एनएचपीसी NHPC

आज़ादी का अमृत महोत्सव

एनएचपीसी लिमिटेड
(भारत सरकार का उद्यम)

NHPC Limited
(A Govt. of India Enterprise)

फोन/Phone: 0129-2278018

संदर्भ सं./Ref. No. **NH/CS/199**

Manager/ मैनेजर, Listing Department/ लिस्टिंग विभाग, **M/s BSE Limited/ बीएसई लिमिटेड**, Phiroze Jeejeebhoy Towers / फिरोज जीजीभोय टावर्स, Dalal Street,/दलाल स्ट्रीट, Mumbai/ मुंबई -400 001 **Scrip Code: 533098**	General Manager/ महाप्रबंधक, Listing Department/ लिस्टिंग विभाग, **M/s National Stock Exchange of India Limited/ नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड,** Exchange Plaza, / एक्सचेंज प्लाजा, Bandra Kurla Complex/ बांद्रा कुर्ला कॉम्प्लेक्स, Bandra (E)/ बांद्रा (ई), Mumbai/ मुंबई - 400 051 **Scrip Code: NHPC**

ISIN No. INE848E01016

Sub: Notice of 47th Annual General Meeting (AGM) and Annual Report 2022-23
विषय: 47वीं वार्षिक आम बैठक की सूचना और वार्षिक रिपोर्ट 2022-23

Sirs/महोदय,

In continuation of our earlier letter of even number submitted on 02.08.2023 and pursuant to Regulations 30 and 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached Annual Report for the financial year 2022-23 along with the Notice of 47th AGM of the Company scheduled to be held on Thursday, August 31, 2023 at 03:00 P.M. (IST) through Video Conference (VC) / Other Audio Visual Means (OAVM).

The aforesaid Annual Report and Notice of AGM are also available on the website of Company at the link https://www.nhpcindia.com/assests/pzi_public/gallery/16911493480.pdf.

This is for your information and record.

सेबी [सूचीबद्धता (लिस्टिंग) बाध्यताएँ और प्रकटीकरण अपेक्षाएँ] विनियम, 2015 के विनियम **30** और **34** के अनुसार **02.08.2023** के हमारे पहले के समसंख्यक पत्र के क्रम में, वित्तीय वर्ष **2022-23** के लिए कंपनी की वार्षिक रिपोर्ट के साथ वीडियो कॉन्फ्रेंस (वीसी)/ अन्य ऑडियो विजुअल मीन्स (ओएवीएम) के माध्यम से गुरुवार, **31** अगस्त, **2023** को **03:00** बजे (आईएसटी) आयोजित होने वाली कंपनी की **47**वीं एजीएम की सूचना संलग्न प्राप्त करें। ।

उपरोक्त वार्षिक रिपोर्ट और एजीएम की सूचना कंपनी की वेबसाइट पर लिंक https://www.nhpcindia.com/assests/pzi_public/gallery/16911493480.pdf पर भी उपलब्ध है।

यह आपकी जानकारी और रिकॉर्ड के लिए है ।

धन्यवाद,

भवदीय,

संलग्न : उपरोकतानुसार

RUPA DEB
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Date: 2023.08.04 18:02:46 +05'30'

(रूपा देब)
कंपनी सचिव

G20 भारत 2023 INDIA वसुधैव कुटुम्बकम्

आज़ादी का अमृत महोत्सव

एनएचपीसी NHPC

Annual Report
2022-23

NHPC Limited

(A Government of India Enterprise)

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 leverages 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 R. K. Vishnoi, CMD, NHPC handing over Interim dividend payout advice of ₹ 997.75 Crore to Shri R. K. Singh, Hon'ble Union Minister of Power and New & Renewable Energy in the presence of Shri Alok Kumar, Secretary (Power) Government of India, Shri Ashish Upadhyaya, Special Secretary & FA, Ministry of Power, Shri Ajay Tewari, Additional Secretary, Ministry of Power, Shri Mohammad Afzal, Joint Secretary (Hydro), Ministry of Power, Shri R. P. Goyal, Director (Finance), NHPC and Shri S. N. Upadhyay, Executive Director (Finance), NHPC on 2nd March 2023 at New Delhi

CONTENTS

NHPC

CONSOLIDATED

BOARD OF DIRECTORS
(As on July 31, 2023)

Shri Rajeev Kumar Vishnoi
Chairman & Managing Director

Shri Rajendra Prasad Goyal
Director (Finance)

Shri Biswajit Basu
Director (Projects)

Shri Uttam Lal
Director (Personnel)

Shri Mohammad Afzal
Government Nominee Director

Dr. Uday Sakharam Nirgudkar
Independent Director

Prof. (Dr.) Amit Kansal
Independent Director

Prof. (Dr.) Rashmi Sharma Rawal
Independent Director

Shri Jiji Joseph
Independent Director

Shri Premkumar Goverthanan
Independent Director

REFERENCE INFORMATION

Registered & Corporate Office

NHPC Office Complex,
Sector-33, Faridabad,
Haryana-121003
Ph.: +91 0129 2588500, +91 0129 2588110
Website: www.nhpcindia.com
CIN: L40101HR1975GOI032564

Company Secretary

Smt. Rupa Deb

Statutory Auditors

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

M/s K.G. Somani & Co., LLP
Chartered Accountants,
3/15, 4th Floor,
Asaf Ali Road, Near Delite Cinema,
New Delhi-110 002

M/s Chaturvedi & Co.
Chartered Accountants,
60, Bentinck Street,
Kolkata – 700 069

Cost Auditors

M/s Dhananjay V. Joshi & Associates
C-40, West Gorakh Park Extention Shahdara,
New Delhi – 110 032

M/s ABK & Associates
103, Aggarwal Tower, H-6, Netaji Subhash Place,
Pitampura, Delhi-110 034

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

M/s R. M. Bansal & Co.
Flat No 260, Pocket - A,
Sarita Vihar, New Delhi – 110 076

M/s K. G. Goyal & Co.
Plot No. 8, Chitragupta Nagar 1st, Jyoti Nagar Railway
Crossing, Jaipur, Rajasthan – 302 005

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

M/s Bandyopadhyaya Bhaumik & Co.
126-D, Satyen Roy Road
Kolkata, West Bengal – 700 034

M/s Y S Thakar & Co.
Nima Colony, Station Road
Barakar, Dist. Burdwan
Asansol, West Bengal – 713 324

Secretarial Auditor

M/s Agarwal S. & Associates
Company Secretaries
D-427, 2nd Floor, Palam Extn.,
Ramphal Chowk, Sector-7, Dwarka,
New Delhi – 110 075

Internal Auditor

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

Bankers

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

Registrar & Share Transfer Agent

For Equity Shares:
Alankit Assignments Limited
Alankit House, 4E/2 Jhandewalan Extension,
New Delhi - 110055
Tel: 011 4254 1234, 011 2354 1234
Fax: 011 4254 1201, 011 2355 2001
E-mail : alankit.nhpc@alankit.com
Toll free No: 18601212155

For Tax Free Bonds:
KFin Technologies Limited,
Selenium Tower- B, Plot No. 31-32,
Gachibowli Financial District,
Nanakramguda, Serillingampally, Hyderabad, Rangareddi Telangana– 500 032
Tel: 040 6716 222
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com

For other Bonds:
RCMC Share Registry Private Limited
B-25/1, First Floor,
Okhla Industrial Area Phase-II,
New Delhi-110 020
Ph: (011)26387320, 26387321
Email: investor.service@rcmcdelhi.com
Website: www.rcmcdelhi.com

Chief Investor Relations Officer

Shri Satyendra Nath Upadhyay,
Executive Director (Finance)

Listing of Securities

Share and Tax Free Bonds:
BSE Limited
National Stock Exchange of India Limited

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

'Y1', 'AA', 'AA1', 'AB', 'AC' and 'AD' series Bonds – BSE Limited and National Stock Exchange of India Limited
'V2' and 'W2' Series Bonds – BSE Limited
All other Bonds – National Stock Exchange of India Limited

Depositories

National Securities Depository Limited
Central Depository Services (India) Limited

Debenture Trustees

9% P Series Bonds, **9.25% Q Series Bonds,** **Tax Free Bonds NHPC 2013 (8.18% 1A Series, 8.43% 1B Series, 8.54% 2A Series, 8.79% 2B Series, 8.67% 3A Series and 8.92% 3B Series),** **8.49% S1 Series Bonds,** **8.54% S2 Series Bonds,** **8.50% T Series Bonds,** **7.52% V2 Series Bonds,** **7.35% W2 Series Bonds,** **8.65% X Series Bonds,** **8.12% GOI Fully Serviced Bonds,** **7.50% Y Series Bonds,** **7.38% Y1 Series Bonds,** **7.13% AA Series Bonds,** **6.89% AA-1 Series Bonds,** **6.80% AB Series Bonds**	**IDBI Trusteeship Services Ltd.** Universal Insurance Building, Ground Floor, Sir P.M Road, Fort Mumbai, Maharashtra-400001, India Ph.: 022 40807000, +91 7208822299 Email: itsl@idbitrustee.com
8.70% R1 Series Bonds, **8.85% R2 Series Bonds,** **8.78% R3 Series Bonds,** **8.24% U Series Bonds,** **8.17% U1 Series Bonds,** **6.86% AC Series Bonds** **7.59 % AD Series Bonds**	**SBICAP Trustee Company Ltd.** 4th Floor, Mistry Bhawan, 122, Dinshaw Vachha Road, Churchgate, Mumbai – 400020 Ph.: +91 22 4302 5555/66 Email: corporate@sbicaptrustee.com

DIGEST OF IMPORTANT FINANCIAL DATA (STANDALONE ACCOUNTS)

(₹ in Crores)

	PARTICULARS	2022-23	2021-22	2020-21	2019-20	2018-19
A	SALE OF ENERGY	9,124.85	8,180.57	8,094.06	8,301.03	8,095.13
B	OTHER OPERATING INCOME, REVENUE FROM POWER TRADING & REVENUE FROM CONTRACTS, PROJECT MANAGEMENT AND CONSULTANCY WORKS	191.49	128.65	412.52	434.38	66.05
C	OTHER INCOME	834.56	1,026.18	1,150.81	1,036.18	924.78
D	**TOTAL INCOME (A) + (B) + (C)**	**10,150.90**	**9,335.40**	**9,657.39**	**9,771.59**	**9,085.96**
E	PURCHASE OF POWER TRADING	-	-	212.37	234.13	12.68
F	GENERATION EXPENSES	936.46	841.24	854.37	901.67	796.85
G	EMPLOYEE BENEFITS EXPENSES	1,301.35	1,440.78	1,409.26	1,515.52	1,704.65
H	DEPRECIATION & AMORTIZATION EXPENSES	1,145.44	1,126.22	1,234.50	1,545.34	1,589.99
I	FINANCE COSTS	476.16	531.75	649.59	795.42	894.88
J	OTHER EXPENSES	1,707.89	1,348.55	1,425.89	1,514.95	1,165.53
K	**TOTAL EXPENSES (E)+ (F) + (G) + (H) + (I)+ (J)**	**5,567.30**	**5,288.54**	**5,785.98**	**6,507.03**	**6,164.58**
K1	EXCEPTIONAL ITEM	-	-	185.00	-	-
L	**PROFIT BEFORE TAX AND RATE REGULATED INCOME (D) - (K)-(K1)**	**4,583.60**	**4,046.86**	**3,686.41**	**3,264.56**	**2,921.38**
M	RATE REGULATED INCOME ON ACCOUNT OF FINANCE COST	-	-	78.10	157.61	76.78
N	RATE REGULATED INCOME ON ACCOUNT OF OTHERS	(144.41)	(1,270.42)	148.99	186.00	746.62
O	**TOTAL RATE REGULATED INCOME (M) + (N)**	**(144.41)**	**(1,270.42)**	**227.09**	**343.61**	**823.40**
P	**PROFIT BEFORE TAX (L) + (O)**	**4,439.19**	**2,776.44**	**3,913.50**	**3,608.17**	**3,744.78**
Q	INCOME TAX EXPENSES					
Q-1	CURRENT TAX	760.72	726.23	714.17	602.40	649.78
Q-2	DEFERRED TAX	(155.32)	(1,487.50)	(34.04)	(1.40)	464.45
R	**PROFIT AFTER TAX (P) - (Q)**	**3,833.79**	**3,537.71**	**3,233.37**	**3,007.17**	**2,630.55**
S	**OTHER COMPREHENSIVE INCOME**	**(3.37)**	**12.76**	**7.20**	**(0.62)**	**(12.41)**
T	**TOTAL COMPREHENSIVE INCOME (R) + (S)**	**3,830.42**	**3,550.47**	**3,240.57**	**3,006.55**	**2,618.14**
U	AUTHORISED SHARE CAPITAL	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
V	PAID UP EQUITY SHARE CAPITAL (FACE VALUE OF RS 10/- PER SHARE)	10,045.03	10,045.03	10,045.03	10,045.03	10,045.03
W	OTHER EQUITY (RESERVE AND SURPLUS)	25,362.93	23,441.07	21,602.28	19,938.78	19,169.70
X	LONG TERM/NON CURRENT BORROWINGS INCLUDING LEASE OBLIGATIONS	25,266.39	23,179.49	21,241.22	20,889.74	17,044.63
Y	OTHER LONG TERM LIABILITY & LONG TERM PROVISIONS	4,138.55	4,162.25	4,117.32	4,169.54	3,910.44
Z	DEFERRED TAX LIABILITIES	1,937.34	2,100.74	3,589.36	3,641.19	3,610.63
Z1	REGULATORY DEFERRAL ACCOUNT CREDIT BALANCES	923.20	1,313.27	-	-	-
AA	PROPERTY, PLANT AND EQUIPMENT,INTANGIBLE ASSETS,INVESTMENT PROPERTY AND RIGHT OF USE ASSETS	20,068.30	20,815.27	20,924.54	23,295.52	23,851.84
AB	CAPITAL WORK-IN-PROGRESS	25,315.01	20,573.84	17,754.48	16,097.65	14,898.11
AC	INVESTMENTS (NON CURRENT)	5,546.96	5,414.34	3,921.68	3,400.74	2,361.66
AD	OTHER LONG TERM LOANS & ADVANCES AND OTHER NON-CURRENT ASSETS	9,669.38	9,283.85	9,421.25	7,397.07	6,428.38
AE	REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES	6,420.12	6,948.11	7,063.31	6,836.22	6,492.61
AF	WORKING CAPITAL	653.67	1,206.44	1,509.95	1,657.08	(252.17)
AG	SHORT TERM BORROWINGS INCLUDING CURRENT MATURITIES OF LONG TERM BORROWINGS INCLUDING LEASE OBLIGATIONS	2,888.04	2,851.03	2,121.56	2,334.09	2,011.16
AH	PAYABLE TOWARDS BONDS FULLY SERVICED BY GOVERNMENT OF INDIA	2,017.20	2,017.20	2,017.20	2,017.20	2,017.20
AI	**NET WORTH (V)+(W)**	**35,407.96**	**33,486.10**	**31,647.31**	**29,983.81**	**29,214.73**
AJ	**CAPITAL EMPLOYED (X+Z+AG+AH+AI)**	**67,516.93**	**63,634.56**	**60,616.65**	**58,866.03**	**53,898.35**
AK	**DIVIDEND PAID (INCLUDING INTERIM DIVIDEND) (Refer Note 1)**	**1,908.56**	**1,667.48**	**1,577.07**	**1,938.69**	**1,000.46**
AL	**VALUE ADDED (Refer Note 2)**	**7,362.14**	**5,875.19**	**7,128.75**	**7,605.62**	**8,006.09**

		2022-23	2021-22	2020-21	2019-20	2018-19
	DISTRIBUTION :-					
(i)	**TO EMPLOYEES**	**1,301.35**	**1,440.78**	**1,409.26**	**1,515.52**	**1,704.65**
(ii)	**TO PROVIDERS OF CAPITAL**					
	- FINANCE COST	476.16	531.75	571.49	637.81	818.10
	- DIVIDEND (ON PAYMENT BASIS) **(Refer Note 1)**	1,908.56	1,667.48	1,577.07	1,938.69	1,000.46
(iii)	**TO GOVERNMENT-INCOME TAX AND DIVIDEND TAX (Refer Note 3)**	**760.72**	**726.23**	**714.17**	**901.18**	**798.35**
(iv)	**RETAINED IN BUSINESS**					
	- DEPRECIATION	1,145.44	1,126.22	1,234.50	1,545.34	1,589.99
	- RETAINED EARNINGS **(Refer Note 3)**	1,769.91	382.73	1,622.26	1,067.08	2,094.54
	RATIOS	**2022-23**	**2021-22**	**2020-21**	**2019-20**	**2018-19**
	RETURN ON CAPITAL EMPLOYED **(Refer Note 4) (In %)**	6.70	7.26	7.40	7.21	8.47
	RETURN ON NET WORTH **(Refer Note 5) (In %)**	11.13	10.87	10.50	10.16	9.14
	OPERATING PROFIT RATIO **(Refer Note 6) (In %)**	42.52	43.74	42.16	37.38	40.25
	NET PROFIT RATIO (R) / (A+B) **(Refer Note 7) (In %)**	41.15	42.58	38.01	34.43	32.23
	BOOK VALUE PER SHARE **(Refer Note 8)**	35.25	33.34	31.51	29.85	29.08
	EARNING PER SHARE **(Refer Note 9)**	3.82	3.52	3.22	2.99	2.57
	DIVIDEND PER SHARE (INTERIM+PROPOSED FOR THE YEAR)	1.85	1.81	1.60	1.50	1.46
	DEBT EQUITY RATIO [(X)+ (AG)+ (AH)] / (AI) **(Refer Note 10)**	0.85	0.84	0.80	0.84	0.72
	CURRENT RATIO **(Refer Note 11)**	1.09	1.20	1.27	1.28	0.96
	PRICE TO EARNING RATIO **(Refer Note 12)**	10.52	7.90	7.57	6.67	9.63
	EBITDA	5,743.43	5,588.13	5,776.69	5,648.36	5,625.51
	DEBT SERVICE COVERAGE RATIO **(Refer Note 13)**	4.05	3.62	3.15	3.01	2.72
	INTEREST SERVICE COVERAGE RATIO **(Refer Note 14)**	8.21	7.18	6.85	6.47	6.12
	OPERATING PERFORMANCE	2022-23	2021-22	2020-21	2019-20	2018-19
	GENERATION (MU)	24907	24855	24471	26121	24193
	CAPACITY (IN MW)	5551.2	5551.2	5551.2	5551.2	5551.2
	PLANT AVAILABILITY FACTOR (%)	88.75	88.19	85.76	84.04	84.84
	MANPOWER (Nos.)	4776	5092	5569	6131	6753

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

Note :-2 Value Added = Profit Before Tax + Finance Cost + Depreciation & Amortisation + Employee Benefit Expenses + Dividend Distribution Tax.

Note :-3 In Distribution of Value Added, Distribution towards Government consist of Current Income Tax and Dividend Distribution Tax. Dividend Distribution Tax is applicable till FY 2019-20. Thereafter Dividend is taxable in the hand of recipient. Further, Distribution towards Retained Earnings consist Deferred Tax.

Note :-4 Return on Capital Employed = (Profit Before Tax + Finance Cost) / (Net Worth+Total Borrowings+Deferred Tax Liabilities)

Note :-5 Return on Net Worth=Profit After Tax / Average Shareholder's Equity

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

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

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

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

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

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

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

Note :-13 Debt Service Coverage Ratio = Profit after tax but before Interest and Depreciation / (Principal repayment, excluding payment under put option+Interest).

Note :-14 Interest Service Coverage Ratio = Profit after tax but before Interest and Depreciation) / Interest .

Note :-15 Figures for the Financial Year 2018-19 to 2020-21 have been taken from the Annual Report of the respective Financial Year.

CHAIRMAN’S STATEMENT

Dear Members,

It is my proud privilege to present you the 47th Annual Report of your Company for the financial year 2022-23. On behalf of the Board of Directors and employees of NHPC Limited, I have great pleasure in extending a warm welcome to all of you to the 47th Annual General Meeting of your Company. The AGM is a significant event for every company as it provides an opportunity to reflect on our accomplishments over the past year and share our plans for the future.

Your continued support and trust is a source of inspiration and an encouragement to take NHPC to new heights. Your Company is steadily progressing with its aim to achieve excellence in development of clean power at international standards. We have established a strong presence in the Indian Power sector and are constantly making efforts towards further expanding NHPC’s business throughout the Country and beyond. We grew our business and increased our profitability, which enabled us to improve our competitiveness and create value for shareholders. We continue to implement our mission driven strategy by efficiently operating the power stations, implementing the projects and continuing to invest in technology, infrastructure and talent, which are the critical inputs for the future of your Company. Year by year your Company is stepping ahead and getting stronger.

OUTLOOK AND PERFORMANCE

India’s power sector is one of the most diversified sectors in the World. Hydropower, as a renewable energy source, plays a crucial role in our mission to mitigate the effects of climate change and reduce our carbon footprints. Your Company has been the flag bearer of hydropower development in the Country and I am glad to share that NHPC is moving ahead for development of 2,880 MW Dibang Multipurpose Project in Arunachal Pradesh, which will be the largest hydropower project in the Country. In addition, 2000 MW Subansiri Upper HEP and 1800 MW Kamala HEP have been allotted to NHPC by Government of Arunachal Pradesh. Your Company is also committed for the commissioning of two mega Projects i.e. 2000 MW Subansiri Lower HEP and 800 MW Parbati-II HEP in the present Financial Year, which will give a quantum jump to Company’s portfolio.

We have also been successful in expanding our international footprints as we have signed an MoU for three projects in Nepal i.e West Seti (750 MW), SR-6 (450 MW) and Phukot Karnali (480 MW) HE Projects.

Your Company is having a strong visibility of future growth with 6 projects in the pipeline at different stages of investigation or under appraisal of Government of India awaiting Techno Economic Clearances. This includes magnanimous Siang Upper HEP having more than 10,000 MW installed capacity. Your Company is also venturing into development of Pumped Storage Hydro Projects and Solar Power Projects in different parts of the Country as well as exploring new technologies such as Green Hydrogen generation and Floating Solar projects. I assure you of phenomenal growth of your Company's profile in the years to come.

Operating Performance Overview

This year too, NHPC power stations have performed extremely well. The total cumulative generation of all Power Stations of your Company stood at 24,907 MUs during financial year 2022-23, thus surpassing second highest annual generation ever which was achieved last year. The Plant Availability Factor (PAF) of our plants are getting better each year and we have recorded highest ever annual PAF of 88.75% during the financial year 2022-23. Out of the 20 hydropower stations, 18 Power Stations have achieved their respective NAPAF (Normative PAF).

Financial Performance Overview

Your Company continues to be financially robust and this reflects in the financial results. I am delighted to inform that your Company has achieved highest ever annual Profit After Tax (PAT) of ₹ 3833.79 Crore on standalone basis compared to ₹ 3537.71 Crore in the previous financial year i.e. an increase of 8%. The total income was ₹ 10,150.90 crore during the financial year 2022-23. Total Comprehensive Income rose to ₹ 3830.42 Crore during the financial year 2022-23 from ₹ 3550.47 Crore in the previous financial year. Revenue from Operations during the financial year 2022-23 was ₹ 9316.34 Crore. Supported by the positive developments, your Company delivered one of the best performances.

I am pleased to inform you that the Board of Directors has recommended a final dividend of ₹ 0.45 per equity share amounting to ₹ 452.03 Crore for the financial year 2022-23. The Company has also paid interim dividend of ₹ 1.40 per equity share amounting to ₹ 1406.30 Crore paid in March, 2023. The final dividend shall be paid after your approval in the 47th Annual General Meeting. On approval, the total dividend pay-out for the FY 2022-23 will be ₹ 1.85 per equity share amounting to ₹ 1858.33 Crore.

GREEN HYDROGEN

Green hydrogen has gained significant attention as a potential solution for decarbonizing various sectors such as heavy industry, transportation etc. It can be used in fuel cells to produce electricity with zero emissions, making it an attractive option for powering vehicles, providing backup power or even supplying energy to the electrical grid. The aim is to create a sustainable hydrogen economy that can contribute to global decarbonization efforts and mitigate climate change.

Green Hydrogen Technology is expected to be the future of energy and is gaining traction across the globe. Recognizing the role, green hydrogen technology will play in future, your Company has already initiated action for undertaking development of three Pilot Green Hydrogen Projects in Leh & Kargil Districts of UT of Ladakh and Chamba District of Himachal Pradesh. These pilot projects will create roadmap for future development of green hydrogen and subsequent reduction of the carbon emission in transportation/ heating sector.

HIGHLIGHTS OF THE YEAR

In the past year, NHPC has taken up new business ventures in its continuous endeavor to expand its presence.

Major Highlights of your Company since last AGM:

1. Signing an MoU with Vidhyut Utpadan Company Limited (VUCL), Nepal for joint development of Phukot Karnali HE Project (480 MW) situated in Kalikot district of Karnali Province, Nepal. The MoU was exchanged between NHPC and VUCL, Nepal in the august presence of Shri Narendra Modi, Hon'ble Prime Minister of India and Shri Pushpa Kamal Dahal 'Prachanda' Hon'ble Prime Minister of Nepal on 1st June, 2023.
2. Signing an MoU with Department of Energy, Government of Maharashtra for the development of four Pumped Storage Projects namely Kalu-1150 MW, Savitri-2250 MW, Jalond-2400 MW & Kengadi-1550 MW aggregating to 7350 MW and other Renewable Energy Source Projects in the state.
3. Signing an MoU with Government of Odisha through GRIDCO Limited for development of Pumped Storage Projects and Renewable Energy in the state of Odisha.
4. Successful concreting of Dam top level of EL 210 M, in all the blocks of 2000 MW Subansiri Lower HE Project.
5. Issuance of Letter of Intent by Gujarat Urja Vikas Nigam Limited for 200 MW capacity Solar Power Project. The project will be located within Gujarat State Electricity Corporation Limited's Solar Park in Khavda.
6. Successfully commissioning of the entire 320 MW Solar Power Project located at Nokhara, Bikaner (Rajasthan) on 10th December, 2022 awarded by NHPC as an 'Intermediary Procurer'.
7. Signing a Memorandum of Agreement (MoA) on 26th September, 2022 with IIT Jammu to promote R&D activities in the field of Science, Engineering and Technology.

8. Signing of MoU by NHPC Renewable Energy Limited (a wholly owned subsidiary of NHPC Ltd) on 24th August, 2022 with Government of Rajasthan for "Development of 10,000 MW Ultra Mega Renewable Energy Power Park" in the state of Rajasthan.
9. Developing Flange Mounted Ultra High Frequency (UHF) Sensors for Power Transformers in collaboration with NIT Durgapur under the "Atmanirbhar Bharat" Program.
10. Investment approval of ₹ 973 Crore accorded by Government of India for pre-construction activities of Sawalkot HEP.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) and Sustainability are two interconnected concepts that are crucial for an organization to address their impact on society and environment. For a company to be socially responsible, it first needs to be accountable to itself, its stakeholders and public.

Your Company recognizes its responsibility towards the society at large and attempts to fulfil it through a well-laid and structured CSR & Sustainability Policy. NHPC is playing a vital role for the greater welfare of the society year after year through its various CSR initiatives.

Your Company has adopted a Corporate Social Responsibility (CSR) Policy in compliance with the Companies Act, 2013, as well as the Companies (Corporate Social Responsibility Policy) Amendment Rules of 2021 and 2022. The CSR initiatives of the Company includes programs on promoting Education & Skill Development, Healthcare & Sanitation, Rural Development, Women Empowerment, Sports, promoting & conserving Art & Culture etc. in accordance with Schedule VII of the Companies Act, 2013.

Under the CSR Policy, your Company has signed MoU on 9th September, 2022 with Shikshan Vikas Sewa Trust for furnishing educational complex hostel building for Scheduled Caste students at Sarkhej, Gujarat and with Seva Kiran Charitable Society for development of Kindergarten at Vivekananda Vidyalaya in Kothamangalam, Ernakulam, Kerala. Your Company also actively carries out the welfare activities in the area of education, healthcare and rural infrastructure to benefit the people and society at large. As a responsible corporate entity, during the financial year 2022-23, your Company spent ₹ 127.31 Crore on CSR & SD activities including contribution of ₹ 30 crores in PM CARES under its CSR initiatives to support the Government to fight in emergency situations.

PROACTIVE CORPORATE GOVERNANCE

Good corporate governance is about creating sustained competitive differentiation in the market to maximize the shareholder value legally, ethically and on a sustainable basis while ensuring fairness, transparency and accountability to every stakeholder of a company – customers, employees, investors, vendor-partners, the government of the land and the community. Governance is a reflection of the culture and values of a company's board and management. Good governance in a company enhances the confidence, trust and enthusiasm of its stakeholders. Today's market-oriented economy and globalization drive the demand for a high quality governance practices. Corporate governance has been under scrutiny and is an issue that has gained widespread importance.

For ensuring sound corporate governance practices, your Company always makes efforts to ensure compliance with Corporate Governance requirements prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidelines on Corporate Governance for CPSEs issued by Department of Public Enterprises (DPE), Government of India. During the financial year 2022-23, your Company's compliance with 'DPE Guidelines on Corporate Governance' has been rated as "Excellent" as per 'Corporate Governance Grading System' prescribed by DPE.

REWARDS AND ACCLAIM

Your Company's efforts for an all-round growth have been recognized by the industry and a number of prestigious awards were conferred on your Company at various platforms. Your Company received the following honours:

1. Certificate of Appreciation and Special Commendation Award for 'Innovative Training Practices: 2020-21' by Indian Society for Training & Development.
2. 'Second Prize' under 'Rajbhasha Kirti Puruskar' in Region 'A' by Ministry of Home Affairs, Govt. of India, for the year 2021-22 under 'Rajbhasha Kirti Puruskar' scheme. NHPC received the award from Hon'ble Minister of State for Home Affairs, Shri Nisith Pramanik during Hindi Diwas ceremony organized at Surat, Gujarat.
3. "Data Centre Champion-2022" award by Express Computer (IT business publication of Indian Express Group) in recognition of NHPC's efforts towards building a strong Digital India & vibrant Data Center Ecosystem.
4. Gold Medal for best presented Annual Report for financial year 2020-21 (Infrastructure & Construction Sector category) at South Asian Federation of Accountants Awards 2021 at Kathmandu, Nepal.
5. Winner of 'Best Globally Competitive Power Company of India – Hydropower and Renewable

Energy Sector' in PRAKASHmay '15th Enertia Awards 2022'.

6. 'Second Best Enterprise Award' for Mini Ratna Category from Director General, SCOPE at WIPS (Women in Public Sector) 33rd National Meet at Kolkata.
7. "Use of Emerging Technologies Data Centre" Award at Governance Now- 9th PSU Awards & Conference. The award has been conferred to NHPC in recognition of its efforts towards building a strong Digital India and vibrant Data Center Ecosystem.

SINCERE APPRECIATION

I believe in NHPC and its growth potentials and I expect to witness rapid growth of NHPC in times to come. Today, as we stand better and stronger, I am confident that with your continued support, we will deliver sustainable performance to create value for all. The coming year shall add new feathers in the cap of NHPC with the commissioning of two mega Projects i.e 2000 MW Subansiri Lower HEP and 800 MW Parbati-II HEP.

As I conclude, I on behalf of the Board, thank all the stakeholders for the faith reposed in us. I would also like to place on record, appreciation for the contribution and valuable guidance given by my fellow Board Members.

I wish to convey my deep gratitude to Government of India, especially to the Ministry of Power as well as other Central Government Ministries & Departments and various State Governments for their valuable guidance and overwhelming support from time to time. I would like to express my sincere thanks to our valued stakeholders including bankers, investors, shareholders, customers, consultants, contractors, vendors, etc. for their belief and trust. This motivates us to excel in all our pursuits and constantly create value for shareholders as well as for the nation. We aim and aspire to earn your continued trust every day.

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

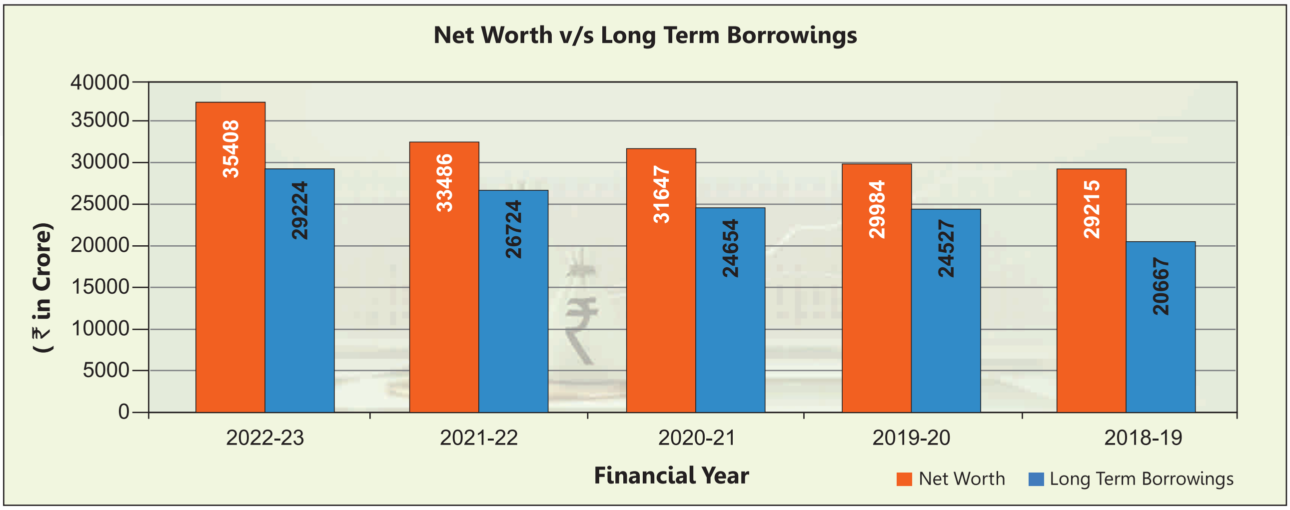
We continue to explore exciting opportunities to invest and grow as an organization and do more for betterment and development of society and Country as well, by generating and promoting clean and green power. I assure you that the strategies of your Company will continue to translate into sustainable returns and gains to all stakeholders.

Warm regards,

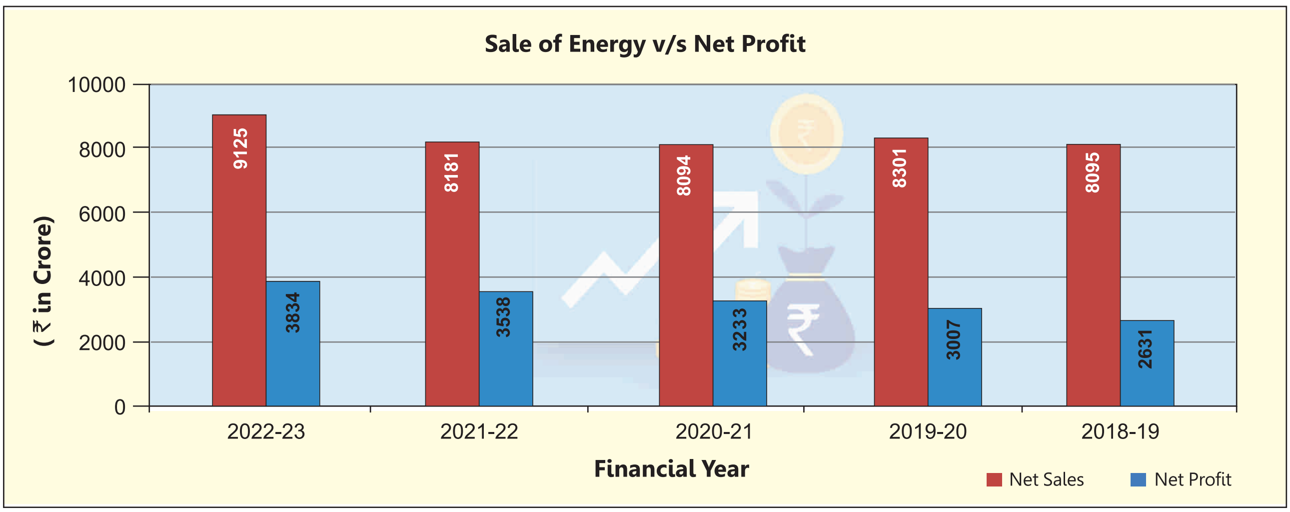
Sd/-
(Rajeev Kumar Vishnoi)
Chairman & Managing Director
DIN: 08534217

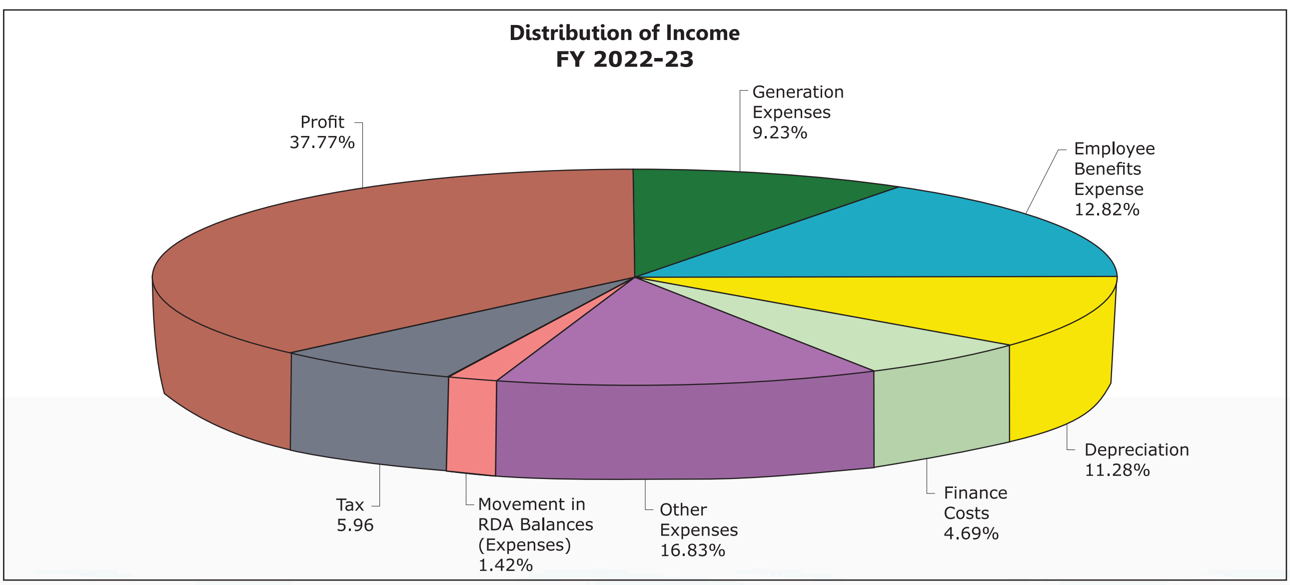
Date: July 21, 2023
Place: Faridabad

NHPC's PERFORMANCE



Long term borrowings includes current maturities thereof, Lease Obligations including current maturities thereof and payables towards bonds fully serviced by Government of India. Figures for the FY 2018-19 to 2020-21 have been taken from Annual Report of the respective FY.





DIRECTORS' PROFILE

Shri Rajeev Kumar Vishnoi

Chairman & Managing Director

DIN No: 08534217

Shri Rajeev Kumar Vishnoi (56 years) has taken over the additional charge of Chairman & Managing Director of NHPC Limited on December 13, 2022. Shri Rajeev Kumar Vishnoi has more than 36 years of vast and rich experience in Design, Engineering and Construction of Hydropower Projects. He joined THDCIL in the year 1989 as Engineer and worked in different capacities during his prolific career and became CMD, THDCIL in the year 2021. He has headed the Design Department of THDCIL and also held the responsibility of Executive Director, Vishnugad-Pipalkoti Hydro Electric Project (VPHEP) 444 MW. He has various prestigious achievements to his credit while working with the Tehri, Koteshwar and Vishnugad-Pipalkoti hydro projects.

Shri Vishnoi is an Hons. Graduate in Civil Engineering from BITS Pilani and he has also attained the qualification of MBA and has undergone Professional Upgradation Programme in Design and Construction of Hydraulic Structures and Hydropower Constructions from State University of Moscow, Russia. He has also attended Advance Management Programme in Leading Strategic Change from ASCI, Hyderabad in association with SDA Bacconi School of Management, Italy. He has been conferred with D. Lit (HC) by Tilak Maharashtra Vidyapeeth for his outstanding contribution in Energy Sector.

He is President of Indian Committee of International Commission of Large Dams (INCOLD) and also represents India in ICOLD for Seismic Technical Committee. He has significantly contributed as member of World Bank Expert Group to deliberate and constitute guidelines in respect of contracts during various interactions with World Bank Headquarters, Washington (USA) on their invitation.

Shri Vishnoi is an internationally acclaimed hydropower professional. He has delivered notable keynote lectures in several countries such as Spokane(US), Washington DC(US), St. Petersburg(Russia), Chengdu(China), Beijing(China), Porto Carras (Greece), Antalya(Turkey), Ottawa(Canada), Singapore and Nepal.

Shri Vishnoi has been appointed chairman of prestigious BRICS Chamber of Commerce & Industry in April 2023. He is also holding the charge of Chairman of TUSCO Limited and TREDCO Rajasthan Limited. Further, he is also serving as Nominee Director-Chairman on the Board of Loktak Downstream Hydroelectric Corporation Limited (LDHCL) and NHDC Limited.

Shri Rajendra Prasad Goyal

Director (Finance)

DIN: 08645380

Shri Rajendra Prasad Goyal (58 years) has taken over charge of Director (Finance) of NHPC Limited on October 1, 2020. He is also Chief Financial Officer of the Company.

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

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

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

Shri Goyal is an Associate Member of the Institute of Cost Accountants of India and also holds a Master's Degree in Commerce from the University of Rajasthan, Jaipur. Shri Goyal has vast experience of more than 34 years in NHPC Ltd. in the core areas of Finance with in-depth understanding and vast knowledge of Financial, Contractual and Regulatory issues involved in construction as well as operations of Hydro Projects. His leadership qualities, ability to work hard with conceptual clarity and professionalism are outstanding.

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

Shri Biswajit Basu

Director (Projects)

DIN: 09003080

Shri Biswajit Basu (59 years) joined the Board of NHPC Limited on January 1, 2021. He graduated from Tripura Engineering College (Now NIT, Agartala) in Electrical Engineering in year 1986 and has diverse experience of more than 33 years in the field of Hydro Power. Shri Basu is also holding the additional charge of Director (Technical), NHPC.

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

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

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

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

Shri Uttam Lal

Director (Personnel)

DIN: 10194925

Shri Uttam Lal (57 years), a management graduate in HR from Xavier Institute of Social Service (XISS), Ranchi with additional qualification of Bachelor of Law (HRM) and Harvard Manage-mentor Certification had been Heading Corporate Social Responsibility-Rehabilitation & Resettlement and Land Acquisition (CSR-R&R / LA) vertical of NTPC Ltd. as Chief General Manager & CEO – NTPC Foundation, before joining NHPC. He has had 35 years of rich experience to his name, with his core competencies in CSR and R&R – Land acquisition, policies and wages, industrial relations, employee benefits functions among others. In the duration of his illustrious career, Shri Lal had headed the HR functions of NETRA the R&D wing of NTPC where he was instrumental in building the initial team of researchers, formulating competency development framework, designing academy and industrial interface model and acquiring talent from Global markets. He also had the credit of heading HR & CSR functions of the largest Power Plant of India (NTPC Vindhyachal) and was Regional HR head of the largest zone, Northern Region.

He was entrusted the responsibilities of task force-NTPC for Rescue & Relief operations at Joshimath, Distt. Chamoli, Uttarakhand. In recent past, he was assigned the task of organisational transformation of a Joint Venture Company of NTPC & Reliance Infrastructure i.e. Utility Powertech Limited (UPL).

He has loved sharing his knowledge & experience as a regular in-house faculty of NTPC's Power Management Institute (PMI), Noida and a guest faculty in IIM (Lucknow).

He believes in 'people-first' disposition.

He is passionate about singing and often found humming to the tunes of challenges.

Shri Mohammad Afzal

Government Nominee Director

DIN: 09762315

Shri Mohammad Afzal (52 years) is B.Sc. (Engg) in the field of Electrical Engg. (First with Hons.) from AMU, Aligarh and M.E. (First with Hons.) in Power System Engg. from the then University of Roorkee (Now Indian Institute of Technology, Roorkee). He joined Central Electricity Authority in November 1996 and has served in various Divisions like System Engg. & Technology Division, Grid Management Division and Fuel Management Division. During his career of more than 25 years, he gained vast experience in the field of Sub-stations designing of various capacities, monitoring of Regional/ National Grid, allocation of power to States/ Constituents, assessments & monitoring of fuel to the thermal power stations, gas-based power plants etc. Shri Mohammad Afzal is at present, working in the Ministry of Power as Joint Secretary (Hydro).

Shri Mohammad Afzal joined the Board of NHPC Limited as Govt. Nominee Director in December, 2022.

Dr. Uday Sakharam Nirgudkar

Independent Director

DIN: 07592413

Dr. Nirgudkar (58 years) is MBA and PhD in Marketing Management awarded by Pune University.

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

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

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

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

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

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

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

Prof. (Dr.) Amit Kansal, PhD

Independent Director

DIN: 07722428

Prof. (Dr.) Amit Kansal, PhD (47 years) was born on September 24, 1975 at martyr land popularly known as Shaheed Udham Singh Wala, Sunam, near the border of Haryana in Sangrur district of Punjab, Dr. Amit Kansal has outstanding academic credentials throughout his education. He obtained his Doctorate in Political Science from Punjabi University, Patiala. His thesis research work was on the "Akali Alliances in Punjab Since 1967" which had been acclaimed and hailed by various political scholars at different platforms.

He completed three Master degrees in Political Science, Journalism and Mass Communication and Distance education with distinction from various recognised Institutions and Universities. With always learning attitude, he has keen interest to honing his analytical skills through continuing upgrading education. Recently he graduated with Law (LLB) degree.

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

Currently Dr. Kansal is working as senior Assistant Professor and heading Department of Political Science, Nehru Memorial Government College, Mansa, Punjab. He is an acclaimed and celebrated social scientist in the field of Political Science and has been associated with prestigious organisations like National Service Scheme as Program Officer, Indian Red Cross Society, UGC and RUSA as an expert. Besides this, he has been playing an instrumental role to disseminate the education among poor and underprivileged school and college dropouts through distance education, as he has also been associated with esteemed National Open University i.e IGNOU, New Delhi since 2013. While working with rural and disadvantageous youth, more than 5000 students educated and trained in various fields and enhancing their skills to make them self-dependent. Several started their start-up and living good life. He is playing an epitomized role to make Atmanirbhar Bharat.

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

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

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

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

Prof. (Dr.) Rashmi Sharma Rawal

Independent Director

DIN: 09410683

Prof. (Dr.) Rashmi Sharma Rawal (56 years) holds Master's degree in Arts (Geography) from Rohilkhand University and has completed her PhD in Geography (Population Geography). Presently, she is Professor and In-charge of Geography Department at R.S.M. (PG) College, Dhampur, Bijnor, Uttar Pradesh.

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

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

Shri Jiji Joseph

Independent Director

DIN: 09415941

Shri Jiji Joseph (49 years) holding Bachelor's Degree in Arts from Calicut University, Kerala is associated with Business and Politics. He is an entrepreneur and holds proprietary interest in Mithra Communication (Advertising Agency). He is also politically active.

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

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

Shri Premkumar Goverthanan

Independent Director

DIN: 10064794

Shri Premkumar Goverthanan (61 years), holding Bachelor's Degree in Economics from Annamalai University, Tamil Nadu, is associated with Politics and his son's business activities. He is an entrepreneur and has vast experience in Manufacturing Industry and Agriculture.

Shri Premkumar Goverthanan is now engaged with his son's business activities as Senior Advisor for their Group of Companies based in Chennai, engaged in Construction and Development.

Shri Premkumar Goverthanan joined the Board of NHPC Limited as Independent Director in March, 2023.

NHPC POWER STATIONS

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

State / UT	Power Station	Installed Capacity (MW)	Year of Commissioning
Uttarakhand	Tanakpur	94 .2	1992-93
	Dhauliganga	280	2005-06
Sikkim	Rangit	60	1999-2000
	Teesta-V	510	2008-09
West Bengal	TLD-III	132	2013-14
	TLD-IV	160	2015-16
Manipur	Loktak	105	1983-84
NHPC (Hydro Standalone)		**5451.2**	
Madhya Pradesh	Indira Sagar	1000	2005-06
	Omkareshwar	520	2007-08
Total (NHPC Hydro incl. JV)		**6971.2**	
Rajasthan	Wind Power	50	2016-17
Tamil Nadu	Solar Power	50	2017-18
Uttar Pradesh	Kalpi Solar Power	26*	2022-23
Total NHPC		**7097.2**	

** Partial Commission*

NHPC Limited
(A Government of India Enterprise)
Registered Office: NHPC Office Complex, Sector 33, Faridabad, Haryana – 121003
CIN: L40101HR1975GOI032564
EBPAX No.: 0129-2588110/2588500
Website: www.nhpcindia.com, E-mail: companysecretary@nhpc.nic.in

NOTICE

NOTICE is hereby given that the 47th Annual General Meeting (AGM) of the members of NHPC Limited will be held on **Thursday, the 31st day of August, 2023** at **3:00 P.M.** (IST) through Video Conference (**"VC"**)/ Other Audio Visual Means (**"OAVM"**), to transact the following businesses.

ORDINARY BUSINESS:

1. To consider and adopt:
   a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023, the report of the Board of Directors, Auditors' Report thereon and Comments of the Comptroller & Auditor General of India; and
   b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023, the Report of Auditors' thereon and Comments of the Comptroller & Auditor General of India.
2. To confirm the payment of interim dividend and declare final dividend for the financial year 2022-23.
3. To appoint a Director in place of Shri Biswajit Basu, Director (Projects) (DIN: 09003080), who retires by rotation and, being eligible, offers himself for re-appointment for remaining term at the pleasure of the President of India .
4. To authorize Board of Directors of the Company to fix the remuneration of the Joint Statutory Auditors for the financial year 2023-24 and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 142 read with relevant provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Board of Directors be and is hereby authorized to fix the remuneration of Joint Statutory Auditors for the financial year 2023-24;

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

SPECIAL BUSINESS:

5. To ratify the remuneration of the Cost Auditors for the financial year 2023-24 and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 148 read with applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration to the Cost Auditors appointed by Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year 2023-24, be and is hereby ratified as under:

   a) ₹ 1,00,000 per power station (excluding TA/DA, taxes and duties).

   b) ₹ 1,00,000 excluding TA/DA, taxes and duties for consolidation of cost audit reports of all the power stations by the Lead Cost Auditor and submission of consolidated cost audit report in Form CRA-3.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution".
6. To appoint Shri Premkumar Goverthanan (DIN: 10064794), as an Independent Director of the Company and, if thought fit, to pass the following resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to applicable provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Regulation 17 (1C) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Articles of Association of the Company, recommendations of the Nomination & Remuneration Committee and that of the Board, Shri Premkumar Goverthanan (DIN:10064794), who was appointed as Independent Director by the President of India vide Ministry of Power order no. 2/13/2021-NHPC dated

March 02, 2023 for a period of three years w.e.f. the date of notification of his appointment or until further orders and subsequently appointed as an Additional & Independent Director by the Board of Directors w.e.f. March 10, 2023 and in respect of whom the Company has received a notice in writing from him signifying his intention to propose himself as a candidate for appointment as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation for a period of 3 years w.e.f. the date of notification of his appointment i.e. March 02, 2023 up to March 01, 2026 or until further orders from the Government of India, whichever is earlier."

7. To appoint Shri Uttam Lal (DIN: 10194925), as Director (Personnel) of the Company and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to applicable provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Regulation 17 (1C) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Articles of Association of the Company, Shri Uttam Lal (DIN: 10194925), who was appointed by Board on recommendations of the Nomination & Remuneration Committee as Additional Director and Director (Personnel) w.e.f. his assumption of charge i.e. June 13, 2023, pursuant to Ministry of Power, Govt. of India order no. 9/9/2021-NHPC dated June 06, 2023 and in respect of whom the Company has received a notice in writing proposing his candidature for Directorship, be and is hereby appointed as Director (Personnel) of the Company, liable to retire by rotation, on the terms and conditions and any further orders as may be issued by Govt. of India from time to time."

By the order of the Board of Directors

Sd/-
(Rupa Deb)
Company Secretary

Date: June 27, 2023

Regd. Office:

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

NOTES:

1. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') relating to the special businesses to be transacted at the AGM is annexed hereto. The Board of Directors have considered and decided to include the Item Nos. 5 to 7 given above as special businesses in the forthcoming AGM, as they are unavoidable in nature.
2. The Ministry of Corporate Affairs ("MCA") vide its circular dated December 28, 2022 read together with circulars dated April 8, 2020, April 13, 2020, and May 5, 2020 (hereinafter collectively referred to as "MCA Circulars") has permitted convening the AGM through VC/ OAVM, without physical presence of the members at a common venue. In accordance with MCA Circulars, provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), the AGM of the Company is being held through VC/ OAVM. **The Registered Office of the Company shall be deemed to be the venue of the AGM**. National Securities Depository Limited (NSDL) will be providing facility for remote e-voting, for participation in the AGM through VC/ OAVM and e-voting during the AGM.
3. As per the provisions of the Act, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/ herself and the proxy need not be a member of the Company. Since this AGM is being held through VC/ OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence, the Proxy Form and Attendance Slip including Route Map are not annexed hereto.
4. Members attending the AGM through VC/ OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.
5. In compliance with the MCA Circulars and SEBI Circular dated January 05, 2023, Annual Report 2022-23 including Notice of AGM is being sent only through electronic mode to those members whose email addresses are registered with the Company/ RTA (M/s Alankit Assignments Limited)/ Depository Participants as on **Friday, July 21, 2023**. Members may note that the Notice of AGM and Annual Report 2022-23 is also available on the Company's website www.nhpcindia.com, websites of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of e-voting service provider i.e. M/s NSDL at www.evoting.nsdl.com.
6. In terms of relevant provisions of the Act, Shri Biswajit Basu, Director (Projects) (DIN: 09003080) is liable to retire by rotation at this AGM and, being eligible, offers himself for re-appointment for remaining term at the pleasure of the President of India. The tenure of Shri Biswajit Basu as per the order of Ministry of Power, Govt. of India is up to December 31, 2023. The Nomination & Remuneration Committee in its meeting held on June 27, 2023, after taking into account the performance evaluation of Shri Basu has recommended his re-appointment. Based on the recommendation of Nomination & Remuneration Committee, the Board at its meeting held on June 27, 2023 has recommended the re-appointment of Shri Basu as Director (Projects). Brief resume of Directors seeking appointment or re-appointment at the AGM, as required under Regulation 36 of SEBI LODR is annexed hereto and forms part of the Notice.
7. Pursuant to Section 139 of the Act, the statutory auditors of a Government Company are to be appointed or re-appointed by the Comptroller and Auditor General of India (C&AG). Further, in terms of Section 142 of the Act, their remuneration has to be fixed by the Company in a General Meeting or in such manner as the Company in General Meeting may determine. The members may authorize the Board to fix an appropriate remuneration of Joint Statutory Auditors to be appointed by C&AG for the financial year 2023-24 as may be deemed fit by the Board. The details of fees paid to the Statutory Auditors during the financial year 2022-23 on consolidated basis is provided in the "Report on Corporate Governance".
8. We urge members to support our commitment to environmental protection by choosing to receive all communication including Notice of AGM and Annual Report from the Company electronically:-
   a. Members holding shares in demat mode, are requested to register / update their e-mail address with their respective Depository Participants.
   b. Members holding shares in physical mode and who have not registered/ updated their e-mail address with the Company are requested to register/ update the same with Company's RTA M/s Alankit Assignments Limited, by submitting a request in form ISR-1 physically or by email to alankit.nhpc@alankit.com.

9. The register of members and share transfer books of the Company will remain closed from **Wednesday, August 23, 2023** to **Thursday, August 31, 2023** (both days inclusive).

DIVIDEND

10. The Board of Directors, in their meeting held on February 07, 2023, had declared an interim dividend @ 14% (₹ 1.40 per equity share) on the paid up equity share capital of the Company which was paid in March, 2023. Further, the Board of Directors in their meeting held on May 29, 2023 had recommended a final dividend @ 4.50% (₹ 0.45 per equity share) on the paid up equity share capital of the Company for the financial year 2022-23. The Company has fixed **Tuesday, August 22, 2023** as "Record Date" for determining entitlement of members to receive final dividend, if declared at the AGM. The members whose name appear in the Register of Members/ List of Beneficial Owners (to be received from NSDL and CDSL) as on record date will be entitled to receive final dividend. The final dividend, if declared at the AGM, will be paid as per the provisions of the Act.

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

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

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

12. TDS ON DIVIDEND

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

A. Resident Shareholders:

(i) TDS shall be deducted at the rate of 10% under Section 194 of the IT Act on the amount of dividend declared and paid by the Company in the Financial Year (FY) 2023-24 to resident shareholders provided, valid PAN of the shareholder is available.

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

- **Valid PAN not available:** If the PAN is not valid or valid PAN is not available with the Company's Register of Members, TDS shall be deducted at the rate of 20% as per Section 206AA of the IT Act.
- **Specified person under Section 206AB:**
    - ➢ TDS shall be deducted at the rate of 20 percent, in case of resident shareholders falling within the meaning of a 'specified person' as per Section 206AB(3) of the IT Act i.e. a person who has not filed the return of income for the assessment year relevant to the previous year immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing return of income under sub-section (1) of Section 139 has expired; and the aggregate of tax deducted at source and tax collected at source in his case is ₹ 50,000 or more in that previous year.
    - ➢ The list of 'specified person' for the purpose of Section 206AB shall be obtained at the time of deduction of TDS, from the reporting portal utility made available by the Income Tax department as per the CBDT Circular No. 11/2021 dated 21.06.2021.

- If PAN of a shareholder is not updated, it shall be assumed that the shareholder is a "specified person" for the purpose of Section 206AB of the Act and TDS would be regulated accordingly.

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

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

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

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

The above provision makes it mandatory on part of the Company to withhold taxes in all cases where the amount of dividend likely to be paid during the relevant financial year exceeds ₹ 5,000/-. NHPC has been regularly paying interim and final dividend since last few years and it is expected that the Company would pay an interim dividend during the current year also i.e., financial year 2023-24. Accordingly, TDS will be deducted @10% on the final dividend for financial year 2022-23 with a threshold limit of ₹ 4,000/.

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

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

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

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

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

- Self-attested copy of PAN allotted by the Indian Income Tax Authorities. In case PAN is not available, details as prescribed under rule 37BC of Income-tax Rules, 1962 to be furnished;

- Self-attested copy of valid Tax Residency Certificate obtained from the Tax Authorities of the country of which the shareholder is a resident (valid for financial year 2023-24);

- Self-declaration in Form 10F for FY 2023-24 for Non-resident shareholders who have PAN and propose to claim treaty benefit need to mandatorily file the Form 10F online at the link https://eportal.incometax.gov.in/ with effect from April 1, 2023 to avail the benefit of tax treaty. However, in view of the CBDT notification vide F No. DGIT(S)-ADG(S)-3/e-Filing Notification/Forms/2022/9227, dated 12-12-2022 and F No. DGIT(S)-ADG(S)-3/e-Filing Notification/Forms/2023/13420, dated 28-03-2023, Non-resident taxpayers not having PAN and also not required to have PAN as per the relevant provisions of the Income Tax Act, 1961 have been exempted from mandatory electronic filling of Form 10F till 30th September 2023. Therefore, such category of taxpayers may make the statutory compliance of furnishing of Form 10F in manual mode till 30th September 2023;

- Self-declaration duly signed and stamped on letterhead as per **Annexure-A** enclosed herewith;
- Self-attested copy of any other document as prescribed under the IT Act for lower withholding of taxes, if applicable.

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

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

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

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

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

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

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

3. Further, the aforementioned documents are required to be uploaded by shareholders on the Alankit Assignments Limited (Registrar & Transfer Agent of the Company) portal https://einward.alankit.com/ or should be submitted by e-mail at alankit.nhpc@alankit.com or investorcell@nhpc.nic.in for claiming TDS exemption/lower deduction/transferring TDS credit to the beneficial owner by 11:59 p.m. IST on or before **Tuesday, August 22, 2023** (Record Date for Dividend). No communication would be accepted from shareholders after the said date regarding nil/lower tax/transferring TDS Credit to beneficial owner matters.

4. Application of beneficial TDS rates (including the beneficial DTAA rates) or exemption from TDS for shareholders shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the shareholders. In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents or upon documents being found to be non-satisfactory upon review by the Company, shareholder would still have the option of claiming refund of the excess tax paid at the time of filing income tax return. No claim shall lie against the Company for such taxes deducted.

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

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

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

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

INVESTOR EDUCATION AND PROTECTION FUND

13. Members are requested to note that in terms of Section 124 of the Act, dividends which remains unpaid or unclaimed for a consecutive period of seven years from the date of transfer to unpaid dividend account of the Company are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends shall also be transferred to the demat account of IEPF Authority. Accordingly, members are requested to claim their dividends and shares referred above from the Company, within the stipulated time. The members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in e-Form IEPF-5 (available at www.iepf.gov.in). For further details, please refer to website of the Company at www.nhpcindia.com and Report on Corporate Governance, which forms part of the Annual Report of the Company.

The due dates for transfer to IEPF, of the unclaimed/ unpaid dividends for the financial year 2015-16 and thereafter, are as under:

Financial Year	Date of Declaration of Dividend	Due Date for Transfer to IEPF
2015-16 (Final Dividend)	22.09.2016	27.10.2023
2016-17 (Interim Dividend)	12.01.2017	12.02.2024
2016-17 (Final Dividend)	27.09.2017	31.10.2024
2017-18 (Interim Dividend)	12.02.2018	14.03.2025
2017-18 (Final Dividend)	27.09.2018	01.11.2025
2018-19 (Interim Dividend)	08.02.2019	11.03.2026
2018-19 (Final Dividend)	23.09.2019	28.10.2026
2019-20 (Interim Dividend)	07.02.2020	08.03.2027
2019-20 (Final Dividend)	29.09.2020	01.11.2027
2020-21 (Interim Dividend)	11.02.2021	16.03.2028
2020-21 (Final Dividend)	29.09.2021	03.11.2028
2021-22 (Interim Dividend)	11.02.2022	14.03.2029
2021-22 (Final Dividend)	25.08.2022	28.09.2029
2022-23 (Interim Dividend)	07.02.2023	09.03.2030

PROCEDURE FOR INSPECTION OF DOCUMENTS

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

15. All documents referred to in the Notice will also be available for inspection electronically without any fee by the Members from the date of circulation of the Notice up to the date of AGM. Members seeking to inspect documents can send an e-mail to Company Secretary at agm2023@nhpc.nic.in mentioning their name, DP ID & Client ID/folio number and Permanent Account Number (PAN). Members seeking any information with regard to businesses to be transacted at the AGM, are requested to write to the Company on or before **Thursday, August 24, 2023**, through e-mail at agm2023@nhpc.nic.in. The same will be replied by the Company suitably.

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

16. Pursuant to the provisions of Section 108 of the Act read with relevant rules, Regulation 44 of SEBI LODR (as amended) and MCA Circulars, the Company is providing the facility of remote e-voting and e-voting at the AGM in respect of the businesses to be transacted at the AGM. For this purpose, the Company has appointed M/s National Securities

Depositories Limited (NSDL) for facilitating voting through electronic means, as authorized e-voting agency. The facility of casting votes by a member using remote e-voting as well as e-voting during the AGM will be provided by M/s NSDL.

17. The members can join the AGM through VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the notice. The facility of participation at the AGM through VC/ OAVM will be made available for 1000 members on first come first served basis. This will not include large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.

18. Members, whose names appear in the Register of Members/ List of Beneficial Owners as on the cut-off date i.e. **Thursday, August 24, 2023** shall only be entitled to avail the facility of remote e-voting or e-voting during the AGM. The voting rights shall be as per the number of equity shares held by the members as on the cut off date. A person who is not a Member as on the cut-off date should treat the notice of AGM for information purpose only.

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

20. Members who would like to ask questions regarding businesses to be conducted during the AGM, should register themselves as a speaker by sending a request from registered e-mail address mentioning their name, demat account number/ folio number, PAN, mobile number at agm2023@nhpc.nic.in from **Monday, August 21, 2023** to **Friday, August 25, 2023 till 05:00 P.M. (IST)**. Only those members who have registered themselves as a speaker will be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of questions and number of speakers, depending upon the availability of time as appropriate for smooth conduct of the AGM. When a pre-registered speaker is invited to speak at the meeting but he/ she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with video/ camera along with good internet speed.

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

22. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting i.e. **Thursday, August 31, 2023**.

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

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

24. The remote e-voting period begins on **Monday, August 28, 2023 at 09:00 A.M.** (IST) and ends on **Wednesday, August 30, 2023 at 05:00 P.M.** (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date i.e. **Thursday, August 24, 2023** may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being **Thursday, August 24, 2023**.

E-voting Process

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

Step 1: Access to NSDL e-Voting system

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner**" icon under "**Login**" which is available under '**IDeAS**' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "**Access to e-Voting**" under e-Voting services and you will be able to see e-Voting page. Click on **company name or e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "**Register Online for IDeAS Portal**" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
	3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR Code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.
	2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
	3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
	4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page.

	The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

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

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

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

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

c) How to retrieve your 'initial password'?

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

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

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

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

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

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

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

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

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

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

Step 2: Cast your vote electronically and join General Meeting on NSDL eVoting system.

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

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

GENERAL GUIDELINES FOR SHAREHOLDERS

25. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to **aka_pcs@yahoo.com** with a copy marked to **evoting@nsdl.co.in.** Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **"Upload Board Resolution/Authority Letter"** displayed under **"eVoting"** tab in their login.

26. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

27. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager, NSDL at **evoting@nsdl.co.in**.

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

28. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company (Email ID companysecretary@nhpc.nic.in)/ RTA (Email ID alankit.nhpc@alankit.com).

29. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company (Email ID companysecretary@nhpc.nic.in)/ RTA (Email ID alankit.nhpc@alankit.com). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
30. Alternatively, shareholder/members may send a request to **evoting@nsdl.co.in** for procuring user id and password for e-voting by providing above mentioned documents.
31. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

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

PROCEDURE FOR JOINING THE AGM THROUGH VC/OAVM:

36. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may follow the steps mentioned above to access **NSDL e-Voting system**. After successful login, you can see link of **"VC/OAVM link"** placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
37. Members are encouraged to join the Meeting through Laptops for better experience.
38. Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
39. Members joining the AGM from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
40. Members, who need assistance before or during the AGM, may contact NSDL at **evoting@nsdl.co.in** or call at 022 - 4886 7000 and 022 - 2499 7000.

OTHER INFORMATION

41. Members holding shares in physical mode are:
    a. Informed that SEBI vide its circular dated March 16, 2023 has made it mandatory for the holders of physical securities to furnish PAN, Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers on or before October 1, 2023 to the RTA of the Company in respect of all concerned Folios. Folios wherein any of the above document(s)/details are not furnished on or before the said date, shall be frozen by the RTA. From October 01, 2023, any service request of shareholder (whose shares have been frozen) shall be entertained by RTA only upon registration of the PAN, Nomination, Contact details, Bank A/c details and Specimen signature. Further, after December 31, 2025, the frozen folios shall be referred by the RTA/ Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002. As per the requirements, the Company has intimated concerned members about the folios which are incomplete in terms of said SEBI circular. In view of above, physical shareholders are requested to furnish valid PAN, Nomination, Contact details, Bank A/c details and Specimen signature immediately

to the Company/RTA through relevant forms. For more details, please refer to our website at www.nhpcindia.com.

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

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

d. Informed that as per SEBI Circular dated January 25, 2022, securities shall be issued only in demat mode, while processing requests pertaining to issuance of duplicate share certificate, claim from unclaimed suspense account, endorsement, sub-division/ consolidation of share certificates, transmission and transposition. Accordingly, all holders of physical securities, who have not yet dematerialized their securities, are also advised to get their securities converted into electronic form (DEMAT)

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

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

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

43. As per Section 72 of the Act, shareholders may register their nomination in respect of shares held by them by submitting form No. SH-13 to their respective DP, in case of shares held in demat mode and to RTA of the Company, in case the shares are held in physical mode. If a shareholder holding shares in physical form, desire to opt out or cancel the earlier nominations and record a fresh nomination, he/she may submit the same in ISR-3 or SH-14 as the case may be. The said forms can be downloaded from our website at https://www.nhpcindia.com/welcome/page/304.

44. Members are informed that SEBI vide its Circular dated 30.05.2022 has issued Standard Operating Procedures (SOP) for dispute resolution under Stock Exchanges arbitration mechanism for dispute between a listed company and/or RTA and its Shareholder(s)/Investor(s).

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

Alankit Assignments Limited

Alankit House, 4E/2, Jhandewalan Extension, New Delhi-110055

Tel.:011-42541234, 011-23541234

Fax-011-42541201, 011-23552001

Email: alankit.nhpc@alankit.com

website: www.alankit.com

Toll free No. 1860 1212 155

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

By the order of the Board of Directors

Sd/-

(Rupa Deb)

Company Secretary

Date: June 27, 2023

Regd. Office:

NHPC Office Complex,

Sector-33, Faridabad, Haryana -121003

CIN: L40101HR1975GOI032564

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

Item No. 5

The Board, on the recommendation of the Audit Committee, has approved the appointment of following Cost Auditors for the financial year 2023-24 to conduct the audit of cost records of the Company on the remuneration of ₹ 100,000 per power station (excluding TA/DA, taxes and duties):

S No	Name of the Firm (M/s)	Power Stations
1	Chandra Wadhwa & Co., Delhi*	Dulhasti and Salal
2	Balwinder & Associates, Mohali	Sewa-II, Parbati-III and Chamera-I
3	S C Mohanty & Associates, Delhi	Uri-I, Uri-II and Kishanganga
4	Sanjay Gupta & Associates, Delhi	Baira Siul, Chamera-II and Chamera-III
5	K B Saxena and Associates, Lucknow	Tanakpur, Dhauliganga and 50 MW Solar Power Project, Tamilnadu

S No	Name of the Firm (M/s)	Power Stations
6	K G Goyal & Associates, Jaipur	Chutak, Nimoo Bazgo and Wind Power Project, Jaisalmer
7	Niran & Co., Kolkata(WB)	Rangit, Teesta-V, Loktak
8	DGM & Associates, Kolkata (WB)	TLDP-IV ,TLDP-III & Subansiri Lower Project**
9	Ramnath Iyer & Co., Delhi	Parbati-II **

*M/s. Chandra Wadhwa & Co., Delhi has also been appointed as Lead Cost Auditor at a remuneration of ₹ 1,00,000/- (excluding TA/DA taxes and duties) for consolidation of Cost Audit Report of all power stations and submission of Consolidated Cost Audit Report in Form CRA-3 for the financial year 2023-24.

**Appointment in respect of Parbati-II Project and Subansiri Lower Project will be subject to its becoming commercially operative during the financial year 2023-24.

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

Accordingly, consent of the members is sought through an Ordinary Resolution for ratification of the remuneration payable to the Cost Auditors for the financial year 2023-24.

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

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

Item No. 6

Ministry of Power vide its order no. 2/13/2021-NHPC dated March 02, 2023 has appointed Shri Premkumar Goverthanan (DIN: 10064794) as Non-official Independent Director on the Board of the Company for a period of three years w.e.f. date of order or until further orders.

In terms of Article 35A of Articles of Association of the Company, the Board of Directors are empowered to appoint the Director appointed by the President of India as an Additional Director under the provisions of the Companies Act, 2013. Any Director so appointed shall hold office only upto the date of the next Annual General Meeting of the Company and shall be eligible for re-appointment. Accordingly, the Board appointed Shri Premkumar Goverthanan (DIN: 10064794) w.e.f. March 10, 2023 as Additional and Independent Director.

The Company has received notice in writing under the provisions of Section 160 of the Act, from Shri Goverthanan proposing his candidature for appointment as Independent Director of the Company. The Company has also received necessary disclosure and declarations from the aforesaid Director as per provisions of the Companies Act, 2013 and SEBI LODR. Shri Premkumar Goverthanan is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

The Nomination and Remuneration Committee in its meeting held on June 27, 2023 has, after taking into account the performance evaluation of the aforesaid Independent Director during his tenure of FY 2022-23 and considering his knowledge, background, expertise, experience and capabilities, recommended to the Board his appointment as Independent Director.

Based on the recommendations of the Nomination & Remuneration Committee, the Board of Directors at its meeting held on June 27, 2023 has recommended the appointment of Shri Premkumar Goverthanan as an Independent Director, not liable to retire by rotation, for a period of 3 years w.e.f. date of Order issued by Ministry of Power, Govt. of India dated March 02, 2023 or until further orders from the Government of India, whichever is earlier.

The order of Ministry of Power dated March 02, 2023 and a copy of letter of appointment setting out the terms and conditions are available for inspection by the members electronically during business hours of the Company, without any fee.

In terms of Sections 149 and 152 of the Companies Act, 2013, the appointment of Shri Premkumar Goverthanan as an Independent Director on the Board of the Company, not liable to retire by rotation, requires approval of the Members in the General Meeting.

Save and except Shri Premkumar Goverthanan and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board recommends the Special Resolution as set out in the Notice for approval by the Members.

Brief resume of Shri Premkumar Goverthanan is annexed.

Item Nos. 7

Ministry of Power vide order no. 9/9/2021-NHPC dated June 06, 2023 has appointed Shri Uttam Lal (DIN 10194925) as Director (Personnel) on the Board of Company w.e.f. the date of his assumption of charge of the post till the date of his superannuation i.e. 31.05.2026, or until further orders, whichever is earlier. Shri Uttam Lal assumed the charge of the post of Director (Personnel) w.e.f. June 13, 2023.

In terms of Article 35A of Articles of Association of the Company, the Board of Directors are empowered to appoint the Directors appointed by the President of India as an Additional Director under the provisions of the Companies Act, 2013 and SEBI LODR. Any Director so appointed shall hold office only upto the date of the next Annual General Meeting of the Company and shall be eligible for re-appointment. Accordingly, the Board appointed Shri Uttam Lal (DIN: 10194925) w.e.f. June 13, 2023 as Additional and Director (Personnel).

As the tenure of Shri Uttam Lal as an Additional Director is due to expire at the AGM pursuant to Section 161(1) of the Act, approval of shareholders is being sought in order to confirm his directorship and to appoint him as Director (Personnel) of the Company on the terms and conditions as determined by the Government of India.

The Company has received a notice in writing from Shri Uttam Lal under the provisions of Section 160 of the Act, proposing his candidature for directorship of the Company. The Company has also received necessary disclosure and declarations from Shri Lal as per provisions of the Companies Act, 2013 and SEBI LODR. Shri Lal is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

The Nomination and Remuneration Committee in its meeting held on June 27, 2023 has recommended to the Board his appointment as Director (Personnel) considering his knowledge, background, expertise, experience and capabilities.

Based on the recommendations of the Nomination & Remuneration Committee, the Board of Directors at its meeting held on June 27, 2023 has recommended the appointment of Shri Uttam Lal as Director (Personnel) of the Company, liable to retire by rotation.

In view of above, it is proposed to obtain approval of shareholders for appointment of Shri Uttam Lal (DIN 10194925) as Director (Personnel) on the Board of the Company as per order received from Govt. of India and any further orders issued by the Govt. of India, by passing Ordinary Resolution set out at Item no.7 of this Notice.

The order of Ministry of Power dated June 06, 2023 and other related documents are available for inspection by the members electronically during business hours of the Company, without any fee.

Save and except Shri Uttam Lal and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board recommends the Ordinary Resolution as set out in the Notice for approval by the Members.

Brief resume of Shri Uttam Lal is annexed.

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

A. Shri Biswajit Basu, Director (Projects) (DIN: 09003080)

Shri Biswajit Basu is Director (Projects) of NHPC Limited. Shri Basu is also holding additional charge of Director (Technical) of the Company.

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

Shri Basu is member of Committee of Directors on Corporate Social Responsibility & Sustainability, Audit Committee, Stakeholders' Relationship Committee and Risk Management Committee.

Date of Birth and Age: December 30, 1963 (59 years)

Nature of Expertise in specific functional areas: Shri Basu graduated from Tripura Engineering College (Now NIT, Agartala) in Electrical Engineering in 1986 and has diverse experience of more than 33 years in the field of Hydro Power.

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

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

Other Companies including Listed Entities in which Shri Basu holds directorship and the membership of Committees of the Board are as under:

1. Chenab Valley Power Projects Private Limited (Director)
2. Ratle Hydroelectric Power Corporation Limited (Director)
3. Bundelkhand Saur Urja Limited (Chairman-Director)
4. NHPC Renewable Energy Limited (Chairman-Director)
5. Jalpower Corporation Limited (Chairman-Director)
6. Lanco Teesta Hydro Power Limited (Chairman-Director)

He does not hold directorship in any listed Company, other than NHPC Limited.

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

Shareholding in the Company including shareholding as beneficial owner (as on 31.03.2023): 10,275 Equity Shares

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

Date of first appointment to the Board and number of Board meetings attended during FY 2022-23: Shri Biswajit Basu was first appointed on the Board of NHPC Limited as Additional Director and Director (Projects) on January 01, 2021. His appointment as Director (Projects) was regularized in the Annual General Meeting held on 29.09.2021. Details pertaining to number of meetings attended is provided in the Report on Corporate Governance, which forms part of the Annual Report for FY 2022-23.

B. Shri Premkumar Goverthanan, Independent Director (DIN: 10064794)

Shri Premkumar Goverthanan is an Additional and Independent Director of NHPC Limited. Shri Premkumar Goverthanan is now engaged with his son's business activities as Senior Advisor for their Group of Companies based in Chennai, engaged in Construction and Development.

Shri Premkumar Goverthanan is a member of Audit Committee, Nomination and Remuneration Committee and Committee of Directors on Corporate Social Responsibility & Sustainability.

Date of Birth and Age: May 05, 1962 (61 years)

Nature of Expertise in specific functional areas: Shri Goverthanan holding Bachelor's Degree in Economics from Annamalai University, Tamil Nadu, is associated with Politics and his son's business activities. He is an entrepreneur and has vast experience in Manufacturing Industry and Agriculture.

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

Other Companies including Listed Entities in which Shri Goverthanan holds directorship and the membership of Committees of the Board: Nil

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

Shareholding in the Company including shareholding as beneficial owner (as on 31.03.2023): Nil

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

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

Date of first appointment to the Board and number of Board meetings attended during FY 2022-23: Shri Premkumar Goverthanan was appointed on the Board of NHPC Limited as Additional and Independent Director w.e.f. March 10, 2023. Details pertaining to number of meetings attended is provided in the Report on Corporate Governance, which forms part of the Annual Report for FY 2022-23.

C. Shri Uttam Lal, Director (Personnel) (DIN: 10194925)

Shri Uttam Lal is Director (Personnel), NHPC Limited. Before joining NHPC Board, Shri Lal was Chief General Manager & CEO – NTPC Foundation at NTPC Limited. He has had 35 years of rich experience to his name, with his core competencies in CSR and R&R – Land acquisition, policies and wages, industrial relations, employee benefits functions among others. In the duration of his illustrious career, Shri Lal had headed the HR functions of NETRA the R&D wing of NTPC where he was instrumental in building the initial team of researchers, formulating competency development framework, designing academy and industrial interface model and acquiring talent from Global markets. He also had the credit of heading HR & CSR functions of the largest Power Plant of India (NTPC-Vindhyachal) and was Regional HR head of the largest Zone, Northern Region.

He was entrusted the responsibilities of task force-NTPC for Rescue & Relief operations at Joshimath, Distt. Chamoli, Uttarakhand. In recent past, he was assigned the task of Organisational Transformation of a Joint Venture company of NTPC & Reliance Infra, Utility Powertech Limited.

Date of Birth and Age: June 01, 1966 (57 years)

Nature of Expertise in specific functional areas: Shri Lal is a management graduate in HR from Xavier Institute of Social Service (XISS), Ranchi with additional qualification of Bachelor of Law (HRM) and Harvard Manage-mentor Certification.

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

Other Companies including Listed Entities in which Shri Lal holds directorship and the membership of Committees of the Board: Nil

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

Shareholding in the Company including shareholding as beneficial owner (as on 13.06.2023): Nil

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

Date of first appointment to the Board and number of Board meetings attended during FY 2022-23: Shri Uttam Lal was appointed on the Board of NHPC Limited as Additional Director and Director (Personnel) w.e.f. June 13, 2023. In FY 2022-23, he did not attend any meetings, as his appointment was effective from June 13, 2023.

Annexure-A

<To be printed on letterhead>

DECLARATION FOR CLAIMING BENEFITS UNDER DTAA

Date:

To,

NHPC Limited

NHPC Office Complex,

Sector 33, Faridabad, Haryana - 121002

Email: investorcell@nhpc.nic.in

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

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

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

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

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

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

Authorised Signatory

<Name of the person signing>

<Designation of the person signing>

DIRECTORS' REPORT

Dear Members,

The Board of Directors of your Company are pleased to present before you the 47th Annual Report of your Company, highlighting the development and progress for the financial year 2022-23 along with audited financial statements, Auditors' Report thereon, Secretarial Auditor's Report and review of financial statements by the Comptroller and Auditor General of India (C&AG).

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

- NHPC has earned highest ever annual Profit After Tax (PAT) of ₹ 3,833.79 crore on standalone basis in the financial year 2022-23 compared to ₹ 3,537.71 crore in the previous financial year. The consolidated net profit rose to ₹ 4,234.74 crore in FY 2022-23 from ₹ 3,774.33 crore in previous financial year.
- Highest ever Total income and Revenue from operations were ₹ 10,150.90 crore and ₹ 9,316.34 crore respectively during the FY 2022-23. Total comprehensive income and other comprehensive income for FY 2022-23 were ₹ 3,830.42 crore and ₹ (3.37) crore respectively.
- NHPC power stations recorded highest ever overall Plant Availability Factor (PAF) of 88.75% and generated 24,907 Million Units (MUs) during the year.
- Cash contribution of ₹ 1,354.09 crore was made to Government of India's exchequer through dividend (final dividend for FY 2021-22 of ₹ 356.34 crore and interim dividend for FY 2022-23 of ₹ 997.75 crore) during the FY 2022-23.
- NHPC is moving ahead for development of India's largest Hydropower Project i.e. 2880 MW Dibang Multi Purpose Project.
- NHPC has been accorded investment approval of ₹ 973 Crore by Government of India for pre-construction activities of Sawalkot HEP.
- NHPC has extended its international footprints and signed a Memorandum of Understanding (MOU) with the Investment Board of Nepal (IBN) at Kathmandu, Nepal for development of 750 MW West Seti and 450 MW SR-6 hydroelectric projects in August, 2022. Further, IBN has issued Survey License to NHPC for 450 MW Seti River-6 Project in March, 2023.
- NHPC Limited has entered into a Memorandum of Understanding (MoU) with Vidhyut Utpadan Company Limited (VUCL), Nepal for joint development of Phukot Karnali HE Project (480 MW), which is a run-of-the-river hydropower project situated in Kalikot district of Karnali Province, Nepal. The MoU was exchanged in the august presence of Hon'ble Prime Minister of India and Hon'ble Prime Minister of Nepal in June, 2023.
- NHPC has bagged 200 MW Grid Connected Solar Photovoltaic Power projects located in 600 MW Solar Park at Khavda (GSECL STAGE 1).
- NHPC has signed MOU for development of Pilot Green Hydrogen Technologies in District Leh and District Kargil of UT of Ladakh in July, 2022. These two pilot projects will create roadmap for future development of green hydrogen and subsequent reduction of the carbon emission in transportation/ heating sector.
- NHPC Renewable Energy Limited (a wholly owned subsidiary of NHPC Limited) has signed MOU with Govt. of Rajasthan in August, 2022 at New Delhi for "Development of 10,000 MW Ultra Mega Renewable Energy Power Park" in the state of Rajasthan.
- NHPC has signed Memorandum of Agreement (MOA) with IIT Jammu in September, 2022 to promote R&D activities in the field of Science, Engineering and Technology.

1. FINANCIAL PERFORMANCE

The important financial highlights are given in table below:

(₹ in crore)

PARTICULARS	Financial Year	
	2022-23	2021-22
Revenue from operations	9,316.34	8,309.22
Profit before depreciation, interest, rate regulated income and tax	6,205.20	5,704.83
Depreciation	1,145.44	1,126.22
Profit after depreciation but before rate regulated income, interest and tax	5,059.76	4,578.61
Interest and finance charges	476.16	531.75

Profit after depreciation and interest but before rate regulated income and tax	4,583.60	4,046.86
Rate regulated income	(144.41)	(1,270.42)
Tax	605.40	(761.27)
Profit after depreciation, interest, rate regulated income and tax	**3,833.79**	**3,537.71**
Other Comprehensive Income (OCI)	(3.37)	12.76
Total Comprehensive Income (TCI)	**3,830.42**	**3,550.47**
Surplus from statement of profit and loss of earlier years (including Other Comprehensive Income)	10,094.39	7,935.70
Transfer from bond redemption reserve	236.95	275.70
Sub-total	**14,161.76**	**11,761.87**
Less : Appropriations		
Dividend	1,908.56	1,667.48
Closing Balance of Retained Earnings including Other Comprehensive Income	**12,253.20**	**10,094.39**

1.1 REVENUE

Your Company has generated total income of ₹ 10,150.90 crore during the financial year 2022-23. The total income during the financial year 2021-22 was ₹ 9,335.40 crore.

1.2 EXPENSES

The total expenditure during financial year 2022-23 increased to ₹ 5,567.30 crore as compared to ₹ 5,288.54 crore in the previous financial year.

1.3 TOTAL COMPREHENSIVE INCOME

Total Comprehensive Income of your Company increased to ₹ 3,830.42 crore during the financial year 2022-23 as compared to ₹ 3,550.47 crore in the previous financial year.

1.4 NET WORTH

Your Company's net worth as on March 31, 2023 was ₹ 35,407.96 crore as compared to ₹ 33,486.10 crore at the end of previous financial year.

1.5 SHARE CAPITAL

Your Company's paid-up share capital as on March 31, 2023 was ₹ 10,045.03 crore which remained unchanged during the financial year 2022-23.

1.6 TRANSFER TO RESERVES

During the year 2022-23, Company did not transfer any amount to any reserve.

2 DIVIDEND

Your Company has a consistent track record of dividend payment. The Board of Directors has recommended a final dividend of ₹ 0.45 per equity share for the financial year 2022-23 amounting to ₹ 452.03 crore. The above dividend is in addition to the interim dividend of ₹ 1.40 per equity share amounting to ₹ 1,406.30 crore paid in March, 2023. Accordingly, total dividend for the financial year 2022-23 comes to ₹ 1.85 per equity share amounting to ₹ 1,858.33 crore. Your Company has a Dividend Distribution Policy in place since May, 2017. As per Dividend Distribution Policy of the Company, broadly the dividend payment shall be 30% of PAT or 5% of the Net worth, whichever is higher. Accordingly, total dividend payout for financial year 2022-23 (subject to approval of final dividend by the members of the Company) @ ₹ 1.85 per share will be ₹ 1,858.33 crore i.e. 48.47% of PAT for financial year 2022-23 & 5.25% of Net worth as on March 31, 2023 as against total dividend pay-out of ₹ 1818.15 crore i.e. 51.39% of the PAT for financial year 2021-22 & 5.43% of Net worth as on March 31, 2022 in the previous year. The Dividend Distribution Policy of the Company is available on website of the Company at https://www.nhpcindia.com/assests/pzi_public/gallery/1672828855.pdf

3 OPERATIONAL PERFORMANCE

Your Company's power stations have achieved second-highest generation of 24,907 MUs during the year 2022-23 against generation of 24,855 MUs during the previous year. The highest ever generation of 26,121 MUs was achieved during the year 2019-20.

Your Company has also achieved highest ever overall Plant Availability Factor (PAF) of 88.75% during the year against overall PAF of 88.19% during the previous year. The power station wise generation and PAF during the year 2022-23 are given in table below:

NAME OF POWER STATIONS	GENERATION TARGET * (MU)	ACTUAL GENERATION (MU)	ACTUAL PAF (%)
Baira Siul	736	628	88.05
Loktak	594	478	95.19
Salal	3726	3240	90.05
Tanakpur	522	535	86.21
Chamera-I	2305	1889	93.08
Uri	3142	2862	91.26
Rangit	353	332	90.31
Chamera-II	1553	1327	97.10
Dhauliganga	1278	1293	98.16
Dulhasti	2242	2083	92.01
Teesta-V	2812	2858	100.38
Sewa-II	549	508	99.84
Chamera-III	1151	1002	96.32
Chutak	221	167	61.83
TLDP-III	618	599	84.39
Nimoo-Bazgo	248	236	92.24
Uri-II	1713	1574	90.91
Parbati-III	737	652	54.31
TLDP-IV	758	735	86.64
Kishanganga	1713	1454	85.86
Parbati-II**	488	288	-
Total (Hydro)	**27461**	**24740**	**88.75**
Wind Power Project	94	77	-
Solar Power Project	106	90	-
Total	**200**	**167**	**-**
Total (NHPC)	**27661**	**24907**	**88.75**

Note:

*As per MoU FY 2022-23, Consolidated Generation Target is 32,611 MUs i.e. including Generation Target of NHPC Limited & NHDC Limited. Actual generation for FY 2022-23 including generation of NHPC Limited & NHDC Limited is 30350 MUs.

** Actual Generation shown is infirm power.

During the financial year 2022-23:

- Three (3) power stations viz. Teesta-V, Nimoo Bazgo & Wind Power, Jaisalmer have achieved highest annual generation since their commissioning.
- Eleven (11) power stations viz. Dhauliganga, Uri-II, Chamera-I, Tanakpur, Dulhasti, Teesta-V, Loktak, Salal, Uri, TLDP-III & TLDP-IV have achieved their respective annual design energy.
- Three (3) power stations viz. Teesta-V, Tanakpur & Chutak have achieved highest PAF since their commissioning.
- Out of twenty (20) hydro power stations, eighteen (18) power stations have achieved their respective NAPAF (Normative PAF).

Renovation & Modernization of Loktak Power Station

Loktak Power Station was commissioned in Apr-May, 1983 and has completed its useful life of 35 years in May, 2018 as per CERC Regulation, 2014. CERC accorded in-principle approval for Renovation & Modernization work for life extension of power station with financial implication of ₹ 273.59 Crore (including IDC & FC) as per Sep, 2017. The design energy of Power Station shall be 562.73 MUs against existing design energy of 448 MUs after completion of R&M work.

The scope of works is as under:

- ➢ Activities covering main equipment i.e Generator, Generator Transformers, Turbine & other plant equipment essential for life extension of unit as well as station.
- ➢ Activities required for ensuring efficient and sustained performance of unit as well as station.
- ➢ Implementation of Control, Monitoring & Protection system of power plant such as Electronic Governors, Static Excitation system, Numerical relays, SCADA etc.
- ➢ Refurbishment of Water Conductor System and associated Civil/HM works including Infrastructure works.

4 COMMERCIAL PERFORMANCE

4.1 SALES AND REALIZATION

During the year under report, your Company's sales from operations stood at ₹ 9316.34 crore. We are pleased to inform that your Company has been able to realize an amount of ₹ 7762.60 crore including surcharge of ₹ 76.73 crore during the financial year 2022-23. During the year under report, your Company's collection was ₹ 7542.95 crore against billing of principal amount of ₹ 8094.55 crore. The total collection during the year including collection from Power Trading business was ₹ 7547.55 crore.

As on March 31, 2023, the total outstanding dues of ₹ 55 crore (including surcharge of ₹ 0.88 crore) were pending for more than 45 days, which is the all-time lowest at the closing of a financial year since inception of all the power stations. The outstanding amount mainly pertains to PSPCL, Punjab (₹ 25.26 Crore), JKPCL, J&K (₹ 19.93 Crore), JVVNL, Rajasthan (₹ 7.73 Crore) & MeECL, Meghalaya, (₹ 1.20 Crore). Your Company is making all out efforts to liquidate the outstanding dues by continuous follow-up.

4.2 SIGNING OF POWER PURCHASE AGREEMENTS (PPA):

Availability of long term PPA for Power Stations is key to survival of organization as this gives revenue visibility for the organization and assured rate of return which can be utilized for business expansion. This was critical in the light of the fact that Power Stations with cheap tariff had PPA for 40/35 years, while PPA valid initially for 5 year period for significant numbers of Power Stations with costly tariff had expired/ were about to expire.

Therefore, a conscious decision has been taken to focus on this area. During the year, NHPC has signed PPA in respect of following Power Stations/upcoming Projects:

S.No	Beneficiary DISCOMs	Power Station	Date of Signing of PPA	Validity of PPA
1	BRPL, Delhi	Baira Siul	15.06.2022	30.08.2046 for 25 years from R&M of last unit
2	BYPL, Delhi			
3	Rajasthan	Sewa-II	27.07.2022	Valid 40 years from COD
		Uri-II		Valid 35 years from COD
4	Meghalaya	Loktak	11.07.2022	Valid for Intervening period +25 years from R&M of last unit

With sanction of number of new Hydro projects/Solar projects under CPSU scheme, NHPC has been pursuing states/ DISCOMs to tie-up the capacity of these new projects. PPA for following projects has been signed:

S.No	Beneficiary DISCOMs	Power Station	Date of Signing of PPA	Validity of PPA
1	Chhattisgarh	Subansiri Lower	20.10.2022	Valid 40 years from COD
		Teesta-VI	21.07.2022	
		Dibang MPP	17.02.2023	
2	West Bengal	100 MW Solar Project, Kadri, Andhra Pradesh	23.11.2022	Valid 25 years from COD
3	Telangana	600 MW Solar Project, Kutch, Gujarat	28.03.2023	Valid 25 years from COD

5 STATUS OF HYDROELECTRIC PROJECTS UNDER CONSTRUCTION

At present, your Company is actively engaged in the construction of 09 Hydro Power Projects of 9314 MW Capacity (including JV & Subsidiaries). The detail is given in table below:

S. No.		PROJECT	STATE/UNION TERRITORY (UT)	INSTALLED CAPACITY (MW)
A.	**STANDALONE BASIS**			
	i	Parbati-II	Himachal Pradesh	800
	ii	Subansiri Lower	Assam/Arunachal Pradesh	2000
	iii	Dibang	Arunachal Pradesh	2880
			Sub-total (A)	**5680**
B.	**THROUGH SUBSIDIARIES/JOINT VENTURES**			
	i.	Teesta Stage-VI HE Project under Lanco Teesta Hydro Power Limited (LTHPL) (A wholly owned subsidiary)	Sikkim	500
	ii.	Rangit-IV HE Project under Jalpower Corporation Limited (JPCL) (A wholly owned subsidiary)	Sikkim	120
	iii.	Pakal Dul HE Project under Chenab Valley Power Projects Private Limited (CVPPPL) [A Joint Venture with Jammu & Kashmir State Power Development Corporation Limited (JKSPDC)]	Jammu & Kashmir	1000
	iv.	Kiru HE Project under CVPPPL		624
	v.	Kwar HE Project under CVPPPL		540
	vi.	Ratle HE Project under Ratle Hydroelectric Power Corporation Limited (RHPCL) (A Joint Venture with JKSPDC)		850
			Sub-total (B)	**3634**
		Total (A+B)	**Total (A+B)**	**9314**

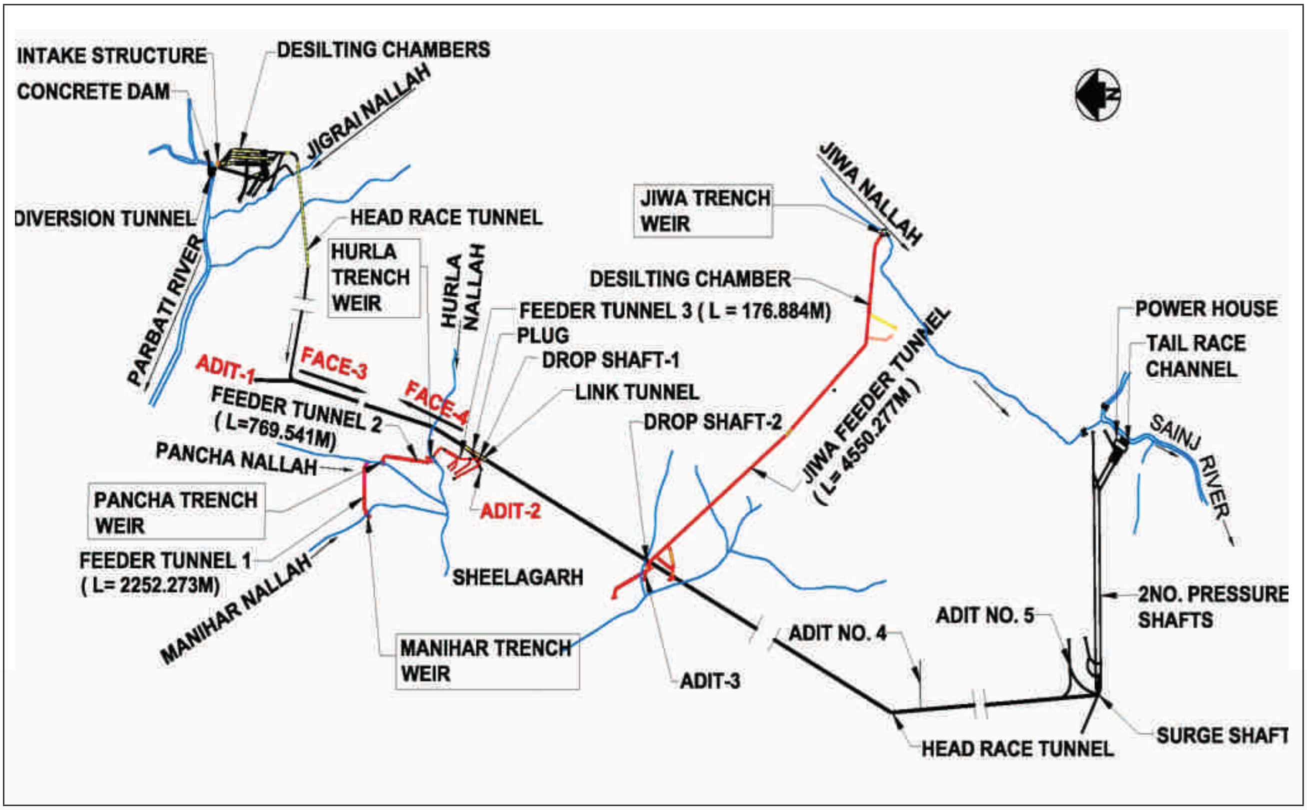
5.1 NHPC STANDALONE PROJECTS

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

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

SALIENT FEATURES

Location of Dam	Parbati River in Kullu District of Himachal Pradesh
Dam	Concrete Gravity Dam, 83.7 m high and 110 m long
Spillway Radial Gate	3 nos., 6.0m x 9.0m
De-silting Chamber	3 nos., Dufour type, 15 m x 16 m x 170 m
Head Race Tunnel (HRT)	31.545 km long (24.301 Km Horse Shoe Shape by DBM and 7.244 Km Circular shape by TBM)
Surge Shaft	17 m dia., 130 m high underground orifice type
Pressure Shaft	2 nos., 3.50 m dia, Underground Inclined pressure shafts of length 2121.5 m (Right) & 2149.5 m (Left)
Power House Generation Discharge per unit	Surface Powerhouse with 4 units (Pelton) of 200 MW each 3124.60 MUs 29 cumecs
Reservoir Capacity	Gross Storage: 6.83 Mcum Diurnal Storage: 3.09 Mcum



PROJECT LAYOUT

Concrete Gravity Dam of 83.7 m height has been constructed at Village Pulga in Parbati valley to divert the river water through a 31,545 m long Head Race Tunnel (HRT). A Power House of 800 MW (4 x 200 MW) capacity has been constructed at Village Suind in Sainj valley utilizing gross head of 863 m. The diverted discharge of the Parbati River is to be further augmented by diverting the discharge of various nallahs viz. Jiwa, Hurla, Pancha and Manihar falling along the HRT alignment.

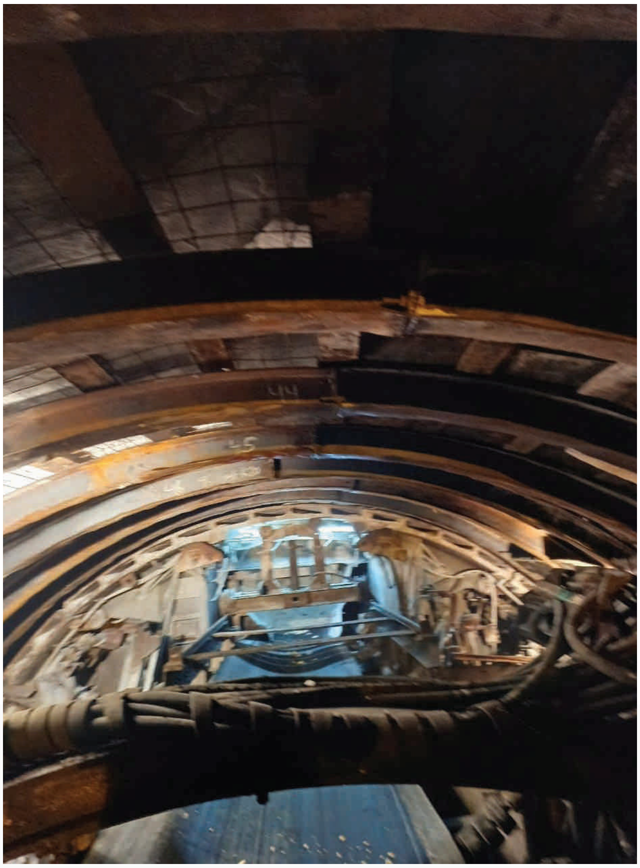
Major civil works of Dam, intake structure, desilting chamber, pressure shafts, surge shaft, power house, all nallahs viz. Jiwa, Hurla, Pancha and Manihar have been completed. Presently, HRT excavation from both the faces (face-3 and face-4) is being carried out using Drill and Blast Method (DBM) and Tunnel Boring Machine (TBM) respectively. 99.15% HRT excavation has been completed till March, 2023.

Major HM Works have been completed. Electro-Mechanical (E&M) works of the project have also been completed and all units have been synchronized with grid at part load. At present, generation of electricity (infirm power) is being made as per availability of water from Jiwa, Manihar, Pancha and Hurla Nallah. 1,117 MUs Energy have been generated till March, 2023 from Parbati-II in the form of infirm power.

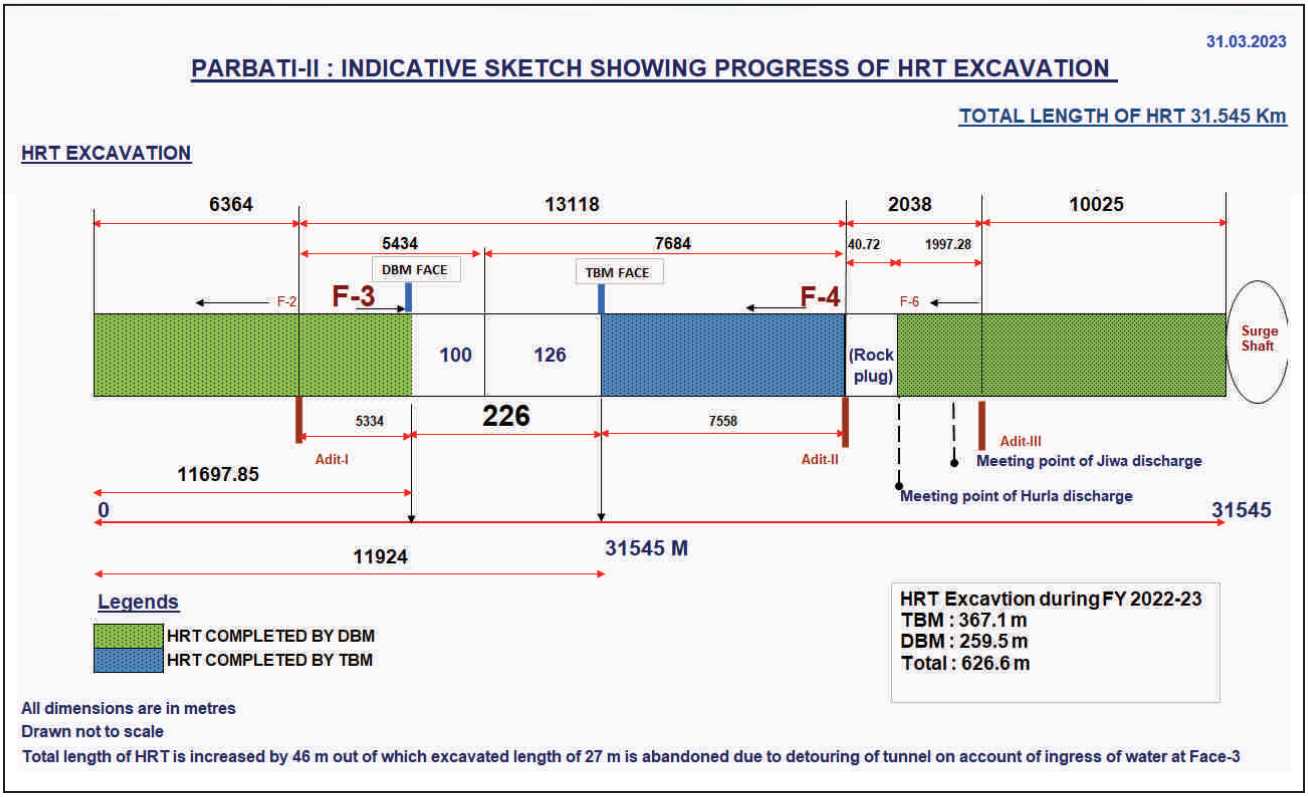
DAM: Completed

POWER HOUSE: Completed

HRT by DBM- In Progress



HRT by TBM- In Progress



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

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

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

5.1.2 SUBANSIRI LOWER H.E. PROJECT - 2000 MW (8 X 250 MW), ARUNACHAL PRADESH:

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

The CCEA sanction to the project was accorded in September, 2003 and NHPC started construction works in January, 2005 after Final Forest Clearance on October 12, 2004. The construction work was halted in December, 2011 due to various agitation & protests, raising downstream impact and safety related issues and also, petitions were filed in National Green Tribunal (NGT) subsequently. Hon'ble NGT dismissed all the petitions and cleared the project vide order dated July 31, 2019 and the construction work of the Project resumed w.e.f. October 15, 2019. Meanwhile, Memorandum of Agreement (MoA) with Govt. of Assam and PPA with Govt. of Arunachal Pradesh were signed in August, 2019. PPA with other beneficiary states are already in place.

SALIENT FEATURES:

Location	River Subansiri near North Lakhimpur on Assam & Arunachal Pradesh border
Dam	Concrete Gravity Dam (116 m high, 271 m wide, 284 m long)
HRT	8 Nos., 9.5 m dia, horse shoe shaped, 7102 m total length
Power House	Surface, 285 m x 61 m x 64 m housing 8 units
Spillway Radial Gates	9 Nos., 11.5 m x 14.0 m
Pressure Shaft	8 Nos., Vertical 48 m deep. (Circular, Dia varying from 9.5 m to 7 m and length 209 m to 231 m)
Gross Head	91 m
Annual generation	7422 MU in a 90% dependable year

Following are the unique features of Subansiri Lower HE Project:

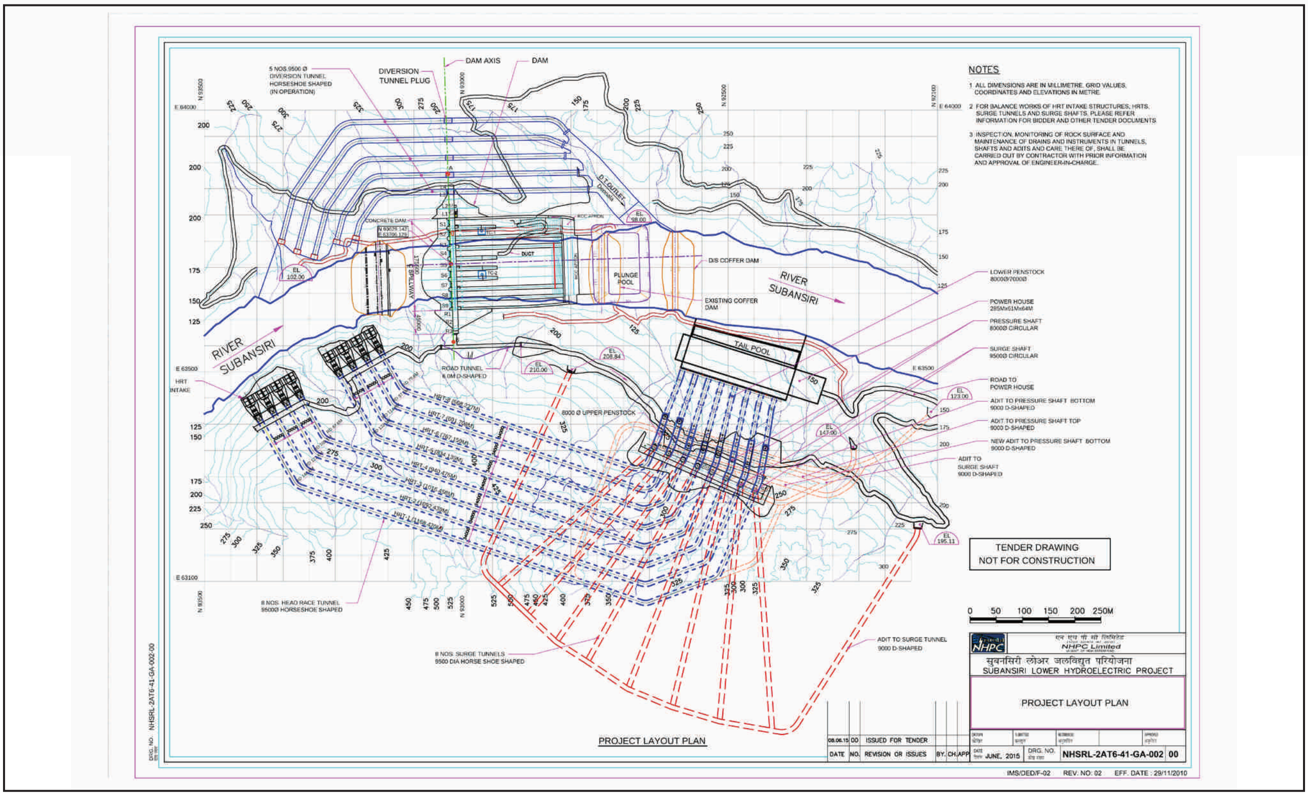
- The project involves 1200 TPH aggregate processing plant which is the largest such plant commissioned in India so far in a hydroelectric project. Also, it has a 300 m span conveyor bridge over river Subansiri which is longest span conveyor bridge in India.
- The concrete batching and mixing plant consist of 880 cum capacity plants, a twin shaft mixing plant, and a chilling and ice plant from KTI Germany. This is the single largest batching and mixing plant for Dam construction in India.
- Rotec's Tower belt System used first time in India for concreting of Dam of Subansiri Lower HE Project.
- Biggest Radial gates in terms of size and head combination (11.5 m x 14.0 m) and effective head of 64 m.
- Unique feature of 8 lanes of pressure shafts each having 8 m dia, 10 numbers Diversion Tunnel gates and 24 numbers draft tube gates.
- The Generator of Subansiri Project is the largest capacity hydro generator of the country with its MVA rating of 306 MVA
- The Rotor is the biggest equipment ever handled in a hydro power plant with its weight of 620 ton and diameter of approx. 11.45 m
- The Stator of the Project is the largest in the Country in term of its weight of 395 ton and bore dia. of 11.5 m
- The runner of the project is the heaviest Francis Turbine runner of the Country in its category with its weight of approx. 105 ton
- The Main Inlet Valve with its weight of about 355 ton and dia of 7m is the biggest main inlet valve in the Country
- The 420 KV GIS with total 22 number of bays shall be the biggest GIS of the Country in any of the hydro projects in the Country.

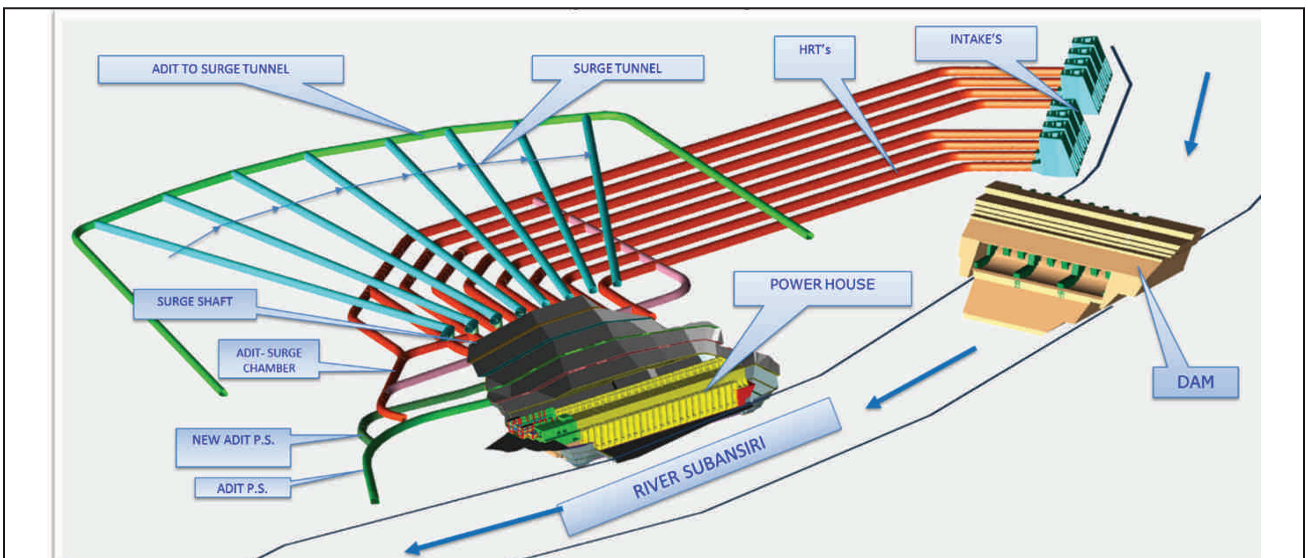
The power allocation from the project is as tabulated below:

Assam (25* + 508)	533 MW
Arunachal Pradesh (240* + 34)	274 MW
Other North Eastern States (Manipur, Meghalaya, Nagaland, Tripura & Mizoram)	198 MW
Northern States (Haryana, Punjab, Rajasthan, U.P & Chandigarh)	387 MW
Western States (Gujarat, M.P, Chhattisgarh, Maharashtra & Goa)	613 MW
TOTAL	**2000 MW**

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

PROJECT LAYOUT





3D VIEW OF PROJECT

STATUS OF MAJOR WORKS:

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

Power House & Underground Structure: M/s Patel Engineering Ltd. since September, 2020 (M/s L&T was engaged earlier till foreclosure in 2015),

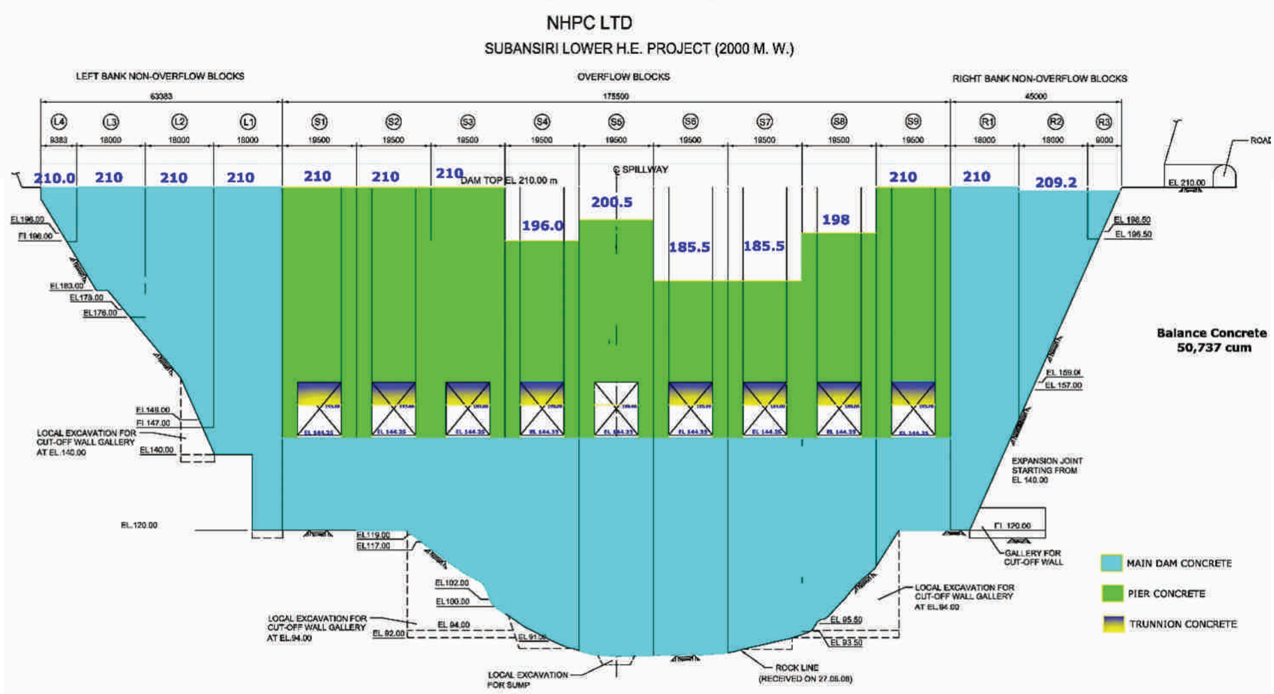
Hydro Mechanical Works: M/s Texmaco Rail & Engineering Ltd., Kolkata and

Electromechanical Works: Consortium of GE Hydro France and GE Power India Limited.

