular. She has published over 100 articles in national and international journals and conferences and is on the editorial boards of national and international journals. She has authored books on leadership, culture and ethics. She has done sponsored research for several nationally and internationally funded (with Fordham University and Wharton Business School) projects. Besides being a consultant to various organizations like Fifth Central Pay Commission of India, First National Judicial Pay Commission of India, DRDO, UPSC, DGS&D, Ministry of Rural Development, NICD and Ministry of Environment and Forests, she is invited as an

expert on Government Committees and is a member of the Academy of Management, USA, Society for Industrial Organization and Psychology and Global Institute of Flexible Systems Management.

She has been awarded several awards like Best Professor in Management by Headlines Today 2013, Dr. Hari Singh Gaur Award for excellent Work in Management Education by IES Group of Institutions, Bhopal 2009, Excellence in Teaching Award by IIT Delhi. Professor Bhal is given the honor of Professor Honorable by Tshwane Institute of Technology, South Africa. She delivered the prestigious Vice Chancellor's lecture on Ethics, Business & Society at Tshwane University of Technology, South Africa in May 2017. She has been appointed as ICCR Chair Professor at Simon Fraser University, Canada from August to December 2017.

Prof. Kanika T. Bhal joined the Board of NHPC Limited on November 26, 2015.



# NHPC Limited

(A Government of India Enterprise)

## DIRECTORS' PROFILE



### **Shri Jugal Kishore Mohapatra, Independent Director**

DIN 03190289

**Shri Jugal Kishore Mohapatra** (62 years), a Post Graduate from Delhi School of Economics, joined Odisha Cadre of IAS in 1979. Later, he also obtained Masters Degree in Economics from Boston University, USA. Shri Mohapatra has all round experience in Govt. of India and Govt of Odisha. He served as Secretary in the Department of Fertilisers and Rural Development in Government of India during 2014-16. He was secretary to the Hon'ble Chief Minister, Odisha, Principal Secretary Finance and Chief Secretary in the Government of Odisha.

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



### **Shri Bhagwat Prasad, Independent Director**

DIN 07941795

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

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



### **Prof. Nalini Kant Jha, Independent Director**

DIN 07950262

**Prof. Nalini Kant Jha**, (59 years) Professor of Politics & International Studies at Pondicherry Central University, is currently Vice Chancellor of T.M. Bhagalpur University (Bihar). A twice Fulbrighter, he did M. Phil & PhD from Jawaharlal Nehru University, New Delhi and Post-doctoral research at University of California, Berkley, USA, and Shastri scholar at University of Dalhousie, Canada. He has earlier taught at School of Advanced International Studies, John Hopkins University, Washington D.C., University of Dhaka, University of Allahabad and L N Mithila University (Bihar). He is Adjunct Professor at Manipal University in Karnatak. He is member of Governing Council of Indian Institute of Advanced Studies, Shimla and Maulana Azad Institute of Asian Studies, Kolkata.

He has authored / edited 11 books, 17 book reviews, 126 research papers in prestigious national and international journals. His specialization includes India's foreign policy and especially energy security through cooperation with close neighbours like Nepal and Bhutan. He also focuses on relevance of ancient Bharatiya wisdom in contemporary era. He has held numerous academic administrative positions such as, Director, Dean, Head and member of University bodies of several universities. He can be traced on [jhank59@gmail.com](mailto:jhank59@gmail.com).

Prof. Nalini Kant Jha joined the Board of NHPC Limited on October 7, 2017.



132 MW Teesta Low Dam-III Power Station (West Bengal) - Barrage



231 MW Chamera-III Power Station (Himachal Pradesh) - Dam





## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 42<sup>nd</sup> Annual Report on the business and operations of NHPC Limited along with its Audited Financial Statements, Auditors' Report and review of financial statements by the Comptroller and Auditor General of India (CAG). Financial year 2017-18 was yet another year of achievements for your Company. Your Company added **380 MW** to its capacity by commissioning Kishanganga H.E. Project (3 X 110 MW), Jammu & Kashmir and 50 MW Solar Power Project, Tamil Nadu during the financial year 2017-18. The total installed capacity of your Company (including of subsidiaries & JVs) as on March 31, 2018 was increased to **7,071 MW**.

### Major highlights for the financial year 2017-18 are:

- Total revenue and revenue from operations (net) were ₹ 8,425.03 crore and ₹ 6,934.03 crore respectively. Total comprehensive income, Net Profit After Tax (PAT) and other comprehensive income were ₹ 2,764.53 crore, ₹ 2,758.65 crore and ₹ 5.88 crore respectively.
- Interim dividend of ₹ 1,149.05 crore (@ ₹ 1.12 per equity share) was paid in March, 2018. Further, a final dividend of ₹ 0.28 per equity share has been recommended for the financial year 2017-18 subject to approval of the shareholders.
- Power stations have achieved generation of **22,975 MUs** which include deemed generation of 350.2 MUs from Chutak and Nimmo Bazgo Power Stations.
- Highest ever Plant Availability Factor (PAF) of 85.32% was achieved against the PAF of 83.41% during the previous financial year.
- Successfully commissioned all three units of Kishanganga H.E. Project (3 x 110 MW) at Bandipora, Jammu & Kashmir in March, 2018. The Project was dedicated to the Nation by Hon'ble Prime Minister of India Shri Narendra Modi on May 19, 2018.
- Commissioned its first 50 MW Solar PV Project in Theni/ Dindigul District of Tamil Nadu. Domestically manufactured Solar PV Modules were used for the Project.
- Central Electricity Regulatory Commission (CERC) granted Inter-state Power Trading License to NHPC vide its order dated April 23, 2018.
- Moody's has upgraded international rating of NHPC from Baa3 positive to Baa2 stable, which is equivalent to sovereign rating of India.
- National Green Tribunal (NGT), Eastern Bench, Kolkata upheld Environment Clearance of Teesta-IV H. E. Project.
- Expert Appraisal Committee, Ministry of Environment, Forest & Climate Change, Govt. of India, has recommended for grant of Environment Clearance to the Bursar Hydro-electric Project, Jammu & Kashmir.
- To meet the requirement of distinct set of special skills for the development of Hydro Power, NHPC in partnership with NTPC is contributing towards establishment of Hydro Engineering College at Bilaspur, Himachal Pradesh. Foundation stone of the college was laid by the Hon'ble Prime Minister of India Shri Narendra Modi on April 27, 2017.
- Overall development of society has been one of the aims of NHPC as an organization. CSR & SD activities of NHPC are focused in areas like Education, Health Care, Skill Development, Rural Development, Sanitation, Environment & Sustainability, Women Empowerment etc. NHPC has taken up several CSR & SD activities with a total expenditure of ₹ 38.55 crore during financial year 2017-18.
- The Detailed Project Report (DPR) of Goriganga IIIA Hydro-electric Project (150 MW), Uttarakhand was submitted to Central Electricity Authority (CEA) on March 30, 2018.
- Cash contribution of ₹ 1,688.17 crore was made to Government of India's exchequer through dividend, dividend tax, income tax and wealth tax in the financial year 2017-18.
- Market capitalization of the Company as on March 31, 2018 stood at ₹ 28,418.32 crore.

### Awards and Recognition

- "First Prize" under 'Rajbhasha Kirti Puraskar' by Ministry of Home Affairs, Govt. of India for commendable work in implementation of Rajbhasha amongst the Public Sector Undertakings located in Region 'A' for the year 2016-17. This is the highest award given by the Government of India in the field of implementation of official language.
- "Excellence in CSR/ Environment Protection and Conservation" at India Pride Awards 2017-18 instituted by Dainik Bhaskar newspaper.
- "Best Project Developer in Hydro Sector for a project under construction" for Kishanganga H.E. Project presented by Central Board of Irrigation and Power, New Delhi at CBIP Awards.
- "CIDC Partner in Progress Trophy 2018" at 10<sup>th</sup> Construction Industry Development Council (CIDC) Vishwakarma Awards organized by Construction Industry Development Council, New Delhi.
- "Industry Doyen" award to Shri Balraj Joshi, Chairman & Managing Director at 10<sup>th</sup> CIDC Vishwakarma Awards organized by Construction Industry Development Council, New Delhi.
- "HR Leadership Award" to Shri Nikhil Kumar Jain, Director (Personnel) at 16<sup>th</sup> edition of Asia Pacific HRM Congress and Awards presented by Times Ascent (The Time of India Group).

## 1. FINANCIAL PERFORMANCE

The financial results for the year ended March 31, 2018 are summarized in **Table 1**.

**Table 1: Financial Highlights**

(₹ in crore)

PARTICULARS	Financial Year	
	2017-18	2016-17
Revenue from operations	6,934.03	7,271.17
Profit before depreciation, interest, rate regulated income and tax	5,134.13	5,222.23
Depreciation	1,405.89	1,388.40
Profit after depreciation but before rate regulated income, interest and tax	3,728.24	3,833.83
Interest and finance charges	922.32	1,073.22
Profit after depreciation and interest but before rate regulated income and tax	2,805.92	2,760.61
Rate regulated income	719.82	713.99
Tax	767.09	679.01
Profit after depreciation, interest, rate regulated income and tax	2,758.65	2,795.59
Other Comprehensive Income (OCI)	5.88	7.67
<b>Total Comprehensive Income (TCI)</b>	<b>2,764.53</b>	<b>2,803.26</b>
Surplus from statement of profit and loss of earlier years (including Other Comprehensive Income)	2,657.30	3,147.66
Amount written back from bond redemption reserve	148.17	109.42
Transfer from R&D Fund	43.90	-
<b>Sub-total</b>	<b>5,613.90</b>	<b>6,060.34</b>
<b>Less: APPROPRIATIONS</b>		
Transfer to bond redemption reserve	668.45	394.49
Dividend and Corporate Dividend Tax (CDT)	1,378.51	2,996.35
Transfer to R & D fund	-	12.20
<b>Closing Balance of Retained Earnings including Other Comprehensive Income</b>	<b>3,566.94</b>	<b>2,657.30</b>

### 1.1 REVENUE

Your Company generated revenue of ₹ 8,425.03 crore during the financial year 2017-18. The revenue during the financial year 2016-17 was ₹ 8,728.84 crore.

### 1.2 EXPENSES

The total expenditure during financial year 2017-18 was ₹ 5,619.11 crore as against total expenditure of ₹ 5,968.23 crore in the financial year 2016-17.

### 1.3 PROFIT

Your Company had earned a Profit After Tax (Total Comprehensive Income) of ₹ 2,764.53 crore during the financial year 2017-18 as compared to ₹ 2,803.26 crore in the financial year 2016-17.

### 1.4 SHARE CAPITAL

The paid-up equity share capital of the Company as on March 31, 2018 was ₹ 10,259.32 crore.

### 1.5 NET WORTH

Your Company's net worth as on March 31, 2018 was ₹ 28,328.15 crore as against ₹ 26,942.13 crore in the previous year.

## 2. DIVIDEND

Your Directors are pleased to recommend a final dividend of ₹ 0.28 per equity share for the financial year ended on

March 31, 2018. The above dividend is in addition to the interim dividend of ₹ 1.12 per equity share paid in March, 2018. Accordingly, the total dividend for the financial year 2017-18 comes to ₹ 1.40 per equity share. The total dividend pay-out, subject to approval of final dividend by the members of the Company, for the financial year 2017-18 will be ₹ 1436.31 crore (excluding dividend distribution tax) representing 52% of the profits after tax, as against a dividend pay-out of ₹ 1984.61 crore representing 71% of the profits after tax in the previous year.

## 3. OPERATIONAL PERFORMANCE

During the financial year 2017-18, the standalone installed capacity of your Company had increased to **5,551 MW** with the commissioning of Kishanganga H.E. Project (3 X 110 MW), Jammu & Kashmir and 50 MW Solar Power Project, Tamil Nadu. Presently, the aggregate installed capacity of your Company is **7,071 MW** (including 2 power stations of 1,520 MW of NHDC Limited – Subsidiary Company of NHPC).

Your Company had generated **22,975 Million Units (MUs)** during the financial year 2017-18 and achieved highest ever Plant Availability Factor (PAF) of 85.32% as compared to 83.41% in the previous year. The power station wise generation and PAF is given at **Table 2**.



**Table 2: Power Station wise generation and PAF during financial year 2017-18**

NAME OF POWER STATION	GENERATION TARGET* (MU)	ACTUAL GENERATION (MU)	PAF TARGET* (%)	ACTUAL PAF (%)
<b>PONDAGE POWER STATIONS**</b>				
BAIRA SIUL (180 MW)	693	642	92.50	82.54
LOKTAK (105 MW)	539	838	93.50	97.95
CHAMERA – I (540 MW)	2,350	2,344	96.00	98.09
RANGIT (60 MW)	338	346	95.50	99.45
CHAMERA – II (300 MW)	1,469	1,487	95.50	97.52
DHAULIGANGA (280 MW)	1,112	1,153	90.00	94.87
DULHASTI (390 MW)	2,194	2,344	95.50	96.54
TEESTA – V (510 MW)	2,644	2,819	92.50	97.49
SEWA – II (120 MW)	523	506	96.50	97.85
CHAMERA – III (231 MW)	1,085	1,068	91.50	95.48
TLDP – III (132 MW)	581	387	89.50	79.64
TLDP – IV (160 MW)	704	495	90.10	80.39
<b>Sub Total (A)</b>	<b>14,232</b>	<b>14,429</b>	<b>93.50</b>	<b>94.56</b>
<b>RUN OF THE RIVER POWER STATIONS &amp; RESTRICTED PLANTS</b>				
SALAL (690 MW)	3,379	3,247	65.00	76.18
TANAKPUR ( 94.2 MW)	443	460	64.00	68.70
URI (480 MW)	2,844	2,350	75.00	74.82
CHUTAK <sup>1</sup> (44 MW)	51	227	49.90	59.57
NIMOO BAZGO <sup>1</sup> (45 MW)	94	267	64.90	72.40
URI – II (240 MW)	1,420	1,207	75.00	79.30
PARBATI – III (520 MW)	686	710	52.00	62.70
KISHANGANGA <sup>2</sup> (330 MW)	236	2	75.00	-
PARBATI – II (800 MW)	45	-	-	-
<b>Sub Total (B)</b>	<b>9,198</b>	<b>8,472</b>	<b>65.14</b>	<b>72.15</b>
<b>TOTAL (A+B) (HYDRO)</b>	<b>23,430</b>	<b>22,901</b>	<b>81.60</b>	<b>85.32</b>
WIND POWER PROJECT, JAISALMER (50 MW)	70	70	-	-
SOLAR POWER PROJECT, TAMIL NADU <sup>3</sup> (50 MW)	-	4	-	-
<b>TOTAL</b>	<b>23,500</b>	<b>22,975</b>	<b>81.60</b>	<b>85.32</b>

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

\*\* PAF MOU targets for financial year 2017-18 are for "Very Good" rating and related to Pondage Power Stations only (i.e. Run of River Power Stations and Restricted Plants are excluded).

**Note:**

1. Generation includes deemed generation of Chutak Power Station (181.6 MUs) & Nimoo Bazgo Power Station (168.6 MUs).
2. All three units of Kishanganga HE Project (3 X 110 MW) were commissioned in the month of March, 2018. Generation shown is infirm power.
3. Solar Power Project was declared under commercial operation from March 23, 2018.

Your Directors are pleased to inform that your Company had also earned net deviation charges of ₹ 181 crore (approx.) due to efficient operation and timely response to changes in the grid frequency.

In the present scenario of severe resource constraints, Renovation & Modernization (R&M) of power plants is considered to be a cost-effective option, which can complement new capacity addition as R&M schemes have a shorter gestation period with all clearances and beneficiaries available. Accordingly, R&M is being carried out for the purpose of life extension of power stations, performance improvement and availability & reliability improvement. It further ensures safe, reliable and economic electricity production by replacement of worn-out, deteriorated or obsolete electrical, mechanical, instrumentation, controls and protection system by state-of-the-art equipment.

At present, R&M for life extension of two power stations i.e. Bairasiul (180 MW) and Loktak (105 MW) are under process. The R&M works of Bairasiul Power Station shall be carried out during 2018-2021. The cost estimate of R&M proposal of Loktak Power Station has been approved by Central Electricity Authority (CEA) and shall be carried out during 2021-2024.

#### 4. COMMERCIAL PERFORMANCE

##### 4.1 SALES AND REALIZATION

During the year under report, your Company's sales from operations stood at ₹ 6934.03 crore. We are pleased to inform that during the financial year 2017-18, your Company has been able to realize an amount of ₹ 8,024 crore including collection of surcharge of ₹ 254.19 crore and liquidation of outstanding amount of previous years.

As on March 31, 2018, the total outstanding dues of ₹1,050.49 crore (including surcharge) were pending for more than 60 days. Out of the above, ₹ 564.11 crore pertains to Power Development Department, Jammu & Kashmir (JKPDD) and ₹ 337.38 crore pertains to BSES Yamuna Power Limited (BYPL). During the year, your Company held various meetings and discussions with BYPL to liquidate outstanding dues. As a result, BYPL has agreed to pay the outstanding dues in installments along with their current dues. As per agreed liquidation plan, BYPL released a sum of ₹ 65 crore in the month of March, 2018 and handed over post-dated cheques as refundable security for the release of balance dues and current dues on committed dates.

Your Company is making efforts to recover the outstanding dues by continuous follow-up and regulation of power supply of defaulting beneficiaries, if required.

##### 4.2 TARIFF PETITIONS BEFORE CENTRAL ELECTRICITY REGULATORY COMMISSION

The tariff petitions in respect of all the 20 hydro power stations of your Company had been filed for the period 2014-19 for fixation of tariff under Central Electricity Regulatory Commission (Terms & Conditions of Tariff) Regulation, 2014. Tariff orders for 13 power stations have been issued by CERC. Interim/provisional tariff have been allowed for 6 new power stations. The final tariff

for these new power stations will be issued by CERC, after the submission of revised cost estimate duly approved by Govt. of India. Tariff petition for Kishanganga H.E. Project has also been submitted to CERC for which order is awaited.

##### 4.3 SIGNING OF POWER PURCHASE AGREEMENTS (PPAs)

The PPAs in respect of following power stations had been renewed for 35 years from the date of their commercial operation with following states/distribution companies in financial year 2017-18:

S. No.	Name of State/ Distribution Companies	Name of Power Station
1	Uttar Pradesh	Chamera-III
2	BSES Rajdhani Power Limited - Delhi	Salal, Tanakpur, Chamera-I, Uri-I, Sewa-II and Chamera-III
3	BSES Yamuna Power Limited - Delhi	Salal, Tanakpur, Chamera-I, Uri-I, Sewa-II and Chamera-III
4	Tata Power Delhi Distribution Limited - Delhi	Bairasiul for 25 years after Renovation & Modernization

##### 5. STATUS OF ONGOING PROJECTS

Your Company is presently engaged in the construction of two hydro-electric projects. The status of these on-going projects is as under:

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

Parbati-II Hydro-electric Project is a run of the river scheme on the River Parbati in Kullu District of Himachal Pradesh. Major civil works of dam, intake structure, de-silting chamber, pressure shafts, surge shaft, powerhouse and Jiwa Nallah have been completed. Water conductor system consists of 31.52 Km long Head Race Tunnel (HRT), out of which excavation of 27.9 Km and concrete lining of 26.1 Km length has been completed till March, 2018. Since the resumption of excavation of HRT by Tunnel Boring Machine (TBM) from October, 2015, 1071 m of tunnel has been excavated till March 31, 2018. E&M works of powerhouse are also completed. All the four generating units have been boxed up.

First and second units of Parbati-II H.E. Project had been successfully spun using the water of Jiwa Nallah. First unit of Parbati-II H.E. Project has also been successfully synchronized on part-load. Erection of all radial gates of dam has been completed. Diversion works of Jigrai, Manihaar, Pancha and Hurla Nallahs are also progressing satisfactorily. Excavation of balance HRT by TBM is most critical. Project is now anticipated to be commissioned by December, 2020.



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

Construction of the project was started in January, 2005 and 55% (approx.) of the works have been completed. Works on the project have been stalled due to directions from National Green Tribunal (NGT), Kolkata. Subsequently as per NGT's judgement dated October 16, 2017, a three member expert committee was constituted by Ministry of Environment, Forests &

Climate Change (MoEF&CC) to review all issues pertaining to the Project. However, due to objection raised on constitution of the above committee, the meetings of the committee were deferred by NGT Principal Bench, New Delhi. The final hearing in this regard was held on May 8, 2018 and the judgement was reserved by NGT Principal Bench, New Delhi. Company is in constant touch with the Central Govt. and State Govt. of Assam for early resumption of the works of the project. The project is expected to be completed in 4 years time from the date of resumption of work.

## 6. NEW PROJECTS

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

S. No.	PROJECT	STATE	INSTALLED CAPACITY (MW)
<b>A.</b>	<b>STANDALONE BASIS</b>		
<b>(a)</b>	<b>HYDRO PROJECTS</b>		
i	Kotlibhel – IA <sup>1</sup>	Uttarakhand	195
ii	Teesta-IV	Sikkim	520
iii	Dibang	Arunachal Pradesh	2,880
iv	Tawang-I		600
v	Tawang-II		800
vi	Bursar	Jammu & Kashmir	800
	<b>Sub-total (a)</b>		<b>5,795</b>
<b>(b)</b>	<b>WIND PROJECTS</b>		
i	Wind Project, Palakkad	Kerala	8
	<b>Sub-total (b)</b>		<b>8</b>
	<b>Total A (a+b)</b>		<b>5,803</b>
<b>B.</b>	<b>THROUGH SUBSIDIARIES</b>		
<b>(a)</b>	<b>HYDRO PROJECTS</b>		
i	Loktak Downstream H.E. Project through Loktak Downstream Hydroelectric Corporation Limited (Joint Venture with Govt. of Manipur)	Manipur	66
	<b>Sub-total (a)</b>		<b>66</b>
<b>(b)</b>	<b>SOLAR PROJECTS</b>		
i	Project in Jalaun District of U.P. through Bundelkhand Saur Urja Limited (Joint Venture with UPNEDA) <sup>2</sup>	Uttar Pradesh	32
	<b>Sub-total (b)</b>		<b>32</b>
	<b>Total B (a+b)</b>		<b>98</b>
<b>C.</b>	<b>THROUGH JOINT VENTURE</b>		
	<b>HYDRO PROJECTS</b>		
i	Kiru (Joint Venture with JKSPDC & PTC)	Jammu & Kashmir	624
ii	Kwar (Joint Venture with JKSPDC & PTC)		540
iii	Chamkharchhu – I (Joint Venture with Druk Green Power Corporation Limited, Bhutan – yet to be incorporated) in Bhutan	-	770
	<b>Total C</b>		<b>1,934</b>
	<b>Grand Total (A+B+C)</b>		<b>7,835</b>

### Note:

1. Project Investment Board (PIB) approval for the project is subject to clearance by the Hon'ble Supreme Court, which is under consideration. Further, other construction activities are also dependent on Hon'ble Court's decision.
2. MOU has been signed between NHPC and Uttar Pradesh New and Renewable Energy Development Agency (UPNEDA) for setting up of 50 MW solar power project in UP but land presently available for 32 MW only.

## 7. DIVERSIFICATION

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

### 7.1 SOLAR POWER PROJECTS

Your Directors are pleased to inform that during the financial year 2017-18 Company has successfully commissioned a 50 MW Solar Power Project at Theni/ Dindigul District of Tamilnadu on March 23, 2018.

Your Company has also installed roof top solar power plants at its various projects/power stations including corporate office with aggregate capacity of 860 KWp. In addition to above, roof top solar projects with aggregate capacity of 534.7 KWp are under execution at various locations of the Company.

### 7.2 WIND POWER PROJECTS

Your Company has already commissioned a 50 MW Wind Power Project in Jaisalmer, Rajasthan.

The Detailed Project Report (DPR) to execute a 72 MW ( $\pm 10\%$ ) capacity wind power project at Agali site, Palakkad - Kerala has been prepared. Initially 8 MW capacity wind power project is being executed as per existing evacuation facility. EPC bid process has been initiated. Signing of Power Purchase Agreement (PPA) and allotment of land is under process.

### 7.3 POWER TRADING LICENSE

In order to venture into new avenues in the Power Sector, your Company had filed a petition with CERC on January 10, 2018 for the grant of Category-I license for

interstate trading in electricity in whole of India. CERC vide its order dated April 23, 2018 has decided to grant Category-I license to NHPC for the above activity. As per aforesaid order, NHPC would be able to undertake interstate trading in electricity across the Country. Accordingly, your Company is exploring various trading options. NHPC has already been registered in the DEEP e-bidding portal of M/s MSTC as a trader. NHPC has also taken 'trader membership' of Indian Energy Exchange.

### 7.4 PUMPED STORAGE SCHEME

Government of India has envisaged large capacity additions of variable and intermittent power from solar and wind in coming years. Accordingly, expeditious development of pumped storage potential as balancing plants has become very vital for ensuring greater grid discipline, load balancing and facilitating large renewable penetration. In the recent times, Government is giving more emphasis on the development of pumped storage plants due to their inherent advantages of absorbing the off-peak energy in the system and providing peaking power which will help in the system stability. In this regard, your Company is actively exploring opportunities for the development of pumped storage schemes in potential rich states.

### 7.5 ENVIRONMENT AND SOCIAL

Your Company is making significant contribution in reduction of carbon footprint of the electricity by improving environment and social conditions in the respective states in general and project areas in specific. The efforts are being placed by the Company for improving environmental sustainability of the hydropower projects and working for social acceptance.

## 8. DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company has the following subsidiaries/associates/joint venture companies as on March 31, 2018:

Name of the Company	Details of joint venture partners (equity participation)	Performance of the Company during FY 2017-18
<b>SUBSIDIARY COMPANIES</b>		
NHDC Limited (NHDC)	NHPC (51.08%) and Government of Madhya Pradesh (48.92%)	NHDC has two operating power stations viz. Indira Sagar (1,000 MW) and Omkareshwar (520 MW) in Madhya Pradesh. During the year, NHDC generated 1325.25 MUs from its power stations i.e. 881.68 MUs from Indira Sagar Power Station and 443.57 MUs from Omkareshwar Power Station. NHDC is also exploring possibilities for its capacity addition through diversification in renewable sources of energy i.e. solar power projects in the state of Madhya Pradesh.
Loktak Downstream Hydroelectric Corporation Limited (LDHCL)	NHPC (74%) and Government of Manipur (26%)	LDHCL is currently implementing Loktak Downstream Hydro-electric Project (66 MW) in Tamenglong, Manipur. All statutory clearances for the project have been received. Tendering for the EPC packages are under process. The Government of Manipur has also allocated hydro-electric component of Thoubal Multipurpose Scheme (7.5 MW) to the Company. The Board of NHPC Limited has accorded in-principle approval for equity contribution for this project. The project, at present, is under investigation stage.



# NHPC Limited

(A Government of India Enterprise)

Name of the Company	Details of joint venture partners (equity participation)	Performance of the Company during FY 2017-18
Bundelkhand Saur Urja Limited (BSUL)	NHPC (99.99%) and Uttar Pradesh New & Renewable Energy Development Agency (UPNEDA)	BSUL was incorporated to implement a 50 MW solar power project at Village Parason, District-Jalaun, Uttar Pradesh and any other conventional & non-conventional power projects entrusted to it by the Govt. of Uttar Pradesh. The land earmarked by UPNEDA earlier for the project was withdrawn, resulting in cancellation of bids for EPC contract. Subsequently, UPNEDA transferred 63.491 Ha Land at Village Parason to BSUL. Now, a 32 MW Solar Power Plant is proposed to be implemented at the site. Award of EPC contract to develop 32 MW Solar Power Project along with associated 132 kV power evacuation equipment and its 10 years comprehensive operation & maintenance is under process.
Chenab Valley Power Projects Private Limited* (CVPPPL)	NHPC Limited (55.39%), Jammu & Kashmir State Power Development Corporation Limited (44.22%) and PTC India Limited (0.39%)	Three projects viz. Pakal Dul HE Project (1,000 MW), Kiru HE Project (624 MW) and Kwar HE Project (540 MW) in Jammu & Kashmir are being developed by CVPPPL. Pakal Dul HE project is being executed through package-wise tendering of major components viz. Head Race Tunnel-TBM, Dam, Power house, Hydro-Mechanical and Electro-Mechanical. Power house package has already been awarded. Bids for remaining packages are under evaluation. The foundation stone for the project was laid down by Hon'ble Prime Minister of India Shri Narendra Modi on May 19, 2018. Tendering of Civil & HM Package of Kiru HE Project is under process although the Company has taken up infrastructure development works i.e. roads, bridge, building etc. for the project. However, major construction activities are yet to be started. Tenders for three packages – Civil, Hydro-Mechanical and Electro-Mechanical for Kwar HE Project have been invited by CVPPPL.
<b>ASSOCIATE/JOINT VENTURE COMPANY</b>		
National High Power Test Laboratory Private Limited (NHPTL)	NHPC Limited, NTPC Limited, Power Grid Corporation of India Limited, Damodar Valley Corporation and Central Power Research Institute (each having shareholding of 20%)	NHPTL was established to set up an online high power test laboratory for short-circuit test facility in the Country. NHPTL is constructing laboratories for testing of High Voltage Transformer (HVTR) and Medium Voltage Transformer (MVTR) at Bina, Madhya Pradesh. The HVTR lab has been commissioned at 400 kV level and 765kV level on July 1, 2017 and September 11, 2017 respectively. MVTR lab is expected to be commissioned by March, 2019.

\* As per the promoters' agreement, the equity participation of NHPC, JKSPDC shall be 49% each and PTC India Limited shall be 2%. During the year, NHPC has further invested ₹ 122.36 crore in CVPPPL. As the required matching contribution was not made by the other Joint Venture Partners, the shareholding of NHPC was increased to 55.39% as on March 31, 2018 and therefore, CVPPPL has become subsidiary of NHPC Limited pursuant to provisions of the Companies Act, 2013.

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

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

## 9. PROJECTS UNDER DPR PREPARATION

Survey and Investigation for the preparation of DPRs of the following hydro-electric projects are under process:

S. NO.	PROJECT	INSTALLED CAPACITY (MW)
1	Dhauliganga Intermediate HE Project, Uttarakhand	210
2	Goriganga-III HE Project, Uttarakhand	150
	<b>Total</b>	<b>360</b>

## 9.1 DHAULIGANGA INTERMEDIATE HE PROJECT, UTTARAKHAND:

The Dhauliganga Intermediate HE Project is situated in the Pithoragarh District of Uttarakhand on the River Dhauliganga. The survey & investigation activities for preparation of DPR of the project shall be taken up after receipt of approval of pre-investment activities from Administrative Ministry.

## 9.2 GORIGANGA IIIA HE PROJECT, UTTARAKHAND:

The Goriganga IIIA HE Project is situated in the Pithoragarh District of Uttarakhand on the River Goriganga. The DPR of the project has been submitted to the CEA on March 30, 2018 for obtaining techno-economical clearance and is under examination at their end.

## 10. RURAL ROAD PROJECTS

Your Company had signed an MoU with the Ministry of Rural Development, Government of India and the Government of Bihar for the construction of rural roads in six districts of Bihar namely Vaishali, Muzaffarpur, Sitamarhi, East Champaran, Sheohar and West Champaran under the Pradhan Mantri Gram Sadak Yojna (PMGSY).

Under the scheme, your Company was awarded the works of 758 roads having cost of ₹ 1,725.65 crore for execution. As on March 31, 2018, 753 roads of the length of 3,084 Km have been completed. Construction of balance 5 roads in Vaishali District is under progress.

As per the Tripartite Agreement, maintenance of all 758 roads was also to be carried out for five years after completion of their construction. Out of 753 roads already completed, maintenance period of five years for 694 roads covering 2835 km length has been completed. 59 roads of the length of 249 km are under maintenance period.

## 11. CONSULTANCY SERVICES

Your Company is also providing consultancy services related to hydro power within and outside the country viz. river basin studies, survey works, design and engineering, hydrological studies, contract & construction management etc. Major consultancy clients of your Company are government agencies (Central and State), CPSUs and Governments of neighbouring countries.

## 12. FINANCING OF NEW PROJECTS

As per CERC norms, the capacity addition programmes shall be financed with a debt to equity ratio of 70:30. Your Directors believe that internal accruals of the Company would be sufficient to finance the equity component for the new/upcoming projects. Given its low geared capital structure and strong credit ratings, your Company is well positioned to raise the required borrowings.

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

## 13. INFORMATION TECHNOLOGY AND COMMUNICATION

Your Company is leveraging Information Technology in its goal of sustainable growth in business. Your Company has implemented Enterprise Resource Planning (ERP) application to integrate all its business functions to improve information availability, transparency and decision making. Various units of the Company across India are connected to Corporate Office through multimode & fail-safe communication links. Information Technology (IT) and Cyber Security Policy are in place to ensure optimum and secure utilization of the IT&C assets owned by your Company. The key servers have been co-located at TIER-III data centre of M/s BSNL at Faridabad. Disaster Recovery (DR) site for ERP data is operational at NHPC office, Kolkata and a near DR site is operational at a data centre of M/s National Informatics Centre Services Inc. (NICS) at New Delhi.

As per Government of India directives, the procurement process through e-procurement, Government e-Market (GeM) and e-Reverse auction system is operational in the Company. E-waste is being disposed-off in an environment friendly manner. Your Company is also acting as a nodal agency for CERT-HYDRO to guide and monitor the cyber security related activities in the constituent member organizations. Efforts are also being made to use technology to achieve e-office.

## 14. HUMAN RESOURCE MANAGEMENT

Your Company takes pride in its highly motivated and competent Human Resource that has contributed its best to bring the Company to its present heights. Both, employees and management are contributing to further the interest of Company as well as its stakeholders, signifying and highlighting overall harmony and cordial employee relations prevalent in your Company.

Your Company has consistently endeavored for attracting, on-boarding, grooming and motivating its talent recognizing that nurturing the talent leads to competitive advantage.

During the financial year 2017-18, your Company had organized various training and development programmes for its employees to enhance their skills and competencies through premier institutions like IIMs, IITs, ICAI etc. It is regularly sponsoring its executives for higher education and specialization to improve their productivity and effectiveness. NHPC is also sponsoring its employees for various foreign training programmes to understand global developments in the field of hydro-power. In the previous year, "Special Lecture Series" were organized by your Company by inviting





eminent personalities viz. Shri K. V. Chowdary, Chief Vigilance Commissioner, Sister B. K. Shivani from Brahma Kumari's, speakers from Mumbai Dabbawala and Smt. Shobhana Radhakrishna, eminent Gandhian to share and enlighten their knowledge and experience with the employees.

In the emerging business scenario, it is also significant to identify and generate new ideas as well as creating a working environment for employees to express their creativity and allow them to think out of box. In line with this objective, a scheme for "Un-locking Creativity & Innovation at Work Place" was introduced in NHPC with the objective to encourage innovations, creative thinking and idea generation. NHPC has also introduced quarterly e-Magazine "Abhigina" that provides a learning platform for employees to share their article, workplace experiences, troubleshooting methodology, unique innovative solutions etc. To overcome various challenges faced at difficult locations, Company is organizing "Learning from Experience" lectures by senior officers to share their learning and practical problems faced at different locations so that employees can have the knowledge to resolve the same in future.

## 15. INDUSTRIAL RELATIONS

During the year, industrial relations remained cordial and harmonious at all the projects / power stations / units.

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

Your Company is committed to help the populace displaced during the execution of its projects and has been making efforts to improve socio-economic status of Project Affected Families (PAFs). In line with its social objectives, the Company has focused on effective Resettlement and Rehabilitation of PAFs and initiated community development works in and around its projects. R&R Plan for the PAFs are in place as per 'the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013' for upcoming NHPC's projects.

## 17. VIGILANCE ACTIVITIES

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

Regular and surprise inspections are being conducted by Vigilance Department of your Company. Actionable points identified by Project Vigilance Officers are intimated to Heads of Projects from time to time. Intensive examination of works, wherever required, is also carried out by Chief Technical Examiner of the Central Vigilance Commission (CVC).

Vigilance Department also co-ordinates with CBI, CVC and other concerned departments of the government. One vigilance case relating to shortcomings in the award of work has been concluded during the financial year 2017-18. As on March 31, 2018, three vigilance cases relating to irregularities in supply, splitting of contract and compliance of norms were under investigation.

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

## 18. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

## 19. RISK MANAGEMENT

Your Company has an elaborate Risk Management framework in place. Risk Management Policy of NHPC establishes a structured and disciplined approach to Risk Management including the development of a risk register to guide decisions on risk related issues. A total of 54 key risks have been identified along-with their mitigation measures and recorded in the risk register. The Company has set up a Board Level Risk Management Committee comprising Independent and Functional Directors to monitor the risks and their mitigating actions. Risk coordinators for each of the risks are identified, who are responsible for timely action to manage the risks, which may have detrimental effect on the business of the Company. The development and implementation of Risk Management Policy has been covered in the Management Discussion and Analysis Report, which forms part of this report.

## 20. PROCUREMENT FROM MICRO & SMALL ENTERPRISES

In compliance to Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012, annual procurement plan including items to be procured from Micro & Small Enterprises (MSEs) are uploaded on NHPC's website for the benefits of MSEs. Your Company has designated a Nodal Officer for co-ordination and implementation of the policy.

NHPC is also extending 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.

During the financial year 2017-18, your Company has procured products and services from MSEs, which constituted 25.56% of the total annual procurement value, against the mandate of 20% set by Ministry of Micro, Small and Medium Enterprises, Govt. of India. During the year, 582 MSEs were benefited out of which 15 MSEs belonged to SC/ST category.

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

## 21. IMPLEMENTATION OF OFFICIAL LANGUAGE

Your Company has complied the provisions of the Official Languages Act, 1963 and relevant rules during the financial year 2017-18.

During the financial year 2017-18, NHPC had organized various programmes for its employees to encourage the use of official language Hindi which includes Hindi fortnight, Hindi competitions, Hindi Pustak Pathan Saptah, Akhil Bhartiya Rajbhasha Sammelan, Hindi Kavi Sammelan etc. In addition to above, Hindi workshops and departmental computer workshops were regularly organized in the Company. Rajbhasha magazines titled 'Rajbhasha Jyoti' and 'Nagar Saurabh' were also published to encourage the use of Hindi. Attractive incentive schemes for employees have been implemented as per the government guidelines to encourage employees for active participation in promotion of Hindi, by contributing to articles/write-ups for in-house magazines, reading hindi books, and by noting and drafting in Hindi etc.

Rajbhasha inspections were carried out in various departments of the Corporate Office and at power stations/projects/regional offices by senior executives of the Company. The Parliamentary Committee on Official Language carried out the inspection of Corporate Office, Faridabad on February 19, 2018 at New Delhi. The efforts made by the Company in the progressive use of Hindi were appreciated.

Your Directors are pleased to inform that NHPC has been awarded "First Prize" under 'Rajbhasha Kirti Puraskar' scheme for the year 2016-17. NHPC has won this prestigious award for the eighth time for outstanding implementation of Rajbhasha amongst the Public Sector Undertakings (PSUs) located in Region 'A'. NHPC has also been awarded 'NTPC Rajbhasha Shield and Citation award' as First Prize for 2016-17 for outstanding work in implementation of Rajbhasha amongst Power Sector Utilities. Company's in-house Hindi language magazine "Rajbhasha Jyoti" was awarded Second Prize for the year 2016-17 amongst PSUs located in Region 'A' under Government of India's highest official language award 'Rajbhasha Kirti Puraskar' for House magazine.

## 22. SPORTS AND OTHER ACTIVITIES

Your Company has formulated a Sports Policy to regulate sports related activities/issues, such as

general administration, recruitment of sports persons, scholarship to sports persons, provision of sports accessories etc. Your Company has provided scholarships to four young sportspersons under the policy during the financial year 2017-18.

During the year 2017-18, NHPC had participated in various other Inter CPSU sports tournaments organized under the aegis of Power Sports Control Board, Ministry of Power. NHPC had also successfully hosted 22<sup>nd</sup> Inter CPSU Badminton Tournament at its Chamera-I and Chamera-II Power Stations, Himachal Pradesh from February 20 to 23, 2018.

Your Company had coordinated painting competitions under the National Awareness Campaign on Energy Conservation organized by the Ministry of Power, Government of India for school students in the states of Jammu and Kashmir, Manipur, Sikkim, Arunachal Pradesh and Madhya Pradesh. In this competition employees of your Company have won Best Nodal Officer award in North Eastern States category and Best Nodal Officer for showing highest percentage increase in student participation over previous year.

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

## 23. RIGHT TO INFORMATION

The Right to Information Act, 2005 has been implemented in your Company 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](http://www.nhpcindia.com). 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 of the Company.

During the financial year 2017-18, 538 (210 online) applications and 65 (36 online) first stage appeals were received under RTI Act, out of which 536 (99.63%) applications and 64 first stage appeals (98.46%) were replied/disposed-off. Further, 13 appeals were filed by the applicants before the Central Information Commission (CIC), which were also disposed-off.

## 24. CORPORATE SOCIAL RESPONSIBILITY

Your Company commits itself to contribute to the society, discharging its corporate social responsibilities through initiatives that have positive impact on society at large, especially the community in the neighborhood of its operations by improving the quality of life of the people, promoting inclusive growth and sustainable development.

Focus areas of your Company's CSR & Sustainability activities are Health, Sanitation, Drinking Water, Education & Skill Development, Capacity Building,



Women Empowerment, Social Infrastructure Development and activities contributing towards Environment Sustainability.

As per Section 135 of the Companies Act, 2013, the 2% of average net profit for the preceding 3 financial years is to be spent on CSR activities. As against the required amount of ₹ 59.52 crore for the financial year 2017-18, the Company has spent ₹ 38.55 crore. The major reasons for less expenditure during the year then the mandatory requirement are as under:

- (i) Spillover of works and payments, which were at different stages. Further details are given in the Annual Report on CSR Activities annexed with this report.
- (ii) Activities at Kishanganga H.E. Project, Jammu & Kashmir suffered badly due to law and order problems in and around Bandipora District of Jammu & Kashmir.
- (iii) Progress of CSR works suffered in Projects/ Power Stations under Siliguri Region due to Gorkhaland issue and strike called by Gorkha Janmukti Morcha.

The unspent amount of financial year 2017-18 shall be utilized on forthcoming CSR activities during financial year 2018-19 in accordance with Schedule VII of the Companies Act, 2013.

A separate report on CSR & sustainable development activities undertaken by your Company during the financial year 2017-18 is given as annexure to this report. The Corporate Social Responsibility & Sustainability Policy of your Company is available at <http://www.nhpcindia.com/writereaddata/Images/pdf/CSR-sustainability-23062017.pdf>

## 25. INVESTOR EDUCATION AND PROTECTION FUND

The Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 provides that all unpaid or unclaimed dividend and the shares in respect of which dividend has not been paid or claimed for seven consecutive years are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by Central Government. Accordingly, the Company has transferred the unclaimed/unpaid amounts and the corresponding shares to the IEPF during the financial year 2017-18. The brief information regarding shares and unclaimed/unpaid amounts transferred to IEPF has been provided in the Corporate Governance Report. The details of unpaid/unclaimed amounts lying with the Company and details of shares transferred to IEPF are available on website of the Company at the link: <http://www.nhpcindia.com/Default.aspx?id=278&lg=eng> and also on the website of Ministry of Corporate Affairs. Any person whose shares, unclaimed dividend, application money due for refund, etc. has been transferred to the IEPF, can claim it by making an online application to the IEPF Authority in accordance to the provisions of the Companies Act, 2013 and rules made thereunder.

## 26. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2017-18, the Company has not entered into any material transaction with any of its related parties. The Company's major related party transactions are generally with its subsidiaries and associates for providing consultancy services, leasing out of properties and manpower services. All the contracts/ arrangements/ transactions entered into with related parties were on arm's length basis, intended to further the Company's interest. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

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

## 27. VIGIL MECHANISM

Your Company had adopted a Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to the directors, employees, vendors and contractors to bring instances of unethical/improper conduct to the knowledge of management. The provisions of this policy are in line with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A senior officer has been designated for effective implementation of the policy and dealing with the complaints registered under the policy. During the financial year 2017-18, no complaint was reported under the policy. No person was denied access to the Audit Committee on the issues pertaining to the Whistle Blower Policy.

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

In line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, 'Internal Complaints Committees' have been constituted at various locations of the Company for the redressal of complaint(s) against sexual harassment of women employees. The committee at Corporate Office of the Company is being headed by a senior woman officer and includes a 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".

During the financial year 2017-18, two complaints of sexual harassment were received by the Company, out of which one was resolved as per provisions of the Act and the other is under investigation.

## 29. DEBENTURE TRUSTEES

In compliance to the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of Debenture Trustees appointed by the Company, for different series of Bonds issued by it from time to time, is provided elsewhere in this report.

### 30. STATUTORY AND OTHER INFORMATION

Information required to be furnished as per the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Guidelines issued by Department of Public Enterprises (DPE) on Corporate Governance for CPSEs etc. is annexed to this report as follows:

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

### 31. AUDIT AND AUDITORS' REPORT

#### 31.1 SECRETARIAL AUDIT

The Board has appointed M/s P. C. Jain & Company, Company Secretaries, Faridabad to conduct Secretarial Audit of the Company for the financial year 2017-18. The report of Secretarial Auditor is given at **Annexure-IX**. The qualification/observation in Secretarial Auditor's Report and reply thereto is as under:

S. No.	Qualification/ Observation	Management reply
1.	The composition of the Board of Directors was not in compliance with the Para 3.1.4 of the DPE Guidelines on Corporate Governance upto 6 <sup>th</sup> October, 2017 as the Board of Directors of the Company did not have requisite number of Independent directors on its Board.	As per Article 34 of the Articles of Association of the Company read with Ministry of Corporate Affairs notification dated 5 <sup>th</sup> June 2015, the Independent Directors on the Board of the Company are to be appointed by the President of India. The matter regarding appointment of Independent Directors was regularly pursued with the Administrative Ministry i.e. Ministry of Power.  During the financial year 2017-18, three Independent Directors viz. Shri Jugal Kishore Mohapatra, Prof. Nalini Kant Jha and Shri Bhagwat Prasad had joined the Board as additional directors of the Company w.e.f. October 7, 2017 pursuant to the orders received from Ministry of Power

S. No.	Qualification/ Observation	Management reply
2.	During the year 2017-18 the Company has spent only ₹ 38.55 crores towards Corporate Social Responsibility as against ₹ 59.52 crores to be spent pursuant to the provisions of Section 135 of the Companies Act, 2013.	The expenditure on CSR & SD activities during the financial year 2017-18 was ₹ 38.55 crore as against the required amount of ₹ 59.52 crore, under the Companies Act, 2013. The expenditure of requisite amount could not be made due to various reasons such as law and order problems in Jammu & Kashmir region, spillover of works and payments, which were under different stages of tendering, work award and release of final balance payments, etc.
3.	The Company has made the payment of sum of ₹ 40,000/- to one of the Independent director as honorarium for attending the Departmental Promotion Committee meeting (one level below the Board).The necessary approval towards this payment has not been obtained pursuant to the Article 34(b) of the Articles of Association of the Company from the Competent Authority during the period under review.	₹ 40,000 was inadvertently paid during the financial year 2017-18. On coming to notice, the amount has been refunded by the Director during the current financial year.

#### 31.2 STATUTORY AUDIT

The Statutory Auditors of your Company are appointed by the Comptroller & Auditor General of India (CAG). Accordingly, CAG has appointed following Joint Statutory Auditors for the financial year 2017-18:

1. M/s S.N. Dhawan & Co. LLP, New Delhi;
2. M/s Ray and Ray, Kolkata; and
3. M/s Arora Vohra & Co, Jammu



The Joint Statutory Auditors have given un-qualified report on the financial statements of the Company for financial year 2017-18. Further, no instance of fraud by any officer or employee of the Company has been reported by the Auditors under Section 143(12) of the Companies Act, 2013.

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

### 31.3 REVIEW OF ACCOUNTS BY CAG

The CAG has given "NIL" comments on the standalone and consolidated financial statements of your Company for the financial year 2017-18 after conducting supplementary audit under Section 143(6)(a) of the Companies Act, 2013. The comments of CAG on the financial statements of your Company are given at **Annexure-XII**.

### 31.4 COST AUDIT

As per the requirement of Companies (Cost Records and Audit) Rules, 2014, the Cost Accounting records are being maintained by all power stations of your Company. The following firms of Cost Accountants were appointed to conduct audit of cost accounting records of power stations for the financial year 2017-18 under Section 148 of the Companies Act, 2013:

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

The consolidated Cost Audit Report in XBRL format for the financial year ended March 31, 2017 was filed with the Central Government on October 12, 2017 within the due date. The Cost Audit Report for the financial year ended March 31, 2018 shall be filed within the prescribed time period.

### 32. LOANS AND INVESTMENTS

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

### 33. 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.

### 34. BOARD AND COMMITTEES OF THE BOARD

The Board of Directors of your Company met eleven times during the financial year 2017-18. Details regarding dates and attendance of the Board Meetings are given in the Corporate Governance Report, which forms part of this report.

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

### 35. PERFORMANCE EVALUATION OF THE DIRECTORS AND THE BOARD

Ministry of Corporate Affairs (MCA) vide its notification dated June 5, 2015 has exempted/amended certain provisions of the Companies Act, 2013 for the Government Companies. As per the said notification, the Nomination & Remuneration Committee is not required to formulate remuneration policy, criteria for the appointment of Directors and their performance evaluation in certain cases i.e. in cases where the performance of directors is evaluated by the Administrative Ministry. Further, MCA vide its notification dated July 5, 2017 has amended Schedule IV to the Companies Act, 2013 with respect to performance evaluation of directors of the Government Companies, and exempted certain class of directors.

In compliance to SEBI (LODR) Regulations, 2015 read with Companies Act, 2013, your Company has framed a policy on performance evaluation of Board, Board level Committees and Independent Directors. As per the said policy, an annual performance evaluation of Board, Board level Committees and Independent Directors of the Company is carried out every year. The process of annual performance evaluation of Board, Board level Committees and Independent Directors is given in the Corporate Governance Report.

As regards policy on remuneration of Key Managerial Personnel and other employees of the Company, their pay structure, allowances and other benefits are governed by relevant DPE Guidelines. Annual performance evaluation of senior management personnel of the Company is being done as per HR rules of the Company read with relevant DPE Guidelines.

### 36. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Companies Act, 2013, your Directors confirm 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.

### 37. SECRETARIAL STANDARDS

Applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

### 38. DIVIDEND DISTRIBUTION POLICY

As per Regulation 43A of the SEBI (LODR) Regulations, 2015, your Company has formulated a Dividend Distribution Policy. The policy sets out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and/or retained profits earned by the Company. The Dividend Distribution Policy of the Company is given as annexure to this report. The dividend pay-out of the Company during the financial year 2017-18 was in accordance with the Dividend Distribution Policy.

### 39. GENERAL

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

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

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

Website links for the information required to be hosted on the website of the Company i.e. www.nhpcindia.com as per the Companies Act, 2013, SEBI (LODR) Regulations, 2015 etc. are as follows:

Particulars	Website Link
Policy on Related Party Transactions	<a href="http://www.nhpcindia.com/writereaddata/Images/pdf/Policy-Related-Party-Transaction.pdf">http://www.nhpcindia.com/writereaddata/Images/pdf/Policy-Related-Party-Transaction.pdf</a>
Corporate Social Responsibility & Sustainability Policy	<a href="http://www.nhpcindia.com/writereaddata/Images/pdf/CSR_Policy_Final.pdf">http://www.nhpcindia.com/writereaddata/Images/pdf/CSR_Policy_Final.pdf</a>
Policy on Material Subsidiaries	<a href="http://www.nhpcindia.com/writereaddata/Images/pdf/Policy-Material-Subsidiary.pdf">http://www.nhpcindia.com/writereaddata/Images/pdf/Policy-Material-Subsidiary.pdf</a>
Whistle Blower Policy	<a href="http://www.nhpcindia.com/writereaddata/images/pdf/wbp.pdf">http://www.nhpcindia.com/writereaddata/images/pdf/wbp.pdf</a>
Familiarization programme for Directors	<a href="http://www.nhpcindia.com/writereaddata/Images/pdf/FProg-IndependentDirectors_IFA_201804_1.pdf">http://www.nhpcindia.com/writereaddata/Images/pdf/FProg-IndependentDirectors_IFA_201804_1.pdf</a>
Dividend Distribution Policy	<a href="http://www.nhpcindia.com/writereaddata/Images/pdf/Dividend-Policy-21062017.pdf">http://www.nhpcindia.com/writereaddata/Images/pdf/Dividend-Policy-21062017.pdf</a>

### 41. BOARD OF DIRECTORS

The details of changes in composition of Board of Directors of your Company since the last report are as under:



## 41.1 FUNCTIONAL DIRECTORS

Ministry of Power, Govt. of India vide its letter dated September 22, 2017 had appointed Shri Balraj Joshi as Chairman & Managing Director (CMD) of the Company.

Ministry of Power, Govt. of India vide its letter dated July 5, 2018 had appointed Shri Janardan Choudhary as Director (Technical) of the Company. Prior to his appointment, Shri Balraj Joshi, CMD was holding the additional charge of the post of Director (Technical) w.e.f. October 27, 2017 in addition to his duties as CMD of the Company.

Shri Ratish Kumar, Director (Projects) held the additional charge of the post of CMD from August 1, 2017 to September 22, 2017.

The details of remuneration paid to Functional Directors during the financial year 2017-18 have been provided in the corporate governance report.

## 41.2 INDEPENDENT DIRECTORS

During the financial year 2017-18, three Independent Directors viz. Shri Jugal Kishore Mohapatra, Prof. Nalini Kant Jha and Shri Bhagwat Prasad joined the Board as additional directors of the Company w.e.f. October 7, 2017. They will hold the office till conclusion of next AGM of the Company unless re-appointed.

All the Independent Directors of the Company as on March 31, 2018, 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) Regulations, 2015.

## 41.3 NOMINEE DIRECTORS

Shri Aniruddha Kumar, Joint Secretary (Thermal) was Nominee Director on the Board of the Company during the period from May 28, 2018 to July 18, 2018 pursuant to orders received from Ministry of Power. Further, Ministry of Power vide its letter dated July 30, 2018 has appointed Shri Aniruddha Kumar as Director in place of Ms. Archana Agrawal. Smt. Krishna Tyagi, Nominee Director of the Govt. of India, ceased to be a Director of the Company w.e.f. January 1, 2018 consequent upon her relieving from the post of Chief Controller of Accounts, Ministry of Power.

The Board place on record its deep appreciation for the valuable contribution and guidance given by Ms. Archana Agrawal and Smt. Krishna Tyagi during their respective tenure as Directors.

## 42. ACKNOWLEDGEMENT

The Board would like to express its deep sense of appreciation for the guidance and co-operation received from Government of India, particularly the Ministry of Power, Ministry of New & Renewable Energy, Ministry of Finance, Ministry of Environment, Forests & Climate Change, Department of Public Enterprises, Central Electricity Authority, Central Electricity Regulatory Commission, State Governments and their Ministries/ Departments.

The Board also conveys its gratitude to the Shareholders, Bankers, Financial Institutions and Lenders for the confidence reposed by them in the Company.

We place on record our special appreciation to valued customers, State Electricity Boards & Distribution Companies and other valuable clients of consultancy assignments. We also appreciate the contribution of contractors, vendors and consultants in implementation of various projects of the Company.

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

We wish to place on record our appreciation for the untiring efforts, contributions and devotion made by the employees at all levels to ensure the continuous growth of the Company.

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

**(Balraj Joshi)**

**Chairman and Managing Director**

**DIN: 07449990**

**Date: August 6, 2018**

**Place: Faridabad**

### REPORT ON CORPORATE GOVERNANCE

#### 1. Company's philosophy on Corporate Governance

NHPC has an established framework of corporate governance, which emphasizes on commitment to realise its vision and mission. It also helps to build an environment of trust among various constituents and in maximizing the value for all its stakeholders at large.

At NHPC, management is taking all possible steps to fulfil its commitment in a judicious, fair and transparent manner.

During the year, NHPC adhered to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), and the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by Department of Public Enterprises (DPE), Government of India.

#### 2. Board of Directors

The Board of Directors functions in accordance with the powers delegated under the Companies Act, 2013, Articles of Association, Guidelines issued by DPE and other directions/ guidelines issued by the Govt. of India from time to time, as applicable to the Company.

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

NHPC Limited is a Government Company under the provisions of the Companies Act, 2013. The Board of Directors of NHPC Limited comprises of Chairman and Managing Director, Functional Directors, Nominee Directors and Non-official Part Time Directors (Independent Directors). In terms of the Articles of Association of the Company, the strength of the Board shall not be less than four and not more than fifteen directors, provided that the number of Independent Directors shall not in any case be less than fifty percent of the actual strength of the Board.

Further, SEBI LODR stipulates that the Board of Directors of a listed entity shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent of the Board comprising of non-executive directors.

The composition of the Board of Directors against the sanctioned strength, as on March 31, 2018 is given in **Table 1:**

**Table 1: Composition of the Board of Directors as on March 31, 2018**

Particulars	Required as per Board structure	Actual strength as on March 31, 2018
Chairman and Managing Director	1	1
Functional Directors	4	3
Government Nominee Directors	2	1 (Women Director)
Independent Directors	7	6 (1 Women Director)
<b>Total</b>	<b>14</b>	<b>11</b>

During the financial year 2017-18, the Company had broadly complied the requirements of SEBI LODR and DPE Guidelines on Corporate Governance except the requirement of at least fifty percent of the Board should comprise of Independent Directors during the period from April 1, 2017 to October 6, 2017. The non-compliance was due to Independent Directors were not appointed by the Govt. of India.

The details of directors who were appointed or have retired since last report are included in the Directors' Report.

##### (ii) Age limit and tenure of Directors

The age limit for Functional Directors is sixty years. The Functional 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 event occurs earlier. The tenure of the Functional Directors can be extended by the Govt. of India at its discretion till the age of Superannuation i.e. 60 years.

Nominee Directors representing Ministry of Power, Govt. of India, continue on the Board, at the discretion of the nominating authority or on ceasing to be officials of the Ministry of Power, Govt. of India.

Independent Directors are appointed by the Ministry of Power, Govt. of India usually for a tenure of three years.





### (iii) Resume of Directors

The brief resume of directors seeking appointment or re-appointment at the Annual General Meeting (AGM) is appended to the notice calling the AGM. In addition to above, brief profiles of all the directors are provided elsewhere in the Annual Report.

### (iv) Number of Board Meetings held and dates on which held

Eleven meetings of the Board of Directors were held during the financial year 2017-18. The maximum time interval between any two meetings did not exceed 120 days. Details of the board meetings held during the financial year 2017-18 are given in **Table 2**.

The attendance of directors at Board Meetings held during the year, their attendance at the last AGM, number of shares, the number of directorships in other companies and board committee membership(s) / Chairpersonship(s) held by them during the financial year 2017-18 are given in **Table 3**:

**Table 2: Board meetings held during the Financial Year 2017-18**

S. No.	Board Meeting Number	Board Meeting Date	Board Strength	No. of Directors Present	% of Attendance of Board Meeting
1.	403	April 17, 2017	10	8	80%
2.	404	May 5, 2017	10	9	90%
3.	405	May 30, 2017	10	8	80%
4.	406	June 9, 2017	10	10	100%
5.	407	July 27, 2017	10	9	90%
6.	408	August 9, 2017	9	7	78%
7.	409	October 7, 2017	12	10	83%
8.	410	November 9, 2017	12	10*	83%
9.	411	December 21, 2017	12	11	92%
10.	412	February 12, 2018	12	10	83%
11.	413	March 28, 2018	11	10	91%

\* One Director attended through Video Conferencing.

**Table 3:**

Name of Director (Shri/Smt)	Board Meetings held and attended during the year	Attendance at last AGM (September 27, 2017)	No. of Shares held by the directors	No. of directorships in other Companies	No. of committee membership(s)*		
					As Chairperson	As member	
<b>Functional Directors</b>							
K.M. Singh, Chairman & Managing Director <sup>1</sup>	5/5	N.A.	N.A.	N.A.	N.A.	N.A.	
Balraj Joshi, Chairman & Managing Director and Additional Charge of Director (Technical) <sup>2</sup>	11/11	YES	11,891	2	NIL	NIL	
Ratish Kumar, Director (Projects)	10/11	YES	15,986	1	NIL	NIL	
Nikhil Kumar Jain, Director (Personnel)	11/11	NO	NIL	NIL	NIL	NIL	
Mahesh Kumar Mittal, Director (Finance)	11/11	YES	NIL	2	NIL	1	

# Annual Report 2017-18

Name of Director (Shri/Smt)	Board Meetings held and attended during the year	Attendance at last AGM (September 27, 2017)	No. of Shares held by the directors	No. of directorships in other Companies	No. of committee membership(s)*	
					As Chairperson	As member
<b>Government Nominee Directors</b>						
Krishna Tyagi, Chief Controller of Accounts, Ministry of Power <sup>3</sup>	10/10	YES	N.A.	N.A.	N.A.	N.A.
Archana Agrawal, Joint Secretary (Hydro), Ministry of Power	7/11	NO	NIL	1	NIL	NIL
<b>Independent Directors</b>						
Satya Prakash Mangal	11/11	YES	15,000	2	2	NIL
Kanika T. Bhal	5/11**	NO	NIL	NIL	NIL	2
Arun Kumar	7/11	YES	NIL	NIL	NIL	1
Bhagwat Prasad <sup>4</sup>	5/5	N.A.	NIL	NIL	NIL	2
N.K. Jha <sup>4</sup>	4/5	N.A.	NIL	NIL	NIL	1
Jugal Kishore Mohapatra <sup>4</sup>	5/5	N.A.	NIL	2	NIL	NIL

\* Membership(s)/Chairpersonship(s) of the Audit Committee and Stakeholders' Relationship Committee have been considered.

\*\* Smt. (Prof.) Kanika T. Bhal attended one meeting through Video Conferencing

1. Ceased to be a director of the Company on attaining the age of superannuation on July 31, 2017.
2. Appointed as Chairman & Managing Director, NHPC Limited w.e.f. September 22, 2017. The additional charge for the post of Director (Technical), NHPC Limited was entrusted to Shri Balraj Joshi w.e.f. October 27, 2017 till July 5, 2018.
3. Ceased to be a director on the board w.e.f. January 1, 2018 pursuant to letter of Ministry of Power dated February 15, 2018.
4. Appointed as an Independent director on the board w.e.f. October 7, 2017.

#### Notes:

- (a) None of the directors of the Company holds office of director at any point of time in more than ten (10) public companies.
- (b) None of the directors of the Company is a member in more than ten (10) committees or a chairperson of more than five (5) committees across all the companies in which he is a director.
- (c) The directors of the Company do not have any relationships inter-se.
- (d) None of the whole time directors of the Company is serving as an independent director in more than three listed companies.
- (e) NHPC has not issued any convertible instrument till date therefore, none of the Non-Executive Directors hold any such instrument.

#### (v) Board Independence

All the Independent Directors have given the declaration that they meet the requirement of independence in accordance to the provision of the Companies Act, 2013 and SEBI LODR.

#### (vi) Familiarization Programme for Directors

A Policy to provide an opportunity to Board level functionaries to upgrade their knowledge in the business model of the company and its risk profile is in existence. The policy enables the directors to discharge their responsibilities in an effective manner.



The Policy covers CMD and all directors on the Board of the Company. During the period under report (i.e. Financial Year 2017-18), four Board members have attended training programmes organized by Institute of Directors and Department of Public Enterprises, Govt. of India.

Details of familiarization programmes attended by independent directors during Financial Year 2017-18 are also available on the website of the Company at the link: [http://www.nhpcindia.com/writereaddata/Images/pdf/FProg-IndependentDirectors\\_IFA\\_201804\\_1.pdf](http://www.nhpcindia.com/writereaddata/Images/pdf/FProg-IndependentDirectors_IFA_201804_1.pdf).

## (vii) Performance Evaluation of Independent Directors

Ministry of Corporate Affairs (MCA) vide its circular dated 5<sup>th</sup> June, 2015 has exempted Government Companies from the provisions of section 178(2) which requires performance evaluation of every director by the Nomination & Remuneration Committee. Deptt. of Public Enterprise (DPE) has already laid down a mechanism for the performance appraisal of all Functional Directors. The performance of Nominee Directors is evaluated by the Administrative Ministry.

The circular further provides exemption to the Govt. Companies from the requirement of providing information about the manner, in which evaluation of Board, its committees and individual directors is carried out, if it is carried out by the Administrative Ministry in Charge.

NHPC has formulated a policy on performance evaluation of Board, Board level committees and Independent Directors. The following process is being followed for the purpose of evaluation:

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

### Rating Scale

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

- B. The Nomination & Remuneration Committee receives the evaluation forms in sealed cover and summarizes the results. The Chairperson of the Nomination & Remuneration Committee may have discussions with individual director, where clarification or interpretation is required.
- C. The Chairperson of the Nomination & Remuneration Committee prepares a report for the consideration of Nomination & Remuneration Committee on the basis of evaluation rating received from the members of Board. The Committee reviews the result and submit its recommendation for the consideration of Board.
- D. The Board considers the recommendations of the Nomination & Remuneration Committee and issues necessary directions.

## 3. Procedure for Board/Committee Meetings

### (A) Decision-making process

The Company has laid down a set of guidelines for the meetings of the Board of Directors/its committees to professionalize its corporate affairs. These guidelines help in an informed and efficient decision-making at the meetings of the Board and its Committees.

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

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

- Presentations are made before the Board/Committee(s) of Directors as and when required for providing better understanding of issue placed before the Board/ Committee.
- Members of the Board have complete access to the information pertaining to the Company. Directors are also free to recommend any issue, which they consider important for inclusion in the agenda. Senior management officials are called during the meetings as and when necessary to provide additional inputs on the matters being discussed by the Board/Committee(s) of Directors.
- Facility is being provided to the members of Board/Committee to participate in the meetings through video conferencing.

## **(C) Recording of Minutes of the meetings of Board/Committee(s) of Directors**

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

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

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

## **(E) Compliance of laws etc.**

It is our endeavor to ensure compliance of all applicable provisions of the Companies Act, SEBI Regulations & Guidelines and other statutory requirements under different laws. The Board of Directors review the legal compliance report from time to time. Further, in order to strengthen compliance of laws, a team of officers from Law and Company Secretariat Division visited various projects/power stations/units of the Company during the financial year 2017-18 to conduct compliance audit. The compliance audit report along with replies to observations in audit report are also being regularly placed before the board.

The following agenda items are usually presented to the Board of Directors for its consideration:

- Annual operating plans, budgets and related updates.
- Capital budgets and related updates.
- Quarterly financial results of the Company.
- Annual Financial Statements and Directors' Report.
- Minutes of the meetings of audit committee and other committees of the Board.
- Minutes of the board meetings of subsidiary companies.
- Statement of all significant transactions and arrangements entered into by subsidiary companies.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems at different locations/units.
- Materially important show cause, demand, prosecution notices and penalty notices.
- Major investments, formation of subsidiaries, joint ventures and strategic alliances.
- Quarterly information with respect to purchases/works/contracts awarded on nomination basis.
- Quarterly report on compliance of various laws.
- Disclosure of interest by directors about their directorships/memberships.
- Declaration of independence by Independent Directors.
- Quarterly status of investor complaints.
- Quarterly Report on foreign exchange exposures.



- Quarterly Report on foreign travel of Functional Directors and Employees.
- Quarterly Report on short term deposits and investments.
- Highlights of important events since last meeting to the current meeting.
- Significant capital investment proposals or award of large contracts.
- Quarterly Report on Reconciliation of Share Capital Audit.
- Quarterly Report on Compliance with Corporate Governance Norms.
- Action taken report on matters desired by the Board.
- Status of arbitration cases.
- Changes in significant accounting policies and practices along with reasons thereof.
- Any other information required to be presented to the Board either for information or for approval as per the requirement of applicable laws.

#### 4. Committees of the Board of Directors

The Board has constituted Mandatory and Non-Mandatory Committees to review various aspects of business and to have focused attention on critical issues. The following Committees have been constituted by the Board:

##### Mandatory Committees

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

##### Non-Mandatory Committees

6. Committee of Directors for Allotment and Post-allotment Activities of NHPC Securities.
7. Committee of Directors – Appellate Authority.
8. Committee on Management Controls – The Committee was operational till October 7, 2017 when it was dissolved by the Board.

**Details of members, meetings held, terms of reference etc. of each of the above committees are as under:**

#### 4.1 Audit Committee

The composition, quorum, terms of reference, etc. of the Audit Committee are in line with the Companies Act, 2013, SEBI LODR and Guidelines on Corporate Governance issued by Department of Public Enterprises, Govt. of India.

As on March 31, 2018, the Audit Committee comprised the following members:

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

Director (Finance), Director (Technical), Director (Projects) and Head of Internal Audit department were invited to the meetings of Audit Committee. Statutory Auditors and Cost Auditors were also invited to the meetings of the Audit Committee in which financial statements and Cost Audit Reports respectively were discussed. Whenever desired

by the Committee, senior officers were also invited to provide necessary inputs on the matters placed before the committee.

The Company Secretary acts as the secretary to the Committee.

## **Terms of reference**

The terms of reference of the Audit Committee are as per the Companies Act, 2013, SEBI LODR and the Guidelines on Corporate Governance issued by Department of Public Enterprises, which inter-alia includes:

- 1 Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- 2 Recommending fixation of audit fees to the Board.
- 3 Approval of payment to auditors for any other services rendered by the Statutory Auditors.
- 4 Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the Directors' Responsibility Statement to be included in the board's report;
  - b) Changes, if any, in accounting policies and practices and reasons for the same;
  - c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with listing and other legal requirements related to financial statements;
  - f) Disclosure of any related party transactions; and
  - g) Modified opinion(s) in the draft audit report.
- 5 Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- 6 Reviewing with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.
- 7 Reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- 8 Discussion with Internal Auditors and/or Auditors of any significant findings and follow-up thereon.
- 9 Reviewing the findings of any internal investigations by internal auditors/auditors/agencies into matters where there is suspected fraud or irregularity or failure of Internal Control Systems of a material nature and reporting the matter to the Board.
- 10 Discussions with Statutory Auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any area of concern.
- 11 To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- 12 To review functioning of the Whistle Blower Mechanism.
- 13 To review the follow-up action on audit observations of the Comptroller & Auditor General of India (C&AG) audit.
- 14 To review the follow-up action taken on the recommendations of Parliament's Committee on Public Undertakings (COPU).
- 15 Provide an open avenue of communication between the Independent Auditors, Internal Auditor and the Board of Directors.
- 16 Approval or any subsequent modification of transactions of the Company with related parties.



# NHPC Limited

(A Government of India Enterprise)

- 17 Review with the Independent Auditor the coordination of audit efforts to assure completeness of coverage, reduction of redundant efforts and the effective use of all audit resources.
- 18 Consider and review the following with Independent Auditor and management:
  - The adequacy of internal controls, including Computerized Information System Controls and Security; and
  - Related findings and recommendations of the Independent Auditor and Internal Auditor, together with management responses.
- 19 Consider and review the following with management, Internal Auditor and Independent Auditor:
  - Significant findings during the year, including the status of previous audit recommendations; and
  - Any difficulties encountered during audit work, including any restrictions on the scope of activities or access to required information.
- 20 Review and monitor the auditor's independence and performance and effectiveness of audit process.
- 21 Scrutiny of inter-corporate loans and investments.
- 22 Valuation of undertakings or assets of the Company, wherever it is necessary.
- 23 Evaluation of internal financial controls and risk management systems.
- 24 Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue and making appropriate recommendations to the Board to take up steps in this matter.
- 25 Recommending to the Board the appointment and remuneration of the cost auditors of the Company.
- 26 Review of:
  - a) Management discussion and analysis of financial conditions and results of operations.
  - b) Management letter/letters of internal control weaknesses, issued by the statutory auditors.
  - c) Internal Audit Reports relating to internal control weaknesses.
- 27 Review of appointment and removal of the Chief Internal Auditor.
28. To carry out any other function as is mentioned in the terms of reference of the Audit Committee pursuant to the provisions of the Companies Act, 2013, SEBI LODR and Corporate Governance Guidelines issued by DPE.

## Meetings and Attendance

The Committee met nine times during the financial year under report on April 7, 2017, May 5, 2017, May 27, 2017, July 19, 2017, August 9, 2017, September 15, 2017, November 8, 2017, November 20, 2017 and February 12, 2018. Details of the Audit Committee Meetings attended by members are given in **Table 4**.

**Table 4: Audit Committee Meetings**

S. No.	Members of the Committee during 2017-18	Meetings held during respective tenure of members	Meetings attended	% of Attendance at the meeting
1.	Shri Satya Prakash Mangal	9	9	100%
2.	Prof. Kanika T. Bhal	9	3	33.33%
3.	Prof. Arun Kumar	9	8	89%
4.	Smt. Krishna Tyagi*	9	8	89%
5.	Shri Bhagwat Prasad**	3	3	100%

\* Ceased to be a director w.e.f. January 1, 2018 pursuant to Ministry of Power letter dated February 15, 2018.

\*\*Appointed as a member of the committee w.e.f. October 7, 2017.

Shri Satya Prakash Mangal, Independent Director chaired all the meetings held during the financial year 2017-18. The time interval between any two Audit Committee meetings had not exceeded one hundred and twenty days. The Chairperson of the Audit Committee was present in the last AGM of the company to answer the queries of the shareholders.

## 4.2 Stakeholders' Relationship Committee

As on March 31, 2018, the Stakeholders' Relationship Committee comprised of the following members:

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

### Terms of reference

- (i) The Committee shall consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.
- (ii) To carry out any other function, as required by the provisions of the Companies Act, 2013, SEBI LODR and Corporate Governance Guidelines issued by DPE.

### Meetings and Attendance

The Committee met twice during the year under Report on August 16, 2017 and February 13, 2018. Details of Stakeholders' Relationship Committee Meeting attended by Members are given in **Table 5**:

**Table 5: Stakeholders' Relationship Committee**

S. No.	Members of the Committee during 2017-18	Meetings held during respective tenure of members	Meetings attended	% Attendance at the meeting
1.	Prof. Kanika T. Bhal	2	1	50%
2.	Shri Bhagwat Prasad*	1	1	100%
3.	Prof. Nalini Kant Jha*	1	NIL	NIL
4.	Shri Mahesh Kumar Mittal**	2	2	100%
5.	Shri Satya Prakash Mangal***	1	1	100%

\* Appointed as member of the committee w.e.f. October 7, 2017.

\*\* Appointed as the member of the committee w.e.f. April 17, 2017.

\*\*\* Ceased to be a member of the committee w.e.f. October 7, 2017.





## Name and Designation of Compliance Officer

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

## Shareholders'/Bondholders' Grievances

During the financial year ended on March 31, 2018, Company had attended shareholders'/bondholders' grievances expeditiously except for the cases constrained by disputes or legal impediments. The details of complaints received and resolved during the year are given in **Table 6**.

**Table 6: Shareholders'/Bondholders' Complaints**

Description	Opening balance as on April 1, 2017	Received during the year ended on March 31, 2018	Resolved during the year ended on March 31, 2018	Pending as on March 31, 2018
<b>A. Equity Shares</b>				
Non-receipt of refund orders	NIL	15	15	NIL
Non-receipt of dividend warrants	NIL	3462	3462	NIL
SEBI complaints	1	21	22	NIL
Stock exchange complaints	NIL	9	9	NIL
Consumer forum/court cases	3	NIL	1	2
Advocate notices	NIL	NIL	NIL	NIL
<b>TOTAL (A)</b>	<b>4</b>	<b>3507</b>	<b>3509</b>	<b>2</b>
<b>B. Bonds</b>				
Non-Receipt of Refund Order	NIL	NIL	NIL	NIL
Non-Receipt of TDS Certificate	NIL	1	1	NIL
Non-Receipt of Electronic Credit	NIL	NIL	NIL	NIL
Non-Receipt of Interest Warrants	NIL	38	38	NIL
Non-Receipt of Bonds/Securities	NIL	19	19	NIL
<b>TOTAL (B)</b>	<b>NIL</b>	<b>58</b>	<b>58</b>	<b>NIL</b>
<b>GRAND TOTAL (A+B)</b>	<b>4</b>	<b>3565</b>	<b>3567</b>	<b>2</b>

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

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

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

During the financial year 2017-18, shareholders'/bondholders' complaints received through SCORES have been promptly attended and action taken reports on these complaints as received from Registrar and Transfer Agent were submitted to the SEBI through SCORES.

## Number of pending share transfers

No share transfer request was pending as on March 31, 2018.

During the financial year ended March 31, 2018, share transfers have been affected within the time prescribed by the stock exchanges and a certificate to this effect duly signed by a practicing Company Secretary was provided to stock exchanges.

## 4.3 Nomination & Remuneration Committee

NHPC being a Central Public Sector Enterprise, the appointment, tenure and remuneration of Chairman & Managing Director, Whole Time Directors and other Directors, are decided by the Govt. of India. The Part time Non-official (Independent Directors) are paid sitting fees for attending Board and Committee meetings. As per the norms of Govt. of India, the Government Nominee Directors are not entitled to get any remuneration/sitting fee from the Company.

Further, the remuneration of employees of the Company is fixed as per extant guidelines issued by Department of Public Enterprises (DPE), from time to time.

As per the DPE Guidelines on Corporate Governance, Nomination & Remuneration Committee is required to be constituted to decide annual bonus / variable pay pool and policy for its distribution across the executives and non-unionized supervisors within the prescribed limits.

As on March 31, 2018, the Nomination & Remuneration Committee comprised the following members:

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

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

#### Terms of reference

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

#### Meetings and Attendance

The committee met thrice during the financial year under report on July 18, 2017, November 8, 2017 and March 28, 2018. Details of the meetings of the Nomination & Remuneration Committee attended by the members are given in **Table 7**.

**Table 7: Meetings of the Nomination & Remuneration Committee**

S. No.	Members of the Committee during 2017 -18	Meetings held during respective tenure of members	Meetings attended	% Attendance at the Meeting
1.	Prof. Kanika T. Bhal*	3	3*	100%
2.	Prof. Arun Kumar	3	3	100%
3.	Shri Jugal Kishore Mohapatra**	2	1	50%
4.	Smt. Krishna Tyagi <sup>§</sup>	2	1	50%

\* Meeting dated November 8, 2017 was attended through video conferencing.

\*\* Appointed as the member of the committee w.e.f. October 7, 2017.

<sup>§</sup> Ceased to be a director w.e.f. January 1, 2018.

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

As on March 31, 2018, the Committee on Corporate Social Responsibility (CSR) and Sustainability comprised the following members:

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

## Meetings and Attendance

The Committee met six times during the financial year under report on June 11, 2017, August 9, 2017, August 27, 2017, December 7, 2017, February 20, 2018 and March 28, 2018. Details of the meetings of the Committee on Corporate Social Responsibility (CSR) and Sustainability attended by the members are given in **Table 8**.

**Table 8: Meetings of the Committee on Corporate Social Responsibility (CSR) and Sustainability**

S. No.	Members of the Committee during 2017 -18	Meetings held during respective tenure of members	Meetings attended	% Attendance at the Meeting
1.	Prof. Arun Kumar	6	6	100%
2.	Shri Balraj Joshi*	3	3	100%
3.	Shri Ratish Kumar**	3	2	66.67%
4.	Shri Nikhil Kumar Jain**	3	3	100%
5.	Shri Mahesh Kumar Mittal	6	5	83.33%

\* Ceased to be member of the Committee w.e.f. October 7, 2017.

\*\* Appointed as the member of the committee w.e.f. October 7, 2017.

## 4.5 Risk Management Committee

As on March 31, 2018, the Risk Management Committee comprised the following members:

i)	Shri Satya Prakash Mangal	Independent Director	Chairperson
ii)	Prof. Arun Kumar	Independent Director	Member
iii)	Prof. N.K. Jha	Independent Director	Member
iv)	Shri Ratish Kumar	Director (Projects)	Ex-officio Member

### Terms of Reference

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

## Meetings and Attendance

The committee met thrice during the financial year under report on May 27, 2017, September 15, 2017 and March 28, 2018. Details of the meeting of the Risk Management Committee attended by the members are given in **Table 9**.

**Table 9: Meeting of the Risk Management Committee**

S. No.	Members of the Committee during 2017-18	Meetings held during respective tenure of members	Meetings attended	% Attendance at the Meeting
1	Prof. Arun Kumar#	3	3	100%
2	Prof. Kanika T. Bhal*	2	NIL	NIL
3	Shri Satya Prakash Mangal	3	3	100%
4	Prof. N.K. Jha**	1	1	100%
5	Shri Balraj Joshi*	2	1	50%
6	Shri Ratish Kumar	3	1	33.33%

# Chaired first 2 meetings of the committee held during 2017-18.

\* Ceased to be a member of the committee w.e.f. October 7, 2017.

\*\*Appointed as a member of the committee w.e.f. October 7, 2017.

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

As on March 31, 2018, the committee comprised the following members:

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

### Terms of reference

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

### Meetings and Attendance

The committee met eleven times during the financial year under report. Details of the meetings of the Committee of Directors for Allotment and Post-Allotment Activities of NHPC Securities attended by members are given in **Table 10**.

**Table 10: Meetings of the Committee of Directors for Allotment and Post-Allotment Activities of NHPC Securities**

S. No.	Members of the Committee during 2017-18	Meetings held during respective tenure of members	Meetings attended	% Attendance at the Meeting
1	Shri Balraj Joshi*	5	4	80%
2	Shri Ratish Kumar**	6	5	83.33%
3	Shri Nikhil Kumar Jain	11	9	81.81%
4	Shri Mahesh Kumar Mittal	11	9	81.81%

\* Ceased to be member of the committee w.e.f. October 7, 2017.

\*\* Appointed as member of the committee w.e.f. October 7, 2017.

## 4.7 Committee of Directors – Appellate Authority

As on March 31, 2018, the Committee comprised the following members:

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

\* Shri Satya Prakash Mangal and Shri Jugal Kishore Mohapatra were appointed as members of the committee in place of Prof. Arun Kumar and Prof. Kanika T. Bhal on October 7, 2017.

### Terms of reference

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

### Meetings and Attendance

No meeting of the committee was held during the financial year 2017-18.



#### 4.8 Committee on Management Controls

The Board of Directors in its 407<sup>th</sup> Board Meeting held on October 7, 2017 decided to dissolve the committee. At the time of dissolution, the committee comprised the following members:

i)	Shri Satya Prakash Mangal	Independent Director	Chairperson
ii)	Prof. Arun Kumar	Independent Director	Member
iii)	Shri Balraj Joshi	Director (Technical)	Ex-Officio Member
iv)	Shri Ratish Kumar	Director (Projects)	Ex-Officio Member
v)	Shri Mahesh Kumar Mittal	Director (Finance)	Ex-Officio Member

#### Meetings and Attendance

The committee met two times on April 7, 2017 and September 27, 2017 till the time of dissolution. Details of the meetings of the Committee on Management Controls attended by members are given in **Table 11**.

**Table 11: Meetings of the Committee on Management Controls**

S. No.	Members of the Committee during 2017-18	Meetings held during respective tenure of members	Meetings attended	% Attendance at the meeting
1	Shri Satya Prakash Mangal	2	2	100%
2	Prof. Arun Kumar	2	2	100%
3	Shri Balraj Joshi	2	1	50%
4	Shri Ratish Kumar	2	2	100%
5	Shri Mahesh Kumar Mittal	2	2	100%

#### 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 June 20, 2013 and SEBI LODR, separate meeting of Independent Directors was held on March 28, 2018 under the Chairmanship of Prof. Nalini Kant Jha.

#### 6. Code of conduct

The code of business conduct and ethics for board members and senior management personnel was complied by all concerned during the financial year 2017-18.

#### Declaration under SEBI LODR and DPE Guidelines on Corporate Governance.

All the Board Members and Senior Management Personnel have affirmed compliance with the code of conduct & Ethics for Board Members and Senior Management Personnel respectively for the financial year ended on March 31, 2018.

(Balraj Joshi)

Chairman & Managing Director  
DIN: 07449990

Date: May 10, 2018

Place: Faridabad

#### 7. Fraud Prevention and Detection Policy

NHPC has a Fraud Prevention and Detection Policy to provide system for detection and prevention of fraud, its reporting if detected or suspected and fair dealing on matters pertaining to fraud. Head of Projects/Power Stations/Units and HOD (Internal Audit) in Corporate Office have been designated as Nodal Officers under the Policy.

#### 8. Code for Prevention of Insider Trading in Securities of NHPC Limited

In compliance to the requirements of SEBI LODR, Company has formulated and implemented 'Code of Conduct to Regulate, Monitor and Report Trading by Insiders' and 'Code for Fair Disclosure Practices for Prevention of Insider Trading in Securities of NHPC Limited'. Under the Code, trading window remains closed for designated persons as and when price sensitive information is about to be placed before the Board. The code is applicable to, all the executives at the level of Chief / Chief Engineer and above and all the executives working in Finance, Company Secretariat and Secretariat of directors. Company Secretary has been designated as Compliance Officer under the code. Copy of the Insider trading code is available on the website of the Company at the link: <http://www.nhpcindia.com/writereaddata/Images/pdf/Insider-Trading-Code-Full-14122015.pdf>

## 9. Remuneration of Directors

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

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

Details of remuneration of Functional Directors of the Company for the financial year 2017-18 are given in **Table 12**. Further, Functional Directors (including ex-Directors) were also paid Performance Related Pay (PRP) for the financial year 2015-16 as given in **Table 13**. Shri Jayant Kumar, then Director (Finance) was also paid ₹ 2,37,600 towards perquisite value of accommodation and lease rent during the financial year 2017-18.

**Table 12: Remuneration of Functional Directors for the financial year 2017-18**

(Amount in ₹)

Name of Director	Salary	Benefits <sup>§</sup>	Total
Shri Balraj Joshi*	24,31,743	31,24,275	55,56,018
Shri K.M. Singh**	8,65,348	39,08,951	47,74,299
Shri Nikhil Kumar Jain	25,75,338	6,62,196	32,37,534
Shri Mahesh Kumar Mittal	32,05,498	6,85,843	38,91,341
Shri Ratish Kumar	25,54,779	11,70,355	37,25,134

\*Appointed as Chairman and Managing Director w.e.f. September 22, 2017.

\*\*Ceased to be Chairman and Managing Director on attaining the age of superannuation on July 31, 2017

<sup>§</sup> Benefits include medical reimbursement, leave encashment, lease rent, Employee Provident Fund (Matching Contribution), Social Security Scheme (Matching Contribution), Pension Contributory Fund (Matching Contribution) and perquisite value of assets, advance, vehicle, accommodation, recovery on account of vehicle and House Rent Recovery.

**Note:**

- The salary shown above is related to respective tenure of Directors. However, the Performance Related Pay for the financial year 2015-16 shown against each of them is as per the respective position held by them during 2015-16.
- The Company had not given any stock options during the financial year 2017-18. 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.
- Besides above, Functional Directors are also entitled for medical benefit as per the applicable rules of the Company.

**Table 13: Details of Performance Related Pay (PRP) paid during the financial year 2017-18.**

Name of Director	Designation	Performance Related Pay (PRP)* for the Financial Year 2015-16	Total
Shri K.M. Singh	Ex-Chairman and Managing Director	6,41,706	6,41,706
Shri Ratish Kumar	Director (Projects)	2,55,484	2,55,484
Shri D.P. Bhargava	Ex-Director (Technical)	10,32,344	10,32,344
Shri Jayant Kumar	Ex-Director (Finance)	9,17,420	9,17,420
Shri R.S. Mina	Ex-Director (Personnel)	10,29,588	10,29,588

\*Performance Related Pay (PRP) for the year 2016-17, will be paid in the financial year 2018-19 or thereafter as per DPE Guidelines.



Details of sitting fee paid to Independent Directors for the financial year 2017-18 are given in **Table 14**.

**Table 14: Details of sitting fees paid to Independent Directors for the financial year 2017-18.**

(Amount in ₹)

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

\* In addition to sitting fee, Independent Directors are also getting reimbursement of boarding/lodging/conveyance expenses for attending meetings.

In addition to above, sitting fee for an amount of ₹ 20,000/- each was paid during the Financial Year 2017-18 to Shri Satya Prakash Mangal, Prof. Arun Kumar, Prof. Kanika T. Bhal & Shri Farooq Khan for the committee meetings held during the year 2016-17. Further, an amount of ₹ 40,000/- was also paid to Prof. Arun Kumar for attending meetings of the Departmental Promotion Committee (DPC) held during the year 2017-18.

Except as mentioned above, there was no pecuniary relationship or transaction with non-executive directors vis-a-vis the Company during the financial year 2017-18.

Terms and conditions of appointment of Independent Directors is available on the website of the Company at: <http://www.nhpcindia.com/writereaddata/Images/pdf/TnC-Apptmt-%20Independent-Directors.pdf>

## 10. Subsidiary Companies

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

NHDC Limited is a material non-listed Indian subsidiary of NHPC Limited as per Regulation 24 of SEBI LODR and DPE Guidelines on Corporate Governance. In accordance to said regulations, Shri Satya Prakash Mangal, Independent Director of NHPC Limited, is on the Board of NHDC Limited.

- (ii) **LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED (LDHCL):** Loktak Downstream Hydroelectric Corporation Limited (LDHCL) was incorporated on October 23, 2009. The Company was promoted as a Joint Venture between NHPC Limited and the Government of Manipur with equity participation of 74% and 26% respectively.

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

- (iii) **BUNDELKHAND SAUR URJA LIMITED (BSUL):** Bundelkhand Saur Urja Limited (BSUL) was promoted as a Joint Venture between NHPC Limited and Uttar Pradesh New and Renewable Energy Development Agency (UPNEDA) to implement a 50MW Solar Power Project in Uttar Pradesh. The Company was incorporated on February 2, 2015. As per the promoters' agreement, the equity participation of NHPC shall not be less than 74%. UPNEDA may participate in the equity upto 26% of the total share capital of the Company.

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

- (iv) **CHENAB VALLEY POWER PROJECTS PRIVATE LIMITED (CVPPPL):** Chenab Valley Power Projects Private Limited (CVPPPL) was incorporated on June 13, 2011. The Company was promoted as a Joint Venture between NHPC Limited, JKSPDC and PTC India Limited to plan, promote and organize an integrated and efficient development of Pakal Dul HE Project (1,000 MW), Kiru HE Project (624 MW) and Kwar HE Project (540 MW) in the Chenab River Basin in all its aspects in the State of Jammu & Kashmir. As per the promoters' agreement, the equity participation of NHPC, JKSPDC shall be 49% each and PTC India limited shall be 2%. During the year, the Company has further invested ₹ 122.36 crore in CVPPPL. As the required matching contribution was not made by the other Joint Venture Partners, the shareholding of the Company has increased to 55.39% and therefore, CVPPPL has become subsidiary of NHPC Limited pursuant to provisions of Companies Act, 2013.

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

More information about the subsidiary companies is available in the Directors' Report.

During the year, the minutes of the meetings of the Board of Directors of NHDC Limited, LDHCL and BSUL were placed before the Board of Directors of NHPC Limited for its information. The Board of NHPC was also apprised about the significant transactions and arrangements entered into by these subsidiaries. Further, CVPPPL has been requested to provide minutes of its Board Meeting and statement of significant transactions and arrangements for placing the same before the Board of Directors of NHPC Limited.

## 11. General Meetings

### Annual General Meeting

Date, time and location and special resolution(s) passed at the last three Annual General Meetings are given in **Table 15**.

**Table 15: Annual General Meetings**

Financial Year	Date	Time	Location	Special Resolution Passed
2016-17	September 27, 2017	11:00 A.M.	Jal Tarang Auditorium, NHPC Office Complex, Sector-33, Faridabad, Haryana-121003	a) Authorization to board to issue secured/unsecured redeemable non-convertible debentures/bonds aggregating upto ₹ 2,000 crore through private placement.  b) Insertion of Article 22A in Articles of Association of the Company.
2015-16	September 22, 2016	11:00 A.M.	Municipal Corporation of Faridabad Auditorium, Faridabad, Haryana	Authorization to board to issue secured/unsecured redeemable non-convertible debentures/bonds aggregating upto ₹ 4,500 crore through private placement.
2014-15	September 23, 2015	10:30 A.M.	Municipal Corporation of Faridabad Auditorium, Faridabad, Haryana	Authorization to board to issue secured/unsecured redeemable non-convertible debentures/bonds aggregating upto ₹ 2,500 Crore through private placement.

No Special Resolution was passed through Postal Ballot during 2017-18 and no special resolution is proposed to be passed through Postal Ballot during the financial year 2018-19.

## 12. Disclosures

### (i) Related Party Transactions

During the financial year 2017-18, the Company has not entered into any material transaction with any of its related parties.

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

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

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





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

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

No presidential directives were issued to the Company during financial year 2017-18 and the preceding three financial years.

### Accounting Treatment

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

### (iii) Whistle Blower Policy

NHPC has a well defined Whistle Blower Policy for reporting the instances of unethical/improper conduct and taking suitable steps to investigate and correct the same. No personnel have been denied access to the Audit Committee during the financial year 2017-18. In addition to this , a policy to prevent frauds has also been adopted by the Company for reporting on frauds 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 speed. The mechanism for prevention of frauds is also included in the policy.

During the financial year 2017-18, no complaint has been reported under Whistle Blower Policy.

### (iv) Items of expenditure debited in books of accounts, which are not for the purposes of the business

NIL

### (v) Expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management

NIL

### (vi) Details of administrative and office expenses as a percentage of total expenses vis-a-vis financial expenses and reasons for increase

(figures in %)

Details	2017-18	2016-17	Reason for increase
Administrative expenses* as a percentage of total expenses	12.93	14.58	Main reason for variance in administrative expenses as a percentage of total expenses/finance expenses is reduction in provisions during the current financial year.
Administrative expenses* as a percentage of financial expenses	78.8	81.08	

\* Administrative expenses includes office expenses

(vii) As on March 31, 2018, NHPC has no commodity price risk or foreign exchange risk and hedging activities except as disclosed vide note no. 33 to the financial statements.

(viii) Policy for determining material subsidiaries is available on the website at the following link: <http://www.nhpcindia.com/writereaddata/Images/pdf/Policy-Material-Subsidiary.pdf>

## 13. CEO/CFO Compliance Certification

In terms of Regulation 17 (8) of SEBI LODR, a compliance certificate duly signed by Shri Balraj Joshi, Chairman & Managing Director and Shri Mahesh Kumar Mittal, Director (Finance) was placed before the Board of Directors at the meeting held on May 28, 2018 and is annexed to the Corporate Governance Report as **Annexure-B**.

## 14. Means of Communication

Periodical financial results of the Company are announced within the time specified in SEBI LODR. These results are published in the national and local dailies. The Company does not send periodical results to its shareholders, however these are placed at the Company's official website (www.nhpcindia.com). The Company has also issued official press releases on significant corporate decisions and activities which are also available on the company's website.

Details of publication of audited/unaudited financial results of the Company are given in **Table 16**.

**Table 16: Audited/unaudited financial results**

Newspapers	Date of publication of results for the period ended			
	June 30, 2017	September 30, 2017	December 31, 2017	March 31, 2018
Hindustan Times (English) - All Edition	-	November 10, 2017	February 13, 2018	May 29, 2018
Hindustan Times (Hindi)-Delhi	-	November 10, 2017	February 13, 2018	May 29, 2018
Economic Times (English) - All Editions	August 10, 2017	-	-	-
Economic Times (Hindi) - Delhi	August 10, 2017	-	-	-

Presentations to institutional investors and/or analysts are being made regularly which are also available on the Company's website [www.nhpcindia.com](http://www.nhpcindia.com)

## 15. Information for Shareholders

### (i) Annual General Meeting

Date: September 27, 2018

Time: 11:00 A.M.

Venue: Jal Tarang Auditorium, NHPC Office Complex, Sector-33, Faridabad, Haryana - 121003

### (ii) Financial calendar for Financial Year 2018-19

Particulars	Date
Accounting period	April 1, 2018 to March 31, 2019
Unaudited Financial Results for the first three quarters	Board Meeting to be held within forty five days from the end of each quarter. Financial results will be intimated to Stock Exchanges within stipulated time of the conclusion of Board Meeting.
Fourth quarter results/ annual audited financial results for the year ending on March 31, 2019	Board Meeting to be held on or before May 30, 2019. Financial results will be intimated to Stock Exchanges within stipulated time of the conclusion of Board Meeting.
AGM – 2019	September, 2019 (Tentative)

### (iii) Book Closure

The register of members and share transfer books of the Company will remain closed from Saturday, September 15, 2018 to Thursday, September 27, 2018 (both days inclusive).

### (iv) Payment of Dividend

The Company had paid an interim dividend of ₹ 1.12 per equity share in March, 2018. In addition to above, the Board of Directors of the Company has recommended a final dividend of Re. 0.28 per equity share for the financial year 2017-18. Accordingly, the total dividend for the year comes to ₹ 1.40 per equity share, if the final dividend approved by the shareholders in General Meeting.

In respect of physical shares, the final dividend will be paid to the members or their mandates whose names appear in the Register of Members of the Company on September 27, 2018. In respect of dematerialized shares, the final dividend will be payable to the "beneficial owners" of the shares whose names appear in the Statement of Beneficial Ownership provided by National Securities Depository Limited and Central Depository Services (India) Limited respectively as at the close of business hours on September 14, 2018.