The works at different work packages are going on full swing since resumption of work in October, 2019 despite various hindrances faced from time to time. More than 5000 labours have been engaged in the project on daily basis to carry out the construction / erection works. As on June 26, 2023, about 99.80% of Dam concreting has been achieved. Further, HRT excavation has been completed and Overt lining has also been completed. Power House concreting of 90.55% has been achieved which includes completion of civil work of Unit # 1&2. Major supplies of HM and E&M equipment have been completed and erection activities are at advanced stages. Boxing of Unit # 1 has been completed on June 13, 2022 and for Unit # 2, 86% work has been completed. HRT Intake Gates have been installed and erection of Radial gates and Draft tube gates including Pressure shaft liner works are progressing expeditiously. The overall progress of all project works at present is approx. 90%. Component wise progress of the project as on March 31, 2023 is as under:

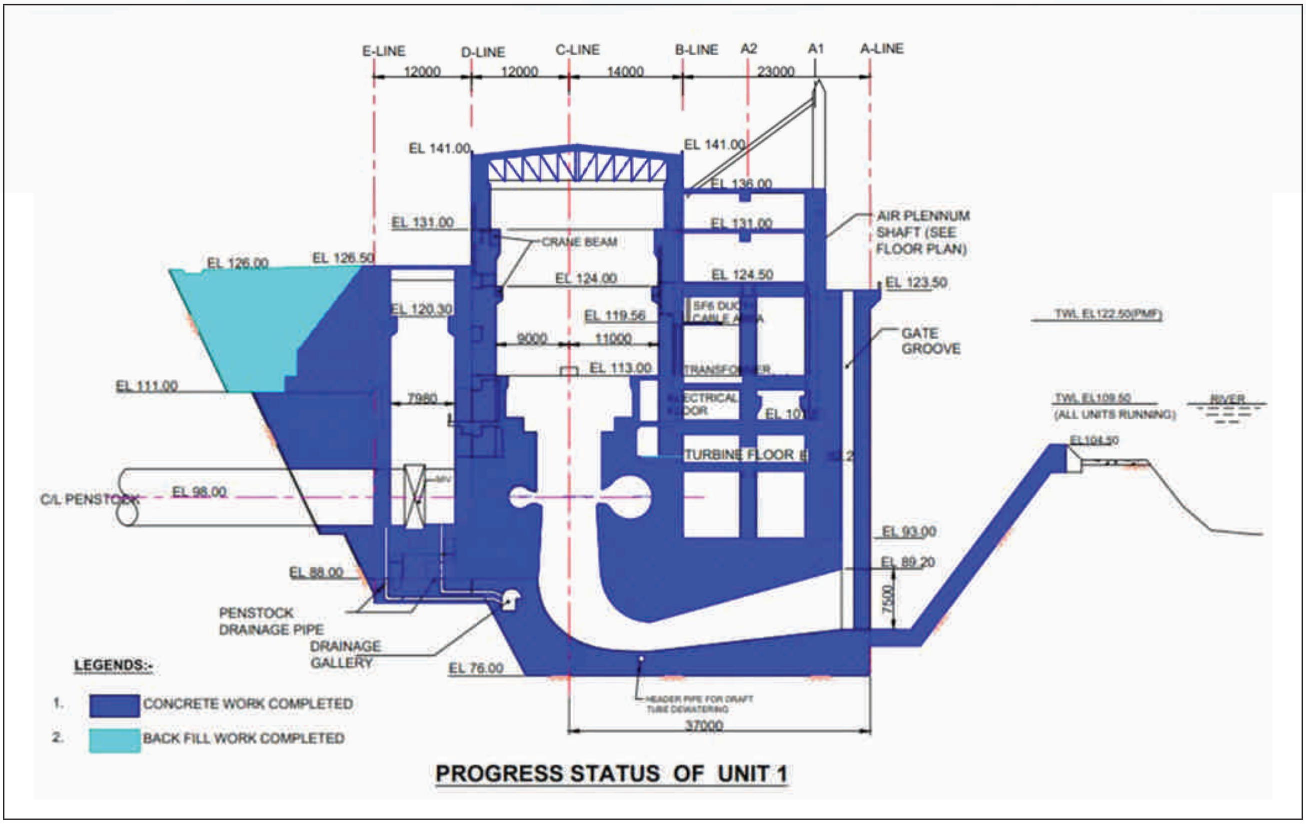
Sr. No.	Activity	Unit	Total qty.	Cum. Progress	% Completion
1	Dam Concrete	Cum	2056804	2006068	98
2	Power House Concreting	Cum	512000	415005	81
3	HRT Heading	RM	7102	7102	100
4	HRT Benching	RM	7102	7102	100
5	HRT Overt	RM	7102	7046	99
6	HRT Invert	RM	7102	6820	96
7	Surge Tunnel Heading	RM	3545	3456	97
8	Surge Tunnel Benching	RM	3545	3253	92
9	HM Works	Supply: 92%, Erection: DT- 100% Intake gate - 95%, PS Liner – 77%			
10	E&M Works	Supply: 97%, Erection: Unit #1 - 90 %, Unit #2 - 83 %, Unit #3 - 17%, Unit #4 - 10%, Unit #5 - 10 %, Unit #6- 7 %, Unit #7 – 3%			

Dam

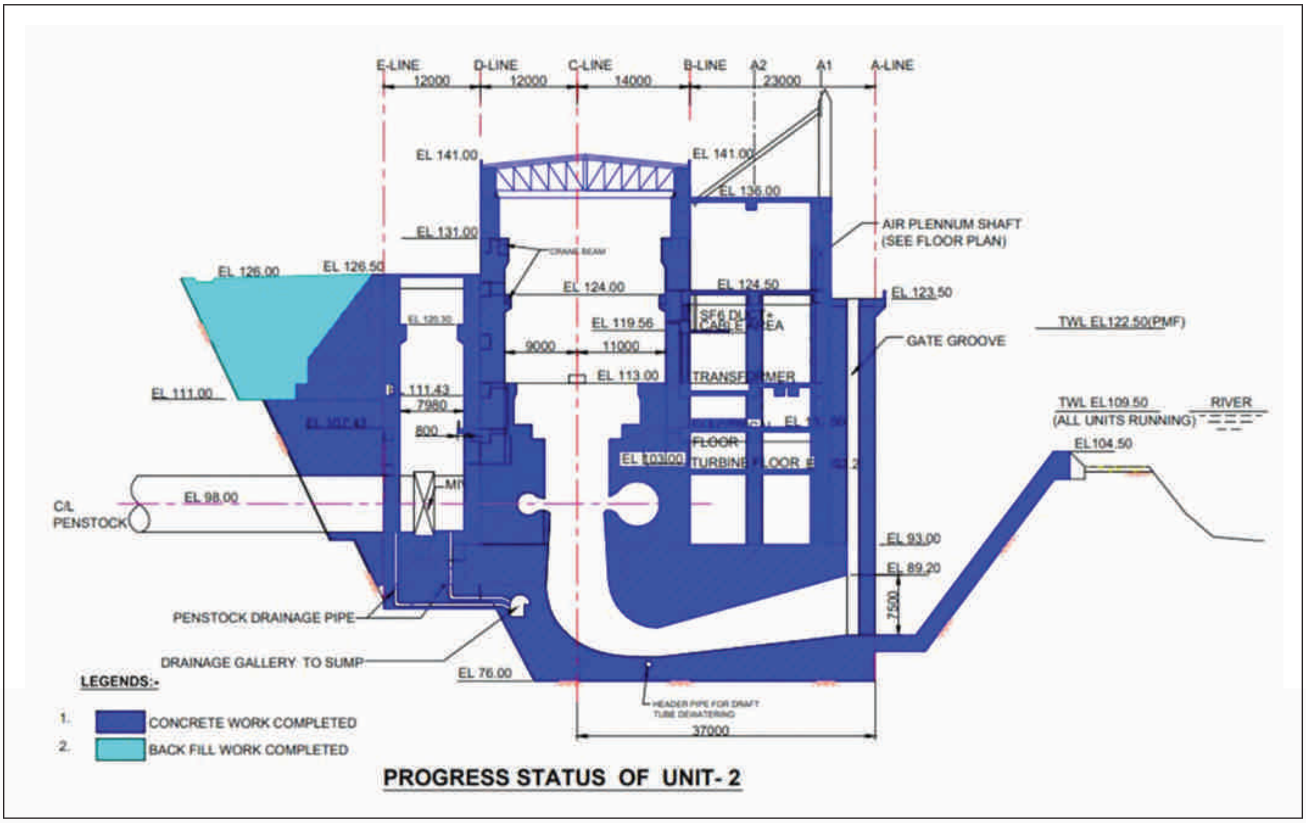


Up-Stream Sectional View of Main Dam Concrete (as on 31.03.2023)

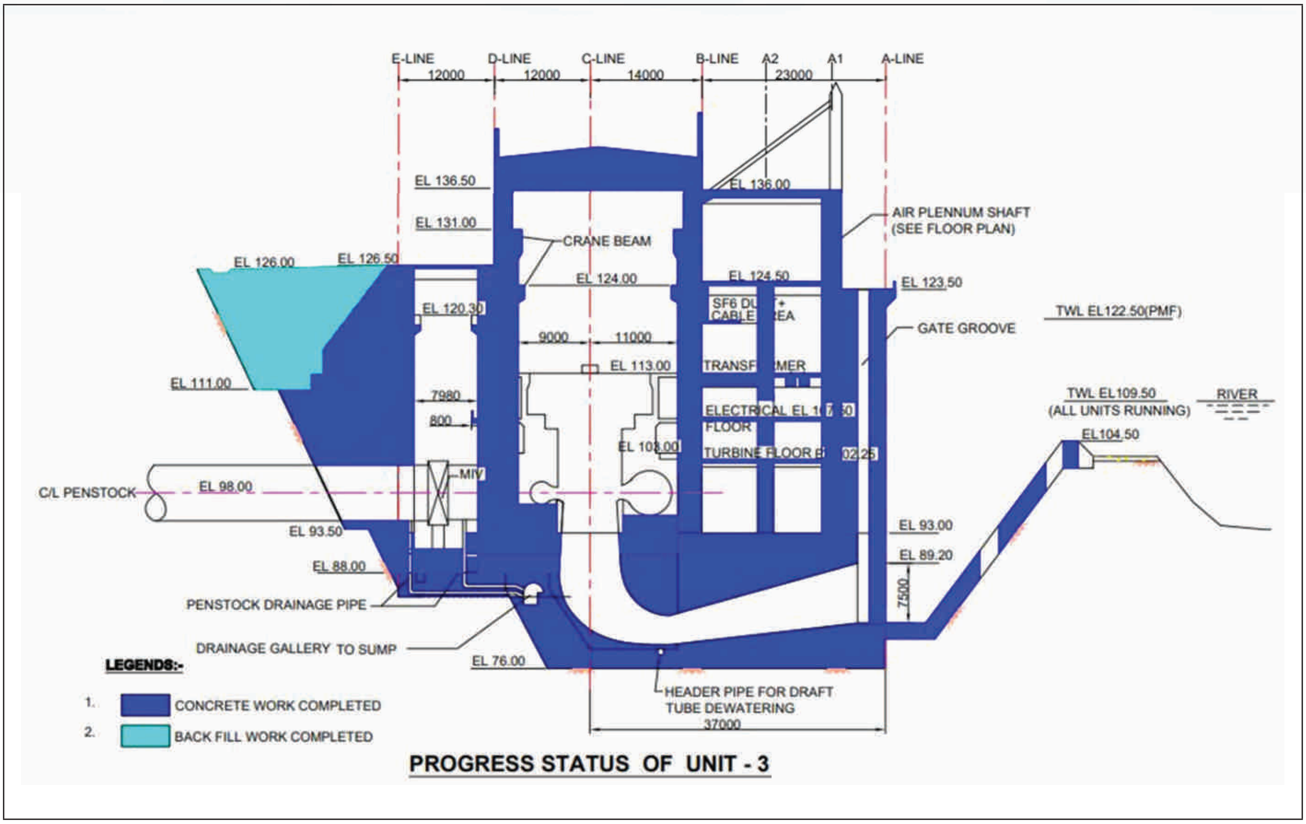
Power House



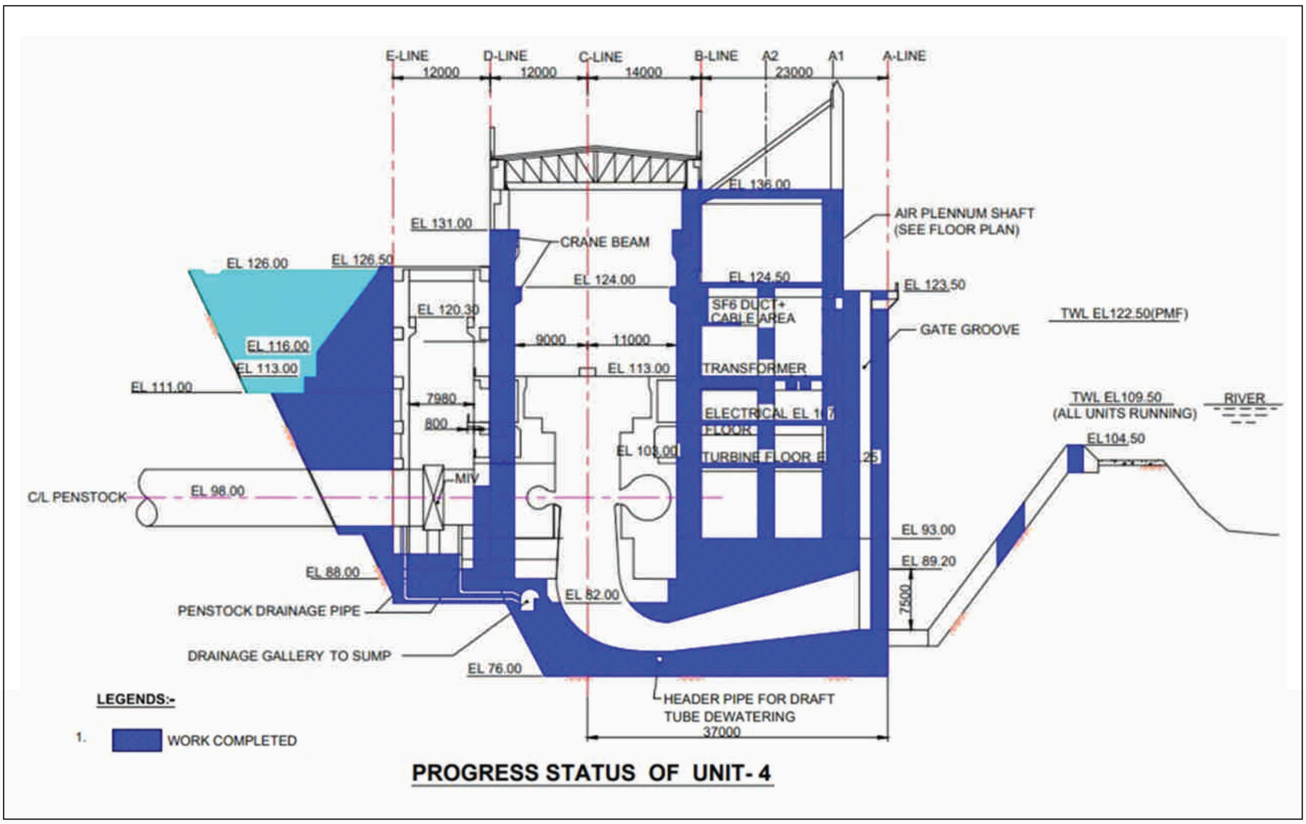
Power House Unit-1 as on 31.03.23



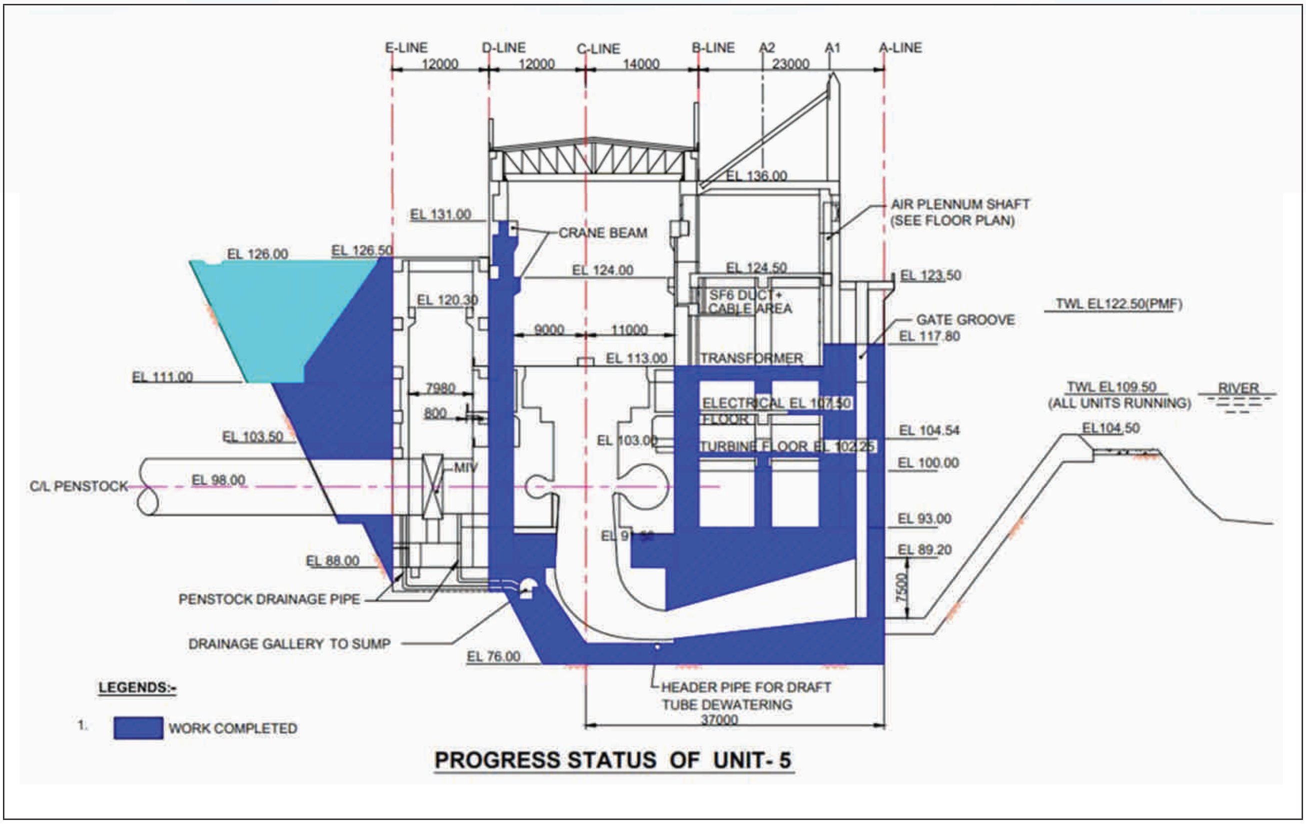
Power House Unit-2 as on 31.03.23



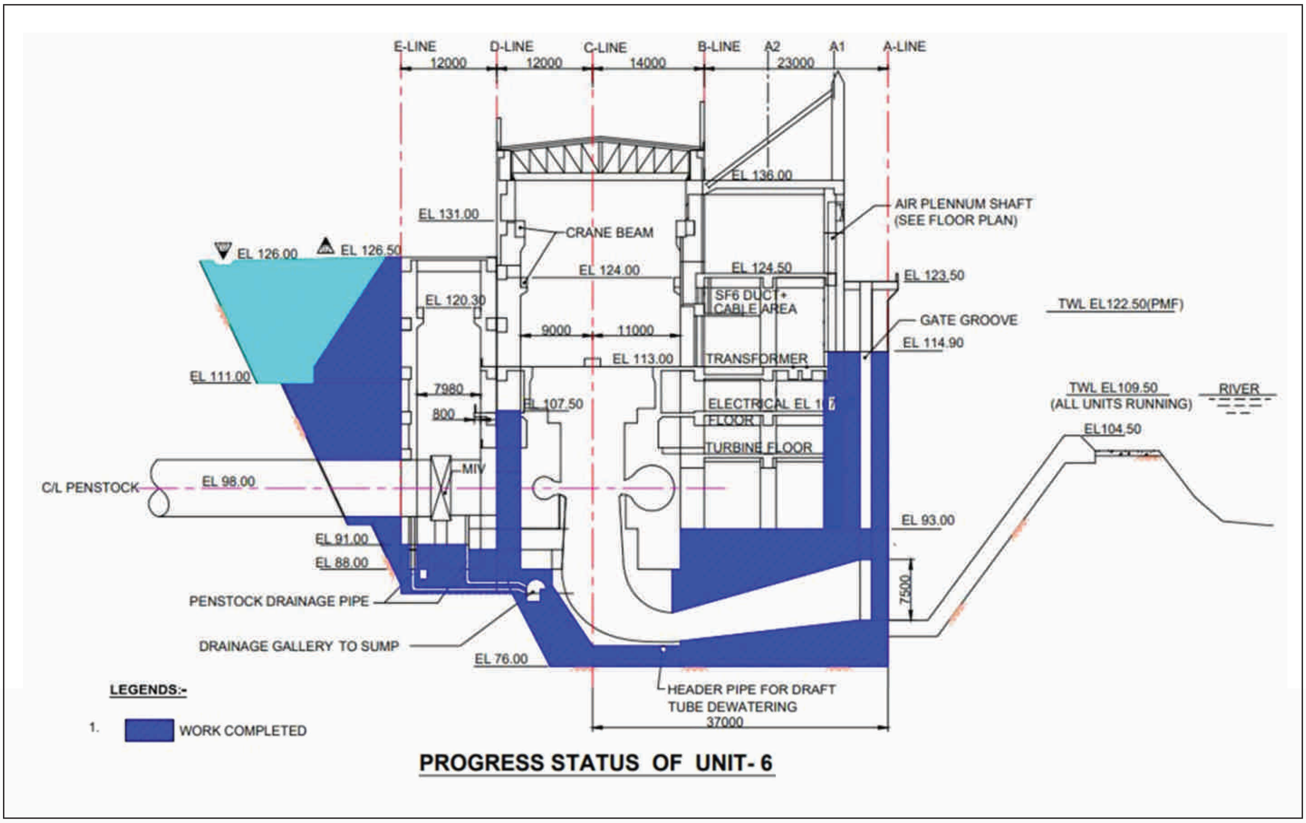
Power House Unit-3 as on 31.03.23



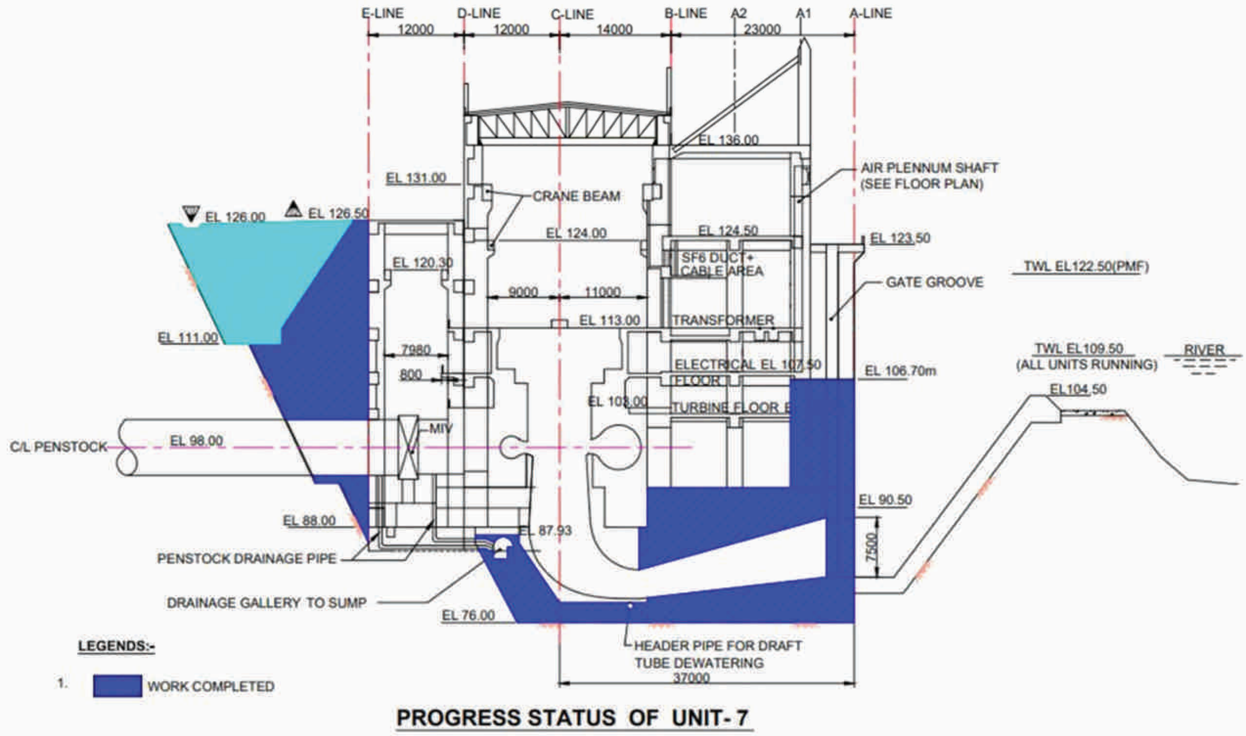
Power House Unit-4 as on 31.03.23



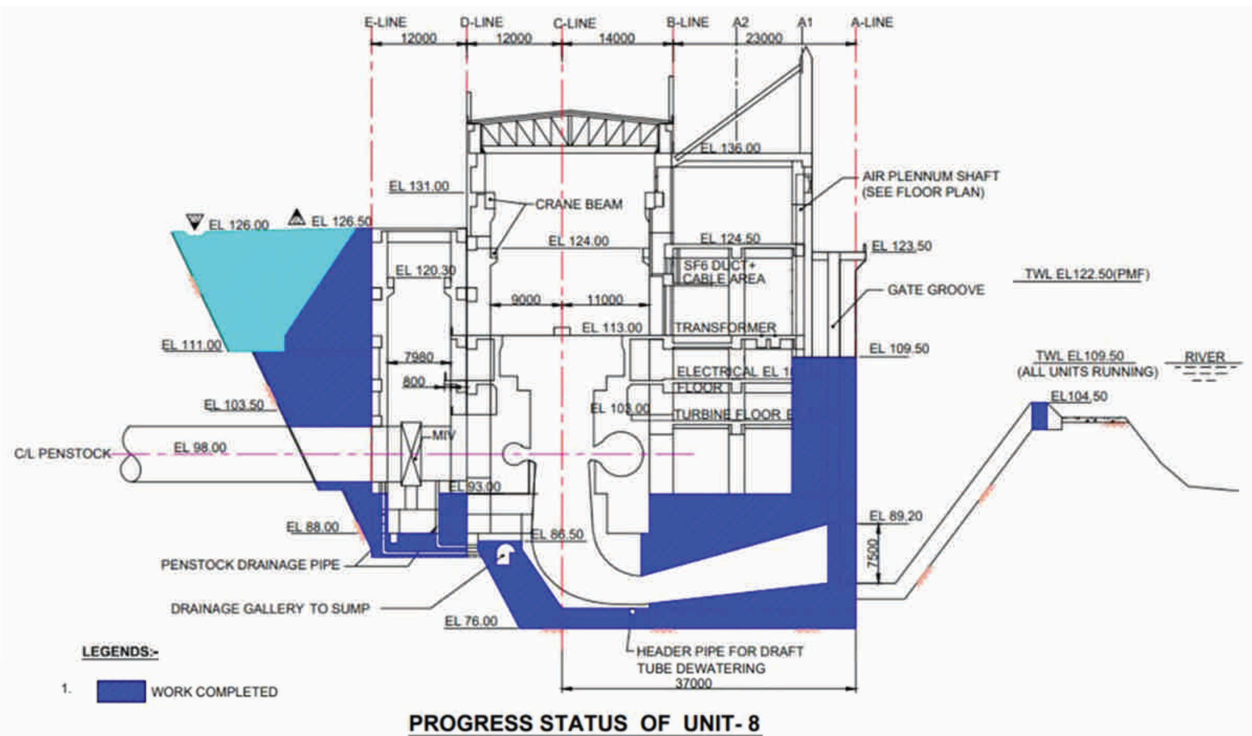
Power House Unit-5 as on 31.03.23



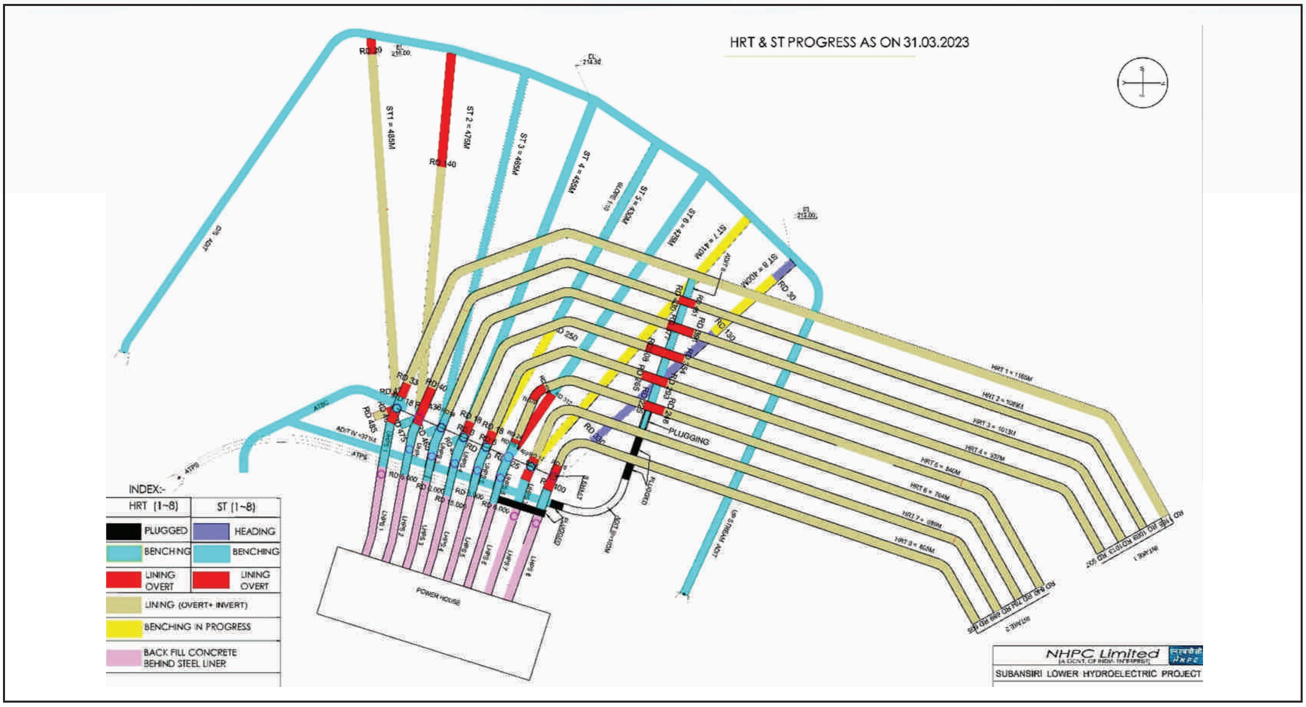
Power House Unit-6 as on 31.03.23



Power House Unit-7 as on 31.03.23



Power House Unit-8 as on 31.03.23



HRT & ST Status as on 31.03.23

Since resumption of works in Oct, 2019, the project has faced numerous major challenges including unprecedented rainfall in the region during last week of March, 2022 to Sep-Oct, 22, which have adversely affected the progress of work in different work packages. Project progress severely disrupted due to Heavy rains and flood during Sep-Oct-2022 on the upstream side which caused overtopping of the Dam and causing cavity formation at Diversion Tunnels inlet area as well as collapse of access road to upstream of Dam. Coffer wall of Power House also got severely damaged resulting in partial flooding of Power House.

All the civil works as well as E&M and Hydro-mechanical works are at advance stages of completion. All attempts and necessary measures are being taken to complete the balance works and commissioning of the project at the earliest.

In addition to implementation of major works of project, Subansiri Lower Project is also implementing downstream protection works upto 30 km downstream of dam and downstream developmental works for safety and uplifting the living status of local people in downstream of dam through various livelihood intervention engaging Institute of Rural Management, Anand, Gujarat. Further, various Corporate Social Responsibility and Sustainable Development programs have been implemented for welfare of the local populace of Assam / Arunachal Pradesh.

The Project would provide a great relief from flood devastation being faced by the region every year since time immemorial by controlling the flood through regulated discharge of water in river. During flood period (i.e. June, July and August) the reservoir will be operated 15 m below the Full Reservoir Level (FRL) providing a flood cushion of 442 Million Cubic meter i.e. during flood period one third of the reservoir will remain emptied to absorb the flood water.

This project has brought prosperity for local people as well as the region boosting local economy and general improvement in living standard of masses, providing employment to the local youths (approx. 90% of 5,000 people engaged in construction works are local), Indirect employment generated in various forms like deployment of inspection vehicles, contractor, sub-contractors, petty contractors, R&M works and other works.

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

5.1.3 DIBANG MULTIPURPOSE PROJECT – 2880 MW (12 × 240 MW), ARUNACHAL PRADESH

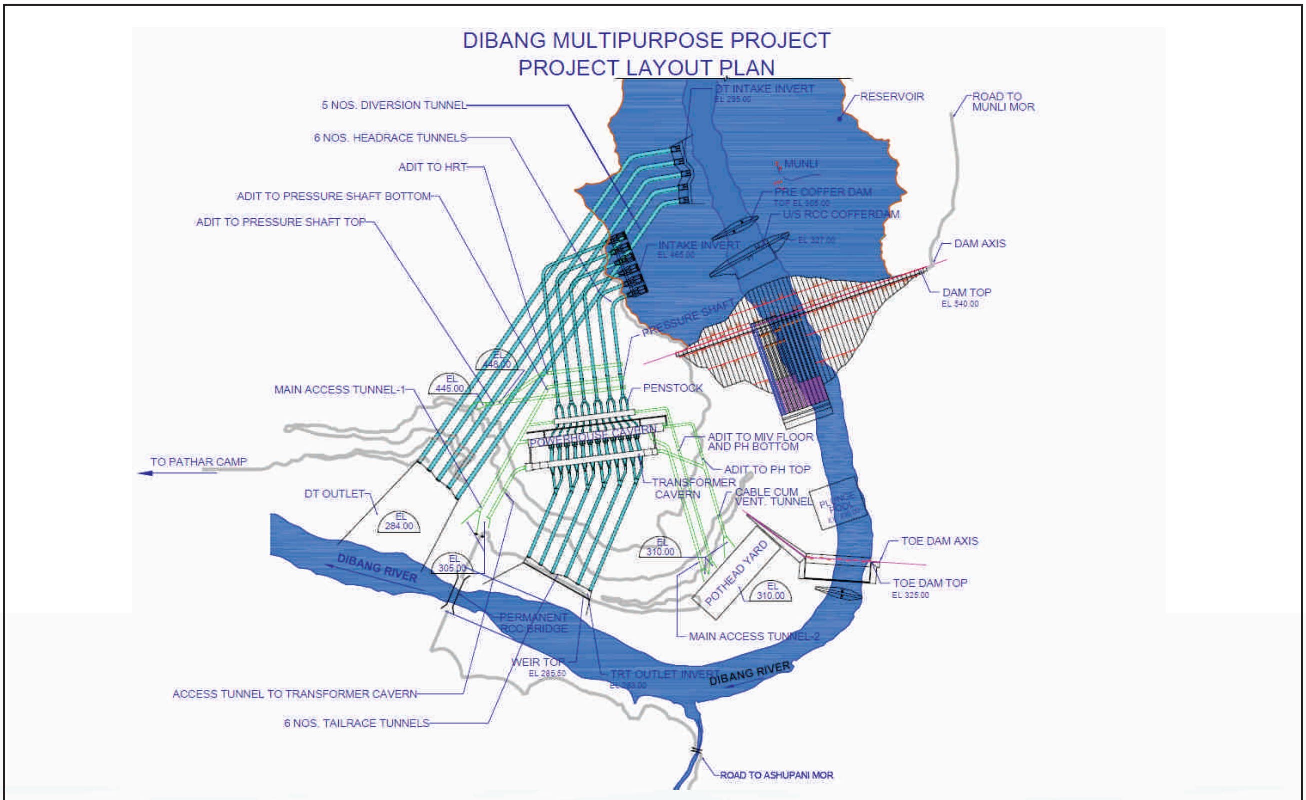
Dibang Multipurpose Project, one of the largest project in the Country, is a hydropower cum flood moderation scheme. The Project envisages utilization of gross head of 230 m by construction of a 278 m high concrete dam across river Dibang. The estimated energy generation with an installed capacity of 2880 MW works out to be 11,223 MUs for the 90% dependable year. In addition, the reservoir created behind the dam will provide flood moderation benefit in the downstream, for which reservoir will be kept 40.10 m below FRL in monsoon period. The back water in the reservoir will travel up to a length of 41 km in Dibang River and its tributaries. The flood moderation will save erosion of agricultural land, damage to crops and further save crores of rupees being spent on flood control measures by the Govt.

SALIENT FEATURES:

Location/District	Village Munli (Dist. Lower Dibang Valley), Arunachal Pradesh
Dam	278 m high, 798 m long concrete gravity
Power House	Underground of size 24.5 m (W) x 56.3 m (H) x 419.0 m (L) housing 12 units of 240 MW each, Francis Turbine
Diversion Tunnel	5 nos. 12 m dia, Horse Shoe Shape (Length: 1,175 m to 1,325 m)
Head Race Tunnel	6 nos, 9 m dia, Horse Shoe Shaped, Concrete Lined (Length: 300 m to 600 m, Total 2,700 m)
Pressure Shaft	6 nos. Steel lined, 7.5m dia, Circular shaped, Inclined (Length: 231 m each)
Penstock	12 nos. Steel lined, 5.2 to 4.0 m dia, Circular shape
Annual Energy	11,223 MUs.
Reservoir Capacity	Gross Storage – 3,510.0 Mcum at MWL
	Gross Storage – 3,247.9 Mcum at FRL
	Live Storage – 1,282.6 Mcum at FRL

STATUS OF MAJOR WORKS:

- As on date Possession Certificate of land received is 1519.59 ha (99.91%) in Lower Dibang Valley and 1701.23 ha (98%) in Dibang Valley District by the Project for Project Construction Components.
- One number of Civil Package i.e. Lot II (Construction of Access Roads to Projects Dam Site, Left Bank Road Network, Dibang Bridges, Dam Site Right Bank Road Network and Temporary Haulage Road to Pathar Camp from ADC Morh including all Civil And HM Works of Diversion Tunnel) has been awarded on the day of CCEA approval i.e February 27, 2023. Other Civil, HM, E&M packages are in different stages of tendering.



Project Layout

5.2 UNDER WHOLLY OWNED SUBSIDIARIES:

5.2.1 Teesta Stage-VI HE Project: 500 MW (4 x 125 MW) Sikkim under Lanco Teesta Hydro Power Limited (LTHPL):

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

SALIENT FEATURES:

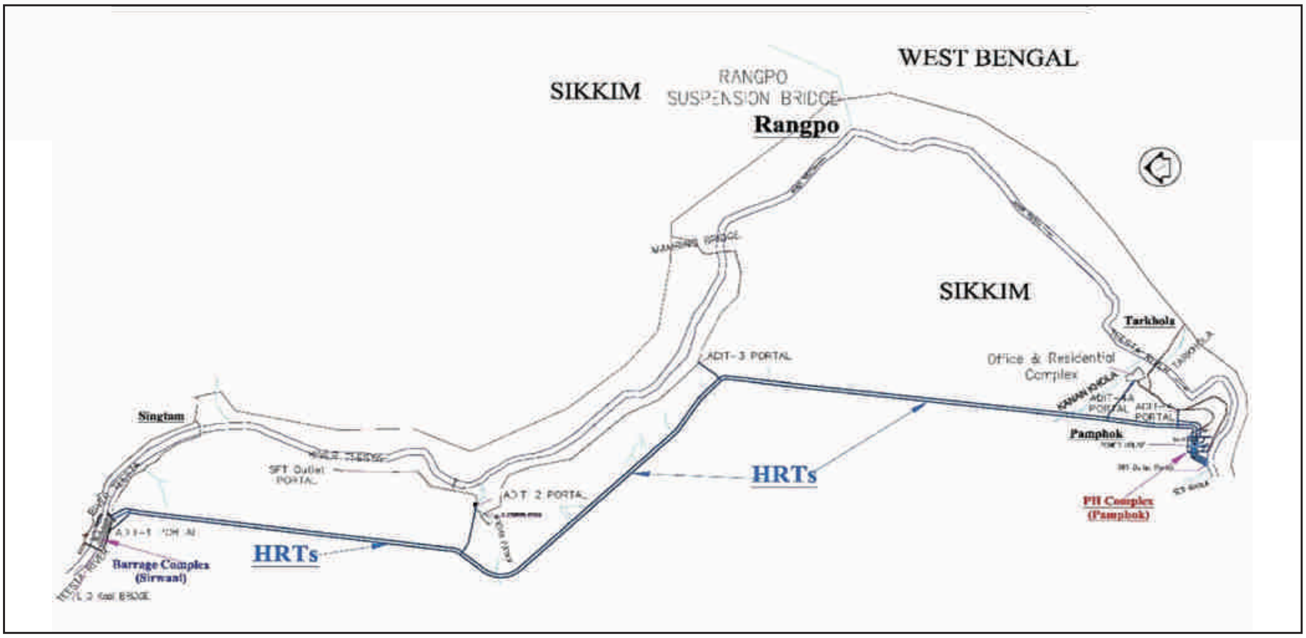
Location	River Teesta, Barrage at Sirwani, Power House at Tarkhola, Sikkim.
Barrage	26.5 m high, 105 m long, 5 No. Radial Gates 15 m (W) x 17.5 m (H)
HRT	2 nos. HRT, D-Shape 8 m dia., Length 71 m & 92.6 m, Modified Horse Shoe-Shape 9.8 m dia. Length 13712 m & 13815 m.
Pressure Shafts	4 nos. Pressure Shafts, 5.4 m dia. (steel lined), length varying from 151 m to 198 m
Surge Shaft	2 no, 16 m dia., 89.30 m depth
Power House	Underground, 142.75 m (L) x 18.5 m (W) x 52.44 m (H), 4 units of 125 MW each
TRT	04 nos. (8.5 m X 7.5 m), D Shaped, each 247 m length.
Gross Head/ Annual Generation	116 m / 2400 MUs.

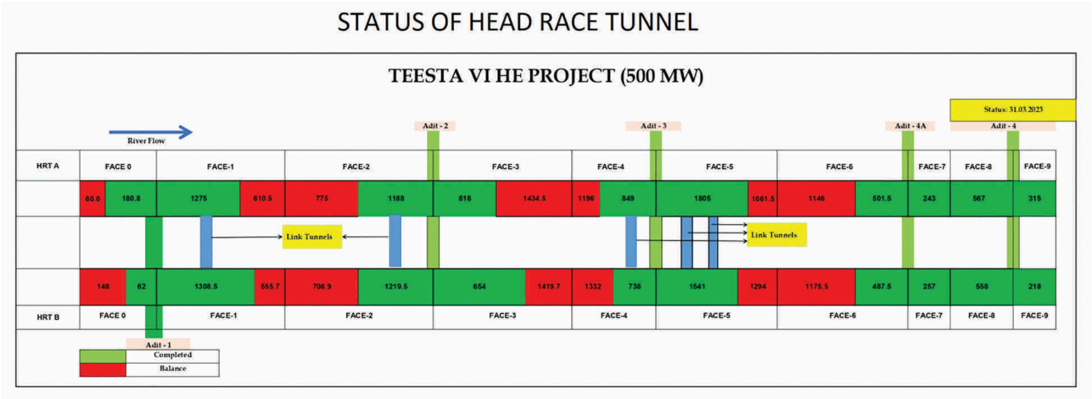
STATUS OF MAJOR WORKS:

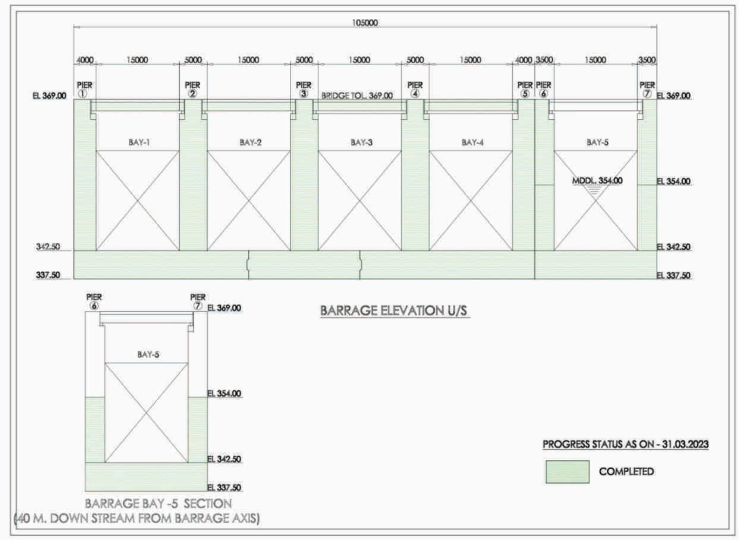
The Construction works of Barrage, Excavation of HRT and Power House works are in full swing, despite various hindrances faced from time to time. As on March 31, 2023 the overall progress of the project is 50.68%.

S. No.	Activity	Unit	Total	Cumm Progress	Progress %
1	Barrage & Head Regulator Concreting	Cum	250997	232108	92
2	Desilting Basin Concreting	Cum	257081	84642	33
3	HRT Heading Excavation	RM	27511	14331	52
4	HRT Benching Excavation	RM	27511	3728	14
5	HRT Overt Concrete Lining	RM	27511	3314	12
6	HRT Invert Concrete Lining	RM	27511	1338	5
7	Power House Excavation	Cum	366090	366090	100
8	HM Works	%	100	57.39	57.39
9	E&M Works	%	100	44.20	44.20

PROJECT LAYOUT:

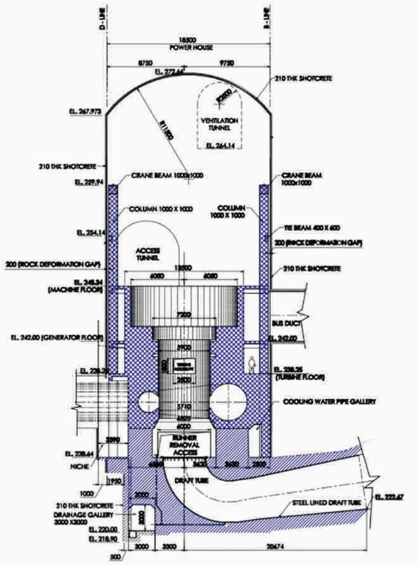




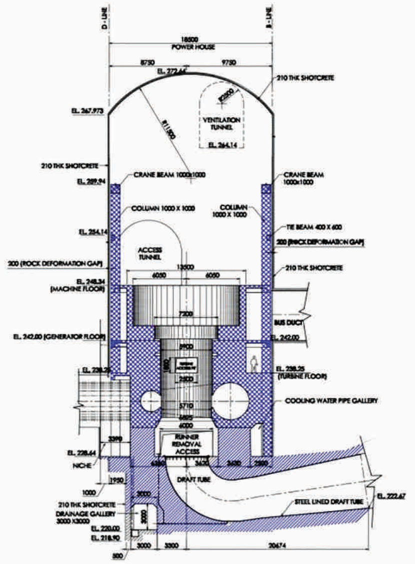


Status of concreting at Power House

STATUS OF POWER HOUSE



CROSS SECTION OF UNIT # 1

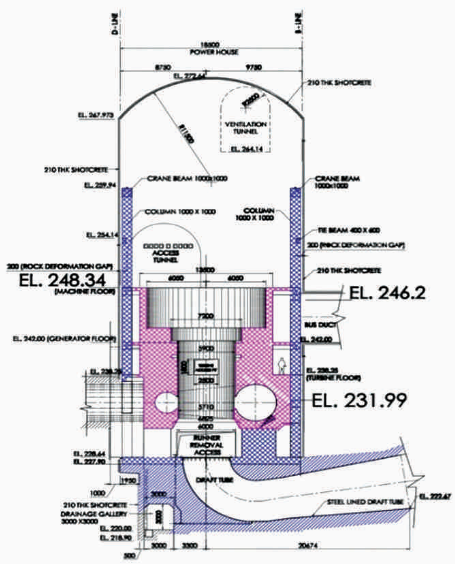


CROSS SECTION OF UNIT # 2

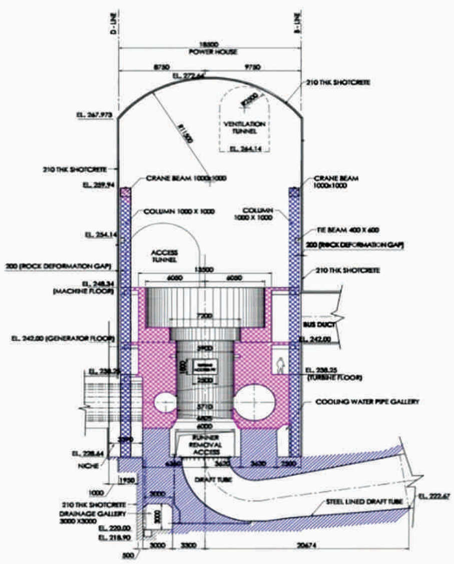
BALANCE CONCRETE   COMPLETED CONCRETE

SCALE:- 0 2.5 5.0 7.5 10.0 12.50 M.

STATUS OF POWER HOUSE



CROSS SECTION OF UNIT # 3



CROSS SECTION OF UNIT # 4

BALANCE CONCRETE   COMPLETED CONCRETE

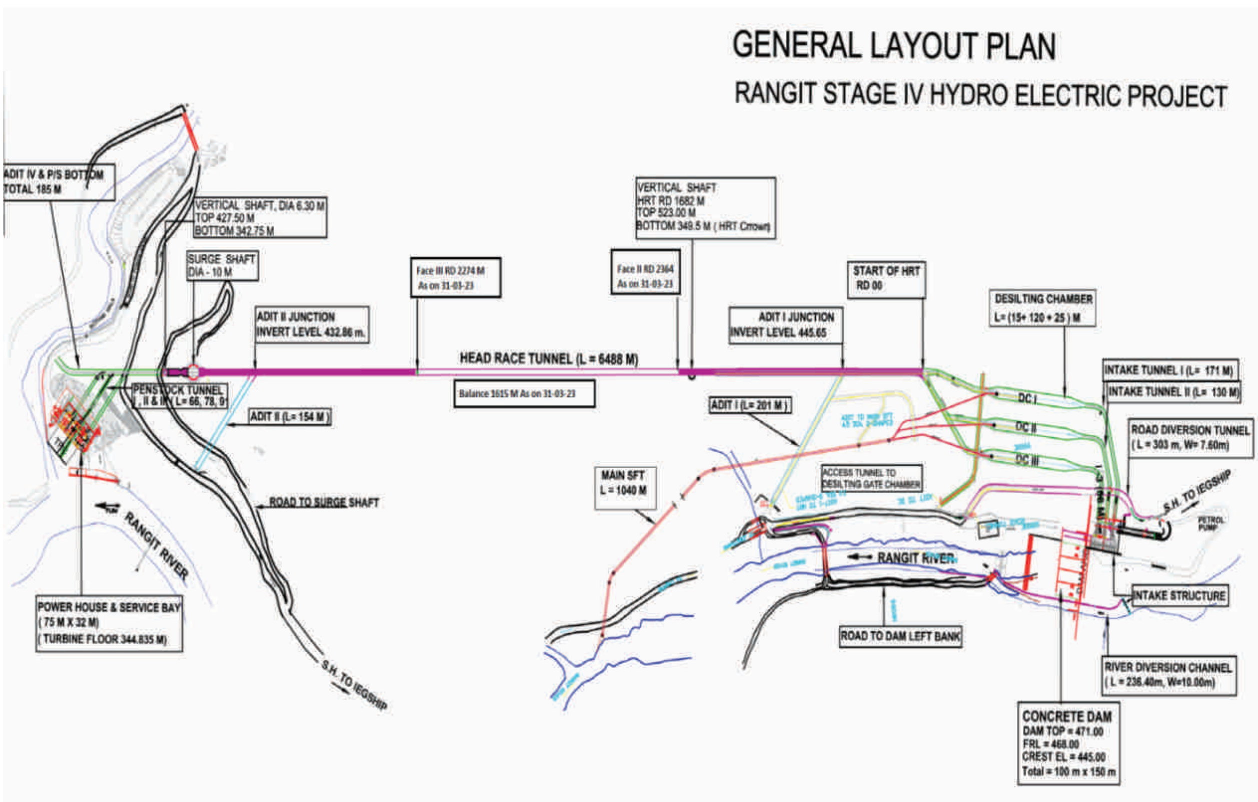
SCALE:- 0 2.5 5.0 7.5 10.0 12.50 M.

5.2.2 Rangit-IV HE Project: 120 MW (3 x 40 MW) under Jalpower Corporation Limited (JPCL):

JPCL was acquired by NHPC through CIRP in March, 2021 and is a wholly owned subsidiary of NHPC developing Rangit-IV HE Project in Sikkim. The project is located on Rangit River near Rishi village, West Sikkim and is a run of the river scheme envisages construction of a 44 m high concrete gravity dam to generate 120 MW (3 x 40 MW) of power. The estimated design energy of the project is 507.88 MUs in a 90% dependable year.

SALIENT FEATURES:

Location/District	Rishi village, West Sikkim, Sikkim
Dam	44 m high concrete gravity dam
Head Race Tunnel	1no., 6.4 m dia., 6488 m length modified horse shoe shaped
Surge Shaft	1no., restricted orifice type, semi- underground, 18 m dia.
Pressure Shaft	1 no., 5.5 m dia., Circular, Steel lined, Underground
Power house/ No. of unit & size/Turbine	Surface, 3 units of 40 MW each, Francis Turbine
Net Head	103.67 m
Annual generation	507.88 MU (90% dependable year)

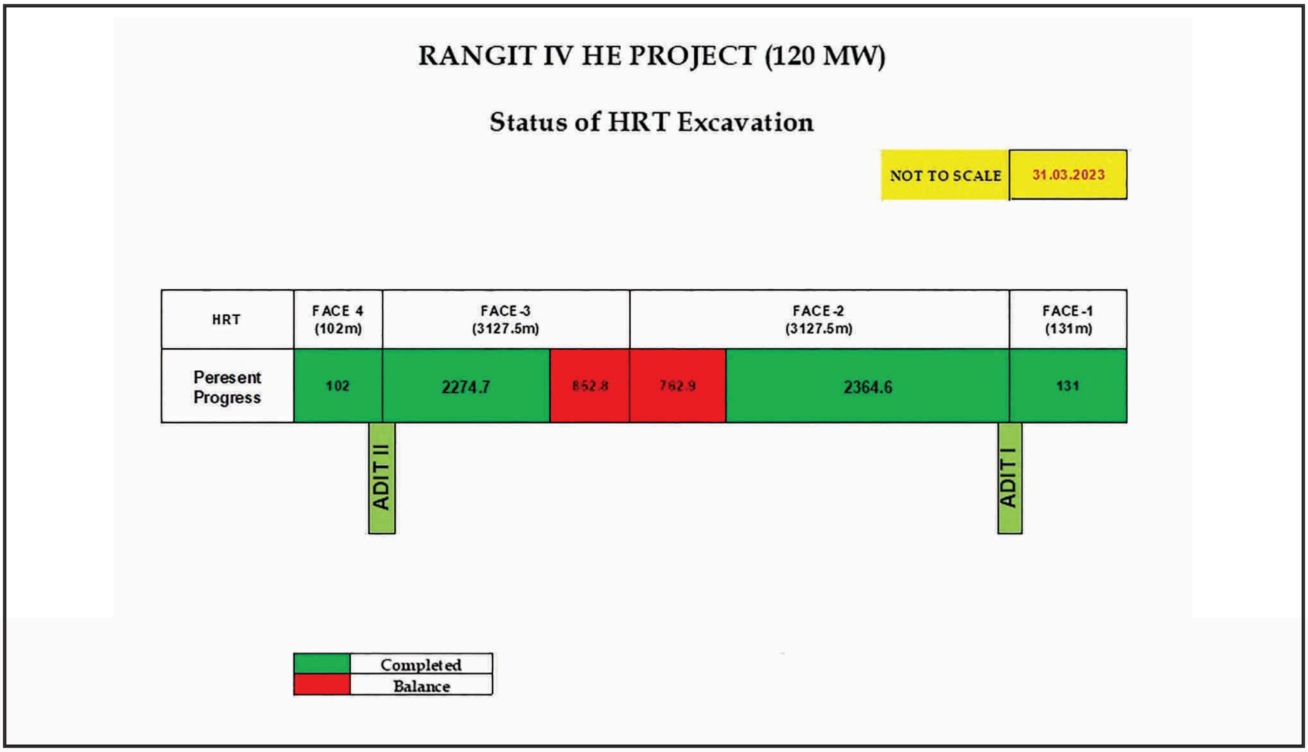


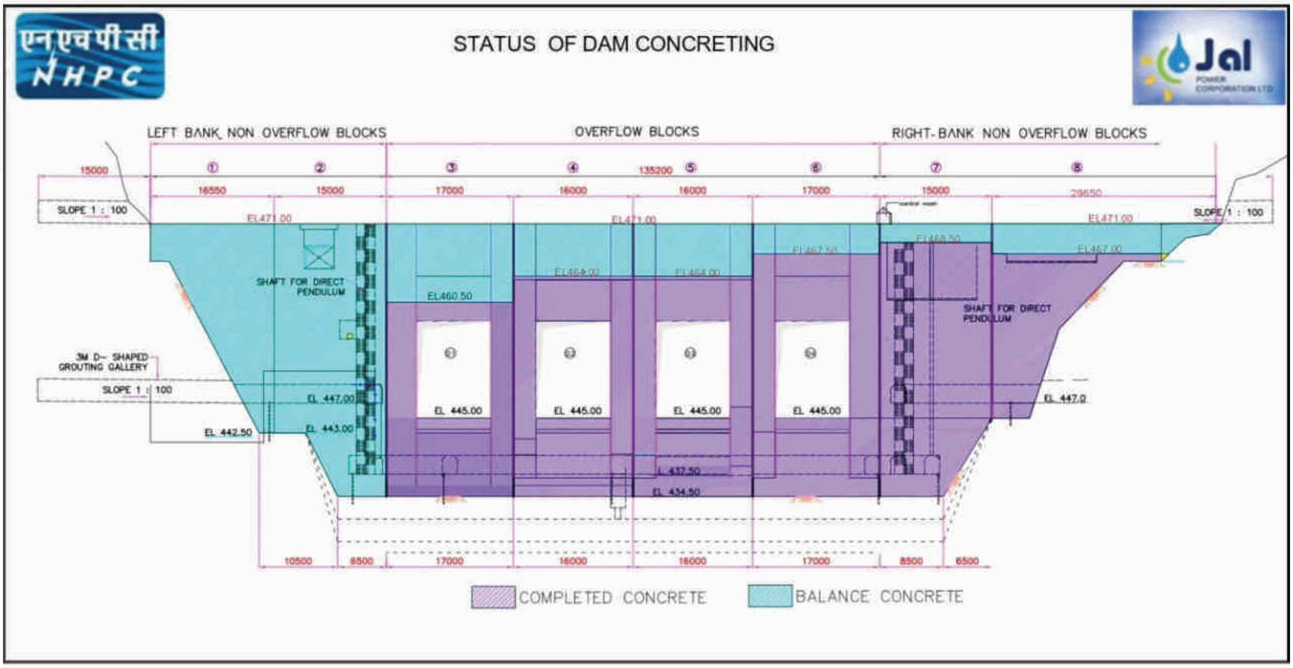
PROJECT LAYOUT

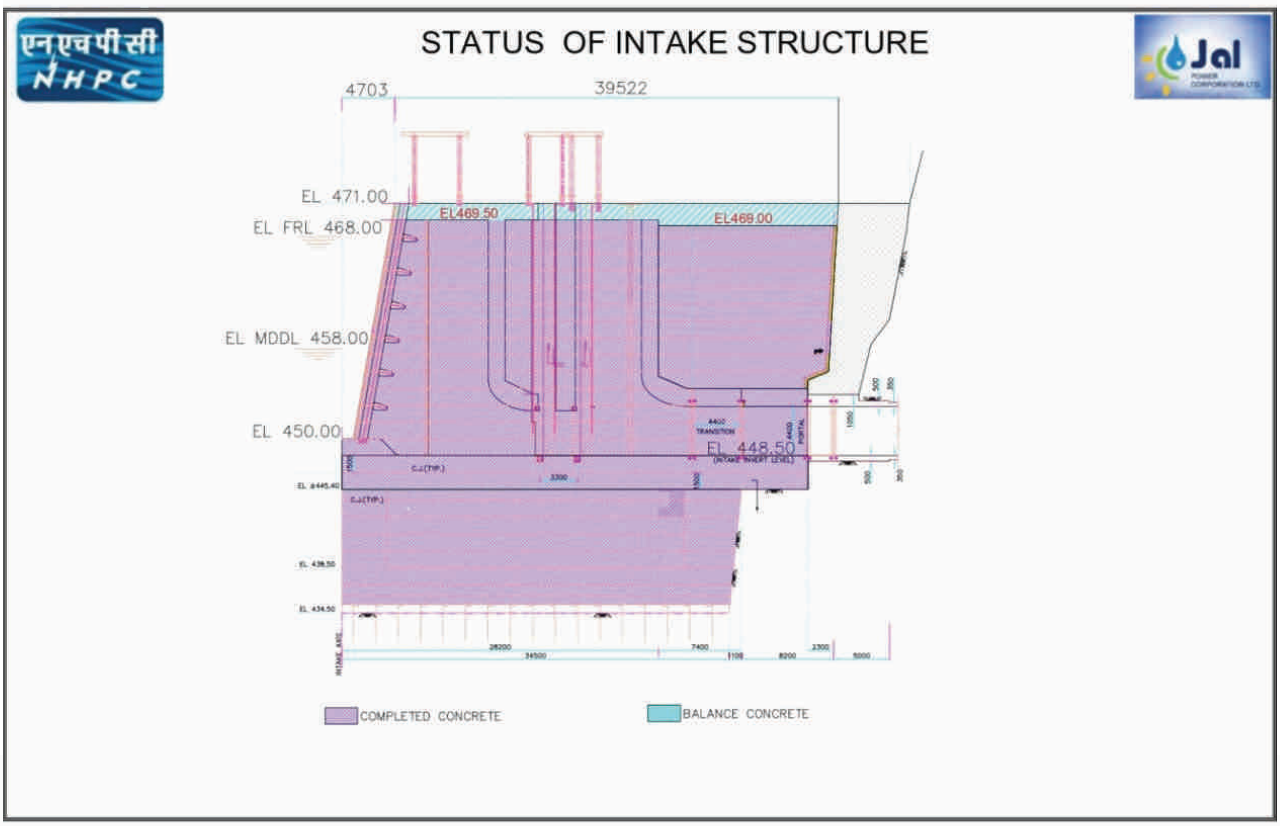
STATUS OF MAJOR WORKS:

The Construction works of Barrage, Excavation of HRT and Power House works are in full swing, despite various hindrances faced from time to time. As on March 31, 2023 the overall progress of the project is 63.47%.

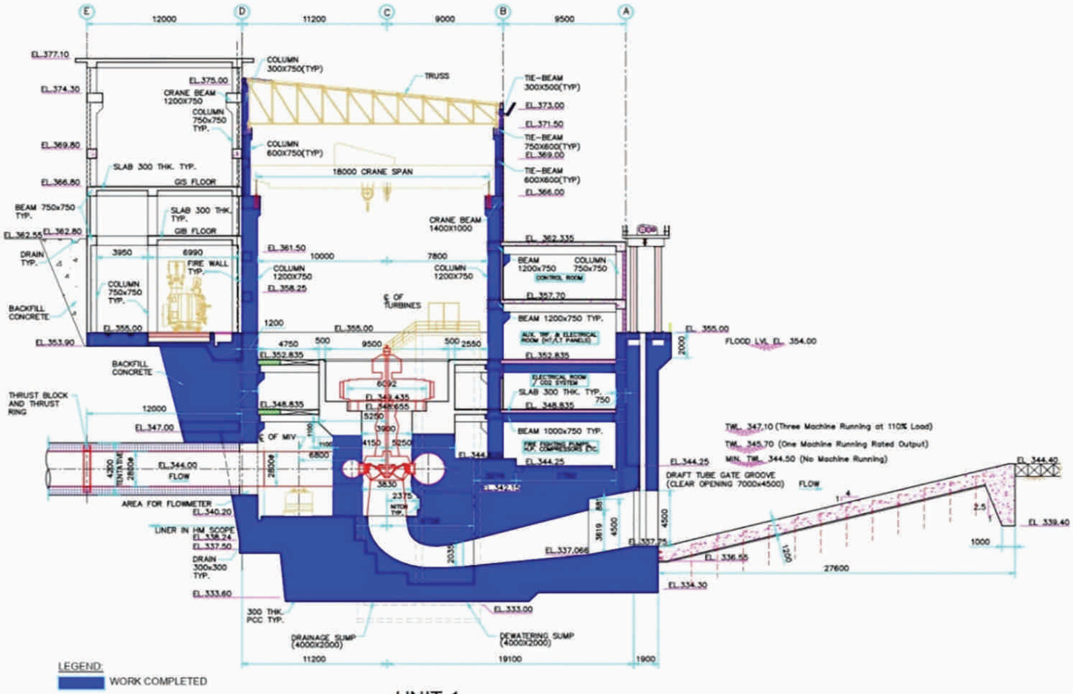
S. No.	Activity	Unit	Total	Cumm Progress	Progress %
1	Dam & Intake Excavation	Cum	492775	449664	91.25
2	Dam & Intake Concreting	Cum	173229	148927	85.97
3	Desilting Chamber Excavation	RM	3360	2667	79.37
4	Desilting Chamber Concreting	RM	3360	1496	44.53
5	HRT Heading Excavation	RM	6488	4872	75
6	HRT Benching Excavation	RM	6488	4791	73.85
7	HRT Overt Concrete Lining	RM	6488	654	10.0
8	HRT Invert Concrete Lining	RM	6488	0	-
9	Surge Shaft Concreting	RM	59	45	76.72
10	HM Works	%	100	16.40	16.40
11	E&M Works	%	100	33.03	33.03




STATUS OF DAM CONCRETING
LEFT BANK NON OVERFLOW BLOCKS
OVERFLOW BLOCKS
RIGHT-BANK NON OVERFLOW BLOCKS
SHAFT FOR DIRECT PENDULUM
3M D- SHAPED GROUTING GALLERY
SLOPE 1 : 100
EL 471.00
EL 460.50
EL 445.00
EL 447.00
EL 443.00
EL 442.50
EL 447.0
COMPLETED CONCRETE
BALANCE CONCRETE

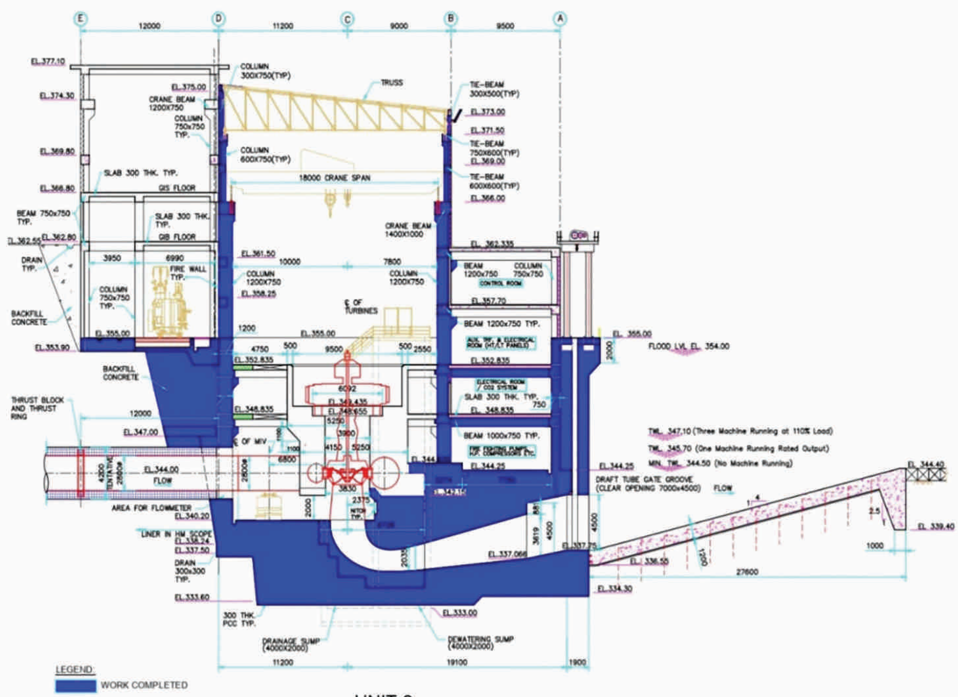

STATUS OF INTAKE STRUCTURE
4703
39522
EL 471.00
EL FRL 468.00
EL MDDL 458.00
EL 450.00
EL469.50
EL469.00
EL 448.50
COMPLETED CONCRETE
BALANCE CONCRETE

RANGIT-IV HYDRO ELECTRIC PROJECT (120 MW)

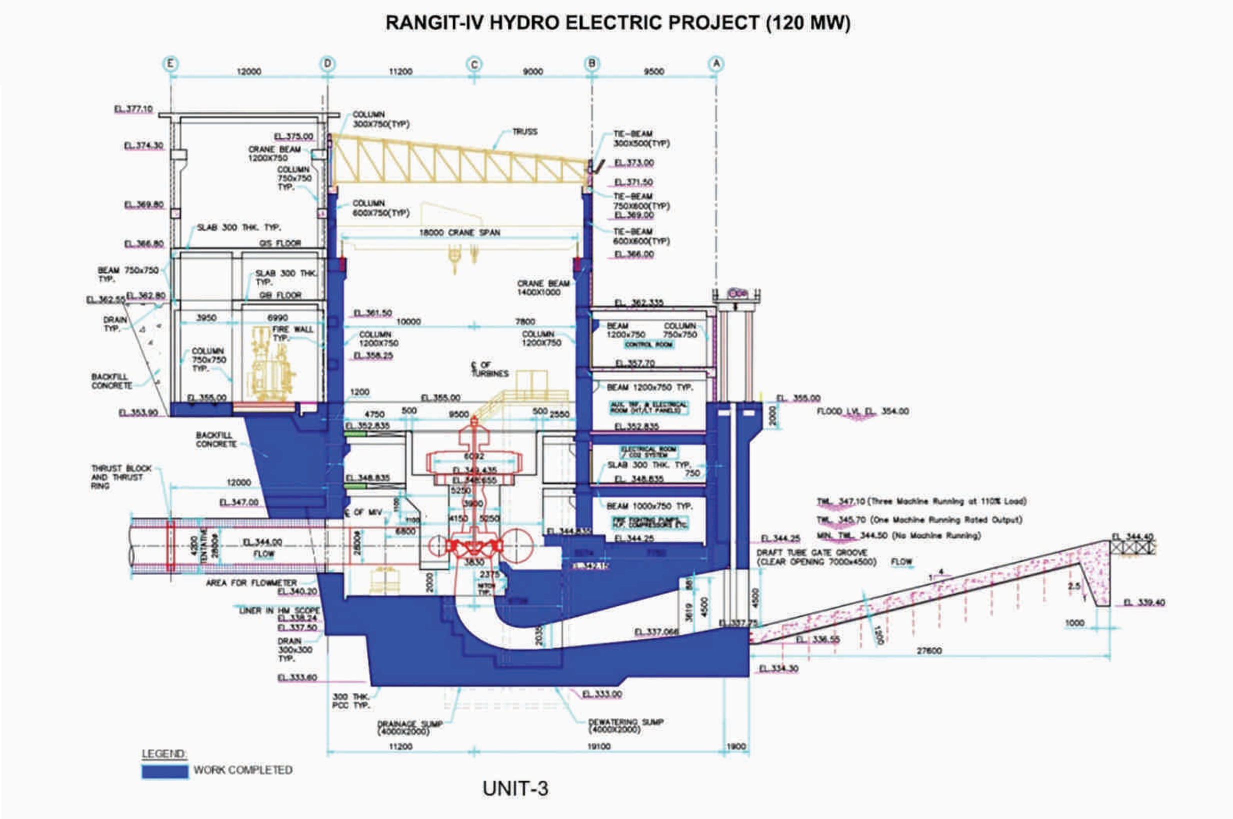


UNIT-1

RANGIT-IV HYDRO ELECTRIC PROJECT (120 MW)



UNIT-2



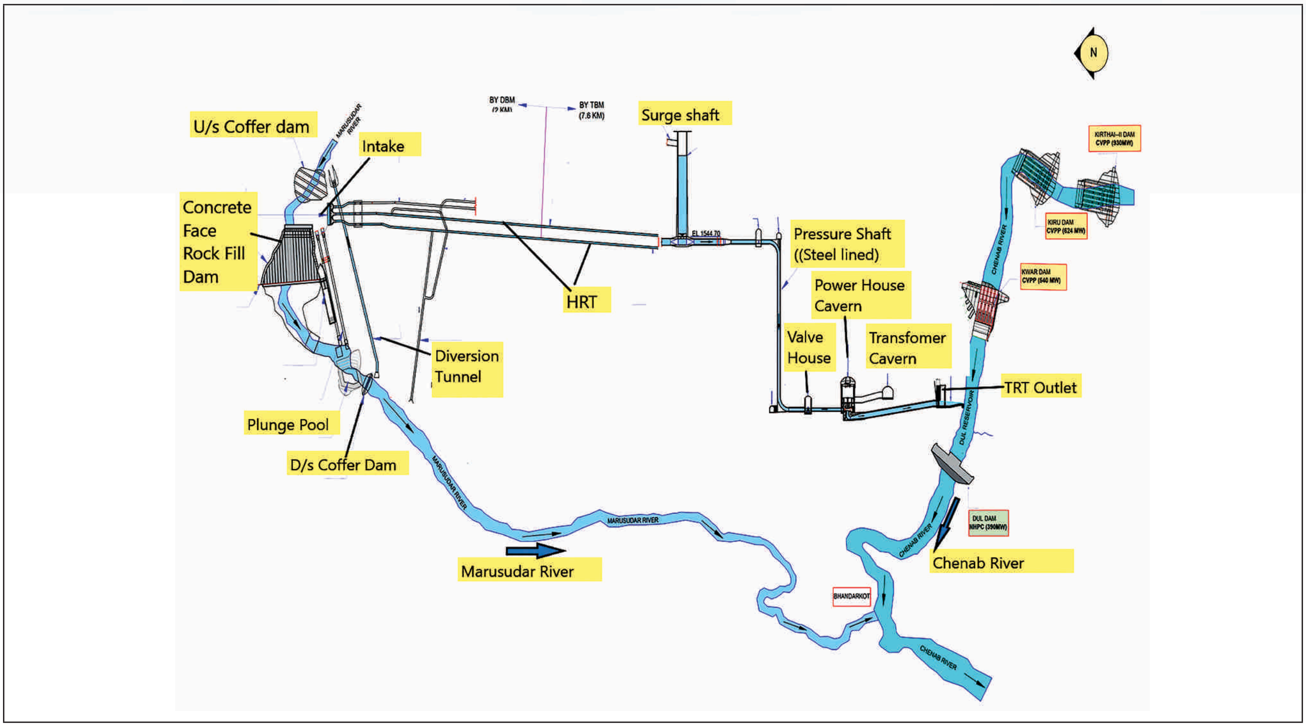
5.3 UNDER JOINT VENTURE COMPANIES

5.3.1 Pakal Dul HE Project: 1000 MW (4 x 250 MW), Jammu & Kashmir under Chenab Valley Power Projects Private Limited (CVPPPL):

The project is being developed on Marusudar River, a tributary of Chenab in Kishtwar District, UT of Jammu & Kashmir. The project has been planned as a storage scheme and shall utilize the permissible storage under Indus Water Treaty with storage of 0.1 Million Acre Feet (MAF). The scheme envisages construction of a 167 m high Concrete–Face Rockfill (CFRD) Dam (highest in India) to store and carry water through two HRTs of 9.6 Km length each to an underground power house, thereby utilizing a net rated head of 397.30 m to generate 3,230.18 MUs energy annually through 4 units of 250 MW each.

SALIENT FEATURES:

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



PROJECT LAYOUT

STATUS OF MAJOR WORKS:

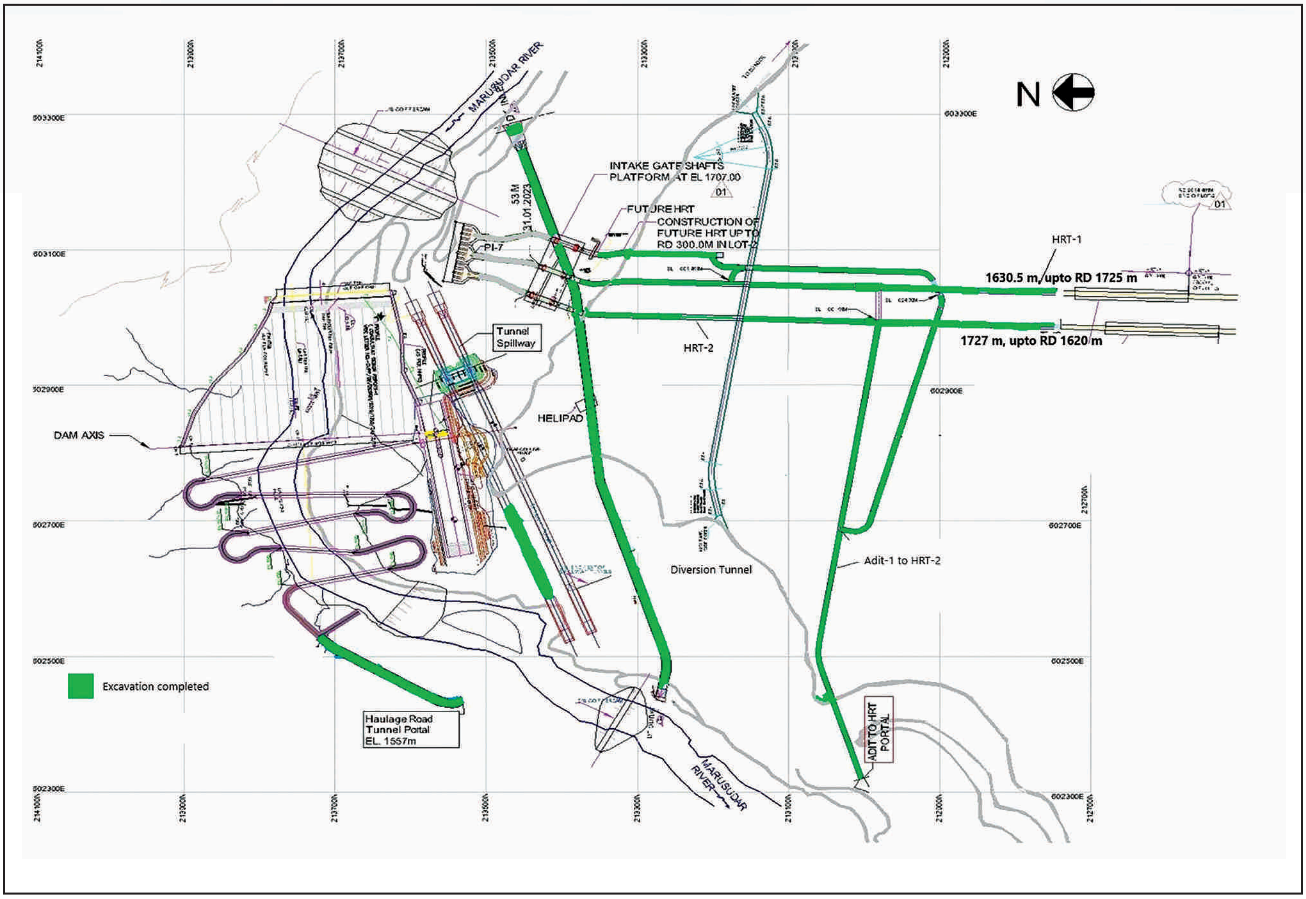
Excavation of Power House Cavern, MIV cavern, Transformer Hall cavern completed and excavation of valve House cavern, Pressure Shafts, Surge Shafts, Tail Race Tunnel and Pothead yard is in progress. Subsequent to construction of Diversion Tunnel (DT) and river diversion, excavation of HRTs through DBM,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

Detailed Engineering, manufacturing, inspection, supply & erection of E&M and HM components are in progress.

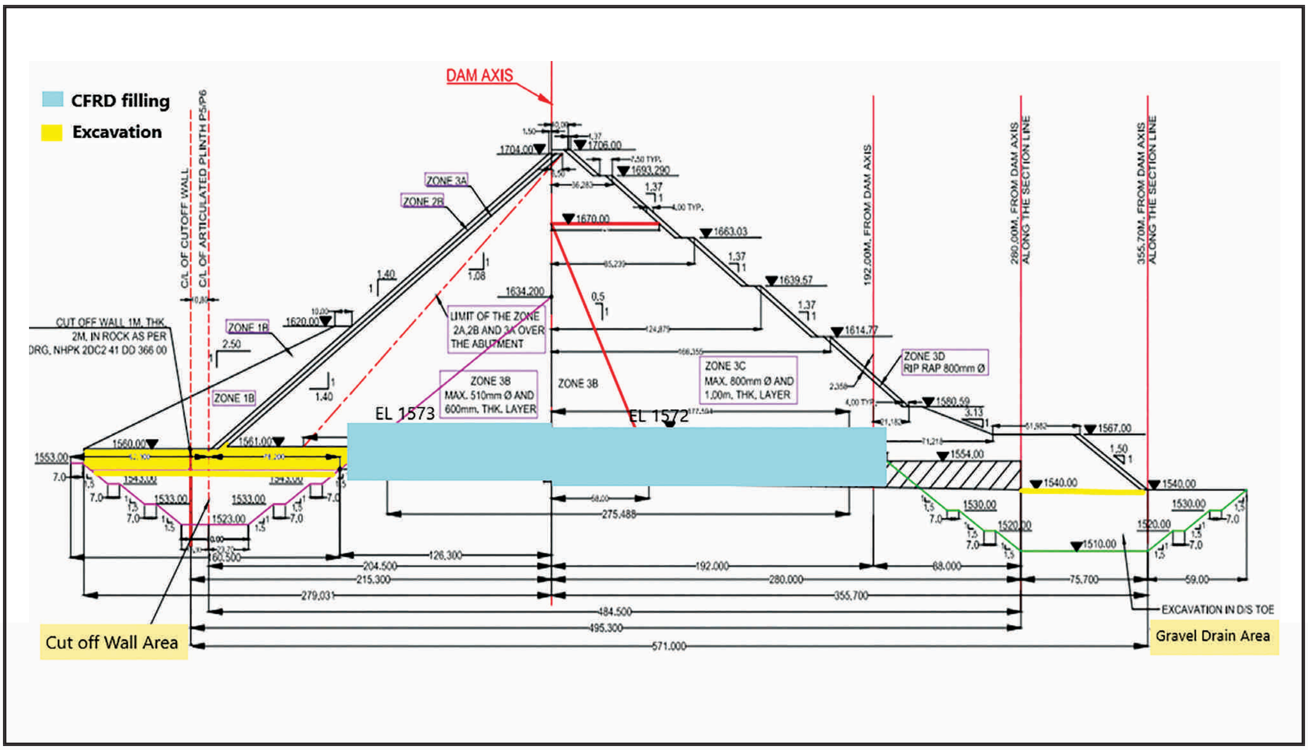
The assembly of TBM-1 completed and assembly of TBM-2, segment casting for lining and HRT Adit excavation are in progress.

Status of Major ongoing works:

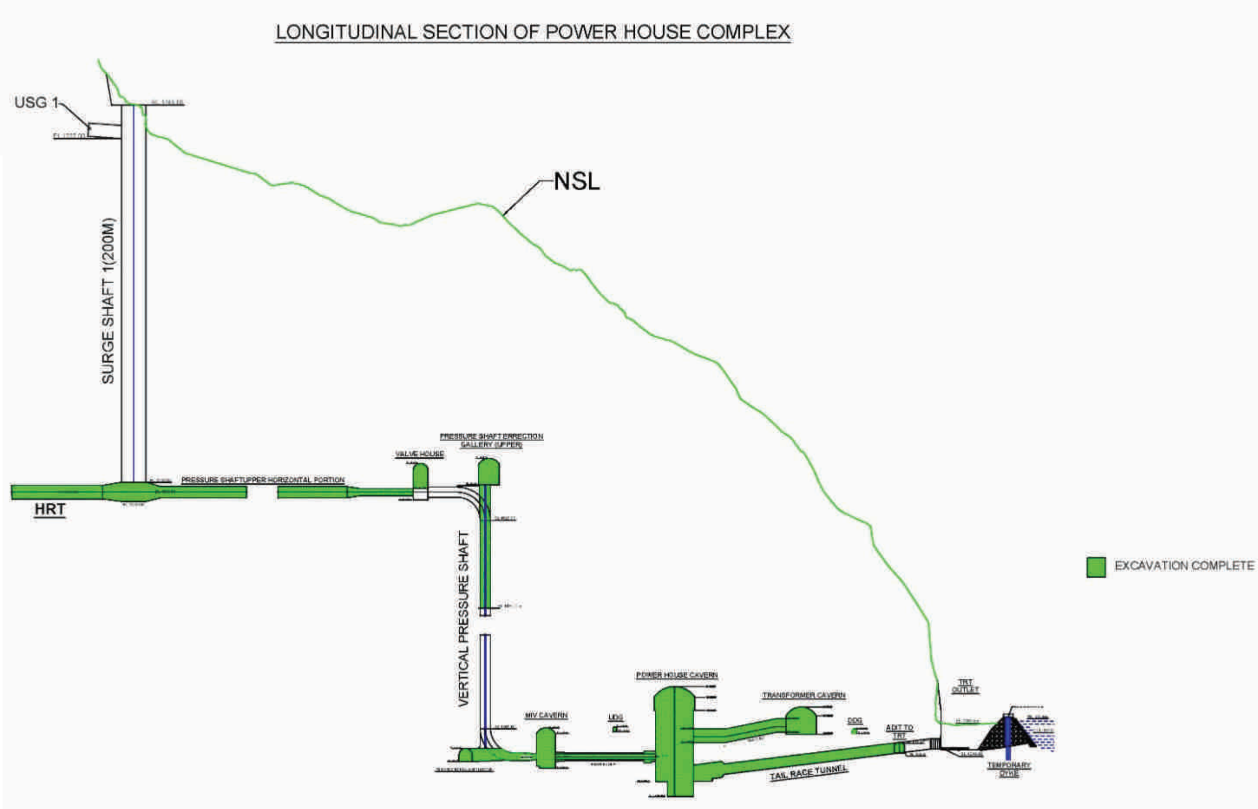
S. No.	Activities	Unit	Total Qty	Cumulative upto March' 23	Progress %
1	Power House Concreting	Cum	56800	13014	23
2	Excavation of Upper Surge Gallery	m	514	254.8	49.5
3	Slashing of PS-4	m	291	53.6	18.4
4	Slashing of PS-3	m	291	53	18.2
5	Excavation of Valve House	Cum	17000	9855	58
6	Cable Tunnel – Excavation	m	198	75.5	38
7	Pot head and Switch yard - Open Excavation	Cum	95000	47943	50.4
8	Excavation of HRTs By DBM	m	4416.8	3646.5	82.5
9	Concrete lining of HRT	m	4416.8	446	10
10	Power Intake excavation	Cum	377500	202416	53.6
11	Tunnel Spillways surface excavation	Cum	320000	174415	54.5
12	Surface Spillway excavation	Cum	763000	330092	43.2
13	Excavation in cut off	Cum	560000	473541	84.5
14	Rock filling of CFRD	Cum	7546000	839813	11.1
15	Tunnel Spillway -1 Heading excavation	m	456	264.5	58
16	Erection of Pressure shaft Steel liner Unit-1 to 4	m	2100	331.75	15.8



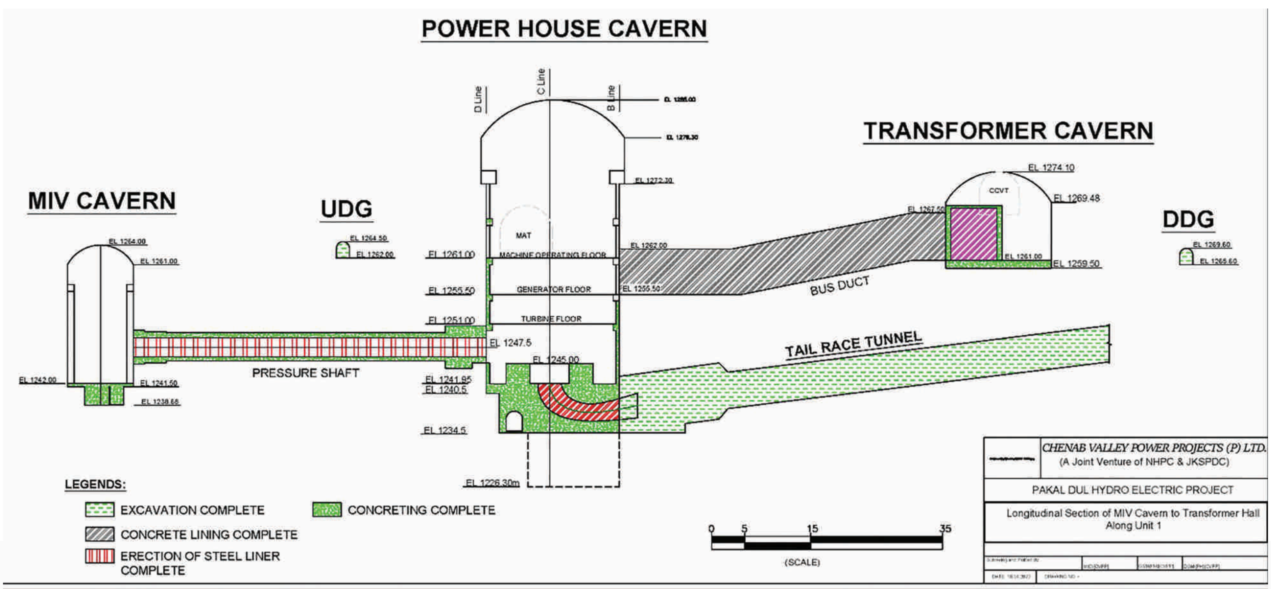
Dam Area Tunnel works



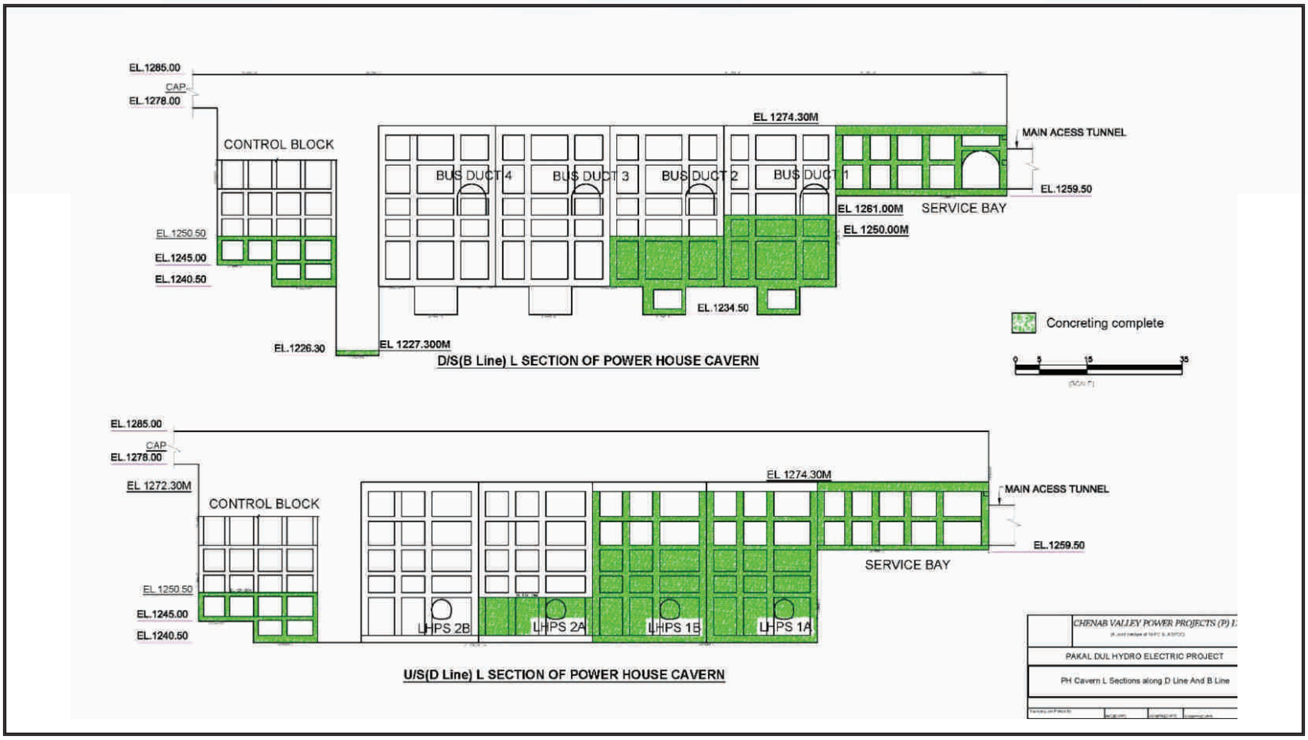
CFRD Dam Area Works



Power House Area Excavation



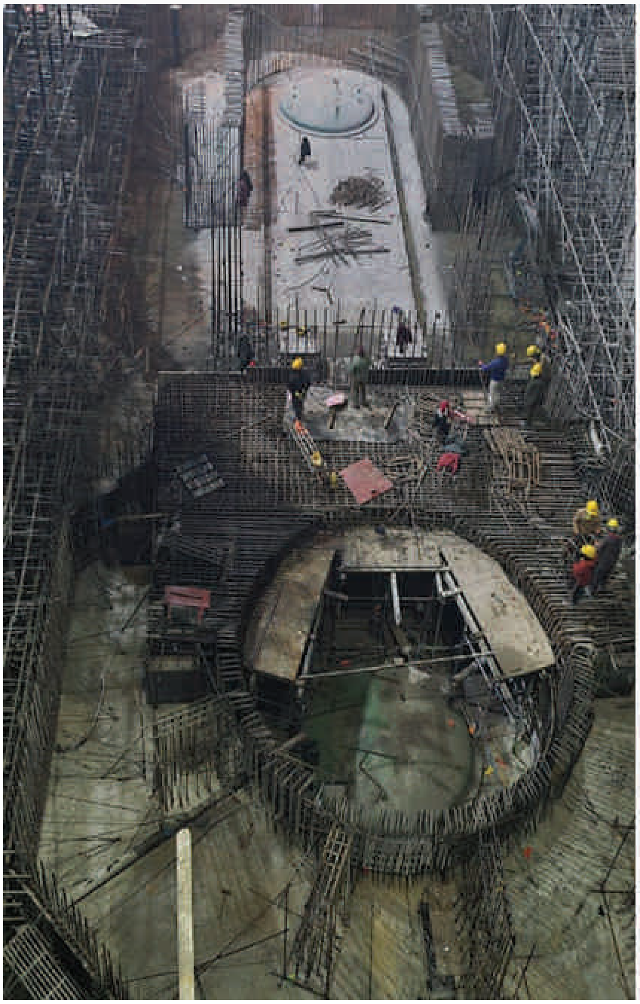
Power house concreting (X-Section)



Power House concreting (L- Section)

CFRD Dam Filling

Powerhouse E&M works



Power House E&M works

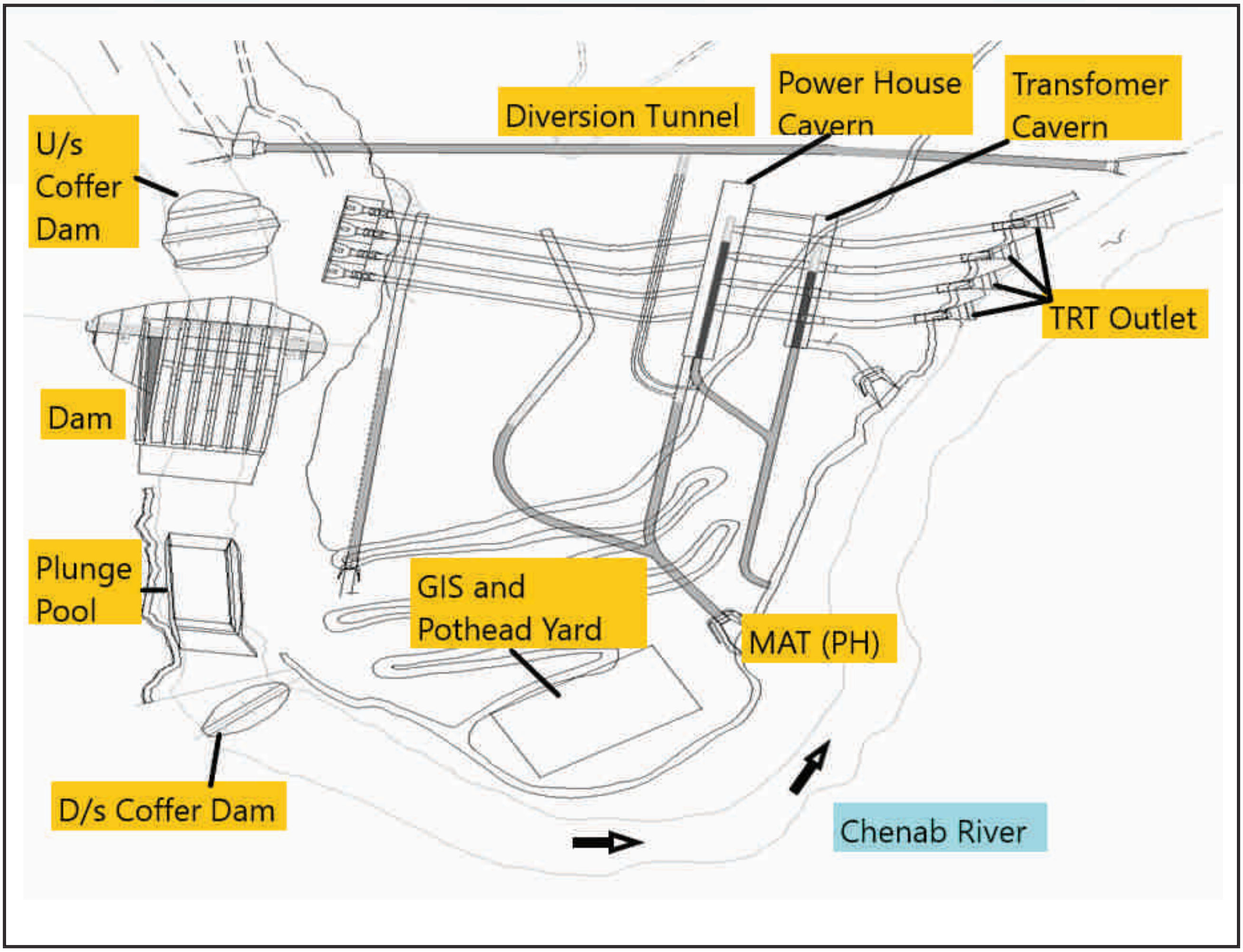
TBM-1 Assembly

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

Kiru HE Project is located at 25 Km upstream of dam site of Dulhasti H.E. Project in Kishtwar District of Jammu & Kashmir. The project has been planned as run-of-river scheme on river Chenab and located at Village Kiru / Pathrnakki in Kishtwar District of UT of Jammu & Kashmir. Major components of project includes 135 m high concrete gravity dam, 4 numbers (5.5 m dia.) pressure shafts/ penstocks and an underground Power House having 4 units of 156 MW each. The project is having estimated annual energy generation of 2,272 MUs in a 90% dependable year.

SALIENT FEATURES:

Dam	Concrete gravity dam (135 m high, 193 m long)
Pressure Shaft/Penstock	4 Nos., 5.5 m dia, Underground Circular steel lined, 316 m to 322 m length
Tail Race Tunnel	4 nos. 7 m dia Horse Shoe shaped, varies length from 164 m to 190 m
Power House	Underground, 4 Units, size 182 m x 23.6 m x 51.2 m
Rated Head	117.98 m
Annual generation	2272.02 MUs in a 90% dependable year
CCEA Approval	08.03.2019



PROJECT LAYOUT

STATUS OF MAJOR WORKS:

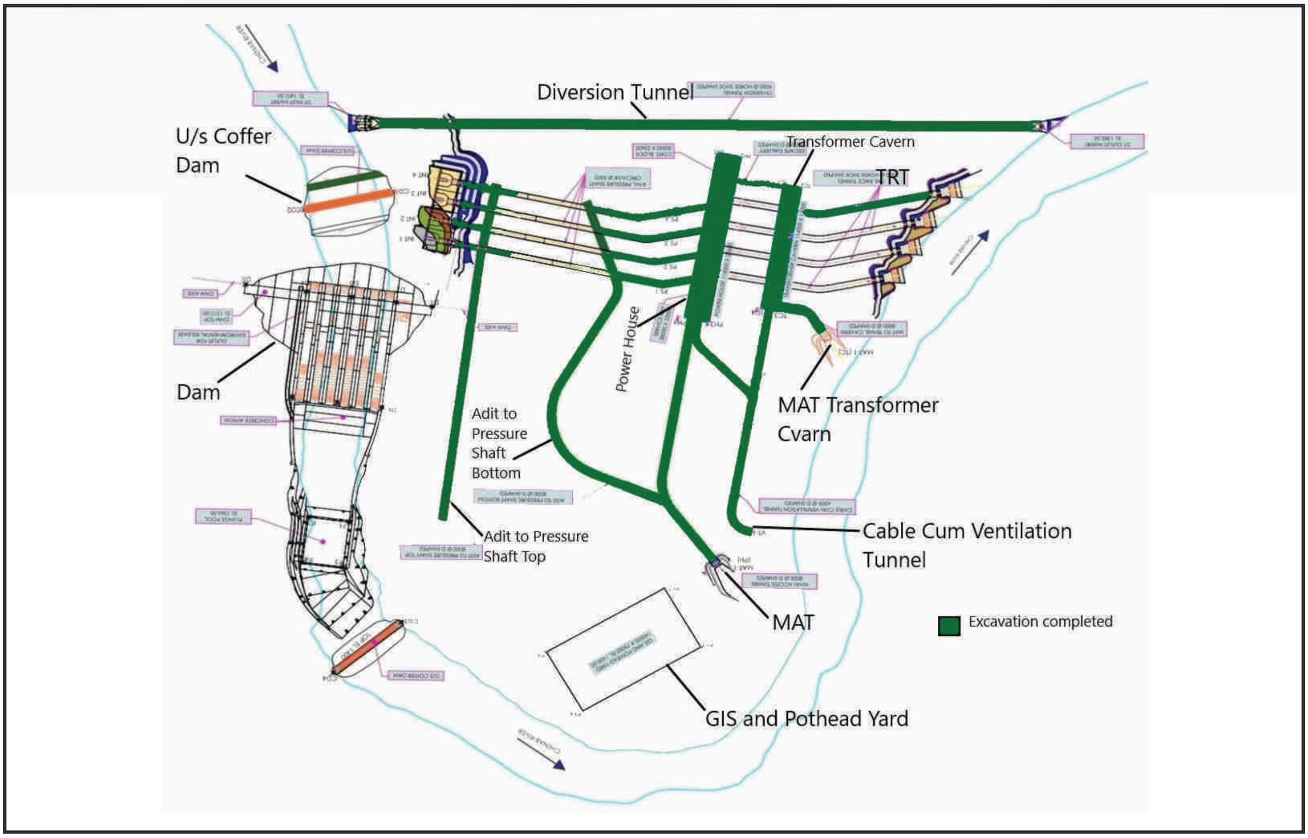
The construction of coffer dams, River bed excavation and Dam foundation concreting completed after River diversion in December, 2021. The block wise concreting of dam is in progress.

The excavation of Power House Cavern upto service bay completed and further excavation upto power house bottom is in progress. The excavation of Transformer Cavern completed and excavation of Pressure shafts are in progress.

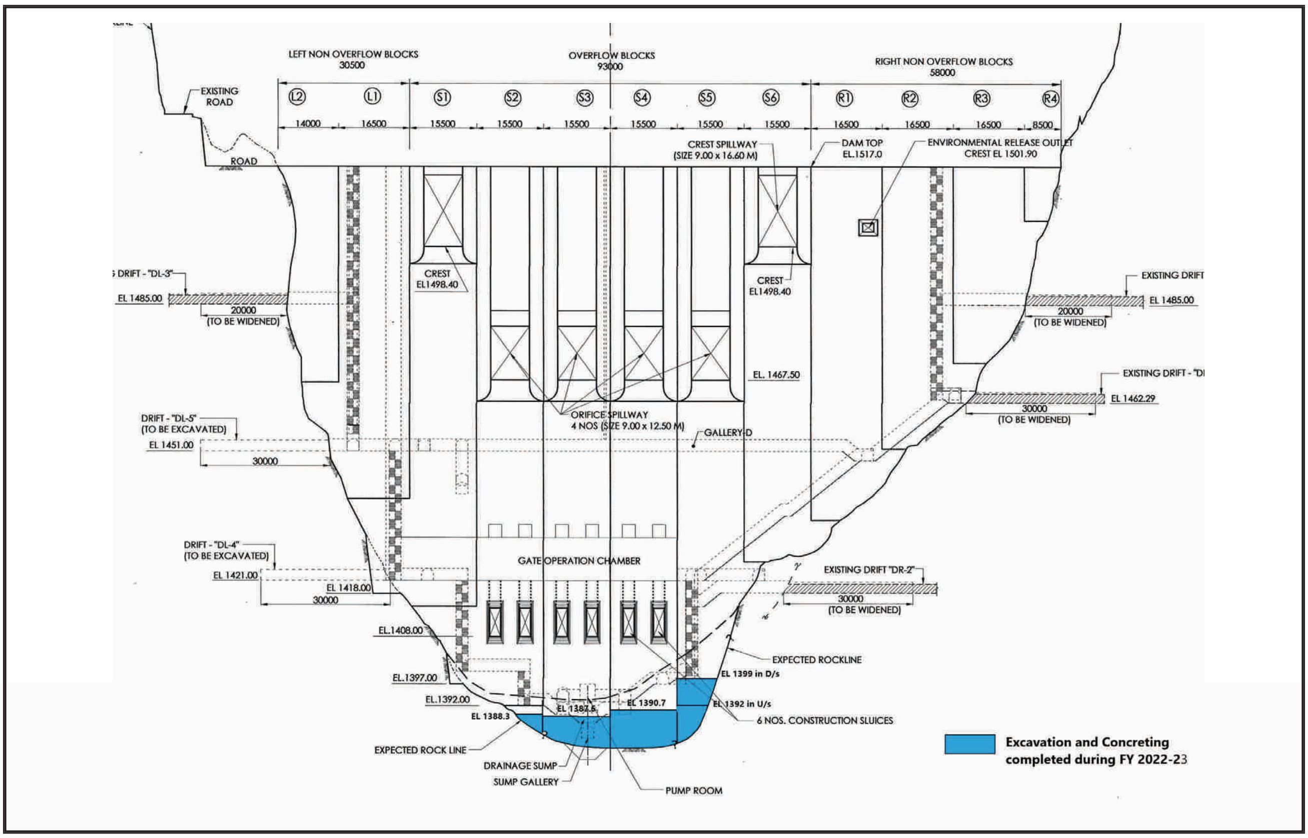
Detailed Engineering, manufacturing, inspection, supply & erection of E&M and HM components are in progress.

Status of Major ongoing works:

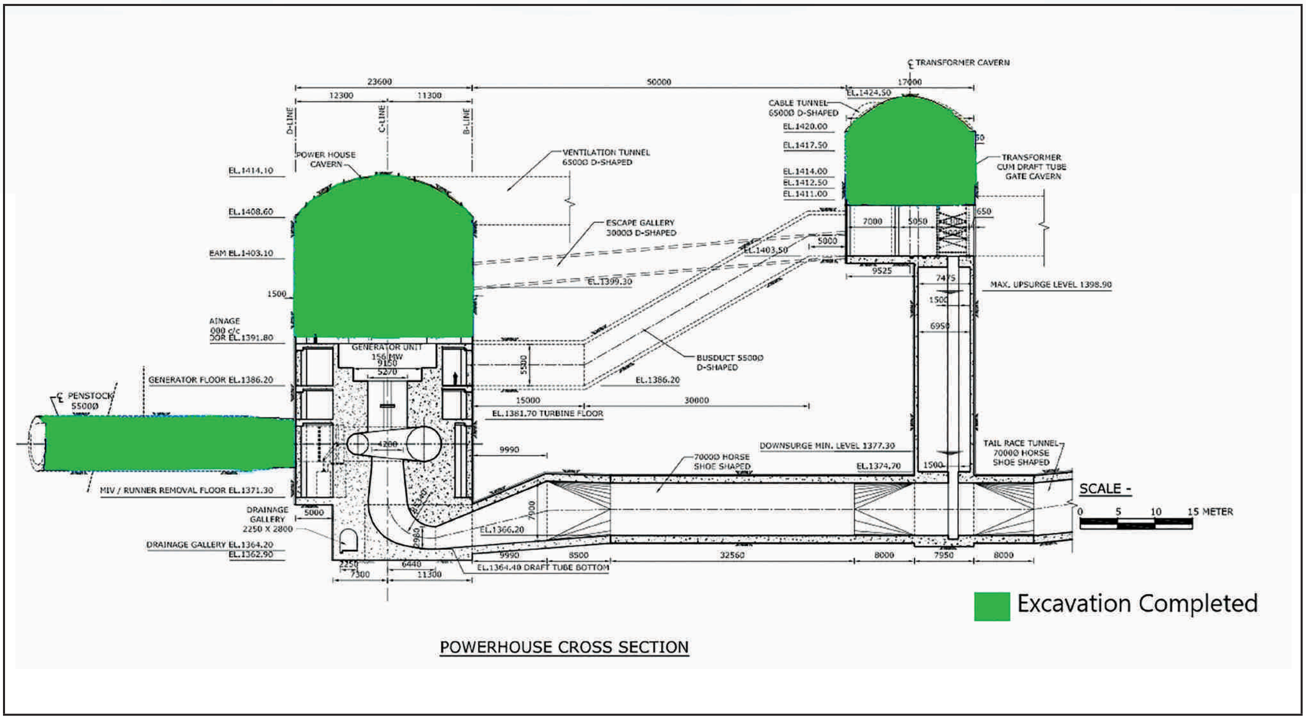
S.N	Activities	Unit	Total Qty	Cumulative upto March' 23	Progress %
1	Dam concreting	Cum	209000	33335	16
2	Power Intake Excavation	Cum	56000	21130	37.7
3	Power House Benching Excavation	Cum	180000	107685	59.8
4	Inclined Pressure Shaft (Widening / Slashing)	M	500	54.9	11
5	Excavation of grouting cum drainage galleries in PH at EL 1392m	M	250.5	79.5	31.7
6	Excavation of TRT-4	M	217	164	75.5
7	Excavation of TRT-3	M	119	16	13.4



Excavation



Dam Concreting



Power House Excavation (X-Section)

Dam concreting

Power House Excavation

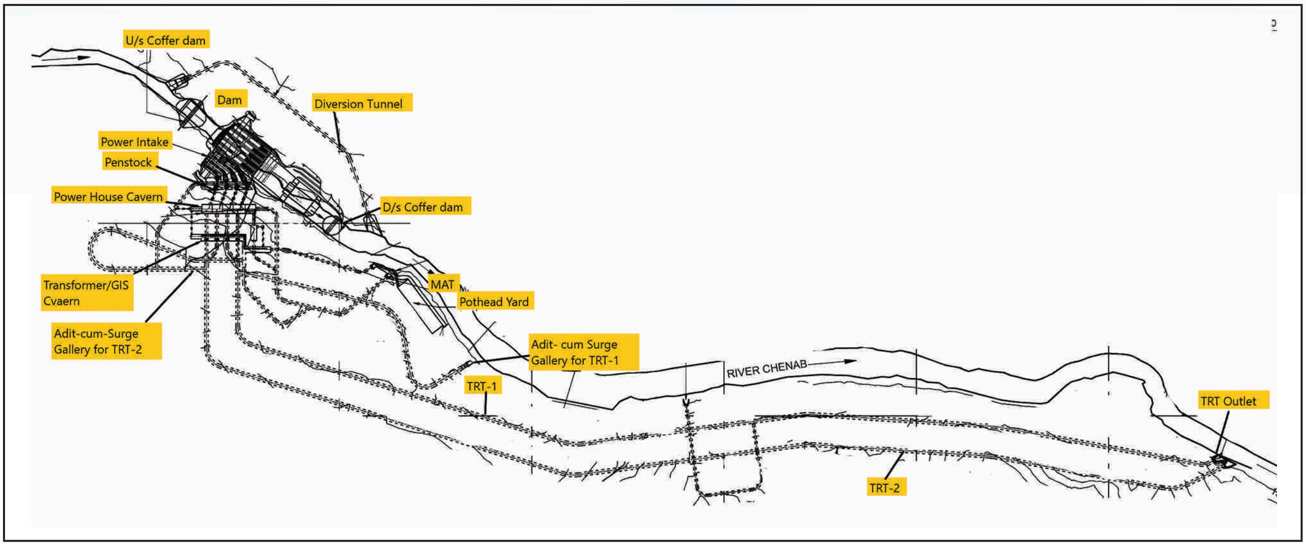
5.3.3 Kwar HE Project (540 MW) under Chenab Valley Power Projects Private Limited (CVPPPL):

The project has been planned as run-of-river scheme on river Chenab near Padyarna village in Kishtwar District of Jammu region. The nearest Rail head to the project is Udhampur and nearest Airport is Jammu.

The major components of project includes 109 m high concrete gravity dam, 4 numbers (5.65 m dia.) pressure shafts/ penstocks and an underground Power House having 4 units of 135 MW each. The project is having estimated annual energy generation of 1975.54 MUs in a 90% dependable year.

SALIENT FEATURES:

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



PROJECT LAYOUT

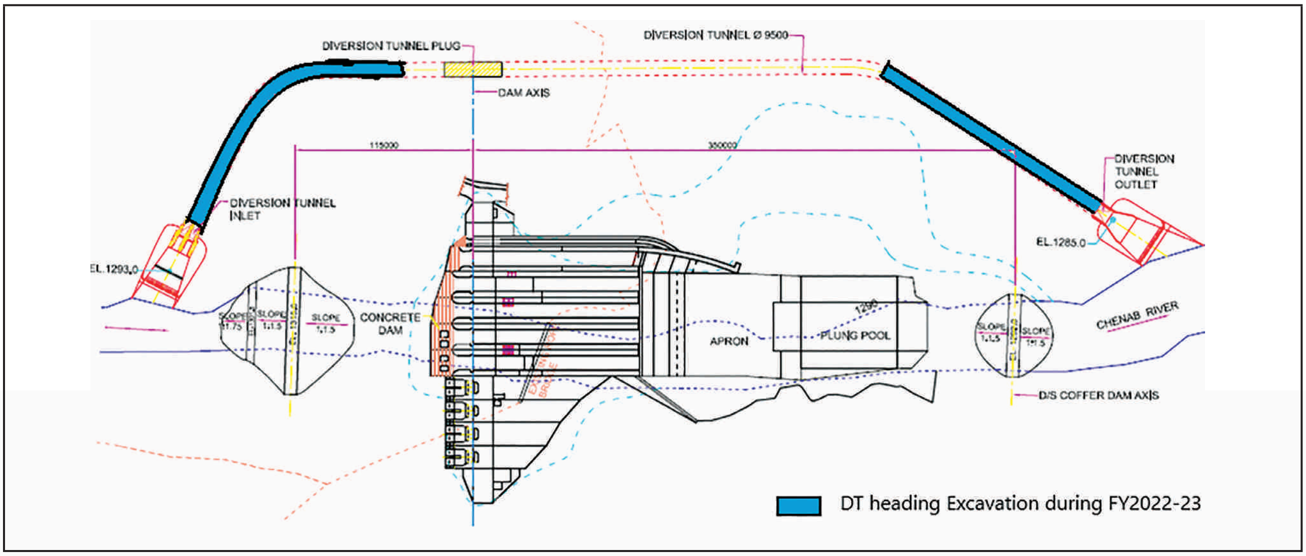
STATUS OF MAJOR WORKS:

Civil works were awarded on May 11, 2022. Excavations of Diversion Tunnel, MAT, Pothead yard, CVT and Dam abutment stripping are in progress.

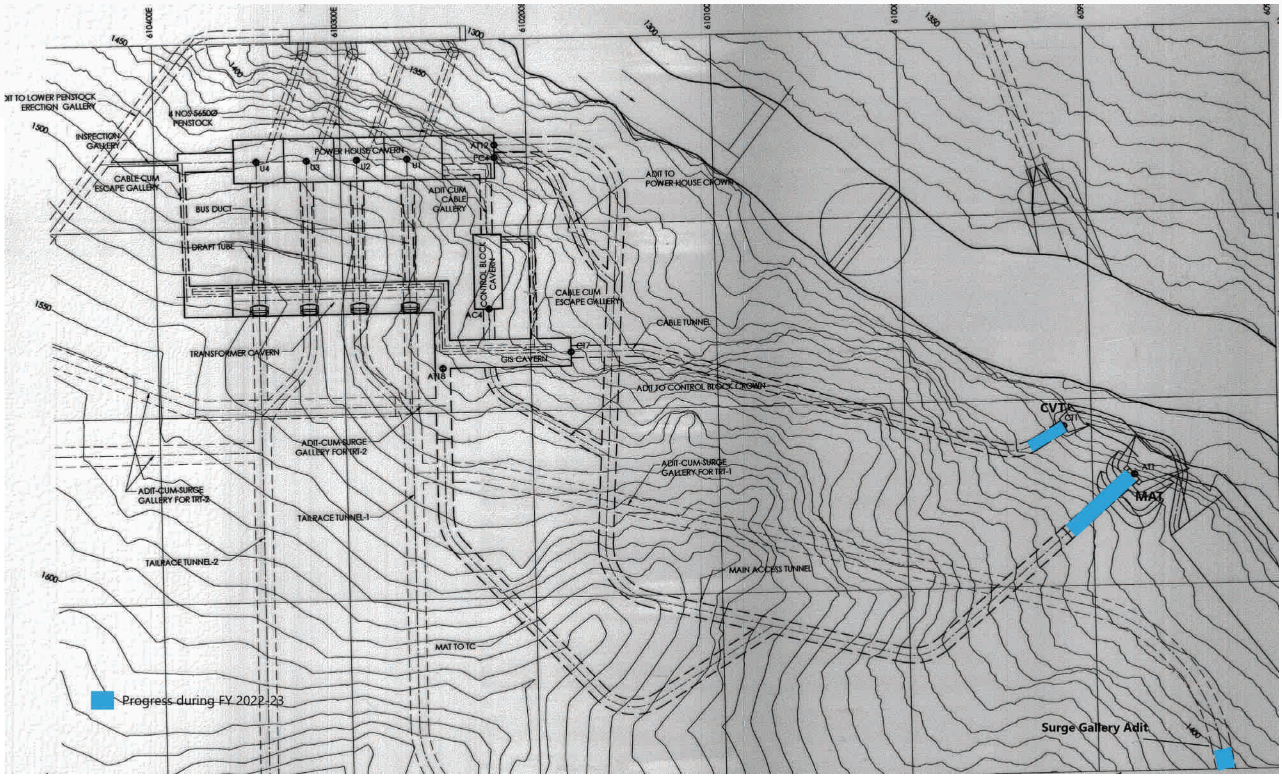
The tendering for E&M and HM packages are in progress.

Status of Major ongoing works:

S.N	Activities	Unit	Total Qty	Cumulative upto March' 23	Progress %
1	DT Excavation (Heading)	M	686	403	58.7
2	MAT Excavation	M	609	166.5	27.3
3	Dam Abutment striping	Cum	304500	13100	4
4	Pothead Yard Excavation	Cum	142500	6300	4.4
5	CVT Excavation	M	280	46	16.4
6	Surge Gallery Adit	M	766	21	2.7



Diversion Tunnel Excavation



MAT, CVT and Surge Gallery Adit Tunnel Excavation

Diversion Tunnel Excavation

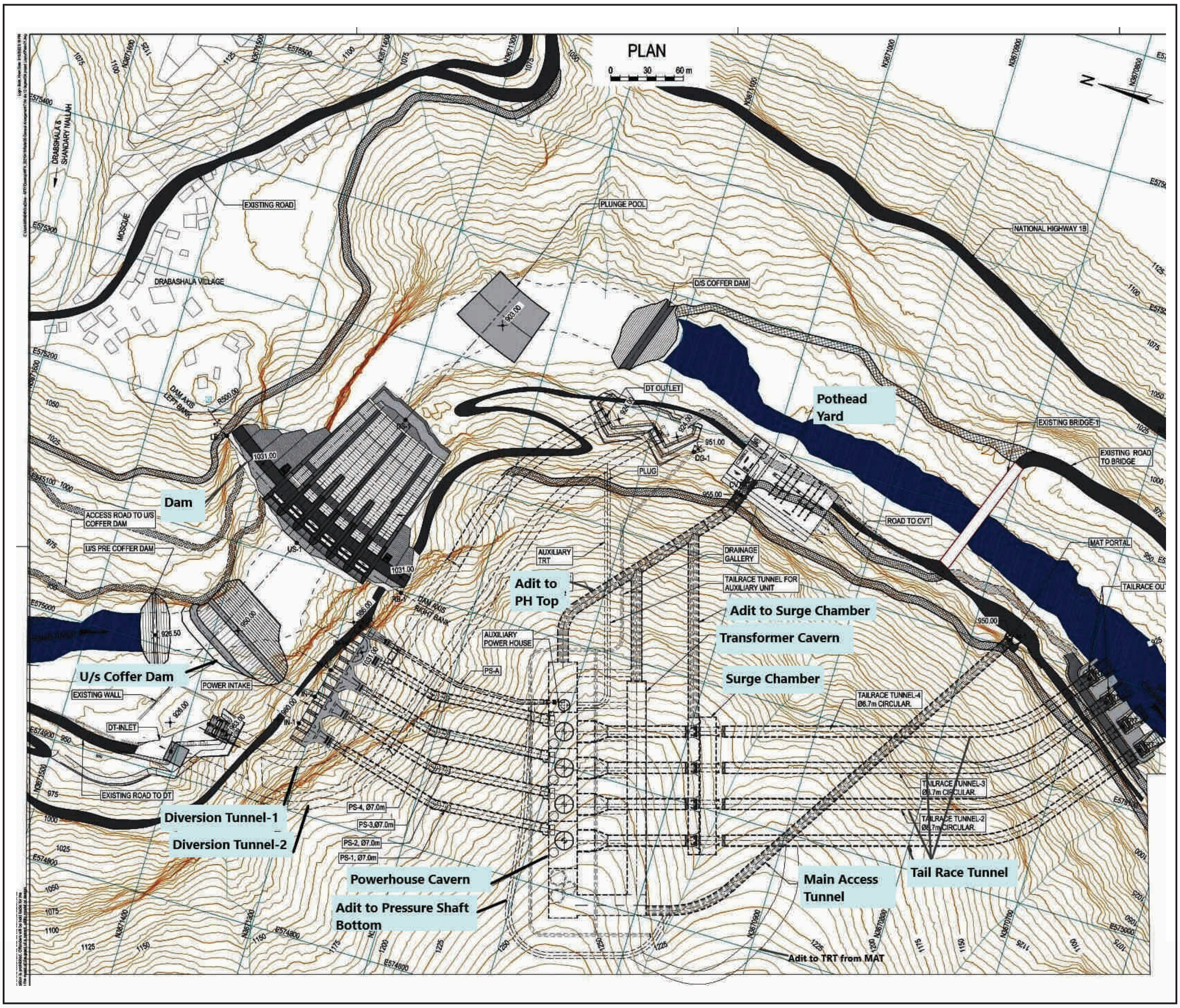
5.3.4 Ratle HE Project (850 MW) under Ratle Hydroelectric Power Corporation Limited (RHPCL):

The project has been planned as run-of-river scheme on river Chenab located at Kishtwar District of UT of Jammu & Kashmir near Drabshalla.

Major components of the project include 133 m high concrete gravity dam and an underground power house having 4 units of 205 MW each. In addition, a unit of 30 MW is envisaged to utilize the stipulated continuous release of environmental flows. The project is having estimated annual energy generation of 3,137 MUs in 90% dependable year.

SALIENT FEATURES:

Dam	Concrete gravity dam (133 m high, 194.8 m long)
Pressure Shaft/Penstock	Main: 4 Nos., 6.6 m dia, Circular steel lined of length 172 to 211 m Auxiliary: 1 no. Circular steel lined of length 162 m
Tail Race Tunnel	Main: 4 nos. 8.7 m dia Circular, lengths 314.4 m to 378.6 m Auxiliary: 1 no. 4.7 m dia circular, length 290 m
Power House	Underground, 168 m x 24.5 m x 49 m housing 4 units (205 MW) + 1 unit (30 MW)
Net Head	Main: 97.37 m, Auxiliary: 98.9 m
Annual generation	3,137 MUs in a 90% dependable year
CCEA Approval	11.02.2021



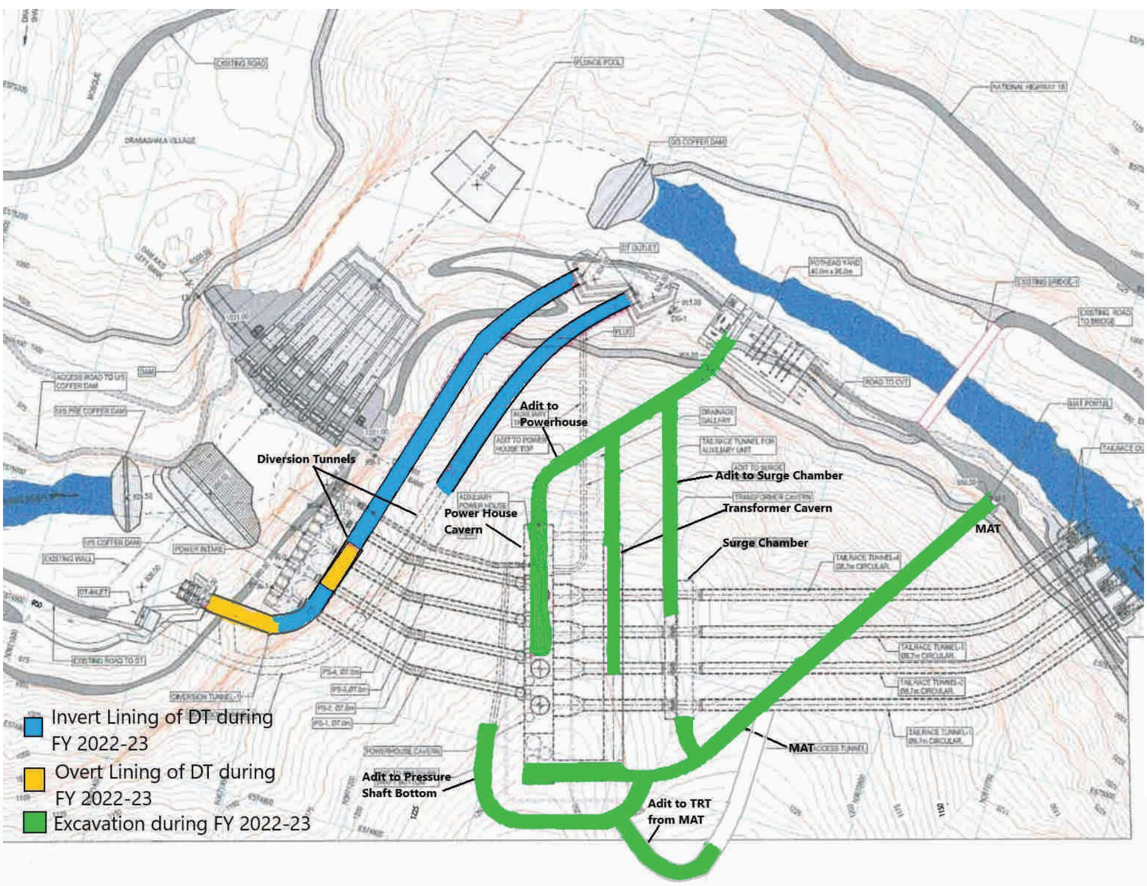
PROJECT LAYOUT

STATUS OF MAJOR WORKS:

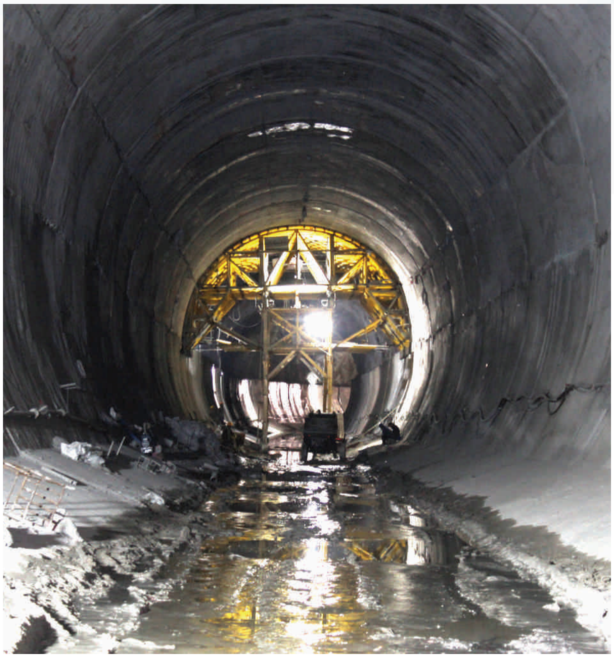
EPC contract for the project was awarded in January, 2022 and Excavation of Diversion Tunnels (DT) has been completed and lining works is in progress. Excavation of Powerhouse Cavern, Transformer Cavern, access tunnels and dam abutment striping is in progress.

Status of Major ongoing works:

S.N	Activities	Unit	Total Qty	Cumulative upto March'23	Progress %
1	Overt lining of DT – 1	M	488	70	14.3
2	Invert lining of DT – 2	M	552	188	34
3	Dam Abutment stripping	Cum	200000	3640	1.8
4	Power House Cavern Excavation	Cum	187950	12000	6.3
5	Excavation - PH access tunnels & adits (MAT, CVT, ATC, & other access tunnels)	Cum	100200	66600	66.4



Excavation and Lining Work



DT lining

Power House Cavern Excavation

Dam Abutment Stripping

6 HYDROPOWER PROJECTS UNDER CLEARANCE/APPROVAL

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

S. No.	PROJECT	STATE/UNION TERRITORY (UT)	INSTALLED CAPACITY (MW)
A.	**STANDALONE BASIS**		
1.	Teesta-IV	Sikkim	520
2.	Sawalkot	Jammu & Kashmir	1856
3.	Dugar	Himachal Pradesh	500
4.	Uri-I, Stage-II	Jammu & Kashmir	240
		Sub-total (A)	**3116**
B.	**THROUGH SUBSIDIARIES/JOINT VENTURES**		
I	Loktak Downstream H.E. Project through Loktak Downstream Hydroelectric Corporation Limited (A Joint Venture with Govt. of Manipur)	Manipur	66
II	Kirthai-II through Chenab Valley Power Projects Private Limited (A Joint Venture with JKSPDC)	Jammu & Kashmir	930
Sub-total (B)			**996**
Total (A+B)			**4112**

6.1 NHPC STANDALONE

6.1.1 TEESTA-IV H.E. PROJECT (520 MW), SIKKIM

All the clearances for the project have been accorded except Forest Clearance (FC-II) which is pending on account of compliance under the Forest Rights Act, 2006. The same is being pursued by NHPC.

6.1.2 SAWALKOT H.E. PROJECT(1856 MW), UT OF JAMMU & KASHMIR

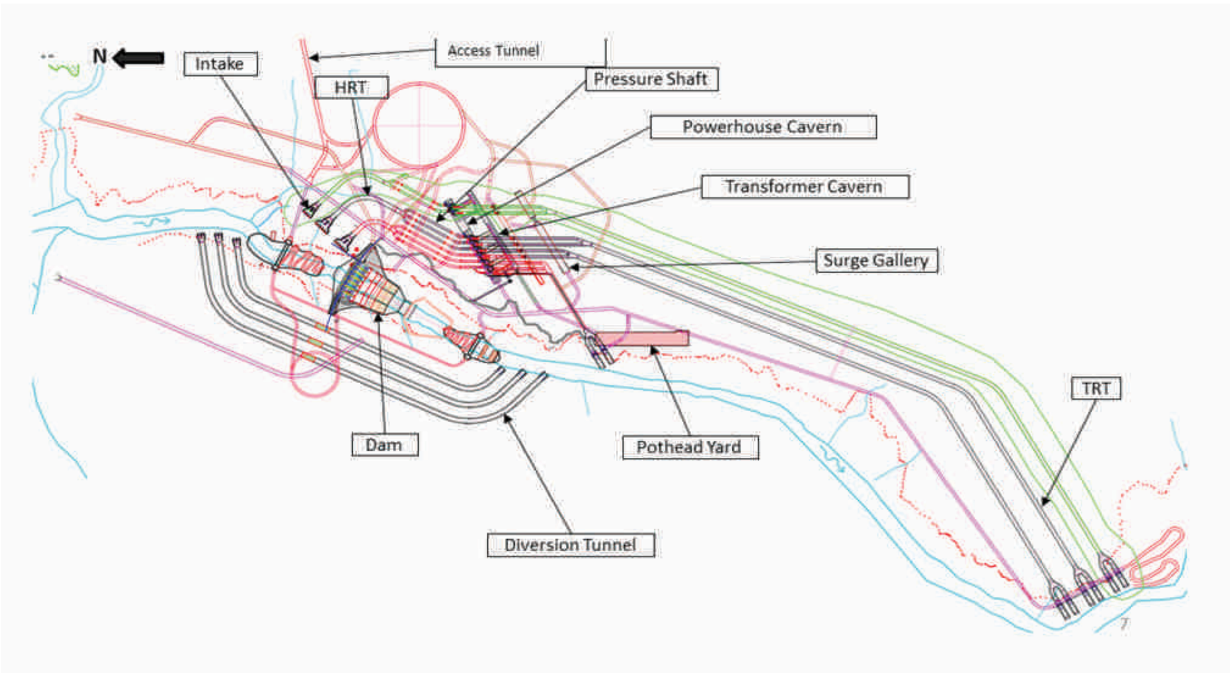
The project has been planned as run-of-river scheme on river Chenab located at Ramban and Udhampur District of UT of Jammu & Kashmir near Tanger.

Major components of the project include 192.5 m high RCC gravity dam and an underground power house having 6 units of 225 MW each. In addition, a unit of 56 MW is envisaged to utilize the stipulated continuous release of environmental flows. The project is having estimated annual energy generation of 7,994.73 MUs in 90% dependable year.

SALIENT FEATURES:

Dam	192.5 m high & 240 m long RCC gravity dam
Power House	Underground, vertical Francis Turbine • 6x 225 MW+ 1 x 56 MW capacity (1406 MW for Stage-I) • 2 x 225 MW (450 MW for Stage-II) • Total 1856 MW
Annual Energy	7994.73 MUs
Diversion Tunnel	13.5 m X 19 m, 3 nos, Horse shoe Shaped (965 m, 1130 m, 1280 m)
Head Race Tunnel	Two 12.8 m dia for Stage-I & one 10.8 m dia for Stage-II (Circular type) (Length: about 200 m each)

Pressure Shaft/ Penstock	6 No. for Stage - I & 2 no. for Stage -II • PS-1 to PS-5:- 6 m dia. each • PS-6:- 6.7 m dia. • 2.75 m dia penstock for 56 MW Length : 130 m -140 m for inclined and 50 m -115 m for Horizonal
Net Rated head	• 155.7 m for Unit-1, 2, 3, 4, 7 and 8 • 153.5 m for Unit 5, 6 and Environmental Unit



Project Layout

STATUS OF MAJOR WORKS:

- MoU signed on January 03, 2021 between NHPC and JKSPDC for execution of Sawalkot (1856 MW) Hydroelectric Project by NHPC. Project handed over to NHPC on December 11, 2021.
- Forest clearance (FC-1) - Proposal uploaded by NHPC on Parivesh Portal on December 31, 2021 and necessary approvals are in progress.
- TEA appraisal by CEA, Indus Water Treaty, and Investment approval for Pre-Construction Activities & FRA Certificate obtained.
- The investment approval for pre-investment activities of ₹ 973 Crore was accorded on July 12, 2022.
- CEA vetted project cost of ₹ 22,704.80 crores including IDC & infrastructure cost at completion.
- Pre-construction activities including infrastructure works are in progress.

Lining of Access Road Tunnel to Dam site in progress

6.1.3 DUGAR HE PROJECT (500 MW), HIMACHAL PRADESH

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

SALIENT FEATURES:

Dam	Concrete gravity dam of 128 m height and 210.65 m length at the top of dam
Power House	Underground, 164.5 m (L) x 22 m (W) x 46.7 m (H) 4 x 103 MW (Main units) & 2 x 44 MW (Auxiliary units)
Annual Energy	1759.85 MUs
Diversion Tunnel	11.5 m dia, 2 nos, Horse shoe Shaped (463 m, 577 m)
Pressure Shaft	2 no. 7.25 m diameter and 312.4 m & 272.7 m length for main units and 1 no. 5.10 m dia and 251.7 m length for auxiliary unit. (Circular Steel-lined)
Penstock	4 no. 4.85 m diameter and 37.2 m length for main units and 2 no. 3.7 m dia and 29.90 m length for auxiliary unit.
Net Rated head	89.92 m

STATUS OF MAJOR WORKS:

- CEA accorded the Concurrence on April 26, 2022. The completion cost of the project is ₹ 4250.20 crore at April, 2021 PL.
- The proposal for Environment Clearance was discussed by EAC in its meeting on August 29, 2022 and was recommended for Environment Clearance subject to accord of FC-I.
- State Govt. had forwarded proposal to MoEF&CC, New Delhi on July 04, 2022 for approval of FC-I.
- MoEF&CC, GOI forwarded the proposal to Integrated Regional Office (IRO), MoEF&CC, Shimla on November 03, 2022 for Site Inspection. The site inspection has been completed.

6.1.4 URI-I, STAGE-II (240 MW), UT OF JAMMU & KASHMIR

Memorandum of Understanding was signed between NHPC Limited and JKSPDC in January, 2021. Detailed Project Report of Uri-I, Stage-II was concurred by Central Electricity Authority on March 07, 2023 amounting to ₹ 2,526.79 crore at completion level including ₹ 249.45 crore for IDC and ₹ 26.20 crore for enabling infrastructure. Forest Clearances (FC-I & II), Environment Clearance, PIB approval & CCEA approval for the project is pending.

6.2 UNDER JOINT VENTURE COMPANIES

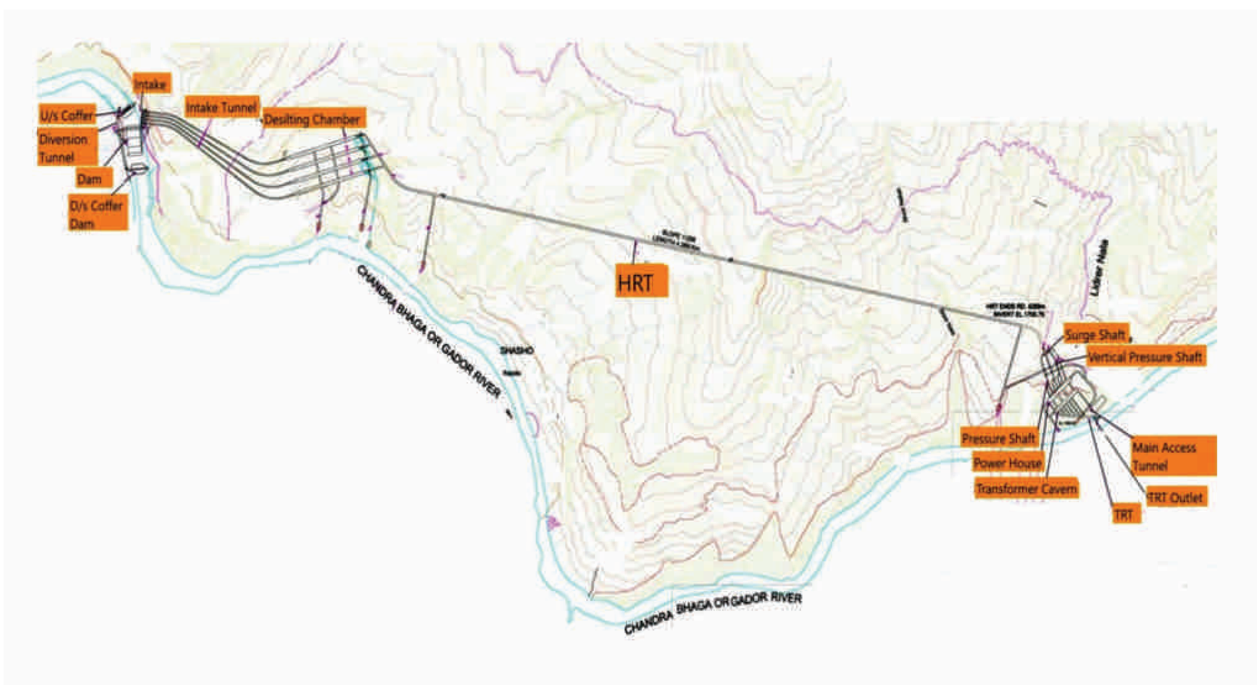
6.2.1 KIRTHAI-II HE PROJECT (930 MW)

The project has been planned as run-of-river scheme on river Chenab located at Kishtwar district, J&K at about 25 Kms upstream of Kiru H.E. Project on river Chenab near village Paddar.

Major components of the project include 121 m high concrete gravity dam and an underground power house having 6 units of 140 MW each. In addition, 90 MW is envisaged to utilize the stipulated continuous release of environmental flows. The project is having estimated annual energy generation of 3,329.52 MUs in 90% dependable year.

SALIENT FEATURES:

Dam	Concrete gravity dam (121 m high, 219.8 m long)
HRT	Horse shoe ,10.5 m dia., 4.29 Km long
Desilting Chamber	4 nos., 440 m x19 mx 24.87 m
Surge Shaft	31.6 m dia. & 91.88 m height
Pressure Shaft	3 no. steel lined of 5.25 m dia. 827m long each
Power House	Underground (6 x 140 = 840 MW) +Surface (2 x 10 + 2 x 35 = 90 MW), Main PH Cavern Dimension: 187.5 m x 22 m x 49.7 m
Annual Energy	3,329.52 MUs
Net Head	220.62 m
Construction Period	5 years



Project Layout

STATUS OF MAJOR WORKS:

- MOU for implementation of Kirthai-II HEP (930 MW) through CVPPPL has been signed between JKSPDC and NHPC on January 03, 2021 and an agreement has been signed between NHPC and CVPPPL on March 19, 2021 to provide consultancy services to CVPPPL for the project.
- Obtaining of requisite clearances of the project is under progress. Conditional TEC accorded by CEA on June 14, 2019.
- Application for Forest Clearance-I submitted on Parivesh Portal on October 19, 2022.
- Necessary Investigation works for submission of revised DPR is in progress.

7 PROJECTS UNDER SURVEY AND INVESTIGATION (S&I)

Your Company is engaged in survey and investigation of Goriganga-IIIA HE Project (150 MW) in Uttarakhand, Bursar Project (800 MW) and Dulhasti Stage-II (260 MW) Projects in UT of Jammu & Kashmir with aggregate installed capacity of 1210 MW.

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

Ministry of Power (MoP) in December, 2021 has identified and indicated the four stalled Hydro Projects viz. Subansiri Upper (2000 MW) - Standalone by NHPC; Subansiri Middle (Kamala) (1800 MW) - Standalone by NHPC; Siang Lower (2700 MW) - NHPC, JV with NEEPCO; Upper Siang (10000 MW) - NHPC, JV with NEEPCO in the State of Arunachal Pradesh, for possible allocation to NHPC.

8.1. SUBANSIRI MIDDLE HEP (SMP) AND SUBANSIRI UPPER HEP (SUP):

NHPC constituted Task Force for evaluation of indicated projects and engaged professional consultant M/s Ernst & Young LLP (EY) to carry out technical & legal due diligence. Upon perusal of previous DPRs and techno-commercial due diligence, the Capacity & Design Energy works out as under:

- Subansiri Middle : 1720 MW / 6832.2 MU
- Subansiri Upper : 1500 MW / 5914.63 MU

The valuation reports in respect of Subansiri Middle and Subansiri Upper HEPs were submitted by NHPC to Evaluation Committee of MoP in July, 2022 and September, 2022 respectively. The Board of Directors in March, 2023 has approved the acquisition of Subansiri Middle (Kamala) HE Project and Subansiri Upper HE Project from respective IPPs for an acquisition cost of ₹ 202.94 Crore and ₹ 100 crore respectively subject to approval of MoP.

MoP in April, 2023 has conveyed 'No Objection' to the acquisition of the Subansiri Middle (Kamala) and Subansiri Upper HEP by NHPC Limited. Govt. of Arunachal Pradesh has provided draft quadripartite/ penta partite agreement and draft Memorandum of Agreement for Subansiri Middle and Subansiri Upper HEPs. To make the projects commercially viable, Govt. of Arunachal Pradesh has conveyed its commitment to consider the concessions required for both the projects on case-to-case basis once the DPR is ready. NOC for Subansiri Upper HEP was issued by Govt. of Arunachal Pradesh in May, 2023. Post signing of the agreement and transfer of projects to NHPC, the DPR of the projects shall be prepared /updated by NHPC.

8.2. SIANG LOWER PROJECT - 2700 MW:

Siang Lower HE project is a flood moderation cum power generation scheme to harness the hydro-potential of Siang River. The project is located in East Siang District of Arunachal Pradesh. As per the updated DPR, the estimated annual energy generation from the project is 13236.47 MUs in a 90% dependable year. The scheme features 111 m high concrete gravity dam and a surface power house of 2700 MW capacity. Professional Consultant M/s Ernst & Young LLP (EY) engaged by NHPC has submitted the preliminary due diligence report of Siang Lower H.E. Project. Techno-commercial aspects of the Project can only be firmed up once the parameters of Siang Upper Multipurpose Project (SUMP) are finalised.

8.3. SIANG UPPER MULTIPURPOSE PROJECT-10000 MW:

Ministry of Jal Shakti in April, 2022 has entrusted the task for preparation of Pre Feasibility Report(PFR) of Upper Siang Multipurpose Storage Project (USMSP) to NHPC. The PFR of the project considering following 3 alternatives at Uggeng (11,600 MW), Ditte Dimme (11200 MW) & Parong (11,200 MW) Sites has been prepared by NHPC and submitted to Ministry of Jal Shakti, Govt. of India in December, 2022. Technical Committee constituted by Govt. of India has suggested that further geological investigations are required to concur the project site amongst the alternative project locations submitted in PFR for DPR preparation. It recommended that drilling works need to be undertaken at all the three sites as suggested by Geological Survey of India (GSI). NHPC proposal of Drilling Cost Estimate for 3 alternative sites of SUMP, has been approved by Ministry of Jal Shakti vide Office Order May 09, 2023 for an amount of ₹ 401.08 Lakhs. Letter of Award for Drilling work at Parong and Ditte Dimme site was issued on May 05, 2023 and for Uggeng site was issued on May 04, 2023.

9 RENEWABLE ENERGY PROJECTS

Your Company intends to be part of the renewable energy growth story of India by contributing to the Govt. of India's ambitious target of development of 50% power from non-fossil fuel sources by 2030. World over, various new and advanced technologies are being explored in the transition to a net-zero carbon future and your Company is aggressively looking forward in this direction. NHPC, in line with the latest technological developments and advancements, is now exploring road maps and strategies to scale up its renewable energy projects.

NHPC has also incorporated a wholly owned subsidiary Company i.e. NHPC Renewable Energy Limited (NHPC REL) in February, 2022 as a separate vertical for developing renewable energy projects.

9.1 SOLAR POWER PROJECTS

9.1.1 Ongoing Solar Projects are given in table below:

Sl. No.	Project	State	Capacity (MW)
A.	**In EPC Mode:**		
I.	**Standalone basis:**		
(i)	600 MW Solar Power Project, Kutch, Gujarat under CPSU Scheme	Gujarat	600
(ii)	300 MW Solar Power Project, Bikaner, Rajasthan under CPSU Scheme	Rajasthan	300
(iii)	100 MW Solar Power Project, N.P. Kunta, Andhra Pradesh under CPSU Scheme	Andhra Pradesh	100
	Sub-total (I)		**1000**
II.	**Through Joint Ventures:**		
(i)	65 MW Solar Power Project, Kalpi, U.P. through BSUL	Uttar Pradesh	39*
(ii)	88 MW Floating Solar Power Project, Omkareshwar Reservoir through NHDC	Madhya Pradesh	88
(iii)	8 MW Ground Mounted Solar Sanchi (Nagori / Gulgaon) through NHDC		8
	Sub-total (II)		**135**
	Sub-total (A) [I+II]		**1135**
B.	**As an Intermediary Procurer:**		
(i)	380 MW Solar Power project at Jaisalmer, by M/s O2 Power SG Pvt Limited	Rajasthan	380
(ii)	300 MW Solar Power project at Jaisalmer, by M/s Eden Renewable Passy Private Limited		300
(iii)	600 MW at Barmer by M/s Adani Solar Energy Barmer One Private Limited		600
(iv)	400 MW at Barmer by M/s ABC Renewable Energy Private Limited		400
	Sub-total (B)		**1680**
	Total (A+B)		**2815**

* 26 MW capacity out of 65 MW was partially commissioned in July, 2022.

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

Your Company is implementing total 1000 MW Solar Power Projects under Tranche-III of CPSU Scheme (Phase-II) which includes 300 MW Project at Bikaner, Rajasthan, 600 MW Project at Kutch, Gujarat and 100 MW Project at N.P. Kunta, Andhra Pradesh. EPC Contracts for the respective projects have been awarded. The projects are under implementation at various stages and are likely to be commissioned in phases in F.Y. 2023-24 and 2024-25 based on the availability of domestically manufactured Solar PV Modules and commissioning of respective ISTS sub-stations for power evacuation.

(ii) 65 MW Solar Power Project, Kalpi:

The project is being developed by Bundelkhand Saur Urja Limited (a Joint Venture Company with Uttar Pradesh New & Renewable Energy Development Agency). Out of total 65 MW, 26 MW capacity was partially commissioned in July, 2022. The supply of SPV module of about 56 MW (DC Capacity) is affected due to supply chain disruption and imposition of BCD w.e.f. April 01, 2022. Efforts are underway to resolve the issue for which matter has been taken up with MNRE for grandfathering of BCD. Subject to exemption from BCD, the project is likely to be completed within three months from exemption, as most of the activities are completed except major pending supply of 56 MW SPV modules.

(iii) 88 MW Floating Solar at Omkareshwar reservoir and 8 MW Ground Mounted Solar at Sanchi, Madhya Pradesh :

These projects are being developed by NHDC Limited (a Joint Venture of NHPC and Govt. of Madhya Pradesh). EPC Contracts for above projects have been awarded by NHDC Limited and projects are likely to be commissioned by 2023-24.

(iv) Projects under development through selected developers "as an Intermediary Procurer":

Your Company has awarded aggregate 2000 MW solar power projects to five numbers of selected developers as an "Intermediary Procurer". Out of total 2000 MW, 320 MW Project has been commissioned on December, 2022. Commissioning of balance 1680 MW Projects got delayed due to Great Indian Bustard (GIB) issue and delay in commissioning of respective ISTS sub-stations. Developers have applied to Committee appointed by Hon'ble Supreme Court seeking approval for laying of overhead transmission line. Approval of Committee obtained for 380 MW in Feb, 2023 and for 600 MW in January, 2023. Subject to commissioning of ISTS/ LTA Operationalization by CTU and the approval of Committee for 300 MW and 400 MW Projects, above 1680 MW Projects are aligned to be commissioned within one month of respective ISTS Commissioning during F.Y. 2024-25.

9.1.2 Renewable Energy projects under clearance/ new projects

Your Company, in line with the latest technological developments and advancements, is now exploring road maps and strategies to scale up projects in the field of Renewable Energy.

Your Company is actively exploring development of various sources of renewable energy on pan India basis and has identified projects in the potential rich states such as Rajasthan, Odisha, Uttar Pradesh, Kerala, etc. Efforts are underway to take up implementation of these projects under different schemes of MNRE so as to avail benefits/incentives available to CPSUs under different schemes.

9.1.3 Projects envisaged under Ultra Mega Renewable Energy Power Parks (UMREPP- Mode 8 of Solar park scheme)

Your Company is exploring possibilities for development of UMREPP in various potential rich States across the Country. The status of development of UMREPP projects are as under:

(i) 500 MW Floating Solar Project in Odisha:

Your Company has signed a Promoter's Agreement with Green Energy Development Corporation of Odisha Limited (GEDCOL) for formation of JV Company for development of 500 MW Floating Solar Power Projects in various water reservoirs & other solar projects in Odisha. 300 MW Floating Solar project at Rengali Reservoir, Odisha has been identified for implementation in 1st Phase and EPC Contract for the same is under tender process. Proposed JV Company between NHPC and GEDCOL shall be incorporated after finalization of tender and firming up of PPA for the derived tariff based on discovered EPC price.

(ii) 10000 MW Renewable Energy Parks/Projects in Rajasthan:

MoU for development of 10,000 MW Renewable Energy Projects in Rajasthan has been signed between NHPC Renewable Energy Limited (NHPC REL) (A wholly owned subsidiary Company of NHPC limited) and Govt. of Rajasthan on August 24, 2022. Under the purview of said MOU, development of 10000 MW renewable energy parks/projects under UMREPP are to be taken up by NHPC REL in the state of Rajasthan with facilitation from Govt. of Rajasthan regarding land, connectivity and other necessary clearances. Identification of land for 1st phase i.e. 100 MW is under process.

(iii) 50 MW Floating Solar Project in Kerala:

Your Company has invited tender for EPC Contract for setting up of 50 MW Floating Solar Project at West Kallada, Kerala after getting the consent from Kerala State Electricity Board (KSEB).

(iv) Setting up of Solar Power & Green Hydrogen Projects in Uttar Pradesh:

An MoU has been signed between NHPC REL and Govt. of Uttar Pradesh on January 19, 2023 for setting up of Solar Power & Green Hydrogen Projects in Uttar Pradesh with total investment proposal of

₹10,000 Crores. Further, an MoU has been signed between NHPC REL and Govt. of Uttar Pradesh on January 31, 2023 for setting up of 100 MW Floating Solar Power Projects in Uttar Pradesh.

(v) 1200 MW Jalaun Solar Park

The Solar Park shall be developed by Bundelkhand Saur Urja Limited (BSUL), a Joint Venture between NHPC Ltd. and UPNEDA, Govt. of Uttar Pradesh, set up with the purpose of developing Solar Power Projects in Uttar Pradesh.

9.1.4 Development of 75 MW capacity ISTS connected Solar Power Project for sale of power through Power Exchange:

Your Company is also exploring the option of development of Solar Power Projects for sale of energy through Power Exchange. In the 1st phase of this mode, EPC Bids have been invited for 75 MW Grid Connected Solar Power Project on any-where India basis.

9.2 SETTING UP OF GIGA WATT SCALE VERTICALLY INTEGRATED SOLAR MANUFACTURING UNIT

Your Company has signed an MoU with Bharat Electronics Limited (BEL) on August 23, 2022 for Setting up of Giga Watt Scale Vertically Integrated Solar Manufacturing Unit at Bengaluru or any suitable location in the nearby vicinity jointly by NHPC and BEL. Formulation of action plan on modalities for way ahead is under process in consultation with BEL.

9.3 GREEN HYDROGEN TECHNOLOGY

The National Green Hydrogen Mission launched by Ministry of New and Renewable Energy in January, 2023 aims to make India a 'global hub' for using, producing and exporting green hydrogen. Green Hydrogen Technology is at nascent stage and emerging as the future source of energy in zero carbon emission scenario. NHPC is willing to leverage the emerging opportunities of green hydrogen in power sector to fulfil the grid balancing services and also explore the end demand of hydrogen in other sectors. In order to avail the opportunities and gain business in Green Hydrogen sector, your Company has planned to enter and explore the production of Green Hydrogen with the use of various Renewable Energy Sources which are planned to be developed in potential rich States across the Country.

To start with, your Company has initiated actions for development of Green Hydrogen Technology on pilot basis as below:

a) Pilot Green Hydrogen Based Fuel-Cell Microgrid (25 kWe) at Nimoo Bazgo Power Station (NBPS) Guest House, Leh.

b) Pilot Green Hydrogen Mobility Station at Kargil, UT of Ladakh.

c) Pilot Green Hydrogen Mobility Station at Chamba, Himachal.

Letter of Award for 25 kWe Green Hydrogen based fuel cell Microgrid pilot project at NBPS Guest House, Leh has been issued on April 20, 2023. Other two pilot projects are also in tender stages.

Based on the experiences obtained from above Pilot Projects, NHPC proposes to venture suitably in the Green Hydrogen business on larger scale in emerging hydrogen economy in future.

10 DIVERSIFICATION

Your Company has diversified in the field of renewable energy and green hydrogen energy development with an objective to strengthen its core vision of sustainable development of clean power. Further, in line with the paradigm shift towards clean energy transition and trajectory of energy market in the Country, NHPC as a business growth plan is diversifying its business portfolio towards development of Pumped Storage Projects (PSPs) in the Country.

NHPC is perusing for development of 16,045 MW PSPs capacities across different states viz. Maharashtra, Madhya Pradesh, Odisha & Andhra Pradesh and Damodar Valley Corporation (DVC).

The efforts made by NHPC are as under:

- NHPC is under discussion with Govt. of Maharashtra for development of 04 numbers PSPs viz. Kalu-1150 MW, Savitri-2250 MW, Kengadi-1550 MW & Jalond-2400 MW aggregating to 7350 MW and is also under discussion with GRIDCO Limited, Govt. of Odisha for development of 03 numbers PSPs viz. Upper Indravati-600 MW, Upper Kolab-320 MW, & Balimela – 500 MW aggregating to 1420 MW.
- NHPC has prepared the Pre-Feasibility Report in respect of 03 Pumped Storage Projects viz. Indirasagar-Omkareshwar PSP (525 MW), Tekwa-2 PSP (800 MW) & Satpura-2 PSP (1500 MW) aggregating to 2825 MW in the State of Madhya Pradesh. Govt. of Madhya Pradesh has conveyed the in-principle consent for carrying out Survey & Investigation, Preparation of PFR/DPR and implementation in respect of Indirasagar-Omkareshwar PSP (525 MW) & Tekwa-2 PSP (800 MW). NHPC is under discussion with Govt. of Madhya Pradesh for allotment / signing of MoU in respect of above said three projects.
- NHPC has signed MOU with DVC in July, 2022 to explore formation of a Joint Venture Company (JVC) for exploring and setting up hydropower

and Pumped Storage Project(s). Under this MoU, two Pumped Storage has been identified for joint development namely Panchet Hill PSP (1000 MW) & Lugupahar PSP (1500 MW). NHPC has prepared the Pre-Feasibilty Report in respect of Panchet Hill PSP (1000 MW), and the DPR of Lugupahar is being prepared by DVC.

- NHPC has signed MoU with Govt. of Andhra Pradesh in March, 2023 for development of PSP in the State of Andhra Pradesh with installed capacity as 2000 MW, either on Standalone mode or Joint Venture mode with Government of Andhra Pradesh. Matter with APGENCO for development of PSPs totaling 1950 MW is under active consideration.

11 POWER TRADING BUSINESS AND POWER TRADING LICENSE

As part of business expansion and diversification program, your Company has ventured into Power Trading Business and obtained Category-I license from CERC for interstate trading of electricity in whole of India in 2018. NHPC is registered at DEEP (Discovery of Efficient Electricity Price) e-bidding portal and has obtained trader membership in Indian Energy Exchange (IEX) & Power Exchange of India Limited (PXIL). Endeavour of Power Trading business of the Company is to provide efficient and smart business solutions to its clients viz. Buyers/DISCOMs, Generators/Sellers, Utilities etc.

NHPC Limited is intermediary procurer/nodal agency for implementing 2000 MW Solar Power from ISTS Grid Connected Solar Photo Voltaic Projects Scheme under Tariff based Competitive bidding. Annual earnings from Trading Margin would be around ₹ 35 Crore for 25 years from Commercial Date of Operation (CoD).

NHPC has signed Power Sale Agreement (PSA) for 2000 MW power with MP Power Management Company Limited (MPPMCL), Madhya Pradesh-1000 MW, Jammu & Kashmir Power Corporation Limited (JKPCL), Jammu & Kashmir-300 MW, Chhattisgarh State Power Distribution Company Limited (CSPDCL), Chhattisgarh-400 MW & Punjab State Power Corporation Limited (PSPCL), Punjab-300 MW. NHPC has also signed Power Purchase Agreement (PPA) on back-to-back basis with Solar Power Developer (SPD) for purchase of Power. In FY 2022-23, 320 MW Solar Project has been commissioned by Solar Power Developer out of 2000 MW and commissioning of balance capacity is under process.

During FY 2022-2023, NHPC has traded 693 MUs with turnover of ₹ 261 crore as against trading of 133.36 MUs with turnover of ₹ 44.48 crore during the previous year.

12 DETAILS OF SUBSIDIARIES AND ASSOCIATE COMPANIES

No subsidiary/joint venture/associate Company was incorporated or ceased during FY 2022-23.

A statement containing the salient features of the financial statements of subsidiaries and associate/joint venture companies in AOC-I as per Section 129(3) of the Companies Act, 2013 and details of individual contribution of these companies in the overall performance of the Company during the FY 2022-23 is given under Consolidated Financial Statements.

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

Your Company has following subsidiaries and associate/joint venture companies as on March 31, 2023:

12.1 Subsidiary Companies:

i) NHDC Limited (NHDC):

NHDC was incorporated as a joint venture of NHPC and Government of Madhya Pradesh in August, 2000. The shareholding pattern of NHDC as on March 31, 2023 was NHPC (51.08%), GoMP (26%) and Narmada Basin Projects Company Limited (Wholly owned by GoMP) (22.92%) respectively. NHDC has two operating power stations viz. Indira Sagar (1000 MW) and Omkareshwar (520 MW) in Madhya Pradesh.

During the FY 2022-23, NHDC generated 5443.69 MUs from its power stations i.e. 3661.09 MUs from Indira Sagar Power Station and 1782.60 MUs from Omkareshwar Power Station.

Further, NHDC is engaged in the development of 88 MW Floating Solar Project at Omkareshwar reservoir and 8 MW ground mounted solar project at Sanchi. NHDC Limited has also been allotted a Pump Hydro Storage site in Village Narmada Nagar, Punasa, Dist. Khandwa, Madhya Pradesh with estimated storage capacity of 525 MW x 6 hours, by New and Renewable Energy Department, Govt. of Madhya Pradesh.

ii) Loktak Downstream Hydroelectric Corporation Limited (LDHCL):

LDHCL is subsidiary of NHPC with 74.82% shareholding of NHPC and 25.18% shareholding of Government of Manipur as on March 31, 2023. LDHCL was incorporated in October, 2009 to execute Loktak Downstream Hydroelectric Project (66 MW) in Noney District of Manipur. All statutory clearances for the project have been received and PPA had already been signed with Govt. of Manipur. However, Public Investment Board (PIB) approval for the project is awaited.

iii) Bundelkhand Saur Urja Limited (BSUL):

BSUL is a joint venture between NHPC and Uttar Pradesh New & Renewable Energy Development Agency (UPNEDA). As on March 31, 2023, shareholding of NHPC and UPNEDA was 86.94% and 13.06% respectively. BSUL was incorporated in February, 2015 for development of Solar Power Project in Tehsil Kalpi, District Jalaun, Uttar Pradesh and other conventional & non-conventional power projects entrusted by the Govt. of Uttar Pradesh. During the year, BSUL has commissioned 26 MW capacity out of total 65 MW Kalpi solar project in Tehsil Kalpi, District Jalaun. The status of solar projects developed by BSUL is given elsewhere in the report.

BSUL is in the process of development of 1400 MW (approx.) Solar Power Projects in Uttar Pradesh through various modes of implementation i.e. in EPC mode and development of Solar Park followed by plant installation in developer mode. Preparation of Public Investment Board (PIB) proposals for investment in the projects viz. Mirzapur SPP (100 MW), Madhogarh SPP (45 MW) and Jalaun Solar Park (1200 MW) are in progress.

iv) Lanco Teesta Hydro Power Limited (LTHPL):

LTHPL was acquired by NHPC through Corporate Insolvency Resolution Process (CIRP) in October, 2019 and equity of ₹ 897.50 crore was infused as consideration amount pursuant to approved resolution plan. LTHPL is a wholly owned subsidiary of NHPC. LTHPL is executing 500 MW Teesta VI HE Project in Sikkim and construction works are at full swing. The status of Teesta VI HE Project has been provided elsewhere in the report. Approval of Ministry of Power has been obtained for merger of LTHPL with NHPC Limited. The Ministry of Corporate Affairs vide order dated February 23, 2023 has already issued directions for convening meeting of equity shareholders and creditors of transferee Company i.e. NHPC Limited for consideration and approval of scheme of amalgamation between LTHPL and NHPC. The merger of LTHPL with NHPC is underway.

v) Jalpower Corporation Limited (JPCL):

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

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

CVPPPL is a joint venture of NHPC and Jammu & Kashmir State Power Development Corporation Limited with shareholding of 52.74% and 47.26% respectively as on March 31, 2023. NHPC and JKSPDC have signed the Supplementary Promoters' Agreement of CVPPPL in November, 2022. As per the agreement, shareholding of NHPC & JKSPDC in CVPPPL should be 51% & 49% respectively. CVPPPL was incorporated in June, 2011. CVPPPL is developing four hydroelectric projects in UT of Jammu & Kashmir i.e. Pakal Dul HE Project (1000 MW), Kiru HE Project (624 MW), Kwar HE Project (540 MW) and Kirthai-II HE Project (930 MW). The status of Pakal Dul HE, Kiru HE, Kwar HE and Kirthai-II HE Projects is provided elsewhere in the report.

vii) Ratle Hydroelectric Power Corporation Limited (RHPCL):

RHPCL was incorporated in June, 2021 as joint venture of NHPC and Jammu & Kashmir State Power Development Corporation Limited (JKSPDC). As on March 31, 2023, shareholding of NHPC and JKSPDC was 51% and 49% respectively. RHPCL is developing Ratle Hydroelectric Project (850 MW) in UT of Jammu & Kashmir. The status of Ratle Hydroelectric Project has been provided elsewhere in the report

viii) NHPC Renewable Energy Limited (NHPC REL):

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

12.2 Associate Company:

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

NHPTL, incorporated in May, 2009, is a joint venture between five (5) entities viz. NHPC Limited, NTPC Limited, Power Grid Corporation of India Limited, Damodar Valley Corporation and Central Power Research Institute (each having shareholding of 20%). NHPTL was established to set up an online high power test laboratory for short-circuit test facility in the country. The laboratory for High Voltage Transformer (HVTR) at 400 kV level and 765 kV level is already operational at Bina, Madhya Pradesh. Laboratory for Medium Voltage Transformer (MVTR) has not been commissioned till date.

13 GLOBAL INITIATIVES

Your Company has ventured into Nepal seeking to expand its footprint in the hydropower business in line with GOI direction that CPSEs act in a way to increase their geographic footprint in the neighbouring countries of India and that CPSEs should transform to globally respected multinational companies in the long run and be able to generate substantial revenues from their foreign operations.

Accordingly, during the year, NHPC has taken major strides in establishing its business footprint in Nepal. During the year, NHPC signed MOU with Investment Board Nepal (IBN) for taking up the development of West Seti (750 MW) and SR6 (450 MW) HEPs in Nepal. As per terms of the MOU, NHPC will review the prior studies / details undertaken in respect of the two schemes and prepare the DPR for the schemes to confirm the techno economic feasibility. Thereafter, Project Development Agreement is proposed to be signed for implementation of the schemes. In this regard, subsequent to grant of Survey License, the Inception Report for West Seti Scheme has already been submitted and IBN has given go ahead for preparation of DPR. In case of SR6 HEP, Survey License has been granted and Inception Report is under formulation. Senior level business delegations from NHPC visited Nepal and held discussions with the highest functionaries in Government of Nepal for extending support to NHPC initiatives in taking up the development of hydropower schemes in Nepal. NHPC has set-up its offices in Nepal i.e. Kathmandu and Dipayal and manpower had also been posted.

NHPC has entered into a Memorandum of Understanding (MoU) with Vidhyut Utpadan Company Limited (VUCL), Nepal for joint development of Phukot Karnali HE Project (480 MW), which is a run-of-the-river hydropower project situated in Kalikot district of Karnali Province, Nepal. The MoU was exchanged in the august presence of Hon'ble Prime Minister of India and Hon'ble Prime Minister of Nepal on June 01, 2023.

Exchange of MoU

Your Company has commissioned 14.1 MW Devighat Hydropower project in Nepal and 60 MW Kurichu Hydropower project in Bhutan on deposit basis. Company has already marked its footprints in Countries like Nepal, Bhutan, Myanmar, Tajikistan, Nigeria and Ethiopia and is looking further to expand its business in various other countries.

14 HEALTH, SAFETY & ENVIRONMENT (HSE)

NHPC is committed to conduct its business with a strong environment conscience. NHPC is committed to protect the environment during the construction and operation phases of its hydroelectric projects. NHPC conducts its business with a strong environmental conscience and socially responsible manner, ensuring sustainable development, safe workplaces, and enrichment of the quality of life of its employees, customers, and the community. It is well aware of its obligation to conserve and protect the environment. During the investigation stage, probable impacts on the environment while executing the projects, are assessed and identified. Environmental Management Plans (EMPs) are proposed and implemented to compensate for the adverse impacts of the project by taking necessary measures. Compliance with safety systems & procedures and environmental laws is regularly monitored.

In NHPC Limited, Safety Manual & Safety Policy has been prepared which provides the detail of Scope, Applicability of Laws, Standard Operating Procedures (SOPs), Operations Control Procedures, Roles & responsibilities etc. for effective safety Management. All Power Stations/Projects have prepared their Crisis & Disaster Management Plan.

Safety Policy & Safety Manual has been implemented at all Power Stations/Projects of NHPC Limited with a target of Zero hazard potential at workplace. In addition of the above, Occupational Safety, Health and Working Conditions Code, 2020/Factories Act, 1948, Building and Other Construction Workers Act 1996, Disaster Management Act, 2005, the Environment Protection Act, 1986, Hazardous Waste Rules, 2008, National Building Code and other applicable, Acts, rules & standards are being followed at all Power Stations/Projects.

Annual Internal & External Safety Audits are being conducted at Power Stations/Projects to identify, assess and control of hazards. Various type of Mock drills/trainings/awareness camps are being organised for awareness & also preparing the employees/stakeholders for any probable threat, disaster and risk.

Early warning system is installed/under progress at all Power Stations/Projects to receive the early warnings from upstream of the river. Hooters are installed in Dam & Power House to sensitize public in the vicinity areas/downstream before release of water from Dam.

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

15 CONSULTANCY SERVICES

NHPC, a multi-disciplinary Organization, has sufficient in-house expertise and state-of-art technology for planning and executing large and small size Hydro Power Projects. The technical "know-why and know-how", proficiency and experience of NHPC places it in a leading position to offer a wide range of "World Class" consultancy services from "Concept to Commissioning along with operation and maintenance" in the field of hydro power and related works. NHPC provides consultancy services to clients in public sector as well as private sector with the support of highly qualified and experienced professionals in the field of Design and Engineering, Geotechnical Engineering, Survey and Investigations, Construction Management, Operation & Maintenance, Contract Management etc. by using latest range of test equipment and construction technologies.

Till date NHPC successfully completed 13 International consultancy assignments and more than 100 Domestic consultancy assignments for different Govt. / Public Sector / Private Sector Clients with revenues of over ₹ 400 Crores since formation of Consultancy Division. In the last five years Average Annual Turnover from the consultancy services has been ₹ 40 Crores. During the financial year 2022-23, a payment of ₹ 75.57 Crores has been received by NHPC Limited for consultancy services rendered to its different clients.

At present, more than 20 consultancy assignments for different Clients are under progress, which includes NHPC's JV/Subsidiaries also.

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

16 FINANCING OF NEW PROJECTS

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

During the FY 2022-23, your Company has raised ₹ 1100 crore through Long Term Loan from Banks, ₹ 996 crore through issue of Unsecured non-cumulative non-convertible redeemable taxable bonds (AD Series) in the nature of debentures and ₹1876.37 crore against monetization of free cash (consisting Return on Equity, revenue from Secondary Energy and Capacity incentive) of Uri-I Power Station for 10 years during FY 2022-23 under the ambit of Assets Monetization Plan.

17 CREDIT RATINGS

- **Domestic Rating**

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

- **International Rating**

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

18 INFORMATION TECHNOLOGY AND COMMUNICATION

NHPC considers Information Technology as a strategic tool for the attainment of sustainable growth in business and to improve overall productivity and efficiency. All locations of the Company including remotely located Power Stations / Projects are connected to Corporate Office / Regional offices through multimode communication links using MPLS-VPN / ILL / VSAT-Ku band / VSAT Phones. These multimode links have been integrated through SDWAN (Software Defined Wide Area Network) technology to function in a fail-safe mode. IP Telephony has been deployed between corporate office / Regional Offices and Power Stations / Projects. VMS (Video Management System) has been recently made operational for better monitoring/ management and surveillance of projects / power stations. Two-Factor Authentication (2FA) has also been implemented for the users connecting NHPC network through SSL-VPN in a secured manner.

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

During the year 2022-23, NHPC launched "Early Warning System (EWS)-AABHAS" an Internet Cloud based Software Application for monitoring of water level/discharge of rivers so as to raise alarms with sufficient lead time to handle disastrous situation at Projects/Power Stations sites. A Master Control Room facility has also been set up in NHPC Corporate Office for monitoring of vulnerable hydroelectric projects in the Country.

IT & Cyber Security Policy and Cyber-Crisis Management Plan are in place to strengthen Cyber Security Posture of the Organization. Critical IT Infrastructure including servers, data storage, communication equipment etc. have been installed at safe locations and are being managed through internal resources. NHPC has been certified with ISMS ISO 27001:2013 certification in Corporate Office which assures confidentiality, integrity and availability of information assets. ISMS ISO 27001:2013 certification is in process of implementation at all NHPC's power stations. VAPT Audit has been carried out at all generating power stations to secure valuable information and vital infrastructure. A centralised End Point Security Software solution has also been implemented to protect Servers / Desktops against Cyber threats.

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

19 HUMAN RESOURCES

Your Company has a strong and dedicated workforce of 4,776 employees, consisting of 3,084 executives and 1,692 non-executives as on March 31, 2023. The above workforce includes 502 women employees.

Your Company is strongly focused towards lifelong learning and competency development of its employees for their overall capacity building by improving their performance and enhancing organizational capabilities. Training programmes to employees are facilitated through internal faculty as well as through external agencies.

NHPC's vision towards human resource development is to develop & nurture its employees to leverage their fullest potential to make NHPC an employer of choice in the talent market. NHPC has established infrastructure for effective training programs in all categories viz. induction level training for new recruits, refresher/advanced training to existing employees and management training to the managers through in-house experts and in collaboration with various renowned institutes like IITs, IIMs etc. Your Company also deputes senior and high potential employees to foreign training programmes to keep them abreast with the latest know how and to understand the global scenario in the field of hydro power. NHPC also sponsors its executives to acquire higher qualification and specialization to improve their productivity and effectiveness. During COVID-19 pandemic, your Company has organized virtual workshops to fulfill training requirements of its employees in addition to knowledge sharing sessions through webinars.

Considering the future training needs due to advancing technologies, NHPC recognizes the need to adopt modern and scientific training methodologies and to create an infrastructure accordingly. Further, specialized training in the field of project planning, execution & management, O&M, R&D, etc. will be met either by establishing JVs or in collaboration with the expert institutions in the concerned field in India & abroad.

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

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

20 REHABILITATION AND RESETTLEMENT (R&R)

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

21 VIGILANCE

The objective of the vigilance function is to increase the productivity and efficiency of the Company by bringing about an improvement in system and encouraging transparency. Your Company has a Vigilance Department headed by Chief Vigilance Officer to ensure transparency, objectivity and quality of decision making in its operations. All the procedures are documented to monitor and handle vigilance complaints and disciplinary cases. Vigilance Department also co-ordinates with Ministry of Power, Central Bureau of Investigation (CBI), Central Vigilance Commission (CVC), Department of Personnel and Training (DoPT) and other concerned departments of the Government. One vigilance case related to misconduct has been disposed-off during FY 2022-23. One vigilance case related to disproportionate assets is under disciplinary proceedings as on March 31, 2023. As a part of preventive vigilance, circulars and guidelines are being issued regularly based on various inspections/ intensive examinations carried out from time to time. Vigilance Awareness Week and other vigilance awareness programmes are also being organized by the Company to promote transparency and ethics in working system.

22 INTERNAL FINANCIAL CONTROLS

The Company has adequate internal financial control system in place with reference to the Financial Statements and such internal financial controls were operating effectively as at March 31, 2023. The Statutory Auditors of the Company have certified that the Company has an adequate internal financial control system with reference to the Standalone and Consolidated Financial Statements and such controls were operating effectively as at March 31, 2023 based on the internal control criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

23 RISK MANAGEMENT

NHPC recognizes that it is exposed to a number of uncertainties, which is inherent to the power sector. The volatility of the power sector affects the financial and non-financial results of the business. To increase confidence in the achievement of organization's objectives, NHPC has developed Risk Management Policy to remain a competitive and sustainable organization and enhance its operational effectiveness. The Policy statement is as under:-

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

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

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

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

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

24 PROCUREMENT FROM MICRO & SMALL ENTERPRISES

Government of India has notified Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012 to support marketing of products produced and services rendered by them. In compliance to the Policy, annual procurement plan including items to be procured from Micro & Small Enterprises (MSEs) are uploaded on NHPC's website (www.nhpcindia.com) for the benefit of MSEs. The benefits to MSEs like exemption from tender fees and earnest money deposit, purchase preference, interest on delayed payments and exemption from prior experience – prior turnover criteria subject to meeting of quality and technical specifications are also extended to encourage these enterprises.

During financial year 2022-23, NHPC has procured 50.16% of the total annual procurement of products produced and services rendered by Micro and Small Enterprises (MSEs) against the mandate of 25% set by Ministry of Micro, Small and Medium Enterprises, Govt. of India. Procurement also includes 4.54% from SC/ST MSEs and 4.15% from women MSEs against the sub-target of 4% and 3% respectively.

During this period, 2,663 MSEs were benefited out of which 133 MSEs and 342 MSEs were owned by SC/ST and women entrepreneurs respectively.

25 IMPLEMENTATION OF OFFICIAL LANGUAGE

Your Company is committed to implement Official Language Hindi in day-to-day working in various offices/locations/units in accordance with the provisions of Official Languages Act, 1963 and Official Languages Rules, 1976. During the year 2022-23, quarterly meetings of Official Language Implementation Committee of the Company and Town Official Language Implementation Committee (Office), Faridabad were organized regularly to review the status of Official Language Implementation. In addition to above, Official language inspection of Regional Office, Chandigarh was carried out by the second sub-Committee of Parliamentary Committee on Official Language and Official language implementation was speeded up in view of inspection of official language in various offices/locations/units by senior officials of Company from time to time.

During the year, NHPC organized various events like NHPC Official Language Conference, Hindi Kavi Sammelan, Hindi Pakhwada, Hindi Poetry Seminar etc. for its employees to encourage the use of Hindi. In addition to the above, Hindi Typing Training Programme, Hindi Workshops and Departmental Computer Workshops were also conducted regularly. Apart from this, to increase the interest of employees to work in Hindi, an 'Online Hindi Quiz Competition' was also conducted at Corporate office, Faridabad. To promote the use of Hindi, Official Language magazines named 'Rajbhasha Jyoti' and 'Nagar Saurabh' were also published regularly.

In order to encourage and participate actively to promote Hindi, attractive incentive schemes have been implemented for employees to contribute articles/papers for in-house journals, to read Hindi books and to do official work by writing, noting and drafting etc. in Hindi.

Your Company's website i.e. www.nhpcindia.com has been developed and updated continuously in bilingual operation mode i.e. Hindi & English.

26 SPORTS AND OTHER ACTIVITIES

NHPC has always encouraged sports culture in the organization. NHPC employees have participated in various sports tournaments in individual and team events. NHPC Sports Scholarship holders have participated in many tournaments giving stellar performances.

NHPC hosted 12th Inter CPSU Athletics Tournament under the aegis of Power Sports Control Board (PSCB), Ministry of Power, Govt. of India in December, 2022 at Faridabad. Seven power sector CPSUs/organizations viz. Ministry of Power, NHPC, DVC, PGCIL, CEA, BBMB and REC participated in above tournament. NHPC's teams participated in all Inter CPSU Tournaments organized under the aegis of PSCB. NHPC's team achieved podium positions in Inter CPSU Athletics, Carrom, Badminton and Cricket Tournaments.

NHPC organized State Level Painting Competition in six States/UTs (J&K, Ladakh, Arunachal Pradesh, Sikkim, Manipur & Madhya Pradesh) under the aegis of Bureau of Energy Efficiency (BEE), Ministry of Power, Govt. of India in the month of November, 2022. The winners of the State Level Painting Competition participated in the National Level Painting Competition held in Noida & Gurugram on December 11, 2022.

NHPC celebrated its 48th Raising Day with Shri R. K. Singh, Hon'ble Cabinet Minister of Power and New & Renewable Energy gracing the occasion as Chief Guest. Cultural teams from various NHPC locations showcased dance forms pertaining to their States/ UTs and enthralled the audience during the celebration.

Your Company has organized Vasant Utsav, 2023 under "Azadi Ka Amrit Mahotsav" with great festive spirit at the NHPC Residential Complex, Faridabad on March 04, 2023 to welcome the arrival of spring and to showcase the rich and diverse Indian culture.

During the year, NHPC has been actively contributing towards the celebration of Azadi Ka Amrit Mahotsav across all its locations spread across the Country. These programmes have witnessed enthusiastic participation from NHPC employees as well as the local people. The events organized were of varied nature but with a common theme of National pride and celebrating the idea of INDIA through educational trips, competitions, awareness campaigns, cultural events, patriotic programmes, sports health and medical initiatives. 'Har Ghar Tiranga Abhiyan' was celebrated with full enthusiasm in NHPC Corporate Office, Regional Offices, Projects, Power Stations, units from 13th to 15th August, 2022. Similarly, NHPC was allocated 75 districts by Ministry of Power across the Nation to organise Ujjwal Bharat, Ujjwal Bhavishya- Power @2047 programme. Various activities were organized successfully by NHPC across the allocated districts to celebrate the achievements of Power sector towards Nation building.

NHPC has a strong presence on various social media platforms. As on March 31, 2023, NHPC has 21,000 followers on Twitter, 79,600 followers on Instagram, 1,00,000 followers on Facebook and 2400 subscribers on YouTube. Information on important activities related to the Company is regularly posted on these social media platforms so that information can be widely disseminated among the public. Apart from this, tweets of joint ventures, subsidiary companies like NHDC, CVPPPL and Ministry of Power etc. are also liked and re-tweeted.

27 AWARDS & RECOGNITIONS

NHPC has been proud recipient of following awards for excellence in different areas during the financial year 2022-23:-

- NHPC was conferred with "PSU developer of the Year" award in Gold Category on April 13, 2022 by EQ International during EQ's PV Invest Tech India Conference & Awards at New Delhi.

- NHPC was conferred with First Prize for the year 2020-21 for excellent implementation of Rajbhasha by Shri R.K. Singh, Hon'ble Union Minister of Power and New and Renewable Energy and Shri Krishna Pal Gurjar, Hon'ble Minister of State for Power and Heavy Industries during the meeting of Hindi Salahkar Samiti at New Delhi in May 2022. NHPC was also conferred the second prize for the year 2018-19 for excellent implementation of Rajbhasha during the meeting.

- NHPC was conferred with Certificate of Appreciation and Special Commendation award for 'Innovative Training Practices: 2020-21' by Indian Society for Training & Development on June 25, 2022.

- NHPC bagged Gold Medal for best presented annual report for FY 2020-21 (Infrastructure & Construction Sector category) at South Asian Federation of Accountants Awards, 2021 at Kathmandu, Nepal on December 18, 2022.

- NHPC was awarded Winner of 'Best Globally Competitive Power Company of India – Hydropower and Renewable Energy Sector' at PRAKASHmay '15th Enertia Awards 2022', held at New Delhi on December 22, 2022.

- NHPC was conferred 'Second Best Enterprise award' for Mini-Ratna Category from Director General, SCOPE at WIPS (Women in Public Sector) 33rd National meet at Kolkata on February 10, 2023.

- NHPC secured the "Use of Emerging Technologies Data Centre" Award at Governance Now- 9th PSU Awards & Conference at New Delhi on February 16, 2023. The award was conferred to NHPC in recognition of its efforts towards building a strong Digital India and vibrant Data Center Ecosystem.

- NHPC has been awarded with "Data Centre Champion-2022" by Express Computer (IT business publication of Indian Express Group) in recognition of NHPC's efforts towards building a strong Digital India & vibrant Data Center Ecosystem.

- NHPC has been awarded 'Second Prize' under 'Rajbhasha Kirti Puruskar' in Region 'A' by Ministry of Home Affairs, Govt. of India, for the year 2021-22 under 'Rajbhasha Kirti Puruskar' scheme.

28 RIGHT TO INFORMATION ACT

The Right to Information Act, 2005 has been implemented in NHPC to provide information to citizens and to maintain accountability and transparency. NHPC has placed various documents/ records on its website i.e. www.nhpcindia.com for access to all citizens of India. NHPC has designated Appellate Authority, Transparency Officer and Central Public Information Officer (CPIO) at Corporate Office and Assistant Public Information Officers (APIOs) at all Power Stations/ Projects / Regional Offices / Units. During the financial year 2022-23, 719 applications and 70 first stage appeals were received under RTI Act. Out of above, 702 (98%) applications and 69 (99%) first stage appeals were replied / disposed. Further, 12 second stage appeals were filed by the applicants before the Central Information Commissioner (CIC), which were also disposed-off in favour of NHPC.

29 CORPORATE SOCIAL RESPONSIBILITY

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

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

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

Your Company has adopted a Corporate Social Responsibility (CSR) Policy in compliance with the Companies Act, 2013, as well as the Companies (Corporate Social Responsibility Policy) Amendment Rules of 2021 and 2022. The major highlights of the CSR Policy of your Company are as under:

- Preference to the Local area around NHPC's Projects is being given by allocating atleast 80% of the CSR Budget amount. However, other locations are also being selected based on the needs and as per the direction of Government of India on national schemes and campaign, wherein about 20% amount of the CSR Budget may be spent, for the larger benefit of society / environment.
- The CSR initiatives includes programs on promoting education, vocational skills, health, sanitation, rural development, women empowerment, environmental up-gradation etc. in accordance with Schedule VII of the Companies Act, 2013. Expenditure on any other activity not in conformity with Schedule VII is not accounted towards CSR expenditure.
- Selection of CSR & Sustainability schemes is made so as to ensure maximum benefits reach the poor/ backward and needy sections of the society and contribute to improve the quality of environment.
- NHPC is open to join hands with other CPSEs in planning, implementing and monitoring of Mega-Projects for optimal use of resources, synergy of expertise and capabilities for maximizing socio-economic or environmental impact.
- The Policy has defined roles & responsibilities at various levels for proper selection, planning, execution & monitoring of CSR activities.

During the FY 2022-23, the CSR Policy was revised to include provisions with respect to following:

a. Engagement of implementing agency for the CSR Projects or programs,

b. Expenditure on undertaking the Impact Assessment

The CSR Policy is available on website of the Company at https://www.nhpcindia.com/assests/pzi_public/gallery/1681895733.pdf. A report on CSR activities undertaken by your Company during the FY 2022-23 is given as **Annexure-I** to this report.

Food Processing Plant, Khalsti, Leh

500 LPM Oxygen Plant at District Hospital, Kargil

30 CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

Your Company has not entered into any material transaction with any of its related parties during the FY 2022-23. Company's major related party transactions are generally with its subsidiary and associate companies for providing consultancy services, leasing out of properties, manpower services, inter-corporate loan, corporate guarantee etc. All the contracts / arrangements / transactions entered into with related parties were on arm's length basis, intended to further the Company's interest. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

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

31 VIGIL MECHANISM - POLICY ON WHISTLE BLOWER AND FRAUD PREVENTION

Your Company has framed a 'Whistle Blower Policy' wherein Directors, employees, contractors and vendors of the Company are free to report any unethical practice, violation of applicable laws, rules, regulations or Company's Code of conduct, that could adversely impact Company's operations, business performance and/or reputation. The Policy also allows direct access to the Chairperson of the Audit Committee. During the year, no person was denied access to the Audit Committee on issues relating to Whistle Blower Policy. The identity of the whistle blower is kept confidential so that he/she shall not be subjected to any discriminatory practice. A senior level officer has been nominated as coordinator for effective implementation of the Policy and to deal with complaints reported under the Policy. During the year 2022-23, no complaint was received under Whistle Blower Policy. Your Company has also framed a Fraud Prevention & Detection Policy to prevent, detect and allow speedy disposal of fraud or suspected fraud. Mechanism under the Policy is appropriately communicated within the organization across all levels and has been displayed on Company's intranet.

The Whistle Blower Policy is available at website of the Company at https://www.nhpcindia.com/assests/pzi_public/gallery/1683188102.pdf

32 PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Your Company believes that diversity at workplace creates an environment conducive to engagement, alignment, innovation and high performance. Every employee in the Company is treated with dignity, respect and afforded equal treatment. A Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 is in place. 'Internal Complaints Committees' have been constituted at all locations of the Company for the redressal of complaints against sexual harassment of women at workplace. The Committee at Corporate Office, Faridabad is headed by a senior woman officer and includes representative from an NGO, as one of its members. Your Company has also prohibited sexual harassment of women by incorporating it as misconduct under "NHPC Conduct, Discipline and Appeal Rules". Disclosure in respect of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the financial year 2022-23 is as under:

A	Number of complaints pending at the beginning of the financial year	1
B	Number of complaints filed during the financial year	1
C	Number of complaints disposed-off during the financial year	1
D	Number of complaints pending at the end of the financial year	1*

*complaint is under investigation by the Internal Complaints Committee.

33 DEBENTURE TRUSTEES

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

34 COVID 19

NHPC continues its endeavors to fight COVID-19 pandemic in its varying magnitude while, its top priority remains safety & well-being of employees along with business continuity for clients. NHPC acts in accordance with the guidelines issued by Ministry of Home Affairs, Ministry of Health & Family Welfare and Ministry of Power from time to time and implemented elaborate support measures to sensitize employees, their dependent and other stakeholders about safety measures for COVID-19 pandemic.

Oxygen support facilities are also present at various NHPC locations like oxygen concentrator and oxygen cylinder etc

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

35 MANAGEMENT DISCUSSION & ANALYSIS

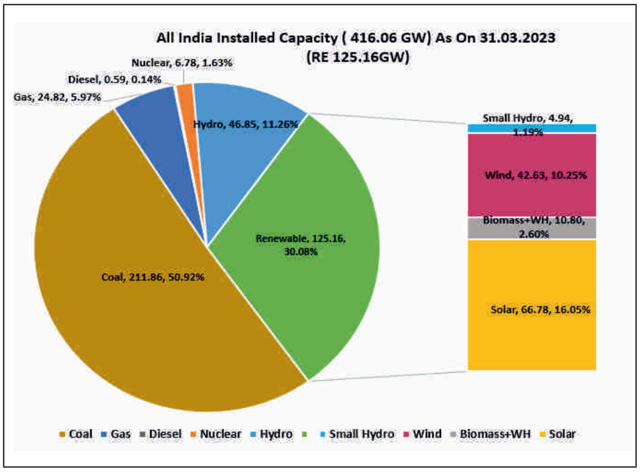
35.1 INDUSTRY STRUCTURE AND DEVELOPMENT

India is a resource-rich and diverse Country having abundance of renewable energy source. Indian renewable energy sector is one of the most attractive renewable energy markets in the World.

India has emerged as a leader in commitment to sustainability and has taken progressive actions under its Nationally Determined Contributions (NDCs). Government of India (GoI) has set up a target of 500 GW capacity from non-fossil fuels by 2030. Besides above, GoI commitment also include reduction of India's total projected carbon emission by 1 billion tonnes by 2030, reducing the carbon intensity of the Nation's economy by less than 45% by the end of the decade and achieving net-zero carbon emissions by 2070 . Renewable energy sector has become attractive from investors perspective with the increased support of Government and improved economics.

The Indian power sector has come a long way in the past decade, transforming from a power-deficit to a power-surplus nation. A series of concerted measures led to a 49.8% increase in generation capacity – from 275 GW in March, 2015 to ~416 GW in March, 2023. Electricity generation has also increased in tandem at a CAGR of ~4%, enabling India to reduce its energy and peak deficit from 4.2% and 4.5% in 2014 to 0.4% and ~1% in 2022 respectively[1].

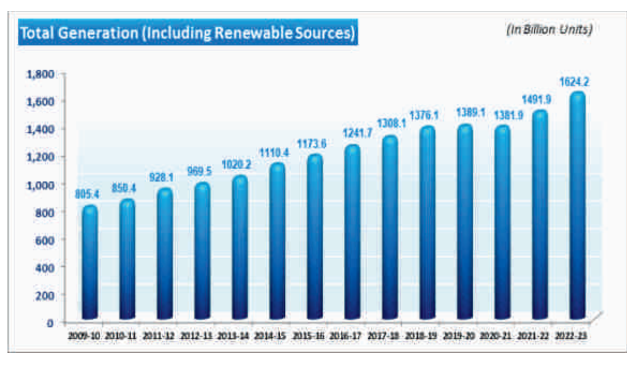
The Installed Generation Capacity as on March, 2023 was 416.06 GW comprising of 237.27 GW thermal, 6.78 GW Nuclear, 172.01 GW Renewables including large hydro of 46.85 GW[1].



Source: Central Electricity Authority

A generation capacity addition totaling to 177,783.21 MW from various sources has been achieved from the year 2014-15 till October, 2022 comprising of 87,509.61 MW from conventional sources (Coal, Gas and Nuclear) and 90,273.6 MW from RE sources. The conventional capacity addition of 87,509.61 MW comprises of 85509.61 MW of Coal and Gas, and 2000 MW of Nuclear. RE capacity addition of 90273.6 MW includes 6169 MW of Large Hydro, 58,992.35 MW of Solar, 20,801.4 MW of Wind, 3191.03 MW of Biomass and 1119.82 MW of Small Hydro has been achieved since the year 2014-15[1].

The generation installed capacity achieved has grown at a CAGR of 5.97 % since 2014-15[1].



Source: Central Electricity Authority

35.2 STRATEGIC DIVERSIFICATION

NHPC is one of the India's leading hydro power generation Company and considering upcoming huge opportunities in Renewable Energy and Green Hydrogen sector, NHPC plans to strategically divert itself in these sectors. Various Solar Power projects and pilot Green Hydrogen projects are being taken up, which are under different stages of development. Further, NHPC is also exploring to enter into manufacturing of Giga Watt Scale Vertically Integrated Solar PV Modules and cells and a Memorandum of Understanding (MoU) has been entered with Bharat Electronics Limited in this regard. Headquarters of Renewable Energy & Green Hydrogen Division of NHPC Limited has been shifted to Ahmedabad with the long-term vision of availing the huge opportunities available in the Western region & the State of Gujarat having potential for Solar, Wind, Green Hydrogen, and other Renewable projects and ample potential for export of Green Hydrogen and its derivatives through various ports. While NHPC will continue development of Hydro Power Projects as its core business, it would make all endeavors to expand its business in Renewable Energy development coupled with storage solutions such as Green Hydrogen and Pumped Storage Projects.

35.3 HYDROPOWER POTENTIAL IN INDIA

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

[1]Source: Central Electricity Authority

the study, the Hydro power potential in terms of installed capacity is estimated at 1,48,701 MW out of which 1,46,401 MW of the potential consists of hydroelectric schemes having installed capacity above 25 MW.

35.4 MEASURES TAKEN BY GOVERNMENT OF INDIA TO PROMOTE HYDRO POWER SECTOR

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

- Large Hydro-power Projects (LHPs, i.e. > 25 MW Projects) have been declared as renewable energy source. However, LHPs would not be automatically eligible for any differential treatment for statutory clearances such as forest clearance, environmental clearances, National Board for Wildlife (NBWL) clearance, etc. as available to Small Hydro-power Projects (i.e. < 25 MW Projects). Ministry of Power shall continue to be administrative ministry for LHPs.
- Hydropower Purchase Obligation (HPO) is notified as a separate entity within Non–solar Renewable Purchase Obligation (RPO). The HPO shall cover all LHPs commissioned after March 08, 2019 (i.e. date of issuance of Office Memorandum by Ministry of Power) as well as untied capacity (i.e. without long term PPA) of the commissioned Power Station.
- New Projects commissioned after March 08, 2019 are covered under HPO provided tariff (LT) is not above ₹ 5.50/kWh for Projects commissioned till March 31, 2021. 5% increment in tariff shall be permitted for subsequent financial years. Ministry of Power vide order dated July 25, 2022 has revised the trajectory of HPO along with notification of trajectory of Energy Storage Obligation (ESO).
- Flexibility to the developers to determine tariff by back loading of tariff after increasing project life to 40 years, increasing debt-repayment period to 18 years and introducing escalating tariff to rationalize hydro power tariff.
- Extension of Budgetary Support for Flood Moderation/Storage Hydro-Electric Projects (HEPs).
- Budgetary Support shall also be extended to Cost of Enabling Infrastructure i.e. roads/ bridges @ ₹ 1.5 crore/MW for project upto 200 MW and ₹ 1 crore/ MW for project above 200 MW. Draft guidelines for budgetary support for Cost of Enabling Infrastructure i.e. roads/ bridges has been issued by CEA.
- Ministry of Power has also notified final guidelines for a Budgetary Support for Flood Moderation/ Storage Hydroelectric Projects (HEPs) and Budgetary Support towards Cost of Enabling Infrastructure i.e. roads/ bridges in September, 2021.

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

MoP vide PIB release dated December 02, 2022 has extended the waiver of ISTS charges on the transmission of power from new hydro power projects, for which construction work is awarded and PPA is signed on or before June 30, 2025. Further, the trajectory of waiver of ISTS charges from June 30, 2025 to June 30, 2028 has also been laid down by MoP.

35.5 GOVERNMENT INITIATIVES FOR RENEWABLE ENERGY SECTOR

India has set a target to achieve net zero by 2070, in addition to achieving aggressive near term targets such as 500 GW of renewables capacity, 50% of requirements to be met with renewables, one billion tonne reduction in cumulative emissions by 2030, and 45% lower emissions intensity of gross domestic product (GDP) by 2030. Having the unique ecosystem advantages in India, the stage is set for the Country to become a global champion in green hydrogen and efforts are underway to achieve the world's largest electrolysis (green hydrogen generation) capacity of over 60 GW/5 million tonnes by 2030 for domestic consumption. This will help India meet the 500 GW renewable energy target. Further, about $1 billion investment is targeted into hydrogen research and development to enable breakthrough technologies for the world at scale and the speed that is required[1].

Amid various challenges, meeting the target of 500 GW of renewables by 2030 will require a dramatic acceleration in installed capacity. Govt. of India has taken major steps to reform the energy sector and usher in a climate-friendly energy transition that will deliver energy security, affordability, and sustainability. The steps include proposing the Electricity (Amendment) Bill, 2020, PMKUSUM and Roof Top Solar scheme, various schemes to promote

[1]Source: NITI Aayog

large scale Solar Power Development such as CPSU Scheme, Solar Park Scheme, Production linked incentive schemes etc., proposing amendments to Energy Conservation Act (2001), Pradhan Mantri Ujjwala Yojana, National Green Hydrogen Mission, Guidelines to promote Pump Storage Hydro Power Plants and so on.

The Union Budget 2022-23 has provided a budgetary allocation of ₹ 3365 crore for the solar power sector, including both grid-interactive and off-grid projects. The budget has given a major push to the solar energy sector under renewable energy with an additional allocation of ₹ 19,500 crore for production linked incentives for manufacturing of high efficiency solar photo voltaic modules.

The aforesaid initiatives in the Renewable Energy Sector in conjunction with technological advancements have made the investment in solar power business highly attractive. NHPC is making its efforts to explore opportunities for development of renewable energy and green hydrogen projects as well to enter in to the business of manufacturing of Gigawatt scale solar PV Modules.

35.6 ELECTRICITY (LATE PAYMENT SURCHARGE AND RELATED MATTERS) RULES, 2022

Ministry of Power in February, 2021 had first notified the Electricity (Late Payment Surcharge) Rules, 2021 (LPSC). In the LPSC, MoP had kept the base LPSC rate with MCLR rate plus 5%, which shall be increased by 0.5% every successive month till 6 months. It was also notified to adjust the payment received first towards the late payment surcharge and then towards the monthly charges starting from the longest overdue bill.

Now, MoP has notified Electricity (Late Payment Surcharge and Related Matters) Rules, 2022. With other rules kept as same regarding rate of LPSC and adjustment of payment received, MoP has incorporated the following clauses, under these rules:

a. Liquidation of arrears:

MoP has allowed the DISCOMs to liquidate their old outstanding dues accumulated till date of notification of these rules in equal monthly installments (ranging from 12 to 48 EMIs depending on amount of outstanding) and has to submit a plan to Generating Company or transmission licensee within a month of notification of these rules.

Further, if the DISCOMs agree to liquidate their outstanding dues in equal monthly instalments and makes timely payment, then LPSC shall not be payable on outstanding dues from the date of notification of these rules. If the DISCOMs do not choose to reschedule their old outstanding dues then the payment received shall be first adjusted towards these arrear payments.

b. Operationalization of Payment Security Mechanism and its consequences:

MoP has brought the provisions of maintaining unconditional, irrevocable and adequate Payment Security Mechanism (PSM) under the ambit of these rules. A DISCOM has to maintain unconditional, irrevocable and adequate payment security mechanism and in case of non-maintenance of PSM, generating companies, electricity trading licensee and transmission licensee shall regulate power supply to the DISCOMs. Supply of power shall be made only if adequate PSM is maintained or an advance payment is made. If the generator supplies power to the DISCOMs without adequate PSM, it shall lose the right to collect LPSC from DISCOMs.

Regulation of Power:

In case of non-payment of outstanding dues by default trigger date (45 days plus 30 days from bill date) the generator can regulate 25% of contracted power and can sell in exchange. Further, if the DISCOMs do not establish PSM or continue the default for 30 days, generator can regulate 100% of contracted power and can sell in exchange.

During the period of default, the liability of capacity charges is with DISCOMs and the gains from sale of such power in exchange shall be adjusted first towards fixed charges, then old outstanding dues and the balance to be shared in 75:25 ratio with DISCOMs.

c. Regulation of access to defaulting entity:

In case of non-payment of dues for two and half month from date of presentation of bill, the supply shall be regulated as follows:

1. Short-term access, for sale and purchase of electricity including in the power exchange shall be regulated entirely including already approved short term access.
2. After one month of regulation of STA, if dues are unpaid, then apart from regulation of STA, LTA and MTA shall be regulated by 10% and the regulation shall be increased by 10% every successive month. On payment of dues, the regulation shall be restored to normal within 2 days.
3. The liability of payment of Capacity charges shall remain with the regulated entity for such reduction of drawl.

d. Supply Obligation of Generating Company:

If a generating Company fails to offer the contracted capacity to DISCOMs and sell the contracted power without the consent of DISCOM to any other party, the generating Company shall be debarred from participating in power exchange and on DEEP portal for period of 3 months which shall be increased to 6 months for second default and one year for successive default.

e. Power not requisitioned by a distribution licensee

Distribution licensee shall intimate its schedule for requisition of power to generating Company 2 hours before DAM, failing which the GENCO may sell un-requisitioned power in Power exchange. The gain (Selling price in exchange minus energy charge, transmission charge and other incidental charges) from sale of power shall be adjusted in following order:

(i) Payment to generating Company of upto 3 paise per unit;

(ii) Recovery of fixed charges;

(iii) Liquidation of overdue amount;

(iv) The balance shall be shared in the ratio of 50:50 between the distribution licensee and the generating Company.

The liability of fixed charges shall be with the distribution licensee. In case of must run, the compensation shall be at the rate specified in the agreement or as specified in Electricity (Promotion of Generation of Electricity from Must-Run Power Plant) Rules, 2021.

35.7 CERC REGULATIONS:

a. CERC Tariff Regulations, 2019 and its amendments:

CERC has issued CERC (Terms and Conditions of Tariff) Regulations, 2019 in March, 2019 which will be applicable for the period April 01, 2019-March 31, 2024.

b. CERC Ancillary Services Regulations, 2022:

CERC has issued Central Electricity Regulatory Commission (Ancillary Services) Regulations, 2022 which has came into force from January 31, 2022.

c. CERC Deviation Settlement Mechanism Regulations 2022:

➢ CERC has notified the Deviation Settlement Mechanism and Related Matters Regulations, 2022. The regulations seek to ensure, through a commercial mechanism that users of the grid do not deviate from and adhere to their schedule of drawal and injection of electricity in the interest of security and stability of the grid. The regulations have been effective from December 02, 2022, however, due to difficulty in operationalization of notified regulation, various provisions have been relaxed by the Hon'ble Commission vide various Sou-moto order and presently CERC order dated February 06, 2023 in 1/SM/2023 effective from February 08, 2023 read with CERC order dated April 09, 2023 in 5/SM/2023 is in force.

➢ Any deviation shall be managed by the Load Dispatch Centre as per the Ancillary Services Regulations, and the computation, charges and related matters in respect of such deviation shall be dealt with as per the following provisions of these regulations.

- The normal rate of charges for deviation for a time block shall be equal to the highest of :

I. The weighted average Area Clearing Price (ACP) of the Day Ahead Market segments of all the Power Exchanges; or

II. The weighted average ACP of the Real Time Market segments of all the Power Exchanges;

- The regulations specify the rates at which the generator shall be paid back for over injection from Deviation and Ancillary Services Pool Account and the rates at which the generator shall pay to the Deviation and Ancillary Service Pool Account for various frequency ranges.

- The charges of deviation for injection of infirm power shall be zero and if infirm power is scheduled, the charges for deviation for such power shall be as applicable for a general seller.

- The charges for deviation for drawal of start-up power before COD of a generating unit or for drawal of power to run the auxiliaries during shut–down of a generating station shall be payable at the reference charge rate or contract rate or in the absence of reference charge rate of contract rate, the weighted average ACP of the Day Ahead Market segments of all Power Exchanges for the respective time block, as the case may be.

- For forced outage, the charges for deviation shall be restricted to reference rate for 8 times blocks or till revision of schedule, whichever is earlier.

35.8 SWOT ANALYSIS:

(i) STRENGTHS

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

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

- **Established track record in developing hydroelectric projects & experienced manpower**

  NHPC possesses rich experience and expertise in developing hydroelectric projects across the Country. NHPC has a competent and committed workforce which has extensive experience in the industry with capabilities and expertise in conceptualization, construction, commissioning and operation of hydroelectric projects. Their skills, industry knowledge and experience provide significant competitive advantage to the Company.

- **Strong financial position**

  NHPC has paid-up share capital of ₹ 10,045.03 crore and an investment base of over ₹ 74,715 crore as on March 31, 2023. NHPC has credit rating 'AAA' with stable outlook assigned by domestic credit rating agencies for its listed bonds. NHPC has international Credit Rating of BBB(-) with stable outlook rated by S&P Global Ratings. The strong financial position of the Company makes it competent enough to execute capital intensive large hydroelectric projects.

- **Strong operating performance**

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

- **Extensive experience in construction and operation**

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

- **Seismic safety assessment**

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

(ii) OPPORTUNITIES

- **Untapped hydro potential**

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

  NHPC may also tap opportunities in execution of pump storage projects, river linking projects and providing consultancy services for road, rail and infrastructure tunnels etc.

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

  The strength shown by NHPC over the years in its ability to complete the hydroelectric projects where most of other Companies have been generally failing, is a beacon of hope in the hydro sector. As a result, NHPC's forte in hydro projects construction is creating new space for its growth in the future.

- **Renewable Energy**

Govt. of India has set an ambitious target of development of 50% power from non-fossil fuel sources by 2030. Generation of electricity using solar PV is picking up in India with Govt. initiatives and Policy supports. Achievement of the ambitious COP26 targets set by the GoI, i.e., net zero carbon emissions by 2070, will require the Country to shift to cleaner sources of generation. One of the key medium-term targets to achieve this is to add 500 GW of non-fossil electricity capacity by 2030, and, simultaneously, facilitate integration of solar and wind generation into the grid. CEA Report on Optimal Generation Capacity Mix for 2029-30 indicates that out of total 500 GW RE requirements, 280 GW capacity addition has to be done through Solar Power.

With thermal /coal-based generation to be phased out gradually, the power sector needs to support the variability and intermittency of RE through peaking support and other balancing/ancillary services. As more variable RE is added to the system, the magnitude and frequency of changes in residual load increases. The system needs to have sufficient flexible resource in place to match these variations. This requires development of Solar/Wind Power Projects with a combination of Storage alternatives such as Pump Storage/Battery Energy Storage System and Green Hydrogen so as to provide a sustainable market solution with Round the Clock/ peaking power requirements. The National Green Hydrogen Mission launched by Ministry of New and Renewable Energy in January, 2023 aims to make India a 'global hub' for using, producing and exporting green hydrogen through creation of demand and incentivizing manufacturing of electrolyzers. Thus, there exists immense opportunities for development of renewable energy and green hydrogen projects in coming years.

NHPC is exploring all possible opportunities to develop Renewable Energy and Green Hydrogen projects ensuring various incentives being provided by Govt. of India to give impetus to these sectors.

- **Grid Balancing Requirement**

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

(iii) THREATS/ WEAKNESSES/ CHALLENGES/ CONCERN

- **Geological uncertainties:**

New challenges appearing due to ageing of various mega-structures of existing power stations, inaccessible terrain and constraints of logistic and limits of investigation, poses serious consequences for execution of projects. Excavation of tunnels under high superincumbent cover also poses serious problems in timely completion of projects due to severe stress related problems and heavy ingress of water. Problems associated with catastrophic events like, unprecedented natural events poses serious challenges.

- **Time and cost overruns**

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

- **Time consuming clearance process:**

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

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

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

- **High initial cost/ tariff**

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

- **Law & order**

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

- **Opposition to hydroelectric projects:**

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

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

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

- **Dependence on few contractors**

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

35.9 RISK AND CONCERNS:

NHPC has a well-defined and dynamic Risk Management Policy since 2009 to provide overall framework for the risk management in the Company. The Policy is modified and updated from time-to-time. The present Policy was approved for implementation after revision in 2022. At present, 67 key risks which may have detrimental effect on the business of the Company have been identified alongwith their mitigation measures and recorded in the risk register. To ensure effective implementation of the Risk Management Policy, two Committees have been constituted:

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

ii. Risk Assessment Committee comprising of Chief Risk Officer and Risk Coordinators-HOD(s) of various divisions responsible for risk mitigation pertaining to their division as well as for Power Stations/ Projects/Divisions of Corporate office. The Heads of Departments / Regions /Projects/ Power Stations implement and review the directions issued by Risk Assessment Committee on the identified risks and their mitigation measures.

35.10 OUTLOOK:

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

NHPC Limited, at present, has an installation base of 7097.2 MW from 25 power stations including three projects in JV mode and is looking for expansion through diversification.

35.11 SEGMENT-WISE OR PRODUCTWISE PERFORMANCE:

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

35.12 INTERNAL CONTROL SYSTEMS AND ADEQUACY:

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

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

The Internal Audit department submits their audit observations and action taken reports to Audit Committee. The recommendations of the Committee are duly complied with. In compliance to Section 134 of the Companies Act, 2013, M/s A.M.A.A & Associates, Chartered Accountants, New Delhi was appointed to provide independent assurance on implementation of Internal Financial Controls in the Company during the FY 2022-23. The firm, in its report, acknowledged the effectiveness of prevailing internal financial control systems in the Company.

35.13 FINANCIAL DISCUSSION AND ANALYSIS

PROFIT & LOSS ITEMS

A detailed analysis of the Audited Financial Results of the Company for the Fiscal 2023 vis-à-vis Fiscal 2022 is as under: -

Income

(₹ in crore)

Particulars	Fiscal 2023	Fiscal 2022
Units of electricity generated (in million units)	**24619**	**24494**
Income		
(i) Sales of Energy	8,404.65	7,451.55
(ii) Income from Finance Lease	327.80	344.95
(iii) Income from Operating Lease	392.40	384.07
(iv) Revenue from Contracts, Project Management and Consultancy Works	60.94	46.16
(v) Revenue from Power - Trading	4.60	0.27
(vi) Other Operating Income	125.95	82.22
Revenue from operations [sum of (i) to (vi)]	**9,316.34**	**8,309.22**
Add: Other Income	834.56	1,026.18
Total Income	**10,150.90**	**9,335.40**

Total income in Fiscal 2023 increased by 8.74% to ₹ 10,150.90 crore from ₹ 9,335.40 crore in Fiscal 2022, primarily due to increase in generation, increase in Revenue from Project Management and Consultancy works, increase in Other Operating Income partially offset by decrease in Other Income in Fiscal 2023.

Sale of Energy

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

The said regulations inter-alia provides that, for the purpose of filing of tariff petitions, the Return on Equity (ROE), a component of tariff, is to be grossed-up using effective tax rate of the respective Financial Year. For the purpose of recognizing Sales, ROE has been grossed up using effective tax rate for FY 2022-23.

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

Sale includes reimbursement on account of Water Cess in respect of power stations situated in state of Jammu & Kashmir, Uttarakhand, Sikkim and Himachal Pradesh.

In Fiscal 2023, 24619 MUs of electricity (excluding infirm power of 288 MUs generated by Parbati-II HE Project during FY 2022-23) was generated from installed capacity of 5551MW as against 24494 MUs (excluding infirm power of 361 MUs generated by Parbati-II HE Project during FY 2021-22) from installed capacity of 5551MW in Fiscal 2022. Accordingly, there was an increase of 0.51% 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 ₹ 3.97 per unit for 21,654 million units sold in Fiscal 2023 as against ₹ 3.67 per unit for 21,516 million units sold in Fiscal 2022. During Fiscal 2023, the Company has earned ₹ 675.68 crore towards incentives against ₹ 750.28 crore in Fiscal 2022.

Sale of energy increased by 12.79% to ₹ 8,404.65 crore in Fiscal 2023 from ₹ 7,451.55 crore in Fiscal 2022 primarily due to higher generation in Power Stations, increase in effective tax rate and sales pertaining to earlier years. Company's Plant Availability Factor (PAF) in Fiscal 2023 was 88.75% as compared to 88.19% in Fiscal 2022. Plant Availability Factor for Fiscal 2023 was higher by 14.74% as compared to Normative Annual PAF of 77.35%.

Adjusted Sale of Energy

The revenue from sale of energy includes sales pertaining to earlier years but recognised in current year and excludes the sale of energy of five Power Stations, whose sale of energy is accounted for as Operating/Finance Lease in terms of Ind AS 116 - Leases.

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

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

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

(₹ in crore)

Particulars	Fiscal 2023	Fiscal 2022
Net Sales (including income in respect of 5 Power Stations accounted for as Leases)	**9,124.85**	**8,180.57**
Less: Earlier year sales	532.55	288.68
Adjusted Sales of Energy	**8,592.30**	**7,891.89**

Revenue from Contracts, Project Management and Consultancy Works

The revenue under this head includes revenue from assignments pertaining to Construction Contracts, Project Management & Consultancy Contracts. These assignments primarily include consultancy assignments in respect of Chenab Valley Power Projects Private Limited, Lanco Teesta Hydro Power Limited, Jalpower Corporation Limited and Ratle Hydroelectric Power Corporation Limited. The income from contracts, project management and consultancy works increased by 32.02% from ₹ 46.16 crore in Fiscal 2022 to ₹ 60.94 crore in Fiscal 2023 due to increase in consultancy assignments in Fiscal 2023.

Revenue from Power – Trading

The revenue under this head includes revenue from Power Trading activity which the Company ventured into during Fiscal 2019. The revenue from Power - Trading increased from ₹ 0.27 crore in Fiscal 2022 to ₹ 4.60 crore in Fiscal 2023 due to increased Power Trading activities in Fiscal 2023. The income under this activity was booked on net Trading Margin Basis. In Fiscal 2023, the Company made a review of the principal-agent relationship in power trading contracts entered into/ being entered into by the Company with DISCOMs. Based on such assessment as well as based on opinion from external consultant, it had been assessed that in the case of Contracts for trading of power being executed in Fiscal 2023 and Fiscal 2022, the Company acted in the capacity of an agent and accordingly, revenue from trading of power was recognized as the net consideration retained by the Company after paying the supplier for electricity provided to the customer.

Other Operating Income

Other operating income in Fiscal 2023 was ₹ 125.95 crore i.e. an increase of 53.19% as against ₹ 82.22 crore in Fiscal 2022. Components of Other operating income are as under:

(₹ in crore)

Other Operating Income	Fiscal 2023	Fiscal 2022
Income From Sale of Self-Generated VERs/REC ($)	0.00	52.70
Income on account of generation based incentive (GBI)	3.68	3.61
Interest from beneficiary states	122.27	25.91
Total	**125.95**	**82.22**

($) No sale of Carbon Credits was carried out during Fiscal 2023.

Other Income

Other income in Fiscal 2023 was ₹ 834.56 crore i.e. a decrease of 18.67% as against ₹ 1026.18 crore in Fiscal 2022. Major components of Other Income are placed and discussed hereunder:

(₹ in crore)

Other Income	Fiscal 2023	Fiscal 2022
Interest on Loan to Govt. of Arunachal Pradesh	72.26	66.30
Interest on Term Deposits/ Investments	73.92	59.85
Dividend (mainly from NHDC-a Subsidiary Co.)	376.85	301.71
Late Payment Surcharge	53.41	229.00
Realisation of loss from Insurance Company due to Business Interruption	42.14	161.86
Liability/ Provisions not required written back	31.06	28.13
Income from Insurance Claim	19.33	21.34
Interest on Unwinding of Fair Value Loss on Financial Assets	63.87	0.00
Exchange Rate Variation	0.50	49.28
Other miscellaneous income	101.22	108.71
Total	**834.56**	**1026.18**

During Fiscal 2023, ₹ 53.41 crore was earned as Late Payment Surcharge (LPS) from beneficiaries, as against ₹ 229 crore during Fiscal 2022. Lower income on account of LPS is due to better realisation of Trade Receivables during the current fiscal.

During Fiscal 2023, ₹ 376.85 crore was earned as Dividend from investments, mainly from subsidiary Company (NHDC Ltd), as against ₹ 301.71 crore during Fiscal 2022.

Expenditure

(₹ in crore)

Expenditure	Fiscal 2023	Fiscal 2022
Generation Expenses	936.46	841.24
Employee Benefits Expense	1,301.35	1,440.78
Finance Costs	476.16	531.75
Depreciation & Amortization Expense	1,145.44	1,126.22
Other Expenses	1,707.89	1,348.55
Total Expenditure	**5,567.30**	**5,288.54**

Total expenditure increased by 5.27% to ₹ 5,567.30 crore in Fiscal 2023 from ₹ 5,288.54 crore in Fiscal 2022 mainly due to increase in Generation Expenses by ₹ 95.22 crore, increase in Depreciation & Amortization Expense by ₹ 19.22 crore, increase in Other Expenses by ₹ 359.34 crore partially offset by decrease in Finance Cost by ₹ 55.59 crore and decrease in Employee Benefits Expense by ₹ 139.43 crore. Our total expenditure as a percentage of total income was 54.85% in Fiscal 2023 as compared to 56.65% in Fiscal 2022.

Generation Expenses

Generation expenses consist of Water Cess and Consumption of stores and spare parts. These expenses represent approximately 16.82% of the total expenditure in Fiscal 2023 compared to 15.91% of the total expenditure in Fiscal 2022. In absolute terms, these expenses were ₹ 936.46 crore in Fiscal 2023 as against ₹ 841.24 crore in Fiscal 2022. The increase of ₹ 95.22 crore in generation expenses is primarily on account of water cess imposed at Power Stations situated in the state of Uttarakhand, Sikkim and Himachal Pradesh during Fiscal 2023.

Employee Benefits Expense

Employee benefits expense include Salaries and Wages, Allowances, Incentives, Contribution to Provident Fund, Contribution to Employees Defined Contribution Superannuation Scheme and expenses related to other employee welfare funds. These expenses represent 23.37% of our total expenditure in Fiscal 2023 as against 27.24% in Fiscal 2022. Employee costs has decreased from ₹ 1,440.78 crore in Fiscal 2022 to ₹ 1,301.35 crore in Fiscal 2023 i.e. a decrease of ₹ 139.43 crore in Fiscal 2023. The reduction is mainly due to expenditure recognised on account of impairment of certain investments made by the Provident Fund Trust during Fiscal 2022 and effect of retirement of employees during Fiscal 2023.

There were 4776 employees on the payroll as of March 31, 2023 compared to 5092 employees as of March 31, 2022. Out of this 2428 and 2694 employees were engaged in Operation & Maintenance of Power Stations during Fiscal 2023 & 2022 respectively.

Finance Costs

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

Finance Costs represent 8.55% of the total expenditure in Fiscal 2023 compared to 10.05% of the total expenditure in Fiscal 2022. Finance Cost decreased by 10.45% to ₹ 476.16 crore in Fiscal 2023 from ₹ 531.75 crore in Fiscal 2022. The decrease in Finance Cost is mainly due to Repayment of loans and change in weighted average rate of interest in Fiscal 2023.

Depreciation & Amortization Expense

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

Depreciation cost increased by 1.71% to ₹ 1,145.44 crore in Fiscal 2023 from ₹ 1,126.22 crore in Fiscal 2022. The increase in depreciation expenses is primarily due to additional capitalisation in Power Stations.

As a percentage of total expenditure, depreciation & amortization expense decreased to 20.57% in Fiscal 2023 from 21.30% in Fiscal 2022.

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 30.68% of the total expenditure in Fiscal 2023 as against 25.50% in Fiscal 2022. In absolute terms, these expenses increased by 26.65% to ₹ 1,707.89 crore in Fiscal 2023 from ₹ 1,348.55 crore in Fiscal 2022. The increase of ₹ 359.34 crore in other expenses is primarily due to increase in provision against impairment of investment in Subsidiary & Joint Venture Companies, Fair Value Loss on Financial Assets, losses on insured assets, CSR Expenses, Interest to Beneficiary states, Travelling & Conveyance Expenses, Security Expenses partially offset by decrease in Insurance Expenses, etc.

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 ₹ (-)144.41 crore. This includes Depreciation due to moderation of Tariff in respect of Kishanganga Power Station ₹ 199.36 crore, Exchange Differences against monetary Items ₹ 1.10 crore, Adjustment against Deferred Tax Recoverable for tariff period up to 2009 ₹ (-)56.09 crore, Adjustment against Deferred Tax Liabilities for tariff period 2014-19 ₹ (-)215.98 crore, Wage Revision as per 3rd Pay Revision Committee (PRC) ₹ (-) 462.87 crore, Regulatory Liability recognised against MAT Credit reversed in respect of Power Stations where tariff has been fixed on negotiated basis with the beneficiaries amounting to ₹ 390.07 crore. Rate regulated income is recognised in the books of accounts for Fiscal 2023 on account of below mentioned five factors:

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

The Company has carried out moderation of depreciation as a component of tariff of Kishanganga Power Station to make the tariff saleable which has been allowed by the CERC. This entitles the Company to recover the lower depreciation considered in tariff during the first ten years of operation over the balance useful life of the Power Station. Accordingly, the right to recover the difference between the depreciation charged in the books as per CERC Tariff Regulations, 2019-24 and that recoverable through tariff amounting to ₹ 199.36 Crore during Fiscal 2023 (Fiscal 2022 ₹ 198.35 Crore) has been recognised as Regulatory Income.

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

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

Accordingly the Company has created Regulatory Assets and recognised corresponding Regulatory Income of ₹ 1.10 crore during Fiscal 2023 (Fiscal 2022 ₹ (-)0.17 Crore), which is recoverable from beneficiaries in future periods.

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

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

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

The regulated assets (+)/liability (-) recognized in the books during Fiscal 2023 are as follows:

In respect of deferred tax recoverable for tariff period upto 2009, ₹ 56.09 Crore has been utilized during Fiscal 2023 (Fiscal 2022 ₹ 49.52 Crore) and in respect of deferred tax adjustment against deferred tax liabilities (pertaining to tariff period 2014-19), ₹ (-)215.98 Crore has been adjusted from Regulatory Income in respect of Power Stations where tariff has been fixed on negotiated basis with the beneficiaries during Fiscal 2023 (Fiscal 2022 ₹ 10.72 Crore).

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

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

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

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

In FY 2022-23, Petition Order of Truing up of Tariff for the period 2014-19 in respect of remaining Power Stations has been received. Accordingly RDA Balances amounting to ₹ 462.87 crores has been adjusted through P&L in Fiscal 2023.

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

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

During Fiscal 2022, out of the available MAT Credit of ₹ 2424.58 crore, the Company had recognised ₹ 1478.62 crore as MAT Credit out of which ₹ 1313.27 crore was to be passed on to the beneficiaries. Accordingly the MAT Credit to be passed on to the beneficiaries had further been recognised as Regulatory Deferral Account (Credit) balance.

During Fiscal 2023, MAT Credit of ₹ 417.30 Crore has been recognised and ₹ 328.93 Crore has been utilised. Simultaneously, Regulatory Deferral Account (Credit) balances of ₹ 125.59 Crore has been recognised and the same has been utilised during the year. Further, ₹ 390.07 Crore has been adjusted being regulatory liability recognized in respect of Power Stations where tariff has been fixed on negotiated basis with the beneficiaries.

Profit before Tax and Rate Regulated Income

Due to the reasons outlined above, our profit before tax increased by 13.26% to ₹ 4,583.60 crore in Fiscal 2023 from ₹ 4,046.86 crore in Fiscal 2022.

Tax Expenses

In Fiscal 2023, we provided ₹ 605.40 crore for tax expenses as compared to ₹ (-) 761.27 crore in Fiscal 2022. The increase in tax expenses in Fiscal 2023 is on account of increase in deferred tax expenses by ₹ 1,332.18 crore and increase in current year taxes by ₹ 34.49 crore.

Profit after Tax including Rate Regulated Income

Our profit after tax increased by 8.37% to ₹ 3,833.79 crore in Fiscal 2023 from ₹ 3,537.71 crore in Fiscal 2022.

Other Comprehensive Income (OCI)

OCI comprises of actuarial gain/loss of re-measurements of post retirement Defined Benefit Plans and fair value gain/loss on instruments in Equity & Debt Instruments in Fiscal 2023 was ₹ (-)3.37 crore against ₹ 12.76 crore in Fiscal 2022.

Total Comprehensive Income (TCI)

TCI i.e. total profit inclusive of OCI in Fiscal 2023 was ₹ 3,830.42 crore i.e. an increase of 7.88% as against ₹ 3,550.47 crore in Fiscal 2022.

LIQUIDITY AND CAPITAL RESOURCES

Both internal and external sources of liquidity are utilized for Working Capital requirement and funding of capital expenditure requirements. Generally long term borrowings are raised through term loans from banks/ financial institutions or issue of bonds either in Indian Rupees or foreign currencies. Cash and cash equivalents were ₹ 382.67 crore and ₹ 937.78 crore as of March 31, 2023 and 2022 respectively.

Cash Flows

(₹ in crore)

	Fiscal 2023	Fiscal 2022
Net cash inflow/(outflow) from operating activities	3,893.85	4,258.62
Net cash inflow/(outflow) from investing activities	(2,929.30)	(2,990.17)
Net cash inflow/(outflow) from financing activities	(1,519.66)	(476.24)

Net Cash from Operating Activities

In Fiscal 2023, the net cash from operating activities was ₹ 3,893.85 crore and Profit before Tax and Regulated Income was ₹ 4,583.60 crore. Net cash from operating activities has been arrived at after adjusting non-cash items mainly depreciation of ₹ 1,145.44 crore, interest expenses of ₹ 476.16 crore, ₹ 148.52 crore towards provisions, ₹ 32.47 crore towards sales adjustment on a/c of FERV, ₹ 1.36 crore loss on sale of assets/claims written off, ₹ 93.45 crore towards fair value adjustments, ₹ 50.42 crore for deferred revenue on account of advance against depreciation, ₹ 31.06 crore on account of provisions/ liabilities not required written back, ₹ 376.85 crore on account of dividend income, ₹ 233.65 crore towards interest income & guarantee fees including late payment surcharge, ₹ 0.50 crore towards exchange rate variation (gain), ₹ 33.20 crore towards amortization of government grants. Changes in Operating Assets & Liabilities had impact of cash outflow by ₹ 1070.33 crore, which was due to the net effect of change in Inventories, Trade Receivables, Other Financial Assets, Loans & Advances, Other Financial Liabilities & Provisions and Regulatory Deferral Account Balances.

In Fiscal 2022, the net cash from operating activities was ₹ 4,258.62 crore and Profit before Tax and Regulated Income was ₹ 4,046.86 crore. Net cash from operating activities has been arrived at after adjusting non-cash items mainly depreciation of ₹ 1,126.22 crore, interest expenses of ₹ 531.75 crore, ₹ 42.54 crore towards provisions, ₹ 34.70 crore towards tariff adjustment (loss), ₹ 44.02 crore towards sales adjustment on a/c of FERV, ₹ 12.55 crore loss on sale of assets/claims written off, ₹ 48.25 crore for deferred revenue on account of advance against depreciation, ₹ 28.13 crore on account of provisions/liabilities not required written back, ₹ 301.71 crore on account of dividend income, ₹ 384.37 crore towards interest income & Guarantee Fees including Late Payment Surcharge, ₹ 49.28 crore towards exchange rate variation (gain), ₹ 0.40 crore towards fair value adjustments, ₹ 33.20 crore towards amortization of government grants, ₹ 2.04 crore towards adjustment against consultancy charges from subsidiary companies. Changes in Operating Assets & Liabilities had impact of cash outflow by ₹ 1.95 crore, which was due to the net effect of change in Inventories, Trade Receivables, Other Financial Assets, Loans & Advances, Other Financial Liabilities & Provisions and Regulatory Deferral Account Balances.

Net Cash from Investing Activities

Net cash used in investing activities was ₹ 2,929.30 crore in Fiscal 2023. This mainly reflected expenditure on Fixed Assets i.e. Property, Plant & Equipment, Other Intangible Assets, CWIP and Movement in Regulatory Deferral Account Balances forming part of project cost of ₹ 2,763.81 crore, ₹ 107.94 crore towards Investment in Joint Venture, ₹ 530.60 crore towards Investment in Subsidiaries, ₹ 14.28 crore towards investment in term deposits and ₹ 60.00 crore towards loan to subsidiaries partly offset by interest income & Guarantee Fees including Late Payment Surcharge by ₹ 166.27 crore, an amount of ₹ 376.85 crore towards dividend income, ₹ 2.82 crore towards interest on loan to Subsidiaries/ Joint Ventures and ₹ 1.39 crore towards sale of assets.

Net cash used in investing activities was ₹ 2,990.17 crore in Fiscal 2022. This mainly reflected expenditure on Fixed Assets i.e. Property, Plant & Equipment, Other Intangible Assets, CWIP and Movement in Regulatory Deferral Account Balances forming part of project cost of ₹ 2,997.93 crore, ₹ 451.56 crore towards Investment in Joint Venture and ₹ 744.18 crore towards Investment in Subsidiaries partly offset by interest income & Guarantee Fees including Late Payment Surcharge by ₹ 329.78 crore, an amount of ₹ 301.71 crore towards dividend income, ₹ 569.04 crore towards proceeds from term deposits, ₹ 0.19 crore towards interest on loan to Subsidiaries/ Joint Ventures and ₹ 2.78 crore towards sale of assets.

Net Cash from Financing Activities

In Fiscal 2023, our net cash outflow from financing activities was ₹ 1,519.66 crore. Fund of ₹ 3,972.37 crore has been raised through issue of bonds and loan from banks. Borrowings to the tune of ₹ 1,898.66 crore were repaid. Our cash outflow on account of repayment of lease liability including interest thereon was to the tune of ₹ 3.29 crore. The amount related to interest servicing was ₹ 1,681.52 crore. In Fiscal 2023, Total dividend amounting to ₹ 1,908.56 crore was paid.

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

BALANCE SHEET ITEMS

Balance Sheet Highlights

Assets

(₹ in crore)

Particulars	**As of March 31**	
	2023	**2022**
Non-Current Assets		
Property, Plant and Equipment, Capital Work in Progress, Right of Use Assets, Investment Property, Intangible Assets	45,383.31	41,389.11
Non-Current Investments	5,546.96	5,414.34
Trade Receivables	399.45	0.00
Long Term Loans and Advances	1,089.80	1,017.59
Other Financial Assets	4,547.09	4,502.78
Non-Current Tax Assets (Net)	30.27	9.52
Other Non-Current Assets	3,602.77	3,753.96
Total Non-Current Assets	**60,599.65**	**56,087.30**
Current Assets		
Inventories	150.48	130.30
Current Investments	151.35	0.00
Trade Receivables	5,487.59	4,621.48
Cash & Bank Balances	638.22	1,160.71
Short Term Loans	114.59	55.68
Other Financial Assets	614.32	731.73
Current Tax Assets (Net)	132.83	123.17
Other Current Assets	405.97	441.14
Total Current Assets	**7,695.35**	**7,264.21**
Regulatory Deferral Account Debit Balances	6,420.12	6,948.11
Total Assets and Regulatory Deferral Account Debit Balances	**74,715.12**	**70,299.62**

Equity and Liabilities

(₹ in crore)

Particulars	**As of March 31**	
	2023	**2022**
Equity		
Equity Share Capital	10,045.03	10,045.03
Other Equity	25,362.93	23,441.07
Net Worth	**35,407.96**	**33,486.10**
Non-Current Liabilities		
Long Term Borrowings	25,254.69	23,166.61
Lease Liabilities	11.70	12.88
Other Financial Liabilities	2,143.07	2,088.04

Particulars	As of March 31	
	2023	2022
Long Term Provisions	50.92	48.05
Deferred Tax Liabilities (Net)	1,937.34	2,100.74
Other Non-Current Liabilities	1,944.56	2,026.16
Total Non-Current Liabilities	**31,342.28**	**29,442.48**
Current Liabilities		
Short Term Borrowings	2,885.65	2,848.76
Lease Liabilities	2.39	2.27
Trade Payables	215.45	189.57
Other Financial Liabilities	1,541.05	1,370.72
Other Current Liabilities	734.91	510.70
Short Term Provisions	1,662.23	1,135.75
Total Current Liabilities	**7,041.68**	**6,057.77**
Regulatory Deferral Account Credit Balances	923.20	1,313.27
Total Equity, Liabilities and Regulatory Deferral Account Credit Balances	**74,715.12**	**70,299.62**

Financial Condition

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

Our PPE consisting of Land, Dams, Tunnels, Buildings including Power House Buildings, Construction Equipment, Plant & Machinery, Office Equipment, Computers, etc. after provision for depreciation & amortisation were ₹ 17,435.03 crore and ₹ 19,024.55 crore as of March 31, 2023 and March 31, 2022 respectively.