### (v) Dividend History

Details of dividend paid by the Company since listing are given in **Table 17**.



**Table 17: Dividend History**

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

**(vi) Listing on Stock Exchanges**

NHPC equity shares are listed on the following stock exchanges:

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

The annual listing fee for the financial year 2018-19 has been paid to both National Stock Exchange of India Limited and BSE Limited before April 30, 2018. Also, the Annual Custodian Fee for the financial year 2018-19 has been paid to Central Depository Services (India) Limited and National Securities Depository Limited.

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

Comparison of NHPC share price with indices is given in **Table 18** and **19**.

**Table 18: BSE Sensex and NHPC Share Price**

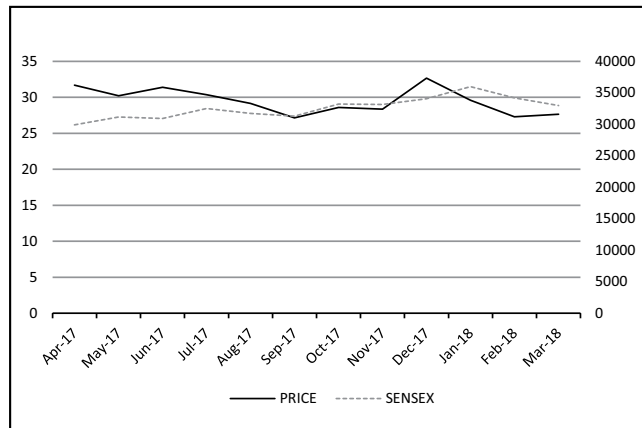
SENSEX				NHPC SHARE PRICE AT BSE			
Month	High	Low	Closing	Month	High (₹)	Low (₹)	Closing (₹)
Apr-17	30184.22	29241.48	29918.40	Apr-17	33.10	31.00	31.70
May-17	31255.28	29804.12	31145.80	May-17	32.10	28.70	30.20
Jun-17	31522.87	30680.66	30921.61	Jun-17	34.50	29.80	31.40
Jul-17	32672.66	31017.11	32514.94	Jul-17	32.75	30.00	30.35
Aug-17	32686.48	31128.02	31730.49	Aug-17	31.40	28.95	29.15
Sep-17	32524.11	31081.83	31283.72	Sep-17	29.25	26.75	27.15
Oct-17	33340.17	31440.48	33213.13	Oct-17	29.85	27.10	28.60
Nov-17	33865.95	32683.59	33149.35	Nov-17	29.55	26.30	28.35
Dec-17	34137.97	32565.16	34056.83	Dec-17	33.25	27.80	32.65
Jan-18	36443.98	33703.37	35965.02	Jan-18	34.50	29.20	29.60
Feb-18	36256.83	33482.81	34184.04	Feb-18	29.85	26.50	27.30
Mar-18	34278.63	32483.84	32968.68	Mar-18	28.10	25.55	27.65

**Table 19: NSE NIFTY and NHPC Share Price**

NIFTY				NHPC SHARE PRICE AT NSE			
Month	High	Low	Closing	Month	High (₹)	Low (₹)	Closing (₹)
Apr-17	9367.15	9075.15	9304.05	Apr-17	33.20	31.00	31.75
May-17	9649.60	9269.90	9621.25	May-17	32.15	28.70	30.25
Jun-17	9709.30	9448.75	9520.90	Jun-17	34.50	29.75	31.35
Jul-17	10114.85	9543.55	10077.10	Jul-17	32.80	30.00	30.35
Aug-17	10137.85	9685.55	9917.90	Aug-17	31.40	28.90	29.05
Sep-17	10178.95	9687.55	9788.60	Sep-17	29.25	26.60	27.05
Oct-17	10384.50	9831.05	10335.30	Oct-17	29.90	27.15	28.55
Nov-17	10490.45	10094.00	10226.55	Nov-17	29.55	26.25	28.35
Dec-17	10552.40	10033.35	10530.70	Dec-17	33.30	27.70	32.65
Jan-18	11171.55	10404.65	11027.70	Jan-18	34.50	29.20	29.45
Feb-18	11117.35	10276.30	10492.85	Feb-18	29.80	26.35	27.30
Mar-18	10525.50	9951.90	10113.70	Mar-18	28.20	25.50	27.70

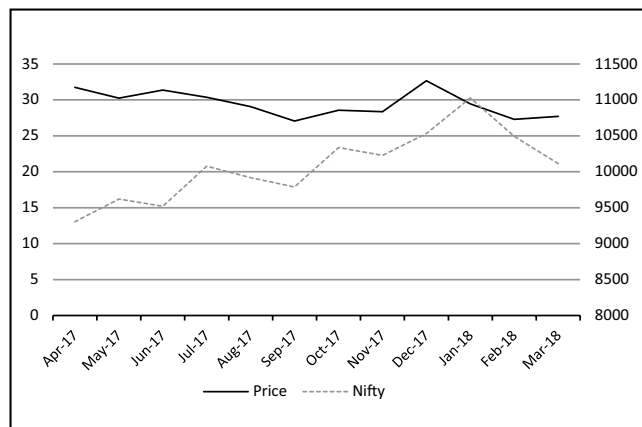
**(viii) Performance in comparison to indices**

**BSE Sensex and NHPC Share price**



\* Graph is made on the basis of monthly Closing prices

**NSE NIFTY AND NHPC Share Price**



\* Graph is made on the basis of monthly Closing prices



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

M/s Karvy Computershare Private Limited,  
Karvy Selenium Tower B, Plot 31-32,  
Gachibowli Financial District, Nanakramguda,  
Hyderabad – 500032.  
Tel No.: 040-67162222  
Toll Free No: 1800 345 4001  
Fax No.: 040-23420814  
E-mail ID: einward.ris@karvy.com

**(x) Share Transfer System**

The share transfer system includes activities like receipt of share certificates along with transfer deed from transferees, its verification, preparation of Memorandum of Transfers, etc. Share transfers are approved/ratified by a Committee of Directors for Allotment and Post-Allotment Activities of NHPC securities. Share transfer activities are being carried out by M/s Karvy Computershare Private Limited, Share Transfer Agent of the Company.

Pursuant to Regulation 40 of SEBI LODR, Certificates from Practicing Company Secretary on half-yearly basis confirming that all certificates has been issued within stipulated period from the date of lodgement for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies had been submitted to Stock Exchange during the Financial Year 2017-18.

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

Pursuant to provisions of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, details of unpaid and unclaimed amounts lying with the Company are available on the website of the Company at the link: <http://www.nhpcindia.com/Default.aspx?id=278&lg=eng&> and also on the website of Ministry of Corporate Affairs. During the financial year 2017-18, an amount of ₹ 79,31,403 pertaining to unpaid and unclaimed dividend amount for financial year 2009-10 has been transferred to Investor Education and Protection Fund (IEPF). Further, in accordance with provisions of the Companies Act, 2013 and rules made thereunder 9,99,609 shares in respect of which dividend has not been claimed for seven consecutive years or more have also been transferred to IEPF during the year under review.

**(xii) Distribution of shareholding**

Shares held by different categories of shareholders and according to the size of holdings as on March 31, 2018 are given in **Table 20 and 21**.

**According to size**

**(a) Table 20: Distribution of shareholding according to size and percentage of holding as on March 31, 2018:**

Category (Amount in ₹)	Number of shareholders	% of share holders*	Total shares	% of shares*
1-5,000	4,66,268	62.88	9,94,65,410	0.97
5,001-10,000	1,92,697	25.99	14,44,85,284	1.41
10,001-20,000	45,021	6.07	6,73,75,711	0.66
20,001-30,000	13,944	1.88	3,56,34,541	0.35
30,001-40,000	6,025	0.81	2,15,90,588	0.21
40,001-50,000	4,832	0.65	2,29,17,784	0.22
50,001-1,00,000	7,384	1.00	5,41,61,739	0.53
1,00,001 and above	5,370	0.72	9,81,36,89,462	95.65
<b>Total</b>	<b>7,41,541</b>	<b>100</b>	<b>10,25,93,20,519</b>	<b>100</b>

\*rounded off to 2 decimal places

(b) **Table 21: Shareholding Pattern on the basis of ownership as on March 31, 2018**

Category	As on March 31, 2018		As on March 31, 2017		Change* (%) Increase / (Decrease)
	Total shares	% to equity*	Total shares	% to equity*	
Government of India	75,87,481,082	73.96	7,64,34,06,901	74.50	(0.54)
Foreign Institutional Investors	52,31,149	0.05	5,14,54,839	0.50	(0.45)
Resident Individuals & HUF	57,48,34,630	5.60	59,97,03,033	5.84	(0.24)
Banks, Indian Financial Institutions, Insurance Companies and NBFC	85,66,44,432	8.35	1,03,09,64,999	10.05	(1.70)
Bodies Corporates	51,11,29,761	4.98	49,81,55,823	4.85	0.13
Mutual Funds	26,51,15,910	2.58	11,44,48,829	1.12	1.46
NRI and Overseas Corporate Bodies	1,29,44,638	0.12	1,29,86,500	0.13	(0.01)
<b>Others</b>					
Clearing Members, Trusts, Foreign Portfolio Investors and Foreign Nationals	44,44,26,308	4.34	30,81,99,595	3.01	1.33
IEPF	9,99,609	0.01	-	-	0.01
Alternative Investment Fund	5,13,000	0.01	-	-	0.01
<b>Total</b>	<b>10,25,93,20,519</b>	<b>100</b>	<b>10,25,93,20,519</b>	<b>100</b>	

\*rounded off to 2 decimal places

(c) **Major Shareholders as on March 31, 2018**

Details of shareholders holding more than one per cent of the Paid-up Share Capital of the Company as on March 31, 2018 are given in **Table 22**.

**Table 22: Major shareholders as on March 31, 2018**

Name of shareholder	No. of shares	% to paid-up capital*	Category
President of India	7,58,74,81,082	73.96	Central Govt.
Life Insurance Corporation of India	73,43,79,599	7.16	Insurance Company
Power Finance Corporation Ltd	26,05,42,051	2.54	Central Public Sector Enterprise (CPSE)
Rural Electrification Corporation Ltd	18,40,11,865	1.79	Central Public Sector Enterprise (CPSE)

\* rounded off to 2 decimal places.

(d) **Top Ten Shareholders as on March 31, 2018**

Details of top ten shareholders of NHPC Limited as on March 31, 2018 are given in **Table 23**.



**Table 23: Top ten shareholders as on March 31, 2018**

S. No.	Name of shareholder	Total shares	% to Equity*
1.	President Of India	7,58,74,81,082	73.96
2.	Life Insurance Corporation Of India	73,43,79,599	7.16
3.	Power Finance Corporation Ltd	26,05,42,051	2.54
4.	Rural Electrification Corporation Ltd	18,40,11,865	1.79
5.	HDFC Trustee Company Limited - HDFC Prudence Fund	6,69,02,433	0.65
6.	HDFC Trustee Company Limited - HDFC Tax saver fund	6,17,76,989	0.60
7.	Vanguard Emerging Markets Stock Index Fund, A SERIES of Vanguard International Equity Index Fund	3,75,50,287	0.37
8.	Schroder Asian Income	3,47,87,231	0.34
9.	Vanguard Total International Stock Index Fund	3,31,12,245	0.32
10.	UCO Bank	3,03,50,000	0.30
<b>Total</b>		<b>9,03,08,93,782</b>	<b>88.03</b>

\*rounded off to 2 decimal places.

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

The shares of the Company are in compulsory 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).

Share Capital Audit Report regarding reconciliation of the total issued capital, listed capital and capital held by depositories in a dematerialized form with respect to the Equity Share Capital of the Company was taken from the Practicing Company Secretary for each quarter during the year and submitted to the Stock Exchanges within the stipulated time.

**No. of shares held in dematerialized and physical mode as on March 31, 2018**

	Total Shares	% to Equity*
Shares in dematerialized form with NSDL	10,04,90,58,202	97.95
Shares in dematerialized form with CDSL	21,01,02,837	2.05
Physical	1,59,480	-
<b>Total</b>	<b>10,25,93,20,519</b>	<b>100</b>

\* rounded off to 2 decimal places

**The names and addresses of the depositories are as under:**

- National Securities Depository Limited**  
Trade World, A-Wing, 4<sup>th</sup> Floor,  
Kamala Mills Compound,  
Senapati Bapat Marg,  
Lower Parel, Mumbai – 400 013
- Central Depository Services (India) Limited**  
25<sup>th</sup> Floor, Marathon Futurex,  
N M Jhoshi Marg, Lower Parel (East),  
Mumbai - 400 013

**(xiv) Demat Suspense Account**

Details of shares in the suspense account opened and maintained after Initial Public Offering of Equity Shares of NHPC Limited as on March 31, 2018 is given in **Table 24**.

**Table 24: Shares in suspense account**

Description	No. of Cases	No. of Shares
Aggregate number of shareholders and outstanding shares in the suspense account at the beginning of the year	345	1,30,557
Number of shareholders who approached the Company for transfer of shares from the suspense account during the year	6	3,060
Number of shareholders to whom shares were transferred from the suspense account during the year	6	3,060
Number of Shareholders whose shares were transferred to IEPF account during the year	332	1,24,833
Aggregate number of shareholders and outstanding shares in the suspense account at the end of the year	7	2,664

Note: Voting rights on these shares remained frozen till the rightful owners of such shares claim them. Further, the shares lying with the Company shall also be transmitted to IEPF in terms of Companies Act, 2013.

**(xv) 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.

**(xvi) Location of NHPC Plants**

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





## (xvii) Green Initiatives in Corporate Governance

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

## (xviii) Address for Correspondence

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

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

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

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

For and on behalf of the Board of Directors

(Balraj Joshi)

Chairman and Managing Director

DIN: 07449990

Date: August 6, 2018

Place: Faridabad

## Annexure-A

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

- The Board:** The Company is headed by an Executive Chairman.
- 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 official website and are published in the leading newspapers as mentioned under the heading 'means of communication' in this Report.
- Modified opinion(s) in audit report:** It is always Company's endeavor to present unqualified financial statements.
- Separate posts of Chairman and CEO:** The power to appoint Chairman & Managing Director vests with the President of India pursuant to Article 34 of the Articles of Association of the Company.
- Reporting of Internal Auditor:** Shri Vijay Kumar, ED (Finance) is the Internal Auditor of the Company. As per organization structure of the Company, Shri Vijay Kumar is reporting to Director (Finance) of the Company.

## ANNEXURE-B

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

To,  
The Board of Directors,  
NHPC Limited,  
Faridabad

- a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2018 and that to the best of our knowledge and belief :
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period ended March 31, 2018 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 March 31, 2018;
  - ii. significant changes in accounting policies during the year ended March 31, 2018 and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-  
**(M.K.Mittal)**  
Director (Finance)  
DIN: 02889021  
Place: New Delhi  
Date: May 28, 2018

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

## Annexure- II

### CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members,  
NHPC Limited,  
Faridabad

We have examined the compliances of conditions of Corporate Governance by **NHPC Limited** ("the Company") for the financial year ended 31<sup>st</sup> March, 2018 as stipulated in 8.2.1 of Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprise (DPE), Government of India and Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination has been limited to review of the procedures and implementation thereof, adopted by the Company, for ensuring the compliance with the conditions of corporate governance. It's neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (LODR) Regulations, 2015 and DPE Guidelines except the following:

1. **Regulation 17(1) (b) of SEBI (LODR) Regulations, 2015 and Para 3.1.4 of the DPE Guidelines on Corporate Governance relating to the condition of at least half of the Board to comprise of Independent directors was not complied till 6<sup>th</sup> October, 2017 as the Board of Directors of the Company did not have requisite number of Independent directors on its Board.**
2. **The Company has made the payment of sum of ₹ 40000/- to one of the Independent director as honorarium for attending the Departmental Promotion Committee meeting (one level below the Board). The necessary approval towards this payment has not been obtained pursuant to the Article 34 (b) of the Articles of Association of the Company from Competent Authority during the period under review.**

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 P. C. Jain & Co.  
Company Secretaries  
(FRN: P2016HR051300)

Sd/-  
**(P C Jain)**  
Partner

CP- 3349, FCS-4103

Date: 17<sup>th</sup> July, 2018  
Place: Faridabad



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. INDUSTRY STRUCTURE AND DEVELOPMENTS

Electricity is one of the most critical components for the infrastructure development of any Country affecting economic growth and well-being of the people at large. Power Sector consists of generation, transmission and distribution utilities and is a key enabler for India's economic growth. The total installed capacity of all the power stations of India as on March 31, 2018 was 3,44,002.40 MW with the contribution of 2,22,906.59 MW, 45,293.42 MW, 69,022.39 MW and 6,780 MW from Thermal, Hydro, Renewable Energy Sources and Nuclear power respectively<sup>1</sup>. The total electricity generation from conventional sources in the Country during the financial year 2017-18 was 1201.54 billion units as compared to 1155.08 billion units during the last financial year, registering a growth of 4.02%<sup>1</sup>.

Hydro-electric power is one of the most widely used forms of energy. Our Country is endowed with an enormous hydro power potential and ranks amongst the top countries worldwide for possessing feasible hydro power capacity, much of which remains unutilized. Outlook of India's hydro power generation looks promising with expected increase in industrial production and Government of India's mission to provide 24x7 electricity to all. NHPC has a prominent role to play in tapping the hydro power potential of the Country. NHPC has so far developed twenty hydro-electric projects across the Country.

#### (i) Hydropower Potential in India

The re-assessment studies of hydro-electric potential of the Country were completed by the Central Electricity Authority in 1987. According to the study, 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.

#### (ii) CERC Regulations

Central Electricity Regulatory Commission (CERC) issues various regulations from time to time for determination of tariff and dispatch of electricity under the provisions of Electricity Act, 2003. CERC has determined project-wise tariff for power stations of your Company under CERC (Terms & Condition) Regulations, 2014.

Your Directors are pleased to inform that the Company has submitted tariff petitions for all 20 hydro power stations for the period 2014-19, out of which tariff orders for 13 power stations

and interim/provisional tariff orders for 6 new power stations viz. Sewa-II, Uri-II, Chamera-III, Parbati-III, TLDP-III and TLDP-IV have been issued. The final tariff orders for these new power stations will be issued after the submission of Revised Cost Estimate (RCE) duly approved by Government of India. The tariff petition for Kishanganga H.E. Project has been submitted to CERC on January 19, 2018 and tariff order is yet to be issued.

#### (iii) Strategic Diversification

NHPC is one of the India's leading hydro power generation companies having fifteen percent of the total hydro installed capacity of the Country. It is also diversifying its activities by taking projects of different sources of energy viz. wind, solar etc. NHPC has commissioned a 50 MW solar power project in the state of Tamil Nadu during the financial year 2017-18 in addition to already commissioned 50 MW wind power project in the state of Rajasthan. NHPC has also obtained category-I inter-state power trading license from CERC in the month of April, 2018 to tap the opportunities available in the business of power trading.

### 2. SWOT ANALYSIS

#### (i) STRENGTHS

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

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

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

NHPC has a full-fledged design division dedicated to cater the design and engineering requirements of its projects/power stations. The in-house design team with extensive experience in hydro power sector gives NHPC an edge over other hydro power companies. NHPC is equipped with latest geo-physical exploration techniques like tunnel seismic prediction, tomography and resistivity imaging which can provide sub-surface information in an effective and economic manner. NHPC has in-house

<sup>1</sup>Source: Central Electricity Authority

full-fledged rock mechanics laboratory and remote sensing laboratory for carrying out geo-technical characterization of rock samples and geological interpretation of inaccessible areas respectively. 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 and expertise in development of hydro-electric projects in complex geological regions using in-house state-of-art technology to overcome number of geo-technical challenges. It has successfully completed construction of some of the hydro-electric projects located in remote hilly areas with various challenges like inaccessibility, poor logistics, adverse climate and technological hindrances. NHPC is capable to execute all types and sizes of hydro-electric projects with its strong team of competent, efficient and experienced professionals.

- **Strong financial position**

NHPC has paid-up share capital of ₹ 10,259.32 crore with an investment base of over ₹ 53,475 crore. NHPC has credit rating 'AAA' with stable outlook assigned by domestic credit rating agencies for its listed bonds. Moody's has upgraded international rating of NHPC from Baa3 positive to Baa2 stable and Standard & Poor has maintained international rating BBB(-) with stable outlook, equivalent to sovereign rating of India. The strong financial position of the Company makes it competent enough to execute capital intensive large hydro-electric projects.

- **Strong operating performance**

NHPC has successfully managed to develop and implement twenty two hydro-electric projects (including two through its subsidiary company i.e. NHDC Limited), one solar power project and one wind power project with an aggregate installed capacity of 7,071 MW. NHPC has added 380 MW to its installed capacity during the financial year 2017-18 with the commissioning of Kishanganga H.E. Project (330 MW), Jammu & Kashmir and 50 MW Solar Power Project, Tamil Nadu. Thus, 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 a 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 in the event of any earth quake within the vicinity of respective power stations. It is a big step towards risk assessment and enables to review dam safety of its each of the 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 the development of hydro power. India's huge untapped hydro potential, especially in the north-eastern region, provides opportunity for the development of hydro power. NHPC with its presence in north-eastern region and its capabilities, has an opportunity for capacity addition by untapping hydro potential in coming years.

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

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

- **Renewable Energy**

Government of India has set a target to achieve 175 GW capacity by the year 2022, comprising of 100 GW Solar, 60 GW Wind, 5 GW of Small Hydro and 10 GW of Biomass and others. Several measures in the solar power sector such as solar park policy, grid-connected rooftop solar plants in conjunction with sharp decline in solar tariff has made the investment in solar power business highly attractive. NHPC is making its efforts to explore new opportunities for the generation of power through renewable energy projects.

- **Grid Balancing Requirement**

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

## (iii) THREATS / CHALLENGES / CONCERNS

- **Time and cost overruns**

Most of the 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 to construction schedule. Further, inspite 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 overrun.

- **Time consuming clearance process**

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

- **Law & Order**

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

- **Opposition to hydro-electric projects**

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

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

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

- **Dependence on few contractors**

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

### 3. RISKS AND CONCERNS

Your Company has a well-defined risk management policy to provide overall framework for the risk management in the Company. In line with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Board level Risk Management Committee has been constituted. The role of Risk Management Committee is to assist the Board in management of key risks, as well as aligning the strategic objectives within the organization's operations to achieve the intended outcomes. Risk Management Committee further ensures that appropriate systems are in place to manage the identified risks, so that organization's assets are suitably protected.

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

Some of the key risks being faced by the Company, their impact and corresponding strategies undertaken for mitigation are discussed at **Table 1**.

**Table 1: Key risks, their impact and corresponding strategies**

Risk description	Mitigation measures
Uncertain geological conditions could result in delays in project commissioning, time and cost overruns arising due to events such as disruptions in tunneling activity and difficult working conditions.	<ul style="list-style-type: none"> <li>• Detailed surveys/ studies are being carried out by competent personnel/ consultants during the investigation stage, to address the anticipated geological challenges, while assessing the feasibility of project.</li> <li>• Comprehensive analysis is being carried out to ascertain the causes of adverse geological events and their resolutions.</li> </ul>
Delay in start of construction due to lack of adequate/ timely clearances/ approvals from the respective Ministries/ Departments.	<ul style="list-style-type: none"> <li>• Various State Government Departments such as Environment and Forest are being sensitized about various issues relating to the project for expediting the clearance process.</li> </ul>
Non-realization of outstanding dues from the beneficiaries.	<ul style="list-style-type: none"> <li>• Adequate penalty clauses are being incorporated in the ensuing Power Purchase Agreements.</li> </ul>
Lack of investments for financing projects due to high gestation period of projects and lower returns.	<ul style="list-style-type: none"> <li>• Availability of long-term finance at low cost from international sources, including Export Credit Agencies (ECAs) and through the use of credit enhancement mechanisms, such as the World Bank partial risk and partial credit guarantees are being tied up.</li> </ul>
Abandoning of projects midway due to: (i) Change in Government regulations; (ii) Change in Government policies; (iii) Change in Government directives.	<ul style="list-style-type: none"> <li>• Proactive liaisoning is being done with State Government departments/ Ministries through Relationship Management Committees.</li> </ul>
Delays in acquisition of land for various locations of the project such as dam, power house, switch yard etc.	<ul style="list-style-type: none"> <li>• Proactive liaisoning is being done with State Government departments through the Relationship Management Committee for land acquisition.</li> <li>• Effective implementation of rehabilitation &amp; resettlement policies of NHPC and state governments is ensured.</li> </ul>
Time and cost overrun due to unanticipated regulatory changes by Central/State Government.	<ul style="list-style-type: none"> <li>• Proactive liaisoning is being done with Central/ State Government to ensure that discussions take place prior to such regulatory changes.</li> </ul>
Non-adherence to CERC guidelines for tariff petition may lead to financial implications.	<ul style="list-style-type: none"> <li>• The commercial team is ensuring that the tariff petitions are filed as per the CERC guidelines.</li> <li>• The tariffs are internally reviewed at different levels to ensure that they are in line with the CERC guidelines.</li> </ul>

#### 4. OUTLOOK

Your Company has taken some very effective initiatives and successfully streamlined the processes for sustainable growth and consistent performance in the electricity business, by adopting new technologies in the areas of engineering. NHPC has also applied the contemporary practices to reduce construction time delays as well as cost overrun. Most of the power stations of NHPC are run in an optimized way to reduce silting problem of its reservoir. Presently, operations of all power stations of the Company are either semi or fully automated.

Construction supervision, post-commissioning monitoring and hurdle free operation are ensured and augmented by use of information technology. Many power stations are equipped with advanced distributed control systems along with SCADA systems. NHPC is also looking forward for remote operation of some of its power stations.

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



## 5. SEGMENT-WISE OR PRODUCT WISE PERFORMANCE

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

## 6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an in-house internal audit department headed by a senior officer. The Board has appointed Shri Vijay Kumar, Executive Director (Finance) as the Internal Auditor of the Company. The department has qualified and experienced workforce to carry out audit periodically as well as special audits.

The internal audit department reviews and evaluates the adequacy and effectiveness of internal control system through regular audits, system reviews and provides assurance for the compliance of delegation of powers, internal policies and procedures of the Company. Adequate internal control measures are in the form of various codes, manuals and procedures issued by the management covering all critical and important activities. A summary of audit observations and action taken reports are being submitted to Audit Committee and recommendations of it are duly complied with.

## 7. FINANCIAL DISCUSSION AND ANALYSIS

### (i) RESULTS OF OPERATIONS

A detailed analysis of the Audited Financial Results of the Company for the Fiscal 2018 vis-à-vis Fiscal 2017 is as under: -

#### Income

Table 2: Income

(₹ in crore)

	Fiscal 2018	Fiscal 2017
<b>Units of electricity generated (in million units)</b>	22,973	23,275
<b>Income</b>		
<b>Sales of Energy</b>	<b>6,177.90</b>	<b>6,410.52</b>
Add: Income from Finance Lease	213.57	206.35
Add: Income from Operating Lease	477.17	522.59
Add: Revenue from Contracts, Project Management and Consultancy Works	63.25	52.07
Add: Other operating income	2.14	79.64
<b>Revenue from operations</b>	<b>6,934.03</b>	<b>7,271.17</b>
Add: Other Income	1,491.00	1,457.67
<b>Total Income</b>	<b>8,425.03</b>	<b>8,728.84</b>

Total income in Fiscal 2018 decreased by 3.48% to ₹ 8,425.03 crore from ₹ 8,728.84 crore in Fiscal 2017, primarily due to decrease in generation in Fiscal 2018, decrease in Late Payment Surcharge, decrease in Interest from Beneficiary States, decrease in sales pertaining to previous years in Fiscal 2018, decrease in interest on investment/FDRs, decrease in Operating Lease Income partially offset by increase in Dividend Income from Subsidiaries.

#### Tariff

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

Tariff is determined by reference to Annual Fixed Charges (AFC) in pursuance to notified regulations for the tariff period 2014-19, which comprises Return on Equity (ROE), Depreciation, Interest on Loan, Interest on Working Capital and Operation & Maintenance Expenses. ROE is grossed-up with reference to effective income tax rate, so as to recover income tax incidence. Total Annual Fixed Charges is divided into two parts viz 50% as Capacity Charges and 50% as Energy Charges. Recovery of capacity charges is dependent on the actual availability of machines for generating power. Capacity is determined with reference to the Normative Annual Plant Availability Factor (NAPAF) which has been prescribed for each power station based on the nature of the power station. Energy charges are recovered based on actual generation as against the design energy. Design energy of each power station is fixed by CEA as per water availability.

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

#### Sale of Energy

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

The said regulations inter-alia provides that, for the purpose of filing of tariff petitions, the Return on

Equity (ROE), a component of tariff, is to be grossed-up using effective tax rate of the respective Financial Year. For the purpose of recognizing Sales, ROE has been grossed up using effective tax rate for FY 2017-18.

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

In Fiscal 2018, 22973 MUs of electricity (excluding infirm power of 2 MUs generated by Kishanganga HE Project during FY 2017-18) was generated from installed capacity of 5221MW (excluding 330MW of Kishanganga HE Project) as against 23275 MUs from installed capacity of 5171MW in Fiscal 2017. Accordingly, there was a decrease of 1.30% 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 19,457 million units sold in Fiscal 2018 as against ₹ 3.56 per unit for 19,763 million units sold in Fiscal 2017.

Sale of energy decreased by 3.79% to ₹ 6,868.64 crore in Fiscal 2018 from ₹ 7,139.46 crore in Fiscal 2017 primarily due to less generation in Power Stations. Company's Plant Availability Factor (PAF) in Fiscal 2018 was 85.32% as compared to 82.68% in Fiscal 2017.

### Adjusted Sales of Energy

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

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

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

The revenue from sales of energy after such adjustments is given at **Table 3:**

**Table 3: Revenue from sales of energy after adjustments**

(₹ in crore)

	Fiscal 2018	Fiscal 2017
<b>Net Sales ( including lease income)</b>	<b>6,868.64</b>	<b>7,139.46</b>
Less: Earlier year sales	(249.05)	(105.87)
<b>Adjusted Sales of Energy</b>	<b>7,117.69</b>	<b>7,033.59</b>

### 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 Teesta Urja, Mangdechu Project of Royal Govt. of Bhutan, Chenab Valley Power Projects, Loktak Downstream Hydroelectric Corporation Limited. The income from contracts, project management and consultancy works increased by 21.47% from ₹ 52.07 crore in Fiscal 2017 to ₹ 63.25 crore in Fiscal 2018 due to increased activities in Fiscal 2018.

### Other Income

Other income in Fiscal 2018 was ₹ 1,491.00 crore i.e. an increase of 2.29% as against ₹ 1457.67 crore in Fiscal 2017. Major components of Other Income are placed and discussed at **Table 4:**

**Table 4: Other Income**

(₹ in crore)

Other Income	Fiscal 2018	Fiscal 2017
Interest on securitised power bonds / long term advances / Loan to Govt. of Arunachal Pradesh	46.97	43.63
Interest on Term Deposits/ Investments	165.95	410.59
Dividend (mainly from NHDC-a Subsidiary Co.)	632.12	207.49
Late Payment Surcharge	390.36	526.75
Realisation from Insurance Company towards loss due to Business Interruption	59.41	111.80
Liability / Provisions not required written back	85.57	44.92
Other miscellaneous income	110.62	112.49
<b>Total</b>	<b>1,491.00</b>	<b>1,457.67</b>





Interest on Term Deposit has decreased to ₹ 165.95 crore during Fiscal 2018 as against ₹ 410.59 crore during Fiscal 2017 due to reduction in surplus cash invested during the year.

During Fiscal 2018, ₹ 632.12 crore was earned as Dividend from investments, mainly in subsidiary company (NHDC Ltd.), as against ₹ 207.49 crore during Fiscal 2017.

During Fiscal 2018, ₹ 385.04 crore received as arrears of late payment surcharge from two of the beneficiaries.

## Expenditure

**Table 5: Expenditure**

(₹ in crore)

Expenditure	Fiscal 2018	Fiscal 2017
Generation Expenses	716.39	773.67
Employee Benefits	1,585.33	1,574.84
Finance Costs	922.32	1,073.22
Depreciation & Amortization	1,405.89	1,388.40
Other Expenses	989.18	1,158.10
<b>Total Expenditure</b>	<b>5,619.11</b>	<b>5,968.23</b>

Total expenditure decreased by 5.85% to ₹ 5,619.11 crore in Fiscal 2018 from ₹ 5,968.23 crore in Fiscal 2017 mainly due to decrease in Other Expenses by ₹ 168.92 crore, decrease in Finance Cost by ₹ 150.90 crore, decrease in Generation Expenses by ₹ 57.28 crore partially offset by increase in Employee Benefits by ₹ 10.49 crore and Depreciation & Amortization by ₹ 17.49 crore. Our total expenditure as a percentage of total income was 66.70% in Fiscal 2018 as compared to 68.37% in Fiscal 2017.

## Generation Expenses

Generation expenses consist Water Cess and Consumption of stores and spare parts. These expenses represent approximately 12.75% of the total expenditure in Fiscal 2018 as against 12.96% in Fiscal 2017. In absolute terms, these expenses decreased approximately by 7.40% to ₹ 716.39 crore in Fiscal 2018 from ₹ 773.67 crore in Fiscal 2017. The decrease of ₹ 57.28 crore in generation expenses is primarily on account of decreased water cess due to less power generation at some of the J&K based Power Stations.

## Employee Benefits

Employee benefits include Salaries and Wages, Allowances, Incentives, Contribution to Provident Fund, contribution to Employees Defined Contribution Superannuation Scheme, Impact of wage revision and expenses related to other employee welfare funds. These expenses account for 28.21% of our total expenditure in Fiscal 2018 as against 26.39% in Fiscal 2017.

In absolute terms, the employee costs has increased by ₹ 10.49 crore in Fiscal 2018 mainly due to provisioning towards expected hike in Pay & Allowances based on 3<sup>rd</sup> Pay Revision Committee during the year partially offset by effect of retirement of work force.

There were 7351 employees on the payroll as of March 31, 2018 compared to 8009 employees as of March 31, 2017. Of this, 4265 and 4681 employees were engaged in Operation & Maintenance areas of our business during Fiscal 2018 & 2017 respectively. Employee Benefit expenses increased by 0.67% to ₹ 1,585.33 crore in Fiscal 2018 from ₹ 1,574.84 crore in Fiscal 2017.

As a percentage of total income, employees' benefits expenses increased to 18.82% in Fiscal 2018 from 18.04 % in Fiscal 2017.

## Finance Costs

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

Finance Cost decreased by 14.06% to ₹ 922.32 crore in Fiscal 2018 from ₹ 1,073.22 crore in Fiscal 2017. The decrease in Finance Cost is due to decrease in interest on term loans due to repayment of loans (₹ 92.13 crore) and rate revision/re-financing of loans from higher rate of interest to lower rate of interest (₹ 58.77 crore).

## Depreciation & Amortization

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 February 21, 2014 on straight line method, except for some items on which depreciation is charged to the extent of 95% of the costs of the assets and at the rates derived as per Companies Act, 2013.

Depreciation cost increased by 1.26% to ₹ 1,405.89 crore in Fiscal 2018 from ₹ 1,388.40 crore in Fiscal 2017. The increase in Depreciation Expenses is primarily due to full year commissioning of Teesta Low Dam-IV and Wind Power Project Jaisalmer during Fiscal 2018 and additional capitalization at power stations partially offset by decrease in respect of Bairasiul Power Station & Loktak Power Station on completion of life of power station as per CERC Regulations.

As a percentage of total income, depreciation increased to 16.69% in Fiscal 2018 from 15.91% in Fiscal 2017.

## 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 17.60% of the total expenditure in Fiscal 2018 as against 19.40% in Fiscal 2017. In absolute terms, these expenses decreased

approximately by 14.59% to ₹ 989.18 crore in Fiscal 2018 from ₹ 1,158.10 crore in Fiscal 2017. The decrease of ₹ 168.92 crore in other expenses is primarily due to, decrease in expenditure on Repairs & Maintenance of Building, Machinery & others, Insurance Expenses, Interest to beneficiary states and expenditure on CSR activities etc. offset by increase in security expenses and electricity expenses which are higher in Fiscal 2018.

In terms of expenses per unit of saleable energy, it has decreased to ₹ 0.51 in Fiscal 2018 as against ₹ 0.59 in Fiscal 2017.

### 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 ₹ 719.82 crore against the borrowing cost and administrative and other cost incurred on Subansiri Lower project during the current financial year for ₹ 474.82 crore, Provision created against wage revision due w.e.f. January 01, 2017 for ₹ 242.90 crore and Exchange Differences against monetary Items for ₹ 2.10 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 2018 on account of below mentioned three factors:

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

Work at Subansiri Lower interrupted since December 16, 2011 is yet to resume. Impact on Income & Expenditure heads, due to non-capitalization of borrowing cost and administrative and other expense incurred/income earned in respect of this Project for FY 2017-18 is given at **Table 6**:

**Table 6**

(₹ in crore)

S. No.	Particulars	FY 2017-18	FY 2016-17
i)	Other Income	25.82	26.99
<b>A</b>	<b>Total Income</b>	<b>25.82</b>	<b>26.99</b>
i)	Employee Benefits	84.81	92.74
ii)	Finance Cost	331.39	365.32
iii)	Depreciation & Amortisation Expenses	6.85	6.96
iv)	Other Expenses	77.59	78.68
<b>B</b>	<b>Total Expenses</b>	<b>500.64</b>	<b>543.70</b>
<b>C</b>	<b>Net (A-B)</b>	<b>(474.82)</b>	<b>(516.71)</b>

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

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

Accordingly the Company has created regulatory income for ₹ 242.90 crores towards expenses pertaining to wage revision is given at **Table 7**:-

**Table 7**

(₹ in crore)

S. No.	Particulars	FY 2017-18	FY 2016-17
i)	Towards Expenses booked through Statement of Profit & Loss	242.90	199.78
	<b>Total</b>	<b>242.90</b>	<b>199.78</b>

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

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

Accordingly the Company has created regulatory assets for ₹ 2.10 crores recoverable from beneficiaries in future periods.

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

Due to the reasons outlined above, our profit before tax increased by 1.47% to ₹ 3,525.74 crore in Fiscal 2018 from ₹ 3,474.60 crore in Fiscal 2017.

#### Tax Expenses

In Fiscal 2018, we provided ₹ 767.09 crore for tax expenses as compared to ₹ 679.01 crore in Fiscal 2017. The increase in tax expenses in Fiscal 2018 is on account of increase in deferred tax by ₹ 49.88 crore and decrease in earlier year tax adjustments by ₹ 110.08 crore which is partially offset by decrease in current year taxes by ₹ 71.88 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 2018 was ₹ 5.88 crore i.e. a decrease of 23.34% as against ₹ 7.67 crore in Fiscal 2017.

## Total Comprehensive Income (TCI)

Total Comprehensive Income (TCI) i.e. total profit inclusive of OCI in Fiscal 2018 was ₹ 2,764.53 crore i.e. a decrease of 1.39% as against ₹ 2,803.26 crore in Fiscal 2017.

## (ii) LIQUIDITY AND CAPITAL RESOURCES

### Liquidity

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 ₹ 6.96 crore and ₹ 59.89 crore as of March 31, 2018 and 2017 respectively, out of which ₹ 0.22 crore and ₹ 7.74 crore as of March 31, 2018 and 2017 respectively were held for Rural Road and Rural Electrification works being executed by Company on behalf of other agencies, which were not freely available for the business of the Company.

### Cash Flows

Table 8: Cash Flows

(₹ in crore)

	Fiscal 2018	Fiscal 2017
Net cash inflow/ (outflow) from operating activities	4,102.61	7,842.83
Net cash inflow/ (outflow) from investing activities	(1,144.78)	(1,430.10)
Net cash inflow/ (outflow) from financing activities	(3,010.76)	(7,547.23)

### Net Cash from Operations

In Fiscal 2018, the net cash from operating activities was ₹ 4,102.61 crore and Profit before Tax and Regulated Income but after exceptional items was ₹ 2,805.92 crore. Net cash from operating activities has been arrived at after adjusting non-cash items mainly depreciation of ₹ 1,405.89 crore, interest expenses of ₹ 922.32 crore, ₹ 381.59 crore on account of expenditure towards Regulatory Deferral Account Balance, ₹ 69.78 crore towards provisions, ₹ 58.37 crore on account of tariff adjustment, ₹ 66.36 crore towards sales adjustment on a/c of FERV, ₹ 60.68 crore for deferred revenue on account of advance against depreciation, ₹ 85.57 crore on account of provisions/liabilities not required written back,

₹ 632.12 crore on account of dividend income, ₹ 252.73 crore towards interest earned on Deposits/ Investments and other non-operating items. Changes in Operating Assets & Liabilities had impact of cash inflow by ₹ 92.75 crore, which was due to the net effect of change in Inventories, Trade Receivables, Other Financial Assets, Loans and Advances and other Payables.

The net cash from operating activities was ₹ 7,842.83 crore in Fiscal 2017. We had net Profit before Tax and Regulated Income but after exceptional items of ₹ 2,760.61 crore in Fiscal 2017. Our net cash from operating activities had been arrived at after adjusting non-cash items mainly depreciation of ₹ 1,388.40 crore, interest expenses of ₹ 1,073.22 crore, ₹ 119.68 crore towards provisions, ₹ 341.71 crore on account of expenditure towards regulatory deferral account balance, ₹ 94.83 crore on account of tariff adjustment, ₹ 51.81 crore towards sales adjustment on a/c of FERV, ₹ 60.68 crore for deferred revenue on account of advance against depreciation, ₹ 44.92 crore on account of provisions/liabilities not required written back, ₹ 207.49 crore on account of dividend income, ₹ 512.72 crore towards interest earned on Deposits/ Investments and other non-operating items. Changes in Operating Assets & Liabilities had impact of cash inflow by ₹ 3,609.03 crore, which was due to the net effect of change in Inventories, Trade Receivables, Other Financial Assets, Loans & Advances and other payables.

### Net Cash from Investing Activities

Our net cash used in investing activities was ₹ 1,144.78 crore in Fiscal 2018. This mainly reflected expenditure on Fixed Assets of ₹ 1,530.44 crore, ₹ 381.59 crore towards regulatory deferral account balance and ₹ 125.36 crore towards Investment in Joint Venture partly offset by interest income on Deposits/ Investments by ₹ 260.49 crore and an amount of ₹ 632.12 crore towards dividend income.

Our net cash used in investing activities was ₹ 1,430.10 crore in Fiscal 2017. This mainly reflected expenditure on Fixed Assets of ₹ 1,496.41 crore, ₹ 341.71 crore towards regulatory deferral account balance and ₹ 365.37 crore towards Investment in Joint Venture partially offset by interest income on Deposits/ Investments by ₹ 566.25 crore and an amount of ₹ 207.49 crore towards dividend income.

### Net Cash from Financing Activities

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

In Fiscal 2017, our net cash outflow on financing activities was ₹ 7,547.23 crore. We raised ₹ 2,804.51 crore from fresh domestic term loans & bonds and borrowings to the tune of ₹ 3,338.37 crore were repaid. Our cash outflow on account of buyback of equity shares was to the tune of ₹ 2,625.93 crore. The amount related to interest servicing was ₹ 1,391.09 crore. In Fiscal 2017, we paid total dividend (including dividend tax) of ₹ 2,996.35 crore.

### (iii) BALANCE SHEET ITEMS

#### Balance Sheet Highlights

##### Assets

Table 9: Assets

(₹ in crore)

Particulars	As of March 31,	
	2018	2017
<b>Non-Current Assets</b>		
Net Fixed assets	38,808.27	38,327.34
Non-Current Investments	2,209.56	2,100.32
Trade Receivables	184.45	0.00
Long-term loans	339.88	360.96
Other Financial Assets	1,915.23	1,863.83
Non-Current Tax Assets (Net)	163.67	73.68
Other Non-Current Assets	1,279.63	1,125.74
<b>Total Non-Current Assets</b>	<b>44,900.69</b>	<b>43,851.87</b>
<b>Current Assets</b>		
Inventories	95.77	91.64
Trade Receivables	1,097.07	1,492.90
Cash & Bank Balances	1,472.39	1,533.14
Short Term Loans and Advances	46.80	43.84
Other Financial Assets	1,919.42	1,858.25
Current Tax Assets (Net)	0.40	55.93
Other Current Assets	342.18	475.21
<b>Total Current Assets</b>	<b>4,974.03</b>	<b>5,550.91</b>
Regulatory Deferral Account Debit Balances	3,600.46	2,904.32
<b>Total Assets and Regulatory Deferral Account Debit Balances</b>	<b>53,475.18</b>	<b>52,307.10</b>

### Shareholders Funds, Liabilities & Provisions

Table 10

(₹ in crore)

	As of March 31,	
	2018	2017
<b>Shareholders Funds (Net Worth)</b>		
Equity Share Capital	10,259.32	10,259.32
Other Equity	18,068.83	16,682.81
<b>Non-Current Liabilities</b>		
Long Term Borrowings	16,728.20	17,245.64
Other Financial Liabilities	38.47	25.63
Long Term Provisions	25.47	486.93
Deferred Tax Liabilities (Net)	1,076.64	938.49
Other non-current Liabilities	1,625.00	1,472.47
<b>Current Liabilities</b>		
Short Term Borrowings	279.99	302.50
Trade Payables	171.55	147.08
Other Financial Liabilities	2,778.81	2,549.63
Other Current Liabilities	669.86	706.65
Short Term Provisions	1,753.04	1,489.95
<b>Total Shareholders Funds, Liabilities and Provisions</b>	<b>53,475.18</b>	<b>52,307.10</b>

#### Financial Condition

##### Net Fixed Assets

Our fixed assets consist of Land, Dams, Tunnels, Buildings, including Power House Buildings, Construction Equipments, Plant & Machinery, Office Equipment, Computers and Intangible Assets etc. Our Fixed Assets after Depreciation, defined as net Fixed Assets, were ₹ 38,808.27 crore and ₹ 38,327.34 crore as of March 31, 2018 and March 31, 2017 respectively.

##### Investments

Investments are intended for long term and carried at cost which consist of Equity investments in Subsidiaries/Joint Venture Companies, Govt. Securities & Bonds. Our total investment was ₹ 2,209.56 crore and ₹ 2,100.32 crore as of March 31, 2018 and March 31, 2017 respectively.



# NHPC Limited

(A Government of India Enterprise)

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

## Loans (Current & Non-Current)

Loans include loans to our employees and to Govt. of Arunachal Pradesh. Loans as of March 31, 2018 and of March 31, 2017 were ₹ 386.68 crore and ₹ 404.80 crore respectively i.e. there is a decrease of 4.48 % over figures of previous Fiscal mainly due to decrease in employee loans.

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

The other financial assets as at March 31, 2018 stood at ₹ 3,834.65 crore against ₹ 3,722.08 crore for the previous fiscal i.e. there is an increase of 3.02% over figures of previous Fiscal. Other Financial Assets include Lease rent receivable, interest accrued on loan to Government of Arunachal Pradesh, Interest income accrued on Bank Deposits, claim recoverable from different agencies, Share Application Money given to Joint Venture Company, Receivable from Subsidiaries/JVs, Receivable on account of unbilled revenue and advance to contractor against arbitration awards etc.

The increase of 3.02% in Fiscal 2018 as compared to the figures in Fiscal 2017 is mainly due to increase in Share application money given to Joint Venture Company, interest accrued on loan to Government of Arunachal Pradesh, Advance to contractor against arbitration award and decrease in Lease rent receivable, receivable on account of unbilled revenue and receivable from Subsidiaries/JVs.

## Tax Assets (Current & Non-Current)

Tax assets as of March 31, 2018 and 2017 were ₹ 164.07 crore and ₹ 129.61 crore respectively i.e. there is an increase of 26.59% over figures of previous Fiscal. Tax Assets include Advance Income Tax & Tax Deducted at Source.

## Other Non-Current Assets

Other non-current assets mainly comprise deferred foreign currency fluctuation assets and capital advances. Our other non-current assets as of March 31, 2018 and 2017 were ₹ 1,279.63 crore and ₹ 1,125.74 crore respectively. The increase of 13.67% in Fiscal 2018 as compared to the figures in Fiscal 2017 is mainly due to increase in capital advances.

## Inventories

Inventories are valued at cost or Net Realisable Value whichever is lower. Our inventories were valued at ₹ 95.77 crore and ₹ 91.64 crore as of March 31, 2018 and 2017 respectively.

## Trade Receivables (Current & Non-Current)

These consist primarily of receivables against the sale of electricity and debtors for surcharge excluding unbilled revenue. The Trade receivables (net of provision for doubtful debts) as of March 31, 2018 and 2017 were

₹ 1,281.52 crore and ₹ 1,492.90 crore respectively. Decrease of 14.16% in trade receivables in Fiscal 2018 as compared to Fiscal 2017 is due to realisation of outstanding dues.

## Cash and Bank Balances

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

Cash and Cash equivalents as of March 31, 2018 and 2017, respectively, were ₹ 6.96 crore and ₹ 59.89 crore. The decrease of ₹ 52.93 crore during Fiscal 2018 is net result of cash outflow on investing & financing activities by ₹ 1,144.78 crore & ₹ 3,010.76 crore respectively offset by cash inflow of ₹ 4,102.61 crore on account of operating activities.

Bank balances other than Cash and Cash equivalents as of March 31, 2018 and 2017, respectively, were ₹ 1,465.43 crore and ₹ 1,473.25 crore.

Our cash and bank balances included ₹ 250.71 crore (Previous Year ₹ 250.22 crore) held for Rural Road and Rural Electrification works being executed by Company on behalf of other agencies and also included unpaid dividend of ₹ 18.16 crore (Previous Year ₹ 14.26 Crore) which were not freely available for the business of the Company.

## Other Current Assets

Other Current Assets mainly comprises Deposit and Advances other than Capital Advances, Prepaid Expenditure and Deferred Foreign Currency Fluctuation Assets. Our other Current Assets, as of March 31, 2018 and 2017 respectively were ₹ 342.18 crore and ₹ 475.21 crore, a decrease of 27.99% in Fiscal 2018 as compared to the figures in Fiscal 2017.

## Regulatory Deferral Account Debit Balances

In line with the Guidance Note on "Accounting for Rate Regulated Activities" issued by the Institute of Chartered Accountants of India as well as keeping in view the provisions of Ind-AS 114-Regulatory Deferral Accounts, 'Regulatory Assets' has been created and corresponding 'Regulatory Income' has been recognized for ₹ 474.82 crore against the borrowing cost and administrative and other cost incurred on Subansiri Lower Project during Fiscal 2018 which have been charged to the Statement of Profit & Loss as per the relevant Accounting Standard.

Regulatory Deferral Account balances has also been created for ₹ 242.90 crore in respect of expenditure recognised due to recommendations of 3<sup>rd</sup> PRC for Pay

Revision of CPSUs during the Fiscal 2018 which have been booked through Statement of Profit & Loss and ₹ (-)23.68 crore through Other Comprehensive Income as per the relevant Accounting Standard.

Regulatory Deferral Account balances has also been created for ₹ 2.10 crore in respect of exchange differences on Foreign Currency Monetary items during the Fiscal 2018 which have been charged to the Statement of Profit & Loss as per the relevant Accounting Standard.

Accordingly, 'Regulatory Deferral Account Debit balances' as on March 31, 2018 stand at ₹ 3,600.46 crore as against ₹ 2,904.32 crore as on March 31, 2017.

### Net worth

The net worth of the Company at the end of Fiscal 2018 increased to ₹ 28,328.15 crore from ₹ 26,942.13 crore in the previous Fiscal registering an increase of 5.14% mainly due increase in retained earnings.

### Long Term Borrowings

Long Term Borrowings comprised of Bonds, Secured Term Loans & Unsecured Loans including Foreign Currency Loans amounting to ₹ 11,238.39 crore, ₹ 1,226.67 crore and ₹ 4,263.14 crore in Fiscal 2018 as against ₹ 8,493.28 crore, ₹ 4,478.81 crore and ₹ 4,273.55 crore respectively in Fiscal 2017. 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 decrease in Long Term Borrowing to the extent of 3.00% over previous fiscal is mainly on account of redemption and repayment of borrowings offset by issue of V2, W1 and W2 Series Bonds.

### Other Financial Liabilities (Current & Non-Current)

The other financial liabilities as at March 31, 2018 stood at ₹ 2,817.28 crore against ₹ 2,575.26 crore for the previous fiscal i.e. there is an increase of 9.40 % over figures of previous fiscal.

The increase in Other Financial Liabilities is the net effect of mainly in increase in Liability against capital works/supplies, increase in Interest accrued but not due on borrowings and increase in current maturity amount of Bonds partially offset by decrease in current maturity amount of Term Loans.

### Provisions (Current & Non-Current)

Provisions include provision for Performance Related Pay, Superannuation/Pension fund, Provision towards employee benefits (actuarial valuation), Provision for Wage Revision, Provision for Committed Capital Expenditure and Other Provisions etc. Total provisions stood at ₹ 1,778.51 crore as at March 31, 2018 as against ₹ 1,976.88 crore for previous fiscal i.e. there is a decrease of 10.03 % over figures of previous fiscal.

### Deferred Tax Liabilities

The Deferred Tax Liabilities as at March 31, 2018 stood at ₹ 1,076.64 crore against ₹ 938.49 crore for the previous fiscal.

### Other Non-Current Liabilities

The Other Non-Current Liabilities as at March 31, 2018 stood at ₹ 1,625.00 crore against ₹ 1,472.47 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, 2018 stood at ₹ 279.99 crore against ₹ 302.50 crore for the previous fiscal. Short term borrowings consist of borrowings from Banks against short term investments in the form of FDRs.

### Trade Payables

The Trade payables as at March 31, 2018 stood at ₹ 171.55 crore against ₹ 147.08 crore for the previous fiscal i.e. there is an increase of 16.64 % over figures of previous fiscal.

### Other Current Liabilities

The other current liabilities as at March 31, 2018 stood at ₹ 669.86 crore against ₹ 706.65 crore for the previous fiscal i.e. there is a decrease of 5.21 % over figures of previous fiscal.

## (iv) OFF-BALANCE SHEET ITEMS

### Contingent Liabilities

The following **Table 11** sets forth the components of our contingent liabilities as of Fiscal 2018 and 2017.

**Table 11: Contingent Liabilities**

(₹ in crore)

Particulars	Fiscal 2018	Fiscal 2017
Claims against the Company not acknowledged as debts in respect of:		
Capital Works	9,370.30	7,848.60
Land Compensation Cases	38.68	19.36
Disputed Tax matters and Other Items	1,025.36	957.94
<b>Total</b>	<b>10,434.34</b>	<b>8,825.90</b>

Contingent liabilities increased by 18.22% from ₹ 8,825.90 crore as of March 31, 2017 to ₹ 10,434.34 crore as of March 31, 2018.



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

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

### NHDC Limited

NHDC Ltd. was incorporated on August 1, 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 the Company as of March 31, 2018 and 2017, respectively was ₹ 1,056.68 crore and ₹ 1,599.62 crore. The Profit After Tax of the Company as of March 31, 2018 and 2017, respectively was ₹ 553.18 crore and ₹ 931.28 crore. At present paid up share capital of the Company is ₹ 1,962.58 crore of which NHPC's contribution is ₹ 1,002.42 crore.

### Loktak Downstream Hydroelectric Corporation Limited

Loktak Downstream Hydroelectric Corporation Limited was incorporated on October 23, 2009 as a Joint Venture of NHPC Ltd. (74%) and Government of Manipur (26%) having authorized share capital of ₹ 230 crore. At present paid up share capital of the company is ₹ 117.69 crore of which NHPC's contribution is ₹ 87.09 crore. The Company is yet to start the operations.

### Bundelkhand Saur Urja Limited

Bundelkhand Saur Urja Limited was incorporated on February 2, 2015, as a Joint Venture of NHPC Ltd. and Government of Uttar Pradesh, with NHPC's share not less than 74%. The authorized share capital of the Company is ₹ 60.00 Crore. At present paid up share capital of the Company is ₹ 4.00 Crore of which NHPC's contribution is ₹ 4.00 crore (99.99%). The Govt. of Utttar Pradesh has contributed only ₹10/- towards equity in Joint Venture Company. The Company is yet to start the operations.

### Chenab Valley Power Projects Private Limited

Chenab Valley Power Projects Private Limited was incorporated on June 13, 2011 as a Joint Venture of NHPC Ltd. (49.78%), Jammu & Kashmir State Power Development Corporation (JKSPDC) (49.78%) & PTC India Ltd. (0.44%) having authorized share capital of ₹ 2,500 crore for execution of PakalDul, Kiru & Kawar H.E. Projects with installed capacity of 2164 MW in Chenab River Basin. At present paid up share capital of the Company is ₹ 1051.44 crore of which NHPC's contribution is ₹ 582.36 crore. The Company is yet to start the operations.

### National High Power Test Laboratory Private Limited (NHPTLPL)

NHPTLPL was incorporated on May 22, 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 2017, 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, 2018 paid up share capital of the Company is ₹ 152.00 crore of which NHPC's contribution is ₹ 30.40 crore. The Company has started commercial operation during Fiscal 2018.

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

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

A brief summary of the results on a consolidated basis is given at **Table 12:**

**Table 12: Summary of the results on a consolidated basis**

(₹ in crore)

Particulars	Fiscal 2018	Fiscal 2017
Total Income (excluding Exceptional Items)	8,852.60	10,125.89
Profit before Tax	3,637.55	4,534.74
Profit after Tax (after adjustment of Non-Controlling Interest)	2,503.90	3,029.42

## 8. MATERIAL DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS FRONT

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

### (i) TRAINING OF EMPLOYEES

Your Company organizes various developmental programmes for its employees to improve their behavioural and managerial skills and core competencies. These programmes helps employees to keep them abreast with the latest developments and changes taking place in the areas of operations, technology, HR, finance and other engineering aspects etc. The Company has set up four training centers at Tanakpur Power Station

in Uttarakhand, Chamera-I Power Station in Himachal Pradesh, Salal and Uri Power Station in Jammu and Kashmir.

Your Company also organizes various training and development programs regularly for its employees through premier management and engineering institutions. In addition to above, NHPC is regularly sponsoring its executives to acquire higher qualification and specialization to improve their productivity and effectiveness.

**(ii) EMPLOYEE STRENGTH**

The employee strength of the Company as on March 31, 2018 was 7,351 (3,664 executives, 170 supervisors & 3,517 workmen).

**(iii) WELFARE MEASURES FOR WOMEN EMPLOYEES**

The number and percentage of women employees as on March 31, 2018 is given at **Table 13**.

**Table 13: Particulars of women employees**

Total no. of employees as on 31.03.2018	No. of women employees	% of overall employee strength
7351	767	10.43

Steps taken for the welfare of women employees:

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

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

Your Company is taking care of socio-economic developments of weaker sections of the society including SC/ST/OBC at various projects/power stations situated in remote areas. Your Company has allocated budget for schools and colleges located at various SC/ST/OBC populated areas near to its projects/power stations.

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

Representation of SC/ST/OBC employees is given at **Table 14**.

**Table 14: Particulars of SC/ST/OBC employees**

Total no. of employees as on 31.03.2018	Representation					
	SC	% age	ST	% age	OBC	% age
7351	1025	13.94	450	6.12	962	13.09

**(v) WELFARE MEASURES FOR DIFFERENTLY ABLED EMPLOYEES:**

Representation of differently abled employees is given at **Table 15**.

**Table 15: Particulars of differently abled employees**

Total no. of employees as on 31.03.2018	Differently abled employees			% of differently abled employees	
	VI	HI	OH	Total	%age
7351	11	4	112	127	1.73

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

**Steps taken for the welfare of differently abled employees:**

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

- Differently abled employees, as well as employees who are care giver to dependent child are exempted from the rotational transfer. These employees are given option about their preference in place of posting at the time of transfer/promotion.





- Financial assistance is provided to employees (who get physically handicapped while in service) for vocational training.
- Reimbursement is given to blind and orthopedically handicapped employees for monthly conveyance allowance.
- Reimbursement of expenses for the purchase of hearing aid is given to hearing impaired employees/their dependents.
- Reimbursement of the cost of artificial limbs and interest free loan for it is being given to employees/their dependents.
- Restriction of age is not applicable in respect of physically/mentally retarded children for considering them as dependents.

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

### (i) Environment Protection and Conservation:

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

Your Company makes all-out efforts to create conditions, where economic growth and environmental preservation can 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 (EMP) are proposed and implemented to compensate the adverse impacts of the project by adoption of 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 Environmental Management Plans and Voluntary Initiatives. Various measures have been taken up under Voluntary initiatives at many NHPC Projects / Power Stations for Waste Management, Water Conservation and Energy Conservation. Bi-annual Progress reports for various Projects / Power Stations for

period ended March, 2017 and September, 2017 were submitted to MoEF&CC and its concerned Regional offices. These reports were also uploaded at the website of the Company.

The Company also conducts post-construction environment and social impact assessment studies to evaluate the effectiveness of the management plans implemented during the course of construction of the project.

### (ii) Renewable Energy Developments:

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

### (iii) Foreign Exchange Conservation:

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

### (iv) Technology Absorption:

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

## 10. CORPORATE SOCIAL RESPONSIBILITY

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

## 11. CAUTIONARY STATEMENT

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

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

For and on behalf of the Board of Directors

(Balraj Joshi)

Chairman and Managing Director

DIN: 07449990

Date: August 6, 2018

Place: Faridabad

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

#### A. CONSERVATION OF ENERGY

##### (i) Steps taken or impact on conservation of energy

- Energy audit of eighteen power stations had been carried out in the past to assess the efficiency of electrical equipment's like generators, transformers etc. and to recommend the energy saving measures. Based on the recommendations of the audits, the energy savings of 9.72 MU/year has been achieved. Further, energy audit was conducted at Salal & TLDP-IV power stations for financial year 2017-18.
- NHPC has signed memorandum of understanding with M/s Energy Efficiency Services Limited to implement energy efficient LED lighting solutions at all its work centres.
- Conventional light fittings of Phase-I Office Building (Jyoti Sadan) at Corporate Office have been replaced with energy efficient LED light fitting.
- AC variable frequency drives have been installed in motors of cooling water pumps at Power Stations.

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

Your Company has installed roof-top/ground mounted solar power panels at various locations of the Company. During the financial year 2017-18, solar panels of 700 KWp capacity were installed at various locations and works for installation of solar panels of 534.7 KWp capacity were awarded.

In addition to above, installation of 1,000 KWp grid synchronized solar power plant is under process on the rooftop of buildings at NHPC Residential Complex, Faridabad.

##### (iii) Capital investment on energy conservation equipments

NIL

#### B. TECHNOLOGY ABSORPTION

##### (i) Efforts made towards technology absorption

- NHPC is utilizing space technology for Remote Sensing Bases Sedimentation studies for Teesta-IV Hydro-electric Project through M/s National Remote Sensing Centre (NRSC), Hyderabad. The study is being conducted to generate the spatial layers on geological parameters, land use, soil and topography using multi-temporal satellite data and to assess the sediment loads in the Teesta-IV HE Project catchment area. The study started in January, 2017 and is scheduled to be completed in December, 2020.
- Modified runners have been installed in three units of Salal Power Station, Jammu & Kashmir (in two units during year 2017-18 & in one unit during year 2016-17). In remaining three units modified runners are planned for installation during 2018-19.
- Power System Stabilizer (PSS) tuning of Dhauliganga Power Station (280 MW), Uttarakhand.
- Efforts are being made for installation of SCADA system at Salal Power Station (690 MW), Jammu & Kashmir and up-gradation of existing SCADA system at Dulhasti Power Station (390 MW), Jammu & Kashmir.
- Your Company is also exploring the possibilities for underwater inspection of long tunnel through remotely operated vehicle.
- NHPC is conducting study on bonding of high performance concrete with old concrete through M/s National Council for Cement and Building Materials (NCCBM), Haryana.



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

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

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

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

NIL

**(iv) Expenditure incurred on Research and Development**

Expenditure incurred on Research and Development during the financial year 2017-18 was ₹ 5.70 crore, which includes ₹ 5.64 crore incurred towards establishment expenses.

**C. Foreign exchange earnings and Outgo**

(₹ in Crore)

S. No.	Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
a)*	Value of imports calculated on CIF basis:		
	Capital Goods	5.50	26.43
b)*	Expenditure in Foreign Currency:		
	i) Interest	22.55	26.27
	ii) Other Misc. Matters	60.85	76.05
c)*	Value of spare parts and Components consumed in operating units:		
	i) Imported	-	-
	ii) Indigenous	24.59	25.27
d)*	Earnings in foreign currency:		
	i) Others	-	-

\* Accrual basis

For and on behalf of the Board of Directors

(Balraj Joshi)

Chairman and Managing Director

DIN: 07449990

Date: August 6, 2018

Place: Faridabad

### BUSINESS RESPONSIBILITY REPORT

#### Section A: General information about the Company

- 1. Corporate Identity Number (CIN) of the Company**  
L40101HR1975GOI032564
- 2. Name of the Company**  
NHPC Limited
- 3. Registered address**  
NHPC Office Complex, Sector-33, Faridabad, Haryana-121003 (India)
- 4. Website**  
www.nhpcindia.com
- 5. E-mail id**  
brr@nhpc.nic.in
- 6. Financial Year reported**  
2017-18
- 7. Sector(s) that the Company is engaged in (industrial activity code-wise)**

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

- 8. List three key products/services that the Company manufactures/ provides (as in balance sheet).**
  - Energy (Hydro Power, Wind Power & Solar Power)
  - Consulting Services
- 9. Total number of locations where business activity is undertaken by the Company**

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

NHPC has business presence in Bhutan where it is providing consultancy services for Engineering and Design of Mangdechhu HE Project (720 MW) to Mangdechhu Hydro-electric Project Authority (MHPA) on nomination basis. The Detailed Project Report (DPR) of Chamkharchhu – 1 HE Project (770 MW) in Bhutan was prepared as a consultancy assignment for Department of Hydropower and Power System, Royal Government of Bhutan. As per Inter-governmental agreement signed between RGoB & Gol in April 22, 2014, the project is proposed to be executed in a Joint Venture mode between NHPC and DGPC (Govt. of Bhutan PSU) with equal share holding. Discussions are underway for JV formation.

#### 9.2. Number of National Location

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

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

\* All three (3) units of Kishanganga HE Project have been Commissioned by March 31, 2018.

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

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

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

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

#### Section B: Financial details of the Company

- 1. Paid up Capital (INR)**  
INR 10259.32 Crores (as on 31.03.2018)
- 2. Total Turnover (INR)**  
INR 6934.03 Crores (during FY 2017-18)
- 3. Total profit after taxes (INR)**  
INR 2758.65 Crores (during FY 2017-18)
- 4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)**

During financial year 2017-18, an expenditure of ₹ 3854.71 Lakhs has been incurred by NHPC on CSR activities, which is 1.45 % 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, Drinking Water & Sanitation (including Swachh Bharat Abhiyan activities)
- Rural Development
- Environment
- Women Empowerment & Senior Citizen
- Capacity Building, Sports, Art & Culture and other initiatives.

**Section C: Other Details**

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

Yes. NHPC Limited has four Subsidiary Companies as on March 31, 2018, namely:

- i. NHDC Limited
- ii. Loktak Downstream Hydroelectric Corporation Limited
- iii. Bundelkhand Saur Urja Limited
- iv. Chenab Valley Power Projects Private Limited

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

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

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

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

\*CSR & Sustainable Development Policy is available at: [http://www.nhpcindia.com/writereaddata/Images/pdf/CSR\\_Policy\\_Final.pdf](http://www.nhpcindia.com/writereaddata/Images/pdf/CSR_Policy_Final.pdf). Resettlement & Rehabilitation policy is available at: [www.nhpcindia.com/r-and-r-initiative.htm](http://www.nhpcindia.com/r-and-r-initiative.htm). Fraud Policy is available at: [www.nhpcindia.com/writereaddata/images/pdf/NHPCFraudPrevention-Detectionpolicy-may16.pdf](http://www.nhpcindia.com/writereaddata/images/pdf/NHPCFraudPrevention-Detectionpolicy-may16.pdf). Whistle Blower Policy is available at: [www.nhpcindia.com/writereaddata/images/pdf/wbp.pdf](http://www.nhpcindia.com/writereaddata/images/pdf/wbp.pdf). Policy for Business Banning dealings is available at: [www.nhpcindia.com/writereaddata/images/pdf/Guidelines-BanningofBusinessDealings-Revised.pdf](http://www.nhpcindia.com/writereaddata/images/pdf/Guidelines-BanningofBusinessDealings-Revised.pdf). Corporate Governance compliance is available at: [www.nhpcindia.com/corporate-governance.htm](http://www.nhpcindia.com/corporate-governance.htm). Integrity pact available

at [http://www.nhpcindia.com/writereaddata/images/pdf/ip\\_ip\\_program.pdf](http://www.nhpcindia.com/writereaddata/images/pdf/ip_ip_program.pdf). Integrated Management System Certificate are available at [www.nhpcindia.com/writereaddata/images/pdf/9001-2015.pdf](http://www.nhpcindia.com/writereaddata/images/pdf/9001-2015.pdf). [www.nhpcindia.com/writereaddata/images/pdf/14001-2015.pdf](http://www.nhpcindia.com/writereaddata/images/pdf/14001-2015.pdf). [www.nhpcindia.com/writereaddata/images/pdf/18001-2007.pdf](http://www.nhpcindia.com/writereaddata/images/pdf/18001-2007.pdf). Code of Business Conduct and Ethics and NHPC Conduct, Discipline and Appeal Rules are available over the Company intranet.

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

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

**3. Governance related to Business Responsibility**

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

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

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

This is the sixth Business Responsibility Report. Similar to the last year, this would be published annually and will be part of the Annual Report. This report can be accessed at [www.nhpcindia.com/NHPC-annual-reports.htm](http://www.nhpcindia.com/NHPC-annual-reports.htm)

The Company has a Code of Business Conduct and Ethics which is applicable to its Board Members and Senior Management Personnel. In addition, the Company has a Fraud Policy to prevent fraud or suspected fraud. Whistle Blower policy has also been adopted. Further, the Company has implemented an Integrity Pact for all the procurement works of the value of ₹1 crore and more, procurement of services of the value of ₹ 15 lakhs and more and for procurement of goods of the value of ₹ 7 lakhs and more. In addition, NHPC also has policy and procedure in place for banning business dealings with bidders (i.e. Group / Joint Venture / Suppliers / Contractors) in the event of an unethical behaviour.

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

We have received some stakeholder complaints during 2017-18 with regard to violation of the Corporate Governance norms and Code of Business Conduct and Ethics.

The numbers of shareholders complaints available are as follows:

Description	Opening balance as on April 1, 2017	Received during the year 2017-18	Resolved during the year 2017-18	Pending as on March 31, 2018
Non-receipt of refund orders	0	15	15	0
Non-receipt of dividend warrants	0	3462	3462	0
SEBI Complaints	1	21	22	0
Stock exchange complaints	0	9	9	0
Consumer forum/ Court cases	3	0	1	2
Advocate Notices	0	0	0	0
<b>Total</b>	<b>4</b>	<b>3507</b>	<b>3509</b>	<b>2</b>

The Company has observed no complaints under its Whistle Blower Policy in 2017-18.



The Company have observed 6 (six) cases of misrepresentation categorised under guidelines for Banning Business dealing with bidders in respect of Contractor/ Supplier during FY 2017-18, details of which are as under:

- i) M/s Wideprint System & Solutions has been banned for three years w.e.f. April 25, 2017 for business dealing with NHPC Corporate Office.
- ii) M/s Mithila Malleables Pvt. Ltd., Vill. Harbanspurs Sirhind (Punjab) has been banned for five years w.e.f. June 29, 2017 for business dealing with NHPC Ltd.
- iii) M/s Cee Dee Vaccum Equipment Pvt. Ltd., Pune has been banned w.e.f. July 31, 2017 for business dealing with Corporate Office. The ban has been extended upto April 15, 2018.
- iv) M/s Printrade Issues India Pvt. Ltd., Mumbai has been banned for three years w.e.f. November 17, 2017 for business dealing with NHPC Corporate Office.
- v) M/s Elettromeccanica India Private Limited, New Delhi has been banned for three years w.e.f. September 25, 2017 for business dealing with NHPC Corporate Office.
- vi) M/s Agro Auto Grind Engineers (P) Ltd., Ghaziabad was suspended for Business dealing with NHPC Ltd. on December 19, 2017 for 6 months and later on banned for three years w.e.f. April 3, 2018 for business dealings across NHPC Limited.

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

Description	Opening balance as on April 1, 2017	Received during the year 2017-18	Resolved during the year 2017-18	Pending as on March 31, 2018
Non-receipt of refund orders	0	0	0	0
Non-receipt of TDS Certificate	0	1	1	0
Non-receipt of Electronic Credit	0	0	0	0
Non-receipt of Interest Warrants	0	38	38	0
Non-receipt of Bonds/ Securities	0	19	19	0
<b>Total</b>	<b>0</b>	<b>58</b>	<b>58</b>	<b>0</b>

### Principle 2

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

Hydro power generation.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)**

Hydro-electric projects generate electricity by non-consumptive use of water so there is no reduction of resources. Hydropower is a renewable source of energy.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Company emphasizes to establish good relationship with its vendors and include them in its growth story. The Company follows International Competitive Bidding (ICB) system for selecting agencies for executing the construction of Hydro Power Projects. The techno-commercial bids are examined in line with ICB practices, CVC guidelines and various other vendor practices like safe working conditions, implementation of labour laws, environment policies etc. The Company officials interact with all agency / agency's representatives on regular basis in a transparent manner.

However, it is difficult to ascertain the percentage of inputs sourced from these suppliers as different kinds of materials are being used by the Company.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Hydropower generation only requires non consumptive use of water as input. However, various contracts have been entered with locals around project for vehicle hiring, material handling, housekeeping, waste handling and horticulture etc. These Contracts have led entrepreneur development around project sites and have created indirect employment for local populace. Also preferential provisions are in place for Micro, Small and Medium Enterprises, in bidding and award of procurement of works, services and goods.

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%)**

Hydro-electric power generation does not produce any waste. Electricity which is the product of hydro-electric power plants is produced by non-consumptive use of water. Further, sound & optimal design practices are being followed to build safe & sustainable structures for our projects.

## Principle 3

- Please indicate the total number of employees.**  
Total number of employees as on March 31, 2018 is 7351.
- Please indicate the total number of employees hired on temporary/contractual/casual basis.**  
NHPC does not directly employ contract employees.
- Please indicate the number of permanent women employees.**  
Total number of permanent women employees as on March 31, 2018 is 767.
- Please indicate the number of permanent employees with disabilities.**  
Total number of permanent employees with disabilities as on March 31, 2018 is 127.
- Do you have an employee association that is recognized by management?**  
No formal recognition has been extended to any association or union from the Corporate.
- What percentage of your permanent employees is members of this recognized employee association?**  
Not Applicable
- 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 2017-18 and pending, as of end 2017-18.	None received in this category and none pending.
Number of complaints relating to sexual harassment in 2017-18 and pending, as of end 2017-18.	Complaint Filed: 2 1 disposed of and 1 pending (under investigation)
Number of complaints relating to discriminatory employment in 2017-18 and pending, as of end 2017-18.	None received in this category and none pending.

- What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**  
25 employees have attended Safety training conducted at Corporate Office and 99 employees have been given skill up-gradation training in NHPC during the year 2017-18.

## Principle 4

- 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 eco-system.
- 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.
- 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 organised 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

- 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 our employees only, though we expect our stakeholders to adhere and uphold the standards contained therein. The "NHPC Conduct, Discipline and Appeal Rules" are meant to protect right or privilege of any employee, 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.
- How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**





The number of complaints as available with Employee Grievance Redressal Cell is as under:

Opening balance on April 1, 2017	Received during the year 2017-18	Resolved during the year 2017-18	Closing balance as on March 31, 2018
01	20	18	03

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

Opening balance on April 1, 2017	Received during the year 2017-18	Resolved during the year 2017-18	Closing balance as on March 31, 2018
12	134	137	09

### Principle 6

**1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ others**

NHPC possesses Integrated Management System certificate, which covers quality, environment and occupational health & safety management system for its Corporate Office and projects/ power stations.

**2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

Yes, the Company is in the business of hydropower generation, which is clean power and reduces green house gases compared to other conventional mode of power generation. It also enhances energy security of the country where there is deficit of energy and shortage to meet peak demand.

Besides this NHPC is an Integrated Management System (IMS) certified company which addresses the requirements of International Standards ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environment Management System) and OHSAS 18001:2007 (Occupational Health and Safety Assessment Series). IMS certification truly reflects its international acceptability for the efforts put in for carrying out the development in an environmentally congenial manner. NHPC has also formulated its Corporate Environment Policy (CEP) which aims to address the environmental and social concerns for sustainable development of conventional & non-conventional sources of energy. Besides implementation of approved Environment Management Plans, various environmental conservation and protection measures are also taken up under Voluntary Initiatives such as Voluntary Afforestation, Waste Management, Water Conservation and Energy Conservation. Under CEP, Environment Management Cells have been constituted at Projects/ Power Stations, for effective implementation of Environment Management Plans and Voluntary Initiatives.

Few key areas of focus for NHPC in the field of Environmental Management are as under:

- i. Catchment Area Treatment (CAT)
- ii. Compensatory Afforestation/ Voluntary Afforestation
- iii. Green Belt Development & Landscaping
- iv. Reservoir Rim Treatment
- v. Rejuvenation of Muck Dumping and Quarry sites
- vi. Biodiversity Conservation
- vii. Conservation and Management of Fishes
- viii. Post Construction Impact Evaluation

The details of these key areas are available at [www.nhpcindia.com/key-areas.htm](http://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 hydro-electric projects namely Nimmo Bazgo and Chutak located in the State of J&K have been registered by CDM Executive Board of United Nations Framework Convention on Climate Change (UNFCCC) during March, 2009 under the methodology ACM0002; Consolidated methodology for grid connected electricity generation from renewable sources. As of now these projects are not connected with Northern grid as originally proposed and are supplying electricity locally in the region. As a result of this change, the projects will no longer conform to the applicability conditions of ACM0002 and thus will not generate any CER's under the existing registrations of the UNFCCC. However, the consultant has concluded that the project does not require change in methodology and the verification process can be initiated under existing registration. Accordingly, the 'Change Order' for revision of scope of work and payment clause has already been issued.

**5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

Hydro-electric power generation is itself a renewable energy initiative. However, the Company has taken up additional initiatives on wind and solar power. A 50

MW Wind Power Project & 50 MW Solar Power Project have been commissioned in Rajasthan & Tamilnadu respectively. Another, 8 MW Wind Power Project in Kerala is under tendering stage.

**6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes. During the course of power generation from hydro project, no solid waste, liquid effluent or gaseous emissions are generated. In addition, there is no contamination of water during the process of Hydro power generation. However, river water quality is being regularly analyzed to assess any change in quality of river water after power generation which one 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 2017-18. However, 3 appeals in respect of Subansiri Lower Project, Teesta-IV & Dibang are pending before NGT.

**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, drinking water & sanitation, education, skill development, rural development, environmental sustainability and women empowerment etc. is continually striving for sustainable development of its neighboring communities and society at large particularly in the remote areas of States like J&K, Himachal Pradesh, Sikkim, Uttarakhand, Arunachal Pradesh, Assam and Manipur.

These programmes promote excellence in Healthcare, Education, Environmental Management, and Empowerment of marginalized and underprivileged sections / communities.

**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

The Company's CSR Projects are implemented mostly through in-house teams, besides few programs in association with Non-Government Organization (NGO)/ Government Institutions.

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

Impact assessment is a long term phenomenon. In CSR policy of NHPC, it is mentioned that impact assessment studies by external agencies will be undertaken after completion of long term scheme/ projects and for other schemes wherever possible.

It is submitted that, major CSR activities have been carried out by Subansiri Lower Project. For impact assessment of CSR initiatives an agreement (MOU) has been signed between Subansiri Lower Project and Omeo Kumar Das Institute of Social change and Development (OKDISCD), Guwahati, Assam on April 26, 2017 for evaluation/ impact assessment of all the CSR Projects of Subansiri Lower in Assam and Arunachal Pradesh for 3 years w.e.f. FY 2017-18 to FY 2019-20.

Evaluation of Swachh Vidyalaya intervention undertaken during 2014-2016 by Subansiri Lower Project was got done through OKDISCD.

**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 2017-18 were ₹ 3854.71 Lakhs. The Details are as under-

Project	Amount (INR) for 2017-18
i. Education & Skill development	590.39 Lakhs
ii. Health Care, drinking water & sanitation	2170.10 Lakhs
iii. Rural Development	373.25 Lakhs
iv. Environment & Sustainability	151.30 Lakhs
v. Women Empowerment/Senior Citizen	0.97 Lakhs
vi. CSR Capacity Building, Sports, Art & Culture and Other Initiatives	568.70 Lakhs
<b>Total expenditure</b>	<b>3854.71 Lakhs</b>



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

## 1. Education & skill development

- a) Skill Development and Vocational Training Programs conforming to NSQF (National Skill Qualification Framework).
- b) Construction of Vivekanand Kendra Vidyalaya at Kolaptukar, Dollungmukh (Arunachal Pradesh)
- c) Improvement/ up-gradation of ITIs /Schools in different part of country.
- d) Construction & up-gradation of school buildings and labs and providing infrastructure in schools.
- e) Provided scholarship to students for higher education.

## 2. Healthcare

- a) Deployment of Mobile Medical Units in Assam equipped with medical facilities, qualified doctors and medical attendants for providing basic health services in villages.
- b) Organizing a large number of medical camps, Cataract surgery camps and Vaccination Programmes in surrounding areas of Projects/Power Stations and distributed free medicines to economically weaker families/ individuals.
- c) Providing aids and assistive devices to differently abled persons.
- d) Providing assistance for improvement of overall health conditions of the communities through up-gradation of Govt. Hospitals, Maternity Centers.
- e) Providing Ambulances, Medical equipment and other infrastructure facilities to Govt. Hospitals.
- f) Safe Drinking Water facilities with bore well, filtration in public areas, community centers etc.
- g) Community drinking water facility with RO Plant.
- h) Basic Amenities/ Sanitation facilities in Market/ Public places.
- i) Construction/ Installation of toilets in schools/Public places.
- j) Construction/ Installation of Water Supply Lines and Sanitation in villages.
- k) Water Supply System for Schools.

- l) Installation of Garbage bins, Adoption and Beautification of public places, Solid waste management of the locality, providing utility van for cleaning debris etc.

## 3. Rural Development

- a) Rural Development to augment basic infrastructure facilities like area electrification, Community Centre, Water Supply Lines, Drains, Roads/ Paths, Irrigation canals etc.
- b) Construction activities of RCC Culverts/ Wooden Bridges, Cremation sheds, Rain shelters, Bus Stops etc.
- c) Electrification of Hamlets in Alchi village (Leh)
- d) Development of Agriculture/ Apiculture, poly green houses for villagers, Organic cultivation.
- e) Construction of cold storage for keeping and securing the agri products.
- f) Other infrastructure and community development as per local needs.

## 4. Environment & Sustainability

- a) Development of Bio-Diversity Park.
- b) Installation of Solar Street Lights. Providing LED Lights to conserve energy.
- c) Installation of Food processing units for preservation of local fruits.
- d) Restoration of canals for irrigation purpose.

## 5. Women Empowerment/ Senior Citizen

- a) Various skill development programs for empowerment of women and their livelihood enhancement.

## 6. Sports, Art & Culture / Other Initiatives

- a) Impact assessment studies
- b) Training to promote Rural Sports.
- c) Promotion of local Art & Culture.
- d) Construction of National Museum for Sardar Patel and the Indian Freedom Movement

## 5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes, NHPC has taken steps to ensure that our community development initiatives are successfully adopted by the community. Proper need assessment of the local requirements in and around Power Stations/ Projects is done by our experienced in-house team before

carrying-out community development initiatives. Monitoring and mentoring is done at appropriate intervals during the implementation. Further, feedback on our initiatives is also collected from beneficiaries and media sources for further planning purpose, besides impact assessment through external expert agencies after completion of long term schemes/projects.

## Principle 9

**1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.**

No customer complaints received during FY 2017-18. No cases from FY 2016-17 remain pending.

**2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

Not Applicable.

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year?**

No such case has been filed by any stakeholder.

**4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

NHPC is taking regular feedback from our beneficiaries which help us to serve our customers in a better and more effective way. We have received 93% feedback from our beneficiaries and most of the feedbacks are either 'Very Good' or 'Excellent'. We are also connected with beneficiary States through Regional Power Committees (RPCs). This is a common forum for regular interaction of stakeholders and for resolving of outstanding dues. We also conduct periodic Customer Meets for our beneficiaries for interaction and for resolving the outstanding issues, if any.

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



**(Balraj Joshi)**

**Chairman and Managing Director**

**DIN: 07449990**

**Date: August 6, 2018**

**Place: Faridabad**



## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

#### Introduction

Your Company has formulated a CSR & Sustainability Policy in line with Section 135 of the Companies Act, 2013, Schedule VII of the Act and Companies (Corporate Social Responsibility Policy) Rules read with General Circulars issued on CSR by the Ministry of Corporate Affairs.

#### Highlights of the Policy

- An amount specified under sub section (5) of Section 135 of the Companies Act, 2013, which is at present, at least two percent of the average net profit of the Company made during three immediately preceding financial years, is kept as the annual budget for CSR & SD works during the year and approved by the Board of Directors.
- Preference to the Local area around NHPC's Projects has been given by allocating at least 80% of the Budget amount. However, other locations may also be chosen based on the needs and as per the direction of GOI on national schemes and campaign, wherein more than 20% amount of the CSR Budget may be spent, for the larger benefit of society/ environment.
- The CSR initiatives includes programs on promoting education, vocational skills, health, sanitation, rural development, women empowerment, environmental up-gradation etc. in accordance with Schedule-VII of the Companies Act, 2013. Expenditure on any other activity not in conformity with Schedule-VII is not accounted towards CSR expenditure.
- Selection of CSR & Sustainability schemes ensure maximum benefits to reach the poor/ backward & needy sections of the society and contribute to improve the quality of environment.
- Your Company is open to joining hands with the other CPSEs in planning, implementing and monitoring of Mega-Projects for optimal use of resources, synergy of expertise and capabilities for maximizing socio-economic or environmental impact.

#### Programmes covered under CSR

The community development programs have been identified and formulated based on the specific needs and requirement of a particular location as Power

Stations/Projects of your Company are located all over India under varying socio-economic conditions. To this effect, whole gamut of activities have been identified, which to a great extent have been initiated in and around the Power Stations/Projects. These activities have been illustrated below:

#### I Education, Skill Development, Technology & Research:-

Your Company leads from the front when it comes to imparting education and skill development, especially to the poor and underprivileged sections of the society, Project affected families/ persons. Various Skill Development and Vocational Training Programs conforming to NSQF (National Skill Qualification Framework) have been initiated to improve quality of life of people living in the surrounding areas of various Projects/Power Stations and more than 3,500 persons have been trained in the employment oriented programs with about 70% getting employment. NHPC has also constructed Vivekanand Kendra Vidyalaya at Kolaptukar, Dollungmukh (Arunachal Pradesh). NHPC is also contributing for improvement/ up gradation of ITIs /Schools in different part of country, establishment of Bilaspur Engineering College in Himachal Pradesh. Besides above, scholarships to a large number of SC/ST & Girl students studying in Govt. schools within the vicinity of Projects/Power Stations/Townships have been provided. In addition, your Company is also providing support for improvement of infrastructure in schools.

#### II Health:-

Health is a major issue that your Company concerned about. Your Company has deployed 20 Mobile Medical Units (MMUs) in Assam equipped with medical facilities, qualified doctors and medical attendants. These MMUs are providing basic health services in villages. Your Company has organized a large number of medical camps, cataract surgery camps in surrounding areas of Projects/Power Stations and distributed free medicines to economically weaker families/ individuals. Your company is also distributing aids and assistive devices to differently abled persons. Your Company is also providing Ambulances, Medical Equipment and other infrastructural support to Govt. Hospitals and health awareness camps round the year.

#### III Swachh Bharat Abhiyan:-

A large number of public health and sanitation activities has been initiated by your Company

under Swachh Bharat Abhiyan which includes safe drinking water facilities in public area, Community Drinking Water facility with RO Plant, Basic Amenities/ Sanitation facilities in market/ public area, Gram Swachhta Abhiyan, Construction/ Installation of water supply lines and sanitation in villages, construction of toilets in school/ public places, water supply system for schools, installation of Garbage bins, adoption and beautification of public places, solid waste management of the locality, provided utility van for cleaning debris etc.

#### IV Rural Development:-

NHPC has taken up various Rural Development to augment basic infrastructure facilities like area electrification, Community Centre, Cold storage, Water Supply Lines, Drains, Roads/ Paths etc. as per the need and requirements of the larger under-privileged marginalized rural communities. Your Company has also undertaken the construction activities of RCC Bridges/ Wooden Bridges, Cremation sheds, Rain shelters etc. Your Company is also working in the field of educating and training to the farmers for development of Agriculture/ Apiculture and other advanced methods of farming.

As a part of its social responsibility, your Company has established two food processing centers at Alchi and Khalsti villages in Ladakh for processing and packaging of apricots, apples and tomatoes providing livelihood to 200 families.

#### V Environment & Sustainability:-

Your Company is committed to environmental sustainability, ecological balance, protection of flora and fauna, conservation of natural resources, maintaining quality of air, water and soil. A number of CSR activities has been taken up for

environment and sustainability like development of bio-diversity parks, restoration of irrigation canals, plantation, Installation of solar street lights etc.

#### VI Women Empowerment & Senior Citizen:-

Your Company has contributed towards numerous CSR activities designed for empowering the women and creation of facilities for senior citizens. Your Company has assisted in imparting skill development training to promote self-employment for women.

#### VII CSR Capacity Building and Other Activities:-

Your Company has also contributed towards training to promote rural and traditional sports. Traditional Rural Art & Culture are promoted in rural areas through providing infrastructure support. Your company is also partnering to the "Statue of Unity" Project for construction of a National Museum for Sardar Patel and the Indian Freedom Movement under CSR. Impact Assessment Studies are also being conducted by your Company to gauge the effectiveness of CSR programs.

The Corporate Social Responsibility & Sustainability Policy of your Company is available at following link:

[http://www.nhpcindia.com/writereaddata/Images/pdf/CSR\\_Policy\\_Final.pdf](http://www.nhpcindia.com/writereaddata/Images/pdf/CSR_Policy_Final.pdf)

#### 2. The Composition of CSR Committee:-

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

A Board level Committee headed by an Independent Director has been constituted to allocate budget, review the progress and provide guidance on various CSR & Sustainability initiatives.

#### The Composition of 'Committee of Directors on CSR & Sustainability' as on March 31, 2018 is as under:

1.	Prof. Arun Kumar	Independent Director	Chairman
2.	Shri Nikhil Kumar Jain	Director (Personnel)	Member
3.	Shri Mahesh Kumar Mittal	Director (Finance)	Member
4.	Shri Ratish Kumar	Director (Projects)	Member

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

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

S. No.	Financial Year	Net Profit (₹ in crore)	Average Net Profit (₹ in crore)
1	2014-15	2,708.12	2,975.76
2	2015-16	3,040.97	
3	2016-17	3,178.20	



#### 4. Prescribed CSR Expenditure:-

₹ 59.52 Crores (2% of average net profit for preceding 3 years)

#### 5. Details of CSR spent during the Financial Year:-

##### a. Total Amount spent during the Financial Year 2017-18:

₹ 3,854.71 Lakhs

##### b. Amount unspent, if any:

₹ 2,097.29 Lakhs

##### c. Manner in which the amount spent during the financial year is detailed below:

Sr No.	CSR project or activity identified	Sector	Location	Amount outlay (budget) project or program wise (₹ in lakh)	Amount spent on the projects or programs (₹ in lakh)	Cumulative expenditure upto the reporting period (₹ in lakh)	Amount spent: Direct or through implementing agency
1.	Construction of Vivekanand Kendra Vidyalaya at Kolaptukar, Dullungmukh (Arunachal Pradesh). Employment Oriented Vocational Training for unemployed youth. Developmental/ up-gradation activities in ITIs . Scholarship to Students. Construction & Up-gradation of School Buildings and Labs. Providing Infrastructure in Schools. Organizing Skill Development Trainings / programs.	Education & Skill Development	CSR & SD Activities are being undertaken in the vicinity of NHPC's Project/ Unit locations in Distt- Reasi, Baramula, Kishtwar, Leh (Ladakh), Kargil, Bandipora and Srinagar in Jammu & Kashmir, Distt -Kullu, Chamba and Mandi in Himachal Pradesh, Distt-Rangit (South Sikkim), Distt- Churachandpur (Manipur), Distt- Teesta (East Sikkim), Distt-Pithoragarh, Tehri Garhwal & Champawat in Uttrakhand, Distt-Darjeeling and Jalpaiguri in West Bengal, Distt- Dhemaji (Assam), Distt-Tawang, Papumpare and East Siang in Arunachal Pradesh.	1,144.86	590.39	590.39	Direct
2.	Deployment of Mobile Medical units. Arranging Medical Camps, Eye Check Up Camps, Cataract Surgery Camps. Distribution of aids & assistive devices to differently abled persons in partnership with "ALIMCO". Up gradation of Govt. Hospitals. Providing Ambulances, Medical Equipment and other infrastructure facilities to Govt. hospitals. Safe Drinking Water facilities with bore well, filtration in public areas, community centers etc. Community Drinking Water Facility with RO Plant. Basic Amenities/ Sanitation facilities in Market/ Public Area. Gram Swachhta Abhiyan. Construction of toilets in schools / public places. Construction/ Installation of Water Supply Lines and Sanitation in villages. Water Supply System for Schools.	Health & Sanitation (including Swachh Bharat Abhiyan)	CSR & SD Activities are being undertaken in the vicinity of NHPC's Project/ Unit locations in Distt- Reasi, Baramula, Kishtwar, Leh (Ladakh), Kargil, Bandipora and Srinagar in Jammu & Kashmir, Distt -Kullu ,Chamba and Mandi in Himachal Pradesh, Distt-Rangit (South Sikkim), Distt- Churachandpur (Manipur),Distt- Teesta (East Sikkim), Distt-Pithoragarh, Tehri Garhwal & Champawat in Uttrakhand, Distt-Darjeeling and Jalpaiguri in West Bengal, Distt- Dhemaji (Assam), Distt-Tawang, Papumpare and East Siang in Arunachal Pradesh.	2,454.96	2,170.10	2,170.10	Direct

# Annual Report 2017-18

Sr No.	CSR project or activity identified	Sector	Location	Amount outlay (budget) project or program wise (₹ in lakh)	Amount spent on the projects or programs (₹ in lakh)	Cumulative expenditure upto the reporting period (₹ in lakh)	Amount spent: Direct or through implementing agency
3.	Construction of Path Ways, Foot Bridges, Concrete Paths. Electrification of Hamlets in Alchi Village. Construction of Cold storage for keeping and securing the agri products. Construction & Renovation of community halls. Construction of cremation sheds. Construction of Drains, Rain Shelters and Waiting sheds. Development of Agriculture/ Apiculture. Poly Green Houses for villagers. Arrangement of drinking water supply in villages. Organic Cultivation of Large Cardamom/ Distribution of large Cardamom seeds/other measures for revival of agriculture and livelihood generation. Other infrastructure and community development activities as per local needs.	Rural Development	CSR & SD Activities are being undertaken in the vicinity of NHPC's Project/ Unit locations in Distt- Reasi, Baramula, Kishtwar, Leh (Ladakh), Kargil, Bandipora and Srinagar in Jammu & Kashmir, Distt -Kullu ,Chamba and Mandi in Himachal Pradesh, Distt-Rangit (South Sikkim), Distt- Churachandpur (Manipur), Distt- Teesta (East Sikkim), Distt-Pithoragarh, Tehri Garhwal & Champawat in Uttrakhand, Distt-Darjeeling and Jalpaiguri in West Bengal, Distt- Dhemaji (Assam), Distt-Tawang, Papumpare and East Siang in Arunachal Pradesh.	1,378.74	373.25	373.25	Direct
4.	Development of Biodiversity Park. Installation of food Processing Units for preservation of local fruits. Installation of Solar Street Light. Providing LED Lights to conserve energy.	Environment & Sustainability	CSR & SD Activities are being undertaken in the vicinity of NHPC's Project/ Unit locations in Distt- Reasi, Baramula, Kishtwar, Leh (Ladakh), Kargil, Bandipora and Srinagar in Jammu & Kashmir, Distt -Kullu, Chamba and Mandi in Himachal Pradesh, Distt-Rangit (South Sikkim), Distt- Churachandpur (Manipur), Distt- Teesta (East Sikkim), Distt-Pithoragarh, Tehri Garhwal & Champawat in Uttrakhand, Distt-Darjeeling and Jalpaiguri in West Bengal, Distt- Dhemaji (Assam), Distt-Tawang, Papumpare and East Siang in Arunachal Pradesh, Distt- Faridabad, (Haryana).	97.20	151.30	151.30	Direct
5.	Skill Development Programs for Women Empowerment.	Women Empowerment & Senior Citizen	CSR & SD Activities are being undertaken in the vicinity of NHPC's Project/ Unit locations in Distt- Reasi, Baramula, Kishtwar, Leh (Ladakh), Kargil, Bandipora and Srinagar in Jammu & Kashmir, Distt -Kullu, Chamba and Mandi in Himachal Pradesh, Distt-Rangit (South Sikkim), Distt- Churachandpur (Manipur), Distt- Teesta (East Sikkim), Distt-Pithoragarh, Tehri Garhwal & Champawat in Uttrakhand, Distt-Darjeeling and Jalpaiguri in West Bengal, Distt- Dhemaji (Assam), Distt-Tawang, Papumpare and East Siang in Arunachal Pradesh.	1.00	0.97	0.97	Direct





# NHPC Limited

(A Government of India Enterprise)

Sr No.	CSR project or activity identified	Sector	Location	Amount outlay (budget) project or program wise (₹ in lakh)	Amount spent on the projects or programs (₹ in lakh)	Cumulative expenditure upto the reporting period (₹ in lakh)	Amount spent: Direct or through implementing agency
6.	Impact assessment/ Baseline survey. Training to promote Rural Sports. Promotion of local art and culture. National Museum for Sardar Patel and the Indian Freedom Movement.	CSR capacity building, sports, art & culture and other activities	CSR & SD Activities are being undertaken in the vicinity of NHPC's Project/ Unit locations in Distt- Reasi, Baramula, Kishtwar, Leh (Ladakh), Kargil, Bandipora and Srinagar in Jammu & Kashmir, Distt -Kullu, Chamba and Mandi in Himachal Pradesh, Distt-Rangit (South Sikkim), Distt- Churachandpur (Manipur), Distt- Teesta (East Sikkim), Distt-Pithoragarh, Tehri Garhwal & Champawat in Uttrakhand, Distt-Darjeeling and Jalpaiguri in West Bengal, Distt- Dhemaji (Assam), Distt-Tawang, Papumpare and East Siang in Arunachal Pradesh, Distt- Faridabad, (Haryana).	875.24	568.70	568.70	Direct
	<b>Total</b>			<b>5,952.00</b>	<b>3,854.71</b>	<b>3,854.71</b>	

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

All the CSR activities approved by the Committee of Directors on CSR & SD for financial year 2017-18 were initiated. However, several of them could not be completed and are still under various stages of execution. We anticipate to complete all such CSR activities during financial year 2018-19 and the balance unutilized amount of the allocated funds shall be utilized for completion of these activities during financial year 2018-19. Some of the reasons for less spending during the year are:

1. Spillover of works and payments, which are under different stages of tendering/ work award/ release of final balance payments:

CSR activities such as electrification of Hamlets in Alchi Village (Leh), construction of Toilets by Uri-II Power Station and Skill Development training by TLD-IV Power Station were completed and payment shall be released in financial year 2018-19.