Capital Work in Progress which includes Hydraulic Works, Buildings including Power House Buildings, Construction Equipment, Plant & Machinery and S&I works at our power projects were ₹ 25,315.01 crore and ₹ 20,573.84 crore as of March 31, 2023 and March 31, 2022 respectively.

ROU including forest land under right of use and other leased assets were ₹ 2,625.70 crore and ₹ 1,783.12 crore as of March 31, 2023 and March 31, 2022 respectively.

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

Intangible Assets comprising of computer software were ₹ 3.08 crore and ₹ 3.11 crore as of March 31, 2023 and March 31, 2022 respectively.

Investments (Current & Non-Current)

Investments are intended for long term and carried at cost which consists of Equity investments in Subsidiaries/Joint Venture Companies, Govt. Securities & Bonds. Our total investment was ₹ 5,698.31 crore and ₹ 5,414.34 crore as of March 31, 2023 and March 31, 2022 respectively. The increase in Investment is the net effect of increase in investment in subsidiary companies and increase in fair value of investment in equity instruments.

During FY 2022-23, the Company has made fresh investment in subsidiary Companies amounting to ₹ 417.63 crore. The Company has also made full impairment provision of ₹ 105.56 crore in respect of investment made in Loktak Downstream Hydroelectric Corporation Limited (a subsidiary Company) and ₹ 30.40 crore in respect of investment made in National High Power Test Laboratory Private Limited (a Joint Venture Company).

Loans (Current & Non-Current)

Loans include loans to our employees, loan including interest to Govt. of Arunachal Pradesh, Lanco Teesta Hydro Power Limited (LTHPL) and National High Power Test Laboratory Private Limited (NHPTL). Loans as of March 31, 2023 and of March 31, 2022 were ₹ 1,204.39 crore and ₹ 1,073.27 crore respectively i.e. there is an increase of 12.22% over figures of previous Fiscal mainly due to increase in loan including interest to Govt. of Arunachal Pradesh, loan to LTHPL and increase in employee loans during Fiscal 2023.

Other Financial Assets (Current & Non-Current)

The other financial assets as at March 31, 2023 stood at ₹ 5,161.41 crore against ₹ 5,234.51 crore for the previous fiscal. i.e. there is a decrease of 1.40% over figures of previous Fiscal. Other Financial Assets include Amount recoverable on account of Bonds fully serviced by Govt. of India, Lease rent receivable, Interest income accrued on Bank Deposits, claim recoverable from different agencies, Share Application Money pending allotment and Receivable from Subsidiaries/JVs, etc.

Tax Assets (Current & Non-Current)

Tax assets as of March 31, 2023 and 2022 were ₹ 163.10 crore and ₹ 132.69 crore respectively i.e. there is an increase of 22.92% over figures of previous Fiscal. Tax Assets include Advance Income Tax & Tax Deducted at Source over and above provision for current tax upto FY 2022-23.

Other Non-Current Assets

Other non-current assets mainly comprise deferred foreign currency fluctuation assets, advances (Capital as well as Other than Capital) and advance to contractor against arbitration awards. Our other non-current assets as of March 31, 2023 and 2022 were ₹ 3,602.77 crore and ₹ 3,753.96 crore respectively. The decrease of 4.03% in Fiscal 2023 as compared to the figures in Fiscal 2022 is mainly due to decrease in capital advances and decrease in deferred foreign currency fluctuation assets partially offset by increase in advance to contractor against arbitration awards.

Inventories

Inventories are valued at cost or Net Realisable Value whichever is lower. Our inventories were valued at ₹ 150.48 crore and ₹ 130.30 crore as of March 31, 2023 and 2022 respectively.

Trade Receivables (Current & Non-Current)

These consist primarily of receivables against the sale of electricity including unbilled revenue. The Trade receivables (net of provision for doubtful debts) as of March 31, 2023 and 2022 were ₹ 5,887.04 crore and ₹ 4,621.48 crore respectively. Increase of 27.38% in trade receivables in Fiscal 2023 as compared to Fiscal 2022 is due to increase in Receivable on account of unbilled revenue and Receivables not yet due.

Cash and Bank Balances

Cash and Bank balances as of the Balance Sheet date consist of cash surplus in our current account, Short Term deposits, the unspent advances received from Government entities in respect of costs associated with the Pradhan Mantri Grameen Sadak Yojana Scheme in connection with the development of rural roads and the Rajiv Gandhi Grameen Vidyutikaran Yojana Scheme relating to the establishment of Rural Electrification Infrastructure and amount held as Payment Security Fund received under 2000 MW Scheme.

Cash and Cash equivalents as of March 31, 2023 and 2022, respectively were ₹ 382.67 crore and ₹ 937.78 crore. The decrease of ₹ 555.11 crore during Fiscal 2023 is net result of cash inflow from operating activities of ₹ 3,893.85 crore offset by cash outflow on investing activities by ₹ 2,929.30 crore & ₹ 1,519.66 crore on account of financing activities respectively.

Bank balances other than Cash and Cash Equivalents as of March 31, 2023 and 2022, respectively were ₹ 255.55 crore and ₹ 222.93 crore.

Our bank balances other than Cash and Cash Equivalents included ₹ 84.74 crore (Previous Year ₹ 86.76 crore) held for Rural Road and Rural Electrification works being executed by Company on behalf of other agencies, ₹ 16.30 crore (Previous Year ₹ Nil) held as Payment Security Fund received under 2000 MW Scheme and also included unpaid dividend, unpaid interest & other earmarked balances of ₹ 154.51 crore (Previous Year ₹ 136.17 Crore) which were not freely available for the business of the Company.

Other Current Assets

Other Current Assets mainly comprises Advances to contractors and suppliers, Prepaid Expenditure and Deferred Foreign Currency Fluctuation Assets. Our other Current Assets, as of March 31, 2023 and 2022 respectively were ₹ 405.97 crore and ₹ 441.14 crore, a decrease of 7.97% in Fiscal 2023 as compared to the figures in Fiscal 2022 is mainly due to decrease in Receivable on account of material issue to contractors and GST Input Credit Receivable.

Regulatory Deferral Account Debit Balances

In line with the Guidance Note on "Accounting for Rate Regulated Activities" issued by the Institute of Chartered Accountants of India as well as keeping in view the provisions of Ind-AS 114-Regulatory Deferral Accounts, 'Regulatory Assets' has been created and corresponding 'Regulatory Income' has been recognized.

Regulatory Deferral Account Debit balances as on March 31, 2023 and March 31, 2022 were as under:

(₹ in crore)

Particulars	**March 31, 2023**	**March 31, 2022**
Regulatory Deferral Account balances in respect of Subansiri Lower Project	3,470.59	3,470.59
Wage Revision as per 3rd Pay Revision Committee	0.00	456.38
Differential depreciation due to Moderation of Tariff in respect of Kishanganga Power Station	960.82	761.46
Exchange differences on Foreign Currency Monetary items	2.65	1.55
Adjustment against Deferred Tax Recoverable for tariff period upto 2009	1,347.95	1,404.04
Adjustment against Deferred Tax Liabilities for tariff period 2014-2019	638.11	854.09
Total	**6,420.12**	**6,948.11**

Net Worth

The net worth of the Company at the end of Fiscal 2023 increased to ₹ 35,407.96 crore from ₹ 33,486.10 crore in the previous Fiscal registering an increase of 5.74% mainly due to increase in Profit after tax and increase in retained earnings.

Long Term Borrowings

Long Term Borrowings mainly comprised of Bonds, Secured Term Loans & Unsecured Loans (Bonds, Term Loans and Foreign Currency Loans) amounting to

₹ 13,099.23 crore, ₹ 5,313.60 crore and ₹ 6841.86 crore in Fiscal 2023 as against ₹ 14,517.90 crore, ₹ 2,658.00 crore and ₹ 5,990.71 crore respectively in Fiscal 2022. The Secured loans include borrowings from domestic banks and financial institutions along with corporate bonds raised in the capital markets that are secured against assets of the Company.

The increase in Long Term Borrowings to the extent of 9.00% over previous fiscal is mainly on account of issue of unsecured bonds, borrowings from domestic banks including securitization of return on equity of one of the power station partly offset by redemption of secured bonds and repayment of borrowings.

Lease Liabilities (Current & Non-Current)

Lease Liabilities as at March 31, 2023 stood at ₹ 14.09 crore against ₹ 15.15 crore for the previous fiscal.

Other Financial Liabilities (Current & Non-Current)

Other Financial Liabilities include Amount payable towards Bonds fully serviced by Govt. of India, interest accrued but not due on borrowings, Liability against capital works/supplies, EMD/ Retention Money, etc. The other financial liabilities as at March 31, 2023 stood at ₹ 3,684.12 crore against ₹ 3,458.76 crore for the previous fiscal i.e. there is an increase of 6.52% over figures of previous fiscal mainly due to increase in Liability against capital works/supplies.

Provisions (Current & Non-Current)

Provisions include provision for Performance Related Pay, Superannuation/Pension fund, Provision towards employee benefits (actuarial valuation), Provision for Tariff Adjustment, Provision for Committed Capital Expenditure, Provision in respect of arbitration award/ court cases and Other Provisions, etc. Total provisions stood at ₹ 1,713.15 crore as at March 31, 2023 as against ₹ 1,183.80 crore for previous fiscal i.e. there is an increase of 44.72% over figures of previous fiscal mainly due to increase in Provision in respect of arbitration award/court cases, Provision for Committed Capital Expenditure partly offset by decrease in Provision for Tariff Adjustment and other provisions.

Deferred Tax Liabilities

The Deferred Tax Liabilities as at March 31, 2023 stood at ₹ 1,937.34 crore against ₹ 2,100.74 crore for the previous fiscal.

Other Non-Current Liabilities

The Other Non-Current Liabilities as at March 31, 2023 stood at ₹ 1,944.56 crore against ₹ 2,026.16 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, 2023 stood at ₹ 2,885.65 crore against ₹ 2,848.76 crore for the previous fiscal. Short term borrowings consist of amount payable to the banks by the beneficiaries on account of bills discounted against trade receivables and current maturities of long term borrowings.

Trade Payables

The Trade payables as at March 31, 2023 stood at ₹ 215.45 crore against ₹ 189.57 crore for the previous fiscal i.e. there is an increase of 13.65% over figures of previous fiscal.

Other Current Liabilities

The other current liabilities as at March 31, 2023 stood at ₹ 734.91 crore against ₹ 510.70 crore for the previous fiscal i.e. there is an increase of 43.90% over figures of previous fiscal mainly due to increase in Water usage charges payable, Statutory dues payable and Liabilities against deposit works.

Regulatory Deferral Account Credit 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 Deferral Account Credit Balances' has been created and corresponding 'Movement in Regulatory Deferral Account Balances' has been recognized in respect of MAT Credit to be passed on the beneficiaries. Regulatory Deferral Account Credit Balances as at March 31, 2023 stood at ₹ 923.20 crore against ₹ 1,313.27 crore for the previous fiscal.

Off-Balance Sheet Items

Contingent Liabilities

The following table sets forth the components of our contingent liabilities as of Fiscal 2023 and 2022.

(₹ in crore)

Particulars	Fiscal 2023	Fiscal 2022
Claims against the Company not acknowledged as debts in respect of:		
Capital Works	8,556.95	9,546.17
Land Compensation Cases	145.09	217.01
Disputed Tax matters and Other Items	1,470.30	1,357.74
Total	**10,172.34**	**11,120.92**

Contingent liabilities decreased by 8.53% from ₹ 11,120.92 crore as of March 31, 2022 to ₹ 10,172.34 crore as of March 31, 2023 mainly due to Provision created against capital works.

Key Financial Ratios (Standalone basis)

S. No.	Ratios	Fiscal 2023	Fiscal 2022	% Change
1.	Debtors Turnover Ratio (Revenue from Operations/Average Debtors)	1.76	1.80	(-) 2.22
2.	Inventory Turnover Ratio (Revenue from Operations/Average Inventory)	64.78	62.26	4.05
3.	Interest Service Coverage Ratio (ISCR) # (Profit after Tax but before Interest and Depreciation / Interest)	8.21	7.18	14.35
4.	Debt Service Coverage Ratio (DSCR) # (Profit after Tax but before Interest and Depreciation / Principal repayment excluding payment under put option and Interest)	4.05	3.62	11.88
5.	Current Ratio (Current Assets/Current Liabilities)	1.09	1.20	(-) 9.17
6.	Debt Equity Ratio (Paid up Debt Capital/ Shareholder's Equity)	0.85	0.84	1.19
7.	Operating Profit Margin (Operating Profit/ Revenue from Operations)	42.52%	43.74%	(-) 2.79
8.	Net Profit Margin (Net Profit/ Revenue from Operations)	41.15%	42.58%	(-) 3.36
9.	PE Ratio (Market Price Per Share*/ Earning Per Share)	10.52	7.90	33.16
10.	EBITDA (₹ in crore)	5,743.43	5,588.13	2.78
11.	EBITDA Margin (EBITDA/ Revenue from Operations)	61.65%	67.25%	(-) 8.33

For the calculation of ISCR and DSCR, amount of interest and Principal repayments against the borrowings of the operational projects have been considered.

* Closing Price as on 31st March of respective Fiscal has been considered for Market Price per Share.

PE Ratio (Market Price Per Share/ Earning Per Share)

PE Ratio of the Company at the end of Fiscal 2023 increased to 10.52 from 7.90 in the previous Fiscal 2022 registering an increase of 33.16% mainly due to increase in Market Price Per Share of the Company in Fiscal 2023.

Return on Net worth (PAT/ Average Shareholder's Equity)

Return on Net worth of the Company at the end of Fiscal 2023 increased to 11.13% from 10.87% in the previous Fiscal 2022 registering an increase of 2.39% mainly due to increase in Profit after tax partially offset by increase in retained earnings.

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 01, 2000 as a Joint Venture of NHPC Ltd. and Government of Madhya Pradesh. At present, the authorised share capital of NHDC Ltd. is ₹ 3,000 crore. NHDC has commissioned Indira Sagar Power Project (1,000 MW) and Omkareshwar Power Project (520 MW). The Total Income of NHDC Ltd. for the financial year ended March 31, 2023 and 2022, respectively was ₹ 1,509.35 crore and ₹ 1,085.29 crore. The Profit After Tax of NHDC Ltd. for the financial year ended March 31, 2023 and 2022, respectively was ₹ 774.43 crore and ₹ 512.96 crore. Paid up share capital of the Company is ₹ 1,962.58 crore of which NHPC's contribution is ₹ 1,002.42 crore.

Loktak Downstream Hydroelectric Corporation Limited (LDHCL)

LDHCL was incorporated on October 23, 2009 as a Joint Venture of NHPC Ltd. and Government of Manipur having authorized share capital of ₹ 230 Crore. Paid up share capital of the Company is ₹ 141.09 crore of which NHPC's contribution is ₹ 105.56 crore (74.82%) and full impairment provision has been recognized in the books of the NHPC Limited during the FY 2022-23 considering the delay in investment sanction (PIB & CCEA) and high projected tariff. The Company is yet to start operations.

Bundelkhand Saur Urja Limited (BSUL)

BSUL was incorporated on February 02, 2015, as a Joint Venture of NHPC Ltd. and Government of Uttar Pradesh (UPNEDA), with NHPC's share not less than 74%. The authorized share capital of the Company is ₹ 450.00 crore. Paid up share capital of the Company is ₹ 99.17 crore of which NHPC's contribution is ₹ 86.22 crore (86.94%). During the FY 2022-23, Company has commissioned 26 MW out of 65 MW Kalpi Solar PV Power Generation Project, Uttar Pradesh.

Lanco Teesta Hydro Power Limited (LTHPL)

During the FY 2019-20, NHPC had acquired LTHPL as its wholly owned subsidiary under insolvency resolution process. The acquisition was made as per the resolution plan submitted by NHPC and approved by the National Company Law Tribunal (NCLT). The authorized share capital of the Company is ₹ 2,500.00 crore. Paid up share capital of the Company is ₹ 1,724.41 crore in which 100% contribution has been made by NHPC. The Company is involved in construction of Teesta-VI Hydro Power Project.

Jalpower Corporation Limited (JPCL)

On March 31, 2021, NHPC had acquired JPCL under insolvency resolution process and the Company had become a wholly owned subsidiary of NHPC from that date. The acquisition was made as per the resolution plan submitted by NHPC and approved by NCLT. The authorized share capital of the Company is ₹ 350.00 crore. Paid up share capital of the Company is ₹ 281.49 crore in which 100% contribution has been made by NHPC. The Company is involved in construction of 120 MW Rangit-IV Hydroelectric Project.

Ratle Hydroelectric Power Corporation Limited (RHPCL)

RHPCL was incorporated on June 01, 2021, as a Joint Venture of NHPC Ltd. and Jammu and Kashmir State Power Development Corporation Limited (JKSPDC), with equity participation of 51:49 respectively. The authorized share capital of the Company is ₹ 1,600.00 crore. Paid up share capital of the Company is ₹ 270.00 crore of which NHPC's contribution is ₹ 137.70 crore (51.00%). The Company is involved in construction of 850 MW Ratle Hydroelectric Power Project.

Chenab Valley Power Projects Private Limited (CVPPPL)

CVPPPL was incorporated on June 13, 2011 as a Joint Venture of NHPC Ltd., JKSPDC & PTC India Ltd. having authorized share capital of ₹ 5,200 crore for execution of Pakal Dul, Kiru & Kwar H.E. Projects in Chenab River Basin. Paid up share capital of the Company is ₹ 3,692.39 crore of which NHPC's contribution is ₹ 1,947.50 crore. The Company's shareholding in CVPPPL due to additional equity infusion is 52.74% as on March 31, 2023. During the FY 2021-22, NHPC Limited had acquired 2% equity of PTC India Limited in CVPPPL for an amount of ₹ 4.19 crore. Further, during FY 2022-23, pursuant to signing of Supplementary Promoters' Agreement of CVPPPL between NHPC Limited and JKSPDC on November 21, 2022, NHPC Limited has obtained majority representation on the Board of CVPPPL and has gained control over CVPPPL from that date. Accordingly, CVPPPL has been accounted for as a Subsidiary Company from ibid date. The Company is involved in construction of Hydroelectric Power Projects in UT of J&K.

NHPC Renewable Energy Limited (NHPC REL)

NHPC REL was incorporated on 16.02.2022 as a wholly owned subsidiary of NHPC Ltd. The authorized share capital and paid up share capital of the Company is ₹ 499.00 crore and ₹ 20.00 crore respectively. The Company is exploring options for setting up non-conventional/ renewable energy projects.

National High Power Test Laboratory Private Limited (NHPTL)

NHPTL 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 2013, Central Power Research Institute also entered into the Joint Venture thereby revising the equity participation to 20% of each Joint Venture partner. The Company has been incorporated to set up an Online High Power Test Laboratory for short-circuit test facility in the Country having Authorised Share Capital of ₹ 153 crore. As on March 31, 2023 paid up share capital of the Company is ₹ 152 crore of which NHPC's contribution is ₹ 30.40 crore. The Company has started commercial operation during Fiscal 2018. For the financial year ended March 31, 2023, the Company incurred a loss of ₹ 111.29 crore (includes write off provision of CWIP) while loss for the financial year ended March 31, 2022 was ₹ 20.00 crore. Accordingly Net Worth of the Company as at March 31, 2023 stood negative at ₹ (-) 40.10 crore against ₹ 71.19 crore for the previous fiscal.

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

The Consolidated Financial Statements have been prepared in accordance with Ind-AS 110-'Consolidated

Financial Statements' and Ind-AS 28-'Investment in Associates & Joint Ventures' which are included in this Annual Report.

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

(₹ in crore)

Particulars	Fiscal 2023	Fiscal 2022
Total Income	11,284.90	10,108.26
Total Expenses	6,028.22	5,679.43
Profit after Tax (after adjustment of Non-Controlling Interest)	3,889.98	3,523.57

SUMMARY OF CONSOLIDATED BALANCE SHEET

(₹ in crore)

Particulars	Fiscal 2023	Fiscal 2022
Non-Current Assets	68,640.03	61,189.62
Current Assets	10,765.14	8,846.15
Regulatory Deferral Account Debit Balances	6,682.29	7,248.73
Total	**86,087.46**	**77,284.50**
Total Equity	41,714.47	37,783.85
Non-Current Liabilities	34,946.72	30,877.62
Current Liabilities	7,942.32	6,606.31
Regulatory Deferral Account Credit Balances	1,483.95	2,016.72
Total	**86,087.46**	**77,284.50**

35.14 MATERIAL DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS FRONT

Your Company has a highly talented team of committed professionals and has been able to induct, develop and retain the best talent. NHPC endeavors to acquire the best talent in the Country from leading educational institutions and universities. It has been working towards nurturing and retaining talent by providing opportunities to improve their knowledge and skills. Job rotation and inter-location transfer through-out the organization, facilitate planned development of careers and broaden the outlook of employees. Employees' participation has been ensured through information sharing with employees, seeking their support, suggestions and co-operation.

(i) TRAINING OF EMPLOYEES

NHPC organizes various developmental programmes for its employees in the areas of behavioral, managerial skills and core competencies. These programmes organized by the Company are either-in-house or through premier management & engineering institutions which helps employees to keep them abreast with the latest developments and changes taking place in the area of their operation. In addition to above, NHPC also sponsors its executives on regular basis to acquire higher qualification and specialization to enhance their productivity and effectiveness.

(ii) EMPLOYEE STRENGTH

The employee strength of the Company as on March 31, 2023 was 4776 (3,084 executives, 293 supervisors & 1,399 workmen).

(iii) WELFARE MEASURES FOR WOMEN EMPLOYEES

The number and percentage of women employees as on March 31, 2023 is given in the table below:

Total no. of employees	No. of women employees	% of overall employee strength
4776	502	10.51

Steps taken for the welfare of women employees

- Women employees are regularly nominated to various programmes/seminars on women empowerment and other issues related to women.
- Women employees are eligible for child care leave with pay up to 730 days for taking care of two children up to the age of 18 years (no age limit in respect of child with minimum disability of 40%).
- Women employees have option to declare parents/parents-in-law as their dependents under medical rules.
- Internal Complaints Committees (ICCs) have been constituted at all locations of the Company to examine the grievances/complaints relating to sexual harassment of women employees.
- Women representatives are nominated on selection Board/Committee constituted for promotion/recruitment of employees.
- Women employees may avail maternity leave as per service rules.
- NHPC Corporate Office, Faridabad has Crèche facility for infants of the employees.
- Relaxations in attendance timings are given to women employees posted at Corporate Office.
- WIPS (Women in Public Sector Forum) Cell has been constituted in Corporate Office.

- International Women's Day 2023 was celebrated on March 14, 2023 in order to commemorate the occasion and celebrate the progress made towards achieving gender equity and women's empowerment and also to critically reflect on accomplishments & significant contributions of our outstanding women employees. During the program, eminent female speakers delivered their talks on Women Empowerment and Gender Equality and women employees excelling in sports, leadership and social activities were felicitated.

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

Your Company is providing reservation and relaxation to SC/ST and OBC candidates in direct recruitment as per guidelines issued by DoPT from time to time. The relaxed standard and reservation is also applicable to SC/ST employees, while considering them for promotion. The management holds periodical meetings with SC/ST/OBC employees for discussing various issues related to them. SC/ST & OBC Cells headed by separate Liaison Officers have been set up for the welfare of SC/ST and OBC employees. Representation of SC/ST/OBC employees is given in table below:

Total no. of employees	REPRESENTATION					
	SC	%	ST	%	OBC	%
4776	732	15.33	345	7.22	874	18.30

(v) WELFARE MEASURES FOR DIFFERENTLY ABLED EMPLOYEES:

Representation of differently abled employees as on March 31, 2023 is given in table below:

Total no. of employees	Differently abled employees			% of differently abled employees	
	VH	HH	OH	TOTAL	%
4776	12	3	102	117	2.45

VH = Visual Handicap, **HH** = Hearing Handicap, **OH** = Orthopaedic Handicap

Steps taken for the welfare of differently abled employees:

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

- Differently abled employees as well as employees who are care giver to dependent physically/mentally disabled child are exempted from rotational transfer. These employees are given option about their preference in place of posting at the time of transfer/promotion.
- Financial assistance is provided to employees (who get physically handicapped while in service) for vocational training.
- Reimbursement of expenses for purchase of hearing aid is given to hearing impaired employees/their dependents.
- Reimbursement of the cost of artificial limbs and for the same an interest free loan 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 for medical and other benefits.
- Lifetime medical facility to the dependent mentally or physically disabled children having 40% or more of one or more disabilities in respect of retired/ deceased employees is being provided under NHPC Retired Employees' Health Scheme.

35.15 ENVIRONMENT PROTECTION AND CONSERVATION, TECHNOLOGICAL ABSORPTION, RENEWABLE ENNERGY DEVELOPMENTS & FOREIGN EXCHANGE CONSERVATION

(i) Environment Protection and Conservation:

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, mitigatory Environmental Management Plans (EMPs) are proposed and implemented to ameliorate the adverse impacts of the project by taking necessary measures like; compensatory afforestation, catchment area treatment, biodiversity conservation, green belt development, fishery management, rejuvenation of dumping and quarry sites including rehabilitation & resettlement amongst others. Environment and Diversity Management Division has been established at the Corporate Office to monitor and facilitate implementation of environmental safeguard measures at all the Projects/Power Stations and Regional Offices.

Compliance under Corporate Environment Policy:

Your Company has also formulated Corporate Environment Policy, 2022, Biodiversity Policy, 2023, Waste Management Policy, 2023 and Water Conservation Policy, 2023 to institutionalize environmental protection measures in its quest for sustainable development of clean power. Six monthly compliance reports on environmental aspects of Projects/ Power Stations for the periods ending March, 2022 and September, 2022 were submitted to Ministry of Environment, Forest and Climate Change (MoEF&CC), Government of India and its concerned Integrated Regional Offices. These reports were also uploaded on the website of the Company i.e. www.nhpcindia.com. The Company has evaluated the effectiveness of the management plans implemented during the course of construction of a project through post construction Environment Impact Assessment (EIA) studies of Uri (UT of J&K), Rangit (Sikkim), Dhauliganga (Uttarakhand) and Teesta-V (Sikkim) Power Stations. Post construction EIA Studies of Loktak Power Station (Manipur) and Uri-II Power Station (UT of J&K) are currently in progress. NHPC has also conducted sustainability assessment of Teesta-V Power Station (Sikkim) through Sustainability Assessment Protocol of International Hydropower Association (IHA) for operational projects. As per the findings of the assessment, out of 20 parameters on which the Teesta-V Power Station was assessed, it meets basic good practices on all parameters, meets proven best practice on 6 parameters and exceeds basic Good Practice on 9 parameters.

(ii) Renewable Energy Developments:

Your Company is diversifying its activities to explore renewable energy projects. The details of renewable energy projects are given elsewhere in this Report.

(iii) Foreign Exchange Conservation:

In accordance with *"Make in India"* Policy of Government of India, your Company is making efforts to encourage the participation of local firms in the bidding process. The participation of local firms as well as Micro & Small Enterprises helps in conservation of foreign exchange and growth of Indian industry at large.

(iv) Technological Absorption:

Information regarding technology absorption has been included elsewhere in this Report.

35.16 CORPORATE SOCIAL RESPONSIBILITY

Information regarding Corporate Social Responsibility has been included elsewhere in this Report.

35.17 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.

36 CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The particulars as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014, in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo are as under:

A. CONSERVATION OF ENERGY

(i) Steps taken or impact on conservation of energy

- Energy Conservation Task Force has been constituted at Corporate office for creating awareness amongst users, monitor effectiveness of measures adopted for energy conservation and provide vertical and horizontal feedback to the Management / users. Energy Conservation Task force suggests time to time measures for the Energy Saving at Corporate Office.
- Energy Audits are being carried out in our power stations to assess the efficiency of electrical equipments like generators, transformers etc. and to recommend the energy saving measures. The recommendations arising out of Energy Audits are implemented on a regular basis.
- Neer Shakti Sadan has been rated as Four Star Rated Building and Jyoti Sadan as Three Star Rated Building by Bureau of Energy Efficiency, Ministry of Power, Government of India.
- Energy Efficiency in Street Lighting is being achieved by replacing old in-efficient street lights with energy efficient LED street lights. Astronomical timer switch for Street light are being used. Solar Street light are also installed. As an Energy Conservation measures, different types of conventional light fittings CFL, FTL, conventional Outdoor as well as indoor lights are being replaced with high efficacy / lumen level and less wattage consumption LED Light fittings.

- Electric Vehicle (EV) charging points has been established in the Neer Shakti Sadan Office Complex, promoting use of EV.
- The old and non-star rated, uneconomical repairable Air Conditioners have been replaced with high Star rated Energy Efficient Air Conditioners in phased manner.
- The maximum available star rating Energy Efficient appliances are purchased for replacing old appliances. 400 numbers five star rated BLDC Ceiling Fans has been procured and installed replacing non-star rating fans.
- Monthly maintenance of 900 TR and 1200 TR HVAC system/equipment is being taken up to guarantee efficient operation throughout the year. HVAC filters are regularly changed or cleaned every month during peak cooling or heating season as dirty filters cost more to use, overwork the equipment and result in low indoor air quality.
- The operation of the HVAC system for building space cooling is being regulated by BEE recommended optimum temperature setting i.e. 24-25 degree Celsius.
- As an Energy Conservation measure, Movement detectors have been installed in the toilets of Jyoti Sadan during renovation.
- Painting competitions in surrounding area schools are being organized by NHPC for awareness of Energy Conservation and energy efficiency.

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

Grid Solar Power Plant of 80 kWp and 150 kWp capacity has been installed at the roof top of the building of Corporate Office, Sector-33, Faridabad. 1000 kWp grid connected Roof top Solar PV Plant has been installed at Residential Complex, Sector-41, Faridabad. The system is being maintained in excellent condition so that maximum output can be achieved. The cleaning of the plant is being taken up on regular basis (after sun set and before sun rise) for obtaining maximum output. Preventive Maintenance is being done on regular basis for obtaining maximum uptime. Further, roof-top solar power panels of cumulative capacity of 3362.16 kWp have been installed at various locations of the Company. Further, installations of 722.48 kWp roof top solar power projects at various locations of the Company are in progress.

(iii) Capital investment on energy conservation equipments

Capital investment on energy conservation equipments has been around ₹ 37.86 lakh.

B. TECHNOLOGY ABSORPTION

(i) Efforts made towards technology absorption

a) R&D projects completed in FY 2022-23:

- **Measurement of Green House Gas (GHG) emissions from Reservoir of Chamera-I Power Station on Ravi River in Himachal Pradesh in association with IIT Roorkee:** CO_2, CH_4 and N_2O are three predominant GHGs emitted naturally by aquatic systems, the first two being the most important. The study on emission of CO_2, CH_4 & N_2O from Chamera- I reservoir was conducted. Emission of CO_2 & CH_4 was found to be within the permissible limit based on the range of average Carbon Dioxide & Methane gases emission from fresh water reservoir. N_2O Emission is higher in the summer season. In Chamera-I reservoir, there is more TN (Total Nitrogen) in Sediments and water column in summer season as compared to other seasons, thus creating favourable conditions for Microbial decay of organic matter to release N_2O.
- **Post Project Environmental Evaluation of Rangit HE Project Sikkim using Remote sensing and GIS Technology:** The post project evaluation of environmental aspects using temporal Remote Sensing data was done to find out the efficacy of implemented measures in due course of time. The study was focused on the evaluation of efficacy of environmental management plans viz, Compensatory Afforestation Scheme, Catchment Area Treatment Plan, Reservoir Rim Treatment, Restoration plan, Shifting of religious monument, Free Fuel Provision, and Resettlement & Rehabilitation plan. The conclusion and recommendations are as under:

i) Normal Variation in Snow cover was found.

ii) The in-depth analysis of each sub-watersheds (SWS) treated under Catchment Area Treatment gives overall efficacy of management plan implemented for the project. All the SWS have slight variations in land use categories but it is evident from the findings that the CAT plan undertaken in the area has been beneficial.

iii) When comparing with the current status with the situation prevailing during year 1994, it was found that the land-slides have not only reduced in numbers but also the active slides are showing reducing trend with respect to its area.

iv) Six SWS were treated under CAT plan (Composite area of 12,775 ha); Erosion analysis of all the treated SWS shows that only 2.15% area is showing negative changes which is nominal in the time frame of ten years (2010 to 2020). The areas showing positive change is about 5.33% and the area under no change is about 92.52%.

- **Study of Landslides in the vicinity of nine commissioned/under construction hydroelectric projects of NHPC utilizing Remote Sensing & GIS Technology in association with IIRS, Deptt. of Space, GoI, Dehradun:** The study has been taken at 09 numbers Power Stations of NHPC jointly with IIRS Dehradun. The main objective was to analyze whether construction of the project has any impact on landslides in the project area. The report of the study, prepared by IIRS, Dehradun indicates that the construction of the project has no impact on landslide activities in the study area.

- **Targeted Solutions through emerging Geophysical Technology in Resistivity Imaging & Ground Penetration Radar for optimization of Geological uncertainties in Hydro Power Projects:**

  In hydroelectric projects, investigation plays a very vital role and is of great importance for construction of project in optimum time and cost effective manner. The project concluded that Resistivity Imaging can be utilized effectively over tunnel alignments wherever feasible, in order to minimize geological uncertainties / surprises. This will further help in better assessment of geological conditions along the tunnel.

- **Introduction of Hydraulic Motor operated Rope Drum Hoisting System for one surge shaft gate of Dhauliganga Power Station under technology up gradation / R&D intervention**

  Introduction of Hydraulic motor drive, as a technology up gradation / intervention would offer enhanced safety and improved performance of the gate hoist. Its successful demonstration at Dhauliganga Power Station would pave the way for similar intervention/applications in other NHPC power stations.

- **Numerical and physical model studies for elimination of de-silting basins in hydroelectric projects by sediment management through reservoir operation techniques**

  This study has been taken up at Teesta-VI Project in association with CWPRS Pune. From the analysis it can be concluded that desilting basin is necessary in Teesta-VI reservoir as more than 90% of suspended sediment load enters intake for grain diameter 0.25 mm and above.

b) On Going R&D Projects:

Geological surprises during construction are a major cause of time and cost overrun for a hydro project. To minimize these surprises and undertake construction activities in a cost effective manner, Geophysical techniques like Resistivity Imaging for design of safe, economic and effective earthmat and Ground Penetration Radar, Seismic Tomography to optimize geological uncertainities etc. are innovatively applied for different NHPC projects.

At present, two R&D projects are in progress:

i) **"Targeted solution through emerging geophysical technology in Seismic Tomography for optimization of geological uncertainties in Hydropower Projects"-** This is an in-house R&D project. Field survey at projects viz: Subansiri Lower Project, Teesta-VI H.E. Project, Dulhasti Stage-II has been carried out. These technologies can provide more precise details of subsurface rock mass which can minimize uncertainties during construction stage for its timely completion.

ii) **"Analysis of Strong Motion Accelerograph Data recorded at NHPC Power Station for development of site specific Peak Ground Acceleration Attenuation Relationship for Himalayan Region"** In consultation with Department of Earthquake Engineering, IIT Roorkee for development of Himalayan specific attenuation relationships which can be further utilized for optimizing the seismic design of our structures.

- Application of Remote sensing and GIS Technology are being taken up for Assessment on socio-economics at Sewa-II Power Station J&K. This R&D Project is being carried out by Environment & Diversity Management Division.

- **Projects taken up in collaboration with IIT Roorkee:**

i) Monitoring Hydro abrasive erosion and suspended sediment for optimal operation of hydro power plant is being conducted jointly through IIT Roorkee in Baira Siul Power Station. Pre & Post monsoon 3D scanning have been carried out for Runner & Guide Vanes.

ii) Development of inflow forecasting system for Chamera-III Power Station. Inflow Forecasting is important for Dam safety, better planning for operation of machine, generation of schedule on day to day basis. The information shall be useful for downstream projects. The hydro-metrological data in catchment and the climate changes in the catchment will be better known. Purchase of equipments for this work is under process.

- **Project taken up in collaboration with IIT Kanpur:**

  Development of Design Guidelines/Charts for quick estimation of Caverns behaviour & support layout including openings based on 3D FEM Analysis:

  The objectives of this Project is safe and economic design of underground caverns of various upcoming projects having underground caverns. This aims to develop easy-to-use design charts/guidelines based on advanced 3D numerical analysis for direct estimation of optimal cavern dimensional parameters and external support requirements, without undergoing detailed computational analysis.

- **Project taken up in collaboration with NIT Durgapur:**

  Development of Partial Discharge Monitoring Solutions for High Voltage Electrical Apparatus can help NHPC to move towards a "Predictive Maintenance Practice" from its current Preventive Maintenance Practice. This will improve the system reliability and minimize the breakdown period.

c) **Collaborative research related to growth of power sector**

As per Ministry of Power recommendations for support and growth of power sector, Studies/ research related to Policy initiative, reforms, restructuring will provide crucial inputs for Policy formulation. For this, a corpus for funding these studies has been setup jointly with MoP and CPSUs like NHPC, NTPC, PGCIL, PFC & REC. NHPC has been undertaking collaborative research for overall growth of power sector.

d) **MoA signed with IIT Delhi & IIT Jammu**

NHPC has signed MOA with IIT Delhi & IIT Jammu on November 21, 2022 and September 26, 2022 respectively under which both IITs shall provide training, research and development and advisory session services to NHPC in the broad area of its various expertise, hydro, hydrology, water resources, geology, earthquake, renewable energy and environmental management.

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

a) Post Project Environmental Evaluation of Rangit HE Project in Sikkim using Remote sensing and GIS Technology indicated that the CAT plan undertaken in the project area has been beneficial.

b) Study of Landslides in the vicinity of nine commissioned/under construction hydroelectric projects of NHPC utilizing Remote Sensing & GIS Technology indicated that construction of the project has no impact on landslide activities in study area.

c) Targeted solution through emerging geophysical technology in resistivity imaging & ground penetration radar for optimization of geological uncertainties in Hydropower Projects indicated that Resistivity Imaging can be utilized effectively over tunnel alignments wherever feasible, in order to minimize geological uncertainties / surprises. This will further help in better assessment of geological conditions along the tunnel.

d) Introduction of Hydraulic Motor operated Rope Drum Hoisting System for one surge shaft gate of Dhauliganga Power Station under technology up gradation / R&D intervention would pave the way for similar intervention/ applications in other NHPC Power Stations.

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

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

NIL

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

Expenditure incurred on Research and Development during the financial year 2022-23 was ₹ 11.30 crore including ₹ 9.37 crore towards establishment expenses.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Crore)

S. No.	Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
	Expenditure in Foreign Currency:		
i)	Interest	18.78	23.47
ii)	Other Misc. Matters	24.85	6.43

There were no foreign exchange earnings during the FY 2022-23.

37 AUDIT AND AUDITORS'REPORT

37.1 SECRETARIAL AUDIT

M/s Agarwal S. & Associates, Company Secretaries, Delhi has been appointed by the Board to conduct Secretarial Audit of the Company for the FY 2022-23. The Secretarial Auditor, in its report, has given certain observation.

The Secretarial Auditor's Report is given as **Annexure-II** to this Report. The management reply against observation raised by Secretarial Auditor is as under:

Qualification / Observation	Management Reply
Regulation 17(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the number of Independent Directors on the Board was less than fifty percent during the period from 01.04.2022 to 31.08.2022 and from 13.12.2022 to 09.03.2023.	As per Article 34 of the Articles of Association of the Company read with Ministry of Corporate Affairs notification dated 05th June 2015, the Directors including Independent Directors (IDs) on the Board of the Company are appointed by the President of India through Administrative Ministry i.e. Ministry of Power (MoP). The matter regarding appointment of requisite number of Independent Directors was being regularly pursued with the Administrative Ministry i.e. Ministry of Power (MoP), Govt. of India. Further, after the appointment of Shri Premkumar Goverthanan (DIN 10064794), Independent Director on the Board of the Company w.e.f. 10.03.2023, the Composition of Board was in Compliance with the provisions of the SEBI LODR, 2015.

In compliance to Regulation 24A of SEBI LODR, Secretarial Audit Report of NHDC Limited, which is a material unlisted subsidiary of NHPC, is also given elsewhere in the Annual Report.

37.2 STATUTORY AUDIT

In line with provisions of the Companies Act, 2013, the Statutory Auditors of your Company are appointed by the Comptroller & Auditor General of India (C&AG). C&AG had appointed following Joint Statutory Auditors for the FY 2022-23:

1. M/s K. G. Somani & Co., LLP, New Delhi
2. M/s Chaturvedi & Co., Kolkata
3. M/s P. C. Bindal & Co, Srinagar

The Joint Statutory Auditors have given un-modified opinion in their report on the standalone and consolidated financial statements of the Company for the FY 2022-23. 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.

37.3 REVIEW OF ACCOUNTS BY C&AG

The C&AG has given its comments on the standalone and consolidated financial statements of your Company for the FY ended March 31, 2023 after conducting supplementary audit under Section 143(6)(a) of the Companies Act, 2013. There are no comments of C&AG for both the standalone and consolidated financial statements of your Company for the FY ended March 31, 2023.The comments of C&AG are appearing elsewhere in the Annual Report.

37.4 COST AUDIT

The Company maintains necessary cost records as specified by Central Government under Section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014. As recommended by the Audit Committee, your Board has appointed the following firms of Cost Accountants to conduct audit of cost accounting records of power stations for the FY 2022-23 under Section 148 of the Companies Act, 2013:

Name of the Firm	Power Stations
M/s Dhananjay V. Joshi & Associates, Delhi (Lead Cost Auditor)	Dulhasti and Salal
M/s ABK & Associates, Delhi	Baira Siul, Chamera-II and Chamera-III
M/s Narasimha Murthy & Co., Delhi	Chutak, Nimoo Bazgo and Chamera-I
M/s R. M. Bansal & Co., Delhi	Tanakpur, Dhauliganga and Wind Power Project, Jaisalmer
M/s K. G. Goyal & Co., Jaipur	Uri-I, Uri-II and Kishanganga
M/s AJS and Associates, Dehradun	Sewa-II and Parbati-III
M/s Bandyopadhyaya Bhaumik & Co., Kolkata	Rangit, Teesta-V and 50 MW Solar Power Project, Tamil Nadu
M/s Y. S. Thakar & Co, Asansol, West Bengal	Loktak, TLDP-III and TLDP-IV

The consolidated Cost Audit Report in XBRL format for the year ended March 31, 2022 was filed with the Ministry of Corporate Affairs on September 7, 2022. The Cost Audit Report for the year ended March 31, 2023 shall be endeavoured to be filed within the prescribed time period.

38 ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013, the Annual Return of the Company as on March 31, 2023 is available on the Company's website at https://www.nhpcindia.com/assests/pzi_public/gallery/16908019760.pdf

39 PARTICULARS OF LOANS, INVESTMENTS AND CORPORATE GUARANTEES

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

40 PARTICULARS OF EMPLOYEES

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

The Policy on remuneration, pay structure, allowances and other benefits of employees of the Company are governed by relevant DPE Guidelines. Pay structure and allowances of the Company are also available on the website at https://www.nhpcindia.com/assests/pzi_public/gallery/1676010521.pdf

41 BOARD AND COMMITTEES OF THE BOARD

The Board of Directors met eleven (11) times during the FY 2022-23. The details of meetings of Board of Directors and attendance of Directors therein are given in the Report on Corporate Governance, which forms part of the Annual Report. The details of various Committees of the Board along with their meetings and composition are given in Corporate Governance Report.

42 PERFORMANCE EVALUATION OF BOARD, BOARD LEVEL COMMITTEES AND DIRECTORS

NHPC has in place a "Policy on performance evaluation of Board, Board level Committees and Directors". As per the Policy, following evaluation process has been followed by the Company:

1. Every Director of the Company rate performance of the Board, Board level Committees and the individual Directors on pre-determined criteria.
2. The Nomination & Remuneration Committee reviews the performance of Independent Directors & the Board of Directors and determines whether to extend the term of the Independent Director.
3. Independent Directors review the performance of Non-Independent Directors, Chairperson of the Company and the Board as a whole.
4. Board evaluates the performance of Independent Directors, excluding the Director being evaluated.

The performance evaluation of all the Board Members, Board as a whole and mandatory Committees of the Board for financial year 2021-22 was carried out during financial year 2022-23. The performance evaluation for financial year 2022-23 has been carried out during financial year 2023-24.

43 DIRECTORS' RESPONSIBILITY STATEMENT

In line with requirement of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, it is confirmed that:

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

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

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

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

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

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

44 SECRETARIAL STANDARDS

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

45 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.
6. Details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof.
7. Application made or proceeding pending under Insolvency & Bankruptcy Code, 2016.

46 BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

The following changes in composition of Board of Directors and Key Managerial Personnel took place during the financial year 2022-23 and afterwards till signing of this report:

1. Shri Abhay Kumar Singh (DIN 08646003) ceased to be Chairman & Managing Director of the Company w.e.f. August 31, 2022 on attaining the age of superannuation.
2. Shri Raghuraj Madhav Rajendran (DIN 07772370), Government Nominee Director ceased to be Director of the Company w.e.f. December 05, 2022 pursuant to orders of Ministry of Power, Govt. of India.
3. Shri Mohammad Afzal (DIN 09762315) was appointed as Government Nominee Director on the Board of the Company w.e.f. December 06, 2022 pursuant to orders of Ministry of Power, Govt. of India.
4. Shri Rajeev Kumar Vishnoi (DIN 08534217) was appointed as Chairman & Managing Director of the Company w.e.f. December 13, 2022 pursuant to orders received from Ministry of Power, Govt. of India. Shri Vishnoi is holding Additional Charge of the post of Chairman & Managing Director of the Company.
5. Shri Premkumar Goverthanan (DIN 10064794) was appointed as Independent Director on the Board of the Company w.e.f. March 10, 2023 pursuant to orders received from Ministry of Power, Govt. of India.
6. Shri Yamuna Kumar Chaubey (DIN 08492346) ceased to be Director (Technical) of the Company w.e.f. May 31, 2023 on attaining the age of superannuation.
7. Shri Uttam Lal (DIN 10194925) was appointed as Director (Personnel) of the Company w.e.f. June 13, 2023 pursuant to orders of Ministry of Power, Govt. of India.

Details of remuneration and sitting fee paid to Directors during the FY 2022-23 are given in the report on Corporate Governance.

All Independent Directors of the Company as on March 31, 2023 have declared that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI LODR.

They have further declared that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. Independent Directors have also declared that they have complied with Rule 6(1) & 6(2) of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019 regarding inclusion of their name in the data bank of Independent Directors maintained by Indian Institute of Corporate Affairs (IICA).

As Shri Premkumar Goverthanan, Independent Director and Shri Uttam Lal, Director (Personnel) were appointed by Board of Directors as Additional Directors, their appointment is proposed in the ensuing Annual General Meeting (AGM). Brief profile of Shri Goverthanan and Shri Uttam Lal are given in the Notice of AGM. Shri Biswajit Basu, Director (Projects) is liable to retire by rotation and being eligible, has proposed himself to be re-appointed at the forthcoming AGM. Brief profile of Shri Basu is given in the Notice of AGM.

47 ACKNOWLEDGEMENT

The Board of Directors wish to place on record their sincere appreciation to all the employees for their dedication and commitment. Their hard work and unstinted efforts enabled the Company to sustain its excellent performance and consolidate its sectoral leadership. The commitment displayed by the employees at all levels is exemplary and praise worthy. NHPC is proud of continuous untiring efforts of its employees especially posted at power stations & projects of the Company.

The Board of Directors would like to express their gratitude for the guidance and co-operation received from Govt. of India, particularly the Ministry of Power, Ministry of New & Renewable Energy, Department of Public Enterprises, Office of the Comptroller and Auditor General of India, Central Electricity Authority, Central Electricity Regulatory Commission, Central Water Commission and other concerned Govt. departments/agencies at the Central and State level.

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

The Board also acknowledges invaluable guidance and inputs received from Statutory Auditors, Secretarial Auditor and Cost Auditor of the Company. The Board also conveys its sincere thanks to the national and international financial institutions, multilateral financial institutions, domestic and international credit rating agencies for their valuable support and continued trust in the Company.

For and on behalf of the Board of Directors

Sd/-
(Rajeev Kumar Vishnoi)
Chairman & Managing Director
DIN 08534217

Date: June 27, 2023
Place: New Delhi

Annexure-I

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY

1. Brief outline on CSR Policy of the Company

Your Company has formulated a CSR & Sustainability Policy and revised it, from time to time, in line with Section 135 of the Companies Act, 2013, Schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 read with its amendments & General Circulars issued on CSR by the Ministry of Corporate Affairs; and Guidelines/ Office Memorandums of Department of Public Enterprises (DPE). It includes the guiding principles for Selection, implementation and monitoring of activities as well as formulation of Annual Action Plan. The CSR Policy of your Company, broadly includes the following:

- In terms of Section 135 of Companies Act 2013, the Company shall spend, in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years, is kept as the annual budget for CSR & SD works during the year and approved by the Board of Directors. NHPC takes up schemes/activities which give visible social, economic or environmental benefits to the society.
- Preference to the local area around NHPC's Projects is 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 about 20% amount of the CSR budget may be spent, for the larger benefit of society/environment.
- The CSR initiatives includes programs on promoting Education & Skill development, Healthcare & Sanitation, Rural development, Women empowerment, Sports, Art & Culture etc. in accordance with Schedule VII of the Companies Act, 2013. Expenditure on any other activity not in conformity with Schedule VII is not accounted towards CSR expenditure.
- Selection of CSR & Sustainability schemes ensure the outreach of maximum benefits to the poor/ backward & needy sections of the society and contribute to improve the quality of environment.
- Your Company is open to joining hands with the other CPSEs in planning, implementing and monitoring of Mega-Projects for optimal use of resources, synergy of expertise and capabilities for maximizing socio-economic or environmental impact
- CSR & Sustainability schemes for implementation are made in consultation/association with various Stakeholders, Administrative Authorities of District/Sub-division/Blocks/Panchayats etc. in which the NHPC's Units are operating
- A three tier management structure exists in your Company for identification, implementation and monitoring of CSR & Sustainability schemes/activities
- Any amount remaining unspent relating to an ongoing activity shall be transferred within a period of thirty days from the end of the financial year to an unspent Corporate Social Responsibility account in any Scheduled Bank for that financial year. This amount shall be spent in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of 03 financial years from the date of such transfer, failing which, the Company shall transfer the same to a fund specified in Schedule-VII, within a period of 30 days from the date of completion of the third financial year.
- If an unspent amount does not relate to an ongoing project the referred amount shall be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. The reasons for the non-utilization will be specified in Board's Report.
- Any surplus arising out of CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR Policy or transfer such surplus amount to a fund specified in Schedule-VII, within a period of six months of the expiry of the financial year.

2. Composition of CSR Committee:

For the FY 2022-23

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year	Status as on 31.03.2023 (Active/ ceased)
1.	Dr. Rashmi Sharma Rawal	Chairman of the Committee (Independent Director)	6	6	Active
2.	Dr. Uday Sakharam Nirgudkar	Independent Director- Member		6	Active
3.	Dr. Amit Kansal	Independent Director- Member		6	Active
4.	Shri Jiji Joseph	Independent Director- Member		6	Active
5.	Sh. Rajendra Prasad Goyal	Director (Finance) - Ex-Officio Member		6	Active
6.	Sh. Biswajit Basu	Director (Projects) - Ex-Officio Member		6	Active

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

The web-link on the website of the Company where Composition of CSR Committee is disclosed:

https://www.nhpcindia.com/assests/pzi_public/gallery/16859406840.pdf

The web-link on the website of the Company where the CSR Policy approved by the Board is disclosed is:

https://www.nhpcindia.com/assests/pzi_public/gallery/1681895733.pdf

The web-link on the website of the Company where CSR projects are disclosed:

https://www.nhpcindia.com/assests/pzi_public/gallery/1672987992.pdf

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

In pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, assessments are to be carried out of the CSR projects taken up or completed on or after January 22, 2021. The work of conducting Impact Assessment of CSR projects / activities having outlay of one crore rupee or more, and which have been completed not less than one year before undertaking the impact study. Accordingly, the Impact Assessment of CSR project *"Development of Bandipora Nishat Garden"* has been awarded to an independent agency.

The summary of the impact assessment report of *"Development of Bandipora Nishat Garden"* is attached as **Annexure-A** and the impact assessment report is available on the website at:

https://www.nhpcindia.com/assests/pzi_public/gallery/16853471190.pdf

5. (a) Average net profit of the Company as per sub-section (5) of section 135: ₹ **3607.15 Crore.**

(b) Two percent of average net profit of the Company as per sub-section (5) of section 135 : ₹ **72.14 Crore.**

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years : **0.00**

(d) Amount required to be set-off for the financial year, if any : ₹ **60.04 Crore**

(e) Total CSR obligation for the financial year [(b)+(c)-(d)] : ₹ **12.10 Crore.**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : ₹ **122.04 Crore.**

(b) Amount spent in Administrative Overheads : ₹**5.15 Crore.**

(c) Amount spent on Impact Assessment, if applicable : ₹**0.12 Crore.**

(d) Total amount spent for the Financial Year [(a)+(b)+(c)] : ₹**127.31 Crore.**

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (₹ in Crore)	Amount Unspent (₹ in Crore)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second provision to section 135(5)		
	Amount	Date of transfer	Name of fund	Amount	Date of transfer
127.31	0.00	N/A	N/A	0.00	N/A

(f) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ in Crore)
(i)	Two percent of average net profit of the Company as per Section 135 (5)	72.14
(ii)	Excess amount spent in FY 2021-22	60.04
(iii)	Total amount spent for the Financial Year	127.31
(iv)	Excess amount spent for the Financial Year [(iii)+(ii)-(i)]	115.21
(v)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
(vi)	Amount available for set off in succeeding financial years [(iv)-(v)]	115.21

7. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account undersub-section (6) of section135 (₹ in Crore)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (₹ in Crore)	Amount spent in the Financial Year (₹ in Crore)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (₹ in Crore)	Deficiency, if any
					Amount (₹ in Crore)	Date of transfer		
1.	2021-22	0.00	0.00	0.00	0.00	N/A	0.00	0.00
2.	2020-21	0.00	0.00	0.00	0.00	N/A	0.00	0.00
3.	2019-20	0.00	0.00	0.00	0.00	N/A	0.00	0.00
	Total			**0.00**				

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: (YES)

If Yes, enter the number of Capital assets created/ acquired : **49**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin Code of the Property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
(1)	(2)	(3)	(4)	(5)	(6)		
As per Annexure-B attached (Total = ₹ 26.9307 Crore)							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/ Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per section135(5). - N/A

Sd/-
(Rajeev Kumar Vishnoi)
Chairman & Managing Director
DIN 08534217

Sd/-
(Dr. Rashmi Sharma Rawal)
(Independent Director & Chairman CSR Committee)
DIN 09410683

Date : May 29, 2023
Place: New Delhi

CSR PROJECT: DEVELOPMENT OF BANDIPORA NISHAT GARDEN

Project Proponent:	NHPC Limited
Project Executioner:	Floriculture Department of district Bandipora of the then State Govt. of Jammu & Kashmir.
Project Execution Year:	2017-18 to 2020-21
Start Date:	05-03-2018
Completion Date:	07-01-2021
State/ U.T. :	U.T. of Jammu & Kashmir
Activities:	• Illumination of park, construction of glazed view point, sump, open well, Bio toilets, children playing equipment etc. • Renovation of viewpoints, cafeteria, chowkidar hut, lavoratory block, boundary wall, water channels & pools, bore wells, water fountains etc.
Total Expenditure:	₹ 203 lakhs + applicable taxes

EXECUTIVE SUMMARY

This Impact assessment report on Development of Bandipora Nishat Garden gives an unbiased and mirror image of the impacts created by NHPC on the society and environment at Bandipora. A very clear and brief message was received from the community, which will set an example for all the corporate sectors to maintain balance between Industry and Environment. Sustainability goals were verified and public feedback were recorded during the assessment which is satisfactory and turns out to be a great green initiative. The Institute of Rural Development Programme (IRDP) has carried out Social Impact Assessment & Environmental Impact Assessment Study of Nishat Garden Bandipora.

NHPC Limited has not only established an ecosystem dedicated to environmental protection but has also introduced a new dimension of green living through Nishat Garden. While gardens offer numerous environmental advantages, the primary focus of stakeholders lies in the profound impact of plants on mental and physical well-being, which significantly contributes to the overall quality of life.

Most of the people already knew and others discovered during the pandemic, hobbies like doing exercise in garden. Moving around the garden offers an opportunity to enjoy nature and give a person a more positive outlook to life. Nishat garden is a very rich and beautiful presentation to the kids which teaches them to care for the plants, flowers and waterbodies. Children were traced playing with their friends and families which is creating a very positive impact on the society.

With the initiative of NHPC, opportunity of tourism in Bandipora District has also increased rapidly in the last two years which is creating economic opportunities for growth of people in many ways.

Annexure-B

Details of capital assets have been created or acquired through Corporate Social Responsibility in the FY2022-23

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin Code of the property or asset(s)	Date of creation	CSR amount spent (in ₹)	Details of entity/ Authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1	Construction of Two additional Story on the existing building of Balika Niketan Girls Orphanage, Amphalla, Jammu, UT of Jammu & Kashmir-180005.	180005	31-03-2023 (In-Progress)	25,00,000	CSR00014916	Ved Mandir Committee	Ved Mandir Committee, Amphalla, Jammu & Kashmir 180005
2	25 Solar Street Lights at ward no.9, Thanpal, District Reasi, J&K.	182312	16-03-2023	3,37,500	–	Ward Panch	Pachyat Dharan, Village Thanpal, District Reasi, J&K.
3	One No. TATA SUMO upgraded old/ used vehicles for Mechanic Trades ITI Reasi, District Reasi, J&K.	182311	16-02-2023	42,304	–	Principal ITI	ITI Reasi, District Reasi, J&K.
4	2 nos. Diesel Engine Centrifugal pumps at District Bandipora, Jammu & Kashmir	193502	19-09-2022	10,73,266	–	Assistant Executive Engineer	Irrigation Sub-Division, District Bandipora, Jammu & Kashmir
5	245 nos. Solar Street Lights in the vicinity of Kishanganga Power Station along Bandipora-Gurez Road from DC Office to Project Area & Chak Village District Baramulla, Jammu And Kashmir.	193502	25-03-2023	42,87,100	–	Assistant Commissioner, Panchayat	Assistant Commissioner Panchayat Office, Mini Secretariat, District Bandipora, Jammu & Kashmir
6	CSR Support for 02 nos. oxygen plant each of 500 LPM capacity (a) District Hospital, Kargil, UT of Ladakh (b)Community Health Centre, Sankoo, Kargil, UT of Ladakh.	194103	30-08-2022	40,00,000	CSR00052647	Deputy Commissioner	Deputy Commissioner/ CEO, LAHDC, Kargil, UT of Ladakh.
7	Lifting irrigation scheme (02-03 Stage squirrel cage type induction motor driven, APF Control panel, earthing, Storage Tank 263kVA Sub Station, RCC Foundation etc.) at Apricot orchard, Minji Ground, Kargil, UT of Ladakh	194103	27-03-2023 (In-Progress)	19,07,400	CSR00052647	Deputy Commissioner	Deputy Commissioner/ CEO, LAHDC, Kargil, UT of Ladakh.

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin Code of the property or asset(s)	Date of creation	CSR amount spent (in ₹)	Details of entity/ Authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
8	One RO System at Civil Hospital, Dalhousie, District Chamba, Himachal Pradesh.	176304	31-03-2023	75,000	_	SMO	Civil Hospital, Dalhousie, District Chamba, Himachal Pradesh.
9	One RO System at Tehsil Office, Dalhousie. District Chamba, Himachal Pradesh.	176304	31-03-2023	75,000	_	Tehsildar	Tehsil Office, Dalhousie. District Chamba, Himachal Pradesh.
10	Construction of two rooms at Govt. Primary School, Bhandar, Education Block-Sundala,Teh-Salooni, District Chamba, Himachal Pradesh.	176312	24-06-2022	2,14,467	_	Head Master	Govt. Primary School, Bhandar, Education Block-Sundala,Teh-Salooni, District Chamba, Himachal Pradesh.
11	One Mobile Medical Unit for Mobile Health Clinic for Rural area of Sunam, District Sangrur, Punjab. Organization for Social and Cultural Awareness, Near Hindu Sabha School, Tehsil Sunam, Sangrur, Punjab-148028	148028	06-02-2023	27,11,788	CSR00020695	Organization for Social and Cultural Awareness	D-306, LGF, PNB Building, West Vinod Nagar, Main Road, Delhi-110092
12	One Mobile Library for Rural and Border areas of Punjab. Vidya Dham, Guru Gobind Singh Avenue, Bye-Pass Road, Jalandhar, Punjab.	144009	08-01-2023	21,65,757	CSR00021438	Sarvhitkari Educational Society	C/O Kulwant Rai, Sarvhitkari Vidya Mandir, Near Mini Market, Sector 43-B, Chandigarh 160043.
13	Acer Intel Core i5 All in One PC. 21.5” Display Windows 11 Professional - 10 nos and Laser Printer-10 nos Atal Gyan Kendra, District Kullu, Himachal Pradesh.	175125	15-11-2022	6,05,091	_	BDO office JE Kullu	BDO office, District Kullu, Himachal Pradesh.
14	Acer Desktop Computer Intel Core i3- 02 nos, 02 Nos Printers, 20 nos Visitors Chair and 10 Nos writing Boards. Principal Govt. High School Shilha and Primary School Shilha. Barshani, District Kullu, Himachal Pradesh.	175105	28-03-2023 (In-Progress)	1,69,813	_	Prinicpal Govt. High School Shilha	Prinicpal Govt. High School Shilha, Panchayat Barshani, District Kullu, Himachal Pradesh.

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin Code of the property or asset(s)	Date of creation	CSR amount spent (in ₹)	Details of entity/ Authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
15	15 Nos Computers and UPS Principal Sarswati Vidhya Mandir, Bhuntar, District Kullu, Himachal Pradesh.	175125	31-08-2020	22,680	_	Principal Sarswati Vidhya Mandir	Principal Sarswati Vidhya Mandir, Bhuntar, District Kullu, Himachal Pradesh.
16	Providing of 1 nos garbage pits at village Jahila, Panchayat Banogi, District Kullu, Himachal Pradesh.	175134	29-03-2023	61,828	_	Gram Pradhan	Jahila, Banogi, District Kullu, Himachal Pradesh.
17	Providing of 1 nos garbage pits at village Soti, Panchayat Banogi, District Kullu, Himachal Pradesh.	175134	31-03-2023 (In-Progress)	49,462	_	Gram Pradhan	Soti, Banogi, District Kullu, Himachal Pradesh.
18	Providing Computer (05 nos), Printer (02 nos) to Atal Gyan Kendra Banogi, District Kullu, Himachal Pradesh.	175134	01-08-2022	1,26,619	_	Gram Pradhan	Deori, Banogi, Kanaun, District Kullu, Himachal Pradesh.
19	Development of Community Area for protection/preservation of Heritage in Dohak Village, Gram Panchayat Badgaon Galu tehsil Jhandutta, District Bilaspur, Himachal Pradesh.	174031	31-03-2023 (In-Progress)	28,98,000	_	Gram Pradhan	Dohak, Jhandutta, District Bilaspur, Himachal Pradesh.
20	Providing of 1 nos rain shed at village Deori, Panchayat Banogi, District Kullu, Himachal Pradesh.	175134	31-03-2023 (In-Progress)	1,01,904	_	Gram Pradhan	Deori, Banogi, District Kullu, Himachal Pradesh.
21	Providing of 1 nos rain shed at village Manhum, Panchayat Banogi, District Kullu, Himachal Pradesh.	175134	31-03-2023 (In-Progress)	1,01,904	_	Gram Pradhan	Manham, Banogi, District Kullu, Himachal Pradesh.
22	Providing of 1 nos rain shed at village Soti, Panchayat Banogi, District Kullu, Himachal Pradesh.	175134	31-03-2023 (In-Progress)	1,01,904	_	Gram Pradhan	Soti, Banogi, District Kullu, Himachal Pradesh.
23	Construction of Takdah Engineering College Home Busty, Ward No.8, Takdah Gram Panchayat, PO-Takdah, PS-Rangli-Rangliot, , Darjeeling Sadar, Dist.-Darjeeling, Gorkhaland Territorial Administration, West Bengal	734222	31-03-2023 (In-Progress)	6,00,00,000	_	Principal Secretary, GTA	LalKothi, Secretariat Building, GTA, Darjeeling, W.B.-734101

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin Code of the property or asset(s)	Date of creation	CSR amount spent (in ₹)	Details of entity/ Authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
24	Construction of class room measuring 30x60 feet at Leimatak English Model Jr. High School, Silen Henglep, Churachandpur, Manipur	795128	31-03-2023 (In-Progress)	3,44,163	–	Principal	Leimatak English Model Jr. High School. Silen Henglep, Churachandpur, Manipur
25	One Ambulance to Community Health Centre (CHC) Mariyang, Upper Siang District, Arunachal Pradesh	791002	09-02-2023	10,37,076	–	District Medical Officer	Upper Siang District,Yinkiong, Arunachal Pradesh
26	One Ambulance to Chongkham Circle, Namsai District, Arunachal Pradesh	792102	09-02-2023	10,37,076	–	District Medical Officer	Namsai District, Namsai, Arunachal Pradesh
27	Development of Kindergarten Facility with Construction of 03 No. classroom, one staff room, one office room and four toilets in Vivekananda Vidyalayam, Kothamangalam, Ernakulam, Kerala.	686691	31-03-2023 (In-Progress)	63,20,000	CSR00022461	Sevakiran Charitable Society	Thrikkariyoor, PO-Kothamangalam, Ernakulam, Kerala – 686692
28	Construction of Community Centre at Vill-Sonbarsa, Parsonda, Shahpur Block, Arah, Bhojpur District, Bihar.	802165	12-09-2022	8,10,134	–	Gram Pradhan/ Mukhiya	Parsonda Panchyat, Shahpur Block, Arah, Bhojpur District, Bihar.
29	Construction of 291mtr PCC Road 3mtr width Village-Laxmanpur, Bahoranpur Panchayat, Shahpur Block, Arah, Bhojpur District, Bihar.	802166	14-02-2023	21,31,870	–	Gram Pradhan/ Mukhiya	Bahoranpur Panchayat, Shahpur Block, Arah, Bhojpur District, Bihar.
30	A Mobile Cancer Screening Van. Sankalp Cancer Care Foundation, H. No. 24, 25, Goyla Dairy, Qutub Vihar I, H Block, New Delhi, Delhi 110071	110071	26-08-2022	25,31,715	CSR00011691	Sankalp Cancer Care Foundation	Sankalp Cancer Care Foundation, H. No. 24, 25, Goyla Dairy, Qutub Vihar I, H Block, New Delhi, Delhi 110071
31	Providing minimally invasive endoscopic surgery setup at Dr Hedgewar institute of medical sciences & research and Bharani memorial critical care unit, Amravati , Maharashtra	444606	07-11-2022	34,48,721	CSR00008650	Jan Kalyan Seva Sanstha	Nanda Market, Dastur Nagar Rd, Amravati, Maharashtra 444606

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin Code of the property or asset(s)	Date of creation	CSR amount spent (in ₹)	Details of entity/ Authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
32	Hettich Rotosilenta 630 RS Refrigerator Floor Standing Centrifuge Blood bank Kai wamanrao Oka Blood Center, Vishnunagar, Ghantali Mandir Chowk, Naupada, Thane, Maharastra.	400602	30-04-2023	25,00,000	CSR00000424	Rashtriya Swayamsevak Sangh Jankalyan Samiti	Rashtriya Swayamsevak Sangh Jankalyan Samiti Maharashtra Prant, Bhageswar Niwas ,1609 , Sadashiv Peth, Pune, MH, 411030
33	Hydro Engineering College, Bilaspur, Himachal Pradesh Govt Hydro Engineering College Bandla, Bilaspur, HP-174001	174001	31-03-2023 (In-Progress)	10,00,00,000	–	Director-Principal	Govt Hydro Engineering College Bandla, Bilaspur, HP-174001
34	45 Nos. Solar High Mast Lights (4 x 18 W) Jamalpur, District Mirzapur, Uttar Pradesh 231302	231302	31-03-2023 (In-Progress)	31,21,888	–	UP Small Industries Corporation Ltd.	B-25, SIL, Ancillary Estate, Nadar Ganj , Amausi, Lucknow-226008
35	Installation of 20 no. heavy lamps at the prominent places of Sunam, Udham Singh Wala, District –Sangrur, Punjab	148028	28-12-2022	20,83,200	CSR00020695	Organization for Social and Cultural Awareness	D-306, LGF, PNB Building, West Vinod Nagar, Main Road, Delhi-110092
36	Construction of Civic Amenity Building at Badrinath Dham, Chamoli district, Uttarakhand 246422	246422	31-03-2023 (In-Progress)	4,48,09,000	CSR00009855	Shri Kedarnath Utthan Charitable trust (SKUCT)	Uttarakhand Tourism Development Board Pt. Deendayal Upadhayay Paryatan Bhawan Near ONGC Helipad, Garhi Cantt Dehradun, Uttarakhand-248001

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin Code of the property or asset(s)	Date of creation	CSR amount spent (in ₹)	Details of entity/ Authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
37	Smart Class at Ramnath Ashram Shala, Chitrakoot, Dist. Satna, M.P.	485334	07-12-2022	11,68,180	CSR00008614	Deendayal Research Institute	7E, Swami Ramtirth Nagar, Rani Jhansi Marg, Jhandewalan Ext., New Delhi-110055
38	Smart Class at Krishna Devi Vanwasi Balika Awasiya Vidyalay, Majhgawan, Dist. Satna, M.P.	485331	07-12-2022	11,68,180			
39	Smart Class at Surrendrapal Gramodaya Vidyalay, Chitrakoot Dist. Satna, M.P.	485334	07-12-2022	11,68,180			
40	Smart Class at Parmanand Ashram Paddhati Vidyalaya, Ganiwan, Block Pahadi, Dist. Chirakoot, U.P.	210206	07-12-2022	11,68,180			
41	Construction of one Waiting Room at Ramnath Ashram Shala, Chitrakoot, Dist. Satna, M.P.	485334	25-03-2023	8,53,519			
42	Construction of one Waiting Room at Krishna Devi Vanwasi Balika Awasiya Vidyalay, Majhgawan, Dist. Satna, M.P.	485331	25-03-2023	8,53,519			
43	Construction of one Waiting Room at Parmanand Ashram Paddhati Vidyalaya, Ganiwan, Block Pahadi, Dist. Chirakoot, U.P.	210206	25-03-2023	8,53,519			

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin Code of the property or asset(s)	Date of creation	CSR amount spent (in ₹)	Details of entity/ Authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
44	One Water Purifier at Ramnath Ashram Shala, Chitrakoot, Dist. Satna, M.P.	485334	15-01-2023	32,300	CSR00008614	Deendayal Research Institute	7E, Swami Ramtirth Nagar, Rani Jhansi Marg, Jhandewalan Ext., New Delhi-110055
45	One Water Purifier at Krishna Devi Vanwasi Balika Awasiya Vidyalay, Majhgawan, Dist. Satna, M.P.	485331	15-01-2023	32,300			
46	One Water Purifier at Surrendrapal Gramodaya Vidyalay, Chitrakoot Dist. Satna, M.P.	485334	15-01-2023	32,300			
47	One Water Purifier at Gurukul Sankul, Chitrakoot, Dist. Satna, M.P.	485334	15-01-2023	32,300			
48	One Water Purifier at Parmanand Ashram Paddhati Vidyalaya, Ganiwan, Pahadi, Dist. Chirakoot, U.P.	210206	15-01-2023	32,300			
49	150 KVA Solar Plant at Arogyadham, Chitrakoot, Dist. Satna, M.P.	485334	15-03-2023	81,08,500			
			Total	**26,93,06,907**			

Annexure-II

Secretarial Audit Report

For the financial year ended 31st March, 2023

{Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To

The Members
NHPC Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NHPC Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

  (d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

  (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

  (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(vi) Compliances/processes/systems under other specific applicable Laws (as applicable to the industry) to the Company are being relied on the basis of periodic certificate under internal Compliance system submitted to the Board of Directors of the Company.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards, as amended from time to time, issued by the Institute of Company Secretaries of India.

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations, 2015).

(iii) DPE Guidelines on Corporate Governance for CPSE.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observation:

Regulation 17(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the number of Independent Directors on the Board was less than fifty percent during the period from 01.04.2022 to 31.08.2022 and from 13.12.2022 to 09.03.2023.

We further report that the Company has complied with the requirements pertaining to the composition of the Board of Directors, as per the Companies Act, 2013, DPE Guidelines and SEBI (Listing Obligations & Disclosure Requirements) Regulations except for the period from 01.04.2022 to 31.08.2022 and for the period from 13.12.2022 to 09.03.2023 in absence of requisite number of Independent Directors on the Board of the Company. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Further, the Company had received notices dated 28.09.2022 and 27.09.2022 through e-mail from BSE Limited for imposing fines under Regulation 57(1) and 57(4) of SEBI (LODR), 2015 respectively. However, the Company had requested BSE Limited to withdraw the fines imposed as the Company had complied the aforesaid regulations. BSE Limited vide email 02.11.2022 had already withdrawn the fine imposed under Regulation 57(1).

We further report that the Company has complied with the SDD compliances as per the Regulation 3(5) and 3(6) of SEBI (PIT) Regulations, 2015.

Generally, adequate notice were given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or at shorter notice by adhering to the statutory requirements and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions made in the Board/Committee meeting(s) were carried out with unanimous consent of the all Directors/Members or through requisite majority.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above has occurred in the Company.

For **Agarwal S. & Associates,**
Company Secretaries,
ICSI Unique Code: P2003DE049100
Peer Review Cert. No.: 2725/2022

Sd/-

CS Anjali
Partner
ACS No.: 65330
CP No.:26496
UDIN: **A065330E000490117**

Place: New Delhi
Date: 23-06-2023

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”

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members,
NHPC Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and our report is not covering observations/ comments/ weaknesses already pointed out by the other Auditors.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Agarwal S. & Associates,
Company Secretaries,
ICSI Unique Code: P2003DE049100
Peer Review Cert. No.: 2725/2022

Sd/-
CS Anjali
Partner
ACS No.: 65330
CP No.: 26496

FORM MR-3

Secretarial Audit Report

For the financial year ended 31st March 2023

[Pursuant to section 204(1) of the Companies Act, 2013 read with Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
NHDC LIMITED,
NHDC Parisar, Near Hotel Lake View,
Shyamla Hills, Bhopal, MP-462013 IN

We have conducted the secretarial audit of the compliances of the applicable statutory provisions and adherence to good corporate practices by NHDC Limited (hereinafter called the 'Company'), a Joint Venture of NHPC Limited (Government of India Enterprises) and Govt. of Madhya Pradesh. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by NHDC Limited ("the Company") for the financial year ended on 31st March 2023 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (**Not Applicable** as none of the shares or any other securities specified hereunder, are listed in any stock exchange during the financial year under review);

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (**Not Applicable** as none of the shares or any other securities specified hereunder, are held in dematerialized form during the financial year under review);

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not Applicable** as the Company has not entered in any foreign transactions governed under the aforementioned Act during the financial year under review);

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') (**Not Applicable** as none of the shares or any other securities specified hereunder, are listed in any stock exchange during the financial year under review):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   d. The Securities and Exchange Board of India (Share Based Employees Benefits and Sweat Equity) Regulations, 2021;

   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, 2021; and

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

vi. Compliances/ processes/ systems under other specific applicable Laws (as applicable to the industry) to the Company are being relied on the basis of periodic Certificates/ half yearly Legal Audit

Report under internal Compliance system submitted to the Board of Directors of the Company.

We have also examined compliances with the applicable clauses of the following:

i. Secretarial Standards, as amended from time to time, issued by the Institute of Company Secretaries of India.

ii. The Listing Agreements entered into by the Company with Stock Exchange, if applicable (**Not Applicable** as none of the shares or any other securities specified hereunder, are listed in any stock exchange during the financial year under review);

iii. DPE Guidelines on Corporate Governance for CPSE.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that: -

- NHDC is a Joint Venture of NHPC Limited (Government of India Enterprise) and Government of Madhya Pradesh and all directors are nominated by the joint venture partners i.e. NHPC and GoMP. As per MCA notification dated 5th July, 2017, exemption is granted for appointment of Independent Director(s) on the Board of Joint Venture Companies. The Board of Directors of the Company is constituted with Executive Director(s), Non-Executive Director(s) including Woman Directors. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.
- Generally, adequate Notice was given to all the directors to schedule the meetings, agenda and detailed notes on Agenda were sent at least seven days in advance or at a shorter notice by adhering to the statutory requirements and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.
- All the decisions resolved in the Board/ Committee Meeting(s), are carried out with unanimous consent of the all the Directors/ Members or through requisite majority as recorded in the minutes of the meeting.

We further report that as per the requirement of the Companies Act, 2013 and other rules, regulations and guidelines, the Company has formulated and adopted various policies as under:

- Related Party Policy;
- Corporate Social Responsibility policy;
- Vigil Mechanism Policy;
- Risk Management Policy; and
- Code of business Conduct & Ethics for Board of directors and senior management personnel.

The above policies have been placed on the website of the Company, wherever needed.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines. Adequate in-house system has been developed to obtain quarterly/ annual compliance certificates from all Heads of Projects and Heads of Departments at projects and corporate office level in this regard. We are also given to understand that Finance Division of NHDC has intimated to Statutory Auditors of NHDC regarding applicability of relevant clause(s) of SEBI circular dated 18.10.2019.

We further report that the compliance by the company for the applicable Financial Laws like Direct Taxes, Indirect Taxes and the compliance of the accounting standards and the annual financial statements, Cost Records has not been reviewed in this audit report, since the same have been subject to the statutory financial audit/cost audit by other designated professionals. This report is to be read with our letter of even date which is annexed as **Annexure A** and form an integral part of this report.

We further report that as informed by the Company, during the Audit period there were no specific events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

For Amit Kumar Jain & Associates

Sd/-
CS Amit Kumar Jain
Practicing Company Secretary
M. No. F-6522 C. P. No. 7136
UDIN: F006522E000485869

Date: 14.06.2023
Place: Bhopal

ANNEXURE- A

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members,
NHDC LIMITED,
NHDC Parisar, Near Hotel Lake View,
Shyamla Hills, Bhopal, MP-462013 IN

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Amit Kumar Jain & Associates

Sd/-
CS Amit Kumar Jain
Practicing Company Secretary
M. No. F-6522 C. P. No. 7136
UDIN: F006522E000485869

Date: 14.06.2023
Place: Bhopal

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Your Company believes that effective corporate governance practices are essential to build a strong foundation for successful operation of a commercial enterprise. The Company's philosophy on corporate governance ensures transparency, accountability, ethical corporate behaviour and fairness to all stakeholders comprising of regulators, employees, customers, vendors, investors and society at large.

Your Company implements best corporate governance practices by ensuring compliance with all regulatory provisions applicable to the Company such as the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by Department of Public Enterprises (DPE), Govt. of India and other directives/ guidelines issued by the Government of India from time to time.

The report on compliance with corporate governance and disclosure requirements for the financial year 2022-23 is given as under:

2. BOARD OF DIRECTORS:

The role of the Board of Directors is to plan and strategize goals of the company and to put mechanisms in place to monitor progress against the objectives. Diverse approach to Board composition brings out a range of expertise, perspectives and knowledge that adequately reflect the broader concerns of various stakeholders. All statutory and other significant material information are placed before the Board for effective & efficient discharge of its responsibilities.

The Board of your Company constantly endeavours to achieve goal of producing sustainable long-term value creation, in line with vision & mission of your Company.

i) Size & Composition of the Board:

As on March 31, 2023, the Board comprised of ten Directors out of which four were Executive Directors (including Chairman & Managing Director), one was Government Nominee Director and five were Independent Directors.

NHPC Limited is a government company as per provisions of the Companies Act, 2013 and is under the administrative control of Ministry of Power (MoP), Govt. of India. As per the Articles of Association of the Company, all the Directors of the Company are appointed/nominated by the President of India acting through MoP, Govt. of India.

During the financial year 2022-23, composition of the Board of Directors was not in conformity with the provisions of the SEBI LODR in the absence of requisite number of Independent Directors w.e.f. 01.04.2022 to 31.08.2022 and thereafter from 13.12.2022 to 09.03.2023. Company has requested Govt. of India from time to time through MoP to appoint requisite number of Independent Directors on its Board. Ministry of Power vide letter dated 02.03.2023 conveyed the appointment of Shri Premkumar Goverthanan (DIN:10064794) as Non-Official Independent Director on the Board of NHPC Limited for a period of three years w.e.f. date of notification of appointment, or until further orders. Accordingly, the Board of Directors had appointed Shri Goverthanan as Independent Director w.e.f. 10.03.2023. Thereafter, the composition of the Board of Directors was in conformity with the provisions of the SEBI LODR.

ii) Tenure of Directors:

The Chairman & Managing Director and other Whole-Time Directors are generally appointed for a period of five years from the date of their taking over the charge or till the date of their superannuation or until further orders from the Govt. of India, whichever is earlier. Independent Directors are usually appointed for a period of three years. Government Nominee Directors continue on the Board, at the discretion of the nominating authority or till ceasing to be officials of such nominating authority.

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

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

iv) Skills / expertise / competence of Directors

Your company recognises and embraces the benefits of having a diverse Board that possesses a balance of skills, experience and expertise taking into account knowledge, professional experience and qualifications, gender, age, cultural and educational background, and any other factors that might be considered relevant from time to time.

All Board appointments are made by the President of India acting through administrative ministry i.e. Ministry of Power, Government of India. For recruitment of the functional Directors, vacancy indicating job description, desirable qualification and experience of candidates is issued by Public Enterprises Selection Board. Knowledge and experience in areas such as Power Sector & Power Trading, Finance, Legal, Risk Management, Human Resources, etc. are duly considered while making appointments of the Board members to the Board level Committees. The matrix given at **Annexure-A** of this report summarizes core skills/ expertise/ competencies of Directors.

v) Board Meetings:

The Board of Directors of the Company met eleven times during the financial year 2022-23. The details of Board meetings held during the financial year 2022-23 and attendance thereat are given as under:

Board meetings held during the financial year 2022-23

S. No.	Board Meeting Number	Board Meeting Date	Board Strength	No. of Directors Present		% of Attendance
				In Person	Through Video Conferencing	
1.	455	April 27, 2022	9	6	3	100
2.	456	May 13, 2022	9	4	3	77.77
3.	457	May 25, 2022	9	7	1	88.88
4.	458	July 02, 2022	9	9	0	100
5.	459	August 10, 2022	9	9	0	100
6.	460	August 25, 2022	9	8	1	100
7.	461	October 13, 2022	8	7	0	87.50
8.	462	November 10, 2022	8	7	1	100
9.	463	January 06, 2023	9	8	1	100
10.	464	February 07, 2023	9	8	0	88.88
11.	465	March 28, 2023	10	7	3	100

The maximum time interval between any two meetings of the Board did not exceed three months.

The detail of Directors, their attendance at Board meetings/ last AGM, number of shares held in the Company, their directorships in other listed companies and number of directorships & Board level Committee membership(s)/chairpersonship(s) of other companies as on March 31, 2023 are given as under:

Name of Director (Shri/ Smt.)	Number of Board Meetings held and attended during their respective tenure	Attendance at last AGM (August 25, 2022)	Number of Shares held in the Company	Number of directorships held in other Companies*	No. of Committee membership(s) held in other companies**		Directorship in other listed entities (Category of Directorship)
					As Chairperson	As member	
Functional Directors							
Rajeev Kumar Vishnoi, Chairman & Managing Director[1]	3/3	N.A.	NIL	6	NIL	NIL	NIL
Abhay Kumar Singh, Chairman & Managing Director[2]	6/6	YES	N.A.	N.A.	N.A.	N.A.	N.A.
Yamuna Kumar Chaubey, Director (Technical)	10/11	YES	NIL	2	NIL	NIL	NIL
Rajendra Prasad Goyal, Director (Finance)	11/11	YES	17,488	4	2	NIL	NIL
Biswajit Basu, Director (Projects)	11/11	YES	10,275	6	NIL	NIL	NIL

Name of Director (Shri/ Smt.)	Number of Board Meetings held and attended during their respective tenure	Attendance at last AGM (August 25, 2022)	Number of Shares held in the Company	Number of directorships held in other Companies*	No. of Committee membership(s) held in other companies**		Directorship in other listed entities (Category of Directorship)
					As Chairperson	As member	
Government Nominee Directors							
Raghuraj Madhav Rajendran as Joint Secretary (Hydro), Ministry of Power[3]	5/8	NO	N.A.	N.A.	N.A.	N.A.	N.A.
Mohammad Afzal, Joint Secretary (Hydro), Ministry of Power[4]	2/3	N.A.	NIL	3	NIL	1	1. Power Grid Corporation of India Limited (Nominee Director) 2. PTC India Limited (Nominee Director)
Independent Directors							
Uday Sakharam Nirgudkar	11/11	YES	NIL	1	NIL	NIL	NIL
Amit Kansal	11/11	YES	NIL	NIL	NIL	NIL	NIL
Rashmi Sharma Rawal	11/11	YES	NIL	NIL	NIL	NIL	NIL
Jiji Joseph	11/11	YES	NIL	NIL	NIL	NIL	NIL
Premkumar Goverthanan[5]	1/1	N.A.	NIL	NIL	NIL	NIL	NIL

** Directorship held in Indian Companies has been considered.*

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

1. Appointed on the Board of the Company w.e.f. 13.12.2022 as per the orders issued by Ministry of Power.

2. Ceased to be Director on the Board of the Company w.e.f. 31.08.2022 upon attaining the age of superannuation.

3. Ceased to be Director on the Board of the Company w.e.f. 05.12.2022 as per the orders issued by Ministry of Power.

4. Appointed on the Board of the Company w.e.f. 06.12.2022 as per the orders issued by Ministry of Power.

5. Appointed on the Board of the Company w.e.f. 10.03.2023 as per the orders issued by Ministry of Power.

Notes:

- None of the Directors of the Company held office of Director at any point of time in more than ten (10) public companies including seven (7) listed companies.
- None of the Directors of the Company is a member in more than ten (10) Committees or chairperson of more than five (5) Board level Committees across all the companies in which he is a Director. For the purpose of determination of limit of the Board level Committees, Chairmanship or Membership of Audit Committee & Stakeholders' Relationship Committee has only been considered.
- None of the Whole-Time Directors of the Company is serving as an Independent Director in more than three (3) listed companies.
- None of the Independent Directors of the Company is serving as an Independent Director in more than seven (7) listed companies.
- The Directors of the Company do not have any inter-se relationship.
- NHPC has not issued any convertible instrument till date therefore, none of the non-executive Directors hold any such instrument.

vi) Board Independence:

The Independent Directors of the Company are appointed/ nominated by the President of India acting through administrative ministry i.e. Ministry of Power, Government of India. Accordingly, the appointing authority considers the integrity, expertise and experience of the individual to be appointed/ nominated as Independent Director on the Board of the Company. All Independent Directors on the Board of the Company met the criteria of Independence as required by law and were registered in the databank of Independent Directors maintained by Indian Institute of Corporate Affairs (IICA) during FY 2022-23. No Independent Director has resigned from his post before the expiry of his/her tenure.

vii) Familiarization/ Training Programme for Directors:

The Company has implemented a Policy on training of Board members, which covers all Directors on the Board of the Company. The Directors of the Company are nominated from time to time to attend various conferences/ programmes on Corporate Governance, Roles & Responsibilities of Directors and other industry related matters organized by Department of Public Enterprises, SCOPE, IICA and other reputed institutes. This enables them to augment knowledge & skills for effective and efficient discharge of their responsibilities.

The details of familiarization programmes are available on the website of the Company and can be accessed at https://www.nhpcindia.com/assests/pzi_public/gallery/1688128343.pdf

viii) Performance Evaluation

Ministry of Corporate Affairs (MCA) vide its notification dated June 05, 2015 had inter-alia exempted Government Companies from providing information in the Directors' report about the manner, in which annual performance evaluation of Board, its Committees and individual Directors has been made, in case, the performance of Directors is being evaluated by the Administrative Ministry.

The performance of all Functional Directors of the Company is being evaluated by the Administrative Ministry i.e. MoP, as per the mechanism for performance appraisal of top management incumbents of CPSEs, specified by DPE. The performance of Nominee Directors of the Company is also evaluated by the nominating authority.

In terms of requirements of provisions of the Companies Act, 2013 and SEBI LODR, NHPC has in place a "Policy on performance evaluation of Board, Board level Committees and Directors". The Performance evaluation criteria have been duly approved by the Nomination & Remuneration Committee. The performance evaluation of all the Board Members, Board as a whole and mandatory Committees of the Board for financial year 2022-23 has been carried out during financial year 2023-24.

3. COMMITTEES OF THE BOARD:

The Committees of the Board play a crucial role in governance structure of the Company and assist Board in taking informed decisions by focusing on specific areas/ activities. The recommendations of the Committees on matters under their scope are placed before the Board for approval. In compliance to provisions of SEBI LODR and the Companies Act, 2013, following Committees have been constituted by the Board:

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

Senior officials of the Company were also invited to provide necessary information/ clarification on matters placed before the Committees, whenever required by the Committees. During the FY 2022-23, the Board had accepted all recommendation(s) of Committee(s) of the Board, which are mandatorily required to be recommended by the Committee(s) for its approval.

DETAILS OF MEMBERS, MEETINGS HELD, TERMS OF REFERENCE ETC. OF MANDATORY COMMITTEES ARE AS UNDER:

3.1 Audit Committee

As on March 31, 2023, the Audit Committee comprised the following members:

1.	Dr. Uday Sakharam Nirgudkar	Independent Director	Chairperson
2.	Dr. Amit Kansal	Independent Director	Member
3.	Dr. Rashmi Sharma Rawal	Independent Director	Member
4.	Shri Jiji Joseph	Independent Director	Member
5.	Shri Yamuna Kumar Chaubey	Director (Technical)	Ex-Officio Member

Director (Finance) is ex officio invitee to the meetings of Audit Committee. Internal Auditor was also invited to the meetings of Audit Committee. Statutory Auditors and Cost Auditors were invited to the meetings of the Committee in which Financial Statements and Cost Audit Reports respectively were discussed. The Company Secretary acts as Secretary to the Committee.

Terms of reference:

The brief terms of reference of the Committee is oversight of the Company's financial reporting process and the disclosure of its financial information. It also recommends fixation of audit fees and approves payment to auditors for any other services rendered by them. The Committee reviews with Management, the quarterly and annual financial statements and auditor's report thereon. It reviews the adequacy of internal control systems and internal audit department. It reviews the functioning of Whistle Blower Mechanism. It also approves Related Party Transactions and carries out functions as mentioned in the terms of reference of the Audit Committee pursuant to the provisions of the Companies Act, 2013, SEBI LODR and DPE Guidelines on Corporate Governance. The detailed terms of reference of the Committee is available at https://www.nhpcindia.com/assests/pzi_public/gallery/16859405160.pdf

Meetings and Attendance:

The Committee met seven times during the financial year under report. Details of the meetings and attendance of members are given as under:

S. No.	Date of Meeting	Dr. Uday Sakharam Nirgudkar	Dr. Amit Kansal[1]	Dr. Rashmi Sharma Rawal[1]	Shri Jiji Joseph	Shri Yamuna Kumar Chaubey
1.	May 25, 2022	👤	👤	👤	👤	[👤]
2.	July 01, 2022	👤	👤	👤	👤	👤
3.	August 10, 2022	👤	👤	👤	👤	👤
4.	November 10, 2022	👤	👤	👤	👤	👤
5.	January 06, 2023	👤	👤	👤	👤	👤
6.	February 07, 2023	👤	👤	👤	👤	👤
7.	March 17, 2023	👤	👤	[👤]	👤	👤
Number of meetings held during respective tenure		7	7	7	7	7
Meetings attended		7	7	7	7	7
% of meetings attended		100	100	100	100	100

[1] *Appointed as member of the Committee w.e.f. 27.04.2022.*

👤 present in person, [👤] present through Video Conferencing

3.2 Stakeholders' Relationship Committee

As on March 31, 2023, composition of Stakeholders' Relationship Committee was as under:

1.	Dr. Uday Sakharam Nirgudkar	Independent Director	Chairperson
2.	Dr. Amit Kansal	Independent Director	Member
3.	Dr. Rashmi Sharma Rawal	Independent Director	Member
4.	Shri Jiji Joseph	Independent Director	Member
5.	Shri Yamuna Kumar Chaubey	Director (Technical)	Ex-Officio Member
6.	Shri Rajendra Prasad Goyal	Director (Finance)	Ex-Officio Member

Terms of reference:

The brief terms of reference of the Committee is to resolve the grievances of the security holders. It also reviews measures taken for effective exercise of voting rights by shareholders and carries out functions as required by the provisions of the Companies Act, 2013, SEBI LODR and Corporate Governance Guidelines issued by DPE. The detailed terms of reference of the Committee is available at https://www.nhpcindia.com/assests/pzi_public/gallery/16859405160.pdf

The Committee met four times during the financial year under report. Details of the meeting and attendance of members are given as under:

S. No.	Date of Meeting	Dr. Uday Sakharam Nirgudkar	Dr. Amit Kansal[1]	Dr. Rashmi Sharma Rawal[1]	Shri Jiji Joseph[1]	Shri Yamuna Kumar Chaubey	Shri Rajendra Prasad Goyal
1.	July 02, 2022						
2.	November 10, 2022						
3.	December 06, 2022						
4.	March 17, 2023						
Number of meetings held during respective tenure		4	4	4	4	4	4
Meetings attended		4	4	4	4	4	4
% of meetings attended		100	100	100	100	100	100

[1] *Appointed as member of the Committee w.e.f. 27.04.2022*

present in person, present through Video Conferencing

Name and Designation of Compliance Officer:

Smt. Rupa Deb, Company Secretary is the Compliance Officer of the Company in terms of Regulation 6 of SEBI LODR.

Shareholders'/Bondholders' Grievances:

During the financial year 2022-23, shareholders'/bondholders' grievances received through various mediums such as e-mails, letters, SEBI SCORES, etc. were attended expeditiously, except the cases constrained by disputes or legal impediments. The details of complaints received and resolved during the year are given as under:

Description	Equity Shareholders	Bondholders
Opening balance as on April 1, 2022	2*	NIL
Received during the year	864	43
Resolved during the year	864	43
Pending as on March 31, 2023	2*	NIL

**related to pending court cases.*

3.3 Nomination and Remuneration Committee

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

The Composition of Committee as on March 31, 2023 was as under:

1.	Dr. Rashmi Sharma Rawal	Independent Director	Chairperson
2.	Dr. Uday Sakharam Nirgudkar	Independent Director	Member
3.	Dr. Amit Kansal	Independent Director	Member
4.	Shri Jiji Joseph	Independent Director	Member

Terms of reference:

The brief terms of reference of the Committee is to formulate the criteria for determining positive attributes and independence of a Director and criteria for the performance evaluation of Independent Directors and the Board, to devise a Policy on Board diversity. It also identifies persons who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and carries out functions as may be required under the provisions of the Companies Act, 2013, SEBI LODR and Corporate Governance Guidelines issued by DPE. The detailed terms of reference of the Committee is available at https://www.nhpcindia.com/assests/pzi_public/gallery/16859405160.pdf

Meetings and Attendance:

The Committee met five times during the financial year under report. Details of the meeting and attendance of members are given as under:

S. No.	Date of Meeting	Dr. Rashmi Sharma Rawal	Dr. Uday Sakharam Nirgudkar	Dr. Amit Kansal[1]	Shri Jiji Joseph
1.	April 07, 2022	👤	👤	N.A.	👤
2.	May 24, 2022	👤	👤	👤	📹
3.	July 01, 2022	👤	👤	👤	👤
4.	September 28, 2022	👤	👤	👤	👤
5.	October 12, 2022	👤	👤	👤	👤
Number of meetings held during respective tenure		5	5	4	5
Meetings attended		5	5	4	5
%age of meetings attended		100	100	100	100

[1]*Appointed as member of the Committee w.e.f. 27.04.2022.*

👤 present in person, 📹 present through Video Conferencing

3.4 Committee of Directors on Corporate Social Responsibility (CSR) and Sustainability

As on March 31, 2023, composition of Committee of Directors on Corporate Social Responsibility (CSR) and Sustainability was as under:

1.	Dr. Rashmi Sharma Rawal	Independent Director	Chairperson
2.	Dr. Uday Sakharam Nirgudkar	Independent Director	Member
3.	Dr. Amit Kansal	Independent Director	Member
4.	Shri Jiji Joseph	Independent Director	Member
5.	Shri Rajendra Prasad Goyal	Director (Finance) and Director (Personnel)	Ex-Officio Member
6.	Shri Biswajit Basu	Director (Projects)	Ex-Officio Member

Terms of Reference:

The brief terms of reference of the Committee is to formulate and recommend to the Board, a Corporate Social Responsibility & Sustainability Policy and an Annual Action Plan. It also monitors the CSR Policy from time to time, mechanism for implementation of the CSR projects /programmes/ activities undertaken by the Company. It approves the content of annual report on CSR activities, annual Business Responsibility and Sustainability Report and periodically submit reports to the Board of Directors for their information, consideration and necessary directions. It further complies with the other requirements on Corporate Social Responsibility Policy, as amended from time to time. The detailed terms of reference of the Committee is available at https://www.nhpcindia.com/assests/pzi_public/gallery/16859405160.pdf

Meetings and Attendance:

The Committee met six times during the financial year under report. Details of the meetings and attendance of members are given as under:

S. No.	Date of Meeting	Dr. Rashmi Sharma Rawal	Dr. Uday Sakharam Nirgudkar	Dr. Amit Kansal	Shri Jiji Joseph	Shri Rajendra Prasad Goyal	Shri Biswajit Basu
1.	April 07, 2022	👤	👤	👤	👤	[👤]	👤
2.	May 24, 2022	👤	👤	👤	[👤]	👤	👤
3.	July 01, 2022	👤	👤	👤	👤	👤	👤
4.	August 06, 2022	👤	👤	👤	👤	[👤]	👤
5.	November 14, 2022	👤	👤	👤	👤	[👤]	👤
6.	December 06, 2022	👤	👤	👤	👤	[👤]	👤
Number of meetings held during respective tenure		6	6	6	6	6	6
Meetings attended		6	6	6	6	6	6
% of meetings attended		100	100	100	100	100	100

👤 present in person, [👤] present through Video Conferencing

3.5 Risk Management Committee

As per requirements of SEBI LODR, top 1000 listed entities determined on the basis of market capitalization, as at the end of immediate preceding financial year shall constitute a Risk Management Committee. As on March 31, 2022, NHPC was amongst the top 1000 listed entities determined on the basis of market capitalization.

As on March 31, 2023, composition of Risk Management Committee was as under:

1.	Dr. Amit Kansal	Independent Director	Chairperson
2.	Dr. Uday Sakharam Nirgudkar	Independent Director	Member
3.	Dr. Rashmi Sharma Rawal	Independent Director	Member
4.	Shri Jiji Joseph	Independent Director	Member
5.	Shri Yamuna Kumar Chaubey	Director (Technical)	Ex-officio Member
6.	Shri Rajendra Prasad Goyal	Director (Finance)	Ex-officio Member

Terms of Reference:

The brief terms of reference of the Committee is to formulate a detailed Risk Management Policy. It ensures that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company. It also approves and review risk disclosure statements in any public documents or disclosures and carries out functions as required by the provisions of the Companies Act, 2013, SEBI LODR and Corporate Governance Guidelines issued by DPE. The detailed terms of reference of the Committee is available at https://www.nhpcindia.com/assests/pzi_public/gallery/16859405160.pdf

Meetings and Attendance:

The Committee met three times during the financial year under report. Details of the meeting and attendance of members are given as under:

S. No.	Date of Meeting	Dr. Amit Kansal	Dr. Uday Sakharam Nirgudkar[1]	Dr. Rashmi Sharma Rawal[1]	Shri Jiji Joseph[1]	Shri Yamuna Kumar Chaubey	Shri Rajendra Prasad Goyal
1.	August 10, 2022	👤	👤	👤	👤	👤	👤
2.	October 12, 2022	👤	👤	👤	👤	👤	👤
3.	February 07, 2023	👤	👤	👤	👤	👤	👤
Number of meetings held during respective tenure		3	3	3	3	3	3
Meetings attended		3	3	3	3	3	3
% of meetings attended		100	100	100	100	100	100

[1]*Appointed as member of the Committee w.e.f. 27.04.2022.*

👤 present in person

4. PROCEDURE FOR BOARD/COMMITTEE MEETINGS:

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

5. MEETING OF INDEPENDENT DIRECTORS:

Pursuant to the requirements of Schedule IV of the Companies Act, 2013 read with Department of Public Enterprises Office Memorandum No.16(4)/2012 GM dated December 28, 2012 and SEBI LODR, the Independent Directors shall hold atleast one meeting in a financial year, without the attendance of Non-Independent Directors and members of the management. During the financial year 2022-23, a separate meeting of Independent Directors was held on July 01, 2022, which was attended by all the Independent Directors as on that date.

6. FRAUD PREVENTION AND DETECTION POLICY:

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

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

7. CODE FOR PREVENTION OF INSIDER TRADING IN SECURITIES OF NHPC LIMITED (CODE):

In compliance to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, Company has formulated and implemented 'Code of Conduct to Regulate, Monitor and Report Trading by Insiders' and 'Code of Fair Disclosure Practices for Prevention of Insider Trading'.

The Code is applicable to designated persons defined as under:

i. All Directors, Key Managerial Personnel (KMPs) and Chief Vigilance Officer of the Company;

ii. All executives at the level of General Manager & above and all the executives working in Finance at Corporate Office, Company Secretariat & Secretariats of Directors of the Company;

iii. Directors, KMPs & employees (executives at the level of General Manager and above) and Chief Vigilance Officer of material subsidiary companies of the Company; and

iv. Such other employees of the Company including that of material subsidiary companies, temporary/ ad-hoc employees designated by the Board of Directors from time to time to whom the trading restrictions shall be applicable.

The trading window for trading in securities of NHPC remained close for all the designated persons and their immediate relatives, as and when any price sensitive information was proposed/expected to be placed before the Board. In addition to above, the trading window is closed at the end of every quarter till 48 hours after consideration of financial results by the Board of Directors.

Shri Saurabh Chakravorty, Manager (CS) has been designated as Compliance Officer under the Code. The Code is available on website of the Company at the link: https://www.nhpcindia.com/assests/pzi_public/gallery/1683188619.pdf

Sharing and capturing of Unpublished Price Sensitive Information (UPSI)

As per the statutory provisions, Company has developed an in-house web based Structured Digital Database (SDD) for capturing the flow of UPSI and uploading of Confidentiality Agreement. The database maintains an audit trail of entry captured in SDD, audit log report, time & date stamping of entering UPSI etc. All Head of Departments (HoDs) has been given rights to capture UPSI with details such as name of persons with whom UPSI is shared, their PAN, nature/purpose of UPSI and uploading of Confidentiality Agreement on SDD portal. Further, HoDs are also required to certify on quarterly basis that recipients of the UPSI were upfront informed that the information being shared is an UPSI and entry has been captured in the SDD prior to sharing of UPSI.

8. REMUNERATION OF DIRECTORS:

The appointment, tenure & remuneration of Functional Directors including CMD is decided by the Govt. of India. The Government Nominee Directors are not paid any remuneration/ sitting fees from the Company. In accordance to the Companies Act, 2013 read with DPE Guidelines and OMs issued from time to time, the Board of Directors of the Company is empowered to determine the sitting fee payable to Independent Directors within the ceiling prescribed under the Companies Act, 2013.

At present, sitting fee of ₹ 40,000/- for attending each meeting of the Board and ₹ 30,000/- for attending each meeting of the Committees is being paid to Independent Directors. The sitting fee for attending the meeting of the Board was increased from ₹ 30,000/- to ₹ 40,000/- during the financial year.

Details of remuneration paid to Functional Directors of the Company and details of sitting fees paid to Independent Directors for attending meetings of the Board and its Committees, during the financial year 2022-23, are given in **Table A** and **Table B** respectively.

Table A: Remuneration of Functional Directors paid during the financial year 2022-23

(Amount in ₹)

Name of Director	Designation	Salary	Benefits*	Performance Related Pay (PRP)	Total
Shri Rajeev Kumar Vishnoi[1]	Chairman & Managing Director	NIL	NIL	NIL	NIL
Shri Abhay Kumar Singh[2]	Chairman & Managing Director	20,54,004	79,56,714	18,80,936	1,18,91,654
Shri Yamuna Kumar Chaubey	Director (Technical)	58,31,905	22,14,085	30,97,380	1,11,43,370
Shri Rajendra Prasad Goyal	Director (Finance)& CFO	52,44,679	11,95,557	26,11,110	90,51,346
Shri Biswajit Basu	Director (Projects)	47,60,682	23,01,485	26,22,432	96,84,599

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

[1]Appointed as Chairman and Managing Director w.e.f. 13.12.2022. He is holding Additional Charge of Chairman and Managing Director of NHPC Limited. Accordingly, he is not being paid any remuneration from NHPC Limited.

[2] Ceased to be Chairman and Managing Director w.e.f. 31.08.2022.

Notes:

1. The Company had not given any stock options during the financial year 2022-23. Further, service conditions of the Functional Directors/Directors including notice period and severance fee, if any, are governed as per the terms & conditions issued by the Govt. of India.
2. Besides above, Functional Directors are also entitled for medical benefits as per applicable rules of the Company.

Table B: Details of sitting fees paid to Independent Directors for the meetings held during the financial year 2022-23.

(Amount in ₹)

Name of Independent Director	Sitting Fees**		
	Board Meetings	Committee Meetings including Meeting of Independent Directors	Total
Dr. Uday Sakharam Nirgudkar*	3,50,000	8,40,000	11,90,000
Dr. Rashmi Sharma Rawal	3,50,000	8,40,000	11,90,000
Dr. Amit Kansal	3,50,000	8,10,000	11,60,000
Shri Jiji Joseph	3,50,000	8,40,000	11,90,000
Shri Premkumar Goverthanan	40,000	60,000	1,00,000

**Being Chairman of Nomination & Remuneration Committee, he was inducted as a member of Departmental Promotion Committees (DPCs) and was also given honorarium.*

***In addition to sitting fee, Independent Directors are also reimbursed Boarding/lodging/conveyance expenses incurred for attending meetings of the Board/Committees. The amount of sitting fee is excluding the amount of tax paid by the Company on sitting fee under full reverse charge mechanism.*

Except as mentioned above, the non-executive Directors have no pecuniary relationship or transaction with the Company during the financial year 2022-23.

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

https://www.nhpcindia.com/assests/pzi_public/gallery/1683188668.pdf

9. SUBSIDIARY COMPANIES:

During the year, minutes of the Board meetings of subsidiary companies and details of significant transactions & arrangements entered into by subsidiary companies were placed before the Board of NHPC Limited for its information. The financial statements, in particular, the investments made by these subsidiaries were reviewed by the Audit Committee.

10. GENERAL MEETINGS:

Annual General Meeting

Date, time and location of the last three Annual General Meetings and special resolutions passed therein are given as under:

Financial Year	Date	Time	Location	Special Resolution(s) Passed
2021-22	August 25, 2022	12:30 P.M.	Meeting held through Video Conferencing/ Other Audio Visual Means	a) To appoint Dr. Uday Sakharam Nirgudkar (DIN: 07592413), as an Independent Director of the Company. b) To appoint Dr. Amit Kansal (DIN: 07722428), as an Independent Director of the Company. c) To appoint Dr. Rashmi Sharma Rawal (DIN: 09410683), as an Independent Director of the Company. c) To appoint Shri Jiji Joseph (DIN: 09415941), as an Independent Director of the Company.
2020-21	September 29, 2021	03:00 P.M.	Meeting held through Video Conferencing/ Other Audio Visual Means	a) To increase borrowing limit of the Company from ₹ 30,000 Crore to ₹ 40,000 Crore. b) To create Mortgage and/or charge over the movable and immovable properties of the Company.

Financial Year	Date	Time	Location	Special Resolution(s) Passed
2019-20	September 29, 2020	03:00 P.M.	Meeting held through Video Conferencing/ Other Audio Visual Means	NIL

During FY 2022-23, the Company had sought approval of members by means of Postal Ballot. The Postal Ballot Notice was circulated to all the members through electronic means only, in accordance with the applicable MCA circulars. The businesses proposed in the postal ballot notice were as under:

1. To appoint Shri Mohammad Afzal (DIN:09762315), Joint Secretary, Ministry of Power, as Government Nominee Director on Board of the Company (Ordinary Resolution)
2. To appoint Shri Rajeev Kumar Vishnoi (DIN:08534217), as Chairman and Managing Director of the Company (Ordinary Resolution)

The members were provided the facility to cast their votes through remote e-voting from 20.01.2023 at 09:00 A.M. (IST) to 18.02.2023 at 05:00 P.M. (IST). The result of postal ballot was announced on 20.02.2023, wherein the proposed businesses were passed with requisite majority.

No Special Resolutions were passed through Postal Ballot during financial year 2022-23. Further, no special resolution, at present, is proposed to be passed through Postal Ballot during the financial year 2023-24.

11. DISCLOSURES:

(i) Related Party Transactions:

The Company has formulated a Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions, in compliance with Regulation 23 of SEBI LODR. During the financial year 2022-23, all contracts/ arrangements/ transactions entered into by the Company with related parties were on arm's length basis, intended to further the Company's interest. There was no materially significant related party transaction, which have potential conflict with the interest of the Company at large.

The Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions as approved by the Board can be accessed on the Company's website at the link: https://www.nhpcindia.com/assests/pzi_public/gallery/1683188346.pdf

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

The Company has complied with the statutory requirements of the regulations and guidelines prescribed by SEBI including regulations 17 to 27 (except in respect of appointment of requisite number of Independent Directors for the period 01.04.2022 to 31.08.2022 and 13.12.2022 to 09.03.2023) and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI LODR. The Company has also complied with the requirements of the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by Department of Public Enterprises (DPE), Govt. of India, except certain clauses of Chapter 3. The non-compliances were due to non-appointment of Independent Directors on the Board of the Company, beyond the control of the Board and the Company.

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

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

During the preceding three financial years, your Company had received communications from Stock Exchanges viz. BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) imposing penalty(ies) for different quarters for non-compliance in respect of requisite number of Independent Directors and Woman Independent Director (upto 29.11.2021), composition and constitution of Board Level Committees (upto 06.12.2021), etc. under Regulation 17, 17(2A), 18, 19, 20 and 21 of SEBI LODR. Company has requested the Stock Exchanges to waive-off the aforesaid penalty(ies) in view of the justifications submitted by the Company. BSE and NSE have already waived-off the fines imposed upto quarter ended on September 30, 2022 (except the fine imposed by BSE for non-compliance of

Regulation 21 of SEBI LODR for the quarter ended on December 31, 2020). Response regarding waiver of fine for the remaining period is awaited from NSE/ BSE. Application for withdrawal of fine imposed by BSE under Regulation 57 (4) is pending with BSE.

b) Disclosure of events or information:

The Board had authorised Director (Finance) to determine materiality of an event or information for the purpose of making disclosures to Stock Exchange(s) under SEBI LODR. Criteria for determination of materiality of an event or information to be disclosed to Stock Exchange(s) has been laid down and is available on website of the Company i.e. www.nhpcindia.com.

c) Presidential Directives:

During past three financial years, the Company has received only one Presidential Directive in the financial year 2021-22, regarding review of profitability with respect to pay revision of Board level & below Board level Executives and Non-Unionised Supervisors w.e.f. 01.01.2017.

d) Accounting Treatment:

In views of the management, all applicable Indian Accounting Standards are being followed, in preparation of financial statements.

e) Whistle Blower Policy:

The Company has implemented a Whistle Blower Policy to report the instances of unethical/ improper conduct and to take suitable steps for investigation & correction. The Policy provides for adequate safeguard against victimisation of employees, who blows the whistle. No personnel was denied access to the Audit Committee during the financial year 2022-23.

During the financial year 2022-23, no complaint was reported under Whistle Blower Policy.

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

Providing a safe and harassment-free workplace for every women employee working in the Company has always been an endeavour of the management. Moving a step ahead in this direction, Company has included Sexual harassment of women as misconduct under "NHPC (Conduct, Discipline and Appeal) Rules". During the financial year 2022-23, one complaint of sexual harassment was received by the Company. The details regarding number of complaints filed, disposed and pending at the end of the Financial Year are given in Directors' Report.

g) No items of expenditure were debited in books of accounts, which were not for the purposes of the business.

h) No expenses of personal nature were incurred for the Board of Directors and Top Management.

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

(Figures in %)

Details	2022-23	2021-22	Reasons for increase
Administrative expenses as a percentage of total expenses	22.76	19.76	Main reason for variance in administrative expenses is due to increase in Security Expenses, CSR Expenses, Mark to Market loss on derivatives & Fair Value loss on Financial Assets and variance in finance expense is due to repayment of loans at Power Stations.
Administrative expenses as a percentage of finance expenses	266.06	196.57	

j) Commodity price risk or foreign exchange risk and hedging activities

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. The Board of Directors in its 423rd meeting held on March 15, 2019 had approved the Foreign Exchange Risk Management Policy of the Company, taking into consideration total exposure of the Company in foreign exchange and risk involved. There is no impact of foreign currency fluctuations on the profit of the Company as these are either adjusted to the carrying cost of respective fixed asset/ Capital work-in-progress or recovered through tariff as per CERC Tariff Regulations 2019-24.

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

Detail of fees paid to statutory auditors during financial year 2022-23 is given in notes to the Standalone Financial Statements. The detail of fee paid to auditors on consolidated basis during financial year 2022-23 was as under :

Particulars	Amount (₹ in crore)
i) Statutory Auditors	
As Auditor	
Audit Fees	1.12
Tax Audit Fees	0.28
In other Capacity	
Taxation Matters	-
Other Matters/ services	0.74
Reimbursement of expenses	0.39
ii) Cost Auditors	
Audit Fees	0.23
Reimbursement of expenses	0.01
iii) Goods and Service Tax (GST) Auditors	
Audit Fees	0.03
Reimbursement of expenses	0.01
Total Audit Expenses	**2.81**

l) **Policy for determining material subsidiaries:**

The Company has formulated a Policy for determining material subsidiaries as per Regulation 16 (1) (c) of SEBI LODR. The Policy is available on the website at the following link: https://www.nhpcindia.com/assests/pzi_public/gallery/1683188280.pdf

m) **During the financial year 2022-23, Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI LODR, 2015.**

n) **Other Disclosures:**

i. As per the requirements of Schedule V of SEBI LODR and DPE Guidelines on Corporate Governance, a Certificate from M/s. Agarwal S. & Associates, Practicing Company Secretaries regarding compliance to conditions of Corporate Governance has been received and forms part of this report as **Annexure-B**, which also includes a certificate that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such other statutory authority.

ii. None of the securities of the Company was suspended from trading during the financial year 2022-23.

iii. Adoption of the non-mandatory requirements:-

a) The Board: The Company is headed by an Executive Chairman.

b) Shareholders' Rights: A half-yearly declaration of financial performance, including a summary of significant events during the last six months is not sent individually to every shareholder. However, periodic financial results are made available on the Company's website www.nhpcindia.com and are published in the leading newspapers as mentioned under the heading 'means of communication' in this Report. The shareholders of the Company are also apprised about the financial performance of the Company through e-mail on quarterly basis.

c) Modified opinion(s) in audit report: It is always Company's endeavour to present unqualified financial statements.

d) Separate posts of Chairperson and Chief Executive Officer: The post of Chairperson and Managing Director in the Company is held by a single person appointed by President of India acting through Ministry of Power (MoP), Govt. of India.

e) Reporting of Internal Auditor: Shri Kuppile Lakshman Acharyulu, General Manager (Finance) is the Internal Auditor of the Company. As per the organization structure, Shri Acharyulu is reporting to Director (Finance) of the Company.

o) No loans and advances were given by the Company and its subsidiaries to firms/companies in which Directors were interested.

p) Details of material subsidiaries of the listed entity including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:

Name of material Subsidiary Co. and shareholding pattern	Date & Place of Incorporation	Name & Date of Appointment of Statutory Auditor
NHDC Limited [NHPC (51.08 %), Government of Madhya Pradesh (26%) and Narmada Basin Projects Company Limited (Wholly owned by GoMP) (22.92%)].	August 01, 2000 Reg. Office: NHDC Parisar, Near Hotel Lake View Ashoka, Shyamla Hills, Bhopal - 462013 Registrar of Companies, Gwalior, Madhya Pradesh	CAG Vide Letter dated August 29, 2022 had appointed M/s Bhutoria Ganesan& Co., Bhopal as Statutory Auditor of NHDC for the Financial Year 2022 -23.

12. CEO/CFO COMPLIANCE CERTIFICATION:

In terms of Regulation 17(8) of SEBI LODR, a compliance certificate duly signed by Shri Rajeev Kumar Vishnoi, Chairman & Managing Director and Shri Rajendra Prasad Goyal, Director (Finance) & CFO is annexed to the Corporate Governance Report as **Annexure-C**.

13. MEANS OF COMMUNICATION:

Financial results of the Company are announced within the time frame specified in SEBI LODR or such extended time frame as specified by SEBI from time to time. These results are placed on website of the Company (www.nhpcindia.com) and are published in national & local daily newspapers. The shareholders of the Company are also apprised about the performance of the Company through e-mail on quarterly basis.

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

Various disclosures made by the Company under Corporate Governance can be accessed by the shareholders on website of the Company under dedicated section "Investor Corner".

The quarterly unaudited financial results and yearly audited financial results of the Company are announced within stipulated period. During the period under report, the results were published in leading newspapers like Business Standard, Financial Express, Economic Times, Hindustan Times and Jansatta. The results were also published in other newspapers for wider circulation.

14. INFORMATION FOR SHAREHOLDERS

i. Details of Annual General Meeting (AGM)

Date: Thursday, August 31, 2023

Time: 03:00 P.M. (IST)

In order to curb the spread of COVID-19 in the Country and in line with the relaxations extended by Ministry of Corporate Affairs (MCA) vide circular dated 28.12.2022 read with circular dated 05.05.2022, 08.04.2020, 13.04.2020 and 05.05.2020 and by SEBI vide circular dated 05.01.2023, the AGM of the Company for financial year 2022-23 shall be held through Video Conferencing or other audio visual means.

Shareholders are requested to refer the Notice of AGM for necessary details/ instructions regarding participation in the AGM.

ii. Financial Calendar for financial year 2023-24

Particulars	Date
Accounting period	April 1, 2023 to March 31, 2024
Unaudited financial results for the first three quarters	Board Meeting to be held within forty five days from the end of each quarter. Financial results will be intimated to Stock Exchanges within stipulated time from the conclusion of the Board Meeting.
Fourth quarter results/ annual audited financial results for the year ending on March 31, 2024	Board Meeting to be held on or before May 30, 2024. Financial results will be intimated to Stock Exchanges within stipulated time from the conclusion of the Board Meeting.
AGM – 2024	August/ September, 2024 (Tentative)

iii. Book Closure

The register of members and share transfer books of the Company will remain closed from **Wednesday, August 23, 2023** to **Thursday, August 31, 2023** (both days inclusive).

iv. Payment of Dividend

The Company had declared an interim dividend of ₹ 1.40/- per equity share for the financial year 2022-23 in February, 2023. In addition to above, the Board of Directors of the Company has recommended a final dividend of ₹ 0.45/- per equity share for the financial year 2022-23. The total dividend for the year comes to ₹ 1.85/- per equity share, if final dividend is approved by the shareholders in the ensuing Annual General Meeting.

The members whose name appear in the Register of Members/ list of Beneficial Owners as on **Tuesday, August 22, 2023 (record date)** will be entitled to receive final dividend. The final dividend, if declared at the AGM, will be paid as per the provisions of the Companies Act, 2013.

v. Dividend History

Details of dividend paid by the Company since listing are given as under:

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 01, 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 07, 2014
2014-15	664.27 (including interim dividend of ₹ 221.43 crore)	January 16, 2015 & September 23, 2015	February 12, 2015 & October 03, 2015
2015-16	1,660.60 (including interim dividend of ₹ 1,018.50 crore)	February 10, 2016 & September 22, 2016	March 02, 2016 & October 03, 2016
2016-17	1,984.62 (including interim dividend of Rs.1,882.02 crore)	January 12, 2017 & September 27, 2017	January 27, 2017 & October 05, 2017
2017-18	1,436.31 (including interim dividend of ₹ 1,149.05 crore)	February 12, 2018 & September 27, 2018	March 08, 2018 & October 22, 2018
2018-19	1,466.58 (including interim dividend of ₹ 713.20 crore)	February 08, 2019 & September 23, 2019	March 05, 2019 & October 18, 2019

Financial Year	Total amount of dividend declared (₹ in crore)	Date of AGM/Board Meeting in which dividend was declared	Date of payment
2019-20	1506.75 (including interim dividend of ₹ 1,185.31 crore)	February 07, 2020 & September 29, 2020	March 03, 2020 & October 22, 2020
2020-21	1,607.21 (including interim dividend of Rs.1,255.63 crore)	February 11, 2021 & September 29, 2021	March 05, 2021 & October 21, 2021
2021-22	1818.15 (including interim dividend of ₹ 1315.90 crore)	February 11, 2022 & August 25, 2022	March 04, 2022 & September 17, 2022
2022-23	1406.30 (interim dividend)	February 07, 2023	March 02, 2023

vi. Listing on Stock Exchanges

NHPC's securities are listed on the following Stock Exchanges:

BSE Limited	National Stock Exchange of India Limited
Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 Scrip Code: 533098 ISIN : INE848E01016 (Equity Shares)	Address: Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 Scrip Code: NHPC ISIN : INE848E01016 (Equity Shares)

The Annual Listing Fee for the financial year 2023-24 has been paid to both stock exchanges i.e. National Stock Exchange of India Limited and BSE Limited within the due dates. Also, the Annual Custodian Fee for the financial year 2023-24 has been paid to both depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited.

vii. Market Price Data and performance in comparison to indices

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

Table A: Sensex and NHPC Share Price

SENSEX			
Month	High	Low	Closing
Apr-22	60,845.10	56,009.07	57,060.87
May-22	57,184.21	52,632.48	55,566.41
Jun-22	56,432.65	50,921.22	53,018.94
Jul-22	57,619.27	52,094.25	57,570.25
Aug-22	60,411.20	57,367.47	59,537.07
Sep-22	60,676.12	56,147.23	57,426.92
Oct-22	60,786.70	56,683.40	60,746.59
Nov-22	63,303.01	60,425.47	63,099.65
Dec-22	63,583.07	59,754.10	60,840.74
Jan-23	61,343.96	58,699.20	59,549.90
Feb-23	61,682.25	58,795.97	58,962.12
Mar-23	60,498.48	57,084.91	58,991.52

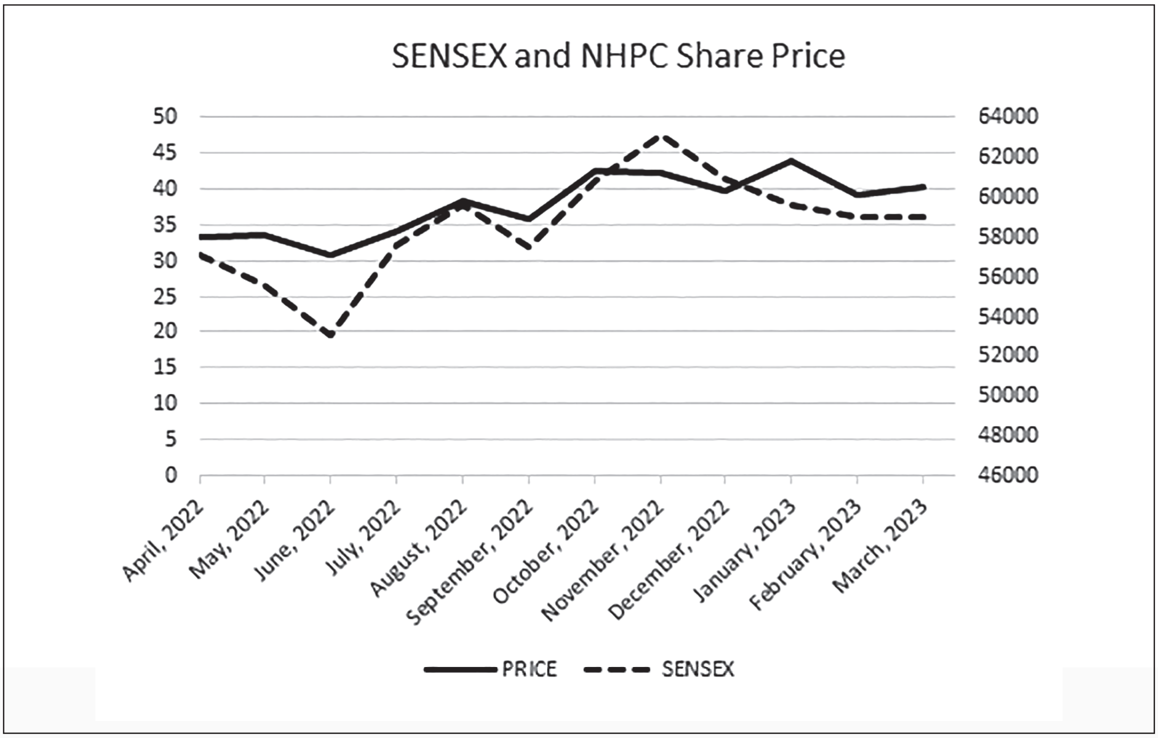
NHPC SHARE PRICE AT BSE			
Month	High (₹)	Low (₹)	Closing (₹)
Apr-22	37.55	27.55	33.25
May-22	34.10	30.05	33.65
Jun-22	34.40	28.85	30.85
Jul-22	34.80	30.60	34.15
Aug-22	39.20	33.40	38.40
Sep-22	40.40	34.05	35.65
Oct-22	46.90	35.10	42.55
Nov-22	45.25	41.00	42.05
Dec-22	43.45	36.80	39.70
Jan-23	44.35	38.70	43.90
Feb-23	44.35	37.80	39.00
Mar-23	43.75	38.70	40.20

Table B: NIFTY and NHPC Share Price

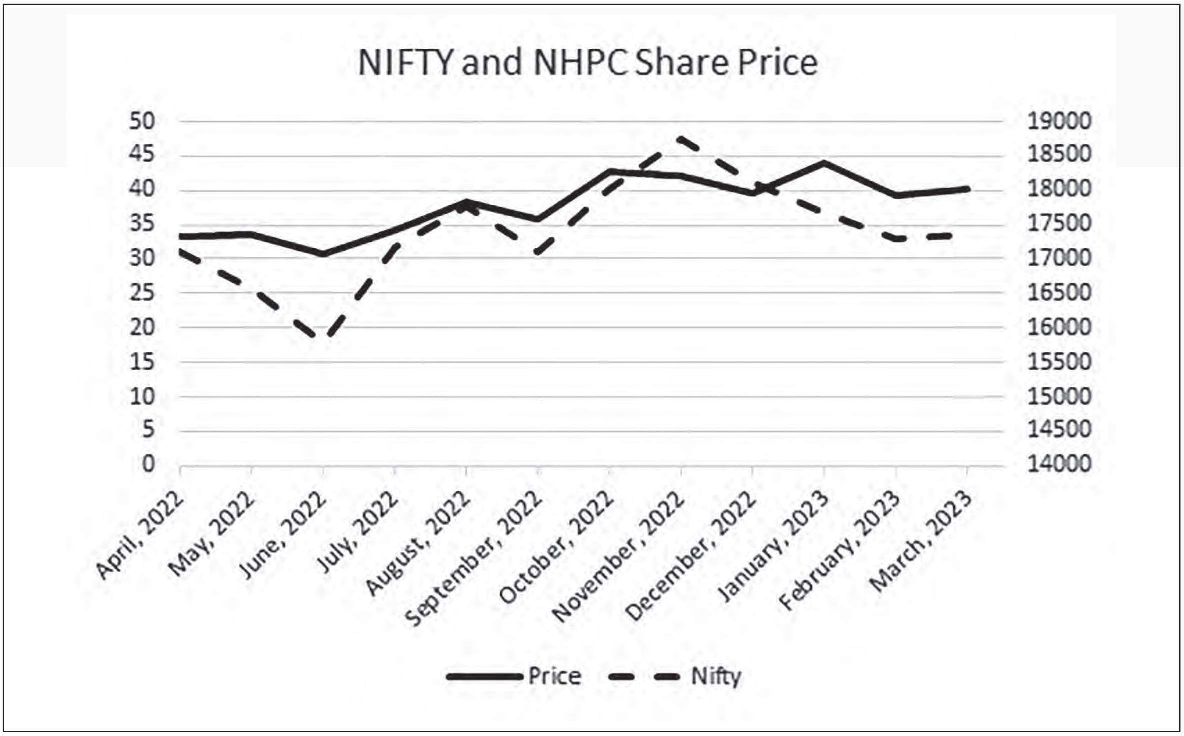
NIFTY			
Month	**High**	**Low**	**Closing**
Apr-22	18,114.65	16,824.70	17,102.55
May-22	17,132.85	15,735.75	16,584.55
Jun-22	16,793.85	15,183.40	15,780.25
Jul-22	17,172.80	15,511.05	17,158.25
Aug-22	17,992.20	17,154.80	17,759.30
Sep-22	18,096.15	16,747.70	17,094.35
Oct-22	18,022.80	16,855.55	18,012.20
Nov-22	18,816.05	17,959.20	18,758.35
Dec-22	18,887.60	17,774.25	18,105.30
Jan-23	18,251.95	17,405.55	17,662.15
Feb-23	18,134.75	17,255.20	17,303.95
Mar-23	17,799.95	16,828.35	17,359.75

NHPC SHARE PRICE AT NSE			
Month	**High (₹)**	**Low (₹)**	**Closing (₹)**
Apr-22	37.60	27.55	33.20
May-22	34.10	30.05	33.65
Jun-22	34.40	28.80	30.75
Jul-22	34.90	30.60	34.15
Aug-22	39.20	33.35	38.40
Sep-22	40.40	34.05	35.70
Oct-22	46.90	35.05	42.60
Nov-22	45.20	41.00	42.05
Dec-22	43.50	36.75	39.75
Jan-23	44.40	38.70	43.90
Feb-23	44.35	37.75	39.15
Mar-23	43.80	38.70	40.20

viii. Performance in comparison to indices



Note: Graph is made on the basis of monthly Closing prices



Note: Graph is made on the basis of monthly Closing prices

ix. Registrar & Share Transfer Agent

For Equity Shares	For Tax Free Bonds
M/s Alankit Assignments Limited, Alankit House, 4E/2 Jhandewalan Extension, New Delhi - 110055, INDIA Tel: 011 4254 1234, 011 2354 1234 Fax: 011 4254 1201, 011 2355 2001 E-mail: alankit.nhpc@alankit.com Toll free No: 18601212155	**M/s KFin Technologies Limited,** Selenium Tower- B, Plot No. 31-32, Gachibowli Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana– 500 032 Tel: 040 6716 222 E-mail: einward.ris@kfintech.com Website: www.kfintech.com
For other Bonds	
M/s RCMC Share Registry Private Limited B-25/1, First Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 Tel: 011 26387320, 26387321 E-mail: investor.service@rcmcdelhi.com Website: www.rcmcdelhi.com	

x. Credit Ratings

The credit ratings obtained by the Company are as under:

S. No.	Rating Agency	Credit Rating	Borrowings in respect of which ratings were obtained
CORPORATE DOMESTIC RATING			
1.	India Ratings & Research	IND AAA/ Stable	-
DOMESTIC RATING (INSTRUMENTS)			
1	India Ratings & Research	IND AAA/ Stable	P, Q, R (R1, R2 & R3), TAX FREE, S (S1 & S2), T, U, U1, V2, X, Y, Y1, AA , AA1, AB, AC and AD Series, GOI Bonds & Long Term Bank facilities/ FIS
		IND AAA/ Stable/ IND A1+	working capital limits
2	ICRA	[ICRA] AAA (Stable)	Q, R (R1, R2 & R3), W2, Y, Y1 and Tax Free Bonds
3	CARE	CARE AAA: Stable	Q, S (S1 & S2), T, U, U1, V2, W2, Tax Free, X, AA, AA1, AB, AC and AD Series and GOI Bonds
CORPORATE INTERNATIONAL RATING			
1	S&P	"BBB-" Outlook: Stable	-

xi. Share Transfer System

The Board of Directors have authorised RTA to process the requests received from shareholders holding physical shares for transfer/ transmission of shares. The requests received for re-materialisation, consolidation of shares and issue of duplicate certificates are overseen by Committee of Directors for Allotment and Post-allotment activities of NHPC Securities. SEBI had barred the physical transfer of shares of listed companies and mandated transfer in demat form only w.e.f. 01.04.2019. However, investors are not barred from holding shares in physical form.

Pursuant to Regulation 40 of SEBI LODR, Certificate from Practicing Company Secretary confirming that all certificates had been issued within stipulated period from the date of lodgement for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies during FY 2022-23 had been submitted to Stock Exchanges.

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

During the financial year 2022-23, unpaid/ unclaimed dividend aggregating to ₹ 3,68,05,624/- (₹ 1,51,90,038/- for FY 2014-15 and ₹ 2,16,15,586/- for FY 2015-16) and the corresponding 6,26,378 number of equity shares for FY 2014-15 on which dividend entitlements remained unpaid/ unclaimed for seven consecutive years or more, have been transferred by the Company to IEPF established by the Central Government, pursuant to provisions of Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, within the statutorily stipulated timeframe. Further, during the FY 2023-24, the Company had transferred 4,48,713 number of equity shares to IEPF, against the unpaid/unclaimed dividend for FY 2015-16.

Before effecting transfer of shares to IEPF, company has informed all such members, whose shares were liable to be transferred to IEPF during the financial year 2022-23 & 2023-24 through individually addressed letters and publication of notice in newspapers.

The details of unpaid/ unclaimed dividend and corresponding shares transferred to IEPF, unpaid and unclaimed amounts lying with the Company and procedure for claiming the dividend and shares from IEPF Authority are available on website of the Company at the link: https://www.nhpcindia.com/welcome/sub_page/117 and also on the website of Investor Education and Protection Fund Authority i.e. www.iepf.gov.in. Shareholders may claim their unpaid/ unclaimed dividend and the corresponding shares from the IEPF Authority through online application in prescribed form i.e. IEPF-5 at its website www.iepf.gov.in.

Unpaid/ unclaimed interim dividend pertaining to FY 2015-16 has already been transferred to IEPF during the year 2022-23. Further, unpaid/ unclaimed final dividend pertaining to FY 2015-16 and the corresponding shares shall be transferred to IEPF during the year 2023 -24. The last date for claiming final dividend pertaining to FY 2015-16 which remained unpaid/ unclaimed is October 27, 2023. Members may forward their claims for unpaid/ unclaimed dividend to the Company's RTA before it is due to be transferred to IEPF. No claim shall lie against the Company in respect of the dividend/shares so transferred.

xiii. Distribution of shareholding

Shares held according to the size of holdings and by different categories of shareholders as on March 31, 2023 are given in **Table A** and **Table B** respectively:

i) Table A: Distribution of shareholding according to size and percentage of holding as on March 31, 2023

Number of shares	Number of shareholders	% of shareholders*	Total shares	% of shares*
1-500	6,22,508	74.51	8,98,10,992	0.89
501-1000	1,36,049	16.28	10,29,39,645	1.02
1001-2000	40,030	4.79	5,96,87,418	0.59
2001-3000	13,411	1.61	3,40,87,958	0.34
3001-4000	6,179	0.74	2,20,48,992	0.22
4001-5000	4,852	0.58	2,28,15,288	0.23
5001-10000	7,228	0.87	5,29,84,084	0.53
10,001 and above	5,247	0.63	9,66,06,60,428	96.17
Total	**8,35,504**	**100**	**10,04,50,34,805**	**100.00**

**rounded off to 2 decimal places*

ii) Table B: Category wise Shareholding Pattern as on March 31, 2023

Category	As on March 31, 2022			As on March 31, 2023			Change % Increase/ (Decrease)*
	No. of Share-holders	Total Shares	% of share-holding*	No. of Share-holders	Total Shares	% of share-holding*	
Government of India	1	7,12,67,72,676	70.95	1	7,12,67,72,676	70.95	0.00
Mutual Funds	29	75,62,87,189	7.53	19	92,03,61,891	9.16	1.63
Foreign Portfolio Investors	189	57,19,22,469	5.69	225	74,07,19,422	7.37	1.68
Financial Institutions/ Banks	10	6,14,50,720	0.61	3	1,01,082	0.00	(0.61)
Insurance Companies	12	71,48,57,635	7.12	16	44,20,29,247	4.40	(2.72)
Resident Individuals/ HUFs	8,41,077	54,94,08,115	5.47	8,27,339	52,27,10,931	5.21	(0.26)
Non- Resident Indians	5,396	1,23,25,979	0.12	6,169	1,40,22,254	0.14	0.02
Clearing Members	167	85,20,382	0.08	50	1,78,497	0.00	(0.08)
IEPF	1	36,35,162	0.04	1	46,89,768	0.05	0.01
Bodies Corporate	1,361	23,47,64,077	2.34	1,429	20,49,61,754	2.04	(0.30)
Trusts	43	15,69,071	0.02	47	14,66,773	0.01	(0.01)
Others	235	35,21,330	0.03	205	6,70,20,510	0.67	0.64
Total	**8,48,521**	**10,04,50,34,805**	**100**	**8,35,504**	**10,04,50,34,805**	**100**	

**rounded off to 2 decimal places*

iii) Top Ten Shareholders as on March 31, 2023

Details of top ten shareholders of NHPC Limited as on March 31, 2023 are given as under:

S. No.	Name of shareholder	Total shares	% to Equity*
1	President of India	7,12,67,72,676	70.95
2	Life Insurance Corporation of India	34,80,82,900	3.47
3	SBI Focused Equity Fund	21,00,00,000	2.09
4	CPSE Exchange Traded Scheme (CPSE ETF)	20,67,79,313	2.06
5	Power Finance Corporation Limited	15,53,24,170	1.55
6	HDFC Trustee Company Ltd. A/C HDFC Balanced Advantage Fund	8,19,44,835	0.82
7	Franklin Templeton Investment Funds - Templeton Global Climate Change Fund	8,05,58,026	0.80
8	SBI Balanced Advantage Fund	8,05,36,791	0.80
9	Ishares II Public Limited Company - Ishares Global Clean Energy UCITS ETF	6,15,83,310	0.61
10	Ishares Global Clean Energy ETF	5,19,08,337	0.52
	Total	**8,40,34,90,358**	**83.66**

**rounded off to 2 decimal places.*

xiv. Dematerialization of Shares and Liquidity

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

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

No. of shares held in dematerialized and physical mode as on March 31, 2023 are as under:

	Total Shares	% to Equity*
Shares in dematerialized form with NSDL	9,57,38,43,932	95.31
Shares in dematerialized form with CDSL	47,11,36,789	4.69
Shares in Physical form	54,084	0.00
Total	**10,04,50,34,805**	**100.00**

** rounded off to 2 decimal places*

The names and addresses of the depositories are as under:

National Securities Depository Limited	**Central Depository Services (India) Limited**
Trade World, A-Wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400 013	Marathon Futurex, A-Wing, 25th Floor, NM Joshi Marg, Lower Parel, Mumbai - 400 013

xv. **Demat Suspense Account**

Details of shares in the suspense account as on March 31, 2023 is given as under.

Description	No. of Cases	No. of Shares
Aggregate number of shareholders and outstanding shares in the suspense account at the beginning of the year	4	1,048
Number of shareholders who approached the Company for transfer of shares from the suspense account during the year	-	-
Number of shareholders to whom shares were transferred from the suspense account during the year	-	-
Number of Shareholders whose shares were transferred to IEPF account during the year	-	-
Aggregate number of shareholders and outstanding shares in the suspense account at the end of the year	4	1,048

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

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

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

xvii. **Location of NHPC Power Stations**

1	Baira Siul	Baira Siul Power Station, Surangani, Distt. Chamba, Himachal Pradesh – 176 317
2	Loktak	Loktak Power Station, P.O. Loktak, Komkeirap, Manipur- 795 124
3	Salal	Salal Power Station, P.O. Jyotipuram, Distt. Reasi, UT of Jammu & Kashmir - 182 312
4	Tanakpur	Tanakpur Power Station, P.O. T.P.S. Campus, Banbassa, Distt. Champawat, Uttarakhand – 262 310
5	Chamera-I	Chamera-I Power Station, Khairi, Distt. Chamba, Himachal Pradesh – 176 325
6	Uri	Uri Power Station, Gingle, P.O. Mohra, Distt. Baramulla, UT of Jammu & Kashmir- 193 122
7	Rangit	Rangit Power Station, P.O. Rangit Nagar, South Sikkim - 737 111
8	Chamera-II	Chamera-II Power Station, Karian, Distt. Chamba, Himachal Pradesh –176 310
9	Dhauliganga	Dhauliganga Power Station, Post Box No.1, Tapovan, Dharchula, Distt. Pithoragarh, Uttarakhand - 262 545
10	Dulhasti	Dulhasti Power Station, Chenab Nagar, Sector-II, Kishtwar, Distt. Kishtwar, UT of Jammu & Kashmir - 182 206
11	Teesta-V	Teesta-V Power Station, P.O. Singtam, East Sikkim - 737 134

12	Sewa-II	Sewa-II Power Station, Mashka, Distt. Kathua, UT of Jammu & Kashmir – 176 325
13	Chamera-III	Chamera-III Power Station, Village Dharwala, PO – 9, Distt. – Chamba, Himachal Pradesh – 176 311
14	Chutak	Chutak Power Station, P.O. Minji, Distt. Kargil, UT of Ladakh – 194 103
15	Teesta Low Dam–III	Teesta Low Dam–III Power Station, Rambi Bazar, P.O. Reang, Distt. Darjeeling, West Bengal – 734 321
16	Nimoo Bazgo	Nimoo Bazgo Power Station, Alchi, Distt. Leh, UT of Ladakh –194 101
17	Uri-II	Uri- II Power Station, NHPC Office cum Residential Complex, Nowpora, Uri, Distt. Baramulla, UT of Jammu & Kashmir – 193 122
18	Parbati-III	Parbati-III Power Station, Village Behali, P. O.Larji, Distt. Kullu, Himachal Pradesh – 175 122
19	Teesta Low Dam–IV	Teesta Low Dam–IV Power Station, Kalijhora, P.O. Kalijhora Bazar, Distt. Darjeeling, West Bengal –734 320
20	Kishanganga	Kishanganga Power Station, NHPC Office & Residential Complex, Karalpora, Distt. Bandipora, UT of Jammu & Kashmir -193 502
21	Jaisalmer Wind Power Station	Village Lakhmana, District Jaisalmer, Rajasthan
22	Tamil Nadu Solar Power Station	Renganathapuram Village, A. Vadipatti Road, Periyakulam Taluk, District Theni, Tamilnadu - 625 602

xviii. Green Initiatives in Corporate Governance

In line with relaxations extended by MCA and SEBI due to COVID 19 pandemic and in furtherance of 'Green Initiative', the Company has effected delivery of Notice of AGM and Annual Report through electronic mode only to those Members whose e-mail IDs were registered with the respective Depository Participants/ Company/ RTA. The Notice of AGM and Annual Report are also placed on website of the Company i.e. www.nhpcindia.com.

xix. Address for Correspondence:

Smt. Rupa Deb, Company Secretary and Compliance Officer,

5th Floor, Neer Shakti Sadan, NHPC Office Complex,

Sector – 33, Faridabad, Haryana – 121 003

E-mail: companysecretary@nhpc.nic.in

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

Registered Office	Tel. No.: 0129-2588110
Investor Relation Cell	Tel. No.: 0129-2250437 e-mail: investorcell@nhpc.nic.in
Chief Investor Relations Officer	Shri Satyendra Nath Upadhyay, Executive Director (Finance) Tel. No.: 0129-2254685 e-mail: snupadhyay@nhpc.nic.in

As per SEBI Circular dated 22.01.2007, exclusive e-mail address for redressal of Investor Complaints is companysecretary@nhpc.nic.in

15. 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 2022-23.

Declaration of compliance with Code of conduct as provided under SEBI LODR and DPE Guidelines on Corporate Governance

All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Business Conduct & Ethics for Board Members and Senior Management Personnel for the financial year ended on March 31, 2023.

Sd/-
(Rajeev Kumar Vishnoi)
Chairman & Managing Director
DIN: 08534217

Date: May 29, 2023
Place: Delhi

ANNEXURE-A

S. No.	Name of Director	Designation	Core Skills / Expertise / Competencies of Directors								
			Power Sector & Power Trading	Information Technology	Finance	Legal	Risk Management	Human Resources	Academics	Research & Development	Public Relations
1.	Shri Rajeev Kumar Vishnoi	Chairman & Managing Director	✓		✓			✓	✓	✓	✓
2.	Shri Rajendra Prasad Goyal	Director (Finance)	✓	✓	✓		✓				
3.	Shri Biswajit Basu	Director (Projects)	✓	✓						✓	✓
4.	Shri Uttam Lal	Director (Personnel)	✓			✓	✓	✓	✓	✓	✓
5.	Shri Mohammad Afzal	Govt. Nominee Director	✓	✓	✓	✓		✓			✓
6.	Dr. Uday Sakharam Nirgudkar	Independent Director		✓	✓		✓	✓	✓	✓	✓
7.	Dr. Amit Kansal	Independent Director		✓	✓	✓	✓	✓	✓		✓
8.	Dr. Rashmi Sharma Rawal	Independent Director			✓		✓	✓	✓	✓	✓
9.	Shri Jiji Joseph	Independent Director			✓		✓	✓			✓
10.	Shri Premkumar Goverthanan	Independent Director	✓			✓		✓		✓	✓

ANNEXURE-B

Certificate on Corporate Governance

The Members,

NHPC Limited

1. We have examined the compliance of conditions of Corporate Governance by NHPC Limited (CIN:L40101HR1975GOI032564) for the year ended 31st March, 2023, as prescribed in Regulations 17 to 27, 46 (2) (b) to (i) and para C and D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called as "SEBI (LODR) Regulations, 2015") and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE), Government of India.

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

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

   Regulation 17(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the number of Independent Directors on the Board is less than fifty percent during the period from 01.04.2022 to 31.08.2022 and from 13.12.2022 to 09.03.2023.

4. The Management of the Company explained that NHPC being the government company, the power to appoint Directors including Independent Directors vests with the President of India and the said matter is being regularly pursued with the administrative Ministry i.e. Ministry of Power, Govt. of India.

   We further report that the National Stock Exchange of India Limited and BSE Limited have levied monetary fines for non-compliance under Regulations 17(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, against which the Company has submitted responses along with the waiver requests. NSE vide letter dated 01.03.2023 and BSE Limited vide e-mail dated 20.06.2023 has waived off the fine imposed for the quarter ended March 31, 2022; June 30, 2022 and Sep 30, 2022. Further, the Company had received notices dated 28.09.2022 and 27.09.2022 through e-mail from BSE Limited for imposing fines under Regulation 57(1) and 57(4) of SEBI (LODR), 2015 respectively. However, the Company had requested BSE Limited to withdraw the fines imposed as the Company had complied the aforesaid regulations. BSE Limited vide email 02.11.2022 had already withdrawn the fine imposed under Regulation 57(1).

   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.

5. In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations/ representations furnished to us by the Company & its Directors/ officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

S. No	Name of Director	DIN
1.	Shri Rajeev Kumar Vishnoi	08534217
2.	Shri Yamuna Kumar Chaubey	08492346
3.	Shri Rajendra Prasad Goyal	08645380
4.	Shri Biswajit Basu	09003080

S. No	Name of Director	DIN
5.	Shri Mohammad Afzal	09762315
6.	Dr. Uday Sakharam Nirgudkar	07592413
7.	Dr. Amit Kansal	07722428
8.	Dr. Rashmi Sharma Rawal	09410683
9.	Shri Jiji Joseph	09415941
10.	Shri Premkumar Goverthanan	10064794

For **Agarwal S. & Associates,**
Company Secretaries,
ICSI Unique Code: P2003DE049100
Peer Review Cert. No.: 2725/2022
Sd-
CS Anjali
Partner
ACS No.: 65330
CP No.: 26496

Date: June 23, 2023
Place: New Delhi
UDIN: A065330E000490601

ANNEXURE-C

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

A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2023 and that to the best of our knowledge and belief :

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2023 which are fraudulent, illegal or violative of the Company's Code of Conduct.

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

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

i. significant changes in internal control over financial reporting during the year ended 31st March, 2023;

ii. significant changes in accounting policies during the year ended 31st March, 2023 and that the same have been disclosed in the notes to the financial statements; and

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

Sd/-	Sd/-
(R.P. Goyal)	**(R.K. Vishnoi)**
Director (Finance)	Chairman & Managing Director
DIN:08645380	DIN:08534217

Place: New Delhi

Date: May 29, 2023

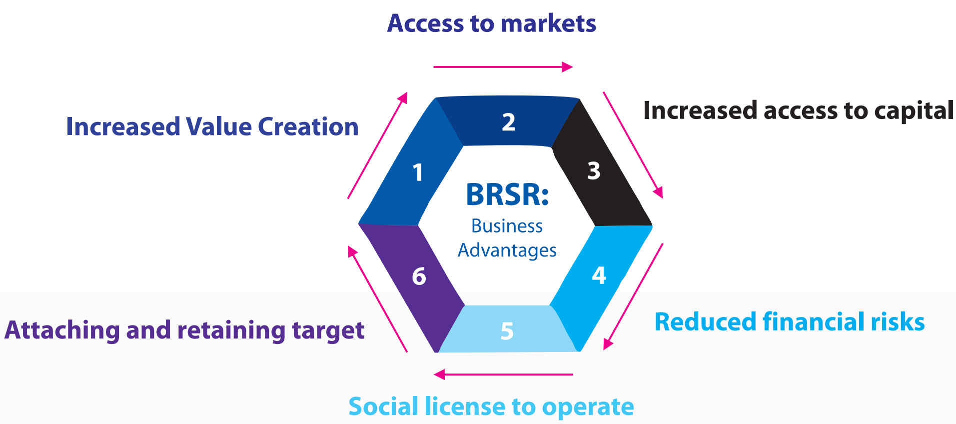
BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

Teesta-V and Teesta-VI Projects, Sikkim

Introduction to BRSR

Disclosure requirements have leapfrogged globally in the last decade, holding companies accountable for their identification of Environment, Social and Governance (ESG) responsibilities and their transparent incorporation in annual disclosures.

In line with these global developments, the Securities and Exchange Board of India (SEBI), in its continued efforts to enhance disclosures on ESG standards, introduced new requirements for sustainability reporting by listed companies. The new reporting format named, Business Responsibility and Sustainability Report (BRSR), aims to establish links between the financial results of a business with its ESG performance.



SEBI has mandated that the BRSR will be applicable to the top 1,000 listed entities (by market capitalization) for reporting on a voluntary basis for FY2021–22 and on a mandatory basis from FY2022–23.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT FY 2022-23

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. **Corporate Identity Number (CIN) of the Listed Entity:** L40101HR1975GOI032564
2. **Name of the Listed Entity:** NHPC Limited
3. **Year of incorporation:** 1975
4. **Registered office address:** NHPC Office Complex, Sector-33, Faridabad, Haryana-121003 (India)
5. **Corporate address:** NHPC Office Complex, Sector-33, Faridabad, Haryana-121003 (India)
6. **E-mail:** brsr@nhpc.nic.in
7. **Telephone:** 0129-2588110
8. **Website:** www.nhpcindia.com
9. **Financial year for which reporting is being done** 1st April 2022 to 31st March 2023
10. **Name of the Stock Exchange(s) where shares are listed:** The shares of the Company are listed and traded on the National Stock Exchange of India Limited (NSE) and BSE Limited in India.
11. **Paid-up Capital:** ₹10,045.03 crores (as on 31.03.2023)
12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:**

    Name: Mr. Sanjay Darbari

    Designation: ED (Planning)

    Email Id: sanjaydarbari@nhpc.nic.in

    Telephone Number: (0129) 2254674
13. **Reporting boundary -** Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).

    The environmental, social, financial and governance disclosures are made on standalone basis.

II. List of Products/Services

14. **Details of business activities *(accounting for 90% of the turnover)*:**

S. No.	Description of Main Activity	Description of Business Activity	% Of Turnover of the entity
1	Power generation and related activities	Power generation by hydro power plants, wind power, solar power, power trading business and consultancy Services	100%

15. **Products/Services sold by the entity *(accounting for 90% of the entity's Turnover)*:**

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Power generation and related activities	3510	100%

16. **Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of plants	Number of offices	Total
National	29 **Hydropower: 20 plants** *(and 3 under construction)* **Solar: 1 plant** *(and 4 under construction)* **Wind: 1 plant**	6	35
International	0	2	2

17. **Markets served by the entity:**

a. **Number of locations**

Location	Number
National (No. of States)	23 States and 3 Union Territories
International (No. of Countries)	1 (Nepal)

b. **What is the contribution of exports as a percentage of the total turnover of the entity?**

Contribution of exports is negligible.

c. **A brief on types of customers**

NHPC Limited is a Mini-Ratna public sector undertaking and one of the largest hydropower generating companies in India. It is responsible for supplying power to various Distribution Companies (DISCOM's). NHPC also provides consulting services on construction, operations, maintenance, renovation, and uprating of hydro power projects to clients in private and public sector.

IV. Employees

18. **Details as at the end of Financial Year:**

a. **Employees and workers (including differently abled):**

	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	3005	2718	90%	287	10%
2.	Other than Permanent (E)	7	7	100%	0	0%
3.	Total employees (D + E)	3012	2725	90%	287	10%
WORKERS						
4.	Permanent (F)	1375	1174	85%	201	15%
5.	Other than Permanent (G)	7288	6507	89%	781	11%
6.	Total workers (F+G)	8663	7681	89%	982	11%

b. **Differently abled Employees and workers:**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	102	98	96%	4	4%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	**Total differently abled employees (D + E)**	102	98	96%	4	4%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	11	8	73%	3	27%
5.	Other than Permanent (G)	13	12	92%	1	8%
6.	**Total differently abled workers (F + G)**	24	20	83%	4	17%

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	1	10%
Key Management Personnel	1	1	100%

20. Turnover rate for permanent employees and workers (Disclose for past 3 years)

	FY 2022-2023			FY 2021-2022			FY 2020-2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	1.51%	0.99%	1.46%	0.13%	0.33%	0.46%	0.19%	0.0%	0.19%
Permanent Workers	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ subsidiary/ Associate/ Joint Venture	% Of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	NHDC Limited	Subsidiary	51.08%	No
2	Loktak Downstream Hydroelectric Corporation Limited	Subsidiary	74.82%	No
3	Bundelkhand Saur Urja Limited	Subsidiary	86.94%	No
4	Lanco Teesta Hydro Power Limited	Wholly owned Subsidiary	100%	No
5	Ratle Hydroelectric Power Corporation Limited	Subsidiary	51.00%	No
6	Jalpower Corporation Limited	Wholly owned Subsidiary	100%	No
7	NHPC Renewable Energy Limited	Wholly owned Subsidiary	100%	No
8	Chenab Valley Power Projects Private Limited	Subsidiary	52.74%	No
9	National High Power Test Laboratory Private Limited (NHPTL)	Associate	20.00%	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): Yes

(ii) Turnover (in Rs.): ₹ 9,316.3 crore

(iii) Net worth (in Rs.): ₹ 35,407.9 crore

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress Policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, NHPC has a 'Centralized Public Grievance Redressal & Monitoring System' in place. The Contact details for any complaints are given in the link- https://www.nhpcindia.com/assests/pzi_public/gallery/1689568899.pdf	0	0	-	0	0	-
Investors (other than shareholders)	Yes. The details of contact person for the redressal of various grievances are provided in the link below https://www.nhpcindia.com/welcome/page/145	43	0	Data has been provided from Registrar & Share Transfer Agent (RTA) for Bonds in respect of consolidated grievances received such as non-receipt of Electronic Credit/Interest Warrant/ Bonds.	112	0	Data has been provided from Registrar & Share Transfer Agent (RTA) for Bonds in respect of consolidated grievances received such as non-receipt of Electronic Credit/ Interest Warrant/ Bonds.

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress Policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders	Yes. Shareholders can send their grievances to Company/RTA directly through email/letter. Further, shareholders can also lodge their grievances through SEBI SCORES portal. The details of contact person for the grievance redressal are provided in the link below. https://www.nhpcindia.com/welcome/page/145	864	2	Data has been provided from Registrar & Share Transfer Agent (RTA) for Equity shares in respect of consolidated grievances received such as non-receipt of dividend Warrants, Stock Exchange Complaints, SEBI Complaints.	1,085	2	Data has been provided from Registrar & Share Transfer Agent (RTA) for Equity shares in respect of consolidated grievances received such as non-receipt of dividend Warrants, Stock Exchange Complaints, SEBI Complaints.
Employees and workers	Yes, NHPC has an 'Employee Grievance Redressal Cell' in place. The details of contact person are provided on the link below https://www.nhpcindia.com/assests/pzi_public/gallery/1689568899.pdf	9	1	-	21	5	-
Customers	Yes, NHPC has a 'Centralized Public Grievance Redressal & Monitoring System' in place. The Contact details for any complaints are given in the link - https://www.nhpcindia.com/assests/pzi_public/gallery/1689568899.pdf	00	00	-	00	00	-
Value Chain Partners	Yes, Integrity Pact is being implemented in NHPC. Bidders may raise their grievances regarding tenders to Independent External Monitors (IEMs), if any. The details of IEMs are being provided in tender documents as well as available on the following link: https://www.nhpcindia.com/assests/pzi_public/gallery/1689568899.pdf The email for grievances is iem.nhpc@gmail.com	2	0	-	2	0	-

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

The details of key material business topics, its significance on our business and possible impacts of each issue along with action plan to minimize/maximize its impact (risk / opportunity) are available on the Company's website (Materiality Analysis)under following link: https://www.nhpcindia.com/ assests/pzi public/gallery/16875014380.pdf

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Guidelines for Responsible Business Conduct (NGRBC) has brought out by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive to all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses, when engaging in influencing public and regulatory Policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Policy and Management Processes									
1.	a. Whether your entity's Policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the Policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web link of the policies, if available	Refer to Table 1 below								
2.	Whether the entity has translated the Policy into procedures. (Yes / No)	Yes, NHPC has laid down procedures for all its policies in the Integrated Management System (IMS) that is used internally.								
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

<table>
<tr><th colspan="2">Disclosure Questions</th><th>P1</th><th>P2</th><th>P3</th><th>P4</th><th>P5</th><th>P6</th><th>P7</th><th>P8</th><th>P9</th></tr>
<tr><td>4.</td><td>Name of the national and international Codes/ certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.</td><td colspan="9">Refer to Table 2 below</td></tr>
<tr><td rowspan="2">5.</td><td rowspan="2">Specific commitments, goals and targets set by the entity with defined timelines, if any.</td><td colspan="9">a. NHPC Limited's ESG goal is to generate clean energy through renewable sources such as hydro, wind, and solar. In doing so, the company's targets are aligned with the government's objectives in the social and environmental sectors. Through its business operations, NHPC aims to reduce carbon footprints, and promote sustainability and protect the environment.</td></tr>
<tr><td colspan="9">b. NHPC Limited believes in sustainable growth via its commercial activities, placing equal attention on the environment and society. Along with its declared environmental preservation goal, NHPC Limited is dedicated to implementing water saving measures. We have established appropriate policies and procedures to ensure our goal of water conservation along with scientific management of waste originating from our business operations. NHPC Limited strives for efficient waste management through ethical practices in consonance with applicable Waste Management Rules of the Government.</td></tr>
<tr><td>6.</td><td>Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.</td><td colspan="9">a. Reduction of 800 TCO_2 emissions per 1 MU of hydroelectricity generated as compared to coal-based electricity generation, based on UN IPCC median values of CO_2 emissions from various sources on a life-cycle basis.
b. NHPC has established its Water Conservation Policy and Waste Management Policy aligning with its goal of water conservation and effective waste management. We assess our environmental performance on a yearly basis and report our progress in our annual disclosures.</td></tr>
<tr><td colspan="11">Governance, leadership and oversight</td></tr>
<tr><td>7.</td><td colspan="10">Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

"NHPC strives hard to make the firm more socially and ecologically responsible. We aspire to be a well-governed model organization with an ecologically responsible, inclusive workplace. NHPC has been recognized by the Government of India as its focal organization for hydropower generation across the country. Ever since inception of the organization in 1975, we have been working relentlessly to provide sustainable power resources to the nation at large and contribute to making India the fastest growing economy in the world.

NHPC has committed to integrating Environment, Social, and Governance (ESG) within the company to bring about resilience, transform culture, and long-term value creation to systematically identify opportunities, manage risks, and secure the interests of all our stakeholders at NHPC. We think that aligning with the National Guidelines on Responsible Business Conduct has resulted in long-term benefit for organizations and we have integrated the Nine Principles into our operations. We would continue to persist as a vital spoke in India's growth wheel through ethical, responsible, and sustainable business and ESG strategy."</td></tr>
</table>

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility Policy (ies).	DIN: 08645380 Name: Mr. Rajendra Prasad Goyal Designation: Director (Finance) Telephone Number: (0129) 2278021 Email Id: rpgoyal@nhpc.nic.in								
		Name: Mr. Sanjay Darbari Designation: ED (Planning) Email Id: sanjaydarbari@nhpc.nic.in Telephone Number: (0129) 2254674								
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, NHPC has a Committee on Corporate Social Responsibility (CSR) & Sustainability which is responsible for decision making on CSR & sustainability related issues. The Committee comprises 6 members (as on March 31, 2023) who review the progress of ESG initiatives undertaken by NHPC.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Annually								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Annually								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.										P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
										NHPC considers Independent assessment / audits and regulatory compliances, where appropriate, to examine the policies and procedures from both, i.e. best practices and a legal standpoint.								

<table>
<tr><th rowspan="2">Subject for Review</th><th colspan="9">Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee</th><th colspan="9">Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)</th></tr>
<tr><th>P 1</th><th>P 2</th><th>P 3</th><th>P 4</th><th>P 5</th><th>P 6</th><th>P 7</th><th>P 8</th><th>P 9</th><th>P 1</th><th>P 2</th><th>P 3</th><th>P 4</th><th>P 5</th><th>P 6</th><th>P 7</th><th>P 8</th><th>P 9</th></tr>
<tr><td></td><td colspan="9"></td><td colspan="9">A few independent assessments are listed below:
(a) CAG Audits:
(i) Transaction Audit: It covers transactions entered into by the company with a view to examining their regularity, propriety, probity, economy, efficiency and effectiveness and report on cases of failure of compliance with laws, rules and regulations, waste, mismanagement, other irregularities and frauds and corruption.
(ii) Performance Audit : The main object of audit is to see how far the auditee organization has achieved the objectives for which it has been established and whether the operations are being carried on efficiently with due regard to the economy and effectiveness. In this process, audit has to appraise the soundness or otherwise of various decisions of the management, in regard to the construction and operation of undertakings. By its very nature, it is not and cannot be a purely financial audit.
(iii) Corporate Governance Audit: Corporate Governance, in a broader perspective, implies responsible and responsive administration of company affairs. It covers ethical management. It is a mechanism by which a company ensures that all its activities result in balanced optimum welfare of all stakeholders, rather than benefitting selected individual(s) or group(s) forming part of stakeholders.
(b) The IMS Policy (i.e ISO 9001:2015, ISO 14001:2015 & ISO 45001:2017) has been reviewed and assessed by the Independent Agency i.e. M/s AQC Middle East FZE, New Delhi. Accordingly Corporate Office, NHPC is IMS Certified Company.
(c) The 'Review and testing of operating effectiveness of Internal Financial Controls of NHPC for the Year 2022-23' was conducted by independent agency M/s AMAA & Associates, Chartered Accountants, Delhi.</td></tr>
</table>

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a Policy, reasons to be stated:

<table>
<tr><th>Questions</th><th></th></tr>
<tr><td>The entity does not consider the principles material to its business (Yes/No)</td><td rowspan="2">Not Applicable</td></tr>
<tr><td>The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)</td></tr>
</table>

Questions	
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	Not Applicable
It is planned to be done in the next financial year (Yes/No)	
Any other reason (please specify)	

Table 1: Web link of the policies

Principle 1	Code of Business Conduct and Ethics	https://www.nhpcindia.com/assests/pzi_public/gallery/16851556070.pdf
	Related Party Transaction Policy	https://www.nhpcindia.com/assests/pzi_public/gallery/1683188346.pdf
	Whistle Blower Policy	https://www.nhpcindia.com/assests/pzi_public/gallery/1683188102.pdf
	Fraud Prevention and Detection Policy	https://www.nhpcindia.com/assests/pzi_public/gallery/1683188229.pdf
	Integrity Pact	https://www.nhpcindia.com/welcome/page/299
	Guidelines on Banning of Business Dealings	https://www.nhpcindia.com/assests/pzi_public/gallery/1683188154.pdf
Principle 2	Corporate Environment Policy	https://www.nhpcindia.com/assests/pzi_public/gallery/16844978530.pdf
	Sustainable Procurement/Sourcing Policy	https://www.nhpcindia.com/assests/pzi_public/gallery/16857057861.pdf
Principle 3	Grievance Policy and Procedures	https://www.nhpcindia.com/assests/pzi_public/gallery/1689568899.pdf
	Safety Policy	https://www.nhpcindia.com/assests/pzi_public/gallery/16857028460.pdf
Principle 4	CSR and Sustainable Development Policy	https://www.nhpcindia.com/assests/pzi_public/gallery/1681895733.pdf
	Stakeholder Engagement Policy	https://www.nhpcindia.com/assests/pzi_public/gallery/16857057860.pdf
Principle 5	Code of Business Conduct & Ethics (for Board members and senior management personnel)	https://www.nhpcindia.com/assests/pzi_public/gallery/16851556070.pdf
	Grievance Policy and Procedures	https://www.nhpcindia.com/assests/pzi_public/gallery/1689568899.pdf
Principle 6	Corporate Environment Policy	https://www.nhpcindia.com/assests/pzi_public/gallery/16844978530.pdf
	Conservation of Energy Policy	https://www.nhpcindia.com/assests/pzi_public/gallery/16855998400.pdf
	Water Conservation Policy	https://www.nhpcindia.com/assests/pzi_public/gallery/16844974380.pdf
	Waste Management Policy	https://www.nhpcindia.com/assests/pzi_public/gallery/16844974930.pdf
	Biodiversity Policy	https://www.nhpcindia.com/assests/pzi_public/gallery/16844972780.pdf
Principle 7	Public Policy Advocacy Policy	https://www.nhpcindia.com/assests/pzi_public/gallery/16854351810.pdf
Principle 8	CSR and Sustainable Development Policy	https://www.nhpcindia.com/assests/pzi_public/gallery/1681895733.pdf
Principle 9	Fraud Prevention & Detection Policy	https://www.nhpcindia.com/assests/pzi_public/gallery/1683188229.pdf
	IT & Cyber Security Policy	https://www.nhpcindia.com/assests/pzi_public/gallery/16857087030.pdf

Table 2: National and international Codes/certifications/labels/standards

Quality Management System (ISO 9001:2015)	https://www.nhpcindia.com/assests/pzi_public/gallery/1683611130.pdf
Environment Management System (ISO 14001:2015)	https://www.nhpcindia.com/assests/pzi_public/gallery/1683611687.pdf
Occupational Health and Safety Policy (ISO 45001:2018)	https://www.nhpcindia.com/assests/pzi_public/gallery/1683611803.pdf

SECTION C: PRINCIPLE WISE DISCLOSURES

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	1	Independent Directors and Company Secretary (KMP) had attended the master class on building better Boards organized by Indian Institute of Corporate Affairs (IICA). The master class covered various topics i.e Roles and Responsibilities of Directors, Effective Board Governance, Prospects & Possibilities, Effectiveness of Board Committees, Sustainability and Climate Risk etc. including ESG related topics and principles under the National Guidelines on Responsible Business Conduct (NGRBC). The programme enhances their knowledge about importance of ESG and how it affects a company's reputation, financial performance, and overall success.	44%
Key Managerial Personnel	1		100%
Employees other than BoD & KMPs	201	Trainings on Technical/Management Development Programme / Behavioral / Health & Wellness Programme were conducted for employees. Impact: Improved Employee Engagement & Motivation towards their work, enhancing the competency of employees, increased productivity of the company & Improvement in working as a Team	55%

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Workers	51	Safety / Behavioral / Health & Wellness Programmes Impact: Improved Employee Engagement & Motivation towards their work, enhancing the competency of employees, increased productivity of the company & improvement in working as a Team.	30%

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by Directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/ No)
Penalty/Fine	-	Nil	0	NA	NA
Settlement	-	Nil	0	NA	NA
Compounding Fee	-	Nil	0	NA	NA

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/ No)
Imprisonment	-	Nil	NA	NA
Punishment	-	Nil	NA	NA

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed**

Case Details	Name of regulatory/enforcement agencies/judicial institutions
NA	

4. **Does the entity have an anti-corruption or anti-bribery Policy? If yes, provide details in brief and if available, provide a web-link to the Policy.**

NHPC considers corporate governance norms as an integral part of quality management. It has a Code of Business Conduct and Ethics, which is applicable to its Board Members and senior management personnel as per the Code issued vide NHPC Circular dated 20.11.2014. As per Pledge & Practice 4(a) (ii), the Directors and Senior Management Personnel shall 'work unstintingly for eradication of corruption in all spheres of life'. The weblink of the Policy is given as https://www.nhpcindia.com/assests/pzi_public/gallery/16851556070.pdf

In addition, the company has a Fraud Prevention & Detection Policy to prevent fraud or suspected fraud. The Policy applies to any fraud, or suspected fraud involving employees of NHPC (all full time, part time or employees appointed on ad hoc / temporary/contract basis) as well as representatives of vendors, suppliers, contractors, consultants, service providers or any outside agency(ies) doing any type of business with NHPC. Please refer to the Policy link for more information on https://www.nhpcindia.com/assests/pzi_public/gallery/1683188229.pdf

NHPC also has a Whistle Blower Policy which lists down procedures to report instances of unethical / improper conduct and steps to correct the same. Employees, Directors, Contractors, Vendors etc. can report unethical practices in the Company. Please refer to the Policy link for more information on https://www.nhpcindia.com/assests/pzi_public/gallery/1683188102.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23	FY 2021-22
Directors	0	0
KMPs	0	0
Employees	0	1
Workers	0	0

6. Details of complaints with regards to conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Since no fines/penalties/actions were imposed by regulators/law enforcement agencies/judicial institutions, there were no corrective actions required for the same.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
0	0	0

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes. As per provisions of the Companies Act, 2013, Board Members of NHPC are prohibited from participating in the agenda items which might result in cases of conflict of interest. Further, in line with Section 184 of Companies Act, 2013, Board Members are required to disclose their concern or interest in any company, body corporate or other association of individuals at the first Board Meeting of every financial year. In case of any change in the disclosures already made, the same is hosted on the intranet of the Company for information of the concerned divisions.

In compliance with Regulation 23 of SEBI LODR, NHPC has a Policy which lists down rules and regulations for transactions between Company and its Related Parties, including Directors. Link of the Policy- https://www.nhpcindia.com/assests/pzi_public/gallery/1683188346.pdf

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2022 – 23	FY 2021 - 22	Details of improvements in environmental and social impacts
R&D	3.17%	0.00%	Assessment/ analysis of the environmental and social impacts due to the hydroelectric project undertaken during FY 2022-23 viz Post Project Environmental Evaluation of Rangit HE Project Sikkim, assessment on socio-economics of Sewa-II HE Project, J&K and Study of Landslides in the vicinity of nine commissioned/under construction hydroelectric projects can be / shall be utilized in minimizing any adverse impact and optimizing the benefits. The details / outcome of the R&D activities can be referred in Principle 6.
CAPEX	100%	100%	The capital expenditure incurred on various activities for Project development / construction contributes directly & indirectly in up-gradation of socio-economic and environmental aspects of the nearby area. It creates livelihood opportunities during construction stage and later contributes in significant employment & socio-economic activities during operation stage of the project through induced effects. Also, major chunk to the tune of 40-50% of project cost of a hydro project directly contributes in the state economy by way of free power, local area development fund, taxes, payments towards Net Present Value, Compensatory Afforestation, R&R cost, Infrastructure development (roads/bridges) etc.

2. a) **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes, NHPC has procedures in place for sustainable sourcing. NHPC emphasizes to establish good relationship with its vendors and include them in its growth story. NHPC follows International Competitive Bidding (ICB) system for selection of qualified, competent, and performing agencies for executing the construction of hydro power projects. The techno-commercial bids are examined in line with ICB practices, Central Vigilance Commission (CVC) guidelines, prescribed norms/ initiatives of Govt. of India and various other vendor practices like safe working conditions, implementation of labor laws, environment policies, etc. Directions of Govt. of India under "Public Procurement" (Preference to Make in India), order 2017 with latest amendments is being complied with to promote indigenous products. NHPC officials interact with all agency / agency's representatives on regular basis in a transparent manner.

b) **If yes, what percentage of inputs were sourced sustainably?**

Most of NHPC's vendors and suppliers are reputed companies having strong ESG practices.

Since NHPC has established procedures for sustainable sourcing, therefore all the procurements are considered as source sustainable and safe. However, these are exhaustive in nature and sourced from different sources.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

This is not applicable since NHPC generates electricity from non-consumptive use of renewable sources such as water (hydropower), solar and wind. However, the waste generated due to use of facilities are disposed off as per prevailing norms.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

No. NHPC generates electricity from non-consumptive use of renewable sources such as water (hydropower), wind and solar. Extended Producer Responsibility (EPR) is not applicable for NHPC's business activities.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product/Service	% Of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicate in public domain (Yes/No) If yes, provide the web-link
Not Applicable					

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same**

Name of Product / Service	Description of the risk / concern	Action Taken
Not Applicable		

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

	Recycled or re-used input material to total material	
	FY 2022 - 23	FY 2021 - 22
Not applicable. NHPC generates electricity from non-consumptive use of renewable sources such as water (hydropower), wind and solar.		

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY 2022-23			FY 2021-22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Not applicable. NHPC generates electricity from non-consumptive use of renewable sources such as water (hydropower), wind and solar.					
E-waste						
Hazardous waste						
Other waste						

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate Product Category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not applicable. NHPC generates electricity from non-consumptive use of renewable sources such as water (hydropower), wind and solar.	

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. **Details of measures for the well-being of employees**

% Of employees covered by												
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B / A)	No. C	% (C / A)	No. (D)	% (D / A)	No.(E)	% (E / A)	No. (F)	% (F / A)
Permanent employees											
Male	2718	2718	100%	2718	100%	0	0%	2718	100%	2718	100%
Female	287	287	100%	287	100%	287	100%	0	0%	287	100%
Total	3005	3005	100%	3005	100%	287	100%	2718	100%	3005	100%
Other than Permanent employees											
Male	7	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	7	0	0%	0	0%	0	0%	0	0%	0	0%

b. **Details of measures for the well-being of workers**

% Of workers covered by												
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B / A)	No. C	% (C / A)	No. (D)	% (D / A)	No.(E)	% (E / A)	No. (F)	% (F / A)
Permanent Workers											
Male	1174	1174	100%	1174	100%	0	0%	1174	100%	1174	100%
Female	201	201	100%	201	100%	201	100%	0	0%	201	100%
Total	1375	1375	100%	1375	100%	201	100%	1174	100%	1375	100%
Other than Permanent Workers											
Male	6507	6507	100%	6507	100%	-	0%	-	0%	6507	100%
Female	781	781	100%	781	100%	781	100%	-	0%	781	100%
Total	7288	7288	100%	7281	100%	781	100%	-	0%	7288	100%

2. **Details of retirement benefits, for Current FY and Previous Financial Year.**

	FY 2022-23			FY 2021-22		
Benefits	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	0%	0%	0	0%	0%	0

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, all NHPC offices are accessible to differently abled employees and workers, as per the regulatory requirements.

4. **Does the entity have an equal opportunity Policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the Policy.**

NHPC does not have a separate Policy as per the Rights of Persons with Disabilities Act, 2016 but follows Government of India's guidelines regarding reservation in services for Persons with Disabilities to promote inclusive growth.

Listed below are some provisions stated in other organizational policies of NHPC.

- It is mandatory to include at least one PWD Employee in the Grievance Redressal Committee to safeguard interest of PWD employees.
- Under the leaves Policy, special casual leave of 10 days is granted to PWD to participate in conferences/ trainings related to disability.
- Employees with disability are exempt from rotational transfer and are given preference in place of posting at the time of promotion.
- For the rehabilitation of the employees who get physically injured while in service of NHPC Projects/Power Stations/ Units, financial assistance is provided for training in alternate and suitable vocations.

5. **Return to work and Retention rates of permanent employees and workers that took parental leave**

	Permanent employees		Permanent workers	
Gender	**Return to work rate**	**Retention rate**	**Return to work rate**	**Retention rate**
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	Yes. NHPC has an Employee Grievance Redressal Cell where employees / workers can submit their grievances. To file any grievances, the list of various Nodal Officers and their Contact number may be referred to from the below link https://www.nhpcindia.com/assests/pzi_public/gallery/1689568959.pdf
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. **Membership of employees and worker in association(s) or Unions recognized by the listed entity**

	FY 2022-23			FY 2021-22		
Category	**Total employees/ workers in respective category (A)**	**No. of employees/ workers in respective category, who are part of association(s) or Unions (B)**	**% (B / A)**	**Total employees/ workers in respective category (C)**	**No. of employees/ workers in respective category, who are part of association(s) or Unions (D)**	**% (D / C)**
Total Permanent Employees	3005	0	0%	3009	0	0%
Male	2718	0	0%	2720	0	0%
Female	287	0	0%	289	0	0%
Total Permanent Workers	1375	0	0%	1720	0	0%
Male	1174	0	0%	1479	0	0%
Female	201	0	0%	241	0	0%

8. Details of training given to employees and workers

		FY 2022-23					FY 2021-22			
Category	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. C	% (C / A)	No. (D)	No.(E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	2725	347	13%	779	29%	2720	336	12%	1736	64%
Female	287	40	14%	75	26%	289	24	8%	146	54%
Total	**3012**	**387**	**13%**	**854**	**28%**	**3009**	**360**	12%	1882	63%
Workers										
Male	7,681	123	2%	36	0%	7986	51	1%	52	1%
Female	982	20	2%	18	2%	1022	4	0%	4	0%
Total	8,663	143	2%	54	1%	9008	55	1%	56	1%

9. Details of performance and career development reviews of employees and workers

	FY 2022-23			FY 2021-22		
Category	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	2,725	2,725	100%	2720	2720	100%
Female	287	287	100%	289	289	100%
Total	3,012	3,012	100%	3009	3,349	100%
Workers						
Male	7,681	1,174	15%	7986	1479	19%
Female	982	201	20%	1022	241	24%
Total	8,663	1,375	16%	9008	1720	19%

10. Health and safety management system

a. Whether an occupational health and safety management system been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes. NHPC has an Integrated Management System (IMS) which also addresses the requirements of ISO 45001:2018 (Occupational Health and Safety Management System). The IMS covers all the employees and workers of NHPC.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

NHPC has implemented a 'Hazard Identification, Risk Assessment (HIRA)' process which involves identification of hazards, assessing the risk associated with each hazard and developing a risk control action plan. The HIRA process covers all the employees and workers having access to workplace and performing various activities like routine and non-routine, in processing, maintenance, material handling, supply chain, training, medical, environment, canteen & firefighting. All the sectional heads are responsible for ensuring identification, quantification of Occupational Health & Safety (OH&S) risks, approval, and monitoring of risk control plans for activities performed by all employees, workers, contractors and visitors in the area of work.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, NHPC has implemented HIRA (Hazard Identification, Risk Assessment) process and AISA (Aspect-Impact and Significance Analysis) Policy. HIRA process involves identification of potential hazards, assessing their probability, and setting control measures to reduce their impact. Workers are encouraged to report work related hazards to deter such risks.

d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes. All NHPC employees and workers have access to non-occupational medical and healthcare services.

11. **Details of safety related incidents, in the following format**

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.09	0.0
	Workers	0.63	0.21
Total recordable work-related injuries	Employees	1	0
	Workers	21	6
No. of fatalities	Employees	2	0
	Workers	7	7
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	1

12. **Describe the measures taken by the entity to ensure a safe and healthy workplace.**

NHPC is committed to ensure safe workplace at all project sites and offices. Regular safety trainings are organized for the employees to create awareness and eliminate any unforeseen events due to unsafe practices. To make a safe work environment at workplace, each power station/project carries out internal and external safety audits. All legislative regulations including CEA (Central Electricity Authority) Regulations, The Factory Act & Rules and NHPC Safety Manual guidelines are being followed at all our workplaces.

As preparedness for crisis & disaster, NHPC has a Crisis and Disaster Management Plan which includes conducting mock drills at a regular frequency. Most of the power stations are OHSAS-18001:2007/ ISO 45001:2018 (Occupational Health and Safety Management System) certified, thus ensuring sustainable development and enrichment of quality of life of its employees. NHPC is totally committed to seismic safety of its power stations. It has developed one of its kind state-of-art centralized real time seismic data center at its corporate office for online seismic monitoring of all its power stations. The data center records and provides quick assessment of any earthquake event within the vicinity of respective power stations.

13. **Number of Complaints on the following made by employees and workers:**

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

14. **Assessments for the year**

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% of NHPC Corporate Office, Power Stations & Regional Offices.
Working Conditions	100% of NHPC Corporate Office, Power Stations & Regional Offices.

15. **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

The Company ensures that there is no safety-related incident at the workplace. Several corrective actions like Operations Controls Procedures (OCPs) are being implemented to address safety related incidents from assessments of health & safety practices and working conditions. In case of any such incident, a Committee is formed to investigate the root cause for the accident. The observations of the Committee, reason of occurrence and recommendations by the Committee to avoid such incidents in future are specified in a Root Cause Analysis (RCA) report. All suggestions & preventive measures are shared with all power stations and projects to avoid re-occurrence of accident.

Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) & Workers (Y/N)**

   Yes, all regular employees are covered under Group Personal Accident Insurance Scheme and Employee's Deposit Linked Insurance Scheme (EDLI). In addition, House Building Advance (HBA), Motor Vehicle Advance (MVA), and higher education advance for children of the deceased is also insured. NHPC also has Employess' Family Economic Rehabilitation Scheme and Social Security Scheme.

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

   For all contracts, statutory provisions are being made in the tender document for deduction of Employee Provident Fund, Employee State Insurance, and all applicable taxes. Also, a two-stage checking of Tax Deducted at Source (one by end user and the other by Finance department) is followed to ensure payment of statutory due is deducted and deposited by value chain partners.

3. **Provide the number of employees/workers having suffered high consequence work- related injury/ ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY2021-22	FY 2022-23	FY2021-22
Employees	2	0	Nil	Nil
Workers	7	8	Nil	Nil

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

   Yes. NHPC has introduced *'Scheme for Engagement of Retired Executive (Below Board Level) of NHPC, as Consultant'.* As per the scheme, retired executives of NHPC Limited are engaged as consultants to utilize their vast experiences, specialized skills and specific domain knowledge acquired by them during their service tenure. These executives also train young executives, thereby encouraging knowledge sharing and creating a learning environment.

5. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	As per the procurement contracts, NHPC Limited expects its value chain partners to adhere to existing regulations, such as health and safety practices and working conditions. Performance is evaluated based on compliance with regulations regarding working conditions and health and safety practices.
Working Conditions	Although no assessment has been done relating to Health and working conditions, occasional investigations of material value chain partners are performed.

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

   Since no significant risks/concerns arising from occasional investigation of health and safety practices have been reported, no corrective action has been taken to address the risks.

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

The identification of the key stakeholders is based on their influence on the business strategy and sustainability vision of NHPC. NHPC has mapped and identified internal and external stakeholders, including disadvantaged, vulnerable and marginalized stakeholders. These stakeholders include Shareholders, Investors, Discoms, Employees, Local Communities, Suppliers, Contractors, Government and Media. To identify the marginalized and vulnerable stakeholders, desk research (documentary studies) of the overall context, community need assessments, peer comparisons, and key personnel interviewing are also conducted.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of Engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key Topics and Concerns raised during such engagement
Shareholders	No	E-Mails, Newspaper Advertisements, Quarterly earnings call, AGM, Earnings presentation, investor meetings and website	Quarterly and need based situation`	• Corporate Governance and Ethics • Cost optimization and improved Profitability • Return on Investment • Risk Management • Innovation and • Digitization • Focus on Sustainability and ESG
Investors (Other than shareholders)	No	E-mail, Stock Exchange Filings, Website of the Company	As per statutory requirement	Information as per Statutory requirement
Discoms	No	Meetings, Emails, Power Purchase Agreement, Industry Meets	Monthly	Quality and Regular availability of Power
Employees	No	Emails, Meetings, Company Intranet, Employee Grievance Mechanism, social media, Trainings and Awareness programs	Monthly	• Health and Safety • Remuneration and • Appraisals • Learning and Development • Diversity and Inclusion
Local communities	Yes	CSR programs, Meetings with communities, Grievance redressal mechanism	Monthly	• Local community Development • Employment generation
Suppliers and Contractors	Yes	Suppliers meet, Contract documents and agreements, Workshops, trainings, and awareness sessions	Monthly	• Procurement of Quality Raw Materials and Equipment • Ethical business Practices • Payment terms

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of Engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key Topics and Concerns raised during such engagement
Government	No	Calls and meetings with Government officials, MOU', Seminars and interactions with associations and industry chambers.	Continuous	• Act and Policy • Compliances • Implementation of Govt. initiatives • Environmental • Compliances • Regulatory Compliances
Media	No	Media briefings, Press Releases, Company Website, Social Media Platforms like Facebook, Twitter, Instagram, YouTube	Continuous	• Transparency and relevance of information • New business Opportunity • Financial and Operational Performance

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The stakeholder engagement approach at NHPC solicits feedback on a regular basis which allows the Company to promote the concept of shared progress and a shared prosperous future for society. The Company has institutional processes in place to engage significant stakeholder groups in productive dialogue and gather insightful criticism, especially on matters covered by the NGRBC Principles. This serves as a useful input for the Company's risk assessment and strategy building processes.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, stakeholder consultation is used to help identify and address environmental and social issues. In compliance to Environmental Impact Assessment (EIA) Notification, 2006 by the Ministry of Environment, Forest, and Climate Change (MoEF&CC), public consultation is conducted by concerned State Pollution Control Board at project site and feedback of local people on environment and social concern of project are invited and deliberated in the proceedings. The inputs so received from them are incorporated in the final EIA & EMP Report and submitted to MOEF&CC for approval. Once environment clearance is granted, the EMP is implemented at the project site and a compliance report on environment safeguard measures is also submitted to the MOEF&CC.

   NHPC Limited also has a dedicated Corporate Environment Policy which also outlines the compliance of all Government norms and guidelines. Approved EIA / EMP of the project based on inputs received from stakeholders ultimately becomes the key guiding factor to decide upon the activities at the project site.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   Some instances of engagement to address the concerns of vulnerable/marginalized stakeholder groups are as follows:

   Differently abled employees: NHPC endeavors to create a workplace which is conducive to differently abled employees and employees with special needs. It aims to make these employees self-confident through an array of events, forums and trainings specifically crafted for their benefit.

Girl / women and SC/ST communities: Near project locations, NHPC provides scholarship to SC/ST and girl students for education and facilitating literacy programs in rural areas.

The project level teams are also interacting with local communities to gather their feedback and concerns.

Principle 5: Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and Policy(ies) of the entity, in the following format:**

	FY 2022-23			FY 2021-22		
Category	**Total (A)**	**No. of employee/ workers covered (B)**	**% (B / A)**	**Total (C)**	**No of employees/ workers covered (D)**	**% (D / C)**
Employee						
Permanent	3005	0	0%	3339	0	0%
Other than permanent	7	0	0%	0	0	0%
Total Employees	3012	0	0%	3339	0	0%
Workers						
Permanent	1375	0	0%	1753	0	0%
Other than permanent	7288	0	0%	7288	0	0%
Total Workers	8663	0	0%	9041	0	0%

2. **Details of minimum wages paid to employees and workers, in the following format :**

Category	**FY 2022-23**					**FY 2021-22**				
	Total (A)	**Equal to Minimum Wage**		**More than Minimum Wage**		**Total (D)**	**Equal to Minimum Wage**		**More than Minimum Wage**	
		No. (B)	**% (B / A)**	**No. C**	**% (C / A)**	**No. (D)**	**No.(E)**	**% (E / D)**	**No. (F)**	**% (F / D)**
Employees										
Permanent										
Male	2718	0	0%	2718	100%	3037	0	0%	3037	100%
Female	287	0	0%	287	100%	312	0	0%	312	100%
Other than Permanent										
Male	7	0	0%	7	100%	0	0	0%	0	0%
Female	0	0	0%	0	100%	0	0	0%	0	0%
Workers										
Permanent										
Male	1174	0	0%	1174	100%	1510	0	0%	1510	100%
Female	201	0	0%	201	100%	243	0	0%	243	100%
Other than Permanent										
Male	6507	6236	96%	271	4%	6507	6236	96%	271	4%
Female	781	772	99%	9	1%	781	772	99%	9	1%

3. **Details of remuneration/salary/wages, in the following format:**

Category	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	9	7333170	1	0
Key Managerial Personnel	0	0	1	4345413
Employees other than BoD and KMP	2715	3024022	286	2786515
Workers	1174	2061792	201	1689134

**Out of 10 no. of BoD, 6 Directors were non-Executive Directors including 1 female, to whom no remuneration/ salary/ wages had been paid by the Company.*

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

   Yes. Corporate HR department is responsible for ensuring adherence to Human Rights and addressing any issues caused or contributed to by the business.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

   To address employee concerns and complaints pertaining to human rights and decent labor practices, a Grievance Redressal Mechanism with appropriate systems and mechanisms has been instituted across NHPC Units. Two hours of every week is reserved for grievance redressal when all Division Heads hear public grievances.

6. **Number of complaints on the following made by employees and workers**

Complaints	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	1		0	1	
Discrimination at workplace	0	0		0	0	
Child Labor	0	0		0	0	
Forced Labor/Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other Human Rights related issues	0	0		0	0	

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

   NHPC is dedicated to preventing harassment in the workplace, particularly sexual harassment, and has zero tolerance for such a behavior. NHPC follows Government of India guidelines with respect to Prevention of Sexual Harassment at Workplace. As per the guidelines, there is a provision for non-disclosure of identity of the complainant in cases involving discrimination and harassment.

8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

   Yes, adherence to human rights requirements is a part of all our business agreements and contracts.

9. **Assessments for the year:**

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labor	100%
Forced or Involuntary Labor	100%
Sexual Harassment	100%
Discrimination at Workplace	100%
Wages	100%

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above**

NHPC is in the process of drafting a Human Rights Policy which will be applicable to all our employees and value chain partners. Its implementation will be focused on adherence to applicable laws and upholding the spirit of human rights.

Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.**

NHPC is drafting a Human Rights Policy to address grievances/complaints related to Human Rights violation.

2. **Details of the scope and coverage of any Human rights due diligence conducted.**

No human rights due diligence has been conducted. However, NHPC Limited ensures that the value chain partners are complying with the regulatory requirements as stipulated by the Government of India.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes, our offices are easily accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016

4. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	100%
Discrimination at Workplace	100%
Child Labor	100%
Forced Labor / Involuntary Labor	100%
Wages	100%

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above**

Since there are no risks/concerns arising from assessment of value chain partners, no corrective action is required.

Principle 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	Unit	FY 2022 - 23	FY 2021 - 22
Total electricity consumption (A)	GJ (Gigajoules)	2,80,614.3	2,83,378.3
Total fuel consumption (B)	GJ (Gigajoules)	35,067.5	40,040.9
Energy consumption through other sources (C)	GJ (Gigajoules)	16,249.92	13,525.2
Total energy consumption (A+B+C)	**GJ(Gigajoules)**	**3,31,931.0**	**3,36,944.5**
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees Cr)	GJ/ Rs. Cr.	35.63	40.55

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

No, NHPC does not have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2022 - 23	FY 2021 - 22
Water withdrawal by source (in kiloliters)		
(i) Surface water	13,56,012.16	14,09,661.82
(ii) Groundwater	4,40,470.7	4,53,421.3
(iii) Third party water	13,322.0	2,203.00
(iv) Seawater / desalinated water	0.0	0.0
(v) Others	0.0	0.0
Total volume of water withdrawal (i + ii + iii + iv + v)	**18,09,804.9**	**18,65,286.17**
Total volume of water consumption (In kiloliters)	14,06,250.54	16,64,510.9
Water intensity per rupee of turnover (Water consumed / turnover Rs. cr)	150.9	200.3

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

No, NHPC has not implemented 'Zero Liquid Discharge' mechanism in its operations.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2022 - 23	FY 2021 - 22
NOx	µg/m3	663.84	711.80
SOx	µg/m3	156.74	123.27
Particulate matter (PM)	µg/m3	612.26	654.85
Persistent organic pollutants (POP)	-	0.0	0.0

Parameter	Please specify unit	FY 2022 - 23	FY 2021 - 22
Volatile organic compounds (VOC)	-	0.0	0.0
Hazardous air pollutants (HAP)	-	0.0	0.0
Others – please Specify	-	0.0	0.0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022 - 23	FY 2021 - 22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	NHPC is engaged in electricity generation through Hydropower and other renewable energy sources like Solar & Wind, which are clean & green sources of energy. Further, DG sets etc. being used for auxiliary and allied purposes emit negligible greenhouse gases. However, NHPC is internally deliberating on the process of tracking its GHG emission.		
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)			
Total Scope 1 and Scope 2 emissions per rupee of turnover			
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

7. **Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

NHPC's business activity of generating electricity from non-consumptive use of renewable sources such as water (hydropower), solar and wind itself is a Green House Gas (GHG) reduction activity.

8. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022 - 23	FY 2021 - 22
Total Waste Generated (in metric tonnes)		
Plastic waste **(A)**	15,755.13	11,764.26
E-waste **(B)**	10,463.15	7,520.9
Bio-medical waste **(C)**	25,028.15	27,821.1
Construction and demolition waste **(D)**	23,557.0	28,240.0
Battery waste **(E)**	17,090.00	13,148.62
Radioactive waste **(F)**	0.00	0.00
Other Hazardous waste. Please specify, if any. **(G)**	4,867.5	51,178.5
Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	2,07,012.71	1,09,710.00
Total (A+B + C + D + E + F + G + H)	**2,99,973.39**	**2,44,628.08**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) Category of waste		
(i) Recycled	23,540.12	20,084.00
(ii) Re-used	18,397.75	22,630.00
(iii) Other recovery operations	18,412.00	13,148.62

Parameter	FY 2022 - 23	FY 2021 - 22
Total	**60,349.87**	**55,862.62**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	60.87	396.81
(ii) Landfilling	1,07,703.28	94,693.29
(iii) Other disposal operations	33,795.68	72,045.19
Total	**1,41,559.82**	**1,67,135.28**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

NHPC has proper handling and disposal mechanism for each category of waste including Sold waste, Hazardous waste and E-waste. In coordination and collaboration with the relevant stakeholders (SPCB, PCC, MoEF&CC, District Administration and Urban/local bodies), NHPC Limited ensures that all of its facilities abide by preventative waste management rules. The solid waste generated through offices and colonies is collected and safely disposed by manpower, whereas the recyclable waste such as plastics, metal, glass, cardBoards etc. are collected by scrap collectors and the remaining is disposed off in landfill site. We have also signed an agreement with Solid Waste Management Limited Nalagarh Distt Solan HP for disposal of hazardous waste at our plant at Prabati. E-waste is disposed off through authorized e-waste handler only.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N)
1	Not applicable. During this Reporting Year, No Projects are in area as mentioned in Q1 above	NA	NA

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Dugar HEP (500MW), District-Chamba, Himachal Pradesh. Project is under Clearance Stage. EC & FC are under Progress	SO1533(E)	14.09.2006	Yes	Yes	Final EIA EMP Report submitted to MOEF&CC on parivesh.nic.in

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, all plants of NHPC Limited are compliant with applicable environmental laws/ regulations and guidelines.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control Boards or by courts	Corrective action taken, if any
Not Applicable				

Leadership Indicators

1. **Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Parameter	Unit	FY 2022 - 23	FY 2021 - 22
From renewable sources			
Total electricity consumption (A)	GJ (Gigajoules)	0	0
Total fuel consumption (B)	L (liters)	0	0
Energy consumption through other sources (C)	GJ (Gigajoules)	16,249.92	13,525.2
Total energy consumed from renewable sources (A+B+C)	GJ (Gigajoules)	16,249.92	13,525.2
From non-renewable sources			
Total electricity consumption (D)	GJ (Gigajoules)	280,614.3	283,378.3
Total fuel consumption (E)	GJ (Gigajoules)	35,067.5	40,040.9
Energy consumption through other sources (F)	-	0	0
Total energy consumed from non-renewable sources (D+E+F)	GJ (Gigajoules)	315,681.8	323,419.2

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. Provide the following details related to water discharged:

S. No.	Parameter	FY 2022 - 23	FY 2021 - 22
Water discharge by destination and level of treatment (in kilolitres)			
(i)	To Surface water	403,554.36	200,775.25
	- No treatment	0	0
	- With treatment – Sewage Treatment Plant	403,554.36	200,775.25
(ii)	To Groundwater	0	0
	- No treatment	0	0
	- With treatment – please specify level of treatment	0	0
(iii)	To Seawater	0	0
	- No treatment	0	0
	- With treatment – please specify level of treatment	0	0
(iv)	Sent to third parties	0	0
	- No treatment	0	0
	- With treatment – please specify level of treatment	0	0
(v)	Others	0	0
	- No treatment	0	0
	- With treatment – please specify level of treatment	0	0
	Total water discharged (in kilolitres)	**403,554.36**	**200,775.25**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

3. **Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):**

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022 - 23	FY 2021 - 22
Water withdrawal by source (in kiloliters)		
(i) Surface water	Not applicable	
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (In kilolitres)		
Total volume of water consumption (In kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	Not applicable	
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2022 - 23	FY 2021 - 22
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	NHPC is internally deliberating on the process of tracking its Scope 3 emission.	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

5. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Since NHPC does not have operations/offices in/around ecologically sensitive areas, there was no direct impact of the entity on biodiversity and hence, no remediation activities were undertaken.

6. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Post Project Environmental Evaluation of Rangit HE Project Sikkim using Remote sensing and GIS Technology.	The Post project evaluation of environmental aspects using temporal Remote Sensing data was done to find out the efficacy of implemented measures in due course of time. The study was focused on the evaluation of efficacy of environmental management plans viz, Compensatory Afforestation Scheme, Catchment Area Treatment Plan, Reservoir Rim treatment, Restoration plan, Shifting of religious monument, Free Fuel Provision, and Resettlement & Rehabilitation plan.	The conclusion and recommendations are as under: (i) Normal Variation in Snow cover was found. (ii) The in-depth analysis of each sub-watersheds (SWS) treated under Catchment Area Treatment gives overall efficacy of management plan implemented for the project. All the SWS have slight variations in land use categories but it is evident from the findings that the CAT plan undertaken in the area has been beneficial. (iii) When comparing with the current status with the situation prevailing during year 1994, it was found that the land-slides have not only reduced in numbers but also the active slides are showing reducing trend with respect to its area. (iv) Six SWS were treated under CAT plan (Composite area of 12,775 ha); Erosion analysis of all the treated SWS shows that only 2.15% area is showing negative changes which is nominal in the time frame of ten years (2010 to 2020). The areas showing positive change is about 5.33% and the area under no change is about 92.52%.
2	Study of Landslides in the vicinity of nine commissioned/ under construction hydroelectric projects of NHPC utilizing Remote Sensing & GIS Technology in association with IIRS, Deptt. of Space, GoI, Dehradun.	The study has been taken at 09 Nos. Power Stations of NHPC jointly with IIRS Dehradun. The main objective was to analyze whether construction of the project has any impact on landslides in the project area.	The report of the study, prepared by IIRS, Dehradun indicates that the construction of the project has no impact on landslide activities in the study area.

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
3	Targeted Solutions through emerging Geophysical Technology in Resistivity Imaging & Ground Penetration Radar for optimization of Geological uncertainties in Hydro Power Projects (24.07.18)	Investigation in hydroelectric project plays a very vital role and is of great importance for construction of project in optimum time and cost-effective manner. To minimize the uncertainties in investigations, emerging geophysical technologies in Resistivity Imaging and Ground penetration Radar can be of immense help.	The project concluded that Resistivity Imaging can be utilized effectively over tunnel alignments wherever feasible, in order to minimize geological uncertainties / surprises. This will further help in better assessment of geological conditions along the tunnel.
4	Introduction of Hydraulic Motor operated Rope Drum Hoisting System for one surge shaft gate of Dhauliganga Power Station under technology up gradation / R&D intervention	This R&D project has been taken up at Dhauliganga Power Station.	Introduction of Hydraulic motor drive, as a technology upgradation intervention would offer enhanced safety and improved performance of the gate hoist. Its successful demonstration at Dhauliganga Power Station would pave the way for similar intervention/ applications in other NHPC power stations.
5	Numerical and physical model studies for elimination of de-silting basins in hydroelectric projects by sediment management through reservoir operation techniques (07.03.2019).	This study has been taken up at Teesta-VI Project in association with CWPRS Pune.	From the analysis it can be concluded that desilting basin is necessary in Teesta-VI reservoir as more than 90% of suspended sediment load enters intake for grain diameter 0.25 mm and above.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

NHPC has prepared its "Crisis & Disaster Management Plan" (C&DMP). It is being implemented in all power stations/ projects. This plan describes the emergency preparedness of the power stations/projects and is applicable to deal with various types of emergencies that could occur within the premises of power station area, including the residential colony area. C&DMP covers all possible crisis and disasters like earthquake, flood, terrorist attack, landslide, etc. and preventive actions to be taken as per site conditions. C&DMP defines the functions and responsibilities of all concerned, managerial, operational & supporting services, fire services, medical services, security forces and civil administration for effective management of the onsite-emergency situations.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Not Evaluated.

9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

We have not conducted assessments for our value chain partners for environmental impacts

Principle 7: Businesses when engaging in influencing public and regulatory bodies, should do so in a transparent and responsible manner

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations**

NHPC is a member of 2 trade and industry chambers/associations.

b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Standing Conference of Public Enterprises (SCOPE)	National
2	Power Foundation	National

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of Authority	Brief of the Case	Corrective Action Taken
Nil	Nil	Not Applicable

Leadership Indicators

1. **Details of public policy positions advocated by the entity**

S. No.	Policy advocated	Method for such advocacy	Whether information is in public domain (Y/N)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link if Available
Nil					

Being one of the largest hydropower companies in India, NHPC has played a pivotal role in framing policies for pushing hydropower development. Over the years, NHPC has developed an in-house expertise in various disciplines involved in harnessing hydropower potential across the Himalayas. Experts from NHPC participate in discussions, strategy/policy formulation exercises undertaken by Government of India & other statutory bodies in fields related to Power Policy, Electricity Act, Hydro Policy, Renewable Energy, Smart Grid Sustainability etc.

Principle 8: All Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Social Impact Assessments of projects are regularly conducted as part of land acquisition process under Right to Fair Compensation & Transparency in Land Acquisition, Rehabilitation & Resettlement Act, 2013. It is conducted by the state government and payment is released by NHPC. During FY 2022- 2023, no SIA was conducted.

Name and brief of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Y/N)	Results communicated in public domain (Y/N)	Relevant Web Link
No SIA has been conducted during the reporting period.					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No	Name of project for which R&R is on going	State	District	No. of Project Affected Families (PAFs)	% Of PAFs covered under R&R	Amounts paid to PAFs in the FY (in INR)
1	Parbati II HEP	Himachal Pradesh	Kullu	947	35.6%	₹ 10,90,125
2	Subansiri Lower HEP	Assam	Dhemaji	77	100%	₹ 27,75,36,359

3. **Describe the mechanisms to receive and redress grievances of the community**

The internal project teams of NHPC and the CSR team regularly interact with the community to discuss, identify, and resolve any problems, complaints, and grievances of the community members. The grievances can be submitted orally or in writing.

NHPC also has a 'Centralized Public Grievance Redressal & Monitoring System' which can be used by the local Communities to file any grievances.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers :**

	FY 2022 - 23	FY 2021 - 22
Directly sourced from MSMEs/ Small Producers	50.16% of total annual procurement of products produced and services rendered by MSEs.	43.99 % of total procurement of products produced and services rendered by MSEs.
Sourced directly from within the district and neighboring districts	NHPC does not record the data of materials sourced from and within the districts and neighboring districts considering the volume of our operations.	

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies**

S. No.	State	Aspirational District	Amount spent (INR Lakh)
. 1	UT of Jammu & Kashmir	Baramulla	₹ 498.84
2	Himachal Pradesh	Chamba	₹ 756.29
3	Sikkim	West Sikkim (Gyalshing)	₹ 390.57
	Total		**₹ 1,645.70**

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

   Yes

   (b) **From which marginalized /vulnerable groups do you procure?**

   Micro & Small Enterprises (MSEs)

   (c) **What percentage of total procurement (by value) does it constitute?**

   50.16% total annual procurement of products produced and services rendered by MSEs.

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge**

S. No	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes or No)	Benefit shared (Yes or No)	Basis of calculating benefit share
Not Applicable				

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of authority	Brief of the authority	Corrective Action Taken
Not Applicable		

6. **Details of beneficiaries of CSR projects**

Details of CSR Projects are available on the Company's website :–

https://www.nhpcindia.com/assests/pzi_public/gallery/16909740840.pdf

Principle 9: Business should engage with and provide value to their customers in a responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   Being in a B2B industry, NHPC supplies power to various beneficiary DISCOMs. Hence, it does not receive complaints directly from consumers. Any complaints/ issues regarding the interpretation of various Rules and Regulations under which the Power Sector is governed is taken up by the Customers at appropriate forum (Central Electricity Regulatory Commission / Appellate Tribunal for Electricity).

   In addition, there is a 'Centralised Public Grievance Redressal & Monitoring System' linked with the Ministry of Power. The contact details for any complaints are given in the link – https://www.nhpcindia.com/assests/pzi_public/gallery/1689568899.pdf

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable as NHPC is in the business of producing electricity, there are no goods or services carrying the information
Safe and responsible usage	
Recycling and/or safe disposal	

3. **Number of consumer complaints in respect of the following:**

   Power sector is a regulated industry in India through Ministry of Power, Central Electricity Regulatory Commission and State Electricity Regulatory Commission under the powers conferred to them under Electricity Act, 2003 and amendments thereof. The Company ensures compliance to these regulations in supplying power to various DISCOMs from its power stations. No consumer complaint was received in respect of the following:

Name of project for R&R	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	0	0	-	0	0	-

4. **Details of instances of product recalls on account of safety issues**

	Number	Reasons for recall
Voluntary recalls	(Not Applicable)	
Forced recalls		

5. **Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   Yes. NHPC has a well-defined IT & Cyber Security policy to develop a robust security technology, enable protection of information and safeguard privacy and confidentiality of data. NHPC is certified with Information Security Management System (ISO 27001:2013) policy for corporate office which assures confidentiality, integrity, and availability of information assets. It is an internal policy and not available in public domain.

   Vulnerability Audit and Penetration Testing (VAPT) Audit is carried out at all generating power stations to identify gaps and secure valuable information and vital infrastructure periodically. A centralized end point security software solution has been implemented to protect Servers / Desktops against cyber threats. NHPC has a comprehensive Cyber Crisis Management Plan (CCMP) as part of its Risk Management Policy which provides mitigation measures arising from the risks of cyber security breaches and insecure IT Communication Systems. It is an internal document and not available in public domain.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

NHPC has a well-defined IT & Cyber Security policy in place. There is no issue relating to advertising, delivery of essential services, cyber security, and data privacy of customers. No penalty has been imposed by any regulatory authorities i.e., CERC, SERC and Appellate Tribunal for Electricity (APTEL) on safety of products/services.

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

NHPC is a power generation company and sells its power to various DISCOMs which sell it further to end consumers. It does not advertise its products and services. However, NHPC provides information about its activities through:

- Website (https://www.nhpcindia.com/)
- Social media platform
- Facebook: https://www.facebook.com/NHPCIndiaLimited
- Twitter: https://twitter.com/nhpcltd
- Instagram: https://www.instagram.com/nhpclimited
- Koo: https://www.kooapp.com/profile/nhpclimited
- YouTube: https://www.youtube.com/@NHPCLimited1
- Brochures and Booklets
- Participation in Exhibitions & Trade Fairs
- Organizing and Sponsorship of Events
- Corporate/Documentary Films
- Advertisements
- Various statutory compliances (including compliances applicable for a listed company)
- Media Interactions/Press Releases/Press Conferences
- Information sought by Government/Parliament/other bodies from time to time

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

NHPC follows a B2B operational model and is not directly involved in the distribution services to the consumer. However, it makes reasonable efforts to spread awareness regarding conservation of energy in the following manner:

a. It informs the public about the release of water from its dam through press releases/notices in the media from time to time.

b. Safety notice boards are also placed in sensitive areas in the power stations. Safety instructions/ use of safety equipment is ensured by NHPC power stations for employees/workers and visitors while working/visiting the power stations/projects.

c. Under the aegis of Azadi ka Amrit Mahotsav, NHPC has conducted many street plays/rallies/events which promoted themes like energy conservation/ safety etc. amongst the general public.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

NHPC is in the business of supplying quality power to DISCOMs from its various Hydropower Stations, Solar and Wind Power plants. For scheduled disruption in supply of power for the upcoming month, information is provided to customers during Operation Coordination Committee (OCC) meetings, which are conducted in every region where all the generators and customers are present. Further, power is scheduled to the customers on a day-ahead basis and thus any unplanned disruption in power supply from any power plant is known to the customers on a day-ahead basis.

Also, NHPC does not directly communicate with DISCOMs regarding disruption/discontinuation. Schedule for generation is sent to the respective Regional Load Dispatch Centre (RLDC) in advance. Any changes in declared generation schedule whenever required are intimated from time to time to respective RLDC as per Indian Electricity Grid Code (IEGC).

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regards to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Product information: NHPC does not sell power directly to the consumer and cannot display product information. Additionally, tariffs charged by NHPC power stations are governed by orders of Central Electricity Regulatory Commission (CERC). At the time of determination of tariff for a tariff period, details of Annual Fixed Charges (AFC) of power station are published in daily newspapers including one in English and one in vernacular language and circulated.

   Survey for consumer satisfaction: NHPC takes regular feedback from its beneficiaries which helps to serve customers in a more effective way. Feedback received for the year is satisfactory. NHPC is also connected with beneficiary states through Regional Power Committees (RPCs) which is a statutory body under Electricity Act 2003. This is a common forum for regular interaction of beneficiary DISCOMs and for resolving outstanding issues. NHPC also conducts periodic customer meets for its beneficiary DISCOMs for interaction and for resolving outstanding issues, if any.

5. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches along-with impact.** Nil

   b. **Percentage of data breaches involving personally identifiable information of customers.** Nil

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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 2023

The preparation of financial statements of NHPC Limited for the year ended 31 March 2023 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 29 May 2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of NHPC Limited for the year ended 31 March 2023 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

Sd/-
(Sanjay K. Jha)
Director General of Audit (Energy)

Place: New Delhi
Dated: July 28, 2023

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 2023

The preparation of consolidated financial statements of NHPC Limited for the year ended 31 March 2023 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 29 May 2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statement of NHPC Limited for the year ended 31 March 2023 under Section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of NHPC Limited and subsidiaries/joint ventures/associate companies mentioned in **Annexure I**, but did not conduct supplementary audit of the financial statements of subsidiaries/joint ventures/associate companies mentioned in **Annexure II** for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

Sd/-
(Sanjay K. Jha)
Director General of Audit (Energy)

Place: New Delhi
Dated: July 28, 2023

Annexure I

List of Subsidiaries, Associate Companies and Jointly Controlled Entities whose financial statements were audited by the Comptroller and Auditor General of India

Subsidiaries:

S No.	Name of entity
1	NHDC Limited
2	Lanco Teesta Hydro Power Limited
3	Jalpower Corporation Limited
4	Ratle Hydroelectric Power Corporation Limited

Annexure II

List of Subsidiaries, Associate Companies and Jointly Controlled Entities whose financial statements were not audited by the Comptroller and Auditor General of India

Subsidiaries:

S No.	Name of entity
1	Loktak Downstream Hydroelectric Corporation Limited
2	Bundelkhand Saur Urja Limited
3	NHPC Renewable Energy Limited
4	Chenab Valley Power Projects Limited

Joint Venture:

S No.	Name of entity
1	National High Power Test Laboratory Private Limited

INDEPENDENT AUDITORS' REPORT

To the Members of NHPC Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **NHPC Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and Notes to the Standalone Financial Statements, including a summary of significant accounting policies and Other Explanatory Notes for the year ended on that date (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditors' Responsibilities for the Audit of the Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have considered the matters described below to be the Key Audit Matters for incorporation in our Report.

Sl. No.	Key Audit Matters	Addressing the Key Audit Matters
1.	**Regulatory Deferral Account Debit Balances and accruals of revenue pending tariff Notifications.** The operating activities of the Company are subject to cost of service regulations whereby tariff charged for electricity generated is based on allowable capital and other cost and expenses and stipulated return there against. The Company invoices its customers on the basis of pre-approved/ provisional tariff which is subject to truing up. The Company recognizes revenue as the amount invoiced to customers based on pre-approved/ provisional tariff rates agreed with the regulator. As the Company is entitled to a fixed return on equity, the difference between the revenue recognized and entitlement as per the regulations is recognized as regulatory assets / liabilities. As at March 31, 2023, the Company has recognized Regulatory Deferral Account Debit balances of ₹ 6420.12 Crores (₹ 6948.11 Crores up to March 31, 2022) as given in Note 14.1 of the Standalone Financial Statements.	**Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the carrying value of Regulatory Deferral Account Debit Balances include the following:** • Understanding and testing the design and operating effectiveness of controls as established by the management for accrual of income and determination of the amounts recoverable there against. • Obtaining and understanding of the amount recoverable in terms of CERC Regulations and assessing, testing and evaluating the reasonableness thereof keeping in view the significant judgements applied by the management for such assessments. • The above includes the evaluation of the CERC guidelines and acceptance of the claim made by the Company in the past and the trend of disallowances on various count and adherences and compliances thereof by the management and rationale for assumptions taken under the given situation and business environment.

Sl. No.	Key Audit Matters	Addressing the Key Audit Matters
	This include accruals aggregating to ₹ 3470.59 Crores on account of interest cost and other attributable expenses pertaining to Subansiri Lower HE Project for the period from the date of interruption of work i.e. 16.12.2011 till 30.09.2019 as indicated in Note 34(22A) of Standalone Financial Statements. Regulatory Deferral Accounts Debit Balances are determined based on tariff regulations and past tariff orders and are subject to verification and approval by the regulators. The Regulatory Deferral Accounts Debit Balances are recognized on undiscounted basis based on the estimates and assumptions with respect to the probability that future economic benefit will flow to the entity as a result of actual or expected action of regulator under applicable regulatory framework and therefore recoverability thereof is dependent upon Tariff Regulations and related approvals and notifications. The accruals made as above are vital and proprietary to the business in which the Company is operating. In absence of specific notification and rate fixation, these are based on the management's assumptions and estimates which are subject to finalization of tariff by CERC and commencement of operations of the Projects.	• Evaluating the various assumptions considered by the management for arriving at the value of Cash Generating Unit, Note 34(18) of Standalone Financial Statements in case of Subansiri Lower HE Project and adequacy thereof with respect to the carrying value of the Project in Progress and balances pertaining to the said project under Regulatory Deferral Accounts. • Assessing the application of provisions of Ind AS 114, Guidance Note on Accounting of Rate Regulated Activities issued by ICAI for recognition of regulatory deferral balances. • Reviewing the adequacy and reasonableness of amounts recognised and measurement policies followed by the Company and adequacy of the disclosure made with respect to the same in the Standalone Financial Statements of the Company.
2.	**Impairment Assessment of carrying amount of:** **A. Property, Plant and Equipment (PPE) and Capital Work in Progress (CWIP)** Each of the Power Station/ Project has been considered as Cash Generating Units (CGU) of the Company and impairment indicators and requirements thereof have been assessed with respect to the Property, Plant and Equipment (PPE) and Capital Work in Progress (CWIP) as given in Note 34(18) of the Standalone Financial Statements. This has been assessed that no significant change with an adverse effect on the Company has taken place during the year or is expected to take place in the near future, in the technological, economic or legal environment in which the Company operates. Based on the assessment, the Company has concluded that there exists no significant impairment indicator or any impairment in respect of the CGUs of the Company tested for impairment during the year 2022-23. Based on the above assessment, no provision for impairment against PPE or CWIP has been considered necessary by the Company.	**Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the impairment assessment of carrying amount of PPE, CWIP & Investments in/ Loans to Subsidiaries/ Joint Ventures include the following:** • Critical evaluation of internal and external factors impacting the entity and indicators of impairment (or reversal thereof) in line with Ind AS 36. • Review of impairment valuation models used in relation to CGU to determine the recoverable amount by analysing the key assumptions used by management in this respect including: – Consistency with respect to forecast for arriving at the valuation and assessing the potential impact of any variances; – Price assumptions used in the models; – Factoring of risk inherent to the CGUs in the Cash Flow projections or the discount rate. – The assumption/estimation for the weighted average cost of capital and rate of discount for arriving at the value in use.

Sl. No.	Key Audit Matters	Addressing the Key Audit Matters
	Impairment exercise undertaken which justifies the carrying amount of certain assets as above include the regulatory deferral account balances pertaining to Subansiri Lower HE Project as dealt with under para 1 above, is significant and vital to the Company's operations. Evaluation of the impairment involves assessment of value in use of the Cash Generating Units (CGUs) and requires significant judgements and assumptions about the future cash flow forecasts, forecast production, forecast volumes, prices and discount rate. **B. Company's investments in and loans to Subsidiaries and Joint Ventures** The Company has investments in a subsidiary (Loktak Downstream Hydroelectric Corporation Limited) and a joint venture (National High Power Test Laboratory Private Limited) with a carrying value of ₹ 135.96 Crores. Further, the Company has also provided loan to the joint venture amounting to ₹ 18.40 Crore. The Company accounts for its investments in subsidiaries and joint ventures at cost (subject to impairment assessment). Management regularly reviews whether there are any indicators of impairment of investments with reference to Ind AS 36 'Impairment of Assets'. If such indicators exist, impairment loss is determined and recognised in accordance with the accounting Policy of the Company. In case of the subsidiary, due to the delay in investment sanction (PIB & CCEA) and high projected tariffs, the Company has recognised impairment allowance of ₹ 105.56 Crores during the year ended March 31, 2023, in respect of the investment made in the subsidiary. The joint venture, on the other hand, has been incurring continuous losses, and accordingly, during the year ended March 31, 2023, the Company has recognised impairment allowance of ₹ 16.33 Crores, in respect of the investment made in the joint venture and ₹ 18.40 Crores in respect of loan provided to the joint venture. Refer Note 34(18) of Standalone Financial Statements.	• Reviewed the Government Policy and approval for setting up the Projects, decision of the Board of Directors and the efforts and steps being undertaken in this respect. • Reliance has been placed on management projections for completion timeline, volume of generation and resultant revenue based on expected tariff there against. • Obtained and read the financial statements of the Subsidiaries and joint ventures to identify any disclosure for impairment of assets in their standalone financial statements. • Evaluation of adequacy and appropriateness of disclosures made in the Standalone Financial Statements.

Sl. No.	Key Audit Matters	Addressing the Key Audit Matters
	Further, the Company has not recognised interest income of ₹ 2.10 Crores during the current financial year (₹ 1.67 Crores during the year ended March 31, 2022) from its joint venture due to significant uncertainty in realization.	
3.	**Contingent Liabilities – against claim from Contractors (Note 34(1)(a)(i) of Standalone Financial Statements)** Various claims lodged by the Contractors against Capital Works amount to ₹ 9971.13 Crores of which ₹ 1116.93 Crores have been provided for, ₹ 8556.95 Crores have been disclosed under Contingent Liabilities and in respect of the rest of the claims, possibility of any outflow in settlement is considered as remote. This includes matters under arbitration and/ or before the Court which have been decided against the Company. Further, amounts have been paid/deposited pursuant to the NITI Aayog directions or Court order in some cases as referred in Note 34 (1) (e) (i) & (ii) of the Standalone Financial Statements. Claims made against the Company are significant. These are pending for decision before arbitration or other judicial forums and consequential and possible impact thereof. Provisions/disclosure required have been based on the management's assessment of the probability of the occurrence of the liability.	**Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the Contingent Liabilities include the following:** • Obtained the status of the cases from the legal department and their view on the matter; • Evaluated the contractual terms and conditions and management's rationale for the adequacy of the provision so far made and the amount remaining unprovided against the demands made against the Company; • Discussion with management and perusing/ reviewing the correspondences, Memos and Notes on related matters. • Reliance has been placed on the legal views and decisions on similar matters and probability of the liability arising therefrom and provision made by the Management pending final judgement/ decisions; • Reviewed the appropriateness and adequacy of the disclosure and provision by the management as required in terms of the requirement of Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets".
4.	**Expenditure incurred on Survey and Investigation Projects and those under preconstruction stage upto 31.03.2023** Expenditure of ₹ 1293.90 Crores as given in Note 2.2.3 of the Standalone Financial Statements has been incurred for conducting survey and investigation on projects. This includes Interest, administrative and other costs attributable to these projects. Out of this ₹ 964.21 Crores (including ₹ 2.19 Crores during the year) have been provided for, keeping in view uncertainty with respect to clearances, approvals for implementing the Projects, leaving ₹ 329.69 Crores which has been carried forward as Capital Work in Progress. Further, Capital Work in Progress also includes Projects where active construction activities are yet to be undertaken. Interest, Administrative and other Costs are capitalized till the projects are abandoned, however, provisions are made as given herein above in cases where in view of the management there are uncertainties in implementing the projects undertaken.	**Our audit procedures based on which we arrived at the conclusion regarding the carrying amount of expenditure incurred on survey and Investigation Projects include the following:** • Obtained the status of the Projects under Survey and Investigation stage as provided by the management and the reason thereof of keeping them in abeyance. • Understanding and testing the design and operating effectiveness of controls as established by the management for accounting the expenses incurred (a) for survey and investigation projects and the Policy followed for making provisions/ write off for such expenses given the nature of business of the Company, (b) for project under pre-construction stage and allocation of Borrowing and other cost incurred and allocated there against. • Evaluating the management's rationale with respect to continuing such projects under Capital Work in Progress in spite of there being uncertainties and delay in implementing the same and expected economic use of the same in future.

Sl. No.	Key Audit Matters	Addressing the Key Audit Matters
	In the event of related Projects not being undertaken, amounts spent on survey and investigation and those incurred/ allocated prior to construction thereof will no longer be eligible to be carried forward as Capital Work in Progress.	• Evaluating the tenure of pre and under construction stage of project and management contention of normal period required for the same given the location, size and nature in each case of the respective project. • The matter being technical and proprietary to the nature of business in which the Company is operating, reliance has been placed on the management's contention and representation on the matter.
5.	**Recognition of MAT Credit and Regulatory Deferral (Credit) balances** During the current Financial Year, the Company has assessed the recoverability of unrecognised MAT Credit of ₹ 945.96 Crores available to it. Based on such assessment, the Company has recognized deferred tax asset relating to MAT credit entitlement of ₹ 417.31 Crores (₹ 1478.62 Crores upto March 31, 2022) as the amount of MAT Credit which shall be available for utilization by the Company in future years by way of lower outflow of Income Tax in future years. Out of the MAT Credit recognised, ₹ 328.94 Crores has been utilized during the current Financial Year. Correspondingly, in respect of ibid deferred tax asset relating to MAT credit entitlement, Regulatory Deferral (Credit) Balance of ₹ 923.20 Crores (₹ 1313.27 Crores upto March 31, 2022) has been recognized, being the amount, which shall be passed on to the beneficiaries in future as per CERC Tariff Regulations. The recoverability of this deferred tax asset relating to MAT credit entitlement is dependent upon the generation of sufficient future taxable profits to utilize such entitlement within the stipulated period prescribed under the Income Tax Act, 1961. The recognition of MAT Credit and Regulatory Deferral (Credit) balance there against is important to the intended users of the Standalone Financial Statements in view of its materiality and requirement of judgement in forecasting future taxable profits for recognition of MAT credit entitlement considering the recoverability of such tax credits within allowed time frame as per the provisions of the Income Tax Act, 1961. Relevant disclosures in this regard have been provided at Notes 14.2, 18, 30.1, 31, 34(22)(E) read with Significant Accounting Policy No. 20.0(b) of the Standalone Financial Statements.	**Our audit procedures based on which we arrived at the conclusion regarding appropriateness of MAT Credit recognized and Regulatory Deferral (Credit) balances created there against include the following:** • Understanding and testing the operating effectiveness of the Company's control relating to taxation and assessment of carrying amount of deferred tax assets/ liabilities. • Review of the Company's accounting Policy in respect of deferred tax assets on unutilized MAT credit and current year developments, if any, requiring change in such Policy and management contention on the same. • Evaluation of tax credit entitlement as legally available to the Company based on internal forecasts prepared by the Company and probability of future taxable income. • Review of underlying assumptions for consistency and uncertainty involved and principle of prudence for arriving at a reasonable degree of probability of utilisation of MAT Credit recognized. • Review of implication pertaining to regulatory regime under which the Company operates and estimations prepared by the Company regarding MAT Credit arising out of generation activity to be passed on to beneficiaries and impact thereof on the Standalone Financial Statements under the given current Regulatory provisions and period of applicability thereof. • Evaluation of adequacy and appropriateness of disclosures made in the Standalone Financial Statements.

Information other than the Financial Statements and Auditors' Report thereon

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

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

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standard on Auditing (SAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to Standalone Financial Statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

i. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

ii. Based on the verification of books of account of the Company and according to information and explanations given to us, we give below a report on the Directions issued by the Comptroller and Auditor General of India in terms of Section 143 (5) of the Act:

Sl. No.	Directions	Reply
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	According to the information and explanations given to us and based on our audit, all accounting transactions are routed through ERP system implemented by the Company. Period end Standalone Financial Statements are compiled offline based on balances and transactions generated from ERP system. We have neither been informed nor have we come across during the course of our audit any accounting transactions having impact on the integrity of the accounts along with the financial implications which have been processed outside the IT system.

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

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

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d) in our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) in terms of Notification no. G.S.R. 463 (E) dated 05th June 2015 issued by the Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualifications of the Directors, are not applicable as it is a Government Company.

f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B".** Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal control; and

g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 and Companies (Audit and Auditors) Amendment Rules, 2021 in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 34(1) to the Standalone Financial Statements.

ii. The Company did not have any material foreseeable losses against long-term contracts including derivative contracts and thereby requirement for making provision in this respect is not applicable to the Company.

iii. There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. As per notification number G.S.R. 463 (E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, section 197 of the Act as regards the managerial remuneration is not applicable to the Company, since it is a Government Company.

v. a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (v) (a) and (v) (b) contain any material mis-statement.

vi. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

vii. The Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

(Bhuvnesh Maheshwari)
Partner
M. No.088155
UDIN: 23088155BGYWED5558

For Chaturvedi & Co.
Chartered Accountants
FRN: 302137E

(S C Chaturvedi)
Partner
M. No. 012705
UDIN: 23012705BGWLYC7299

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

(Manushree Bindal)
Partner
M. No. 517316
UDIN: 23517316BGYPFX8650

Place: New Delhi
Date: May 29, 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) As per the information and explanations given to us and on the basis of our examination of the records of the Company, the Property, Plant and Equipment except Land in certain Units, have been physically verified by the management/ outside agencies, in a phased manner, which in our opinion is reasonable, having regard to the size of Company and nature of its business. The reconciliation of physically verified assets with the book records in certain cases is in progress. Discrepancies noticed on the physical verification and consequential adjustments are carried out on completion of reconciliation. According to information and explanations given by the management and in our opinion, the same are not material.

(c) According to the information and explanations given to us, the records examined by us and based on the title deeds provided to us, we report that, the title deeds, comprising all the immovable properties (including leased assets where the Company is a lessee) of land and building, are held in the name of the Company as on the balance sheet date except for the following where the title deeds are not in the name of the Company:

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

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

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

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right-of-Use assets) or Intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) As informed, the inventories of the Company except for inventories in transit, have been physically verified by the management/ outside agencies during the year. In our opinion and according to the information and explanations given to us, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory. Minor discrepancies noticed during physical verification were properly dealt within the books of account.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has granted loans and made investments in subsidiaries and joint ventures and provided guarantees to banks in respect of loans taken by subsidiary companies.

(a) (A) Based on the audit procedures carried out by us and as per the information and explanations given to us, the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans and guarantees to subsidiaries and joint ventures are as per the table given below:

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

* Includes interest accrued.

(B) Based on the audit procedures carried out by us and as per the information and explanations given to us, during the year, the Company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to parties other than subsidiaries and joint ventures.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions under which such investments were made, guarantees provided and loans were granted are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular except in case of Loan given to National High Power Test Laboratory (P) Limited (Joint Venture) where interest was receivable in half yearly installments starting from 30.04.2021 and principal was repayable in 20 equal half yearly instalments starting from 31.10.2022. The interest accrued for the FY 2021-22 amounting to ₹ 1.67 Crore and for the FY 2022-23 amounting to ₹ 2.10 Crores respectively have not been accounted for in view of significant uncertainty of realization due to cash losses incurred by the Joint Venture. Further, impairment allowance of ₹ 18.82 Crore including interest already accrued for previous periods aggregating to ₹ 0.42 Crores has been created considering it to be doubtful. The same has been disclosed in Note 34(8) of the Standalone Financial Statements.

(d)

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

* Excluding unrecognized interest income of ₹ 3.77 Crores.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion and according to information and explanations given to us the Company has, in respect of loans, investments, guarantees, and security, complied with the provisions of section 185 and 186 of the Act.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of sections 73 to 76 or any other relevant provisions of the Act. In respect of overdue earnest money deposits and security deposits, Management is of the view that overdue earnest money deposits and security deposits of suppliers/contractors appearing in the books are in the nature of retention money for performance of contracts for supply of goods and services and accordingly, not to be treated as deemed deposits by virtue of amendment in rule 2, sub rule (1), clause (c) of the Companies (Acceptance of Deposits) Amendment Rules 2016.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us, during the year, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues as applicable to it.

There were no undisputed amounts payable in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrear as at March 31, 2023 for a period of more than six months from the date they became payable.

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

Name of the Statute	Nature of dues	Period to which it pertains	Forum at which case is pending	Gross Disputed Amount (in ₹ Crore)	Amount Deposited under Protest (in ₹ Crore)
Building and Other Construction Workers Welfare Cess Act, 1996	Building and Other Construction Workers Welfare Cess	2009-10	Labour officer cum cess assessment officer, Chamba	9.24	9.24
Uttarakhand Water Tax on Electricity Generation Act, 2012	Water Cess	2015-16 to 2022-23	High Court of Uttarakhand Nainital	106.00	-
	Water Cess	2015-16 to 2022-23	High Court of Uttarakhand Nainital	118.42	-
Uttarakhand Green Energy Cess Act, 2014	Green Energy Cess	2015-16 to 2022-23	High Court of Uttarakhand Nainital	71.57	-
	Green Energy Cess	2015-16 to 20222-23	High Court of Uttarakhand Nainital	32.68	-
J&K Urban Immovable Property Tax Act, 1962	Property Tax	01.04.1991 to 31.03.1997	State Sales Tax Appellate Tribunal, Jammu	0.05	0.01
	Property Tax	01.04.1997 to 31.03.2002	State Sales Tax Appellate Tribunal, Jammu	0.15	0.01

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

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

* Less than ₹ 0.01 Crores.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) In our opinion and on the basis of information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint ventures. Accordingly, clause 3(ix) (e) of the Order is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures. Accordingly, clause 3(ix) (f) of the Order is not applicable.

(x) (a) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x) (a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year. Accordingly, clause 3 (x)(b) of the Order is not applicable to the Company.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information and explanations given to us, no whistle blower complaints have been received by the Company during the year.

(xii) The Company is not a Nidhi Company. Hence, reporting under clauses 3(xii) (a), (b) and (c) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Note No.34 (8) of Standalone Financial Statements as required by the applicable accounting standards.

(xiv) (a) The Company is having Internal Audit Department responsible for carrying out the internal audit of various sections at corporate office, power stations/ projects, project offices and other offices at periodical intervals as per the approved audit plan. The internal audit system adopted by the internal audit department is commensurate with the size and nature of the business of the Company.

(b) We have considered the internal audit reports for the year under audit, submitted by Internal Audit Department to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clauses 3(xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us and based on our examination of the records of the Company,

a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

b) The company has not conducted any Non- Banking Financial or Housing Finance activities during the year.

c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

d) The Group does not have any CIC.