Some CSR works such as Swachh Bharat Abhiyan related activities of Banikhet, Construction of Library and water supply work of Loktak, School/ Orphanage up-gradation work of RO-Siliguri/ Teesta-V, Various CSR activities related to Rural development/ education in respect of Teesta-IV/ Parbati II/ Dibang/ BRRP Patna, Skill Development training activities for north eastern state beneficiaries and Mobile Medical Units deployed by Subansiri HE Project are under progress and payment shall be booked in financial year 2018-19.

CSR activity related to Ambulance/ Community hall in respect of TLD-III power station has been spilled over to next financial year.

2. CSR works which are being executed by Kishanganga Project (J&K) suffered badly due to law and order problems in and around Bandipora (J&K).
3. Progress of CSR works suffered in Projects/ Power Stations under Siliguri Region due to Gorkhaland issue and strike called by GJM.

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

The implementation and monitoring of CSR Policy, is in compliance with CSR objectives under the Companies Act, 2013.

sd/-  
**(Balraj Joshi)**  
Chairman & Managing Director,  
NHPC Limited  
DIN: 07449990

sd/-  
**(Prof. Arun Kumar)**  
Independent Director & Chairman,  
Committee of Directors on CSR & Sustainability  
DIN: 07346292

## FORM NO. MGT-9

### EXTRACT OF ANNUAL RETURN

**As on the financial year ended on 31<sup>st</sup> March, 2018**

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

#### I. REGISTRATION AND OTHER DETAILS:

CIN	L40101HR1975GOI032564
Registration Date	7 <sup>th</sup> November, 1975
Name of the Company	NHPC Limited
Category/Sub-Category of the Company	Public Company / Government Company / Limited by Shares
Address of the Registered office and contact details	NHPC Office Complex, Sector- 33, Faridabad, Haryana – 121 003 Tel. No. 0129-2588110 / 2588500 Fax. No. 0129-2278018
Whether Listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent	Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032 Tel: 040-67162222 Toll Free No:1800 345 4001 Fax: 040-23420814

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and description of main products/ services	NIC Code of the Product/service*	% to total turnover of the Company#
1	Energy (Hydro Power) Electric power generation by Hydroelectric Power Plants	35101	99.09

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

# On the basis of Gross Turnover

#### III. PARTICULARS OF SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN	Subsidiary/ Associate	% of shares held	Applicable Section
1.	NHDC Limited NHDC Parisar, Near Hotel Lake View Ashoka, Shyamla Hills, Bhopal-462 013, Madhya Pradesh	U31200MP2000GOI014337	Subsidiary	51.08	2(87)
2.	Loktak Downstream Hydroelectric Corporation Limited Loktak Power Station, NHPC Limited, P. O. Loktak, Kom Keirap - 795 114, Manipur	U40101MN2009GOI008249	Subsidiary	74.00	2(87)
3.	Bundelkhand Saur Urja Limited TC-43/V, Vibhutikhand, Gomti Nagar, Lucknow - 226 010, Uttar Pradesh	U40300UP2015GOI068632	Subsidiary	99.99	2(87)



S. No.	Name and address of the Company	CIN	Subsidiary/ Associate	% of shares held	Applicable Section
4.	Chenab Valley Power Projects Private Limited JKPCC Complex, Rail Head Complex, Panama Chowk, Jammu-180 006 (J&K)	U40105JK2011PTC003321	Subsidiary	55.39	2(87)
5.	National High Power Test Laboratory Private Limited NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi – 110 003	U73100DL2009PTC190541	Associate (Joint Venture)	20.00	2(6)

#### IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK-UP AS PERCENTAGE OF TOTAL EQUITY)

##### (i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2017)				No. of Shares held at the end of the year (As on 31.03.2018)				% Change during the year	
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares		
<b>A. Promoters</b>										
<b>(1) Indian</b>										
a) Individual/ HUF	0	0	0	0.00	0	0	0	0.00	0.00	
b) Central Govt	7,64,34,06,901	0	7,64,34,06,901	74.50	7,58,74,81,082	0	7,58,74,81,082	73.96	(0.54)	
c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00	
d) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00	
e) Banks/FIs	0	0	0	0.00	0	0	0	0.00	0.00	
f) Others	0	0	0	0.00	0	0	0	0.00	0.00	
<b>Sub-Total (A) (1)</b>	<b>7,64,34,06,901</b>	<b>0</b>	<b>7,64,34,06,901</b>	<b>74.50</b>	<b>7,58,74,81,082</b>	<b>0</b>	<b>7,58,74,81,082</b>	<b>73.96</b>	<b>(0.54)</b>	
<b>(2) Foreign</b>										
a) NRIs- Individuals	0	0	0	0.00	0	0	0	0.00	0.00	
b) Other- Individuals	0	0	0	0.00	0	0	0	0.00	0.00	
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00	
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00	
e) Others	0	0	0	0.00	0	0	0	0.00	0.00	
<b>Sub-Total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>7,64,34,06,901</b>	<b>0</b>	<b>7,64,34,06,901</b>	<b>74.50</b>	<b>7,58,74,81,082</b>	<b>0</b>	<b>7,58,74,81,082</b>	<b>73.96</b>	<b>(0.54)</b>	
<b>B. Public Shareholding</b>										
<b>(1) Institutions</b>										
a) Mutual funds/UTI	11,44,48,829	0	11,44,48,829	1.12	26,51,15,910	0	26,51,15,910	2.58	1.46	
b) Banks/FIs	7,91,13,321	0	7,91,13,321	0.77	7,77,58,691	0	7,77,58,691	0.76	(0.01)	
c) Central Govt./State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00	
d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00	
e) Insurance Companies	95,11,72,168	0	95,11,72,168	9.27	77,84,48,263	0	77,84,48,263	7.59	(1.68)	
f) FIs	35,39,32,824	0	35,39,32,824	3.45	44,13,97,679	0	44,13,97,679	4.30	0.85	
g) Foreign Venture Capital funds	0	0	0	0.00	0	0	0	0.00	0.00	
h) Others	0	0	0	0.00	0	0	0	0.00	0.00	
<b>Sub-total (B) (1)</b>	<b>1,49,86,67,142</b>	<b>0</b>	<b>1,49,86,67,142</b>	<b>14.61</b>	<b>1,56,27,20,543</b>	<b>0</b>	<b>1,56,27,20,543</b>	<b>15.23</b>	<b>0.62</b>	

# Annual Report 2017-18

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2017)				No. of Shares held at the end of the year (As on 31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>(2) Non Institutions</b>									
a) Bodies Corporate	49,81,55,823	0	49,81,55,823	4.85	51,11,29,761	0	51,11,29,761	4.98	0.13
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	46,72,05,811	1,46,642	46,73,52,453	4.56	43,54,26,499	1,51,905	43,55,78,404	4.25	(0.31)
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	13,23,50,580	0	13,23,50,580	1.29	13,92,56,226	0	13,92,56,226	1.36	0.07
c) Others									
(i) Clearing Members	28,30,858	0	28,30,858	0.03	60,46,190	0	60,46,190	0.06	0.03
(ii) Non Resident Indians	1,05,74,691	7,575	1,05,82,266	0.10	97,02,893	7,575	97,10,468	0.09	(0.01)
(iii) Non Resident Indians – Non-repatriation	24,04,059	0	24,04,059	0.02	32,33,995	0	32,33,995	0.03	0.01
(iv) Foreign Nationals	1,500	0	1,500	0.00	2,000	0	2,000	0.00	0.00
(v) Overseas Corporate Bodies	175	0	175	0.00	175	0	175	0.00	0.00
(vi) Trusts	28,89,252	0	28,89,252	0.03	22,11,588	0	22,11,588	0.02	(0.01)
(vii) Non-banking Financial Institutions	6,79,510	0	6,79,510	0.01	4,37,478	0	4,37,478	0.00	(0.01)
(viii) IEPF	0	0	0	0.00	9,99,609	0	9,99,609	0.01	0.01
(ix) Alternative Investment Fund	0	0	0	0.00	5,13,000	0	5,13,000	0.01	0.01
<b>Sub-total (B)(2)</b>	<b>1,11,70,92,259</b>	<b>1,54,217</b>	<b>1,11,72,46,476</b>	<b>10.89</b>	<b>1,10,89,59,414</b>	<b>1,59,480</b>	<b>1,10,91,18,894</b>	<b>10.81</b>	<b>(0.08)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>2,61,57,59,401</b>	<b>1,54,217</b>	<b>2,61,59,13,618</b>	<b>25.50</b>	<b>2,67,16,79,957</b>	<b>1,59,480</b>	<b>2,67,18,39,437</b>	<b>26.04</b>	<b>0.54</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>10,25,91,66,302</b>	<b>1,54,217</b>	<b>10,25,93,20,519</b>	<b>100.00</b>	<b>10,25,91,61,039</b>	<b>1,59,480</b>	<b>10,25,93,20,519</b>	<b>100.00</b>	<b>0.00</b>

## (ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2017)			Shareholding at the end of the year (As on 31.03.2018)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	President of India	7,64,34,06,901	74.50	0.00	7,58,74,81,082	73.96	0.00	(0.54)
	<b>Total</b>	<b>7,64,34,06,901</b>	<b>74.50</b>	<b>0.00</b>	<b>7,58,74,81,082</b>	<b>73.96</b>	<b>0.00</b>	<b>(0.54)</b>



### (iii) Change in Promoters' Shareholding

S. No.	Particulars	Shareholding at the beginning of the year (As on 01.04.2017)		Transaction during the year			Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares	% of total shares of the Company	Date	Increase/ (Decrease)	Reason	No. of shares	% of total shares of the Company
1.	At the beginning of the year	7,64,34,06,901	74.50				7,64,34,06,901	74.50
2	Date wise Increase / Decrease in Promoters' Shareholding during the year specifying the reasons for increase/ decrease			17.11.2017	(5,19,57,893)	Transfer to Bharat 22 ETF	7,59,14,49,008	74.00
				24.11.2017	(39,67,926)	Transfer to Bharat 22 ETF	7,58,74,81,082	73.96
3.	At the end of the year	7,58,74,81,082	73.96				7,58,74,81,082	73.96

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

S. No.	Name of the Shareholder	Shareholding		Cumulative shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1</b>	<b>LIFE INSURANCE CORPORATION OF INDIA*</b>				
	At the beginning of the year	90,61,83,502	8.83	90,61,83,502	8.83
	Bought during the year	8,98,907	0.01	90,70,82,409	8.84
	Sold during the year	17,27,02,810	1.68	73,43,79,599	7.16
	At the end of the year	73,43,79,599	7.16	73,43,79,599	7.16
<b>2</b>	<b>POWER FINANCE CORPORATION LIMITED*</b>				
	At the beginning of the year	26,05,42,051	2.54	26,05,42,051	2.54
	Bought during the year	0	0.00	26,05,42,051	2.54
	Sold during the year	0	0.00	26,05,42,051	2.54
	At the end of the year	26,05,42,051	2.54	26,05,42,051	2.54
<b>3</b>	<b>RURAL ELECTRIFICATION CORPORATION LIMITED*</b>				
	At the beginning of the year	18,40,11,865	1.79	18,40,11,865	1.79
	Bought during the year	0	0.00	18,40,11,865	1.79
	Sold during the year	0	0.00	18,40,11,865	1.79
	At the end of the year	18,40,11,865	1.79	18,40,11,865	1.79
<b>4</b>	<b>HDFC TRUSTEE COMPANY LIMITED – HDFC PRUDENCE FUND*</b>				
	At the beginning of the year	3,50,07,776	0.34	3,50,07,776	0.34
	Bought during the year	3,18,94,657	0.31	6,69,02,433	0.65
	Sold during the year	0	0.00	6,69,02,433	0.65
	At the end of the year	6,69,02,433	0.65	6,69,02,433	0.65

# Annual Report 2017-18

S. No.	Name of the Shareholder	Shareholding		Cumulative shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>5</b>	<b>HDFC TRUSTEE COMPANY LIMITED- HDFC TAX SAVER FUND*</b>				
	At the beginning of the year	4,18,08,989	0.41	4,18,08,989	0.41
	Bought during the year	1,99,68,000	0.19	6,17,76,989	0.60
	Sold during the year	0	0.00	6,17,76,989	0.60
	At the end of the year	6,17,76,989	0.60	6,17,76,989	0.60
<b>6</b>	<b>VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGAURD INTERNATIONAL EQUITY INDEX FUND*</b>				
	At the beginning of the year	3,43,75,723	0.34	3,43,75,723	0.34
	Bought during the year	4,11,52,977	0.40	7,55,28,700	0.74
	Sold during the year	3,79,78,413	0.37	3,75,50,287	0.37
	At the end of the year	3,75,50,287	0.37	3,75,50,287	0.37
<b>7</b>	<b>SCHRODER ASIAN INCOME#</b>				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year	3,47,87,231	0.34	3,47,87,231	0.34
	Sold during the year	0	0.00	3,47,87,231	0.34
	At the end of the year	3,47,87,231	0.34	3,47,87,231	0.34
<b>8</b>	<b>VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND*</b>				
	At the beginning of the year	2,64,95,193	0.26	2,64,95,193	0.26
	Bought during the year	66,17,052	0.06	3,31,12,245	0.32
	Sold during the year	0	0.00	3,31,12,245	0.32
	At the end of the year	3,31,12,245	0.32	3,31,12,245	0.32
<b>9</b>	<b>UCO BANK*</b>				
	At the beginning of the year	3,31,54,836	0.32	3,31,54,836	0.32
	Bought during the year	0	0.00	3,31,54,836	0.32
	Sold during the year	28,04,836	0.03	3,03,50,000	0.29
	At the end of the year	3,03,50,000	0.29	3,03,50,000	0.29
<b>10</b>	<b>PENSION RESERVES INVESTMENT TRUST FUND- PZENA INVESTMENT MANAGEMENT LLC*</b>				
	At the beginning of the year	1,64,84,197	0.16	1,64,84,197	0.16
	Bought during the year	47,62,302	0.05	2,12,46,499	0.21
	Sold during the year	0	0.00	2,12,46,499	0.21
	At the end of the year	2,12,46,499	0.21	2,12,46,499	0.21



# NHPC Limited

(A Government of India Enterprise)

S. No.	Name of the Shareholder	Shareholding		Cumulative shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
11	<b>GOLDMAN SACHS (SINGAPORE) PTE@</b>				
	At the beginning of the year	1,70,77,751	0.17	1,70,77,751	0.17
	Bought during the year	37,81,710	0.03	2,08,59,461	0.20
	Sold during the year	1,72,84,560	0.17	35,74,901	0.03
	At the end of the year	35,74,901	0.03	35,74,901	0.03

\* denotes Top 10 shareholders on both 01.04.2017 and 31.03.2018.

@ denotes Top 10 shareholders only on 01.04.2017.

# denotes Top 10 shareholders only on 31.03.2018.

#### Notes:

- (1) The shares of the Company are traded on a daily basis and hence, the date wise increase/decrease in shareholding is not indicated.
- (2) Shareholding is consolidated based on Permanent Account Number (PAN) of the Shareholders.

#### (v) Shareholding of Directors and Key Managerial Personnel

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares at the beginning of the year (01.04.2017)/ end of the year (31.03.2018)	% of total shares of the Company				No. of shares	% of total shares of the Company
<b>A</b>	<b>DIRECTORS</b>							
1.	Shri Balraj Joshi, Chairman & Managing Director (became CMD on 22.09.2017)	11,891	Negligible		Nil movement during the period		11,891	Negligible
2.	Shri K.M. Singh, Chairman and Managing Director (ceased to be CMD on attaining the age of superannuation on 31.07.2017)	NIL	NA		Nil movement during the period		NIL	NA
3.	Shri Ratish Kumar, Director (Projects)	15,986	Negligible		Nil movement during the period		15,986	Negligible
4.	Shri Nikhil Kumar Jain, Director(Personnel)	NIL	NA		Nil movement during the period		NIL	NA

# Annual Report 2017-18

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares at the beginning of the year (01.04.2017)/ end of the year (31.03.2018)	% of total shares of the Company				No. of shares	% of total shares of the Company
5.	Shri Mahesh Kumar Mittal, Director(Finance) & CFO	NIL	NA	Nil movement during the period			NIL	NA
6.	Smt. Archana Agrawal, Govt. Nominee Director	NIL	NA	Nil movement during the period			NIL	NA
7.	Smt. Krishna Tyagi, Govt. Nominee Director (ceased to be director on 01.01.2018)	NIL	NA	Nil movement during the period			NIL	NA
8.	Shri Satya Prakash Mangal, Independent Director	1,500	Negligible	14.11.2017	3,000	Purchase	4,500	Negligible
				15.11.2017	3,000	Purchase	7,500	Negligible
				29.11.2017	7,500	Purchase	15,000	Negligible
		15,000	Negligible	31.03.2018	-	-	15,000	Negligible
9.	Prof. Arun Kumar, Independent Director	NIL	NA	Nil movement during the period			NIL	NA
10.	Prof. Kanika T. Bhal, Independent Director	NIL	NA	Nil movement during the period			NIL	NA
11.	Prof. Nalini Kant Jha, Independent Director (became director on 07.10.2017)	NIL	NA	Nil movement during the period			NIL	NA
12.	Shri Jugal Kishore Mohapatra, Independent Director (became director on 07.10.2017)	NIL	NA	Nil movement during the period			NIL	NA
13.	Shri Bhagwat Prasad, Independent Director (became director on 07.10.2017)	NIL	NA	Nil movement during the period			NIL	NA
<b>B</b>	<b>Key Managerial Personnel</b>							
1.	Shri Vijay Gupta, Company Secretary	11,231	Negligible	Nil movement during the period			11,231	Negligible





## V. INDEBTEDNESS

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

(₹ in Crore)

Particulars	Secured Loans excluding deposits*	Unsecured Loans***	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.04.2017)</b>				
i) Principal Amount	14,750.46	4,476.27	0.00	19,226.73
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	393.49	35.07	0.00	428.56
<b>Total(i+ii+iii)</b>	<b>15,143.95</b>	<b>4,511.34</b>	<b>0.00</b>	<b>19,655.29</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	4,892.80	350.00	0.00	5,242.80
Reduction**	5,541.99	325.44	0.00	5,867.43
<b>Net Change</b>	<b>(649.19)</b>	<b>24.56</b>	<b>0.00</b>	<b>(624.63)</b>
<b>Indebtedness at the end of the financial year (31.03.2018)</b>				
i) Principal Amount	14,101.27	4,500.83	0.00	18,602.10
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	534.30	38.19	0.00	572.49
<b>Total (i+ii+iii)</b>	<b>14,635.57</b>	<b>4,539.02</b>	<b>0.00</b>	<b>19,174.59</b>

\*Secured loans includes short term loans. Further, addition and reduction of secured loans includes refinancing of ₹ 3190.68 crore.

\*\*Reduction in unsecured loan column includes repayment of Foreign Loan of ₹ 130.05 crore (after adjusting ERV Gain of ₹ 71.65 crore) and adjustment of ₹ 195.39 crore on account of Ind AS in Sub-ordinate Debt.

\*\*\*Unsecured loan includes foreign debts and sub-ordinate debts and value of subordinate debt has been taken as per Ind AS.

# Annual Report 2017-18

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director and Whole-time Directors

(Amount in ₹)

S. no.	Particulars of Remuneration	Name of MD/WTD					Total Amount
		Shri Balraj Joshi, Chairman & Managing Director* (became CMD on 22.09.2017)	Shri Ratish Kumar, Director (Projects)	Shri Nikhil Kumar Jain, Director (Personnel)	Shri Mahesh Kumar Mittal, Director (Finance) & CFO	Shri K. M. Singh, Chairman & Managing Director (ceased to be CMD on 31.07.2017 on attaining the age of superannuation)	
1	Gross salary						
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961**	38,25,394	34,91,800	25,75,338	32,05,498	31,49,229	1,62,47,259
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	6,70,374	44,290	2,59,528	2,16,038	9,03,664	20,93,894
	c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL	NIL	NIL	NIL
5	Others***	10,60,250	4,44,528	4,02,668	4,69,805	13,63,112	37,40,363
	<b>Total(A)</b>	<b>55,56,018</b>	<b>39,80,618</b>	<b>32,37,534</b>	<b>38,91,341</b>	<b>54,16,005</b>	<b>2,20,81,516</b>
	Ceiling as per the Act	Not Applicable being a Govt. Company (Ministry of Corporate Affairs' notification dated 05.06.2015)					

\*Appointed as CMD w.e.f. September 22, 2017. Prior to his appointment as CMD, he was Director (Technical) of the Company and the remuneration includes his remuneration as Director (Technical) as well.

\*\*Salary under Section 17(1) of the Income Tax Act, 1961 includes Performance Related Pay (PRP) paid for the financial year 2015-16 as per respective position held by the directors during that period.

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

#### Note:

- (1) During the year, amount of ₹ 10,32,344, ₹ 11,55,020 and ₹ 10,29,588 was paid to Shri D. P. Bhargava, Ex-Director (Technical), Shri Jayant Kumar, Ex-Director (Finance) and Shri Radheshyam Mina, Ex-Director (Personnel) respectively for their dues related to earlier year(s).



## B. Remuneration to other directors:

(Amount in ₹)

S. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Shri Satya Prakash Mangal	Prof. Arun Kumar	Prof. Kanika T. Bhal	Prof. Nalini Kant Jha	Shri Jugal Kishore Mohapatra	Shri Bhagwat Prasad	
1	Independent Directors							
	Fee for attending board/ committee meetings	5,40,000	6,00,000	2,60,000	1,20,000	1,40,000	2,00,000	18,60,000
	Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Others	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Total(1)</b>	<b>5,40,000</b>	<b>6,00,000</b>	<b>2,60,000</b>	<b>1,20,000</b>	<b>1,40,000</b>	<b>2,00,000</b>	<b>18,60,000</b>

2	Nominee Directors	Smt. Archana Agrawal	Smt. Krishna Tyagi (ceased to be director w.e.f. 01.01.2018)					
	Fee for attending board/ committee meetings	NIL	NIL					
	Commission	NIL	NIL					
	Others	NIL	NIL					
	<b>Total(2)</b>	<b>NIL</b>	<b>NIL</b>					

	<b>Total (B)=(1+2)</b>	<b>5,40,000</b>	<b>6,00,000</b>	<b>2,60,000</b>	<b>1,20,000</b>	<b>1,40,000</b>	<b>2,00,000</b>	<b>18,60,000</b>
--	------------------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	------------------

	<b>Total Managerial Remuneration*</b>							<b>2,39,41,516</b>
	Overall Ceiling as per the Act	Not Applicable being a Govt. Company (Ministry of Corporate Affairs' notification dated 05.06.2015)						

### Note:

- (1) In addition to above, sitting fee for an amount of ₹ 20,000 each for attending committee meeting was paid to Shri Satya Prakash Mangal, Prof. Arun Kumar, Prof. Kanika T. Bhal and Shri Farooq Khan for the year 2016-17. Further, an amount of ₹ 40,000 was inadvertently paid to Prof. Arun Kumar for attending Departmental Promotion Committee (DPC) meetings held during the year 2017-18. On coming to notice, the amount has been refunded by the Director during the current financial year.

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

# Annual Report 2017-18

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

(Amount in ₹)

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO*	Company Secretary	CFO*	Total
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	37,05,912	-	37,05,912
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	64,543	-	64,543
	(c) Profits in lieu of salary under Section 17(3) of the Income-Tax Act, 1961	-	NIL	-	-
2	Stock Option	-	NIL	-	-
3	Sweat Equity	-	NIL	-	-
4	Commission	-	NIL	-	-
5	Others**	-	4,92,742	-	4,92,742
	<b>Total</b>	-	<b>42,63,197</b>	-	<b>42,63,197</b>

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

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

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors



(Balraj Joshi)  
Chairman and Managing Director  
DIN: 07449990

Date: August 6, 2018

Place: Faridabad



## DIVIDEND DISTRIBUTION POLICY

### 1.0 Background:

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

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

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

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

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

### 4.0 Policy Outline:

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

### 5.0 Important terms:

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

## 6.0 The Policy shall not apply to:

- Dividend on preference shares, if any to be issued by the Company;
- Distribution of dividend in kind, i.e. by issue of fully or partly paid bonus shares or other securities, subject to applicable law;
- Distribution of cash as an alternative to payment of dividend by way of buyback of equity shares.

## 7.0 Objectives of the Policy:

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

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

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

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

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

## 9.0 Financial Parameters that shall be considered while declaring dividend:

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

- (i) Net-Worth of the CPSE and its Capacity to borrow;
- (ii) Long-term borrowings;
- (iii) CAPEX/Business Expansion needs;
- (iv) Retention of profit for further leveraging in line with the CAPEX needs; and
- (v) Cash and bank balance.

## 9.1 Dividend Policy:

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



## 9.2 Manner and timelines for Dividend Payout:

### (a) Interim dividend(s):

- I. Interim dividend(s), if any, shall be declared by the Board of Directors. Normally, interim dividend is declared in the third/fourth quarter of the relevant Financial Year.
- II. The payment of interim dividend, if declared, shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date as per the applicable laws.

### (b) Final dividend:

- I. Recommendation for final dividend, if any, shall be done by the Board of Directors and shall be subject to approval of the shareholders of the Company in Annual General Meeting.
- II. The payment of dividends shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date/book closure period as per the applicable law.
- III. In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend in the Annual General Meeting.

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

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

## 11.0 Manner of Utilisation of Retained Earnings:

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

- i. Short term and long term plans of the Company.
- ii. Diversification opportunities.
- iii. Government guidelines with regard to issue of bonus, buy-back etc.
- iv. Any other criteria which the Board of Directors may consider appropriate.

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

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

## 13.0 Other Provisions:

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

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

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

## 14.0 Informing the Shareholders of Dividend Distribution Policy:

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

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
**The Members,  
NHPC Limited,**  
NHPC Office Complex,  
Sector- 33 Faridabad,  
Haryana- 121 003

Dear Members,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NHPC Limited CIN: L40101HR1975GOI032564 (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 31<sup>st</sup> March, 2018 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 31<sup>st</sup> March, 2018 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) 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; **(Not applicable during the audit period)**

- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable during the audit period)**
  - 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; **(Not applicable during the audit period)**
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable during the audit period)**
- (vi) Other laws which are specifically applicable to the Company-
- (a) The Electricity Act, 2003

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.
- (ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (iii) Corporate Governance Guidelines issued by the Department of Public Enterprises vide their OM No. 18(8)/2005-GM dated 14<sup>th</sup> May, 2010.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the **extent as mentioned below:**

- a) **The composition of the Board of Directors was not in compliance with the Para 3.1.4 of the DPE Guidelines on Corporate Governance upto 6<sup>th</sup> October, 2017 as the Board of Directors of the Company did not have requisite number of Independent directors on its Board.**
- b) **During the year 2017-18 the Company has spent only ₹ 38.55 crores towards Corporate Social Responsibility as against ₹ 59.52 crores to be spent pursuant to the provisions of Section 135 of the Companies Act, 2013.**

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors under the Companies Act, 2013





# NHPC Limited

(A Government of India Enterprise)

and rules made thereunder. 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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**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 **except-**

**(i) The Company has made the payment of sum of ₹ 40000/- to one of the Independent director as honorarium for attending the Departmental Promotion Committee meeting (one level below the Board). The necessary approval towards this payment has not been obtained pursuant to the Article 34(b) of the Articles of Association of the Company from the Competent Authority during the period under review.**

**We further report that** during the audit period following specific events/actions were taken by the Company which has a major bearing on the Company's affairs in pursuance of the act, rules, regulations, guidelines, standards, etc:

- 1. The Company has issued Secured Non-Cumulative Non Convertible Redeemable Taxable Bonds (V - Series) In the Nature of Debentures (NCDs) in the V2 series Bonds @7.52% p.a. Tenor of 10 years, ₹ 50 Lakh each for cash at par aggregating to ₹ 1475 Crore dated 6<sup>th</sup> June, 2017.**
- 2. The Company has issued Secured Non-Cumulative Non Convertible Redeemable Taxable Bonds (W series) in the nature of Debentures (NCDs) in 2 Tranches W1 & W2. W1 Series @ 6.91% p.a. Tenor of 5 years and W2 Series @ 7.35 % p.a. Tenor of 10 years, ₹ 50 Lakh each for cash at par aggregating to ₹ 1500 Crore & ₹ 750 Crore Respectively (including Green Shoe Option) dated 15<sup>th</sup> September, 2017.**

**For P. C. Jain & Co.**  
Company Secretaries  
(FRN: P2016HR051300)

Date: 16<sup>th</sup> July, 2018  
Place: Faridabad

Sd/-  
**(P C Jain)**  
Partner  
CP No. 3349  
FCS 4103

Note: 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**  
NHPC Office Complex,  
Sector- 33 Faridabad,  
Haryana- 121 003

Dear Members,

Our Secretarial Audit Report for the financial year 2017-18 of even date is to be read along with this letter.

- 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.
- 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.
- We have relied on the correctness and appropriateness of financial records and Books of Accounts of the Company, based on audited and approved financials.
- Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 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.
- 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 P. C. Jain & Co.**  
Company Secretaries  
(FRN: P2016HR051300)

Date: 16<sup>th</sup> July, 2018  
Place: Faridabad

Sd/-  
**(P C Jain)**  
Partner  
CP No. 3349  
FCS 4103

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF NHPC LIMITED

#### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **NHPC LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, its profit (financial performance including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

#### Emphasis of Matter

We draw attention to the following matters in the Notes to the standalone Ind AS financial statements:

- i) Note no. 2.2 para 2 to the standalone Ind AS financial statements regarding expenditure incurred for conducting survey and investigation on projects either provided for on account of uncertainty about the outcome or being carried forward pending clearance with various authorities.



- ii) Note No. 34 para 1 to the standalone Ind AS financial statements, regarding the uncertainty related to the outcome of the claims/ arbitration proceedings and lawsuits filed by/ against the Company on/ by contractors and others. In some of the cases the arbitration award has been decided against the Company/ lost in lower courts and the Company is pursuing the matter in higher courts.
- iii) Note No. 34 para 22A to the standalone Ind AS financial statements, regarding Subansiri Lower Project where the construction activities at site have been interrupted w.e.f. 16.12.2011 due to protest by anti-dam activists and the case is pending before the National Green Tribunal. Certain risks and uncertainties might affect the future recovery of Regulatory Deferral Account Balances being created in respect of additional expenditure on this project.

Our opinion is not modified in respect of these matters.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government 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 the paragraphs 3 and 4 of the Order.
2. The Comptroller and Auditor General of India has issued directions indicating the areas to be examined in terms of sub-section (5) of Section 143 of the Act, the compliance of which is set out in "Annexure B".
3. As required by Section 143 (3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;
  - e) being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Act, are not applicable to the Company;
  - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C"; and
  - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 34 Para 1 to the standalone Ind AS financial statements;
    - ii. the Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any derivative contracts;
    - 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.

---

**For S N Dhawan & Co. LLP**

Chartered Accountants  
FRN 000050N/N500045

**(SURESH SETH)**

Partner  
M. No. 010577

**For Ray & Ray**

Chartered Accountants  
FRN 301072E

**(ASISH KUMAR MUKHOPADHYAY)**

Partner  
M. No. 056359

**For Arora Vohra & Co.**

Chartered Accountants  
FRN 09487N

**(RAJAT MENGI)**

Partner  
M. No. 089871

Place : New Delhi

Date : 28th May, 2018

**Annexure A referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date:-**

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- (b) The Property, Plant and Equipment, except in case of land in certain units, have been physically verified by the management /outside agencies. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and nature of its assets. As per the information given to us by the management, no material discrepancies as compared to book records were noticed in respect of Property, Plant and Equipment physically verified during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except for the following.

Total no. of cases	Type of asset	Gross block as at 31.03.2018	Net block as at 31.03.2018	Remarks
6	Freehold land (129.79 Hectare)	₹ 0.53 Crore	₹ 0.53 Crore	The Company is taking appropriate steps for execution of title/lease deed.
8	Leasehold Land (870.87 Hectare)	₹ 306.08 Crore	₹ 245.01 Crore	

- ii. The inventories have been physically verified during the year by the management / outside agencies. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on physical verification of inventories as compared to book records were not material and the same have been properly dealt with in the books of account.
- iii. According to the information and explanations given to us by the Management, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act, except unsecured loan granted during the year to one Company, in respect of which:
  - i. in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the interest of the Company.
  - ii. the schedule of repayment of principal and payment of interest has been stipulated and the repayment of the principal amount and the interest are regular.
  - iii. there is no overdue amount in respect of such loan granted to the Company.
- iv. In our opinion and according to information and explanations given to us the Company has, in respect of loans, investments, guarantees, and security, complied with the provisions of sections 185 and 186 of the Act.
- v. The Company has not accepted any deposits within the meaning of sections 73 to 76 or any other relevant provisions of the Act other than overdue earnest money deposits and security deposits. However, 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. Accordingly, clarification/exemption has been sought by the Management vide its letter no. NH/CS/433 dated 25th January, 2018 from the Ministry of Corporate Affairs (MCA) regarding applicability of MCA notification no. G.S.R. 639(E) dated 29.06.2016 to such security deposits/ retention money.
- 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 sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other material statutory dues have generally been regularly deposited with the appropriate authorities. We are informed that the Employees' State Insurance Scheme is not applicable to the Company. According to the information and explanations given to us, no undisputed demand payable in respect of aforesaid statutory dues was in arrears, as at 31st March, 2018 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and as per the records of the Company, the following dues of income tax, sales tax/VAT, goods and service tax, duty of customs, service tax, property tax & consumption tax have not been deposited on account of dispute.



Name of Statute	Nature of Duties	Amount (₹ in Crores)	Financial Year to which it pertains	Deposit under Protest (₹ in Crores)	Forum at which case is pending
Income Tax Act, 1961	Income Tax	7.07	2012-13	1.41	CIT (A) Faridabad
Sales Tax Acts/VAT Acts	Sales Tax/VAT	277.57	1994-95	0.22	J & K Sales Tax Appellate Tribunal
		5.26	2005-06 to 2009-10		Assistant Excise & Taxation Commissioner, Kullu
		15.29	2004-05 to 2011-12	15.29	West Bengal Taxation Tribunal, Kolkata
		5.16	2013-14		Commercial Tax Department J&K
		1.4	2006-07 to 2009-10		Sr. Joint Commissioner Siliguri Circle
		2.74	2012-13		Joint Commissioner, Siliguri
Finance Act, 1996	Service Tax	26.07	2012-13		CESTAT, Kolkata
		0.04	Jan, 2008		Service Tax Department, Patna
Custom Act, 1962	Duty of Custom	2.2	1986-87		Kolkata High Court
The Jammu & Kashmir Urban Immovable Property Tax Act, 1962	Property Tax	0.05	01.04.1991 to 31.03.1997		Tax Tribunal
		0.15	01.04.1997 to 31.03.2002		Tax Tribunal
The Uttarakhand Water Tax on Electricity Generation Act, 2012	Water Cess	67.93	2015-16 to 2017-18		High Court of Uttarakhand, Nainital
Uttarakhand Green Energy Cess Act, 2014	Green Energy Cess	33.19	2015-16 to 2017-18		High Court of Uttarakhand, Nainital
WB State Tax on Consumption of Use of Goods Act, 2001	Consumption Tax	0.06	2003-04 to 2005-06		Kolkata High Court
BOCW Act, 1996	BOCW Cess	9.24	2010-11	9.24	Labour Officer cum cess assessment officer
West Bengal Tax on Entry of Goods into Local Areas Act, 2012	Entry Tax	0.87	2012-13 to 2017-18		Senior Joint Commissioner, Siliguri
West Bengal Tax on Entry of Goods into Local Areas Act, 2012	Entry Tax	0.17	2003-2006		Senior Joint Commissioner, Siliguri

- viii. Based on our audit procedures and as per the information and explanations given to us by the management, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank, government and dues to debenture holders.
- ix. In our opinion and as per the information and explanations given to us by the management, the Company has applied the money raised during the year by way of debt instruments and term loans for the purpose for which they were raised. The Company has not raised any money by way of initial public offer/ further public offer during the year.
- x. Based on our audit procedures and as per the information and explanations given to us by the management, no fraud by the Company or any fraud on the Company, by any person including its officers/ employees, has been noticed or reported during the year.

# Annual Report 2017-18

- xi. In view of exemption given in terms of Notification No. G.S.R. 463(E) dated 05th June 2015 issued by the Ministry of Corporate Affairs, Government of India, the provisions of Section 197 read with schedule V of the Act regarding managerial remuneration, are not applicable to the Company.
- xii. According to the information and explanations given to us by the management, the Company is not a Nidhi Company. Therefore, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us by the management and on the basis of our examination of the records of the Company, transactions with related parties are in compliance with the provisions of sections 177 and 188 of the Act, wherever applicable and the details of such transactions have been disclosed in the notes to the financial statements as required by the applicable accounting standards.
- xiv. Based on our audit procedures and as per the information and explanations given to us by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv. In our opinion and as per the information and explanations given to us by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

**Management's reply on the "Emphasis of matters" reported by Joint Statutory Auditors (JSAs) to the members of NHPC Limited on the Standalone Financial Statements for F.Y. 2017-18.**

Sl. No.	Matter	Management's Reply
(a)	Note no. 2.2 para 2 to the standalone Ind AS financial statements regarding expenditure incurred for conducting survey and investigation on projects either provided for on account of uncertainty about the outcome or being carried forward pending clearance with various authorities.	(a) In the opinion of the management, the projects on which survey & investigation expenditure is incurred are still active and accordingly, the expenditure incurred is being carried forward. However, provision wherever considered necessary has been made in the books.
(b)	Note No. 34 para 1 to the standalone Ind AS financial statements, regarding the uncertainty related to the outcome of the claims/ arbitration proceedings and lawsuit filed by/ against the Company on/ by contractors and others. In some of the cases the arbitration award has been decided against the Company/ lost in lower courts and the company is pursuing the matter in higher courts.	(b) This disclosure in Para 1 of Note No. 34 of Standalone Financial Statements has been made in compliance of provisions of Ind-AS 37 (Provisions, Contingent Liabilities and Contingent Assets).
(c)	Note No. 34 para 22A to the standalone Ind AS financial statements, regarding Subansiri Lower project where the construction activities at site have been interrupted w.e.f. 16.12.2011 due to protest by anti-dam activists and the case is pending before the National Green Tribunal. Certain risks and uncertainties might affect the future recovery of Regulatory Deferral Account Balances being created in respect of additional expenditure on this project.	(c) (a) Creation of regulatory deferral account balances (assets) and recognition of corresponding regulatory income towards the expenses being incurred in the project is as per Ind AS 114 (Regulatory Deferral Accounts and Guidance Note issued by ICAI (Previous GAAP). Management has assessed that the incremental additions to this asset meets the level of certainty and prudence required for such recognition as per applicable accounting standard. Further, as per management assessment, there is no impairment in the carrying amount of the assets of the Project including regulatory deferral account balances recognised therein.

**For S N Dhawan & Co. LLP**  
Chartered Accountants  
FRN 000050N/N500045

**(SURESH SETH)**  
Partner  
M. No. 010577

**For Ray & Ray**  
Chartered Accountants  
FRN 301072E

**(ASISH KUMAR MUKHOPADHYAY)**  
Partner  
M. No. 056359

**For Arora Vohra & Co.**  
Chartered Accountants  
FRN 09487N

**(RAJAT MENGI)**  
Partner  
M. No. 089871

Place : New Delhi  
Date : 28th May, 2018



# NHPC Limited

(A Government of India Enterprise)

Annexure B referred to in paragraph 2 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date.

Sl. No.	Directions	Reply
1	Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available.	All freehold and leasehold lands have clear titles/lease deeds except for 129.79 hectares and 870.87 hectares respectively.
2	Whether there are any cases of waiver/write off of debts/loans/interest etc. If yes, the reasons thereof and amount involved.	There is one case where ₹ 0.07 crores has been written off with the approval of Competent Authority.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Government or other authorities.	In our opinion, the company is maintaining proper records for inventories lying with third parties. As informed, the Company has not received any assets as gift/grant(s) from Government or other authorities.

**For S N Dhawan & Co. LLP**  
Chartered Accountants  
FRN 000050N/N500045

**(SURESH SETH)**  
Partner  
M. No. 010577

**For Ray & Ray**  
Chartered Accountants  
FRN 301072E

**(ASISH KUMAR MUKHOPADHYAY)**  
Partner  
M. No. 056359

**For Arora Vohra & Co.**  
Chartered Accountants  
FRN 09487N

**(RAJAT MENGI)**  
Partner  
M. No. 089871

Place : New Delhi  
Date : 28th May, 2018

**Annexure C referred to in paragraph 3(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date:-**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **NHPC LIMITED** ("the Company") as of 31st March, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable standalone Ind AS financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal

control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the standalone Ind AS 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 over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the standalone Ind AS 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 Ind AS financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For S N Dhawan & Co. LLP**

Chartered Accountants  
FRN 000050N/N500045

**(SURESH SETH)**

Partner  
M. No. 010577

**For Ray & Ray**

Chartered Accountants  
FRN 301072E

**(ASISH KUMAR MUKHOPADHYAY)**

Partner  
M. No. 056359

**For Arora Vohra & Co.**

Chartered Accountants  
FRN 09487N

**(RAJAT MENGI)**

Partner  
M. No. 089871

Place : New Delhi

Date : 28th May, 2018





## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2018

(₹ in crore)

PARTICULARS	Note No.	As at 31st March, 2018	As at 31st March, 2017
<b>ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
a) Property, Plant and Equipment	2.1	19,066.44	20,038.58
b) Capital Work In Progress	2.2	18,813.96	17,350.13
c) Investment Property	2.3	4.49	4.49
d) Intangible Assets	2.4	923.38	934.14
<b>e) Financial Assets</b>			
i) Investments	3.1	2,209.56	2,100.32
ii) Trade Receivables	3.2	184.45	-
iii) Loans	3.3	339.88	360.96
iv) Others	3.4	1,915.23	1,863.83
f) Non-Current Tax Assets (Net)	4	163.67	73.68
g) Other Non-Current Assets	5	1,279.63	1,125.74
<b>TOTAL NON-CURRENT ASSETS</b>		<b>44,900.69</b>	<b>43,851.87</b>
<b>(2) CURRENT ASSETS</b>			
a) Inventories	6	95.77	91.64
<b>b) Financial Assets</b>			
i) Trade Receivables	7	1,097.07	1,492.90
ii) Cash & Cash Equivalents	8	6.96	59.89
iii) Bank balances other than Cash & Cash Equivalents	9	1,465.43	1,473.25
iv) Loans	10	46.80	43.84
v) Others	11	1,919.42	1,858.25
c) Current Tax Assets (Net)	12	0.40	55.93
d) Other Current Assets	13	342.18	475.21
<b>TOTAL CURRENT ASSETS</b>		<b>4,974.03</b>	<b>5,550.91</b>
(3) Regulatory Deferral Account Debit Balances	14	3,600.46	2,904.32
<b>TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES</b>		<b>53,475.18</b>	<b>52,307.10</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) EQUITY</b>			
a) Equity Share Capital	15.1	10,259.32	10,259.32
b) Other Equity	15.2	18,068.83	16,682.81
<b>TOTAL EQUITY</b>		<b>28,328.15</b>	<b>26,942.13</b>
<b>(2) LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
<b>a) Financial Liabilities</b>			
i) Borrowings	16.1	16,728.20	17,245.64
ii) Other financial liabilities	16.2	38.47	25.63
b) Provisions	17	25.47	486.93
c) Deferred Tax Liabilities (Net)	18	1,076.64	938.49
d) Other non-current Liabilities	19	1,625.00	1,472.47
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>19,493.78</b>	<b>20,169.16</b>

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2018 (Contd.)**

(₹ in crore)

PARTICULARS	Note No.	As at 31st March, 2018	As at 31st March, 2017
<b>(3) CURRENT LIABILITIES</b>			
<b>a) Financial Liabilities</b>			
i) Borrowings	20.1	279.99	302.50
ii) Trade Payables	20.2		
Total outstanding dues of micro enterprises and small enterprises		5.29	4.28
Total outstanding dues of Creditors other than micro enterprises and small enterprises		166.26	142.80
iii) Other financial liabilities	20.3	2,778.81	2,549.63
b) Other Current Liabilities	21	669.86	706.65
c) Provisions	22	1,753.04	1,489.95
d) Current Tax Liabilities (Net)	23	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>5,653.25</b>	<b>5,195.81</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>53,475.18</b>	<b>52,307.10</b>
Significant Accounting Policies	1		
Expenditure attributable to construction (EAC) during the year forming part of capital work in progress	32		
Disclosure on Financial Instruments and Risk Management	33		
Other Explanatory Notes to Accounts	34		
Note 1 to 34 form integral part of the Accounts			

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

**VIJAY GUPTA**  
Company Secretary

**MAHESH KUMAR MITTAL**  
Director (Finance)  
DIN 02889021

**BALRAJ JOSHI**  
Chairman & Managing Director  
DIN 07449990

**As per report of even date**

**For S N Dhawan & Co. LLP**  
Chartered Accountants  
FRN 000050N/N500045

**For Ray & Ray**  
Chartered Accountants  
FRN 301072E

**For Arora Vohra & Co.**  
Chartered Accountants  
FRN 09487N

**(SURESH SETH)**  
Partner  
M. No. 010577

**(ASISH KUMAR MUKHOPADHYAY)**  
Partner  
M. No. 056359

**(RAJAT MENGI)**  
Partner  
M. No. 089871

Place : New Delhi  
Date : 28th May, 2018



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

(₹ in crore)

PARTICULARS	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>INCOME</b>			
i) Revenue from Continuing Operations	24.1	6,934.03	7,271.17
ii) Other Income	24.2	1,491.00	1,457.67
<b>TOTAL INCOME</b>		<b>8,425.03</b>	<b>8,728.84</b>
<b>EXPENSES</b>			
i) Generation Expenses	25	716.39	773.67
ii) Employee Benefits Expense	26	1,585.33	1,574.84
iii) Finance Costs	27	922.32	1,073.22
iv) Depreciation & Amortization Expense	28	1,405.89	1,388.40
v) Other Expenses	29	989.18	1,158.10
<b>TOTAL EXPENSES</b>		<b>5,619.11</b>	<b>5,968.23</b>
<b>Profit before Exceptional items, Rate Regulated Activities and Tax</b>		<b>2,805.92</b>	<b>2,760.61</b>
Exceptional items		-	-
<b>PROFIT BEFORE TAX</b>		<b>2,805.92</b>	<b>2,760.61</b>
<b>Tax Expenses</b>	30		
i) Current Tax		634.68	706.56
ii) Adjustments for Income Tax		(6.91)	(116.99)
iii) Deferred Tax		139.32	89.44
<b>Total Tax Expenses</b>		<b>767.09</b>	<b>679.01</b>
<b>PROFIT FOR THE YEAR BEFORE NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES</b>		<b>2,038.83</b>	<b>2,081.60</b>
Movement in Regulatory Deferral Account Balances (Net of Tax)	31	719.82	713.99
<b>PROFIT FOR THE YEAR AFTER NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES.</b>		<b>2,758.65</b>	<b>2,795.59</b>
<b>Profit for the year from continuing operations (A)</b>		<b>2,758.65</b>	<b>2,795.59</b>
<b>OTHER COMPREHENSIVE INCOME (B)</b>			
<b>(i) Items that will not be reclassified to profit or loss</b>			
(a) Remeasurement of the defined benefit plans		44.78	(64.84)
Less: Income Tax on remeasurement of the defined benefit plans		14.80	(22.44)
Less: Deferred Tax Adjustment Against Deferred Tax Liabilities on Remeasurement of defined benefit plans		(13.85)	7.73
-Movement in Regulatory Deferral Account Balances- Remeasurement of defined benefit plans		(23.68)	9.05
<b>Sub total (a)</b>		<b>20.15</b>	<b>(41.08)</b>
(b) Investment in Equity Instruments		(7.30)	34.79
<b>Sub total (b)</b>		<b>(7.30)</b>	<b>34.79</b>
<b>Total (i)=(a)+(b)</b>		<b>12.85</b>	<b>(6.29)</b>

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018 (Contd.)

(₹ in crore)

PARTICULARS	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>(ii) Items that will be reclassified to profit or loss</b>			
- Investment in Debt Instruments		(9.09)	15.78
Less: Income Tax on investment in Debt Instruments		(2.12)	1.82
<b>Total (ii)</b>		<b>(6.97)</b>	<b>13.96</b>
<b>Other Comprehensive Income (B)=(i+ii)</b>		<b>5.88</b>	<b>7.67</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)</b>		<b>2,764.53</b>	<b>2,803.26</b>
<b>Earning per share before movements in Regulatory Deferral Account Balances (Equity shares, face value of 10/- each)</b>			
Basic & Diluted		1.99	1.88
<b>Earning per share after movements in Regulatory Deferral Account Balances (Equity shares, face value of 10/- each)</b>			
Basic & Diluted		2.69	2.53
Significant Accounting Policies	1		
Expenditure attributable to construction (EAC) during the year forming part of capital work in progress	32		
Disclosure on Financial Instruments and Risk Management	33		
Other Explanatory Notes to Accounts	34		
Note 1 to 34 form integral part of the Accounts			

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

**VIJAY GUPTA**  
Company Secretary

**MAHESH KUMAR MITTAL**  
Director (Finance)  
DIN 02889021

**BALRAJ JOSHI**  
Chairman & Managing Director  
DIN 07449990

**As per report of even date**

**For S N Dhawan & Co. LLP**  
Chartered Accountants  
FRN 000050N/N500045

**For Ray & Ray**  
Chartered Accountants  
FRN 301072E

**For Arora Vohra & Co.**  
Chartered Accountants  
FRN 09487N

**(SURESH SETH)**  
Partner  
M. No. 010577

**(ASISH KUMAR MUKHOPADHYAY)**  
Partner  
M. No. 056359

**(RAJAT MENGI)**  
Partner  
M. No. 089871

Place : New Delhi  
Date : 28th May, 2018



## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

(₹ in crore)

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax for the year including movements in Regulatory Deferral Account Balance</b>	3525.74	3,474.60
Less: Movement in Regulatory Deferral Account Balances	719.82	713.99
<b>Profit before Tax</b>	<b>2805.92</b>	<b>2,760.61</b>
<b>ADD :</b>		
Depreciation	1405.89	1,388.40
Finance Cost (Net of EAC)	922.32	1,073.22
Provisions (Net loss)	69.78	119.68
Expenditure towards Regulatory Deferral Account Balances (net of finance and depreciation)	381.59	341.71
Tariff Adjustment (loss)	58.37	94.83
Sales adjustment on a/c of FERV	66.36	51.81
	2904.31	3,069.65
	<b>5710.23</b>	<b>5,830.26</b>
<b>LESS :</b>		
Advance against Depreciation written back	60.68	60.68
Provisions (Net gain)	85.57	44.92
Net Gain/Loss on sale of Investments	-	6.54
Profit/(Loss) on Sale of Assets	6.89	(1.70)
Dividend Income	632.12	207.49
Interest Income	252.73	512.72
Exchange rate variation	(2.88)	4.05
Fair Value Adjustments	(2.95)	(2.91)
Amortisation of Government Grants	5.99	4.60
	1038.15	836.39
	<b>4672.08</b>	<b>4,993.87</b>
<b>Cash flow from Operating Activities before Operating Assets &amp; Liabilities adjustments</b>		
<b>Changes in Operating Assets and Liabilities:</b>		
Inventories	(4.22)	(8.05)
Trade Receivables	584.32	54.85
Other Financial Assets, Loans and Advances	(517.31)	3,352.49
Other Financial Liabilities & Provisions	29.96	209.74
	92.75	3,609.03
	<b>4764.83</b>	<b>8,602.90</b>
Less : Taxes	662.22	760.07
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>4102.61</b>	<b>7,842.83</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
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	(1530.44)	(1,496.41)
Changes in Regulatory Deferral Account Balances	(381.59)	(341.71)
Realization/ (Payments) for Investments / Bonds	-	(0.35)
Investment in Joint Venture	(125.36)	(365.37)
Dividend Income	632.12	207.49
Interest Income	260.49	566.25
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>(1144.78)</b>	<b>(1,430.10)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Buyback of Equity Shares (including Premium Payment)	-	(2,625.93)
Dividend and Tax on Dividend Paid	(1378.50)	(2,996.35)
Borrowings	4354.99	2,804.51
Repayment of Borrowings	(4855.88)	(3,338.37)

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018 (Contd.)

	(₹ in crore)	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest & Finance Charges	(1143.87)	(1,391.09)
Government Grant Received	12.50	
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>	<b>(3010.76)</b>	<b>(7,547.23)</b>
<b>D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(52.93)</b>	<b>(1,134.50)</b>
Cash & Cash Equivalents at the beginning of the year	59.89	1,194.39
Cash & Cash Equivalents at the close of the year	6.96	59.89

### EXPLANATORY NOTES TO STATEMENT OF CASH FLOWS

- 1 Cash and Cash equivalents consists of Cash in hand, cheques/drafts in hands and Bank Balances including Short Term Deposits with original maturity of less than three months. The details of Cash & Cash equivalents as per Note 8 of the Balance Sheet is as under:

	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Cash and Cash equivalents	6.96	59.89

Cash and Cash equivalents includes ₹ 0.22 Crore (Previous year ₹ 7.74 Crore), held for Rural Road and Rural Electrification works being executed by the Company on behalf of other agencies.

- 2 Interest & finance charges in Cash Flow from Financing Activities includes borrowing cost of ₹ 388.71 Crore (Previous year ₹ 386.80 Crore) capitalised during the period on account of Expenditure attributable to construction (EAC) and borrowing cost of ₹ 331.39 Crore (Previous year ₹ 365.32 Crore) for Regulatory Deferral Account created during the year.
- 3 Amount of undrawn loan as on 31.03.2018 : ₹ Nil Crore (Previous Year ₹ 66.28 Crore - Subordinate Debt).

#### 4 Net debt reconciliation

	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Cash & Cash Equivalents	6.96	59.89
Current Borrowings	(280.00)	(303.01)
Non-current Borrowings	(18894.59)	(19352.28)
<b>Net Debt</b>	<b>(19167.63)</b>	<b>(19595.40)</b>

Particulars	(₹ in crore)			
	Other assets	Liabilities from Financing Activities		
	Cash & Cash Equivalents	Non-current borrowings	Current borrowings	Total
<b>Net debt as at 31 March 2017</b>	<b>59.89</b>	<b>(19352.28)</b>	<b>(303.01)</b>	<b>(19595.40)</b>
Cash flows	(52.93)	478.38	22.51	447.96
Foreign exchange adjustments	-	(71.65)	-	(71.65)
Interest expense	-	(1252.62)	(4.55)	(1257.17)
Interest paid	-	1108.19	5.05	1113.24
Fair value adjustments	-	195.39	-	195.39
<b>Net debt as at 31 March 2018</b>	<b>6.96</b>	<b>(18894.59)</b>	<b>(280.00)</b>	<b>(19167.63)</b>

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

**VIJAY GUPTA**  
Company Secretary

**MAHESH KUMAR MITTAL**  
Director (Finance)  
DIN 02889021

**BALRAJ JOSHI**  
Chairman & Managing Director  
DIN 07449990

**For S N Dhawan & Co. LLP**  
Chartered Accountants  
FRN 000050N/N500045

**As per report of even date**  
**For Ray & Ray**  
Chartered Accountants  
FRN 301072E

**For Arora Vohra & Co.**  
Chartered Accountants  
FRN 09487N

**(SURESH SETH)**  
Partner  
M. No. 010577

**(ASISH KUMAR MUKHOPADHYAY)**  
Partner  
M. No. 056359

**(RAJAT MENGI)**  
Partner  
M. No. 089871

Place : New Delhi  
Date : 28th May, 2018



**STATEMENT OF CHANGES IN EQUITY AS AT 31<sup>ST</sup> MARCH, 2018**

**A. EQUITY SHARE CAPITAL**

Particulars	Note No.	Amount (₹ in Crore)
As at 1st April 2017	15.1	10,259.32
Changes in Equity Share Capital		-
As at 31st March 2018	15.1	10,259.32

**B. OTHER EQUITY**

Attributable to equity holders	Reserve & Surplus				Other Comprehensive Income			Total	
	Capital Redemption Reserve	Securities Premium	Bond Redemption Reserve	Research & Development Fund	General Reserve	Surplus/Retained Earnings	Equity Instruments through OCI		Debt Instruments through OCI
<b>Balance as at 1st April, 2017</b>	2,041.42	242.81	1,609.27	43.90	10,088.11	2,522.54	100.08	34.68	<b>16,682.81</b>
Profit for the year	-	-	-	-	-	2,758.65	-	-	2,758.65
Other Comprehensive Income	-	-	-	-	-	20.15	(7.30)	(6.97)	5.88
<b>Total Comprehensive Income</b>	-	-	-	-	-	<b>2,778.80</b>	<b>(7.30)</b>	<b>(6.97)</b>	<b>2,764.53</b>
Share Application Money received during the year.	-	-	-	-	-	-	-	-	-
<b>Transfer to Retained Earning</b>	-	-	(148.17)	-	-	148.17	-	-	-
Amount written back from Bond Redemption Reserve	-	-	-	-	-	-	-	-	-
Tax on Dividend - Write back	-	-	-	-	-	-	-	-	-
Amount written back from Research & Development Fund	-	-	-	(43.90)	-	43.90	-	-	-
<b>Transfer from Retained Earning</b>	-	-	-	-	-	(102.60)	-	-	(102.60)
Final Dividend (2016-17)	-	-	-	-	-	(1,149.05)	-	-	(1,149.05)
Interim Dividend (2017-18)	-	-	-	-	-	(126.86)	-	-	(126.86)
Tax on Dividend	-	-	-	-	-	(668.45)	-	-	(668.45)
Transfer to Bond Redemption Reserve	-	-	-	-	-	-	-	-	-
Transfer to Research & Development Fund	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-	-	-
<b>Total as on 31st March 2018</b>	<b>2,041.42</b>	<b>242.81</b>	<b>2,129.55</b>	-	<b>10,088.11</b>	<b>3,446.45</b>	<b>92.78</b>	<b>27.71</b>	<b>18,068.83</b>

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

**VIJAY GUPTA**  
Company Secretary

**MAHESH KUMAR MITTAL**  
Director (Finance)  
DIN 02889021

**BALRAJ JOSHI**  
Chairman & Managing Director  
DIN 07449990

**For S N Dhawan & Co. LLP**  
Chartered Accountants  
FRN 000050/N/500045

**As per report of even date**

**For Ray & Ray**  
Chartered Accountants  
FRN 301072E

**For Arora Vohra & Co.**  
Chartered Accountants  
FRN 09487N

**(SURESH SETH)**  
Partner  
M. No. 010577

**(ASISH KUMAR MUKHOPADHYAY)**  
Partner  
M. No. 056359

**(RAJAT MENGI)**  
Partner  
M. No. 089871

Place : New Delhi  
Date : 28th May, 2018

STATEMENT OF CHANGES IN EQUITY AS AT 31<sup>ST</sup> MARCH, 2017

A. EQUITY SHARE CAPITAL

Particulars	Note No.	Amount (₹ in Crore)
As at 1st April 2016	15.1	11,070.67
Changes in Equity Share Capital		(811.35)
As at 31st March 2017	15.1	10,259.32

B. OTHER EQUITY

Attributable to equity holders	Reserve & Surplus				Other Comprehensive Income			Total			
	Capital Redemption Reserve	Securities Premium	Bond Redemption Reserve	Self Insurance Fund	Corporate Social Responsibility Fund	Research & Development Fund	General Reserve		Surplus/Retained Earnings	Equity Instruments through OCI	Debt Instruments through OCI
<b>Balance as at 1st April, 2016</b>	1,230.07	2,868.74	1,324.20	-	-	31.70	10,088.11	3,061.65	65.29	20.72	18,690.48
Profit for the year	-	-	-	-	-	-	-	2,795.59	-	-	2,795.59
Other Comprehensive Income	-	-	-	-	-	-	-	(41.08)	34.79	13.96	7.67
<b>Total Comprehensive Income</b>	-	-	-	-	-	-	-	<b>2,754.51</b>	<b>34.79</b>	<b>13.96</b>	<b>2,803.26</b>
Transfer from Securities Premium	811.35	(811.35)	-	-	-	-	-	-	-	-	-
Utilization for Buy Back of Shares	-	(1,805.25)	-	-	-	-	-	-	-	-	(1,805.25)
Utilization for Buy Back Expenditures	-	(9.33)	-	-	-	-	-	-	-	-	(9.33)
<b>Transfer to Retained Earning</b>	-	-	-	-	-	-	-	-	-	-	-
Amount written back from Bond Redemption Reserve	-	-	(109.42)	-	-	-	-	109.42	-	-	-
<b>Transfer from Retained Earning</b>	-	-	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	-	-
Corporate Dividend Tax (CDT)	-	-	-	-	-	-	-	(2,524.13)	-	-	(2,524.13)
Transfer to Bond Redemption Reserve	-	-	-	-	-	-	-	(472.22)	-	-	(472.22)
Transfer to Self Insurance Fund	-	-	394.49	-	-	-	-	(394.49)	-	-	-
Transfer to Research & Development Fund	-	-	-	-	-	12.20	-	(12.20)	-	-	-
<b>Total as on 31.03.2017</b>	<b>2,041.42</b>	<b>242.81</b>	<b>1,609.27</b>	<b>-</b>	<b>-</b>	<b>43.90</b>	<b>10,088.11</b>	<b>2,522.54</b>	<b>100.08</b>	<b>34.68</b>	<b>16,682.81</b>

For and on behalf of the Board of Directors

**VIJAY GUPTA**  
Company Secretary

**For S N Dhawan & Co. LLP**  
Chartered Accountants  
FRN 000050N/1500045

**(SURESH SETH)**  
Partner  
M. No. 010577

**MAHESH KUMAR MITTAL**  
Director (Finance)  
DIN 02889021

As per report of even date

**For Ray & Ray**  
Chartered Accountants  
FRN 301072E

**(ASISH KUMAR MUKHOPADHYAY)**  
Partner  
M. No. 056359

**BALRAJ JOSHI**  
Chairman & Managing Director  
DIN 07449990

**For Arora Vohra & Co.**  
Chartered Accountants  
FRN 09487N

**(RAJAT MENGI)**  
Partner  
M. No. 089871

Place : New Delhi  
Date : 28th May, 2018





## 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. The shares of the Company are publicly traded on the National Stock Exchange of India and BSE Limited. The address of the Company's registered office is NHPC LIMITED, NHPC Office Complex, Sector-33, Faridabad, Haryana -121003. The Company is primarily involved in the generation and sale of bulk power to various Power Utilities. Other business includes providing consultancy, project management & supervision.

### (II) Basis of preparation

#### (A) Statement of Compliance

These standalone financial statements are prepared on accrual basis of accounting except for the Statement of Cash Flows 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.

#### (B) Basis of Measurement

The financial statements have been prepared on historical cost basis, except for following financial assets and financial liabilities which are measured at fair value:

- Certain financial assets and liabilities measured at fair value.
- Plan assets of defined employee benefit plans.

The methods used to measure fair values are discussed in Note 33.

#### (C) 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 crores (upto two decimals) for the Company.

#### (D) Use of estimates and management judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

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) Determining whether an arrangement contains a lease

Appendix C, Ind AS 17 'Determining whether an arrangement contains a lease' requires an assessment of whether:

- -fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and
- -the arrangement conveys a right to use the asset.

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

The Company enters into power purchase agreements with beneficiaries. Power Purchase Agreements (PPA) in the nature of embedded lease with a single beneficiary where the minimum lease term is for the major part of the plant's economic life and the minimum lease payments amount to substantially all the fair value of the plant are considered as a Finance Lease. Other embedded leases are considered as Operating Lease.

For embedded leases in the nature of a Finance Lease, the investment in the plant is recognised as a Lease Receivable. The minimum lease payments are identified by segregating the embedded lease payments from the rest of the contract amounts. Each lease receipt is allocated between the receivable and finance lease income so as to achieve a constant rate of return on the Lease Receivable outstanding.

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

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

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

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

**c) Recoverable amount of property, plant and equipment, capital work in progress and intangible assets**

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

**d) Post-retirement benefit plans**

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

**e) Revenue**

The Company records revenue from sale of power based on Tariff approved by the CERC, as per the principles of Ind AS 18. However, in cases where tariff rates are yet to be approved, provisional rates are adopted considering the applicable CERC Tariff Regulations.

**f) Provisions and contingencies**

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

**g) Recoverable Amount of Rate Regulated Assets**

The operating activities of the Company are subject to cost-of-service regulations whereby tariff charged for electricity generated is based on allowable costs like interest costs, depreciation, operation & maintenance including a stipulated return. Guidance Note on Rate Regulated Activities issued by the ICAI (previous GAAP) and Ind AS 114- 'Regulatory Deferral Accounts' permits an entity to include in the rate base, as part of the cost of self-constructed (tangible) PPE or internally generated intangible assets, amounts that would otherwise be recognised as an expense in the statement of profit and loss in accordance with Ind AS. The Company estimates that items of regulatory deferral accounts recognised in the financial statements are recoverable as per the current CERC Tariff regulations 2014-19. However, changes in CERC tariff regulations beyond the current tariff period may affect the recoverability of such balances.

**h) Impairment of Trade Receivables**

Considering the historical credit loss experience for trade receivables, the Company does not envisage either impairment in the value of receivables from beneficiaries or loss due to time value of money owing to delay in realization of trade receivables, except to the extent already provided for.

**i) Investment in Subsidiaries and Joint Ventures**

Investment has been carried at costs and as per assessment by the Company, there is no indication of impairment on such investments. Any changes in assumption may have a material impact on the measurement of the recoverable amount.

**j) Insurance Claim Recoverable**

The recoverable amount of insurance claims in respect of damages to Property, Plant & Equipment is based on estimates & assumptions as per terms and conditions of insurance policies.

**(III) SIGNIFICANT ACCOUNTING POLICIES-** A summary of the significant accounting policies applied in the preparation of financial statements as given below have been applied consistently to all periods presented in the financial statements.

**1.0 Property, Plant and Equipment (PPE)**

- a) Property, Plant and Equipment up to March 31, 2015 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 deemed cost at the date of the transition to IND AS (i.e. as on April 1, 2015).
- b) 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.



- c) 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.
- d) Expenditure incurred on renovation and modernization of PPE on completion of the originally estimated useful life of the power station resulting in increased life and/or efficiency of an existing asset, is added to the cost of the related asset. PPE acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.
- e) After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation/amortisation and accumulated impairment losses, if any.
- f) Payments made/ liabilities created provisionally towards compensation (including interest on enhanced compensation till the date of award by the Court), rehabilitation & resettlement and other expenses including expenditure on Environment Management Plans relating to land in possession are treated as cost of land.
- g) Assets over which the Company has control, though created on land not belonging to the Company are included under Property, Plant and Equipment.
- h) Standby equipment and servicing equipment which meet the recognition criteria of Property, Plant and Equipment are capitalized.
- i) Spares parts (procured along with the Plant & Machinery or subsequently) which meet the recognition criteria are capitalized. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other spare parts are treated as "stores & spares" forming part of the inventory.
- j) 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.
- k) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

## 2.0 Capital work in Progress

- a) Capital work in Progress up to March 31, 2015 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 deemed cost at the date of the transition to IND AS (i.e. as on April 1, 2015).
- b) Expenditure incurred on assets under construction (including a project) is carried at cost under Capital Work in Progress (CWIP). Such costs comprise purchase price of assets including import duties and non-refundable taxes (after deducting trade discounts and rebates), expenditure in relation to survey and investigation activities of projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, etc.
- c) 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.
- d) Capital Expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential principally for construction of the project is accumulated under "Expenditure Attributable to Construction" and carried under "Capital Work in Progress" and subsequently allocated on a systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects, keeping in view the "attributability" and the "Unit of Measure" concepts in Ind AS 16- "Property, Plant & Equipment". Expenditure of such nature incurred after completion of the project, is charged to the Statement of Profit and Loss.

## 3.0 Investment Property

Upto March 31, 2015, 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 ASs" to regard those amounts as deemed cost at the date of the transition to IND AS (i.e. as on April 1, 2015).

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.

## 4.0 Intangible Assets and Intangible Assets under Development

- a) Upto March 31, 2015, Intangible assets 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 ASs" to regard those amounts as deemed cost at the date of the transition to IND AS (i.e. as on April 1, 2015).
- b) Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.
- c) Land taken for use from State Government (without transfer of title) and expenses on relief and rehabilitation as also on creation of alternate facilities for land evacuees or in lieu of existing facilities coming under submergence and where construction of such alternate facilities is a specific pre-condition for the acquisition of the land for the purpose of the project, are accounted for as Land-Right to use.
- d) Software (not being an integral part of the related hardware) acquired for internal use, is stated at cost of acquisition less accumulated amortisation and impairment losses if any.
- e) An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

## 5.0 Foreign Currency Transactions

- a) Transactions in foreign currency are initially recorded at the functional currency spot rate at the date the transaction first qualifies for recognition. At each Balance Sheet date, monetary items denominated in foreign currency are translated at the functional currency exchange rates prevailing on that date.
- b) Exchange differences relating to PPE/capital work-in-progress arising out of transaction entered into prior to April 1, 2004 are adjusted to the carrying cost of respective PPE/capital work-in-progress.
- c) Exchange differences arising from translation of foreign currency borrowings entered into prior to March 31, 2016 recoverable from or payable to beneficiaries in subsequent periods as per CERC Tariff regulations are recognised as "Deferred Foreign Currency Fluctuation Recoverable/ Payable Account" and adjusted from the year in which the same is recovered/ paid.
- d) Exchange differences arising from settlement/ translation of monetary items denominated in foreign currency entered into on or after 01.04.2016 to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized as 'Regulatory Deferral Account Balances' during construction period and adjusted from the year in which the same become recoverable from or payable to the beneficiaries.
- e) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

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

## 7.0 Fair value measurement

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

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

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

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



- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

## 8.0 Investments in subsidiaries and joint ventures

Investments in equity shares of subsidiaries and joint ventures are carried at cost.

## 9.0 Financial assets other than investment in subsidiaries and joint ventures

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

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

### a) Classification

The Company classifies its financial assets in the following categories:

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

The classification depends on the following:

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

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

### b) Initial recognition and measurement

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

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

### c) Subsequent measurement

#### Debt instruments at amortised cost

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

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

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

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

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

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

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

## **Equity investments:**

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

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

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

## **Trade Receivables:**

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

## **d) Derecognition**

A financial asset is derecognised only when:

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

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

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

## **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 under Ind AS 11, Construction Contracts
- iv) Lease Receivables under Ind AS 17, Leases.
- v) Trade Receivables under Ind AS 18, Revenue.

The Company follows 'simplified approach' permitted under Ind As 109, "Financial Instruments" for recognition of impairment loss allowance on contract assets, lease receivables and trade receivables resulting from transactions within the scope of Ind AS 11, Ind AS 17 and Ind AS 18, which requires expected life time losses to be recognised from initial recognition of the receivables.

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

## **10.0 Inventories**

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

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

## **11.0 Dividends**

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



## 12.0 Financial liabilities

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

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

### a) Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable and subsequently measured at amortised cost. Financial liabilities are classified as subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss or in the carrying amount of an asset if another standard permits such inclusion, over the period of the borrowings using the effective rate of interest.

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

### b) Subsequent measurement

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

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

### c) Derecognition

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

### d) Offsetting of financial instruments

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

## 13.0 Government Grants

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

## 14.0 Provisions, Contingent Liabilities and Contingent Assets

- a) Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the Balance Sheet date. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision net of any reimbursement is presented in the Statement of Profit and Loss or in the carrying amount of an asset if another standard permits such inclusion.
- b) If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.
- c) Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each Balance Sheet date and are adjusted to reflect the current management estimate.

- d) Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

## 15.0 Revenue Recognition and Other Income

- a) Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuous management involvement and the amount of revenue can be measured reliably. Revenue from the sale of power is measured at the fair value of the consideration received or receivable.
- b) Revenue from the sale of power (except for power stations which are considered as Finance/Operating Lease) is accounted for as per tariff notified by Central Electricity Regulatory Commission. In case of Power Stations where tariff is not notified, sale is recognized on provisional rates worked out by the Company based on the parameters and method adopted by the appropriate authority. 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). Rebates given to beneficiaries as early payments incentives are deducted from the amount of revenue. Recovery/ refund towards foreign currency variation in respect of foreign currency loans and recovery towards Income Tax are accounted for on year to year basis.
- c) Recovery towards deferred tax items recognized till March 31, 2009 are accounted for when the same materialises.
- d) Incentives/Disincentives are recognised as per Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations. In case of Power Stations where tariff have not been notified, incentives/disincentives are recognized provisionally on assessment of the likelihood of acceptance of the same.
- e) Adjustments arising out of finalisation of Regional Energy Account (REA), though not material, are effected in the year of respective finalisation.
- f) 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 31st March of the year closing after a period of 12 years from the date of commercial operation of the project, considering the total useful life of the project as 35 years.
- g) Revenue on Project Management / Construction Contracts/ Consultancy assignments is recognized on percentage of completion method. The percentage of completion is determined as proportion of "cost incurred up to reporting date" to "estimated cost to complete the concerned Project Management / Construction Contracts and Consultancy assignment".
- h) Dividend income is recognized when right to receive the same is established.
- i) Interest/Surcharge recoverable from customers and liquidated damages/interest on advances to contractors is recognised when no significant uncertainty as to measurability and collectability exists.
- j) 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. Interest income is included in other income in the Statement of Profit and Loss.

## 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. 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 contribution to Social Security Scheme are accounted as defined contribution plan.

### iii) Defined benefit plans

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





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

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

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

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

#### iv) Other long-term employee benefits

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

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

#### v) Termination benefits

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

### 17.0 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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

### 18.0 Depreciation and amortization

- a) Depreciation on additions to /deductions from Property, Plant & Equipment (PPE) during the year is charged on pro-rata basis from / up to the date on which the asset is available for use / disposal.
- b) Depreciation on Property, Plant and Equipment of Operating Units of the Company is charged to the Statement of Profit & Loss on straight-line method following the rates and methodology as notified by CERC for the fixation of tariff except for assets specified in Policy No. 18.0(d) below.
- c)
  - i) Depreciation on Property, Plant and Equipment (except old and used) of other than Operating Units of the Company is charged to the extent of 90% of the cost of the asset following the rates notified by CERC for the fixation of tariff except for assets specified in Policy No. 18.0(d) below.
  - ii) Depreciation on old and used items of PPE of other than Operating Units is charged on straight-line method to the extent of 90% of the cost of the asset over estimated useful life determined on the basis of technical assessment.
- d)
  - i) Depreciation in respect of following items of PPE is provided on straight line method based on the life and residual value (5%) given in the Schedule II of the Companies Act, 2013:
    - Construction Plant & Machinery
    - Computer & Peripherals
  - ii) Based on management assessment, depreciation on Mobile Phones is provided on straight line basis over a period of three years with residual value of Re 1.
- e) Temporary erections are depreciated fully (100%) in the year of acquisition /capitalization by retaining Re. 1/- as WDV.
- f) Assets valuing ₹ 5000/- or less but more than ₹ 750/- are fully depreciated during the year in which asset is made available for use with Re. 1/- as WDV.
- g) Low value items, which are in the nature of assets (excluding immovable assets) and valuing upto ₹ 750/- are not capitalized and charged off to revenue in the year of use.
- h) Leasehold Land, in case of operating units, is amortized over the period of lease or 35 years whichever is lower, following the rates and methodology notified vide CERC tariff regulations.

- i) Leasehold Land, in case of units other than operating units, is amortized over the period of lease or 35 years whichever is lower.
- j) PPE created on leasehold land are depreciated to the extent of 90% of original cost over the balance available lease period of respective land from the date such asset is available for use or at the applicable depreciation rates & methodology notified by CERC tariff regulations for such assets, whichever is higher.
- k) Land-Right to use is amortized over a period of 30 years from the date of commercial operation of the project in line with CERC tariff regulations notified for tariff fixation.
- l) Cost of software recognized as 'Intangible Assets' is amortized on straight line method over a period of legal right to use or three financial years, whichever is earlier, starting from the year in which it is acquired.
- m) Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, settlement of arbitration/court cases, change in duties or similar factors, the unamortized balance of such assets is depreciated prospectively over the residual life of such assets at the rate of depreciation and methodology notified by CERC tariff regulations.
- n) Where the life and / or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along with its unamortized depreciable amount is charged prospectively over the revised / remaining useful life.
- o) Spares parts procured along with the Plant & Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery at the rates and methodology notified by CERC.

## 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 under survey & investigation, expenditure incurred thereon is charged to the Statement of Profit and Loss in the year in which such decision is taken.
- d. In case a project under survey and Investigation remains in abeyance by the order of appropriate authority/ by injunction of court order, any expenditure incurred on such projects from the date of order/ injunction of court is provided in the books from the date of such order till the period project is kept in abeyance by such order/ injunction. Provision so made is however reversed on the revocation of aforesaid order/ injunction.
- e. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## 20.0 Income Taxes

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

### a) Current tax

- i) The current tax is the expected tax payable on the taxable income for the year on the basis of the tax laws applicable at the reporting date and any adjustments to tax payable in previous years. Taxable profit differs from profit as reported in the Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible (permanent differences).
- ii) Additional income taxes that arise from the distribution of dividends are recognised at the same time that the liability to pay the related dividend is recognised.

### b) Deferred tax

- i) Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the Balance Sheet method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences,



unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of an asset or liability in a transaction that at the time of the transaction affects neither the taxable profit or loss nor the accounting profit or loss.

- ii) The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.
- iii) Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would flow in the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.
- iv) Deferred tax is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.
- v) Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.
- vi) Deferred tax recovery adjustment account is credited/ debited to the extent the deferred tax for the current period which forms part of current tax in the subsequent periods and affects the computation of return on equity (ROE), a component of tariff.

## 21.0 Compensation from third parties

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

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

## 22.0 Segment Reporting

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

## 23.0 Leases

### a) Company as a Lessee:

- i) Leases of property, plant and equipment (mainly land acquired through lump sum upfront payments), where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance lease. Such finance leases are generally capitalised at the lease's inception at the fair value of the leased property which equals the transaction price i.e. lump sum upfront payments.
- ii) Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to Statement of Profit and Loss over the period of lease.

### b) Company as a Lessor:

Power Purchase Agreements (PPA) in the nature of embedded lease with a single beneficiary where the minimum lease term is for the major part of the plant's economic life and the minimum lease payments amounts to substantially all the fair value of the plant are considered as a Finance Lease. Other embedded leases are considered as Operating Lease.

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

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

## 24.0 Material prior period errors

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

## 25.0 Earnings per share

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

## 26.0 Statement of Cash Flows

### a) Cash and Cash Equivalents:

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

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

## 27.0 Current versus non-current classification

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

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

All other assets are classified as non-current.

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

All other liabilities are classified as non-current.

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

## 28.0 Miscellaneous

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

## (IV) Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the 'Rules') on 28 March 2018. The rules shall be effective from reporting periods beginning on or after 1 April 2018 and cannot be early adopted.



## Standards issued but not yet effective

### a) **Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:**

The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

The appendix can be applied either retrospectively for each period presented applying Ind AS 8 or prospectively to items in scope of the appendix that are initially recognised on or after the beginning of the reporting period in which the appendix is first applied or from the beginning of a prior reporting period presented as comparative.

The Company has assessed the effects of applying the appendix to its foreign currency transactions for which consideration is received in advance.

The Company has evaluated the effect of this on the financial statements and impact is not material.

The Company intends to adopt the amendments prospectively to items in scope of the appendix that are initially recognised on or after the beginning of the reporting period in which the appendix is first applied (i.e. from 1 April 2018).

### b) **Ind AS 115- Revenue from Contract with Customers:**

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

The new standard is mandatory for financial years commencing on or after 1 April 2018 and early application is not permitted. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The Company is in the process of assessing the detailed impact of Ind AS 115.

### c) **Amendments to Ind AS 40 Investment property - Transfers of investment property**

The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer. The amendment provides two transition options. Entities can choose to apply the amendment either retrospectively without the use of hindsight or prospectively to changes in use that occur on or after the date of initial application.

The Company has assessed the effects of the amendment on classification of existing property at 1 April 2018 and concluded that no reclassifications are required.

The Company has decided to apply the amendment prospectively to changes in use that occur after the date of initial application (i.e. 1 April 2018).

**NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENT**

CLASS OF ASSETS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As at 01.04.2017	Addition	Deduction	Adjustment	As at 31.03.2018	As at 01.04.2017	For the year	Adjustment	As at 31.03.2018	As at 31.03.2017
Land – Freehold	308.04	6.01	0.32	(0.04)	313.69	-	-	-	-	308.04
Land – Leasehold	327.16	0.25	-	-	327.41	23.37	11.91	-	35.28	303.79
Roads and Bridges	213.29	4.90	0.25	(2.47)	215.47	17.39	10.75	(0.35)	27.79	195.90
Buildings	1,989.00	29.53	0.13	1.22	2,019.62	173.08	90.86	0.59	264.53	1,815.92
Railway Sidings	16.57	-	-	-	16.57	4.93	2.49	-	7.42	11.64
Hydraulic Works (Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels)	12,671.56	18.12	1.23	2.47	12,690.92	1,631.24	817.82	0.34	2,449.40	11,040.32
Generating Plant and Machinery	6,862.88	359.51	7.89	(0.75)	7,213.75	837.09	439.65	2.47	1,279.21	6,025.79
Plant and machinery - Sub-Station	49.18	0.32	0.01	-	49.49	6.17	3.17	0.01	9.35	43.01
Plant and machinery - Transmission Lines	65.22	3.74	0.03	-	68.93	7.83	5.06	(0.01)	12.88	57.39
Plant and machinery - Others	32.20	0.63	-	-	32.83	5.67	2.64	-	8.31	26.53
Construction Equipment	48.23	2.56	0.23	0.20	50.76	10.46	5.70	-	16.16	37.77
Water Supply System/Drainage and Sewerage	42.49	4.61	0.01	-	47.09	4.55	2.39	-	6.94	37.94
Electrical Installations	2.23	2.12	0.02	-	4.33	0.31	0.30	(0.02)	0.59	1.92
Vehicles	21.13	1.57	0.42	(0.07)	22.21	3.56	2.88	(0.15)	6.29	17.57
Aircraft/ Boats	0.78	0.11	-	-	0.89	0.16	0.12	-	0.28	0.62
Furniture and Fixtures	30.74	2.59	0.20	(0.03)	33.10	4.79	2.74	(0.05)	7.48	25.95
Computers	27.42	6.42	0.55	0.52	33.81	11.50	6.35	0.23	18.08	15.92
Communication Equipments	10.16	1.12	0.35	(0.18)	10.75	1.92	1.29	(0.23)	2.98	8.24
Office Equipments	31.97	2.82	0.45	-	34.34	5.15	3.01	(0.14)	8.02	26.82
Research and Development	0.72	-	-	-	0.72	0.16	0.08	-	0.24	0.56
Other Assets	43.68	8.91	0.24	0.04	52.39	6.76	4.67	(0.02)	11.41	36.92
Tangible Assets of Minor Value > 750 and < ₹.5000	2.33	0.90	0.05	0.02	3.20	2.31	0.89	(0.01)	3.19	0.02
<b>TOTAL</b>	<b>22,796.98</b>	<b>456.74</b>	<b>12.38</b>	<b>0.93</b>	<b>23,242.27</b>	<b>2,758.40</b>	<b>1,414.77</b>	<b>2.66</b>	<b>4,175.83</b>	<b>20,038.58</b>
<b>Previous Year 31.03.2017</b>	<b>21,848.22</b>	<b>947.81</b>	<b>11.57</b>	<b>12.52</b>	<b>22,796.98</b>	<b>1,365.75</b>	<b>1,400.48</b>	<b>(7.83)</b>	<b>2,758.40</b>	<b>20,038.58</b>

Note : Additional disclosure of Property, Plant and Equipment (PPE) as per gross block of assets and accumulated depreciation under previous GAAP has been provided as Annexure-I to this Note. For other explanatory notes, these are stated in Annexure-I to Note 2.1.



## ANNEXURE-I TO NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENT

CLASS OF ASSETS	GROSS BLOCK				DEPRECIATION			NET BLOCK			
	As at 01.04.2017	Addition	Deduction	Adjustment	As at 31.03.2018	As at 01.04.2017	For the year	Adjustment	As at 31.03.2018	As at 31.03.2017	
	(₹ in Crore)										
Land – Freehold	308.04	6.01	0.32	(0.04)	313.69	-	-	-	-	313.69	308.04
Land – Leasehold	370.51	0.25	-	-	370.76	66.72	11.91	-	78.63	292.13	303.79
Roads and Bridges	310.48	4.90	0.31	(2.47)	312.60	114.58	10.75	(0.41)	124.92	187.68	195.90
Buildings	2,732.03	29.53	2.55	1.22	2,760.23	916.11	90.86	(1.83)	1,005.14	1,755.09	1,815.92
Railway Sidings	36.12	-	-	-	36.12	24.48	2.49	-	26.97	9.15	11.64
Hydraulic Works (Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels)	18,481.80	18.12	1.28	2.47	18,501.11	7,441.48	817.82	0.29	8,259.59	10,241.52	11,040.32
Generating Plant and Machinery	9,848.86	359.51	13.54	(0.75)	10,194.08	3,823.07	439.65	(3.18)	4,259.54	5,934.54	6,025.79
Plant and machinery - Sub-Station	100.88	0.32	0.01	-	101.19	57.87	3.17	0.01	61.05	40.14	43.01
Plant and machinery - Transmission Lines	92.62	3.74	0.03	-	96.33	35.23	5.06	(0.01)	40.28	56.05	57.39
Plant and machinery - Others	49.19	0.63	0.03	-	49.79	22.66	2.64	(0.03)	25.27	24.52	26.53
Construction Equipment	110.39	2.56	0.53	0.20	112.62	72.62	5.70	(0.30)	78.02	34.60	37.77
Water Supply System/Drainage and Sewerage	52.46	4.61	0.02	-	57.05	14.52	2.39	(0.01)	16.90	40.15	37.94
Electrical Installations	3.55	2.12	0.03	-	5.64	1.63	0.30	(0.03)	1.90	3.74	1.92
Vehicles	34.47	1.57	1.62	(0.07)	34.35	16.90	2.88	(1.35)	18.43	15.92	17.57
Aircraft/ Boats	1.04	0.11	-	-	1.15	0.42	0.12	-	0.54	0.61	0.62
Furniture and Fixtures	56.32	2.59	0.38	(0.03)	58.50	30.37	2.74	(0.23)	32.88	25.62	25.95
Computers	65.73	6.42	5.02	0.52	67.65	49.81	6.35	(4.24)	51.92	15.73	15.92
Communication Equipments	16.90	1.12	0.76	(0.18)	17.08	8.66	1.29	(0.64)	9.31	7.77	8.24
Office Equipments	52.63	2.82	0.86	-	54.59	25.81	3.01	(0.55)	28.27	26.32	26.82
Research and Development	1.35	-	-	-	1.35	0.79	0.08	-	0.87	0.48	0.56
Other Assets	68.05	8.91	0.46	0.04	76.54	31.13	4.67	(0.24)	35.56	40.98	36.92
Tangible Assets of Minor Value > 750 and < ₹ 5000	18.00	0.90	0.36	0.02	18.56	17.98	0.89	(0.32)	18.55	0.01	0.02
<b>TOTAL</b>	<b>32,811.42</b>	<b>456.74</b>	<b>28.11</b>	<b>0.93</b>	<b>33,240.98</b>	<b>12,772.84</b>	<b>1,414.77</b>	<b>(13.07)</b>	<b>14,174.54</b>	<b>19,066.44</b>	<b>20,038.58</b>
<b>Previous Year 31.03.2017</b>	<b>31,878.56</b>	<b>947.81</b>	<b>27.47</b>	<b>12.52</b>	<b>32,811.42</b>	<b>11,396.09</b>	<b>1,400.48</b>	<b>(23.73)</b>	<b>12,772.84</b>	<b>20,038.58</b>	<b>20,482.47</b>

**Explanatory Note: -**

- 1) a) Freehold land amounting to ₹ 6.51 crore (Previous year ₹ 6.51 crore) covering an area of 1485.19 hectare (Previous year 1485.19 hectare) has been recorded in revenue records in favour of the Government of India through the Government of Jammu & Kashmir, in possession of Salal Power Station (a Power Station of NHPC Limited). Title deeds in respect of freehold land of the Power Station amounting to ₹ 0.01 crore (Previous year ₹ 0.01 crore) covering an area of 4.76 hectare (Previous year 4.76 hectare) is however, yet to be executed/ passed.  
 b) In respect of other units, title deeds/title in respect of freehold land amounting to ₹ 0.52 crore (Previous year ₹ 9.95 crore ) covering an area of 125.03 hectare (Previous year 153.55 hectare) and lease deeds in respect of leasehold land amounting to ₹ 306.08 crore (Previous year ₹ 310.04 crore ) covering an area of 870.87 hectare (Previous year 627.25 hectare) are yet to be executed/passed.
- 2) Land - Leasehold includes 2.72 hectare (Previous year 2.72 hectare) taken from Sashastra Seema Bal (SSB) for Subsantari Upper Project on lease for a period of 99 years at notional value of ₹ 1/- . Out of this area, 1.06 hectare (previous year 1.06 hectare) has been handed over to ITBP.
- 3) Freehold Land includes 8 hectare (Previous year 8 hectare) of land being used by Loktak Downstream Hydroelectric Corporation Limited (LDHCL) (A Joint Venture Company of NHPC and the Government of Manipur) for a consideration of ₹ 100 per annum as rent, for which a lease agreement has been entered between NHPC and LDHCL.
- 4) Underground works amounting to ₹ 6302.08 crore (Previous Year ₹ 6299.38 crore ), created on Land - Right to use, are included under the relevant heads of Property, Plant and Equipment.
- 5) Adjustments to Gross Block include adjustment for Foreign Exchange Rate Variation, depreciation charged and capitalized during construction of a project.
- 6) Pending approval of revised cost estimates (RCE) of Sewa-II, Chamera-III, Teesta Low Dam-III, Uri-II, Parbati-III & Teesta Low Dam-IV Power Stations, capital expenditure actually incurred on these power stations has been considered for capitalisation.
- 7) Refer para no. 9 of Note No 34 for information of non-current assets equitably mortgaged/hypothecated with banks as security for related borrowings.
- 8) Foreign Exchange Rate Variation included in Adjustments to assets are as follows: -

Class of Assets	For the year ended 31.03.2018 (₹ in Crore)	For the year ended 31.03.2017 (₹ in Crore)
Roads and Bridges	-	(0.16)
Buildings	-	(1.50)
Hydraulic Works	-	(11.12)
Generating Plant and machinery	-	(2.79)
Plant and machinery Sub station	-	(0.02)
Water Supply System/Drainage and Sewerage	-	(0.01)
<b>Total</b>	-	<b>(15.60)</b>





## NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENT

CLASS OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01.04.2016	Addition	Deduction	Adjustment	As at 31.03.2017	As at 01.04.2016	For the year	Adjustment	As at 31.03.2017	As at 31.03.2016	
Land – Freehold	288.54	21.32	-	(1.82)	308.04	-	-	-	-	308.04	288.54
Land – Leasehold	318.24	8.92	-	-	327.16	11.57	11.80	-	23.37	303.79	306.67
Roads and Bridges	203.45	9.99	-	(0.15)	213.29	7.23	10.36	(0.20)	17.39	195.90	196.22
Buildings	1,945.70	43.02	1.02	1.30	1,989.00	85.13	90.68	(2.73)	173.08	1,815.92	1,860.57
Railway Sidings	15.95	0.62	-	-	16.57	2.45	2.48	-	4.93	11.64	13.50
Hydraulic Works (Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels)	12,581.24	102.16	0.72	(11.12)	12,671.56	815.84	818.08	(2.68)	1,631.24	11,040.32	11,765.40
Generating Plant and Machinery	6,167.96	682.24	7.23	19.91	6,862.88	411.00	427.11	(1.02)	837.09	6,025.79	5,756.96
Plant and machinery - Sub-Station	41.59	4.85	0.02	2.76	49.18	3.16	3.08	(0.07)	6.17	43.01	38.43
Plant and machinery - Transmission Lines	40.86	22.37	0.01	2.00	65.22	3.60	4.24	(0.01)	7.83	57.39	37.26
Plant and machinery - Others	31.52	1.06	0.01	(0.37)	32.20	2.69	2.94	0.04	5.67	26.53	28.83
Construction Equipment	41.19	7.38	0.34	-	48.23	5.25	5.24	(0.03)	10.46	37.77	35.94
Water Supply System/Drainage and Sewerage	36.72	5.79	0.01	(0.01)	42.49	2.07	2.55	(0.07)	4.55	37.94	34.65
Electrical Installations	2.14	0.10	0.01	-	2.23	0.12	0.19	-	0.31	1.92	2.02
Vehicles	14.67	6.87	0.31	(0.10)	21.13	1.35	2.40	(0.19)	3.56	17.57	13.32
Aircraft/ Boats	0.66	0.12	-	-	0.78	0.06	0.11	(0.01)	0.16	0.62	0.60
Furniture and Fixtures	25.84	5.16	0.24	(0.02)	30.74	2.07	2.78	(0.06)	4.79	25.95	23.77
Computers	21.24	6.64	0.44	(0.02)	27.42	5.07	6.55	(0.12)	11.50	15.92	16.17
Communication Equipments	9.19	1.43	0.44	(0.02)	10.16	0.87	1.20	(0.15)	1.92	8.24	8.32
Office Equipments	25.79	6.36	0.35	0.17	31.97	2.50	2.94	(0.29)	5.15	26.82	23.29
Research and Development	0.72	-	-	-	0.72	0.08	0.08	-	0.16	0.56	0.64
Other Assets	34.30	9.75	0.39	0.02	43.68	2.95	4.01	(0.20)	6.76	36.92	31.35
Tangible Assets of Minor Value >750 and < ₹ 5000	0.71	1.66	0.03	(0.01)	2.33	0.69	1.66	(0.04)	2.31	0.02	0.02
<b>TOTAL</b>	<b>21,848.22</b>	<b>947.81</b>	<b>11.57</b>	<b>12.52</b>	<b>22,796.98</b>	<b>1,365.75</b>	<b>1,400.48</b>	<b>(7.83)</b>	<b>2,758.40</b>	<b>20,038.58</b>	<b>20,482.47</b>
<b>Previous Year 31.03.2016</b>	<b>20,242.95</b>	<b>1,622.88</b>	<b>33.33</b>	<b>15.72</b>	<b>21,848.22</b>	<b>0.00</b>	<b>1,373.48</b>	<b>(7.73)</b>	<b>1,365.75</b>	<b>20,482.47</b>	<b>20,242.95</b>

Note : Additional disclosure of Property, Plant and Equipment (PPE) as per gross block of assets and accumulated depreciation under previous GAAP has been provided as Annexure-I to this Note. For other explanatory notes, these are stated in Annexure-I to Note 2.1.