Accordingly, clauses 3(xvi) (a), (b), (c) and (d) of the Order are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

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

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

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

(Bhuvnesh Maheshwari)
Partner
M. No.088155
UDIN: 23088155BGYWED5558

For Chaturvedi & Co.
Chartered Accountants
FRN: 302137E

(S C Chaturvedi)
Partner
M. No. 012705
UDIN: 23012705BGWLYC7299

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

(Manushree Bindal)
Partner
M. No. 517316
UDIN: 23517316BGYPFX8650

Place: New Delhi
Date: May 29, 2023

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

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

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls with reference to Standalone Financial Statements of **NHPC Limited** ("the Company") as at March 31, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, both, issued by ICAI, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial control with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A Company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles including the Indian Accounting Standards (Ind AS). A Company's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2023, based on the internal control with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For K G Somani & Co LLP	**For Chaturvedi & Co.**	**For P C Bindal and Co.**
Chartered Accountants	Chartered Accountants	Chartered Accountants
FRN: 006591N/N500377	FRN: 302137E	FRN: 003824N
(Bhuvnesh Maheshwari)	**(S C Chaturvedi)**	**(Manushree Bindal)**
Partner	Partner	Partner
M. No.088155	M. No. 012705	M. No. 517316
UDIN: 23088155BGYWED5558	UDIN: 23012705BGWLYC7299	UDIN: 23517316BGYPFX8650

Place: New Delhi
Date: May 29, 2023

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ in Crore)

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

(₹ in Crore)

	PARTICULARS			Note No.	As at 31st March, 2023	As at 31st March, 2022
(2)	**LIABILITIES**					
	NON-CURRENT LIABILITIES					
	a)	**Financial Liabilities**				
		i)	Borrowings	16.1	25,254.69	23,166.61
		ia)	Lease Liabilities	16.2	11.70	12.88
		ii)	Other financial liabilities	16.3	2,143.07	2,088.04
	b)	Provisions		17	50.92	48.05
	c)	Deferred Tax Liabilities (Net)		18	1,937.34	2,100.74
	d)	Other non-current Liabilities		19	1,944.56	2,026.16
		TOTAL NON CURRENT LIABILITIES			**31,342.28**	**29,442.48**
(3)	**CURRENT LIABILITIES**					
	a)	**Financial Liabilities**				
		i)	Borrowings	20.1	2,885.65	2,848.76
		ia)	Lease Liabilities	20.2	2.39	2.27
		ii)	Trade Payables	20.3		
			Total outstanding dues of micro enterprises and small enterprises		37.12	23.12
			Total outstanding dues of Creditors other than micro enterprises and small enterprises		178.33	166.45
		iii)	Other financial liabilities	20.4	1,541.05	1,370.72
	b)	Other Current Liabilities		21	734.91	510.70
	c)	Provisions		22	1,662.23	1,135.75
	d)	Current Tax Liabilities (Net)		23	-	-
		TOTAL CURRENT LIABILITIES			**7,041.68**	**6,057.77**
(4)	**Regulatory Deferral Account Credit Balances**			14.2	923.20	1,313.27
	TOTAL EQUITY & LIABILITIES				**74,715.12**	**70,299.62**
	Accompanying notes to the Standalone Financial Statements			1-34		

For and on behalf of the Board of Directors

(Rupa Deb) Company Secretary	**(Rajendra Prasad Goyal)** Director (Finance) DIN 08645380	**(Rajeev Kumar Vishnoi)** Chairman & Managing Director DIN 08534217

As per report of even date

For K G Somani & Co LLP Chartered Accountants FRN: 006591N/N500377	**For Chaturvedi & Co** Chartered Accountants FRN: 302137E	**For P C Bindal & Co.** Chartered Accountants FRN: 003824N
(Bhuvnesh Maheshwari) Partner M. No. 088155	**(S C Chaturvedi)** Partner M. No. 012705	**(Manushree Bindal)** Partner M. No. 517316

Place: New Delhi
Date : 29th May, 2023

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

(₹ in Crore)

PARTICULARS	Note No.	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
INCOME			
i) Revenue from Operations	24.1	9,316.34	8,309.22
ii) Other Income	24.2	834.56	1,026.18
TOTAL INCOME		**10,150.90**	**9,335.40**
EXPENSES			
i) Generation Expenses	25	936.46	841.24
ii) Employee Benefits Expense	26	1,301.35	1,440.78
iii) Finance Costs	27	476.16	531.75
iv) Depreciation and Amortization Expense	28	1,145.44	1,126.22
v) Other Expenses	29	1,707.89	1,348.55
TOTAL EXPENSES		**5,567.30**	**5,288.54**
PROFIT BEFORE EXCEPTIONAL ITEMS, REGULATORY DEFERRAL ACCOUNT BALANCES AND TAX		**4,583.60**	**4,046.86**
Exceptional items		-	-
PROFIT BEFORE REGULATORY DEFERRAL ACCOUNT BALANCES AND TAX		**4,583.60**	**4,046.86**
Tax Expenses	30.1		
i) Current Tax		760.72	726.23
ii) Deferred Tax		(155.32)	(1,487.50)
Total Tax Expenses		**605.40**	**(761.27)**
PROFIT FOR THE YEAR BEFORE NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES		**3,978.20**	**4,808.13**
Movement in Regulatory Deferral Account Balances (Net of Tax)	31	(144.41)	(1,270.42)
PROFIT FOR THE YEAR (A)		**3,833.79**	**3,537.71**
OTHER COMPREHENSIVE INCOME (B)	30.2		
(i) Items that will not be reclassified to profit or loss (Net of Tax)			
(a) Remeasurement of the post employment defined benefit obligations		(3.79)	9.51
Less:- Movement in Regulatory Deferral Account Balances in respect of tax on defined benefit obligations		(2.45)	(3.73)
- Movement in Regulatory Deferral Account Balances-Remeasurement of post employment defined benefit obligations		6.49	2.33
Sub total (a)		**5.15**	**15.57**
(b) Investment in Equity Instruments		3.36	5.40
Sub total (b)		**3.36**	**5.40**
Total (i)=(a)+(b)		**8.51**	**20.97**

(₹ in Crore)

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

For and on behalf of the Board of Directors

(Rupa Deb) Company Secretary	**(Rajendra Prasad Goyal)** Director (Finance) DIN 08645380	**(Rajeev Kumar Vishnoi)** Chairman & Managing Director DIN 08534217

As per report of even date

For K G Somani & Co LLP Chartered Accountants FRN: 006591N/N500377	**For Chaturvedi & Co** Chartered Accountants FRN: 302137E	**For P C Bindal & Co.** Chartered Accountants FRN: 003824N
(Bhuvnesh Maheshwari) Partner M. No. 088155	**(S C Chaturvedi)** Partner M. No. 012705	**(Manushree Bindal)** Partner M. No. 517316

Place: New Delhi
Date : 29th May, 2023

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

(₹ in Crore)

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

(₹ in Crore)

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

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

EXPLANATORY NOTES TO STATEMENT OF CASH FLOWS

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 detail of Cash and Cash equivalents is as under:

(₹ in Crore)

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

2 Interest and finance charges in Cash Flow from Financing Activities includes borrowing cost of ₹ 1209.62 Crore (Previous year ₹ 993.62 Crore) capitalised during the period on account of Expenditure attributable to construction (EAC).

3 Amount of undrawn loan as on 31.03.2023 : ₹ 925.00 Crore (Previous Year ₹ 1425.00 Crore).

4 Company has incurred ₹ 114.81 Crore in cash on account of Corporate Social Responsibility (CSR) expenditure during the year ended 31.03.2023 (Previous Year ₹ 94.96 Crore).

5 **Net Debt Reconciliation :**

(₹ in Crore)

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

(₹ in Crore)

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

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

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

For and on behalf of the Board of Directors

(Rupa Deb)
Company Secretary

(Rajendra Prasad Goyal)
Director (Finance)
DIN 08645380

(Rajeev Kumar Vishnoi)
Chairman & Managing Director
DIN 08534217

As per report of even date

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

(Bhuvnesh Maheshwari)
Partner
M. No. 088155

For Chaturvedi & Co
Chartered Accountants
FRN: 302137E

(S C Chaturvedi)
Partner
M. No. 012705

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

(Manushree Bindal)
Partner
M. No. 517316

Place: New Delhi
Date : 29th May, 2023

STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH 2023

A. EQUITY SHARE CAPITAL

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

B. OTHER EQUITY (₹ in crore)

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

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

For and on behalf of the Board of Directors

(Rupa Deb)
Company Secretary

(Rajendra Prasad Goyal)
Director (Finance)
DIN 08645380

(Rajeev Kumar Vishnoi)
Chairman & Managing Director
DIN 08534217

As per report of even date

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

(Bhuvnesh Maheshwari)
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For P C Bindal & Co.
Chartered Accountants
FRN: 003824N

(Manushree Bindal)
Partner
M. No. 517316

Place: New Delhi
Date : 29th May, 2023

STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH 2022

A. EQUITY SHARE CAPITAL

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

B. OTHER EQUITY

(₹ in crore)

Particulars	Reserve and Surplus				Other Comprehensive Income		Total
	Capital Redemption Reserve	Bond Redemption Reserve	General Reserve	Surplus/ Retained Earnings	Debt instruments through OCI	Equity Instruments through OCI	
Balance as at 1st April, 2021	**2,255.71**	**1,641.95**	**9,724.72**	**7,853.15**	**45.41**	**81.34**	**21,602.28**
Changes in accounting Policy or prior period errors	-	-	-	(44.20)	-	-	(44.20)
Restated balances as at 1st April 2021	**2,255.71**	**1,641.95**	**9,724.72**	**7,808.95**	**45.41**	**81.34**	**21,558.08**
Profit for the year	-	-	-	3,537.71	-	-	3,537.71
Other Comprehensive Income	-	-	-	15.57	(8.21)	5.40	12.76
Total Comprehensive Income for the year	**-**	**-**	**-**	**3,553.28**	**(8.21)**	**5.40**	**3,550.47**
Amount transferred from Bond Redemption Reserve to Surplus/Retained Earning	-	(275.70)	-	275.70	-	-	-
Dividend	-	-	-	(1,667.48)	-	-	(1,667.48)
Balance as at 31st March 2022	**2,255.71**	**1,366.25**	**9,724.72**	**9,970.45**	**37.20**	**86.74**	**23,441.07**

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

For and on behalf of the Board of Directors

(Rupa Deb)
Company Secretary

(Rajendra Prasad Goyal)
Director (Finance)
DIN 08645380

(Rajeev Kumar Vishnoi)
Chairman & Managing Director
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As per report of even date

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

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(Bhuvnesh Maheshwari)
Partner
M. No. 088155

(S C Chaturvedi)
Partner
M. No. 012705

(Manushree Bindal)
Partner
M. No. 517316

Place: New Delhi
Date : 29th May, 2023

NOTE NO. 1: COMPANY INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

(I) Reporting entity

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

(II) Basis of preparation

(A) Statement of Compliance

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

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

(B) Basis of Measurement

The financial statements have been prepared on historical cost basis, except for:

- Certain financial assets and liabilities measured at fair value.
- Plan assets of defined employee benefit plans measured at fair value.

The methods used to measure fair values are discussed in Note 33.

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition or the amount of proceeds received in exchange for the obligation, or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(C) Application of new and revised standards

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

(i) Ind AS 16 – Proceeds before intended use

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

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

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

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

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

(iii) Ind AS 103: Business Combination

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

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

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

(D) Functional and presentation currency

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

(E) Use of estimates and management judgments

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

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

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

Critical judgments and estimates

a) Leases

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

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

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

b. the right to direct the use of the identified asset.

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

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

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

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

The Company enters into power purchase agreements with beneficiaries. Power Purchase Agreements (PPA) in the nature of embedded lease with a single beneficiary where the minimum lease term is for the major part of the plant's economic life and the minimum lease payments amount to substantially all the fair value of the plant are considered as a Finance Lease. Other embedded leases are considered as Operating Lease. For embedded leases in the nature of a Finance Lease, the investment in the power station is recognised as a Lease Receivable. The minimum lease payments are identified by segregating the embedded lease payments from the rest of the contract amounts. Each lease receipt is allocated between the receivable and finance lease income so as to achieve a constant rate of return on the Lease Receivable outstanding.

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

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

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

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

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

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

d) Post-retirement benefit plans

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

e) Revenue

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

f) Provisions and contingencies

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

g) Recoverable Amount of Rate Regulated Assets

The operating activities of the Company are subject to cost-of-service regulations whereby tariff charged for electricity generated is based on allowable costs like interest costs, depreciation, operation and maintenance including a stipulated return. Guidance Note on Rate Regulated Activities issued by the ICAI (previous GAAP) and Ind AS 114-'Regulatory Deferral Accounts' permits an entity to include in the rate base, as part of the cost of self-constructed (tangible) PPE or internally generated intangible assets, amounts that would otherwise be recognised as an expense in the Statement of Profit and Loss in accordance with Ind AS. The Company estimates that items of regulatory deferral accounts recognised in the financial statements are recoverable as per the current CERC Tariff Regulations 2019-24. However, changes in CERC tariff regulations beyond the current tariff period may affect the recoverability of such balances.

h) Impairment of Trade Receivables

Considering the historical credit loss experience for trade receivables, the Company does not envisage either impairment in the value of receivables from beneficiaries or loss due to time value of money owing to delay in realization of trade receivables, except to the extent already provided for.

i) Investment in Subsidiaries and Joint Ventures

Investment has been carried at cost and as per assessment by the Company, there is no indication of impairment on such investments. Any changes in assumption may have a material impact on the measurement of the recoverable amount.

j) Insurance Claim Recoverable

The recoverable amount of insurance claims in respect of damages to Property, Plant and Equipment, Capital Work in Progress is based on estimates and assumptions as per terms and conditions of insurance policies.

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

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

(III) SIGNIFICANT ACCOUNTING POLICIES:

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

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

1.0 Property, Plant and Equipment (PPE)

a) An item of PPE is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

b) PPE are initially measured at cost of acquisition/construction including decommissioning or restoration cost wherever required. The cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. In cases where final settlement of bills with contractors is pending, but the asset is complete and available for operating in the manner intended by the management, capitalisation is done on estimated basis subject to necessary adjustments, including those arising out of settlement of arbitration/court cases.

c) Expenditure incurred on renovation and modernization of power station on completion of the originally estimated useful life of the power station is added to the cost of the related asset when it meets the recognition criteria. PPE acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

d) After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation/ amortisation and accumulated impairment losses, if any.

e) Deposits, payments made/ liabilities created provisionally towards compensation (including interest on enhanced compensation till the date of award by the Court), rehabilitation & resettlement and other expenses including expenditure on environment management plans relatable to land in possession are treated as cost of land.

f) Assets over which the Company has control, though created on land not belonging to the Company, are included under Property, Plant and Equipment.

g) Standby equipment and servicing equipment which meet the recognition criteria of Property, Plant and Equipment are capitalized.

h) Spares parts (procured along with the Plant and Machinery or subsequently) which meet the recognition criteria are capitalized. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other spare parts are treated as "stores and spares" forming part of inventory.

i) If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection carried out.

j) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

2.0 Capital work in Progress (CWIP)

a) Expenditure incurred on assets under construction (including a project) is carried at cost under CWIP. Such costs comprise purchase price of assets including import duties and non-refundable taxes (after deducting trade discounts and rebates), expenditure in relation to survey and investigation activities of projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, etc.

b) Costs including employee benefits, professional fees, expenditure on maintenance and up-gradation of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management are accumulated under "Expenditure Attributable to Construction (EAC)" and subsequently allocated on systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects. Net pre-commissioning income/ expenditure is adjusted directly in the cost of related assets.

c) Capital Expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential principally for construction of the project is accumulated under "Expenditure Attributable to Construction" and carried under "Capital Work in Progress" and subsequently allocated on a systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects, keeping in view the "attributability" and the "Unit of Measure" concepts in Ind AS 16- "Property, Plant and Equipment". Expenditure of such nature incurred after completion of the project, is charged to the Statement of Profit and Loss.

3.0 Investment Property

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

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

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

4.0 Intangible Assets and Intangible Assets under Development

a) Expenditure on research is charged to expenditure as and when incurred. Expenditure on development is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to & has sufficient resources to complete development and to use or sell the asset.

b) Intangible assets that are acquired by the Company and which have finite useful lives, are measured on initial recognition at cost. Cost includes any directly attributable expenses necessary to make the assets ready for its intended use. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

c) Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the Company and the cost of the item can be measured reliably.

d) An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

5.0 Foreign Currency Transactions

a) Transactions in foreign currency are initially recorded at the functional currency spot rate at the date the transaction first qualifies for recognition. At each reporting date, monetary items denominated in foreign currency are translated at the functional currency exchange rates prevailing on that date.

b) Exchange differences relating to PPE/capital work-in-progress arising out of transaction entered into prior to April 1, 2004 are adjusted to the carrying cost of respective PPE/capital work-in-progress.

c) Exchange differences arising from translation of foreign currency borrowings entered into prior to March 31, 2016 recoverable from or payable to beneficiaries in subsequent periods as per CERC Tariff regulations are recognised as "Deferred Foreign Currency Fluctuation Recoverable/ Payable Account" and adjusted from the year in which the same is recovered/ paid.

d) Exchange differences arising from settlement/ translation of monetary items denominated in foreign currency entered into on or after April 1, 2016 to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized as 'Regulatory Deferral Account Balances' during construction period and adjusted from the year in which the same become recoverable from or payable to the beneficiaries.

e) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Where the Company has paid or received advance consideration in a foreign currency, the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it), is the date when the Company initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

6.0 Regulatory Deferral Accounts

a) Where an item of expenditure incurred during the period of construction of a project is recognised as expense in the Statement of Profit and Loss i.e., not allowed to be capitalized as part of cost of relevant PPE in accordance with Ind AS, but is nevertheless permitted by CERC to be recovered from the beneficiaries in future through tariff, the right to recover the same is recognized as "Regulatory Deferral Account balances."

b) Expense/ income recognised in the Statement of Profit and Loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognised as "Regulatory Deferral Account balances."

c) These Regulatory Deferral Account balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries.

d) Regulatory Deferral Account balances are evaluated at each Balance Sheet date to ensure that the underlying activities meet the recognition criteria and it is probable that future economic benefits associated with such balances will flow to the entity. If these criteria are not met, the Regulatory Deferral Account balances are derecognised.

e) Regulatory Deferral Account balances are tested for impairment at each Balance Sheet date.

7.0 Fair value measurement

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

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

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

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

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

8.0 Investments in subsidiaries and joint ventures

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

9.0 Financial assets other than investment in subsidiaries and joint ventures

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

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

a) Classification

The Company classifies its financial assets in the following categories:

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

The classification depends on the following:

(a) The entity's business model for managing the financial assets and

(b) The contractual cash flow characteristics of the financial asset.

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

b) Initial recognition and measurement

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

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

c) Subsequent measurement

Debt instruments at amortised cost

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

i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

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

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

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

i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

ii) The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

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

Equity investments:

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

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

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

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

Trade Receivables:

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

d) Derecognition

A financial asset is derecognised only when:

i) The Company has transferred the rights to receive cash flows from the financial asset, or

ii) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

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

e) Impairment of financial assets

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

i) Financial assets that are debt instruments, and are measured at amortised cost.

ii) Financial assets that are debt instruments and are measured as at FVTOCI

iii) Contract Assets and Trade Receivables under Ind AS 115- *Revenue from Contracts with Customers*

iv) Lease Receivables under Ind AS 116- Leases.

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

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

10.0 Inventories

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

Scrap is valued at net realisable value.

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

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

11.0 Dividends

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

12.0 Financial liabilities

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

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

a) Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value less transaction costs that are directly attributable and subsequently measured at amortised cost. Financial liabilities are classified as subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss or in the carrying amount of an asset if another standard permits such inclusion, over the period of the borrowings using the effective rate of interest.

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

b) Subsequent measurement

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

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

c) Derecognition

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

d) Offsetting of financial instruments

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

e) Derivative financial instruments

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

13.0 Government Grants

a) The benefits of a government loan at a below market rate of interest is treated as Government Grant. The loan is initially recognised and measured at fair value and the government grant is measured as the difference between the initially recognized amount of the loan and the proceeds received. The loan is subsequently measured as per the accounting Policy applicable to financial liabilities and government grant is recognized initially as deferred income and subsequently in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

b) Monetary grants from the government for creation of assets are initially recognised as deferred income when there is reasonable assurance that the grant will be received and the company will comply with the conditions associated with the grant. The deferred income so recognised is subsequently amortised in the Statement of Profit and Loss over the useful life of the related assets.

c) Government grant related to income is recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

14.0 Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

c) Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

15.0 Revenue Recognition and Other Income

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

a) Revenue from sale of power

i) Revenue is measured at the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. The Company recognises revenue when (or as) the performance obligation is satisfied, which typically occurs when (or as) it transfers control over the products or services to a customer.

ii) Revenue from sale of power (except minimum lease receipts in respect of power stations considered as Finance Lease/Operating Lease) is accounted for as per tariff notified by the Central Electricity Regulatory Commission (CERC) under the CERC (Terms & Conditions of Tariff) Regulations, as modified by the orders of Appellate Tribunal for Electricity to the extent applicable. In the case of Power Stations where provisional/ final tariff is yet to be notified or where incentives/disincentives are chargeable/ payable as per CERC (Terms & Conditions of Tariff) Regulations, revenue is recognised to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Rebates given to beneficiaries as early payments incentives are deducted from the amount of revenue.

iii) Customers are billed on a periodic and regular basis. As at each reporting date, revenue from sale of power includes an accrual for sales delivered to customers but not yet billed (unbilled revenue).

iv) Recovery/ refund towards foreign currency variation in respect of foreign currency loans and recovery towards Income Tax are recognised on year to year basis based on regulatory norms. Recovery towards deferred tax items recognized till March 31, 2009 are accounted for when the same materialises.

v) Adjustments arising out of finalisation of Regional Energy Account (REA), though not material, are effected in the year of respective finalisation.

vi) Advance Against Depreciation (AAD) considered as deferred income up to 31st March 2009 is included in sales on straight line basis over the balance useful life after a period of 12 years from the date of commercial operation of the Power Station.

b) Revenue from Project Management / Construction Contracts/ Consultancy assignments

i) Revenue from Project Management / Construction Contracts/ Consultancy assignments is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the services and excludes amounts collected on behalf of third parties. The Company recognises revenue on the basis of input method. Input method recognises revenue on the basis of the costs incurred towards the satisfaction of a performance obligation relative to the total expected costs to the satisfaction of that performance obligation.

ii) Contract modifications, if any, are accounted for when there is a change in the scope or price (or both) of a contract that is approved by the parties to the contract and when the parties to a contract approve a modification that either creates new or changes existing enforceable rights and obligations of the parties to the contract. Accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Contract modifications are recorded on standalone basis when the scope of the contract increases because of the addition of promised goods or services or the price of the contract increases by an amount of consideration that reflects the Company's standalone selling prices of the additional promised goods or services and any appropriate adjustments to that price to reflect the circumstances of the particular contract. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

c) Revenue from trading of power

i) Accounting for revenue from trading of power involves assessment of the contract conditions to determine whether the Company is required to act in the capacity of a principal or as an agent. The Company acts in the nature of a principal in case it obtains control of the electricity before transferring it to the customer. Indicators of control includes assessment of whether the company is primarily responsible for fulfilling the promise to provide the electricity, it has the discretion to establish the price or whether it bears the inventory risk. Where the Company does not obtain control of the electricity before transferring it to the customer and its performance obligation is to arrange for the supply of electricity by another party, it acts in the nature of an agent.

ii) Where the Company acts as a principal in a contract for trading of power, the amount of the transaction price allocated to the performance obligation that is satisfied is recognised as revenue.

iii) Where the Company acts as an agent in a contract for trading of power, the net consideration retained after paying the supplier for the electricity provided to the customer is recognised as revenue from operations. Financial assets and liabilities arising out of these transactions are not set off.

d) Other income

i) Dividend income is recognized when the right to receive the same is established.

ii) For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

iii) Interest/Surcharge recoverable from customers including those arising out of contracts for trading of power and liquidated damages /interest on advances to contractors is recognised when it is highly probable that a significant reversal in the amount of revenue recognised will not occur in the future.

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

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

16.0 Employee Benefits

i) **Short-term employee benefits**

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

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

ii) **Defined contribution plans**

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

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

iii) **Defined benefit plans**

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

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

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

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

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

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

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

iv) Other long-term employee benefits

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

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

v) Termination benefits

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

17.0 Borrowing costs

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

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

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

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

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

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

18.0 Depreciation and amortization

a) Depreciation on additions to /deductions from Property, Plant & Equipment (PPE) during the year is charged on pro-rata basis from / up to the date on which the asset is available for use / disposal.

b) (i) Depreciation on Property, Plant and Equipment of Operating Units of the Company capitalized till five years before the end of the useful life of the Power Station is charged to the Statement of Profit & Loss on straight-line method following the rates and methodology notified by CERC for the fixation of tariff except for assets specified in Policy No. 18.0(d).

(ii) Depreciation on Property, Plant and Equipment capitalized during the last five years of the useful life of a Power Station is charged on straight-line method for the period of extended life as per CERC Tariff Regulations/Orders, from the date on which such asset becomes available for use.

(iii) Where the life and/or efficiency of a Power Station is increased due to renovation and modernization, the expenditure thereon along with its unamortized depreciable amount is charged prospectively on straight-line method over the revised / remaining useful life.

c) i) Depreciation on Property, Plant and Equipment (except old and used) of other than Operating Units of the Company is charged to the extent of 90% of the cost of the asset following the rates notified by CERC for the fixation of tariff except for assets specified in Policy No. 18.0 (d).

ii) Depreciation on old and used items of PPE of other than Operating Units is charged on straight-line method to the extent of 90% of the cost of the asset over estimated useful life determined on the basis of technical assessment.

d) i) Depreciation in respect of following items of PPE is provided on straight line method based on the useful life and residual value (5%) given in the Schedule II of the Companies Act, 2013:

- Construction Plant and Machinery
- Computer and Peripherals

ii) Based on management assessment, depreciation on Mobile Phones is provided on straight line basis over a period of three years with residual value of ₹ 1/-.

iii) Based on management assessment, depreciation on Roof Top Solar Power System / Equipment is provided on straight line basis over a period of twenty five years with residual value of 10%.

iv) Based on technical assessment by management, depreciation on furniture & other equipment provided at residential office of employees is charged on straight line basis over a period of five years with residual value of 10%.

e) Temporary erections are depreciated fully (100%) in the year of acquisition /capitalization by retaining ₹ 1/- as WDV.

f) Assets valuing ₹ 5000/- or less but more than ₹ 750/- are fully depreciated during the year in which the asset becomes available for use with ₹ 1/- as WDV.

g) Low value items, which are in the nature of assets (excluding immovable assets) and valuing up to ₹ 750/- are not capitalized and charged off to expenditure in the year of use.

h) Leasehold Land of operating units, is amortized over the period of lease or 40 years whichever is lower, following the rates and methodology notified vide CERC tariff regulations.

i) Leasehold Land and buildings, of units other than operating units, is amortized over the period of lease or 40 years, whichever is lower.

j) PPE created on leasehold land are depreciated to the extent of 90% of original cost over the balance available lease period of respective land from the date such asset is available for use or at the applicable depreciation rates & methodology notified by CERC tariff regulations for such assets, whichever is higher.

k) Right to use in respect of land is amortized over a period of 30 years from the date of commercial operation of the project in line with CERC tariff regulations notified for tariff fixation.

l) Cost of software recognized as 'Intangible Assets' is amortized on straight line method over a period of legal right to use or three financial years, whichever is earlier, starting from the year in which it is acquired.

m) Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, settlement of arbitration/ court cases, change in duties or similar factors, the unamortized balance of such assets is depreciated prospectively over the residual life of such assets at the rate of depreciation and methodology notified by CERC tariff regulations.

n) Spare parts procured along with the Plant and Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery at the rates and methodology notified by CERC.

o) Useful life, method of depreciation and residual value of assets where depreciation is charged as per management assessment are reviewed at the end of each financial year and adjusted prospectively over the balance useful life of the asset, wherever required.

19.0 Impairment of non-financial assets other than inventories

a) The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss.

b) In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

c) In case of expenditure on survey & investigation of projects, if it is decided to abandon such a project, expenditure incurred thereon is charged to the Statement of Profit and Loss in the year in which such decision is taken.

d) In case a project under survey and Investigation remains in abeyance by the order of appropriate authority/ by injunction of court order, any expenditure incurred on such projects from the date of order/ injunction of court is provided in the books from the date of such order till the period project is kept in abeyance by such order/ injunction. Provision so made is however reversed on the revocation of aforesaid order/ injunction.

e) Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

20.0 Income Taxes

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

a) Current tax

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

b) Deferred tax

i) Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the Balance Sheet method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of an asset or liability in a transaction that at the time of the transaction affects neither the taxable profit or loss nor the accounting profit or loss.

ii) The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

iii) Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would flow in the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

iv) Deferred tax is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in Other Comprehensive Income or Equity.

v) Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

vi) Deferred tax recovery adjustment account is credited/ debited to the extent the deferred tax for the current period forms part of current tax in the subsequent periods and affects the computation of return on equity (ROE), a component of tariff.

vii) When there is uncertainty regarding income tax treatments, the Company assesses whether a tax authority is likely to accept an uncertain tax treatment. If it concludes that the tax authority is unlikely to accept an uncertain tax treatment, the effect of the uncertainty on taxable income, tax bases and unused tax losses and unused tax credits is recognised. The effect of the uncertainty is recognised using the method that, in each case, best reflects the outcome of the uncertainty: the most likely outcome or the expected value. For each case, the Company evaluates whether to consider each uncertain tax treatment separately, or in conjunction with another or several other uncertain tax treatments, based on the approach that best prefixes the resolution of uncertainty.

21.0 Compensation from third parties

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

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

22.0 Segment Reporting

a) In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's "Chief Operating Decision Maker" or "CODM" within the meaning of Ind AS 108.

b) Electricity generation is the principal business activity of the Company. Other operations viz., Contracts, Project Management, Consultancy works and Trading of Power do not form a reportable segment as per the Ind AS -108.

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

23.0 Leases

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

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

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

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

i. Company as a lessee

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

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

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

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

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

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

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

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

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

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

ii. Company as a lessor

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

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

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

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

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

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

24.0 Business combinations

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

25.0 Material prior period errors

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

26.0 Earnings per share

a) Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

b) Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

c) Basic and diluted earnings per equity share are also presented using the earnings amounts excluding the movements in regulatory deferral account balances.

27.0 Statement of Cash Flows

a) **Cash and Cash Equivalents:**

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

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

28.0 Current versus non-current classification

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

a) An asset is current when it is:

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

All other assets are classified as non-current.

b) A liability is current when:

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

All other liabilities are classified as non-current.

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

29.0 Miscellaneous

a) Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

b) Liabilities for Goods in transit/Capital works executed but not certified are not provided for, pending transfer of ownership, inspection and acceptance by the Company.

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

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

i) **Ind AS 1 – Presentation of financial statements -** This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. Accounting Policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment on the Company's financial statements is insignificant.

ii) **Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors -** This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on the Company's financial statements.

iii) **Ind AS 12 - Income Taxes -** This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on the Company's financial statements.

iv) Amendments/ revision in other standards (IND AS 101, IND AS 102, IND AS 103, IND AS 107, IND AS 109 and IND AS 115) are either not applicable or do not have any material impact on the Company's financial statements.

NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENT

(₹ in crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 01.04.2022	Addition	Deduction	Adjust-ment	As at 31.03.2023	As at 01.04.2022	For the year	Adjus-tment	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
Land – Freehold **(Refer Note 2.1.1, 2.1.2 & 2.1.3)**	1,135.18	62.50	-	(690.52)	507.16	-	-	-	-	507.16	1,135.18
Roads and Bridges	310.37	0.75	-	(0.15)	310.97	87.36	11.60	-	98.96	212.01	223.01
Buildings	2,267.40	38.17	1.46	(1.06)	2303.05	562.45	79.58	(0.38)	641.65	1,661.40	1,704.95
Railway Sidings	13.06	-	-	-	13.06	13.06	-	-	13.06	-	-
Hydraulic Works (Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels)	15,811.42	12.45	-	(4.76)	15819.11	5,453.95	659.95	0.26	6,114.16	9,704.95	10,357.47
Generating Plant and Machinery	7,975.36	83.32	16.50	(3.60)	8038.58	2,707.87	341.02	(5.33)	3,043.56	4,995.02	5,267.49
Plant and machinery - Sub Station	55.94	2.17	0.76	0.05	57.40	17.87	2.36	(0.54)	19.69	37.71	38.07
Plant and machinery - Transmission Lines	71.35	2.63	0.05	-	73.93	28.30	2.86	(0.03)	31.13	42.80	43.05
Plant and machinery - Others	39.69	0.58	0.20	(0.30)	39.77	15.71	1.92	(0.06)	17.57	22.20	23.98
Construction Plant and Machinery	53.25	0.87	0.26	(2.08)	51.78	29.40	3.00	(0.99)	31.41	20.37	23.85
Water Supply System/Drainage and Sewerage	62.83	0.68	0.16	1.18	64.53	15.06	2.93	0.44	18.43	46.10	47.77
Electrical Installations	20.48	0.56	0.04	0.30	21.30	3.16	0.90	(0.01)	4.05	17.25	17.32
Vehicles	27.03	1.59	0.56	-	28.06	10.51	1.57	(0.17)	11.91	16.15	16.52
Aircraft/ Boats	1.97	-	0.12	0.01	1.86	0.72	0.14	(0.03)	0.83	1.03	1.25
Furniture and Fixtures	38.82	8.18	0.40	(0.11)	46.49	15.30	2.43	(0.12)	17.61	28.88	23.52
Computer and Peripherals	55.43	16.05	1.29	(0.03)	70.16	39.37	6.93	(0.88)	45.42	24.74	16.06
Communication Equipments	13.48	2.06	0.29	-	15.25	4.58	0.66	(0.18)	5.06	10.19	8.90
Office Equipments	122.80	18.45	2.04	0.50	139.71	46.64	6.92	(0.92)	52.64	87.07	76.16
TOTAL	**28,075.86**	**251.01**	**24.13**	**(700.57)**	**27,602.17**	**9,051.31**	**1,124.77**	**(8.94)**	**10,167.14**	**17,435.03**	**19,024.55**
Previous Year	27,102.36	1,035.16	24.46	(37.20)	28,075.86	7,927.76	1,109.73	13.82	9,051.31	19,024.55	

Note: -

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

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

2.1.3 Freehold Land includes 8 hectare (Previous year 8 hectare) of land being used by Loktak Downstream Hydroelectric Corporation Limited (LDHCL) (A subsidiary of NHPC Limited) for a consideration of ₹ 100 per annum as rent, for which a lease agreement has been entered into between NHPC Limited and LDHCL.

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

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

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

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

2.1.7 Additional disclosure of Property Plant and Equipment (PPE) as per gross block of assets and accumulated depreciation under previous GAAP has been provided as **Annexure-II** to this Note.

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

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

ANNEXURE-II TO NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENT

Additional Disclosure of Property, Plant and Equipment

(₹ in crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 01.04.2022	Addition	Deduction	Adjustment	As at 31.03.2023	As at 01.04.2022	For the year	Adjust-ment	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
Land – Freehold	1,135.18	62.50	-	(690.52)	507.16	-	-	-	-	507.16	1,135.18
Roads and Bridges	402.84	0.75	-	(0.16)	403.43	179.83	11.60	(0.01)	191.42	212.01	223.01
Buildings	2,980.83	38.17	2.69	(1.10)	3,015.21	1,275.88	79.58	(1.65)	1,353.81	1,661.40	1,704.95
Railway Sidings	31.98	-	-	-	31.98	31.98	-	-	31.98	-	-
Hydraulic Works (Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels)	21,501.97	12.45	-	(4.41)	21,510.01	11,144.50	659.95	0.61	11,805.06	9,704.95	10,357.47
Generating Plant and Machinery	10,857.86	83.32	21.35	(3.52)	10,916.31	5,590.37	341.02	(10.10)	5,921.29	4,995.02	5,267.49
Plant and machinery - Sub Station	106.81	2.17	2.01	0.06	107.03	68.74	2.36	(1.78)	69.32	37.71	38.07
Plant and machinery - Transmission Lines	98.30	2.63	0.07	-	100.86	55.25	2.86	(0.05)	58.06	42.80	43.05
Plant and machinery - Others	54.87	0.58	0.81	(0.32)	54.32	30.89	1.92	(0.69)	32.12	22.20	23.98
Construction Plant and Machinery	106.55	0.87	0.67	(2.73)	104.02	82.70	3.00	(2.05)	83.65	20.37	23.85
Water Supply System/Drainage and Sewerage	72.58	0.68	0.32	1.31	74.25	24.81	2.93	0.41	28.15	46.10	47.77
Electrical Installations	21.64	0.56	0.05	0.32	22.47	4.32	0.90	-	5.22	17.25	17.32
Vehicles	35.64	1.59	1.08	-	36.15	19.12	1.57	(0.69)	20.00	16.15	16.52
Aircraft/ Boats	2.15	-	0.12	-	2.03	0.90	0.14	(0.04)	1.00	1.03	1.25
Furniture and Fixtures	62.45	8.18	0.62	(0.12)	69.89	38.93	2.43	(0.35)	41.01	28.88	23.52
Computer and Peripherals	77.12	16.05	3.29	(0.07)	89.81	61.06	6.93	(2.92)	65.07	24.74	16.06
Communication Equipments	18.33	2.06	0.49	-	19.90	9.43	0.66	(0.38)	9.71	10.19	8.90
Office Equipments	172.56	18.45	4.12	0.58	187.47	96.40	6.92	(2.92)	100.40	87.07	76.16
Total	**37,739.66**	**251.01**	**37.69**	**(700.68)**	**37,252.30**	**18,715.11**	**1,124.77**	**(22.61)**	**19,817.27**	**17,435.03**	**19,024.55**
Previous Year	36,813.80	1,035.16	49.01	(60.29)	37,739.66	17,639.20	1,109.73	(33.82)	18,715.11	19,024.55	

Note: -

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

NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENT

(₹ in crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 01.04.2021	Addition	Deduction	Adjustment	As at 31.03.2022	As at 01.04.2021	For the year	Adjustment	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Land – Freehold **(Refer Note 2.1.1 and 2.1.2)**	405.40	730.10	0.05	(0.27)	1135.18	-	-	-	-	1,135.18	405.40
Roads and Bridges	309.01	4.00	1.15	(1.49)	310.37	76.14	11.64	(0.42)	87.36	223.01	232.87
Buildings	2,252.69	23.53	0.11	(8.71)	2267.40	484.77	77.71	(0.03)	562.45	1,704.95	1,767.92
Railway Sidings	13.06	-	-	-	13.06	13.06	-	-	13.06	-	-
Hydraulic Works (Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels)	15,767.74	83.87	2.55	(37.64)	15811.42	4,802.34	650.98	0.63	5,453.95	10,357.47	10,965.40
Generating Plant and Machinery	7,819.44	158.45	13.24	10.71	7975.36	2,352.98	338.07	16.82	2,707.87	5,267.49	5,466.46
Plant and machinery - Sub-Station	54.14	1.79	0.30	0.31	55.94	15.31	2.39	0.17	17.87	38.07	38.83
Plant and machinery - Transmission Lines	70.62	0.84	0.08	(0.03)	71.35	25.35	2.98	(0.03)	28.30	43.05	45.27
Plant and machinery - Others	39.24	0.73	0.25	(0.03)	39.69	13.75	2.11	(0.15)	15.71	23.98	25.49
Construction Plant and Machinery	52.32	1.43	0.50	-	53.25	26.19	3.32	(0.11)	29.40	23.85	26.13
Water Supply System/Drainage and Sewerage	59.06	3.94	-	(0.17)	62.83	12.56	2.50	-	15.06	47.77	46.50
Electrical Installations	17.14	3.39	0.05	-	20.48	2.30	0.88	(0.02)	3.16	17.32	14.84
Vehicles	23.30	4.22	0.49	-	27.03	9.39	1.29	(0.17)	10.51	16.52	13.91
Aircraft/ Boats	1.93	0.05	0.01	-	1.97	0.58	0.14	-	0.72	1.25	1.35
Furniture and Fixtures	37.49	1.67	0.34	-	38.82	13.37	2.07	(0.14)	15.30	23.52	24.12
Computer and Peripherals	49.87	7.00	1.56	0.12	55.43	34.18	6.19	(1.00)	39.37	16.06	15.69
Communication Equipments	13.21	0.80	0.53	-	13.48	4.21	0.60	(0.23)	4.58	8.90	9.00
Office Equipments	116.70	9.35	3.25	-	122.80	41.28	6.86	(1.50)	46.64	76.16	75.42
TOTAL	**27,102.36**	**1,035.16**	**24.46**	**(37.20)**	**28,075.86**	**7,927.76**	**1,109.73**	**13.82**	**9,051.31**	**19,024.55**	**19,174.60**
Previous Year	28,694.70	254.86	52.20	(1,795.00)	27,102.36	7,225.94	1,219.68	(517.86)	7,927.76	19,174.60	

Note: -

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

2.1.2 Freehold Land includes 8 hectare (Previous year 8 hectare) of land being used by Loktak Downstream Hydroelectric Corporation Limited (LDHCL) (A subsidiary of NHPC Limited) for a consideration of ₹ 100 per annum as rent, for which a lease agreement has been entered between NHPC Limited and LDHCL.

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

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

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

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

2.1.6 Additional disclosure of Property Plant and Equipment (PPE) as per gross block of assets and accumulated depreciation under previous GAAP has been provided as **Annexure-II** to this Note.

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

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

ANNEXURE-II TO NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENT

Additional Disclosure of Property, Plant and Equipment

(₹ in crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 01.04.2021	Addition	Deduction	Adjustment	As at 31.03.2022	As at 01.04.2021	For the year	Adjustment	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Land – Freehold	405.40	730.10	0.05	(0.27)	1,135.18	-	-	-	-	1,135.18	405.40
Roads and Bridges	402.23	4.00	1.91	(1.48)	402.84	169.36	11.64	(1.17)	179.83	223.01	232.87
Buildings	2,966.45	23.53	0.44	(8.71)	2,980.83	1,198.53	77.71	(0.36)	1,275.88	1,704.95	1,767.92
Railway Sidings	31.98	-	-	-	31.98	31.98	-	-	31.98	-	-
Hydraulic Works (Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels)	21,464.61	83.87	7.78	(38.73)	21,501.97	10,499.21	650.98	(5.69)	11,144.50	10,357.47	10,965.40
Generating Plant and Machinery	10,726.38	158.45	16.08	(10.89)	10,857.86	5,259.92	338.07	(7.62)	5,590.37	5,267.49	5,466.46
Plant and machinery - Sub-Station	105.41	1.79	0.37	(0.02)	106.81	66.58	2.39	(0.23)	68.74	38.07	38.83
Plant and machinery - Transmission Lines	97.59	0.84	0.10	(0.03)	98.30	52.32	2.98	(0.05)	55.25	43.05	45.27
Plant and machinery - Others	54.88	0.73	0.71	(0.03)	54.87	29.39	2.11	(0.61)	30.89	23.98	25.49
Construction Plant and Machinery	109.93	1.43	4.81	-	106.55	83.80	3.32	(4.42)	82.70	23.85	26.13
Water Supply System/Drainage and Sewerage	68.81	3.94	0.01	(0.16)	72.58	22.31	2.50	-	24.81	47.77	46.50
Electrical Installations	18.33	3.39	0.08	-	21.64	3.49	0.88	(0.05)	4.32	17.32	14.84
Vehicles	32.90	4.22	1.48	-	35.64	18.99	1.29	(1.16)	19.12	16.52	13.91
Aircraft/ Boats	2.17	0.05	0.07	-	2.15	0.82	0.14	(0.06)	0.90	1.25	1.35
Furniture and Fixtures	61.40	1.67	0.62	-	62.45	37.28	2.07	(0.42)	38.93	23.52	24.12
Computer and Peripherals	76.23	7.00	6.14	0.03	77.12	60.54	6.19	(5.67)	61.06	16.06	15.69
Communication Equipments	18.76	0.80	1.23	-	18.33	9.76	0.60	(0.93)	9.43	8.90	9.00
Office Equipments	170.34	9.35	7.13	-	172.56	94.92	6.86	(5.38)	96.40	76.16	75.42
Total	**36,813.80**	**1,035.16**	**49.01**	**(60.29)**	**37,739.66**	**17,639.20**	**1,109.73**	**(33.82)**	**18,715.11**	**19,024.55**	**19,174.60**
Previous Year	38,607.69	254.86	63.47	(1,985.28)	36,813.80	17,138.93	1,219.68	(719.41)	17,639.20	19,174.60	

Note: -

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

Note no. 2.2 Capital Work in Progress (CWIP)

(₹ in crore)

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

Note: -

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

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

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

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

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

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

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

2.2.4 Underground Works amounting to ₹ **3275.45 Crore** (Previous Year ₹ **2838.40 Crore**) created on "Land -Right to Use" classified under "Right of Use" Assets, are included under respective heads of Capital Work in Progress (CWIP).

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

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

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

Note no. 2.2 Capital Work in Progress (CWIP)

(₹ in crore)

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

Note: -

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

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

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

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

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

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

2.2.4 Underground Works amounting to ₹ **2838.40 Crore** (Previous Year ₹ **2317.10 Crore**) created on "Land -Right to Use" classified under Right of Use Assets, are included under respective heads of Capital Work in Progress (CWIP).

2.2.5 **Refer Note no. 34(9)** of Standalone Financial Statements for information of non-current assets mortgaged/ hypothecated with banks as security for related borrowings.

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

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

NOTE NO. 2.3 RIGHT OF USE ASSETS

(₹ in crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2022	Addition	Deduction	Adjustment	As at 31.03.2023	As at 01.04.2022	For the year	Adjustment	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
Land – Leasehold **(Refer Note 2.3.1 (a))**	315.82	0.16	0.58	(0.25)	315.15	55.87	11.35	(0.34)	66.88	248.27	259.95
Building under Lease	5.08	0.14	1.95	-	3.27	3.64	0.49	(1.61)	2.52	0.75	1.44
Vehicles	9.37	1.94	2.57	-	8.74	4.71	1.61	(2.57)	3.75	4.99	4.66
Land-Right of Use **(Refer Note 2.3.1(b) & 2.3.2)**	1,572.45	176.00	-	688.14	2,436.59	55.38	11.38	(1.86)	64.90	2,371.69	1,517.07
TOTAL	**1,902.72**	**178.24**	**5.10**	**687.89**	**2,763.75**	**119.60**	**24.83**	**(6.38)**	**138.05**	**2,625.70**	**1,783.12**
Previous Year	1,846.69	55.11	1.18	2.10	1,902.72	93.77	24.42	1.41	119.60	1,783.12	

Note:-

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

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

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

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

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

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

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

ANNEXURE-II TO NOTE NO. 2.3 RIGHT OF USE ASSETS

Additional Disclosure of Right of Use Assets

(₹ in crore)

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

NOTE NO. 2.3 RIGHT OF USE ASSETS

(₹ in crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2021	Addition	Deduction	Adjustment	As at 31.03.2022	As at 01.04.2021	For the year	Adjustment	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Land – Leasehold **(Refer Note 2.3.1 (a))**	311.94	4.09	0.45	0.24	315.82	44.37	11.40	0.10	55.87	259.95	267.57
Building under Lease	5.40	0.41	0.73	-	5.08	3.05	1.14	(0.55)	3.64	1.44	2.35
Vehicles	4.40	4.97	-	-	9.37	3.14	1.57	-	4.71	4.66	1.26
Land-Right of Use **(Refer Note 2.3.1(b))**	1,524.95	45.64	-	1.86	1,572.45	43.21	10.31	1.86	55.38	1,517.07	1,481.74
TOTAL	**1,846.69**	**55.11**	**1.18**	**2.10**	**1,902.72**	**93.77**	**24.42**	**1.41**	**119.60**	**1,783.12**	**1,752.92**
Previous Year	1,904.18	3.04	18.12	(42.41)	1,846.69	77.20	25.30	(8.73)	93.77	1,752.92	

Note:-

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

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

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

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

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

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

ANNEXURE-II TO NOTE NO. 2.3 RIGHT OF USE ASSETS

Additional Disclosure of Right of Use Assets

(₹ in crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2021	Addition	Deduction	Adjustment	As at 31.03.2022	As at 01.04.2021	For the year	Adjustment	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Land – Leasehold	325.09	4.09	0.45	(0.02)	328.71	57.52	11.40	(0.16)	68.76	259.95	267.57
Building under Lease	5.40	0.41	0.73	-	5.08	3.05	1.14	(0.55)	3.64	1.44	2.35
Vehicles	4.40	4.97	-	-	9.37	3.14	1.57	-	4.71	4.66	1.26
Land-Right of Use	1,552.04	45.64	-	-	1,597.68	70.30	10.31	-	80.61	1,517.07	1,481.74
TOTAL	**1,886.93**	**55.11**	**1.18**	**(0.02)**	**1,940.84**	**134.01**	**24.42**	**(0.71)**	**157.72**	**1,783.12**	**1,752.92**
Previous Year	1,946.54	3.04	18.12	(44.53)	1,886.93	119.56	25.30	(10.85)	134.01	1,752.92	

NOTE NO. 2.4 INVESTMENT PROPERTY

(₹ in crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 01.04.2022	Addition	Deduction	Adjustment	As at 31.03.2023	As at 01.04.2022	For the year	Adjustment	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
Land – Freehold	4.49	-	-	-	4.49	-	-	-	-	4.49	4.49
TOTAL	**4.49**	**-**	**-**	**-**	**4.49**	**-**	**-**	**-**	**-**	**4.49**	**4.49**
Previous Year	4.49	-	-	-	4.49	-	-	-	-	4.49	

Note:-

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

(₹ in crore)

PARTICULARS	As at 31.03.2023	As at 31.03.2022
Rental income	Nil	Nil
Direct operating expenses from property that generated rental income	Nil	Nil
Direct operating expenses from property that did not generate rental income	Nil	Nil

2.4.2 Disclosure regarding fair value of Investment Property

(₹ in crore)

PARTICULARS	As at 31.03.2023	As at 31.03.2022
Fair Value of investment property	98.01	78.90

2.4.3 Investment property comprise of freehold land which was bought for normal business requirements of the Company. However, due to change in business plans, the Company is in the process of finalising the future use of the property. IND AS 40, Investment Property, provides by way of example that land held for a currently undetermined future use is to be regarded as held for capital appreciation and hence to be classified as Investment Property.

2.4.4 Valuation process

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

NOTE NO. 2.4 INVESTMENT PROPERTY

(₹ in crore)

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

Note:-

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

(₹ in crore)

PARTICULARS	As at 31.03.2022	As at 31.03.2021
Rental income	Nil	Nil
Direct operating expenses from property that generated rental income	Nil	Nil
Direct operating expenses from property that did not generate rental income	Nil	Nil

2.4.2 Disclosure regarding fair value of Investment Property

(₹ in crore)

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

2.4.3 Investment property comprise of freehold land which was bought for normal business requirements of the Company. However, due to change in business plans, the Company is in the process of finalising the future use of the property. IND AS 40, Investment Property, provides by way of example that land held for a currently undetermined future use is to be regarded as held for capital appreciation and hence to be classified as Investment Property.

2.4.4 Valuation process

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

NOTE NO. 2.5 INTANGIBLE ASSETS

(₹ in crore)

PARTICULARS	GROSS BLOCK					AMORTISATION				NET BLOCK	
	As at 01.04.2022	Addition	Deduction	Adjustment	As at 31.03.2023	As at 01.04.2022	For the year	Adjustment	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
Computer Software	19.82	3.58	1.67	-	21.73	16.71	3.46	(1.52)	18.65	3.08	3.11
TOTAL	**19.82**	**3.58**	**1.67**	**-**	**21.73**	**16.71**	**3.46**	**(1.52)**	**18.65**	**3.08**	**3.11**
Previous Year	15.59	4.23	-	-	19.82	12.07	4.63	0.01	16.71	3.11	

Note :

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

ANNEXURE-I TO NOTE NO. 2.5 INTANGIBLE ASSETS

Additional Disclosure of Intangible Assets

(₹ in crore)

PARTICULARS	GROSS BLOCK					AMORTISATION				NET BLOCK	
	As at 01.04.2022	Addition	Deduction	Adjustment	As at 31.03.2023	As at 01.04.2022	For the year	Adjustment	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
Computer Software	56.97	3.58	4.78	-	55.77	53.86	3.46	(4.63)	52.69	3.08	3.11
TOTAL	**56.97**	**3.58**	**4.78**	**-**	**55.77**	**53.86**	**3.46**	**(4.63)**	**52.69**	**3.08**	**3.11**
Previous Year	52.87	4.23	0.05	(0.08)	56.97	49.35	4.63	(0.12)	53.86	3.11	

NOTE NO. 2.5 INTANGIBLE ASSETS

(₹ in crore)

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

Note :

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

ANNEXURE-I TO NOTE NO. 2.5 INTANGIBLE ASSETS

Additional Disclosure of Intangible Assets

(₹ in crore)

PARTICULARS	GROSS BLOCK					AMORTISATION				NET BLOCK	
	As at 01.04.2021	Addition	Deduction	Adjustment	As at 31.03.2022	As at 01.04.2021	For the year	Adjustment	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Computer Software	52.87	4.23	0.05	(0.08)	56.97	49.35	4.63	(0.12)	53.86	3.11	3.52
TOTAL	**52.87**	**4.23**	**0.05**	**(0.08)**	**56.97**	**49.35**	**4.63**	**(0.12)**	**53.86**	**3.11**	**3.52**
Previous Year	48.59	5.03	0.47	(0.28)	52.87	47.87	2.22	(0.74)	49.35	3.52	

NOTE NO. 3.1 NON CURRENT INVESTMENTS

(₹ in Crore)

PARTICULARS	As at 31st March, 2023 Number of shares/ bonds/ securities (in units)	As at 31st March, 2023 Amount (₹ in Crore)	As at 31st March, 2022 Number of shares/ bonds/ securities	As at 31st March, 2022 Amount (₹ in Crore)
A. **Quoted Equity Instruments - At Fair Value through Other Comprehensive Income (OCI)**				
Bodies Corporate				
PTC India Ltd. (Fully Paid Up) **(Refer note No. 3.1.1A)** (Face Value of ₹ 10/- each)	12000000	102.06	12000000	98.70
Total (A)		**102.06**		**98.70**
B. **Unquoted Equity Instruments - At Cost**				
(i) **In Subsidiaries (Fully Paid Up)**				
- NHDC Limited (Face Value of ₹ 1000/- each)	10024200	1,002.42	10024200	1,002.42
- Loktak Downstream Hydroelectric Corporation Limited (LDHCL) (Face Value of ₹ 10/- each)	105562309	105.56	103342309	103.34
- Bundelkhand Saur Urja Limited (BSUL) (Face Value of ₹ 10/- each)	86220893	86.22	84220893	84.22
- Lanco Teesta Hydro Power Limited. (LTHPL) (Face Value of ₹ 10/- each)	1724410000	1,724.41	1440500000	1,440.50
- Jalpower Corporation Limited (JPCL) (Face Value of ₹ 10/- each)	281486000	281.49	281486000	281.49
- Ratle Hydroelectric Power Corporation Limited (RHPCL) (Face Value of ₹ 10/- each)	137700000	137.70	136140000	136.14
- NHPC Renewable Energy Limited (NREL) (Face Value of ₹ 10/- each)	20000000	20.00	-	-
- Chenab Valley Power Projects Private Limited (CVPPPL)				
Face Value of ₹ 10/- each acquired at face value	1943311286	1,943.31	-	-
Face Value of ₹ 10/- each acquired at ₹ 10.27/- each **(Refer Note 3.1.5)**	4080000	4.19	-	-
Less : Impairment in the value of Investment (LDHCL) (Refer note No. 3.1.6)		**105.56**		**-**
Sub-Total B (i)		**5,199.74**		**3,048.11**
(ii) Joint Ventures (Fully Paid Up)				
- National High Power Test Laboratory (P) Limited (NHPTL) (Face Value of ₹ 10/- each)	30400000	30.40	30400000	30.40
- Chenab Valley Power Projects Private Limited (CVPPPL)				
Face Value of ₹ 10/- each acquired at face value	-	-	1835371286	1,835.37
Face Value of ₹ 10/- each acquired at ₹ 10.27/- each **(Refer Note 3.1.5)**	-	-	4080000	4.19
Less : Impairment in the value of Investment (NHPTL) (Refer note No. 3.1.6)		**30.40**		**14.07**
Sub-Total B (ii)		**-**		**1,855.89**
Total (B)=(i+ii)		**5,199.74**		**4,904.00**
C. **Quoted Debt Instruments - At Fair Value through Other Comprehensive Income (OCI)**				
(a) Government Securities (Refer Note 3.1.2 and 3.1.4)				
8.35% SBI Right Issue GOI Special Bonds 27 Mar 2024 (Per Unit Value of ₹ 10000/- each)	-	-	150000	158.43

(₹ in Crore)

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

		2023	2022
3.1.1 (i)	Aggregate amount and market value of quoted investments	347.22	510.34
(ii)	Aggregate amount of unquoted investments	5,199.74	4,904.00

3.1.1 A The Board of Directors of the Company in its meeting held on 6th January, 2023 accorded in-principle approval for withdrawal from PTC India Ltd. (PTC). The Company is in discussion with other promoters to finalize the modalities of exit from PTC. Pending final decision in the matter, the investment in PTC has been continued to be classified as non current financial asset.

3.1.2 Investment in Government Securities (Non Current and Current) at cost of ₹ 212.80 Crore (Previous Year ₹ 174.31 Crore) is earmarked as security being 15 percent of total redemption value of Bonds maturing during the Financial Year 2023-24.

3.1.3 Particulars of Investments as required in terms of Section 186 (4) of the Companies Act, 2013 have been disclosed under Note 3.1 above.

3.1.4 Market Value of quoted debt instruments in respect of which quotations are not available has been considered based on the value published by Fixed Income Money Market and Derivatives Association of India (FIMMDA).

3.1.5 A Supplementary Promoters Agreement in respect of Chenab Valley Power Projects Private Limited has been signed between NHPC & JKSPDC on 21.11.2022, consequent to which NHPC has gained control of CVPPPL. Accordingly, investment in CVPPPL has been disclosed under investment in Subsidiary.

3.1.6 Impairment in the value of Investment : During the year the company has made impairment provision of ₹ 105.56 Crore (Previous Year: ₹ NIL) in respect of investment in Loktak Downstream Hydroelectric Corporation Limited (LDHCL) and ₹ 16.33 Crore (Previous Year ₹ 14.07 Crore) in respect of investment in National High Power Test Laboratory (P) Limited (NHPTL) respectively. Movement in impairment provision in respect of investment in subsidiary and joint venture are as under:

(₹ in Crore)

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

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

(₹ in crore)

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

3.2.1 Ageing schedule of Non Current Trade Receivables :-

(₹ in crore)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Undisputed Trade receivables-Considered Good-Not Due	399.45	-
3.2.2 Debt due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director of the Company is a partner or a director or a member.	Nil	Nil
3.2.3 Debt due by subsidiaries/ Joint Ventures and others related parties of the company.	Nil	Nil

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

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

(₹ in crore)

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

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

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

(₹ in crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
3.3.3	Due from directors or other officers of the company. **(Refer Note 34(8) of Standalone Financial Statements.)**	Nil	0.34
3.3.4	**Loss Allowances for doubtful loan to Related Party**		
	Addition during the year	15.64	-
	Closing balance	**15.64**	**-**
	The loan released in favour of NHPTL was repayable in 20 equal half-yearly instalments starting from 31.10.2022. However, considering default in repayment of interest and instalment due on 31.10.2022, the Company has recognized an impairment provision for the outstanding loan during the year.		
3.3.5	Loan to Government of Arunachal Pradesh granted for Business Purpose includes :		
	- Principal	225.00	225.00
	- Interest	650.18	577.92
3.3.6	Loans are non-derivative financial assets which generate a fixed or variable interest income for the company. The Carrying value may be affected by changes in the credit risk of the counterparties.		
3.3.7	Advance due by firms or private companies in which any Director of the Company is a Director or member .	Nil	Nil
3.3.8	Particulars of Loans as required in terms of Section 186 (4) of the Companies Act, 2013 have been disclosed under Note 3.3 above.		
3.3.9	Refer Note 34(13) of the Standalone Financial Statements with regard to confirmation of balances.		

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

(₹ in crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
A	**Security Deposits**		
	- Considered good- Unsecured	25.33	23.19
	Sub-total	**25.33**	**23.19**
B	Bank Deposits with more than 12 Months Maturity **(Refer Note 3.4.2)**	0.35	0.35
C	Lease Rent receivable **(Refer Note 3.4.4 and 34(16)(C))**	2,273.62	2,435.91
D	Amount Recoverable on account of Bonds Fully Serviced by Government of India **(Refer Note 3.4.1** and also **Refer 11(I))**	2,017.20	2,017.20
E	Interest accrued on:		
	- Bank Deposits with more than 12 Months Maturity	0.02	-
F	Derivative Mark to Market Asset	0.24	22.35
G	Receivable on account of Late payment Surcharge	5.64	-
H	Share Application Money Pending Allotment **(Refer Note 3.4.3)**	224.69	3.78
	TOTAL	**4,547.09**	**4,502.78**

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

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

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

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

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

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

NOTE NO. 4 NON CURRENT TAX ASSETS (NET)

(₹ in crore)

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

NOTE NO. 5 OTHER NON-CURRENT ASSETS

(₹ in crore)

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

(₹ in crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
	Released to Contractors - Others	34.61	34.61
	Deposited with Court	1,419.50	1,420.48
	Sub-total	**2,685.42**	**2,595.49**
ii)	**Prepaid Expenditure**	2.79	3.06
iii)	**Deferred Foreign Currency Fluctuation Assets/ Expenditure**		
	Deferred Foreign Currency Fluctuation Assets	220.22	260.15
	Deferred Expenditure on Foreign Currency Fluctuation	221.66	224.43
	Sub-total	**441.88**	**484.58**
iv)	Deferred Cost on Employees Advances	49.07	52.51
	TOTAL	**3,602.77**	**3,753.96**
5.1	**Allowances for doubtful Advances**		
	Opening Balance	6.07	6.07
	Addition during the year	0.01	-
	Closing balance	**6.08**	**6.07**
5.2	Due from directors or other officers of the company. **(Refer Note 34(8) of Standalone Financial Statements.)**	Nil	Nil
5.3	Advances due by Firms or Private Companies in which any director of the Company is a director or member.	Nil	Nil
5.4	Refer Note 34(13) of the Standalone Financial Statements with regard to confirmation of balances.		

NOTE NO. 6 INVENTORIES

(₹ in crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
	(Valued at lower of Cost or Net Realisable Value)		
	Stores and spares	147.49	130.26
	Stores and spares-Stores in transit/ pending inspection	0.03	0.12
	Loose tools	3.08	2.48
	Scrap inventory	0.71	1.15
	Carbon Credits / Certified Emission Reductions (CERs) / Verified Carbon Units (VCUs)	2.32	-
	Less: Allowances for Obsolescence and Diminution in Value **(Refer Note 6.1)**	3.15	3.71
	TOTAL	**150.48**	**130.30**
6.1	**Allowances for Obsolescence and Diminution in Value**		
	Opening Balance	3.71	8.50
	Addition during the year **(Refer Note 6.1.1)**	0.32	0.60
	Reversed during the year **(Refer Note 6.1.2)**	0.88	5.39
	Closing balance	**3.15**	**3.71**
6.1.1	During the year, inventories written down to net realisable value (NRV) and recognised as an expense in the Statement of Profit and Loss.	0.32	0.60
6.1.2	Allowances for Obsolence and Diminution in value of inventory booked in earlier years and reversed during the year.	0.88	5.39

NOTE NO. 7.1 FINANCIAL ASSETS - CURRENT - INVESTMENTS

(₹ in Crore)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Quoted Debt Instruments - At Fair Value through Other Comprehensive Income (OCI) **Government Securities** 8.35% SBI Right Issue GOI Special Bonds 27 Mar 2024 **(Refer Note 7.1.1)** (Number of Bonds 150000 @ Face Value of ₹ 10000/- each)	151.35	-
TOTAL	**151.35**	**-**

7.1.1 Refer Note 3.1.2 for earmarked security against Bonds maturing during the Financial Year 2023-24.

NOTE NO. 7.2 CURRENT - FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in Crore)

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

7.2.6 Due to short-term nature of current receivables, their carrying amount is assumed to be the same as their fair value.

7.2.7 Trade Receivables amounting to ₹ 948.04 (Previous Year ₹ 1323.90 Crore) liquidated by way of discounting of bills from various banks have not been derecognised in view of terms of the bill discounting agreement as per which the Company guarantees to compensate the banks for credit losses that may occur in case of default by the respective beneficiaries. Refer Note 20.1.1 with regard to liability recognised in respect of discounted bills.

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

7.2.9 Central Electricity Regulatory Commission in its order dated 05.02.2020 in petition no. 281/GT/2018 allowed NAPAF of 90% for the period 2010-14 against 80% as allowed in its earlier order dated 06.09.2010 in petition No. 57/2010 with the stipulation that recovery of Incentive shall be allowed beyond 90% instead of beyond 80%. Since the said stipulation is ultra vires to the Tariff Regulations 2009-14, appeal has been filed with the Hon'ble Appellate Tribunal for Electricity (APTEL) against the review order dated 05.02.2020. Pending decision of APTEL, unbilled revenue booked in FY 2021-2022 against the incentive in respect of NAPAF beyond 80% and upto 90%, has not been reversed.

Annexure-I to Note No-7.2

As at 31st March 2023 (₹ in Crore)

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

As at 31st March 2022 (₹ in Crore)

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

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

(₹ in crore)

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

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

(₹ in crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
A	Bank Deposits for original maturity more than 3 months upto 12 months **(Refer Note 9.1)**	101.04	86.76
B	Deposit -Unpaid Dividend **(Refer Note 9.2 and 9.4)**	52.30	47.54
C	Deposit -Unpaid Interest	87.22	87.17
D	Other Earmarked Balances with Banks **(Refer Note 9.3)**	14.99	1.46
	TOTAL	**255.55**	**222.93**
9.1	Includes balances which are not freely available for the business of the Company :		
	(i) held for works being executed by Company on behalf of other agencies.	84.74	86.76
	(ii) held as Payment Security Fund i.e Principal and Interest thereon received under Solar 2000 MW Scheme in terms of Power Purchase Agreement Clause.	16.30	-
9.2	Includes unpaid dividend payable amounting to ₹ 22.99 Crore (Previous Year ₹ 24.64 Crore) and TDS on dividend ₹ 29.31 Crore (Previous Year ₹ 22.90 Crore).		
9.3	Includes balances which are not freely available for the business of the Company :-		
	(i) held for works being executed by Company on behalf of other agencies.	1.45	0.87
	(ii) NHPC Emergency relief fund created in pursuance of order of Hon'ble High Court of Sikkim.	0.61	0.59
	(iii) Held for Payment of Monthly instalment on account of securitization of ROE of Chamera-I Power Station to Lender (HDFC Bank)	12.93	Nil
9.4	During the year, unpaid dividend of ₹ 3.68 Crore (Previous Year ₹ 0.80 Crore) has been paid to the Investor Education and Protection Fund. There is no amount due for payment to Investor Education and Protection Fund. **(Refer Note 20.4.2)**		

NOTE NO. 10 CURRENT - FINANCIAL ASSETS - LOANS

(₹ in crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
A	**Loans (including interest thereon) to Related Parties - Unsecured (Refer Note 34(8),10.1 and 10.2)**		
	Loan Receivable - Considered Good	60.06	0.92
	Loan Receivable - Credit Impaired	3.18	0.42
	Less : Loss Allowances for doubtful loan to Related Party **(Refer Note 10.4)**	3.18	0.42
	Sub-total	**60.06**	**0.92**
B	**Loans to Employees (including accrued interest) (Refer Note 10.2 and 10.3)**		
	- Considered good- Secured	22.76	17.47
	- Considered good- Unsecured	31.77	37.29
	- Credit Impaired- Unsecured	0.01	0.01
	Less : Loss Allowances for doubtful Employees loans (Refer Note 10.5)	0.01	0.01
	Sub-total	**54.53**	**54.76**
	TOTAL	**114.59**	**55.68**
10.1	**Loans to Related Parties (including interest thereon) granted for business purpose :-**		
	- National High Power Test Laboratory (P) Limited (NHPTL) **(Refer "A")**	3.18	1.34
	- Lanco Teesta Hydro Power Limited (LTHPL) **(Refer "B")**	60.06	-
	Total	**63.24**	**1.34**

(A) Detail of Repayment: Loan amounting to ₹ 6.00 crore and ₹ 12.40 crore were released to NHPTL on 11.05.2018 and 31.03.2021 respectively.The loan is interest bearing at the rate of 10% per annum, compounded anually and is repayable in 20 equal half yearly instalments starting from 31.10.2022. Interest is payble half yearly on 30th April and 31st October of every financial year starting from 30.04.2021. Above outstanding amount includes current maturity of loan ₹ 2.76 Crore and interest accrued ₹ 0.42 Crore as on 31.03.2023.

(B) Detail of Repayment: Short Term Loan of ₹ 60.00 Crore was granted on 27.03.2023 at the rate of 8.32% per annum. Loan is repayable within one year from the date of release. The interest shalll be paid on quarterly basis on 1st working day of next quarter. Outstanding amount includes interest accrued ₹ 0.06 Crore up to 31st March 2023.

		2023	2022
10.2	Loans and advances in the nature of loan that are repayable on demand.	Nil	Nil
	Loans and advances in the nature of loan that are without specifying any terms or period of repayment.	Nil	Nil
10.3	Due from directors or other officers of the company. **(Refer Note 34(8) of Standalone Financial Statements.)**	0.03	0.08
10.4	**Loss Allowances for doubtful loan to Related Party**		
	Opening Balance	0.42	-
	Addition during the year	2.76	0.42
	Closing balance	**3.18**	**0.42**

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

10.5	**Loss Allowances for doubtful Employees loans**		
	Opening Balance	0.01	0.01
	Closing balance	**0.01**	**0.01**
10.6	Advance due by firms or private companies in which any director of the Company is a director or member .	Nil	Nil

10.7 Loans are non-derivative financial assets which generate a fixed or variable interest income for the company. The Carrying value may be affected by changes in the credit risk of the counterparties.

10.8 Particulars of Loans as required in terms of Section 186 (4) of the Companies Act, 2013 have been disclosed under Note 10 above.

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

NOTE NO. 11 CURRENT - FINANCIAL ASSETS - OTHERS

(₹ in crore)

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

(₹ in crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
11.2	Includes Interest accrued on balances held for works being executed by Company on behalf of other agencies and are not freely available for the business of the Company.	0.38	0.60

11.3 **Refer Note No. 34 (9)** of the Standalone Financial Statements with regard to assets mortgaged/hypothecated as security.

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

NOTE NO. 12 CURRENT TAX ASSETS (NET)

(₹ in crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
	Current Tax Assets		
A	Advance Income Tax including Tax Deducted at Source	2,099.02	1,340.04
B	**Less:** Provision for Current Tax	1,967.99	1,218.67
	Net Current Tax Assets (A-B)	**131.03**	**121.37**
	Income Tax Refundable	1.80	1.80
	Total	**132.83**	**123.17**

NOTE NO. 13 OTHER CURRENT ASSETS

(₹ in crore)

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

(₹ in crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
B.	**Others**		
a)	Expenditure awaiting adjustment	37.06	37.06
	Less: Allowances for project expenses awaiting write off sanction **(Refer Note 13.3)**	37.06	37.06
	Sub-total	-	-
b)	Losses awaiting write off sanction/pending investigation	2.71	12.32
	Less: Allowances for losses pending investigation/awaiting write off / sanction **(Refer Note 13.4)**	2.71	12.32
	Sub-total	-	-
c)	**Prepaid Expenditure**	144.57	144.65
d)	**Deferred Cost on Employees Advances**	11.02	11.65
e)	**Deferred Foreign Currency Fluctuation**		
	Deferred Foreign Currency Fluctuation Assets	44.02	44.02
	Deferred Expenditure on Foreign Currency Fluctuation	6.36	6.36
f)	**Surplus / Obsolete Assets (Refer Note 13.8)**	7.74	6.81
g)	**Goods and Services Tax Input Credit Receivable**	102.34	77.24
	Less: Allowances against Goods and Services Tax Input Credit Receivable **(Refer Note 13.5)**	84.27	44.63
	Sub-total	**18.07**	**32.61**
h)	**Others (Mainly on account of Material Issued to Contractors)**	124.67	137.07
	TOTAL	**405.97**	**441.14**
13.1	**Allowances for Doubtful Deposits**		
	Opening Balance	84.89	74.79
	Addition during the year	-	10.10
	Closing balance	**84.89**	**84.89**
13.2	**Allowances for doubtful advances (Contractors and Suppliers)**		
	Opening Balance	45.52	45.52
	Closing balance	**45.52**	**45.52**
13.3	**Allowances for project expenses awaiting write off sanction**		
	Opening Balance	37.06	37.06
	Closing balance	**37.06**	**37.06**
13.4	**Allowances for losses pending investigation/ awaiting write off / sanction**		
	Opening Balance	12.32	8.47
	Addition during the year	-	6.28
	Used during the year	9.57	2.22
	Reversed during the year	0.04	0.21
	Closing balance	**2.71**	**12.32**
13.5	**Allowances for Goods and Services Tax Input Credit Receivable**		
	Opening Balance	44.63	13.54
	Addition during the year	39.64	31.09
	Closing balance	**84.27**	**44.63**
13.6	Due from directors or other officers of the company. **(Refer Note 34(8) of Standalone Financial Statements.)**	Nil	Nil
13.7	Advance due by Firms or Private Companies in which any Director of the Company is a Director or member.	Nil	Nil

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

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

NOTE NO. 14.1 REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES

(₹ in crore)

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

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

NOTE NO. 14.2 REGULATORY DEFERRAL ACCOUNT CREDIT BALANCES

(₹ in crore)

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

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

NOTE : 15.1 EQUITY SHARE CAPITAL

(₹ in crore)

PARTICULARS	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	Amount (₹ in Crore)	No. of Shares	Amount (₹ in Crore)
Authorized Share Capital (Par value per share Rs. 10)	15000000000	15,000.00	15000000000	15,000.00
Equity shares issued, subscribed and fully paid (Par value per share Rs. 10)	10045034805	10,045.03	10045034805	10,045.03

15.1.1 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:

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

15.1.2 The Company has issued only one kind of equity shares with voting rights proportionate to the share holding of the shareholders. These voting rights are exercisable at meeting of shareholders. The holders of the equity shares are also entitled to receive dividend as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

15.1.3 Shares in the company held by each shareholder holding more than 5 percent specifying the number of shares held : -

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

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

15.1.5 Shareholding of Promoters as at 31st March 2023

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

15.1.6 Shareholding of Promoters as at 31st March 2022

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

NOTE : 15.2 OTHER EQUITY

(₹ in crore)

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

15.2.1 Nature and Purpose of Reserves

(i) **Capital Redemption Reserve:** The company is required to create a capital redemption reserve from distributable profit if the buy-back of shares is out of free reserves. The nominal value of the shares so bought back is required to be transferred to capital redemption reserve.This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

(ii) **Bond Redemption Reserve :** As per the Companies (Share Capital and Debentures) Rules, 2014, the Company was required to create a Bond Redemption Reserve out of available profits for the purpose of redemption of bonds. The Companies (Share Capital and Debentures) Amendment Rules, 2019 exempts the Company from creation of Bond Redemption Reserve. The Amendment Rules, 2019 further stipulate that the amount credited to Debenture Redemption Reserve shall not be utilized by the company except for the purpose of redemption of debentures. Accordingly, though the Bond Redemption Reserve created till 31.03.2019 has been carried forward and further utilised for bonds redeemed during the current year, no further accrual to the reserve has been made.

(iii) **General Reserve :** The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes, as the same is created by transfer from one component of equity to another.The same will be utilised as per the provisions of the Companies Act, 2013

(iv) **Surplus/ Retained Earnings :** Surplus/ Retained earnings generally represent the undistributed profit/ amount of accumulated earnings of the company and includes remeasurement gain/ losses on defined benefit obligations.

(v) **Fair value through Other Comprehensive Income (FVTOCI)-Debt Instruments:** The Company has elected to recognise changes in the fair value of certain investments in debt securities in other comprehensive income. This reserve represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income. The Company transfers amounts from this reserve to retained earnings when the relevant debt securities are disposed off or on maturity of these instruments.

(vi) **Fair value through Other Comprehensive Income (FVTOCI)-Equity Instruments:** The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. The Company transfers amounts from this reserve directly to retained earnings when the relevant equity securities are disposed off.

NOTE NO. 16.1 NON CURRENT - FINANCIAL LIABILITIES - BORROWINGS

(₹ in crore)

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

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

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

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

Note No. - 16.1.3

(₹ in crore)

16.1.3.A	Particulars of redemptions, repayments and securities	As at 31st March, 2023	As at 31st March, 2022
(A).	BONDS (Non-convertible and Non-cumulative)-Secured		
i)	**TAX FREE BONDS- 3A SERIES (Refer Note 16.1.3.B (2&5))** (8.67% p.a. 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2033)	336.07	336.07
ii)	**TAX FREE BONDS- 3B SERIES (Refer Note 16.1.3.B (2&5))** (8.92% p.a. 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2033)	253.62	253.62
iii)	**BONDS- U SERIES (Refer Note 16.1.3.B (1&6))** (8.24% p.a. 15 Years Secured Redeemable Non-Cumulative Non-Convertible Taxable Bonds of ₹ 10,00,000/- each). (Date of redemption 27.06.2031)	540.00	540.00
iv)	**BONDS- U1 SERIES (Refer Note 16.1.3.B (1&6))** (8.17% p.a. 15 Years Secured Redeemable Non-Cumulative Non-Convertible Taxable Bonds of ₹ 10,00,000/- each). (Date of redemption 27.06.2031)	360.00	360.00
v)	**TAX FREE BONDS- 2A SERIES (Refer Note 16.1.3.B (2&5))** (8.54% p.a. 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2028)	213.12	213.12
vi)	**TAX FREE BONDS- 2B SERIES (Refer Note 16.1.3.B (2&5))** (8.79% p.a. 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2028)	85.61	85.61
vii)	**BONDS-AC SERIES (Refer Note 16.1.3.B (12))** (6.86% p.a. 15 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 10 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/10th of face value of Bond). (Bond issue amount of ₹ 1500 Crores redeemable in 10 equal annual instalments commencing from 12.02.2027)	1,500.00	1,500.00

(₹ in crore)

16.1.3.A	Particulars of redemptions, repayments and securities	As at 31st March, 2023	As at 31st March, 2022
viii)	**BONDS-AB SERIES (Refer Note 16.1.3.B (11))** (6.80% p.a. 10 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond). (Bond issue amount of ₹ 750 Crores redeemable in 5 equal annual instalments commencing from 24.04.2026).	750.00	750.00
ix)	**BONDS-AA-1 SERIES (Refer Note 16.1.3.B (10))** (6.89% p.a. 10 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond). (Bond issue amount of ₹ 500 Crores redeemable in 5 equal annual instalments commencing from 11.03.2026).	500.00	500.00
x)	**BONDS-AA SERIES (Refer Note16.1.3.B (10))** (7.13% p.a. 10 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond). (Bond issue amount of ₹ 1500 Crores redeemable in 5 equal annual instalments commencing from 11.02.2026).	1,500.00	1,500.00
xi)	**BONDS-Y-1 SERIES (Refer Note16.1.3.B (9))** (7.38% p.a. 10 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond). (Bond issue amount of ₹ 500 Crores redeemable in 5 equal annual instalments commencing from 03.01.2026).	500.00	500.00
xii)	**BONDS-Y SERIES (Refer Note 16.1.3.B (9))** (7.50% p.a. 10 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond). (Bond issue amount of ₹ 1500 Crores redeemable in 5 equal annual instalments commencing from 07.10.2025).	1,500.00	1,500.00
xiii)	**TAX FREE BONDS- 1A SERIES (Refer Note 16.1.3.B (2&5))** (8.18% p.a. 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2023)	50.81	50.81
xiv)	**TAX FREE BONDS- 1B SERIES (Refer Note 16.1.3.B (2&5))** (8.43% p.a. 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2023)	60.77	60.77

(₹ in crore)

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

(₹ in crore)

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

(₹ in crore)

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

(₹ in crore)

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

(₹ in crore)

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

16.1.3.B	Particulars of security
1.	Secured by pari-passu charge by way of Equitable mortgage/hypothecation against Immovable/ Moveable assets (except for Book Debts and Stores) of Company's Uri-I Power Station situated in the union territory of Jammu & Kashmir.
2.	Secured by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati-II HE Project situated in the state of Himachal Pradesh.
3.	Secured by pari-passu charge by way of equitable mortgage/hypothecation against immovable/movable assets (except for Book Debts and Stores) of Company's Teesta Low Dam-III Power Station situated in the state of West Bengal.
4.	Secured by pari-passu charge by way of equitable mortgage and charge over all the immoveable and moveable assets (except for Book Debts and Stores) of the Company's Dhauliganga Power Station situated in the state of Uttrakhand.
5.	Secured by a first charge on pari-passu basis by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Chamera-III Power Station situated in the state of Himachal Pradesh.
6.	Secured by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati -III Power Station situated in the state of Himachal Pradesh.
7.	Secured by pari-passu charge by way of equitable mortgage/hypothecation against immovable/movable assets (except for Book Debts and Stores) of Company's Teesta-V Power Station situated in the state of Sikkim.
8.	Security creation by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati -II Power Station situated in the state of Himachal Pradesh and Secured by pari-passu charge by way of hypothecation against the moveable assets (except for Book Debts and Stores) of the Company's Dulhasti Power Station situated in the union territory of Jammu & Kashmir.
9.	Security creation by pari-passu charge by way of mortgage and hypothecation against the immovable and movable assets (except for Book Debts and Stores) of the Company's Parbati-II Project situated in the state of Himachal Pradesh and secured by pari-passu charge by way of hypothecation against the movable assets (except for book debts and stores) of the company's Kishanganga Power Station situated in the union territory of J & K.
10.	Security creation by pari-passu charge, by way of mortgage/hypothecation against the movable and immovable assets (except for book debts and stores) of the Company's Parabati II Project, Parbati III Power Station, Chamera II Power Station situated in the state of Himachal Pradesh and Dhauliganga Power Station situated in the state of Uttrakhand.
11.	Security creation by pari-passu charge by way of mortgage/hypothecation against the immovable and movable assets (except for Book Debts and Stores) of the Company's Chamera- II Project situated in the state of Himachal Pradesh .
12.	Security creation by pari-passu charge by way of hypothecation against the movable assets (except for Book Debts and Stores) of the Company's Subansiri Lower Project situated in the state of Assam and Arunachal Pradesh.
13.	Security creation by pari-passu charge by way of hypothecation against the movable assets (except for Book Debts and Stores) of the Company's TLDP-IV Power Station situated in the state of West Bengal.
14.	Security creation by pari-passu charge by way of hypothecation against the movable assets (except for Book Debts and Stores) of the Company's URI-II Power Station situated in the union territory of Jammu & Kashmir.
15.	Security creation by First pari-passu charge by way of hypothecation against the Fixed assets (Present and Future) of the Company.
16.	Security creation by pari-passu charge by way of hypothecation against the immovable structures of the Company's Subansiri Lower Project situated in the state of Assam and Arunachal Pradesh such as buildings, Dam, Power Tunnel, Tail Race Tunnel and other structures /erections/constructed/ to be constructed.

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

(₹ in crore)

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

NOTE NO. 16.3 NON CURRENT - FINANCIAL LIABILTIES - OTHERS

(₹ in crore)

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

16.3.1 For meeting funding requirement of Government of India for the Scheme of Power System Development Fund (PSDF) during the financial year 2018-19, the company has raised an amount of ₹ 2017.20 Crore through private placement of Unsecured Non-cumulative Non-convertible Redeemable, taxable 'Government of India Fully Serviced Bonds- Series- I', with face value of ₹ 10,00,000/- each , in the nature of debentures (Bonds). As per Ministry of Power (MoP) letter dated 12.03.2019 read with letter of Ministry of Finance (MoF) dated 21.01.2019 & 11.03.2019, the repayment of principal and interest of the above bonds shall be made by Government of India by making suitable budget provisions in the demand of Ministry of Power as per estimated liabilities. Accordingly, the amount of such bonds along with interest payable to Bond Holders is appearing as financial liability. Further, the amount recoverable by the company from Government of India has been shown as " Amount recoverable on Account of Bonds fully Serviced by Government of India" under Non-Current Financial Assets-Others under **Note No-3.4**.

Detail of Government of India Fully Serviced Bonds raised during financial year 2018-19 is as under : -		
Government of India Fully Serviced Bond-I Series: 8.12% semi-annual, 10 year unsecured, non-cumulative, redeemable, non-convertible Taxable Bonds of ₹ 10,00,000/- each. (Date of redemption - 22.03.2029)	2,017.20	2,017.20

NOTE NO. 17 NON CURRENT - PROVISIONS

(₹ in crore)

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

(₹ in crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
B.	**OTHERS**		
i)	**Provision For Committed Capital Expenditure**		
	As per last Balance Sheet	1.41	1.37
	Amount used during the year	0.66	0.10
	Amount reversed during the year	0.11	-
	Unwinding of discount	0.10	0.14
	Closing Balance	**0.74**	**1.41**
ii)	**Provision For Livelihood Assistance**		
	As per last Balance Sheet	19.70	19.09
	Additions during the year	1.06	0.23
	Amount used during the year	0.32	-
	Unwinding of discount	0.49	0.38
	Closing Balance	**20.93**	**19.70**
iii)	**Provision-Others**		
	As per last Balance Sheet	1.07	1.07
	Closing Balance	**1.07**	**1.07**
	TOTAL	**50.92**	**48.05**

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

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

(₹ in crore)

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

18.1 Movement in Deferred Tax Liability/ (Assets) is given as Annexure to Note 18.1

18.2 Detail of MAT Credit Entitlement :-

(₹ in Crore)

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

18.3 Pursuant to the provisions of Section 115BAA of the Income Tax Act 1961 announced by Tax Laws (amended) Ordinance 2019 and promulgated as Taxation Laws (amendment) Act 2019 enacted on 11th December 2019 applicable with effect from 1st April 2019, Domestic Companies have options to pay Income Tax at concessional rates by foregoing certain exemptions/ deductions (the new tax regime) as specified in the said section. The Company has Minimum Alternate Tax (MAT) credit of ₹ 2095.64 Crore (including unrecognised amount of MAT Credit of ₹ 528.65 Crore) lying unutilized as on 31st March, 2023 [Previous year ₹ 2424.58 Crore (including unrecognised amount of MAT Credit of ₹ 945.96 Crore)] and is availing tax deductions in respect of its profit from generation of power from certain power stations. In view of the same, it has been decided to continue with existing tax structure for Current and Deferred Tax recognition. Necessary decision for exercising the option under section 115BAA will be taken once tax deductions are not available and MAT credit is substantially exhausted. **(Refer Note 30.1.5)**

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

ANNEXURE TO NOTE NO. 18.1

Financial Year 2022-23

Movement in Deferred Tax Liability

(₹ in crore)

PARTICULARS	Property, Plant and Equipments, Investment Property and Intangible Assets.	Financial Assets at FVTOCI	Other Items	Total
At 1st April 2022	**4,049.40**	**22.69**	**2.24**	**4,074.33**
Charge/(Credit)				
-to Statement of Profit and Loss	3.45	-	(3.30)	0.15
-to Other Comprehensive Income	-	(3.60)	(2.04)	(5.64)
At 31st March 2023	**4,052.85**	**19.09**	**(3.10)**	**4,068.84**

Movement in Deferred Tax Assets (₹ in crore)

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

Financial Year 2021-22

Movement in Deferred Tax Liability (₹ in crore)

PARTICULARS	Property, Plant and Equipments, Investment Property and Intangible Assets.	Financial Assets at FVTOCI	Other Items	Total
At 1st April 2021	**4,012.53**	**25.19**	**(0.05)**	**4,037.67**
Charge/(Credit)				
- to Statement of Profit and Loss	36.87	(1.38)	2.29	37.78
- to Other Comprehensive Income	-	(1.12)	-	(1.12)
At 31st March 2022	**4,049.40**	**22.69**	**2.24**	**4,074.33**

Movement in Deferred Tax Assets (₹ in crore)

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

NOTE NO. 19 OTHER NON CURRENT LIABILITIES

(₹ in crore)

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

NOTE NO. 20.1 CURRENT - FINANCIAL LIABILITIES - BORROWINGS

(₹ in crore)

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

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

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

NOTE NO. 20.2 CURRENT - FINANCIAL LIABILITIES - LEASE LIABILITIES

(₹ in crore)

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

NOTE NO. 20.3 CURRENT - FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
	Total outstanding dues of micro enterprises and small enterprises **(Refer Note 20.3.1)**	37.12	23.12
	Total outstanding dues of Creditors other than micro enterprises and small enterprises	178.33	166.45
	TOTAL	**215.45**	**189.57**
20.3.1	**Disclosure regarding Micro, Small and Medium Enterprise :-**		
	Outstanding Liabilities towards Micro, Small and Medium Enterprise	37.12	23.12

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

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

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

ANNEXURE-I TO NOTE NO-20.3

As at 31st March 2023

(₹ in crore)

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

As at 31st March 2022

(₹ in crore)

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

NOTE NO. 20.4 CURRENT - OTHER FINANCIAL LIABILITIES

(₹ in crore)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Liability against capital works/supplies other than Micro and Small Enterprises	512.74	399.43
Liability against capital works/supplies-Micro and Small Enterprises **(Refer Note 20.4.1)**	10.22	6.59
Liability against Corporate Social Responsibility	12.67	10.54
Interest accrued but not due on borrowings	632.67	636.10
Payable towards Bonds Fully Serviced by Government of India		
- Interest **(Refer Note 16.3.1 and 11(I))**	4.49	4.49
Earnest Money Deposit/ Retention Money	276.39	233.65
Due to Subsidiaries **(Refer Note 34(8))**	4.72	2.99
Unpaid dividend **(Refer Note 20.4.2)**	22.99	24.64
Unpaid interest **(Refer Note 20.4.2)**	0.60	0.54
Payable for Late Payment Surcharge	0.83	-
Payable to Employees	35.17	26.68
Payable to Others	27.56	25.07
TOTAL	**1,541.05**	**1,370.72**
20.4.1 Disclosure regarding Micro, Small and Medium Enterprise :-		
Outstanding Liabilities towards Micro, Small and Medium Enterprise	10.43	7.41
Outstanding Interest towards Micro, Small and Medium Enterprise	-	-

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

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

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

NOTE NO. 21 OTHER CURRENT LIABILITIES

(₹ in crore)

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

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

NOTE NO. 22 CURRENT - PROVISIONS

(₹ in crore)

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

(₹ in crore)

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

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

NOTE NO. 23 CURRENT TAX LIABILITIES (NET)

(₹ in crore)

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

NOTE NO. 24.1 REVENUE FROM OPERATIONS

(₹ in crore)

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

(₹ in crore)

	PARTICULARS	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
24.1.1	Sale of Power includes :-		
	(i) Amount recovered/recoverable directly from beneficiary towards deferred tax liability pertaining to the period upto 2009 and materialised during the year.	86.20	76.13
	(ii) Earlier year sales.	532.55	288.68
24.1.2	Tariff Adjustment:- Tariff regulation notified by Central Electricity Regulatory Commission (CERC) vide notification dated 21.02.2014 inter-alia provides that capital cost considered for fixation of tariff for current tariff period shall be subject to truing up at the end of the tariff period, which may result in increase or decrease in tariff. Accordingly, stated amount has been provided in the books during the year.	-	34.70
24.1.3	Amount of unbilled revenue included in Sales.	1,528.81	1,184.50
24.1.4	Trading Margin in respect of Power Trading Business :-		
	(i) Sale of Power (Net of Rebate)	260.04	44.85
	(ii) Purchase of Power (Net of Rebate)	(255.44)	(44.58)
	Net Trading margin	**4.60**	**0.27**
24.1.5	Power Purchase Agreement (PPA) in respect of 50 MW Wind Power Project, Jaisalmer with Jodhpur Vidyut Vitran Nigam Limited (JdVVNL) is pending for renewal/ extension w.e.f 01.04.2019. However, power is being supplied to the beneficiary, being a must run power plant. The matter regarding renewal/ extension of PPA is sub-judice in Hon'ble High Court of Rajasthan, Jaipur since tariff of ₹ 2.44 per kWh offered by the Rajasthan Renewable Energy Corporation Limited was not acceptable to the Company. Pending decision of the Hon'ble High Court, net revenue from sale of power from the plant w.e.f. 01.04.2019 is being recognized at the pooled cost of power determined by the Rajasthan Electricity Regulatory Commission (RERC) which is ₹ 3.14 per kWh.		

NOTE NO. 24.2 OTHER INCOME

(₹ in crore)

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

(₹ in crore)

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

NOTE NO. 25 GENERATION EXPENSES

(₹ in crore)

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

NOTE NO. 26 EMPLOYEE BENEFITS EXPENSE

(₹ in crore)

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

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

(₹ in crore)

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

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

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

NOTE NO. 27 FINANCE COSTS

(₹ in Crore)

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

(₹ in Crore)

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

NOTE NO. 28 DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in Crore)

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

NOTE NO. 29 OTHER EXPENSES

(₹ in Crore)

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

(₹ in Crore)

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

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

PARTICULARS	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
29.2 Details of audit expenses are as under: -		
i) **Statutory Auditors**		
As Auditor		
- Audit Fees	0.88	0.73
- Tax Audit Fees	0.25	0.21
In other capacity		
- Taxation Matters	-	0.01
- Other Matters/services	0.65	0.57
- Reimbursement of expenses	0.37	0.26
ii) **Cost Auditors**		
- Audit Fees	0.22	0.19
- Reimbursement of expenses	0.01	-
iii) **Goods and Service Tax (GST) Auditor**s		
- Audit Fees	0.03	0.04
- Reimbursement of expenses	0.01	0.01
Total Audit Expenses	**2.42**	**2.02**
29.3 Rent includes the following expenditure as per IND AS-116 "Leases".		
(i) Expenditure on short-term leases other than lease term of one month or less	9.58	10.66
(ii) Variable lease payments not included in the measurement of lease liabilities	3.86	4.96

29.4 Other Expenses includes an amount of ₹ 1.93 Crore (Previous year ₹ 3.05 Crore) incurred on R&D Activities of the Company.

29.5 Expense of ₹ 44.43 Crore (Previous year ₹ 158.50 Crore) on Downstream Protection works incurred in Subansiri Lower Project has been capitalized by way of Expenditure Attributable to Construction (EAC) **(Refer Note 2.2.7)**.

NOTE NO. 30.1 TAX EXPENSES

(₹ in Crore)

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

(₹ in Crore)

30.1.1 Reconciliation of tax expense and the accounting profit multiplied by India's domestic rate.	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Accounting profit/loss before income tax including movement in Regulatory Deferral Account Balance	4,265.10	4,078.99
Applicable tax rate (%)	34.9440	34.9440
Computed tax expense	**1,490.40**	**1,425.36**
Tax effects of amounts which are not deductible (Taxable) in calculating taxable income.		
Non Deductible Tax Expenses	73.23	42.42
Tax Exempt Income	(1.98)	(1.98)
Minimum Alternate Tax Adjustments	(345.70)	(1,474.87)
Deduction u/s 80	(610.55)	(755.20)
Adjustment Relating To Earlier years	-	3.00
Income tax expense reported in Statement of Profit and Loss	**605.40**	**(761.27)**
30.1.2 Amounts recognised directly in Equity		
Aggregate current and deferred tax arising in the reporting year and not recognised in net profit or loss or other comprehensive income but directly debited/(credited) to equity		
Current Tax	Nil	Nil
Deferred tax	Nil	Nil
Total	**Nil**	**Nil**
30.1.3 Tax losses and credits		
(i) Unused tax losses for which no deferred tax asset has been recognised	Nil	Nil
Potential tax benefit @ 30%	Nil	Nil
(ii) The details of MAT Credit available to the Company in future but not recognised in the books of account **(Refer Note 30.1.5)**	528.65	945.96
30.1.4 Unrecognised temporary differences		
Temporary differences relating to investments in subsidiaries for which deferred tax liabilities have not been recognised.		
Undistributed Earnings	Nil	Nil
Unrecognised deferred tax liabilities relating to the above temporary difference	Nil	Ni

30.1.5 The details of Deferred Tax Assets in the nature of Minimum Alternate Tax (MAT) Credit available to the Company in future but not recognised in the Books of Accounts

(₹ in Crore)

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

Deferred tax assets in respect of aforesaid MAT credit available to company in future has not been recognised considering its uncertainty of reversal in foreseeable future.

NOTE NO. 30.2 OTHER COMPREHENSIVE INCOME

(₹ in Crore)

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

NOTE NO. 31 Movement in Regulatory Deferral Account Balances

(₹ in Crore)

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

31.1 Refer Note 14.1 and 14.2 of Standalone Financial Statements.

NOTE NO. 32 EXPENDITURE ATTRIBUTABLE TO CONSTRUCTION (EAC) FORMING PART OF CAPITAL WORK IN PROGRESS FOR THE YEAR

(₹ in Crore)

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

(₹ in Crore)

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

NOTE NO. 33 Disclosure on Financial Instruments and Risk Management

(1) Fair Value Measurement

A) Financial Instruments by category

(₹ in Crore)

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

(₹ in Crore)

Financial assets	Notes	As at 31st March, 2023			As at 31st March, 2022		
		Fair value through Profit or Loss	Fair value through Other Comprehensive Income	Amortised Cost	Fair value through Profit or Loss	Fair value through Other Comprehensive Income	Amortised Cost
Current Financial assets							
(i) Current Investments	7.1		151.35			-	
(ii) Trade Receivables	7.2			5,487.59			4,621.48
(iii) Cash and cash equivalents	8			382.67			937.78
(iv) Bank balances other than Cash and Cash Equivalents	9			255.55			222.93
(v) Loans	10						
- Employee Loans				54.53			54.76
- Loans to Related Party				60.06			0.92
(vi) others (Excluding Lease Receivables)	11			480.29			612.42
(vii) others (Lease Receivables including interest)	11			134.03			119.31
Total Current Financial Assets		**-**	**151.35**	**6,854.72**	**-**	**-**	**6,569.60**
Total Financial Assets		**0.24**	**498.57**	**12,666.13**	**22.35**	**510.34**	**12,063.84**

Financial Liabilities	Notes	As at 31st March, 2023			As as 31st March, 2022		
		Fair value through Profit or Loss	Fair value through Other Comprehensive Income	Amortised Cost	Fair value through Profit or Loss	Fair value through Other Comprehensive Income	Amortised Cost
(i) Long-term borrowings	16.1			25,254.69			23,166.61
(ii) Long term maturities of lease liabilities	16.2			11.70			12.88
(iii) Other Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India)	16.3	8.76		2,134.31			2,088.04
(iv) Borrowing -Short Term including current maturities of long term borrowings	20.1			2,885.65			2,848.76
(v) Current maturities of lease obligations	20.2			2.39			2.27
(vi) Trade Payables including Micro, Small and Medium Enterprises	20.3			215.45			189.57
(vii) Other Current financial liabilities							
a) Interest Accrued but not due on borrowings	20.4			632.67			636.10
b) Other Current Liabilities	20.4			908.38			734.62
Total Financial Liabilities		**8.76**	-	**32,045.24**	**-**	**-**	**29,678.85**

B) FAIR VALUATION MEASUREMENT

(i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the following three levels prescribed under Ind AS-113 "Fair Value Measurements"

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and traded bonds that have quoted price. The fair value of all equity instruments including bonds which are traded in the recognised Stock Exchange and money markets are valued using the closing prices as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.The fair value of financial assets and liabilities included in level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments. This includes derivative security deposits/ retention money and loans at lower than market rates of interest.

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

(₹ in Crore)

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

Note:

* in the absence of latest quoted market rates in respect of these instruments, rates have been derived as per Fixed Income Money Market and Derivatives Association of India (FIMMDA).

All other financial assets and financial liabilities have been measured at amortised cost at balance sheet date and classified as non-recurring fair value measurement.

(b) Financial Assets/Liabilities measured at amortised cost for which Fair Value are disclosed:

(₹ in Crore)

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

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

(₹ in Crore)

PARTICULARS	Notes No.	As at 31st March, 2023		As at 31st March, 2022	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets					
(i) Trade Receivables	3.2	399.45	399.45	-	-
(ii) Loans					
a) Employees (Including current loans)	3.3 and 10	269.15	275.68	251.95	257.88
b) Loans to Related Party	3.3	-	-	17.48	17.48
c) Loan to Government of Arunachal Pradesh (including Interest Accrued)	3.3	875.18	875.18	802.92	802.92
(iii) Others					
- Security Deposits	3.4	25.33	25.33	23.19	23.19
- Bank Deposits with more than 12 Months Maturity (Including Interest accrued)	3.4	0.37	0.37	0.35	0.35
- Recoverable-Others	3.4	5.64	5.64	-	-
- Recoverable on account of Bonds fully Serviced by Government of India	3.4	2,017.20	2,017.20	2,017.20	2,017.20
Total Financial Assets		**3,592.32**	**3,598.85**	**3,113.09**	**3,119.02**
Financial Liabilities					
(i) Long Term Borrowings including Current maturities and accrued interest	16.1,20.1 and 20.4	27,824.97	26,630.87	25,327.57	25,084.06
(ii) Other Long Term Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India)	16.3	2,134.31	2,136.28	2,088.04	2,094.15
Total Financial Liabilities		**29,959.28**	**28,767.15**	**27,415.61**	**27,178.21**

Note:-

1. The Carrying amounts of current investments, Trade and other receivables (Current), Cash and cash equivalents, Short-term loans and advances, Short Term Borrowings, Trade payables and other current financial liabilities are considered to be the same as their fair values, due to their short term nature.
   - For financial assets and financial liabilities measured at fair value, the carrying amounts are equal to the fair value.

(d) Valuation techniques and process used to determine fair values

(1) The Company values financial assets or financial liabilities using the best and most relevant data available. Specific valuation techniques used to determine fair value of financial instruments includes:

- Use of Quoted market price or dealer quotes for similar instruments.
- Fair value of remaining financial instruments is determined using discounted cash flow analysis.

(2) The discount rate used to fair value financial instruments classified at Level -3 is based on the Weighted Average Rate of company's outstanding borrowings except subordinate debts and foreign currency borrowings.

(3) Financial liabilities that are subsequently measured at amortised cost are recognised initially at fair value minus transaction costs using the effective interest method where such transaction costs incurred on long term borrowings are material.

(2) Financial Risk Management

(A) Financial risk factors

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

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash & Cash equivalents, Other Bank Balances ,Trade receivables and financial assets measured at amortised cost, Lease Receivable.	Ageing analysis, credit rating.	Diversification of bank deposits, letter of credit for selected customers.
Liquidity Risk	Borrowings and other facilities.	Rolling cash flow forecasts & Budgets	Availability of committed credit lines and borrowing facilities.
Market Risk- Interest rate	Long term borrowings at variable rates	Sensitivity Analysis	1. Diversification of fixed rate and floating rates 2. Refinancing 3. Actual Interest is recovered through tariff as per CERC Regulation
Market Risk- security prices	Investment in equity and debt securities	Sensitivity Analysis	Portfolio diversification
Market Risk- foreign exchange	Recognised financial liabilities not denominated in INR.	Sensitivity Analysis	Foreign exchange rate variation is recovered through tariff as per CERC Regulation. Call spread option and coupon only swap

Risk management framework

The Company's activities make it susceptible to various risks. The Company has taken adequate measures to address such concerns by developing adequate systems and practices. Company has a well-defined risk management Policy to provide overall framework for risk management in the Company. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company is exposed to the following risks from its use of financial instruments:

i) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables/leased assets) and from its financing activities including deposits with banks and financial institutions.

ii) Liquidity risk.

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise of three types of risk: currency rate risk, interest rate risk and other price risks, such as equity and debt price risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The company operates in a regulated environment. Tariff of the company is fixed by the Central Electricity Regulatory Commission (CERC) through Annual Fixed Charges (AFC) comprising of the following five components:

1. Return on Equity (RoE), 2. Depreciation, 3. Interest on Loans, 4. Operation & Maintenance Expenses and 5. Interest on Working Capital Loans. In addition to the above, Foreign Exchange rate variations and Taxes are

also recoverable from Beneficiaries in terms of the Tariff Regulations. Hence variation in interest rate, currency exchange rate variations and other price risk variations are recoverable from tariff and do not impact the profitability of the company. Further, the company also hedges its medium term foreign currency borrowings by way of interest rate hedge and currency swaps.

(B) Credit Risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

Trade Receivables, unbilled revenue and lease receivables :-

The Company extends credit to customers in normal course of business. The Company monitors the payment track record of the customers. Outstanding receivables are regularly monitored. In the case of the Company, the concentration of risk with respect to trade receivables is low, as its customers are mainly state government companies/DISCOMS and operate in largely independent markets. Unbilled revenue primarily relates to the Company's right to consideration for work completed but not billed at the reporting date and have substantially the same risk characteristics as trade receivables for the same type of contracts.

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

Financial assets at amortised cost :-

Employee Loans: The Company has given loans to employees at concessional rates as per the Company's Policy which have been measured at amortised cost at Balance Sheet date. The recovery of the loan is on fixed instalment basis from the monthly salary of the employees. Long term loans for acquisition of assets are secured by way of mortgage/hypothecation of the assets for which such loans are given. Management has assessed the past data and does not envisage any probability of default on these loans.

Loans to Government of Arunanchal Pradesh : The Company has given loan to Government of Arunachal Pradesh at 9% rate of interest (compounded annually) as per the terms and conditions of Memorandum of understanding signed between the Company and Government of Arunachal Pradesh for construction of hydroelectric projects in the state. The loan has been measured at amortised cost and is recoverable from the share of free power of the state government from the first hydroelectric project to be commissioned in the state. Management does not envisage any probability of default on the loan.

Financial instruments and cash deposits :-

The Company considers factors such as track record, size of the bank, market reputation and service standards to select banks with which balances and deposits are maintained. Generally, the balances are maintained with banks with which the Company has also availed borrowings. The Company invests surplus cash in short term deposits with scheduled banks. The company has balances and deposits with banks which are well diversified across private and public sector banks with limited exposure to any single bank.

Corporate Guarantee issued by the Company: -

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

(a) The Company has issued Corporate Guarantee in favour of HDFC Bank Limited for Term Loan Facility for Bundelkhand Saur Urja Ltd (BSUL) amounting to ₹ 213.25 Crore. The outstanding balance of said term loan is ₹ 134.01 Crore including interest as on 31.03.2023.

(b) The Company has issued Corporate Guarantee in favour of J&K Bank Limited and Bank of Baroda limited for Term Loan Facility for Lanco Teesta Hydro Power Limited (LTHPL) amounting to ₹ 200 Crore and ₹ 350 crores respectively. The outstanding balance of said term loan is ₹ 201.36 crore and ₹ 352.22 crore respectively (including interest) as on 31.03.2023.

(c) The Company has issued Corporate Guarantee in favour of J&K Bank Limited for Term Loan Facility for Jal Power Corporation Limited amounting to ₹ 313.00 Crore. The outstanding balance of said term loan is ₹ 280.00 Crore as on 31.03.2023.

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

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as under:

(₹ in Crore)

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

(ii) Provision for expected credit losses :-

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The Company assesses outstanding receivables on an ongoing basis considering changes in payment behaviour and provides for expected credit loss on case-to-case basis.

(b) Financial assets for which loss allowance is measured using life time expected credit losses

A default in recovery of financial assets occurs when in there is no significant possibility of recovery of receivables after considering all available options for recovery as per assessment of the management. As the power stations and beneficiaries of the company are spread over various states of India, geographically there is no concentration of credit risk.

The Company primarily sells electricity to bulk customers comprising mainly of state utilities owned by State Governments. The Company has a robust payment security mechanism in the form of Letters of Credit (LC) backed by the Tri-Partite Agreements (TPA) signed among the Govt. of India, RBI and the individual State Governments subsequent to the issuance of the One Time Settlement Scheme of SEBs dues during 2001-02 by the GOI, which was valid till October 2016. Government of India has approved the extension of these TPAs for another period of 10 years and the same has been signed by most of the States. As per the provisions of the TPA and Power Purchase Agreements (PPA), the customers are required to open LCs covering 105% of the average monthly billing of the Company for last 12 months. The TPA also provides that if there is any default in payment of current dues by any State Utility, the outstanding dues can be deducted from the Central Plan Assistance of the State and paid to the concerned CPSU. Also, Electricity (Late Payment Surcharge & Related Matters) Rules, 2022 provides for regulation of power by the Company in a gradual manner in case of non-payment of dues beyond 30 days of the due date, i.e. when payment is not made by any beneficiary even after 75 days (being due period of 45 days plus 30 days) from the date of presentation of the bill.

CERC Tariff Regulations 2019-24 allow the Company to raise bills on beneficiaries for late-payment surcharge, which adequately compensates the Company for time value of money due to delay in payment. Further, the fact that beneficiaries are primarily State Governments/ State Discoms and considering the historical credit loss experience for trade receivables, the Company does not envisage either impairment in the value of receivables from beneficiaries or loss due to time value of money due to delay in realization of trade receivables. However, the Company assesses outstanding trade receivables on an ongoing basis considering changes in operating results and payment behaviour and provides for expected credit loss on case-to-case basis. As at the reporting date company does not envisage any default risk on account of non-realization of trade receivables.

(iii) Reconciliation of impairment loss provisions

The movement in the allowance for impairment in respect of financial assets during the year was as follows:

(₹ in Crore)

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

Based on historical default rates, the company believes that no impairment allowance is necessary in respect of any other financial assets as the amounts of such allowances are not significant.

(C) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

i) The Company's objective is to maintain optimum levels of liquidity at all times to meet its cash and collateral requirements. The Company relies on a mix of borrowings and excess operating cash flows to meet its need for funds. The current committed lines of credit and internal accruals are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet capital expenditure and operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the borrowing limits or covenants (where applicable) are not breached on any of its borrowing facilities.

The company had access to the following undrawn borrowing facilities at the end of the reporting year:

(₹ in Crore)

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

ii) Maturities of Financial Liabilities:

The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 1 year is equal to their carrying balances as the impact of discounting is not significant.

As at 31st March, 2023 (₹ in Crore)

Contractual maturities of financial liabilities	Note No.	Outstanding Debt as on 31.03.2023	Within 1 Year	More than 1 Year & Less than 3 Years	More than 3 Year & Less than 5 Years	More than 5 Year
Borrowings	16.1 & 20.01	29147.17	2,885.65	5,524.60	6,092.28	14,644.64
Lease Liabilities	16.2 & 20.2	23.62	2.39	4.22	1.83	15.18
Other financial Liabilities	16.3 & 20.4	3697.29	1,543.88	23.50	7.39	2,122.52
Trade Payables	20.3	215.45	215.45	-	-	-
Total Financial Liabilities		**33083.53**	**4,647.37**	**5,552.32**	**6,101.50**	**16,782.34**

As at 31st March, 2022 (₹ in Crore)

Contractual maturities of financial liabilities	Note No.	Outstanding Debt as on 31.03.2022	Within 1 Year	More than 1 Year & Less than 3 Years	More than 3 Year & Less than 5 Years	More than 5 Year
Borrowings	16.1 & 20.01	27080.91	2,848.76	4,337.53	5,321.14	14,573.48
Lease Liabilities	16.2 & 20.2	24.13	2.27	4.39	3.01	14.46
Other financial Liabilities	16.3 & 20.4	3476.56	1,371.41	12.04	6.41	2,086.70
Trade Payables	20.3	189.57	189.57	-	-	-
Total Financial Liabilities		**30771.17**	**4,412.01**	**4,353.96**	**5,330.56**	**16,674.64**

(D) Market Risk:

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligation provisions and on the non-financial assets and liabilities. The sensitivity of the relevant item of the Statement of Profit and Loss is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in interest rates.

(i) Interest rate risk and sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates. Company's Policy is to maintain most of its borrowings at fixed rate. Company's fixed rate borrowings are carried at amortised cost and are not subject to interest rate risk. Further the company refinances these debts as and when favourable terms are available. The company is also compensated for variability in floating rate through recovery by way of tariff adjustments under CERC tariff regulations.

The exposure of the company's borrowing to interest rate changes at the end of the reporting year are as follows:-

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

Interest Rate Sensitivity Analysis

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The majority of the borrowings of the company are at fixed interest rate. In case of floating rate borrowings there is no impact on Statement of Profit and Loss of the company due to increase/decrese in interest rates, as the same is recoverable from beneficiaries through tariff .

(ii) Interest Rate Benchmark reform rate:

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

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

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

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

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

(ii) Price Risk:

(a) Exposure

The company's exposure to price risk arises from investment in equity shares and debt instruments classified in the financial statements as Fair Value Through OCI. Company's investment in equity shares are listed in recognised stock exchange and are publicly traded in the stock exchanges. Company's investment in debt instruments comprise quoted Government Securities and Public Sector Bonds and are publicly traded in the market. The investment has been classified under current/ non-current investment in Balance Sheet.

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

(₹ in Crore)

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

(b) Price Risk Sensitivity

For Investment in Equity Instruments (Investment in equity shares of PTC)

The table below summarises the impact of increase/decrease in the market price of investment in equity instruments on the company's equity for the year:

(₹ in Crore)

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

Sensitivity has been worked out based on the previous 3 years average of six monthly fluctuations in the share price as quoted on the National Stock Exchange (NSE).

For Investment in Debt Instruments (Investments in Government and Public Sector Undertaking Bonds)

The table below summarises the impact of increase/decrease of the market value of the debt instruments on company's equity for the year:

(₹ in Crore)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	% change	Impact on other components of equity	% change	Impact on other components of equity
Government Securities	0.03	0.09	0.61	2.01
Public Sector Undertaking Tax Free Bonds	0.89	0.73	1.42	1.20

(iii) Foreign Currency Risk

The company is compensated for variability in foreign currency exchange rate through recovery by way of tariff adjustments under the CERC Tariff Regulations.

(a) Foreign Currency Exposure:

The company's exposure to foreign currency risk at the end of the reporting year expressed in INR are as follows :

(₹ in Crore)

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

Out of the above, loan from MUFG bank is hedged through call spread options and coupon only swaps. For balance exposure gain/(loss) on account of exchange variation is recoverable from beneficiaries as per Tariff Regulation 2019-24. Therefore, currency risk in respect of such exposure would not be significant.

(b) Sensitivity Analysis

There is no impact of foreign currency fluctuations on the profit of the company as these are either adjusted to the carrying cost of respective fixed asset/Capital Work-in-Progress or recovered through tariff as per CERC Tariff Regulation. Accordingly, sensitivity analysis for currency risk is not disclosed.

(3) Capital Management

(a) Capital Risk Management

The primary objective of the Company's capital management is to maximize the shareholder value. CERC Tariff Regulations prescribe Debt : Equity ratio of 70:30 for the purpose of fixation of tariff of Power Projects. Accordingly, the company manages its capital structure to maintain the normative capital structure prescribed by the CERC.

The Company monitors capital using Debt : Equity ratio, which is total debt divided by total capital. The Debt : Equity ratio are as follows:

Statement of Gearing Ratio

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

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

(b) Loan Covenants:

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

1. Maintain AAA credit rating and if rating comes down, rate of interest shall be increased by 25 basis point for each notch below AAA rating .
2. Debt to net worth should not exceed 2:1.
3 Interest coverage ratio should be more than 2 times and should be calculated as ((Net Profit+Non Cash Expenditures+Interest Payable-Non Cash Income)/Interest Payable))
4 The gross Debt Service Coverage Ratio of the Company will no time be less than 1.25 during the currency of loan.
5. The Government of India holding in the company not to fall below 51%.
6. First Charge on Assets with 1:1.33 coverage on pari paasu basis.

During the year, the company has complied with the above loan covenants.

(c) Dividends: (Refer Note 15.2)

(₹ in Crore)

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

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

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

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

Note No. – 34: Other Explanatory Notes to Accounts

1. Disclosures relating to Contingent Liabilities:

Contingent Liabilities to the extent not provided for -

a) Claims against the Company not acknowledged as debts in respect of:

(i) Capital works

Contractors have lodged claims aggregating to ₹ **9971.13 Crore** (Previous year ₹ **10240.95 Crore**) against the Company on account of rate and quantity deviation, cost relating to extension of time, idling charges due to stoppage of work/delays in handing over the site etc. These claims are being contested by the Company as being not admissible in terms of provisions of the respective contracts or are lying at arbitration tribunal/other forums/under examination with the Company. These include ₹ **6393.01 Crore** (Previous year ₹ **6040.86 Crore**) towards arbitration awards including updated interest thereon, against the Company, which have been challenged/decided to be challenged in the Court of Law.

Management has assessed the above claims and recognized a provision of ₹ **1116.93 Crore** (Previous year ₹ **418.63 Crore**) based on probability of outflow of resources embodying economic benefits and estimated ₹ **8556.95 Crore** (Previous year ₹ **9546.17 Crore**) as the amount of contingent liability i.e. amounts for which Company may be held contingently liable. In respect of such estimated contingent claims either the outflow of resources embodying economic benefits is not probable or a reliable estimate of the amount required for settling the obligation cannot be made. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered remote.

(ii) Land Compensation cases

In respect of land acquired for the projects, some of the erstwhile land owners have filed claims for higher compensation amounting to ₹ **241.19 Crore** (Previous year ₹ **260.87 Crore**) before various authorities/ Courts. Pending settlement, the Company has assessed and provided an amount of ₹ **16.22 Crore** (Previous year ₹ **43.86 Crore**) based on probability of outflow of resources embodying economic benefits and estimated ₹ **224.97 Crore** (Previous year ₹ **217.01 Crore**) as the amount of contingent liability as outflow of resources is considered not probable.

(iii) Disputed Tax Demands

Disputed Income Tax/Sales Tax/Service Tax/Goods & Services Tax/Water Cess/ Green Energy Cess/other taxes/duties matters pending before various appellate authorities amount to ₹ **1954.09 Crore** (Previous year ₹ **1905.72 Crore**). Pending settlement, the Company has assessed and provided an amount of ₹ **17.52 Crore** (Previous year ₹ **17.52 Crore**) based on probability of outflow of resources embodying economic benefits and ₹ **746.92 Crore** (Previous year ₹ **704.29 Crore**) are being disclosed as contingent liability as outflow of resources is considered not probable. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered remote.

(iv) Others

Claims on account of other miscellaneous matters amount to ₹ **834.10 Crore** (Previous year ₹ **765.02 Crore**). These claims are pending before various forums. Pending settlement, the Company has assessed and provided an amount of ₹ **102.16 Crore** (Previous year ₹ **102.24 Crore**) based on probability of outflow of resources embodying economic benefits and estimated ₹ **723.38 Crore** (Previous year ₹ **653.45 Crore**) as the amount of contingent liability as outflow of resources is considered as not probable. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered remote.

The above is summarized as below: (₹ in Crore)

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

(b) The above do not include contingent liabilities on account of pending cases in respect of service matters relating to employees (including ex-employees) and others where the amount cannot be quantified.

(c) It is not practicable to ascertain and disclose the uncertainties relating to outflow in respect of contingent liabilities.

(d) There is possibility of reimbursement to the Company of ₹ **502.25 Crore** (Previous year ₹ **462.67 Crore**) against the above Contingent Liabilities.

(e) (i) An amount of ₹ **1231.31 Crore** (Previous year ₹ **1140.40 Crore**) stands paid towards above Contingent Liabilities in respect of Capital Works, pursuant to Niti Aayog directions issued vide OM No. 14070/14/2016-PPPAU dated 5th September 2016, in cases where Arbitral Tribunals have passed orders in favour of contractors and such awards/orders have been further challenged/being challenged by the Company in a Court of Law. The amount so paid has been shown under Other Non-Current Assets (Also refer Note No. 5).

(ii) An amount of ₹ **1654.84 Crore** (Previous year ₹ **1656.11 Crore**) stands paid /deposited with courts/paid as per Court Order towards above contingent liabilities to contest the cases and has been shown under Other Non-Current/ Current Assets/ adjusted against other liabilities of the claimants.

(f) The Management does not expect that the above claims/obligations (including under litigation), when ultimately concluded and determined, will have a material and adverse effect on the Company's results or operations or financial condition.

2. Contingent Assets: Contingent assets in respect of the Company are on account of the following:

a) Counter Claims lodged by the Company on other entities:

The Company has lodged counter claims aggregating to ₹ **1397.96 Crore** (Previous year ₹ **1067.90 Crore**) against claims of other entities. These claims have been lodged on the basis of contractual provisions and are being contested at arbitration tribunal/other forums/under examination with the counterparty. It includes counter claims of ₹ **36.13 Crore** (Previous year ₹ **26.74 Crore**) towards arbitration awards including updated interest thereon.

Based on Management assessment, a favourable outcome is probable in respect of the claims aggregating ₹ **1106.28** Crore (Previous year ₹ **828.50 Crore**) and for rest of the claims, the possibility of any inflow is remote. Accordingly, these claims have not been recognised.

b) Late Payment Surcharge:

CERC (Terms and Conditions of Tariff) Regulations 2014-19/2019-24 provide for levy of Late Payment Surcharge by generating company in case of delay in payment by beneficiaries beyond specified days from the date of presentation of bill. In view of significant uncertainties in the ultimate collection from beneficiaries, an amount of ₹ **23.76 Crore** (previous year ₹ **25.61 Crore**) as estimated by the management has not been recognised.

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

Tariff orders on account of petition fee for 2019-24 are pending in respect of twelve Power stations. Management has assessed that additional revenue of ₹ **5.69 Crore** (Previous year ₹ **7.26 Crore**) is likely to accrue which has not been recognised due to significant uncertainty for approval thereof.

d) **Business Interruption Losses**

Insurance Claims due to Business Interruption Losses in respect of Power Stations are recognised when no significant uncertainty of ultimate collection exists. Management has assessed the claims of ₹ **128.97 Crore** (Previous Year ₹ **192.71 Crore**) in this respect which have not been recognised. Power Station-wise details of claims are given at Note 34(23) of the Standalone Financial Statements.

e) **Other Cases**

Claims on account of other miscellaneous matters comprising of interest on amounts deposited as per NITI Aayog directions/ Court Orders in respect of cases pending in Court, liquidated damages, dues from ex-employees etc. estimated by Management at ₹ **1041.79 Crore** (Previous year ₹ **826.00 Crore**) have not been recognised.

3. **Commitments (to the extent not provided for):**

(a) Estimated amount of contracts remaining to be executed on capital account are as under:

(₹ in Crore)

Sl. No.	Particulars	As at 31.03.2023	As at 31.03.2022
(i)	(ii)	(iii)	(iv)
1.	Property Plant and Equipment (including Capital Work in Progress)	3446.87	2130.30
2.	Intangible Assets	0.21	0.85
	Total	**3447.08**	**2131.15**

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

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

4. **Commitments regarding Corporate Guarantees issued by the Company:**

Corporate Guarantee Given to	Guarantee Given in favour of	Total Commitment (including outstanding interest as at)	Exposure of the Company from the Commitment as at		Guarantee fee charged by the Company	Purpose
		31.03.2023	31.03.2023	31.03.2022	(in %)	
		(₹ in Crore)				
Bundelkhand Saur Urja Limited (BSUL)	HDFC Bank in support of credit facility to BSUL	213.25	134.01	60.19	1.20%	For meeting CAPEX Requirement
Jalpower Corporation Limited (JPCL)	J&K Bank in support of credit facility to JPCL	313.00	280.00	-	1.20%	For meeting CAPEX Requirement
Lanco Teesta Hydro Power Limited (LTHPL)	J&K Bank and Bank of Baroda in support of credit facility to LTHPL	553.58	553.58	-	1.20%	For meeting CAPEX Requirement

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

(A) Nature of goods and services

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

(a) Revenue from sale of power

The major revenue of the Company comes from sale of power. The Company sells power to bulk customers, mainly electricity utilities owned by State Governments as well as private Discoms operating in States. Sale of power is generally made pursuant to long-term Power Purchase Agreements (PPAs) entered into with the beneficiaries.

The details of nature, timing of satisfaction of performance obligations and significant payment terms under contracts for sale of power are as under:

Product/ Service	Nature, timing of satisfaction of performance obligations and significant payment terms
Sale of electricity	The Company recognises revenue from contracts for electricity sales on the basis of long-term Power Purchase Agreements entered into with the beneficiaries, which is for substantially the entire life of the Power Stations, i.e., 40 years in case of Hydro Power Stations and 25 years in case of Renewable Energy Projects. Revenue from sale of electricity is accounted for based on tariff rates approved by the CERC for tariff periods of 5 years as modified by the orders of Appellate Tribunal for Electricity to the extent applicable. In case of power stations where the tariff rates are yet to be approved/approved provisionally by the CERC in their orders, provisional rates are adopted considering the applicable CERC Tariff Regulations. Revenue from sale of electricity is recognised once the electricity has been delivered to the beneficiary. The amounts are billed as per the terms of Power Purchase Agreements (PPA) and are payable as per Terms of PPA.

(b) Project Management / Construction Contracts/ Consultancy assignments (Projects and Consultancies)

The Company undertakes consultancy and project execution & maintenance contracts for domestic and international clients. Services are rendered in various areas, viz. Design and engineering, procurement, project management and supervision, construction management, operation and maintenance of power plants, rural road projects and rural electrification projects.

The details of nature, timing of satisfaction of performance obligations and significant payment terms under contracts for consultancy and other services are as under:

Product/ Service	Nature, timing of satisfaction of performance obligations and significant payment terms
Consultancy Services	The Company recognises revenue from contracts for consultancy services over time as customers simultaneously receive and consume the benefits provided by the Company. The assets (e.g. deliverables, reports etc.) transferred under the contracts do not have any alternative use to the Company and the Company has enforceable right to payment for performance completed to date. The revenue from consultancy services is determined as per the terms of the contracts. The amounts are billed as per the terms of contracts and are payable within contractually agreed credit period.
Rural Road Project / Rural Electrification Project	The Company recognises revenue from work done under the scheme over time as the assets do not have alternative use to the Company and the Company has enforceable right to payment for performance completed to date. Revenue from the scheme is determined as per terms of contract. The amounts are billed as per the terms of contract and are payable within contractually agreed credit period.

(c) Trading of Power

The Company purchases power from Generating Companies and sells it to Discoms. Depending on the nature and the risks and reward profile of the agreements, the Company accounts for revenue from trading of power either as an agent or as a principal.

Below are the details of nature, timing of satisfaction of performance obligations and significant payment terms under contracts for sale of electricity through trading:

Product/ Service	Nature, timing of satisfaction of performance obligations and significant payment terms
Sale of electricity through trading	The Company recognises revenue from contracts for sale of electricity through trading over the time as the customers simultaneously receive and consume the benefits provided by the Company. Tariff for computing revenue from sale of electricity through trading is determined as per the terms of the agreements. The amounts are billed as per periodicity specified in the Contract and are payable within contractually agreed credit period.

(B) Disaggregation of Revenue

In the following table, revenue is disaggregated by type of product and services, geographical market and timing of revenue recognition:

(₹ in Crore)

Particulars	Generation of electricity for the year ended (including revenue classified as revenue from Finance and Operating Leases)		Project Management / Construction Contracts/ Consultancy assignments		Trading of Power		Others		Total	
Geographical markets	**31st March 2023**	**31st March 2022**	**31st March 2023**	**31st March 2022**	**31st March 2023**	**31st March 2022**	**31st March 2023**	**31st March 2022**	**31st March 2023**	**31st March 2022**
India	9124.85	8,180.57	60.67	45.57	4.60	0.27	125.95	82.22	9316.07	8308.63
Others	-	-	0.27	0.59	-	-	-	-	0.27	0.59
Total	**9124.85**	**8,180.57**	**60.94**	**46.16**	**4.60**	**0.27**	**125.95**	**82.22**	**9316.34**	**8309.22**
Timing of revenue recognition:										
Products and services transferred over time	9124.85	8,180.57	60.94	46.16	4.60	0.27	125.95	82.22	9316.34	8309.22
Units Sold (MU)	21654	21516	-	-	-	-	-	-	21654	21516

(C) Contract Balances

Details of trade receivables including unbilled receivables and advances from customers / clients for Deposit Works and Contract Liabilities-Project Management/Consultancy Work are as under:

(₹ in Crore)

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

The Company has recognised revenue of ₹ **0.41 crore** (Previous Year ₹ **NIL**) from opening contract liabilities.

(D) Transaction price allocated to the remaining performance obligations is either not applicable or not material to the Company's operations.

(E) Practical expedients applied as per Ind AS 115 'Revenue from Contracts with Customers':

(i) The Company has not disclosed information about remaining performance obligations that have original expected duration of one year or less and where the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date.

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

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

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

(₹ in Crore)

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

7. Operating Segments:

a) Electricity generation (including income from embedded Finance/ Operating leases) is the principal business activity of the Company. Other operations viz., Contracts, Project Management, Consultancy works and Power Trading Business do not form a reportable segment as per Ind AS 108- Operating Segments.

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

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

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

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

(₹ in crore)

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

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

e) Non-Current Assets held in Foreign Countries:

(₹ in crore)

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

*Projects in Nepal are under survey and Investigation stage.

8. Disclosures under Ind AS-24 "Related Party Disclosures":

(A) List of Related parties:

(i) Subsidiaries:

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

(ii) Joint Ventures:

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

(iii) Key Managerial Personnel (KMP):

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

(iv) Post-Employment Benefit Plans :

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

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

The Company is a Central Public Sector Enterprise (CPSE) controlled by Central Government by holding majority of shares. The Company has applied the exemption available for government related entities and has made limited disclosures in the Financial Statements in accordance with Ind AS 24. Accordingly, party-wise details of such transactions have not been given since such transactions are carried out in the ordinary course of business at normal commercial terms and are not considered to be significant.

Sl. No.	Name of the Government/ Other Govt. Controlled Entities	Nature of Relationship with NHPC
1	Government of India	Shareholder having control over company
2	Various Central Public Sector Enterprises and Other Govt. Controlled Entities (BHEL, IOCL, POSOCO, SAIL, New India Assurance Company, Damodar Valley Corporation, PGCIL, REC, BSNL, EESL, KV, Balmer Lawrie & Co. Ltd., Power Foundation of India etc.)	Entities controlled by the same Government (Central Government) that has control over NHPC

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

(i) Transactions and Balances with Subsidiaries

(₹ in crore)

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

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

(₹ in crore)

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

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

(ii) Transactions and Balances with Joint Ventures

(₹ in crore)

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

(₹ in crore)

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

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

(iii) Transactions and Balances with Key Management Personnel:

(₹ in crore)

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

(₹ in crore)

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

(₹ in crore)

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

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

(₹ in crore)

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

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

(₹ in crore)

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

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

(₹ in crore)

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

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

(₹ in crore)

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

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

(₹ in crore)

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

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

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

(₹ in crore)

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

(C) Other notes to related party transactions:

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

(a) Transactions with the state governments and entities controlled by the Government of India are carried out at market terms on arms- length basis (except subordinate debts received from Central Government at concessional rate) through a transparent price discovery process against open tenders, except in a few cases of procurement of spares/services from Original Equipment Manufacturers (OEMs) for proprietary items on single tender basis due to urgency, compatibility or other reasons. Such single tender procurements are also done through a process of negotiation with prices benchmarked against available price data of same/similar items.

(b) Unsecured loan of ₹ **18.40 crore** (Previous Year ₹ **18.40 crore**) granted to NHPTL is interest bearing @ 10% p.a. to be compounded annually. Impairment provision amounting to ₹ **18.82 crore** (Previous Year **NIL**) along with accrued interest has been recognised due to significant uncertainty in realisation.

(c) Outstanding Short Term Loan of ₹ **60.00 crore** was granted to LTHPL on 27.03.2023 at the rate of 8.32% p.a. compounded annually.

(d) Consultancy services provided by the Company to subsidiary and joint venture companies are generally on nomination basis at the terms, conditions and principles applicable for consultancy services provided to other parties.

(e) Outstanding balances of subsidiary and joint venture companies as at 31.03.2023 are unsecured and settlement occurs through banking transactions. These balances other than loans are interest free. Assessment of impairment is undertaken at each financial year through examining the financial position of the related party and the market in which the related party operates.

(f) Contributions to post-employment benefit plans are net of refunds from trusts.

(ii) Commitment towards further investments in the Subsidiary Companies and Joint Venture companies are disclosed at Note 34(3).

9. Particulars of Security: The carrying amount of assets mortgaged/ hypothecated as security for borrowings are as under.

(₹ in crore)

S. No	Particulars	As on 31.03.2023		As on 31.03.2022	
		Specific Assets mortgaged/ hypothecated against Borrowings	Common Assets mortgaged/ hypothecated against Borrowings #	Specific Assets mortgaged/ hypothecated against Borrowings	Common Assets mortgaged/ hypothecated against Borrowings
1	Property, Plant & Equipment	9274.93	8160.10	9777.30	-
2	Capital work in progress	13212.08	12102.92	11690.91	-
3	Financial Assets-Others	967.59	987.93	1065.49	-
	Total	**23454.60**	**21250.95**	**22533.70**	**-**

The actual value of security pledged against common pool of assets is ₹ **1866.14 Crore** as on 31.03.2023 (Previous Year-Nil).

10. Disclosures Under Ind AS-19 " Employee Benefits":

(A) Defined Contribution Plans-

(i) Social Security Scheme: The Company has a Social Security Scheme in lieu of the erstwhile scheme of compassionate appointment which has been is in operation i.e. 01.06.2007. Contribution to the fund is made by employees at a fixed amount per month and a matching contribution for the same amount is also made by the Company. The scheme has been created to provide financial help to bereaved families in the event of death or permanent total disability of its employee. The expenses recognised during the year towards social security scheme are ₹ **2.47 Crore** (Previous year ₹ **2.70 Crore**). The funds of the scheme have been invested in the NHPC Limited Employees Social Security Scheme Trust and the same is managed by the Life Insurance Corporation (LIC) of India.

(ii) Employees Defined Contribution Superannuation Scheme (EDCSS): The scheme has been created for providing pension benefits to employees. As per the scheme, each employee contributes @ 5% of Basic Pay and Dearness Allowance. The company contributes to the extent of balance available after deducting employers' contribution to Provident Fund, contribution to Gratuity Trust and REHS Trust, from the amount worked out @ 30% of the Basic Pay and DA. The Scheme is managed by the LIC of India. Expense recognised during the year towards EDCSS are ₹ **96.89 Crore** (Previous year ₹ **98.13 Crore**).

(B) Defined Benefit Plans- Company has following defined post-employment benefit obligations :

(a) Description of Plans:

(i) Provident Fund: The Company pays fixed contribution to Provident Fund at predetermined rates to a separate Trust, which invests the funds in permitted securities. The contribution to the fund for the year is recognised as expense and is charged to the Statement of Profit and Loss/Expenditure Attributable to Construction. The obligation of the Company is to make a fixed contribution and to ensure a minimum rate of return to the members as specified by the Government of India (GoI).

(ii) Gratuity: The Company has a defined benefit gratuity plan. The ceiling limit of gratuity is fixed as per the Payment of Gratuity Act, 1972, whereby every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹ 0.20 Crore on superannuation, resignation, termination, disablement or death. Such ceiling limit of gratuity shall, however, increase by 25% when Industrial Dearness Allowance increases by 50%. The plan is being managed by a separate Trust created for the purpose and obligation of the Company is to make contribution to the Trust based on actuarial valuation. The funds of the trust are managed by the LIC of India.

(iii) **Retired Employees Health Scheme (REHS):** The Company has a Retired Employee Health Scheme, under which retired employee and/or spouse of retiree and eligible dependent children of deceased/retired employees are provided medical facilities in the Company hospitals / empanelled hospitals. They can also avail treatment as Out-Patient subject to a ceiling limit fixed by the Company. The liability for REHS is recognised on the basis of actuarial valuation. The Scheme is being managed by a separate Trust created for the purpose and obligation of the company is to make contribution to the Trust based on such actuarial valuation. The funds of the Trust are managed by the LIC of India.

(iv) **Allowances on Retirement/Death:** Actual cost of shifting from place of duty at which employee is posted at the time of retirement to any other place where he / she may like to settle after retirement is paid as per the rules of the Company. In case of death, family of deceased employee can also avail this facility. Liability for the same is recognised on the basis of actuarial valuation.

(v) **Memento to employees on attaining the age of superannuation:** The Company has a Policy of providing Memento valuing ₹ 10,000/- to employees on superannuation. Liability for the same is recognised on the basis of actuarial valuation

(vi) **NHPC Employees Family Economic Rehabilitation Scheme:** NHPC Limited has introduced "NHPC Employees Family Economic Rehabilitation Scheme" w.e.f. 01.04.2021. The objective of this scheme is to provide monetary assistance and support to an employee in case of permanent total disablement of the employee and to his family in case of death of the employee, provided the permanent total disablement / death as the case may be, takes place while the employee is in service of the Company. On the separation of an employee from the service of the Company on account of death / permanent total disablement, the beneficiary is entitled to monthly payment equivalent to 50% of one month Basic Pay & DA last drawn by the employee and other benefits including HRA, Children's Education Allowance, etc. provided the beneficiary surrenders with the Company the death/ disablement benefits received under Social Security Scheme. Liability for the Scheme is recognised on the basis of actuarial valuation.

(b) Disclosure of Balance Sheet amounts and sensitivity analysis of Plans:

(i) **Provident Fund :** Movements in the net defined benefit obligation during the years 2022-23 and 2021-22 are as follows:

(₹ in crore)

PARTICULARS	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2022-23	
Opening Balance as at 01.04.2022	**2989.92**	**3027.73**	**(37.81)**
Current Service Cost	89.73	-	89.73
Interest Expenses/ (Income)	233.82	233.82	-
Total	**323.55**	**233.82**	**89.73**

(₹ in crore)

PARTICULARS	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2022-23	
Re-measurements			
Return on Plan Assets, excluding amount included in interest expenses/(Income)	-	3.04	(3.04)
(Gain)/loss from change in financial assumptions	(0.12)	-	(0.12)
Experience (gains)/Losses	(0.50)	-	(0.50)
Total	**(0.62)**	**3.04**	**(3.66)**
Contributions:-			
-Employers	-	89.73	(89.73)
-Plan participants	233.28	233.28	-
Benefit payments	(506.80)	(506.80)	-
Closing Balance as at 31.03.2023	**3039.33**	**3080.80**	**(41.47)**

(₹ in crore)

PARTICULARS	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2021-22	
Opening Balance as at 01.04.2021	**2994.16**	**3002.27**	**(8.11)**
Current Service Cost	90.54	-	90.54
Interest Expenses/ (Income)	231.17	234.35	(3.18)
Total	**321.71**	**234.35**	**87.36**
Re-measurements			
Return on Plan Assets, excluding amount included in interest expenses/(Income)	-	12.03	(12.03)
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(0.35)	-	(0.35)
Experience (gains)/Losses	(14.14)	-	(14.14)
Total	**(14.49)**	**12.03**	**(26.52)**
Contributions:-			
-Employers	-	90.54	(90.54)

(₹ in crore)

PARTICULARS	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2021-22	
-Plan participants	263.01	263.01	-
Benefit payments	(574.47)	(574.47)	-
Closing Balance as at 31.03.2022	**2989.92**	**3027.73**	**(37.81)**

The net liability disclosed above related to funded and unfunded plans are as follows:

(₹ in crore)

Particulars	31st March 2023	31st March 2022
Present Value of funded obligations	3039.33	2989.92
Fair value of Plan Assets	3080.80	3027.73
Deficit/(Surplus) of funded plans	**(41.47)**	**(37.81)**
Unfunded Plans	-	-
Deficit/(Surplus) before asset ceiling	**(41.47)**	**(37.81)**

As per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Company has no right to the benefits either in the form of refund from the plan or lower future contribution to the plan towards the **net surplus of ₹ 41.47 Crore** determined through actuarial valuation. Accordingly, the Company has not recognised the surplus as an asset, and the actuarial gains in Other Comprehensive Income, as these pertain to the Provident Fund Trust and not to the Company.

Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

(₹ in crore)

Particulars	Change in Assumptions			Impact on Defined Benefit Obligation				
				Increase in Assumption			Decrease in Assumptions	
	31st March 2023	31st March 2022		31st March 2023	31st March 2022		31st March 2023	31st March 2022
Discount Rate	0.50%	0.50%	Decrease by	0.006%	0.007%	Increase by	0.007%	0.007%

(ii) Gratuity: The amount recognised in the Balance Sheet as at 31.03.2023 and 31.03.2022 along with the movements in the net defined benefit obligation during the years 2022-23 and 2021-22 are as follows:

(₹ in crore)

PARTICULARS	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation / (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2022-23	
Opening Balance as at 01.04.2022	**569.18**	**566.40**	**2.78**
Current Service Cost	15.55	-	15.55
Past Service Cost	18.24	-	18.24
Interest Expenses/ (Income)	39.84	39.65	0.19
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	**73.63**	**39.65**	**33.98**
Re-measurements			
Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	0.60	(0.60)
(Gain)/loss from change in demographic assumptions	2.98	-	2.98
(Gain)/loss from change in financial assumptions	(13.24)	-	(13.24)
Experience (gains)/Losses	(9.24)	-	(9.24)
Total Amount recognised in Other Comprehensive Income	**(19.50)**	**0.60**	**(20.10)**
Contributions:-			
-Employers	-	10.00	(10.00)
Benefit payments	(83.88)	(89.25)	5.37
Closing Balance as at 31.03.2023	**539.43**	**527.40**	**12.03**

Keeping in view the provision whereby the ceiling limit of gratuity increases by 25% when Industrial Dearness Allowance increased by 50% and considering the fact that the current Industrial Dearness Allowance is 37.20% as on 31.03.2023, Gratuity ceiling of ₹ **0.24 Crore** has been considered for actuarial valuation in respect of employees retiring after 01.01.2027.

(₹ in crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation / (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2021-22	
Opening Balance as at 01.04.2021	**602.75**	**650.34**	**(47.59)**
Current Service Cost	16.06	-	16.06
Past Service Cost	33.75	-	33.75
Interest Expenses/ (Income)	39.48	42.60	(3.12)
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	**89.29**	**42.60**	**46.69**

(₹ in crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation / (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2021-22	
Re-measurements			
Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	2.36	(2.36)
(Gain)/loss from change in demographic assumptions	0.09	-	0.09
(Gain)/loss from change in financial assumptions	(16.51)	-	(16.51)
Experience (gains)/Losses	(9.91)	-	(9.91)
Total Amount recognised in Other Comprehensive Income	**(26.33)**	**2.36**	**(28.69)**
Contributions:-			
-Employers	-	(29.33)	29.33
Benefit payments	(96.53)	(99.56)	3.03
Closing Balance as at 31.03.2022	**569.18**	**566.40**	**2.78**

Total amount recognised in the Statement of Profit and Loss/ Expenditure attributable to Constructions and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report. This includes an amount of ₹ **0.90 Crore** (previous year ₹ **1.36 Crore**) accounted as receivable/(payable) from/to Subsidiaries/Joint Venture in respect of employees of NHPC posted in the Subsidiaries/Joint Venture of the Company.

The net liability disclosed above related to funded and unfunded plans are as follows:

(₹ in crore)

Particulars	31st March 2023	31st March 2022
Present Value of funded obligations	539.43	569.18
Fair value of Plan Assets	527.40	566.40
Deficit/(Surplus) of funded plans	**12.03**	**2.78**
Unfunded Plans	-	-
Deficit/(Surplus) before asset ceiling	**12.03**	**2.78**

Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

Particulars	Change in assumptions		Impact on Defined Benefit Obligation					
				Increase in assumptions			Decrease in assumptions	
	31st March 2023	31st March 2022		31st March 2023	31st March 2022		31st March 2023	31st March 2022
Discount rate	0.50%	0.50%	Decrease by	3.33%	3.38%	Increase by	3.53%	3.60%
Salary growth rate	0.50%	0.50%	Increase by	0.40%	0.44%	Decrease by	0.46%	0.52%

(iii) Retired Employees Health Scheme (REHS): The amount recognised in the Balance Sheet as at 31.03.2023 and 31.03.2022 along with the movements in the net defined benefit obligation during the years 2022-23 and 2021-22 are as follows:

(₹ in crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii = (i) - (ii)
		2022-23	
Opening Balance as at 01.04.2022	**998.37**	**1004.23**	**(5.86)**
Current Service Cost	16.83	-	16.83
Interest Expenses/ (Income)	69.89	70.29	(0.40)
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	**86.72**	**70.29**	**16.43**
Re-measurements			
Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	10.86	(10.86)
(Gain)/loss from change in financial assumptions	(50.86)	-	(50.86)
Experience (gains)/Losses	85.21	-	85.21
Total Amount recognised in Other Comprehensive Income	**34.35**	**10.86**	**23.49**
Contributions:-			
-Employers	-	12.28	(12.28)
Benefit payments	(55.30)	(51.24)	(4.06)
Closing Balance as at 31.03.2023	**1064.14**	**1046.42**	**17.72**

(₹ in crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii = (i) - (ii)
		2021-22	
Opening Balance as at 01.04.2021	**948.36**	**1043.88**	**(95.52)**
Current Service Cost	16.73	-	16.73
Interest Expenses/ (Income)	62.12	68.37	(6.25)
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	**78.85**	**68.37**	**10.48**
Re-measurements			
Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	7.01	(7.01)
(Gain)/loss from change in financial assumptions	(56.46)	-	(56.46)
Experience (gains)/Losses	73.19	-	73.19

(₹ in crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii = (i) - (ii)
		2021-22	
Total Amount recognised in Other Comprehensive Income	**16.73**	**7.01**	**9.72**
Contributions:-			
- Employers	-	(67.30)	67.30
Benefit payments	(45.57)	(47.73)	2.16
Closing Balance as at 31.03.2022	**998.37**	**1004.23**	**(5.86)**

Total amount recognised in the Statement of Profit and Loss/ Expenditure attributable to Construction and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report. This includes an amount of ₹ **1.69 Crore** (previous year ₹ **1.22 Crore**) accounted as receivable/(payable) from/to Subsidiaries/Joint Venture in respect of employees of NHPC posted in the Subsidiaries/Joint Venture of the Company.

The net liability disclosed above related to funded and unfunded plans are as follows:

(₹ in crore)

Particulars	31st March 2023	31st March 2022
Present Value of funded obligations	1064.14	998.37
Fair value of Plan Assets	1046.42	1004.23
Deficit/(Surplus) of funded plans	**17.72**	**(5.86)**
Unfunded Plans	-	-
Deficit/(Surplus) before asset ceiling	**17.72**	**(5.86)**

Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

Particulars	Change in assumptions		Impact on Defined Benefit Obligation					
			Increase in assumptions			Decrease in assumptions		
	31st March 2023	31st March 2022		31st March 2023	31st March 2022		31st March 2023	31st March 2022
Discount Rate	0.50%	0.50%	Decrease by	6.67%	6.67%	Increase by	6.75%	6.71%
Medical Cost Rate	0.50%	0.50%	Increase by	6.78%	6.73%	Decrease by	6.68%	6.69%

(iv) Allowances on Retirement/Death: The amount recognised in the Balance Sheet as at 31.03.2023 and 31.03.2022 along with the movements in the net defined benefit obligation during the years 2022-23 and 2021-22 are as follows:

(₹ in crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2022-23	
Opening Balance as at 01.04.2022	**4.52**	**-**	**4.52**
Current Service Cost	0.18	-	0.18
Interest Expenses/ (Income)	0.32	-	0.32

(₹ in crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2022-23	
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	**0.50**	**-**	**0.50**
Re-measurements			
(Gain)/loss from change in demographic assumptions	(0.02)	-	(0.02)
(Gain)/loss from change in financial assumptions	(0.11)	-	(0.11)
Experience (gains)/Losses	0.05	-	0.05
Total Amount recognised in Other Comprehensive Income	**(0.08)**	**-**	**(0.08)**
Contributions:-			
Benefit payments	(0.70)	-	(0.70)
Closing Balance as at 31.03.2023	**4.24**	**-**	**4.24**

(₹ in crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2021-22	
Opening Balance as at 01.04.2021	**4.83**	**-**	**4.83**
Current Service Cost	0.19	-	0.19
Interest Expenses/ (Income)	0.32	-	0.32
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	**0.51**	**-**	**0.51**
Re-measurements			
(Gain)/loss from change in financial assumptions	(0.17)	-	(0.17)
Experience (gains)/Losses	0.19	-	0.19
Total Amount recognised in Other Comprehensive Income	**0.02**	**-**	**0.02**
Contributions:-			
Benefit payments	(0.84)	-	(0.84)
Closing Balance as at 31.03.2022	**4.52**	**-**	**4.52**

Total amount recognised in the Statement of Profit and Loss/ Expenditure attributable to Constructions and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report. This includes an amount of ₹ **0.03 Crore** (previous year ₹ **0.03 Crore**) accounted as receivable/(payable) from/to Subsidiaries/Joint Venture in respect of employees of NHPC posted in the Subsidiaries/Joint Venture of the Company.

The net liability disclosed above is related to unfunded plans.

Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

Particulars	Change in assumptions		Impact on Defined Benefit Obligation					
			Increase in assumptions			Decrease in assumptions		
	31st March 2023	31st March 2022		31st March 2023	31st March 2022		31st March 2023	31st March 2022
Discount Rate	0.50%	0.50%	Decrease by	4.56%	4.34%	Increase by	4.99%	4.75%
Cost Increase	0.50%	0.50%	Increase by	5.25%	5.00%	Decrease by	4.66%	4.44%

(v) **Memento to employees on attaining the age of superannuation:** The amount recognised in the Balance Sheet as at 31.03.2023 and 31.03.2022 along with the movements in the net defined benefit obligation during the years 2022-23 and 2021-22 are as follows:

(₹ in crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2022-23	
Opening Balance as at 01.04.2022	**2.72**	**-**	**2.72**
Current Service Cost	0.10	-	0.10
Interest Expenses/ (Income)	0.19	-	0.19
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	**0.29**	**-**	**0.29**
Re-measurements			
(Gain)/loss from change in demographic assumptions	(0.01)	-	(0.01)
(Gain)/loss from change in financial assumptions	(0.04)	-	(0.04)
Experience (gains)/Losses	(0.17)	-	(0.17
Total Amount recognised in Other Comprehensive Income	**(0.22)**	**-**	**(0.22)**
Contributions:-			
Benefit payments	(0.36)	-	(0.36)
Closing Balance as at 31.03.2023	**2.43**	**-**	**2.43**

(₹ in crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	**(ii)**	**iii=(i)-(ii)**
		2021-22	
Opening Balance as at 01.04.2021	**3.12**	**-**	**3.12**
Current Service Cost	0.11	-	0.11
Interest Expenses/ (Income)	0.20	-	0.20
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	**0.31**	**-**	**0.31**

(₹ in crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2021-22	
Re-measurements			
Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(0.08)	-	(0.08)
Experience (gains)/Losses	(0.20)	-	(0.20)
Total Amount recognised in Other Comprehensive Income	**(0.28)**	**-**	**(0.28)**
Contributions:-			
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	(0.43)	-	(0.43)
Closing Balance as at 31.03.2022	**2.72**	**-**	**2.72**

Total amount recognised in the Statement of Profit and Loss/ Expenditure attributable to Constructions and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report. This includes an amount of ₹ **NIL** (previous year ₹ **NIL**) accounted as receivable/(payable) from/to Subsidiaries/Joint Venture in respect of employees of NHPC posted in the Subsidiaries/Joint Venture of the Company.

The net liability disclosed above is related to unfunded plans.

Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

Particulars	Change in assumptions			Impact on Defined Benefit Obligation				
				Increase in assumptions			Decrease in assumptions	
	31st March 2023	31st March 2022		31st March 2023	31st March 2022		31st March 2023	31st March 2022
Discount Rate	0.50%	0.50%	Decrease by	2.91%	3.20%	Increase by	3.00%	3.36%

(vi) **NHPC Employees Family Economic Rehabilitation Scheme:** The amount recognised in the Balance Sheet as at 31.03.2023 and 31.03.2022 along with the movements in the net defined benefit obligation during the years 2022-23 and 2021-22 are as follows:

(₹ in crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2022-23	
Opening Balance as at 01.04.2022	**20.40**	**-**	**20.40**
Current Service Cost	1.79	-	1.79

(₹ in crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2022-23	
Interest Expenses/ (Income)	1.23	-	1.23
Total Amount recognised in Statement of Profit and Loss	**3.02**	**-**	**3.02**
Re-measurements			
(Gain)/loss from change in financial assumptions	(0.28)	-	(0.28)
Experience (gains)/Losses	1.05	-	1.05
Total Amount recognised in Other Comprehensive Income	**0.77**	**-**	**0.77**
Contributions:-			
Benefit payments	(0.86)	-	(0.86)
Closing Balance as at 31.03.2023	**23.33**	**-**	**23.33**

(₹ in crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2021-22	
Opening Balance as at 01.04.2021	**-**	**-**	**-**
Current Service Cost	0.84	-	0.84
Past Service Cost	16.68	-	16.68
Interest Expenses/ (Income)	-	-	-
Total Amount recognised in Statement of Profit and Loss	**17.52**	**-**	**17.52**
Re-measurements			
(Gain)/loss from change in financial assumptions	-	-	-
Experience (gains)/Losses	-	-	-
Total Amount recognised in Other Comprehensive Income	**-**	**-**	**-**
Contributions:-			
-Employers	-	-	-
-Plan participants	3.08	-	3.08
Benefit payments	(0.20)	-	(0.20)
Closing Balance as at 31.03.2022	**20.40**	**-**	**20.40**

Total amount recognised in the Statement of Profit and Loss and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report.

The net liability disclosed above is related to unfunded plans.

Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

Particulars	Change in assumptions			Impact on Defined Benefit Obligation				
				Increase in assumptions			Decrease in assumptions	
	31st March 2023	31st March 2022		31st March 2023	31st March 2022		31st March 2023	31st March 2022
Discount Rate	0.50%	0.50%	Decrease by	1.70%	2.78%	Increase by	1.77%	2.93%
Salary growth rate	0.50%	0.50%	Increase by	0.82%	1.79%	Decrease by	0.78%	1.75%

(c) Defined Benefit Plans: Significant estimates: Actuarial assumptions:

(₹ in crore)

Particulars	31st March 2023	31st March 2022
Discount Rate	7.35%	7.00%
Salary growth rate	6.50%	6.50%

(d) The major categories of Plan Assets are as follows:

Provident Fund:

(₹ in crore)

Particulars	31st March 2023			
	Quoted	Unquoted	Total	In %
Debt Instruments				
Government Bonds	1837.40	-	**1837.40**	59.64
Corporate Bonds	996.38	-	**996.38**	32.34
Investment Funds				
Mutual Funds	139.77	-	**139.77**	4.54
Cash and Cash Equivalents	-	47.64	**47.64**	1.55
Accrued Interest	59.61	-	**59.61**	1.93
Total	**3033.16**	**47.64**	**3080.80**	**100.00**

(₹ in crore)

Particulars	31st March 2022			
	Quoted	Unquoted	Total	In %
Debt Instruments				
Government Bonds	1808.81	-	**1808.81**	59.74
Corporate Bonds	1035.78	-	**1035.78**	34.21
Investment Funds				
Mutual Funds	75.85	-	**75.85**	2.51
Cash and Cash Equivalents	-	45.54	**45.54**	1.50
Accrued Interest	61.75	-	**61.75**	2.04
Total	**2982.19**	**45.54**	**3027.73**	**100.00**

Gratuity

(₹ in crore)

Particulars	31st March 2023			
	Quoted	Unquoted	Total	In %
Investment Funds				
LIC Scheme	-	527.38	**527.38**	100.00
Cash and Cash Equivalents	-	0.02	**0.02**	0.00
Total	**-**	**527.40**	**527.40**	**100.00**

(₹ in crore)

Particulars	31st March 2022			
	Quoted	Unquoted	Total	In %
Investment Funds				
LIC Scheme	-	566.39	**566.39**	100.00
Cash and Cash Equivalents	-	0.01	**0.01**	0.00
Total	**-**	**566.40**	**566.40**	**100.00**

Retired Employees Health Scheme (REHS):

(₹ in crore)

Particulars	31st March 2023			
	Quoted	Unquoted	Total	In %
Debt Instruments				
Corporate Bonds	412.01	-	**412.01**	39.37
LIC Scheme	-	619.05	**619.05**	59.16
Cash and Cash Equivalents	-	0.03	**0.03**	-
Accrued Interest	15.33	-	**15.33**	1.47
Total	**427.34**	**619.08**	**1046.42**	**100.00**

(₹ in crore)

Particulars	31st March 2022			
	Quoted	Unquoted	Total	In %
Debt Instruments				
Corporate Bonds	424.01	-	**424.01**	42.22
LIC Scheme	-	564.81	**564.81**	56.24
Cash and Cash Equivalents	-	0.02	**0.02**	-
Accrued Interest	15.39	-	**15.39**	1.54
Total	**439.40**	**564.83**	**1004.23**	**100.00**

(e) **Risk Exposure:** Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such, the company is exposed to various risks as follows:

A) Salary Increase- Actual salary increase will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B) Investment Risk – For funded plans, asset-liability mismatch and actual return on assets at a rate lower than the discount rate assumed at the last valuation date can impact the liability.

C) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

D) Mortality and disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

(f) Defined benefit liability and employer contributions: Funding levels are monitored on an annual basis and the current contribution rate is 30% of basic salary and dearness allowance. The Company considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

Expected contributions to defined-benefit plans for the year ending March 31, 2024 are ₹ **138.80 Crore**.

The weighted average duration of the defined benefit obligations is **10.37 Years** as at 31st March, 2023 (31st March, 2022: **10.49 years**).

The expected maturity analysis of undiscounted defined benefit plans is as follows:

The expected maturity analysis of Provident Fund (NHPC Ltd. Employees Provident Fund)

(₹ in crore)

Particulars	Between 0-1 years	Between 1-5 years	Between 5-10 years	Over 10 years	Total
31.03.2023	467.67	854.12	630.11	1087.43	**3039.33**
31.03.2022	490.13	877.54	588.36	1033.89	**2989.92**

The expected maturity analysis of Gratuity (NHPC Ltd. Employees Group Gratuity Assurance Fund), Post Employment Medical Benefits (NHPC Ltd. Retired Employees Health Scheme Trust), Allowances on Retirement/Death, Memento and NHPC Employees Family Economic Rehabilitation Scheme are as under:

(₹ in crore)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31.03.2023					
Gratuity	68.14	55.02	103.12	313.15	**539.43**
Post-employment Medical Benefits (REHS)	55.31	59.05	207.01	742.77	**1064.14**
Allowances on Retirement/ Death	0.50	0.43	0.75	2.56	**4.24**
Memento to employees on attaining the age of superannuation	0.35	0.28	0.46	1.34	**2.43**
NHPC Employees Family Economic Rehabilitation Scheme	0.97	1.04	3.61	17.71	**23.33**
TOTAL	**125.27**	**115.82**	**314.95**	**1077.53**	**1633.57**

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31.03.2022					
Gratuity	78.88	62.28	113.02	315.00	**569.18**
Post-employment Medical Benefits (REHS)	43.38	45.99	201.89	707.11	**998.37**
Allowances on Retirement/ Death	0.56	0.47	0.93	2.56	**4.52**
Memento to employees on attaining the age of superannuation	0.41	0.35	0.61	1.35	**2.72**
NHPC Employees Family Economic Rehabilitation Scheme	0.80	0.82	2.56	16.22	**20.40**
TOTAL	**124.03**	**109.91**	**319.01**	**1,042.24**	**1,595.19**

(C) **Other long-term employee benefits (Leave Benefit):** The Company provides for earned leave and half-pay leave to the employees who accrue annually @ 30 days and 20 days respectively. Earned Leave (EL) is also encashable while in service. The maximum ceiling of encashment of earned leave is limited to 300 days. However, any shortfall in the maximum limit of 300 days in earned leave on superannuation shall be fulfilled by half pay leave to that extent. The liability for the same is recognised on the basis of actuarial valuation. The expenses recognised during the year on the basis of actuarial valuation are ₹ **52.61 Crore** (Previous Year ₹ **62.09 Crore**)

11. Particulars of income and expenditure in foreign currency and consumption of spares are as under: -

(₹ in crore)

S. No	Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
a)	Expenditure in Foreign Currency		
	i) Interest	18.78	23.47
	ii) Other Misc. Matters	24.85	6.43
b)	Value of spare parts and Components consumed in operating units.	-	-
	i) Imported	20.79	18.18
	ii) Indigenous		

12. Earnings Per Share:

a) The Earnings Per Share (Basic and Diluted) are as under:

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Earnings per Share before Regulatory Income (₹) – Basic and Diluted	3.96	4.79
Earnings per Share after Regulatory Income (₹) – Basic and Diluted	3.82	3.52
Par value per share (₹)	10	10

b) Reconciliation of Earning used in calculating Earnings Per Share:

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Net Profit after Tax but before Regulatory Income used as numerator (₹ in crore)	3978.20	4808.13
Net Profit after Tax and Regulatory Income used as numerator (₹ in crore)	3833.79	3537.71

c) Reconciliation of weighted average number of shares used as denominator:

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Weighted Average number of equity shares used as denominator	10045034805	10045034805

13. Disclosure related to Confirmation of Balances is as under:

(a) The Company has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts and borrowings from banks & financial institutions. With regard to receivables for energy sales, the Company sends demand intimations to the beneficiaries with details of amount paid and balance outstanding which can be said to be automatically confirmed on receipt of subsequent payment from such beneficiaries. In addition, reconciliation with beneficiaries and other customers is generally done on quarterly basis.

(b) The confirmation in respect of Trade Receivables, Trade Payables, Deposits, loans (other than employees), Advances to Contractors/Suppliers/Service Providers/Others including for capital expenditure have been sought for outstanding balances of ₹ **0.05 crore** or above in respect of each party as at 31st December, 2022. Status of confirmation of balances against total outstanding as at December 31, 2022 as well as total outstanding as on 31.03.2023 is as under:

(₹ in crore)

Particulars	Outstanding amount as on 31.12.2022	Amount confirmed	Outstanding amount as on 31.03.2023
Trade receivable (excluding unbilled)*	3197.59	3064.56	3202.93
Deposits, Loans, Advances to contractors/ suppliers/ service providers/ others including for capital expenditure	2403.98	661.07	2423.14
Trade/Other payables	654.49	146.63	742.97
Security Deposit/Retention Money payable	349.12	49.35	396.93

* Trade receivables are including receivables on account of interest receivable from Beneficiaries and net of advance from customers.

(c) In the opinion of the management, unconfirmed balances will not require any adjustment having any material impact on the Financial Statements of the Company.

14. Disclosure related to Corporate Social Responsibility (CSR) (Refer Note 29)

(i) As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises, GOI, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

(₹ in crore)

S. No	Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
A	**Amount required to be spent during the year**		
	(i) Gross amount (2% of average net profit as per Section 135 of Companies Act,2013)	72.14	65.45
	(ii) Surplus arising out of CSR project	-	-
	(iii) Set off available from previous year	60.04	20.20
	(iv) Total CSR obligation for the year [(i)+(ii) -(iii)]	**12.10**	**45.25**
B	Amount approved by the Board to be spent during the year	173.40	138.78
C	Amount spent during the year	127.31	105.29
D	Set off available for succeeding years (C- A(iv))	115.21	60.04
E	Amount Unspent during the year	-	-

Note:- The set off available in the succeeding years has not recognised as an asset as a matter of prudence, considering the uncertainty involved in the adjustment of the same in future years.

(ii) The breakup of CSR expenditure under various heads of expenses incurred is as below:

(₹ in crore)

S. No	Heads of Expenses constituting CSR expenses	For the year ended 31.03.2023	For the year ended 31.03.2022
1	Health Care and Sanitation	12.12	22.77
2	Education and Skill Development	66.51	35.59
3	Women Empowerment /Senior Citizen	0.31	0.48
4	Environment	1.37	0.28
5	Art and Culture	4.65	-
6	Sports	0.30	-
7	Rural Development	1.97	6.10
8	Swachh Vidyalaya Abhiyan	3.86	5.59
9	Swachh Bharat Abhiyan	0.23	0.56
10	Disaster Management	0.72	0.06
11	Contribution to Central Government Fund (including Contribution to PM CARES Fund)	30.00	30.00
12	Administrative Overhead	5.15	3.86
13	CSR Impact assessment	0.12	-
	Total amount	**127.31**	**105.29**

(iii) Other disclosures:-

(a) Details of expenditure incurred during the year paid in cash and yet to be paid in cash along with the nature of expenditure (capital or revenue nature) is as under:-

(₹ in Crore)

	Purpose	For the year ended 31.03.2023			For the year ended 31.03.2022		
		Paid in cash (a)	Yet to be paid in cash (b)	Total (a+b)	Paid in cash (a)	Yet to be paid in cash (b)	Total (a+b)
(i)	Construction/ Acquisition of any asset	20.08	6.85	26.93	6.68	4.60	11.28
(ii)	For purpose other than (i) above	94.73	5.65	100.38	88.28	5.73	94.01
	Total	**114.81**	**12.50**	**127.31**	**94.96**	**10.33**	**105.29**

(b) As stated above, a sum of ₹ **12.50 Crore** out of the total expenditure of ₹ **127.31 crore** is yet to be paid to concerned parties which are included in the relevant head of accounts pertaining to liabilities.

15. Disclosures as required under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 read with notification of Ministry of Corporate Affairs dated 11th October, 2018 to the extent information available with management are as under:

(₹ in crore)

S. No	Particulars	As at 31.03.2023	As at 31.03.2022
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier on Balance Sheet date:		
	a) Trade Payables:		
	- Principal (Refer Note 20.3 of Standalone Financial Statements)	37.12	23.12
	- Interest	-	-
	b) Others:		
	- Principal (Refer Note 20.4 of Standalone Financial Statements)	10.43	7.41
	- Interest	-	-
(ii)	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
(iii)	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(iv)	The amount of interest accrued and remaining unpaid as on Balance Sheet date.	-	-
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

16. Disclosures regarding leases as per IND AS -116 "Leases":

A) Company as Lessee:

(i) Accounting Treatment of Leases as per Ind AS 116:

The Company assesses whether a contract is or contains a lease, at the inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The Company had applied the following practical expedients on initial application of Ind AS 116:

a. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

b. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

c. Excluded the initial direct costs, if any from the measurement of the right-of-use asset at the date of recognition of right-of-use asset.

d. Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The weighted average incremental borrowing rate applied to leases recognised during FY 2022-23 is 6.58%.

(ii) Nature of lease: The Company's significant leasing arrangements are in respect of the following assets:

(a) Premises under cancellable lease arrangements for residential use of employees ranging from 3-4 months to three years.

(b) Premises for offices, guest houses and transit camps on lease which are not non-cancellable and are usually renewable on mutually agreeable terms.

(c) Land obtained on lease for construction of projects and / or administrative offices.

(d) Vehicles on operating leases generally for a period of 1 to 2 years and such leases are not non-cancellable.

(iii) Amount recognised in the Statement of Profit and Loss / Expenditure Attributable to Construction in respect of short term, low value and variable lease are as under:

(₹ in crore)

S. No	Description	31.03.2023	31.03.2022
1	Expenditure on short-term leases	9.76	10.92
2	Variable lease payments not included in the measurement of lease liabilities	3.86	4.96

(iv) Commitment for Short Term Leases as on 31.03.2023 is ₹ **2.95 Crore** (Previous Year ₹ **4.26 Crore**).

(v) Movement in lease liabilities during the year:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Opening Balance	15.15	12.65
Additions in lease liabilities	1.12	5.19
Finance cost accrued during the year	1.11	1.11
Less: Payment of lease liabilities	3.29	3.80
Closing Balance	**14.09**	**15.15**

B) Finance Lease – Company as Lessor

-Power Stations as Finance Lease

The Company has entered into lease arrangements with a single beneficiary, Power Development Department, Jammu & Kashmir for sale of the entire power generated by two power stations, namely Nimmo Bazgo and Chutak Power Stations for the substantial period of the stipulated life of these Power Stations. Under the agreements, the customer is obligated to purchase the entire output at prices determined by the Central Electricity Regulatory Commission (CERC). Further, the Company has entered into a supplementary PPA with M/s West Bengal State Electricity Development Corporation Limited (WBSEDCL) for offtake of the entire power generated by TLDP-III Power Station for its balance useful life of 35 years on mutually agreed tariff w.e.f 1st April, 2019. The arrangements have been assessed by the Company and classified as a Finance Lease. Other financial assets (Current and Non-Current) include lease receivables representing the present value of future lease rentals receivable on the finance lease arrangements entered into by the company.

Income from Finance Lease for the year is ₹ **327.80 Crore** (previous year ₹ **344.95 Crore**).

The following table sets out the maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the end of the financial year as at 31.03.2023:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Undiscounted lease payments receivable:		
Less than one year	443.31	448.92
One to two years	436.94	449.37
Two to three years	389.72	441.50
Three to four years	295.05	394.94
Four to five years	288.84	298.09
More than five years	6,359.44	6,727.79

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Total undiscounted lease payments receivable	**8,213.30**	**8,760.60**
Add: Unguaranteed residual value	383.22	382.48
Less: Unearned finance income	6,188.87	6,587.86
Net investment in the lease	**2,407.65**	**2,555.22**
Discounted unguaranteed residual value included in the net investment in lease	7.74	6.98

Significant changes in the carrying amount of the net investment in finance leases

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Opening Balances	2555.22	2,664.46
Additions/(deductions) during the year	6.75	19.25
Income from Finance Lease for the year	327.80	344.95
Less: Amount received during the year	482.12	473.44
Closing Balances	**2407.65**	**2,555.22**

C) Operating Lease – Company as Lessor:

The Company has entered into Power Purchase Agreements (PPA) with WBSEDCL for sale of power from TLDP-IV power station for a period of 10 years and with Jodhpur Vidyut Vitran Nigam Limited (JVVNL) for sale of power from 50 MW Wind Power Project, Jaisalmer for a period of 3 years. Power Purchase Agreement with JVVNL has expired on March 31, 2019 and extension of PPA is under process, though power is being scheduled to the customer. As per the PPAs, the customer is obligated to purchase the entire output of these Power Stations/Power Projects at mutually agreed tariff in case of TLDP-IV Power Station and on the basis of pooled cost of power for 50 MW Wind Power Project. The Company has determined that these arrangements are in the nature of an Operating Lease.

Income from Operating Lease for the year is ₹ **392.40 Crore** (previous year ₹ **384.07 Crore**).

The following table sets out the maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the end of the financial year as per Power Purchase Agreement:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Less than one year	312.21	312.21
One to two years	312.21	312.21
Two to three years	312.21	312.21
Three to four years	320.10	312.21
Four to five years	320.10	320.10
More than five years	960.30	1280.41
Total	**2537.13**	**2849.35**

17. Disclosures under Ind AS-27 'Separate Financial Statements':

(a) Interest in Subsidiaries:

Name of Companies	Principal place of operation	Principal activities	Proportion of Ownership interest as at	
			31.03.2023	31.03.2022
NHDC Limited	India	Power Generation	51.08%	51.08%
Loktak Downstream Hydroelectric Corporation Limited	India	Power Generation	74.82%	74.83%
Bundelkhand Saur Urja Limited	India	Power Generation	86.94%	86.67%
Lanco Teesta Hydro Power Limited (Refer Note No. 17.1 of Note 34)	India	Power Generation	100.00%	100.00%
Jalpower Corporation Limited (Refer Note No. 17.2 of Note 34)	India	Power Generation	100.00%	100.00%
Ratle Hydroelectric Power Corporation Limited (w.e.f 01.06.2021)	India	Power Generation	51.00%	73.53%
NHPC Renewable Energy Limited w.e.f. 16.02.2022 (Refer Note No. 17.3 of Note 34)	India	Power Generation	100.00%	-
Chenab Valley Power Projects Private Limited (w.e.f 21.11.2022) (Refer Note No. 17.4 of Note 34)	India	Power Generation	52.74%	-

17.1 The Board of Directors of the Company in its meeting held on December 7, 2021 has approved the merger/ amalgamation of Lanco Teesta Hydro Power Limited (a wholly owned subsidiary of NHPC Limited) with NHPC Limited under Section 230-232 of the Companies Act, 2013 and other statutory provisions as per the terms and conditions mentioned in the Scheme of Amalgamation (Scheme). Application for approval of the "Scheme of Merger/Amalgamation of Lanco Teesta Hydro Power Limited (LTHPL) with NHPC Limited" has been filed before the Ministry of Corporate Affairs (MCA) on August 10, 2022 after receiving consent from the Government of India. In this regard MCA has issued certain directions and the Company is in the process of compliance of these directions.

17.2 The Board of Directors of the Company in its meeting held on September 24, 2021 has approved the proposal to initiate the process of merger of Jalpower Corporation Limited (a wholly owned subsidiary of NHPC Limited) with NHPC Limited as per applicable provisions of the Companies Act, 2013. Approval of the Ministry of Power, Government of India has been conveyed on 26th April, 2023. Application for approval of the Scheme of Merger/ Amalgamation of shall be filed before the Ministry of Corporate Affairs (MCA) in due course.

17.3 Company has incorporated a wholly owned subsidiary company in the name of NHPC Renewable Energy Limited (NREL) on 16.02.2022 for development of renewable energy, small hydro and green hydrogen projects. There was no investments in NREL during FY 2021-22.

17.4 During FY 2021-22, the Company had acquired 2% equity of PTC India Limited (PTC) in Chenab Valley Power Projects Private Limited (A Joint Venture Company between NHPC (49%), Jammu and Kashmir State Power Development Corporation Limited (JKSPDCL) (49%) and PTC (2%)). Subsequent to this, shareholding of NHPC had crossed 50%. However pending modification in the Promoter's Agreement, during FY 2021-22, CVPPPL was accounted for as a Joint Venture owing to control being exercised jointly with the other joint venturer (JKSPDCL) in terms of the Joint Venture agreement. During FY 2022-23, the Supplementary Promoters' Agreement of Chenab Valley Power Projects Private Ltd. (CVPPPL) has been signed between NHPC and JKSPDC on 21.11.2022. As per the said agreement, NHPC has majority representation on the Board of CVPPPL and has gained control over CVPPPL from that date. Accordingly, this date has been considered as the date of acquisition under Ind AS 103 "Business Combinations". Status of CVPPPL has changed from a Joint Venture to a Subsidiary Company w.e.f. 21.11.2022.

(b) Interest in Joint Ventures:

Name of Companies	Principal place of operation	Principal activities	Proportion of Ownership interest as at	
			31.03.2023	31.03.2022
National High Power Test Laboratory Private Limited	India	On- Line High Power Short Circuit Test Facility	20.00%	20.00%
Chenab Valley Power Projects Private Limited (till 20.11.2022) (Refer Note No. 17.4 of Note 34)	India	Power Generation	-	55.13%

Equity investments in Subsidiaries and Joint Ventures are measured at cost as per the provisions of Ind AS 27 - Separate Financial Statements.

18. Ind AS 36- Impairment of Assets requires an entity to assess on each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the entity is required to estimate the recoverable amount of the asset. If there is no indication of a potential impairment loss, the Standard does not require an enterprise to make a formal estimate of the recoverable amount.

Management has determined that each Project / Power Station of the Company is the smallest identifiable group of assets that generate cash inflows from continuing use that is largely independent of the cash inflows from other assets or groups of assets and accordingly qualifies to be designated as a Cash Generating Unit (CGU). Impairment indicators applicable to these CGUs have been assessed and based on such assessment, Management is of the opinion that no significant change with an adverse effect on the Company has taken place during the year, or is expected to take place in the near future, in the technological, economic or legal environment in which the Company and its Subsidiaries and Joint Ventures operate. This includes the regulations notified by CERC for the tariff period 2019-24 where there are no major amendments that can have a significantly adverse impact on the future cash flow from the CGUs. There is no evidence available from internal reporting that indicates that the economic performance of a CGU is, or will be, worse than expected.

Further, seven CGUs of the Company and two CGUs of one of the subsidiaries were assessed for impairment as on 31st March, 2023. The CGUs of the Company were selected based on criteria like capital cost per MW, tariff, etc. and include the two major construction projects of the Company, one Renewable Energy Generation Station and the four most recently commissioned Power Stations over 100 MW capacity. Regulatory Deferral Account balances to be recovered in future through tariff as part of capital cost recognised in one of the CGUs has also been considered along with the carrying amount of the CGU for impairment assessment. In respect of the subsidiary, both the operating power stations have been considered for impairment assessment.

The impairment analysis was carried out on the basis of value-in-use calculation by measuring the recoverable amount of the CGUs as per cash flow projections based on the applicable CERC Tariff Regulations adjusted for the risks specific to each CGU and a pre-tax discount rate arrived at on the basis of the Capital Asset Pricing Model that reflects market assessments of the time value of money.

Based on the assessment, there exists no significant indicator that would suggest an impairment of the carrying amounts of the CGUs of the company including Regulatory Deferral Account Balances and its investment in subsidiaries and Joint Venture during FY 2022-23, except for impairment of investment/ Loan in one Subsidiary Company and one Joint Venture Company as under:

(i) **Impairment in respect of Investment in Loktak Downstream Hydroelectric Corporation Limited (Subsidiary Company):** Considering the delay in investment sanction (PIB & CCEA) and high projected tariff, impairment provision of ₹ **105.56 crore** being the investment made in Loktak Downstream

Hydroelectric Corporation Limited has been recognized in the books of the Company during the FY 2022-23

(ii) **Impairment in respect of Investment in National High Power Test Laboratory Pvt. Ltd. (Joint Venture Company):** During the current year, the Company has recognized additional impairment provision of ₹ **16.33 crore** (Previous year ₹ **14.07 crore**) against total investment of ₹ **30.40 crore** in National High Power Test Laboratory Pvt. Ltd. (NHPTL), a Joint Venture Company. Accordingly, the entire investment of the Company in NHPTL stands provided for as on 31st March, 2023

(iii) **Impairment in respect of Loan to National High Power Test Laboratory Pvt. Ltd. (Joint Venture Company):** During FY 2020-21, the Company had granted loan of ₹ **18.40 crore** with interest bearing at the rate of 10% p.a. compounded annually to NHPTL. The interest is payable half yearly on 30th April and 31st October in every financial year starting from 30.04.2021. The loan was repayable in 20 equal half-yearly instalments starting from 31.10.2022. However, considering default in repayment of interest and instalment due on 31.10.2022, the Company has recognized an impairment provision of ₹ **18.40 crore** during the year due to significant uncertainty in realisation.

Further, there exists no impairment in respect of the Projects / Power Stations of the company and its subsidiaries tested for impairment during FY 2022-23.

19. As per Hydro Policy 2008, 100 units of electricity is to be provided to each Project Affected Family (PAF) notified by the State Government for a period of 10 years from the date of commissioning of a project. Notification by the respective State Governments regarding PAFs is yet to be made. Since the electricity to be provided to the PAFs is to be deducted from free power to the State Government, there shall not be any impact on the profit of the Company.

20. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020 and has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will account for any related impact in the year the Code becomes effective.

21. Nature and details of provisions (refer Note No. 17 and 22)

(i) General

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When a provision is discounted, the increase in the provision due to the passage of time is recognised as a Finance Cost.

ii) Provision for employee benefits (Other than provisions for defined contribution and defined benefit plans which have been disclosed as per Ind AS-19 at S. No. 10 of Note No. 34 of Standalone Financial Statements):

a) Provision for Performance Related Pay/Incentive:

Short-term Provision has been recognised in the accounts towards Performance Related Pay/ incentive to employees on the basis of Management estimates as per company's rules in this regard which are based on the guidelines of the Department of Public Enterprises, Government of India.

(iii) Other Provisions:

a) Provision for Tariff Adjustment:

Provision for tariff adjustment is made on estimated basis against probable refund to beneficiaries on reassessment of tariff billed, pending approval of Tariff/ truing up for the Year 2014-19/ 2019-24 by the Central Electricity Regulatory Commission (CERC).

b) Provision for Livelihood Assistance:

Provision has been recognised at discounted value adjusted for average inflation in the accounts towards special financial package finalised in consultation with the State Government and approved by the Board of Directors of NHPC for livelihood assistance of the project affected families (PAFs) in Parbati-II and Parbati-III. As per the package, pending finalisation of modalities of payment, one eligible person from each PAF shall be provided livelihood assistance equivalent to minimum wage of unskilled category as per the Government of Himachal Pradesh/ Central Government whichever is higher, on monthly instalment basis, for the following periods:

i) Till the date of superannuation for PAFs eligible for employment.

ii) For 2000 days to those PAFs left with zero balance land but excluded for employment.

iii) For 1000 days to all remaining PAFs.

c) Provision for Committed Capital Expenditure:

Provision has been recognised at discounted value in case of non- current amount of Capital Expenditure to be incurred towards environment, compensatory afforestation, local area development, etc. which was a pre-condition for granting approval for construction of the project and expenditure towards which had not been completed till commissioning of the project. Such provisions are adjusted against the incurrence of actual expenditure as per demand raised by the concerned State Government Authorities.

d) Provision for restoration expenses of insured assets:

Provision has been recognised in the accounts based on Management Estimates for restoration of damaged assets insured under Mega Policy and Construction Plant and Machinery Policy. Utilization of the provision is to be made against incurrence of actual expenditure towards restoration of the assets.

e) Provisions for expenditure in respect of Arbitration Award/Court cases:

This includes provisions created on the basis of management assessment as to probable outflow in respect of contractors claims against which arbitration award/Court decision have been received and which have been further challenged in a Court of Law. Utilization/outflow of the provision is to be made on the outcome of the case.

f) Provisions- Others: This includes provisions towards:-

(i) Contractor claims, Land compensation cases, disputed tax demands and other cases created on the basis of management assessment towards probable outflow. Utilization/outflow of the provision is to be made on the outcome of the case.

(ii) Wage revision of Central Government Employees whose services are utilised by the company.

(iii) Provision for interest to beneficiaries on excess tariff recovered in terms of Tariff Regulations for the Year 2014-19 where the capital cost considered for fixation of tariff by the CERC on the basis of projected capital cost as on Commercial Operation Date or the projected additional capital expenditure exceeds the actual capital cost incurred.

(iv) Upfront provision for rebate towards interest on House Building Advance provided to employees based on the historical trend of rebate allowed.

(v) Upfront provision for rebate to customers for sale of power based on the historical trend of rebate allowed.

(vi) Provision for impairment of investment by Employees Provident Fund Trust in certain interest-bearing Financial Instruments including interest accrued thereon but not received.

(vii) Provision for cost of Carbon Credits / Certified Emission Reductions (CERs)/ Verified Carbon Units (VCUs) as per Management estimate.

22. Disclosures relating to creation of Regulatory Deferral Account (RDA) balances as per Ind AS 114:

The Company is principally engaged in the construction and operation of hydroelectric power projects. The price (tariff) to be charged by the company for electricity sold to its customers is determined by Central Electricity Regulatory Commission (CERC) under applicable CERC (terms and conditions of tariff) Regulations. The said price (tariff) is based on allowable costs like interest costs, depreciation, operation and maintenance charges plus a stipulated return. This form of rate regulation is known as cost-of-service regulations. The basic objective of such regulations is to give the entity the opportunity to recover its costs of providing the goods or services plus a fair return.

For the purpose, the Company is required to make an application to CERC based on capital expenditure incurred duly certified by the Auditors or already admitted by CERC or projected to be incurred upto the date of commercial operation and additional capital expenditure duly certified by the Auditor or projected to be incurred during tariff year. The tariff determined by CERC is recovered from the customers (beneficiaries) on whom the same is binding.

The above rate regulation results in creation of right (asset) or an obligation (liability) as envisaged in the accounting framework which is not the case in other industries. Guidance Note on Accounting for Rate Regulated Activities (Previous GAAP) issued by the ICAI is applicable to entities that provide goods or services whose prices are subject to cost-of-service regulations and the tariff determined by the regulator is binding on the customers (beneficiaries). As per guidance note, a regulatory asset is recognized when it is probable (a reasonable assurance) that the future economic benefits associated with it will flow to the entity as a result of the actual or expected actions of the regulator under applicable regulatory framework and the amount can be measured reliably.

The Guidance Note also provides that in some cases, a regulator permits an entity to include in the rate base, as part of the cost of self-constructed (tangible) fixed assets or internally generated intangible assets, amounts that would otherwise be recognized as expense in the statement of profit and loss in accordance with Accounting Standards.

With effect from 01.04.2016, such rate regulated items are to be accounted for as per Ind AS 114 'Regulatory Deferral Accounts.' Ind AS 114 allows an entity to continue to apply previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances. For this purpose, Guidance Note of the ICAI on 'Accounting for Rate Regulated Activities' shall be considered to be the previous GAAP.

A) Regulatory Deferral Account balances in respect of Subansiri Lower Project:

Construction activities at site of Subansiri Lower Project were interrupted from 16.12.2011 to 30.09.2019 due to cases filed before the National Green Tribunal. Technical and administrative work at the project, however, continued.

Vide order dated 31st July 2019, the Hon'ble NGT held that there is no justification in the petitions of the applicants pleading bias in the constitution of the Expert Committee by the MoEF & CC and accordingly, the cases against Subansiri Lower Project pending with the NGT were dismissed. Active construction work at the project was resumed from October 2019.

In line with the opinion of Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), borrowing cost of ₹ **2735.61 Crore** (upto Previous year ₹ **2735.61 Crore**), employee benefits expense, depreciation and other expense of ₹ **1427.67 crore** (upto Previous year ₹ **1427.67 Crore**), net of other income of ₹ **322.60 Crore** (upto Previous year ₹ **322.60 Crore**) incurred till 30th September 2019 was charged to the Statement of Profit and Loss.

CERC Tariff Regulations allows inclusion of such costs for fixation of tariff in case the cessation of construction activities were beyond the control of the Project Developer. Accordingly, and in line with Guidance Note on Rate Regulated Activities and Ind AS 114, the aforesaid expenditure has further been recognized as Regulatory Deferral Account (Debit) balances

As active construction work at the project has been resumed during FY 2019-20, borrowing cost, employee benefits expense, depreciation and other expense (net of other income) incurred with effect from 01.10.2019 has been capitalized as Expenditure attributable to Construction.

The total Regulatory Deferral Account Debit balances recognised in respect of Subansiri Lower Project for and upto the year ended 31.03.2023 are as under:

(₹ in crore)

Regulatory asset created in relation to:	Upto 31.03.2023
Borrowing Costs	2509.67
Employee Benefit expense	628.73
Depreciation and Amortisation	54.86
Other Expense	562.83
Other Income	(285.50)
Total	**3470.59**

No regulatory deferral account balances in respect of Subansiri Lower Project has been recognized during the year 2022-23.

As per management assessment, there is no impairment in the carrying amount of ₹ **13947.17 crore** (Previous Year ₹ **10479.22 crore**) included under Capital Work in Progress of the Project including the regulatory deferral account balances recognized therein.

After Commercial Operation Date (COD) of the Project, amount recognized as Regulatory Deferral Account balances in respect of Subansiri Lower Project shall be amortized/ liquidated in proportion to depreciation following the rates and methodology notified under CERC Tariff Regulations over the life of the Project, i.e. 40 years.

Tariff Regulations for the period 2019-2024 have been notified by the CERC. In addition to the earlierTariff Regulations (2014-19) authorizing capitalisation of borrowing and other attributable costs incurred due to uncontrollable factors including force majeure events like blockade/ embargo, the Tariff Regulations for the period 2019-2024 also include delay in obtaining statutory approval for projects as one of the force majeure events. Accordingly, Management considers that adverse changes in Tariff Regulations are not likely to be a significant area of risk for the future recovery of RDA balances recognized in respect of Subansiri Lower Project.

Risks and uncertainties that might affect the future recovery of the Regulatory Deferral Account balances being created in respect of Subansiri Lower Project are:

a) **Demand Risk:** Recovery of the Regulatory Deferral Account Balances shall be by way of depreciation through tariff. Accordingly, the same is affected by the normal risks and uncertainties impacting sale of electricity in India like difficulty in signing of long term Power Purchase Agreements (PPAs), at the rate covering the cost and required return ensuring the viability of the Project.

b) **Regulatory Risk:** Tariff regulations further provide that if the delay is not attributable to the generating company but is due to uncontrollable factors, IEDC may be allowed after due prudence check. Any disallowance of expenditure after prudence check can affect the quantum of regulatory deferral account balances to be recovered from beneficiaries.

B) Regulatory Deferral Account balances in respect of expenditure recognized due to 3rd Pay Revision of Central Public Sector Units (CPSUs):

Pay of employees of CPSUs including Central Govt. Employees under IDA pay scale has been revised from 1st January, 2017. As approved by the Government of India, in addition to enhancing Basic Pay, DA and allowances with effect from 01.01.2017, the ceiling limit of Gratuity has been enhanced from the existing ₹ **0.10 crores** to ₹ **0.20 crores** with effect from 01.01.2017. Pay revision for all employees have been implemented.

CERC Tariff Regulations 2014-19 read with the Statement of Reasons CERC (Terms and Conditions of Tariff) Regulations, 2014 provides that the impact of actual increase in employee cost on account of wage revision of operational Power Stations including employees of Kendriya Vidyalaya and CISF Personnel is recoverable from the beneficiaries in future through tariff. Further, during the tariff period 2004-09, CERC had allowed recovery of the actual increase in employee cost on account of wage revision (with effect from 01.01.2007) upto 50% of the salary and wages (Basic + DA) of the employees of the petitioner company as on 31.12.2006 from the beneficiaries in twelve equal monthly installments. Tariff Regulations for the period 2019-2024 read with corrigendum dated 15th March 2019 notified by the CERC also provide for recoverability of pay revision from the beneficiaries in future through tariff.

Keeping in view the provisions of Ind AS 114-"Regulatory Deferral Accounts", additional expenditure on employee benefits (including employees of Kendriya Vidyalaya and CISF Personnel) due to revision of pay/gratuity ceiling, to the extent charged to the Statement of Profit and Loss and to Other Comprehensive Income till 31st March 2019, amounting to ₹ 631.90 Crore have been recognized as 'Regulatory Deferral Account balances'.

As opposed to tariff period 2014-19 where RDA balances of pay revision had been created based on the expectation that CERC would allow the same in tariff in line with that allowed earlier for pay revision during FY 2009, tariff regulation 2019-24 specifically allows for recovery of additional expenditure on account of pay revision. Accordingly, additional expenditure due to 3rd PRC from FY 2019-20 has been recognized as revenue with corresponding Trade Receivables.

During the current year, these balances have been billed to beneficiaries as per tariff order received against petition filed with CERC in this regard. Accordingly the outstanding amount under Regulatory Deferral Account balances has been adjusted during the year. Summary of total RDA Debit balances recognized and adjusted till 31.03.2023 in the financial statement are as under:

(₹ in crore)

S. No	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2022	**456.38**
B	Addition during the year (+)	-
C	Amount Used/collected during the year (-)	(456.38)
D	**Regulatory income recognized in the Statement of Profit and Loss & Other Comprehensive Income (B+C)**	**(456.38)**
E	**Closing balance as on 31.03.2023 (A+D)**	**-**

C) Regulatory Deferral Account balances due to moderation of tariff of Kishanganga Power Station:

As per CERC Tariff Regulations 2014-19/2019-24, depreciation on capital cost of a Power Station forms one of the components of tariff. Depreciation is charged in the books as per the rates provided in the Tariff Regulations 2014-19/2019-24 in the initial operating period of 12 years and thereafter the balance depreciation is spread over equally in the remaining 23/28 years so as to recover 90 percent of the capital cost of the Power Station by way of depreciation. As per Tariff regulations 2019-24, the operating life of a hydro-power station is 40 years.

As per CERC Tariff Regulations, 2019-24, tariff for sale of electricity by the generating company may also be determined in deviation of the norms specified in the Regulations provided the levelised tariff over the useful life of the project on the basis of the norms in deviation does not exceed the levelised tariff calculated on the basis of the norms specified in the Regulations. Similar provisions exist in the Tariff Regulations for the period 2019-2024 notified by the CERC.

In the case of Kishanganga Power Station (Commercial Operation Date: 17th May, 2018), the Company has made moderation in tariff of Kishanganga Power Station by fixing lower tariff in the initial ten years and then fixing higher tariff in the remaining 30 years by way of charging 1.5% depreciation from the 1st to the 10th year and 2.5% depreciation from 11th to the 40th year, thus aggregating 90 percent of the Capital Cost of the Power Station. This moderation, with the intent to reduce tariff in the initial years of operation, has been duly approved by the CERC.

Moderation of depreciation rates for tariff determination in Kishanganga Power Station gives rise to a significant mismatch by way of higher depreciation charged in the books (as per CERC Tariff Regulations, 2019-24) during the first 12 years of commercial operation and recovery by way of tariff as per Tariff Order of the Power Station approved by the CERC. The lower recovery during the first 12 years would, however, be compensated over the balance period of the operational life of the Power Station by way of higher recovery of depreciation through tariff than that charged in the books. This deferment of recovery of costs with the intent to reduce tariff in the initial years and its recovery in subsequent years demonstrates that an asset exists by way of the right to recover current costs in future through tariff and such right is enforceable.

Keeping in view the provisions of Ind AS 114- "Regulatory Deferral Accounts", difference between depreciation charged to the Statement of Profit and Loss Account as per Tariff Regulations 2019-24 and the depreciation allowed by way of tariff and which is recoverable from the beneficiaries in subsequent periods is being recognized as 'Regulatory Deferral Account balances' with effect from Commercial Operation Date of the Power Station. RDA balances created during the first 12 years of commercial operation shall be recovered from beneficiaries by way of higher depreciation as a component of tariff over the balance useful life of the Power Station, i.e. over a period of 28 years.

The regulated assets (+)/liability (-) recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

(₹ in crore)

S. No	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2022	**761.46**
B	Addition during the year (assets (+)	199.36
C	Amount Used/collected during the year (-)	-
D	**Regulatory income/(expense) recognized in the Statement of Profit and Loss (B+C)**	**199.36**
E	**Closing balance as on 31.03.2023 (A+D)**	**960.82**

The Company has long term Power Purchase Agreements in respect of Kishanganga Power Station. Since the proposal for moderation of tariff already stands approved by the CERC, the Company does not envisage any significant risk as regards recoverability of the Regulatory Deferral Account balances created in respect of Kishanganga Power Station.

However, as depreciation charge in the books and recovery thereof through tariff are dependent on the Capital Cost of the Power Station as allowed by CERC, recovery of the regulatory deferral account balances in respect of Kishanganga Power Station would be subject to Regulatory Risk. Approval of actual capital expenditure on the Power Station including expenditure on account of time and cost overruns etc. are subject to prudence check by the CERC. Any disallowance of expenditure after prudence check can affect the quantum of regulatory deferral account balances to be recovered from beneficiaries.

D) Regulatory Deferral Account balances in respect of exchange differences on Foreign Currency Monetary items:

As per Ind AS 23- "Borrowing Costs", borrowing cost on foreign currency loans to the extent treated as an adjustment to interest costs is allowed to be capitalised during construction period. Further, Ind AS 21-"The Effects of Changes in Foreign Exchange Rates" provides that exchange differences arising on settlement or translation of monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognized in the Profit and Loss in the period in which they arise.

Para D13AA of Ind AS 101- "First Time Adoption of Ind AS" provides that a first-time adopter may continue the existing accounting Policy adopted for accounting of exchange differences arising from translation of long-term foreign currency monetary items. Accordingly, for periods beginning on or after 01.04.2016, all exchange differences arising on translation/ settlement of monetary items other than exchange difference on borrowings to the extent treated as an adjustment to interest cost during construction period are to be charged to the Statement of Profit and Loss.

As per the CERC Tariff Regulations 2014-19, any gain or loss on account of exchange risk variation shall be recoverable as part of capital cost for calculation of tariff on Commercial Operation Date (COD) of a project and on actual payment basis during Operation and Maintenance (O&M) period. Further, CERC in previous tariff orders has allowed exchange differences incurred during the construction period as a part of capital cost.

Keeping in view the provisions of Ind AS 114- "Regulatory Deferral Accounts" as regards recognition and CERC Tariff Regulations 2014-19 as regards recoverability, exchange differences arising on translation/ settlement of foreign currency monetary items to the extent charged to the Statement of Profit and Loss are being recognized as 'Regulatory Deferral Account balances' with effect from 01.04.2016. These balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries after Commercial Operation Date (COD) of the Project.

The regulated assets (+)/liability (-) recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

(₹ in crore)

S. No	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2022	**1.55**
B	Addition during the year (assets (+)	1.10
C	Amount Used/collected during the year (-)	-
D	**Regulatory income/(expense) recognized in the Statement of Profit and Loss (B+C)**	**1.10**
E	**Closing balance as on 31.03.2023 (A+D)**	**2.65**

Tariff Regulations for the period 2019-2024 have been notified by the CERC. Regulations regarding recoverability of Foreign Exchange rate Variation (FERV) as part of capital cost for calculation of tariff on Commercial Operation Date (COD) of a project and on actual payment basis during O&M period of a Power Station as per Tariff Regulations 2014-19 have been continued for the tariff period 2019-24 also. Accordingly, Management considers that adverse changes in Tariff Regulations are not likely to be a significant area of risk for the future recovery of RDA balances recognized in respect of exchange differences on Foreign Currency Monetary items.

Recoverability of the Regulatory Deferral account balances is however, subject to **Demand Risk** since recovery/ payment of the regulatory deferral debit/credit balance shall be by way of billing to the beneficiaries. Accordingly, the same is affected by the normal risks and uncertainties impacting sale of electricity in India like difficulty in signing of long term PPAs, etc.

E) Regulatory Deferral Account balances on account of deferred tax recoverable from beneficiaries / Payable to beneficiaries:

As per CERC Tariff Regulations, deferred tax arising out of generating income for the tariff period 2004-09 is recoverable from beneficiaries in the year the same materializes as current tax. For the tariff period 2014-19, deferred tax is recoverable by way of grossing up the Return on Equity by the effective tax rate based on actual tax paid. Till 31st March, 2018 the deferred tax recoverable from beneficiaries in future years was presented as an adjustment to deferred tax liability and was not recognised as RDA.

The practice was reviewed based on an opinion of the Expert Advisory Committee of the Institute of Chartered Accountants of India (EAC of the ICAI) obtained during FY 2018-19. Such deferral account balance which as per EAC of ICAI is not a deductible temporary difference resulting into deferred tax asset under Ind AS 12 ,rather fulfils the definition of regulatory deferral account balance in terms of Ind AS 114.

Accordingly, the Company had reclassified the deferred tax recoverable upto 2009 and deferred tax adjustment against deferred tax liabilities pertaining to tariff period 2014-19 earlier presented as an adjustment to Deferred Tax Liability, as a Regulatory Deferral Account balance during FY 2019-20.

As per Tariff Regulations 2019-24 notified by the CERC, there is no change in mode of recovery of current tax and deferred tax as provided in the earlier Tariff Regulations 2014-19.

The regulated assets (+)/liability (-) recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

In respect of deferred tax recoverable for tariff period upto 2009:

(₹ in crore)

S. No	Particulars	Regulatory Deferral Account Debit Balances
A	Opening balance as on 01.04.2022	**1404.04**
B	Addition during the year (assets (+)	-
C	Amount Used/collected during the year (-)	(56.09)
D	**Regulatory income/(expense) recognized in the Statement of Profit and Loss (B+C)**	**(56.09)**
E	**Closing balance as on 31.03.2023 (A+D)**	**1347.95**

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

(₹ in crore)

S. No	Particulars	Regulatory Deferral Account Debit Balances
A	Opening balance as on 01.04.2022	**854.09**
B	Addition during the year (assets (+)	1.18
C	Amount Used/collected during the year (-)	(217.16)
D	**Regulatory income/(expense) recognized in the Statement of Profit and Loss (B+C)**	**(215.98)**
E	**Closing balance as on 31.03.2023 (A+D)**	**638.11**

Regulatory Deferral Account Credit balances on account of Minimum Alternative Tax (MAT) Credit:

The Company has recognised Deferred Tax Assets on account of MAT Credit entitlement amounting to ₹ **1895.93 Crore** upto FY 2022-23 (upto previous year ₹ **1478.62 crore**) based on management estimate that sufficient taxable profit will be available in future to utilize the amount of recognised MAT Credit in the Books of Accounts.

MAT Credit arising out of generating income as and when utilized by the Company is to be passed on to the beneficiaries. Accordingly, Regulatory Deferral Account (Credit) Balance of ₹ **1438.86 crore** upto the current year (previous year ₹ **1313.27 crore**) has been recognised in respect of MAT Credit to be utilised in future and further passed on to the beneficiaries.

Out of the above, an amount of ₹ **125.59 crore** has been used during the current year (previous year **NIL**) and on review, ₹ **390.07 crore** has been reversed being regulatory liability recognized in respect of Power Stations where tariff has been fixed on negotiated basis with the beneficiaries.

The Movement in Regulatory Deferral Account Credit Balances recognized/ (utilized) in respect of MAT Credit payable to beneficiaries in future periods are as follows:

(₹ in crore)

S. No	Particulars	Regulatory Deferral Account Credit Balances
A	Opening balance as on 01.04.2022	**1313.27**
B	Addition during the year (assets (+)/ liability (-))	125.59
C	**Sub Total (A+B)**	**1,438.86**
D	Amount used during the year	125.59
E	Amount Reversed During the year	390.07
F	**Closing balance as on 31.03.2023 (C-D-E)**	**923.20**

Recoverability of Regulatory Deferral Account (Debit) balance recognised on account of deferred tax recoverable upto tariff period 2004-2009, Deferred Tax adjustment against Deferred Tax Liabilities pertaining to tariff period 2014-19 and onwards and discharge of Regulatory Deferral Account (Credit) balance created on MAT Credit are dependent upon the future operating performance of the Company. Further, since these Regulatory Deferral Account (Debit) balances relate to past tariff periods, recoverability is also subject to the regulatory risk of CERC allowing recovery of such balances in future tariff regulations.

23 (i) Uri-II Power Station, where accidental fire broke out on 20.11.2014, resulting in stoppage of generation, was restored during the months of June, July and August 2015. The Assets of the power station and loss of generation are covered under Mega Risk Policy. Status of Insurance claim as on 31.03.2023 is as under:

(₹ in Crore)

Particulars of claims	Updated claim lodged	Amount received	Up to date Amount charged to Statement of Profit and Loss	Balance receivable	
				31.03.2023	31.03.2022
Business Interruption Loss	202.98	74.01	-	128.97*	128.97*

* Included in Contingent Assets in Para 2 (d) to Note no. 34.

Income recognised in respect of Business Interruption Loss during the year is **NIL** (Cumulative as on date is ₹ **NIL**).

(ii) Sewa - II Power Station, where Head Race Tunnel (HRT) was damaged on September 25, 2020 due to land slide. Restoration of the damages has since been completed and power station is currently in operation. The Assets of the power station and loss of generation are covered under Mega Risk Policy. Status of Insurance claim as on 31.03.2023 is as under:

(₹ in Crore)

Particulars of claims	Updated claim lodged	Amount received	Up to date Amount charged to Statement of Profit and Loss	Balance receivable	
				As at 31st March, 2023	As at 31st March, 2022
Against material damage	51.92	25.00	11.92	15.00	39.07
Business Interruption Loss	204.00*	165.00	-	39.00	63.74**
Total	**255.92**	**190.00**	**11.92**	**54.00**	**102.81**

Net of additional premium amounting to ₹ **36.00 Crore** as per Insurance Policy.

** Included in Contingent Assets in Para 2 (d) to Note no. 34.

Income recognised in respect of Business Interruption Loss during the year is ₹ **42.14 Crore** (Cumulative as on date is ₹ **204.00 Crore**).

(iii) Status of Insurance claim in respect of power stations (other than major claims of Uri-II, and Sewa-II disclosed at para 23 (i) and (ii) above) as on 31.03.2023 is as under:

(₹ in Crore)

Particulars of claims	Updated claim lodged	Amount received	Up to date Amount charged to Statement of Profit and Loss	Balance receivable	
				As at 31st March, 2023	As at 31st March, 2022
Against material damage	70.20	6.87	22.01	41.32	38.69
Total	**70.20**	**6.87**	**22.01**	**41.32**	**38.69**

24. As per deliberations of the Board of Directors in its meeting held on 20.03.2014, the viability of Bursar HE Project is dependent upon financial support from Government of India and Government of Jammu & Kashmir. Ministry of Power (MOP), Government of India was approached to provide funding for Survey and Investigation of **Bursar Project** to make it viable. As advised by the MoP, Ministry of Water Resources (MoWR) was approached to provide funds. In the meeting held with MoWR on 27.04.2015, it was informed by the representatives of MoWR that the request of the company for release of funds for preparation of DPR is under consideration for approval of Government of India. Detailed Project Report (DPR) of the project was submitted to CEA and expenditure of ₹ **226.94 Crore** (previous year ₹ **226.78 Crore**) incurred have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision in respect of ibid expenditure had been recognised in earlier years and the same has been continued in the books of accounts.

25. Kotlibhel-IA, Kotlibhel-IB and Kotlibhel-II projects are three of the 24 hydro-electric projects located in the State of Uttarakhand which are covered by the order dated 13.08.2013 of Hon'ble Supreme Court of India directing MoEF not to grant environmental/forest clearance to these projects until further order and to examine the significant impact on the bio-diversity of Alaknanda and Bhagirathi river basin. In accordance with the direction of Hon'ble Supreme Court dated 24.11.2015, MoEF&CC has filed an affidavit in the Hon'ble Court on 17.08.2021, based on consensus of MoEF&CC, Ministry of Power, Ministry of Jal Shakti and State Govt. of Uttarakhand for construction of 7 hydroelectric projects, which does not include Kotli Bhel IA, IB & II projects. Pending final decision of the Hon'ble Supreme Court about the outcome of these projects, the expenditure incurred upto 31.03.2023 amounting to ₹ **279.75 crore** (previous year ₹ **278.11 Crore**), ₹ **42.95 crore** (previous year ₹ **42.95 Crore**)and ₹ **51.42 crore** (previous year ₹ **51.42 Crore**) have been carried forward as Capital Work in Progress in respect of Kotlibhel-1A, Kotlibhel-IB and Kotlibhel-II projects respectively. However, as an abundant precaution, provision for these amounts totalling ₹ **374.12 crore** (previous year ₹ **372.48 Crore**) up to 31.03.2023 has been made in the books of accounts.

26. Expenditure incurred on Tawang Stage-I and Stage-II Hydroelectric Projects amounting to ₹ **237.15 crore** (previous year ₹ **237.15 Crore**) has been carried forward as Capital Work in Progress. However, considering delay in receipt of clearances, difficulty in acquisition of land and overall uncertainties associated with these projects, provision for expenditure incurred in these projects up to 31.03.2023 amounting to ₹ **237.15 crore** (previous year ₹ **237.15 crore**) has been made in the accounts as an abundant precaution. Further, the Company is in the process of handing over these projects to NEEPCO subject to fulfilment of requisite conditions.

27. **a)** Implementation of Dhauliganga Intermediate, Chungar Chal and Kharmoli Lumti Tulli Hydroelectric Projects has been temporarily put on hold. Pending final decision to hand over these projects to the Government of Uttarakhand, the expenditure incurred upto 31.03.2023 amounting to ₹ **35.91 Crore** (previous year ₹ **35.70 Crore**) have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision for ₹ **35.91 Crore** (previous year ₹ **35.70 Crore**) has been made in the books of accounts.

b) Measures to reduce capital cost and optimise tariff of Goriganga IIIA Project are being explored. Pending decision on the same, the expenditure incurred upto 31.03.2023 amounting to ₹ **46.37 Crore** (previous year ₹ **46.37 Crore**) have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision for ₹ **46.37 Crore** (previous year ₹ **46.37 Crore**) has been made in the books of accounts.

28. **Disclosure regarding Monetization/ Securitisation:**

Monetization/ Securitisation during FY 2022-23 :

During FY 2022-23, the Company has entered into an agreement with State Bank of India for monetization of free cash (consisting Return on Equity, revenue from Secondary Energy and Capacity Incentive) of Uri-I Power Station for 10 years under the National Monetisation Pipeline issued by the NITI Aayog for an amount of ₹ **1876.37 Crore** which is repayable to the Bank over a period of 10 years in the following manner:

(a) **Fixed Component: Rs 22.42 Crore** per month @ 7.65% discount rate (3M MCLR of SBI plus spread of 0.05%). The applicable discount rate from the date of disbursement till date of first reset shall be the rate based on benchmark rate one day prior to date of disbursement and spread as quoted by bidder. First such reset shall take place on 1st April 2023 and every three months thereafter.

(b) **Variable Component:** 5% of revenue on account of secondary energy of the Power Station, payable annually.

Monetization/ Securitisation during FY 2021-22 :

During FY 2021-22, the Company has entered into an agreement with HDFC Bank Limited for securitisation of Return on Equity (ROE) of Chamera-I Power Station under the National Monetisation Pipeline issued by the NITI Aayog for an amount of ₹ **1016.39 crore** which is repayable to the Bank over a period of 10 years in the following manner:

a) **Fixed Component:** ₹ **10.90 crore** per month @ 5.24% discount rate (3-month T- bill 3.71% as on 31-Jan-2022 plus spread of 1.53%). The discount rate shall be reset every three months based on the benchmark rate. First such reset was done on the first day of April 2022 and every three months thereafter.

b) **Variable Component:** 5% of revenue on account of secondary energy of the Power Station, payable annually.

The amount realized on monetization has been initially recognised as a Financial Liability (Borrowings) at fair value in accordance with Ind AS 109. Interest expense has been recognised under Finance Cost/Expenditure Attributable to Construction as per the Effective Interest Rate method.

29. Disclosure required as per Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

(A) Loans and advances in the nature of loans:

(i) Subsidiary Companies:

(₹ in Crore)

Name of Company	Outstanding Balances as at		Maximum amount outstanding during the Year	
	31.03.2023	31.03.2022	2022-23	2021-22
Lanco Teesta Hydro Power Limited	60.06	-	201.61	-
Jalpower Corporation Limited	-	-	55.57	-

(ii) Joint Venture Companies:

(₹ in Crore)

Name of Company	Outstanding Balances as at		Maximum amount outstanding during the Year	
	31.03.2023	31.03.2022	2022-23	2021-22
National High Power Test Laboratory (P) Ltd. (NHPTL)*	18.82	18.82	18.82	18.82

* Impairment Provision against loan to NHPTL has been recognised. **[Refer Note 34 (18)]**

(iii) To Firms/companies in which directors are interested : **NIL (Previous Year-NIL)**

B. Investment by the loanee (as detailed above) in the shares of NHPC : **NIL (Previous Year- NIL)**

30. Quantitative details of Carbon Credit Certificates in respect of Hydro Generating Power Stations:

S. No	Description	Quantity (in Numbers)	
		For the year ended 31.03.2023	For the year ended 31.03.2022
1	Opening Balance	2436839	6930932
2	Issued/Generated during the Year	-	138595
3	Sold during the year	-	4632688
4	Closing Balance	2436839	2436839
5	Under Certification	28304999	-

31. Disclosure regarding Relationship with Struck off Companies: Following is the disclosure regarding balances with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 as per requirement of Schedule-III of the Companies Act, 2013:

Outstanding Payables/Receivables in respect of Struck off Companies as on 31st March 2023

(₹ in crore)

S. No	Name of Struck off Company	Nature of transaction with Struck off Company	Balance Outstanding as at 31st March 2023	Relationship with the struck off company
1	KISHAN SINGH AND CO PVT LTD	Receivable	0.22	Contractor
2	RMS ELECTRONICS PRIVATE LIMITED	Payable	0.02	Contractor
3	VIRTUAL ELECTRONICS COMPANY	Payable	0.01	Contractor
4	GREAT EASTERN TRADING CO LTD	Payable	0.01	Contractor
5	R.K.BUILDING SOLUTIONS PVT. LTD	Payable	0.06	Contractor
6	ROLTAMAX PORT-TECH PRIVATE LTD	Payable	0.02	Contractor
7	KRCC INFRA PROJECTS PVT. LTD.	Payable	0.35	Contractor

Note: Outstanding Balances with 17 number of Struck off companies whose Individual receivable/payable amount is less than ₹ **50,000/-**. Sum of all such recoverable cases amounts to ₹ **NIL** and sum of all such payable cases amounts to ₹ **186,507/-**.

The following information regarding Outstanding Payables/Receivables from Struck off Companies were disclosed during the previous year:

(₹ in crore)

S. No	Name of Struck off Company	Nature of transaction with Struck off Company	Balance Outstanding as at 31st March 2022	Relationship with the struck off company
1	KISHAN SINGH AND CO PVT LTD	Receivable	0.22	Contractor
2	RMS ELECTRONICS PRIVATE LIMITED	Payable	0.02	Contractor
3	TOTAL SOLUTIONS PRIVATE LIMITED	Payable	0.02	Contractor
4	R.K.BUILDING SOLUTIONS PVT. LTD	Payable	0.13	Contractor
5	ROLTAMAX PORT-TECH PRIVATE LTD	Payable	0.02	Contractor
6	ROYAL BIOTECH PRIVATE LIMITED	Payable	0.03	Contractor

Note: Outstanding Balances with 9 number of Struck off companies whose Individual receivable/payable amount is less than ₹ **50,000/-**. Sum of all such recoverable cases amounts to ₹ **15,770/-** and sum of all such payable cases amounts to ₹ **81,643/-**.

Equity Shares of NHPC Limited held by struck off companies as on 31st March 2023

S. No	Name of Struck off Company	Number of equity shares held by the struck off company	Nature of transactions with struck off companies
1	UNICON FINCAP PRIVATE LIMITED	1,20,100	Equity Shares of NHPC Limited held by the struck off company
2	DEEPLOK SECURITIES LTD.	50,000	
3	VITALINK WEALTH ADVISORY SERVICES PRIVATE LTD	6,393	
4	TRADESHARE FINANCIAL SERVICES PVT LTD	2,000	
5	HARSH STOCK PORTFOLIO PRIVATE LIMITED	1,426	
6	OMJI SPACES PVT LTD	500	
7	WIZARD INSURANCE SERVICES PVT LIMITED	320	
8	ZENITH INSURANCE SERVICES PVT LTD	320	
9	SIDDHA PAPERS PRIVATE LIMITED	301	
10	HARESH EXTRUSION COMPANY PRIVATE LIMITED	250	
11	DREAMS BROKING PVT LTD	50	
12	RISING STAR REAL ESTATE PRIVATE LIMITED	40	
13	SUSIE AND ROSA REAL ESTATE MARKETING PVT LTD	13	
14	SANVI FINCARE CONSULTANCY PRIVATE LIMITED	2	
15	KOTHARI INTERGROUP LTD.	1	

The following information regarding Equity Shares of NHPC Limited held by Struck off Companies were disclosed during the previous year:

S. No	Name of Struck off Company	Number of equity shares held by the struck off company	Nature of transactions with struck off companies
1	QUANTUM SECURITIES P LTD	7000	Equity Shares of NHPC Limited held by the struck off company
2	VITALINK WEALTH ADVISORY SERVICES PRIVATE LTD	6393	
3	SUYASH MERCANTILE PVT. LTD.	4500	
4	TRADESHARE FINANCIAL SERVICES PVT LTD	2000	
5	HARSH STOCK PORTFOLIO PRIVATE LIMITED	1426	
6	OMJI SPACES PVT LTD	500	
7	WIZARD INSURANCE SERVICES PVT LIMITED	320	
8	ZENITH INSURANCE SERVICES PVT LTD	320	
9	SIDDHA PAPERS PRIVATE LIMITED	301	
10	HARESH EXTRUSION COMPANY PRIVATE LIMITED	250	
11	SUSHIL SECURITIES PRIVATE LIMITED	100	
12	GSB SHARE CUSTODIAN SERVICES LIMITED	100	
13	GVJ PROJECTS PRIVATE LIMITED	59	
14	DREAMS BROKING PVT LTD	50	
15	RISING STAR REAL ESTATE PRIVATE LIMITED	40	
16	SUSIE AND ROSA REAL ESTATE MARKETING PVT LTD	13	
17	SANVI FINCARE CONSULTANCY PRIVATE LIMITED	2	
18	KOTHARI INTERGROUP LTD.	1	

32. Impact of change in the accounting policies: During the year, following changes to the accounting policies have been made:

(i) Accounting Policy on Recognition of Carbon Credits/ CERs/VERs has been added under significant accounting policies. There is no impact on profit due to the above change.

(ii) Depreciation on assets provided to employees at residential Office has been revised due to implementation of new Scheme for providing furniture/furnishing at the residential office of employees during the year. Impact on profit due to the above change is insignificant.

33. During the Financial year, there is no delay by the Company in the registration of charges or satisfaction with Registrar of Companies beyond statutory period except in one case which is disclosed as under:

Brief description of the charges or satisfaction	Location of the Registrar	Period (in days or months) by which such charge had to be registered	Date of actual registration of charge	Reason for delay in registration
Charge created on 27th January 2023 in respect of Movable/ immovable assets of NHPC against borrowings from State Bank of India	NCT of Delhi & Haryana	30 Days	28th February, 2023	In the instant case, there was a delay of 2 days in filing the charge with ROC. The delay had occurred due to difficultly faced in registration due to compatibility issue of DSC by the charge holder i.e. State Bank of India with new V3 version of MCA portal.

34. Other Disclosure required under Schedule-III of the Companies Act, 2013:

(i) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(iv) There were no scheme of Arrangements approved by the competent authority during the year in terms of sections 230 to 237 of the Companies Act,2013. However current status of the ongoing amalgamation process of LTHPL and JPCL (subsidiaries of the Company) are given at Note No. 17.1 & 17.2 of Note 34 the Standalone Financial Statements.

(v) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vi) The provisions of clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 are not applicable to the company as per Section 2(45) of the Companies Act, 2013.

(vii) No proceedings have been initiated or are pending against the company under the Benami Transactions (Prohibition) Act, 1988.

(viii) The quarterly returns / statement of current assets filed by the company with banks / financial institutions are in agreement with the books of accounts.

(ix) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

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

For and on behalf of Board of Directors

(Rupa Deb) Company Secretary	**(Rajendra Prasad Goyal)** Director (Finance) DIN 08645380	**(Rajeev Kumar Vishnoi)** Chairman & Managing Director DIN 08534217

As per report of even date

For K G Somani & Co LLP Chartered Accountants FRN: 006591N/N500377	**For Chaturvedi & Co** Chartered Accountants FRN: 302137E	**For P C Bindal & Co.** Chartered Accountants FRN: 003824N
(Bhuvnesh Maheshwari) Partner M. No. 088155	**(S C Chaturvedi)** Partner M. No. 012705	**(Manushree Bindal)** Partner M. No. 517316

Place: New Delhi
Date : 29th May, 2023

INDEPENDENT AUDITORS' REPORT

To the Members of NHPC Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of NHPC Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") which includes the Group's share of net Profit/ (Loss) in its Joint Ventures, which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and Notes to the Consolidated Financial Statements, including a summary of significant accounting policies and Other Explanatory Notes for the year ended on that date (hereinafter referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and the accounting principles generally accepted in India, of the state of affairs of the Group and its Joint Ventures as at March 31, 2023, and total consolidated comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group and its Joint Ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have considered the matters described below to be the Key Audit Matters for incorporation in our Report. We have fulfilled the responsibilities described in the "Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the Holding Company's management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements. The below mentioned key audit matters have been reported taking into account such matters to the extent considered material and relevant for the purpose of Consolidated Financial Statements of the Group in respect of two subsidiaries where Key Audit Matters have been reported by the statutory auditors in their reports on the financial statements of those Companies. The statutory auditors of other components have not reported any Key Audit Matters in their reports on the financial statements of the respective companies.

The figures and the matters referred herein below under Key Audit Matters unless specifically mentioned otherwise pertain to the Holding Company only since such figures in case of all other components have not been reported upon by the statutory auditors.

Sl. No.	Key Audit Matters	Addressing the Key Audit Matters
1.	**Regulatory Deferral Account Debit Balances and accruals of revenue pending tariff Notifications.** The operating activities of the Holding Company are subject to cost of service regulations whereby tariff charged for electricity generated is based on allowable capital and other cost and expenses and stipulated return there against. The Holding Company invoices its customers on the basis of pre-approved/ provisional tariff which is subject to truing up. The Holding Company recognizes revenue as the amount invoiced to customers based on pre-approved/ provisional tariff rates agreed with the regulator. As the Holding Company is entitled to a fixed return on equity, the difference between the revenue recognized and entitlement as per the regulations is recognized as regulatory assets / liabilities. As at 31st March 2023, the Holding Company has recognized Regulatory Deferral Account Debit balances of ₹ 6420.12 Crores (₹ 6948.11 Crores up to March 31, 2022) as given in Note 14.1 of the Standalone Financial Statements of the Holding Company. This include accruals aggregating to ₹ 3470.59 Crores on account of interest cost and other attributable expenses pertaining to Subansiri Lower HE Project for the period from the date of interruption of work i.e. 16.12.2011 till 30.09.2019 as indicated in Note 34(23A) of the Consolidated Financial Statements. Similar matter has also been reported by statutory auditors of NHDC Limited, one of the subsidiaries of the Holding Company. Regulatory Deferral Accounts Debit Balances are determined based on tariff regulations and past tariff orders and are subject to verification and approval by the regulators. The Regulatory Deferral Accounts Debit Balances are recognized on undiscounted basis based on the estimates and assumptions with respect to the probability that future economic benefit will flow to the entity as a result of actual or expected action of regulator under applicable regulatory framework and therefore recoverability thereof is dependent upon Tariff Regulations and related approvals and notifications. The accruals made as above are vital and proprietary to the business in which the Holding Company is operating. In absence of specific notification and rate fixation, these are based on the management's assumptions and estimates which are subject to finalization of tariff by CERC and commencement of operations of the Projects.	**Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the carrying value of Regulatory Deferral Account Debit Balances include the following:** ● Understanding and testing the design and operating effectiveness of controls as established by the management for accrual of income and determination of the amounts recoverable there against. ● Obtaining and understanding of the amount recoverable in terms of CERC Regulations and assessing, testing and evaluating the reasonableness thereof keeping in view the significant judgements applied by the management for such assessments. ● Assessing the application of provisions of Ind AS 114, Guidance Note on Accounting of Rate Regulated Activities issued by ICAI for recognition of regulatory deferral balances. ● The above includes the evaluation of the CERC guidelines and acceptance of the claim made by the Holding Company in the past and the trend of disallowances on various count and adherences and compliances thereof by the management and rationale for assumptions taken under the given situation and business environment. ● Evaluating the various assumptions considered by the management for arriving at the value of Cash Generating Unit, Note 34(19) of Consolidated Financial Statements in case of Subansiri Lower HE Project and adequacy thereof with respect to the carrying value of the Project in Progress and balances pertaining to the said project under Regulatory Deferral Accounts. ● Reviewed the adequacy and reasonableness of amounts recognised and measurement policies followed by the Holding Company in this respect and adequacy of the disclosure made with respect to the same.

Sl. No.	Key Audit Matters	Addressing the Key Audit Matters
2.	**Impairment Assessment of carrying amount of Property, Plant and Equipment (PPE) and Capital Work in Progress (CWIP)** Each of the Power Station/ Project has been considered as Cash Generating Unit (CGU) of the Holding Company and impairment indicators and requirements thereof have been assessed with respect to the Property, Plant and Equipment (PPE) and Capital Work in Progress (CWIP) in respect of projects as given in Note 34(19) of Consolidated Financial Statements. This has been assessed that no significant change with an adverse effect on the Holding Company has taken place during the year, or is expected to take place in the near future, in the technological, economic or legal environment in which the Holding Company operates. Based on the assessment, the Holding Company has concluded that there exists no significant impairment indicator or any impairment in respect of the CGUs of the Holding Company tested for impairment during the year 2022-23. Based on the above assessment, no provision for impairment against PPE or CWIP has been considered necessary by the Holding Company. Impairment exercise undertaken which justifies the carrying amount of certain assets as above include the regulatory deferral account balances pertaining to Subansiri Lower HE Project as dealt with under para 1 above, is significant and vital to the Company's operations. Similar matters have also been reported by statutory auditors of NHDC Limited and Bundelkhand Saur Urja Limited (BSUL), subsidiaries of the Holding Company. Evaluation of the impairment involves assessment of value in use of the Cash Generating Units (CGUs) and requires significant judgements and assumptions about the future cash flow forecasts, forecast production, forecast volumes, prices and discount rate.	**Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the non-provisioning of any CGU based on impairment testing include the following:** ● Critical evaluation of internal and external factors impacting the entity and indicators of impairment (or reversal thereof) in line with Ind AS 36. ● Review of impairment valuation models used in relation to CGU to determine the recoverable amount by analysing the key assumptions used by management in this respect including: – Consistency with respect to forecast for arriving at the valuation and assessing the potential impact of any variances. – Price assumptions used in the models; – Factoring of risk inherent to the CGUs in the Cash Flow projections or the discount rate. – The assumption/estimation for the weighted average cost of capital and rate of discount for arriving at the value in use. ● Reviewed the Government policy and approval for setting up the Projects, decision of the Board of Directors and the efforts and steps being undertaken in this respect. ● Reliance has been placed on management projections for completion timeline, volume of generation and resultant revenue based on expected tariff there against.
3.	**Contingent Liabilities – against claim from Contractors (Note 34(2)(a)(i)) of Consolidated Financial Statements** Various claims lodged by the Contractors on Holding company against Capital Works amount to ₹ 9971.13 Crores of which ₹ 1116.93 Crores have been provided for, ₹ 8556.95 Crores have been disclosed under Contingent Liabilities and in respect of rest of the claims, possibility of any outflow is considered as remote. This includes matters under arbitration and/ or before the Court which have been decided against the Company. Further, amounts have been paid/ deposited pursuant to the NITI Aayog directions or Court order in some cases as referred in Note 34 (2) (e) (i) & (ii) of the Consolidated Financial Statements.	**Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the Contingent Liabilities include the following:** ● Obtained the status of the cases from the legal department and their view on the matter. ● Evaluated the contractual terms and conditions and management's rationale for the adequacy of the provision so far made and the amount remaining unprovided against the demands made against the Holding Company. ● Discussion with management and reading/ reviewing the correspondences, Memos and Notes on related matters.

Sl. No.	Key Audit Matters	Addressing the Key Audit Matters
	In case of NHDC Limited, one of the subsidiaries of the Holding Company, the amount of such claim as disclosed in Contingent Liabilities has been reported to be ₹ 46.92 Crores (out of total Contingent Liabilities disclosed ₹ 507.78 Crores). Claims made against the Group are significant. These are pending for decision before arbitration or other judicial forums and consequential and possible impact thereof. Provisions/disclosure required have been based on the management's assessment of the probability of the occurrence of the liability.	● Reliance has been placed on the legal views and decisions on similar matters and probability of the liability arising therefrom pending final judgement/ decisions. ● Reviewed the appropriateness and adequacy of the disclosure and provision by the management as required in terms of the requirement of Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets".
4.	**Expenditure incurred on Survey and Investigation Projects and those under preconstruction stage up to 31.03.2023** Expenditure of ₹ 1293.90 Crores in respect of Holding Company as given in Note 2.2.3 of Consolidated Financial Statements has been incurred for conducting survey and investigation on projects. This includes Interest, administrative and other costs attributable to these projects. Out of this ₹ 964.21 (including ₹ 2.19 Crores during the year) have been provided for, keeping in view uncertainty with respect to clearances, approvals for implementing the Projects, leaving ₹ 329.69 Crores which has been carried forward as Capital Work in Progress. Further, Capital Work in Progress also includes Projects where active construction activities are yet to be undertaken. Interest, Administrative and other Costs are capitalized till the projects are abandoned, however, provisions are made as given herein above in cases where in view of the management there are uncertainties in implementing the projects undertaken. In the event of related Projects not being undertaken, amounts spent on survey and investigations and those incurred/ allocated prior to construction thereof will no longer be eligible to be carried forward as Capital Work in Progress.	**Our audit procedures based on which we arrived at the conclusion regarding the carrying amount of expenditure incurred on Survey and Investigation Projects include the following:** ● Obtained the status of the Projects under Survey and Investigation stage as provided by the management and the reason thereof of keeping them in abeyance. ● Understanding and testing the design and operating effectiveness of controls as established by the management for accounting the expenses incurred (a) for survey and investigation projects and the policy followed for making provisions/ write off for such expenses given the nature of business of the Company, (b) for project under preconstruction stage and allocation of Borrowing and other cost incurred and allocated there against. ● Evaluating the management's rationale with respect to continuing such projects under Capital Work in Progress inspite of there being uncertainties and delay in implementing the same and expected economic use of the same in future ● Evaluating the tenure of pre and under construction stage of project and management contention of normal period required for the same given the location, size and nature in each case of the respective project. ● The matter being technical and proprietary to the nature of industry in which the Holding Company is operating, reliance has been placed on the management's contention and representation on the matter.
5.	**Recognition of MAT Credit and Regulatory Deferral (Credit) balances** During the current Financial Year, the Holding Company has assessed the recoverability of unrecognised MAT Credit of ₹ 945.96 Crores available to it. Based on such	**Our audit procedures based on which we arrived at the conclusion regarding appropriateness of MAT Credit recognized and Regulatory Deferral**

Sl. No.	Key Audit Matters	Addressing the Key Audit Matters
	assessment, the Holding Company has recognized deferred tax asset relating to MAT credit entitlement of ₹ 417.31 Crores (₹ 1478.62 Crores upto March 31, 2022) as the amount of MAT Credit which shall be available for utilization by the Holding Company in future years by way of lower outflow of Income Tax in future years. Out of the MAT Credit recognised, ₹ 328.94 Crores has been utilized during the current Financial Year. Correspondingly, in respect of ibid deferred tax asset relating to MAT credit entitlement, Regulatory Deferral (Credit) Balance of ₹ 923.20 Crores (₹ 1313.27 Crores upto March 31, 2022) has been recognized, being the amount, which shall be passed on to the beneficiaries in future as per CERC Tariff Regulations. The recoverability of this deferred tax asset relating to MAT credit entitlement is dependent upon the generation of sufficient future taxable profits to utilize such entitlement within the stipulated period prescribed under the Income Tax Act, 1961. The recognition of MAT Credit and Regulatory Deferral (Credit) balance there against is important to the intended users of the Financial Statements in view of its materiality and requirement of judgement in forecasting future taxable profits for recognition of MAT credit entitlement considering the recoverability of such tax credits within allowed time frame as per the provisions of the Income Tax Act, 1961. Relevant disclosures in this regard have been provided at Note Nos. 14.2, 18, 30.1, 31, 34(23)(E) read with Significant Accounting Policy No. 20.0(b) of Consolidated Financial Statements.	**(Credit) balances created there against include the following:** ● Understanding and testing the operating effectiveness of the Holding Company's control relating to taxation and assessment of carrying amount of deferred tax assets/ liabilities. ● Review of the Holding Company's accounting policy in respect of deferred tax assets on unutilized MAT credit and current year developments, if any, requiring change in such policy and management contention on the same. ● Evaluation of tax credit entitlement as legally available to the Holding Company based on internal forecasts prepared by the company and probability of future taxable income. ● Review of underlying assumptions for consistency and uncertainty involved and principle of prudence for arriving at a reasonable degree of probability of utilisation of MAT Credit recognized. ● Review of implication pertaining to regulatory regime under which the company operates and estimations prepared by the Holding Company regarding MAT Credit arising out of generation activity to be passed on to beneficiaries and impact thereof on the financial statements under the given current Regulatory provisions and period of applicability thereof. ● Evaluation of adequacy and appropriateness of disclosures made in the Consolidated Financial Statements.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available, compare with the financial statements of the subsidiaries and joint ventures audited by the other auditors or the unaudited joint ventures duly certified by the management, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors/ management certification and consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and joint ventures is traced from their financial statements audited by the other auditors/ management certification.

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

Management's Responsibility for the Consolidated Financial Statements

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

This responsibility of the respective Board of Directors of the companies included in the Group and of its joint ventures also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its Joint Ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of their financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its Joint Ventures are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its Joint Ventures are also responsible for overseeing the financial reporting process of the Group and of its Joint Ventures.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability including its Joint Ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its Joint Ventures to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group and its joint ventures to express an opinion on the Consolidated Financial Statements. We are responsible

for the direction, supervision and performance of the audit of the financial statements of such business activities included in the Consolidated Financial Statements of which we are the independent auditors. For the business activities included in the Consolidated Financial Statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. We did not audit the financial statements/ other financial information of seven subsidiaries whose financial statements reflect total assets and total net assets as at March 31, 2023, total revenues, total net profit after tax, total comprehensive income and net cash inflows/ (outflows) for the year ended on that date, as under, as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Holding Company's Management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

(₹ in Crores)

Name of the Subsidiaries	Total Assets as on March 31, 2023	Net Assets as on March 31, 2023	Total Revenues for the year ended March 31, 2023	Net Profit / (Loss) after tax for the year ended March 31, 2023	Total Comprehensive Income / (Loss) for the year ended March 31, 2023	Net Cash Inflows / (Outflows) for the year ended March 31, 2023
NHDC Limited	7,650.78	5,693.26	1,509.34	774.43	772.78	(86.60)
Loktak Downstream Hydroelectric Corporation Limited#	1.06	(0.30)	0.02	(161.28)	(161.28)	(1.55)
Bundelkhand Saur Urja Limited	277.75	94.04	4.31	(3.00)	(3.00)	3.23
Lanco Teesta Hydro Power Limited	2,500.06	1,764.64	-	(0.22)	(0.22)	31.14
Jalpower Corporation Limited	647.05	304.45	0.40	0.28	0.28	(32.72)
Ratle Hydroelectric Power Corporation Limited	415.14	375.90	9.05	6.32	6.32	(134.08)
NHPC Renewable Energy Limited	18.43	18.41	0.83	(1.59)	(1.59)	0.18
Total	**11,510.27**	**8,250.40**	**1,523.95**	**614.94**	**613.30**	**(220.40)**

During the year, the Holding Company has made an impairment provision amounting to ₹ 105.56 Crores against the investment of ₹ 105.56 Crores made in Loktak Downstream Hydroelectric Corporation Limited considering the delay in investment sanction (PIB & CCEA) and high projected tariff.

2. The Consolidated Financial Statements include the audited financial statements/ other financial information of one subsidiary (i.e. Chenab Valley Power Projects Private Limited w.e.f. November 21, 2022) whose financial statements reflect total assets of ₹ 5,384.52 Crores and total net assets of ₹ 3,996.24 Crores as at March 31, 2023, total revenues of ₹ 19.63 Crores, total net profit after tax of ₹ 8.02 Crores, total comprehensive income of ₹ 8.02 Crores and net cash inflows/(outflows) of ₹ 426.02 Crores for the period from Nov 21, 2022 till March 31, 2023, as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by one of us (i.e. Joint Statutory Auditors). Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of such auditor.

3. The Consolidated Financial Statements also include Group's share of net profit/ (loss) including other comprehensive income for the year ended March 31, 2023, as under, in respect of two Joint Ventures whose financial statements/ other financial information have not been audited. These financial statements and other financial information are unaudited and have been furnished to us by the Holding Company's Management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these Joint Ventures, is based solely on such financial statements/ other financial information. According to the information and explanations given to us by the Holding Company's Management, these financial statements/ other financial information are not material to the Group.

(₹ in Crores)

Name of the Company	Group's share in Net Profit / (loss) after tax for the year ended 31st March, 2023	Group's share in Net Other Comprehensive Income for the year ended 31st March, 2023	Group's share – Total
Chenab Valley Power Projects Private Limited (upto 20-11-2022)	9.15	-	9.15
National High Power Test Laboratory Private Limited##	(14.24)	-	(14.24)
Total	**(5.09)**	**-**	**(5.09)**

During the year, the Holding Company has made an additional impairment provision amounting to ₹ 16.33 Crores, in respect of the investment made in National High Power Test Laboratory Private Limited and ₹ 18.40 Crores in respect of loan provided to the said joint venture, due to continuing cash losses being incurred since incorporation.

4. The other auditors of the aforesaid components excluding NHDC Limited and Bundelkhand Saur Urja Limited have not reported Key Audit Matters in their Auditors' Reports.

   In the absence of the same, we are unable to incorporate these matters for all the components.

Our opinion on Consolidated Financial Statements in respect of our reliance on work performed and reports submitted by independent auditors on the financial statements of subsidiaries and other matters as stated in para 1 to 4 above is not modified.