ANNEXURE-I TO NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENT

CLASS OF ASSETS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at 01.04.2016	Addition	Deduction	Adjustment	As at 31.03.2017	As at 01.04.2016	For the year	Adjustment	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016	As at 31.03.2016
	(₹ in Crore)											
Land – Freehold	288.54	21.32	-	(1.82)	308.04	-	-	-	-	-	308.04	288.54
Land – Leasehold	361.59	8.92	-	-	370.51	54.92	11.80	-	66.72	303.79	303.79	306.67
Roads and Bridges	300.64	9.99	-	(0.15)	310.48	104.42	10.36	(0.20)	114.58	195.90	195.90	196.22
Buildings	2,688.97	43.02	1.26	1.30	2,732.03	828.40	90.68	(2.97)	916.11	1,815.92	1,815.92	1,860.57
Railway Sidings	35.50	0.62	-	-	36.12	22.00	2.48	-	24.48	11.64	11.64	13.50
Hydraulic Works (Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels)	18,391.64	102.16	0.88	(11.12)	18,481.80	6,626.24	818.08	(2.84)	7,441.48	11,040.32	11,040.32	11,765.40
Generating Plant and Machinery	9,156.27	682.24	9.56	19.91	9,848.86	3,399.31	427.11	(3.35)	3,823.07	6,025.79	6,025.79	5,756.96
Plant and machinery - Sub-Station	93.41	4.85	0.14	2.76	100.88	54.98	3.08	(0.19)	57.87	43.01	43.01	38.43
Plant and machinery - Transmission Lines	68.29	22.37	0.04	2.00	92.62	31.03	4.24	(0.04)	35.23	57.39	57.39	37.26
Plant and machinery - Others	48.57	1.06	0.07	(0.37)	49.19	19.74	2.94	(0.02)	22.66	26.53	26.53	28.83
Construction Equipment	106.41	7.38	3.40	-	110.39	70.47	5.24	(3.09)	72.62	37.77	37.77	35.94
Water Supply System/Drainage and Sewerage	46.69	5.79	0.01	(0.01)	52.46	12.04	2.55	(0.07)	14.52	37.94	37.94	34.65
Electrical Installations	3.46	0.10	0.01	-	3.55	1.44	0.19	-	1.63	1.92	1.92	2.02
Vehicles	29.09	6.87	1.39	(0.10)	34.47	15.77	2.40	(1.27)	16.90	17.57	17.57	13.32
Aircraft/ Boats	0.94	0.12	0.02	-	1.04	0.34	0.11	(0.03)	0.42	0.62	0.62	0.60
Furniture and Fixtures	51.79	5.16	0.61	(0.02)	56.32	28.02	2.78	(0.43)	30.37	25.95	25.95	23.77
Computers	65.89	6.64	6.78	(0.02)	65.73	49.72	6.55	(6.46)	49.81	15.92	15.92	16.17
Communication Equipments	16.34	1.43	0.85	(0.02)	16.90	8.02	1.20	(0.56)	8.66	8.24	8.24	8.32
Office Equipments	47.01	6.36	0.91	0.17	52.63	23.72	2.94	(0.85)	25.81	26.82	26.82	23.29
Research and Development	1.35	-	-	-	1.35	0.71	0.08	-	0.79	0.56	0.56	0.64
Other Assets	59.10	9.75	0.82	0.02	68.05	27.75	4.01	(0.63)	31.13	36.92	36.92	31.35
Tangible Assets of Minor Value > 750 and < ₹ 5000	17.07	1.66	0.72	(0.01)	18.00	17.05	1.66	(0.73)	17.98	0.02	0.02	0.02
<b>TOTAL</b>	<b>31,878.56</b>	<b>947.81</b>	<b>27.47</b>	<b>12.52</b>	<b>32,811.42</b>	<b>11,396.09</b>	<b>1,400.48</b>	<b>(23.73)</b>	<b>12,772.84</b>	<b>20,038.58</b>	<b>20,038.58</b>	<b>20,482.47</b>
<b>Previous Year 31.03.2016</b>	<b>30,291.22</b>	<b>1,622.88</b>	<b>51.26</b>	<b>15.72</b>	<b>31,878.56</b>	<b>10,048.27</b>	<b>1,373.48</b>	<b>(25.66)</b>	<b>11,396.09</b>	<b>20,482.47</b>	<b>20,482.47</b>	<b>20,242.95</b>



**Explanatory Note: -**

1. a) Freehold land amounting to ₹ 6.51 crore (Previous year ₹ 6.51 crore) covering an area of 1485.19 hectare (Previous year 1485.19 hectare) has been recorded in revenue records in favour of the Government of India through the Government of Jammu & Kashmir, in possession of Salal Power Station (a Power Station of NHPC Limited). Title deeds in respect of freehold land of the Power Station amounting to ₹ 0.01 crore (Previous year ₹ 0.01 crore) covering an area of 4.76 hectare (Previous year 4.76 hectare) is however, yet to be executed/ passed.
- b) Title deeds/title in respect of freehold land amounting to ₹ 9.95 crore (Previous year ₹ 13.36 crore) covering an area of 153.55 hectare (Previous year 150.93 hectare) and lease deeds in respect of leasehold land amounting to ₹ 310.04 crore (Previous year ₹ 297.34 crore) covering an area of 627.25 hectare (Previous year 766.20 hectare) are yet to be executed/ passed.
- 2) Land - Leasehold includes 2.72 hectare (Previous year 2.72 hectare) taken from Sashastra Seema Bal (SSB) for Subansiri Upper Project on lease for a period of 99 years at notional value of ₹ 1/-. Out of this area, 1.06 hectare (Previous year 1.06 hectare) has been handed over to ITBP.
- 3) Freehold Land includes 8 hectare (Previous year 8 hectare) of land being used by Loktak Downstream Hydroelectric Corporation Limited (LDHCL) (A Joint Venture Company of NHPC and the Government of Manipur) for a consideration of ₹ 100 per annum as rent, for which a lease agreement has been entered between NHPC and LDHCL.
- 4) Underground works amounting to ₹ 6299.38 crore (Previous Year ₹ 6293.18 crore), created on Land - Right to use, are included under the relevant heads of Property, Plant and Equipment.
- 5) Adjustments to Gross Block include adjustment for Foreign Exchange Rate Variation, depreciation charged and capitalized during construction of a project.
- 6) Pending approval of revised cost estimates (RCE) of Sewa II, Chamera III, Teesta Low Dam III, Uri II & Parbati III Power Stations, capital expenditure actually incurred on these power stations has been considered for capitalisation.
- 7) Refer para no. 9 of Note No 34 for information of non-current assets equitably mortgaged/hypothecated with banks as security for related borrowings.
- 8) Foreign Exchange Rate Variation included in Adjustments to assets are as follows: -

Class of Assets	For the year ended 31.03.2017 (₹ in Crore)	For the year ended 31.03.2016 (₹ in Crore)
Roads and Bridges	(0.16)	0.15
Buildings	(1.50)	1.77
Hydraulic Works	(11.12)	16.61
Generating Plant and machinery	(2.79)	3.77
Plant and machinery Sub station	(0.02)	0.02
Water Supply System/Drainage and Sewerage	(0.01)	0.01
<b>Total</b>	<b>(15.60)</b>	<b>22.33</b>

## NOTE NO. 2.2 CAPITAL WORK IN PROGRESS

(₹ in Crore)

Particulars	As at 01.04.2017	Addition	Adjustment	Capitalised	As at 31.03.2018
Roads and Bridges	92.92	10.57	-	4.93	98.56
Buildings	1,099.17	80.39	(0.01)	25.97	1,153.58
Railway Sidings	-	-	-	-	-
Hydraulic Works (Dams, Water Conductor System, Hydro mechanical Gates, Tunnels)	6,547.93	565.49	(0.01)	16.61	7,096.80
Generating Plant and Machinery	3,062.75	439.60	(0.01)	318.25	3,184.09
Plant and Machinery - Sub-Station	11.81	-	2.98	-	14.79
Plant and Machinery - Transmission Lines	3.30	1.75	(2.98)	0.31	1.76
Plant and Machinery - Others	0.74	1.03	(0.63)	0.65	0.49
Construction Equipments	-	-	-	-	-
Water Supply System/Drainage and Sewerage	3.86	4.38	(0.84)	3.79	3.61
Other Assets awaiting Installation	1.84	48.04	(1.58)	38.97	9.33
Survey, Investigation, Consultancy and Supervision Charges	279.93	6.71	0.62	-	287.26
Expenditure on Compensatory Afforestation	-	-	-	-	-
Expenditure Attributable to Construction*	6,713.94	710.29	-	2.02	7,422.21
<b>Less: Provided for</b>	<b>579.26</b>	<b>26.27</b>	<b>-</b>	<b>-</b>	<b>605.53</b>
<b>Sub total (a)</b>	<b>17,238.93</b>	<b>1,841.98</b>	<b>(2.46)</b>	<b>411.50</b>	<b>18,666.95</b>
* For addition during the year refer Note No. 32					
	As at 01.04.2017		Adjustment		As at 31.03.2018
Construction Stores	112.48		35.77		148.25
<b>Less : Provisions for construction stores</b>	<b>1.28</b>		<b>(0.04)</b>		<b>1.24</b>
<b>Sub total (b)</b>	<b>111.20</b>	<b>-</b>	<b>35.81</b>	<b>-</b>	<b>147.01</b>
<b>TOTAL</b>	<b>17,350.13</b>	<b>1,841.98</b>	<b>33.35</b>	<b>411.50</b>	<b>18,813.96</b>
<b>Previous Year</b>	<b>16,578.71</b>	<b>1,726.35</b>	<b>(60.94)</b>	<b>893.99</b>	<b>17,350.13</b>

### Explanatory Note: -

- Expenditure attributable to Construction (EAC) includes ₹ 371.10 Crore (Previous year ₹ 377.54 Crore) towards borrowing cost capitalised during the period.
- Capital Work in Progress (CWIP) includes a cumulative expenditure of ₹ 1287.92 Crore (Previous Year ₹ 1178.32 Crore) on projects under Survey & Investigation stage. Of this, a sum of ₹ 43.52 Crore (Previous Year ₹ 43.52 Crore) pertains to Subansiri Upper Project, which had been decided by Govt. of Arunachal Pradesh to be handed over to a Private Developer. However, pending handing over of the project & recovery of expenditure incurred on it, the said amount is already provided for in the books as an abundant precaution. Out of the balance of ₹ 1244.40 Crore (Previous Year ₹ 1134.80 Crore) pertaining to projects with the company, a sum of ₹ 562.01 Crore (Previous Year ₹ 535.74 Crore) has been provided upto date as an abundant precaution in respect of projects, where uncertainties are attached and ₹ 682.39 Crore (Previous Year ₹ 599.15 Crore), pertaining to other projects having reasonable certainty of getting clearance, is carried over.
- 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.
- Underground Works amounting to ₹ 5177.50 Crore (Previous Year ₹ 4923.90 Crore) created on Land - Right to use, are included under respective heads of Capital Work in Progress (CWIP).
- Refer para no. 9 of Note no. 34 for information of non-current assets pledged with banks as security for related borrowings.
- 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).



## NOTE NO. 2.2 CAPITAL WORK IN PROGRESS

Particulars	(₹ in Crore)				
	As at 01.04.2016	Addition	Adjustment	Capitalised	As at 31.03.2017
Roads and Bridges	89.18	15.43	-	11.69	92.92
Buildings	1,048.30	92.60	(0.46)	41.27	1,099.17
Railway Sidings	-	0.62	-	0.62	-
Hydraulic Works (Dams, Water Conductor System, Hydro mechanical Gates, Tunnels)	5,959.86	677.58	2.72	92.23	6,547.93
Generating Plant and Machinery	3,391.20	190.29	129.49	648.23	3,062.75
Plant and Machinery - Sub-Station	12.55	1.80	-	2.54	11.81
Plant and Machinery - Transmission Lines	2.12	1.66	-	0.48	3.30
Plant and Machinery - Others	0.74	0.39	(0.01)	0.38	0.74
Construction Equipments	-	0.47	-	0.47	-
Water Supply System/Drainage and Sewerage	1.36	7.85	-	5.35	3.86
Other Assets awaiting Installation	2.25	49.15	(0.02)	49.54	1.84
Survey, Investigation, Consultancy and Supervision Charges	266.38	14.89	(1.34)	-	279.93
Expenditure on Compensatory Afforestation	4.53	0.61	(3.69)	1.45	-
Expenditure Attributable to Construction*	6,168.66	714.35	(129.33)	39.74	6,713.94
<b>Less: Provided for</b>	<b>537.92</b>	<b>41.34</b>	<b>-</b>	<b>-</b>	<b>579.26</b>
<b>Sub total (a)</b>	<b>16,409.21</b>	<b>1,726.35</b>	<b>(2.64)</b>	<b>893.99</b>	<b>17,238.93</b>
* For addition during the year refer Note No. 32					
	As at 01.04.2016		Adjustment		As at 31.03.2017
Construction Stores	170.75		(58.27)		112.48
<b>Less : Provisions for construction stores</b>	<b>1.25</b>		<b>0.03</b>		<b>1.28</b>
<b>Sub total (b)</b>	<b>169.50</b>	<b>-</b>	<b>(58.30)</b>		<b>111.20</b>
<b>TOTAL</b>	<b>16,578.71</b>	<b>1,726.35</b>	<b>(60.94)</b>	<b>893.99</b>	<b>17,350.13</b>
<b>Previous Year</b>	<b>16054.72</b>	<b>2013.90</b>	<b>22.69</b>	<b>1512.60</b>	<b>16578.71</b>

### Explanatory Note: -

- Expenditure attributable to Construction (EAC) includes ₹ 377.54 Crore (Previous year ₹ 461.70 Crore) towards borrowing cost capitalised during the year.
- Capital Work in Progress (CWIP) includes a cumulative expenditure of ₹ 1178.32 Crore (Previous Year ₹ 1069.48 Crore) on projects under Survey & Investigation stage. Of this, a sum of ₹ 43.52 Crore (Previous Year ₹ 43.52 Crore) pertains to Subansiri Upper Project, which had been decided by Govt. of Arunachal Pradesh to be handed over to a Private Developer. However, pending handing over of the project & recovery of expenditure incurred on it, the said amount is already provided for in the books as an abundant precaution. Out of the balance of ₹ 1134.80 Crore (Previous Year ₹ 1025.96 Crore) pertaining to projects with the company, a sum of ₹ 535.74 Crore (Previous Year ₹ 494.40 Crore) has been provided upto date as an abundant precaution in respect of projects, where uncertainties are attached and ₹ 599.15 Crore (Previous Year ₹ 531.56 Crore), pertaining to other projects having reasonable certainty of getting clearance, is carried over.
- 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.
- Underground Works amounting to ₹ 4923.90 Crore (Previous Year ₹ 4205.33 Crore) created on Land - Right to use, are included under respective heads of Capital Work in Progress (CWIP).
- Refer para no. 9 of Note no. 34 for information of non-current assets pledged with banks as security for related borrowings.
- 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).

**NOTE NO. 2.3 INVESTMENT PROPERTY**

CLASS OF ASSETS	GROSS BLOCK				DEPRECIATION		NET BLOCK	
	As at	Addition	Deduction	Adjustment	As at	As at	As at	As at
	01.04.2017			31.03.2018	01.04.2017	31.03.2018	31.03.2017	31.03.2018
Land – Freehold	4.49	-	-	4.49	-	-	-	4.49
<b>TOTAL</b>	<b>4.49</b>	<b>-</b>	<b>-</b>	<b>4.49</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.49</b>
Previous Year 31.03.2017	4.49	-	-	4.49	-	-	-	4.49

**i) Amounts recognised in profit or loss for investment property**

	As at 31.03.2018	As at 31.03.2017
Rental income	Nil	Nil
Direct operating expenses from property that generated rental income	Nil	Nil
Direct operating expenses from property that did not generate rental income	Nil	Nil
<b>Fair Value of investment property</b>	<b>53.58</b>	<b>53.58</b>

(ii) 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. Accordingly such land has been classified as Investment Property.

**(iv) Valuation process**

The above land is carried in the financial statements at cost. However, the fair value of investment property has been arrived on the basis of market value as per valuation report and considered to be level-2 of fair valuation hierarchy.

**NOTE NO. 2.3 INVESTMENT PROPERTY**

CLASS OF ASSETS	GROSS BLOCK				DEPRECIATION		NET BLOCK	
	As at	Addition	Deduction	Adjustment	As at	As at	As at	As at
	01.04.2016			31.03.2017	01.04.2016	31.03.2017	31.03.2016	31.03.2017
Land – Freehold	4.49	-	-	4.49	-	-	-	4.49
<b>TOTAL</b>	<b>4.49</b>	<b>-</b>	<b>-</b>	<b>4.49</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.49</b>
Previous Year 31.03.2016	4.49	-	-	4.49	-	-	-	4.49

**i) Amounts recognised in profit or loss for investment property**

	As at 31.03.2017	As at 31.03.2016
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
<b>Fair Value of investment property</b>		
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. Accordingly such land has been classified as Investment Property.	53.58	49.66
<b>Valuation process</b>		
The above land is carried in the financial statements at cost. However, the fair value of investment property has been arrived on the basis of circle rates notified by the state government prevailing in the locality where property is situated.		

**(ii) Fair Value of investment property**

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. Accordingly such land has been classified as Investment Property.

**(iv) Valuation process**

The above land is carried in the financial statements at cost. However, the fair value of investment property has been arrived on the basis of circle rates notified by the state government prevailing in the locality where property is situated.

**NOTE NO. 2.4 INTANGIBLE ASSETS**

CLASS OF ASSETS	GROSS BLOCK			AMORTISATION			NET BLOCK				
	As at 01.04.2017	Addition	Deduction	Adjustment	As at 31.03.2018	01.04.2017	As at 31.03.2018	For the year	Adjustment	As at 31.03.2018	As at 31.03.2017
Land – Right to Use	942.14	-	-	(3.50)	938.64	10.48	16.67	6.19	-	921.97	931.66
Computer Software	8.06	1.41	-	-	9.47	5.58	8.06	2.47	0.01	1.41	2.48
<b>TOTAL</b>	<b>950.20</b>	<b>1.41</b>	<b>-</b>	<b>(3.50)</b>	<b>948.11</b>	<b>16.06</b>	<b>24.73</b>	<b>8.66</b>	<b>0.01</b>	<b>923.38</b>	<b>934.14</b>
Previous Year 31.03.2017	823.88	126.39	0.04	(0.03)	950.20	6.94	16.06	9.15	(0.03)	934.14	816.94

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

**ANNEXURE-I TO NOTE NO. 2.4 INTANGIBLE ASSETS**

CLASS OF ASSETS	GROSS BLOCK			AMORTISATION			NET BLOCK				
	As at 01.04.2017	Addition	Deduction	Adjustment	As at 31.03.2018	01.04.2017	As at 31.03.2018	For the year	Adjustment	As at 31.03.2018	As at 31.03.2017
Land – Right to Use	971.97	-	-	(3.50)	968.47	40.31	46.50	6.19	-	921.97	931.66
Computer Software	46.26	1.41	0.02	-	47.65	43.78	46.24	2.47	(0.01)	1.41	2.48
<b>TOTAL</b>	<b>1,018.23</b>	<b>1.41</b>	<b>0.02</b>	<b>(3.50)</b>	<b>1,016.12</b>	<b>84.09</b>	<b>92.74</b>	<b>8.66</b>	<b>(0.01)</b>	<b>923.38</b>	<b>934.14</b>
Previous Year 31.03.2016	891.99	126.39	0.12	(0.03)	1,018.23	75.05	84.09	9.15	(0.11)	934.14	816.94

**NOTE NO. 2.4 INTANGIBLE ASSETS**

(₹ in Crore)

CLASS OF ASSETS	GROSS BLOCK			AMORTISATION			NET BLOCK				
	As at 01.04.2016	Addition	Deduction	Adjustment	As at 31.03.2017	01.04.2016	For the year	Adjustment	As at 31.03.2017	As at 31.03.2016	
Land – Right to Use	817.14	125.04	0.04	-	942.14	4.34	6.15	(0.01)	10.48	931.66	812.80
Computer Software	6.74	1.35	-	(0.03)	8.06	2.60	3.00	(0.02)	5.58	2.48	4.14
<b>TOTAL</b>	<b>823.88</b>	<b>126.39</b>	<b>0.04</b>	<b>(0.03)</b>	<b>950.20</b>	<b>6.94</b>	<b>9.15</b>	<b>(0.03)</b>	<b>16.06</b>	<b>934.14</b>	<b>816.94</b>
Previous Year 31.03.2016	783.52	43.67	0.01	(3.30)	823.88	0.00	7.36	(0.42)	6.94	816.94	783.52

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

**ANNEXURE-I TO NOTE NO. 2.4 INTANGIBLE ASSETS**

(₹ in Crore)

CLASS OF ASSETS	GROSS BLOCK			AMORTISATION			NET BLOCK				
	As at 01.04.2016	Addition	Deduction	Adjustment	As at 31.03.2017	01.04.2016	For the year	Adjustment	As at 31.03.2017	As at 31.03.2016	
Land – Right to Use	847.05	125.04	0.12	-	971.97	34.25	6.15	(0.09)	40.31	931.66	812.80
Computer Software	44.94	1.35	-	(0.03)	46.26	40.80	3.00	(0.02)	43.78	2.48	4.14
<b>TOTAL</b>	<b>891.99</b>	<b>126.39</b>	<b>0.12</b>	<b>(0.03)</b>	<b>1,018.23</b>	<b>75.05</b>	<b>9.15</b>	<b>(0.11)</b>	<b>84.09</b>	<b>934.14</b>	<b>816.94</b>
Previous Year 31.03.2016	851.90	43.67	0.28	(3.30)	891.99	68.38	7.36	(0.69)	75.05	816.94	783.52





## NOTE NO. 3.1 NON-CURRENT INVESTMENTS

PARTICULARS	As at 31st March, 2018		As at 31st March, 2017	
	Number of shares/ bonds/ securities	Amount (₹ in Crore)	Number of shares/ bonds/ securities	Amount (₹ in Crore)
<b>A. Quoted Equity Instruments - At Fair Value through Other Comprehensive Income (OCI)</b>				
Indian Overseas Bank (Fully Paid Up) (Face Value of ₹ 10/- each)	360800	0.62	360800	0.96
PTC India Ltd. (Fully Paid Up) (Face Value of ₹ 10/- each)	12000000	104.52	12000000	111.48
<b>Total (A)</b>		<b>105.14</b>		<b>112.44</b>
<b>B. Unquoted Equity Instruments - At Cost</b>				
<b>(a) Investment In Equity Instruments</b>				
<b>(i) Subsidiary Companies (Fully Paid Up)</b>				
NHDC Limited (Face Value of ₹ 1000/- each)	10024200	1,002.42	10024200	1,002.42
Loktak Downstream Hydroelectric Corporation Limited (Face Value of ₹ 10/- each)	87092309	87.09	87092309	87.09
Bundelkhand Saur Urja Limited (Face Value of ₹ 10/- each)	3999999	4.00	999999	1.00
<b>(ii) Joint Venture Companies (Fully Paid Up)</b>				
Chenab Valley Power Projects Private Limited (Face Value of ₹ 10/- each)	582360000	582.36	460000000	460.00
National High Power Test Laboratory (P) Ltd (Face Value of ₹ 10/- each)	30400000	30.40	30400000	30.40
<b>Total (B)</b>		<b>1,706.27</b>		<b>1,580.91</b>
<b>C. Quoted Debt Instruments - At Fair Value through Other Comprehensive Income (OCI)</b>				
<b>(a) Investment In Government Securities</b>				
8.35% SBI Right Issue GOI Special Bonds 2024* (Per Unit Value of ₹ 10000/- each)	150000	154.21	150000	159.20
8.20% Oil Marketing Companies GOI Special Bonds 2024 (Per Unit Value of ₹ 10000/- each)	12380	12.64	12380	13.01
8.28% GOI 2027 (Per Unit Value of ₹ 10000/- each)	57000	59.17	57000	61.25
8.26% GOI 2027 (Per Unit Value of ₹ 10000/- each)	17940	18.62	17940	19.20
8.28% GOI 2032 (Per Unit Value of ₹ 10000/- each)	35000	36.66	35000	37.18
8.32% GOI 2032 (Per Unit Value of ₹ 10000/- each)	34000	35.75	34000	36.88
<b>Sub-total (a)</b>		<b>317.05</b>		<b>326.72</b>

# Annual Report 2017-18

PARTICULARS	As at 31st March, 2018		As at 31st March, 2017	
	Number of shares/ bonds/ securities	Amount (₹ in Crore)	Number of shares/ bonds/ securities	Amount (₹ in Crore)
<b>(b) Investment In Bonds of Public Sector Undertaking/ Public Financial Institution &amp; Corporates</b>				
7.41% IIFCL Tax Free Bonds 15.11.2032 (Per Unit Value of ₹ 10,00,000/- each)	120	13.89	120	13.45
8.12% REC Tax Free Bonds 27.03.2027 (Per Unit Value of ₹ 1000/- each)	100000	11.31	100000	11.30
8.48% NHAI TAX FREE 21.11.2028 (Per Unit Value of ₹ 10,00,000/- each)	473	55.90	473	55.50
<b>Sub-total (b)</b>		<b>81.10</b>		<b>80.25</b>
<b>Sub Total (C) (a+b)</b>		<b>398.15</b>		<b>406.97</b>
<b>TOTAL (A+B+C)</b>		<b>2,209.56</b>		<b>2,100.32</b>
<b>(a) Quoted Investment</b>				
(i) Aggregate Cost		381.95		381.95
(ii) Aggregate Market Value		503.29		519.41
<b>(b) Unquoted Investments</b>				
(i) Aggregate Cost		1,706.27		1,580.91
<b>(c) Aggregate amount of Impairment in value of Investments</b>		-		-

\* Note: Government Securities for ₹ 150 Crore is earmarked as security against "Bond Redemption Reserve" of ₹ 146.98 Crore.



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

(₹ in Crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
- Unsecured - Considered Good	184.45	-
<b>Total</b>	<b>184.45</b>	<b>-</b>

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

(₹ in Crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>a) Employee Loans (including accrued interest) (at amortised Cost)</b>		
- Secured (considered good)	112.98	123.85
- Unsecured (considered good)	1.90	12.11
<b>Sub-total</b>	<b>114.88</b>	<b>135.96</b>
<b>b) Loan to Government of Arunachal Pradesh</b>		
- Unsecured (considered good)	225.00	225.00
<b>Sub-total</b>	<b>225.00</b>	<b>225.00</b>
<b>TOTAL</b>	<b>339.88</b>	<b>360.96</b>

### Explanatory Note: -

- |   |      |      |
|---|------|------|
| i) Loan included in Other Loans (Employees) due from directors or other officers of the company at the end of the year.   | 0.01 | 0.03 |
| ii) Advance due by firms or private companies in which any Director of the Company is a Director or member.   | Nil  | Nil  |
| iii) 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 counter parties. |      |      |

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

(₹ in Crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>A. Bank Deposits with more than 12 Months Maturity</b>	0.35	0.35
<b>B. Lease Rent receivable*</b>	1,505.83	1,566.60
<b>C. Interest accrued on:</b>		
- Loan to Government of Arunachal Pradesh	343.81	296.84
- Bank Deposits with more than 12 Months Maturity	0.05	0.04
<b>D. Share Application Money-CVPPL (Pending Allotment)**</b>	65.19	-
<b>TOTAL</b>	<b>1,915.23</b>	<b>1,863.83</b>

\* Refer para-9 of Note No. 34-Other Explanatory Notes to Accounts for receivable mortgaged/hypothecated as security.

\*\* Expected date of allotment is 30th June 2018.

## NOTE NO. 4 NON-CURRENT TAX ASSETS (NET)

(₹ in Crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Advance Income Tax & Tax Deducted at Source	843.97	1,378.49
Less: Provision for Taxation	680.30	1,304.81
<b>TOTAL</b>	<b>163.67</b>	<b>73.68</b>

# Annual Report 2017-18

## NOTE NO. 5 OTHER NON-CURRENT ASSETS

(₹ in Crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>A. CAPITAL ADVANCES</b>		
Secured (considered good)	12.20	1.97
Unsecured (considered good)		
– Against bank guarantee	280.73	357.69
– Others	352.74	159.47
Less : Provision for expenditure awaiting utilisation certificate	2.17	4.11
Unsecured (considered doubtful)	4.49	4.49
Less : Provisions for doubtful advances *1	4.49	4.49
<b>Sub-total</b>	<b>643.50</b>	<b>515.02</b>
<b>B. ADVANCES OTHER THAN CAPITAL ADVANCES</b>		
<b>i) DEPOSITS</b>		
- Unsecured (considered good)	33.56	28.01
Less : Provision against demand raised by Govt. Depts.	15.29	15.55
- Unsecured (considered doubtful)	0.04	0.04
Less : Provision for Doubtful Deposits *2	0.04	0.04
<b>Sub-total</b>	<b>18.27</b>	<b>12.46</b>
<b>ii) Other advances</b>		
- Unsecured (considered good)	0.49	0.14
<b>Sub-total</b>	<b>0.49</b>	<b>0.14</b>
<b>C. Others</b>		
<b>i) Deferred Foreign Currency Fluctuation Assets/Expenditure</b>		
Deferred Foreign Currency Fluctuation Assets	432.68	415.04
Deferred Expenditure on Foreign Currency Fluctuation	133.02	144.42
<b>Sub-total</b>	<b>565.70</b>	<b>559.46</b>
<b>ii) Deferred Cost on Employee loans given</b>		
Secured - Considered Good	45.74	36.77
Unsecured - Considered Good	5.93	1.89
<b>Sub-total</b>	<b>51.67</b>	<b>38.66</b>
<b>TOTAL</b>	<b>1,279.63</b>	<b>1,125.74</b>
<b>*1 Provision for doubtful Advances</b>		
Opening Balance	4.49	0.11
Addition during the year	-	4.38
<b>Closing balance</b>	<b>4.49</b>	<b>4.49</b>
<b>*2 Provision for doubtful Deposits</b>		
Opening Balance	0.04	-
Addition during the year	-	0.04
<b>Closing balance</b>	<b>0.04</b>	<b>0.04</b>



## NOTE NO. 6 INVENTORIES

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>(Valuation as per Significant Accounting Policy No. 10.0)</b>		
Stores and spares	98.97	96.44
Stores in transit/ pending inspection	2.52	1.14
Loose tools	2.06	2.21
Scrap inventory	1.17	1.83
Less: Provision for Obsolescence & Diminution in Value *1	8.95	9.98
<b>TOTAL</b>	<b>95.77</b>	<b>91.64</b>
<b>*1 Provision for Obsolescence &amp; Diminution in Value</b>		
Opening Balance	9.98	22.48
Addition during the year	0.28	0.52
Used during the year	1.10	11.27
Reversed during the year	0.21	1.75
<b>Closing balance</b>	<b>8.95</b>	<b>9.98</b>
<b>Explanatory Note:</b>		
i) During the year, inventories written down to net realisable value (NRV) and recognised as an expense in the statement of profit or loss.	0.28	0.52

## NOTE NO. 7 FINANCIAL ASSETS - CURRENT - TRADE RECEIVABLES

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
- Unsecured - Considered Good	1,097.07	1,492.90
- Unsecured - Considered Doubtful	37.71	54.40
Less: Provision for doubtful debts *1	37.71	54.40
<b>TOTAL</b>	<b>1,097.07</b>	<b>1,492.90</b>
<b>*1 Provision for doubtful debts</b>		
Opening Balance	54.40	34.83
Addition during the year	1.93	19.57
Used during the year	18.35	-
Reversed during the year	0.27	-
<b>Closing balance</b>	<b>37.71</b>	<b>54.40</b>
<b>Explanatory Note: -</b>		
i) 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
ii) Debt due by subsidiaries/ Joint Ventures and others related parties of the company at point( i) above.	Nil	Nil
iii) Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.		

# Annual Report 2017-18

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

		(₹ in crore)	
PARTICULARS		As at 31st March, 2018	As at 31st March, 2017
<b>A Balances with banks</b>			
<b>With scheduled banks</b>			
- In Current Account		6.93	59.78
<b>B Cash on hand</b>			
Cash on hand		0.03	0.11
	<b>TOTAL</b>	<b>6.96</b>	<b>59.89</b>
<b>Explanatory Note: -</b>			
1) Cash on hand -(Includes stamps on hand).		0.01	0.01
2) Cash and Bank Balances on behalf of others and are not freely available for the business of the Company included in stated amount :-			
(a) held for Rural Road and Rural Electrification works being executed by Company on behalf of other agencies.		0.22	7.74

## NOTE 9 : FINANCIAL ASSETS - CURRENT - BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

		(₹ in crore)	
PARTICULARS		As at 31st March, 2018	As at 31st March, 2017
A Balances with Banks - In deposits account		1,360.49	1,372.03
B Deposit account-Unpaid Dividend / Interest		104.94	101.22
	<b>TOTAL</b>	<b>1,465.43</b>	<b>1,473.25</b>
<b>Explanatory Note: -</b>			
Cash and Bank Balances held for Rural Road and Rural Electrification works being executed by Company on behalf of other agencies and are not freely available for the business of the Company included in stated amount		250.49	242.48

## NOTE NO. 10 FINANCIAL ASSETS - CURRENT - LOANS

		(₹ in crore)	
PARTICULARS		As at 31st March, 2018	As at 31st March, 2017
<b>Loan to Related Parties</b>			
-National High Power Test Laboratory (P) Ltd (including accrued interest)			
- Unsecured (considered good)		6.00	-
	<b>Sub-total</b>	<b>6.00</b>	<b>-</b>
<b>OTHER LOANS</b>			
<b>Employees (including accrued interest)</b>			
- Secured (considered good)		17.07	15.58
- Unsecured (considered good)		23.73	28.26
- Unsecured (considered doubtful)		0.03	0.03
Less : Provisions for doubtful Employee loans & advances *1		0.03	0.03
	<b>Sub-total</b>	<b>40.80</b>	<b>43.84</b>
	<b>TOTAL</b>	<b>46.80</b>	<b>43.84</b>
<b>*1 Provisions for doubtful Employee loans &amp; advances</b>			
Opening Balance		0.03	0.03
Closing balance		<b>0.03</b>	<b>0.03</b>
<b>Explanatory Note: -</b>			
Loan & Advances due from directors or other officers of the company at the end of the year.		0.03	0.01
Advance due by firms or private companies in which any Director of the Company is a Director or member.		Nil	Nil



## NOTE NO. 11 FINANCIAL ASSETS - CURRENT - OTHERS

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
a) Claims recoverable	590.67	569.45
Less: Provisions for Doubtful Claims *1	210.18	209.03
<b>Sub-total</b>	<b>380.49</b>	<b>360.42</b>
b) Interest Income accrued on Bank Deposits	35.06	46.45
c) Receivable from Subsidiaries / JV's	111.24	200.08
d) Interest recoverable from beneficiary	3.32	20.50
e) Lease Rent receivable (Finance Lease)-Current	34.80	57.89
f) Interest receivable on Finance lease	18.92	0.45
g) Interest Accrued on Bonds	2.52	2.52
h) Receivable on account of unbilled revenue	797.01	1,169.94
i) Advance to Contractor against arbitration award	536.06	-
<b>TOTAL</b>	<b>1,919.42</b>	<b>1,858.25</b>
<b>*1 Provisions for Doubtful Claims</b>		
Opening Balance	209.03	200.70
Addition during the year	3.36	22.46
Used during the year	0.01	8.52
Reversed during the year	2.20	5.61
<b>Closing balance</b>	<b>210.18</b>	<b>209.03</b>
<b>Explanatory Note:-</b>		
<b>1) Receivable on account of unbilled revenue represents</b>		
Grossing up of Return on Equity	37.23	25.15
J&K water cess	160.92	226.22
Unbilled sale for the month of March	389.50	396.97
Sales due to revision of Tariff Order-Chutak Power Station	-	64.73
Sales due to revision of Tariff Order-Chamera-III Power Station	2.83	2.83
Recognition of Sale (Estimated) awaiting Tariff Order-Nimmo Bazgo Power Station	(18.14)	(3.44)
Tax adjustment	138.70	109.79
MEA Sales	7.51	7.24
Parbati-III (4th Unit) Estimated Sale	-	244.86
FERV	66.05	79.80
Others	12.41	15.79
<b>TOTAL</b>	<b>797.01</b>	<b>1,169.94</b>

2) Receivable from Subsidiaries / JV's includes claim of the company towards capital expenditure incurred on Kiru & Kawar HE Projects which have been transferred to M/s CVPPPL (a joint venture company of NHPC, JKSPDC and PTC).

## NOTE NO. 12 CURRENT TAX ASSETS (NET)

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>Current Tax Assets</b>		
Current Tax (Refer Note No. 23)	0.40	55.93
<b>Total</b>	<b>0.40</b>	<b>55.93</b>

# Annual Report 2017-18

## NOTE NO. 13 OTHER CURRENT ASSETS

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>A. Advances other than Capital Advances</b>		
<b>a) Deposits</b>		
- Unsecured (considered good)	118.98	134.35
Less : Provision against demand raised by Govt. Depts.	0.10	11.59
<b>Sub-total</b>	<b>118.88</b>	<b>122.76</b>
<b>b) Advance to contractor / supplier</b>		
- Secured (considered good)	1.13	0.64
- Unsecured (considered good)		
Against bank guarantee	15.43	112.51
Others	24.54	33.08
Less : Provisions for expenditure awaiting utilization certificate	0.45	0.43
- Unsecured (considered doubtful)	45.52	45.52
Less : Provisions for doubtful advances *1	45.52	45.52
<b>Sub-total</b>	<b>40.65</b>	<b>145.80</b>
<b>c) Other advances - Employees</b>		
- Unsecured (considered good)	0.73	0.57
<b>Sub-total</b>	<b>0.73</b>	<b>0.57</b>
<b>d) Interest accrued on:</b>		
Others		
Considered Good	9.78	65.31
Considered Doubtful	104.11	84.32
Less: Provisions for Doubtful Interest *2	104.11	84.32
<b>Sub-total</b>	<b>9.78</b>	<b>65.31</b>
<b>B. Others</b>		
<b>a) Expenditure awaiting adjustment</b>		
Expenditure awaiting adjustment	37.06	37.06
Less: Provision for project expenses awaiting write off sanction *3	37.06	37.06
<b>Sub-total</b>	<b>-</b>	<b>-</b>
<b>b) Losses awaiting write off sanction/pending investigation</b>		
Losses awaiting write off sanction/pending investigation	38.91	40.02
Less: Provision for losses pending investigation/awaiting write off / sanction *4	38.91	40.02
<b>Sub-total</b>	<b>-</b>	<b>-</b>
<b>c) Prepaid Expenditure</b>	74.17	49.78
<b>d) Deferred Employee Costs</b>		
Secured - Considered Good	5.29	5.15
Unsecured - Considered Good	0.05	0.42
<b>e) Deferred Foreign Currency Fluctuation</b>		
Deferred Foreign Currency Fluctuation Assets	66.36	78.72
Deferred Expenditure on Foreign Currency Fluctuation	7.93	4.46
<b>f) Surplus / Obsolete Assets</b>	1.78	1.92
<b>g) Input GST</b>	5.96	-
<b>h) Others</b>	10.60	0.32
<b>TOTAL</b>	<b>342.18</b>	<b>475.21</b>





# NHPC Limited

(A Government of India Enterprise)

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>*1 Provisions for doubtful advances (Contractors &amp; Suppliers)</b>		
Opening Balance	45.52	45.52
<b>Closing balance</b>	<b>45.52</b>	<b>45.52</b>
<b>*2 Provisions for Doubtful Accrued Interest</b>		
Opening Balance	84.32	67.08
Addition during the year	19.79	19.79
Reversed during the year	-	2.55
<b>Closing balance</b>	<b>104.11</b>	<b>84.32</b>
<b>*3 Provision for project expenses awaiting write off sanction</b>		
Opening Balance	37.06	37.06
<b>Closing balance</b>	<b>37.06</b>	<b>37.06</b>
<b>*4 Provision for losses pending investigation/awaiting write off / sanction</b>		
Opening Balance	40.02	37.78
Addition during the year	0.32	2.77
Used during the year	0.82	0.43
Reversed during the year	0.61	0.10
<b>Closing balance</b>	<b>38.91</b>	<b>40.02</b>

**Explanatory Note:-**

1	Loans and Advances due from Directors or other officers at the end of the year.	Nil	Nil
2	Advance due by Firms or Private Companies in which any Director of the Company is a Director or member.	Nil	Nil
3	Surplus Assets / Obsolete Assets held for disposal are shown at lower of book value and net realizable value.		

**NOTE NO. 14 REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES**

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>(i) Regulatory Deferral Account Balances i.r.o Subansiri Lower Project</b>		
Opening Balance	2,697.99	2,181.28
Addition during the year	474.82	516.71
<b>Closing balance</b>	<b>3,172.81</b>	<b>2,697.99</b>
<b>(ii) Wage Revision as per 3rd PRC</b>		
Opening Balance	208.83	-
Addition during the year (through P&L)	242.90	199.78
Addition during the year (through OCI)	(23.68)	9.05
<b>Closing balance</b>	<b>428.05</b>	<b>208.83</b>
<b>(iii) Exchange Differences on Monetary Items</b>		
Opening Balance	(2.50)	-
Addition during the year	2.10	(2.50)
<b>Closing balance</b>	<b>(0.40)</b>	<b>(2.50)</b>
<b>Closing Balance (A)=(i)+(ii)+(iii)</b>	<b>3,600.46</b>	<b>2,904.32</b>
<b>(iv) Deferred Tax Assets on Regulatory Deferral Account Balances</b>	(95.62)	(72.27)
Less:-Deferred Tax Adjustments against deferred tax assets	(95.62)	(72.27)
<b>TOTAL (B)</b>	<b>-</b>	<b>-</b>
<b>Regulatory Deferral Account Balances net of Deferred Tax (A-B)*</b>	<b>3,600.46</b>	<b>2,904.32</b>

\* For details refer para 22 of Note No.-34-Other Explanatory Notes to Accounts

**NOTE : 15.1 EQUITY SHARE CAPITAL**

PARTICULARS	As at 31st March, 2018		As at 31st March, 2017	
	Nos	Amount (₹ in crore)	Nos	Amount (₹ in crore)
a) Authorized Equity Share Capital (Par value per share ₹ 10)	15,000,000,000	15,000.00	15,000,000,000	15,000.00
b) No. of Equity shares issued, subscribed and fully paid (Par value per share ₹ 10)	10,259,320,519	10,259.32	10,259,320,519	10,259.32
<b>c) Changes in Equity Share Capital</b>				
Opening number of shares outstanding	10,259,320,519	10,259.32	11,070,668,496	11,070.67
Add: No. of shares/Share Capital issued/subscribed during the year	-	-	-	-
Less: Reduction in no. of shares/Share Capital on account of buy back of shares.	-	-	811,347,977	811.35
Closing number of shares outstanding	10,259,320,519	10,259.32	10,259,320,519	10,259.32
d) 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.				
e) Shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate: NIL				
f) Shares in the company held by each shareholder holding more than 5 percent specifying the number of shares held : -				
	As at 31st March, 2018		As at 31st March, 2017	
	Nos	In (%)	Nos	In (%)
- President of India	7,587,481,082	73.96%	7,643,406,901	74.50%
- LIC	734,379,599	7.16%	906,183,502	8.83%
g) Shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment, including the terms and amounts : NIL				
h) In preceding five financial years immediately preceding 31.03.2018, Company has not allotted any equity share as fully paid up pursuant to contract(s) without payment being received in cash/ not allotted any equity share as fully paid up by way of bonus share(s).				
i) Terms of any securities convertible into equity shares issued along with the earliest date of conversion in descending order starting from the farthest such date:- NIL				
j) Calls unpaid (showing aggregate value of calls unpaid by directors and officers) : NIL				
k) Forfeited shares (amount originally paid up) :NIL				
l) During the Financial Year 2016-17 the Company has completed buyback of 811347977 shares of ₹ 10 each, from the shareholders on a proportionate basis by way of a tender offer at a price of ₹ 32.25 per equity share for an aggregate amount of ₹ 2616.60 crores in accordance with the provisions of the Companies Act, 2013 and the SEBI regulations.				



## NOTE NO. 15.2 OTHER EQUITY

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>(i) Capital Redemption Reserve</b>		
As per last Balance Sheet	2,041.42	1,230.07
Add: Transfer from Securities Premium account	-	811.35
<b>As at Balance Sheet date</b>	<b>2,041.42</b>	<b>2,041.42</b>
<b>(ii) Securities Premium Account</b>		
As per last Balance Sheet	242.81	2,868.74
Less: Utilisation for buy-back of shares and related expenses	-	1,814.58
Less: Transfer to capital redemption reserve	-	811.35
<b>As at Balance Sheet date</b>	<b>242.81</b>	<b>242.81</b>
<b>(iii) Bond Redemption Reserve</b>		
As per last Balance Sheet	1,609.27	1,324.20
Add: Transfer from Surplus/Retained Earnings	668.45	394.49
Less: Write back during the year	148.17	109.42
<b>As at Balance Sheet date</b>	<b>2,129.55</b>	<b>1,609.27</b>
<b>(iv) Research &amp; Development Fund</b>		
As per last Balance Sheet	43.90	31.70
Add: Transfer from Surplus/Retained Earnings	-	12.20
Less: Write back during the year	43.90	-
<b>As at Balance Sheet date</b>	<b>-</b>	<b>43.90</b>
<b>(v) General Reserve</b>		
As per last Balance Sheet	10,088.11	10,088.11
<b>As at Balance Sheet date</b>	<b>10,088.11</b>	<b>10,088.11</b>
<b>(vi) Retained Earnings/ Surplus</b>		
As per last Balance Sheet	2,522.54	3,061.65
Add: Profit during the year	2,758.65	2,795.59
Add: Transferred from OCI	20.15	(41.08)
Add: Amount written back from Bond Redemption Reserve	148.17	109.42
Less: Dividend (Final+Interim)	1,251.65	2,524.13
Less: Tax on Dividend	126.86	472.22
Less: Transfer to Bond Redemption Reserve	668.45	394.49
Add: Transfer from Research & Development Fund	43.90	-
Less: Transfer to Research & Development Fund	-	12.20
<b>As at Balance Sheet date</b>	<b>3,446.45</b>	<b>2,522.54</b>
<b>(vii) Fair value through Other Comprehensive Income (FVTOCI)-Equity Instruments</b>		
As per last Balance Sheet	100.08	65.29
Add: Change in Fair value of FVTOCI	(7.30)	34.79
<b>As at Balance Sheet date</b>	<b>92.78</b>	<b>100.08</b>
<b>(viii) Fair value through Other Comprehensive Income (FVTOCI)-Debt Instruments</b>		
As per last Balance Sheet	34.68	20.72
Add: Change in Fair value of FVTOCI	(9.09)	15.78
Less: Deferred Tax on change in Fair Value	(2.12)	1.82
<b>As at Balance Sheet date</b>	<b>27.71</b>	<b>34.68</b>
<b>TOTAL</b>	<b>18,068.83</b>	<b>16,682.81</b>

## Nature and Purpose of Reserves

- 1 **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 purchased is required to be transferred to capital redemption reserve.
- 2 **Securities Premium Account** : Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.
- 3 **Bond Redemption Reserve** : The company is required to create a bond redemption reserve out of the profits which is available for the purpose of redemption of bonds.
- 4 **Research & Development Fund** : As per the requirement of Department of Public Enterprise (DPE) IOM no. 3(9)/2010-DPE (MoU) dated 23rd September 2011, creation of reserve for Research & Development (R&D) @ 0.5% of Profit after Tax was made a mandatory criteria for performance evaluation under the MoU system for Central Public Sector Companies. Accordingly, the Company had been creating R&D Reserve as per DPE guidelines till FY 2016-17. However, since FY 2016-17, targets for R&D no longer form part of MoU of the Company. Further, keeping in view the industry practice in this regard, the Company has ceased creation of R&D reserve w.e.f. the current financial year and balance of ₹ 43.90 Crore in R&D Reserve as on 31st March, 2017 has been transferred to Retained Earnings during the year.
- 5 **FVTOCI-Equity Instruments** : The company has elected to recognise changes in the fair value of certain investments in equity securities in Other Comprehensive Income (OCI). These changes are accumulated within the FVOCI equity investments reserve within equity. The company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.
- 6 **FVTOCI-Debt Instruments** : The company has elected to recognise changes in the fair value of certain investments in debt securities in Other Comprehensive Income. These changes are accumulated within the FVTOCI debt investments reserve within equity. The company transfers amounts from this reserve to retained earnings through P&L when the relevant debt securities are derecognised.

## NOTE NO. 16.1 FINANCIAL LIABILITIES - NON-CURRENT - BORROWINGS

	(₹ in crore)	
PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>Bonds</b>		
- Secured	11,238.39	8,493.28
<b>Term Loans</b>		
• <b>From Banks</b>		
- Secured	20.00	2,259.36
- Unsecured	-	107.18
• <b>From Other Parties</b>		
- Secured	1,206.67	2,219.45
- Unsecured-From Government (Subordinate Debts)	3,163.79	3,032.29
- Unsecured-From Others	1,099.35	1,134.08
<b>TOTAL</b>	<b>16,728.20</b>	<b>17,245.64</b>

Redemption / terms of repayment etc.

- i) Debt Covenants : Refer point no. 3 (Capital Management) of Note no. 33.
- ii) Particulars of Redemption & Repayments: Refer Annexures to Note no. 16.1



Annexure to Note - 16.1

(₹ in crore)

Particulars of redemption & repayment (Disclosure given below for Total Borrowings)	As at 31st March, 2018	As at 31st March, 2017
<b>(A) BONDS (Non-convertible and Non-cumulative)-Secured</b>		
<b>i) TAX FREE BONDS- 3A SERIES *4&amp;8</b> (8.67% p.a. 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2033)	336.07	336.07
<b>ii) TAX FREE BONDS- 3B SERIES *4&amp;8</b> (8.92% p.a. 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2033)	253.62	253.62
<b>iii) BONDS- U SERIES *2&amp;10</b> (8.24% p.a. 15 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹ 10,00,000/- each). (Date of redemption 27.06.2031)	540.00	540.00
<b>iv) BONDS- U1 SERIES *2&amp;10</b> (8.17% p.a. 15 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹ 10,00,000/- each). (Date of redemption 27.06.2031)	360.00	360.00
<b>v) TAX FREE BONDS- 2A SERIES *4&amp;8</b> (8.54% p.a. 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2028)	213.12	213.12
<b>vi) TAX FREE BONDS- 2B SERIES *4&amp;8</b> (8.79% p.a. 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2028)	85.61	85.61
<b>vii) TAX FREE BONDS- 1A SERIES *4&amp;8</b> (8.18% p.a. 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2023)	50.81	50.81
<b>viii) TAX FREE BONDS- 1B SERIES *4&amp;8</b> (8.43% p.a. 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2023)	60.77	60.77
<b>ix) BONDS-W2 SERIES *14</b> (7.35% p.a. 10 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹ 50,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond). (5 Yearly redemptions of ₹ 150.00 crore each w.e.f. 15.09.2023 to 15.09.2027)	750.00	-
<b>x) BONDS-V2 SERIES *13</b> (7.52% p.a. 10 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹ 50,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond). (5 Yearly redemptions of ₹ 295.00 crore each w.e.f. 06.06.2023 to 06.06.2027)	1,475.00	-

# Annual Report 2017-18

(₹ in crore)

Particulars of redemption & repayment (Disclosure given below for Total Borrowings)	As at 31st March, 2018	As at 31st March, 2017
<b>xi) BONDS-T SERIES *1, 2 &amp; 10</b> (8.50% p.a. 15 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond). (12 Yearly redemptions of ₹ 122.91 crore each w.e.f. 14.07.2019 to 14.07.2030)	1,474.92	1,474.92
<b>xii) BONDS-R-3 SERIES *4</b> (8.78% p.a. 15 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 10,00,000/- each with 10 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/10th of face value of Bond) (10 Yearly redemptions of ₹ 89.20 Crore each w.e.f. 11.02.2019 to 11.02.2028)	892.00	892.00
<b>xiii) BONDS-S-2 SERIES *10</b> (8.54% p.a. 15 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond). (12 Yearly redemptions of ₹ 55 crore each w.e.f. 26.11.2018 to 26.11.2029).	660.00	660.00
<b>xiv) BONDS-W1 SERIES *14</b> (6.91% p.a. 5 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 50,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond). (5 Yearly redemptions of ₹ 300.00 Crore each w.e.f. 15.09.2018 to 15.09.2022).	1,500.00	-
<b>xv) BONDS-V SERIES *13</b> (6.84% p.a. 5 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 5,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond) (5 Yearly redemptions of ₹ 155.00 Crore each w.e.f. 24.01.2018 to 24.01.2022. As on 31.03.2018, 4 annual instalments of ₹ 155 Crores each are outstanding).	620.00	775.00
<b>xvi) BONDS-Q SERIES *5&amp;11</b> (9.25% p.a. 15 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond). (Bond issue amount of ₹ 1266.00 Crores redeemable in 12 equal annual instalments commencing from 12.03.2016. As on 31.03.2018, 9 annual instalments of ₹ 105.50 Crores each are outstanding).	949.50	1,055.00
<b>xvii) BONDS-R-2 SERIES *4</b> (8.85% p.a. 14 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond). (Bond issue amount of ₹ 382.08 Crores redeemable in 12 equal annual instalments commencing from 11.02.2016. As on 31.03.2018, 9 annual instalments of ₹ 31.84 Crores each are outstanding).	286.56	318.40
<b>xviii) BONDS-P SERIES *4, 6 &amp; 8</b> (9.00% p.a. 15 Year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 10,00,000/- each redeemable in 10 equal yearly instalments). (Bond issue amount of ₹ 2000 Crores redeemable in 10 equal annual instalments commencing from 01.02.2016. As on 31.03.2018, 7 annual instalments of ₹ 200 Crores each are outstanding).	1,400.00	1,600.00



(₹ in crore)

Particulars of redemption & repayment (Disclosure given below for Total Borrowings)	As at 31st March, 2018	As at 31st March, 2017
<b>xix) BONDS-S-1 SERIES *10</b>	255.50	292.00
(8.49% p.a. 10 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹ 10,00,000/- each with 10 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/10th of face value of Bond) (Bond issue amount of ₹ 365 Crores redeemable in 10 equal annual instalments commencing from 26.11.2015. As on 31.03.2018, 7 annual instalments of ₹ 36.50 Crores each are outstanding).		
<b>xx) BONDS-R-1 SERIES *4</b>	54.80	61.65
(8.70% p.a. 13 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond). (Bond issue amount of ₹ 82.20 Crores redeemable in 12 equal annual instalments commencing from 11.02.2015. As on 31.03.2018, 8 annual instalments of ₹ 6.85 Crores each are outstanding).		
<b>xxi) BONDS-O SERIES *2</b>	-	57.00
(7.70% p.a. 15 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 100,000,000/- each with 10 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/10th of face value of Bond). (Fully Redeemed on 31.03.2018).		
<b>Total Bonds (Secured)</b>	<b>12,218.28</b>	<b>9,085.97</b>
<b>Less: Current Maturities</b>	<b>979.89</b>	<b>592.69</b>
<b>Total Bonds -(Secured) net of current maturities (A)</b>	<b>11,238.39</b>	<b>8,493.28</b>
<b>(B) TERM LOANS - Secured (Banks)</b>		
<b>i) ORIENTAL BANK OF COMMERCE *2</b>	30.00	40.00
(Repayable in 3 equal yearly instalments of ₹ 10 Crore each upto 27.12.2020 at Fixed interest rate with 3 years reset clause with upper cap of 7.207% p.a. presently at 7.207% p.a. as on 31.03.2018)		
<b>ii) CORPORATION BANK *9</b>	-	406.25
(Fully Repaid on 06.06.2017)		
<b>iii) CANARA BANK *9</b>	-	162.56
(Fully Repaid on 06.06.2017)		
<b>iv) INDIAN OVERSEAS BANK *9</b>	-	162.50
(Fully Repaid on 06.06.2017)		
<b>v) SYNDICATE BANK *9</b>	-	243.75
(Fully Repaid on 06.06.2017)		
<b>vi) UNION BANK OF INDIA *9</b>	-	121.88
(Fully Repaid on 06.06.2017)		
<b>vii) STATE BANK OF INDIA *3&amp;5</b>	-	916.67
(Fully Repaid on 15.09.2017)		
<b>viii) STATE BANK OF INDIA *8</b>	-	460.00
(Fully Repaid on 15.09.2017)		
<b>Total Term Loan - Banks (Secured)</b>	<b>30.00</b>	<b>2,513.61</b>
<b>Less: Current Maturities</b>	<b>10.00</b>	<b>254.25</b>
<b>Total Term Loan - Banks (Secured) net of current maturities (B)</b>	<b>20.00</b>	<b>2,259.36</b>

# Annual Report 2017-18

(₹ in crore)

Particulars of redemption & repayment (Disclosure given below for Total Borrowings)	As at 31st March, 2018	As at 31st March, 2017
<b>(C) TERM LOANS - Banks- Foreign Currency (Unsecured)</b>		
<b>i) Deutsche Bank &amp; Others *12</b> (Repayable in 2 equal half yearly instalments of ₹ 56.73 Crores each upto 18.10.2018 at floating interest rate 6 Month JPY LIBOR + 0.57% Margin)	113.45	214.36
<b>Total Term Loan - Banks (Unsecured)</b>	<b>113.45</b>	<b>214.36</b>
<b>Less: Current Maturities</b>	<b>113.45</b>	<b>107.18</b>
<b>Total Term Loan - Banks (Unsecured) net of current maturities (C)</b>	<b>-</b>	<b>107.18</b>
<b>(D) Term Loan-From other parties (Secured)</b>		
<b>i) LIFE INSURANCE CORPORATION OF INDIA *4 &amp; 6</b> (Repayable in 6 half yearly instalments of ₹ 104.17 Crore each upto 15.10.2020 at Fixed interest rate of 9.25% p.a. on ₹ 25.00 Crores and 8% p.a. on ₹ 600 Crore as on 31.03.2018)	625.00	833.33
<b>ii) LIFE INSURANCE CORPORATION OF INDIA *5 &amp; 11</b> (Repayable in 12 equal half yearly instalments of ₹ 79 Crore each upto 31.10.2023 at Fixed Interest rate of 9.118% p.a. as on 31.03.2018)	948.00	1,106.00
<b>iii) POWER FINANCE CORPORATION LIMITED *7</b> (Fully Repaid on 15.09.2017)	-	27.90
<b>iv) POWER FINANCE CORPORATION LIMITED *7</b> (Fully Repaid on 15.09.2017)	-	31.50
<b>v) POWER FINANCE CORPORATION LIMITED *2&amp;3</b> (Fully Repaid on 15.09.2017)	-	619.23
<b>vi) POWER FINANCE CORPORATION LIMITED *1</b> (Fully Repaid on 15.09.2017)	-	92.92
<b>viii) POWER FINANCE CORPORATION LIMITED *1</b> (Fully Repaid on 15.09.2017)	-	137.50
<b>Total Term Loan - Other Parties (Secured)</b>	<b>1,573.00</b>	<b>2,848.38</b>
<b>Less: Current Maturities</b>	<b>366.33</b>	<b>628.93</b>
<b>Total Term Loan - Other Parties (Secured) net of current maturities (D)</b>	<b>1,206.67</b>	<b>2,219.45</b>
<b>(E) Term Loan-From Other parties- Government (Unsecured)</b>		
<b>Loans from Govt. of India (At fair value)</b>		
<b>i) Subordinate Debt from Govt. of India for Nimmo-Bazgo Power Station</b> (Repayable in 18 equal annual instalments of ₹ 28.85 Crore each from the 12th year after commissioning of the project i.e. from 10.10.2025 at fixed interest rate of 4% p.a.)	414.99	394.76
<b>ii) Subordinate Debt from Govt. of India for Chutak Power Station</b> (Repayable in 24 equal annual instalments of ₹ 23.11 Crore each from the 6th year after commissioning of the project i.e. from 01.02.2019 at fixed interest rate of 2.50% p.a.)	478.14	452.13
<b>iii) Subordinate Debt from Govt. of India for Kishanganga HE Project</b> (Repayable in 10 equal annual instalments from the 11th year after commissioning of the project at fixed interest rate of 1% p.a. Interest accrues and is payable annually after commissioning of the project.)	2,293.77	2,185.40
<b>Total Term Loan -Government (Unsecured)</b>	<b>3,186.90</b>	<b>3,032.29</b>
<b>Less: Current Maturities</b>	<b>23.11</b>	<b>-</b>
<b>Total Term Loan - Other Parties (Unsecured) net of current maturities (E)</b>	<b>3,163.79</b>	<b>3,032.29</b>





(₹ in crore)

Particulars of redemption & repayment (Disclosure given below for Total Borrowings)	As at 31st March, 2018	As at 31st March, 2017
<b>(F) TERM LOANS - From Others- Foreign Currency (Unsecured)</b>		
i) <b>Japan International Cooperation Agency Tranche-I *12</b> (Repayable in 16 equal half yearly instalments of ₹ 7.54 Crore each upto 20.01.2026 at fixed interest rate of 2.3% as on 31.03.2018)	120.69	128.26
ii) <b>Japan International Cooperation Agency Tranche-II *12</b> (Repayable in 20 equal half yearly instalments of ₹ 24.75 Crore each upto 20.12.2027 at fixed interest rate of 2.3% as on 31.03.2018)	494.90	514.28
iii) <b>Japan International Cooperation Agency Tranche-III *12</b> (Repayable in 32 equal half yearly instalments of ₹ 18.28 Crore each upto 20.03.2034 at fixed interest rate of 1.3% as on 31.03.2018)	584.89	587.08
<b>Total Term Loan - Other Parties (Unsecured)</b>	<b>1,200.48</b>	<b>1,229.62</b>
<b>Less: Current Maturities</b>	<b>101.13</b>	<b>95.54</b>
<b>Total Term Loan - Other Parties (Unsecured) net of current maturities</b> (F)	<b>1,099.35</b>	<b>1,134.08</b>
<b>Grand Total (A+B+C+D+E+F)</b>	<b>16,728.20</b>	<b>17,245.64</b>

**\* Particulars of security**

- Secured by pari-passu charge by way of Equitable mortgage/hypothecation against Immovable/Moveable assets (except for Book Debts and Stores) of Company's Chamera-I Power Station situated in the state of Himachal Pradesh.
- 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.
- Secured by pari-passu charge by way of Equitable mortgage/ hypothecation against Immovable / Moveable assets (except for Book Debts and Stores) of Company's Chamera-II Power Station situated in the state of Himachal Pradesh.
- Secured by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati-II HE Project situated in the state of Himachal Pradesh.
- Secured by pari-passu charge by way of equitable mortgage/hypothecation against immovable/movable assets (except for Book Debts and Stores) of Company's Teesta Low Dam-III Power Station situated in the state of West Bengal.
- Secured by pari-passu charge by way of equitable mortgage and charge over all the immovable and moveable assets (except for Book Debts and Stores) of the Company's Dhauliganga Power Station situated in the state of Uttrakhand.
- Secured by way of first charge on pari-passu basis by way of hypothecation on whole of the Company's movable assets(except for Book Debts and Stores), both present and future, of Dulhasti Power Station situated in the state of Jammu & Kashmir.
- Secured by a first charge on pari-passu basis by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Chamera-III Power Station situated in the state of Himachal Pradesh.
- Secured by way of first charge on pari-passu basis by way of hypothecation on whole of the Company's movable assets (except for Book Debts and Stores), both present and future, of Salal Power Station situated in the state of Jammu & Kashmir, Sewa-II Power Station situated in the state of Jammu & Kashmir, Chutak Power Station situated in the state of Jammu & Kashmir, Nimmo-Bazgo Power Station situated in the state of Jammu & Kashmir, Uri-II Power Station situated in the state of Jammu & Kashmir & TLDP-IV Power Station situated in the state of West Bengal.
- Secured by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati -III Power Station situated in the state of Himachal Pradesh.
- Secured by pari-passu charge by way of equitable mortgage/hypothecation against immovable/movable assets (except for Book Debts and Stores) of Company's Teesta-V Power Station situated in the state of Sikkim.
- Loans mentioned at sl. nos. C(i),F(i),F(ii) and F(iii) above are guaranteed by Government of India.
- 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 Power Station situated in the state of Himachal Pradesh.
- Security creation by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati -II Power Station situated in the state of Himachal Pradesh and Secured by pari-passu charge by way of hypothecation against the moveable assets (except for Book Debts and Stores) of the Company's Dulhasti Power Station situated in the state of Jammu & Kashmir is under process.

# Annual Report 2017-18

## NOTE NO. 16.2 FINANCIAL LIABILITIES - NON-CURRENT - OTHERS

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Deposits/ retention money	38.47	25.63
<b>TOTAL</b>	<b>38.47</b>	<b>25.63</b>

## NOTE NO. 17 PROVISIONS - NON-CURRENT

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>A. PROVISION FOR EMPLOYEE BENEFITS</b>		
<b>i) Provision for Long term Benefits (Provided for on the basis of actuarial valuation)</b>		
As per last Balance Sheet	453.80	371.69
Additions during the year	0.07	82.11
Amount used during the year	447.56	-
<b>Closing Balance</b>	<b>6.31</b>	<b>453.80</b>
<b>B. OTHERS</b>		
<b>i) Provision For Committed Capital Expenditure</b>		
As per last Balance Sheet	15.15	20.42
Additions during the year	0.24	3.55
Amount used during the year	13.64	10.16
Amount reversed during the year	1.48	-
Unwinding of discount	0.98	1.34
<b>Closing Balance</b>	<b>1.25</b>	<b>15.15</b>
<b>ii) Provision For Livelihood Assistance</b>		
As per last Balance Sheet	17.98	16.09
Additions during the year	0.05	1.56
Amount used during the year	0.96	-
Unwinding of discount	0.33	0.33
<b>Closing Balance</b>	<b>17.40</b>	<b>17.98</b>
<b>iii) Provision-Others</b>		
Additions during the year	0.51	-
<b>Closing Balance</b>	<b>0.51</b>	<b>-</b>
<b>TOTAL</b>	<b>25.47</b>	<b>486.93</b>

\* Information about Provisions are given in para 21 of Note 34-Other explanatory Notes to Accounts.



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

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>Deferred Tax Liability</b>		
a) Property, Plant and Equipments, Investment Property and Intangible Assets.	3,148.21	3,430.66
b) Financial Assets at FVTOCI	9.07	6.03
c) Other Items	227.06	647.18
Less: Recoverable for tariff period upto 2009	1,792.03	1,929.53
Less: Deferred Tax Adjustment against Deferred Tax Liabilities	276.72	796.71
<b>Net Deferred Tax Liability</b>	<b>1,315.59</b>	<b>1,357.63</b>
<b>Less:-Set off Deferred Tax Assets pursuant to set off provisions</b>		
a) Provision for doubtful debts, inventory and others	10.67	92.42
b) Provision for employee benefit schemes	4.56	172.15
c) Other Items	223.72	154.57
<b>Net Deferred Tax Assets</b>	<b>238.95</b>	<b>419.14</b>
<b>TOTAL</b>	<b>1,076.64</b>	<b>938.49</b>

### Explanatory Note :-

- Deferred tax liability/(assets), in compliance to the Ind AS 12 on "Accounting for Taxes on Income" notified under The Companies Act, 2013 has been created as deferred tax liability/(Assets).
- Movement in Deferred Tax Liability/ (Assets) are shown in Annexure to Note No-18.

### Annexure to Note-18

#### Movement in Deferred Tax Liability

(₹ in crore)

Particulars	Property, Plant and Equipments, Investment Property and Intangible Assets.	Financial Assets at FVTOCI	Other Items	Recoverable for tariff period upto 2009	Deferred Tax Adjustment against Deferred Tax Liabilities	Total
At 1 April 2017	3,430.66	6.03	647.18	1,929.53	796.71	1,357.63
Charged/(Credited)						
-to Profit or loss	(282.45)	5.16	(420.12)	(137.50)	(519.99)	(39.92)
-to OCI	-	(2.12)	-	-	-	(2.12)
At 31 March 2018	3,148.21	9.07	227.06	1,792.03	276.72	1,315.59

#### Movement in Deferred Tax Assets

(₹ in crore)

Particulars	Provision for doubtful debts, inventory and others	Provision for employee benefit schemes	Other Items	Total
At 1 April 2017	92.42	172.15	154.57	419.14
Charged/(Credited)				
-to Profit or loss	(81.75)	(158.36)	60.87	(179.24)
-to OCI	-	(9.23)	8.28	(0.95)
At 31 March 2018	10.67	4.56	223.72	238.95

## Movement in Deferred Tax Liability

(₹ in crore)

Particulars	Property, Plant and Equipments, Investment Property and Intangible Assets.	Financial Assets at FVTOCI	Other Items	Recoverable for tariff period upto 2009	Deferred Tax Adjustment against Deferred Tax Liabilities	Total
<b>At 1 April 2016</b>	<b>3,052.99</b>	<b>27.89</b>	<b>512.28</b>	<b>2,055.65</b>	<b>359.73</b>	<b>1,177.78</b>
(Charged)/Credited						
-to Profit or loss	377.67	(23.68)	134.90	(126.12)	436.98	178.03
-to OCI	-	1.82	-	-	-	1.82
<b>At 31 March 2017</b>	<b>3,430.66</b>	<b>6.03</b>	<b>647.18</b>	<b>1,929.53</b>	<b>796.71</b>	<b>1,357.63</b>

## Movement in Deferred Tax Assets

(₹ in crore)

Particulars	Provision for doubtful debts, inventory and others	Provision for employee benefit schemes	Other Items	Total
<b>At 1 April 2016</b>	<b>73.60</b>	<b>27.79</b>	<b>214.46</b>	<b>315.85</b>
Charged/(Credited)				
-to Profit or loss	18.82	129.65	(59.89)	88.58
-to OCI		14.71		14.71
<b>At 31 March 2017</b>	<b>92.42</b>	<b>172.15</b>	<b>154.57</b>	<b>419.14</b>

## NOTE NO. 19 OTHER NON-CURRENT LIABILITIES

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Income received in advance (Advance Against Depreciation)	977.50	1,038.18
Deferred Income from Foreign Currency Fluctuation Account	54.72	60.89
Grants in aid-from Government-Deferred Income	592.78	373.40
<b>TOTAL</b>	<b>1,625.00</b>	<b>1,472.47</b>
<b>GRANTS IN AID-FROM GOVERNMENT-DEFERRED INCOME</b>		
As at the beginning of the year	378.98	206.88
Add: Received during the year	238.12	176.70
Less: Released to Statement of Profit and Loss	5.99	4.60
<b>Balance as at the year end *</b>	<b>611.11</b>	<b>378.98</b>
Grants in Aid-from Government-Deferred Income (Current)	18.33	5.58
Grants in Aid-from Government-Deferred Income (Non-Current)	592.78	373.40
<b>* Grant includes:-</b>		
1) Fair valuation of Subordinate Debts received from GOI for Chutak Power Station, Nimmoo Bazgo Power Station & Kishanganga HE Project accounted as Grant In Aid.	586.13	378.98
2) Funds (Grant in Aid) received from Government of India through SECI for setting up 50 MW Solar Power Project in Tamilnadu.	24.98	-

**NOTE NO. 20.1 BORROWINGS - CURRENT**

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>Borrowings-Other Loans-Secured</b>		
From Banks	279.99	302.50
<b>TOTAL</b>	<b>279.99</b>	<b>302.50</b>

**Detail of Borrowings**

S. No.	Name of Bank Nature of Security Interest Rates	As at 31st March, 2018	As at 31st March, 2017
1	IDBI Bank Fixed Deposit Receipt (FDR) 6.81%	108.00	-
2	IDBI Bank Fixed Deposit Receipt (FDR) 6.96%	171.99	-
3	Central Bank of India Fixed Deposit Receipt (FDR) 7.25%	-	225.00
4	Oriental Bank of Commerce Fixed Deposit Receipt (FDR) 7.01%	-	47.50
5	UCO Bank Fixed Deposit Receipt (FDR) 7.37%	-	30.00
	<b>TOTAL</b>	<b>279.99</b>	<b>302.50</b>

- (i) Repayment Term: The Loan amount may be repaid at any point of time and in part also.  
(ii) Default in repayments (if any) : Nil

**NOTE NO. 20.2 TRADE PAYABLE - CURRENT**

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Total outstanding dues of micro enterprise and small enterprise(s)	5.29	4.28
Total outstanding dues of Creditors other than micro enterprises and small enterprises	166.26	142.80
<b>TOTAL</b>	<b>171.55</b>	<b>147.08</b>

**Explanatory Note: -**

Disclosure requirement under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 is given under para 15 of Note No.34- Other Explanatory Notes to Accounts.

# Annual Report 2017-18

## NOTE NO. 20.3 OTHER FINANCIAL LIABILITIES - CURRENT

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>Current maturities of long term debt *</b>		
- Bonds	979.89	592.69
- Term Loan -Banks-Secured	10.00	254.25
- Term Loan -Banks-Unsecured	113.45	107.18
- Other Parties-Secured	366.33	628.93
- Unsecured-From Government (Subordinate Debts)	23.11	-
- Other Parties-Unsecured	101.13	95.54
Liability against capital works/supplies	400.59	279.62
Liability against capital works/supplies-MSME**	1.43	1.51
Interest accrued but not due on borrowings	572.49	428.56
Retention money	104.22	98.18
Unpaid dividend ***	18.16	14.26
Unpaid interest ***	0.11	0.27
Other Payables to Employees	17.30	26.46
Other Payables to Others	70.60	22.18
<b>TOTAL</b>	<b>2,778.81</b>	<b>2,549.63</b>

\* Details in respect of redemption, rate of interest, terms of repayment and particulars of security are disclosed in Annexure to Note no. 16.1.

\*\* Disclosure requirement under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 is given under para 15 of Note No.34- Other Explanatory Notes to Accounts.

\*\*\* 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.

## NOTE NO. 21 OTHER CURRENT LIABILITIES

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Income received in advance (Advance against depreciation)	60.68	60.68
Deferred Income from Foreign Currency Fluctuation Account	6.17	6.17
Statutory dues payables	355.59	352.55
Advances against the deposit works	244.12	244.12
Amount Spent on Deposit Works	(242.62)	(238.87)
Advances against cost of Project Mgt./ Consultancy Work	3,716.56	4,547.35
Amount Spent in respect of Project Mgt./ Consultancy Works	(3,502.22)	(4,283.37)
Provision Toward Amt Recoverable in r/o Project Mgt / Consultancy Works	-	2.28
Other liabilities-Advance from Customers & Others.	13.25	10.16
Grants in aid-from Government-Deferred Income	18.33	5.58
<b>TOTAL</b>	<b>669.86</b>	<b>706.65</b>



## NOTE NO. 22 PROVISIONS - CURRENT

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>A. PROVISION FOR EMPLOYEE BENEFITS</b>		
<b>i) Provision for Long term Benefits (Provided for on the basis of actuarial valuation)</b>		
As per last Balance Sheet	253.41	56.28
Additions during the year	142.34	265.82
Amount used during the year	253.41	68.69
<b>Closing Balance</b>	<b>142.34</b>	<b>253.41</b>
<b>ii) Provision for Wage Revision *1</b>		
As per last Balance Sheet	10.10	7.19
Additions during the year	2.47	2.91
<b>Closing Balance</b>	<b>12.57</b>	<b>10.10</b>
Less: Advance paid	12.57	10.10
<b>Closing Balance (Net of advance)</b>	<b>-</b>	<b>-</b>
<b>iii) Provision for Performance Related Pay/Incentive</b>		
As per last Balance Sheet	118.33	100.70
Additions during the year	242.91	118.34
Amount used during the year	73.97	100.71
Amount reversed during the year	22.91	-
<b>Closing Balance</b>	<b>264.36</b>	<b>118.33</b>
<b>iv) Provision for Superannuation / Pension Fund</b>		
As per last Balance Sheet	5.94	42.23
Additions during the year	0.73	5.94
Amount used during the year	3.09	42.21
Amount reversed during the year	-	0.02
<b>Closing Balance</b>	<b>3.58</b>	<b>5.94</b>
<b>v) Provision For Wage Revision 3rd PRC</b>		
As per last Balance Sheet	103.33	-
Additions during the year	267.03	103.33
Amount reversed during the year	26.53	-
<b>Closing Balance</b>	<b>343.83</b>	<b>103.33</b>
<b>B. OTHERS</b>		
<b>i) Provision For Tariff Adjustment</b>		
As per last Balance Sheet	105.76	263.29
Additions during the year	58.37	94.83
Amount used during the year	-	252.36
<b>Closing Balance</b>	<b>164.13</b>	<b>105.76</b>
<b>ii) Provision For Committed Capital Expenditure</b>		
As per last Balance Sheet	188.21	69.77
Additions during the year	12.81	125.06
Amount used during the year	42.19	6.82
Unwinding of discount	0.60	0.20
<b>Closing Balance</b>	<b>159.43</b>	<b>188.21</b>
<b>iii) Provision for Restoration expenses of Insured Assets</b>		
As per last Balance Sheet	47.51	49.31
Additions during the year	1.55	43.43
Amount used during the year	21.69	45.23
Amount reversed during the year	5.61	-
<b>Closing Balance</b>	<b>21.76</b>	<b>47.51</b>

# Annual Report 2017-18

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>iv) Provision For Livelihood Assistance</b>		
As per last Balance Sheet	14.03	7.25
Additions during the year	1.50	6.53
Amount used during the year	0.18	0.02
Unwinding of discount	0.25	0.27
<b>Closing Balance</b>	<b>15.60</b>	<b>14.03</b>
<b>v) Provision for exp in r/o arbitration award/ court cases</b>		
As per last Balance Sheet	360.48	275.23
Additions during the year	19.06	95.79
Amount used during the year	5.49	10.34
Amount reversed during the year	0.04	0.20
<b>Closing Balance</b>	<b>374.01</b>	<b>360.48</b>
<b>vi) Provision - Others</b>		
As per last Balance Sheet	292.95	398.98
Additions during the year	38.12	49.05
Amount used during the year	31.00	133.36
Amount reversed during the year	36.07	21.72
<b>Closing Balance</b>	<b>264.00</b>	<b>292.95</b>
<b>TOTAL</b>	<b>1,753.04</b>	<b>1,489.95</b>

## Explanatory Note: -

\*1) The Board has resolved to implement the directions of the Ministry of Power (MoP) vide its letter no. 11/17/2009 NHPC/ Vol. III dated 27th December 2013 conveying the approval of Competent Authority about pay scales in respect of below Board level Executives that the pay scales shall be fixed w.e.f. 01.01.2007 after correcting the aberrations in pay scales fixed w.e.f. 01.01.1997 and the deviant pay scales fixed w.e.f. 01.01.1997 shall not be regularized. The MoP has confirmed vide letter no. 11/17/2009-NHPC-Vol. III dated 25th Feb., 2016 that the recovery of personal pay adjustment w.e.f. 01.02.2014 is in conformity with the said directive of the Competent Authority. Accordingly, advance against personal pay adjustment of ₹ 31.03 crore paid upto 31.01.2014 has been set-off against the Provision for wage revision. However, pending final decision in the matter, the balance amount of ₹ 12.57 crore is continued in advance.

Thus, the cumulative amount provided towards the Personal Pay Adjustment w.e.f 01/02/2014 to 31/03/2018 under the head "Provision for Wage Revision" is ₹ 12.57 crore (including provision for the current period ₹ 2.47 crore) with corresponding amount shown as "Advance paid".

2) Information about Provisions are given in para 21 of Note 34 of Balance Sheet

## NOTE NO. 23 CURRENT TAX LIABILITIES (NET)

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>Income Tax</b>		
As per last Balance Sheet	706.56	744.97
Additions during the year	634.68	706.56
Amount adjusted during the year	(706.56)	(744.97)
<b>Closing Balance</b>	<b>634.68</b>	<b>706.56</b>
Less: Current Advance Tax	635.08	762.49
Net Current Tax Liabilities (Net)	(0.40)	(55.93)
<b>Less: Current tax Assets (Moved to Note No-12)</b>	<b>0.40</b>	<b>55.93</b>
<b>TOTAL</b>	<b>-</b>	<b>-</b>





## NOTE NO. 24.1 REVENUE FROM CONTINUING OPERATIONS

(₹ in crore)

PARTICULARS	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>I Operating Revenue</b>		
<b>A SALES</b>		
SALE OF POWER	6,262.65	6,537.67
ADVANCE AGAINST DEPRECIATION -Written back during the year	60.68	60.68
<b>Less :</b>		
Sales adjustment on a/c of Foreign Exchange Rate Variation	66.36	51.81
Tariff Adjustments	58.37	94.83
Regulated Power Adjustment	-	27.71
Income from generation of electricity – precommissioning (Transferred to Expenditure Attributable to Construction)	0.27	0.56
Rebate to customers	20.43	12.92
<b>Sub-Total (A)</b>	<b>6,177.90</b>	<b>6,410.52</b>
<b>B INCOME FROM FINANCE LEASE</b>	213.57	206.35
<b>C INCOME FROM OPERATING LEASE</b>	477.17	522.59
<b>D REVENUE FROM CONTRACTS, PROJECT MANAGEMENT AND CONSULTANCY WORKS</b>		
Revenue from Project management/ Consultancy works	63.25	52.07
<b>Sub-Total (D)</b>	<b>63.25</b>	<b>52.07</b>
<b>Sub-Total-I (A+B+C+D)</b>	<b>6,931.89</b>	<b>7,191.53</b>
<b>II OTHER OPERATING REVENUE</b>		
Interest from Beneficiary States (Revision of Tariff)	2.14	79.64
<b>Sub-Total-II</b>	<b>2.14</b>	<b>79.64</b>
<b>TOTAL (I+II)</b>	<b>6,934.03</b>	<b>7,271.17</b>
<b>Explanatory Note: -</b>		
1) In terms of regulation No. 49 of tariff regulation issued vide Central Electricity Regulatory Commission (CERC) notification No. L-1/144/2013-CERC dated 21st February, 2014, deferred tax liabilities for the period upto 31st March 2009 whenever it materializes is recoverable directly from the beneficiaries and are accounted for on yearly basis. Accordingly, stated amount has been included in sale of power in relevant year.	236.63	192.87
2) Based on deliberations and subsequent developments in the course of hearing in CERC during the current year on the tariff proposal of all 4 units of Parbati-III Power Station, management expects that keeping in view the current water availability and pending commissioning of Parbati-II Project which is under construction, revenue of 4th Unit recognised on estimated basis may not be realisable. Accordingly, unbilled revenue recognised till 31.03.2017 has been reversed in the books during the current year on account of change in estimates.	(244.86)	Nil
3) 'Deemed generation' included in Sale of the Power as allowed by Central Electricity Regulatory Commission (CERC).	131.60	115.98

# Annual Report 2017-18

(₹ in crore)

PARTICULARS	For the year ended 31st March, 2018	For the year ended 31st March, 2017
4) 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 as an abundant precaution.	58.37	94.83
5) Amount of earlier year sales arising out of finalisation of tariff included in Sales.	(4.19)	105.87
6) Due to non payment of dues by one of the beneficiaries, share of power allocated to them had been regulated till 31 August 2016 in terms of CERC Regulation No.L-1/42/2010-CERC Dated 28th September 2010 and accordingly amount stated herein are included in sales towards regulated power, which has been sold through bidding at Power Exchange. ibid regulation further provides that margin earned on such sale after adjusting expenditure for effecting sale of regulated power should be passed on to beneficiaries, whose power has been regulated.	Nil	61.19
7) Amount of sales not yet billed included in Sales.	858.90	1,005.66

## NOTE NO. 24.2 OTHER INCOME

(₹ in crore)

PARTICULARS	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>A) Interest Income</b>		
- Interest from Investments carried at FVTOCI	31.45	31.44
<b>- Interest from Financial Assets carried at Amortized Cost</b>		
- Loan to Government of Arunachal Pradesh	46.97	43.09
- Deposit Account	139.69	388.38
- Employee's Loans and Advances (Net of Rebate)	13.43	14.27
- Interest from advance to contractors	38.88	40.85
- Others	-	0.54
<b>B) Dividend Income</b>		
- Dividend from subsidiaries	628.52	204.49
- Dividend-Others	3.60	3.00
<b>C) Other Non-Operating Income</b>		
Late payment surcharge	390.36	526.75
Realization of Loss Due To Business Interruption	59.41	111.80
Profit on sale of investments	-	6.54
Profit on sale of Assets (net)	6.89	-
Income from Insurance Claim	0.34	7.20
Liability/ Provisions not required written back #1	89.68	48.51



(₹ in crore)

PARTICULARS	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Material Issued to contractor</b>		
(i) Sale on account of material issued to contractors	24.05	-
(ii) Cost of material issued to contractors on recoverable basis	(36.48)	-
(iii) Adjustment on account of material issued to contractor	12.43	-
Amortization of Grant in Aid	5.99	4.60
Income on account of generation based incentive (GBI)	4.19	-
Exchange rate variation (net)	-	4.05
Others	57.18	42.77
<b>Sub-total</b>	<b>1,516.58</b>	<b>1,478.28</b>
Less: Income transferred to Expenditure Attributable to Construction	20.25	13.23
Less: Income transferred to Advance/ Deposit from Client/Contractees and against Deposit Works	5.33	7.38
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>1,491.00</b>	<b>1,457.67</b>
<b>Explanatory Note: -</b>		
<b>1 # Detail of Liability/Provisions not required written back</b>		
a) Diminution in value of stores and spares (*1 under Note 6)	0.21	1.75
b) Bad and doubtful debts (*1 under Note 7)	0.27	-
c) Provision for doubtful claims ( *1 under Note No.11)	2.20	5.61
d) Provisions for Doubtful Accrued Interest (*2 under Note No. 13)	-	2.55
e) Provision for losses pending investigation/awaiting write off / sanction (*4 under Note No. 13)	0.61	0.10
f) Provision for PRP / Incentive /Productivity Linked Incentive (Sl.no-A(iii) of Note No-22)	22.91	-
g) Provision for Superannuation/Pension Fund (Sl.no-A(iv) of Note No-22)	-	0.02
h) Provision for Committed Capital Expenditure (Sl.no-B(i) of Note No-17 and Sl.no-B(ii) of Note No.-22)	1.48	-
i) Provision for Restoration expenses of Insured Assets (Sl.no-B(iii) of Note No-22)	5.61	-
j) Provision for 3rd PRC (Sl. No-A(v) of Note No.-22)	26.53	-
k) Others	29.86	38.48
<b>TOTAL</b>	<b>89.68</b>	<b>48.51</b>

- 2 Total carried forward to Statement of Profit & Loss includes ₹ 25.84 Crore (Previous period ₹ 26.99 Crore) relating to Subansiri Lower Project as explained in para 22 of Note no-34. However Regulatory Deferral Account Balances for an amount of ₹ 25.82 Crore pertaining to Subansiri Lower Project has been recognised as per Ind AS 114-“Regulatory Deferral Accounts”.

## NOTE NO. 25 GENERATION EXPENSES

(₹ in crore)

PARTICULARS	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Water Usage Charges	691.80	748.40
Consumption of stores and spare parts	24.59	25.27
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>716.39</b>	<b>773.67</b>

## NOTE NO. 26 EMPLOYEE BENEFITS EXPENSE

(₹ in crore)

PARTICULARS	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Salaries, wages, allowances	1,515.61	1,408.45
Gratuity, Contribution to provident fund & pension scheme (incl. administration fees)	227.33	327.20
Staff welfare expenses	84.46	84.79
Leave Salary & Pension Contribution	-	0.09
<b>Sub-total</b>	<b>1,827.40</b>	<b>1,820.53</b>
Less: Employee Cost transferred to Expenditure Attributable to Construction	240.63	244.35
Less: Recoverable from Deposit Works	1.44	1.34
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>1,585.33</b>	<b>1,574.84</b>

### Explanatory Note: -

- 1 Disclosure about operating leases are given in para 16 (A) of Note 34 of Balance Sheet.
- 2 Gratuity, Contribution to provident fund & pension scheme include contributions:

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
i) towards Employees Provident Fund	72.39	74.38
ii) towards Employees Defined Contribution Superannuation Scheme	76.47	86.48
- 3 Employee benefits expense for the year includes ₹ 242.90 crore (Corresponding previous year ₹ 199.78 crore) which is provided in the books of accounts towards expected hike in Employee Benefits based on notification of the Department of Public Enterprises, Government of India.
- 4 Total carried forward to Statement of Profit & Loss includes ₹ 85.01 Crore (Previous period ₹ 92.74 Crore) relating to Subansiri Lower Project as explained in para 22 of Note no-34. However Regulatory Deferral Account Balances for an amount of ₹ 84.81 Crore pertaining to Subansiri Lower Project has been recognised as per Ind AS 114-“Regulatory Deferral Accounts”.



## NOTE NO. 27 FINANCE COSTS

(₹ in crore)

PARTICULARS	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>A Interest on Financial Liabilities at Amortized Cost :</b>		
Bonds	947.97	749.33
Term loan	252.73	607.24
Foreign loan	22.55	26.27
Government of India loan	33.92	30.37
Unwinding of discount-GOI Loan	17.73	12.38
<b>Sub-total</b>	<b>1,274.90</b>	<b>1,425.59</b>
<b>B Other Borrowing Cost</b>		
Bond issue/ service expenses	0.54	0.37
Commitment fee	0.04	-
Guarantee fee on foreign loan	19.93	22.96
Other finance charges	10.13	5.86
Unwinding of discount-Provision & Financial Liabilities	5.50	5.24
<b>Sub-total</b>	<b>36.14</b>	<b>34.43</b>
<b>C Applicable net gain/ loss on Foreign currency transactions and translation</b>		
Exchange differences regarded as adjustment to interest cost	71.65	2.28
Less: Interest adjustment on account of Foreign Exchange Rate Variation	(71.65)	(2.28)
<b>Sub-total</b>	<b>-</b>	<b>-</b>
<b>Total (A + B + C)</b>	<b>1,311.04</b>	<b>1,460.02</b>
Less: Finance Cost transferred to Expenditure Attributable to Construction	388.72	386.80
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>922.32</b>	<b>1,073.22</b>

### Explanatory Note: -

Total carried forward to Statement of Profit & Loss includes ₹ 331.39 Crore (Previous period ₹ 365.32 Crore) relating to Subansiri Lower Project as explained in para 22 of Note no-34. However Regulatory Deferral Account Balances for an equivalent amount of ₹ 331.39 Crore pertaining to Subansiri Lower Project has been recognised as per Ind AS 114-"Regulatory Deferral Accounts".

## NOTE NO. 28 DEPRECIATION AND AMORTIZATION EXPENSE

(₹ in crore)

PARTICULARS	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Depreciation & Amortisation Expenses	1,423.43	1,409.63
Depreciation adjustment on account of Foreign Exchange Rate Variation	1.76	(1.71)
<b>Sub-total</b>	<b>1,425.19</b>	<b>1,407.92</b>
Less: Depreciation & Amortisation Expenses transferred to Expenditure Attributable to Construction	19.25	19.48
Less: Recoverable from Deposit Works	0.05	0.04
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>1,405.89</b>	<b>1,388.40</b>

### Explanatory Note: -

Total carried forward to Statement of Profit & Loss includes ₹ 6.85 Crore (Previous period ₹ 6.96 Crore) relating to Subansiri Lower Project as explained in para 22 of Note no-34. However Regulatory Deferral Account Balances for an equivalent amount of ₹ 6.85 Crore pertaining to Subansiri Lower Project has been recognised as per Ind AS 114-"Regulatory Deferral Accounts".

# Annual Report 2017-18

## NOTE NO. 29 OTHER EXPENSES

(₹ in crore)

PARTICULARS	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>A. REPAIRS &amp; MAINTENANCE</b>		
- Building	67.64	80.64
- Machinery	59.46	63.69
- Others	143.13	149.65
<b>B. OTHER EXPENSES</b>		
Rent & Hire Charges	47.31	44.98
Rates and taxes	7.47	2.66
Insurance	126.48	132.79
Security expenses	263.07	217.11
Electricity Charges	51.35	49.30
Travelling and Conveyance	24.67	26.09
Expenses on vehicles	9.50	8.93
Telephone, telex and Postage	17.56	18.94
Advertisement and publicity	14.77	13.03
Entertainment and hospitality expenses	0.31	0.29
Printing and stationery	5.03	5.84
Consultancy charges - Indigenous	14.19	13.20
Audit expenses (Refer explanatory note-3 below)	2.19	2.40
Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	3.40	4.98
Expenditure on assets not belonging to company	1.30	6.19
Loss on Assets (net)	-	1.70
Losses out of insurance claims (upto excess clause)	1.72	1.90
Losses out of insurance claims (beyond excess clause)	0.05	6.98
Books & Periodicals	0.38	0.29
Donation	-	5.00
CSR/ Sustainable Development	38.55	75.82
Community Development Expenses	-	0.01
Directors' Sitting Fees	0.20	0.17
Interest on Arbitration/ Court Cases	-	6.86
Interest to beneficiary states	1.79	52.22
Expenditure on Self Generated VER's/REC	0.01	-
Expenses for Regulated Power	-	4.39
Less: - Exp Recoverable on Regulated Power	-	(4.39)
Exchange rate variation (net)	2.88	-
Training Expenses	10.50	13.17
Petition Fee /Registration Fee /Other Fee – To CERC/RLDC/RPC	7.03	9.24
Operational/Running Expenses of Kendriya Vidyalaya	27.41	26.26
Operational/Running Expenses of Other Schools	3.46	3.12
Operational/Running Expenses of Guest House/Transit Hostel	18.20	14.00
Operating Expenses of DG Set-Other than Residential	5.75	5.68
Other general expenses	24.83	34.71
<b>Sub-total</b>	<b>1,001.59</b>	<b>1,097.84</b>



(₹ in crore)

PARTICULARS	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Less: Amount transferred to Expenditure Attributable to Construction	80.78	72.28
Less: Recoverable from Deposit Works	1.41	1.14
Less: Transfer of Generation & other expenses - IPO/Buyback	-	9.33
<b>Sub-total (i)</b>	<b>919.40</b>	<b>1,015.09</b>
<b>C. PROVISIONS</b>		
Bad and doubtful debts provided	1.93	19.57
Bad and doubtful advances / deposits provided	-	4.38
Bad and doubtful claims provided	3.36	22.46
Doubtful Interest Provided for	19.79	19.79
Diminution in value of stores and spares	0.28	0.52
Project expenses provided for	26.27	41.34
Provision for fixed assets/ stores provided for	0.32	2.77
Provision for Interest to Beneficiary	16.45	14.08
Provision for interest against court/arbitration award	2.79	23.33
Others	0.02	-
	<b>71.21</b>	<b>148.24</b>
Less: Amount transferred to Expenditure Attributable to Construction	1.43	5.23
<b>Sub-total (ii)</b>	<b>69.78</b>	<b>143.01</b>
<b>Total carried forward to Statement of Profit &amp; Loss (i+ii)</b>	<b>989.18</b>	<b>1,158.10</b>
<b>Explanatory Note: -</b>		
1 Disclosure about operating leases are given in para 16 (A) of Note 34 of Balance Sheet.		
2 Pending notification of revision order by CERC in respect of truing up application filed by the company under CERC notification dated 21.02.2014, stated amount has been provided in the books during the year/period towards Interest to Beneficiary States, which may have to be paid in case of reduction in tariff as a result of said revision order.	16.45	14.08
3 <b>Detail of audit expenses are as under: -</b>		
<b>i) Statutory auditors</b>		
<b>As Auditor</b>		
Audit Fees	0.55	0.64
Tax Audit Fees	0.16	0.19
<b>In other Capacity</b>		
Taxation Matters	0.01	0.01
Other Matters/services	0.55	0.49
Reimbursement of expenses	0.77	0.92
<b>ii) Cost Auditors</b>		
Audit Fees	0.15	0.15
<b>Total Audit Expenses</b>	<b>2.19</b>	<b>2.40</b>
4 Total carried forward to Statement of Profit & Loss includes ₹ 99.11 Crore (Previous period ₹ 101.98 Crore) relating to Subansiri Lower Project as explained in para 22 of Note no-34. However Regulatory Deferral Account Balances for an amount of ₹ 77.59 Crore pertaining to Subansiri Lower Project has been recognised as per Ind AS 114-“Regulatory Deferral Accounts”.		

## NOTE NO. 30 TAX EXPENSES

(₹ in crores)

PARTICULARS	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Current Tax</b>		
Income Tax Provision	634.68	706.56
Adjustment Relating To Earlier periods	(6.91)	(116.99)
<b>Total current tax expenses</b>	<b>627.77</b>	<b>589.57</b>
<b>Deferred Tax-</b>		
<b>Decrease (increase) in deferred tax assets</b>		
- Relating to origination and reversal of temporary differences	177.52	(88.59)
- Relating to change in tax rate	1.72	-
- Adjustments in respect of deferred tax of prior periods	-	-
<b>Increase (decrease) in deferred tax liabilities</b>		
- Relating to origination and reversal of temporary differences	(690.70)	488.89
- Relating to change in tax rate	(6.71)	-
- Adjustments in respect of deferred tax of prior periods	-	-
<b>Total deferred tax expenses (benefits)</b>	<b>(518.17)</b>	<b>400.30</b>
Less: Recoverable for tariff period upto 2009	(137.50)	(126.12)
Less: Deferred Tax Adjustment Against Deferred Tax Liabilities	(519.99)	436.98
<b>Net Deferred Tax</b>	<b>139.32</b>	<b>89.44</b>
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>767.09</b>	<b>679.01</b>
<b>Explanatory Notes:-</b>		
<b>i) Reconciliation of tax expense and the accounting profit multiplied by India's domestic rate.</b>		
Accounting profit/loss before income tax	3,525.74	3,474.60
Applicable tax rate (%)	34.6080	34.6080
<b>Computed tax expense</b>	<b>1,220.19</b>	<b>1,202.49</b>
Tax effects of amounts which are not deductible (Taxable) in calculating taxable income.		
CSR/ Sustainable Development/ Community Development Expenses	13.97	26.24
Recoverable portion of Deferred Tax	657.49	126.12
Exempt and Tax Free Income	(218.76)	(72.00)
Tax Incentives	(683.80)	(442.73)
Adjustment for current tax of earlier years	(6.91)	(116.99)
MAT Credit (Available)/utilization	(210.11)	(43.00)
Other Items	-	(1.12)
Change in rate of tax	(4.98)	-
<b>Income tax expense reported in Statement of Profit &amp; Loss</b>	<b>767.09</b>	<b>679.01</b>
<b>ii) Amounts recognised directly in Equity</b>		
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
<b>Total</b>		





(₹ in crores)

PARTICULARS	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>iii) Tax losses and credits</b>		
(a) Unused tax losses for which no deferred tax asset has been recognised Potential tax benefit @ 30%	Nil Nil	Nil Nil
(b) The details of MAT Credit available to the Company in future but not recognised in the books of accounts is shown in annexure to Note No-30.	1,344.66	1,134.55
<b>iv) Unrecognised temporary differences</b>		
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

### Annexure to Note No-30

The details of MAT Credit available to the Company in future but not recognised in the books of accounts is given below

(₹ in crores)

Financial Years	As at 31st March 2018		As at 31st March 2017	
	Amount	Year of Expiry	Amount	Year of Expiry
For the year 2017-18	210.11	2032-33	-	-
For the year 2016-17	11.59	2031-32	11.59	2031-32
For the year 2015-16	177.01	2030-31	177.01	2030-31
For the year 2014-15	46.81	2029-30	46.81	2029-30
For the year 2013-14	481.84	2028-29	481.84	2028-29
For the year 2012-13	291.71	2027-28	291.71	2027-28
For the year 2008-09	125.59	2023-24	125.59	2023-24
<b>Total</b>	<b>1344.66</b>		<b>1134.55</b>	

### NOTE NO. 31 Movement in Regulatory Deferral Account Balances

(₹ in crores)

PARTICULARS	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Movement in Regulatory Deferral Account Balances on account of:-</b>		
<b>(i) Subsari Lower Project:-</b>		
a) Employee Remuneration & Benefits	84.81	92.74
b) Other Expenses	77.59	78.68
c) Depreciation	6.85	6.96
d) Finance Cost	331.39	365.32
e) Other Income	(25.82)	(26.99)
<b>Sub Total (i)</b>	<b>474.82</b>	<b>516.71</b>
(ii) Wage Revision as per 3rd PRC	242.90	199.78
(iii) Exchange Differences on Monetary Items	2.10	(2.50)
<b>TOTAL (A) = (i) + (ii) + (iii)</b>	<b>719.82</b>	<b>713.99</b>
<b>Impact of Tax on Regulatory Deferral Accounts</b>		
Deferred Tax Expense (Benefit) on Movement in Regulatory Deferral Account Balances.	(15.07)	(69.14)
Less:-Deferred Tax Adjustment against deferred tax assets.	(15.07)	(69.14)
<b>TOTAL (B)</b>	<b>-</b>	<b>-</b>
<b>Total carried forward to Statement of Profit &amp; Loss (A-B)</b>	<b>719.82</b>	<b>713.99</b>

# Annual Report 2017-18

**NOTE NO. 32 EXPENDITURE ATTRIBUTABLE TO CONSTRUCTION FORMING PART OF CAPITAL WORK IN PROGRESS FOR THE YEAR.**

(₹ in crores)

PARTICULARS	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>A. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages, allowances	136.11	122.12
Gratuity and contribution to provident fund	11.90	27.67
Staff welfare expenses	7.93	7.85
<b>Sub-total</b>	<b>155.94</b>	<b>157.64</b>
<b>B. REPAIRS &amp; MAINTENANCE</b>		
Building	5.02	3.77
Machinery	0.02	0.01
Others	2.81	2.24
<b>Sub-total</b>	<b>7.85</b>	<b>6.02</b>
<b>C. OTHER EXPENSES</b>		
Rent	10.22	9.75
Rates and taxes	0.89	0.69
Insurance	0.11	0.16
Security expenses	28.81	15.86
Electricity Charges	3.78	3.34
Travelling and Conveyance	3.01	2.73
Expenses on vehicles	1.13	0.98
Telephone, telex and Postage	2.42	2.51
Advertisement and publicity	0.36	0.32
Printing and stationery	0.61	0.79
Design and Consultancy charges:		
- Indigenous	1.64	1.34
Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	2.21	3.63
Expenditure on land not belonging to company	1.09	5.92
Assets/ Claims written off	0.12	0.07
Land Acquisition and Rehabilitation Expenditure	0.16	2.69
Losses on sale of assets	-	0.01
Other general expenses	9.16	7.81
<b>Sub-total</b>	<b>65.72</b>	<b>58.60</b>



# NHPC Limited

(A Government of India Enterprise)

(₹ in crores)

PARTICULARS	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>D. FINANCE COST</b>		
Interest on :		
Bonds	318.66	240.33
Term loan	52.44	137.21
Bond issue/ service expenses	0.16	0.18
Other finance charges	6.31	0.79
Transfer of expenses to EAC- Interest on loans from Central Government- adjustment on account of effective interest	10.41	7.21
Transfer of expenses to EAC-Interest on security deposit/ retention money-adjustment on account of effective interest	0.70	0.59
<b>Sub-total</b>	<b>388.68</b>	<b>386.31</b>
<b>E. PROVISIONS</b>	1.43	5.23
<b>Sub-total</b>	<b>1.43</b>	<b>5.23</b>
<b>F. DEPRECIATION AND AMORTISATION EXPENSES</b>	17.65	17.58
<b>Sub-total</b>	<b>17.65</b>	<b>17.58</b>
<b>G. C.O./Regional Office Expenses:</b>		
Other Income	(2.32)	(2.59)
Other Expenses	7.21	7.66
Employee Benefits Expense	84.69	86.71
Depreciation & Amortisation Expenses	1.60	1.90
Finance Cost	0.04	0.49
<b>Sub-total</b>	<b>91.22</b>	<b>94.17</b>
<b>H. LESS: RECEIPTS AND RECOVERIES</b>		
Income from generation of electricity – precommissioning	0.27	0.56
Interest on loans and advances	12.19	(1.70)
Provision/Liability not required written back	4.10	3.59
Hire charges/ outturn on plant and machinery	0.11	0.95
Miscellaneous receipts	1.53	7.80
<b>Sub-total</b>	<b>18.20</b>	<b>11.20</b>
<b>TOTAL (A+B+C+D+E+F+G-H)</b>	<b>710.29</b>	<b>714.35</b>

**Note-33: Disclosure on Financial Instruments and Risk Management**

(1) Fair Value Measurement

A) Financial Instruments by category

Financial assets	Notes	As as 31st March, 2018		As as 31st March, 2017	
		FVTOCI	Amortised Cost	FVTOCI	Amortised Cost
<b>Non-current Financial assets</b>					
(i) Non-current investments					
a) In Equity Instrument (Quoted)	3.1	105.14	-	112.44	-
b) In Debt Instruments (Govt./PSU)-Quoted	3.1	398.15	-	406.97	-
<b>Sub-total</b>		<b>503.29</b>	<b>184.45</b>	<b>519.41</b>	<b>-</b>
(ii) Trade Receivables	3.2				
(iii) Loans					
a) Employees	3.3		114.88		135.96
b) Loan to Government of Arunachal Pradesh (Including interest accrued)	3.3 & 3.4		568.81		521.84
(iv) Others					
- Lease Receivable	3.4		1,505.83		1,566.60
- Bank Deposits with more than 12 Months Maturity (Including interest accrued)	3.4		0.40		0.39
<b>Total Non-current Financial assets</b>		<b>503.29</b>	<b>2,374.37</b>	<b>519.41</b>	<b>2,224.79</b>
<b>Current Financial assets</b>					
(i) Trade Receivables	7		1,097.07		1,492.90
(ii) Cash and cash equivalents	8		6.96		59.89
(iii) Bank balances	9		1,465.43		1,473.25
(iv) Loans	10				
- Employee Loans			40.80		43.84
- Loans to JV (NHPTL)			6.00		-
(v) others (Excluding Lease Receivables)	11		1,865.70		1,799.91
(vi) others ( Lease Receivables including interest)	11		53.72		58.34
<b>Total Current Financial Assets</b>		<b>-</b>	<b>4,535.68</b>	<b>-</b>	<b>4,928.13</b>
<b>Total Financial Assets</b>		<b>503.29</b>	<b>6,910.05</b>	<b>519.41</b>	<b>7,152.92</b>
<b>Financial Liabilities</b>					
(i) Long-term borrowings	16.1		16,728.20		17,245.64
(ii) Other Financial Liabilities	16.2		38.47		25.63
(iii) Borrowing -Short Term	20.1		279.99		302.50
(iv) Trade Payables including MSME	20.2		171.55		147.08
(v) Other Current financial liabilities					
a) Current maturities of long term borrowings	20.3		1,593.91		1,678.59
b) Interest Accrued but not due on borrowings	20.3		572.49		428.56
c) Other Current Liabilities	20.3		612.41		442.48
<b>Total Financial Liabilities</b>			<b>19,997.02</b>		<b>20,270.48</b>

## B) FAIR VALUATION MEASUREMENT

### (i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the following three levels prescribed under Ind AS-113 "Fair Value Measurements"

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and traded bonds that have quoted price. The fair value of all equity instruments including bonds which are traded in the recognised Stock Exchange and money markets are valued using the closing prices as at the reporting date.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This includes security deposits/ retention money and loans at below market rates of interest.

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

	Note No.	As at 31st March, 2018		As at 31st March, 2017	
		Level 1		Level 1	
<b>Financial Assets at FVTOCI</b>					
<b>Investments-</b>					
- In Equity Instrument (Quoted)	3.1	105.14		112.44	
- In Debt Instruments (Govt./PSU)-Quoted	3.1	398.15		406.97	
<b>Total</b>		<b>503.29</b>		<b>519.41</b>	

(₹ in crore)

### Note:

All other financial assets and financial liabilities have been measured at amortised cost at balance sheet date and classified as non-recurring fair value measurement.

### (b) Financial Assets/Liabilities measured at amortised cost for which Fair Value are disclosed:

Particulars	Note No.	As at 31st March, 2018			As at 31st March, 2017		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets</b>							
(i) Trade Receivables	3.2		184.45				
(ii) Loans							
a) Employees	3.3		141.02				138.38
b) Loan to Government of Arunachal Pradesh (including Interest Accrued)	3.3 & 3.4		568.81				521.84

(₹ in crore)

Particulars	Note No.	As at 31st March, 2018			As at 31st March, 2017		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
		(₹ in crore)					
<b>(iii) Others</b>	3.4						
-Bank Deposits with more than 12 Months Maturity (Including Interest accrued)		0.40			0.39		
<b>Total Financial Assets</b>		<b>0.40</b>	<b>894.28</b>	-	<b>0.39</b>	<b>660.22</b>	-
<b>Financial Liabilities</b>							
(i) Long-term borrowings including current maturities and accrued interest	16.1 & 20.3		15,835.69	1,793.20		16,802.15	1,425.34
(ii) Other Long Term Financial Liabilities	16.2			38.95			26.76
<b>Total Financial Liabilities</b>		-	<b>15,835.69</b>	<b>1,832.15</b>	-	<b>16,802.15</b>	<b>1,452.10</b>

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

Particulars	Note No.	As at 31st March, 2018		As at 31st March, 2017	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		(₹ in crore)			
<b>Financial assets</b>					
(i) Trade Receivables	3.2	184.45	184.45	-	-
(ii) Loans					
a) Employees	3.3	114.88	141.02	135.96	138.38
b) Loan to Government of Arunachal Pradesh (including Interest Accrued)	3.3 & 3.4	568.81	568.81	521.84	521.84
<b>(iii) Others</b>	3.4				
-Bank Deposits with more than 12 Months Maturity (Including Interest accrued)		0.40	0.40	0.39	0.39
<b>Total Financial Assets</b>		<b>868.54</b>	<b>894.68</b>	<b>658.19</b>	<b>660.61</b>
<b>Financial Liabilities</b>					
(i) Long-term borrowings including Current maturities and accrued interest	16.1 & 20.3	18,894.60	17,628.89	19,352.79	18,227.49
(ii) Other Long Term Financial Liabilities	16.2	38.47	38.95	25.63	26.76
<b>Total Financial Liabilities</b>		<b>18,933.07</b>	<b>17,667.84</b>	<b>19,378.42</b>	<b>18,254.25</b>

**Note:-**

1. The Carrying amounts of current investments, Trade and other receivables, Cash and cash equivalents, Short-term loans and advances, Short term borrowings, Trade payables and other current financial liabilities are considered to be the same as their fair values, due to their short term nature.
2. For financial assets and financial liabilities measured at fair value, the carrying amounts are equal to the fair value.

**(d) Valuation techniques and process used to determine fair values**

1. The Company values financial assets or financial liabilities using the best and most relevant data available. Specific valuation techniques used to determine fair value of financial instruments includes:
  - Use of Quoted market price or dealer quotes for similar instruments.
  - Fair value of remaining financial instruments is determined using discounted cash flow analysis.
2. The discount rate used to fair value financial instruments classified at Level -3 is based on the Weighted Average Rate of company's outstanding borrowings except subordinate debts and foreign currency borrowings.
3. As per Ind AS 109, financial liabilities that are subsequently measured at amortised cost are recognised initially at fair value minus transaction costs using the effective interest method. Since the transaction costs incurred on long term borrowings are not material, as such the company has not applied the effective interest method for initial recognition of such liabilities.

## (2) Financial Risk Management

### (A) Financial risk factors

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash & Cash equivalents, Other Bank Balances, Trade receivables and financial assets measured at amortised cost, Lease Receivable.	Aging analysis, credit rating.	Diversification of bank deposits, letter of credit for selected customers.
Liquidity Risk	Borrowings and other facilities.	Rolling cash flow forecasts & Budgets	Availability of committed credit lines and borrowing facilities
Market Risk - Interest rate	Long term borrowings at variable rates	Sensitivity Analysis	1. Diversification of fixed rate and floating rates 2. Refinancing 3. Actual Interest is recovered through tariff as per CERC Regulation
Market Risk - security prices	Investment in equity and debt securities	Sensitivity Analysis	Portfolio diversification
Market Risk - foreign exchange	Recognised financial liabilities not denominated in INR.	Sensitivity Analysis	Foreign exchange rate variation is recovered through tariff as per CERC Regulation.

#### i) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables/leased assets) and from its financing activities including deposits with banks and financial institutions.

#### ii) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

#### iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The company operates in a regulated environment. Tariff of the company is fixed by the Central Electricity Regulatory Commission (CERC) through Annual Fixed Charges (AFC) comprising the following five components:

1. Return on Equity (RoE), 2. Depreciation, 3. Interest on Loans, 4. Operation & Maintenance Expenses and 5. Interest on Working Capital Loans. In addition to the above Foreign Currency Exchange variations and Taxes are also recoverable from Beneficiaries in terms of the Tariff Regulations. Hence variation in interest rate, currency exchange rate variations and other price risk variations are recoverable from tariff and do not impact the profitability of the company.

### (B) Credit Risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

#### Trade Receivables & lease receivables :-

The Company extends credit to customers in normal course of business. The Company monitors the payment track record of the customers. Outstanding receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are mainly state government authorities and operate in largely independent markets.





Lease receivables of the company are with regard to Power Purchase Agreements classified as deemed lease as per Appendix C of Ind AS 17- 'Leases' as referred to in Note No. 34. The power purchase agreements are for sale of power to single beneficiary and recoverability of interest income and principal on leased assets i.e. PPE of the power stations are assessed on the same basis as applied for trade receivables.

#### Financial assets at amortised cost :-

**Employee Loans:** The Company has given loans to employees at concessional rates as per Company's policy which have been measured at amortised cost at Balance Sheet date. The recovery of the loan is on fixed instalment basis from the monthly salary of the employees. The loans are secured by way of mortgage/hypothecation of the assets for which such loans are given. Management has assessed the past data and does not envisage any probability of default on these loans.

**Loans to Govt. of Arunachal Pradesh :** The Company has given loan to Govt. of Arunachal Pradesh at 9% rate of interest as per the terms and conditions of MOU signed between the Company and Govt of Arunachal Pradesh for construction of hydroelectric projects in the state. The loan has been measured at amortised cost. The loan is recoverable from the share of free power of the state government from the first hydroelectric project to be commissioned in the state. Management does not envisage any probability of default on the loan.

#### Financial instruments and cash deposits :-

The Company considers factors such as track record, size of the bank, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the banks with which the Company has also availed borrowings. The Company invests surplus cash in short term deposits with scheduled banks. The company has balances and deposits with banks which are well diversified across private and public sector banks with limited exposure with any single bank.

#### (i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as under:

Particulars	(₹ in crore)	
	31.03.2018	31.03.2017
<b>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</b>		
Non-current investments	503.29	519.41
Loans -Non-Current (including interest)	683.69	657.8
Other Non-Current Financial Assets	0.4	0.39
Current Investments	-	-
Cash and cash equivalents	6.96	59.89
Bank balances	1465.43	1473.25
Loans -Current	46.80	43.84
Other financial assets (Excluding Lease Receivables)	1,865.70	1,799.91
<b>Total (A)</b>	<b>4572.27</b>	<b>4554.49</b>
<b>Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)</b>		
Trade Receivables	1,281.52	1,492.90
Lease Receivables (including Interest)	1,559.55	1,624.94
<b>Total (B)</b>	<b>2841.07</b>	<b>3117.84</b>
<b>TOTAL (A+B)</b>	<b>7,413.34</b>	<b>7,672.33</b>

#### (ii) Provision for expected credit losses :-

##### (a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The Company assesses outstanding receivables on an ongoing basis considering changes in payment behaviour and provides for expected credit loss on case-to-case basis.

##### (b) Financial assets for which loss allowance is measured using life time expected credit losses

CERC Tariff Regulations 2014-19 allow the Company to raise bills on beneficiaries for late-payment surcharge, which adequately compensates the Company for time value of money arising due to delay in payment. Further,

# Annual Report 2017-18

the fact that beneficiaries are primarily State Governments/ State Discoms and considering the historical credit loss experience for trade receivables, the Company does not envisage either impairment in the value of receivables from beneficiaries or loss due to time value of money due to delay in realization of trade receivables. However, the Company assesses outstanding trade receivables on an ongoing basis considering changes in operating results and payment behaviour and provides for expected credit loss on case-to-case basis. As at the reporting date company does not envisage any default risk on account of non-realisation of trade receivables.

## (iii) Reconciliation of impairment loss provisions

The movement in the allowance for impairment in respect of financial assets during the year was as follows:

Particulars	(₹ in crore)			
	Trade Receivables	Claim recoverable	Loans	Total
Balance as at 1.4.2017	54.40	209.03	0.03	263.46
Changes in Loss Allowances	(16.69)	1.15	-	(15.54)
Balance as at 31.03.2018	37.71	210.18	0.03	247.92

## (C) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

- i) The Company's objective is to maintain optimum levels of liquidity at all times to meet its cash and collateral requirements. The Company relies on a mix of borrowings and excess operating cash flows to meet its need for funds. The current committed lines of credit and internal accruals are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet capital expenditure and operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the borrowing limits or covenants (where applicable) are not breached on any of its borrowing facilities.

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

	(₹ in crore)	
	As at 31st March 2018	As at 31st March 2017
At Floating Rate	25.00	25.00
<b>Total</b>	<b>25.00</b>	<b>25.00</b>

## 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 2018 (₹ in crore)

Contractual maturities of financial liabilities	Note No.	Outstanding Debt as on 31.03.2018	Within 1 Year	More than 1 Year & Less than 3 Years	More than 3 Year & Less than 5 Years	More than 5 Year
Borrowings	16.1, 20.1 & 20.3	19,166.00	1,873.91	3,206.76	2,615.09	11,470.24
Other financial Liabilities	16.2 & 20.3	1,241.53	1,186.76	9.97	4.78	40.02
Trade Payables	20.2	171.55	171.55	-	-	-
<b>Total Financial Liabilities</b>		<b>20,579.08</b>	<b>3,232.22</b>	<b>3,216.73</b>	<b>2,619.87</b>	<b>11,510.26</b>

### As at 31st March 2017 (₹ in crore)

Contractual maturities of financial liabilities	Note No.	Outstanding Debt as on 31.03.2017	Within 1 Year	More than 1 Year & Less than 3 Years	More than 3 Year & Less than 5 Years	More than 5 Year
Borrowings	16.1, 20.1 & 20.3	19,595.24	1,981.09	3,520.07	3,056.27	11,037.81
Other financial Liabilities	16.2 & 20.3	909.15	872.45	12.07	0.44	24.19
Trade Payables	20.2	147.08	147.08	-	-	-
<b>Total Financial Liabilities</b>		<b>20,651.47</b>	<b>3,000.62</b>	<b>3,532.14</b>	<b>3,056.71</b>	<b>11,062.00</b>



## (D) Market Risk:

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligation provisions and on the non-financial assets and liabilities. The sensitivity of the relevant item of the Statement of Profit and Loss is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in interest rates.

### (i) Interest rate risk and sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates. Company's policy is to maintain most of its borrowings at fixed rate. Company's fixed rate borrowings are carried at amortised cost and are not subject to interest rate risk. Further the company refinance these debts as and when favourable terms are available. The company is also compensated for variability in floating rate through recovery by way of tariff adjustments under CERC tariff regulations.

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31st March 2018		As at 31st March, 2017	
	weighted average interest rate (%)	(₹ in crore)	weighted average interest rate (%)	(₹ in crore)
Floating Rate Borrowings (INR)*	-	-	9.13	2,473.60
Floating Rate Borrowings (FC)	0.57	113.45	0.58	214.36
Fixed Rate Borrowings (INR)	6.82	17,008.18	7.02	15,006.64
Fixed Rate Borrowings (FC)	1.81	1,200.48	1.82	1,229.63
<b>Total</b>		<b>18,322.11</b>		<b>18,924.23</b>

\* Company does not have floating rate domestic borrowings as on 31.03.2018

### Interest Rate Sensitivity Analysis

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. With all other variables held constant, the following table demonstrates the impact of borrowing cost on floating rate portion of loans and borrowings.

Particulars	(₹ in crore)	
	Effect on Profit before Tax	
	As at 31st March 2018	As at 31st March, 2017
Borrowing in FC-Interest rates-increased by 55 basis points (Previous year 2016-17 increased by 55 basis points)*	(0.09)	(0.17)
Borrowing in FC-Interest rates-decreased by 55 basis points (Previous year 2016-17 decreased by 110 basis points)*	0.09	0.33

However there is no impact on profit or loss for increase and decrease in interest rates, as the same is recoverable from beneficiaries through tariff. Company does not have floating rate domestic borrowings as on 31.03.2018

### (ii) Price Risk:

#### (a) Exposure

The company's exposure to price risk arises from investment in equity shares and debt instruments classified in the financial statements as Fair Value Through OCI. Company's investment in equity shares are listed in recognised stock exchange and are publicly traded in the stock exchanges. Company's investment in debt instruments comprise quoted Government Securities and Public Sector Bonds and are publicly traded in the market. The investment has been classified under non-current investment in Balance Sheet.

## (b) Price Risk Sensitivity

### For Investment in Equity Instruments (Investment in equity shares of IOB and PTC)

The table below summarises the impact of increase/decrease in the market price of investment in equity instruments on the company's equity for the year:

Particulars	As at 31st March 2018		As at 31st March, 2017	
	% 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	22.45	23.55	17.08	19.14
Indian Overseas Bank	15.65	0.10	15.50	0.15

Sensitivity has been worked out based on the previous 3 years average of six monthly fluctuations in the share price as quoted on the National Stock Exchange (NSE).

### For Investment in Debt Instruments (Investments in Govt and PSU Bonds)

The table below summarises the impact of increase/decrease of the market value of the debt instruments on company's equity for the year:

Particulars	As at 31st March 2018		As at 31st March, 2017	
	% change	Impact on other components of equity (₹ in crore)	% change	Impact on other components of equity (₹ in crore)
Government Securities	(0.08)	(0.25)	3.49	11.81
PSU Tax Free Bonds	1.20	0.98	5.77	4.91

## (iii) Foreign Currency Risk

The company is compensated for variability in foreign currency exchange rate through recovery by way of tariff adjustments under the CERC Tariff Regulations.

### (a) Foreign Currency Exposure:

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows:

Particulars	(₹ in crore)	
	As at 31st March 2018	As at 31st March, 2017
<b>Financial Liabilities:</b>		
Foreign Currency Loans	1,313.93	1,443.98
Other Financial Liabilities	66.70	54.04
<b>Net Exposure to foreign currency (liabilities)</b>	<b>1,380.63</b>	<b>1,498.02</b>

### (b) Sensitivity Analysis

There is no impact of foreign currency fluctuations on the profit of the company as these are either adjusted to the carrying cost of respective fixed asset/Capital Work-in-Progress or recovered through tariff as per CERC Tariff Regulation 2014-19.



### (3) Capital Management

#### (a) Capital Risk Management

The primary objective of the Company's capital management is to maximize the shareholder value. CERC Tariff Regulations prescribe Debt : Equity ratio of 70:30 for the purpose of fixation of tariff of Power Projects. Accordingly the company manages its capital structure to maintain the normative capital structure prescribed by the CERC.

The Company monitors capital using Debt : Equity ratio, which is net debt divided by total capital. The Debt : Equity ratio are as follows:

#### Statement of Gearing Ratio

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Total Debt (₹ in crore)	18,322.11	18,924.23
(b) Total Capital (₹ in crore)	28,328.15	26,942.13
Gearing Ratio (a/b)	0.65	0.70

Note: For the purpose of the Company's capital management, capital includes issued capital and reserves. Net debt includes interest bearing loans and borrowings.

#### (b) Loan Covenants:

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

1. Company shall maintain credit rating AAA and if rating comes down, rate of interest shall be increased by 25 basis point for each notch below AAA rating.
2. Debt to net worth should not exceed 2:1.
3. Interest coverage ratio should be more than 2 times and should be calculated as ((Net Profit+Non-Cash Expenditures+Interest Payable-Non-Cash Income)/Interest Payable)
4. First Charge on Assets with 1:1.33 coverage on pari paasu basis.

During the year the company has complied with the above loan covenants.

#### (c) Dividends:

(₹ in crore)

	As at March 31, 2018	As at March 31, 2017
<b>(i) Equity Shares</b>		
Final dividend for the year 2016-17 of ₹ 0.10 per fully paid share approved in Sep-2017 paid in Oct-2017. (31st March 2017- ₹ 0.58 fully paid share for FY 2015-16).	102.60	642.11
Dividend Distribution Tax on Final Dividend	*	89.08
Interim dividend for the year ended 31st March 2018 of ₹ 1.12 (31st March 2017 - ₹ 1.70) per fully paid share.	1,149.05	1882.02
Dividend Distribution Tax on Interim Dividend	126.86	383.14
<b>(ii) Dividend not recognised at the end of the reporting period</b>		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 0.28 (31st March 2017 - ₹ 0.10) per fully paid up Shares. The proposed dividend is subject to the approval of shareholders in the ensuing AGM.	287.26	102.59
Dividend Distribution Tax on Proposed Dividend	59.05	20.89

\* Adjusted with Dividend Distribution Tax on dividend received from NHDC Ltd.

## **NOTE NO. - 34: Other Explanatory Notes to Accounts**

### **1. Disclosures relating to Contingent Liabilities:-**

#### **a) Claims against the Company not acknowledged as debts in respect of:**

##### **(i) Capital works**

Contractors have lodged claims aggregating to ₹ 9912.98 Crore (Previous year ₹ 9612.16 Crore) against the Company on account of rate & 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 ₹ 3645.08 Crore (Previous year ₹ 2858.26 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 ₹ 441.96 Crore (Previous year ₹ 452.88 Crore) based on probability of outflow of resources embodying economic benefits and estimated ₹ 9370.30 Crore (Previous year ₹ 7848.60 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 ₹ 49.67 Crore (Previous year ₹ 36.09 Crore) before various authorities/courts. Pending settlement, the Company has assessed and provided an amount of ₹ 10.99 Crore (Previous year ₹ 16.73 Crore) based on probability of outflow of resources embodying economic benefits and estimated ₹ 38.68 Crore (Previous year ₹ 19.36 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.

##### **(iii) Disputed Tax Demands**

Disputed Income Tax/Sales Tax/Service Tax/ other taxes/duties matters pending before various appellate authorities amount to ₹ 454.44 Crore (Previous year ₹ 395.48 Crore). Pending settlement, the Company has assessed and provided an amount of ₹ 30.77 Crore (Previous year ₹ 21.95 Crore) based on probability of outflow of resources embodying economic benefits and rest of the claims i.e. ₹ 423.67 Crore (Previous year ₹ 373.53 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 ₹ 633.26 Crore (Previous year ₹ 622.81 Crore). These claims are pending before various forums. Pending settlement, the Company has assessed and provided an amount of ₹ 29.69 Crore (Previous year ₹ 36.52 Crore) based on probability of outflow of resources embodying economic benefits and estimated ₹ 601.69 Crore Previous year ₹ 584.41 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 at 31.03.2018 as below:

(₹ in Crore)

Sl. No.	Particulars	Claims as on 31.03.2018	up to date Provision against the claims/ paid	Contingent liability as on 31.03.2018	Contingent liability as on 31.03.2017	Addition/ (deduction) from contingent liability during the year	Decrease of contingent liability from Opening Balance as on 01.04.2017
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)=(v)-(vi)	(viii)
1.	Capital Works	9912.98	441.96	9370.30	7848.60	1521.70	729.41
2.	Land Compensation cases	49.67	10.99	38.68	19.36	19.32	1.28
3.	Disputed tax matters	454.44	30.77	423.67	373.53	50.14	23.47
4.	Others	633.26	29.69	601.69	584.41	17.28	43.29
	<b>Total</b>	<b>11050.35</b>	<b>513.41</b>	<b>10434.34</b>	<b>8825.90</b>	<b>1608.44</b>	<b>797.45</b>

- (b) The above contingent liabilities do not include contingent liabilities on account of pending cases in respect of service matters & 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 ₹ 235.73 Crore (Previous year ₹ 221.02 Crore) towards above contingent liabilities.
- (e) (i) An amount of ₹ 536.06 Crore (Previous year ₹ NIL) stands paid towards above Contingent Liabilities in respect of Capital Works, pursuant to Niti Aayog directions issued vide OM No. 14070/14/2016-PPPAU dated 5th September 2016, in cases where Arbitral Tribunals have passed orders in favour of contractors in arbitral proceedings and such awards/orders have been further challenged by the Company in a Court of Law, towards 75% of the arbitral award (including interest payable as per such award) subject to contractors fulfilling the terms and conditions laid down in the Standard Operating Procedures framed by the Company in this regard. The amount so paid is being shown as Current Financial Assets-Others (Note No. 11).
- (ii) An amount of ₹ 80.81 Crore (Previous year ₹ 49.29 Crore) stands paid /deposited with courts towards above contingent liabilities to contest the cases and is being shown as Current Assets.
- (f) The company's 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 31.03.2018 are as under:

(₹ in Crore)

Sl. No.	Category of Agency	Claims as on 31.03.2018	up to date Provision against the claims/ paid	Contingent liability as on 31.03.2018	Contingent liability as on 31.03.2017	Addition/ (deduction) from contingent liability during the year	Decrease of contingent liability from Opening Balance as on 01.04.2017
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)=(v)-(vi)	(viii)
1	Central Govt. departments	35.68	2.20	33.48	48.05	(14.57)	23.47
2	State Govt. departments or Local Bodies	455.47	57.52	397.95	328.91	69.04	-
3	CPSEs	104.65	0.16	102.73	131.25	(28.52)	28.64
4	Others	10454.55	453.53	9900.18	8317.69	1582.49	745.34
	<b>TOTAL</b>	<b>11050.35</b>	<b>513.41</b>	<b>10434.34</b>	<b>8825.90</b>	<b>1608.44</b>	<b>797.45</b>

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 ₹ 588.08 Crore (Previous year ₹ 399.74 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 ₹ 446.53 Crore (Previous year ₹ 317.90 Crore) towards arbitration awards including updated interest thereon.

Based on Management assessment, a favourable outcome is probable in respect of the claims aggregating ₹ 587.84 Crore (Previous year ₹ 317.90 Crore) and for rest of the claims, the possibility of any inflow is remote. However, the amount has not been recognised.

b) **Late Payment Surcharge:**

CERC (Terms & Conditions of Tariff) Regulations 2014-19 provide for levy of Late Payment Surcharge by generating company in case of delay in payment by beneficiaries beyond 60 days from the date of presentation of bill. However, pending opinion from the Expert Advisory Committee of the Institute of Chartered Accountants of India in this regard, management has continued with its past practice of recognition of surcharge only when no significant uncertainty of ultimate collection exists. Accordingly, late payment surcharge of ₹ 188.42 Crore (Previous year ₹ 435.20 Crore) has not been recognised.

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

Truing up order of 2009-14 and/or Tariff Order for 2014-19 are pending in respect of Sewa-II, Chamera III, Parbati-III, TLDP-III and TLDP-IV Power stations pending approval of revised cost estimate. Management has assessed the impact of these expenditures on tariff and considers that inflow of ₹ 694.94 Crore (Previous year ₹ 688.76 Crore) is probable.

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 that claim on account of Business Interruption losses aggregating to ₹ 195.04 Crore (Previous Year ₹ 345.95 Crore) is probable. Power Station-wise details of claims are given at Para 23 of this Note.

e) **Other Cases**

Claims on account of other miscellaneous matters amount to ₹ 60.34 Crore (Previous year ₹ 4.00 Crore). Management has assessed these claims and estimates that inflow of economic benefits of ₹ 60.34 Crore (Previous year ₹ 4.00 Crore) are probable.

Contingent Assets are summarized below:

		(₹ in Crore)	
Sl. No.	Particulars	As at 31.03.2018	As at 31.03.2017
(i)	(ii)	(iii)	(iv)
1.	In respect of Counter claims lodged by the company	587.84	317.90
2.	Late Payment Surcharge	188.42	435.20
3.	Revenue to the extent not recognised in respect of power stations	694.94	688.76
4.	Business Interruption Losses	195.04	345.95
5.	Other cases	60.34	4.00
<b>Total</b>		<b>1726.58</b>	<b>1791.81</b>

3. **Commitments:**

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for are as under:

		(₹ in Crore)	
Sl. No.	Particulars	As at 31.03.2018	As at 31.03.2017
(i)	(ii)	(iii)	(iv)
1.	Property Plant and Equipment (including CWIP)	2697.53	3025.15
2.	Intangible Assets	0.64	1.37
<b>Total</b>		<b>2698.17</b>	<b>3026.52</b>





- (b) The Company has commitments of ₹ 653.49 Crore (Previous year ₹ 619.49 Crore) towards further investment in the subsidiary companies as at 31st March 2018.
- (c) The Company has commitments of ₹ 577.65 Crore (Previous year ₹ 765.20 Crore) towards further investment in the joint venture entities as at 31st March 2018.
4. Pending approval of competent authority, provisional payments / provisions made towards executed quantities of works of some of the items beyond the approved quantities as also for extra items totaling to ₹ 5.39 Crore (Previous year ₹ 10.05 Crore) are included in Capital Work-in-Progress / Property, Plant and Equipment.
5. Other disclosure under IND AS 11- 'Construction Contracts' are as under:

		(₹ in Crore)	
Sl. No.	Particulars	As at 31.03.2018	As at 31.03.2017
(i)	(ii)	(iii)	(iv)
1.	Aggregate amount of costs incurred and recognised profits (less recognised losses) on contracts in progress upto reporting date.	295.00	364.88
2.	Amount of advances received.	275.44	345.06
3.	Amount of retention.	-	-
4.	The gross amount due from customers for contract works as an asset.	31.33	-
5.	The gross amount due to customers for contract works as a liability.	-	-

6. The effect of foreign exchange fluctuations during the year are as under:

		(₹ in Crore)	
Sl. No.	Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
(i)	Amount charged to Statement of Profit & Loss excluding depreciation (as FERV)	2.88	(4.05)
(ii)	Amount charged to Statement of Profit & Loss excluding depreciation (as Borrowing Cost)*	71.65	2.28
(iii)	Amount charged to Capital Work in Progress (as FERV)	-	-
(iv)	Amount adjusted by addition to the carrying amount of property, plant & equipment	-	(15.60)
(v)	Amount recognised to Regulatory Deferral Account Balances	2.10	(2.50)

\* There is however no impact on profitability of the Company, as the impact of change in foreign exchange rates is recoverable from beneficiaries in terms of prevailing CERC (Terms & Conditions of Tariff) Regulations 2014-19. The exchange rate variation for the year is transferred to deferred foreign currency fluctuation assets (recoverable from beneficiaries) as per Significant Accounting Policy of the Company.

## 7. Operating Segment:

- a) Electricity generation (including income from embedded Finance/ Operating leases) is the principal business activity of the Company. Other operations viz., Contracts, Project Management and Consultancy works 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.

# Annual Report 2017-18

- c) Information about major customers: Revenue of ₹ 3833.52 Crore (Previous year ₹ 4094.88 Crore) is derived from following customers as per details below:

Sl. No.	Name of Customer	Revenue from customer (₹ In Crore)		Revenue from customer as a % of total revenue	
		For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2018	For the year ended 31.03.2017
1	Power Development Department, Jammu & Kashmir Govt.	1274.86	1230.90	18.39%	16.93%
2	U.P. Power Corp. Ltd.	1132.45	1349.29	16.33%	18.56%
3	Punjab State Power Corp. Ltd.	775.28	806.14	11.18%	11.09%
4	West Bengal State Electricity Board	650.93	708.55	9.39%	9.74%
	<b>Total</b>	<b>3833.52</b>	<b>4094.88</b>	<b>55.29%</b>	<b>56.32%</b>

- d) Revenue from External Customers: The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is as under:

Sl. No.	Revenue from External Customers	(₹ in crore)	
		For the year ended 31.03.2018	For the year ended 31.03.2017
1	Bhutan	15.28	21.55
2	Tazakistan	-	2.52
	<b>Total</b>	<b>15.28</b>	<b>24.07</b>

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

## 8. Disclosures under Ind AS-24 "Related Party Disclosures":

### List of Related parties:

#### (a) Subsidiaries:

Name of Companies	Principle place of operation
NHDC LTD	India
Loktak Downstream Hydroelectric Corporation Limited	India
Bundelkhand Saur Urja Limited	India

#### (b) Joint Ventures:

Name of Companies	Principle place of operation
National High Power Test Laboratory (P) Ltd.	India
Chenab Valley Power Projects Private Ltd.	India

#### (c) Post-Employment Benefit Plans :

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



**(d) Key Management Personnel:**

Sl. No.	Name	Position Held
1	Shri Balraj Joshi	Chairman & Managing Director w.e.f 22.09.2017. Holding additional charge of Director (Technical) w.e.f. 27.10.2017.
2	Shri Krishna Mohan Singh	Chairman & Managing Director Superannuated on 31.07.2017
3	Shri Ratish Kumar	Director (Projects). Held additional Charge of CMD from 01.08.2017 to 22.09.2017.
4	Shri Nikhil Kumar Jain	Director (Personnel)
5	Shri Mahesh Kumar Mittal	Director (Finance). Designated as CFO from 17.04.2017.
6	Smt. Krishna Tyagi	Government Nominee Director, retired on 01.01.2018
7	Ms. Archana Agrawal	Government Nominee Director
8	Prof. Kanika T Bhal	Independent Director
9	Prof. Arun Kumar	Independent Director
10	Shri Satya Prakash Mangal	Independent Director
11	Shri Jugal Kishore Mohapatra	Independent Director w.e.f 07.10.2017
12	Shri Bhagwat Prasad	Independent Director w.e.f 07.10.2017
13	Prof. Nalini Kant Jha	Independent Director w.e.f 07.10.2017
14	Shri Vijay Gupta	Company Secretary

**(e) Name and Nature of Relationship with Government:**

Sl. No.	Name of the Government	Nature of Relationship with NHPC
1	Government of India	Shareholder having control over company
2	EESL, MTNL, SJVNL, NTPC Ltd, PGCIL, BHEL, BSNL, IIT, VSNL, POSOCO, SAIL, New India Assurance Company, Oriental Insurance Co., KV, HPCL, IOCL etc.	Entities controlled by the same Government (Central Government) that has control over NHPC

The Company is a Central Public Sector Undertaking (CPSU) controlled by Central Government by holding majority of shares. Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, shall be regarded as related parties. The Company has applied the exemptions available for government related entities and have made limited disclosures in the financial Statements in accordance with Ind AS 24.

The Company has business transactions with the state governments and entities controlled by the Govt. of India. Transactions with these entities are carried out at market terms on arms- length basis (except subordinate debts received from Central Govt. 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. 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.

**(f) Key Management Personnel (KMP) compensation:**

Particulars	(₹ in Crore)	
	For the year ended 31.03.2018	For the year ended 31.03.2017
Short Term Employee Benefits	2.17	3.73
Post-Employment Benefits	0.34	0.37
Other Long Term Benefits	0.45	0.28

Other Transactions with KMP	(₹ in Crore)	
	For the year ended 31.03.2018	For the year ended 31.03.2017
Sitting Fees and other reimbursements to non-executive/independent directors	0.31	0.20
Interest Received during the year	0.02	0.02

# Annual Report 2017-18

(g) Transactions with Related Parties-Following transactions occurred with related parties:

(₹ in Crore)		
Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
(i)	(ii)	(iii)
<b>i) Transaction with Government that has control over company (NHPC) - Central Govt. ( This includes transactions with various Ministries, CISF etc.)</b>		
Services Received by the Company	226.07	99.24
Services Provided by the Company	1.13	3.05
Sale of goods/Inventory made by the Company	30.41	31.43
Dividend Paid During The Year	926.23	1881.21
Finance – Subordinate Debts received by the Company	350.00	367.00
Guarantee Fee Payment to Govt. of India	17.33	20.06
Buy-Back of Shares by Company from Govt. of India	-	1950.73
Grant Received from MNRE (Through SECI)	12.50	-
<b>ii) Transaction with Entities controlled by the same Government that has control over company (NHPC)</b>		
Purchase of property/Other assets	53.01	73.22
Purchase of goods/Inventory	39.72	32.49
Services Received by the Company	223.32	58.29
Services Provided by the Company	0.41	26.31
Sale of goods/Inventory made by the Company	75.96	-
Dividend Received by the Company	3.60	3.00
Settlement Amount received by the company against Insurance Claims	52.20	-
<b>iii) Transaction with Subsidiaries (NHDC, LDHCL &amp; BSUL)</b>		
Services Provided by the Company	3.10	2.42
Dividend Received by the Company	628.52	204.49
Equity contributions by the Company	3.00	-
Deputation of Employees by the Company	4.29	4.10
Deputation of Employees to the Company	0.02	0.03
<b>iv) Transaction with Joint Ventures (CVPPL &amp; NHPTL)</b>		
Services Provided by the Company	16.44	7.40
Equity contributions by the Company	187.55	386.50
Deputation of Employees by the Company	5.45	5.41
Loans Provided by the Company	6.00	-
<b>v) Transactions with KMP</b>		
Loan-Employee Advance	0.03	-
<b>vi) Transaction with Trust created for Post employment Benefit plans of NHPC</b>		
<b>1. EPF Trust</b>		
Contribution to Trust	285.22	279.82
<b>2. Gratuity Trust</b>		
Contribution to Trust	110.74	(5.46)
Refund from Trust (Payments)	64.63	63.06
<b>3. REHS Trust</b>		
Contribution to Trust	45.78	74.05
Refund from Trusts (Payments)	18.97	19.58



(₹ in Crore)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
(i)	(ii)	(iii)
<b>4. Social Security Scheme Trust</b>		
Contribution to Trust	7.82	8.43
<b>5. EDCSS Trust</b>		
Contribution to Trusts	90.91	76.16
<b>6. Leave Encashment Trust</b>		
Contribution to Trust	369.27	-
Refund from Trusts (Payments)	20.77	
<b>Total of transactions with above trusts</b>		
<b>Contribution to Trusts</b>	<b>909.74</b>	<b>433.00</b>
<b>Less: Refund from Trusts</b>	<b>104.37</b>	<b>82.64</b>
<b>Grand Total</b>	<b>805.38</b>	<b>350.36</b>

(h) Outstanding Balances with Related Parties:

(₹ in Crore)

Particulars	As at 31.03.2018	As at 31.03.2017
(i)	(ii)	(iii)
<b>i) Balances with Government that has control over company (NHPC)- Central Govt.</b>		
Payables by the Company	68.85	17.72
Receivables by the Company	70.68	26.26
Loan from Government (Subordinate debts)	3750.80	3400.80
Guarantee Received from Government (Against Foreign Currency Borrowing)	1313.93	1443.98
<b>ii) Balances with Entities controlled by the same Government that has control over company (NHPC)</b>		
Payables by the Company	52.43	46.77
Receivables by the Company	136.75	24.96
Balances out of Commitments made by the Company	3.48	25.53
<b>iii) Balances with Subsidiaries (NHDC, LDHCL &amp; BSUL)</b>		
Receivables by the Company	6.48	9.72
<b>iv) Balances with Joint Ventures (CVPPL &amp; NHPTL)</b>		
Receivables by the Company	104.76	193.97
Loan Outstanding	6.00	-
<b>v) Balances with KMP</b>		
Receivables by the Company	0.04	0.05
<b>vi) Balances with Trust created for Post-employment Benefit plans of NHPC</b>		
Receivable by Company		
1. Gratuity Trust	-	38.24
2. Leave Encashment Trust	20.77	-
<b>Payable by the Company</b>		
1. Gratuity Trust	86.05	-
2. EPF Trust	23.05	25.06
3. REHS Trust	4.14	38.92
4. Social Security Scheme Trust	0.62	0.67
5. EDCSS Trust	19.43	5.89

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 31.03.2018	As at 31.03.2017
	<b>First Charge</b>		
1	Property Plant & Equipment	10785.78	14484.71
2	Capital Work In Progress	6827.57	6127.83
3	Financial Assets- Others (Lease Receivable)	-	567.77
	<b>Total</b>	<b>17613.35</b>	<b>21180.31</b>

**10. Disclosures Under Ind AS-19 "Employee Benefits":**

**(A) Defined Contribution Plans-**

- (i) **Social Security Scheme:** The Company has a Social Security Scheme in lieu of the erstwhile scheme of compassionate appointment. The Company also makes a matching contribution per month per employee and such contribution was to be made for 8 years to build up corpus from the date the scheme is in operation i.e. 01.06.2007, which has been extended for another 2 years i.e. up to 31.05.2017 and further extended for another 3 years i.e. up to 31.05.2020. The scheme has been created to take care of and helping bereaved families in the event of death or permanent total disability of its employee. The expenses recognised during the year towards social security scheme is ₹ **3.88 Crore** (Previous year ₹ **4.23 Crore**).
- (ii) **Employees Defined Contribution Superannuation Scheme (EDCSS):** The Company has an employee defined contribution superannuation scheme for providing pension benefits to employees. As per the scheme, each employee contributes @ 5% of Basic Pay & Dearness Allowance. The company contributes to the extent of balance available after deducting employers' contribution to Provident Fund, contribution to Gratuity Trust and REHS Trust, from the amount worked out @ 30% of the Basic Pay & DA. The Scheme is managed by Life Insurance Corporation of India. The expenses recognised during the year towards Employees Defined Contribution Superannuation Scheme (EDCSS) is ₹ **67.20 Crore** (Previous year ₹ **76.18 Crore**).

**(B) Defined Benefit Plans-** Company has following defined post-employment benefit obligations:

**(a) Description of Plans:**

- (i) **Provident Fund:** The Company pays fixed contribution to Provident Fund at predetermined rates to a separate Trust, which invests the funds in permitted securities. The contribution to the fund for the year is recognised as expense and is charged to the Statement of Profit & Loss/Expenditure Attributable to Construction. The obligation of the Company is to make fixed contribution and to ensure a minimum rate of return to the members as specified by Government of India (Gol).
- (ii) **Gratuity:** The Company has a defined benefit gratuity plan. The ceiling limit of gratuity is fixed as per the Payment of Gratuity Act, 1972, whereby every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹ 0.20 Crore on superannuation, resignation, termination, disablement or on death. The plan is being managed by a separate Trust created for the purpose and obligation of the company is to make contribution to the Trust based on actuarial valuation.
- (iii) **Retired Employees Health Scheme (REHS):** The Company has a Retired Employee Health Scheme, under which retired employee and/or spouse of retiree and eligible dependent children of deceased employees are provided medical facilities in the Company hospitals / empanelled hospitals. They can also avail treatment as Out-Patient subject to a ceiling fixed by the Company. The liability for the same is recognised on the basis of actuarial valuation. The Scheme is being managed by a separate Trust created for the purpose and obligation of the company is to make contribution to the Trust based on such actuarial valuation.
- (iv) **Allowances on Retirement/Death:** Actual cost of shifting from place of duty at which employee is posted at the time of retirement to any other place where he / she may like to settle after retirement is paid as per the rules of the Company. In case of death, family of deceased employee can also avail this facility. The liability for the same is recognised on the basis of actuarial valuation.
- (v) **Memento to employees on attaining the age of superannuation:** The Company has a policy of providing Memento valuing ₹ 5000/- to employee on superannuation. The liability for the same is recognised on the basis of actuarial valuation



**(b) Disclosure of Balance Sheet amounts and sensitivity analysis of Plans:**

(i) **Provident Fund:** Movements in the net defined benefit obligation during the years 2016-17 and 2017-18 are as follows:

Particulars	(₹ in Crore)		
	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
<b>2016-17</b>			
<b>Opening Balance as at 01.04.2016</b>	<b>2201.45</b>	<b>2224.70</b>	<b>(23.25)</b>
Current Service Cost	78.09	-	78.09
Past Service Cost	-	-	-
Interest Expenses/ (Income)	176.12	177.98	(1.86)
<b>Total</b>	<b>254.21</b>	<b>177.98</b>	<b>76.23</b>
<b>Re-measurements</b>			
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	0.10	-	0.10
Experience (gains)/Losses	11.24	13.04	(1.80)
<b>Total</b>	<b>11.34</b>	<b>13.04</b>	<b>(1.70)</b>
<b>Contributions:-</b>			
-Employers	-	78.09	(78.09)
-Plan participants	214.14	214.14	-
Benefit payments	(353.71)	(353.71)	-
<b>Closing Balance as at 31.03.2017</b>	<b>2327.43</b>	<b>2354.24</b>	<b>(26.81)</b>

Particulars	(₹ in Crore)		
	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
<b>2017-18</b>			
<b>Opening Balance as at 01.04.2017</b>	<b>2327.43</b>	<b>2354.24</b>	<b>(26.81)</b>
Current Service Cost	72.93	-	72.93
Past Service Cost	-	-	-
Interest Expenses/ (Income)	174.56	174.56	-
<b>Total</b>	<b>247.49</b>	<b>174.56</b>	<b>72.93</b>
<b>Remeasurements</b>			
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	0.04	-	0.04
Experience (gains)/Losses	29.74	22.63	7.11
<b>Total</b>	<b>29.78</b>	<b>22.63</b>	<b>7.15</b>
<b>Contributions:-</b>			
-Employers	-	72.93	(72.93)
-Plan participants	224.50	224.50	-
Benefit payments	(404.00)	(404.00)	-
<b>Closing Balance as at 31.03.2018</b>	<b>2425.20</b>	<b>2444.86</b>	<b>(19.66)</b>

# Annual Report 2017-18

The net liability disclosed above related to funded and unfunded plans are as follows:

Particulars	(₹ in Crore)	
	31st March 2018	31st March 2017
Present Value of funded obligations	2425.20	2327.43
Fair value of Plan Assets	2444.86	(2354.24)
<b>Deficit/(Surplus) of funded plans</b>	<b>(19.66)</b>	<b>(26.81)</b>
Unfunded Plans	-	-
<b>Deficit/(Surplus) before asset ceiling</b>	<b>(19.66)</b>	<b>(26.81)</b>

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 ₹ 19.66 Crore determined through actuarial valuation. Accordingly, Company has not recognised the surplus as an asset, and the actuarial gains in Other Comprehensive Income, as these pertain to the Provident Fund Trust and not to the company.

**Sensitivity Analysis** – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

Particulars	Impact on Defined Benefit Obligation					
	Change in Assumptions		Increase in Assumption		Decrease in Assumptions	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Discount Rate	0.50%	0.50%	Decrease by 0.0044%	0.005%	Increase by 0.0045%	0.005%

(ii) **Gratuity:** The amount recognised in the Balance Sheet as at 31.03.2017 & 31.03.2018 along with the movements in the net defined benefit obligation during the years 2016-17 and 2017-18 are as follows:

Particulars	(₹ in Crore)		
	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
	<b>2016-17</b>		
<b>Opening Balance as at 01.04.2016</b>	<b>588.15</b>	<b>636.43</b>	<b>(48.28)</b>
Current Service Cost	32.98	-	32.98
Past Service Cost	140.14	-	140.14
Interest Expenses/ (Income)	47.05	50.91	(3.86)
<b>Total Amount recognised in Profit or Loss</b>	<b>220.17</b>	<b>50.91</b>	<b>169.26</b>
<b>Remeasurements</b>			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	0.93	(0.93)
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	12.36	-	12.36
Experience (gains)/Losses	0.22	-	0.22
<b>Total Amount recognised in Other Comprehensive Income</b>	<b>12.58</b>	<b>0.93</b>	<b>11.65</b>
<b>Contributions:-</b>			
-Employers	-	15.23	(15.23)
-Plan participants	-	-	-
Benefit payments	(62.83)	(87.06)	24.23
<b>Closing Balance as at 31.03.2017</b>	<b>758.07</b>	<b>616.44</b>	<b>141.63</b>

(₹ in Crore)





Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
<b>2017-18</b>			
<b>Opening Balance as at 01.04.2017</b>	<b>758.07</b>	<b>616.44</b>	<b>141.63</b>
Adjustment	-	0.13	(0.13)
Current Service Cost	23.60	-	23.60
Past Service Cost	-	-	-
Interest Expenses/ (Income)	56.85	46.24	10.61
<b>Total Amount recognised in Profit or Loss</b>	<b>80.45</b>	<b>46.24</b>	<b>34.21</b>
<b>Remeasurements</b>			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	2.56	(2.56)
(Gain)/loss from change in demographic assumptions	(10.48)	-	(10.48)
(Gain)/loss from change in financial assumptions	(1.21)	-	(1.21)
Experience (gains)/Losses	(57.16)	-	(57.16)
<b>Total Amount recognised in Other Comprehensive Income</b>	<b>(68.85)</b>	<b>2.56</b>	<b>(71.41)</b>
<b>Contributions:-</b>			
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	(64.63)	(78.17)	13.54
<b>Closing Balance as at 31.03.2018</b>	<b>705.04</b>	<b>587.20</b>	<b>117.84</b>

The net liability disclosed above related to funded and unfunded plans are as follows:

Particulars	(₹ in Crore)	
	31st March 2018	31st March 2017
Present Value of funded obligations	705.04	758.07
Fair value of Plan Assets	587.20	616.44
<b>Deficit/(Surplus) of funded plans</b>	<b>117.84</b>	<b>141.63</b>
Unfunded Plans	-	-
<b>Deficit/(Surplus) before asset ceiling</b>	<b>117.84</b>	<b>141.63</b>

**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	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Discount Rate	0.50%	0.50%	Decrease by 2.86%	2.70%	Increase by 3.05%	2.86%
Salary growth rate	0.50%	0.50%	Increase by 0.79%	1.13%	Decrease by 0.92%	1.29%

# Annual Report 2017-18

(iii) **Retired Employees Health Scheme (REHS):** The amount recognised in the Balance Sheet as at 31.03.2017 & 31.03.2018 along with the movements in the net defined benefit obligation during the years 2016-17 and 2017-18 are as follows:

Particulars	(₹ in Crore)		
	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
	<b>2016-17</b>		
<b>Opening Balance as at 01.04.2016</b>	<b>592.39</b>	<b>583.72</b>	<b>8.67</b>
Current Service Cost	13.95	-	13.95
Past Service Cost	-	-	-
Interest Expenses/ (Income)	47.39	46.70	0.69
<b>Total Amount recognised in Profit or Loss</b>	<b>61.34</b>	<b>46.70</b>	<b>14.64</b>
<b>Remeasurements</b>			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	5.27	(5.27)
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	41.66	-	41.66
Experience (gains)/Losses	23.02	-	23.02
<b>Total Amount recognised in Other Comprehensive Income</b>	<b>64.68</b>	<b>5.27</b>	<b>59.41</b>
Contributions:-			
-Employers	-	47.40	(47.40)
-Plan participants	-	-	-
Benefit payments	(19.23)	(19.68)	0.45
<b>Closing Balance as at 31.03.2017</b>	<b>699.18</b>	<b>663.41</b>	<b>35.77</b>

Particulars	(₹ in Crore)		
	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
	<b>2017-18</b>		
<b>Opening Balance as at 01.04.2017</b>	<b>699.18</b>	<b>663.41</b>	<b>35.77</b>
Current Service Cost	15.07	-	15.07
Past Service Cost	-	-	-
Interest Expenses/ (Income)	52.44	49.76	2.68
<b>Total Amount recognised in Profit or Loss</b>	<b>67.51</b>	<b>49.76</b>	<b>17.75</b>
<b>Remeasurements</b>			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	10.56	(10.56)
(Gain)/loss from change in demographic assumptions	2.06	-	2.06
(Gain)/loss from change in financial assumptions	33.37	-	33.37
Experience (gains)/Losses	3.16	-	3.16
<b>Total Amount recognised in Other Comprehensive Income</b>	<b>38.59</b>	<b>10.56</b>	<b>28.03</b>
Contributions:-			
-Employers	-	79.95	(79.95)
-Plan participants	-	-	-
Benefit payments	(18.36)	(18.36)	-
<b>Closing Balance as at 31.03.2018</b>	<b>786.92</b>	<b>785.32</b>	<b>1.60</b>



The net liability disclosed above related to funded and unfunded plans are as follows:

Particulars	(₹ in Crore)	
	31st March 2018	31st March 2017
Present Value of funded obligations	786.92	699.18
Fair value of Plan Assets	785.32	663.41
<b>Deficit/(Surplus) of funded plans</b>	<b>1.60</b>	<b>35.77</b>
Unfunded Plans	-	-
<b>Deficit/(Surplus) before asset ceiling</b>	<b>1.60</b>	<b>35.77</b>

**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		
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017		
Discount Rate	0.50%	0.50%	Decrease by	6.05%	6.05%	Increase by	6.13%	6.40%
Medical cost rate	0.50%	0.50%	Increase by	6.17%	-	Decrease by	6.08%	-

(iv) **Allowances on Retirement/Death:** The amount recognised in the Balance Sheet as at 31.03.2017 & 31.03.2018 along with the movements in the net defined benefit obligation during the years 2016-17 and 2017-18 are as follows:

Particulars	(₹ in Crore)		
	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
	<b>2016-17</b>		
<b>Opening Balance as at 01.04.2016</b>	<b>4.89</b>	-	<b>4.89</b>
Current Service Cost	0.20	-	0.20
Past Service Cost	-	-	-
Interest Expenses/ (Income)	0.39	-	0.39
<b>Total Amount recognised in Profit or Loss</b>	<b>0.59</b>	-	<b>0.59</b>
<b>Remeasurements</b>			
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	0.14	-	0.14
Experience (gains)/Losses	(0.33)	-	(0.33)
<b>Total Amount recognised in Other Comprehensive Income</b>	<b>(0.19)</b>	-	<b>(0.19)</b>
Contributions:-			
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	(0.35)	-	(0.35)
<b>Closing Balance as at 31.03.2017</b>	<b>4.94</b>	-	<b>4.94</b>

# Annual Report 2017-18

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
<b>2017-18</b>			
<b>Opening Balance as at 01.04.2017</b>	<b>4.94</b>	<b>-</b>	<b>4.94</b>
Current Service Cost	0.20	-	0.20
Past Service Cost	-	-	-
Interest Expenses/ (Income)	0.37	-	0.37
<b>Total Amount recognised in Profit or Loss</b>	<b>0.57</b>	<b>-</b>	<b>0.57</b>
<b>Remeasurements</b>			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	-	-
(Gain)/loss from change in demographic assumptions	0.01	-	0.01
(Gain)/loss from change in financial assumptions	0.13	-	0.13
Experience (gains)/Losses	(0.54)	-	(0.54)
<b>Total Amount recognised in Other Comprehensive Income</b>	<b>(0.40)</b>	<b>-</b>	<b>(0.40)</b>
<b>Contributions:-</b>			
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	(0.13)	-	(0.13)
<b>Closing Balance as at 31.03.2018</b>	<b>4.98</b>	<b>-</b>	<b>4.98</b>

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			
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017		
Discount Rate	0.50%	0.50%	Decrease by	3.64%	2.84%	Increase by	3.88%	3.00%
Cost Increase	0.50%	0.50%	Increase by	3.97%	-	Decrease by	3.71%	-



- (v) **Memento to employees on attaining the age of superannuation:** The amount recognised in the Balance Sheet as at 31.03.2017 & 31.03.2018 along with the movements in the net defined benefit obligation during the years 2016-17 and 2017-18 are as follows:

Particulars	(₹ in Crore)		
	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
<b>2016-17</b>			
<b>Opening Balance as at 01.04.2016</b>	<b>2.56</b>	-	<b>2.56</b>
Current Service Cost	0.10	-	0.10
Past Service Cost	-	-	-
Interest Expenses/ (Income)	0.20	-	0.20
<b>Total Amount recognised in Profit or Loss</b>	<b>0.30</b>	-	<b>0.30</b>
<b>Remeasurements</b>			
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	0.07	-	0.07
Experience (gains)/Losses	(0.21)	-	(0.21)
<b>Total Amount recognised in Other Comprehensive Income</b>	<b>(0.14)</b>	-	<b>(0.14)</b>
<b>Contributions:-</b>			
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	(0.28)	-	(0.28)
<b>Closing Balance as at 31.03.2017</b>	<b>2.44</b>	-	<b>2.44</b>

Particulars	(₹ in Crore)		
	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
<b>2017-18</b>			
<b>Opening Balance as at 01.04.2017</b>	<b>2.44</b>	-	<b>2.44</b>
Current Service Cost	0.09	-	0.09
Past Service Cost	-	-	-
Interest Expenses/ (Income)	0.18	-	0.18
<b>Total Amount recognised in Profit or Loss</b>	<b>0.27</b>	-	<b>0.27</b>
<b>Remeasurements</b>			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	-	-
(Gain)/loss from change in demographic assumptions	0.01	-	0.01
(Gain)/loss from change in financial assumptions	0.04	-	0.04
Experience (gains)/Losses	(0.34)	-	(0.34)
<b>Total Amount recognised in Other Comprehensive Income</b>	<b>(0.29)</b>	-	<b>(0.29)</b>
<b>Contributions:-</b>			
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	(0.25)	-	(0.25)
<b>Closing Balance as at 31.03.2018</b>	<b>2.17</b>	-	<b>2.17</b>

The net liability disclosed above related to unfunded plans.

**Sensitivity Analysis** – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

Particulars	Impact on Defined Benefit Obligation							
	Change in Assumptions		Increase in Assumptions		Decrease in Assumptions			
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017		
Discount Rate	0.50%	0.50%	Decrease by	5.67%	5.93%	Increase by	6.07%	6.11%

(c) **Defined Benefit Plans: Significant estimates: Actuarial assumptions:**

Particulars	31st March 2018	31st March 2017
Discount Rate	7.70%	7.50%
Salary growth rate	6.50%	6.00%

(d) **The major categories of Plan Assets are as follows:**

**Provident Fund:**

(₹ in Crore)

Particulars	31st March 2018			
	Quoted	Unquoted	Total	In %
<b>Debt Instruments</b>				
Government Bonds	1343.20	-	1343.20	54.94
Corporate Bonds	967.83	-	967.83	39.59
<b>Investment Funds</b>				
Mutual Funds	48.34	-	48.34	1.98
LIC	-	-	-	-
<b>Cash &amp; Cash Equivalents</b>	-	19.66	19.66	0.80
<b>Accrued Interest</b>		65.83	65.83	2.69
<b>Total</b>	<b>2359.37</b>	<b>85.49</b>	<b>2444.86</b>	<b>100.00</b>

(₹ in Crore)

Particulars	31st March 2017			
	Quoted	Unquoted	Total	In %
<b>Debt Instruments</b>				
Government Bonds	1263.90	-	1263.90	53.69
Corporate Bonds	985.53	-	985.53	41.86
<b>Investment Funds</b>				
Mutual Funds	30.33	-	30.33	1.29
LIC	-	-	-	-
<b>Cash &amp; Cash Equivalents</b>	-	7.79	7.79	0.33
<b>Accrued Interest</b>		66.69	66.69	2.83
<b>Total</b>	<b>2279.76</b>	<b>74.48</b>	<b>2354.24</b>	<b>100.00</b>



## Gratuity

(₹ in Crore)

Particulars	31st March 2018			
	Quoted	Unquoted	Total	In %
<b>Investment Funds</b>				
LIC Scheme	-	587.07	587.07	99.98
Cash & Cash Equivalents	-	0.13	0.13	0.02
<b>Total</b>	-	<b>587.20</b>	<b>587.20</b>	<b>100.00</b>

(₹ in Crore)

Particulars	31st March 2017			
	Quoted	Unquoted	Total	In %
<b>Investment Funds</b>				
LIC Scheme	-	616.45	616.45	99.98
Cash & Cash Equivalents	-	0.11	0.11	0.02
<b>Total</b>	-	<b>616.56</b>	<b>616.56</b>	<b>100.00</b>

## Retired Employees Health Scheme (REHS):

(₹ in Crore)

Particulars	31st March 2018			
	Quoted	Unquoted	Total	In %
<b>Debt Instruments</b>				
Government Bonds	-	-	-	-
Corporate Bonds	738.69	-	738.69	94.07
LIC Scheme	-	18.79	18.79	2.39
Cash & Cash Equivalents	-	9.44	9.44	1.20
Accrued Interest		18.40	18.40	2.34
<b>Total</b>	<b>738.69</b>	<b>46.63</b>	<b>785.32</b>	<b>100.00</b>

(₹ in Crore)

Particulars	31st March 2017			
	Quoted	Unquoted	Total	In %
<b>Debt Instruments</b>				
Government Bonds	-	-	-	-
Corporate Bonds	637.75	-	637.75	96.13
Cash & Cash Equivalents	-	10.06	10.06	1.52
Accrued Interest		15.60	15.60	2.35
<b>Total</b>	<b>637.75</b>	<b>25.66</b>	<b>663.41</b>	<b>100.00</b>

- (e) **Risk Exposure:** Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

**Description of Risk Exposures:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such, the company is exposed to various risks as follow -

- A) Salary Increase- Actual salary increase will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
  - B) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
  - C) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.
  - D) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
  - E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.
- (f) **Defined benefit liability and employer contributions:** Funding levels are monitored on an annual basis and the current contribution rate is 30% of basic salary & dearness allowance. The 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, 2019 are ₹ 132.53 Crore (March 31, 2018 ₹ 137.86 Crore).

The weighted average duration of the defined benefit obligations is 10.38 Years (2017 - 9.62 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)**

Particulars	(₹ in Crore)				Total
	Between 0-1 years	Between 1-5 years	Between 5-10 years	Over 10 years	
31.03.2018	321.13	292.75	465.23	1346.09	2425.20
31.03.2017	332.55	826.73	516.92	651.23	2327.43

**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.**

Particulars	(₹ in Crore)					Total
	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years		
<b>31.03.2018</b>						
Gratuity	96.18	131.38	89.69	387.79		705.04
Post-employment Medical Benefits (REHS)	31.88	34.93	112.64	607.47		786.92
Allowances on Retirement/Death	0.57	0.54	1.60	2.27		4.98
Memento to employees on attaining the age of superannuation	0.27	0.21	0.72	0.97		2.17
<b>TOTAL</b>	<b>128.90</b>	<b>167.06</b>	<b>204.65</b>	<b>998.50</b>		<b>1499.11</b>
<b>31.03.2017</b>						
Gratuity	109.31	68.97	180.38	399.41		758.07
Post-employment Medical Benefits (REHS)	27.30	29.12	98.51	544.25		699.18
Allowances on Retirement/Death	0.61	0.57	1.49	2.27		4.94
Memento to employees on attaining the age of superannuation	0.30	0.28	0.74	1.12		2.44
<b>TOTAL</b>	<b>137.52</b>	<b>98.94</b>	<b>281.12</b>	<b>947.05</b>		<b>1464.63</b>





- (C) **Other long-term employee benefits (Leave Benefit):** The Company provides for earned leave and half-pay leave to the employees which accrue annually @ 30 days and 20 days respectively. The maximum ceiling of encashment of earned leave is limited to 300 days. However, any shortfall in the maximum limit of 300 days in earned leave on superannuation shall be fulfilled by half pay leave to that extent. The liability for the same is recognised on the basis of actuarial valuation.

The leave obligation covers the Company's liability towards employees' leave entitlements. The amount of provision for the year ended 31.03.2018 amounting to ₹ 58.96 crore has been disclosed as Current since the same is to be paid to the trust set up by the Company as against in the Previous year wherein the amount of ₹ 447.32 crore and ₹ 66.14 crore were presented as Non-current and Current respectively as the same was unfunded till 31.03.2017. The current leave obligation estimated to settle within the next 12 months is ₹ 46.03 crore (Previous year ₹ 66.14 crore).

During the year the Company has created a Leave Encashment Trust to administer the funds towards provision for leave encashment appearing in its books till financial year 2016-17. Accordingly, the Company has remitted ₹ 369.27 crore to the trust during the current year being the net liability in respect of leave encashment as on that date.

**11. Other disclosures as per Schedule-III of the Companies Act, 2013 are as under:-**

		(₹ in Crore)	
Sl. No.	Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
a)*	Value of imports calculated on CIF basis:		
	i) Capital Goods	5.50	26.43
b)*	Expenditure in Foreign Currency		
	i) Interest	22.55	26.27
	ii) Other Misc. Matters	60.85	76.05
c)*	Value of spare parts and Components consumed in operating units.		
	i) Imported	-	-
	ii) Indigenous	24.59	25.27
d)*	Earnings in foreign currency		
	i) Others	-	-

\* Accrual basis.

**12. Earnings Per Share:**

- a) **The Earnings Per Share (Basic and Diluted) are as under:**

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Earnings per Share before Regulatory Income (₹) – Basic & Diluted	1.99	1.88
Earnings per Share after Regulatory Income (₹) – Basic & Diluted	2.69	2.53
Face value per share (₹)	10	10

- b) **Reconciliation of Earning used in calculating Earnings Per Share:**

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Net Profit after Tax but before Regulatory Income used as numerator (₹ in crore)	2038.83	2081.60
Net Profit after Tax and Regulatory Income used as numerator (₹ in crore)	2758.65	2795.59

c) Reconciliation of weighted average number of shares used as denominator :

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Weighted Average number of equity shares used as denominator	10259320519	11061777011

13. Disclosure related to Confirmation of Balances is as under :

- (a) Balances shown under material issued to contractors, claims recoverable including insurance claims, advances for Capital expenditure, Sundry Debtors, Advances to Contractors, Sundry Creditors and Deposits/Earnest money from contractors 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 from external parties in respect of Trade Receivables, Trade Payables, Deposits, Advances to Contractors/Suppliers/Service Providers/Others including for capital expenditure and material issued to contractors is sought for outstanding balances of ₹ 0.05 crore or above in respect of each party as at 31st December of every year. Status of confirmation of balances as at December 31, 2017 as well as amount outstanding as on 31.03.2018 is as under:

(₹ in Crore)			
Particulars	Outstanding amount as on 31.12.2017	Amount confirmed	Outstanding amount as on 31.03.2018
Trade receivable	1862.85	1808.11	1281.52
Deposits, Advances to contractors/ suppliers/service providers/ others including for capital expenditure and material issued to contractors	1540.72	400.02	1416.43
Trade/Other payables	247.67	75.16	426.39
Security Deposit/Retention Money payable	97.15	25.00	132.85

- (c) In the opinion of the management, unconfirmed balances will not have any material impact.

14. Disclosure related to Corporate Social Responsibility (CSR)

- (i) The breakup of CSR expenditure under various heads of expenses incurred is as below:-

(₹ in Crore)			
Sl. No.	Heads of Expenses constituting CSR expenses	For the year ended on 31.03.2018	For the year ended on 31.03.2017
1	Health Care and Sanitation	18.91	15.31
2	Education & Skill Development	5.90	50.36
3	Women Empowerment /Senior Citizen	0.01	0.18
4	Environment	1.51	0.60
5	Art & Culture	5.47	0.64
6	Ex-Armed Forces	-	0.05
7	Sports	0.06	0.33
8	National Welfare Fund	-	0.02
9	Rural Development	3.73	5.52
10	Capacity Building	0.16	0.27
11	Swachh Vidyalaya Abhiyan	0.64	0.75
12	Swachh Bharat Abhiyan	2.16	1.79
	<b>Total amount</b>	<b>38.55</b>	<b>75.82</b>



(ii) Other disclosures:-

- (a) Details of expenditure incurred during the year ended on 31.03.2018 paid and yet to be paid along with the nature of expenditure (capital or revenue nature) is as under:-

		(₹ in Crore)		
Purpose	Paid (a)	Yet to be paid (b)	Total (a+b)	
(i) Construction/Acquisition of any asset	21.36	1.03	22.39	
(ii) On purpose other than (i) above	15.30	0.86	16.16	
<b>Total</b>	<b>36.66</b>	<b>1.89</b>	<b>38.55</b>	

- (b) As stated above, a sum of ₹ 1.89 crore out of total expenditure of ₹ 38.55 crore is yet to be paid to concerned parties which are included in the relevant head of accounts pertaining to liabilities.

- (iii) As per Section 135 read with Section 198 of Companies Act 2013, the amount required to be spent towards CSR works out to ₹ 59.52 Crore for financial year 2017-18 (based on 2% of average net profit of preceding three financial years). The Board of Directors had allocated total budget of ₹ 59.52 Crore for financial year 2017-18, out of which an amount of ₹ 20.97 Crore remained unspent.

15. Disclosures as required under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 read with notification of Ministry of Corporate Affairs dated 04.09.2015 (Refer Note no. 20.2 and 20.3 of the Balance Sheet) are as under:

		(₹ in Crore)	
Sl. No.	Particulars	As at 31.03.2018	As at 31.03.2017
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier on Balance Sheet date:		
	a) Trade Payables:		
	- Principal	5.29	4.28
	- Interest	-	-
	b) Others:		
	- Principal	1.43	1.51
	- Interest	-	-
(ii)	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
(iii)	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(iv)	The amount of interest accrued and remaining unpaid as on Balance Sheet date.	-	-
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

16. Disclosures regarding leases as per IND AS -17 "Leases":

A) Operating leases- Company as Lessee

- a) The Company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees. These leasing arrangements, which are not non-cancellable, are usually renewable on mutually agreeable terms. Lease payments in respect of premises for residential use of employees amounting to ₹ 41.25 Crore (Previous year ₹ 45.52 Crore) included under Salaries, wages, allowances in Note 26.

- b) The Company has taken premises for offices, guest houses & transit camps on operating leases which are not non-cancellable and are usually renewable on mutually agreeable terms. Lease payments in respect of premises for offices, guest houses & transit camps amounting to ₹ 7.05 Crore (Previous year ₹ 6.38 Crore) are shown under Rent & Hire Charges in Note 29.
- c) The Company has taken vehicles on operating leases generally for a period of 1 to 2 years and such leases are not non-cancellable. Lease payments in respect of hiring of vehicles amounting to ₹ 34.16 Crore (Previous year ₹ 32.43 Crore) are shown under Rent & Hire Charges in Note 29.

## B) Finance Lease - Company as Lessor

The Company has entered into an arrangement with a single beneficiary, PDD J&K for sale of the entire power generated by two power stations, namely Nimmo Bazgo Power Station & Chutak Power Station for 35 years, which is equal to the expected life of these Power Stations. Under the agreements, the customer is obliged to purchase the entire output at prices determined by the Central Electricity Regulatory Commission (CERC). The Company has classified these Power Stations as embedded Finance Lease as per Appendix-C to Ind AS 17- Leases. Other Financial Assets (Current and Non-Current) include lease receivables representing the present value of future lease rentals receivable on the embedded finance lease arrangements entered into by the company.

**Details of gross investment in lease and present value of minimum lease payments receivables at the end of financial year are as under:**

### (i) Gross investment in the Lease :

	(₹ in Crore)	
Particulars	31.03.2018	31.03.2017
Within one year	242.91	257.71
After one year but not more than five years	1005.02	972.62
More than five years	4174.34	4270.70
<b>Total</b>	<b>5422.27</b>	<b>5501.03</b>

### (ii) Present value of minimum lease payments receivable:

	(₹ in Crore)	
Particulars	31.03.2018	31.03.2017
Within one year	34.80	57.89
After one year but not more than five years	249.37	248.68
More than five years	1256.45	1317.92
<b>Total</b>	<b>1540.62</b>	<b>1624.49</b>

### (iii) Reconciliation between the gross investment in the lease and the present value of minimum lease payments receivable is as follows:

	(₹ in Crore)	
Particulars	31.03.2018	31.03.2017
Gross investment in Lease	5422.27	5501.03
Adjustments:		
Less: Un-earned Finance Income	3692.32	3688.24
Less: Unguaranteed residual value	189.33	188.30
<b>Present value of Minimum Lease Payment (MLP)</b>	<b>1540.62</b>	<b>1624.49</b>

## C) Operating Lease -Company as Lessor :

The Company has entered into an arrangement with West Bengal State Electricity Board for sale of power from TLDP-III and TLDP-IV power stations for a period of 5 years and with Jodhpur Vidyut Vitran Nigam Ltd. for sale of power from Wind Power Project, Jaisalmer for a period of 3 years. Under the agreements, the customer is obliged to purchase the output at prices determined by the Central Electricity Regulatory Commission. Accordingly, the Company has classified these Power Stations as Operating Leases as per Appendix-C to Ind AS 17- Leases.



Future minimum rentals receivable under non-cancellable operating leases are as follows:

Particulars	(₹ in Crore)	
	31.03.2018	31.03.2017
Within one year	188.15	568.86
After one year but not more than five years	320.93	607.87
<b>Total</b>	<b>509.08</b>	<b>1176.73</b>

## 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	
			31.03.2018	31.03.2017
NHDC LTD	India	Power Generation	51.08%	51.08%
Loktak Downstream Hydroelectric Corporation Limited	India	Power Generation	74%	74%
Bundelkhand Saur Urja Limited	India	Power Generation	99.99%	99.99%

### (b) Interest in Joint Ventures\*:

Name of Companies	Principle place of operation	Principal activities	Proportion of Ownership interest as at	
			31.03.2018	31.03.2017
National High Power Test Laboratory (P) Ltd.	India	On Line High Power Short Circuit Test Facility	20%	20%
Chenab Valley Power Projects Private Ltd.**	India	Power Generation	55.39%	49.78%

\* Equity investments in Subsidiaries and Joint Ventures are measured at cost as per the provisions of Ind AS 27 on 'Separate Financial Statements'.

\*\*During the year, the company has further invested ₹ 122.36 crore in Chenab Valley Power Project Ltd. (CVPPL), as a result of which the company's shareholding increased to 55.39%. However, CVPPL continues to be a Joint Venture owing to control exercised jointly with the other joint venturer, pursuant to the Joint Venture agreement.

18. The management is of the opinion that no case of impairment of assets including regulatory deferral account balances exists under the provisions of Ind AS-36 on "Impairment of Assets" as at 31st March 2018.
19. As per Hydro Policy 2008, energy corresponding to 100 units of electricity is to be provided to each Project Affected Family (PAF) notified by the State Government through the concerned distribution licensee 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 total saleable energy of a power station is to be arrived at by deducting such free power from the design energy, there would not be any impact on the profit of the Company.
20. Pending approval of tariff for the period 2014-19 by Central Electricity Regulatory Commission (CERC) as per notification no. L-1/144/2013/CERC dated 21st February 2014, sales have been recognized provisionally as per tariff notified by CERC for the period 2009-14 in respect of Sewa-II, Chamera-III, TLDP-III and Parbati-III Power Stations. CERC Regulations for the tariff period 2014-19 provide for recovery of income tax from the beneficiaries by way of grossing up of the Return on Equity with effective tax rate of the respective financial year i.e. actual tax paid during the year on the generating income.
21. Nature and details of provisions (refer Note No. 17 and 22 of Balance Sheet)

### (i) General

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a

reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a Finance Cost.

(ii) **Provision for employee benefits** (Other than provisions for defined contribution and defined benefit plans which have been disclosed as per Ind AS-19 at S. No. 10 of Note No. 34):

a) **Provision for Performance Related Pay/Incentive:**

Short-term Provision has been recognised in the accounts towards Performance Related Pay/ incentive to employees for the year (Previous Year 2016-17) on the basis of Management Estimates as per company's rules in this regard which are based on the guidelines of the Department of Public Enterprises, Government of India.

b) **Provision For Wage Revision as per 3rd Pay Revision Committee (PRC):**

Short term provision for wage revision of the employees of the company has been recognised in the accounts for the period 1.01.2017 to 31.03.2018 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 period 2014-19 by Central Electricity Regulatory Commission (CERC).

b) **Provision for Livelihood Expenses:**

Provision has been recognised at discounted value adjusted for average inflation in the accounts towards special financial package finalised in consultation with the State Government and approved by the Board of Directors of NHPC for livelihood assistance of the project affected families (PAFs) in Parbati-II and Parbati-III. As per the package, pending finalisation of modalities of payment, one eligible person from each PAF shall be provided livelihood assistance equivalent to minimum wage of unskilled category as per the Government of Himachal Pradesh/ Central Government whichever is higher, on monthly instalment basis, for the periods as under:

- i) Till the date of superannuation for PAFs eligible for employment.
- ii) For 2000 days to those PAFs left with zero balance land but excluded for employment.
- iii) For 1000 days to all remaining PAFs.

c) **Provision for Committed Capital Expenditure:**

Provision has been recognised at discounted value for Capital Expenditure to be incurred towards environment, compensatory afforestation, local area development, etc. which was a pre-condition for granting approval for construction of the project and expenditure towards which had not been completed till commissioning of the project. Such provisions are adjusted against the incurrence of actual expenditure as per demand raised by the concerned State Government Authorities.

d) **Provision for restoration expenses of insured assets:**

Provision has been recognised in the accounts based on Management Estimates for restoration of damaged assets insured under Mega & CPM Policy. Utilization of the provision is to be made against incurrence of actual expenditure towards restoration of the assets.

e) **Provisions for expenditure in respect of Arbitration Award/Court cases:**

This includes provisions created on the basis of management assessment as to probable outflow in respect of contractors claims against which arbitration award/Court decision have been received and which have been further challenged in a Court of Law. Utilization/outflow of the provision is to be made on the outcome of the case.



**f) Provisions - Others: This includes provisions towards:-**

- (i) Contractor claims, Land compensation cases, disputed tax demands and other cases created on the basis of management assessment towards probable outflow. Utilization/outflow of the provision is to be made on the outcome of the case.
- (ii) Wage revision of Central Government Employees whose services are utilised by the company.
- (iii) Provision for interest to beneficiaries on excess tariff recovered in terms of Tariff Regulations for the period 2014-19 where the capital cost considered for fixation of tariff by the CERC on the basis of projected capital cost as on Commercial Operation Date or the projected additional capital expenditure exceeds the actual capital cost incurred.
- (iv) Upfront provision for rebate towards interest on House Building Advance provided to employees based on the historical trend of rebate allowed.
- (v) Upfront provision for rebate to customers for sale of power based on the historical trend of rebate allowed.

**22. Disclosures relating to creation of Regulatory Deferral Account balances as per Ind AS 114:**

The Company is principally engaged in the construction & operation of hydroelectric power projects. The price (tariff) to be charged by the company for electricity sold to its customers is determined by Central Electricity Regulatory Commission (CERC) under applicable CERC (terms & conditions of tariff) Regulations. The said price (tariff) is based on allowable costs like interest costs, depreciation, operation & maintenance charges including 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 does result into 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 recognised 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.

As explained above, all operating activities of the Company are subject to cost-of-service regulations as it meets the criteria set out in the guidance note and is hence applicable to the Company.

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 recognised as expense in the statement of profit and loss in accordance with Accounting Standards.

With effect from 01.04.2016, such rate regulated items are to be accounted for as per Ind AS 114 'Regulatory Deferral Accounts.' Ind AS 114 allows an entity to continue to apply Previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances. For this purpose, Guidance Note of the ICAI on 'Accounting for Rate Regulated Activities' shall be considered to be the Previous GAAP.

**A) Regulatory Deferral Account balances in respect of Subansiri Lower Project:**

Construction activities at site of Subansiri Lower Project have been interrupted w.e.f. 16.12.2011 due to protest of anti-dam activists and case pending at National Green Tribunal. Technical and administrative work is however continuing. Management is making all out efforts to restart the work at site. In line with the opinion of Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), borrowing cost of ₹ 2275.28 Crore (upto Previous year ₹ 1943.89 Crore), employee benefit expense, depreciation and other expense of ₹ 1151.97 crore (upto Previous year ₹ 982.72 Crore), net of other income of ₹ 254.44 Crore (upto Previous year ₹ 228.62 Crore) has been charged to the Statement of Profit & Loss till 31.03.2018.

# Annual Report 2017-18

During financial year 2014-15, the company had, however, 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. This accounting policy has been followed by the company till financial year 2015-16.

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 recognises 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 for financial year 2017-18.

Accordingly, the company has created regulatory assets and recognized corresponding regulatory income as under:

(₹ in Crore)			
Regulatory asset created in relation to:	Upto 31.03.2017	During the year ended 31.03.2018	Upto 31.03.2018
Borrowing Costs	1943.89	331.39	2275.28
Employee Benefit expense	487.64	84.81	572.45
Depreciation	42.65	6.85	49.50
Other Expense	452.43	77.59	530.02
Other Income	(228.62)	(25.82)	(254.44)
<b>Total</b>	<b>2697.99</b>	<b>474.82</b>	<b>3172.81</b>

Management has assessed that the incremental additions to regulatory deferral account balances in respect of the Project meets the level of certainty and prudence required for recognition as per Ind AS 114. Further, as per management assessment, there is no impairment in the carrying amount of the assets of the Project including the regulatory deferral account balances recognised therein.

After Commercial Operation Date (COD) of the Project, balance lying in the Regulatory Deferral Accounts in respect of Subansiri Lower Project shall be amortized/ liquidated in proportion to depreciation following the rates and methodology notified under CERC Tariff Regulations over the life of the Project, i.e. 35 years

Certain risks and uncertainties might affect the future recovery of the Regulatory Deferral Debit balances being created in respect of Subansiri Lower Project. These 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 PPAs, etc.
- b) **Regulatory Risk:**
  - 1) Tariff Regulations 2014-19 allows consequential costs leading to cost escalation impacting Contract prices, Interest during Construction (IDC) and Incidental Expenditure during Construction (IEDC) in force-majeure situations like the one currently being faced by the Project. Any changes in tariff regulations beyond the current period regarding admissibility of costs in force-majeure situations may adversely affect the creation and recovery of these regulatory deferral balances.
  - 2) 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 recoverability of the regulatory deferral account balances being created.
- B) Regulatory Deferral Account balances in respect of exchange differences on Foreign Currency Monetary items:**

As per Para 6(e) of 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, Para 28 of Ind AS21-"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 as Profit or 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 policy adopted for accounting of exchange differences arising from translation of long-term foreign currency monetary items recognized in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. 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 & Loss. All foreign currency borrowings in the books of the company were drawn prior to 01.04.2004.

As per the CERC Tariff Regulations, 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 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 & 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. 01.04.2016. 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.

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 01.04.2017	(2.50)
B	Addition during the year (assets (+)/ liability (-))	2.10
C	Amount collected (-)/refunded (+) during the year	-
D	Regulatory income/(expense) recognized in the Statement of Profit & Loss (B-C)	2.10
E	Closing balance as on 31.03.2018 (A+D)	(0.40)

Certain risks and uncertainties might affect the future recovery of the Regulatory Deferral account balances being created in respect of exchange differences on Foreign Currency Monetary items. These are:

- a) **Demand Risk:** 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.
- b) **Regulatory Risk:** Tariff Regulations 2014-19 allows recovery of exchange risk variation through tariff as part of capital cost during construction period and on actual payment basis during O&M period. Any changes in tariff regulations beyond the current period regarding allowability of such costs in tariff may adversely affect the creation and recovery of these regulatory deferral account balances.
- c) **Regulatory Deferral Account Balances in respect of expenditure recognised due to recommendations of 3rd PRC for Pay Revision of CPSUs:**

Pay Revision of employees of CPSUs is due from 1st January, 2017. According to the recommendations of the committee constituted for the purpose by the Government of India, in addition to enhancing Basic Pay, DA and allowances w.e.f. 01.01.2017, the ceiling limit of Gratuity has been proposed for enhancement from the existing ₹ 0.10 crores to ₹ 0.20 crores w.e.f. 01.01.2017. Further the ceiling of gratuity has been enhanced for ₹ 0.10 crores to ₹ 0.20 crores by amendment in Payment of Gratuity Act w.e.f 28.03.2018.

Impact of proposed revision of pay for Financial Year 2017-18 (up to 31.03.2018) includes expense recognised in the Statement of Profit & Loss towards provision for enhancement in pay and allowances for the period 01.04.2017 to

# Annual Report 2017-18

31.03.2018 and expense recognised in Profit & Loss/ Other Comprehensive Income (OCI) on actuarial valuation due to enhancement of ceiling limit of Gratuity in respect of Operational Power Stations including expenditure of Corporate Office and Regional Offices allocated to such units.

CERC Tariff Regulations 2014-19 read with the Statement of Reasons CERC (Terms and Conditions of Tariff) Regulations, 2014 provides that the impact of actual increase in employee cost on account of wage revision of operational Power Stations is recoverable from the beneficiaries in future through tariff. Further, during the tariff period 2004-09, CERC had allowed recovery of the actual increase in employee cost on account of wage revision (w.e.f. 01.01.2007) upto 50% of the salary and wages (Basic + DA) of the employees of the petitioner company as on 31.12.2006 from the beneficiaries in twelve equal monthly instalments.

Keeping in view the provisions of Ind AS 114- "Regulatory Deferral Accounts" as regards recognition and CERC Tariff Regulations 2014-19 as regards recoverability, additional expenditure on employee benefits due to pay revision, to the extent charged to the Statement of Profit & Loss or to Other Comprehensive Income and further recoverable from the beneficiaries in subsequent periods as per Tariff Regulations and earlier approval of the CERC, are being recognized as 'Regulatory Deferral Account balances'. These balances are to be adjusted from the year in which they become recoverable from the beneficiaries as per approval of the CERC.

The Regulatory Deferral Account Balance (assets) recognized in the books to be recovered from the beneficiaries in future periods are as follows:

Regulatory Deferral Account Balances relating to items recognised in the Statement of Profit & Loss:

		(₹ in Crore)
Sl. No.	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2017	199.78
B	Addition during the year (+)	242.90
C	Amount collected during the year (-)	-
D	Regulatory income recognized in the Statement of Profit & Loss (B+C)	242.90
E	Closing balance as on 31.03.2018 (A+D)	442.68

Regulatory Deferral Account Balances relating to items recognised in Other Comprehensive Income:

		(₹ in Crore)
Sl. No.	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2017	9.05
B	Addition during the year (+)	(23.68)
C	Amount collected during the year (-)	-
D	Regulatory income recognized in Other Comprehensive Income (B+C)	(23.68)
E	Closing balance as on 31.03.2018 (A+D)	(14.63)

Certain risks and uncertainties might affect the future recovery of the Regulatory Deferral account balances being created in respect of additional expenditure due to revision of pay of employees. These are:

- a) **Demand Risk:** 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.
- b) **Regulatory Risk:** Tariff Regulations 2014-19 allows recovery of additional employee cost on account of pay revision through tariff. Any changes in tariff regulations beyond the current period regarding allowability of such costs in tariff may adversely affect the creation and recovery of these regulatory deferral balances.



- 23 (i) Uri-II Power Station, where accidental fire broke out on 20.11.2014, resulting in stoppage of generation, has since been restored during the months of June, July & August 2015. The Assets of the power station and loss of generation are covered under Mega Risk Policy. Status of Insurance claim as on 31.03.2018 is as under:

(₹ in Crore)

Particulars of claims	Updated claim lodged	Amount received	Amount charged to Statement of P&L	Balance receivable	
				As at March 31, 2018	As at March 31, 2017
Against material damage	65.83	47.10	5.12	13.61	14.04
Business Interruption Loss#	276.27	130.00	-	146.27*	166.27
<b>Total</b>	<b>342.10</b>	<b>177.10</b>	<b>5.12</b>	<b>159.88</b>	<b>180.31</b>

\*Included in Contingent Assets in Para 2(d) to Note 34.

# Income recognised in respect of Business Interruption Loss during the year is ₹ 20.00 Crore (Cumulative as on date is ₹ 130.00 Crore).

- (ii) Chutak Power Station, which was under shutdown w.e.f. 28.06.2015 due to sudden rise of water in Power House upto Turbine floor and partially Generator floor, has been restored during the months of August and September 2015. The Assets of the power station and loss of generation are covered under Mega Risk Policy. Status of Insurance claim as on 31.03.2018 is as under:

(₹ in Crore)

Particulars of claims	Updated claim lodged	Amount received	Amount charged to Statement of P&L	Balance receivable	
				As at March 31, 2018	As at March 31, 2017
Against material damage	7.73	2.20	2.00	3.53	5.93
Business Interruption Loss#	16.22	1.80	-	14.42	18.07
<b>Total</b>	<b>23.95</b>	<b>4.00</b>	<b>2.00</b>	<b>17.95</b>	<b>24.00</b>

# Income recognised in respect of Business Interruption Loss during the year is ₹ 14.42 Crore (Cumulative as on date is ₹ 16.22 Crore).

- (iii) Dhauliganga Power Station which was closed due to cloud burst and high flood on 17.06.2013 has since been restored during the months of May/June 2014. The Assets of the power station and Loss of Generation are covered under Mega Risk Policy. Status of Insurance claim as on 31.03.2018 is as under:

(₹ in Crore)

Particulars of claims	Updated claim lodged	Amount received	Amount charged to Statement of P&L	Balance receivable	
				As at March 31, 2018	As at March 31, 2017
Against material damage	160.71	105.79	2.00	52.92	82.50
Business Interruption Loss:					
-On account of generation loss #	263.77	215.00	-	48.77*	158.36
On account of increased cost of working	4.28	-	1.93	2.35	3.25
<b>Total</b>	<b>428.76</b>	<b>320.79</b>	<b>3.93</b>	<b>104.04</b>	<b>244.11</b>

\*Included in Contingent Assets in Para 2(d) to Note 34.

# Income recognised in respect of Business Interruption Loss during the year is ₹ 25.00 Crore (Cumulative as on date is ₹ 215.00 Crore).

# Annual Report 2017-18

- (iv) The Assets of the all power station and loss of generation are covered under Mega Risk Policy. Status of Insurance claim in r/o power stations (other than major claims of Uri-II, Chutak & Dhauliganga disclosed at 23 (i), (ii) & (iii) above) as on 31.03.2018 is as under:

(₹ in Crore)

Particulars of claims	Updated claim lodged	Amount received	Amount charged to Statement of P&L	Balance receivable	
				As at March 31, 2018	As at March 31, 2017
Against material damage	43.83	8.15	14.03	21.65	34.94
Business Interruption Loss	-	-	-	-	-
<b>Total</b>	<b>43.83</b>	<b>8.15</b>	<b>14.03</b>	<b>21.65</b>	<b>34.94</b>

24. Board of Directors in its meeting held on 20.03.2014 discussed that the viability of Bursar HE Project is dependent upon financial support from Govt. of India and Govt. of Jammu & Kashmir. Ministry of Power (MOP), Govt. of India was approached to provide funding for Survey & 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 has been informed by the representatives of MoWR that the request of NHPC for release of funds for preparation of DPR is under consideration for approval of Govt. of India. Investigation works on the project are continued and the expenditure of ₹ 226.05 Crore have been incurred and carried forward as Capital Work in Progress. However, as an abundant precaution, provision for this amount has been made 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 is 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 & Bhagirathi river basin. Pending adjudication about the fate of these projects, the expenditure incurred upto 31.03.2018 amounting to ₹ 230.76 crore, ₹ 42.95 crore and ₹ 51.42 crore have been carried forward as Capital Work in Progress in respect of Kotlibhel-1A, Kotlibhel-IB and Kotlibhel-II projects respectively. However, as an abundant precaution, provision for these amounts totalling ₹ 325.13 crore has been made in the books of accounts.
26. a) Forest Clearance (Stage-I) for Tawang Stage-I Hydroelectric Project is under process. Further, vide letter dated 1st March, 2018 Central Electricity Authority has conveyed the finalised Hard Cost and Pre-Investment activities cost of Project to the Ministry of Power. In respect of Tawang Stage-II Hydroelectric Project, Forest Clearance (Stage-II) is under process. Accordingly, a sum of ₹ 203.15 crore incurred on these projects is being carried forward as Capital Work in Progress.
- b) In terms of Board Resolution No.6 (2) of the 356th meeting of the Board of Directors held on 05/02/2013 an amount of ₹ 2.49 crore has been paid till 31.03.2018 to the State Forest Department towards Basin Study for Tawang I & II projects and other projects in the basin to be reimbursable by the Government of Arunachal Pradesh (GoAP) on pro-rata basis. However as per management, the chance of such recovery is remote and hence such expenditure has been debited to Capital Work in Progress
27. Implementation of Dhauliganga Intermediate, Chungar Chal and Kharmoli Lumti Tulli Hydroelectric Projects has been temporarily put on hold. Pending final decision to hand over these projects to the Government of Uttarakhand including the terms and conditions in this regard, expenditure of ₹ 32.35 crore has been carried forward as Capital Work in Progress.
28. The Ministry of Environment, Forests & Climate Change (MoEF& CC) vide letter No. F.No.8-85/2011-FC dated 15.04.2015 has accorded the "in-principle" approval for diversion of forest land for construction of Dibang Multipurpose Project (2880 MW). Further, Environment clearance to the Project has been accorded by MoEF& CC vide letter dated 19.05.2015. In view of above, a sum of ₹ 248.23 crore incurred on the Project is being carried forward as Capital Work in Progress.
29. The Company has not accepted any deposits within the meaning of sections 73 to 76 or any other relevant provisions of the Act other than overdue EMD and Security Deposits. However, Management is of the view that overdue EMD and Security Deposits of suppliers/contractors appearing in the books are of 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, in sub rule (1), in clause (c) by Companies (Acceptance of Deposits) Amendment Rules 2016. Accordingly, clarification/exemption has been sought by the Management vide its letter no. NH/CS/433 dated 25th January, 2018 from the Ministry of Corporate Affairs (MCA) regarding applicability of MCA notification no. G.S.R. 639(E) dated 29.06.2016 to such Security Deposits/ Retention Money.



30. Till financial year 2016-17, depreciation on mobile phones/ cellular phones was being charged as per the rate and methodology notified by CERC for the fixation of tariff. W.e.f. financial year 2017-18, depreciation on Mobile phones is being provided on straight line basis over a period of three years with residual value of Re 1 based on management assessment. Accordingly, depreciation charge on mobile phones/ cellular phones during financial year 2017-18 is higher by ₹ 0.09 crore. Further, depreciation charge for mobile phones/ cellular phones existing as on 31st March 2018 shall be higher by ₹ 0.04 crore during the next two financial years.

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) Subsidiary Companies: NIL
- (ii) Joint Venture Companies:

(₹ in Crore)

Name of Company	Outstanding Balances as at		Maximum amount outstanding during	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
National High Power Test Laboratory (P) Ltd.	6.00	-	6.00	-

(iii) To Firms/companies in which directors are interested : Nil

(B) Investment by the loanee (as detailed above) in the shares of NHPC : Nil

32. Quantitative details of Renewable Energy Certificates (RECs) in respect of renewable energy projects:

Sl. No.	Description	Quantity
1	No. of RECs issued	51214
2	No. of RECs under certification	17094
3	No. of RECs sold during the year	Nil

In view of significant uncertainties regarding ultimate realization, RECs issued/ under process of certification are not recognized.

33. The Company has commissioned a 50 MW Solar Project in Tamil Nadu during the year of which 25 MW has been commissioned on 1st February, 2018 and balance 25 MW on 23rd March, 2018.

34. Opening balances/corresponding figures for previous year have been re-grouped/re-arranged wherever necessary to conform to current year's classification.

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

**VIJAY GUPTA**  
Company Secretary

**MAHESH KUMAR MITTAL**  
Director (Finance)  
DIN 02889021

**BALRAJ JOSHI**  
Chairman & Managing Director  
DIN 07449990

**As per report of even date**

**For S N Dhawan & Co. LLP**  
Chartered Accountants  
FRN 000050N/N500045

**For Ray & Ray**  
Chartered Accountants  
FRN 301072E

**For Arora Vohra & Co.**  
Chartered Accountants  
FRN 09487N

**(SURESH SETH)**  
Partner  
M. No. 010577

**(ASISH KUMAR MUKHOPADHYAY)**  
Partner  
M. No. 056359

**(RAJAT MENGI)**  
Partner  
M. No. 089871

Place : New Delhi  
Date : 28th May, 2018

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF NHPC LIMITED**

#### **Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying consolidated Ind AS 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") and joint ventures comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash flows and the Consolidated Statement of Changes in Equity, for the year then ended and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group and its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group and its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports and the financial statements/financial information certified by the Management referred to in sub-paragraphs (a) & (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated state of affairs (financial position) of the Group and its joint ventures as at 31st March, 2018, their consolidated profit (financial performance including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.



## Emphasis of Matter

We draw attention to the following matters in the Notes to the consolidated Ind AS financial statements:

- Note no. 2.2 para 2 to the consolidated Ind AS financial statements regarding expenditure incurred for conducting survey and investigation on projects either provided for on account of uncertainty about the outcome or being carried forward pending clearance with various authorities.
- Note No. 34 para 2 to the consolidated Ind AS financial statements, regarding the uncertainty related to the outcome of the claims / arbitration proceedings and lawsuits filed by / against the Company on/ by contractors and others. In some of the cases the arbitration award has been decided against the Company / lost in lower courts and the Company is pursuing the matter in higher courts.
- Note No. 34 para 23A to the consolidated Ind AS financial statements, regarding Subansiri Lower Project where the construction activities at site have been interrupted w.e.f. 16.12.2011 due to protest by anti-dam activists and the case is pending before the National Green Tribunal. Certain risks and uncertainties might affect the future recovery of Regulatory Deferral Account Balances being created in respect of additional expenditure on this project.

Our opinion is not modified in respect of these matters.

## Other Matters

- We did not audit the Ind AS financial statements/financial information of the following subsidiaries whose Ind AS financial statements/financial information reflect the details of total assets and net assets as at 31st March 2018, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the consolidated Ind AS financial statements:

(₹ in crores)

Name of the Subsidiaries	Total Assets	Net Assets	Total Revenues	Net Cash Inflows/ (Outflows)
NHDC Limited	7845.50	2674.29	1056.68	(0.25)
Loktak Downstream Hydroelectric Corporation Limited (LDHC Limited)	144.80	96.77	1.00	(0.04)

- The consolidated Ind AS financial statements also include the Group's share of net profit (including Other Comprehensive Income) for the year ended 31 March 2018 as considered in the consolidated Ind AS financial statements in respect of following joint venture whose financial statements / financial information have not been audited by us:

(₹ in crores)

Name of Joint Venture	Group's share of net profit
Chenab Valley Power Projects (P) Limited (CVPPPL)	2.06

These Ind AS financial statements / financial information 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 disclosure included in respect of these subsidiaries and joint venture and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture is based solely on the reports of the other auditors

- The consolidated Ind AS financial statements also include the financial statements/financial information of the following subsidiary whose unaudited financial statements/financial information reflect total assets and net assets as at 31 March 2018, total revenues and net cash flows for the year ended on that date, as considered in the consolidated Ind AS financial statements, are given below:

(₹ in crores)

Name of the Subsidiary	Total Assets	Net Assets	Total Revenues	Net Cash Inflows/ (Outflows)
Bundelkhand Saur Urja Limited (BSUL)	20.83	3.46	0.04	0.20

- The consolidated Ind AS financial statements also include the Group's share of net loss (including Other Comprehensive Income) for the year ended 31 March 2018 as considered in the consolidated Ind AS financial statements in respect of following joint venture whose financial statements / financial information is unaudited:

# Annual Report 2017-18

(₹ in crores)

Name of Joint Venture	Group's share of net profit/(loss)
National High Power Test Laboratory Private Limited (NHPTL)	(2.13)

These Ind AS financial statements/financial information are unaudited and have been furnished to us by the Holding Company's Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of above subsidiary and joint venture, and our report in terms of sub section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiary and joint venture is based solely on such unaudited Ind AS financial statements/financial information as certified by the management. In our opinion and according to the information and explanations given to us by the management, these Ind AS financial statements/financial information is not material to the group.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Ind AS financial statements/financial information certified by the Management.

## Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate Ind AS financial statements and the other unaudited Ind AS financial statements/financial information as certified by the management of the subsidiaries and joint ventures, which is stated in the 'Other Matters' paragraph herein 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 Ind AS financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.
- e) Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Act, are not applicable to the Group and its joint ventures.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiaries and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate Ind AS financial statements as also the other financial information of subsidiary and joint venture, as stated in the 'Other Matters' paragraph herein above:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint ventures. Refer Note 34, para 2 & 16 to the consolidated Ind AS financial statements.
  - ii. The Group and its joint ventures have made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Group and its joint ventures.

**For S N Dhawan & Co. LLP**  
Chartered Accountants  
FRN 000050N/N500045

**(SURESH SETH)**  
Partner  
M. No. 010577

**For Ray & Ray**  
Chartered Accountants  
FRN 301072E

**(ASISH KUMAR MUKHOPADHYAY)**  
Partner  
M. No. 056359

**For Arora Vohra & Co.**  
Chartered Accountants  
FRN 09487N

**(RAJAT MENGI)**  
Partner  
M. No. 089871

Place : New Delhi

Date : 28th May, 2018





## **Annexure A referred to in paragraph 1(f) under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date:-**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of **NHPC Limited** (hereinafter referred to as “the Holding Company”) and its subsidiary companies and its joint ventures which are companies incorporated in India as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company, subsidiary companies and its joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained 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 system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles including the Indian Accounting Standards (Ind AS). A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

## Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two subsidiaries and one joint venture incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary and one joint venture incorporated in India, whose financial statements / financial information are unaudited and our opinion on

the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Group, as explained by the management, is not affected as these financial statements / financial information are not material to the Group.

## Management's reply on the "Emphasis of matters" reported by Joint Statutory Auditors (JSAs) to the members of NHPC Limited on the Consolidated Financial Statements for F.Y. 2017-18.

Sl. No.	Matter	Management's Reply
(a)	Note No. 2.2 para 2 to the consolidated Ind AS financial statements regarding expenditure incurred for conducting survey and investigation on projects either provided for on account of uncertainty about the outcome or being carried forward pending clearance with various authorities.	(a) In the opinion of the management, the projects on which survey & investigation expenditure is incurred are still active and accordingly, the expenditure incurred is being carried forward. However, provision wherever considered necessary has been made in the books.
(b)	Note No. 34 para 2 to the consolidated Ind AS financial statements, regarding the uncertainty related to the outcome of the claims/ arbitration proceedings and lawsuit filed by/ against the Company on/ by contractors and others. In some of the cases the arbitration award has been decided against the company/ lost in lower courts and the company is pursuing the matter in higher courts.	(b) This disclosure in Para 2 of Note No. 34 of Consolidated Financial Statements has been made in compliance of provisions of Ind-AS 37 (Provisions, Contingent Liabilities and Contingent Assets).
(c)	Note No. 34 para 23A to the consolidated Ind AS financial statements, regarding Subansiri Lower project where the construction activities at site have been interrupted w.e.f. 16.12.2011 due to protest by anti-dam activists and the case is pending before the National Green Tribunal. Certain risks and uncertainties might affect the future recovery of Regulatory Deferral Account Balances being created in respect of additional expenditure on this project.	(c) Creation of regulatory deferral account balances (assets) and recognition of corresponding regulatory income towards the expenses being incurred in the project is as per Ind AS 114 (Regulatory Deferral Accounts and Guidance Note issued by ICAI (Previous GAAP). Management has assessed that the incremental additions to this asset meets the level of certainty and prudence required for such recognition as per applicable accounting standard. Further, as per management assessment, there is no impairment in the carrying amount of the assets of the Project including regulatory deferral account balances recognised therein.

**For S N Dhawan & Co. LLP**  
Chartered Accountants  
FRN 000050N/N500045

**(SURESH SETH)**  
Partner  
M. No. 010577

**For Ray & Ray**  
Chartered Accountants  
FRN 301072E

**(ASISH KUMAR MUKHOPADHYAY)**  
Partner  
M. No. 056359

**For Arora Vohra & Co.**  
Chartered Accountants  
FRN 09487N

**(RAJAT MENGI)**  
Partner  
M. No. 089871

Place : New Delhi  
Date : 28th May, 2018



## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2018

(₹ in crore)

PARTICULARS	Note No.	As at 31st March, 2018	As at 31st March, 2017
<b>ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
a) Property, Plant and Equipment	2.1	19,254.06	20,238.44
b) Capital Work In Progress	2.2	19,087.12	17,587.59
c) Investment Property	2.3	4.49	4.49
d) Intangible Assets	2.4	1,918.69	1,984.20
e) Investments accounted for using the equity method	2.5.1	621.47	500.57
f) <b>Financial Assets</b>			
i) Investments	3.1	503.29	519.41
ii) Trade Receivables	3.2	306.57	275.82
iii) Loans	3.3	360.41	381.87
iv) Others	3.4	5,844.95	6,186.62
g) Non-Current Tax Assets (Net)	4	214.53	115.49
h) Other Non-Current Assets	5	1,299.98	1,143.58
<b>TOTAL NON-CURRENT ASSETS</b>		<b>49,415.56</b>	<b>48,938.08</b>
<b>(2) CURRENT ASSETS</b>			
a) Inventories	6	104.68	100.80
b) <b>Financial Assets</b>			
i) Trade Receivables	7	1,346.04	1,854.01
ii) Cash & Cash Equivalents	8	20.54	73.57
iii) Bank balances other than Cash & Cash Equivalents	9	3,298.52	3,398.89
iv) Loans	10	51.45	31.43
v) Others	11	2,168.09	2,238.17
c) Current Tax Assets (Net)	12	0.40	78.30
d) Other Current Assets	13	359.44	553.46
<b>TOTAL CURRENT ASSETS</b>		<b>7,349.16</b>	<b>8,328.63</b>
<b>(3) Regulatory Deferral Account Debit Balances</b>	14	3,622.91	2,910.42
<b>TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES</b>		<b>60,387.63</b>	<b>60,177.13</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) EQUITY</b>			
a) Equity Share Capital	15.1	10,259.32	10,259.32
b) Other Equity	15.2	19,758.58	18,755.50
<b>TOTAL EQUITY</b>		<b>30,017.90</b>	<b>29,014.82</b>
<b>(2) Non Controlling Interests</b>	15.3	2,934.91	3,382.24
<b>(3) LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
a) <b>Financial Liabilities</b>			
i) Borrowings	16.1	16,728.20	17,245.64
ii) Other financial liabilities	16.2	39.87	25.84

## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2018 (Contd.)

(₹ in crore)

PARTICULARS	Note No.	As at 31st March, 2018	As at 31st March, 2017
b) Provisions	17	40.66	505.58
c) Deferred Tax Liabilities (Net)	18	1,710.87	1,665.29
d) Other non-current Liabilities	19	2,853.37	2,777.96
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>21,372.97</b>	<b>22,220.31</b>
<b>(4) CURRENT LIABILITIES</b>			
a) Financial Liabilities			
i) Borrowings	20.1	279.99	302.50
ii) Trade Payables	20.2		
Total outstanding dues of micro enterprises and small enterprises		7.97	6.32
Total outstanding dues of Creditors other than micro enterprises and small enterprises		175.81	151.27
iii) Other financial liabilities	20.3	2,832.26	2,575.67
b) Other Current Liabilities	21	754.86	791.62
c) Provisions	22	2,003.85	1,732.38
d) Current Tax Liabilities (Net)	23	7.11	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>6,061.85</b>	<b>5,559.76</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>60,387.63</b>	<b>60,177.13</b>
Significant Accounting Policies	1		
Expenditure attributable to construction (EAC) during the year forming part of capital work in progress	32		
Disclosure on Financial Instruments and Risk Management	33		
Other Explanatory Notes to Accounts	34		
Note 1 to 34 form integral part of the Accounts			

**VIJAY GUPTA**  
Company Secretary

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

**MAHESH KUMAR MITTAL**  
Director (Finance)  
DIN 02889021

**BALRAJ JOSHI**  
Chairman & Managing Director  
DIN 07449990

**As per limited review report of even date**

**For S N Dhawan & Co. LLP**  
Chartered Accountants  
FRN 000050N/N500045

**For Ray & Ray**  
Chartered Accountants  
FRN 301072E

**For Arora Vohra & Co.**  
Chartered Accountants  
FRN 09487N

**(SURESH SETH)**  
Partner  
M. No. 010577

**(ASISH KUMAR MUKHOPADHYAY)**  
Partner  
M. No. 056359

**(RAJAT MENGI)**  
Partner  
M. No. 089871

Place : New Delhi  
Date : 28th May, 2018



## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

(₹ in crore)

PARTICULARS	Note No.	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
<b>INCOME</b>			
i) Revenue from Continuing Operations	24.1	7,751.24	8,623.13
ii) Other Income	24.2	1,101.36	1,502.76
<b>TOTAL INCOME</b>		<b>8,852.60</b>	<b>10,125.89</b>
<b>EXPENSES</b>			
i) Generation Expenses	25	721.18	775.15
ii) Employee Benefits Expense	26	1,708.06	1,678.07
iii) Finance Costs	27	922.64	1,073.44
iv) Depreciation & Amortization Expense	28	1,479.10	1,461.75
v) Other Expenses	29	1,120.16	1,325.57
<b>TOTAL EXPENSES</b>		<b>5,951.14</b>	<b>6,313.98</b>
<b>Profit before Exceptional items, Rate Regulated Activities and Tax</b>		<b>2,901.46</b>	<b>3,811.91</b>
<b>Share of Net Profit/(Loss) of Joint Ventures accounted for using the equity method</b>	2.5.2	<b>(0.08)</b>	<b>2.74</b>
Exceptional items		-	-
<b>PROFIT BEFORE TAX</b>		<b>2,901.38</b>	<b>3,814.65</b>
<b>Tax Expenses</b>	30		
i) Current Tax		823.02	1,006.60
ii) Adjustments for Income Tax		(6.91)	(116.75)
iii) Deferred Tax		46.74	164.56
<b>Total Tax Expenses</b>		<b>862.85</b>	<b>1,054.41</b>
<b>PROFIT FOR THE YEAR BEFORE NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES</b>		<b>2,038.53</b>	<b>2,760.24</b>
Movement in Regulatory Deferral Account Balances (Net of Tax)	31	736.17	720.09
<b>PROFIT FOR THE YEAR AFTER NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES.</b>		<b>2,774.70</b>	<b>3,480.33</b>
<b>Profit for the year from continuing operations (A)</b>		<b>2,774.70</b>	<b>3,480.33</b>
<b>OTHER COMPREHENSIVE INCOME (B)</b>			
<b>(i) Items that will not be reclassified to profit or loss</b>			
(a) Remeasurement of the defined benefit plans		45.26	(66.93)
Less: Income Tax on remeasurement of the defined benefit plans		14.97	(23.16)
Less: Deferred Tax Adjustment Against Deferred Tax Liabilities on Remeasurement of defined benefit plans		(14.01)	8.46
-Movement in Regulatory Deferral Account Balances- Remeasurement of defined benefit plans		(23.68)	9.05
<b>Share of Other Comprehensive Income of Joint Ventures accounted for using the equity method</b>	2.5.3	<b>0.01</b>	<b>-</b>
<b>Sub total (a)</b>		<b>20.63</b>	<b>(43.18)</b>
(b) Fair value of Investment in Equity Instruments		(7.30)	34.79
Less: Income Tax on Equity Instruments		-	-
<b>Sub total (b)</b>		<b>(7.30)</b>	<b>34.79</b>
<b>Total (i)=(a)+(b)</b>		<b>13.33</b>	<b>(8.39)</b>
<b>(ii) Items that will be reclassified to profit or loss</b>			
- Investment in Debt Instruments		(9.09)	15.78

# Annual Report 2017-18

## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

(₹ in crore)

PARTICULARS	Note No.	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Less: Income Tax on investment in Debt Instruments		(2.12)	1.82
<b>Total (ii)</b>		<b>(6.97)</b>	<b>13.96</b>
<b>Other Comprehensive Income (B)=(i+ii)</b>		<b>6.36</b>	<b>5.57</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)</b>		<b>2,781.06</b>	<b>3,485.90</b>
<b>Profit is attributable to:</b>			
Owners of the parent		2,503.90	3,029.42
Non-Controlling interests		270.80	450.91
		<b>2,774.70</b>	<b>3,480.33</b>
<b>Other comprehensive income is attributable to:</b>			
Owners of the parent		6.13	6.59
Non-Controlling interests		0.23	(1.02)
		<b>6.36</b>	<b>5.57</b>
<b>Total comprehensive income is attributable to:</b>			
Owners of the parent		2,510.03	3,036.01
Non-Controlling interests		271.03	449.89
		<b>2,781.06</b>	<b>3,485.90</b>
<b>Total comprehensive income attributable to owners of the parent arises from:</b>			
Continuing operations		2,510.03	3,036.01
Discontinued operations		-	-
		<b>2,510.03</b>	<b>3,036.01</b>
<b>Earning per share before movements in Regulatory Deferral Account Balances (Equity shares, face value of 10/- each)</b>			
Basic & Diluted		1.72	2.09
<b>Earning per share after movements in Regulatory Deferral Account Balances (Equity shares, face value of 10/- each)</b>			
Basic & Diluted		2.44	2.74
Significant Accounting Policies	1		
Expenditure attributable to construction (EAC) during the year forming part of capital work in progress	32		
Disclosure on Financial Instruments and Risk Management	33		
Other Explanatory Notes to Accounts	34		
Note 1 to 34 form integral part of the Accounts			

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

**VIJAY GUPTA**  
Company Secretary

**MAHESH KUMAR MITTAL**  
Director (Finance)  
DIN 02889021

**BALRAJ JOSHI**  
Chairman & Managing Director  
DIN 07449990

### As per limited review report of even date

**For S N Dhawan & Co. LLP**  
Chartered Accountants  
FRN 000050N/N500045

**For Ray & Ray**  
Chartered Accountants  
FRN 301072E

**For Arora Vohra & Co.**  
Chartered Accountants  
FRN 09487N

**(SURESH SETH)**  
Partner  
M. No. 010577

**(ASISH KUMAR MUKHOPADHYAY)**  
Partner  
M. No. 056359

**(RAJAT MENGI)**  
Partner  
M. No. 089871

Place : New Delhi  
Date : 28th May, 2018



## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

(₹ in crore)

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax for the year including movements in Regulatory Deferral Account Balance</b>	3,637.55	4,534.74
Less: Movement in Regulatory Deferral Account Balances	736.17	720.09
<b>Profit before Tax</b>	<b>2,901.38</b>	<b>3,814.65</b>
<b>ADD :</b>		
Depreciation	1,479.10	1,461.75
Finance Cost (Net of EAC)	922.64	1,073.44
Provisions (Net loss)	76.26	122.49
Expenditure towards Regulatory Deferral Account Balances (net of finance and depreciation)	397.94	347.80
Tariff Adjustment (loss)	86.26	134.17
Sales adjustment of a/c of FERV	66.37	51.81
	<b>3,028.57</b>	<b>3,191.46</b>
	<b>5,929.95</b>	<b>7,006.11</b>
<b>LESS :</b>		
Advance against Depreciation written back	60.68	60.68
Provisions (Net gain)	87.08	66.82
Net Gain/Loss on sale of Investments	-	6.54
Profit on Sale of Assets \ Realization of Loss	6.85	(1.82)
Dividend Income	3.60	3.00
Interest Income	413.78	663.74
Exchange rate variation	(2.88)	4.05
Other Adjustments	(1.38)	(0.01)
Fair Value Adjustments	(3.93)	(4.00)
Amortisation of Government Grants	79.20	77.93
Share of Net Profit /(Loss) of Joint Ventures (accounted for using the equity method)	(0.08)	2.74
	<b>642.92</b>	<b>879.67</b>
	<b>5,287.03</b>	<b>6,126.44</b>
<b>Cash flow from Operating Activities before Operating Assets &amp; Liabilities adjustments</b>		
<b>Changes in Operating Assets and Liabilities:</b>		
Inventories	(4.08)	(8.41)
Trade Receivables	850.15	(167.45)
Current and Non-current Assets	(233.52)	3,224.11
Trade Payables / Other Liabilities	28.37	236.59
	<b>640.92</b>	<b>3,284.84</b>
	<b>5,927.95</b>	<b>9,411.28</b>
Less : Taxes	830.14	1,082.12
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>5,097.81</b>	<b>8,329.16</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Property, Plant and Equipment, Other Intangible Assets & Expenditure on construction projects (including expenditure attributable to construction forming part of Capital Work in Progress for the year) - Net	(1,567.25)	(1,586.99)
Changes in Regulatory Deferral Account Balances	(397.94)	(347.81)
Realization/ (Payments) for Investments / Bonds	382.98	(266.71)
Investment in Joint Venture	(122.36)	(365.37)
Dividend Income	3.60	3.00
Interest Income	413.06	699.40
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>(1,287.91)</b>	<b>(1,864.48)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Buyback of Equity Shares (including Premium Payment)	-	(2,625.93)
Dividend and Tax on Dividend Paid (including Non-Controlling Interests)	(2,231.03)	(3,273.73)

# Annual Report 2017-18

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

	(₹ in crore)	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Borrowings	4,354.99	2,804.50
Repayment of Borrowings	(4,855.88)	(3,338.37)
Interest & Finance Charges	(1,143.98)	(1,391.18)
Government Grant Received	12.97	13.08
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>	<b>(3,862.93)</b>	<b>(7,811.63)</b>
<b>D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(53.03)</b>	<b>(1,346.95)</b>
Cash & Cash Equivalents at the beginning of the year	73.57	1,420.52
Cash & Cash Equivalents at the close of the year	20.54	73.57

### 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 & Cash equivalents as per Note 8 of the Balance Sheet is as under:

	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Cash and Cash equivalents	20.54	73.57

Cash and Cash equivalents includes:-

- a) Cash and Cash equivalents includes ₹ 0.22 Crore (Previous year ₹ 7.74 Crore), held for Rural Road and Rural Electrification works being executed by the Company on behalf of other agencies.
- 2 Interest & finance charges in Cash Flow from Financing Activities includes borrowing cost of ₹ 388.71 Crore (Previous year ₹ 386.81 Crore) capitalised during the period on account of Expenditure attributable to construction (EAC) and borrowing cost of ₹ 331.39 Crore (Previous year ₹ 365.32 Crore) for Regulatory Deferral Account created during the year.
- 3 Amount of undrawn loan as on 31.03.2018 : ₹ Nil Crore (Previous Year ₹ 66.28 Crore - Subordinate Debt).

#### 4 Net debt reconciliation

	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Cash & Cash Equivalents	20.54	73.57
Current Borrowings	(280.00)	(303.01)
Non current Borrowings	(18,894.59)	(19,352.28)
<b>Net Debt</b>	<b>(19,154.05)</b>	<b>(19,581.72)</b>

Particulars	(₹ in crore)			
	Other assets		Liabilities from Financing Activities	
	Cash & Cash Equivalents	Non-current borrowings	Current borrowings	Total
Net debt as at 31 March 2017	73.57	(19,352.28)	(303.01)	(19,581.72)
Cash flows	(53.03)	478.38	22.51	447.86
Foreign exchange adjustments	-	(71.65)	-	(71.65)
Interest expense	-	(1,252.62)	(4.55)	(1,257.17)
Interest paid	-	1,108.19	5.05	1,113.24
Fair value adjustments	-	195.39	-	195.39
<b>Net debt as at 31 March 2018</b>	<b>20.54</b>	<b>(18,894.59)</b>	<b>(280.00)</b>	<b>(19,154.05)</b>

**VIJAY GUPTA**  
Company Secretary

**For S N Dhawan & Co. LLP**  
Chartered Accountants  
FRN 000050N/N500045  
**(SURESH SETH)**  
Partner  
M. No. 010577

**For and on behalf of the Board of Directors**  
**MAHESH KUMAR MITTAL**  
Director (Finance)  
DIN 02889021

**As per limited review report of even date**  
**For Ray & Ray**  
Chartered Accountants  
FRN 301072E  
**(ASISH KUMAR MUKHOPADHYAY)**  
Partner  
M. No. 056359

**BALRAJ JOSHI**  
Chairman & Managing Director  
DIN 07449990

**For Arora Vohra & Co.**  
Chartered Accountants  
FRN 09487N  
**(RAJAT MENGI)**  
Partner  
M. No. 089871

Place : New Delhi  
Date : 28th May, 2018





# NHPC Limited

(A Government of India Enterprise)

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH, 2018

### A. EQUITY SHARE CAPITAL

Particulars	Note No.	Amount (₹ in Crore)
As at 1st April 2017	15.1	10,259.32
Changes in Equity Share Capital	15.1	-
As at 31st March 2018	15.1	10,259.32

### B. OTHER EQUITY

Attributable to equity holders	Reserve & Surplus				Other Comprehensive Income				Total		
	Capital Redemption Reserve	Securities Premium	Bond Redemption Reserve	Corporate Social Responsibility Fund	Research & Development Fund	General Reserve	Suplus/Retained Earnings	Equity Instruments through OCI		Debt Instruments through OCI	Controlling Interest (NCI)
<b>Balance as at 1st April, 2017</b>	2,041.42	242.81	1,609.27	24.31	60.87	10,224.43	4,417.63	100.08	34.68	3382.24	22137.74
Profit for the year	-	-	-	-	-	-	2,503.90	-	-	270.80	2,774.70
Other Comprehensive Income	-	-	-	-	-	-	20.40	(7.30)	(6.97)	0.23	6.36
<b>Total Comprehensive Income</b>	-	-	-	-	-	-	2,524.30	(7.30)	(6.97)	271.03	2,781.06
Share Application Money received during the year	-	-	-	-	-	-	-	-	-	5.71	5.71
Other Adjustment	-	-	-	0.02	-	-	-	-	-	0.02	0.02
Transfer to Retained Earning	-	-	(148.17)	-	-	-	148.17	-	-	-	-
Amount written back from Bond Redemption Reserve	-	-	-	(1.04)	-	-	0.53	-	-	0.51	-
Amount written back from Corporate Social Responsibility Fund	-	-	-	-	-	-	-	-	-	-	-
Amount utilised from Self Insurance Fund	-	-	-	-	(43.90)	-	43.90	-	-	-	-
Amount written back from Research & Development Fund	-	-	-	-	-	-	-	-	-	-	-
<b>Transfer from Retained Earning</b>	-	-	-	-	-	-	(1,251.65)	-	-	(602.02)	(1,853.67)
Dividend	-	-	-	-	-	-	(254.81)	-	-	(122.56)	(377.37)
Tax on Dividend	-	-	668.45	-	-	-	(668.45)	-	-	-	-
Transfer to Bond Redemption Reserve	-	-	-	-	-	-	-	-	-	-	-
Transfer to Self Insurance Fund	-	-	-	-	-	-	-	-	-	-	-
Transfer to Corporate Social Responsibility Fund	-	-	-	-	-	-	-	-	-	-	-
Transfer to Research & Development Fund	-	-	-	-	-	-	-	-	-	-	-
<b>Total as on 31.03.2018</b>	2,041.42	242.81	2,129.55	23.29	16.97	10,224.43	4,959.62	92.78	27.71	19,758.58	22,693.49

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

**VIJAY GUPTA**  
Company Secretary

**MAHESH KUMAR MITTAL**  
Director (Finance)  
DIN 02889021

**BALRAJ JOSHI**  
Chairman & Managing Director  
DIN 07449990

**For S N Dhawan & Co. LLP**  
Chartered Accountants  
FRN 000050N/1500045

**(SURESH SETH)**  
Partner  
M. No. 010577

**As per report of even date**  
**For Ray & Ray**  
Chartered Accountants  
FRN 301072E

**(ASISH KUMAR MUKHOPADHYAY)**  
Partner  
M. No. 056359

**For Arora Vohra & Co.**  
Chartered Accountants  
FRN 09487N

**(RAJAT MENG)**  
Partner  
M. No. 089871

Place : New Delhi  
Date : 28th May, 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31<sup>ST</sup> MARCH, 2017

A. EQUITY SHARE CAPITAL		Amount (₹ in Crore)
Particulars	Note No.	
As at 1st April 2016	15.1	11,070.67
Changes in Equity Share Capital	15.1	(811.35)
As at 31st March 2017	15.1	10,259.32

Attributable to equity holders	Reserve & Surplus										Other Comprehensive Income			Total	Non Controlling Interest (NCI)	Total after NCI
	Capital Redemption Reserve	Securities Premium	Bond Redemption Reserve	Corporate Social Responsibility Fund	Research & Development Fund	General Reserve	Suplus/ Retained Earnings	Equity Instruments through OCI	Debt Instruments through OCI	Equity Instruments through OCI	Income	Total	Controlling Interest			
<b>Balance as at 1st April, 2016</b>	1,230.07	2,868.74	1,324.20	17.26	45.52	10,224.43	4,775.81	20.72	20,572.04	65.29	20,72	20,572.04	3,168.10	23,740.14		
Profit for the year	-	-	-	-	-	-	3,029.42	-	3,029.42	-	-	3,029.42	450.91	3,480.33		
Other Comprehensive Income	-	-	-	-	-	-	(42.15)	13.96	6.60	34.79	-	6.60	(1.02)	5.58		
<b>Total Comprehensive Income</b>	-	-	-	-	-	-	<b>2,987.27</b>	<b>13.96</b>	<b>3,036.02</b>	<b>34.79</b>	-	<b>3,036.02</b>	<b>449.89</b>	<b>3,485.91</b>		
Transfer from Securities Premium	811.35	(811.35)	-	-	-	-	-	-	-	-	-	-	-	-		
Utilization i.r.o Buy Back of Shares	-	(1,805.25)	-	-	-	-	-	-	(1,805.25)	-	-	(1,805.25)	-	(1,805.25)		
Utilization i.r.o Buy Back Expenditures (Net)	-	(9.33)	-	-	-	-	-	-	(9.33)	-	-	(9.33)	-	(9.33)		
<b>Transfer to Retained Earning</b>	-	-	(109.42)	-	-	-	109.42	-	-	-	-	-	-	-		
Amount written back from Bond Redemption Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Transfer from Retained Earning</b>	-	-	-	-	-	-	(2,524.13)	-	(2,524.13)	-	-	(2,524.13)	(195.87)	(2,720.00)		
Dividend	-	-	-	-	-	-	(513.85)	-	(513.85)	-	-	(513.85)	(39.88)	(553.73)		
Tax on Dividend	-	-	-	-	-	-	(394.49)	-	(394.49)	-	-	(394.49)	-	-		
Transfer to Bond Redemption Reserve	-	-	394.49	-	-	-	-	-	-	-	-	-	-	-		
Transfer to Corporate Social Responsibility Fund	-	-	-	7.05	-	-	(7.05)	-	-	-	-	-	-	-		
Transfer to Research & Development Fund	-	-	-	-	15.35	-	(15.35)	-	-	-	-	-	-	-		
<b>Total as on 31.03.2017</b>	<b>2,041.42</b>	<b>242.81</b>	<b>1,609.27</b>	<b>24.31</b>	<b>60.87</b>	<b>10,224.43</b>	<b>4,417.63</b>	<b>34.68</b>	<b>18,755.50</b>	<b>100.08</b>	<b>34.68</b>	<b>18,755.50</b>	<b>3,382.24</b>	<b>22,137.74</b>		

For and on behalf of the Board of Directors

**VIJAY GUPTA**  
Company Secretary

**BALRAJ JOSHI**  
Chairman & Managing Director  
DIN 07449990

**For S N Dhawan & Co. LLP**  
Chartered Accountants  
FRN 000050/N/500045

**For Arora Vohra & Co.**  
Chartered Accountants  
FRN 09487N

**(SURESH SETHI)**  
Partner  
M. No. 010577

**(ASISH KUMAR MUKHOPADHYAY)**  
Partner  
M. No. 056359

**(RAJAT MENGI)**  
Partner  
M. No. 089871

Place : New Delhi  
Date : 28th May, 2018



## NOTE NO. 1: GROUP INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

### (I) Reporting entity

NHPC Limited (the "Company") is a Company domiciled in India and limited by shares. The shares of the Company are publicly traded on the National Stock Exchange of India and BSE Limited. The address of the Company's registered office is NHPC LIMITED, NHPC Office Complex, Sector-33, Faridabad, Haryana- 121003.

These consolidated financial statements comprise the financial statements of the Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in its joint ventures. The Group is primarily involved in the generation and sale of bulk power to various Power Utilities. Other business includes providing consultancy and project management & supervision. The Group's consolidated financial statements have been approved for issue by the Board of Directors on May 28, 2018.

### (II) Basis of preparation

#### (A) Statement of Compliance

These consolidated financial statements are prepared on accrual basis of accounting except for the Statement of Cash Flows 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.

#### (B) Basis of Measurement

The consolidated financial statements have been prepared on historical cost basis, except for following financial assets and financial liabilities which are measured at fair value:

- financial assets and liabilities measured at fair value.
- Plan assets of defined employee benefit plans.

The methods used to measure fair values are discussed in Note 33.

#### (C) 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 crores (upto two decimals).

#### (D) 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.
- 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, without 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.

## b) Joint ventures

- i) A joint venture is a joint arrangement whereby parties that have joint control of the arrangement have rights to the net assets of the arrangement. Interests in joint ventures are initially recognised at cost and thereafter accounted for using the equity method.
- ii) Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and other comprehensive income of the investee in the Statement of Profit and Loss and Other Comprehensive Income of the Group. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.
- iii) When the Group's share of losses in a joint venture equals or exceeds its investment in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.
- iv) Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses on transactions between the Group and its joint ventures are also eliminated to the extent of the Group's interest in these entities unless the transaction provides evidence of an impairment of the asset transferred. Where the accounting policies of joint ventures are different from those of the Group, appropriate adjustments are made for like transactions and events in similar circumstances to ensure conformity with the policies adopted by the group.
- v) Any gain or loss on dilution arising on a reduced stake in the joint venture, but still retaining the joint control, is recognized in the Statement of Profit and Loss.
- vi) When the investment ceases to be a joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value with the change in carrying amount recognised in the Statement of Profit and Loss. The fair value of the retained interest becomes the initial carrying amount for the purpose of accounting for the retained interest as a financial asset. Any amounts previously recognised in other comprehensive income in respect of that joint venture are reclassified to the Statement of Profit and Loss.

## (E) Use of estimates and management judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

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

### Critical judgements and estimates

#### a) Determining whether an arrangement contains a lease

Appendix C, Ind AS 17 'Determining whether an arrangement contains a lease' requires an assessment of whether:

- fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and
- the arrangement conveys a right to use the asset.

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

The Group enters into power purchase agreements with beneficiaries. Power Purchase Agreements (PPA) in the nature of embedded lease with a single beneficiary where the minimum lease term is for the major part of the plant's economic life and the minimum lease payments amount to substantially all the fair value of the plant are considered as a Finance Lease. Other embedded leases are considered as Operating Lease.



For embedded leases in the nature of a Finance Lease, the investment in the plant is recognised as a Lease Receivable. The minimum lease payments are identified by segregating the embedded lease payments from the rest of the contract amounts. Each lease receipt is allocated between the receivable and finance lease income so as to achieve a constant rate of return on the Lease Receivable outstanding.

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

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

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

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

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

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

**d) Post-retirement benefit plans**

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

**e) Revenue**

The Group records revenue from sale of power based on Tariff approved by the CERC, as per the principles of Ind AS 18. However, in cases where tariff rates are yet to be approved, provisional rates are adopted considering the applicable CERC Tariff Regulations.

**f) Provisions and contingencies**

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

**g) Recoverable Amount of Rate Regulated Assets**

The operating activities of the Group are subject to cost-of-service regulations whereby tariff charged for electricity generated is based on allowable costs like interest costs, depreciation, operation & maintenance including a stipulated return. Guidance Note on Rate Regulated Activities issued by the ICAI (previous GAAP) and Ind AS 114- 'Regulatory Deferral Accounts' permits an entity to include in the rate base, as part of the cost of self-constructed PPE or internally generated intangible assets, amounts that would otherwise be recognised as an expense in the statement of profit and loss in accordance with Ind AS. The Group estimates that items of regulatory deferral accounts recognised in the financial statements are recoverable as per the current CERC Tariff regulations 2014-19. However, changes in CERC tariff regulations beyond the current tariff period may affect the recoverability of such balances.

**h) Impairment of Trade Receivables**

Considering the historical credit loss experience for trade receivables, the Group does not envisage either impairment in the value of receivables from beneficiaries or loss due to time value of money owing to delay in realization of trade receivables, except to the extent already provided for.

## i) Investment in Joint Ventures

Investment has been carried at costs and as per assessment by the Group, there is no indication of impairment on such investments. Any changes in assumption may have a material impact on the measurement of the recoverable amount.

## j) Insurance Claim Recoverable

The recoverable amount of insurance claims in respect of damages to Property, Plant and Equipment is based on estimates & assumptions as per terms and conditions of insurance policies.

**(III) SIGNIFICANT ACCOUNTING POLICIES-** A summary of the significant accounting policies applied in the preparation of consolidated financial statements as given below have been applied consistently to all periods presented in the financial statements.

### 1.0 Property, Plant and Equipment (PPE)

- a) Property, Plant and Equipment up to March 31, 2015 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 deemed cost at the date of the transition to IND AS (i.e. as on April 1, 2015).
- b) 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.
- c) 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.
- d) Expenditure incurred on renovation and modernization of PPE on completion of the originally estimated useful life of the power station resulting in increased life and/or efficiency of an existing asset, is added to the cost of the related asset. PPE acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.
- e) After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation/amortisation and accumulated impairment losses, if any.
- f) Payments made/ liabilities created provisionally towards compensation (including interest on enhanced compensation till the date of award by the Court), rehabilitation & resettlement and other expenses including expenditure on Environment Management Plans relating to land in possession are treated as cost of land.
- g) Assets over which the Group has control, though created on land not belonging to the Group are included under Property, Plant and Equipment.
- h) Standby equipment and servicing equipment which meet the recognition criteria of Property, Plant and Equipment are capitalized.
- i) Spares parts (procured along with the Plant & Machinery or subsequently) which meet the recognition criteria are capitalized. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other spare parts are treated as "stores & spares" forming part of the inventory.
- j) 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.
- k) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

### 2.0 Capital work in Progress

- a) Capital work in Progress up to March 31, 2015 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 deemed cost at the date of the transition to IND AS (i.e. as on April 1, 2015).



- b) Expenditure incurred on assets under construction (including a project) is carried at cost under Capital Work in Progress (CWIP). Such costs comprise purchase price of assets including import duties and non-refundable taxes (after deducting trade discounts and rebates), expenditure in relation to survey and investigation activities of projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, etc.
- c) 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.
- d) 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

Upto March 31, 2015, 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 ASs" to regard those amounts as deemed cost at the date of the transition to IND AS (i.e. as on April 1, 2015).

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.

### 4.0 Intangible Assets and Intangible Assets under development

- a) Upto March 31, 2015, Intangible assets 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 deemed cost at the date of the transition to IND AS (i.e. as on April 1, 2015).
- b) Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.
- c) Land taken for use from State Government (without transfer of title) and expenses on relief and rehabilitation as also on creation of alternate facilities for land evacuees or in lieu of existing facilities coming under submergence and where construction of such alternate facilities is a specific pre-condition for the acquisition of the land for the purpose of the project, are accounted for as Land-Right to use.
- d) Software (not being an integral part of the related hardware) acquired for internal use, is stated at cost of acquisition less accumulated amortisation and impairment losses if any.
- e) An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

### 5.0 Foreign Currency Transactions

- a) Transactions in foreign currency are initially recorded at the functional currency spot rate at the date the transaction first qualifies for recognition. At each Balance Sheet date, monetary items denominated in foreign currency are translated at the functional currency exchange rates prevailing on that date.
- b) Exchange differences relating to PPE/capital work-in-progress arising out of transaction entered into prior to April 1, 2004 are adjusted to the carrying cost of respective PPE/capital work-in-progress.

- c) Exchange differences arising from translation of foreign currency borrowings entered into prior to March 31, 2016 recoverable from or payable to beneficiaries in subsequent periods as per CERC Tariff regulations are recognised as "Deferred Foreign Currency Fluctuation Recoverable/ Payable Account" and adjusted from the year in which the same is recovered/ paid.
- d) Exchange differences arising from settlement/ translation of monetary items denominated in foreign currency entered into on or after 01.04.2016 to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized as 'Regulatory Deferral Account Balances' during construction period and adjusted from the year in which the same become recoverable from or payable to the beneficiaries.
- e) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

## 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 the 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 carried at cost.

## 9.0 Financial assets other than investment in joint ventures

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





Financial assets of the Group comprise Cash and Cash Equivalents, Bank Balances, Investments in equity shares of companies & joint ventures, Trade Receivables, Advances to employees/ contractors, security deposit, claims recoverable etc.

## a) Classification

The Group classifies its financial assets in the following categories:

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

The classification depends on the following:

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

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

## b) Initial recognition and measurement

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

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

## c) Subsequent measurement

### Debt instruments at amortised cost

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

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

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

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

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

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

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

## **Equity investments:**

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

All fair value changes on an equity instrument classified at FVTOCI, are recognized in the OCI. There is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Group's right to receive payments is established.

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

## **Trade Receivables:**

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

### **d) Derecognition**

A financial asset is derecognised only when:

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

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

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

### **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 under Ind AS 11, Construction Contracts
- iv) Lease Receivables under Ind AS 17, Leases.
- v) Trade Receivables under Ind AS 18, Revenue.

The Group follows 'simplified approach' permitted under Ind As 109, "Financial Instruments" for recognition of impairment loss allowance on contract assets, lease receivables and trade receivables resulting from transactions within the scope of Ind AS 11, Ind AS 17 and Ind AS 18, which requires expected life time losses to be recognised from initial recognition of the receivables.

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



## 10.0 Inventories

Inventories mainly comprise stores and spare parts to be used for maintenance of Property, Plant and Equipments 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.

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

## 11.0 Dividends

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

## 12.0 Financial liabilities

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

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

### a) Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable and subsequently measured at amortised cost. Financial liabilities are classified as subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss or in the carrying amount of an asset if another standard permits such inclusion, over the period of the borrowings using the effective rate of interest.

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

### b) Subsequent measurement

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

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

### c) Derecognition

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

### d) Offsetting of financial instruments

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

## 13.0 Government Grants

- a) The benefits of a government loan at a below market rate of interest is treated as Government Grant. The loan is initially recognised and measured at fair value and the government grant is measured as the difference between the initially recognized amount of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities and government grant is recognized initially as deferred income and subsequently in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

- b) Monetary grants from the government for creation of assets are initially recognised as deferred income when there is reasonable assurance that the grant will be received and the group will comply with the conditions associated with the grant. The deferred income so recognised is subsequently amortised in the Statement of Profit and Loss over the useful life of the related assets.
- c) Government grant related to income is recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

#### 14.0 Provisions, Contingent Liabilities and Contingent Assets

- a) Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the Balance Sheet date. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision net of any reimbursement is presented in the Statement of Profit and Loss or in the carrying amount of an asset if another standard permits such inclusion.
- b) If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.
- c) Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each Balance Sheet date and are adjusted to reflect the current management estimate.
- d) Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

#### 15.0 Revenue Recognition and Other Income

- a) Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuous management involvement and the amount of revenue can be measured reliably. Revenue from the sale of power is measured at the fair value of the consideration received or receivable.
- b) Revenue from the sale of power (except for power stations which are considered as Finance/Operating Lease) is accounted for as per tariff notified by Central Electricity Regulatory Commission. In case of Power Stations where tariff is not notified, sale is recognized on provisional rates worked out by the Group based on the parameters and method adopted by the appropriate authority. 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). Rebates given to beneficiaries as early payments incentives are deducted from the amount of revenue. Recovery/ refund towards foreign currency variation in respect of foreign currency loans and recovery towards Income Tax are accounted for on year to year basis.
- c) Recovery towards deferred tax items recognized till March 31, 2009 are accounted for when the same materialises.
- d) Incentives/Disincentives are recognised as per Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations. In case of Power Stations where tariff have not been notified, incentives/disincentives are recognized provisionally on assessment of the likelihood of acceptance of the same.
- e) Adjustments arising out of finalisation of Regional Energy Account (REA), though not material, are effected in the year of respective finalisation.
- f) 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 31st March of the year closing after a period of 12 years from the date of commercial operation of the project, considering the total useful life of the project as 35 years.



- g) Revenue on Project Management / Construction Contracts/ Consultancy assignments is recognized on percentage of completion method. The percentage of completion is determined as proportion of "cost incurred up to reporting date" to "estimated cost to complete the concerned Project Management / Construction Contracts and Consultancy assignment".
- h) Dividend income is recognized when right to receive the same is established.
- i) Interest/Surcharge recoverable from customers and liquidated damages /interest on advances to contractors is recognised when no significant uncertainty as to measurability and collectability exists.
- j) 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. Interest income is included in other income in the Statement of Profit and Loss.

## 16.0 Employee Benefits

### i) Short-term employee benefits

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

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

### ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate trusts and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Profit and Loss or included in the carrying amount of an asset if another standard permits such inclusion in the periods during which services are rendered by employees. 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 contribution to Social Security Scheme are accounted as defined contribution plan.

### iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's Gratuity Scheme, Retired Employees Health Scheme (REHS), Provident Fund Scheme, Allowance on Retirement/ Death and Memento on Superannuation to employees are in the nature of defined benefit plans.

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

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

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

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

#### iv) Other long-term employee benefits

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

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

#### v) Termination benefits

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

### 17.0 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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

### 18.0 Depreciation and amortization

- a) Depreciation on additions to /deductions from Property, Plant and Equipment (PPE) during the year is charged on pro-rata basis from / up to the date on which the asset is available for use / disposal.
- b) Depreciation on Property, Plant and Equipment of Operating Units of the Group is charged to the Statement of Profit and Loss on straight-line method following the rates and methodology as notified by CERC for the fixation of tariff except for assets specified in Policy No. 18.0(d) below.
- c)
  - i) Depreciation on Property, Plant and Equipment (except old and used) of other than Operating Units of the Group is charged to the extent of 90% of the cost of the asset following the rates notified by CERC for the fixation of tariff except for assets specified in Policy No. 18.0(d) below.
  - ii) Depreciation on old and used items of PPE of other than Operating Units is charged on straight-line method to the extent of 90% of the cost of the asset over estimated useful life determined on the basis of technical assessment.
- d)
  - i) Depreciation in respect of following items of PPE is provided on straight line method based on the life and residual value (5%) given in the Schedule II of the Companies Act, 2013:
    - Construction Plant & Machinery
    - Computer & Peripherals
  - ii) Based on management assessment, depreciation on Mobile Phones is provided on straight line basis over a period of three years with residual value of Re 1.
- e) Temporary erections are depreciated fully (100%) in the year of acquisition /capitalization by retaining Re. 1/- as WDV.
- f) Assets valuing ₹ 5000/- or less but more than ₹ 750/- are fully depreciated during the year in which asset is made available for use with Re. 1/- as WDV.
- g) Low value items, which are in the nature of assets (excluding immovable assets) and valuing upto ₹ 750/- are not capitalized and charged off to revenue in the year of use.
- h) Leasehold Land, in case of operating units, is amortized over the period of lease or 35 years whichever is lower, following the rates and methodology notified vide CERC tariff regulations.



- i) Leasehold Land, in case of units other than operating units, is amortized over the period of lease or 35 years whichever is lower.
- j) PPE created on leasehold land are depreciated to the extent of 90% of original cost over the balance available lease period of respective land from the date such asset is available for use or at the applicable depreciation rates & methodology notified by CERC tariff regulations for such assets, whichever is higher.
- k) Land-Right to use is amortized over a period of 30 years from the date of commercial operation of the project in line with CERC tariff regulations notified for tariff fixation.
- l) Cost of software recognized as 'Intangible Assets' is amortized on straight line method over a period of legal right to use or three financial years, whichever is earlier, starting from the year in which it is acquired.
- m) Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, settlement of arbitration/court cases, change in duties or similar factors, the unamortized balance of such assets is depreciated prospectively over the residual life of such assets at the rate of depreciation and methodology notified by CERC tariff regulations.
- n) Where the life and / or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along with its unamortized depreciable amount is charged prospectively over the revised / remaining useful life.
- o) Spares parts procured along with the Plant & Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery at the rates and methodology notified by CERC.

## 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 under survey & investigation, expenditure incurred thereon is charged to the Statement of Profit and Loss in the year in which such decision is taken.
- d. In case a project under Survey and Investigation remains in abeyance by the order of appropriate authority/ by injunction of court order, any expenditure incurred on such projects from the date of order/ injunction of court is provided in the books from the date of such order till the period project is kept in abeyance by such order/ injunction. Provision so made is however reversed on the revocation of aforesaid order/ injunction.
- e. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## 20.0 Income Taxes

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

## a) Current tax

- i) The current tax is the expected tax payable on the taxable income for the year on the basis of the tax laws applicable at the reporting date and any adjustments to tax payable in previous years. Taxable profit differs from profit as reported in the Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible (permanent differences).
- ii) Additional income taxes that arise from the distribution of dividends are recognised at the same time that the liability to pay the related dividend is recognised.

## b) Deferred tax

- i) Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Group's financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the Balance Sheet method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of an asset or liability in a transaction that at the time of the transaction affects neither the taxable profit or loss nor the accounting profit or loss.
- ii) The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.
- iii) Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would flow in the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.
- iv) Deferred tax is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.
- v) Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.
- vi) Deferred tax recovery adjustment account is credited/ debited to the extent the deferred tax for the current period which forms part of current tax in the subsequent periods and affects the computation of return on equity (ROE), a component of tariff.
- vii) Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and joint ventures where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

## 21.0 Compensation from third parties

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

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

## 22.0 Segment Reporting

- a) In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of internal reports used by the Group's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Group's "Chief Operating Decision Maker" or "CODM" within the meaning of Ind AS 108.





- b) Electricity generation is the principal business activity of the Group. Other operations viz., Contracts, Project Management and Consultancy works do not form a reportable segment as per the Ind AS -108 - 'Operating Segments'.
- c) The Group is having a single geographical segment as all its Power Stations are located within the Country.

## 23.0 Leases

### a) Group as a Lessee:

- i) Leases of property, plant and equipment (mainly land acquired through lump sum upfront payments), where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance lease. Such finance leases are generally capitalised at the lease's inception at the fair value of the leased property which equals the transaction price i.e. lump sum upfront payments.
- ii) Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases are charged to Statement of Profit and Loss over the period of lease.

### b) Group as a Lessor:

Power Purchase Agreements (PPA) in the nature of embedded lease with a single beneficiary where the minimum lease term is for the major part of the plant's economic life and the minimum lease payments amounts to substantially all the fair value of the plant are considered as a Finance Lease. Other embedded leases are considered as Operating Lease.

- i) For embedded leases in the nature of a Finance Lease, the investment in the plant is recognised as a Lease Receivable. The minimum lease payments are identified by segregating the embedded lease payments from the rest of the contract amounts including Advance Against Depreciation (AAD) recognised in accordance with CERC Tariff regulations 2004-09 up to 31st March 2009 and considered as deferred income. Each lease receipt is allocated between the receivable and finance lease income so as to achieve a constant rate on the Lease Receivable outstanding.
- ii) In the case of Operating Leases or embedded operating leases, the lease income from the operating lease is recognised in revenue over the lease term to reflect the pattern of use benefit derived from the leased asset. The respective leased assets are included in the Balance Sheet based on their nature and depreciated over its economic life.

## 24.0 Material prior period errors

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

## 25.0 Earnings per share

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

## 26.0 Statement of Cash Flows

### a) Cash and Cash Equivalents:

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

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

## 27.0 Current versus non-current classification

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

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

All other assets are classified as non-current.

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

All other liabilities are classified as non-current.

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

## 28.0 Miscellaneous

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

## (IV) Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the 'Rules') on 28 March 2018. The rules shall be effective from reporting periods beginning on or after 1 April 2018 and cannot be early adopted.

### Standards issued but not yet effective

#### a) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

The appendix can be applied either retrospectively for each period presented applying Ind AS 8 or prospectively to items in scope of the appendix that are initially recognised on or after the beginning of the reporting period in which the appendix is first applied or from the beginning of a prior reporting period presented as comparative.

The Group has assessed the effects of applying the appendix to its foreign currency transactions for which consideration is received in advance.

The Group has evaluated the effect of this on the financial statements and impact is not material.

The Group intends to adopt the amendments prospectively to items in scope of the appendix that are initially recognised on or after the beginning of the reporting period in which the appendix is first applied (i.e. from 1 April 2018).



**b) Ind AS 115- Revenue from Contract with Customers:**

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

The new standard is mandatory for financial years commencing on or after 1 April 2018 and early application is not permitted. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

The Group will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The Group is in the process of assessing the detailed impact of Ind AS 115.

**c) Amendments to Ind AS 40 Investment property - Transfers of investment property**

The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer. The amendment provides two transition options. Entities can choose to apply the amendment either retrospectively without the use of hindsight or prospectively to changes in use that occur on or after the date of initial application.

The Group has assessed the effects of the amendment on classification of existing property at 1 April 2018 and concluded that no reclassifications are required.

The Group has decided to apply the amendment prospectively to changes in use that occur after the date of initial application (i.e. 1 April 2018).

**NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENTS**

CLASS OF ASSETS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As at 01.04.2017	Addition	Deduction	Adjustment	As at 31.03.2018	As at 01.04.2017	For the year	Adjustment	As at 31.03.2018	As at 31.03.2017
Land – Freehold	308.04	11.72	0.32	(0.04)	319.40	-	-	-	-	308.04
Land – Leasehold	327.18	0.25	-	-	327.43	23.38	11.91	-	35.29	303.80
Roads and Bridges	213.65	4.90	0.24	(2.47)	215.84	17.44	10.76	(0.35)	27.85	196.21
Buildings	1,989.40	29.53	0.18	1.23	2,019.98	173.25	90.87	0.58	264.70	1,816.15
Railway sidings	16.58	-	-	-	16.58	4.92	2.49	-	7.41	11.66
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	12,906.30	18.12	1.23	2.47	12,925.66	1,667.24	835.81	0.31	2,503.36	11,239.06
Generating Plant and machinery	6,862.86	359.50	7.89	(0.73)	7,213.74	837.09	439.64	2.49	1,279.22	6,025.77
Plant and machinery - Sub station	49.18	0.32	0.01	-	49.49	6.18	3.17	0.01	9.36	43.00
Plant and machinery - Transmission lines	65.21	3.74	0.02	-	68.93	7.83	5.06	-	12.89	57.38
Plant and machinery - Others	32.22	0.62	0.02	-	32.82	5.67	2.64	-	8.31	26.55
Construction Equipment	48.27	2.57	0.23	0.19	50.80	10.45	5.70	0.01	16.16	37.82
Water Supply System/Drainage and Sewerage	42.49	4.61	0.01	-	47.09	4.55	2.39	-	6.94	37.94
Electrical installations	2.23	2.12	0.01	-	4.34	0.29	0.30	-	0.59	1.94
Vehicles	21.17	1.58	0.42	(0.07)	22.26	3.56	2.88	(0.14)	6.30	17.61
Aircraft/ Boats	0.79	0.10	-	-	0.89	0.16	0.13	-	0.29	0.63
Furniture and fixture	30.87	2.63	0.19	(0.03)	33.28	4.81	2.74	(0.04)	7.51	26.06
Computers	27.51	6.46	0.55	0.51	33.93	11.55	6.37	0.22	18.14	15.96
Communication Equipment	10.16	1.15	0.35	(0.16)	10.80	1.92	1.29	(0.22)	2.99	8.24
Office Equipments	32.03	2.84	0.45	-	34.42	5.15	3.02	(0.14)	8.03	26.88
Research and Development Equipment	0.73	-	-	-	0.73	0.17	0.08	-	0.25	0.56
Other assets	43.95	8.92	0.24	0.04	52.67	6.78	4.69	(0.03)	11.44	37.17
Tangible Assets of minor value >750 and < ₹5000	2.34	0.91	0.04	0.02	3.23	2.33	0.90	(0.01)	3.22	0.01
<b>Total</b>	<b>23,033.16</b>	<b>462.59</b>	<b>12.40</b>	<b>0.96</b>	<b>23,484.31</b>	<b>2,794.72</b>	<b>1,432.84</b>	<b>2.69</b>	<b>4,230.25</b>	<b>20,238.44</b>
<b>Previous Year</b>	<b>22,084.19</b>	<b>948.06</b>	<b>11.61</b>	<b>12.52</b>	<b>23,033.16</b>	<b>1,383.99</b>	<b>1,418.55</b>	<b>(7.82)</b>	<b>2,794.72</b>	<b>20,238.44</b>

Note : Additional disclosure of Property, Plant and Equipment (PPE) as per gross block of assets and accumulated depreciation under previous GAAP has been provided as Annexure-I to this Note. For other explanatory notes, these are stated in Annexure-I to Note 2.1.



## ANNEXURE-I TO NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENTS

CLASS OF ASSETS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at 01.04.2017	Addition	Deduction	Adjustment	As at 31.03.2018	As at 01.04.2017	For the year	Adjustment	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2017
	(₹ in Crore)											
Land – Freehold	308.04	11.72	0.32	(0.04)	319.40	-	-	-	-	319.40	308.04	308.04
Land – Leasehold	370.52	0.25	-	-	370.77	66.72	11.91	-	78.63	292.14	303.80	303.80
Roads and Bridges	310.95	4.90	0.31	(2.47)	313.07	114.74	10.76	(0.42)	125.08	187.99	196.21	196.21
Buildings	2,732.83	29.53	2.63	1.24	2,760.97	916.68	90.87	(1.86)	1,005.69	1,755.28	1,816.15	1,816.15
Railway sidings	36.13	-	-	-	36.13	24.47	2.49	-	26.96	9.17	11.66	11.66
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	18,857.18	18.12	1.28	2.47	18,876.49	7,618.12	835.81	0.26	8,454.19	10,422.30	11,239.06	11,239.06
Generating Plant and machinery	9,848.85	359.50	13.54	(0.74)	10,194.07	3,823.08	439.64	(3.17)	4,259.55	5,934.52	6,025.77	6,025.77
Plant and machinery - Sub station	100.88	0.32	0.01	-	101.19	57.88	3.17	0.01	61.06	40.13	43.00	43.00
Plant and machinery - Transmission lines	92.62	3.74	0.02	-	96.34	35.24	5.06	-	40.30	56.04	57.38	57.38
Plant and machinery - Others	49.21	0.62	0.03	-	49.80	22.66	2.64	(0.01)	25.29	24.51	26.55	26.55
Construction Equipment	111.14	2.57	0.53	0.19	113.37	73.32	5.70	(0.29)	78.73	34.64	37.82	37.82
Water Supply System/Drainage and Sewerage	52.46	4.61	0.02	-	57.05	14.52	2.39	(0.01)	16.90	40.15	37.94	37.94
Electrical installations	3.55	2.12	0.03	-	5.64	1.61	0.30	(0.02)	1.89	3.75	1.94	1.94
Vehicles	34.89	1.58	1.62	(0.07)	34.78	17.28	2.88	(1.34)	18.82	15.96	17.61	17.61
Aircraft/ Boats	1.05	0.10	-	-	1.15	0.42	0.13	-	0.55	0.60	0.63	0.63
Furniture and fixture	56.55	2.63	0.38	(0.03)	58.77	30.49	2.74	(0.23)	33.00	25.77	26.06	26.06
Computers	66.01	6.46	5.02	0.52	67.97	50.05	6.37	(4.24)	52.18	15.79	15.96	15.96
Communication Equipment	16.91	1.15	0.75	(0.18)	17.13	8.67	1.29	(0.64)	9.32	7.81	8.24	8.24
Office Equipments	52.76	2.84	0.88	-	54.72	25.88	3.02	(0.57)	28.33	26.39	26.88	26.88
Research and Development Equipment	1.35	-	-	-	1.35	0.79	0.08	-	0.87	0.48	0.56	0.56
Other assets	68.44	8.92	0.46	0.04	76.94	31.27	4.69	(0.25)	35.71	41.23	37.17	37.17
Tangible Assets of minor value > 750 and < ₹5000	18.20	0.91	0.36	0.02	18.77	18.19	0.90	(0.33)	18.76	0.01	0.01	0.01
<b>Total</b>	<b>33,190.52</b>	<b>462.59</b>	<b>28.19</b>	<b>0.95</b>	<b>33,625.87</b>	<b>12,952.08</b>	<b>1,432.84</b>	<b>(13.11)</b>	<b>14,371.81</b>	<b>19,254.06</b>	<b>20,238.44</b>	<b>20,238.44</b>
<b>Previous Year</b>	<b>32,257.47</b>	<b>948.06</b>	<b>27.53</b>	<b>12.52</b>	<b>33,190.52</b>	<b>11,557.27</b>	<b>1,418.55</b>	<b>(23.74)</b>	<b>12,952.08</b>	<b>20,238.44</b>	<b>20,700.20</b>	<b>20,700.20</b>

**Explanatory Note: -**

1. a) Freehold land amounting to ₹ 6.51 crore (Previous year ₹ 6.51 crore) covering an area of 1485.19 hectare (Previous year 1485.19 hectare) has been recorded in revenue records in favour of the Government of India through the Government of Jammu & Kashmir, in possession of Salal Power Station (a Power Station of NHPC Limited). Title deeds in respect of freehold land of the Power Station amounting to ₹ 0.01 crore (Previous year ₹ 0.01 crore) covering an area of 4.76 hectare (Previous year 4.76 hectare) is however, yet to be executed/ passed.
1. b) Title deeds/title in respect of freehold land amounting to ₹ 0.52 crore (Previous year ₹ 9.95 crore) covering an area of 125.03 hectare (Previous year 153.55 hectare) and lease deeds in respect of leasehold land amounting to ₹ 306.08 crore (Previous year ₹ 310.04 crore) covering an area of 870.87 hectare (Previous year 627.25 hectare) are yet to be executed/passed.
- 2) Land - Leasehold includes 2.72 hectare (Previous year 2.72 hectare) taken from Sashtra Seema Bal (SSB) for Subsansiri Upper Project on lease for a period of 99 years at notional value of ₹ 1/-. Out of this area, 1.06 hectare (Previous year 1.06 hectare) has been handed over to ITBP.
- 3) Underground works amounting to ₹ 6302.08 crore (Previous Year ₹ 6299.38 crore), created on Land - Right to use, are included under the relevant heads of Property, Plant and Equipment.
- 4) Adjustments to Gross Block include adjustment for Foreign Exchange Rate Variation, depreciation charged and capitalized during construction of a project.
- 5) Pending approval of revised cost estimates (RCE) of Sewa-II, Chamera-III, Teesta Low Dam-III, Uri-II, Parbati-III & Teesta Low Dam-IV Power Stations, capital expenditure actually incurred on these power stations has been considered for capitalisation.
- 6) Refer para 11 of Note no. 34 for information of non-current assets equitably mortgaged/hypothecated with banks as security for related borrowings.
- 7) Foreign Exchange Rate Variation included in Adjustments to assets are as follows: -

Class of Assets	For the year ended 31.03.2018 (₹ in Crore)	For the year ended 31.03.2017 (₹ in Crore)
Roads and Bridges	-	(0.16)
Buildings	-	(1.50)
Hydraulic Works	-	(11.12)
Generating Plant and machinery	-	(2.79)
Plant and machinery Sub station	-	(0.02)
Water Supply System/Drainage and Sewerage	-	(0.01)
<b>Total</b>	-	<b>(15.60)</b>

- 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.

## NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENT

CLASS OF ASSETS	GROSS BLOCK				DEPRECIATION			NET BLOCK			
	As at 01.04.2016	Addition	Deduction	Adjustment	As at 31.03.2017	As at 01.04.2016	For the year	Adjustment	As at 31.03.2017	As at 31.03.2016	
Land – Freehold	288.54	21.31	-	(1.81)	308.04	-	-	-	-	308.04	288.54
Land – Leasehold	318.25	8.93	-	-	327.18	11.58	11.80	-	23.38	303.80	306.67
Roads and Bridges	203.82	9.98	-	(0.15)	213.65	7.26	10.38	(0.20)	17.44	196.21	196.56
Buildings	1,946.10	43.02	1.02	1.30	1,989.40	85.29	90.69	(2.73)	173.25	1,816.15	1,860.81
Railway sidings	15.95	0.63	-	-	16.58	2.44	2.48	-	4.92	11.66	13.51
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	12,815.93	102.22	0.72	(11.13)	12,906.30	833.84	836.09	(2.69)	1,667.24	11,239.06	11,982.09
Generating Plant and machinery	6,167.95	682.24	7.23	19.90	6,862.86	410.99	427.11	(1.01)	837.09	6,025.77	5,756.96
Plant and machinery - Sub station	41.59	4.85	0.02	2.76	49.18	3.16	3.08	(0.06)	6.18	43.00	38.43
Plant and machinery - Transmission lines	40.85	22.37	0.01	2.00	65.21	3.59	4.24	-	7.83	57.38	37.26
Plant and machinery - Others	31.53	1.06	0.01	(0.36)	32.22	2.70	2.94	0.03	5.67	26.55	28.83
Construction Equipment	41.23	7.38	0.34	-	48.27	5.25	5.24	(0.04)	10.45	37.82	35.98
Water Supply System/Drainage and Sewerage	36.72	5.79	0.01	(0.01)	42.49	2.07	2.54	(0.06)	4.55	37.94	34.65
Electrical installations	2.14	0.10	0.01	-	2.23	0.12	0.18	(0.01)	0.29	1.94	2.02
Vehicles	14.71	6.87	0.31	(0.10)	21.17	1.35	2.40	(0.19)	3.56	17.61	13.36
Aircraft/ Boats	0.66	0.13	-	-	0.79	0.06	0.11	(0.01)	0.16	0.63	0.60
Furniture and fixture	25.91	5.22	0.24	(0.02)	30.87	2.07	2.79	(0.05)	4.81	26.06	23.84
Computers	21.31	6.66	0.44	(0.02)	27.51	5.10	6.56	(0.11)	11.55	15.96	16.21
Communication Equipment	9.19	1.43	0.44	(0.02)	10.16	0.87	1.20	(0.15)	1.92	8.24	8.32
Office Equipments	25.83	6.38	0.35	0.17	32.03	2.50	2.95	(0.30)	5.15	26.88	23.33
Research and Development Equipment	0.77	-	0.04	-	0.73	0.09	0.08	-	0.17	0.56	0.68
Other assets	34.49	9.83	0.39	0.02	43.95	2.95	4.03	(0.20)	6.78	37.17	31.54
Tangible Assets of minor value >750 and < ₹ 5000	0.72	1.66	0.03	(0.01)	2.34	0.71	1.66	(0.04)	2.33	0.01	0.01
<b>Total</b>	<b>22,084.19</b>	<b>948.06</b>	<b>11.61</b>	<b>12.52</b>	<b>23,033.16</b>	<b>1,383.99</b>	<b>1,418.55</b>	<b>(7.82)</b>	<b>2,794.72</b>	<b>20,238.44</b>	<b>20,700.20</b>
<b>Previous Year</b>	<b>20,478.29</b>	<b>1,623.51</b>	<b>33.35</b>	<b>15.74</b>	<b>22,084.19</b>	<b>-</b>	<b>1,391.72</b>	<b>(7.73)</b>	<b>1,383.99</b>	<b>20,700.20</b>	<b>20,478.29</b>

Note : Additional disclosure of Property, Plant and Equipment (PPE) as per gross block of assets and accumulated depreciation under previous GAAP has been provided as Annexure-I to this Note. For other explanatory notes, these are stated in Annexure-I to Note 2.1.

ANNEXURE-I TO NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENT

CLASS OF ASSETS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at 01.04.2016	Addition	Deduction	Adjustment	As at 31.03.2017	As at 01.04.2016	For the year	Adjustment	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016	As at 31.03.2016
Land – Freehold	288.54	21.31	-	(1.81)	308.04	-	-	-	-	-	308.04	288.54
Land – Leasehold	361.59	8.93	-	-	370.52	54.92	11.80	-	66.72	303.80	303.80	306.67
Roads and Bridges	301.12	9.98	-	(0.15)	310.95	104.56	10.38	(0.20)	114.74	196.21	196.21	196.56
Buildings	2,689.77	43.02	1.26	1.30	2,732.83	828.96	90.69	(2.97)	916.68	1,816.15	1,816.15	1,860.81
Railway sidings	35.50	0.63	-	-	36.13	21.99	2.48	-	24.47	11.66	11.66	13.51
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	18,766.97	102.22	0.88	(11.13)	18,857.18	6,784.88	836.09	(2.85)	7,618.12	11,239.06	11,239.06	11,982.09
Generating Plant and machinery	9,156.27	682.24	9.56	19.90	9,848.85	3,399.31	427.11	(3.34)	3,823.08	6,025.77	6,025.77	5,756.96
Plant and machinery - Sub station	93.41	4.85	0.14	2.76	100.88	54.98	3.08	(0.18)	57.88	43.00	43.00	38.43
Plant and machinery - Transmission lines	68.29	22.37	0.04	2.00	92.62	31.03	4.24	(0.03)	35.24	57.38	57.38	37.26
Plant and machinery - Others	48.58	1.06	0.07	(0.36)	49.21	19.75	2.94	(0.03)	22.66	26.55	26.55	28.83
Construction Equipment	107.16	7.38	3.40	-	111.14	71.18	5.24	(3.10)	73.32	37.82	37.82	35.98
Water Supply System/Drainage and Sewerage	46.69	5.79	0.01	(0.01)	52.46	12.04	2.54	(0.06)	14.52	37.94	37.94	34.65
Electrical installations	3.46	0.10	0.01	-	3.55	1.44	0.18	(0.01)	1.61	1.94	1.94	2.02
Vehicles	29.51	6.87	1.39	(0.10)	34.89	16.15	2.40	(1.27)	17.28	17.61	17.61	13.36
Aircraft/ Boats	0.94	0.13	0.02	-	1.05	0.34	0.11	(0.03)	0.42	0.63	0.63	0.60
Furniture and fixture	51.96	5.22	0.61	(0.02)	56.55	28.12	2.79	(0.42)	30.49	26.06	26.06	23.84
Computers	66.15	6.66	6.78	(0.02)	66.01	49.94	6.56	(6.45)	50.05	15.96	15.96	16.21
Communication Equipment	16.35	1.43	0.85	(0.02)	16.91	8.03	1.20	(0.56)	8.67	8.24	8.24	8.32
Office Equipments	47.12	6.38	0.91	0.17	52.76	23.79	2.95	(0.86)	25.88	26.88	26.88	23.33
Research and Development Equipment	1.41	-	0.06	-	1.35	0.73	0.08	(0.02)	0.79	0.56	0.56	0.68
Other assets	59.41	9.83	0.82	0.02	68.44	27.87	4.03	(0.63)	31.27	37.17	37.17	31.54
Tangible Assets of minor value > 750 and < ₹ 5000	17.27	1.66	0.72	(0.01)	18.20	17.26	1.66	(0.73)	18.19	0.01	0.01	0.01
<b>Total</b>	<b>32,257.47</b>	<b>948.06</b>	<b>27.53</b>	<b>12.52</b>	<b>33,190.52</b>	<b>11,557.27</b>	<b>1,418.55</b>	<b>(23.74)</b>	<b>12,952.08</b>	<b>20,238.44</b>	<b>20,238.44</b>	<b>20,700.20</b>
<b>Previous Year</b>	<b>30,669.50</b>	<b>1,623.51</b>	<b>51.28</b>	<b>15.74</b>	<b>32,257.47</b>	<b>10,191.21</b>	<b>1,391.72</b>	<b>(25.66)</b>	<b>11,557.27</b>	<b>20,700.20</b>	<b>20,700.20</b>	<b>20,478.29</b>





**Explanatory Note: -**

1. a) Freehold land amounting to ₹ 6.51 crore (Previous year ₹ 6.51 crore) covering an area of 1485.19 hectare (Previous year 1485.19 hectare) has been recorded in revenue records in favour of the Government of India through the Government of Jammu & Kashmir, in possession of Salal Power Station (a Power Station of NHPC Limited). Title deeds in respect of freehold land of the Power Station amounting to ₹ 0.01 crore (Previous year ₹ 0.01 crore) covering an area of 4.76 hectare (Previous year 4.76 hectare) is however, yet to be executed/ passed.
1. b) Title deeds/title in respect of freehold land amounting to ₹ 9.95 crore (Previous year ₹ 13.36 crore) covering an area of 153.55 hectare (Previous year 150.93 hectare) and lease deeds in respect of leasehold land amounting to ₹ 310.04 crore (Previous year ₹ 297.34 crore) covering an area of 627.25 hectare (Previous year 766.20 hectare) are yet to be executed/ passed.
- 2) Land - Leasehold includes 2.72 hectare (Previous year 2.72 hectare) taken from Sashastra Seema Bal (SSB) for Subansiri Upper Project on lease for a period of 99 years at notional value of ₹ 1/-. Out of this area, 1.06 hectare (Previous year 1.06 hectare) has been handed over to ITBP.
- 3) Underground works amounting to ₹ 6299.38 crore (Previous Year ₹ 6293.18 crore), created on Land - Right to use, are included under the relevant heads of Property, Plant and Equipment.
- 4) Adjustments to Gross Block include adjustment for Foreign Exchange Rate Variation, depreciation charged and capitalized during construction of a project.
- 5) Pending approval of revised cost estimates (RCE) of Sewa II, Chamera III, Teesta Low Dam III, Uri II & Parbati III Power Stations, capital expenditure actually incurred on these power stations has been considered for capitalisation.
- 6) Refer para 11 of Note no. 34 for information of non-current assets equitably mortgaged/hypothecated with banks as security for related borrowings.
- 7) Foreign Exchange Rate Variation included in Adjustments to assets are as follows: -

Class of Assets	For the year	
	ended 31.03.2017 (₹ in Crore)	ended 31.03.2016 (₹ in Crore)
Roads and Bridges	(0.16)	0.15
Buildings	(1.50)	1.77
Hydraulic Works	(11.12)	16.61
Generating Plant and machinery	(2.79)	3.77
Plant and machinery Sub station	(0.02)	0.02
Water Supply System/Drainage and Sewerage	(0.01)	0.01
<b>Total</b>	<b>(15.60)</b>	<b>22.33</b>

- 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 thereon 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.

## NOTE NO. 2.2 CAPITAL WORK IN PROGRESS

Particulars	(₹ in Crore)				
	As at 01.04.2017	Addition	Adjustment	Capitalised	As at 31.03.2018
Roads and Bridges	92.92	10.57	-	4.93	98.56
Buildings	1,103.71	82.34	-	28.70	1,157.35
Railway sidings	-	-	-	-	-
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	6,671.84	579.49	(0.01)	25.28	7,226.04
Generating Plant and Machinery	3,062.74	442.94	-	320.52	3,185.16
Plant and Machinery - Sub station	11.82	13.25	2.98	-	28.05
Plant and Machinery - Transmission lines	3.31	1.74	(2.98)	0.31	1.76
Plant and Machinery - Others	0.74	1.03	(0.62)	0.65	0.50
Construction Equipment	-	-	-	-	-
Water Supply System/Drainage and Sewerage	3.92	4.37	(0.82)	3.85	3.62
Other assets awaiting installation	2.15	48.09	(1.59)	39.27	9.38
CWIP - Assets Under 5 KM Scheme Of the GOI	-	-	-	-	-
Survey, investigation, consultancy and supervision charges	295.43	8.89	0.59	-	304.91
Expenditure on compensatory Afforestation	15.94	-	-	-	15.94
Expenditure Attributable to Construction*	6,793.95	725.25	-	2.02	7,517.18
Less: Provided for	582.08	26.27	-	-	608.35
<b>Sub total (a)</b>	<b>17,476.39</b>	<b>1,891.69</b>	<b>(2.45)</b>	<b>425.53</b>	<b>18,940.10</b>
<b>*For addition during the period refer Note No.32</b>					
	As at 01.04.2017		Adjustment		As at 31.03.2018
Construction Stores	112.48		35.78		148.26
Less : Provisions for construction stores	1.28		(0.04)		1.24
<b>Sub total (b)</b>	<b>111.20</b>	<b>-</b>	<b>35.82</b>	<b>-</b>	<b>147.02</b>
<b>TOTAL</b>	<b>17,587.59</b>	<b>1,891.69</b>	<b>33.37</b>	<b>425.53</b>	<b>19,087.12</b>
<b>Previous Year</b>	<b>16,741.60</b>	<b>1,804.59</b>	<b>(63.75)</b>	<b>894.85</b>	<b>17,587.59</b>

### Explanatory Note: -

- 1) Expenditure attributable to Construction (EAC) includes ₹ 371.10 Crore (Previous year ₹ 377.54 Crore) towards borrowing cost capitalised during the period.
- 2) Capital Work in Progress (CWIP) includes a cumulative expenditure of ₹ 1290.74 Crore (Previous Year ₹ 1181.14 Crore) on projects under Survey & Investigation stage. Of this, a sum of ₹ 43.52 Crore (Previous Year ₹ 43.52 Crore) pertains to Subansiri Upper Project, which had been decided by Govt. of Arunachal Pradesh to be handed over to a Private Developer. However, pending handing over of the project & recovery of expenditure incurred on it, the said amount is already provided for in the books as an abundant precaution. Out of the balance of ₹ 1247.22 Crore (Previous Year ₹ 1134.80 Crore) pertaining to projects with the company, a sum of ₹ 564.83 Crore (Previous Year ₹ 538.56 Crore) has been provided upto date as an abundant precaution in respect of projects, where uncertainties are attached and ₹ 682.39 Crore (Previous Year ₹ 599.15 Crore), pertaining to other projects having reasonable certainty of getting clearance, is carried over.
- 3) Siang Basin, Subansiri Basin & Dibang Multipurpose Projects were taken over from Brahmaputra Board. Pending settlement of accounts with Brahmaputra Board, assets and liabilities have been accounted for to the extent of amounts incurred by the Company on these projects. Siang Lower & Siyom HE Projects (in Siang Basin) & Subansiri Middle (in Subansiri Basin) have since been handed over to Private Developer and liability arising out of settlement of accounts with Brahmaputra Board towards these projects if any, is recoverable from respective Private Developers.
- 4) Underground Works amounting to ₹ 5177.50 Crore (Previous Year ₹ 4923.90 Crore) created on Land - Right to use, are included under respective heads of Capital Work in Progress (CWIP).
- 5) Refer para no. 11 of Note no. 34 for information of non-current assets pledged with banks as security for related borrowings.
- 6) Capital Expenditure on projects approved by the competent authority undergoes revision over period of time as hydroelectric projects are time intensive and some takes longer period than envisaged. As a consequence the cost escalation occur, which requires approval of competent authority. Pending such approval the expenditure incurred is carried forward in Capital Work in Progress (CWIP).



## NOTE NO. 2.2 CAPITAL WORK IN PROGRESS

Particulars	(₹ in Crore)				
	As at 01.04.2016	Addition	Adjustment	Capitalised	As at 31.03.2017
Roads and Bridges	89.18	15.43	-	11.69	92.92
Buildings	1,052.34	93.80	(0.46)	41.97	1,103.71
Railway Sidings	-	0.62	-	0.62	-
Hydraulic Works (Dams, Water Conductor System, Hydro mechanical Gates, Tunnels)	6,020.58	740.87	2.72	92.33	6,671.84
Generating Plant and Machinery	3,391.19	190.30	129.48	648.23	3,062.74
Plant and Machinery - Sub-Station	12.55	1.81	-	2.54	11.82
Plant and Machinery - Transmission Lines	2.13	1.66	-	0.48	3.31
Plant and Machinery - Others	0.74	0.39	(0.01)	0.38	0.74
Construction Equipments	-	0.47	-	0.47	-
Water Supply System/Drainage and Sewerage	1.36	7.91	-	5.35	3.92
Other Assets awaiting Installation	2.50	49.21	(0.02)	49.54	2.15
CWIP - Assets Under 5 KM Scheme Of the GOI	-	-	-	-	-
Survey, Investigation, Consultancy and Supervision Charges	280.75	16.08	(1.34)	0.06	295.43
Expenditure on Compensatory Afforestation	20.48	0.61	(3.70)	1.45	15.94
Expenditure Attributable to Construction*	6,236.21	726.77	(129.29)	39.74	6,793.95
Less: Provided for	537.92	41.34	2.82	-	582.08
<b>Sub total (a)</b>	<b>16,572.09</b>	<b>1,804.59</b>	<b>(5.44)</b>	<b>894.85</b>	<b>17,476.39</b>
* For addition during the year refer Note No. 32					
	As at 01.04.2016		Adjustment		As at 31.03.2018
Construction Stores	170.76		(58.28)		112.48
Less : Provisions for construction stores	1.25		0.03		1.28
<b>Sub total (b)</b>	<b>169.51</b>	<b>-</b>	<b>(58.31)</b>	<b>-</b>	<b>111.20</b>
<b>TOTAL</b>	<b>16,741.60</b>	<b>1,804.59</b>	<b>(63.75)</b>	<b>894.85</b>	<b>17,587.59</b>
Previous Year	16,147.15	2,091.61	20.91	1,518.07	16,741.60

### Explanatory Note: -

- Expenditure attributable to Construction (EAC) includes ₹ 377.54 Crore (Previous year ₹ 461.70 Crore) towards borrowing cost capitalised during the period.
- Capital Work in Progress (CWIP) includes a cumulative expenditure of ₹ 1181.14 Crore (Previous Year ₹ 1069.48 Crore) on projects under Survey & Investigation stage. Of this, a sum of ₹ 43.52 Crore (Previous Year ₹ 43.52 Crore) pertains to Subansiri Upper Project, which had been decided by Govt. of Arunachal Pradesh to be handed over to a Private Developer. However, pending handing over of the project & recovery of expenditure incurred on it, the said amount is already provided for in the books as an abundant precaution. Out of the balance of ₹ 1134.80 Crore (Previous Year ₹ 1025.96 Crore) pertaining to projects with the company, a sum of ₹ 538.56 Crore (Previous Year ₹ 494.40 Crore) has been provided upto date as an abundant precaution in respect of projects, where uncertainties are attached and ₹ 599.15 Crore (Previous Year ₹ 531.56 Crore), pertaining to other projects having reasonable certainty of getting clearance, is carried over.
- 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.
- Underground Works amounting to ₹ 4923.90 Crore (Previous Year ₹ 4205.33 Crore) created on Land - Right to use, are included under respective heads of Capital Work in Progress (CWIP).
- Refer para 11 of Note no. 34 for information of non-current assets pledged with banks as security for related borrowings.
- 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).

**NOTE NO. 2.3 INVESTMENT PROPERTY**

PARTICULARS	GROSS BLOCK				DEPRECIATION		NET BLOCK	
	As at 01.04.2017	Addition	Deduction	Adjustment	As at 31.03.2018	01.04.2017	As at 31.03.2018	As at 31.03.2017
						For the year	As at 31.03.2018	As at 31.03.2017
Land Freehold	4.49	-	-	-	4.49	-	4.49	4.49
<b>Total</b>	<b>4.49</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.49</b>	<b>-</b>	<b>4.49</b>	<b>4.49</b>
Previous Year	4.49	-	-	-	4.49	-	4.49	4.49

**i) Amounts recognised in profit or loss for investment property**

	As at 31.03.2018	As at 31.03.2017
Rental income	Nil	Nil
Direct operating expenses from property that generated rental income	Nil	Nil
Direct operating expenses from property that did not generate rental income	Nil	Nil

**(ii) Fair Value of investment property**

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. Accordingly such land has been classified as Investment Property.

**Valuation process**

The above land is carried in the financial statements at cost. However, the fair value of investment property has been arrived on the basis of circle rates notified by the state govt. prevailing in the locality where property is situated.

	As at 31.03.2018	As at 31.03.2017
	53.58	53.58

**NOTE NO. 2.3 INVESTMENT PROPERTY**

PARTICULARS	GROSS BLOCK				DEPRECIATION		NET BLOCK	
	As at 01.04.2016	Addition	Deduction	Adjustment	As at 31.03.2017	01.04.2016	As at 31.03.2017	As at 31.03.2016
						For the year	As at 31.03.2017	As at 31.03.2016
Land Freehold	4.49	-	-	-	4.49	-	4.49	4.49
<b>Total</b>	<b>4.49</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.49</b>	<b>-</b>	<b>4.49</b>	<b>4.49</b>
Previous Year	4.49	-	-	-	4.49	-	4.49	4.49

**i) Amounts recognised in profit or loss for investment property**

	As at 31.03.2017	As at 31.03.2016
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
<b>Fair Value of investment property</b>		
(ii) 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. Accordingly such land has been classified as Investment Property.	53.58	49.66
(iii) <b>Valuation process</b>		
The above land is carried in the financial statements at cost. However, the fair value of investment property has been arrived on the basis of circle rates notified by the state govt. prevailing in the locality where property is situated.		

**(ii) Fair Value of investment property**

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. Accordingly such land has been classified as Investment Property.

**(iii) Valuation process**

The above land is carried in the financial statements at cost. However, the fair value of investment property has been arrived on the basis of circle rates notified by the state govt. prevailing in the locality where property is situated.

**NOTE NO. 2.4 INTANGIBLE ASSETS**

CLASS OF ASSETS	GROSS BLOCK			AMORTISATION		NET BLOCK	
	As at 01.04.2017	Addition	Deduction	Adjustment	For the year	As at 31.03.2018	As at 31.03.2017
Land – Right to Use	2,102.41	0.47	-	(3.50)	61.41	182.10	1,917.28
Intangible Assets - Computer Software	8.09	1.41	-	-	2.48	8.09	1.41
<b>TOTAL</b>	<b>2,110.50</b>	<b>1.88</b>	<b>-</b>	<b>(3.50)</b>	<b>63.89</b>	<b>190.19</b>	<b>1,918.69</b>
Previous Year	1,971.14	139.41	0.04	(0.01)	64.51	126.30	1,984.20

**Explanatory Note: -**

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

**ANNEXURE-I TO NOTE NO. 2.4 INTANGIBLE ASSETS**

CLASS OF ASSETS	GROSS BLOCK			AMORTISATION		NET BLOCK	
	As at 01.04.2017	Addition	Deduction	Adjustment	For the year	As at 31.03.2018	As at 31.03.2017
Land – Right to Use	2,455.82	0.47	-	(3.50)	61.41	535.51	1,917.28
Intangible Assets - Computer Software	46.29	1.41	0.02	-	2.48	46.27	1.41
<b>Total</b>	<b>2,502.11</b>	<b>1.88</b>	<b>0.02</b>	<b>(3.50)</b>	<b>63.89</b>	<b>581.78</b>	<b>1,918.69</b>
Previous Year	2,362.83	139.41	0.12	(0.01)	64.51	517.91	1,984.20

**NOTE NO. 2.4 INTANGIBLE ASSETS**

CLASS OF ASSETS	GROSS BLOCK			AMORTISATION			NET BLOCK				
	As at 01.04.2016	Addition	Deduction	Adjustment	As at 31.03.2017	01.04.2016	For the year	Adjustment	As at 31.03.2017	As at 31.03.2016	
Land – Right to Use	1,964.38	138.06	0.04	0.01	2,102.41	59.20	61.50	(0.01)	120.69	1,981.72	1,905.18
Intangible Assets - Computer Software	6.76	1.35	-	(0.02)	8.09	2.61	3.01	(0.01)	5.61	2.48	4.15
<b>Total</b>	<b>1,971.14</b>	<b>139.41</b>	<b>0.04</b>	<b>(0.01)</b>	<b>2,110.50</b>	<b>61.81</b>	<b>64.51</b>	<b>(0.02)</b>	<b>126.30</b>	<b>1,984.20</b>	<b>1,909.33</b>
<b>Previous Year</b>	<b>1,915.93</b>	<b>58.52</b>	<b>0.01</b>	<b>(3.30)</b>	<b>1,971.14</b>	<b>-</b>	<b>62.24</b>	<b>(0.43)</b>	<b>61.81</b>	<b>1,909.33</b>	<b>1,915.93</b>

**Explanatory Note: -**

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

**ANNEXURE-I TO NOTE NO. 2.4 INTANGIBLE ASSETS**

CLASS OF ASSETS	GROSS BLOCK			AMORTISATION			NET BLOCK				
	As at 01.04.2016	Addition	Deduction	Adjustment	As at 31.03.2017	01.04.2016	For the year	Adjustment	As at 31.03.2017	As at 31.03.2016	
Land – Right to Use	2,317.87	138.06	0.12	0.01	2,455.82	412.69	61.50	(0.09)	474.10	1,981.72	1,905.18
Intangible Assets - Computer Software	44.96	1.35	-	(0.02)	46.29	40.81	3.01	(0.01)	43.81	2.48	4.15
<b>Total</b>	<b>2,362.83</b>	<b>139.41</b>	<b>0.12</b>	<b>(0.01)</b>	<b>2,502.11</b>	<b>453.50</b>	<b>64.51</b>	<b>(0.10)</b>	<b>517.91</b>	<b>1,984.20</b>	<b>1,909.33</b>
<b>Previous Year</b>	<b>2,307.89</b>	<b>58.52</b>	<b>0.28</b>	<b>(3.30)</b>	<b>2,362.83</b>	<b>391.96</b>	<b>62.24</b>	<b>(0.70)</b>	<b>453.50</b>	<b>1,909.33</b>	<b>1,915.93</b>

**NOTE NO. 2.5.1 : INVESTMENT ACCOUNTED FOR USING EQUITY METHOD****INTERESTS IN JOINT VENTURES**

The entities listed below have share capital consisting solely of equity shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

(₹ in Crore)

Name of entity & Relationship	Place of business	Accounting Method	% of Ownership interest		Carrying amount	
			31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
National High Power Test Laboratory Private Limited (NHPTL), Joint Venture	India	Equity Method	20.00%	20.00%	27.83	29.97
Chenab Valley Power Projects (P) Limited. (CVPPPL), Joint Venture	India	Equity Method	55.39%	49.78%	593.64	470.60
<b>Total Equity accounted investments</b>					<b>621.47</b>	<b>500.57</b>

**Explanatory Note:**

- During the year, the company has further invested ₹ 122.36 crore in Chenab Valley Power Project Ltd. (CVPPPL), as a result of which the company's shareholding increased to 55.39%. However, CVPPPL continues to be a Joint Venture owing to control exercised jointly with the other joint venturer, pursuant to the Joint Venture agreement.

Also, the company has paid ₹ 65.19 crore towards share application. (Refer Note no. 3.4)

**NOTE NO. 2.5.2 : SHARE OF NET PROFIT/(LOSS) OF JOINT VENTURES ACCOUNTED FOR USING EQUITY METHOD**

(₹ in Crore)

Name of entity	31-Mar-18	31-Mar-17
National High Power Test Laboratory Private Limited	(2.14)	-
Chenab Valley Power Projects (P) Limited.	2.06	2.74
<b>TOTAL</b>	<b>(0.08)</b>	<b>2.74</b>

**NOTE NO. 2.5.3 : SHARE OF OTHER COMPREHENSIVE INCOME OF JOINT VENTURES ACCOUNTED FOR USING EQUITY METHOD**

(₹ in Crore)

Name of entity	31-Mar-18	31-Mar-17
National High Power Test Laboratory Private Limited	0.01	-
Chenab Valley Power Projects (P) Limited.	-	-
<b>TOTAL</b>	<b>0.01</b>	<b>-</b>

**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.

# Annual Report 2017-18

## 1. Summarised Balance Sheet

(₹ in Crore)

	NHPTL		CVPPL	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
<b>Current Assets</b>				
Cash & Cash Equivalents	6.05	0.57	174.25	141.81
Other Assets	4.43	43.27	7.00	2.63
<b>Total Current Assets</b>	<b>10.48</b>	<b>43.84</b>	<b>181.25</b>	<b>144.44</b>
Total non-current assets	341.17	327.59	1,201.91	1,012.98
<b>Total Assets (A)</b>	<b>351.65</b>	<b>371.43</b>	<b>1,383.16</b>	<b>1,157.42</b>
<b>Current Liabilities</b>				
Financial Liabilities (excluding Trade payables)	24.00	-	123.37	200.00
Other Liabilities	55.57	48.16	115.52	10.62
<b>Total current liabilities</b>	<b>79.57</b>	<b>48.16</b>	<b>238.89</b>	<b>210.62</b>
<b>Non-current liabilities</b>				
Financial Liabilities (excluding trade payables)	132.81	173.30	0.14	0.71
Other liabilities	0.13	0.13	2.27	0.72
<b>Total non-current liabilities</b>	<b>132.94</b>	<b>173.43</b>	<b>2.41</b>	<b>1.43</b>
<b>Total Liabilities (B)</b>	<b>212.51</b>	<b>221.59</b>	<b>241.30</b>	<b>212.05</b>
<b>Net Assets (A-B)</b>	<b>139.14</b>	<b>149.84</b>	<b>1,141.86</b>	<b>945.37</b>
Less:-Share application money received pending allotment	-	-	65.19	-
<b>Net Asset after adjusting share application money pending allotment</b>	<b>139.14</b>	<b>149.84</b>	<b>1,076.67</b>	<b>945.37</b>

## 2. Reconciliation to Carrying Amounts

(₹ in Crore)

	NHPTL		CVPPL	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Opening Net Assets	149.84	108.31	945.37	215.89
Profit for the year	(10.72)	-	3.95	5.50
Other comprehensive income	0.04	-	-	-
Equity Contribution	-	41.53	127.36	723.98
<b>Closing net assets</b>	<b>139.16</b>	<b>149.84</b>	<b>1,076.68</b>	<b>945.37</b>
Group's share (in %)	20.00%	20.00%	55.39%	49.78%
Group's share	27.83	29.97	525.82	470.60
<b>Goodwill</b>	<b>-</b>	<b>-</b>	<b>69.20</b>	<b>-</b>
<b>Carrying Amount</b>	<b>27.83</b>	<b>29.97</b>	<b>595.02</b>	<b>470.60</b>
Less:-Unrealized profit on intra group transaction	-	-	1.38	-
<b>Net Carrying amount</b>	<b>27.83</b>	<b>29.97</b>	<b>593.64</b>	<b>470.60</b>





### 3. Summarised statement of Profit & Loss

(₹ in Crore)

	NHPTL		CVPPL	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Revenue	20.84	-	-	-
Interest Income	1.25	-	6.20	10.88
Depreciation & Amortisation	6.28	-	-	-
Interest Expense	14.80	-	-	-
Other Expenditure	11.73	-	0.54	1.73
Income Tax Expense	-	-	1.71	3.65
Profit from continuing operations	(10.72)	-	3.95	5.50
Profit for the year	(10.72)	-	3.95	5.50
Other Comprehensive income	0.04	-	-	-
Total Comprehensive Income	(10.68)	-	3.95	5.50

#### NOTE NO. 3.1 NON-CURRENT INVESTMENTS

PARTICULARS	As at 31st March, 2018		As at 31st March, 2017	
	Number of shares/ bonds/ securities	Amount (₹ in Crore)	Number of shares/ bonds/ securities	Amount (₹ in Crore)
<b>A. Quoted Equity Instruments - At Fair Value through Other Comprehensive Income (OCI)</b>				
Indian Overseas Bank (Fully Paid Up) (Face Value of ₹ 10/- each)	360800	0.62	360800	0.96
PTC India Ltd. (Fully Paid Up) (Face Value of ₹ 10/- each)	12000000	104.52	12000000	111.48
<b>Total (A)</b>		<b>105.14</b>		<b>112.44</b>
<b>B Quoted Debt Instruments - At Fair Value through Other Comprehensive Income (OCI)</b>				
<b>(a) Investment In Government Securities</b>				
8.35% SBI Right Issue GOI Special Bonds 2024 * (Per Unit Value of ₹ 10000/- each)	150000	154.21	150000	159.20
8.20% Oil Marketing Companies GOI Special Bonds 2024 (Per Unit Value of ₹ 10000/- each)	12380	12.64	12380	13.01
8.28% GOI 2027 (Per Unit Value of ₹ 10000/- each)	57000	59.17	57000	61.25
8.26% GOI 2027 (Per Unit Value of ₹ 10000/- each)	17940	18.62	17940	19.20
8.28% GOI 2032 (Per Unit Value of ₹ 10000/- each)	35000	36.66	35000	37.18
8.32% GOI 2032 (Per Unit Value of ₹ 10000/- each)	34000	35.75	34000	36.88
<b>Sub-total (a)</b>		<b>317.05</b>		<b>326.72</b>

# Annual Report 2017-18

PARTICULARS	As at 31st March, 2018		As at 31st March, 2017	
	Number of shares/ bonds/ securities	Amount (₹ in Crore)	Number of shares/ bonds/ securities	Amount (₹ in Crore)
<b>(b) Investment In Bonds of Public Sector Undertaking/ Public Financial Institution &amp; Corporates</b>				
7.41% IIFCL Tax Free Bonds 15.11.2032 (Per Unit Value of ₹ 10,00,000/- each)	120	13.89	120	13.45
8.12% REC Tax Free Bonds 27.03.2027 (Per Unit Value of ₹ 1000/- each)	100000	11.31	100000	11.30
8.48% NHAI TAX FREE 22.11.2028 (Per Unit Value of ₹ 10,00,000/- each)	473	55.90	473	55.50
<b>Sub-total (b)</b>		<b>81.10</b>		<b>80.25</b>
<b>Total (B) (a+b)</b>		<b>398.15</b>		<b>406.97</b>
<b>Total (A+B)</b>		<b>503.29</b>		<b>519.41</b>

<b>(a) Quoted Investment</b>				
(i) Aggregate Cost	381.95		381.95	
(ii) Aggregate Market Value	503.29		519.41	
<b>(b) Aggregate amount of Impairment in value of Investments</b>	-		-	

\* Note: Government Securities for ₹ 150 Crore is earmarked as security against "Bond Redemption Reserve" of ₹ 146.98 Crore.

## NOTE NO. 3.2 NON-CURRENT - FINANCIAL ASSETS - TRADE RECEIVABLE

PARTICULARS	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
Receivable from Beneficiary - Unsecured (Considered Good)	306.57	275.82
<b>Total</b>	<b>306.57</b>	<b>275.82</b>

### Explanatory Note:

Above represents dues agreed for deferment of receivable in instalments along with applicable interest, as per agreement.

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

PARTICULARS	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
<b>a) Employee Loans (including accrued interest) (at amortised Cost)</b>		
- Secured (considered good)	133.15	144.33
- Unsecured (considered good)	2.26	12.54
<b>Sub-total</b>	<b>135.41</b>	<b>156.87</b>
<b>b) Loan to Government of Arunachal Pradesh</b>		
- Unsecured (considered good)	225.00	225.00
<b>Sub-total</b>	<b>225.00</b>	<b>225.00</b>
<b>TOTAL</b>	<b>360.41</b>	<b>381.87</b>



**Explanatory Note: -**

i) Loan included in Other Loans (Employees) due from directors or other officers of the company at the end of the year.	0.10	0.14
ii) Advance due by firms or private companies in which any Director of the Company is a Director or member.	-	-
iii) 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 counter parties.		

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

PARTICULARS	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
A. Bank Deposits with more than 12 Months Maturity	35.15	413.77
B. Lease Rent receivable*	5,399.43	5,470.30
C. Interest accrued on:		
- Loan to Government of Arunachal Pradesh	343.81	296.84
- Bank Deposits with more than 12 Months Maturity	1.37	5.71
D. Share Application Money-CVPL (Pending Allotment)**	65.19	-
<b>TOTAL</b>	<b>5,844.95</b>	<b>6,186.62</b>

\* Refer para-11 of Note No. 34-Other Explanatory Notes to Accounts for receivable mortgaged/hypothecated as security.

\*\* Expected date of allotment is 30th June 2018.

**NOTE NO. 4 NON-CURRENT TAX ASSETS (NET)**

PARTICULARS	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
Advance Income Tax & Tax Deducted at Source	1,365.40	1,592.95
Less: Provision for Taxation	1,150.87	1,477.46
<b>Total</b>	<b>214.53</b>	<b>115.49</b>

**NOTE NO. 5 OTHER NON-CURRENT ASSETS**

PARTICULARS	(₹ in Crore)	
	As at 31st March, 2018	As at 31st March, 2017
<b>A. CAPITAL ADVANCES</b>		
Secured (considered good)	12.20	1.97
Unsecured (considered good)		
- Against bank guarantee	280.73	358.19
- Others	357.49	162.39
Less : Provision for expenditure awaiting utilisation certificate	2.17	4.21
Unsecured (considered doubtful)	4.50	4.50
Less : Provisions for doubtful advances *1	4.50	4.50
<b>Sub-total</b>	<b>648.25</b>	<b>518.34</b>

# Annual Report 2017-18

<b>B. ADVANCES OTHER THAN CAPITAL ADVANCES</b>		
<b>i) DEPOSITS</b>		
- Unsecured (considered good)	35.60	30.25
Less : Provision against demand raised by Govt. Depts.	15.29	15.55
- Unsecured (considered doubtful)	0.04	0.04
Less : Provision for Doubtful Deposits *2	0.04	0.04
<b>Sub-total</b>	<b>20.31</b>	<b>14.70</b>
<b>ii) Other advances</b>		
- Unsecured (considered good)	0.49	0.14
<b>Sub-total</b>	<b>0.49</b>	<b>0.14</b>
<b>C. Others</b>		
<b>i) Deferred Foreign Currency Fluctuation Assets/ Expenditure</b>		
Deferred Foreign Currency Fluctuation Assets	432.68	415.04
Deferred Expenditure on Foreign Currency Fluctuation	133.02	144.42
<b>Sub-total</b>	<b>565.70</b>	<b>559.46</b>
<b>ii) Deferred Cost on Employee loans given</b>		
Secured - Considered Good	59.17	48.88
Unsecured - Considered Good	6.06	2.06
<b>Sub-total</b>	<b>65.23</b>	<b>50.94</b>
<b>TOTAL</b>	<b>1,299.98</b>	<b>1,143.58</b>
<b>*1 Provision for doubtful Advances</b>		
Opening Balance	4.50	0.13
Addition during the year	-	4.37
<b>Closing balance</b>	<b>4.50</b>	<b>4.50</b>
<b>*2 Provision for doubtful Deposits</b>		
Opening Balance	0.04	0.50
Addition during the year	-	0.04
Used during the year	-	0.50
<b>Closing balance</b>	<b>0.04</b>	<b>0.04</b>



## NOTE NO. 6 INVENTORIES

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>(Valuation as per Significant Accounting Policy No. 10.0)</b>		
Stores and spares	102.39	99.85
Stores in transit/ pending inspection	2.81	1.88
Loose tools	2.06	2.21
Scrap inventory	1.49	2.01
Material at site	4.99	4.83
Less: Provision for Obsolescence & Diminution in Value *1	9.06	9.98
<b>TOTAL</b>	<b>104.68</b>	<b>100.80</b>
<b>*1 Provision for Obsolescence &amp; Diminution in Value</b>		
Opening Balance	9.98	22.48
Addition during the year	0.40	0.52
Used during the year	1.11	11.27
Reversed during the year	0.21	1.75
<b>Closing balance</b>	<b>9.06</b>	<b>9.98</b>
<b>Explanatory Note:</b>		
i) During the year, inventories written down to net realisable value (NRV) and recognised as an expense in the statement of profit or loss.	0.40	0.52

## NOTE NO. 7 FINANCIAL ASSETS - CURRENT - TRADE RECEIVABLES

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
- Unsecured - Considered Good	1,346.04	1,854.01
- Unsecured - Considered Doubtful	37.71	54.40
Less: Provision for doubtful debts *1	37.71	54.40
<b>TOTAL</b>	<b>1,346.04</b>	<b>1,854.01</b>
<b>*1 Provision for doubtful debts</b>		
Opening Balance	54.40	56.37
Addition during the year	1.93	19.57
Used during the year	18.35	-
Reversed during the year	0.27	21.54
<b>Closing balance</b>	<b>37.71</b>	<b>54.40</b>
<b>Explanatory Note: -</b>		
i) Trade Receivables Unsecured - considered good includes dues agreed for deferment receivable in equated monthly instalments along-with applicable interest, as per agreement.	152.04	203.97
ii) 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
iii) Debt due by Joint Ventures and others related parties of the company at point (i) above.	Nil	Nil
iv) Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.		

# Annual Report 2017-18

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

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>A Balances with banks</b>		
<b>With scheduled banks</b>		
i) In Current Account	19.05	72.56
ii) In Deposits Account (Deposits with original maturity of less than three months)	1.46	0.88
<b>B Cash on hand</b>		
Cash on hand	0.03	0.13
<b>TOTAL</b>	<b>20.54</b>	<b>73.57</b>
<b>Explanatory Note: -</b>		
1) Cash on hand -(Includes stamps on hand)	0.01	0.01
2) Cash and Bank Balances on behalf of others and are not freely available for the business of the Company included in stated amount :-		
(a) held for Rural Road and Rural Electrification works being executed by Company on behalf of other agencies	0.22	7.74

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

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
A Balances with Banks - In deposits account	3,193.58	3,297.67
B Deposit account-Unpaid Dividend / Interest	104.94	101.22
<b>TOTAL</b>	<b>3,298.52</b>	<b>3,398.89</b>
<b>Explanatory Note: -</b>		
1) Cash and Bank Balances held for Rural Road and Rural Electrification works being executed by Company on behalf of other agencies and are not freely available for the business of the Company included in stated amount	250.49	242.48
2) Cash and Bank Balances includes amount under lien with banks as per orders of Hon'ble Court of Law, which is not available for use.	11.12	10.36

## NOTE NO. 10 FINANCIAL ASSETS - CURRENT - LOANS

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>Loan to Related Parties</b>		
- Unsecured (considered good)	6.00	-
<b>Sub-total</b>	<b>6.00</b>	<b>-</b>
<b>OTHER LOANS</b>		
<b>Employees (including accrued interest)</b>		
- Secured (considered good)	20.09	2.91
- Unsecured (considered good)	25.36	28.52
- Unsecured (considered doubtful)	0.03	0.03
Less : Provisions for doubtful Employee loans & advances *1	0.03	0.03
<b>Sub-total</b>	<b>45.45</b>	<b>31.43</b>
<b>TOTAL</b>	<b>51.45</b>	<b>31.43</b>
<b>*1 Provisions for doubtful Employee loans &amp; advances</b>		
Opening Balance	0.03	0.03
Closing balance	0.03	0.03
<b>Explanatory Note: -</b>		
Loan & Advances due from directors or other officers of the company at the end of the year.	0.11	0.11
Advance due by firms or private companies in which any Director of the Company is a Director or member.	Nil	Nil



## NOTE NO. 11 FINANCIAL ASSETS - CURRENT - OTHERS

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
a) Claims recoverable	619.93	674.57
Less: Provisions for Doubtful Claims *1	210.41	209.26
<b>Sub-total</b>	<b>409.52</b>	<b>465.31</b>
b) Interest Income accrued on Bank Deposits	116.21	117.41
c) Receivable from Joint Ventures	104.75	193.23
d) Interest recoverable from beneficiary	5.32	22.21
e) Lease Rent receivable (Finance Lease)-Current	178.63	267.10
f) Interest receivable on Finance lease	18.92	0.45
g) Interest Accrued on Bonds	2.52	2.52
h) Receivable on account of unbilled revenue	796.16	1,169.94
i) Advance to Contractors against arbitration award	536.06	-
<b>TOTAL</b>	<b>2,168.09</b>	<b>2,238.17</b>
<b>*1 Provisions for Doubtful Claims</b>		
Opening Balance	209.26	200.96
Addition during the year	3.36	22.46
Used during the year	0.01	8.55
Reversed during the year	2.20	5.61
<b>Closing balance</b>	<b>210.41</b>	<b>209.26</b>
<b>Explanatory Note:-</b>		
<b>1) Receivable on account of unbilled revenue represents</b>		
Grossing up of Return on Equity	37.23	25.15
J&K water cess	160.92	226.22
Unbilled sale for the month of March	389.50	396.97
Sales due to revision of Tariff Order-Chutak Power Station	-	64.73
Sales due to revision of Tariff Order-Chamera-III Power Station	2.83	2.83
Recognition of Sale (Estimated) awaiting Tariff Order-Nimmo Bazgo Power Station	(18.14)	(3.44)
Tax adjustment	138.70	109.79
MEA Sales	7.51	7.24
Parbati-III (4th Unit) Estimated Sale	-	244.86
FERV	66.05	79.80
Others	11.56	15.79
<b>TOTAL</b>	<b>796.16</b>	<b>1,169.94</b>
2) Receivable from Joint Ventures includes claim of the company towards capital expenditure incurred on Kiru & Kawar HE Projects which have been transferred to M/s CVPPPL (a joint venture company of NHPC, JKSPDC and PTC).		
3) Claims recoverable (at a) includes a sum of ₹ 26.43 crore (Previous year ₹ 103.66 crore) due from Govt. of Madhya Pradesh as per details in Other Explanatory Notes to Accounts ( Note no. 34 at Serial no. 7). Further it includes a sum of ₹ 0.08 crore (Previous year ₹ 0.08 crore) towards TDS recoverable and duplicate payments recoverable from Land oustees of ₹ 0.12 crore (Previous year ₹ 0.12 crore) already provided for.		

# Annual Report 2017-18

## NOTE NO. 12 CURRENT TAX ASSETS (NET)

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>Current Tax Assets</b>		
Current Tax (Refer Note No. 23)	0.40	78.30
<b>Total</b>	<b>0.40</b>	<b>78.30</b>

## NOTE NO. 13 OTHER CURRENT ASSETS

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>A. Advances other than Capital Advances</b>		
<b>a) Deposits</b>		
- Unsecured (considered good)	123.88	138.92
Less : Provision against demand raised by Govt. Depts.	0.10	11.59
<b>Sub-total</b>	<b>123.78</b>	<b>127.33</b>
<b>b) Advance to contractor / supplier</b>		
- Secured (considered good)	1.13	0.64
- Unsecured (considered good)		
Against bank guarantee	15.43	112.51
Others	26.16	34.80
Less : Provisions for expenditure awaiting utilization certificate	0.45	0.43
- Unsecured (considered doubtful)	45.52	45.52
Less : Provisions for doubtful advances *1	45.52	45.52
<b>Sub-total</b>	<b>42.27</b>	<b>147.52</b>
<b>c) Other advances - Employees</b>		
- Unsecured (considered good)	0.75	0.62
<b>Sub-total</b>	<b>0.75</b>	<b>0.62</b>
<b>d) Interest accrued on:</b>		
Others		
Considered Good	9.78	65.31
Considered Doubtful	104.11	84.32
Less: Provisions for Doubtful Interest *2	104.11	84.32
<b>Sub-total</b>	<b>9.78</b>	<b>65.31</b>
<b>B. Others</b>		
<b>a) Expenditure awaiting adjustment</b>	37.06	37.06
Less: Provision for project expenses awaiting write off sanction *3	37.06	37.06
<b>Sub-total</b>	<b>-</b>	<b>-</b>
<b>b) Losses awaiting write off sanction/pending investigation</b>	38.96	40.03
Less: Provision for losses pending investigation/awaiting write off / sanction *4	38.96	40.03
<b>Sub-total</b>	<b>-</b>	<b>-</b>





# NHPC Limited

(A Government of India Enterprise)

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
c) <b>Prepaid Expenditure</b>	83.87	56.44
d) <b>Deferred Employee Costs</b>		
Secured - Considered Good	6.26	23.48
Unsecured - Considered Good	0.06	1.92
e) <b>Deferred Foreign Currency Fluctuation</b>		
Deferred Foreign Currency Fluctuation Assets	66.36	78.72
Deferred Expenditure on Foreign Currency Fluctuation	7.93	4.46
f) <b>Surplus / Obsolete Assets</b>	1.81	1.99
g) <b>Input GST</b>	5.96	-
h) <b>Others</b>	10.61	45.67
<b>TOTAL</b>	<b>359.44</b>	<b>553.46</b>
<b>*1 Provisions for doubtful advances (Contractors &amp; Suppliers)</b>		
Opening Balance	45.52	45.52
Closing balance	45.52	45.52
<b>*2 Provisions for Doubtful Accrued Interest</b>		
Opening Balance	84.32	67.08
Addition during the year	19.79	19.79
Reversed during the year	-	2.55
Closing balance	104.11	84.32
<b>*3 Provision for project expenses awaiting write off sanction</b>		
Opening Balance	37.06	37.06
Closing balance	37.06	37.06
<b>*4 Provision for losses pending investigation/awaiting write off / sanction</b>		
Opening Balance	40.03	37.90
Addition during the year	0.36	2.77
Used during the year	0.82	0.43
Reversed during the year	0.61	0.21
Closing balance	38.96	40.03
<b>Explanatory Note:-</b>		
1 Loans and Advances due from Directors or other officers at the end of the year.	-	-
2 Advance due by Firms or Private Companies in which any Director of the Company is a Director or member.	-	-
3 Others at h) includes materialisation of deferred tax (Refer Note no. 24.1)	-	45.35
4 Surplus Assets / Obsolete Assets held for disposal are shown at lower of book value and net realizable value.		

## NOTE NO. 14 REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>(i) Regulatory Deferral Account Balances i.r.o Subansiri Lower Project</b>		
Opening Balance	2,697.99	2,181.28
Addition during the year	474.82	516.71
<b>Closing balance</b>	<b>3,172.81</b>	<b>2,697.99</b>
<b>(ii) Wage Revision as per 3rd PRC</b>		
Opening Balance	214.93	-
Addition during the year (through P&L)	259.25	205.88
Addition during the year (through OCI)	(23.68)	9.05
<b>Closing balance</b>	<b>450.50</b>	<b>214.93</b>
<b>(iii) Exchange Differences on Monetary Items</b>		
Opening Balance	(2.50)	-
Addition during the year	2.10	(2.50)
<b>Closing balance</b>	<b>(0.40)</b>	<b>(2.50)</b>
<b>Closing Balance (A)=(i)+(ii)+(iii)</b>	<b>3,622.91</b>	<b>2,910.42</b>
<b>(iv) Deferred Tax Assets on Regulatory Deferral Account Balances</b>	(100.77)	(72.27)
Less:-Deferred Tax Adjustments against deferred tax assets	(100.77)	(72.27)
<b>Total (B)</b>	<b>-</b>	<b>-</b>
<b>Regulatory Deferral Account Balances net of Deferred Tax (A-B) *</b>	<b>3,622.91</b>	<b>2,910.42</b>

\* For details, refer para-23 of Note no. 22-Other Explanatory Notes to Accounts



## NOTE : 15.1 EQUITY SHARE CAPITAL

PARTICULARS	As at 31st March, 2018		As at 31st March, 2017	
	Nos	Amount (₹ in crore)	Nos	Amount (₹ in crore)
a) Authorized Equity Share Capital (Par value per share ₹ 10)	15,000,000,000	15,000.00	15,000,000,000	15,000.00
b) No. of Equity shares issued, subscribed and fully paid (Par value per share ₹ 10)	10,259,320,519	10,259.32	10,259,320,519	10,259.32
<b>c) Changes in Equity Share Capital</b>				
Opening number of shares outstanding	10,259,320,519	10,259.32	11,070,668,496	11,070.67
Add: No. of shares/Share Capital issued/subscribed during the year	-	-	-	-
Less: Reduction in no. of shares/Share Capital on account of buy back of shares.	-	-	811,347,977	811.35
Closing number of shares outstanding	10,259,320,519	10,259.32	10,259,320,519	10,259.32
d) 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.				
e) Shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate: NIL				
f) Shares in the company held by each shareholder holding more than 5 percent specifying the number of shares held : -				
	As at 31st March, 2018		As at 31st March, 2017	
	Nos	In (%)	Nos	In (%)
- President of India	7,587,481,082	73.96%	7,643,406,901	74.50%
- LIC	734,379,599	7.16%	906,183,502	8.83%
g) Shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment, including the terms and amounts : NIL				
h) In preceding five financial years immediately preceding 31.03.2018, Company has not allotted any equity share as fully paid up pursuant to contract(s) without payment being received in cash/ not allotted any equity share as fully paid up by way of bonus share(s).				
i) Terms of any securities convertible into equity shares issued along with the earliest date of conversion in descending order starting from the farthest such date:- NIL				
j) Calls unpaid (showing aggregate value of calls unpaid by directors and officers) : NIL				
k) Forfeited shares (amount originally paid up) :NIL				
l) During the Financial Year 2016-17 the Company has completed buyback of 811347977 shares of ₹ 10 each, from the shareholders on a proportionate basis by way of a tender offer at a price of ₹ 32.25 per equity share for an aggregate amount of ₹ 2616.60 crores in accordance with the provisions of the Companies Act, 2013 and the SEBI regulations.				

# Annual Report 2017-18

## NOTE NO. 15.2 OTHER EQUITY

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>(i) Capital Redemption Reserve</b>		
As per last Balance Sheet	2,041.42	1,230.07
Add: Transfer from Securities Premium account	-	811.35
<b>As at Balance Sheet date</b>	<b>2,041.42</b>	<b>2,041.42</b>
<b>(ii) Securities Premium Account</b>		
As per last Balance Sheet	242.81	2,868.74
Less: Utilisation for buy-back of shares and related expenses	-	1,814.58
Less: Transfer to capital redemption reserve	-	811.35
<b>As at Balance Sheet date</b>	<b>242.81</b>	<b>242.81</b>
<b>(iii) Bond Redemption Reserve</b>		
As per last Balance Sheet	1,609.27	1,324.20
Add: Transfer from Surplus/Retained Earnings	668.45	394.49
Less: Write back during the year	148.17	109.42
<b>As at Balance Sheet date</b>	<b>2,129.55</b>	<b>1,609.27</b>
<b>(iv) Corporate Social Responsibility (CSR) Fund</b>		
As per last Balance Sheet	24.31	17.26
Add: Transfer from Surplus	-	7.05
Less: Write back during the year	1.04	-
Adjustments	0.02	-
<b>As at Balance Sheet date</b>	<b>23.29</b>	<b>24.31</b>
<b>(v) Research &amp; Development Fund</b>		
As per last Balance Sheet	60.87	45.52
Add: Transfer from Surplus/Retained Earnings	-	15.35
Less: Write back during the year	43.90	-
<b>As at Balance Sheet date</b>	<b>16.97</b>	<b>60.87</b>
<b>(vi) General Reserve</b>		
As per last Balance Sheet	10,224.43	10,224.43
<b>As at Balance Sheet date</b>	<b>10,224.43</b>	<b>10,224.43</b>
<b>(vii) Retained Earnings/ Surplus</b>		
As per last Balance Sheet	4,417.63	4,775.81
Add: Profit during the year	2,503.90	3,029.42
Add: Transferred from OCI	20.40	(42.15)
Add: Amount written back from Bond Redemption Reserve	148.18	109.42
Add: Amount written back from CSR Fund*	0.53	-
Add: Amount written back from Research & Development Fund	43.89	-
Less: Dividend and DDT	1,506.46	3,037.98
Less: Transfer to Bond Redemption Reserve	668.45	394.49
Less: Transfer to Research & Development Fund	-	15.35
Less: Transfer to Corporate Social Responsibility Fund	-	7.05
<b>As at Balance Sheet date</b>	<b>4,959.62</b>	<b>4,417.63</b>
<b>(viii) FVTOCI-Equity Instruments</b>		
As per last Balance Sheet	100.08	65.29
Add:-Change in Fair value of FVTOCI	(7.30)	34.79
<b>As at Balance Sheet date</b>	<b>92.78</b>	<b>100.08</b>



(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
(ix) <b>FVTOCI-Debt Instruments</b>		
As per last Balance Sheet	34.68	20.72
Add:-Change in Fair value of FVTOCI	(9.09)	15.78
Less:-Deferred Tax on change in Fair Value	(2.12)	1.82
<b>As at Balance Sheet date</b>	<b>27.71</b>	<b>34.68</b>
<b>TOTAL</b>	<b>19,758.58</b>	<b>18,755.50</b>

\* To the extent of parent share

### Nature and Purpose of Reserves

- 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 purchased is required to be transferred to capital redemption reserve.
- Securities Premium Account** : Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.
- Bond Redemption Reserve** : The company is required to create a bond redemption reserve out of the profits which is available for the purpose of redemption of bonds.
- Research & Development Fund** : Research & Development Fund has been kept for funding the R&D budget.
- FVTOCI-Equity Instruments** : The company has elected to recognise changes in the fair value of certain investments in equity securities in Other Comprehensive Income (OCI). These changes are accumulated within the FVOCI equity investments reserve within equity. The company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.
- FVTOCI-Debt Instruments** : The company has elected to recognise changes in the fair value of certain investments in debt securities in Other Comprehensive Income. These changes are accumulated within the FVTOCI debt investments reserve within equity. The company transfers amounts from this reserve to retained earnings through P&L when the relevant debt securities are derecognised.

### Note No. 15.3 : NON-CONTROLLING INTERESTS (NCI)

(₹ in crore)

Name of Subsidiaries	31-Mar-18	31-Mar-17
NHDC Limited	2,893.56	3,346.76
Loktak Downstream Hydroelectric Corporation Ltd. (LDHCL)	35.64	35.48
Bundelkhand Saur Urja Pvt. Ltd. (BSUL)	5.71	-
<b>TOTAL</b>	<b>2,934.91</b>	<b>3,382.24</b>

#### a) Explanatory Note:

##### INTERESTS IN OTHER ENTITIES

The group's subsidiaries at 31st March 2018 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

# Annual Report 2017-18

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-18	31-Mar-17	31-Mar-18	31-Mar-17	
		%	%	%	%	
NHDC Limited	India	51.08	51.08	48.92	48.92	Electricity generation
Loktak Downstream Hydroelectric Corporation Ltd. (LDHCL)	India	74.00	74.00	26.00	26.00	Electricity generation
Bundelkhand Saur Urja Pvt. Ltd. (BSUL)	India	99.99	99.99	0.01	0.01	Electricity generation

## b) Non-Controlling Interest (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

(₹ in crore)

Particulars	NHDC Limited		Loktak Downstream Hydroelectric Corporation Ltd.		Bundelkhand Saur Urja Pvt. Ltd.	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	Current Assets	2,359.75	2,749.37	13.00	26.14	11.57
Current Liabilities	408.45	364.80	7.72	5.69	1.66	12.65
<b>Net Current Assets</b>	<b>1,951.30</b>	<b>2,384.57</b>	<b>5.28</b>	<b>20.45</b>	<b>9.91</b>	<b>-1.28</b>
Non-current Assets	5,485.75	6,059.22	131.80	115.99	9.26	1.88
Non-current Liabilities	1,482.30	1,561.68	-	-	10.00	-
<b>Net Non-current Assets</b>	<b>4,003.45</b>	<b>4,497.54</b>	<b>131.80</b>	<b>115.99</b>	<b>(0.74)</b>	<b>1.88</b>
<b>Net Assets</b>	<b>5,954.75</b>	<b>6,882.11</b>	<b>137.08</b>	<b>136.44</b>	<b>9.17</b>	<b>0.60</b>
Share Application money pending allotment	-	-	-	-	5.71	-
Earmarked Reserves*	40.27	41.29	-	-	-	-
<b>Total of Non Controlling Interest</b>	<b>2,893.56</b>	<b>3,346.76</b>	<b>35.64</b>	<b>35.48</b>	<b>5.71</b>	<b>-</b>

\* Earmarked Reserves are in respect of Research & Development Fund and Corporate Social Responsibility (CSR) Fund.

## c) Summarised statement of profit and loss

(₹ in crore)

Particulars	NHDC Limited		Loktak Downstream Hydroelectric Corporation Ltd.		Bundelkhand Saur Urja Pvt. Ltd.	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	Revenue	1,056.68	1,599.62	1.00	2.01	0.04
Profit/(Loss) for the year	553.18	931.28	0.64	1.11	(0.15)	(0.32)
Other Comprehensive income	0.47	(2.09)	-	-	-	-
<b>Total Comprehensive income</b>	<b>553.65</b>	<b>929.19</b>	<b>0.64</b>	<b>1.11</b>	<b>(0.15)</b>	<b>(0.32)</b>
Profit allocated to NCI	270.64	450.62	0.17	0.29	-	-
Dividends (including DDT) paid to NCI	724.58	235.75	-	-	-	-



## d) Summarised Cash Flows

Particulars	NHDC Limited		Loktak Downstream Hydroelectric Corporation Ltd.		Bundelkhand Saur Urja Pvt. Ltd.	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Cash flows from operating activities	866.77	1,185.22	3.41	4.39	(1.16)	0.86
Cash flows from investing activities	613.67	(928.84)	(3.45)	(4.39)	(1.64)	(0.82)
Cash flows from financing activities	(1,480.69)	(468.85)	-	-	3.00	-
<b>Net increase /(decrease) in cash and cash equivalents</b>	<b>(0.25)</b>	<b>(212.47)</b>	<b>(0.04)</b>	<b>-</b>	<b>0.20</b>	<b>0.04</b>

## NOTE NO. 16.1 FINANCIAL LIABILITIES - NON-CURRENT - BORROWINGS

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>Bonds</b>		
- Secured	11,238.39	8,493.28
<b>Term Loans</b>		
• From Banks		
- Secured	20.00	2,259.36
- Unsecured	-	107.18
• From Other Parties		
- Secured	1,206.67	2,219.45
- Unsecured-From Government (Subordinate Debts)	3,163.79	3,032.29
- Unsecured-From Others	1,099.35	1,134.08
<b>TOTAL</b>	<b>16,728.20</b>	<b>17,245.64</b>

Redemption / terms of repayment etc.

- Debt Covenants : Refer point no. 3 (Capital Management) of Note no. 33.
- Particulars of Redemption & Repayments: Refer Annexures to Note no. 16.1

## Annexure to Note - 16.1

(₹ in crore)

Particulars of redemption & repayment (Disclosure given below for Total Borrowings)	As at 31st March, 2018	As at 31st March, 2017
<b>(A) BONDS (Non-convertible and Non-cumulative)-Secured</b>		
<b>i) TAX FREE BONDS- 3A SERIES *4&amp;8</b> (8.67% p.a. 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹1,000/- each). (Date of redemption 02.11.2033)	336.07	336.07
<b>ii) TAX FREE BONDS- 3B SERIES *4&amp;8</b> (8.92% p.a. 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹1,000/- each). (Date of redemption 02.11.2033)	253.62	253.62
<b>iii) BONDS- U SERIES *2&amp;10</b> (8.24% p.a. 15 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹10,00,000/- each). (Date of redemption 27.06.2031)	540.00	540.00
<b>iv) BONDS- U1 SERIES *2&amp;10</b> (8.17% p.a. 15 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹10,00,000/- each). (Date of redemption 27.06.2031)	360.00	360.00
<b>v) TAX FREE BONDS- 2A SERIES *4&amp;8</b> (8.54% p.a. 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹1,000/- each). (Date of redemption 02.11.2028)	213.12	213.12
<b>vi) TAX FREE BONDS- 2B SERIES *4&amp;8</b> (8.79% p.a. 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2028)	85.61	85.61
<b>vii) TAX FREE BONDS- 1A SERIES *4&amp;8</b> (8.18% p.a. 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹1,000/- each). (Date of redemption 02.11.2023)	50.81	50.81
<b>viii) TAX FREE BONDS- 1B SERIES *4&amp;8</b> (8.43% p.a. 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹1,000/- each). (Date of redemption 02.11.2023)	60.77	60.77
<b>ix) BONDS-W2 SERIES *14</b> (7.35% p.a. 10 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹50,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond). (5 Yearly redemptions of ₹ 150.00 crore each w.e.f. 15.09.2023 to 15.09.2027)	750.00	-
<b>x) BONDS-V2 SERIES *13</b> (7.52% p.a. 10 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹50,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond). (5 Yearly redemptions of ₹ 295.00 crore each w.e.f. 06.06.2023 to 06.06.2027)	1,475.00	-
<b>xi) BONDS-T SERIES *1, 2 &amp; 10</b> (8.50% p.a. 15 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond). (12 Yearly redemptions of ₹ 122.91 crore each w.e.f. 14.07.2019 to 14.07.2030)	1,474.92	1,474.92





(₹ in crore)

Particulars of redemption & repayment (Disclosure given below for Total Borrowings)	As at 31st March, 2018	As at 31st March, 2017
<b>xii) BONDS-R-3 SERIES *4</b> (8.78% p.a. 15 year Secured Redeemable Non-Convertible Taxable Bonds of ₹10,00,000/- each with 10 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/10th of face value of Bond) (10 Yearly redemptions of ₹ 89.20 Crore each w.e.f. 11.02.2019 to 11.02.2028)	892.00	892.00
<b>xiii) BONDS-S-2 SERIES *10</b> (8.54% p.a. 15 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond). (12 Yearly redemptions of ₹ 55 crore each w.e.f. 26.11.2018 to 26.11.2029).	660.00	660.00
<b>xiv) BONDS-W1 SERIES *14</b> (6.91% p.a. 5 year Secured Redeemable Non-Convertible Taxable Bonds of ₹50,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond). (5 Yearly redemptions of ₹ 300.00 Crore each w.e.f. 15.09.2018 to 15.09.2022).	1,500.00	-
<b>xv) BONDS-V SERIES *13</b> (6.84% p.a. 5 year Secured Redeemable Non-Convertible Taxable Bonds of ₹5,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond) (5 Yearly redemptions of ₹ 155.00 Crore each w.e.f. 24.01.2018 to 24.01.2022. As on 31.03.2018, 4 annual instalments of ₹155 Crores each are outstanding).	620.00	775.00
<b>xvi) BONDS-Q SERIES *5&amp;11</b> (9.25% p.a. 15 year Secured Redeemable Non-Convertible Taxable Bonds of ₹12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond). (Bond issue amount of ₹1266.00 Crores redeemable in 12 equal annual instalments commencing from 12.03.2016. As on 31.03.2018, 9 annual instalments of ₹105.50 Crores each are outstanding).	949.50	1,055.00
<b>xvii) BONDS-R-2 SERIES *4</b> (8.85% p.a. 14 year Secured Redeemable Non-Convertible Taxable Bonds of ₹12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond). (Bond issue amount of ₹382.08 Crores redeemable in 12 equal annual instalments commencing from 11.02.2016. As on 31.03.2018, 9 annual instalments of ₹31.84 Crores each are outstanding).	286.56	318.40
<b>xviii) BONDS-P SERIES *4, 6 &amp; 8</b> (9.00% p.a. 15 Year Secured Redeemable Non-Convertible Taxable Bonds of ₹10,00,000/- each redeemable in 10 equal yearly instalments). (Bond issue amount of ₹2000 Crores redeemable in 10 equal annual instalments commencing from 01.02.2016. As on 31.03.2018, 7 annual instalments of ₹200 Crores each are outstanding).	1,400.00	1,600.00
<b>xix) BONDS-S-1 SERIES *10</b> (8.49% p.a. 10 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹10,00,000/- each with 10 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/10th of face value of Bond) (Bond issue amount of ₹365 Crores redeemable in 10 equal annual instalments commencing from 26.11.2015. As on 31.03.2018, 7 annual instalments of ₹36.50 Crores each are outstanding).	255.50	292.00

# Annual Report 2017-18

(₹ in crore)

Particulars of redemption & repayment (Disclosure given below for Total Borrowings)	As at 31st March, 2018	As at 31st March, 2017
<b>xx) BONDS-R-1 SERIES *4</b> (8.70% p.a. 13 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond). (Bond issue amount of ₹82.20 Crores redeemable in 12 equal annual instalments commencing from 11.02.2015. As on 31.03.2018, 8 annual instalments of ₹ 6.85 Crores each are outstanding).	54.80	61.65
<b>xxi) BONDS-O SERIES *2</b> (7.70% p.a. 15 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 100,000,000/- each with 10 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/10th of face value of Bond). (Fully Redeemed on 31.03.2018).	-	57.00
<b>Total Bonds (Secured)</b>	12,218.28	9,085.97
<b>Less: Current Maturities</b>	979.89	592.69
<b>Total Bonds -(Secured) net of current maturities (A)</b>	11,238.39	8,493.28
<b>(B) TERM LOANS - Secured (Banks)</b>		
<b>i) ORIENTAL BANK OF COMMERCE *2</b> (Repayable in 3 equal yearly instalments of ₹ 10 Crore each upto 27.12.2020 at Fixed interest rate with 3 years reset clause with upper cap of 7.207% p.a. presently at 7.207% p.a. as on 31.03.2018)	30.00	40.00
<b>ii) CORPORATION BANK *9</b> (Fully Repaid on 06.06.2017)	-	406.25
<b>iii) CANARA BANK *9</b> (Fully Repaid on 06.06.2017)	-	162.56
<b>iv) INDIAN OVERSEAS BANK *9</b> (Fully Repaid on 06.06.2017)	-	162.50
<b>v) SYNDICATE BANK *9</b> (Fully Repaid on 06.06.2017)	-	243.75
<b>vi) UNION BANK OF INDIA *9</b> (Fully Repaid on 06.06.2017)	-	121.88
<b>vii) STATE BANK OF INDIA *3&amp;5</b> (Fully Repaid on 15.09.2017)	-	916.67
<b>viii) STATE BANK OF INDIA *8</b> (Fully Repaid on 15.09.2017)	-	460.00
<b>Total Term Loan - Banks (Secured)</b>	30.00	2,513.61
<b>Less: Current Maturities</b>	10.00	254.25
<b>Total Term Loan - Banks (Secured) net of current maturities (B)</b>	20.00	2,259.36
<b>(C) TERM LOANS - Banks- Foreign Currency (Unsecured)</b>		
<b>i) Deutsche Bank &amp; Others *12</b> (Repayable in 2 equal half yearly instalments of ₹ 56.73 Crores each upto 18.10.2018 at floating interest rate 6 Month JPY LIBOR + 0.57% Margin)	113.45	214.36
<b>Total Term Loan - Banks (Unsecured)</b>	113.45	214.36
<b>Less: Current Maturities</b>	113.45	107.18
<b>Total Term Loan - Banks (Unsecured) net of current maturities (C)</b>	-	107.18
<b>(D) Term Loan-From other parties (Secured)</b>		
<b>i) LIFE INSURANCE CORPORATION OF INDIA *4 &amp; 6</b> (Repayable in 6 half yearly instalments of ₹ 104.17 Crore each upto 15.10.2020 at Fixed interest rate of 9.25% p.a. on ₹ 25.00 Crores and 8% p.a. on ₹ 600 Crore as on 31.03.2018)	625.00	833.33



(₹ in crore)

Particulars of redemption & repayment (Disclosure given below for Total Borrowings)	As at 31st March, 2018	As at 31st March, 2017
ii) LIFE INSURANCE CORPORATION OF INDIA *5 & 11 (Repayable in 12 equal half yearly instalments of ₹ 79 Crore each upto 31.10.2023 at Fixed Interest rate of 9.118% p.a. as on 31.03.2018)	948.00	1,106.00
iii) POWER FINANCE CORPORATION LIMITED *7 (Fully Repaid on 15.09.2017)	-	27.90
iv) POWER FINANCE CORPORATION LIMITED *7 (Fully Repaid on 15.09.2017)	-	31.50
v) POWER FINANCE CORPORATION LIMITED *2&3 (Fully Repaid on 15.09.2017)	-	619.23
vi) POWER FINANCE CORPORATION LIMITED *1 (Fully Repaid on 15.09.2017)	-	92.92
viii) POWER FINANCE CORPORATION LIMITED *1 (Fully Repaid on 15.09.2017)	-	137.50
<b>Total Term Loan - Other Parties (Secured)</b>	<b>1,573.00</b>	<b>2,848.38</b>
<b>Less: Current Maturities</b>	<b>366.33</b>	<b>628.93</b>
<b>Total Term Loan - Other Parties (Secured) net of current maturities (D)</b>	<b>1,206.67</b>	<b>2,219.45</b>
<b>(E) Term Loan-From Other parties- Government (Unsecured)</b> <b>Loans from Govt. of India (At fair value)</b>		
i) Subordinate Debt from Govt. of India for Nimmo-Bazgo Power Station (Repayable in 18 equal annual instalments of ₹ 28.85 Crore each from the 12th year after commissioning of the project i.e. from 10.10.2025 at fixed interest rate of 4% p.a.)	414.99	394.76
ii) Subordinate Debt from Govt. of India for Chutak Power Station (Repayable in 24 equal annual instalments of ₹ 23.11 Crore each from the 6th year after commissioning of the project i.e. from 01.02.2019 at fixed interest rate of 2.50% p.a.)	478.14	452.13
iii) Subordinate Debt from Govt. of India for Kishanganga HE Project (Repayable in 10 equal annual instalments from the 11th year after commissioning of the project at fixed interest rate of 1% p.a. Interest accrues and is payable annually after commissioning of the project.)	2,293.77	2,185.40
<b>Total Term Loan -Government (Unsecured)</b>	<b>3,186.90</b>	<b>3,032.29</b>
<b>Less: Current Maturities</b>	<b>23.11</b>	<b>-</b>
<b>Total Term Loan - Other Parties (Unsecured) net of current maturities (E)</b>	<b>3,163.79</b>	<b>3,032.29</b>
<b>(F) TERM LOANS - From Others- Foreign Currency (Unsecured)</b>		
i) Japan International Cooperation Agency Tranche-I *12 (Repayable in 16 equal half yearly instalments of ₹ 7.54 Crore each upto 20.01.2026 at fixed interest rate of 2.3% as on 31.03.2018)	120.69	128.26
ii) Japan International Cooperation Agency Tranche-II *12 (Repayable in 20 equal half yearly instalments of ₹ 24.75 Crore each upto 20.12.2027 at fixed interest rate of 2.3% as on 31.03.2018)	494.90	514.28
iii) Japan International Cooperation Agency Tranche-III *12 (Repayable in 32 equal half yearly instalments of ₹ 18.28 Crore each upto 20.03.2034 at fixed interest rate of 1.3% as on 31.03.2018)	584.89	587.08
<b>Total Term Loan -Other Parties (Unsecured)</b>	<b>1,200.48</b>	<b>1,229.62</b>
<b>Less: Current Maturities</b>	<b>101.13</b>	<b>95.54</b>
<b>Total Term Loan - Other Parties (Unsecured) net of current maturities (F)</b>	<b>1,099.35</b>	<b>1,134.08</b>
<b>Grand Total (A+B+C+D+E+F)</b>	<b>16,728.20</b>	<b>17,245.64</b>

## \* Particulars of security

1. Secured by pari-passu charge by way of Equitable mortgage/hypothecation against Immovable/Moveable assets (except for Book Debts and Stores) of Company's Chamera-I Power Station situated in the state of Himachal Pradesh.
2. Secured by pari-passu charge by way of Equitable mortgage/hypothecation against Immovable/Moveable assets (except for Book Debts and Stores) of Company's Uri-I Power Station situated in the state of Jammu & Kashmir.
3. Secured by pari-passu charge by way of Equitable mortgage/ hypothecation against Immovable / Moveable assets (except for Book Debts and Stores) of Company's Chamera-II Power Station situated in the state of Himachal Pradesh.
4. 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.
5. 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.
6. 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.
7. Secured by way of first charge on pari-passu basis by way of hypothecation on whole of the Company's movable assets (except for Book Debts and Stores), both present and future, of Dulhasti Power Station situated in the state of Jammu & Kashmir.
8. 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.
9. Secured by way of first charge on pari-passu basis by way of hypothecation on whole of the Company's movable assets (except for Book Debts and Stores), both present and future, of Salal Power Station situated in the state of Jammu & Kashmir, Sewa-II Power Station situated in the state of Jammu & Kashmir, Chutak Power Station situated in the state of Jammu & Kashmir, Nimmo-Bazgo Power Station situated in the state of Jammu & Kashmir, Uri-II Power Station situated in the state of Jammu & Kashmir & TLDP-IV Power Station situated in the state of West Bengal.
10. 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.
11. 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.
12. Loans mentioned at sl. nos. C(i),F(i),F(ii) and F(iii) above are guaranteed by Government of India.
13. 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 Power Station situated in the state of Himachal Pradesh.
14. Security creation by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati -II Power Station situated in the state of Himachal Pradesh and Secured by pari-passu charge by way of hypothecation against the moveable assets (except for Book Debts and Stores) of the Company's Dulhasti Power Station situated in the state of Jammu & Kashmir is under process.



## NOTE NO. 16.2 FINANCIAL LIABILITIES - NON-CURRENT - OTHERS

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Deposits/ retention money	39.87	25.84
<b>TOTAL</b>	<b>39.87</b>	<b>25.84</b>

## NOTE NO. 17 PROVISIONS - NON-CURRENT

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>A. PROVISION FOR EMPLOYEE BENEFITS</b>		
<b>i) Provision for Long term Benefits (Provided for on the basis of actuarial valuation)</b>		
As per last Balance Sheet	472.43	388.03
Additions during the year	0.23	88.19
Amount used during the year	451.16	3.79
<b>Closing Balance</b>	<b>21.50</b>	<b>472.43</b>
<b>B. OTHERS</b>		
<b>i) Provision For Committed Capital Expenditure</b>		
As per last Balance Sheet	15.16	20.43
Additions during the year	0.24	3.55
Amount used during the year	13.65	10.16
Amount reversed during the year	1.48	-
Unwinding of discount	0.98	1.34
<b>Closing Balance</b>	<b>1.25</b>	<b>15.16</b>
<b>ii) Provision For Livelihood Assistance</b>		
As per last Balance Sheet	17.99	16.09
Additions during the year	0.04	1.57
Amount used during the year	0.96	-
Unwinding of discount	0.33	0.33
<b>Closing Balance</b>	<b>17.40</b>	<b>17.99</b>
<b>iii) Provision-Others</b>		
Additions during the year	0.51	-
<b>Closing Balance</b>	<b>0.51</b>	<b>-</b>
<b>TOTAL</b>	<b>40.66</b>	<b>505.58</b>

- Information about Provisions are given in para 22 of Note 34-Other explanatory Notes to Accounts.

# Annual Report 2017-18

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

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>Deferred Tax Liability</b>		
a) Property, Plant and Equipments, Investment Property and Intangible Assets.	3,846.11	4,080.95
b) Financial Assets at FVTOCI	8.46	5.25
c) Other Items	227.16	647.21
d) Undistributed Earnings	386.89	479.47
Less: Recoverable for tariff period upto 2009	2,186.70	2,324.21
Less: Deferred Tax Adjustment against Deferred Tax Liabilities	326.11	796.40
<b>Net Deferred Tax Liability</b>	<b>1,955.81</b>	<b>2,092.27</b>
<b>Less:-Set off Deferred Tax Assets pursuant to set off provisions</b>		
a) Provision for doubtful debts, inventory and others	10.68	92.42
b) Provision for employee benefit schemes	9.39	179.30
c) Other Items	224.87	155.26
<b>Net Deferred Tax Assets</b>	<b>244.94</b>	<b>426.98</b>
<b>TOTAL</b>	<b>1,710.87</b>	<b>1,665.29</b>

### Explanatory Note :-

- Deferred tax liability/(assets), in compliance to the Ind AS 12 on "Accounting for Taxes on Income" notified under The Companies Act, 2013 has been created as deferred tax liability/Assets.
- Movement in Deferred Tax Liability/(Assets) are shown in Annexure to Note No-18

### Annexure to Note-18

#### 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	Recoverable for tariff period upto 2009	Deferred Tax Adjustment against Deferred Tax Liabilities	Total
<b>At 1 April 2017</b>	<b>4,080.95</b>	<b>5.25</b>	<b>647.21</b>	<b>479.47</b>	<b>2,324.21</b>	<b>796.40</b>	<b>2,092.27</b>
Charged/(Credited)							
-to Profit or loss	(234.84)	5.16	(420.05)	(92.58)	(137.51)	(470.46)	(134.34)
-to OCI	-	(1.95)	-	-	-	0.17	(2.12)
<b>At 31 March 2018</b>	<b>3,846.11</b>	<b>8.46</b>	<b>227.16</b>	<b>386.89</b>	<b>2,186.70</b>	<b>326.11</b>	<b>1,955.81</b>



## Movement in Deferred Tax Assets

(₹ in crore)

Particulars	Provision for doubtful debts, inventory and others	Provision for employee benefit schemes	Other Items	Total
At 1 April 2017	92.42	179.30	155.26	426.98
Charged/(Credited)				-
-to Profit or loss	(81.74)	(160.67)	61.33	(181.08)
-to OCI	-	(9.24)	8.28	(0.96)
At 31 March 2018	10.68	9.39	224.87	244.94

## 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	Recoverable for tariff period upto 2009	Deferred Tax Adjustment against Deferred Tax Liabilities	Total
At 31 March 2016	3702.28	27.84	512.46	434.02	2479.98	361.78	1,834.84
Charged/(Credited)							
-to Profit or loss	378.67	(23.69)	134.75	45.45	(155.77)	435.34	255.61
-to OCI	-	1.10	-	-	-	(0.72)	1.82
At 31 March 2017	4,080.95	5.25	647.21	479.47	2,324.21	796.40	2,092.27

## Movement in Deferred Tax Assets

(₹ in crore)

Particulars	Provision for doubtful debts, inventory and others	Provision for employee benefit schemes	Other Items	Total
At 31 March 2016	73.59	33.00	214.62	321.21
Charged/(Credited)				-
-to Profit or loss	18.83	131.60	(59.36)	91.07
-to OCI	-	14.70	-	14.70
At 31 March 2017	92.42	179.30	155.26	426.98

## NOTE NO. 19 OTHER NON-CURRENT LIABILITIES

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Income received in advance (Advance Against Depreciation)	1,093.02	1,158.22
Deferred Income from Foreign Currency Fluctuation Account	54.72	60.89
Grants in aid-from Government-Deferred Income	1,705.63	1,558.85
<b>TOTAL</b>	<b>2,853.37</b>	<b>2,777.96</b>

# Annual Report 2017-18

## GRANTS IN AID-FROM GOVERNMENT-DEFERRED INCOME

As at the beginning of the year	1,637.77	1,515.95
Add: Received during the year	238.59	199.77
Less: Released to Statement of Profit and Loss	79.20	77.95
<b>Balance as at the year end *</b>	<b>1,797.16</b>	<b>1,637.77</b>
Grants in Aid-from Government-Deferred Income (Current)	91.53	78.92
Grants in Aid-from Government-Deferred Income (Non-Current)	1,705.63	1,558.85

### \* Grant includes:-

1) Fair valuation of Subordinate Debts received from GOI for Chutak Power Station, Nimmoo Bazgo Power Station & Kishanganga HE Project accounted as Grant In Aid.	586.13	378.98
2) Funds (Grant in Aid) received from Government of India through SECI for setting up 50 MW Solar Power Project in Tamilnadu.	24.98	-
3) Grant received from Government of Madhya Pradesh for Indira Sagar & Omkareshwar Power Stations.	1176.05	1248.79
4) Funds (Grant in Aid) received from Govt. of Uttar Pradesh for setting up Solar Power Project in the state.	10.00	10.00

## NOTE NO. 20.1 BORROWINGS - CURRENT

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>Borrowings-Other Loans-Secured</b>		
From Banks	279.99	302.50
<b>TOTAL</b>	<b>279.99</b>	<b>302.50</b>

### Detail of Borrowings

S. No.	Name of Bank Nature of Security Interest Rates	As at 31st March, 2018	As at 31st March, 2017
1	IDBI Bank Fixed Deposit Receipt (FDR) 6.81%	108.00	-
2	IDBI Bank Fixed Deposit Receipt (FDR) 6.96%	171.99	-
3	Central Bank of India Fixed Deposit Receipt (FDR) 7.25%	-	225.00
4	Oriental Bank of Commerce Fixed Deposit Receipt (FDR) 7.01%	-	47.50
5	UCO Bank Fixed Deposit Receipt (FDR) 7.37%	-	30.00
	<b>TOTAL</b>	<b>279.99</b>	<b>302.50</b>

(i) Repayment Term: The Loan amount may be repaid at any point of time and in part also.

(ii) Default in repayments (if any) : Nil



**NOTE NO. 20.2 TRADE PAYABLE - CURRENT**

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Total outstanding dues of micro enterprise and small enterprise(s)	7.97	6.32
Total outstanding dues of Creditors other than micro enterprises and small enterprises	175.81	151.27
<b>TOTAL</b>	<b>183.78</b>	<b>157.59</b>

**NOTE NO. 20.3 OTHER FINANCIAL LIABILITIES - CURRENT**

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Current maturities of long term debt *		
- Bonds	979.89	592.69
- Term Loan -Banks-Secured	10.00	254.25
- Term Loan -Banks-Unsecured	113.45	107.18
- Other Parties-Secured	366.33	628.93
- Unsecured-From Government (Subordinate Debts)	23.11	-
- Other Parties-Unsecured	101.13	95.54
Liability against capital works/supplies	438.70	292.45
Liability against capital works/supplies-MSME	1.58	2.15
Interest accrued but not due on borrowings	572.49	428.56
Retention money	112.86	104.85
Unpaid dividend **	18.16	14.26
Unpaid interest **	0.11	0.26
Other Payables to Employees	17.71	27.21
Other Payables to Others	76.74	27.34
<b>TOTAL</b>	<b>2,832.26</b>	<b>2,575.67</b>

\* Details in respect of redemption, rate of interest, terms of repayment and particulars of security are disclosed in Annexure to Note no. 16.1.

\*\* "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.

**NOTE NO. 21 OTHER CURRENT LIABILITIES**

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Income received in advance (Advance against depreciation)	65.19	60.68
Deferred Income from Foreign Currency Fluctuation Account	6.17	6.17
Statutory dues payables	362.61	364.08
Advances against the deposit works	244.29	244.12
Amount Spent on Deposit Works	(242.62)	(238.87)

# Annual Report 2017-18

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Advances against cost of Project Mgt./ Consultancy Work	3,716.66	4,547.45
Amount Spent in respect of Project Mgt./ Consultancy Works	(3,502.22)	(4,283.37)
Provision Toward Amt Recoverable in r/o Project Mgt / Consultancy Works	-	2.28
Other liabilities-Advance from Customers & Others.	13.25	10.16
Grants in aid - pending utilization	-	-
Grants in aid-from Government-Deferred Income	91.53	78.92
<b>TOTAL</b>	<b>754.86</b>	<b>791.62</b>

## NOTE NO. 22 PROVISIONS - CURRENT

(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>A. PROVISION FOR EMPLOYEE BENEFITS</b>		
<b>i) Provision for Long term Benefits (Provided for on the basis of actuarial valuation)</b>		
As per last Balance Sheet	254.22	56.86
Additions during the year	151.69	266.83
Amount used during the year	263.02	69.47
<b>Closing Balance</b>	<b>142.89</b>	<b>254.22</b>
<b>ii) Provision for Wage Revision *1</b>		
As per last Balance Sheet	11.45	8.77
Additions during the year	2.58	3.78
Amount used during the year	0.11	1.10
Amount reversed during the year	0.33	-
<b>Closing Balance</b>	<b>13.59</b>	<b>11.45</b>
<b>Less: Advance paid</b>	<b>13.09</b>	<b>10.62</b>
<b>Closing Balance (Net of advance)</b>	<b>0.50</b>	<b>0.83</b>
<b>iii) Provision for Performance Related Pay/Incentive</b>		
As per last Balance Sheet	131.62	108.48
Additions during the year	259.10	133.62
Amount used during the year	83.34	110.33
Amount reversed during the year	23.52	0.15
<b>Closing Balance</b>	<b>283.86</b>	<b>131.62</b>
<b>iv) Provision for Superannuation / Pension Fund</b>		
As per last Balance Sheet	5.95	42.40
Additions during the year	0.79	5.95
Amount used during the year	3.11	42.38
Amount reversed during the year	-	0.02
<b>Closing Balance</b>	<b>3.63</b>	<b>5.95</b>
<b>v) Provision For Wage Revision 3rd PRC</b>		
As per last Balance Sheet	108.15	-
Additions during the year	287.06	108.15
Amount reversed during the year	26.53	-
<b>Closing Balance</b>	<b>368.68</b>	<b>108.15</b>



(₹ in crore)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>B. OTHERS</b>		
<b>i) Provision For Tariff Adjustment</b>		
As per last Balance Sheet	149.91	263.99
Additions during the year	92.65	138.98
Amount used during the year	-	253.06
<b>Closing Balance</b>	<b>242.56</b>	<b>149.91</b>
<b>ii) Provision For Committed Capital Expenditure</b>		
As per last Balance Sheet	274.07	171.55
Additions during the year	25.34	125.06
Amount used during the year	99.50	22.74
Unwinding of discount	0.60	0.20
<b>Closing Balance</b>	<b>200.51</b>	<b>274.07</b>
<b>iii) Provision for Restoration expenses of Insured Assets</b>		
As per last Balance Sheet	47.51	49.35
Additions during the year	1.55	43.43
Amount used during the year	21.68	45.27
Amount reversed during the year	5.61	-
<b>Closing Balance</b>	<b>21.77</b>	<b>47.51</b>
<b>iv) Provision For Livelihood Assistance</b>		
As per last Balance Sheet	14.04	7.25
Additions during the year	1.50	6.53
Amount used during the year	0.19	0.01
Unwinding of discount	0.24	0.27
<b>Closing Balance</b>	<b>15.59</b>	<b>14.04</b>
<b>v) Provision - CSR, SD and R&amp;D</b>		
As per last Balance Sheet	0.07	-
Additions during the year	-	0.07
Amount used during the year	0.07	-
<b>Closing Balance after Fair Value Adjustment</b>	<b>-</b>	<b>0.07</b>
<b>vi) Provision for exp in r/o arbitration award/ court cases</b>		
As per last Balance Sheet	385.91	295.28
Additions during the year	20.19	102.24
Amount used during the year	8.72	11.09
Amount reversed during the year	4.82	0.52
<b>Closing Balance</b>	<b>392.56</b>	<b>385.91</b>
<b>vii) Provision - Others</b>		
As per last Balance Sheet	360.10	466.31
Additions during the year	42.00	50.61
Amount used during the year	33.54	135.11
Amount reversed during the year	37.26	21.71
<b>Closing Balance</b>	<b>331.30</b>	<b>360.10</b>
<b>TOTAL</b>	<b>2,003.85</b>	<b>1,732.38</b>

**Explanatory Note: -**

\*1 The Board has resolved to implement the directions of the Ministry of Power (MoP) vide its letter no. 11/17/2009-NHPC/Vol. III dated 27th December 2013 conveying the approval of Competent Authority about pay scales in respect of below Board level Executives that the pay scales shall be fixed w.e.f. 01.01.2007 after correcting the aberrations in pay scales fixed w.e.f. 01.01.1997 and the deviant pay scales fixed w.e.f. 01.01.1997 shall not be regularized. The MoP has confirmed vide letter no. 11/17/2009-NHPC-Vol. III dated 25th Feb., 2016 that the recovery of personal pay adjustment w.e.f. 01.02.2014 is in conformity with the said directive of the Competent Authority. Accordingly, advance against

# Annual Report 2017-18

personal pay adjustment of ₹ 31.99 crore paid upto 31.01.2014 has been set-off against the Provision for wage revision. However, pending final decision in the matter, the balance amount of ₹ 13.09 crore is continued in advance. Thus, the cumulative amount provided towards the Personal Pay Adjustment w.e.f 01/02/2014 to 31/03/2018 under the head "Provision for Wage Revision" is ₹ 13.59 crore (including provision for the current period ₹ 2.58 crore) with corresponding amount shown as "Advance paid".

2 Information about Provisions are given in para 22 of Note 34 of Balance Sheet

## NOTE NO. 23 CURRENT TAX LIABILITIES (NET)

PARTICULARS	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
<b>Income Tax</b>		
As per last Balance Sheet	1,006.08	915.79
Additions during the year	822.78	1,005.89
Amount adjusted during the year	(1,006.08)	(915.79)
<b>Closing Balance</b>	<b>822.78</b>	<b>1,005.89</b>
Less: Current Advance Tax	816.07	1,084.19
Net Current Tax Liabilities (Net)	6.71	(78.30)
<b>Less: Current tax Assets (Moved to Note No-12)</b>	<b>0.40</b>	<b>78.30</b>
<b>TOTAL</b>	<b>7.11</b>	<b>-</b>

## NOTE NO. 24.1 REVENUE FROM CONTINUING OPERATIONS

PARTICULARS	(₹ in crore)	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>I Operating Revenue</b>		
<b>A. SALES</b>		
SALE OF POWER	6,520.90	7,214.00
ADVANCE AGAINST DEPRECIATION -Written back during the year	60.68	60.68
<b>Less :</b>		
Sales adjustment on a/c of Foreign Exchange Rate Variation	66.37	51.81
Tariff Adjustments	86.26	134.17
Regulated Power Adjustment	-	27.71
Income from generation of electricity – precommissioning (Transferred to Expenditure Attributable to Construction)	0.27	0.56
Rebate to customers	34.74	25.04
<b>Sub-Total (A)</b>	<b>6,393.94</b>	<b>7,035.39</b>
<b>B. Income from Finance Lease</b>	<b>782.43</b>	<b>806.55</b>
<b>C. Income from Operating Lease</b>	<b>477.17</b>	<b>522.59</b>
<b>D. REVENUE FROM CONTRACTS, PROJECT MANAGEMENT AND CONSULTANCY WORKS</b>		
Revenue from Project management/ Consultancy works	61.62	51.94
<b>Sub-Total (D)</b>	<b>61.62</b>	<b>51.94</b>
<b>Sub-Total-I (A+B+C+D)</b>	<b>7,715.16</b>	<b>8,416.47</b>
<b>II OTHER OPERATING REVENUE</b>		
Interest from Beneficiary States (Revision of Tariff)	36.08	206.66
<b>Sub-Total-II</b>	<b>36.08</b>	<b>206.66</b>
<b>TOTAL (I+II)</b>	<b>7,751.24</b>	<b>8,623.13</b>



(₹ in crore)

PARTICULARS	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Explanatory Note: -</b>		
1) In terms of regulation No. 49 of tariff regulation issued vide Central Electricity Regulatory Commission (CERC) notification No. L-1/144/2013-CERC dated 21st February, 2014, deferred tax liabilities for the period upto 31st March 2009 whenever it materializes is recoverable directly from the beneficiaries and are accounted for on yearly basis. Accordingly, stated amount has been included in sale of power in relevant year.	236.63	238.22
2) Based on deliberations and subsequent developments in the course of hearing in CERC during the current year on the tariff proposal of all 4 units of Parbati-III Power Station, management expects that keeping in view the current water availability and pending commissioning of Parbati-II Project which is under construction, revenue of 4th Unit recognised on estimated basis may not be realisable. Accordingly, unbilled revenue recognised till 31.03.2017 has been reversed in the books during the current year on account of change in estimates.	(244.86)	-
3) 'Deemed generation' included in Sale of the Power as allowed by Central Electricity Regulatory Commission (CERC).	131.60	115.98
4) 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 as an abundant precaution.	86.26	134.18
5) Amount of earlier year sales arising out of finalisation of tariff included in Sales.	42.47	197.90
6) Due to non payment of dues by one of the beneficiaries, share of power allocated to them had been regulated till 31 August 2016 in terms of CERC Regulation No.L-1/42/2010-CERC Dated 28th September 2010 and accordingly amount stated herein are included in sales towards regulated power, which has been sold through bidding at Power Exchange. ibid regulation further provides that margin earned on such sale after adjusting expenditure for effecting sale of regulated power should be passed on to beneficiaries, whose power has been regulated.	-	61.19
7) Amount of sales not yet billed included in Sales.	858.90	1,005.66
8) The group has paid/provided towards Electricity Duty and Energy Development Cess. The Electricity Duty & Energy Development Cess is recoverable from beneficiary and accordingly billed to the beneficiary and included in Sale of Power as below:		
- Electricity Duty	0.21	0.70
- Energy Development Cess	19.86	71.06

# Annual Report 2017-18

## NOTE NO. 24.2 OTHER INCOME

(₹ in crore)

PARTICULARS	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>A) Interest Income</b>		
- Interest from Investments carried at FVTOCI	31.45	31.44
- Interest from Financial Assets carried at Amortized Cost		
- Loan to Government of Arunachal Pradesh	46.97	43.09
- Deposit Account	298.67	536.65
- Employee's Loans and Advances (Net of Rebate)	16.00	16.63
- Interest from advance to contractors	38.97	41.10
- Others	-	0.54
<b>B) Dividend Income</b>		
- Dividend -Others	3.60	3.00
<b>C) Other Non-Operating Income</b>		
Late payment surcharge	390.36	526.75
Realization of Loss Due To Business Interruption	59.41	111.80
Profit on sale of investments	-	6.54
Profit on sale of Assets (net)	6.89	-
Income from Insurance Claim	0.36	7.20
Liability/ Provisions not required written back #1	91.44	70.44
<b>Material Issued to contractor</b>		
(i) Sale on account of material issued to contractors	24.05	-
(ii) Cost of material issued to contractors on recoverable basis	(36.48)	-
(iii) Adjustment on account of material issued to contractor	12.43	-
Amortization of Grant in Aid	79.20	77.95
Income on account of generation based incentive (GBI)	4.20	-
Exchange rate variation (net)	-	4.05
Others	60.34	46.79
<b>Sub-total</b>	<b>1,127.86</b>	<b>1,523.97</b>
Less: Income transferred to Expenditure Attributable to Construction	21.17	13.83
Less: Income transferred to Advance/ Deposit from Client/Contractees and against Deposit Works	5.33	7.38
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>1,101.36</b>	<b>1,502.76</b>
<b>Explanatory Note: -</b>		
<b>#1 Detail of Liability/Provisions not required written back</b>		
a) Diminution in value of stores and spares (*1 under Note 6)	0.21	1.75
b) Bad and doubtful debts (*1 under Note 7)	0.27	21.54
c) Provision for doubtful claims (*1 under Note No.11)	2.20	5.61
d) Provisions for Doubtful Accrued Interest (*2 under Note No. 13)	-	2.55
e) Provision for losses pending investigation/awaiting write off / sanction (*4 under Note No. 13)	0.61	0.21



(₹ in crore)

PARTICULARS	For the year ended 31st March, 2018	For the year ended 31st March, 2017
f) Provision for wage revision (Sl.no-A(ii) of Note No-22)	0.33	-
g) Provision for PRP / Incentive /Productivity Linked Incentive (Sl. no-A(iii) of Note No-22)	23.52	0.15
h) Provision for Superannuation/Pension Fund (Sl.no-A(iv) of Note No-22)	-	0.02
i) Provision for Committed Capital Expenditure (Sl.no-B(i) of Note No-17 and Sl.no-B(ii) of Note No.-22)	1.48	-
j) Provision for Restoration expenses of Insured Assets (Sl.no-B(iii) of Note No-22)	5.61	-
k) Provision for 3rd PRC (Sl. No-A(v) of Note No.-22)	26.53	-
l) Others	30.68	38.61
<b>TOTAL</b>	<b>91.44</b>	<b>70.44</b>

- 2 Total carried forward to Statement of Profit & Loss includes ₹ 25.84 Crore (Previous period ₹ 26.99 Crore) relating to Subansiri Lower Project as explained in para 23 of Note no-34. However Regulatory Deferral Account Balances for an amount of ₹ 25.82 Crore pertaining to Subansiri Lower Project has been recognised as per Ind AS 114-“Regulatory Deferral Accounts”.

## NOTE NO. 25 GENERATION EXPENSES

(₹ in crore)

PARTICULARS	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Water Usage Charges	691.80	748.40
Consumption of stores and spare parts	29.38	26.75
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>721.18</b>	<b>775.15</b>

## NOTE NO. 26 EMPLOYEE BENEFITS EXPENSE

(₹ in crore)

PARTICULARS	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Salaries, wages, allowances	1,626.41	1,497.01
Gratuity, Contribution to provident fund & pension scheme (incl. administration fees)	242.01	344.17
Staff welfare expenses	91.34	91.34
Leave Salary & Pension Contribution	-	0.09
<b>Sub-total</b>	<b>1,959.76</b>	<b>1,932.61</b>
Less: Employee Cost transferred to Expenditure Attributable to Construction	250.26	253.20
Less: Recoverable from Deposit Works	1.44	1.34
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>1,708.06</b>	<b>1,678.07</b>

<b>Explanatory Note: -</b>			
1	Disclosure about operating leases are given in para 18 (A) of Note 34 of Balance Sheet.		
2	Gratuity, Contribution to provident fund & pension scheme include contributions:	<b>For the year ended 31st March, 2018</b>	<b>For the year ended 31st March, 2017</b>
	i) towards Employees Provident Fund	77.07	78.83
	ii) towards Employees Defined Contribution Superannuation Scheme	83.87	92.22
3	Employee benefits expense for the year includes ₹ 259.25 crore (Corresponding previous year ₹ 205.88 crore) which is provided in the books of accounts towards expected hike in Employee Benefits based on notification of the Department of Public Enterprises, Government of India.		
4	Total carried forward to Statement of Profit & Loss includes ₹ 85.01 Crore (Previous period ₹ 92.74 Crore) relating to Subansiri Lower Project as explained in para 23 of Note no-34. However Regulatory Deferral Account Balances for an amount of ₹ 84.81 Crore pertaining to Subansiri Lower Project has been recognised as per Ind AS 114-"Regulatory Deferral Accounts".		

## NOTE NO. 27 FINANCE COSTS

(₹ in crore)

PARTICULARS	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>A Interest on Financial Liabilities at Amortized Cost :</b>		
Bonds	947.97	749.33
Term loan	252.84	607.30
Foreign loan	22.55	26.27
Government of India loan	33.92	30.37
Unwinding of discount-GOI Loan	17.73	12.38
<b>Sub-total</b>	<b>1,275.01</b>	<b>1,425.65</b>
<b>B Other Borrowing Cost</b>		
Bond issue/ service expenses	0.54	0.37
Commitment fee	0.04	-
Guarantee fee on foreign loan	19.93	22.96
Other finance charges	10.12	5.90
Unwinding of discount-Provision & Financial Liabilities	5.71	5.37
<b>Sub-total</b>	<b>36.34</b>	<b>34.60</b>
<b>C Applicable net gain/ loss on Foreign currency transactions and translation</b>		
Exchange differences regarded as adjustment to interest cost	71.65	2.28
Less: Interest adjustment on account of Foreign Exchange Rate Variation	(71.65)	(2.28)
<b>Sub-total</b>	<b>-</b>	<b>-</b>
<b>Total (A + B + C)</b>	<b>1,311.35</b>	<b>1,460.25</b>
Less: Finance Cost transferred to Expenditure Attributable to Construction	388.71	386.81
Less: Recoverable from Deposit Works	-	-
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>922.64</b>	<b>1,073.44</b>

### Explanatory Note: -

Total carried forward to Statement of Profit & Loss includes ₹ 331.39 Crore (Previous period ₹ 365.32 Crore) relating to Subansiri Lower Project as explained in para 23 of Note no-34. However Regulatory Deferral Account Balances for an equivalent amount of ₹ 331.39 Crore pertaining to Subansiri Lower Project has been recognised as per Ind AS 114-"Regulatory Deferral Accounts".





## NOTE NO. 28 DEPRECIATION AND AMORTIZATION EXPENSE

(₹ in crore)

PARTICULARS	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Depreciation & Amortisation Expenses	1,496.73	1,483.06
Depreciation adjustment on account of Foreign Exchange Rate Variation	1.76	(1.71)
<b>Sub-total</b>	<b>1,498.49</b>	<b>1,481.35</b>
Less: Depreciation & Amortisation Expenses transferred to Expenditure Attributable to Construction	19.34	19.56
Less: Recoverable from Deposit Works	0.05	0.04
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>1,479.10</b>	<b>1,461.75</b>

### Explanatory Note: -

Total carried forward to Statement of Profit & Loss includes ₹ 6.85 Crore (Previous period ₹ 6.96 Crore) relating to Subansiri Lower Project as explained in para 23 of Note no-34. However Regulatory Deferral Account Balances for an equivalent amount of ₹ 6.85 Crore pertaining to Subansiri Lower Project has been recognised as per Ind AS 114-“Regulatory Deferral Accounts”.

## NOTE NO. 29 OTHER EXPENSES

(₹ in crore)

PARTICULARS	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>A. REPAIRS &amp; MAINTENANCE</b>		
- Building	72.60	84.56
- Machinery	60.47	64.65
- Others	166.43	168.00
<b>B. OTHER EXPENSES</b>		
Rent & Hire Charges	52.60	49.23
Rates and taxes	28.17	74.64
Insurance	139.79	146.86
Security expenses	277.88	230.56
Electricity Charges	60.58	58.16
Travelling and Conveyance	26.59	28.01
Expenses on vehicles	9.77	9.18
Telephone, telex and Postage	18.20	19.63
Advertisement and publicity	15.59	13.87
Entertainment and hospitality expenses	0.48	0.48
Printing and stationery	5.82	6.49
Consultancy charges - Indigenous	19.43	16.21
Audit expenses	2.36	2.55
Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	3.40	4.98
Expenditure on assets not belonging to company	1.30	6.19
Loss on Assets (net)	0.04	1.83
Losses out of insurance claims (upto excess clause)	1.72	1.90
Losses out of insurance claims (beyond excess clause)	0.05	6.97
Books & Periodicals	0.42	0.32
Donation	-	5.00

# Annual Report 2017-18

(₹ in crore)

PARTICULARS	For the year ended 31st March, 2018	For the year ended 31st March, 2017
CSR/ Sustainable Development	59.65	89.73
Community Development Expenses	0.10	0.11
Directors' Sitting Fee	0.22	0.19
Interest on Arbitration/ Court Cases	0.04	6.87
Interest to beneficiary states	1.79	52.22
Expenditure on Self Generated VER's/REC	0.01	-
Expenses for Regulated Power	-	4.39
Less: - Exp Recoverable on Regulated Power	-	(4.39)
Exchange rate variation (net)	2.88	-
Training Expenses	11.00	13.48
Petition Fee /Registration Fee /Other Fee – To CERC/RLDC/RPC	7.69	9.92
Operational/Running Expenses of Kendriya Vidyalaya	29.40	28.41
Operational/Running Expenses of Other Schools	3.46	3.12
Operational/Running Expenses of Guest House/Transit Hostel	19.28	14.86
Operating Expenses of DG Set-Other than Residential	5.91	5.99
Other general expenses	27.08	36.63
<b>Sub-total</b>	<b>1,132.20</b>	<b>1,261.80</b>
Less: Amount transferred to Expenditure Attributable to Construction	86.90	76.38
Less: Recoverable from Deposit Works	1.41	1.14
Less: Transfer of Other expenses - IPO/Buyback	-	9.33
	<b>1,043.89</b>	<b>1,174.95</b>
<b>C. PROVISIONS</b>		
Bad and doubtful debts provided	1.93	19.57
Bad and doubtful advances / deposits provided	-	4.38
Bad and doubtful claims provided	3.36	22.46
Doubtful Interest Provided for	19.79	19.79
Diminution in value of stores and spares	0.40	0.52
Project expenses provided for	26.27	44.16
Provision for fixed assets/ stores provided for	0.36	2.77
Provision for Interest to Beneficiary	22.84	18.88
Provision for interest against court/arbitration award	2.79	23.33
Others	0.01	-
<b>Sub-total</b>	<b>77.75</b>	<b>155.86</b>
Less: Amount transferred to Expenditure Attributable to Construction	1.48	5.24
	<b>76.27</b>	<b>150.62</b>
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>1,120.16</b>	<b>1,325.57</b>
<b>Explanatory Note: -</b>		
1 Disclosure about operating leases are given in para 18 (A) of Note 34 of Balance Sheet.		
2 Pending notification of revision order by CERC in respect of truing up application filed by the company under CERC notification dated 21.02.2014, stated amount has been provided in the books during the year/period towards Interest to Beneficiary States, which may have to be paid in case of reduction in tariff as a result of said revision order.	22.84	18.88



(₹ in crore)

PARTICULARS	For the year ended 31st March, 2018	For the year ended 31st March, 2017
3 Total carried forward to Statement of Profit & Loss includes ₹ 99.11 Crore (Previous period ₹ 101.98 Crore) relating to Subansiri Lower Project as explained in para 23 of Note no-34. However Regulatory Deferral Account Balances for an amount of ₹ 77.59 Crore pertaining to Subansiri Lower Project has been recognised as per Ind AS 114-“Regulatory Deferral Accounts”.		

## NOTE NO. 30 TAX EXPENSES

(₹ in crores)

PARTICULARS	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Current Tax</b>		
Income Tax Provision	823.02	1,006.60
Adjustment Relating To Earlier periods	(6.91)	(116.75)
<b>Total current tax expenses</b>	<b>816.11</b>	<b>889.85</b>
<b>Deferred Tax-</b>		
<b>Decrease (increase) in deferred tax assets</b>		
- Relating to origination and reversal of temporary differences	179.27	(91.07)
- Relating to change in tax rate	1.81	-
- Adjustments in respect of deferred tax of prior periods	-	0.01
<b>Increase (decrease) in deferred tax liabilities</b>		
- Relating to origination and reversal of temporary differences	(649.34)	489.74
- Relating to change in tax rate	(0.38)	-
- Adjustments in respect of deferred tax of prior periods	-	-
- Relating to undistributed Earnings	(92.58)	45.45
<b>Total deferred tax expenses (benefits)</b>	<b>(561.22)</b>	<b>444.13</b>
Less: Recoverable for tariff period upto 2009	(137.50)	(155.78)
Less: Deferred Tax Adjustment Against Deferred Tax Liabilities	(470.46)	435.35
<b>Net Deferred Tax</b>	<b>46.74</b>	<b>164.56</b>
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>862.85</b>	<b>1,054.41</b>
<b>Explanatory Notes:-</b>		
i) <b>Reconciliation of tax expense and the accounting profit multiplied by India's domestic rate.</b>		
Accounting profit/loss before income tax	3,637.55	4,534.74
Applicable tax rate (%)	34.6080	34.6080
<b>Computed tax expense</b>	<b>1,258.88</b>	<b>1,569.38</b>
Tax effects of amounts which are not deductible (Taxable) in calculating taxable income.		
CSR/ Sustainable Development/ Community Development Expenses	21.30	31.04
Recoverable portion of Deferred Tax	657.49	155.78
Exempt and Tax Free Income	(0.65)	(1.99)
Tax Incentives	(639.67)	(841.92)
Adjustment for current tax of earlier years	(6.91)	(116.83)
MAT Credit (Available)/utilization	(329.14)	210.04
Reversal of Deferred Tax Assets	(0.99)	-
Undistributed Profits	(92.58)	45.45

# Annual Report 2017-18

(₹ in crores)

PARTICULARS	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Other Items	-	3.46
Change in rate of tax	(4.88)	-
<b>Income tax expense reported in Statement of Profit &amp; Loss</b>	<b>862.85</b>	<b>1,054.41</b>
<b>ii) Amounts recognised directly in Equity</b>		
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
<b>Total</b>		
<b>iii) Tax losses and credits</b>		
(a) Unused tax losses for which no deferred tax asset has been recognised	Nil	Nil
Potential tax benefit @ 30%	Nil	Nil
(b) The details of MAT Credit available to the Company in future but not recognised in the books of accounts is shown in annexure to Note No-30.	2,549.63	2,220.49
<b>iv) Unrecognised temporary differences</b>		
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

## Annexure to Note No. 30

The details of MAT Credit available to the Company in future but not recognised in the books of accounts is given below:

(₹ in crores)

Financial Years	As at 31st March 2018		As at 31st March 2017	
	Amount	Year of Expiry	Amount	Year of Expiry
2017-18	329.14	2032-33	-	-
2016-17	234.31	2031-32	234.31	2031-32
2015-16	280.94	2030-31	280.94	2030-31
2014-15	219.15	2029-30	219.15	2029-30
2013-14	686.67	2028-29	686.67	2028-29
2012-13	361.51	2027-28	361.51	2027-28
2011-12	24.45	2026-27	24.45	2026-27
2010-11	76.81	2025-26	76.81	2025-26
2009-10	64.13	2024-25	64.13	2024-25
2008-09	166.09	2023-24	166.09	2023-24
2007-08	46.32	2022-23	46.32	2022-23
2006-07	60.11	2021-22	60.11	2021-22
<b>TOTAL</b>	<b>2,549.63</b>		<b>2,220.49</b>	



## NOTE NO. 31 Movement in Regulatory Deferral Account Balances

(₹ in crores)

PARTICULARS	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Movement in Regulatory Deferral Account Balances on account of:-</b>		
<b>(i) Subansiri Lower Project:-</b>		
a) Employee Remuneration & Benefits	84.81	92.74
b) Other expenses	77.59	78.68
c) Depreciation	6.85	6.96
d) Finance Cost	331.39	365.32
e) Other Income	(25.82)	(26.99)
<b>Sub-Total (i)</b>	<b>474.82</b>	<b>516.71</b>
<b>(ii) Wage Revision as per 3rd PRC</b>	259.25	205.88
<b>(iii) Exchange Differences on Monetary Items</b>	2.10	(2.50)
<b>TOTAL (A)=(i)+(ii)+(iii)</b>	<b>736.17</b>	<b>720.09</b>
<b>Impact of Tax on Regulatory Deferral Accounts</b>		
Deferred Tax Expense (Benefit) on Movement in Regulatory Deferral Account Balances.	(18.83)	(67.75)
Less:-Deferred Tax Adjustment against deferred tax assets.	(18.83)	(67.75)
<b>TOTAL (B)</b>	<b>-</b>	<b>-</b>
<b>Total carried forward to Statement of Profit &amp; Loss (A-B)</b>	<b>736.17</b>	<b>720.09</b>

## NOTE NO. 32 EXPENDITURE ATTRIBUTABLE TO CONSTRUCTION (EAC) FORMING PART OF CAPITAL WORK IN PROGRESS FOR THE YEAR.

(₹ in crores)

PARTICULARS	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>A. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages, allowances	144.44	129.70
Gratuity and contribution to provident fund	12.76	28.50
Staff welfare expenses	8.37	8.29
<b>Sub-total</b>	<b>165.57</b>	<b>166.49</b>
<b>B. REPAIRS &amp; MAINTENANCE</b>		
Building	6.19	4.64
Machinery	0.02	0.01
Others	3.03	2.46
<b>Sub-total</b>	<b>9.24</b>	<b>7.11</b>

# Annual Report 2017-18

(₹ in crores)

PARTICULARS	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>C. OTHER EXPENSES</b>		
Rent	10.58	9.98
Rates and taxes	1.28	0.69
Insurance	0.12	0.17
Security expenses	28.81	15.86
Electricity Charges	3.78	3.34
Travelling and Conveyance	3.33	3.12
Expenses on vehicles	1.22	1.04
Telephone, telex and Postage	2.45	2.54
Advertisement and publicity	0.44	0.39
Entertainment and hospitality expenses	0.01	-
Printing and stationery	0.70	0.87
Design and Consultancy charges:		
- Indigenous	4.44	2.89
Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	2.21	3.63
Expenditure on land not belonging to company	1.09	5.92
Assets/ Claims written off	0.12	0.07
Land Acquisition and Rehabilitation Expenditure	0.16	2.69
Losses on sale of assets	-	0.01
Other general expenses	9.71	8.40
<b>Sub-total</b>	<b>70.45</b>	<b>61.61</b>
<b>D. FINANCE COST</b>		
Interest on :		
Bonds	318.66	240.33
Term loan	52.44	137.21
Bond issue/ service expenses	0.16	0.18
Other finance charges	6.31	0.79
Transfer of expenses to EAC- Interest on loans from Central Government- adjustment on account of effective interest	10.41	7.21
Transfer of expenses to EAC-Interest on security deposit/ retention money-adjustment on account of effective interest	0.70	0.59
<b>Sub-total</b>	<b>388.68</b>	<b>386.31</b>
<b>E. PROVISIONS</b>	1.48	5.23
<b>Sub-total</b>	<b>1.48</b>	<b>5.23</b>



# NHPC Limited

(A Government of India Enterprise)

(₹ in crores)

PARTICULARS	For the year ended 31st March, 2018	For the year ended 31st March, 2017
F. DEPRECIATION AND AMORTISATION EXPENSES	17.74	17.66
<b>Sub-total</b>	<b>17.74</b>	<b>17.66</b>
G. C.O./Regional Office Expenses:		
Other Income	(2.32)	(2.59)
Other Expenses	7.21	7.66
Employee Benefits Expense	84.69	86.71
Depreciation & Amortisation Expenses	1.60	1.90
Finance Cost	0.03	0.49
<b>Sub-total</b>	<b>91.21</b>	<b>94.17</b>
H. LESS: RECEIPTS AND RECOVERIES		
Income from generation of electricity – precommissioning	0.27	0.56
Interest on loans and advances	12.78	(1.70)
Provision/Liability not required written back	4.36	3.62
Hire charges/ outturn on plant and machinery	0.12	0.95
Miscellaneous receipts	1.59	8.38
<b>Sub-total</b>	<b>19.12</b>	<b>11.81</b>
<b>TOTAL (A+B+C+D+E+F+G-H)</b>	<b>725.25</b>	<b>726.77</b>

**Note-33: Disclosure on Financial Instruments and Risk Management**

(1) Fair Value Measurement

A) Financial Instruments by category

Financial assets	Notes	As as 31st March, 2018		As as 31st March, 2017	
		FVTOCI	Amortised Cost	FVTOCI	Amortised Cost
<b>Non-current Financial assets</b>					
(i) Non-current investments					
a) In Equity Instrument (Quoted)	3.1	105.14		112.44	-
b) In Debt Instruments (Govt./PSU)-Quoted	3.1	398.15		406.97	-
<b>Sub-total</b>		<b>503.29</b>	<b>-</b>	<b>519.41</b>	<b>-</b>
(ii) Trade Receivables	3.2		306.57		275.82
(iii) Loans	3.3				
a) Employees			135.41		156.87
b) Loan to Government of Arunachal Pradesh (Including interest accrued)	3.3 & 3.4		568.81		521.84
(iv) Others					
- Lease Receivable	3.4		5,399.43		5,470.30
- Bank Deposits with more than 12 Months Maturity (Including interest accrued)	3.4		36.52		419.48
<b>Total Non-current Financial assets</b>		<b>503.29</b>	<b>6,446.74</b>	<b>519.41</b>	<b>6,844.31</b>
<b>Current Financial assets</b>					
(i) Trade Receivables	7		1,346.04		1,854.01
(ii) Cash and cash equivalents	8		20.54		73.57
(iii) Bank balances	9		3,298.52		3,398.89
(iv) Loans	10				
- Employee Loans			45.45		31.43
- Loans to JV (NHPTL)			6.00		-
(v) Others (Excluding Lease Receivables)	11		1,970.54		1,970.62
(vi) Others ( Lease Receivables including interest)	11		197.55		267.55
<b>Total Current Financial Assets</b>		<b>-</b>	<b>6,884.64</b>	<b>-</b>	<b>7,596.07</b>
<b>Total Financial Assets</b>		<b>503.29</b>	<b>13,331.38</b>	<b>519.41</b>	<b>14,440.38</b>
<b>Financial Liabilities</b>					
(i) Long-term borrowings	16.1		16,728.20		17,245.64
(ii) Other Financial Liabilities	16.2		39.87		25.84
(iii) Borrowing -Short Term	20.1		279.99		302.50
(iv) Trade Payables including MSME	20.2		183.78		157.59
(v) Other Current financial liabilities					
a) Current maturities of long term borrowings	20.3		1,593.91		1,678.59
b) Interest Accrued but not due on borrowings	20.3		572.49		428.56
c) Other Current Liabilities	20.3		665.86		468.52
<b>Total Financial Liabilities</b>			<b>20,064.10</b>		<b>20,307.24</b>





## B) FAIR VALUATION MEASUREMENT

### (i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the following three levels prescribed under Ind AS-113 "Fair Value Measurements"

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and traded bonds that have quoted price. The fair value of all equity instruments including bonds which are traded in the recognised Stock Exchange and money markets are valued using the closing prices as at the reporting date.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This includes security deposits/ retention money and loans at below market rates of interest.

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

	Note No.	₹ in crores)	
		As at 31st March, 2018 Level 1	As at 31st March, 2017 Level 1
<b>Financial Assets at FVTOCI</b>			
<b>Investments-</b>			
- In Equity Instrument (Quoted)	3.1	105.14	112.44
- In Debt Instruments (Govt./PSU)- Quoted	3.1	398.15	406.97
<b>Total</b>		<b>503.29</b>	<b>519.41</b>

### Note:

All other financial assets and financial liabilities have been measured at amortised cost at balance sheet date and classified as non-recurring fair value measurement.

**(b) Financial Assets/Liabilities measured at amortised cost for which Fair Value are disclosed:**

Particulars	Note No.	As at 31st March, 2018			As at 31st March, 2017		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets</b>							
(i) Trade Receivables	3.2		306.57			275.82	
(ii) Loans	3.3						
a) Employees			161.55			159.49	
b) Loan to Government of Arunachal Pradesh (including Interest Accrued)			568.81			521.84	
(iii) Others	3.4				421.14		
-Bank Deposits with more than 12 months Maturity (Including Interest accrued)		36.52					
<b>Total Financial Assets</b>		<b>36.52</b>	<b>1,036.93</b>	<b>-</b>	<b>421.14</b>	<b>957.15</b>	<b>-</b>
<b>Financial Liabilities</b>							
(i) Long-term borrowings including current maturities and accrued interest	16.1 & 20.3		15,835.69	1,793.20		16,802.15	1,425.34
(ii) Other Long Term Financial Liabilities	16.2			40.41			26.99
<b>Total Financial Liabilities</b>		<b>-</b>	<b>15,835.69</b>	<b>1,833.61</b>	<b>-</b>	<b>16,802.15</b>	<b>1,452.33</b>

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

Particulars	Note No.	As at 31st March, 2018		As at 31st March, 2017	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>					
(i) Trade Receivable	3.2	306.57	306.57	275.82	275.82
(ii) Loans	3.3				
a) Employees		135.41	161.55	156.87	159.49
b) Loan to Government of Arunachal Pradesh (including Interest Accrued)		568.81	568.81	521.84	521.84
(iii) Others	3.4				
- Bank Deposits with more than 12 months Maturity (Including Interest accrued)		36.52	36.52	419.48	421.14
<b>Total Financial Assets</b>		<b>1,047.31</b>	<b>1,073.45</b>	<b>1,374.01</b>	<b>1,378.29</b>
<b>Financial Liabilities</b>					
(i) Long-term borrowings including Current maturities and accrued interest	16.1 & 20.3	18,894.60	17,628.89	19,352.79	18,227.49
(ii) Other Long Term Financial Liabilities	16.2	39.87	40.41	25.84	26.99
<b>Total Financial Liabilities</b>		<b>18,934.47</b>	<b>17,669.30</b>	<b>19,378.63</b>	<b>18,254.48</b>

**Note:-**

1. The Carrying amounts of current investments, Trade and other receivables, Cash and cash equivalents, Short-term loans and advances, Short term borrowings, Trade payables and other current financial liabilities are considered to be the same as their fair values, due to their short term nature.
2. For financial assets and financial liabilities measured at fair value, the carrying amounts are equal to the fair value.

**(d) Valuation techniques and process used to determine fair values**

1. The Company values financial assets or financial liabilities using the best and most relevant data available. Specific valuation techniques used to determine fair value of financial instruments includes:
  - Use of Quoted market price or dealer quotes for similar instruments.
  - Fair value of remaining financial instruments is determined using discounted cash flow analysis.
2. The discount rate used to fair value financial instruments classified at Level -3 is based on the Weighted Average Rate of company's outstanding borrowings except subordinate debts and foreign currency borrowings.
3. As per Ind AS 109, financial liabilities that are subsequently measured at amortised cost are recognised initially at fair value minus transaction costs using the effective interest method. Since the transaction costs incurred on long term borrowings are not material, as such the company has not applied the effective interest method for initial recognition of such liabilities.

## (2) Financial Risk Management

### (A) Financial risk factors

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash & Cash equivalents, Other Bank Balances, Trade receivables and financial assets measured at amortised cost, Lease Receivable.	Aging analysis, credit rating.	Diversification of bank deposits, letter of credit for selected customers.
Liquidity Risk	Borrowings and other facilities.	Rolling cash flow forecasts & Budgets	Availability of committed credit lines and borrowing facilities
Market Risk- Interest rate	Long term borrowings at variable rates	Sensitivity Analysis	<ol style="list-style-type: none"> <li>1. Diversification of fixed rate and floating rates</li> <li>2. Refinancing</li> <li>3. Actual Interest is recovered through tariff as per CERC Regulation</li> </ol>
Market Risk- security prices	Investment in equity and debt securities	Sensitivity Analysis	Portfolio diversification
Market Risk- foreign exchange	Recognised financial liabilities not denominated in INR.	Sensitivity Analysis	Foreign exchange rate variation is recovered through tariff as per CERC Regulation.

#### i) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables/leased assets) and from its financing activities including deposits with banks and financial institutions.

#### ii) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

#### iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The company operates in a regulated environment. Tariff of the company is fixed by the Central Electricity Regulatory Commission (CERC) through Annual Fixed Charges (AFC) comprising the following five components:

1. Return on Equity (RoE), 2. Depreciation, 3. Interest on Loans, 4. Operation & Maintenance Expenses and 5. Interest on Working Capital Loans. In addition to the above Foreign Currency Exchange variations and Taxes are also recoverable from Beneficiaries in terms of the Tariff Regulations. Hence variation in interest rate, currency exchange rate variations and other price risk variations are recoverable from tariff and do not impact the profitability of the company.

### (B) Credit Risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

#### Trade Receivables & lease receivables :-

The Company extends credit to customers in normal course of business. The Company monitors the payment track record of the customers. Outstanding receivables are regularly monitored. The Company evaluates the concentration



of risk with respect to trade receivables as low, as its customers are mainly state government authorities and operate in largely independent markets.

Lease receivables of the company are with regard to Power Purchase Agreements classified as deemed lease as per Appendix C of Ind AS 17- 'Leases' as referred to in Note No. 34. The power purchase agreements are for sale of power to single beneficiary and recoverability of interest income and principal on leased assets i.e. PPE of the power stations are assessed on the same basis as applied for trade receivables.

#### Financial assets at amortised cost :-

**Employee Loans:** The Company has given loans to employees at concessional rates as per Company's policy which have been measured at amortised cost at Balance Sheet date. The recovery of the loan is on fixed instalment basis from the monthly salary of the employees. The loans are secured by way of mortgage/hypothecation of the assets for which such loans are given. Management has assessed the past data and does not envisage any probability of default on these loans.

**Loans to Govt. of Arunachal Pradesh:** The Company has given loan to Govt. of Arunachal Pradesh at 9% rate of interest as per the terms and conditions of MOU signed between the Company and Govt of Arunachal Pradesh for construction of hydroelectric projects in the state. The loan has been measured at amortised cost. The loan is recoverable from the share of free power of the state government from the first hydroelectric project to be commissioned in the state. Management does not envisage any probability of default on the loan.

#### Financial instruments and cash deposits :-

The Company considers factors such as track record, size of the bank, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the banks with which the Company has also availed borrowings. The Company invests surplus cash in short term deposits with scheduled banks. The company has balances and deposits with banks which are well diversified across private and public sector banks with limited exposure with any single bank.

#### (i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as under:

	(₹ in crore)	
Particulars	31.03.2018	31.03.2017
<b>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</b>		
Non-current investments	503.29	519.41
Loans -Non Current (including interest)	704.22	678.71
Other Non Current Financial Assets	36.52	419.48
Cash and cash equivalents	20.54	73.57
Bank balances	3298.52	3398.89
Loans -Current	51.45	31.43
Other Financial Assets (Excluding Lease Receivables)	1970.54	1970.62
<b>Total (A)</b>	<b>6585.08</b>	<b>7092.11</b>
<b>Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)</b>		
<b>Trade Receivables</b>	1652.61	2129.83
Lease Receivables (including Interest)	5596.98	5737.85
<b>Total (B)</b>	<b>7249.59</b>	<b>7867.68</b>
<b>TOTAL (A+B)</b>	<b>13834.67</b>	<b>14959.79</b>

#### (ii) Provision for expected credit losses :-

##### (a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The Company assesses outstanding receivables on an ongoing basis considering changes in payment behaviour and provides for expected credit loss on case-to-case basis.

**(b) Financial assets for which loss allowance is measured using life time expected credit losses**

CERC Tariff Regulations 2014-19 allow the Company to raise bills on beneficiaries for late-payment surcharge which adequately compensates the Company for time value of money arising due to delay in payment. Further, the fact that beneficiaries are primarily State Governments/ State Discoms and considering the historical credit loss experience for trade receivables, the Company does not envisage either impairment in the value of receivables from beneficiaries or loss due to time value of money due to delay in realization of trade receivables. However, the Company assesses outstanding trade receivables on an ongoing basis considering changes in operating results and payment behaviour and provides for expected credit loss on case-to-case basis. As at the reporting date company does not envisage any default risk on account of non-realisation of trade receivables.

**(iii) Reconciliation of impairment loss provisions**

The movement in the allowance for impairment in respect of financial assets during the year was as follows:

Particulars	Trade Receivables	Claim recoverable	Loans	Total
Balance as at 1.4.2017	54.40	209.26	0.03	263.69
Changes in Loss Allowances	(16.69)	1.15	-	(15.54)
Balance as at 31.03.2018	37.71	210.41	0.03	248.15

**(C) Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

- i) The Company's objective is to maintain optimum levels of liquidity at all times to meet its cash and collateral requirements. The Company relies on a mix of borrowings and excess operating cash flows to meet its need for funds. The current committed lines of credit and internal accruals are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet capital expenditure and operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the borrowing limits or covenants (where applicable) are not breached on any of its borrowing facilities.

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

	As at 31st March 2018	As at 31st March 2017
At Floating Rate	25.00	25.00
<b>Total</b>	<b>25.00</b>	<b>25.00</b>

**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 2018							
Contractual maturities of financial liabilities	Note No.	Outstanding Debt as on 31.03.2018	Within 1 Year	More than 1 Year & Less than 3 Years	More than 3 Year & Less than 5 Years	More than 5 Year	
Borrowings	16.1, 20.1 & 20.3	19,166.00	1,873.91	3,206.76	2,615.09	11,470.24	
Other financial Liabilities	16.2 & 20.3	1,302.38	1,245.99	11.58	4.79	40.02	
Trade Payables	20.2	183.80	183.80	-	-	-	
<b>Total Financial Liabilities</b>		<b>20,652.18</b>	<b>3,303.70</b>	<b>3,218.34</b>	<b>2,619.88</b>	<b>11,510.26</b>	



As at 31st March 2017

(₹ in crore)

Contractual maturities of financial liabilities	Note No.	Outstanding Debt as on 31.03.2017	Within 1 Year	More than 1 Year & Less than 3 Years	More than 3 Year & Less than 5 Years	More than 5 Year
Borrowings	16.1, 20.1 & 20.3	19,595.24	1,981.09	3,520.07	3,056.27	11,037.81
Other financial Liabilities	16.2 & 20.3	937.84	900.89	12.26	0.50	24.19
Trade Payables	20.2	157.59	157.59	-	-	-
<b>Total Financial Liabilities</b>		<b>20,690.67</b>	<b>3,039.57</b>	<b>3,532.33</b>	<b>3,056.77</b>	<b>11,062.00</b>

**(D) Market Risk:**

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligation provisions and on the non-financial assets and liabilities. The sensitivity of the relevant item of the Statement of Profit and Loss is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in interest rates.

**(i) Interest rate risk and sensitivity**

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates. Company's policy is to maintain most of its borrowings at fixed rate. Company's fixed rate borrowings are carried at amortised cost and are not subject to interest rate risk. Further the company refinance these debts as and when favourable terms are available. The company is also compensated for variability in floating rate through recovery by way of tariff adjustments under CERC tariff regulations.

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31st March 2018		As at 31st March, 2017	
	weighted average interest rate (%)	(₹ in crore)	weighted average interest rate (%)	(₹ in crore)
Floating Rate Borrowings (INR)*	-	-	9.13	2,473.60
Floating Rate Borrowings (FC)	0.57	113.45	0.58	214.36
Fixed Rate Borrowings (INR)	6.82	17,008.18	7.02	15,006.64
Fixed Rate Borrowings (FC)	1.81	1,200.48	1.82	1,229.63
<b>Total</b>		<b>18,322.11</b>		<b>18,924.23</b>

\* Company does not have floating rate domestic borrowings as on 31.03.2018

**Interest Rate Sensitivity Analysis**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. With all other variables held constant, the following table demonstrates the impact of borrowing cost on floating rate portion of loans and borrowings.

(₹ in crore)

Particulars	Effect on Profit before Tax	
	As at 31st March 2018	As at 31st March, 2017
Borrowing in FC-Interest rates-increased by 55 basis points (Previous year 2016-17 increased by 55 basis points)*	(0.09)	(0.17)
Borrowing in FC-Interest rates-decreased by 55 basis points (Previous year 2016-17 decreased by 110 basis points)*	0.09	0.33

However there is no impact on profit or loss for increase and decrease in interest rates, as the same is recoverable from beneficiaries through tariff. Company does not have floating rate domestic borrowings as on 31.03.2018

(ii) **Price Risk:**

(a) **Exposure**

The company's exposure to price risk arises from investment in equity shares and debt instruments classified in the financial statements as Fair Value Through OCI. Company's investment in equity shares are listed in recognised stock exchange and are publicly traded in the stock exchanges. Company's investment in debt instruments comprise quoted Government Securities and Public Sector Bonds and are publicly traded in the market. The investment has been classified under non-current investment in Balance Sheet.

(b) **Price Risk Sensitivity**

For Investment in Equity Instruments (Investment in equity shares of IOB and PTC)

The table below summarises the impact of increase/decrease in the market price of investment in equity instruments on the company's equity for the year:

Particulars	As at 31st March 2018		As at 31st March, 2017	
	% 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	22.45	23.55	17.08	19.14
Indian Overseas Bank	15.65	0.10	15.50	0.15

Sensitivity has been worked out based on the previous 3 years average of six monthly fluctuations in the share price as quoted on the National Stock Exchange (NSE).

**For Investment in Debt Instruments (Investments in Govt and PSU Bonds)**

The table below summarises the impact of increase/decrease of the market value of the debt instruments on company's equity for the year:

Particulars	As at 31st March 2018		As at 31st March, 2017	
	% change	Impact on other components of equity (₹ in crore)	% change	Impact on other components of equity (₹ in crore)
Government Securities	(0.08)	(0.25)	3.49	11.81
PSU Tax Free Bonds	1.20	0.98	5.77	4.91

(iii) **Foreign Currency Risk**

The company is compensated for variability in foreign currency exchange rate through recovery by way of tariff adjustments under the CERC Tariff Regulations.

(a) **Foreign Currency Exposure:**

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows :

Particulars	(₹ in crore)	
	As at 31st March 2018	As at 31st March, 2017
<b>Financial Liabilities:</b>		
Foreign Currency Loans	1,313.93	1,443.98
Other Financial Liabilities	67.47	55.09
<b>Net Exposure to foreign currency (liabilities)</b>	<b>1,381.40</b>	<b>1,499.07</b>

(b) **Sensitivity Analysis**

There is no impact of foreign currency fluctuations on the profit of the company as these are either adjusted to the carrying cost of respective fixed asset/Capital Work-in-Progress or recovered through tariff as per CERC Tariff Regulation 2014-19.





### (3) Capital Management

#### (a) Capital Risk Management

The primary objective of the Company's capital management is to maximize the shareholder value. CERC Tariff Regulations prescribe Debt : Equity ratio of 70:30 for the purpose of fixation of tariff of Power Projects. Accordingly the company manages its capital structure to maintain the normative capital structure prescribed by the CERC.

The Company monitors capital using Debt : Equity ratio, which is net debt divided by total capital. The Debt : Equity ratio are as follows:

#### Statement of Gearing Ratio

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Total Debt (₹ in crore)	18,322.11	18,924.23
(b) Total Capital (₹ in crore)	30,017.90	29,014.82
Gearing Ratio (a/b)	0.61	0.65

Note: For the purpose of the Company's capital management, capital includes issued capital and reserves. Net debt includes interest bearing loans and borrowings.

#### (b) Loan Covenants:

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

1. Company shall maintain credit rating AAA and if rating comes down, rate of interest shall be increased by 25 basis point for each notch below AAA rating.
2. Debt to net worth should not exceed 2:1.
3. Interest coverage ratio should be more than 2 times and should be calculated as ((Net Profit+Non-Cash Expenditures+Interest Payable-Non-Cash Income)/Interest Payable)
4. First Charge on Assets with 1:1.33 coverage on pari paasu basis.

During the year the company has complied with the above loan covenants.

#### (c) Dividends:

(₹ in crore)

	As at March 31, 2018	As at March 31, 2017
<b>(i) Equity Shares</b>		
Final dividend for the year 2016-17 of INR 0.10 per fully paid share approved in Sep-2017 paid in Oct-2017. (31st March 2017- INR 0.58 fully paid share for FY 2015-16).	102.60	642.11
Dividend Distribution Tax on Final Dividend	*	89.08
Interim dividend for the year ended 31st March 2018 of INR 1.12 ( 31st March 2017- INR 1.70) per fully paid share.	1,149.05	1882.02
Dividend Distribution Tax on Interim Dividend	126.86	383.14
<b>(ii) Dividend not recognised at the end of the reporting period</b>		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of INR 0.28 (31st March 2017-INR 0.10) per fully paid up Shares . The proposed dividend is subject to the approval of shareholders in the ensuing AGM.	287.26	102.59
Dividend Distribution Tax on Proposed Dividend	59.05	20.89

\* Adjusted with Dividend Distribution Tax on dividend received from NHDC Ltd.

## Note No. - 34: Other Explanatory Notes to Accounts

### 1. The subsidiaries & joint venture companies considered in the Consolidated Financial Statement are:

Name of the Company	Country of Incorporation	Proportion (%) of Ownership Interest	
		31.03.2018	31.03.2017
<b>A. Subsidiary Companies</b>			
NHDC Limited	India	51.08%	51.08%
Loktak Downstream Hydroelectric Corporation Limited (LDHC Limited)	India	74.00%	74.00%
Bundelkhand Saur Urja Limited (BSUL)*	India	99.99%	99.99%
<b>B. Joint Venture Companies</b>			
Chenab Valley Power Projects (P) Limited (CVPPPL)**	India	55.39%	49.78%
National High Power Test Laboratory Private Limited (NHPTL)*	India	20.00%	20.00%

\*The financial statements are unaudited. The figures appearing in financial statements may change on completion of its audit.

\*\*During the year, the company has further invested ₹ 122.36 crore in Chenab Valley Power Project Ltd. (CVPPPL), as a result of which the company's shareholding increased to 55.39%. However, CVPPPL continues to be a Joint Venture owing to control exercised jointly with the other joint venturer, pursuant to the Joint Venture agreement.

### 2. Disclosures relating to Contingent Liabilities:-

#### a) Claims against the Group not acknowledged as debts in respect of:

##### (i) Capital works

Contractors have lodged claims aggregating to ₹ 10126.89 Crore (Previous year ₹ 9813.75 Crore) against the Group on account of rate & 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 ₹ 3840.16 Crore (Previous year ₹ 3038.37 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 ₹ 443.27 Crore (Previous year ₹ 453.49 Crore) based on probability of outflow of resources embodying economic benefits and estimated ₹ 9582.90 Crore (Previous year ₹ 8049.58 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 ₹ 351.86 Crore (Previous year ₹ 345.72 Crore) before various authorities/courts. Pending settlement, the Group has assessed and provided an amount of ₹ 29.55 Crore (Previous year ₹ 42.17 Crore) based on probability of outflow of resources embodying economic benefits and estimated ₹ 322.31 Crore (Previous year ₹ 303.55 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.

##### (iii) Disputed Tax Demands

Disputed Income Tax/Sales Tax/Service Tax/ other taxes/duties matters pending before various appellate authorities amount to ₹ 455.19 Crore (Previous year ₹ 395.53 Crore). Pending settlement, the Group has assessed and provided an amount of ₹ 30.77 Crore (Previous year ₹ 21.95 Crore) based on probability of outflow of resources embodying



economic benefits and rest of the claims i.e. ₹ 424.42 Crore (Previous year ₹ 373.58 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 ₹ 701.70 Crore (Previous year ₹ 691.44 Crore). These claims are pending before various forums. Pending settlement, the Group has assessed and provided an amount of ₹ 29.69 Crore (Previous year ₹ 36.52 Crore) based on probability of outflow of resources embodying economic benefits and estimated ₹ 670.13 Crore (Previous year ₹ 653.04 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 at 31.03.2018 as below:

(₹ in Crore)							
Sl. No.	Particulars	Claims as on 31.03.2018	Up to date Provision against the claims/ paid	Contingent liability as on 31.03.2018	Contingent liability as on 31.03.2017	Addition/ (deduction) from contingent liability during the year	Decrease of contingent liability from Opening Balance as on 01.04.2017
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)=(v)-(vi)	(viii)
1.	Capital Works	10126.89	443.27	9582.90	8049.58	1533.32	733.84
2.	Land Compensation cases	351.86	29.55	322.31	303.55	18.76	38.64
3.	Disputed tax matters	455.19	30.77	424.42	373.58	50.84	23.47
4.	Others	701.70	29.69	670.13	653.04	17.09	44.45
	<b>Total</b>	<b>11635.64</b>	<b>533.28</b>	<b>10999.76</b>	<b>9379.75</b>	<b>1620.01</b>	<b>840.40</b>

- (b) The above contingent liabilities do not include contingent liabilities on account of pending cases in respect of service matters & 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 ₹ 235.73 Crore (Previous year ₹ 221.02 Crore) towards above contingent liabilities.
- (e) (i) An amount of ₹ 536.06 Crore (Previous year ₹ NIL 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 in arbitral proceedings and such awards/orders have been further challenged by the Group in a Court of Law, towards 75% of the arbitral award (including interest payable as per such award) subject to contractors fulfilling the terms and conditions laid down in the Standard Operating Procedures framed by the Group in this regard. The amount so paid is being shown as Current Financial Assets-Others (Note No. 11).
- (ii) An amount of ₹ 82.39 Crore (Previous year ₹ 50.46 Crore) stands paid /deposited with courts towards above contingent liabilities to contest the cases and is being shown as Current Assets.
- (f) The Group's 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 31.03.2018 are as under:

(₹ in Crore)

Sl. No.	Category of Agency	Claims as on 31.03.2018	up to date Provision against the claims/ paid	Contingent liability as on 31.03.2018	Contingent liability as on 31.03.2017	Addition/ (deduction) from contingent liability during the year	Decrease of contingent liability from Opening Balance as on 01.04.2017
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)=(v)-(vi)	(viii)
1	Central Govt. departments	36.38	2.20	34.18	48.05	(13.87)	23.47
2	State Govt. departments or Local Bodies	523.52	57.52	466.00	396.59	69.41	0.16
3	CPSEs	104.65	0.16	102.73	131.25	(28.52)	28.64
4	Others	10971.09	473.40	10396.85	8803.86	1592.99	788.13
	<b>TOTAL</b>	<b>11635.64</b>	<b>533.28</b>	<b>10999.76</b>	<b>9379.75</b>	<b>1620.01</b>	<b>840.40</b>

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 ₹ 603.86 Crore (Previous year ₹ 413.12 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 ₹ 446.53 Crore (Previous year ₹ 317.90 Crore) towards arbitration awards including updated interest thereon.

Based on Management assessment, a favourable outcome is probable in respect of the claims aggregating ₹ 603.62 Crore (Previous year ₹ 317.90 Crore) and for rest of the claims, the possibility of any inflow is remote. However, the amount has not been recognised.

b) **Late Payment Surcharge:**

CERC (Terms & Conditions of Tariff) Regulations 2014-19 provide for levy of Late Payment Surcharge by generating Group in case of delay in payment by beneficiaries beyond 60 days from the date of presentation of bill. However, pending opinion from the Expert Advisory Committee of the Institute of Chartered Accountants of India in this regard, management has continued with its past practice of recognition of surcharge only when no significant uncertainty of ultimate collection exists. Accordingly, late payment surcharge of ₹ 188.42 Crore (Previous year ₹ 435.20 Crore) has not been recognised.

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

Truing up order of 2009-14 and/or Tariff Order for 2014-19 are pending in respect of Sewa-II, Chamera III, Parbati-III, TLDP-III and TLDP-IV Power stations pending approval of revised cost estimate. Management has assessed the impact of these expenditures on tariff and considers that inflow of ₹ 694.94 Crore (Previous year ₹ 688.76 Crore) is probable.

d) **Business Interruption Losses**

Insurance Claim due to Business Interruption Losses in respect of Power Stations are recognised when no significant uncertainty of ultimate collection exists. Management has assessed that claim on account of Business Interruption losses aggregating to ₹ 195.04 Crore (Previous Year ₹ 345.95 Crore) is probable. Power Station-wise details of claims are given at Para 24 of this Note.

e) **Other Cases**

Claims on account of other miscellaneous matters amount to ₹ 60.34 Crore (Previous year ₹ 4.00 Crore). Management has assessed these claims and estimates that inflow of economic benefits of ₹ 60.34 Crore (Previous year ₹ 4.00 Crore) are probable.



**Contingent Assets are summarized below:**

		(₹ in Crore)	
Sl. No.	Particulars	As at 31.03.2018	As at 31.03.2017
(i)	(ii)	(iii)	(iv)
1.	In respect of Counter claims lodged by the company	603.62	317.90
2.	Late Payment Surcharge	188.42	435.20
3.	Revenue to the extent not recognised in respect of power stations	694.94	688.76
4.	Business Interruption Losses	195.04	345.95
5.	Other cases	60.34	4.00
<b>Total</b>		<b>1742.36</b>	<b>1791.81</b>

**4. Commitments:**

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for are as under:

		(₹ in Crore)	
Sl. No.	Particulars	As at 31.03.2018	As at 31.03.2017
(i)	(ii)	(iii)	(iv)
1.	Property Plant and Equipment (including CWIP)	2725.10	3109.74
2.	Intangible Assets	21.82	22.68
<b>Total</b>		<b>2746.92</b>	<b>3132.42</b>

- (b) The Company has commitments of ₹ 653.49 Crore (Previous year ₹ 619.49 Crore) towards further investment in the subsidiary companies as at 31st March 2018.
- (c) The Company has commitments of ₹ 577.65 Crore (Previous year ₹ 765.20 Crore) towards further investment in the joint venture entities as at 31st March 2018.
5. Pending approval of competent authority, provisional payments / provisions made towards executed quantities of works of some of the items beyond the approved quantities as also for extra items totalling to ₹ 7.25 Crore (Previous year ₹ 10.66 Crore) are included in Capital Work-in-Progress /Property, Plant and Equipment.
6. Other disclosure under IND AS 11- 'Construction Contracts' are as under:

		(₹ in Crore)	
Sl. No.	Particulars	As at 31.03.2018	As at 31.03.2017
(i)	(ii)	(iii)	(iv)
1.	Aggregate amount of costs incurred and recognised profits (less recognised losses) on contracts in progress upto reporting date.	295.00	364.88
2.	Amount of advances received.	275.44	345.06
3.	Amount of retention.	-	-
4.	The gross amount due from customers for contract works as an asset.	31.33	-
5.	The gross amount due to customers for contract works as a liability.	-	-

# Annual Report 2017-18

7. Government of Madhya Pradesh (GoMP), being a joint venture partner, contributed on various accounts through Narmada Valley Development Authority (NVDA) as per CCEA approval, details given below: - (Refer Note No. 19 of Balance Sheet).

## Indira Sagar Project: -

(₹ in Crore)			
(A) Amount received in Cash or in kind	Cumulative up to 31.03.2017	During F.Y. 2017-18	Cumulative up to 31.03.2018
i. Expenditure incurred by NVDA	1347.13	9.10	1356.23
ii. Cash Received	669.71	-	669.71
iii. Amount transferred from OSP A/c	8.56	-	8.56
<b>Total of (A)</b>	<b>2025.40</b>	<b>9.10</b>	<b>2034.50</b>
<b>(B) Due/Adjusted on account of</b>			
i. Equity Capital	660.00	-	660.00
ii. Irrigation Component	405.97	(0.41)	405.56
iii. SSP Component	518.75	(0.52)	518.23
iv. Sub-vention towards excess R&R Expenses	411.77	0.91	412.68
v. Electricity charges & water supply maintenance charges	5.04	-	5.04
vi. Advance against Irrigation/Equity of OSP	33.08	-	33.08
<b>Total of (B)</b>	<b>2034.61</b>	<b>(0.02)</b>	<b>2034.59</b>
<b>(C) Amount recoverable from NVDA i.e. (B-A)</b>	<b>9.21</b>	<b>(9.12)</b>	<b>0.09</b>

## Omkareshwar Project: -

(₹ in Crore)			
(D) Amount received in Cash or in kind	Cumulative up to 31.03.2017	During F.Y. 2017-18	Cumulative up to 31.03.2018
i. Expenditure incurred by NVDA	109.26	16.85	126.11
ii. Cash Received	594.66	51.75	646.41
iii. Amount transferred from ISP A/C	33.08	-	33.08
<b>Total of (D)</b>	<b>737.00</b>	<b>68.60</b>	<b>805.60</b>
<b>(E) Due/Adjusted on account of</b>			
i. Equity Capital	300.16	-	300.16
ii. Irrigation Component	239.31	0.02	239.33
iii. Sub-vention towards excess R&R Expenses	75.92	0.14	76.06
iv. Amount Transferred to ISP A/C	8.56	-	8.56
v. Additional Special R&R Package	207.50	0.33	207.83
<b>Total of (E)</b>	<b>831.45</b>	<b>0.49</b>	<b>831.94</b>
<b>(F) Amount recoverable from NVDA i.e. (E-D)</b>	<b>94.45</b>	<b>(68.11)</b>	<b>26.34</b>
<b>(G) Total Amount recoverable i.e (C+F)</b>	<b>103.66</b>	<b>(77.23)</b>	<b>26.43</b>



**Movement of Grant in Reserve during Financial Year 2017-18 is as under:-**

(₹ in Crore)

Sl. No.	Particulars	01.04.2017	Additions	Deductions	Adjustments	31.03.2018
1.	Proportionate contribution by Govt. of Madhya Pradesh towards Irrigation Component in ISPS as a Grant-in-Aid	253.50	(0.41)	15.49	-	237.60
2.	Proportionate Sub-vention towards Sardar Sarovar project transferred from NVDA Account for ISPS.	323.96	(0.52)	19.80	-	303.64
3.	Contribution by Govt. of Madhya Pradesh towards R&R of ISPS.	292.63	0.91	15.94	-	277.60
4.	Proportionate contribution by Govt. of Madhya Pradesh towards Irrigation Component in OSPS as Grant-in-Aid	149.64	0.02	10.74	-	138.92
5.	Contribution by Govt. of Madhya Pradesh towards R&R of OSPS.	229.07	0.47	11.24	-	218.3
	<b>Total</b>	<b>1248.80</b>	<b>0.47</b>	<b>73.21</b>	<b>-</b>	<b>1176.06</b>

**8. The effect of foreign exchange fluctuations during the year are as under:**

(₹ in Crore)

Sl. No.	Particulars	For the year ended 31.03.2018	For the Year ended 31.03.2017
(i)	Amount charged to Statement of Profit & Loss excluding depreciation (as FERV)	2.88	(4.05)
(ii)	Amount charged to Statement of Profit & Loss excluding depreciation (as Borrowing Cost)*	71.65	2.28
(iii)	Amount charged to Capital Work in Progress (as FERV)	-	-
(iv)	Amount adjusted by addition to the carrying amount of property, plant & equipment	-	(15.60)
(v)	Amount recognised to Regulatory Deferral Account Balances	2.10	(2.50)

\* There is however no impact on profitability of the Group, as the impact of change in foreign exchange rates is recoverable from beneficiaries in terms of prevailing CERC (Terms & Conditions of Tariff) Regulations 2014-19. The exchange rate variation for the year is transferred to deferred foreign currency fluctuation assets (recoverable from beneficiaries) as per Significant Accounting Policy of the Group.

**9. Operating Segment:**

- Electricity generation (including income from embedded Finance/ Operating leases) is the principal business activity of the Group. Other operations viz., Contracts, Project Management and Consultancy works do not form a reportable segment as per the Ind AS – 108 on 'Operating Segment'.
- The Group has a single geographical segment as all its Power Stations are located within the Country.

# Annual Report 2017-18

- c) Information about major customers: Revenue of ₹ 3967.50 Crore (Previous year ₹ 4693.26 Crore) is derived from following customers as per details below:

(₹ in Crore)

Sl. No.	Name of Customer	Revenue from customer (₹ In Crore)		Revenue from customer as a % of total revenue	
		For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2018	For the year ended 31.03.2017
1	Power Development Department, Jammu & Kashmir Govt.	1274.86	1230.90	16.45%	14.27%
2	U.P. Power Corp. Ltd.	1132.45	1349.29	14.61%	15.65%
3	MP Power Management Co. Ltd.	784.91	1306.93	10.13%	15.16%
4	Punjab State Power Corp. Ltd.	775.28	806.14	10.00%	9.35%
	<b>Total</b>	<b>3967.50</b>	<b>4693.26</b>	<b>51.19%</b>	<b>54.43%</b>

- d) Revenue from External Customers: The Group is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is as under:

(₹ in Crore)

Sl. No.	Revenue from External Customers	For the year ended 31.03.2018	For the year ended 31.03.2017
1	Bhutan	15.28	21.55
2	Tazakistan	-	2.52
	<b>Total</b>	<b>15.28</b>	<b>24.07</b>

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

## 10. Disclosures under Ind AS-24 "Related Party Disclosures":

### List of Related parties:

#### (a) Joint Ventures:

Name of Companies	Principal place of operation
Chenab Valley Power Projects Private Ltd.	India
National High Power Test Laboratory (P) Ltd.	India

#### (b) Post-Employment Benefit Plans :

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





**(c) Key Management Personnel:**

Sl. No.	Name	Position Held
1	Shri Balraj Joshi	Chairman & Managing Director w.e.f 22.09.2017. Holding additional charge of Director (Technical) w.e.f. 27.10.2017.
2	Shri Krishna Mohan Singh	Chairman & Managing Director Superannuated on 31.07.2017
3	Shri Ratish Kumar	Director (Projects). Held additional Charge of CMD from 01.08.2017 to 22.09.2017.
4	Shri Nikhil Kumar Jain	Director (Personnel)
5	Shri Mahesh Kumar Mittal	Director (Finance). Designated as CFO from 17.04.2017.
6	Smt. Krishna Tyagi	Government Nominee Director, retired on 01.01.2018
7	Ms. Archana Agrawal	Government Nominee Director
8	Prof. Kanika T Bhal	Independent Director
9	Prof. Arun Kumar	Independent Director
10	Shri Satya Prakash Mangal	Independent Director
11	Shri Jugal Kishore Mohapatra	Independent Director w.e.f 07.10.2017
12	Shri Bhagwat Prasad	Independent Director w.e.f 07.10.2017
13	Prof. Nalini Kant Jha	Independent Director w.e.f 07.10.2017
14	Shri Vijay Gupta	Company Secretary

**(d) Name and Nature of Relationship with Government:**

Sl. No.	Name of the Government	Nature of Relationship with NHPC
1	Government of India	Shareholder having control over Group
2	State government of Madhya Pradesh, Uttar Pradesh and Manipur	Shareholder (NCI) in subsidiaries of NHPC
3	State Government of Jammu & Kashmir	Co-venturer in jointly controlled entity.
4	EESL, MTNL, SJVNL, NTPC Ltd, PGCIL, BHEL, BSNL, IIT, VSNL, POSOCO, SAIL, New India Assurance Company, Oriental Insurance Co., KV, HPCL, IOCL etc.	Entities controlled by the same Government (Central Government) that has control over NHPC

The Group is a Central Public Sector Undertaking (CPSU) controlled by Central Government by holding majority of shares. Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, shall be regarded as related parties. The Group has applied the exemptions available for government related entities and have made limited disclosures in the financial Statements in accordance with Ind AS 24.

The Group has business transactions with the state governments and entities controlled by the Govt. of India. Transactions with these entities are carried out at market terms on arms- length basis (except subordinate debts received from Central Govt. 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. 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.

(e) Key Management Personnel (KMP) compensation:

Particulars	(₹ in Crore)	
	For the year ended 31.03.2018	For the year ended 31.03.2017
Short Term Employee Benefits	2.17	3.73
Post-Employment Benefits	0.34	0.37
Other Long Term Benefits	0.45	0.28

Other Transactions with KMP	(₹ in Crore)	
	For the year ended 31.03.2018	For the year ended 31.03.2017
Sitting Fees and other reimbursements to non-executive/independent directors	0.31	0.20
Interest Received during the year	0.02	0.02

(f) Transactions with Related Parties-Following transactions occurred with related parties:

Particulars	(₹ in Crore)	
	For the year ended 31.03.2018	For the year ended 31.03.2017
(i)	(ii)	(iii)
<b>i) Transaction with Government that has control over Group - Central Govt. /State Govt. ( This Includes transactions with various Ministries, CISF etc.)</b>		
Services Received by the Group (includes ₹ 367.97 crore (Previous year ₹ 383 crore) pertains to State Govt. of J&K)	609.82	501.70
Services Provided by the Group	21.20	74.82
Sale of goods/Inventory made by the Group (includes ₹ 624.48 crore (Previous year ₹ 1135.65 crore) pertains to State Govt. of J&K & ₹ 87.85 crore (Previous year ₹ 1229.23 crore) pertains to Govt. of Uttar Pradesh)	2743.36	2453.35
Purchase of Goods/Inventory	6.57	-
Service of Employees to the Group	-	3.94
Dividend Paid During The Year to Government of Madhya Pradesh	602.02	195.87
Dividend Paid During The Year to Government of India	926.23	1881.21
Finance – Subordinate Debts received by the Group	350.00	367.00
Guarantee Fee Payment to Government of India	17.33	20.06
Buy-Back of Shares by Group from Government of India	-	1950.73
Grant Received from MNRE (Through SECI)	12.50	-
Purchase of property/Other assets	0.69	-
<b>ii) Transaction with Entities controlled by the same Government that has control over Group</b>		
Purchase of property/Other assets	53.01	73.22
Purchase of goods/Inventory	40.09	32.74
Services Received by the Group	236.75	72.21



# NHPC Limited

(A Government of India Enterprise)

(₹ in Crore)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Services Provided by the Group	0.41	26.31
Sale of goods/Inventory made by the Group	860.87	1306.93
Interest Received during the year (Interest received on Securitised Debt from MPPMCL)	33.94	45.16
Interest Paid / Payable during the year	6.38	4.80
Others- NVDA	77.23	182.29
Dividend Received by the Group	3.60	3.00
Settlement Amount received by the Group against Insurance Claims	52.20	-
<b>iii) Transaction with Joint Ventures (CVPPL &amp; NHPTL)</b>		
Services Provided by the Group	16.44	7.40
Equity contributions by the Group	187.55	386.50
Deputation of Employees by the Group	5.45	5.41
Loans Provided by the Group	6.00	-
<b>iv) Transactions with KMP</b>		
Loan-Employee Advance	0.03	-
<b>v) Transaction with Trust created for Post employment Benefit plans of NHPC</b>		
<b>1. EPF Trust</b>		
Contribution to Trust	288.73	303.45
<b>2. Gratuity Trust</b>		
Contribution to Trust	116.79	(5.46)
Refund from Trust (Payments)	64.63	63.06
<b>3. REHS Trust</b>		
Contribution to Trust	47.20	74.05
Refund from Trusts (Payments)	18.97	19.58
<b>4. Social Security Scheme Trust</b>		
Contribution to Trust	8.07	8.43
<b>5. EDCSS Trust</b>		
Contribution to Trusts	96.16	76.16
<b>6. Leave Encashment Trust</b>		
Contribution to Trust	369.27	-
Refund from Trusts (Payments)	20.77	-
<b>Total of transactions with above trusts</b>		
<b>Contribution to Trusts</b>	926.22	456.63
<b>Less: Refund from Trusts</b>	104.37	82.64
<b>Grand Total</b>	<b>821.86</b>	<b>373.99</b>

# Annual Report 2017-18

**(g) Outstanding Balances with Related Parties:**

(₹ in Crore)		
Particulars	As at 31.03.2018	As at 31.03.2017
(i)	(ii)	(iii)
<b>i) Balances with Government that has control over Group – Central Govt./State Govt.</b>		
Payables by the Group	170.30	114.38
Receivables by the Group	917.29	1479.66
Loan from Government (Subordinate debts)	3750.80	3400.80
Guarantee Received from Government (Against Foreign Currency Borrowing)	1313.93	1443.98
<b>ii) Balances with Entities controlled by the same Government that has control over Group</b>		
Payables by the Group	52.69	47.04
Receivables by the Group	548.04	776.29
Balances out of Commitments made by the Group	3.48	25.53
<b>iii) Balances with Joint Ventures (CVPPL &amp; NHPTL)</b>		
Receivables by the Group	104.76	193.97
Loan Outstanding	6.00	-
<b>iv) Balances with KMP</b>		
Receivables by the Group	0.04	0.05
<b>v) Balances with Trust created for Post- employment Benefit plans of NHPC</b>		
Receivable by Group		
1. Gratuity Trust	1.65	38.24
2. Leave Encashment Trust	20.77	-
Payable by the Group		
1. Gratuity Trust	86.05	-
2. EPF Trust	23.88	31.43
3. REHS Trust	4.54	38.92
4. Social Security Scheme Trust	0.77	0.67
5. EDCSS Trust	22.15	5.89

**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 31.03.2018	As at 31.03.2017
<b>First Charge</b>			
1	Property, Plant & Equipment	10785.78	14484.71
2	Capital Work In Progress	6827.57	6127.83
3	Financial Assets- Others (Lease Receivable)	-	567.77
<b>Total</b>		<b>17613.35</b>	<b>21180.31</b>



## 12. Disclosures under Ind AS-19 "Employee Benefits":

### (A) Defined Contribution Plans-

- (i) **Social Security Scheme:** The Group has a Social Security Scheme in lieu of the erstwhile scheme of compassionate appointment. The Group also makes a matching contribution per month per employee and such contribution was to be made for 8 years to build up corpus from the date the scheme is in operation i.e. 01.06.2007, which has been extended for another 2 years i.e. up to 31.05.2017 and further extended for another 3 years i.e. up to 31.05.2020. The scheme has been created to take care of and helping bereaved families in the event of death or permanent total disability of its employee. The expenses recognised during the year towards social security scheme is ₹ 4.13 Crore (Previous year ₹ 4.48 Crore).
- (ii) **Employees Defined Contribution Superannuation Scheme (EDCSS):** The Group has an employee defined contribution superannuation scheme for providing pension benefits to employees. As per the scheme, each employee contributes @ 5% of Basic Pay & Dearness Allowance. The Group contributes to the extent of balance available after deducting employers' contribution to Provident Fund, contribution to Gratuity Trust and REHS Trust, from the amount worked out @ 30% of the Basic Pay & DA. The Scheme is managed by Life Insurance Corporation of India. The expenses recognised during the year towards Employees Defined Contribution Superannuation Scheme (EDCSS) is ₹ 72.46 Crore (Previous year 79.95 Crore).

### (B) Defined Benefit Plans- Group has following defined post-employment benefit obligations :

#### (a) Description of Plans:

- (i) **Provident Fund:** The Group pays fixed contribution to Provident Fund at predetermined rates to a separate Trust, which invests the funds in permitted securities. The contribution to the fund for the year is recognised as expense and is charged to the Statement of Profit & Loss/Expenditure Attributable to Construction. The obligation of the Group is to make fixed contribution and to ensure a minimum rate of return to the members as specified by Government of India (Gol).
- (ii) **Gratuity:** The Group has a defined benefit gratuity plan. The ceiling limit of gratuity is fixed as per the Payment of Gratuity Act, 1972, whereby every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹ 0.20 Crore on superannuation, resignation, termination, disablement or on death. The plan is being managed by a separate Trust created for the purpose and obligation of the Group is to make contribution to the Trust based on actuarial valuation.
- (iii) **Retired Employees Health Scheme (REHS):** The Group has a Retired Employee Health Scheme, under which retired employee and/or spouse of retiree and eligible dependent children of deceased employees are provided medical facilities in the Group hospitals / empanelled hospitals. They can also avail treatment as Out-Patient subject to a ceiling fixed by the Group. The liability for the same is recognised on the basis of actuarial valuation. The Scheme is being managed by a separate Trust created for the purpose and obligation of the Group is to make contribution to the Trust based on such actuarial valuation.
- (iv) **Allowances on Retirement/Death:** Actual cost of shifting from place of duty at which employee is posted at the time of retirement to any other place where he / she may like to settle after retirement is paid as per the rules of the Group. In case of death, family of deceased employee can also avail this facility. The liability for the same is recognised on the basis of actuarial valuation.
- (v) **Memento to employees on attaining the age of superannuation:** The Group has a policy of providing Memento valuing ₹ 5000/- to employee on superannuation. The liability for the same is recognised on the basis of actuarial valuation.

# Annual Report 2017-18

(b) Disclosure of Balance Sheet amounts and sensitivity analysis of Plans:

(i) **Provident Fund:** Movements in the net defined benefit obligation during the years 2016-17 and 2017-18 are as follows:

(₹ in Crore)			
Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
<b>2016-17</b>			
<b>Opening Balance as at 01.04.2016</b>	<b>2255.54</b>	<b>2278.83</b>	<b>(23.29)</b>
Current Service Cost	81.15	0	81.15
Past Service Cost	0	0	0
Interest Expenses/ (Income)	180.45	182.31	(1.86)
<b>Total</b>	<b>261.60</b>	<b>182.31</b>	<b>79.29</b>
<b>Re-measurements</b>			
(Gain)/loss from change in demographic assumptions	0	0	0
Return on Plan Asset, excluding amount included in interest expenses /(Income)	0	0.62	(0.62)
(Gain)/loss from change in financial assumptions	0.11	0	0.11
Experience (gains)/Losses	11.83	13.04	(1.21)
<b>Total</b>	<b>11.94</b>	<b>13.66</b>	<b>(1.72)</b>
<b>Contributions:-</b>			
-Employers	0	81.15	(81.15)
-Plan participants	218.36	218.36	0
Benefit payments	(354.86)	(354.86)	0
<b>Closing Balance as at 31.03.2017</b>	<b>2392.58</b>	<b>2419.45</b>	<b>(26.87)</b>

(₹ in Crore)			
Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
<b>2017-18</b>			
<b>Opening Balance as at 01.04.2017</b>	<b>2,392.58</b>	<b>2,419.45</b>	<b>(26.87 )</b>
Adjustment	-	(0.09)	0.09
Current Service Cost	76.07	-	76.07
Past Service Cost	-	-	-
Interest Expenses/ (Income)	179.45	179.45	-
<b>Total</b>	<b>255.52</b>	<b>179.36</b>	<b>76.16</b>
<b>Remeasurements</b>			
(Gain)/loss from change in demographic assumptions	-	-	-
Return on Plan Asset, excluding amount included in interest expenses /(Income)	-	1.11	(1.11)
(Gain)/loss from change in financial assumptions	0.03	-	0.03



Particulars	(₹ in Crore)		
	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
<b>2017-18</b>			
Experience (gains)/Losses	30.67	22.63	8.04
<b>Total</b>	<b>30.70</b>	<b>23.74</b>	<b>6.96</b>
Contributions:-	-	-	-
-Employers	-	76.07	(76.07)
-Plan participants	228.80	228.80	-
Benefit payments	(404.93)	(404.93)	-
<b>Closing Balance as at 31.03.2018</b>	<b>2,502.67</b>	<b>2,522.49</b>	<b>(19.82)</b>

The net liability disclosed above related to funded and unfunded plans are as follows:

Particulars	(₹ in Crore)	
	31st March 2018	31st March 2017
Present Value of funded obligations	2,502.67	2,392.58
Fair value of Plan Assets	2,522.49	2,419.45
<b>Deficit/(Surplus) of funded plans</b>	<b>(19.82)</b>	<b>(26.87)</b>
Unfunded Plans	-	-
<b>Deficit/(Surplus) before asset ceiling</b>	<b>(19.82)</b>	<b>(26.87)</b>

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 ₹ 19.82 Crore determined through actuarial valuation. Accordingly, Group has not recognised the surplus as an asset, and the actuarial gains in Other Comprehensive Income, as these pertain to the Provident Fund Trust and not to the Group

**Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:**

Particulars	Change in Assumptions		Impact on Defined Benefit Obligation					
			Increase in Assumption			Decrease in Assumptions		
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017		
Discount Rate	0.50%	0.50%	Decrease by 0.005%	0.005%	Increase by 0.005%	0.005%	0.005%	

(ii) **Gratuity:** The amount recognised in the Balance Sheet as at 31.03.2017 & 31.03.2018 along with the movements in the net defined benefit obligation during the years 2016-17 and 2017-18 are as follows:

Particulars	(₹ in Crore)		
	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
<b>2016-17</b>			
<b>Opening Balance as at 01.04.2016</b>	<b>600.22</b>	<b>648.15</b>	<b>-47.93</b>
Current Service Cost	34.48	-	34.48
Past Service Cost	141.85	-	141.85
Interest Expenses/ (Income)	48.02	51.85	(3.83)
<b>Total Amount recognised in Profit or Loss</b>	<b>224.35</b>	<b>51.85</b>	<b>172.50</b>

# Annual Report 2017-18

Particulars	(₹ in Crore)		
	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
<b>2016-17</b>			
<b>Remeasurements</b>	-	-	-
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	1.06	-1.06
(Gain)/loss from change in demographic assumptions	(0.01)	-	(0.01)
(Gain)/loss from change in financial assumptions	13.46	-	13.46
Experience (gains)/Losses	0.61	-	0.61
<b>Total Amount recognised in Other Comprehensive Income</b>	<b>14.06</b>	<b>1.06</b>	<b>13.00</b>
Contributions:-	-	-	-
-Employers	-	16.01	(16.01)
-Plan participants	-	-	-
Benefit payments	(63.10)	(87.06)	23.96
<b>Closing Balance as at 31.03.2017</b>	<b>775.53</b>	<b>630.01</b>	<b>145.52</b>

Particulars	(₹ in Crore)		
	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
<b>2017-18</b>			
<b>Opening Balance as at 01.04.2017</b>	<b>775.53</b>	<b>630.01</b>	<b>145.52</b>
Adjustment		0.13	(0.13)
Current Service Cost	25.15	-	25.15
Past Service Cost	-	-	-
Interest Expenses/ (Income)	58.16	47.26	10.90
<b>Total Amount recognised in Profit or Loss</b>	<b>83.31</b>	<b>47.26</b>	<b>36.05</b>
<b>Remeasurements</b>	-	-	-
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	3.05	(3.05)
(Gain)/loss from change in demographic assumptions	(10.46)	-	(10.46)
(Gain)/loss from change in financial assumptions	(0.94)	-	(0.94)
Experience (gains)/Losses	(57.99)	-	(57.99)
<b>Total Amount recognised in Other Comprehensive Income</b>	<b>(69.39)</b>	<b>3.05</b>	<b>(72.44)</b>
Contributions:-	-	-	-
-Employers	-	6.05	(6.05)
-Plan participants	-	-	-
Benefit payments	(64.93)	(78.17)	13.24
<b>Closing Balance as at 31.03.2018</b>	<b>724.52</b>	<b>608.33</b>	<b>116.19</b>





The net liability disclosed above related to funded and unfunded plans are as follows:

Particulars	(₹ in Crore)	
	31st March 2018	31st March 2017
Present Value of funded obligations	724.52	775.53
Fair value of Plan Assets	608.33	630.01
<b>Deficit/(Surplus) of funded plans</b>	<b>116.19</b>	<b>145.52</b>
Unfunded Plans	-	-
<b>Deficit/(Surplus) before asset ceiling</b>	<b>116.19</b>	<b>145.52</b>

**Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:**

Particulars	Change in Assumptions		Impact on Defined Benefit Obligation					
			Increase in Assumption			Decrease in Assumptions		
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Discount Rate	0.50%	0.50%	Decrease by	2.96%	2.78%	Increase by	3.12%	2.95%
Salary growth rate	0.50%	0.50%	Increase by	0.86%	1.26%	Decrease by	1.00%	1.41%

(iii) **Retired Employees Health Scheme (REHS):** The amount recognised in the Balance Sheet as at 31.03.2017 & 31.03.2018 along with the movements in the net defined benefit obligation during the years 2016-17 and 2017-18 are as follows:

Particulars	(₹ in Crore)		
	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
<b>2016-17</b>			
<b>Opening Balance as at 01.04.2016</b>	<b>596.2</b>	<b>583.72</b>	<b>12.48</b>
Current Service Cost	14.39	-	14.39
Past Service Cost	-	-	-
Interest Expenses/ (Income)	47.69	46.87	0.82
<b>Total Amount recognised in Profit or Loss</b>	<b>62.08</b>	<b>46.87</b>	<b>15.21</b>
<b>Remeasurements</b>	-	-	-
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	5.27	(5.27)
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	42.25	-	42.25
Experience (gains)/Losses	23.12	-	23.12
<b>Total Amount recognised in Other Comprehensive Income</b>	<b>65.37</b>	<b>5.27</b>	<b>60.10</b>
Contributions:-	-	-	-
-Employers	-	51.67	(51.67)
-Plan participants	-	-	-
Benefit payments	(19.24)	(19.68)	0.44

# Annual Report 2017-18

Closing Balance as at 31.03.2017 704.41      667.85      36.56

Particulars	(₹ in Crore)		
	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
<b>2017-18</b>			
<b>Opening Balance as at 01.04.2017</b>	<b>704.41</b>	<b>667.85</b>	<b>36.56</b>
Current Service Cost	15.56	-	15.56
Past Service Cost	-	-	-
Interest Expenses/ (Income)	52.83	50.09	2.74
<b>Total Amount recognised in Profit or Loss</b>	<b>68.39</b>	<b>50.09</b>	<b>18.30</b>
<b>Remeasurements</b>	-	-	-
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	10.67	(10.67)
(Gain)/loss from change in demographic assumptions	2.07	-	2.07
(Gain)/loss from change in financial assumptions	33.77	-	33.77
Experience (gains)/Losses	3.37	-	3.37
<b>Total Amount recognised in Other Comprehensive Income</b>	<b>39.21</b>	<b>10.67</b>	<b>28.54</b>
Contributions:-	-	-	-
-Employers	-	81.37	(81.37)
-Plan participants	-	-	-
Benefit payments	(18.39)	(18.36)	(0.03)
<b>Closing Balance as at 31.03.2018</b>	<b>793.62</b>	<b>791.62</b>	<b>2.00</b>

The net liability disclosed above related to funded and unfunded plans are as follows:

Particulars	(₹ in Crore)	
	31st March 2018	31st March 2017
Present Value of funded obligations	793.62	704.41
Fair value of Plan Assets	791.62	667.85
<b>Deficit/(Surplus) of funded plans</b>	<b>2.00</b>	<b>36.56</b>
Unfunded Plans	-	-
<b>Deficit/(Surplus) before asset ceiling</b>	<b>2.00</b>	<b>36.56</b>

**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			
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017		
Discount Rate	0.50%	0.50%	Decrease by	6.09%	6.09%	Increase by	6.17%	6.45%
Medical cost rate	0.50%	0.50%	Increase by	6.17%	-	Decrease by	6.08%	-



(iv) **Allowances on Retirement/Death:** The amount recognised in the Balance Sheet as at 31.03.2017 & 31.03.2018 along with the movements in the net defined benefit obligation during the years 2016-17 and 2017-18 are as follows:

Particulars	(₹ in Crore)		
	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
	<b>2016-17</b>		
<b>Opening Balance as at 01.04.2016</b>	<b>5.38</b>	-	<b>5.38</b>
Current Service Cost	0.25	-	0.25
Past Service Cost	-	-	-
Interest Expenses/ (Income)	0.43	-	0.43
<b>Total Amount recognised in Profit or Loss</b>	<b>0.68</b>	-	<b>0.68</b>
<b>Remeasurements</b>	-	-	-
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	0.18	-	0.18
Experience (gains)/Losses	(0.32)	-	(0.32)
<b>Total Amount recognised in Other Comprehensive Income</b>	<b>(0.14)</b>	-	<b>(0.14)</b>
Contributions:-	-	-	-
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	(0.36)	-	(0.36)
<b>Closing Balance as at 31.03.2017</b>	<b>5.56</b>	-	<b>5.56</b>

Particulars	(₹ in Crore)		
	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
	<b>2017-18</b>		
<b>Opening Balance as at 01.04.2017</b>	<b>5.56</b>	-	<b>5.56</b>
Current Service Cost	0.26	-	0.26
Past Service Cost	-	-	-
Interest Expenses/ (Income)	0.42	-	0.42
<b>Total Amount recognised in Profit or Loss</b>	<b>0.68</b>	-	<b>0.68</b>
<b>Remeasurements</b>	-	-	-
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	-	-
(Gain)/loss from change in demographic assumptions	0.01	-	0.01
(Gain)/loss from change in financial assumptions	0.16	-	0.16
Experience (gains)/Losses	(0.52)	-	(0.52)
<b>Total Amount recognised in Other Comprehensive Income</b>	<b>(0.35)</b>	-	<b>(0.35)</b>
Contributions:-	-	-	-
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	(0.14)	-	(0.14)
<b>Closing Balance as at 31.03.2018</b>	<b>5.75</b>	-	<b>5.75</b>

The net liability disclosed above related to unfunded plans.

# Annual Report 2017-18

**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			
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017		
Discount Rate	0.50%	0.50%	Decrease by	3.96%	3.33%	Increase by	4.15%	3.54%
Cost Increase	0.50%	0.50%	Increase by	3.97%	-	Decrease by	3.71%	-

- (v) **Memento to employees on attaining the age of superannuation:** The amount recognised in the Balance Sheet as at 31.03.2017 & 31.03.2018 along with the movements in the net defined benefit obligation during the years 2016-17 and 2017-18 are as follows:

Particulars	(₹ in Crore)		
	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
<b>2016-17</b>			
<b>Opening Balance as at 01.04.2016</b>	<b>2.58</b>	-	<b>2.58</b>
Current Service Cost	0.10	-	0.10
Past Service Cost	-	-	-
Interest Expenses/ (Income)	0.20	-	0.20
<b>Total Amount recognised in Profit or Loss</b>	<b>0.30</b>	-	<b>0.30</b>
<b>Remeasurements</b>	-	-	-
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	0.07	-	0.07
Experience (gains)/Losses	(0.21)	-	(0.21)
<b>Total Amount recognised in Other Comprehensive Income</b>	<b>(0.14)</b>	-	<b>(0.14)</b>
Contributions:-	-	-	-
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	(0.28)	-	(0.28)
<b>Closing Balance as at 31.03.2017</b>	<b>2.46</b>	-	<b>2.46</b>

Particulars	(₹ in Crore)		
	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
<b>2017-18</b>			
<b>Opening Balance as at 01.04.2017</b>	<b>2.46</b>	-	<b>2.46</b>
Current Service Cost	0.09	-	0.09
Past Service Cost	-	-	-
Interest Expenses/ (Income)	0.18	-	0.18
<b>Total Amount recognised in Profit or Loss</b>	<b>0.27</b>	-	<b>0.27</b>
<b>Remeasurements</b>	-	-	-
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	-	-
(Gain)/loss from change in demographic assumptions	0.01	-	0.01
(Gain)/loss from change in financial assumptions	0.04	-	0.04



(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
<b>2017-18</b>			
Experience (gains)/Losses	(0.34)	-	(0.34)
<b>Total Amount recognised in Other Comprehensive Income</b>	<b>(0.29)</b>	-	<b>(0.29)</b>
Contributions:-	-	-	-
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	(0.25)	-	(0.25)
<b>Closing Balance as at 31.03.2018</b>	<b>2.19</b>	-	<b>2.19</b>

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	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Discount Rate	0.50%	0.50%	Decrease by 5.68%	5.94%	Increase by 6.07%	6.12%

**(c) Defined Benefit Plans: Significant estimates: Actuarial assumptions:**

Particulars	31st March 2018	31st March 2017
Discount Rate	7.70%	7.50%
Salary growth rate	6.50%	6.00%

**(d) The major categories of Plan Assets are as follows:**

**Provident Fund:**

(₹ in Crore)

Particulars	31st March 2018			
	Quoted	Unquoted	Total	In %
<b>Debt Instruments</b>				
Government Bonds	1,384.45	-	1,384.45	54.88
Corporate Bonds	998.56	-	998.56	39.59
	-	-	-	-
<b>Investment Funds</b>				
Mutual Funds	50.56	-	50.56	2.00
LIC	-	-	-	0.00
<b>Cash &amp; Cash Equivalents</b>				
	-	19.66	19.66	0.78
<b>Accrued Interest</b>				
	-	69.26	69.26	2.75
<b>Total</b>	<b>2,433.57</b>	<b>88.92</b>	<b>2522.49</b>	<b>100.00</b>

# Annual Report 2017-18

(₹ in Crore)

Particulars	31st March 2017			
	Quoted	Unquoted	Total	In %
<b>Debt Instruments</b>				
Government Bonds	1,298.70	-	1,298.70	53.68
Corporate Bonds	1,011.75	-	1,011.75	41.82
	-	-	-	-
<b>Investment Funds</b>				
Mutual Funds	31.71	-	31.71	1.31
LIC	-	-	-	-
	-	-	-	-
Cash & Cash Equivalents	-	7.79	7.79	0.32
Accrued Interest	-	69.50	69.50	2.87
<b>Total</b>	<b>2,342.16</b>	<b>77.29</b>	<b>2,419.45</b>	<b>100.00</b>

## Gratuity

(₹ in Crore)

Particulars	31st March 2018			
	Quoted	Unquoted	Total	In %
<b>Investment Funds</b>				
LIC Scheme	-	608.20	608.20	99.98
<b>Cash &amp; Cash Equivalents</b>				
	-	0.13	0.13	0.02
<b>Total</b>	<b>-</b>	<b>608.33</b>	<b>608.33</b>	<b>100.00</b>

(₹ in Crore)

Particulars	31st March 2017			
	Quoted	Unquoted	Total	In %
<b>Investment Funds</b>				
LIC Scheme	-	630.02	630.02	99.98
<b>Cash &amp; Cash Equivalents</b>				
	-	0.11	0.11	0.02
<b>Total</b>	<b>-</b>	<b>630.13</b>	<b>630.13</b>	<b>100.00</b>

## Retired Employees Health Scheme (REHS):

(₹ in Crore)

Particulars	31st March 2018			
	Quoted	Unquoted	Total	In %
<b>Debt Instruments</b>				
Government Bonds				
Corporate Bonds	738.69	-	738.69	93.31
LIC Scheme	-	18.79	18.79	2.37
Fixed Deposits	-	5.71	5.71	0.72
<b>Cash &amp; Cash Equivalents</b>				
	-	9.44	9.44	1.19
<b>Accrued Interest</b>				
	-	18.99	18.99	2.40
<b>Total</b>	<b>738.69</b>	<b>52.93</b>	<b>791.62</b>	<b>100.00</b>



(₹ in Crore)

Particulars	31st March 2017			
	Quoted	Unquoted	Total	In %
<b>Debt Instruments</b>				
Government Bonds				
Corporate Bonds	637.75	-	637.75	95.49
Fixed Deposits	-	4.27	4.27	0.64
<b>Cash &amp; Cash Equivalents</b>	-	<b>10.06</b>	<b>10.06</b>	<b>1.51</b>
<b>Accrued Interest</b>	-	<b>15.77</b>	<b>15.77</b>	<b>2.36</b>
<b>Total</b>	<b>637.75</b>	<b>30.10</b>	<b>667.85</b>	<b>100.00%</b>

- (e) **Risk Exposure:** Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

**Description of Risk Exposures:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such the Group is exposed to various risks as follow -

- A) Salary Increase- Actual salary increase will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
  - B) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
  - C) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.
  - D) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
  - E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.
- (f) **Defined benefit liability and employer contributions:** Funding levels are monitored on an annual basis and the current contribution rate is 30% of basic salary & dearness allowance. The Group considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

Expected contributions to defined-benefit plans for the year ending March 31, 2019 are ₹ 139.53 Crore (March 31, 2018 ₹ 144.86 Crore).

The weighted average duration of the defined benefit obligations is 10.38 Years (2017 - 9.62 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
31.03.2018	322.67	301.31	474.44	1,404.25	2,502.67
31.03.2017	333.34	829.01	521.82	708.41	2,392.58

# Annual Report 2017-18

The expected maturity analysis of Gratuity (NHPC Ltd. Employees Group Gratuity Assurance Fund), Post employment Medical Benefits (NHPC Ltd. Retired Employees Health Scheme Trust), Allowances on Retirement/Death and Memento.

(₹ in Crore)					
Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
<b>31.03.2018</b>					
Gratuity	96.72	132.57	91.08	404.15	724.52
Post-employment Medical Benefits (REHS)	31.93	34.99	113.05	613.65	793.62
Allowances on Retirement/Death	0.57	0.55	1.62	3.01	5.75
Memento to employees on attaining the age of superannuation	0.27	0.21	0.72	0.99	2.19
<b>TOTAL</b>	<b>129.49</b>	<b>168.32</b>	<b>206.47</b>	<b>1,021.80</b>	<b>1,526.08</b>
<b>31.03.2017</b>					
Gratuity	109.77	69.17	181.75	414.84	775.53
Post-employment Medical Benefits (REHS)	27.34	29.17	98.95	548.95	704.41
Allowances on Retirement/Death	0.61	0.57	1.51	2.87	5.56
Memento to employees on attaining the age of superannuation	0.30	0.28	0.74	1.14	2.46
<b>TOTAL</b>	<b>138.02</b>	<b>99.19</b>	<b>282.95</b>	<b>967.80</b>	<b>1487.96</b>

- (C) **Other long-term employee benefits (Leave Benefit):** The Group provides for earned leave and half-pay leave to the employees which accrue annually @ 30 days and 20 days respectively. The maximum ceiling of encashment of earned leave is limited to 300 days. However, any shortfall in the maximum limit of 300 days in earned leave on superannuation shall be fulfilled by half pay leave to that extent. The liability for the same is recognised on the basis of actuarial valuation.

The leave obligation covers the Company's liability towards employees' leave entitlements. The amount of provision for the year ended 31.03.2018 amounting to ₹ 58.96 crore has been disclosed as Current since the same is to be paid to the trust set up by the Company as against in the Previous year wherein the amount of ₹ 447.32 crore and ₹ 66.14 crore were presented as Non-current and Current respectively as the same was unfunded till 31.03.2017. The current leave obligation estimated to settle within the next 12 months is ₹ 46.03 crore (Previous year ₹ 66.14 crore).

During the year the Company has created a Leave Encashment Trust to administer the funds towards provision for leave encashment appearing in its books till financial year 2016-17. Accordingly, the Company has remitted ₹ 369.27 crore to the trust during the current year being the net liability in respect of leave encashment as on that date.

### 13. Other disclosures as per Schedule-III of the Companies Act, 2013 are as under:-

(₹ in Crore)			
Sl. No.	Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
a)*	Value of imports calculated on CIF basis:		
	i) Capital Goods	5.50	26.43
b)*	Expenditure in Foreign Currency		
	i) Interest	22.55	26.27
	ii) Other Misc. Matters	60.89	76.05
c)*	Value of spare parts and Components consumed in operating units.		
	i) Imported	-	-
	ii) Indigenous	29.38	26.75
d)*	Earnings in foreign currency		
	i) Others	-	-

\* Accrual basis.





## 14. Earnings Per Share:

### a) The Earnings Per Share (Basic and Diluted) are as under:

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Earnings per Share before Regulatory Income (₹) – Basic & Diluted	1.72	2.09
Earnings per Share after Regulatory Income (₹) – Basic & Diluted	2.44	2.74
Face value per share (₹)	10	10

### b) Reconciliation of Earning used in calculating Earnings Per Share:

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Net Profit after Tax but before Regulatory Income used as numerator (₹ in crore)	1767.73	2310.64
Net Profit after Tax and Regulatory Income used as numerator (₹ in crore)	2503.90	3029.42

### c) Reconciliation of weighted Average number of shares used as denominator :

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Weighted Average number of equity shares used as denominator	10259320519	11061777011

## 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
<b>Parent</b>								
<b>NHPC Limited</b>								
31.03.2018	80.79	26621.91	76.72	2128.53	92.45	5.88	76.75	2134.41
31.03.2017	78.29	25361.23	74.45	2590.97	137.52	7.66	74.55	2598.63
<b>Subsidiaries</b>								
<b>NHDC Limited</b>								
31.03.2018	8.12	2674.29	13.52	375.13	3.77	0.24	13.50	375.37
31.03.2017	9.43	3055.88	12.50	435.21	(19.21)	(1.07)	12.45	434.14
<b>Loktak Downstream Hydroelectric Corporation Ltd. (LDHC Ltd.)</b>								
31.03.2018	0.29	96.77	0.02	0.47	-	-	0.02	0.47
31.03.2017	0.30	96.54	0.02	0.82	-	-	0.02	0.82
<b>Bundelkhand Saur Urja Ltd. (BSUL)</b>								
31.03.2018	0.01	3.46	(0.01)	(0.15)	-	-	(0.01)	(0.15)
31.03.2017	-	0.60	(0.01)	(0.32)	-	-	(0.01)	(0.32)

# Annual Report 2017-18

(₹ 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
<b>Non-controlling Interests in all subsidiaries</b>								
31.03.2018	8.91	2934.91	9.76	270.80	3.62	0.23	9.75	271.03
31.03.2017	10.44	3382.24	12.96	450.91	(18.31)	(1.02)	12.91	449.89
<b>Joint Ventures (Investments as per the equity method)</b>								
<b>National High Power Test Laboratory Private Limited (NHPTL)</b>								
31.03.2018	0.08	27.83	(0.08)	(2.14)	0.16	0.01	(0.08)	(2.13)
31.03.2017	0.09	29.97	-	-	-	-	-	-
<b>Chenab Valley Power Projects (P) Ltd. (CVPPPL)</b>								
31.03.2018	1.80	593.64	0.07	2.06	-	-	0.07	2.06
31.03.2017	1.45	470.60	0.08	2.74	-	-	0.08	2.74
<b>TOTAL</b>								
31.03.2018	100.00	32952.81	100.00	2774.70	100.00	6.36	100.00	2781.06
31.03.2017	100.00	32397.06	100.00	3480.33	100.00	5.57	100.00	3485.90

## 16. Commitments and contingent liabilities in respect of Joint Ventures:

(₹ in Crore)

Particulars		31.03.2018	31.03.2017
A	Contingent Liabilities	1.54	1.66
B	Capital Commitments	586.53	13.98

## 17. Disclosure related to confirmation of Balances is as under :

- (a) Balances shown under material issued to contractors, claims recoverable including insurance claims, advances for Capital expenditure, Sundry Debtors, Advances to Contractors, Sundry Creditors and Deposits/Earnest money from contractors 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 from external parties in respect of Trade Receivables, Trade Payables, Deposits, Advances to Contractors/Suppliers/Service Providers/Others including for capital expenditure and material issued to contractors is sought for outstanding balances of ₹ 0.05 crore or above in respect of each party as at 31st December of every year. Status of confirmation of balances as at December 31, 2017 as well as amount outstanding as on 31.03.2018 is as under:

(₹ in Crore)

Particulars	Outstanding amount as on 31.12.2017	Amount confirmed	Outstanding amount as on 31.03.2018
Trade receivable	2230.45	2175.71	1652.61
Deposits, Advances to contractors/ suppliers/service providers/ others including for capital expenditure and material issued to contractors	1559.61	401.83	1431.00
Trade/Other payables	269.23	78.92	457.52
Security Deposit/Retention Money payable	104.30	28.03	142.56

- (c) In the opinion of the management, unconfirmed balances will not have any material impact.

**18. Disclosures regarding leases as per IND AS -17 "Leases":****A) Operating leases- Group as Lessee**

- a) The Group's significant leasing arrangements are in respect of operating leases of premises for residential use of employees. These leasing arrangements, which are not non-cancellable, are usually renewable on mutually agreeable terms. Lease payments in respect of premises for residential use of employees amounting to ₹ 44.33 Crore (Previous year ₹ 48.27 Crore) included under Salaries, wages, allowances in Note 26.
- b) The Group has taken premises for offices, guest houses & transit camps on operating leases which are not non-cancellable and are usually renewable on mutually agreeable terms. Lease payments in respect of premises for offices, guest houses & transit camps amounting to ₹ 7.55 Crore (Previous year ₹ 6.78 Crore) are shown under Rent & Hire Charges in Note 29.
- c) The Group has taken vehicles on operating leases generally for a period of 1 to 2 years and such leases are not non-cancellable. Lease payments in respect of hiring of vehicles amounting to ₹ 37.73 Crore (Previous year ₹ 35.36 Crore) are shown under Rent & Hire Charges in Note 29.

**B) Finance Lease - Group as Lessor**

The Group has entered into an arrangement with a single beneficiary, PDD J&K for sale of the entire power generated by two power stations, namely Nimmo Bazgo Power Station & Chutak Power Station and MP Power Management Company for sale of the entire power generated by two power stations namely Indira Sagar and Omkareshwar Power stations for 35 years, which is equal to the expected life of these Power Stations. Under the agreements, the customer is obliged to purchase the entire output at prices determined by the Central Electricity Regulatory Commission (CERC). The Group has classified these Power Stations as embedded Finance Lease as per Appendix-C to Ind AS 17- Leases. Other Financial Assets (Current and Non-Current) include lease receivables representing the present value of future lease rentals receivable on the embedded finance lease arrangements entered into by the Group.

**Details of gross investment in lease and present value of minimum lease payments receivables at the end of financial year are as under:**

**(i) Gross investment in the Lease :**

Particulars	(₹ in Crore)	
	31.03.2018	31.03.2017
Within one year	941.84	1040.85
After one year but not more than five years	3433.90	3489.74
More than five years	14798.92	15325.42
<b>Total</b>	<b>19174.66</b>	<b>19856.01</b>

**(ii) Present value of minimum lease payments receivable:**

Particulars	(₹ in Crore)	
	31.03.2018	31.03.2017
Within one year	178.62	267.10
After one year but not more than five years	614.50	668.86
More than five years	4784.93	4801.44
<b>Total</b>	<b>5578.05</b>	<b>5737.40</b>

**(iii) Reconciliation between the gross investment in the lease and the present value of minimum lease payments receivable is as follows:**

Particulars	(₹ in Crore)	
	31.03.2018	31.03.2017
Gross investment in Lease	19174.66	19856.01
Adjustments:		
Less: Un-earned Finance Income	12826.30	13350.60
Less: Unguaranteed residual value	770.31	768.01
<b>Present value of Minimum Lease Payment (MLP)</b>	<b>5578.05</b>	<b>5737.40</b>

## C) Operating Lease -Group as Lessor :

The Group has entered into an arrangement with West Bengal State Electricity Board for sale of power from TLDP-III and TLDP-IV power stations for a period of 5 years and with Jodhpur Vidyut Vitran Nigam Ltd. for sale of power from Wind Power Project, Jaisalmer for a period of 3 years. Under the agreements, the customer is obliged to purchase the output at prices determined by the Central Electricity Regulatory Commission. Accordingly, the Group has classified these Power Stations as Operating Leases as per Appendix-C to Ind AS 17- Leases.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	(₹ in Crore)	
<b>Particulars</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
Within one year	188.15	568.86
After one year but not more than five years	320.93	607.87
<b>Total</b>	<b>509.08</b>	<b>1176.73</b>

19. The management is of the opinion that no case of impairment of assets including regulatory deferral account balances exists under the provisions of Ind AS-36 on "Impairment of Assets" as at 31st March 2018.
20. As per Hydro Policy 2008, energy corresponding to 100 units of electricity is to be provided to each Project Affected Family (PAF) notified by the State Government through the concerned distribution licensee 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 total saleable energy of a power station is to be arrived at by deducting such free power from the design energy, there would not be any impact on the profit of the Group.
21. Pending approval of tariff for the period 2014-19 by Central Electricity Regulatory Commission (CERC) as per notification no. L-1/144/2013/CERC dated 21st February 2014, sales have been recognized provisionally as per tariff notified by CERC for the period 2009-14 in respect of Sewa-II, Chamera-III, TLDP-III and Parbati-III Power Stations. CERC Regulations for the tariff period 2014-19 provide for recovery of income tax from the beneficiaries by way of grossing up of the Return on Equity with effective tax rate of the respective financial year i.e. actual tax paid during the year on the generating income.
22. Nature and details of provisions (refer Note No. 17 and 22 of Balance Sheet)

### (i) General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a Finance Cost.

- (ii) **Provision for employee benefits** (Other than provisions for defined contribution and defined benefit plans which have been disclosed as per Ind AS-19 at S. No. 12 of Note No. 34):

#### a) Provision for Performance Related Pay/Incentive:

Short-term Provision has been recognised in the accounts towards Performance Related Pay/ incentive to employees for the year (Previous Year 2016-17) on the basis of Management Estimates as per Group's rules in this regard which are based on the guidelines of the Department of Public Enterprises, Government of India.

#### b) Provision For Wage Revision as per 3rd Pay Revision Committee (PRC):

Short term provision for wage revision of the employees of the Group has been recognised in the accounts for the period 1.01.2017 to 31.03.2018 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 period 2014-19 by Central Electricity Regulatory Commission (CERC).

#### b) Provision for Livelihood Expenses:

Provision has been recognised at discounted value adjusted for average inflation in the accounts towards special financial package finalised in consultation with the State Government and approved by the Board of Directors of NHPC for livelihood assistance of the project affected families (PAFs) in Parbati-II and Parbati-III. As per the package, pending finalisation of modalities of payment, one eligible person from each PAF shall be provided livelihood assistance equivalent to minimum wage of unskilled category as per the Government of Himachal Pradesh/ Central Government whichever is higher, on monthly instalment basis, for the periods as under:

- i) Till the date of superannuation for PAFs eligible for employment.
- ii) For 2000 days to those PAFs left with zero balance land but excluded for employment.
- iii) For 1000 days to all remaining PAFs.

#### c) Provision for Committed Capital Expenditure:

Provision has been recognised at discounted value for Capital Expenditure to be incurred towards environment, compensatory afforestation, local area development, etc. which was a pre-condition for granting approval for construction of the project and expenditure towards which had not been completed till commissioning of the project. Such provisions are adjusted against the incurrence of actual expenditure as per demand raised by the concerned State Government Authorities.

#### d) Provision for restoration expenses of insured assets:

Provision has been recognised in the accounts based on Management Estimates for restoration of damaged assets insured under Mega & CPM Policy. Utilization of the provision is to be made against incurrence of actual expenditure towards restoration of the assets.

#### e) Provisions for expenditure in respect of Arbitration Award/Court cases:

This includes provisions created on the basis of management assessment as to probable outflow in respect of contractors claims against which arbitration award/Court decision have been received and which have been further challenged in a Court of Law. Utilization/outflow of the provision is to be made on the outcome of the case.

#### f) Provisions- Others: This includes provisions towards:-

- (i) Contractor claims, Land compensation cases, disputed tax demands and other cases created on the basis of management assessment towards probable outflow. Utilization/outflow of the provision is to be made on the outcome of the case.
- (ii) Wage revision of Central Government Employees whose services are utilised by the company.
- (iii) Provision for interest to beneficiaries on excess tariff recovered in terms of Tariff Regulations for the period 2014-19 where the capital cost considered for fixation of tariff by the CERC on the basis of projected capital cost as on Commercial Operation Date or the projected additional capital expenditure exceeds the actual capital cost incurred.
- (iv) Upfront provision for rebate towards interest on House Building Advance provided to employees based on the historical trend of rebate allowed.
- (v) Upfront provision for rebate to customers for sale of power based on the historical trend of rebate allowed.

### 23. Disclosures relating to creation of Regulatory Deferral Account balances as per Ind AS 114:

The Group is principally engaged in the construction & 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 & maintenance charges including 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 does result into 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 recognised 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.

As explained above, all operating activities of the Group are subject to cost-of-service regulations as it meets the criteria set out in the guidance note and is hence applicable to the Group.

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 recognised as expense in the statement of profit and loss in accordance with Accounting Standards.

With effect from 01.04.2016, such rate regulated items are to be accounted for as per Ind AS 114 'Regulatory Deferral Accounts.' Ind AS 114 allows an entity to continue to apply Previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances. For this purpose, Guidance Note of the ICAI on 'Accounting for Rate Regulated Activities' shall be considered to be the previous GAAP.

#### A) Regulatory Deferral Account balances in respect of Subansiri Lower Project:

Construction activities at site of Subansiri Lower Project have been interrupted w.e.f. 16.12.2011 due to protest of anti-dam activists and case pending at National Green Tribunal. Technical and administrative work is however continuing. Management is making all out efforts to restart the work at site. In line with the opinion of Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), borrowing cost of ₹ 2275.28 Crore (upto previous year ₹ 1943.89 Crore), employee benefit expense, depreciation and other expense of ₹ 1151.97 crore (upto previous year ₹ 982.72 Crore), net of other income of ₹ 254.44 Crore (upto previous year ₹ 228.62 Crore) has been charged to the Statement of Profit & Loss till 31.03.2018.

During financial year 2014-15, the Group had, however, 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. This accounting policy has been followed by the Group till financial year 2015-16.

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 recognises 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 for financial year 2017-18.

Accordingly, the Group has created regulatory assets and recognized corresponding regulatory income as under:

Regulatory asset created in relation to:	Upto 31.03.2017	During the year ended 31.03.2018	Upto 31.03.2018
Borrowing Costs	1943.89	331.39	2275.28
Employee Benefit expense	487.64	84.81	572.45
Depreciation	42.65	6.85	49.50
Other Expense	452.43	77.59	530.02
Other Income	(228.62)	(25.82)	(254.44)
<b>Total</b>	<b>2697.99</b>	<b>474.82</b>	<b>3172.81</b>



Management has assessed that the incremental additions to regulatory deferral account balances in respect of the Project meets the level of certainty and prudence required for recognition as per Ind AS 114. Further, as per management assessment, there is no impairment in the carrying amount of the assets of the Project including the regulatory deferral account balances recognised therein.

After Commercial Operation Date (COD) of the Project, balance lying in the Regulatory Deferral Accounts in respect of Subansiri Lower Project shall be amortized/ liquidated in proportion to depreciation following the rates and methodology notified under CERC Tariff Regulations over the life of the Project, i.e. 35 years

Certain risks and uncertainties might affect the future recovery of the Regulatory Deferral Debit balances being created in respect of Subansiri Lower Project. These 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 PPAs, etc.
- b) **Regulatory Risk:**
  - 1) Tariff Regulations 2014-19 allows consequential costs leading to cost escalation impacting Contract prices, Interest during Construction (IDC) and Incidental Expenditure during Construction (IEDC) in force-majeure situations like the one currently being faced by the Project. Any changes in tariff regulations beyond the current period regarding admissibility of costs in force-majeure situations may adversely affect the creation and recovery of these regulatory deferral balances.
  - 2) 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 recoverability of the regulatory deferral account balances being created.
- B) **Regulatory Deferral Account balances in respect of exchange differences on Foreign Currency Monetary items:**

As per Para 6(e) of 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, Para 28 of 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 as Profit or 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 policy adopted for accounting of exchange differences arising from translation of long-term foreign currency monetary items recognized in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. 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 & Loss. All foreign currency borrowings in the books of the Group were drawn prior to 01.04.2004.

As per the CERC Tariff Regulations, 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 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 & 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. 01.04.2016. 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.

# Annual Report 2017-18

The regulated assets (+)/liability (-) recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

Sl. No.	Particulars	(₹ in Crore) Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2017	(2.50)
B	Addition during the year (assets (+)/ liability (-))	2.10
C	Amount collected (-)/refunded (+) during the year	-
D	<b>Regulatory income/(expense) recognized in the Statement of Profit &amp; Loss (B-C)</b>	<b>2.10</b>
E	<b>Closing balance as on 31.03.2018 (A+D)</b>	<b>(0.40)</b>

Certain risks and uncertainties might affect the future recovery of the Regulatory Deferral account balances being created in respect of exchange differences on Foreign Currency Monetary items. These are:

- a) **Demand Risk:** 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.
- b) **Regulatory Risk:** Tariff Regulations 2014-19 allows recovery of exchange risk variation through tariff as part of capital cost during construction period and on actual payment basis during O&M period. Any changes in tariff regulations beyond the current period regarding allowability of such costs in tariff may adversely affect the creation and recovery of these regulatory deferral account balances.
- c) **Regulatory Deferral Account Balances in respect of expenditure recognised due to recommendations of 3rd PRC for Pay Revision of CPSUs:**

Pay Revision of employees of CPSUs is due from 1st January, 2017. According to the recommendations of the committee constituted for the purpose by the Government of India, in addition to enhancing Basic Pay, DA and allowances w.e.f. 01.01.2017, the ceiling limit of Gratuity has been proposed for enhancement from the existing ₹ 0.10 crores to ₹ 0.20 crores w.e.f. 01.01.2017. Further the ceiling of gratuity has been enhanced for ₹ 0.10 crores to ₹ 0.20 crores by amendment in Payment of Gratuity Act w.e.f 28.03.2018.

Impact of proposed revision of pay for Financial Year 2017-18 (up to 31.03.2018) includes expense recognised in the Statement of Profit & Loss towards provision for enhancement in pay and allowances for the period 01.04.2017 to 31.03.2018 and expense recognised in Profit & Loss/ Other Comprehensive Income (OCI) on actuarial valuation due to enhancement of ceiling limit of Gratuity in respect of Operational Power Stations including expenditure of Corporate Office and Regional Offices allocated to such units.

CERC Tariff Regulations 2014-19 read with the Statement of Reasons CERC (Terms and Conditions of Tariff) Regulations, 2014 provides that the impact of actual increase in employee cost on account of wage revision of operational Power Stations is recoverable from the beneficiaries in future through tariff. Further, during the tariff period 2004-09, CERC had allowed recovery of the actual increase in employee cost on account of wage revision (w.e.f. 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 instalments.

Keeping in view the provisions of Ind AS 114- "Regulatory Deferral Accounts" as regards recognition and CERC Tariff Regulations 2014-19 as regards recoverability, additional expenditure on employee benefits due to pay revision, to the extent charged to the Statement of Profit & Loss or to Other Comprehensive Income and further recoverable from the beneficiaries in subsequent periods as per Tariff Regulations and earlier approval of the CERC, are being recognized as 'Regulatory Deferral Account balances'. These balances are to be adjusted from the year in which they become recoverable from the beneficiaries as per approval of the CERC.





The Regulatory Deferral Account Balance (assets) recognized in the books to be recovered from the beneficiaries in future periods are as follows:

Regulatory Deferral Account Balances relating to items recognised in the Statement of Profit & Loss:

		(₹ in Crore)
Sl. No.	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2017	205.88
B	Addition during the year (+)	259.25
C	Amount collected during the year (-)	-
D	<b>Regulatory income recognized in the Statement of Profit &amp; Loss (B+C)</b>	<b>259.25</b>
E	<b>Closing balance as on 31.03.2018 (A+D)</b>	<b>465.13</b>

Regulatory Deferral Account Balances relating to items recognised in Other Comprehensive Income:

		(₹ in Crore)
Sl. No.	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2017	9.05
B	Addition during the year (+)	(23.68)
C	Amount collected during the year (-)	-
D	<b>Regulatory income recognized in Other Comprehensive Income (B+C)</b>	<b>(23.68)</b>
E	<b>Closing balance as on 31.03.2018 (A+D)</b>	<b>(14.63)</b>

Certain risks and uncertainties might affect the future recovery of the Regulatory Deferral account balances being created in respect of additional expenditure due to revision of pay of employees. These are:

- a) **Demand Risk:** 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.
  - b) **Regulatory Risk:** Tariff Regulations 2014-19 allows recovery of additional employee cost on account of pay revision through tariff. Any changes in tariff regulations beyond the current period regarding allowability of such costs in tariff may adversely affect the creation and recovery of these regulatory deferral balances.
- 24 (i) Uri-II Power Station, where accidental fire broke out on 20.11.2014, resulting in stoppage of generation, has since been restored during the months of June, July & August 2015. The Assets of the power station and loss of generation are covered under Mega Risk Policy. Status of Insurance claim as on 31.03.2018 is as under:

(₹ in Crore)					
Particulars of claims	Updated claim lodged	Amount received	Amount charged to Statement of P&L	Balance receivable	
				As at March 31, 2018	As at March 31, 2017
Against material damage	65.83	47.10	5.12	13.61	14.04
Business Interruption Loss#	276.27	130.00	-	146.27*	166.27
<b>Total</b>	<b>342.10</b>	<b>177.10</b>	<b>5.12</b>	<b>159.88</b>	<b>180.31</b>

\*Included in Contingent Assets in Para 2(d) to Note 34.

# Income recognised in respect of Business Interruption Loss during the year is ₹ 20.00 Crore (Cumulative as on date is ₹ 130.00 Crore).

# Annual Report 2017-18

- (ii) Chutak Power Station, which was under shutdown w.e.f. 28.06.2015 due to sudden rise of water in Power House upto Turbine floor and partially Generator floor, has been restored during the months of August and September 2015. The Assets of the power station and loss of generation are covered under Mega Risk Policy. Status of Insurance claim as on 31.03.2018 is as under:

(₹ in Crore)

Particulars of claims	Updated claim lodged	Amount received	Amount charged to Statement of P&L	Balance receivable	
				As at March 31, 2018	As at March 31, 2017
Against material damage	7.73	2.20	2.00	3.53	5.93
Business Interruption Loss#	16.22	1.80	-	14.42	18.07
<b>Total</b>	<b>23.95</b>	<b>4.00</b>	<b>2.00</b>	<b>17.95</b>	<b>24.00</b>

# Income recognised in respect of Business Interruption Loss during the year is ₹ 14.42 Crore (Cumulative as on date is ₹ 16.22 Crore).

- (iii) Dhauliganga Power Station which was closed due to cloud burst and high flood on 17.06.2013 has since been restored during the months of May/June 2014. The Assets of the power station and Loss of Generation are covered under Mega Risk Policy. Status of Insurance claim as on 31.03.2018 is as under:

(₹ in Crore)

Particulars of claims	Updated claim lodged	Amount received	Amount charged to Statement of P&L	Balance receivable	
				As at March 31, 2018	As at March 31, 2017
Against material damage	160.71	105.79	2.00	52.92	82.50
Business Interruption Loss:					
-On account of generation loss #	263.77	215.00	-	48.77*	158.36
On account of increased cost of working	4.28	-	1.93	2.35	3.25
<b>Total</b>	<b>428.76</b>	<b>320.79</b>	<b>3.93</b>	<b>104.04</b>	<b>244.11</b>

\*Included in Contingent Assets in Para 2(d) to Note 34.

# Income recognised in respect of Business Interruption Loss during the year is ₹ 25.00 Crore (Cumulative as on date is ₹ 215.00 Crore).

- (iv) The Assets of the all power station and loss of generation are covered under Mega Risk Policy. Status of Insurance claim in r/o power stations (other than major claims of Uri-II, Chutak & Dhauliganga disclosed at 24 (ii), (ii) & (iii) above) as on 31.03.2018 is as under:

(₹ in Crore)

Particulars of claims	Updated claim lodged	Amount received	Amount charged to Statement of P&L	Balance receivable	
				As at March 31, 2018	As at March 31, 2017
Against material damage	43.83	8.15	14.03	21.65	34.94
Business Interruption Loss	-	-	-	-	-
<b>Total</b>	<b>43.83</b>	<b>8.15</b>	<b>14.03</b>	<b>21.65</b>	<b>34.94</b>



25. Board of Directors in its meeting held on 20.03.2014 discussed that the viability of Bursar HE Project is dependent upon financial support from Govt. of India and Govt. of Jammu & Kashmir. Ministry of Power (MOP), Govt. of India was approached to provide funding for Survey & 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 has been informed by the representatives of MoWR that the request of NHPC for release of funds for preparation of DPR is under consideration for approval of Govt. of India. Investigation works on the project are continued and the expenditure of ₹ **226.05 Crore** have been incurred and carried forward as Capital Work in Progress. However, as an abundant precaution, provision for this amount has been made 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 is 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 & Bhagirathi river basin. Pending adjudication about the fate of these projects, the expenditure incurred upto 31.03.2018 amounting to ₹ **230.76 crore**, ₹ **42.95 crore** and ₹ **51.42 crore** have been carried forward as Capital Work in Progress in respect of Kotlibhel-1A, Kotlibhel-IB and Kotlibhel-II projects respectively. However, as an abundant precaution, provision for these amounts totalling ₹ **325.13 crore** has been made in the books of accounts.
27. a) Forest Clearance (Stage-I) for Tawang Stage-I Hydroelectric Project is under process. Further, vide letter dated 1st March, 2018 Central Electricity Authority has conveyed the finalised Hard Cost and Pre-Investment activities cost of Project to the Ministry of Power. In respect of Tawang Stage-II Hydroelectric Project, Forest Clearance (Stage-II) is under process. Accordingly, a sum of ₹ **203.15 crore** incurred on these projects is being carried forward as Capital Work in Progress.
- b) In terms of Board Resolution No.6 (2) of the 356th meeting of the Board of Directors held on 05/02/2013 an amount of ₹ **2.49 crore** has been paid till 31.03.2018 to the State Forest Department towards Basin Study for Tawang I & II projects and other projects in the basin to be reimbursable by the Government of Arunachal Pradesh (GoAP) on pro-rata basis. However as per management, the chance of such recovery is remote and hence such expenditure has been debited to Capital Work in Progress
28. Implementation of Dhauliganga Intermediate, Chungar Chal and Kharmoli Lumti Tulli Hydroelectric Projects has been temporarily put on hold. Pending final decision to hand over these projects to the Government of Uttarakhand including the terms and conditions in this regard, expenditure of ₹ **32.35 crore** has been carried forward as Capital Work in Progress.
29. The Ministry of Environment, Forests & Climate Change (MoEF& CC) vide letter No. F.No.8-85/2011-FC dated 15.04.2015 has accorded the "in-principle" approval for diversion of forest land for construction of Dibang Multipurpose Project (2880 MW). Further, Environment clearance to the Project has been accorded by MoEF& CC vide letter dated 19.05.2015. In view of above, a sum of ₹ **248.23 crore** incurred on the Project is being carried forward as Capital Work in Progress.
30. The Company has not accepted any deposits within the meaning of sections 73 to 76 or any other relevant provisions of the Act other than overdue EMD and Security Deposits. However, Management is of the view that overdue EMD and Security Deposits of suppliers/contractors appearing in the books are of 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, in sub rule (1), in clause (c) by Companies (Acceptance of Deposits) Amendment Rules 2016. Accordingly, clarification/exemption has been sought by the Management vide its letter no. NH/CS/433 dated 25th January, 2018 from the Ministry of Corporate Affairs (MCA) regarding applicability of MCA notification no. G.S.R. 639(E) dated 29.06.2016 to such Security Deposits/ Retention Money.
31. Till financial year 2016-17, depreciation on mobile phones/ cellular phones was being charged as per the rate and methodology notified by CERC for the fixation of tariff. W.e.f. financial year 2017-18, depreciation on Mobile phones is being provided on straight line basis over a period of three years with residual value of Re 1 based on management assessment. Accordingly, depreciation charge on mobile phones/ cellular phones during financial year 2017-18 is higher by ₹ **0.10 crore**. Further, depreciation charge for mobile phones/ cellular phones existing as on 31st March 2018 shall be higher by ₹ **0.04 crore** during the next two financial years.

32. Quantitative details of Renewable Energy Certificates (RECs) in respect of renewable energy projects:

Sl. No.	Description	Quantity
1	No. of RECs issued	51214
2	No. of RECs under certification	17094
3	No. of RECs sold during the year	Nil

In view of significant uncertainties regarding ultimate realization, RECs issued/ under process of certification are not recognized.

33. The Group has commissioned a 50 MW Solar Project in Tamil Nadu during the year of which 25 MW has been commissioned on 1st February, 2018 and balance 25 MW on 23rd March, 2018.

34. Opening balances/corresponding figures for previous year have been re-grouped/re-arranged wherever necessary to conform to current year's classification.

---

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

**VIJAY GUPTA**  
Company Secretary

**MAHESH KUMAR MITTAL**  
Director (Finance)  
DIN 02889021

**BALRAJ JOSHI**  
Chairman & Managing Director  
DIN 07449990

**For S N Dhawan & Co. LLP**  
Chartered Accountants  
FRN 000050N/N500045

**As per report of even date**

**For Ray & Ray**  
Chartered Accountants  
FRN 301072E

**For Arora Vohra & Co.**  
Chartered Accountants  
FRN 09487N

**(SURESH SETH)**  
Partner  
M. No. 010577

**(ASISH KUMAR MUKHOPADHYAY)**  
Partner  
M. No. 056359

**(RAJAT MENGI)**  
Partner  
M. No. 089871

Place : New Delhi  
Date : 28th May, 2018



# NHPC Limited

(A Government of India Enterprise)

## For Consolidated Financial Statements Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

### Part "A": Subsidiaries

1	Sl. No.	1	2	3
2	Name of the subsidiary	NHDC Ltd.	Loktak Downstream Hydroelectric Corporation Ltd.	Bundelkhand Saur Urja Ltd.
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as that of Holding Company (01.04.2017-31.03.2018)	Same as that of Holding Company (01.04.2017-31.03.2018)	Same as that of Holding Company (01.04.2017-31.03.2018)
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA	NA
5	Share capital	1,962.58	117.69	4.00
6	Reserves & surplus	3,992.17	19.39	-0.54
7	Total assets	7,845.50	144.80	20.83
8	Total Liabilities	1,890.75	7.72	17.37
9	Investments	Nil	Nil	Nil
10	Turnover	784.91	Nil	Nil
11	Profit before taxation*	741.10	0.88	0.04
12	Provision for taxation**	187.92	0.24	0.18
13	Profit after taxation	553.18	0.64	-0.15
14	Proposed dividend	Nil	Nil	Nil
15	% of shareholding	51.08%	74.00%	99.99%

\* Including income on regulatory deferral account balances.

\*\* Provision for taxation includes tax expenses and tax on regulatory deferral account balances.

1. Names of subsidiaries which are yet to commence operations	1. Loktak Downstream Hydroelectric Corporation Ltd. 2. Bundelkhand Saur Urja Ltd.
2. Names of subsidiaries which have been liquidated or sold during the year.	Nil

### Part "B": Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Joint Ventures

(₹ in crore)

Name of Joint Ventures	Chenab Valley Power Projects Pvt. Ltd.	National High Power Test Laboratory (Pvt.) Ltd.
1 Latest audited Balance Sheet Date	31st March 2018	31st March 2017
2 Shares of Joint Ventures held by the company on the year end		
No.	582,360,000	30,400,000
Amount of Investment in Joint Venture	582.36	30.40
Extend of Holding %	55.39%	20%
3 Description of how there is significant influence	NA	NA
4 Reason why the joint venture is not consolidated	NA	NA
5 Net worth attributable to Shareholding as per latest audited Balance Sheet	632.47	29.97
6 Profit / (Loss) for the year		
i Considered in Consolidation (to the extent of holding company's share)	2.06	(2.14)
ii Not Considered in Consolidation	NA	NA

1. Names of joint ventures which are yet to commence operations.	1. Chenab Valley Power Projects [P] Ltd.
2. Names of associates or joint ventures which have been liquidated or sold during the year.	Nil

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

**VIJAY GUPTA**  
Company Secretary

**MAHESH KUMAR MITTAL**  
Director (Finance)  
DIN 02889021

**BALRAJ JOSHI**  
Chairman & Managing Director  
DIN 07449990

**For S N Dhawan & Co. LLP**  
Chartered Accountants  
FRN 000050N/N500045  
**(SURESH SETH)**  
Partner  
M. No. 010577

**As per report of even date**  
**For Ray & Ray**  
Chartered Accountants  
FRN 301072E  
**(ASISH KUMAR MUKHOPADHYAY)**  
Partner  
M. No. 056359

**For Arora Vohra & Co.**  
Chartered Accountants  
FRN 09487N  
**(RAJAT MENGI)**  
Partner  
M. No. 089871

Place : New Delhi  
Date : 30th May, 2017

**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 2018.**

The preparation of financial statements of NHPC Limited for the year ended 31 March 2018 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 28 May, 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of NHPC Limited for the year ended 31 March 2018. 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 audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report.

**For and on behalf of the  
Comptroller & Auditor General of India**

**Sd/-  
(Vikram D. Murugaraj)  
Principal Director of Commercial Audit &  
Ex-officio Member, Audit Board-III,  
New Delhi**

Place: New Delhi  
Dated: 20th July, 2018



# **NHPC Limited**

(A Government of India Enterprise)

**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 2018**

The preparation of consolidated financial statements of NHPC Limited for the year ended 31 March 2018 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 28 May 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) read with Section 129(4) of the Act of the consolidated financial statement of NHPC Limited for the year ended 31 March 2018. We conducted a supplementary audit of the financial statements of NHPC Limited, NHDC Limited and Loktak Downstream Hydroelectric Corporation Limited but did not conduct supplementary audit of the financial statements of Chenab Valley Power Projects Private Limited, Bundelkhand Saur Urja 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 audit nothing significant has come to my knowledge which would give rise to any comments upon or supplement to Statutory Auditors' report.

**For and on behalf of the  
Comptroller & Auditor General of India**

**Sd/-  
(Vikram D. Murugaraj)  
Principal Director of Commercial Audit &  
Ex-officio Member, Audit Board-III,  
New Delhi**

Place: New Delhi  
Dated: 23rd July 2018









# NHPC Limited

(A Government of India Enterprise)

## 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: webmaster@nhpc.nic.in

### GREEN INITIATIVE IN CORPORATE GOVERNANCE

#### E-COMMUNICATION REGISTRATION FORM

(In terms of Section 20 of the Companies Act, 2013)

Folio No. / DP ID & Client ID : \_\_\_\_\_

Name of 1<sup>st</sup> Registered Holder : \_\_\_\_\_

Name of Joint Holder(s) : \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Registered Address : \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Email ID (to be registered) : \_\_\_\_\_

I/We shareholder(s) of NHPC Limited agree to receive communication from the Company in electronic mode under relevant provisions of the Companies Act, 2013. Please register my above e-mail in your records for sending communication through mail.

Signature: \_\_\_\_\_

(First Holder)

Date: \_\_\_\_\_

Note: Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.





540 MW Chamera-I Power Station (Himachal Pradesh) - Dam

Follow NHPC at :



<https://www.facebook.com/NHPCIndiaLimited>



<https://twitter.com/nhpcLtd>



<https://www.instagram.com/nhpclimited>



**एन एच पी सी लिमिटेड**  
(भारत सरकार का उद्यम)



**NHPC Limited**  
(A Government of India Enterprise)

CIN L40101HR1975GOI032564

एनएचपीसी कार्यालय परिसर, सैक्टर - 33, फरीदाबाद - 121003, हरियाणा (भारत) वेबसाइट : [www.nhpcindia.com](http://www.nhpcindia.com)  
NHPC Office Complex, Sector - 33, Faridabad - 121003, Haryana (India) Website : [www.nhpcindia.com](http://www.nhpcindia.com)

Tel. No.: 0129-2588110 Fax No. 0129-2278018