Report on Other Legal and Regulatory Requirements

As required by sub-section 3 of Section 143 of the Act, based on our audit and on the consideration of reports of other auditors on separate financial statements and the other financial information of subsidiaries and joint ventures, as noted in 'Other Matters' paragraph above, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) In terms of Notification no. G.S.R. 463 (E) dated 05th June 2015 issued by the Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualifications of the Directors, are not applicable to the Group and its Joint Ventures, being Government Companies.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and its joint ventures and the operating effectiveness of such controls, refer to our separate report in **"Annexure A"** which is based on the Auditors' Reports of the Holding Company, subsidiaries and joint ventures which have been audited. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group and its joint ventures; and

g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 and Companies (Audit and Auditors) Amendment Rules, 2021, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Financial Statements have disclosed the impact of pending litigations on the financial position of the Group and its joint ventures – Refer Note 34(2) to the Consolidated Financial Statements.

ii. The Group and its joint ventures did not have any material foreseeable losses against long-term contracts including derivative contracts and thereby requirement for making provision in this respect is not applicable to the Group and its joint venture.

iii. There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Group and its joint ventures.

iv. As per notification number G.S.R. 463 (E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, section 197 of the Act as regards the managerial remuneration is not applicable to the Group and its Joint Ventures, being Government Companies.

v. a. The respective managements of the Holding Company and its subsidiaries and joint ventures have represented to us and the other auditors of such subsidiaries and joint ventures respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries or joint ventures, incorporated in India, to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries or joint ventures ("Ultimate Beneficiaries"), incorporated in India or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b. The respective managements of the Holding Company and its subsidiaries and joint ventures have represented to us and the other auditors of such subsidiaries and joint ventures respectively, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries or joint ventures, incorporated in India, from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any such subsidiaries or joint ventures incorporated in India shall:

- whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

c. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (v)(a) and (v) (b) contain any material mis-statement.

vi. The dividend declared or paid during the year by the Holding Company and one of its subsidiary companies incorporated in India are in compliance with section 123 of the Act.

h) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Holding Company and its subsidiaries and joint ventures with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

i) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the auditor's report, according to the information and explanations given to us, and based on the CARO reports issued for the Company and its subsidiaries and joint ventures included in the Consolidated Financial Statements of the Group and its joint ventures, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

(Bhuvnesh Maheshwari)
Partner
M. No.088155
UDIN: 23088155BGYWEE5496

For Chaturvedi & Co.
Chartered Accountants
FRN: 302137E

(S C Chaturvedi)
Partner
M. No. 012705
UDIN: 23012705BGWLYD5744

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

(Manushree Bindal)
Partner
M. No. 517316
UDIN: 23517316BGYPFY1795

Place: New Delhi
Date: May 29, 2023

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

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

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Act

In conjunction with our audit of the Consolidated Financial Statements of the Group as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to Consolidated Financial Statements of **NHPC Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiaries and its joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group and its joint ventures' internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, both, issued by ICAI, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles including the Indian Accounting Standards (Ind AS). A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Holding Company, subsidiaries and its joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2023, based on the internal control with reference to Consolidated Financial Statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

Other Matters

i. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements insofar as it relates to eight subsidiaries, is based on the corresponding reports of the auditors of such companies incorporated in India.

   Our opinion on Consolidated Financial Statements in respect of our reliance on work performed and reports submitted by independent auditors on the financial statements of subsidiaries is not modified.

ii. In case of Joint Venture National High Power Test Laboratory Private Limited (NHPTL), a Joint Venture, the financial statements are unaudited.

   Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements in so far as it relates to a joint venture incorporated in India, whose financial statements/ other financial information is unaudited, is based on the unaudited financial statements/ other information.

   Our opinion on Consolidated Financial Statements is not affected as these financial statements/other financial information are not material to the Group and its joint ventures.

For K G Somani & Co LLP	**For Chaturvedi & Co.**	**For P C Bindal and Co.**
Chartered Accountants	Chartered Accountants	Chartered Accountants
FRN: 006591N/N500377	FRN: 302137E	FRN: 003824N
(Bhuvnesh Maheshwari)	**(S C Chaturvedi)**	**(Manushree Bindal)**
Partner	Partner	Partner
M. No.088155	M. No. 012705	M. No. 517316
UDIN: 23088155BGYWEE5496	UDIN: 23012705BGWLYD5744	UDIN: 23517316BGYPFY1795

Place: New Delhi
Date: May 29, 2023

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ in Crore)

	PARTICULARS	Note No.	As at 31st March, 2023	As at 31st March, 2022
	ASSETS			
(1)	**NON-CURRENT ASSETS**			
a)	Property, Plant and Equipment	2.1	17,841.57	19,191.08
b)	Capital Work In Progress	2.2	31,350.50	22,521.90
c)	Right Of Use Assets	2.3	4,287.92	2,626.25
d)	Investment Property	2.4	4.49	4.49
e)	Intangible Assets	2.5	3.41	3.28
f)	Intangible Assets under development	2.6	6.24	0.51
g)	Investments accounted for using the equity method	2.7.1	-	1,876.16
h)	**Financial Assets**			
	i) Investments	3.1	347.22	510.34
	ii) Trade Receivables	3.2	473.51	-
	iii) Loans	3.3	1,118.20	1,044.10
	iv) Others	3.4	8,614.10	9,389.28
i)	Non-Current Tax Assets (Net)	4	44.26	20.39
j)	Other Non-Current Assets	5	4,548.61	4,001.84
	TOTAL NON CURRENT ASSETS		**68,640.03**	**61,189.62**
(2)	**CURRENT ASSETS**			
a)	Inventories	6	161.18	140.44
b)	**Financial Assets**			
	i) Investments	7.1	151.35	-
	ii) Trade Receivables	7.2	6,160.59	5,175.84
	iii) Cash and Cash Equivalents	8	1,019.81	1,314.67
	iv) Bank balances other than Cash and Cash Equivalents	9	1,673.87	643.68
	v) Loans	10	60.77	61.04
	vi) Others	11	942.07	901.66
c)	Current Tax Assets (Net)	12	133.07	145.79
d)	Other Current Assets	13	462.43	463.03
	TOTAL CURRENT ASSETS		**10,765.14**	**8,846.15**
(3)	Regulatory Deferral Account Debit Balances	14.1	6,682.29	7,248.73
	TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES		**86,087.46**	**77284.496**
	EQUITY AND LIABILITIES			
(1)	**EQUITY**			
(a)	Equity Share Capital	15.1	10,045.03	10,045.03
(b)	Other Equity	15.2	26,854.31	24,875.95
	Total Equity attributable to owners of the Company		**36,899.34**	**34,920.98**
(c)	Non-controlling interests	15.3	4,815.13	2,862.87
	TOTAL EQUITY		**41,714.47**	**37,783.85**
(2)	**LIABILITIES**			
	NON-CURRENT LIABILITIES			
a)	**Financial Liabilities**			
	i) Borrowings	16.1	26,602.24	23,226.61

(₹ in Crore)

PARTICULARS		Note No.	As at 31st March, 2023	As at 31st March, 2022
	ia) Lease Liabilities	16.2	47.18	17.46
	ii) Other financial liabilities	16.3	2,198.78	2,098.97
b)	Provisions	17	69.66	54.29
c)	Deferred Tax Liabilities (Net)	18	2,463.61	2,442.44
d)	Other non-current Liabilities	19	3,565.25	3,037.85
	TOTAL NON - CURRENT LIABILITIES		**34,946.72**	**30,877.62**
(3)	**CURRENT LIABILITIES**			
a)	**Financial Liabilities**			
	i) Borrowings	20.1	2,885.65	2,848.76
	ia) Lease Liabilities	20.2	4.77	3.12
	ii) Trade Payables	20.3		
	Total outstanding dues of micro enterprises and small enterprises		46.67	30.37
	Total outstanding dues of Creditors other than micro enterprises and small enterprises		188.15	183.74
	iii) Other financial liabilities	20.4	1,897.91	1,577.12
b)	Other Current Liabilities	21	850.43	607.90
c)	Provisions	22	2,068.74	1,340.74
d)	Current Tax Liabilities (Net)	23	-	14.56
	TOTAL CURRENT LIABILITIES		**7,942.32**	**6,606.31**
(4)	Regulatory Deferral Account Credit Balances	14.2	1,483.95	2,016.72
	TOTAL EQUITY AND LIABILITIES		**86,087.46**	**77,284.50**
	Accompanying notes to the Consolidated Financial Statements	1-34		

For and on behalf of the Board of Directors

(Rupa Deb)
Company Secretary

(Rajendra Prasad Goyal)
Director (Finance)
DIN 08645380

(Rajeev Kumar Vishnoi)
Chairman & Managing Director
DIN 08534217

As per report of even date

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

(Bhuvnesh Maheshwari)
Partner
M. No. 088155

For Chaturvedi & Co
Chartered Accountants
FRN: 302137E

(S C Chaturvedi)
Partner
M. No. 012705

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

(Manushree Bindal)
Partner
M. No. 517316

Place: New Delhi
Date : 29th May, 2023

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

(₹ in Crore)

PARTICULARS	Note No.	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
INCOME			
i) Revenue from Operations	24.1	10,607.40	9,144.20
ii) Other Income	24.2	677.50	964.06
TOTAL INCOME		**11,284.90**	**10,108.26**
EXPENSES			
i) Generation Expenses	25	939.56	844.12
ii) Employee Benefits Expense	26	1,435.28	1,554.76
iii) Finance Costs	27	474.26	532.28
iv) Depreciation and Amortization Expense	28	1,214.67	1,190.30
v) Other Expenses	29	1,964.45	1,557.97
TOTAL EXPENSES		**6,028.22**	**5,679.43**
PROFIT BEFORE EXCEPTIONAL ITEMS, REGULATORY DEFERRAL ACCOUNT BALANCES AND TAX		**5,256.68**	**4,428.83**
Share of Net Profit of Joint Ventures accounted for using the equity method	2.7.2	(5.09)	(1.39)
Exceptional items		-	-
PROFIT BEFORE RATE REGULATED ACTIVITIES AND TAX		**5,251.59**	**4,427.44**
Tax Expenses	30.1		
i) Current Tax		947.00	915.69
ii) Deferred Tax		29.24	(1,472.67)
Total Tax Expenses		**976.24**	**(556.98)**
PROFIT FOR THE YEAR BEFORE NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES		**4,275.35**	**4,984.42**
Movement in Regulatory Deferral Account Balances (Net of Tax)	31	(40.61)	(1,210.09)
PROFIT FOR THE YEAR (A)		**4,234.74**	**3,774.33**
OTHER COMPREHENSIVE INCOME (B)	30.2		
(i) Items that will not be reclassified to profit or loss (Net of Tax)			
(a) Remeasurement of the post employment defined benefit obligations		(4.87)	8.28
Less:- Movement in Regulatory Deferral Account Balances in respect of tax on defined benefit obligations		(1.87)	(3.07)
- Movement in Regulatory Deferral Account Balances- Remeasurement of post employment defined benefit obligations		6.49	2.33
- Share of Other Comprehensive Income of Joint Ventures accounted for using the equity method	2.7.3	-	-
Sub total (a)		**3.49**	**13.68**
(b) Investment in Equity Instruments		3.36	5.40
Sub total (b)		**3.36**	**5.40**
Total (i)=(a)+(b)		**6.85**	**19.08**

(₹ in Crore)

	PARTICULARS	Note No.	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
(ii)	**Items that will be reclassified to profit or loss (Net of Tax)**			
	- Investment in Debt Instruments		(11.86)	(8.22)
	Total (ii)		**(11.86)**	**(8.22)**
	Other Comprehensive Income (B)=(i+ii)		**(5.01)**	**10.86**
	TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B) (COMPRISING PROFIT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR)		**4,229.73**	**3,785.19**
	Profit attributable to:			
	Owners		3,889.98	3,523.57
	Non-Controlling interests		344.76	250.76
			4,234.74	**3,774.33**
	Other comprehensive income attributable to:			
	Owners		(4.20)	11.79
	Non-Controlling interests		(0.81)	(0.93)
			(5.01)	**10.86**
	Total comprehensive income attributable to:			
	Owners		3,885.78	3,535.36
	Non-Controlling interests		343.95	249.83
			4,229.73	**3,785.19**
	Total comprehensive income attributable to owners arising from:			
	Continuing operations		3,885.78	3,535.36
	Discontinued operations		-	-
			3,885.78	**3,535.36**
	Earning per share (Basic and Diluted) (Equity shares, face value of ₹ 10/- each)	34 (14)		
	Before movements in Regulatory Deferral Account Balances		3.91	4.71
	After movements in Regulatory Deferral Account Balances		3.87	3.51
	Accompanying notes to the Standalone Financial Statements	**1-34**		

For and on behalf of the Board of Directors

(Rupa Deb)
Company Secretary

(Rajendra Prasad Goyal)
Director (Finance)
DIN 08645380

(Rajeev Kumar Vishnoi)
Chairman & Managing Director
DIN 08534217

As per report of even date

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

For Chaturvedi & Co
Chartered Accountants
FRN: 302137E

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

(Bhuvnesh Maheshwari)
Partner
M. No. 088155

(S C Chaturvedi)
Partner
M. No. 012705

(Manushree Bindal)
Partner
M. No. 517316

Place: New Delhi
Date : 29th May, 2023

STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2023

(₹ in Crore)

	Particulars	For the Year ended 31st March, 2023		For the Year ended 31st March, 2022	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before tax for the year including movements in Regulatory Deferral Account Balance		5,210.98		3,217.35
	Less: Movement in Regulatory Deferral Account Balances		(40.61)		(1,210.09)
	Profit before Tax		**5,251.59**		**4,427.44**
	ADD :				
	Depreciation and Ammortisation	1,214.67		1,190.30	
	Finance Costs (Net of EAC)	474.26		532.33	
	Provision for Diminution in value of investment	16.33		14.07	
	Provisions - Others (Net of EAC)	187.93		28.51	
	Exchange rate variation (Loss)	0.03		-	
	Tariff Adjustment (loss)	69.16		94.37	
	Sales adjustment of account of Exchange Rate Variation	32.47		44.02	
	Loss (Profit) on sale of assets/Claims written off	2.14		13.88	
	Fair value Audjustments	101.55		-	
			2,098.54		1,917.48
			7,350.13		**6,344.92**
	LESS :				
	Advance against Depreciation written back	54.76		52.60	
	Provisions (Net gain)	31.22		45.57	
	Dividend Income	6.96		9.00	
	Interest Income & Guarantee Fees (including Late Payment Surcharge)	373.91		528.85	
	Exchange rate variation (Gain)	0.51		49.28	
	Other Adjustments	15.66		13.03	
	Fair Value Adjustments	-		1.34	
	Amortisation of Government Grants	97.72		97.26	
	Share of Net Profit /(Loss) of Joint Ventures (accounted for using the equity method)	(5.09)		(1.39)	
			575.65		795.54
	Cash flow from Operating Activities before Operating Assets and Liabilities adjustments		**6,774.48**		**5,549.38**
	Changes in Operating Assets and Liabilities:				
	Inventories	(20.98)		(6.88)	
	Trade Receivables	(1,526.67)		(42.41)	
	Other Financial Assets, Loans and Advances	388.35		339.11	
	Other Financial Liabilities and Provisions	55.39		(413.10)	
	Regulatory Deferral Account Balances	(1.11)		0.17	
			(1,105.02)		(123.11)
	Cash flow from operating activities before taxes		**5,669.46**		**5,426.27**
	Less : Taxes Paid		977.23		836.65
	NET CASH FROM OPERATING ACTIVITIES (A)		**4,692.23**		**4,589.62**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Property, Plant and Equipment, Investment Property, Other Intangible Assets, Capital Work-in-progress (including expenditure attributable to construction forming part of Capital Work in Progress for the year) and Movement in Regulatory Deferral Account Balances forming part of Project Cost- **Net of Grant**		(4,960.16)		(3,701.38)
	Sale of Assets		1.39		2.78

(₹ in Crore)

Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Investment in Joint Venture (Including Share Application Money Pending Allotment)	(107.94)	(451.56)
Interest on Loan to Joint Ventures (Net)	-	0.19
Net Investment in Term Deposits	487.36	586.95
Dividend Income	6.96	9.00
Interest Income & Guarantee Fees (including Late Payment Surcharge)	326.34	470.16
NET CASH FLOW FROM/USED IN INVESTING ACTIVITIES (B)	**(4,246.05)**	**(3,083.86)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Equity proceeds from Non-Controlling Interest	200.08	59.38
Dividend Paid (including Non-Controlling Interests)	(2,262.86)	(1,947.84)
Proceeds from Long Term Borrowings	4,875.37	3,576.39
Proceeds from Short Term Borrowings	-	597.87
Repayment of Borrowings	(1,898.66)	(1,398.18)
Interest and Finance Charges	(1,703.68)	(1,521.02)
Principal Repayment of Lease Liability	(3.90)	(3.48)
Interest paid on Lease Liability	(2.02)	(1.46)
NET CASH FLOW FROM/USED IN FINANCING ACTIVITIES (C)	**(795.67)**	**(638.36)**
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(349.49)**	**867.40**
Cash and Cash Equivalents (Opening balance)	1,314.67	447.27
Cash & Cash Equivalents of Subsidiary Companies acquired during the year	54.63	-
Cash and Cash Equivalents (Closing balance)	1,019.81	1,314.67

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

EXPLANATORY NOTES TO STATEMENT OF CASH FLOWS

1 Cash and Cash equivalents consists of Cash in hand, cheques/drafts in hands and Bank Balances including Short Term Deposits with original maturity of less than three months. The details of Cash and Cash equivalents is as under:

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March,2022
With scheduled Banks:		
- In Current Account	531.29	1009.82
- In Deposits Account	488.51	304.85
(Deposits with original maturity of less than three months)		
Cash on Hand	0.01	0.00
Cash and Cash equivalents	**1019.81**	**1314.67**

2 Interest and finance charges in Cash Flow from Financing Activities includes borrowing cost of ₹ 1233.30 Crore (Previous year ₹ 993.62 Crore) capitalised during the period on account of Expenditure attributable to construction (EAC).

3 Amount of undrawn loan as on 31.03.2023 : ₹ 1128.25 Crore (Previous Year ₹ 1578.25 Crore).

4 Company has incurred ₹ 139.16 Crore in cash on account of Corporate Social Responsibility (CSR) expenditure during the year ended 31.03.2023 (Previous Year ₹ 111.17 Crore).

5 **Net Debt Reconciliation :**

(₹ in crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Borrowings (Current & Non-Current)	30125.15	26711.66
Lease Liability	51.95	20.59
Total	**30177.10**	**26732.25**

(₹ in Crore)

Particulars	For the year ended 31st March,2023			For the year ended 31st March,2022		
	*Borrowings (Current & Non-Current)	Lease Liability	Total	*Borrowings (Current & Non-Current)	Lease Liability	Total
Opening Net Debt as on 1st April	**26,711.66**	**20.59**	**26,732.25**	**24,010.85**	**15.10**	**24025.95**
Borrowings & Lease Liability of Subsidiary Companies acquired during the year	370.63	1.36	**371.99**	-	-	-
Proceeds from Borrowings	4,875.37	-	**4,875.37**	4,174.26	-	**4174.26**
Repayment of Borrowings/ Lease Liability	(1,898.66)	(3.90)	**(1,902.56)**	(1,398.18)	(3.48)	**(1,401.66)**
Interest paid	(1,703.68)	(2.02)	**(1,705.70)**	(1,521.02)	(1.46)	**(1,522.48)**
Other Non-Cash Movements:						
-Increase in Lease Liability	-	32.54	**32.54**	-	8.97	**8.97**
-Foreign exchange adjustments	(7.45)	-	**(7.45)**	(58.77)	-	**(58.77)**
-Interest and Finance Charges	1,705.72	3.38	**1,709.10**	1,497.78	1.46	**1499.24**
-Fair value adjustments	71.56	-	**71.56**	6.74	-	**6.74**
Closing Net Debt as on 31st March	**30,125.15**	**51.95**	**30,177.10**	**26,711.66**	**20.59**	**26,732.25**

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

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

For and on behalf of the Board of Directors

(Rupa Deb)
Company Secretary

(Rajendra Prasad Goyal)
Director (Finance)
DIN 08645380

(Rajeev Kumar Vishnoi)
Chairman & Managing Director
DIN 08534217

As per report of even date

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

For Chaturvedi & Co
Chartered Accountants
FRN: 302137E

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

(Bhuvnesh Maheshwari)
Partner
M. No. 088155

(S C Chaturvedi)
Partner
M. No. 012705

(Manushree Bindal)
Partner
M. No. 517316

Place: New Delhi
Date : 29th May, 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH 2023

A. EQUITY SHARE CAPITAL

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

B. OTHER EQUITY

(₹ in Crore)

Particulars	Reserve and Surplus					Other Comprehensive Income		Total	Non-Controlling Interest (NCI)	Total after NCI
	Capital Reserve	Capital Redemption Reserve	Bond Redemption Reserve	General Reserve	Surplus/ Retained Earnings	Debt instruments through OCI	Equity Instruments through OCI			
Balance as at 1st April, 2022	**64.08**	**2,255.71**	**1,366.25**	**11,544.83**	**9,521.15**	**37.19**	**86.74**	**24,875.95**	**2,862.87**	**27,738.82**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balances as at 1st April 2022	**64.08**	**2,255.71**	**1,366.25**	**11,544.83**	**9,521.15**	**37.19**	**86.74**	**24,875.95**	**2,862.87**	**27,738.82**
Profit for the year					3,889.98			3,889.98	344.76	4,234.74
Other Comprehensive Income					4.30	(11.86)	3.36	(4.20)	(0.81)	(5.01)
Total Comprehensive Income for the year	-	-	-	-	3,894.28	(11.86)	3.36	3,885.78	343.95	4,229.73
Issue of Equity Shares during the year.								-	200.08	200.08
Capital Reserve created on Investment accounted for using Equity Method	1.55							1.55		1.55
Share of NCI on acquisition during the year		-			-			-	1,762.12	1,762.12
Transfer from Retained Earning										
Transaction with Non-Controlling Interest					(0.41)			(0.41)	0.41	-
Amount transferred from Bond Redemption Reserve to Surplus/Retained Earnings			(236.95)		236.95			-		-
Transfer from Retained Earning				-				-		-
Dividend paid					(1,908.56)			(1,908.56)	(354.30)	(2,262.86)
Balance as at 31st March 2023	**65.63**	**2,255.71**	**1,129.30**	**11,544.83**	**11,743.41**	**25.33**	**90.10**	**26,854.31**	**4,815.13**	**31,669.44**

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

For and on behalf of the Board of Directors

(Rupa Deb)
Company Secretary

(Rajendra Prasad Goyal)
Director (Finance)
DIN 08645380

(Rajeev Kumar Vishnoi)
Chairman & Managing Director
DIN 08534217

As per report of even date

For K G Somani & Co LLP
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Partner
M. No. 517316

Place : New Delhi
Date : 29th May, 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH 2022

A. EQUITY SHARE CAPITAL

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

B. OTHER EQUITY

(₹ in Crore)

Particulars	Reserve and Surplus					Other Comprehensive Income		Total	Non-Controlling Interest (NCI)	Total after NCI
	Capital Reserve	Capital Redemption Reserve	Bond Redemption Reserve	General Reserve	Surplus/ Retained Earnings	Debt instruments through OCI	Equity Instruments through OCI			
Balance as at 1st April, 2021	**64.08**	**2,255.71**	**1,641.95**	**11,544.83**	**7,411.94**	**45.41**	**81.34**	**23,045.26**	**2,828.40**	**25,873.66**
Changes in accounting policy or prior period errors	-	-	-	-	-36.99	-	-	-36.99	6.92	-30.07
Restated balances as at 1st April 2021	**64.08**	**2,255.71**	**1,641.95**	**11,544.83**	**7,374.95**	**45.41**	**81.34**	**23,008.27**	**2,835.32**	**25,843.59**
Profit for the year					3,523.57			3,523.57	250.76	3,774.33
Other Comprehensive Income					14.61	(8.22)	5.40	11.79	(0.93)	10.86
Total Comprehensive Income for the year	-	-	-	-	3,538.18	(8.22)	5.40	3,535.36	249.83	3,785.19
Issue of Equity Shares during the year.								-	57.89	57.89
Transfer from Retained Earning										
Transaction with Non-Controlling Interest					(0.20)			(0.20)	0.20	-
Amount transferred from Bond Redemption Reserve to Surplus/Retained Earnings			(275.70)		275.70			-		-
Dividend paid					(1,667.48)			(1,667.48)	(280.37)	(1,947.85)
Balance as at 31st March, 2022	**64.08**	**2,255.71**	**1,366.25**	**11,544.83**	**9,521.15**	**37.19**	**86.74**	**24,875.95**	**2,862.87**	**27,738.82**

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

For and on behalf of the Board of Directors

(Rupa Deb)
Company Secretary

(Rajendra Prasad Goyal)
Director (Finance)
DIN 08645380

(Rajeev Kumar Vishnoi)
Chairman & Managing Director
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For P C Bindal & Co.
Chartered Accountants
FRN: 003824N

(Manushree Bindal)
Partner
M. No. 517316

Place : New Delhi
Date : 29th May, 2023

NOTE NO. 1: GROUP INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

(I) Reporting entity

NHPC Limited (the "Company") is a Company domiciled in India and limited by shares. The shares of the Company are listed and traded on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange India Limited (BSE) in India. The address of the Company's registered office is NHPC Limited, NHPC Office Complex, Sector-33, Faridabad, Haryana- 121003.

These consolidated financial statements comprise the financial statements of the Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in its joint ventures. The Group is primarily involved in the generation and sale of bulk power to various Power Utilities. Other business in which the Company is involved includes providing project management / construction contracts/ consultancy assignment services and trading of power.

(II) Basis of preparation

(A) Statement of Compliance

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

The Group's consolidated financial statements have been approved for issue by the Board of Directors on 29th May, 2023.

(B) Basis of Measurement

The consolidated financial statements have been prepared on historical cost basis, except for:

- Certain financial assets and liabilities measured at fair value.
- Plan assets of defined employee benefit plans.

The methods used to measure fair values are discussed in Note 33.

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition or the amount of proceeds received in exchange for the obligation, or the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(C) Application of new and revised standards

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

(i) Ind AS 16 – Proceeds before intended use

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

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

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

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

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

(iii) Ind AS 103: Business Combination

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities as provided in the Conceptual Framework for Financial Reporting under Indian Accounting Standards

(Conceptual Framework) issued by the Institute of Chartered Accountants of India. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

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

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

(D) Functional and presentation currency

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

(E) Basis of Consolidation

a) Subsidiaries

i) A subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date such control ceases.

ii) The Group combines the financial statements of the parent and its subsidiaries on a line by line basis, adding together like items of assets, liabilities, equity, income and expenses. The carrying amounts of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary are eliminated. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses on transactions between Group companies are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

iii) Non-controlling interests are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated Balance Sheet, consolidated Statement of Profit and Loss and consolidated Statement of Changes in Equity.

iv) A change in the ownership interest of a subsidiary which does not result in a loss of control, is accounted for as an equity transaction.

v) If the Group loses control over a subsidiary, it derecognizes the assets, liabilities, carrying amount of any non-controlling interests and the cumulative translation differences recorded in equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost, with the resulting gain/ loss recognised in the Statement of Profit and Loss.

b) Joint ventures

i) A joint venture is a joint arrangement whereby parties that have joint control of the arrangement have rights to the net assets of the arrangement. Interests in joint ventures are initially recognised at cost and thereafter accounted for using the equity method.

ii) Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter for the post-acquisition changes in the Group's share of the net assets of the investee. The Group's share of the post-acquisition profits or losses and other comprehensive income of the investee are included in the Statement of Profit and Loss and Other Comprehensive Income of the Group. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

iii) When the Group's share of losses in a joint venture equals or exceeds its interest in the entity, which includes any long term interest that, in substance, form part of Group investment in joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture. Losses recognized using the equity method in excess of the entity's investment in ordinary shares are applied to the other components of the entity's interest in an associate or a joint venture in the reverse order of their seniority i.e. priority in liquidation.

iv) Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses on transactions between the Group and its joint ventures are also eliminated to the extent of the Group's interest in these entities unless the transaction provides evidence of an impairment of the asset transferred. Where the accounting policies of joint ventures are different from those of the Group, appropriate adjustments are made for like transactions and events in similar circumstances to ensure conformity with the policies adopted by the group.

v) Any gain or loss on dilution arising on a reduced stake in the joint venture, but still retaining the joint control, is recognized in the Statement of Profit and Loss.

vi) When the investment ceases to be a joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value with the change in carrying amount recognised in the Statement of Profit and Loss. The fair value of the retained interest becomes the initial carrying amount for the purpose of accounting for the retained interest as a financial asset. Any amounts previously recognised in other comprehensive income in respect of that joint venture are reclassified to the Statement of Profit and Loss.

(F) Use of estimates and management judgements

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

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

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

Critical judgements and estimates

a) Leases

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

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

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

b. the right to direct the use of the identified asset.

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

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

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

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

The Group enters into power purchase agreements with beneficiaries. Power Purchase Agreements (PPA) in the nature of embedded lease with a single beneficiary where the minimum lease term is for the major part of the power station s economic life and the minimum lease payments amount to substantially all the fair value of the power station are considered as a Finance Lease. Other embedded leases are considered as Operating Lease.

For embedded leases in the nature of a Finance Lease, the investment in the power station is recognised as a Lease Receivable. The minimum lease payments are identified by segregating the embedded lease payments from the rest of the contract amounts. Each lease receipt is allocated between the receivable and finance lease income so as to achieve a constant rate of return on the Lease Receivable outstanding.

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

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

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

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

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

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

d) Post-retirement benefit plans

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

e) Revenue

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

f) Provisions and contingencies

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

g) Recoverable Amount of Rate Regulated Assets

The operating activities of the Group are subject to cost-of-service regulations whereby tariff charged for electricity generated is based on allowable costs like interest costs, depreciation, operation and maintenance including a stipulated return. Guidance Note on Rate Regulated Activities issued by the ICAI (previous GAAP) and Ind AS 114- 'Regulatory Deferral Accounts' permits an entity to include in the rate base, as part of the cost of self-constructed PPE or internally generated intangible assets, amounts that would otherwise be recognised as an expense in the statement of profit and loss in accordance with Ind AS. The Group estimates that items of regulatory deferral accounts recognised in the financial statements are recoverable as per the current CERC Tariff Regulations 2019-24. However, recoverability of these amounts is subject to finalization of tariff by CERC and/ or changes in CERC tariff regulations beyond the current tariff period.

h) Impairment of Trade Receivables

Considering the historical credit loss experience for trade receivables, the Group does not envisage either impairment in the value of receivables from beneficiaries or loss due to time value of money owing to delay in realization of trade receivables, except to the extent already provided for.

i) Investment in Joint Ventures

Investment has been carried at cost and as per assessment by the Group, there is no indication of impairment on such investments. Any changes in assumption may have a material impact on the measurement of the recoverable amount.

j) Insurance Claim Recoverable

The recoverable amount of insurance claims in respect of damages to Property, Plant and Equipment, Capital Work in Progress is based on estimates and assumptions as per terms and conditions of insurance policies.

k) Income taxes

Significant estimates are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

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

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

(III) SIGNIFICANT ACCOUNTING POLICIES:

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

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

1.0 Property, Plant and Equipment (PPE)

a) An item of PPE is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

b) PPE are initially measured at cost of acquisition/construction including decommissioning or restoration cost wherever required. The cost includes expenditure that is directly attributable to the acquisition/construction of the asset. In cases where final settlement of bills with contractors is pending, but the asset is complete and available for operating in the manner intended by the management, capitalisation is done on estimated basis subject to necessary adjustments, including those arising out of settlement of arbitration/court cases.

c) Expenditure incurred on renovation and modernization of power station on completion of the originally estimated useful life of the power station is added to the cost of the related asset when it meets the recognition criteria. PPE acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

d) After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation/ amortisation and accumulated impairment losses, if any.

e) Deposits, payments made/ liabilities created provisionally towards compensation (including interest on enhanced compensation till the date of award by the Court), rehabilitation & resettlement and other expenses including expenditure on Environment Management Plans relatable to land in possession are treated as cost of land.

f) Assets over which the Group has control, though created on land not belonging to the Group are included under Property, Plant and Equipment.

g) Standby equipment and servicing equipment which meet the recognition criteria of Property, Plant and Equipment are capitalized.

h) Spares parts (procured along with the Plant and Machinery or subsequently) which meet the recognition criteria are capitalized. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other spare parts are treated as "stores and spares" forming part of inventory.

i) If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/ inspection is used as an indication of what the cost of the existing part/ inspection component was, when the item was acquired or inspection carried out.

j) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

2.0 Capital work in Progress (CWIP)

a) Expenditure incurred on assets under construction (including a project) is carried at cost under CWIP. Such costs comprise purchase price of assets including import duties and non-refundable taxes (after deducting trade discounts and rebates), expenditure in relation to survey and investigation activities of projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, etc.

b) Costs including employee benefits, professional fees, expenditure on maintenance and up-gradation of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management are accumulated under "Expenditure Attributable to Construction (EAC)" and subsequently allocated on systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects. Net pre-commissioning income/expenditure is adjusted directly in the cost of related assets.

c) Capital Expenditure incurred for creation of facilities, over which the Group does not have control but the creation of which is essential principally for construction of the project is accumulated under "Expenditure Attributable to Construction" and carried under "Capital Work in Progress" and subsequently allocated on a systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects, keeping in view the "attributability" and the "Unit of Measure" concepts in Ind AS 16- "Property, Plant and Equipment". Expenditure of such nature incurred after completion of the project, is charged to the Statement of Profit and Loss.

3.0 Investment Property

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

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

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

4.0 Intangible Assets and Intangible Assets under development

a) Expenditure on research is charged to expenditure as and when incurred. Expenditure on development is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to & has sufficient resources to complete development and to use or sell the asset.

b) Intangible assets acquired separately are measured on initial recognition at cost. Cost includes any directly attributable expenses necessary to make the assets ready for its intended use. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

c) Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the Group and the cost of the item can be measured reliably.

d) An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

5.0 Foreign Currency Transactions

a) Transactions in foreign currency are initially recorded at the functional currency spot rate at the date the transaction first qualifies for recognition. At each reporting date, monetary items denominated in foreign currency are translated at the functional currency exchange rates prevailing on that date.

b) Exchange differences relating to PPE/capital work-in-progress arising out of transaction entered into prior to April 1, 2004 are adjusted to the carrying cost of respective PPE/capital work-in-progress.

c) Exchange differences arising from translation of foreign currency borrowings entered into prior to March 31, 2016 recoverable from or payable to beneficiaries in subsequent periods as per CERC Tariff regulations are recognised as "Deferred Foreign Currency Fluctuation Recoverable/ Payable Account" and adjusted from the year in which the same is recovered/ paid.

d) Exchange differences arising from settlement/ translation of monetary items denominated in foreign currency entered into on or after 01.04.2016 to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized as 'Regulatory Deferral Account Balances' during construction period and adjusted from the year in which the same become recoverable from or payable to the beneficiaries.

e) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Where the Group has paid or received advance consideration in a foreign currency, the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it), is the date when the Group initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

6.0 Regulatory Deferral Accounts

a) Where an item of expenditure incurred during the period of construction of a project is recognised as expense in the Statement of Profit and Loss i.e. not allowed to be capitalized as part of cost of relevant PPE in accordance with Ind AS, but is nevertheless permitted by CERC to be recovered from the beneficiaries in future through tariff, the right to recover the same is recognized as "Regulatory Deferral Account balances."

b) Expense/ income recognised in the Statement of Profit and Loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognised as "Regulatory Deferral Account balances."

c) These Regulatory Deferral Account balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries.

d) Regulatory Deferral Account balances are evaluated at each Balance Sheet date to ensure that the underlying activities meet the recognition criteria and it is probable that future economic benefits associated with such balances will flow to the entity. If these criteria are not met, the Regulatory Deferral Account balances are derecognised.

e) Regulatory Deferral Account balances are tested for impairment at each Balance Sheet date.

7.0 Fair value measurement

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

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

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

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

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

8.0 Investment in joint ventures

Investments in equity shares of joint ventures are accounted for using the Equity Method.

9.0 Financial assets other than investment in joint ventures

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

Financial assets of the Group comprise Cash and Cash Equivalents, Bank Balances, Investments in equity shares of companies, Trade Receivables, Loan to employees, security deposit, claims recoverable etc.

a) Classification

The Group classifies its financial assets in the following categories:

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

The classification depends on the following:

(a) The entity's business model for managing the financial assets and

(b) The contractual cash flow characteristics of the financial asset.

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

b) Initial recognition and measurement

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

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

c) **Subsequent measurement**

Debt instruments at amortised cost

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

i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

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

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

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

i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

ii) The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

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

Equity investments:

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

All fair value changes on an equity instrument classified at FVTOCI, are recognized in the OCI. There is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Group's right to receive payments is established.

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

Trade Receivables:

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

d) **Derecognition**

A financial asset is derecognised only when:

i) The Group has transferred the rights to receive cash flows from the financial asset, or

ii) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

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

e) Impairment of financial assets

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

i) Financial assets that are debt instruments, and are measured at amortised cost.

ii) Financial assets that are debt instruments and are measured as at FVTOCI

iii) Contract Assets and Trade Receivables under Ind AS 115- *Revenue from Contracts with Customers*

iv) Lease Receivables under Ind AS AS 116- *Leases.*

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

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

10.0 Inventories

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

Scrap is valued at net realisable value.

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

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

11.0 Dividends

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

12.0 Financial liabilities

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

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

a) Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value less transaction costs that are directly attributable and subsequently measured at amortised cost. Financial liabilities are classified as subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss or in the carrying amount of an asset if another standard permits such inclusion, over the period of the borrowings using the effective rate of interest.

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

b) **Subsequent measurement**

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

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

c) **Derecognition**

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

d) **Offsetting of financial instruments**

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

e) **Derivative financial instruments**

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

13.0 Government Grants

a) The benefits of a government loan at a below market rate of interest is treated as Government Grant. The loan is initially recognised and measured at fair value and the government grant is measured as the difference between the initially recognized amount of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities and government grant is recognized initially as deferred income and subsequently in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

b) Monetary grants from the government for creation of assets are initially recognised as deferred income when there is reasonable assurance that the grant will be received and the group will comply with the conditions associated with the grant. The deferred income so recognised is subsequently amortised in the Statement of Profit and Loss over the useful life of the related assets.

c) Government grant related to income is recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

14.0 Provisions, Contingent Liabilities and Contingent Assets

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

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b) Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each Balance Sheet date and are adjusted to reflect the current management estimate.

c) Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

15.0 Revenue Recognition and Other Income

The Group's revenues arise from sale and trading of energy, project management / construction contracts/ consultancy assignment services and other income. Revenue from other income comprises interest from banks, employees, contractors etc., dividend from investments in equity in other bodies corporate, interest from investment in bonds, surcharge received from beneficiaries for delayed payments, sale of scrap, other miscellaneous income, etc.

a) Revenue from sale of power

i) Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. The Group recognises revenue when (or as) the performance obligation is satisfied, which typically occurs when (or as) it transfers control over the products or services to a customer.

ii) Revenue from sale of power (except minimum lease receipts in respect of power stations considered as Finance/Operating Lease) is accounted for as per tariff notified by the Central Electricity Regulatory Commission (CERC) under the CERC (Terms & Conditions of Tariff) Regulations, as modified by the orders of Appellate Tribunal for Electricity to the extent applicable.. In the case of Power Stations where provisional/ final tariff is yet to be notified or where incentives/disincentives are chargeable/ payable as per CERC (Terms & Conditions of Tariff) Regulations, revenue is recognised to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Rebates given to beneficiaries as early payments incentives are deducted from the amount of revenue.

iii) Customers are billed on a periodic and regular basis. As at each reporting date, revenue from sale of power includes an accrual for sales delivered to customers but not yet billed (unbilled revenue).

iv) Recovery/ refund towards foreign currency variation in respect of foreign currency loans and recovery towards Income Tax are recognised on year to year basis based on regulatory norms. Recovery towards deferred tax items recognized till March 31, 2009 are accounted for when the same materialises.

v) Adjustments arising out of finalisation of Regional Energy Account (REA), though not material, are effected in the year of respective finalisation.

vi) Advance Against Depreciation (AAD) considered as deferred income up to 31st March 2009 is included in sales on straight line basis over the balance useful life after a period of 12 years from the date of commercial operation of the Power Station.

b) Revenue from Project Management / Construction Contracts/ Consultancy assignments

i) Revenue from Project Management / Construction Contracts/ Consultancy assignments is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the services and excludes amounts collected on behalf of third parties. The Group recognises revenue on the basis of input method. Input method recognises revenue on the basis of the costs incurred towards the satisfaction of a performance obligation relative to the total expected costs to the satisfaction of that performance obligation.

ii) Contract modifications, if any, are accounted for when there is a change in the scope or price (or both) of a contract that is approved by the parties to the contract and when the parties to a contract approve a modification that either creates new or changes existing enforceable rights and obligations of the parties to the contract. Accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Contract modifications are recorded on standalone basis when the scope of the contract increases because of the addition of promised goods or services or the price of the contract increases by an amount of consideration that reflects the Group's standalone selling prices of the additional promised goods or services and any appropriate adjustments to that price to reflect the circumstances of the particular contract. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

c) Revenue from trading of power

i) Accounting for revenue from trading of power involves assessment of the contract conditions to determine whether the Group is required to act in the capacity of a principal or as an agent. The Group acts in the nature of a principal in case it obtains control of the electricity before transferring it to the customer. Indicators of control includes assessment of whether the Group is primarily responsible for fulfilling the promise to provide the electricity, it has the discretion to establish the price or whether it bears the inventory risk. Where the Group does not obtain control of the electricity before transferring it to the customer and its performance obligation is to arrange for the supply of electricity by another party, it acts in the nature of an agent.

ii) Where the Group acts as a principal in a contract for trading of power, the amount of the transaction price allocated to the performance obligation that is satisfied is recognised as revenue.

iii) Where the Group acts as an agent in a contract for trading of power, the net consideration retained after paying the supplier for the electricity provided to the customer is recognised as revenue from operations. Financial assets and liabilities arising out of these transactions are not set off.

d) Other income

i) Dividend income is recognized when the right to receive the same is established.

ii) For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

iii) Interest/Surcharge recoverable from customers including those arising out of contracts for trading of power and liquidated damages/interest on advances to contractors is recognised when it is highly probable that a significant reversal in the amount of revenue recognised will not occur in the future.

e) Revenue from sale of carbon credits/CERs/VERs

Revenue is recognized on transfer/sale of Carbon Credits/Certified Emission Reductions (CERs)/ Verified Carbon Units (VCUs) to the extent it is highly probable that a significant reversal in the amount of revenue recognized will not occur in the future.

16.0 Employee Benefits

i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed or included in the carrying amount of an asset if another standard permits such inclusion as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term performance related cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate trusts and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the

Statement of Profit and Loss or included in the carrying amount of an asset if another standard permits such inclusion in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction from future payments is available. Contributions to a defined contribution plan that is due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

Employees Defined Contribution Superannuation Scheme (EDCSS) for providing pension benefits and Social Security Scheme administered through separate trusts are accounted as defined contribution plans.

iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's Gratuity Scheme, Retired Employees Health Scheme (REHS), Provident Fund Scheme, Allowance on Retirement/Death, Memento on Superannuation to employees and Employees Family Economic Rehabilitation Scheme are in the nature of defined benefit plans. All these plans, other than Allowance on Retirement/Death ,Memento on Superannuation to employees and Employees Family Economic Rehabilitation Scheme are administered through separate trusts.

The liability or asset recognised in the Balance Sheet in respect of Gratuity and Retired Employees Health Scheme is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

In respect of Provident Fund Scheme, a liability is recognised in the Balance Sheet where the present value of the defined benefit obligation at the end of the reporting period is higher than the fair value of plan assets. Any surplus of fair value of plan assets over the present value of the defined benefit obligation at the end of the reporting period is not recognised as an asset since the Company does not have any right to the benefits either in the form of refunds from the Plan or by way of lower contribution to the Plan.

The defined benefit obligation is calculated annually by the actuary using the Projected Unit Credit Method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss or included in the carrying amount of an asset if another standard permits such inclusion.

Remeasurement gains (except in the case of Provident Fund Scheme) and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in Other Comprehensive Income in the period in which they occur and are included in retained earnings in the Statement of Changes in Equity.

iv) Other long-term employee benefits

Benefits under the Group's leave encashment scheme constitute other long term employee benefits.

The Group's net obligation in respect of long-term employee benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the Projected Unit Credit Method. Contributions to the scheme and actuarial gains or losses are recognised in the Statement of Profit and Loss or included in the carrying amount of an asset if another standard permits such inclusion in the period in which they arise.

v) Termination benefits

The expenses incurred on terminal benefits in the form of ex-gratia payments and notice pay on voluntary retirement schemes are charged to the Statement of Profit and Loss in the year of incurrence of such expenses.

17.0 Borrowing costs

Borrowing costs consist of (a) interest expense calculated using the effective interest method as described in Ind AS 109 – 'Financial Instruments' (b) finance charges in respect of finance leases recognized in accordance with Ind AS 116– 'Leases' and(c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which necessarily take substantial period of time to get ready for their intended use or sale. All other borrowing costs are expensed in the period in which they occur.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalised. When the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalisation of the borrowing costs is computed based on the weighted average cost of all borrowings that are outstanding during the period and used for the acquisition, construction/exploration or erection of the qualifying asset. However, borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset are excluded from this calculation, until substantially all the activities necessary to prepare that asset for its intended use or sale are complete.

Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Capitalisation of borrowing cost ceases when substantially all the activities necessary to prepare the qualifying assets for their intended use are complete.

Other borrowing costs are recognized as an expense in the year in which they are incurred.

18.0 Depreciation and amortization

a) Depreciation on additions to /deductions from Property, Plant and Equipment (PPE) during the year is charged on pro-rata basis from / up to the date on which the asset is available for use / disposal.

b) (i) Depreciation on Property, Plant and Equipment of Operating Units of the Group capitalized till five years before the end of the useful life of the Power Station is charged to the Statement of Profit & Loss on straight-line method following the rates and methodology notified by CERC for the fixation of tariff except for assets specified in Policy No. 18.0(d).

(ii) Depreciation on Property, Plant and Equipment capitalized during the last five years of the useful life of a Power Station is charged on straight-line method for the period of life extension as per CERC Tariff Regulations/Orders, from the date on which such asset becomes available for use.

(iii) Where the life and / or efficiency of a Power Station is increased due to renovation and modernization, the expenditure thereon along with its unamortized depreciable amount is charged prospectively on straight-line method over the revised / remaining useful life.

c) i) Depreciation on Property, Plant and Equipment (except old and used) of other than Operating Units of the Group is charged to the extent of 90% of the cost of the asset following the rates notified by CERC for the fixation of tariff except for assets specified in Policy No. 18.0(d).

ii) Depreciation on old and used items of PPE of other than Operating Units is charged on straight-line method to the extent of 90% of the cost of the asset over estimated useful life determined on the basis of technical assessment.

d) i) Depreciation in respect of following items of PPE is provided on straight line method based on the useful life and residual value (5%) given in the Schedule II of the Companies Act, 2013:

- Construction Plant and Machinery
- Computer and Peripherals

ii) Based on management assessment, depreciation on Mobile Phones is provided on straight line basis over a period of three years with residual value of ₹ 1/-.

iii) Based on management assessment, depreciation on Roof Top Solar Power System/Equipment is provided on straight line basis over a period of twenty five years with residual value of 10%.

iv) Based on technical assessment by management, depreciation on furniture & other equipment provided at residential office of employees is charged on straight line basis over a period of five years with residual value of 10%.

e) Temporary erections are depreciated fully (100%) in the year of acquisition /capitalization by retaining ₹ 1/- as WDV.

f) Assets valuing ₹ 5000/- or less but more than ₹ 750/- are fully depreciated during the year in which the asset becomes available for use with ₹ 1/- as WDV.

g) Low value items, which are in the nature of assets (excluding immovable assets) and valuing upto ₹ 750/- are not capitalized and charged off to revenue in the year of use.

h) Leasehold Land of operating units, is amortized over the period of lease or 40 years whichever is lower, following the rates and methodology notified vide CERC tariff regulations.

i) Leasehold Land and buildings of units other than operating units, is amortized over the period of lease or 40 years whichever is lower.

j) PPE created on leasehold land are depreciated to the extent of 90% of original cost over the balance available lease period of respective land from the date such asset is available for use or at the applicable depreciation rates & methodology notified by CERC tariff regulations for such assets, whichever is higher.

k) Land-Right to use is amortized over a period of 30 years from the date of commercial operation of the project in line with CERC tariff regulations notified for tariff fixation.

l) Cost of software recognized as 'Intangible Assets' is amortized on straight line method over a period of legal right to use or three financial years, whichever is earlier, starting from the year in which it is acquired.

m) Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, settlement of arbitration/ court cases, change in duties or similar factors, the unamortized balance of such assets is depreciated prospectively over the residual life of such assets at the rate of depreciation and methodology notified by CERC tariff regulations.

n) Spares parts procured along with the Plant and Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery at the rates and methodology notified by CERC.

o) Useful life, method of depreciation and residual value of assets where depreciation is charged as per management assessment are reviewed at the end of each financial year and adjusted prospectively over the balance useful life of the asset, wherever required.

19.0 Impairment of non-financial assets other than inventories

a) The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Group. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss.

b) In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

c) In case of expenditure on survey & investigation of projects, if it is decided to abandon such a project, expenditure incurred thereon is charged to the Statement of Profit and Loss in the year in which such decision is taken.

d) In case a project under Survey and Investigation remains in abeyance by the order of appropriate authority/ by injunction of court order, any expenditure incurred on such projects from the date of order/ injunction of court is provided in the books from the date of such order till the period project is kept in abeyance by such order/ injunction. Provision so made is however reversed on the revocation of aforesaid order/ injunction.

e) Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

20.0 Income Taxes

Income tax expense comprises current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case the tax is also recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax is the expected tax payable on the taxable income for the year on the basis of the tax laws applicable at the reporting date and any adjustments to tax payable in previous years. Taxable profit differs from profit as reported in the Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years (temporary differences) and it further excludes items that are never taxable or deductible (permanent differences).

b) Deferred tax

i) Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Group's financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the Balance Sheet method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of an asset or liability in a transaction that at the time of the transaction affects neither the taxable profit or loss nor the accounting profit or loss.

ii) The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

iii) Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would flow in the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

iv) Deferred tax is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

v) Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

vi) Deferred tax recovery adjustment account is credited/ debited to the extent the deferred tax for the current period which forms part of current tax in the subsequent periods and affects the computation of return on equity (ROE), a component of tariff.

vii) Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and joint ventures where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

viii) When there is uncertainty regarding income tax treatments, the Company assesses whether a tax authority is likely to accept an uncertain tax treatment. If it concludes that the tax authority is unlikely to accept an uncertain tax treatment, the effect of the uncertainty on taxable income, tax bases and unused tax losses and unused tax credits is recognised. The effect of the uncertainty is recognised using the method that, in each case, best reflects the outcome of the uncertainty: the most likely outcome or the expected value. For each case, the Company evaluates whether to consider each uncertain tax treatment separately, or in conjunction with another or several other uncertain tax treatments, based on the approach that best prefixes the resolution of uncertainty.

21.0 Compensation from third parties

Impairments or losses of items, related claims for payments of compensation from third parties including insurance companies and any subsequent purchase or construction of assets/inventory are separate economic events and are accounted for separately.

Compensation from third parties including from insurance companies for items of property, plant and equipment or for other items that were impaired, lost or given up is included in the Statement of Profit and Loss when the compensation becomes receivable. Insurance claims for loss of profit are accounted for based on certainty of realisation.

22.0 Segment Reporting

a) In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of internal reports used by the Group's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Group's "Chief Operating Decision Maker" or "CODM" within the meaning of Ind AS 108.

b) Electricity generation is the principal business activity of the Group. Other operations viz., Contracts, Project Management, Consultancy works and Trading of Power do not form a reportable segment as per the Ind AS -108.

c) The Group has a single geographical segment as all its Power Stations are located within the Country.

23.0 Leases

The Group assesses whether a contract is or contains a lease at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

i) Group as a Lessee:

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Land taken for use from State Government (without transfer of title) and expenses on relief and rehabilitation as also on creation of alternate facilities for land evacuees or in lieu of existing facilities coming under submergence and where construction of such alternate facilities is a specific pre-condition for the acquisition of the land for the purpose of the project, are accounted for as Right to use Assets.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. Assessment of impairment is done using the principles of Ind AS 36- Impairment of Assets as given in Significant Accounting Policy No. 19.0 above.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or when a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification..

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property as a separate line item on the face of the balance sheet.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii) Group as a Lessor:

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

For embedded leases in the nature of a Finance Lease, the investment in the power station is recognised as a Lease Receivable. The minimum lease receipts are identified by segregating the embedded lease receipts from the contract amounts (including Advance Against Depreciation (AAD) recognised in accordance with CERC Tariff regulations 2004-09 up to 31st March 2009 and considered as deferred income). Each lease receipt is allocated between the receivable and finance lease income forming part of revenue from operations so as to achieve a constant rate of return on the Lease Receivable outstanding.

Subsequent to initial recognition, the Company regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of Ind AS 109- Financial Instruments, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115- Revenue from Contracts with Customers to allocate the consideration in the contract.

In the case of Operating Leases or embedded operating leases, the lease income from the operating lease is recognised in revenue over the lease term to reflect the pattern of use benefit derived from the leased asset. The respective leased assets are included in the Balance Sheet based on their nature and depreciated over its economic life.

24.0 Business combinations

Acquisition of subsidiaries and businesses are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in each business combination is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquire, if any. The identifiable assets acquired and liabilities assumed are recognized at fair values on their acquisition date (except certain assets and liabilities which are required to be measured as per the applicable standard) and the non-controlling interest is initially recognized at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Acquisition related costs are recognized in the consolidated statement of profit and loss.

Goodwill is initially measured at cost, being the excess of the consideration transferred over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities recognized.

Where the fair value of the identifiable assets acquired and liabilities assumed exceed the consideration transferred, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognized as capital reserve on consolidation.

Business combinations arising from transfers of interests in entities that are under the common control are accounted for using the pooling of interest method. The difference between any consideration transferred and the aggregate historical carrying values of assets and liabilities of the acquired entity are recognized in shareholder's equity.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in statement of profit and loss or OCI, as appropriate.

25.0 Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated unless it is impracticable, in which case, the comparative information is adjusted to apply the new accounting policy prospectively from the earliest date practicable.

26.0 Earnings per share

a) Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the financial year.

b) Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

c) Basic and diluted earnings per equity share are also presented using the earnings amounts excluding the movements in regulatory deferral account balances.

27.0 Statement of Cash Flows

a) Cash and Cash Equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. However, for Balance Sheet presentation, Bank overdrafts are shown within "Borrowings" under Current Liabilities.

b) Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS 7- 'Statement of Cash Flows'.

28.0 Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification.

a) An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

b) A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

c) Deferred tax assets /liabilities are classified as non-current assets / liabilities.

29.0 Miscellaneous

a) Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

b) Liabilities for Goods in transit/Capital works executed but not certified are not provided for, pending transfer of ownership, inspection and acceptance by the Group.

(IV) Recent accounting pronouncements: Standards issued but not yet effective

Vide notification dated March 31, 2023, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain Indian Accounting Standards, and are effective from April 1, 2023. The summary of the major amendments and its impact on the Group are given hereunder:

i) Ind AS 1 – Presentation of financial statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment on the Group's financial statements is insignificant.

ii) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on the Group's financial statements.

iii) Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on the Group's financial statements.

iv) Amendments/ revision in other standards (IND AS 101, IND AS 102, IND AS 103, IND AS 107, IND AS 109 and IND AS 115) are either not applicable or do not have any material impact on the Group's financial statements.

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NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENT

(₹ in Crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 01.04.2022	Additions	Deductions	Adjustments	As at 31.03.2023	As at 01.04.2022	For the Year	Adjustments	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
Land – Freehold **(Refer Note 2.1.1 and 2.1.2)**	1,151.11	64.89	-	(665.68)	550.32	-	-	-	-	550.32	1,151.11
Roads and Bridges	310.79	19.33	-	43.84	373.96	87.48	13.14	5.34	105.96	268.00	223.31
Buildings	2,270.45	47.62	1.50	18.19	2,334.76	562.88	83.00	8.03	653.91	1,680.85	1,707.57
Railway sidings	13.06	-	-	-	13.06	13.06	-	-	13.06	-	-
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	16,046.70	12.45	0.73	(4.76)	16,053.66	5,545.25	666.14	0.26	6,211.65	9,842.01	10,501.45
Generating Plant and machinery	7,975.36	202.78	16.50	(3.60)	8,158.04	2,707.95	345.09	(5.42)	3,047.62	5,110.42	5,267.41
Plant and machinery - Sub station	55.95	2.32	0.76	0.82	58.33	17.88	2.38	(0.35)	19.91	38.42	38.07
Plant and machinery - Transmission lines	71.72	14.69	0.05	-	86.36	28.30	3.29	(0.01)	31.58	54.78	43.42
Plant and machinery - Others	39.80	1.54	0.20	1.43	42.57	15.74	1.99	0.23	17.96	24.61	24.06
Construction Plant and Machinery	53.39	1.12	0.27	(2.06)	52.18	29.42	3.01	(0.99)	31.44	20.74	23.97
Water Supply System/Drainage and Sewerage	62.83	0.90	0.16	1.52	65.09	15.07	2.93	0.49	18.49	46.60	47.76
Electrical installations	20.53	0.56	0.04	0.30	21.35	3.15	0.91	(0.02)	4.04	17.31	17.38
Vehicles	27.11	1.96	0.61	1.81	30.27	10.51	1.63	0.70	12.84	17.43	16.60
Aircraft/ Boats	1.97	-	0.12	-	1.85	0.72	0.14	(0.04)	0.82	1.03	1.25
Furniture and fixture	39.85	9.89	0.41	4.14	53.47	15.43	2.78	1.48	19.69	33.78	24.42
Computer and Peripherals	56.77	18.66	1.44	4.28	78.27	39.74	7.80	2.13	49.67	28.60	17.03
Communication Equipment	13.53	2.07	0.29	0.14	15.45	4.59	0.67	(0.12)	5.14	10.31	8.94
Office Equipments	124.40	21.51	2.20	9.25	152.96	47.07	7.39	2.14	56.60	96.36	77.33
Total	**28,335.32**	**422.29**	**25.28**	**(590.38)**	**28,141.95**	**9,144.24**	**1,142.29**	**13.85**	**10,300.38**	**17,841.57**	**19,191.08**
Previous Year	27,352.09	1,044.96	24.56	(37.17)	28,335.32	8,013.86	1,116.59	13.79	9,144.24	19,191.08	

Note: --

2.1.1 (i) Adjustment in gross block under "Land Freehold" includes an amount of Rs. 690.00 Crore pertaining to Dibang Basin Project which has been reclassified under "Right of Use Assets".

(ii) The Company has gained control of Chenab Valley Power Project Private Limited (CVPPPL) w.e.f. 21.11.2022. Accordingly, adjustment in Gross Block includes amount of Rs. 110.42 crore in respect of Gross Block of Chenab Valley Power Projects Pvt. Limited upto 31.03.2022.

2.1.2 Freehold Land includes 8 hectare (Previous year 8 hectare) of land being used by Loktak Downstream Hydroelectric Corporation Limited (LDHCL) (A subsidiary of NHPC Limited) for a consideration of ₹ 100 per annum as rent, for which a lease agreement has been entered into between NHPC Limited and LDHCL.

2.1.3 Refer Note No 34(11) of Consolidated Financial Statements for information on non-current assets equitably mortgaged/hypothecated with banks as security against borrowings.

2.1.4 Refer Note no. 34(19) of Consolidated Financial Statements for information regarding Impairment of Assets.

2.1.5 Foreign Exchange Rate Variation included in adjustments to gross block of assets are as follows: -

PARTICULARS	For the Year ended 31.03.2023 (₹ in crore)	For the Year ended 31.03.2022 (₹ in crore)
Roads and Bridges	(0.15)	(1.22)
Buildings	(1.09)	(8.63)
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	(4.91)	(38.73)
Generating Plant and machinery	(1.28)	(10.07)
Plant and machinery Sub-station	(0.01)	(0.08)
Water Supply System/Drainage and Sewerage	(0.01)	(0.04)
Total	**(7.45)**	**(58.77)**

2.1.6 A piece of land measuring 3835 sq. ft. at Thangal village was donated by Thangal village authority to NHPC Ltd . The said land along with the temporary shed constructed thereto was transferred to the Loktak Downstream Hydroelectric Corporation Ltd (subsidiary of NHPC Ltd) at the time of incorporation. The land is in the possession of the Group but no value has been assigned.

2.1.7 Additional disclosure of Property Plant and Equipment (PPE) as per gross block of assets and accumulated depreciation under previous GAAP has been provided as Annexure-I to this Note.

ANNEXURE-I TO NOTE NO. 2.1 PROPERTY PLANT AND EQUIPMENT

Additional Disclosure of Property, Plant and Equipment

(₹ in Crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2022	Additions	Deductions	Adjustments	As at 31.03.2023	As at 01.04.2022	For the Year	Adjustments	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
Land – Freehold	1,151.11	64.89	-	(665.68)	550.32	-	-	-	-	550.32	1,151.11
Roads and Bridges	403.36	19.33	-	43.76	466.45	180.05	13.14	5.26	198.45	268.00	223.31
Buildings	2,984.26	47.62	2.72	19.09	3,048.25	1,276.69	83.00	7.71	1,367.40	1,680.85	1,707.57
Railway sidings	31.98	-	-	-	31.98	31.98	-	-	31.98	-	-
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	21,877.87	12.45	0.73	(4.41)	21,885.18	11,376.42	666.14	0.61	12,043.17	9,842.01	10,501.45
Generating Plant and machinery	10,857.85	202.78	21.35	(3.51)	11,035.77	5,590.44	345.09	(10.18)	5,925.35	5,110.42	5,267.41
Plant and machinery - Sub station	106.80	2.32	2.01	0.82	107.93	68.73	2.38	(1.60)	69.51	38.42	38.07
Plant and machinery - Transmission lines	98.69	14.69	0.09	-	113.29	55.27	3.29	(0.05)	58.51	54.78	43.42
Plant and machinery - Others	54.98	1.54	0.81	1.47	57.18	30.92	1.99	(0.34)	32.57	24.61	24.06

(₹ in Crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2022	Additions	Deductions	Adjustments	As at 31.03.2023	As at 01.04.2022	For the Year	Adjustments	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
Construction Plant and Machinery	107.34	1.12	0.69	(2.54)	105.23	83.37	3.01	(1.89)	84.49	20.74	23.97
Water Supply System/ Drainage and Sewerage	72.57	0.90	0.32	1.66	74.81	24.81	2.93	0.47	28.21	46.60	47.76
Electrical installations	21.70	0.56	0.05	0.31	22.52	4.32	0.91	(0.02)	5.21	17.31	17.38
Vehicles	35.94	1.96	1.13	2.01	38.78	19.34	1.63	0.38	21.35	17.43	16.60
Aircraft/ Boats	2.15	-	0.12	-	2.03	0.90	0.14	(0.04)	1.00	1.03	1.25
Furniture and fixture	63.60	9.89	0.63	4.40	77.26	39.18	2.78	1.52	43.48	33.78	24.42
Computer and Peripherals	78.54	18.66	3.44	4.68	98.44	61.51	7.80	0.53	69.84	28.60	17.03
Communication Equipment	18.38	2.07	0.49	0.13	20.09	9.44	0.67	(0.33)	9.78	10.31	8.94
Office Equipments	174.35	21.51	4.27	9.97	201.56	97.02	7.39	0.79	105.20	96.36	77.33
Total	**38,141.47**	**422.29**	**38.85**	**(587.84)**	**37,937.07**	**18,950.39**	**1,142.29**	**2.82**	**20,095.50**	**17,841.57**	**19,191.08**
Previous Year	37,206.29	1,044.97	49.54	(60.25)	38,141.47	17,868.06	1,116.59	(34.26)	18,950.39	19,191.08	

Note:

Underground works amounting to ₹ 10496.48 crore (Previous Year ₹ 10496.48 crore), created on" Land -Right to Use"classified under Right of use Assets, are included under the relevant heads of Property, Plant and Equipment.

NOTE NO. 2.1 PROPERTY, PLANT AND EQUIPMENT (FY 2021-22)

(₹ in Crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 01.04.2021	Additions	Deductions	Adjustments	As at 31.03.2022	As at 01.04.2021	For the Year	Adjustments	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Land – Freehold **(Refer Note 2.1.1)**	414.01	737.41	0.05	(0.26)	1,151.11	-	-	-	-	1,151.11	414.01
Roads and Bridges	309.41	4.00	1.15	(1.47)	310.79	76.24	11.66	(0.42)	87.48	223.31	233.17
Buildings	2,255.73	23.53	0.10	(8.71)	2,270.45	485.10	77.81	(0.03)	562.88	1,707.57	1,770.63
Railway sidings	13.06	-	-	-	13.06	13.06	-	-	13.06	-	-
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	16,003.01	83.87	2.55	(37.63)	16,046.70	4,887.41	657.19	0.65	5,545.25	10,501.45	11,115.60
Generating Plant and machinery	7,819.45	158.45	13.24	10.70	7,975.36	2,353.07	338.07	16.81	2,707.95	5,267.41	5,466.38
Plant and machinery - Sub station	54.17	1.78	0.31	0.31	55.95	15.31	2.39	0.18	17.88	38.07	38.86
Plant and machinery - Transmission lines	70.99	0.84	0.08	(0.03)	71.72	25.35	2.99	(0.04)	28.30	43.42	45.64
Plant and machinery - Others	39.28	0.79	0.24	(0.03)	39.80	13.76	2.11	(0.13)	15.74	24.06	25.52
Construction Plant and Machinery	52.38	1.52	0.51	-	53.39	26.20	3.34	(0.12)	29.42	23.97	26.18
Water Supply System/Drainage and Sewerage	59.06	3.94	-	(0.17)	62.83	12.57	2.50	-	15.07	47.76	46.49

(₹ in Crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 01.04.2021	Additions	Deductions	Adjustments	As at 31.03.2022	As at 01.04.2021	For the Year	Adjustments	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Electrical installations	17.20	3.39	0.06	-	20.53	2.31	0.88	(0.04)	3.15	17.38	14.89
Vehicles	23.40	4.22	0.51	-	27.11	9.39	1.29	(0.17)	10.51	16.60	14.01
Aircraft/ Boats	1.93	0.05	0.01	-	1.97	0.58	0.14	-	0.72	1.25	1.35
Furniture and fixture	37.98	2.21	0.34	-	39.85	13.47	2.12	(0.16)	15.43	24.42	24.51
Computer and Peripherals	50.36	7.88	1.59	0.12	56.77	34.36	6.39	(1.01)	39.74	17.03	16.00
Communication Equipment	13.24	0.82	0.53	-	13.53	4.21	0.61	(0.23)	4.59	8.94	9.03
Office Equipments	117.43	10.26	3.29	-	124.40	41.47	7.10	(1.50)	47.07	77.33	75.96
Total	**27,352.09**	**1,044.96**	**24.56**	**(37.17)**	**28,335.32**	**8,013.86**	**1,116.59**	**13.79**	**9,144.24**	**19,191.08**	**19,338.23**
Previous Year	28,940.11	259.30	52.32	(1,795.00)	27,352.09	7,304.35	1,227.36	(517.85)	8,013.86	19,338.23	

Note: --

2.1.1 Freehold Land includes 8 hectare (Previous year 8 hectare) of land being used by Loktak Downstream Hydroelectric Corporation Limited (LDHCL) (A subsidiary of NHPC Limited) for a consideration of ₹ 100 per annum as rent, for which a lease agreement has been entered between NHPC Limited and LDHCL.

2.1.2 Refer Note No 34(11) of Consolidated Financial Statements for information of non-current assets equitably mortgaged/hypothecated with banks as security for related borrowings.

2.1.3 Refer Note no. 34(19) of Consolidated financial statement for information regarding Impairment of Assets.

2.1.4 Foreign Exchange Rate Variation included in Adjustments to gross block of the assets are as follows: -

PARTICULARS	For the Year ended 31.03.2022 (₹ in crore)	For the Year ended 31.03.2021 (₹ in crore)
Roads and Bridges	(1.22)	(1.03)
Buildings	(8.63)	(7.29)
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	(38.73)	(32.73)
Generating Plant and machinery	(10.07)	(8.52)
Plant and machinery Sub station	(0.08)	(0.07)
Water Supply System/Drainage and Sewerage	(0.04)	(0.04)
Total	**(58.77)**	**(49.68)**

2.1.5 A piece of land measuring 3835 sq. ft. at Thangal village was donated by Thangal village authority to NHPC Ltd . The said land along with the temporary shed constructed thereto was transferred to the Loktak Downstream Hydroelectric Corporation Ltd (subsidiary of NHPC Ltd) at the time of incorporation. The land is in the possession of the Group but no value has been assigned.

2.1.6 Additional disclosure of Property Plant and Equipment (PPE) as per gross block of assets and accumulated depreciation under previous GAAP has been provided as Annexure-I to this Note.

ANNEXURE-I TO NOTE NO. 2.1 PROPERTY PLANT AND EQUIPMENT

Additional Disclosure of Property, Plant and Equipment

(₹ in Crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 01.04.2021	Additions	Deductions	Adjustments	As at 31.03.2022	As at 01.04.2021	For the Year	Adjustments	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Land – Freehold	414.01	737.41	0.05	(0.26)	1,151.11	-	-	-	-	1,151.11	414.01
Roads and Bridges	402.74	4.00	1.91	(1.47)	403.36	169.57	11.66	(1.18)	180.05	223.31	233.17
Buildings	2,969.86	23.53	0.43	(8.70)	2,984.26	1,199.23	77.81	(0.35)	1,276.69	1,707.57	1,770.63
Railway sidings	31.98	-	-	-	31.98	31.98	-	-	31.98	-	-
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	21,840.52	83.87	7.79	(38.73)	21,877.87	10,724.92	657.19	(5.69)	11,376.42	10,501.45	11,115.60
Generating Plant and machinery	10,726.38	158.45	16.08	(10.90)	10,857.85	5,260.00	338.07	(7.63)	5,590.44	5,267.41	5,466.38
Plant and machinery - Sub station	105.41	1.78	0.37	(0.02)	106.80	66.55	2.39	(0.21)	68.73	38.07	38.86
Plant and machinery - Transmission lines	97.97	0.84	0.10	(0.02)	98.69	52.32	2.99	(0.04)	55.27	43.42	45.65
Plant and machinery - Others	54.94	0.79	0.71	(0.04)	54.98	29.42	2.11	(0.61)	30.92	24.06	25.52
Construction Plant and Machinery	110.71	1.52	4.88	(0.01)	107.34	84.53	3.34	(4.50)	83.37	23.97	26.18
Water Supply System/Drainage and Sewerage	68.80	3.94	0.01	(0.16)	72.57	22.31	2.50	-	24.81	47.76	46.49
Electrical installations	18.38	3.40	0.08	-	21.70	3.49	0.88	(0.05)	4.32	17.38	14.89
Vehicles	33.39	4.22	1.67	-	35.94	19.38	1.29	(1.33)	19.34	16.60	14.01
Aircraft/ Boats	2.16	0.05	0.06	-	2.15	0.81	0.14	(0.05)	0.90	1.25	1.35
Furniture and fixture	61.99	2.21	0.62	0.02	63.60	37.48	2.12	(0.42)	39.18	24.42	24.51
Computer and Peripherals	76.92	7.88	6.29	0.03	78.54	60.92	6.39	(5.80)	61.51	17.03	16.00
Communication Equipment	18.80	0.82	1.24	-	18.38	9.77	0.61	(0.94)	9.44	8.94	9.03
Office Equipments	171.33	10.26	7.25	0.01	174.35	95.38	7.10	(5.46)	97.02	77.33	75.95
Total	**37,206.29**	**1,044.97**	**49.54**	**(60.25)**	**38,141.47**	**17,868.06**	**1,116.59**	**(34.26)**	**18,950.39**	**19,191.08**	**19,338.23**
Previous Year	38,995.89	259.30	63.61	(1,985.29)	37,206.29	17,360.13	1,227.36	(719.43)	17,868.06	19,338.23	

Explanatory Note: -

2.1.1 Underground works amounting to ₹ 10496.48 crore (Previous Year ₹ 10494.51 crore), created on" Land -Right to Use" classified under Right of use Assets, are included under the relevant heads of Property, Plant and Equipment.

NOTE NO. 2.2 CAPITAL WORKS IN PROGRESS (CWIP)

(₹ in Crore)

Particulars	As at 01.04.2022	Addition	Adjustment (Refer Note 2.2.8)	Capitalised	As at 31.03.2023
Roads and Bridges	135.43	95.28	14.43	22.02	223.12
Buildings	1,234.75	702.74	339.21	48.09	2,228.61
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	7,519.97	3,712.14	454.72	12.37	11,674.46
Generating Plant and Machinery	3,060.48	692.78	136.57	153.22	3,736.61
Plant and Machinery - Sub station	6.50	3.99	4.09	5.02	9.56
Plant and Machinery - Transmission lines	11.82	27.31	3.21	13.39	28.95
Plant and Machinery - Others	0.73	0.53	-	0.15	1.11
Construction Equipment	-	0.79	-	-	0.79
Water Supply System/Drainage and Sewerage	0.48	3.15	0.35	0.43	3.55
Communication Equipments	-	0.21	-	0.21	-
Office Equipments	0.13	2.67	0.04	2.48	0.36
Other assets awaiting installation	11.90	36.62	(0.68)	38.89	8.95
Survey, investigation, consultancy and supervision charges	229.10	64.59	30.32	0.07	323.94
Expenditure on compensatory Afforestation	15.95	-	-	-	15.95
Expenditure Attributable to Construction **(Refer Note-32 and 2.2.7)**	11,119.79	1,988.70	972.46	5.36	14,075.59
Sub total	**23,347.03**	**7,331.50**	**1,954.72**	**301.70**	**32,331.55**
Less: Capital Work in Progress provided for **(Refer Note 2.2.3 and 2.2.9)**	962.05	158.09	-	-	1,120.14
Sub total (a)	**22,384.98**	**7,173.41**	**1,954.72**	**301.70**	**31,211.41**
Construction Stores	137.18		2.24		139.42
Less : Provisions for construction stores	0.26		0.07		0.33
Sub total (b)	**136.92**		**2.17**		**139.09**
TOTAL (a + b)	**22,521.90**	**7,173.41**	**1,956.89**	**301.70**	**31,350.50**
Previous Year	19,166.79	3,585.42	61.62	291.93	22,521.90

Explanatory Notes: -

2.2.1 (a) CWIP ageing schedule as on 31st March 2023

(₹ in Crore)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	7,425.44	3,839.86	2,286.68	17,798.52	31,350.50
Projects temporarily Suspended	-	-	-	-	-
Total	**7,425.44**	**3,839.86**	**2,286.68**	**17,798.52**	**31,350.50**

(b) CWIP Completion Schedule as on 31st March 2023 for delayed projects

(₹ in Crore)

CWIP	To be completed in				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Parbati-II	9,920.38	-	-	-	9,920.38
Subansiri Lower Project	12,357.07	1,590.10	-	-	13,947.17
Kalpi Solar Project	126.11	-	-	-	126.11
Total	**22,403.56**	**1,590.10**	**-**	**-**	**23,993.66**

2.2.2 Expenditure attributable to Construction (EAC) includes ₹ 1318.71 Crore (Previous year ₹ 1029.85 Crore) towards borrowing cost capitalised during the year. **(Also Refer Note-32)**

2.2.3 Capital Work in Progress (CWIP) includes a cumulative expenditure of ₹ 1293.90 Crore (Previous Year ₹ 1234.99 Crore) on projects under Survey & Investigation stage. Out of this, a sum of ₹ 964.21 Crore (Previous Year ₹ 962.02 Crore) has been provided for in respect of Bursar ₹ 226.94 Crore (Previous Year ₹ 226.80 Crore), Kotli Bhel Projects ₹ 374.12 Crore (Previous Year ₹ 372.48 Crore), Tawang Basin Projects ₹ 237.15 Crore (Previous Year ₹ 237.15 Crore), Dhauliganga Intermediate Project & Goriganga Project ₹ 82.28 Crore (Previous Year ₹ 82.07 Crore) and Subansiri Upper Projects ₹ 43.72 Crore (Previous Year ₹ 43.52 Crore) where uncertainties are attached. However, remaining amount of ₹ 329.69 Crore (Previous Year ₹ 272.97 Crore) pertaining to other projects having reasonable certainty of getting clearance, is carried forward under Capital Work in Progress (CWIP). **(Also Refer Note 34(25), 34(26), 34(27) and 34(28) of Consolidated Financial Statements).**

2.2.4 Underground Works amounting to ₹ 3499.94 Crore (Previous Year ₹ 2959.11 Crore) created on "Land -Right to Use" classified under "Right of Use Assets" are included under respective heads of Capital Work in Progress (CWIP).

2.2.5 Refer Note no. 34 (11) of Consolidated Financial Statements for information on non-current assets mortgaged/ hypothecated with Lenders as security against borrowings.

2.2.6 Refer Note no. 34 (19) of of Consolidated Financial Statements for information regarding Impairment of Assets.

2.2.7 Expenditure Attributable to Construction (EAC) includes ₹ 202.93 Crore (Previous Year ₹ 158.50 Crore) on account of expenses on downstream protection work in respect of Subansiri Lower Project, against which cumulative grant amounting to ₹ 78.05 Crore (up to Previous Year ₹ 74.07 Crore) has been received from Government of India. The Grant so received has been recognised under 'Other non current liabilities' (Note-19.1) and shall be amortised on a systematic basis over the useful life of the project in the Statement of Profit and Loss after commissioning of the project.

2.2.8 The Company has gained control of Chenab Valley Power Project Private Limited (CVPPPL) w.e.f. 21.11.2022. Accordingly, Capital work in progress (CWIP) of CVPPPL as at 31st March 2022 amounting to ₹ 1893.86 crore has been included under "Adjustment" column.

2.2.9 Provision against Capital Work in Progress includes an amount of ₹ 155.96 crore on account of impairment provision credited during FY 2022-23 towards expenditure incurred on Loktak Downstream Project of Loktak Downstream Hydroelectric Corporation Limited. considering delay in investment sanction.

Note no. 2.2 Capital Work In Progress (CWIP) (FY 2021-22)

(₹ in Crore)

Particulars	As at 01.04.2021	Addition	Adjustment	Capitalised	As at 31.03.2022
Roads and Bridges	63.47	77.08	0.41	5.53	135.43
Buildings	1,036.25	227.36	0.38	29.24	1,234.75
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	6,298.23	1,308.34	(2.13)	84.47	7,519.97
Generating Plant and Machinery	2,905.94	268.13	(0.67)	112.92	3,060.48
Plant and Machinery - Sub station	2.58	4.51	0.01	0.60	6.50
Plant and Machinery - Transmission lines	6.94	5.18	-	0.30	11.82
Plant and Machinery - Others	1.67	1.76	-	2.70	0.73
Water Supply System/Drainage and Sewerage	1.90	2.36	-	3.78	0.48
Computers	-	0.48	-	0.48	-
Office Equipments	-	0.13	0.24	0.24	0.13
Other assets awaiting installation	11.68	31.33	(0.01)	31.10	11.90
Survey, investigation, consultancy and supervision charges	203.54	25.56	-	-	229.10
Expenditure on compensatory Afforestation	15.95	-	-	-	15.95
Expenditure Attributable to Construction **(Refer Note-32)**	9,497.73	1,640.67	1.96	20.57	11,119.79
Sub total	**20,045.88**	**3,592.89**	**0.19**	**291.93**	**23,347.03**
Less: Capital Work in Progress provided **(Refer Note 2.2.3)**	954.58	7.47	-	-	962.05
Sub total (a)	**19,091.30**	**3,585.42**	**0.19**	**291.93**	**22,384.98**
Construction Stores	75.81		61.37		137.18
Less : Provisions for construction stores	0.32		(0.06)		0.26
Sub total (b)	**75.49**		**61.43**		**136.92**
TOTAL (a + b)	**19,166.79**	**3,585.42**	**61.62**	**291.93**	**22,521.90**
Previous Year	17,180.41	2,287.04	(94.08)	206.58	19,166.79

Explanatory Notes: -

2.2.1 (a) CWIP ageing schedule as on 31st March 2022 (₹ in Crore)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	3,547.06	1,959.30	2,185.13	14,830.41	22,521.90
Projects temporarily Suspended	-	-	-	-	-
Total	**3,547.06**	**1,959.30**	**2,185.13**	**14,830.41**	**22,521.90**

(b) CWIP Completion Schedule as on 31st March 2022 for delayed projects (₹ in Crore)

CWIP	To be completed in				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Parbati-II	9,147.00	-		-	9,147.00
Subansiri Lower Project	7,189.75	3,289.47		-	10,479.22
Total	**16,336.75**	**3,289.47**	**-**	**-**	**19,626.22**

2.2.2 Expenditure attributable to Construction (EAC) includes ₹ 1029.85 Crore (Previous year ₹ 997.08 Crore) towards borrowing cost capitalised during the year. **(Also Refer Note-32)**

2.2.3 Capital Work in Progress (CWIP) includes a cumulative expenditure of ₹ 1234.99 Crore (Previous Year ₹ 1192.72 Crore) on projects under Survey & Investigation stage. Out of this, a sum of ₹ 962.02 Crore (Previous Year ₹ 954.58 Crore) has been provided for in respect of Bursar ₹ 226.80 Crore (Previous Year ₹ 226.78 Crore), Kotli Bhel Projects ₹ 372.48 Crore (Previous Year ₹ 368.72 Crore), Tawang Basin Projects ₹ 237.15 Crore (Previous Year ₹ 233.68 Crore), Dhauliganga Intermediate Project & Goriganga Project ₹ 82.07 Crore (Previous Year ₹ 81.88 Crore) and Subansiri Upper Projects ₹ 43.52 Crore (Previous Year ₹ 43.52 Crore) where uncertainties are attached. However, remaining amount of ₹ 272.97 Crore (Previous Year ₹ 238.14 Crore) pertaining to other projects having reasonable certainty of getting clearance, is carried forward under Capital Work in Progress (CWIP). **(Also Refer Note 34(25), 34(26), 34(27)and 34(28)** of Consolidated Financial Statements**).**

2.2.4 Underground Works amounting to ₹ 2959.11 Crore (Previous Year ₹ 2317.10 Crore) created on Land - Right of use, are included under respective heads of Capital Work in Progress (CWIP).

2.2.5 Refer Note no. 34(11) of Consolidated Financial Statements for information of non-current assets mortgared/ hypothecated with banks as security for borrowings.

2.2.6 Refer Note no. 34(19) of of Consolidated Financial Statements for information regarding Impairment of Assets.

2.2.7 Expenditure attributable to construction (EAC) includes ₹ 158.50 Crore on account of expenses on downstream protection work in respect of Subansiri Lower Project, against which grant amounting to ₹ 74.07 Crore has been received from Government of India. The Grant so received has been recognised under 'Other non current liabilities' (Note-19.1) and shall be amortised in the Statement of Profit and Loss after commissioning of the project on a systematic basis over the useful life of the project.

NOTE NO. 2.3 RIGHT OF USE ASSETS

(₹ in Crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2022	Additions	Deductions	Adjustments	As at 31.03.2023	As at 01.04.2022	For the Year	Adjustments	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
Land – Leasehold **(Refer Note 2.3.2)**	322.43	75.92	0.58	376.44	774.21	57.42	18.33	33.86	109.61	664.60	265.01
Building under Lease	5.07	0.80	1.94	0.88	4.81	3.62	0.67	(1.15)	3.14	1.67	1.45
Vehicles	9.36	2.39	2.57	1.22	10.40	4.72	1.84	(1.68)	4.88	5.52	4.64
Land-Right of Use **(Refer Note 2.3.1 and 2.3.2)**	2,803.01	183.22	0.06	1,145.66	4,131.83	447.86	69.70	(1.86)	515.70	3,616.13	2,355.15
TOTAL	**3,139.87**	**262.33**	**5.15**	**1,524.20**	**4,921.25**	**513.62**	**90.54**	**29.17**	**633.33**	**4,287.92**	**2,626.25**
Previous Year	3,076.05	63.49	1.77	2.10	3,139.87	429.04	83.32	1.26	513.62	2,626.25	

Note: -

2.3.1 Land- Right of use includes forest land diverted by respective State Forest Departments for use by project.

2.3.2 (i) Adjustment in gross block under "Land Right of Use" is in respect of land pertaining to Dibang Basin Project which has been reclassified from "Property, Plant and Equipment".

(ii) The Company has gained control of Chenab Valley Power Project Private Limited (CVPPPL) w.e.f. 21.11.2022. Accordingly, adjustment in Gross Block includes amount of Rs. 836.60 crore in respect of Gross Block of Chenab Valley Power Projects Pvt. Limited upto 31.03.2022.

2.3.3 Refer Note no. 34(19) of Consolidated Financial Statements for information regarding Impairment of Assets.

2.3.4 Additional disclosure of Right of use Assets as per gross block of assets and accumulated depreciation under previous GAAP has been provided as Annexure-I to this Note.

ANNEXURE-I TO NOTE NO. 2.3 RIGHT OF USE ASSETS

Additional Disclosure of Right of Use Assets

(₹ in Crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2022	Additions	Deductions	Adjustments	As at 31.03.2023	As at 01.04.2022	For the Year	Adjustments	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
Land – Leasehold	335.32	75.92	0.60	376.70	787.34	70.31	18.33	34.10	122.74	664.60	265.01
Building under Lease	5.07	0.80	1.94	0.88	4.81	3.62	0.67	(1.15)	3.14	1.67	1.45
Vehicles	9.36	2.39	2.57	1.22	10.40	4.72	1.84	(1.68)	4.88	5.52	4.64
Land-Right of Use	3,151.81	183.22	0.06	1,147.52	4,482.49	796.66	69.70	-	866.36	3,616.13	2,355.15
TOTAL	**3,501.56**	**262.33**	**5.17**	**1,526.32**	**5,285.04**	**875.31**	**90.54**	**31.27**	**997.12**	**4,287.92**	**2,626.25**
Previous Year	3,439.86	63.49	1.77	(0.02)	3,501.56	792.85	83.32	(0.86)	875.31	2,626.25	

NOTE NO. 2.3 RIGHT OF USE ASSETS

(₹ in Crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2021	Additions	Deductions	Adjustments	As at 31.03.2022	As at 01.04.2021	For the Year	Adjustments	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Land – Leasehold	314.87	8.35	1.03	0.24	322.43	45.02	12.44	(0.04)	57.42	265.01	269.85
Building under Lease	5.40	0.41	0.74	-	5.07	3.04	1.14	(0.56)	3.62	1.45	2.36
Vehicles	4.40	4.96	-	-	9.36	3.15	1.57	-	4.72	4.64	1.25
Land-Right of Use **(Refer Note 2.3.1)**	2,751.38	49.77	-	1.86	2,803.01	377.83	68.17	1.86	447.86	2,355.15	2,373.55
TOTAL	**3,076.05**	**63.49**	**1.77**	**2.10**	**3,139.87**	**429.04**	83.32	1.26	513.62	**2,626.25**	**2,647.01**
Previous Year	3,122.27	15.38	19.19	(42.41)	3,076.05	355.96	82.32	(9.24)	429.04	2,647.01	

Note: -

2.3.1 Land- Right of use includes forest land diverted by the State Forest Department only for use by project.

2.3.2 Refer Note no. 34(19) of Consolidated Financial Statements for information regarding Impairment of Assets.

2.3.3 Additional disclosure of Right of use Assets as per gross block of assets and accumulated depreciation under previous GAAP has been provided as Annexure-I to this Note.

ANNEXURE-I TO NOTE NO. 2.3 RIGHT OF USE ASSETS

Additional Disclosure of Right of Use Assets

(₹ in Crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2021	Additions	Deductions	Adjustments	As at 31.03.2022	As at 01.04.2021	For the Year	Adjustments	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Land – Leasehold	328.02	8.35	1.03	(0.02)	335.32	58.17	12.44	(0.30)	70.31	265.01	269.85
Building under Lease	5.40	0.41	0.74	-	5.07	3.04	1.14	(0.56)	3.62	1.45	2.36
Vehicles	4.40	4.96	-	-	9.36	3.15	1.57	-	4.72	4.64	1.25
Land-Right of Use	3,102.04	49.77	-	-	3,151.81	728.49	68.17	-	796.66	2,355.15	2,373.55
TOTAL	**3,439.86**	**63.49**	**1.77**	**(0.02)**	**3,501.56**	**792.85**	**83.32**	**(0.86)**	**875.31**	**2,626.25**	**2,647.01**
Previous Year	3,488.20	15.38	19.19	(44.53)	3,439.86	721.89	82.32	(11.36)	792.85	2,647.01	

NOTE NO. 2.4 INVESTMENT PROPERTY

(₹ in Crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 01.04.2022	Additions	Deductions	Adjustments	As at 31.03.2023	As at 01.04.2022	For the Year	Adjustments	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
Land Freehold	4.49		-	-	4.49	-		-	-	4.49	4.49
TOTAL	**4.49**		**-**	**-**	**4.49**	**-**		**-**	**-**	**4.49**	**4.49**
Previous Year	4.49		-	-	4.49	-		-	-	4.49	

Note:-

2.4.1 Amounts recognised in profit or loss for investment property

(₹ in Crore)

PARTICULARS	For the Year ended 31.03.2023	For the Year ended 31.03.2022
Rental income	Nil	Nil
Direct operating expenses from property that generated rental income	Nil	Nil
Direct operating expenses from property that did not generate rental income	Nil	Nil

2.4.2 Disclosure regarding fair value of Investment Property

(₹ in Crore)

PARTICULARS	As at 31.03.2023	As at 31.03.2022
Fair Value of investment property	98.01	78.90

2.4.3 Investment property comprise of freehold land which was bought for normal business requirements of the group. However, due to change in business plans, the group is in the process of finalising the future use of the property. IND AS 40, Investment Property, provides by way of example that land held for a currently undetermined future use is to be regarded as held for capital appreciation and hence to be classified as Investment Property.

2.4.4 Valuation process

The above land is carried in the financial statements at cost. The fair value disclosed is based on the valuation by a registered valuer as defined under rule (2) of Companies (Registered Valuers and Valuation) Rules, 2017 and considered to be level-II of fair valuation hierarchy.

NOTE NO. 2.4 INVESTMENT PROPERTY

(₹ in Crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 01.04.2021	Additions	Deductions	Adjustments	As at 31.03.2022	As at 01.04.2021	For the Year	Adjustments	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Land Freehold	4.49		-	-	4.49	-		-	-	4.49	4.49
TOTAL	**4.49**		**-**	**-**	**4.49**	**-**		**-**	**-**	**4.49**	**4.49**
Previous Year	4.49		-	-	4.49	-		-	-	4.49	

Notes:-

2.4.1 Amounts recognised in profit or loss for investment property

(₹ in Crore)

PARTICULARS	For the Year ended 31.03.2022	For the year ended 31.03.2021
Rental income	Nil	Nil
Direct operating expenses from property that generated rental income	Nil	Nil
Direct operating expenses from property that did not generate rental income	Nil	Nil

2.4.2 Disclosure regarding fair value of Investment Property

(₹ in Crore)

PARTICULARS	As at 31.03.2022	As at 31.03.2021
Fair Value of investment property	78.90	72.87

2.4.3 Investment property comprise of freehold land which was bought for normal business requirements of the group. However, due to change in business plans, the group is in the process of finalising the future use of the property. IND AS 40, Investment Property, provides by way of example that land held for a currently undetermined future use is to be regarded as held for capital appreciation and hence to be classified as Investment Property.

2.4.4 Valuation process

The above land is carried in the financial statements at cost. However, the fair value of investment property has been arrived on the basis of market value as per valuation report and considered to be level -II of fair valuation hierarchy.

NOTE NO. 2.5 INTANGIBLE ASSETS

(₹ in Crore)

PARTICULARS	GROSS BLOCK					AMORTISATION				NET BLOCK	
	As at 01.04.2022	Additions	Deductions	Adjustments	As at 31.03.2023	As at 01.04.2022	For the Year	Adjustments	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
Computer Software	20.08	3.82	1.67	1.04	23.27	16.80	3.62	(0.56)	19.86	3.41	3.28
Total	**20.08**	**3.82**	**1.67**	**1.04**	**23.27**	**16.80**	**3.62**	**(0.56)**	**19.86**	**3.41**	**3.28**
Previous Year	15.61	4.47	-	-	20.08	12.09	4.71	-	16.80	3.28	

Note :

2.5.1 Additional disclosure of Intangible Assets as per gross block of assets and accumulated depreciation under previous GAAP has been provided as **Annexure-I** to this Note.

ANNEXURE-I TO NOTE NO. 2.5 INTANGIBLE ASSETS

Additional disclosure of Intangible Assets

(₹ in Crore)

PARTICULARS	GROSS BLOCK					AMORTISATION				NET BLOCK	
	As at 01.04.2022	Additions	Deductions	Adjustments	As at 31.03.2023	As at 01.04.2022	For the Year	Adjustments	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
Computer Software	57.24	3.82	4.78	1.04	57.32	53.96	3.62	(3.67)	53.91	3.41	3.28
Total	**57.24**	**3.82**	**4.78**	**1.04**	**57.32**	**53.96**	**3.62**	**(3.67)**	**53.91**	**3.41**	**3.28**
Previous Year	52.90	4.47	0.05	(0.08)	57.24	49.38	4.71	(0.13)	53.96	3.28	

NOTE NO. 2.5 INTANGIBLE ASSETS

Additional disclosure of Intangible Assets

(₹ in Crore)

PARTICULARS	GROSS BLOCK					AMORTISATION				NET BLOCK	
	As at 01.04.2021	Additions	Deductions	Adjustments	As at 31.03.2022	As at 01.04.2021	For the Year	Adjustments	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Computer Software	15.61	4.47	-	-	20.08	12.09	4.71	-	16.80	3.28	3.52
Total	**15.61**	**4.47**	**-**	**-**	**20.08**	**12.09**	**4.71**	**-**	**16.80**	**3.28**	**3.52**
Previous Year	10.98	5.03	0.17	(0.23)	15.61	10.26	2.22	(0.39)	12.09	3.52	

Note :

2.5.1 Additional disclosure of Intangible Assets as per gross block of assets and accumulated depreciation under previous GAAP has been provided as Annexure-I to this Note.

ANNEXURE-I TO NOTE NO. 2.5 INTANGIBLE ASSETS

Additional disclosure of Intangible Assets

(₹ in Crore)

PARTICULARS	GROSS BLOCK					AMORTISATION				NET BLOCK	
	As at 01.04.2021	Additions	Deductions	Adjustments	As at 31.03.2022	As at 01.04.2021	For the Year	Adjustments	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Computer Software	52.90	4.47	0.05	(0.08)	57.24	49.38	4.71	(0.13)	53.96	3.28	3.52
Total	**52.90**	**4.47**	**0.05**	**(0.08)**	**57.24**	**49.38**	**4.71**	**(0.13)**	**53.96**	**3.28**	**3.52**
Previous Year	48.62	5.03	0.47	(0.28)	52.90	47.90	2.22	(0.74)	49.38	3.52	

NOTE NO. 2.6 INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Crore)

PARTICULARS	As at 01.04.2022	Additions	Adjustment	Capitalised	As at 31.03.2023
Computer Software	0.51	4.66	1.07	-	6.24
Total	**0.51**	**4.66**	**1.07**	**-**	**6.24**
Previous Year	0.17	0.47	-	0.13	0.51

2.6.1 a) Intangible Assets Under Development ageing schedule as on 31st March 2023

(₹ in Crore)

Intangible Assets Under Development	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	4.66	1.54	0.02	0.02	6.24
Total	**4.66**	**1.54**	**0.02**	**0.02**	**6.24**

b) Intangible Assets Under Development Completion Schedule as on 31st March 2023 for delayed projects: NIL

NOTE NO. 2.6 INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Crore)

PARTICULARS	As at 01.04.2021	Additions	Adjustment	Capitalised	at 31.03.2022
Computer Software	0.17	0.47	-	0.13	0.51
Total	**0.17**	**0.47**	**-**	**0.13**	**0.51**
Previous Year	-	0.17	-	-	0.17

2.6.1 a) Intangible Assets Under Development ageing schedule as on 31st March 2022

(₹ in Crore)

Intangible Assets Under Development	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	0.47	0.02	0.02	-	0.51
Total	**0.47**	**0.02**	**0.02**	**-**	**0.51**

b) Intangible Assets Under Development Completion Schedule as on 31st March 2022 for delayed projects: NIL

NOTE NO. 2.7.1 : INVESTMENT ACCOUNTED FOR USING EQUITY METHOD

INTERESTS IN JOINT VENTURES

The entities listed below have share capital consisting solely of equity shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

(₹ in crore)

Name of entity & Relationship	Place of business	Accounting Method	% of Ownership interest		Carrying amount	
			31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
National High Power Test Laboratory Private Limited (NHPTL) **(Refer Note 2.7.1.1)**	India	Equity Method	20.00%	20.00%	-	14.24
Chenab Valley Power Projects (P) Limited (CVPPPL) **(upto 20.11.2022) (Refer Note 2.7.1.2)**	India	Equity Method	-	55.13%	-	1861.92
Total Equity accounted investments					**-**	**1,876.16**

NOTE NO. 2.7.2 : SHARE OF NET PROFIT/(LOSS) OF JOINT VENTURES ACCOUNTED FOR USING EQUITY METHOD

(₹ in crore)

Name of entity	31-Mar-23	31-Mar-22
National High Power Test Laboratory Private Limited (NHPTL) **(Refer Note 2.7.1.1)**	(14.24)	(3.97)
Chenab Valley Power Projects (P) Limited (CVPPPL) (upto 20.11.2022) **(Refer Note 2.7.1.2)**	9.15	2.58
TOTAL	**(5.09)**	**(1.39)**

2.7.1.1: National High Power Test Laboratory Private Limited (NHPTL)

(₹ in crore)

Particulars	31-Mar-23	31-Mar-22
Profit/ (Loss) for the year as per Statement of Profit & Loss	(111.29)	(20.02)
Share of Adjustment in Other Equity	(0.01)	0.15
% of Ownership interest	20.00%	20.00%
Share of Net Loss of Joint Venture	**(22.26)**	**(3.97)**
Interest in Joint Venture available for adjusting current year losses (A)	**14.24**	**18.21**
Share of Net Loss adjusted against Interest in Joint Venture (B) (Also Refer Note 34(33))	**(14.24)**	**(3.97)**
Value of Investment Accounted for using Equity Method (A+B)	**-**	**14.24**

2.7.1.2: Chenab Valley Power Projects (P) Limited (CVPPPL) (upto 20.11.2022)

During FY 2021-22, NHPC has obtained approval of the Ministry of Power, Government of India for acquiring the shareholding of M/s PTC (India) Limited, one of the Joint Venture partners, amouting to 2% of the equity shares of CVPPPL on 12 May 2021. Purchase consideration has been paid to M/s PTC (India) Limited for acquisition of 40,80,000 shares of CVPPPL during FY 2021-22. A supplementary Promoters Agreement in respect of CVPPPL has been signed between NHPC and JKSPDC on 21.11.2022, consequent to which NHPC has gained control of CVPPPL. Accordingly, accounts of CVPPPL has been consolidated as joint venture using equity method upto 20.11.2022 and as subsidiary w.e.f. 21.11.2022.

Summary of share of profit of CVPPPL as Joint Venture upto 20.11.2022 is as under:

(₹ in crore)

Particulars	20-Nov-22	31-Mar-22
Profit/ (Loss) as per Statement of Profit & Loss	17.12	4.67
% of Ownership interest	53.44%	55.13%
Share of Net Profit of Joint Venture	**9.15**	**2.58**

NOTE NO. 2.7.3 : SHARE OF OTHER COMPREHENSIVE INCOME OF JOINT VENTURES ACCOUNTED FOR USING EQUITY METHOD

(₹ in crore)

Name of entity	31-Mar-23	31-Mar-22
National High Power Test Laboratory Private Limited (NHPTL)	-	-
Chenab Valley Power Projects (P) Limited. (CVPPPL) upto 20.11.2022	-	-
TOTAL	**-**	**-**

NOTE NO. 2.7.4 : SUMMARISED FINANCIAL INFORMATION FOR JOINT VENTURES

The tables below provide summarised financial information for joint ventures of the group. The information disclosed reflects the amounts presented in the financial statements of the joint ventures. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

(a) Summarised Balance Sheet (₹ in crore)

Particulars	NHPTL		CVPPPL	
	31-Mar-23	31-Mar-22	20-Nov-22	31-Mar-22
Current Assets				
Cash & Cash Equivalents	7.67	2.58	54.63	394.33
Other Assets	3.41	3.16	1,112.72	739.53
Total Current Assets	11.08	5.74	1,167.35	1,133.86
Regulatory Deferral Account Balances	-	-	0.44	0.10
Total non-current assets	225.13	328.60	3,986.54	3,252.45
Total Assets (A)	**236.21**	**334.34**	**5,154.33**	**4,386.41**
Current Liabilities				
Financial Liabilities (excluding Trade payables)	94.84	65.60	221.10	131.05
Other Liabilities	9.06	9.69	134.73	147.81
Total current liabilities	103.90	75.29	355.83	278.86
Non-current liabilities				
Financial Liabilities (excluding trade payables)	172.03	185.19	373.95	211.91
Other liabilities	0.38	2.66	677.03	405.18
Total non-current liabilities	172.41	187.85	1,050.98	617.09
Total Liabilities (B)	**276.31**	**263.14**	**1,406.81**	**895.95**
Net Assets (A-B)	**(40.10)**	**71.20**	**3,747.52**	**3,490.46**
Less:-Share application money received pending allotment	**-**	**-**	**32.00**	**100.00**
Net Asset after adjusting share application money pending allotment	**(40.10)**	**71.20**	**3,715.52**	**3,390.46**

(b) Reconciliation of Carrying Amounts (₹ in crore)

Particulars	NHPTL		CVPPPL	
	31-Mar-23	31-Mar-22	20-Nov-22	31-Mar-22
Opening Net Assets	71.20	91.08	3,390.46	2,529.12
Profit/(Loss) for the year	(111.29)	(20.03)	17.12	4.67
Other comprehensive income	-	-	-	-
Equity Contribution	-	-	307.94	856.67
Adjustment in other equity (Opening)	(0.01)	0.15	-	-
Closing net assets	**(40.10)**	**71.20**	**3,715.52**	**3,390.46**
Group's share (in %)	20.00%	20.00%	53.44%	55.13%
Group's share #	-	14.24	1985.40	1869.23
Goodwill/(Capital Reserve)	-	-	(1.55)	(2.46)
Carrying Amount	-	14.24	1,983.85	1,866.77
Less: Profit on intra group transaction	-	-	5.50	4.85
Net Carrying amount	-	14.24	1,978.35	1,861.92
Add: Unrealized Profit adjusted with CWIP			5.50	
Add: Capital Reserve transferred to Other Equity			1.55	
Less: Elimination of Net Asset Value as on 20.11.2022			1,985.40	
Net Carrying Amount	-	14.24	-	1,861.92

The carrying value of Investment in NHPTL has been considered **NIL** (Previous Year ₹ **14.24 crore**). (Refer Note 34(33) of Consoliadted Financial Statements)

(c) Summarised statement of Profit & Loss (₹ in Crore)

Particulars	NHPTL		CVPPPL	
	31-Mar-23	31-Mar-22	20-Nov-22	31-Mar-22
Revenue	20.06	14.65	-	-
Interest Income	0.12	0.38	33.83	31.39
Depreciation & Amortisation	8.61	8.51	0.38	1.05
Interest Expense	20.96	19.18	0.01	0.03
Other Expenditure	101.90	7.36	8.15	17.84
Income Tax Expense	-	-	8.51	7.90
Movement in Regulatory Deferral Account Balances (Net of Tax)	**-**	**-**	**0.34**	**0.10**
Profit/(Loss) from continuing operations	**(111.29)**	**(20.02)**	**17.12**	**4.67**
Profit/(Loss) for the year	(111.29)	(20.02)	17.12	4.67
Other Comprehensive income	-	-	-	-
Total Comprehensive Income	(111.29)	(20.02)	17.12	4.67

NOTE NO. 3.1 NON-CURRENT INVESTMENTS

PARTICULARS	As at 31st March 2023		As at 31st March 2022	
	Number of shares/ bonds/ securities (in units)	Amount (₹ in Crore)	Number of shares/ bonds/ securities (in units)	Amount (₹ in Crore)
A. Quoted Equity Instruments - At Fair Value through Other Comprehensive Income (OCI)				
Bodies Corporate				
PTC India Ltd. (Fully Paid Up) **(Refer Note 3.1.1 A)** (Face Value of ₹ 10/- each)	1,20,00,000	102.06	1,20,00,000	98.70
Total (A)		**102.06**		**98.70**
B. Quoted Debt Instruments - At Fair Value through Other Comprehensive Income (OCI)				
(a) Government Securities (Refer Note 3.1.2 and 3.1.4)				
8.35% SBI Right Issue GOI Special Bonds 27 Mar 2024 (Per Unit Value of ₹ 10000/- each)	-	-	1,50,000	158.43
8.20% Oil Marketing Companies GOI Special Bonds 15 Sep 2024 (Per Unit Value of ₹ 10000/- each)	12,380	12.53	12,380	13.12
8.28% GOI 21 Sep 2027 (Per Unit Value of ₹ 10000/- each)	57,000	59.31	57,000	61.82
8.26% GOI 02 Aug 2027 (Per Unit Value of ₹ 10000/- each)	17,940	18.63	17,940	19.39
8.28% GOI 15 Feb 2032 (Per Unit Value of ₹ 10000/- each)	35,000	37.11	35,000	38.20
8.32% GOI 02 Aug 2032 (Per Unit Value of ₹ 10000/- each)	34,000	36.31	34,000	37.17
Sub-total (a)		**163.89**		**328.13**
(b) Bonds of Public Sector Undertaking/Public Financial Institution & Corporates				
7.41% IIFCL Tax Free Bonds 15.11.2032 (Per Unit Value of ₹ 10,00,000/- each)	120	14.58	120	13.79
8.12% REC Tax Free Bonds 27.03.2027 (Per Unit Value of ₹ 1000/- each)	1,00,000	11.56	1,00,000	12.23
8.48% NHAI TAX FREE 22.11.2028 (Per Unit Value of ₹ 10,00,000/- each)	473	55.13	473	57.49
Sub-total (b)		**81.27**		**83.51**
Total (B) (a+b)		**245.16**		**411.64**
Total (A+B)		**347.22**		**510.34**

		2023	2022
3.1.1	Aggregate amount and market value of quoted investments	347.22	510.34

3.1.1A The Board of Directors of the Company in its meeting held on 6th January, 2023 accorded in-principle approval for withdrawal from PTC India Ltd. (PTC). The Company is in discussion with other promoters to finalize the modalities of exit from PTC. Pending final decision in the matter, the investment in PTC has been continued to be classified as non-current financial asset.

3.1.2 Investment in Government Securities (Non-Current & Current) at cost of ₹ 212.80 Crore (Previous Year ₹ 174.31 Crore) is earmarked as security being 15 percent of total redemption value of Bonds maturing during the Financial Year 2023-24. **(Also Refer Note 7.1)**

3.1.3 Particulars of Investments as required in terms of Section 186 (4) of the Companies Act, 2013 have been disclosed under Note 3.1 above.

3.1.4 Market Value of Quoted Investments in respect of debt instruments for which recent quotations are not available has been considered based on the value published by Fixed Income Money Market and Derivatives Association of India (FIMMDA).

NOTE NO. 3.2 NON-CURRENT - FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in Crore)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Trade Receivables - Considered Good- Unsecured **(Refer 3.2.1, 3.2.2 and 3.2.3)**	473.51	-
TOTAL	**473.51**	**-**

3.2.1 Ageing schedule of Non Current Trade Receivables :- (₹ in Crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
	Undisputed Trade receivables-Considered Good-Not Due	473.51	-
3.2.2	Debt due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director of the Company is a partner or a director or a member.	Nil	Nil

3.2.3 Refer Note 34(17) of the Consolidated Financial Statement with regard to confirmation of balances.

NOTE NO. 3.3 NON-CURRENT - FINANCIAL ASSETS - LOANS

(₹ in crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
	At Amortised Cost		
A	Loan to Related Party - Credit Impaired- Unsecured **(Refer Note 34(10), 3.3.1, 3.3.2 and 3.3.7)**	15.64	17.48
	Less:- Loss Allowances for doubtful loan to Related Party **(Refer Note 3.3.4)**	15.64	
	Sub-total	**-**	**17.48**
B	**Loans to Employees (Refer Note 3.3.2 and 3.3.3)**		
	- Considered good- Secured	206.01	162.58
	- Considered good- Unsecured	37.01	61.12
	Sub-total	**243.02**	**223.70**
C	**Loan including Interest to Government of Arunachal Pradesh (Refer Note 3.3.5)**		
	- Considered good- Unsecured	875.18	802.92
	Sub-total	**875.18**	**802.92**
	TOTAL	**1118.20**	**1044.10**

3.3.1 Loan to Related Parties (granted for business purpose)

- National High Power Test Laboratory (P) Limited	15.64	17.48
Total	**15.64**	**17.48**

Detail of Repayment:- Loan amounting to ₹ 6.00 crore and ₹ 12.40 crore were released to NHPTL on dated 11.05.2018 and 31.03.2021 respectively.The loan is interest bearing at the rate of 10% per annum, compounded annually and is repayable in 20 equal half yearly instalments starting from 31.10.2022. Interest is payable half yearly on 30th April and 31st October of every financial year starting from 30.04.2021.

(₹ in crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
3.3.2	Loans and advances in the nature of loan that are repayable on demand.	Nil	Nil
	Loans and advances in the nature of loan that are without specifying any terms or period of repayment.	Nil	Nil
3.3.3	Due from directors or other officers of the company **(Refer Note 34(10)** of Consolidated Financial Statements)	Nil	0.34
3.3.4	**Loss Allowances for doubtful Loan to Related Party**		
	Addition during the year	15.64	-
	Closing balance	**15.64**	**-**
	The loan released in favour of NHPTL was repayable in 20 equal half-yearly instalments starting from 31.10.2022. However, considering default in repayment of interest and instalment due on 31.10.2022, the Company has recognized an impairment provision for the outstanding loan during the year.		
3.3.5	**Loan to Government of Arunachal Pradesh granted for business purpose includes :**		
	- Principal	225.00	225.00
	- Interest	650.18	577.92
3.3.6	Loans are non-derivative financial assets which generate a fixed or variable interest income for the company. The Carrying value may be affected by changes in the credit risk of the counterparties.		
3.3.7	Advances due by Firms or Private Companies in which any director of the Company is a director or member	Nil	Nil
3.3.8	Particulars of Loans as required in terms of section 186(4) of Companies Act 2013 have been disclosed under Note 3.3 above.		
3.3.9	Refer Note 34(17) of the Consolidated Financial Statement with regard to confirmation of balances.		

NOTE NO. 3.4 NON-CURRENT - FINANCIAL ASSETS - OTHERS

(₹ in crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
A	**Security Deposits**		
	- Considered good- Unsecured	28.76	25.16
	Sub-total	**28.76**	**25.16**
B	Bank Deposits with more than 12 Months Maturity **(Refer Note 3.4.2)**	666.91	1,187.84
C	Lease Rent receivable **(Refer Note 3.4.5 and 34(18(B))**	5,877.99	6,086.51
D	Amount Recoverable on account of Bonds Fully Serviced by Government of India **(Refer Note 3.4.1 and 11(I))**	2,017.20	2,017.20
E	Interest accrued on:		
	- Bank Deposits with more than 12 Months Maturity	16.58	39.84
F	Derivative Mark to Market Asset	0.24	22.35
G	Receivable on account of Late payment Surcharge	6.42	-
H	Amount Recoverable **(Refer Note 3.4.3)**	-	10.38
	TOTAL	**8,614.10**	**9389.28**

3.4.1 Refer Note 16.3.1 in respect of amount payable towards Bonds fully serviced by Government of India.

3.4.2 a) Bank Deposits of more than 12 months maturity includes:

(i) FDR of ₹ 4.60 Crore (Previous Year ₹ 0.35 Crore) which has been taken to provide 100% margin money for Bank Guarantee issued by the group for obtaining electricity connection/grid connectivity.

(ii) An amount of ₹ 31.51 crore under lien with banks for non fund based credit, which is not freely available for the business of the Company included in stated amount.

3.4.3 Amount Recoverable includes amount recoverable from employees on account of excess Performance Related Pay (PRP) paid during the period 2017-18 to 2020-21.

3.4.4 Refer Note 34(17) of the Consolidated Financial Statements with regard to confirmation of balances.

3.4.5 Refer Note 34(11) of the Consolidated Financial Statements with regard to assets mortgaged/hypothecated as security.

NOTE NO. 4 NON - CURRENT TAX ASSETS (NET)

(₹ in Crore)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Advance Income Tax including Tax Deducted at Source	518.76	1,125.98
Less: Provision for Current Tax	508.24	1,108.93
Non - Current Tax **(Refer Note No-23)**	33.74	3.34
TOTAL	**44.26**	**20.39**

NOTE NO. 5 OTHER NON-CURRENT ASSETS

(₹ in Crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
A.	**CAPITAL ADVANCES**		
	- Considered good- Secured	217.42	145.12
	- Considered good- Unsecured		
	– Against bank guarantee	702.57	267.47
	– Others	392.79	405.39
	Less : Expenditure booked pending utilisation certificate	13.73	19.28
	- Considered doubtful- Unsecured	141.45	201.76
	Less : Allowances for doubtful advances **(Refer Note 5.1)**	141.45	201.76
	Sub-total	**1,299.05**	**798.70**
B.	**ADVANCES OTHER THAN CAPITAL ADVANCES**		
	Deposits		
	- Considered good- Unsecured	50.64	51.38
	Sub-total	**50.64**	**51.38**
C.	**INTEREST ACCRUED**		
	Others		
	- Considered good	5.31	1.44
D.	**OTHERS**		
i)	**Advance against arbitration awards towards capital works (Unsecured)**		
	Released to Contractors - Against Bank Guarantee	1,231.31	1,140.40
	Released to Contractors - Others	34.61	34.61
	Deposited with Court	1,419.50	1,420.48
	Sub-total	**2,685.42**	**2,595.49**
ii)	**Prepaid Expenditure**	2.79	3.12
iii)	**Deferred Foreign Currency Fluctuation Assets/Expenditure**		
	Deferred Foreign Currency Fluctuation Assets	220.22	260.15
	Deferred Expenditure on Foreign Currency Fluctuation	221.66	224.42
	Sub-total	**441.88**	**484.57**
iv)	Deferred Cost on Employees Advances	63.52	67.14
	TOTAL	**4,548.61**	**4,001.84**

(₹ in Crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
5.1	**Allowances for doubtful Advances**		
	Opening Balance	201.76	201.76
	Addition during the year	0.01	-
	Reversed during the year	60.32	-
	Closing balance	**141.45**	**201.76**
5.2	Due from directors or other officers of the company **(Refer Note 34(10)** of Consolidated Financial Statements)	Nil	Nil
5.3	Advances due by Firms or Private Companies in which any director of the Company is a director or member	Nil	Nil

5.4 Refer Note 34(17) of the Consolidated Financial Statements with regard to confirmation of balances.

NOTE NO. 6 INVENTORIES

(₹ in crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
	(Valued at lower of Cost or Net Realisable Value)		
	Stores and spares	158.20	133.45
	Stores and spares-Stores in transit/ pending inspection	0.04	0.34
	Loose tools	3.08	2.48
	Scrap inventory	0.80	1.19
	Material at site	-	6.87
	Carbon Credits / Certified Emission Reductions (CERs) / Verified Carbon Units (VCUs)	2.32	-
	Less: Allowances for Obsolescence and Diminution in Value **(Refer Note 6.1)**	3.26	3.89
	TOTAL	**161.18**	**140.44**
6.1	Allowances for Obsolescence and Diminution in Value		
	Opening Balance	3.89	8.66
	Addition during the year **(Refer Note 6.1.1)**	0.32	0.62
	Reversed during the year **(Refer Note 6.1.2)**	0.95	5.39
	Closing balance	**3.26**	**3.89**
6.1.1	During the year, inventories written down to net realisable value (NRV) and recognised as an expense in the Statement of Profit and Loss.	0.32	0.62
6.1.2	Allowances for Obsolescence and Diminution in value of inventory booked in earlier years and reversed during the year	0.95	5.39

NOTE NO. 7.1 CURRENT - FINANCIAL ASSETS - INVESTMENTS

(₹ in Crore)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Quoted Debt Instruments - At Fair Value through Other Comprehensive Income (OCI) **Government Securities** 8.35% SBI Right Issue GOI Special Bonds 27 Mar 2024 **(Refer Note 7.1.1)** (Number of Bonds 150000 @ Face Value of ₹ 10000/- each)	151.35	-
TOTAL	**151.35**	**-**

7.1.1 Refer Note 3.1.2 for earmarked as security against Bonds maturing during the Financial Year 2023-24.

NOTE NO. 7.2 CURRENT - FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in Crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
	Trade Receivables- Considered Good- Unsecured **(Refer Note 7.2.2, 7.2.4, 7.2.5 and 7.2.6)**	3,019.93	2,827.88
	Trade Receivables-Unbilled- Considered Good- Unsecured **(Refer Note 7.2.2, 7.2.3, 7.2.4 and 7.2.8)**	3,140.66	2,347.96
	Trade Receivables- Credit Impaired **(Refer Note 7.2.2 and 7.2.3)**	35.37	35.33
	Less: Loss allowances for Trade Receivables (Refer Note 7.2.1)	35.37	35.33
	TOTAL	**6,160.59**	**5,175.84**
7.2.1	**Loss allowances for Trade Recevables**		
	Opening Balance	35.33	33.76
	Addition during the year	0.04	3.95
	Reversed during the year	-	2.38
	Closing balance	**35.37**	**35.33**
7.2.2	Debt due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director of the Company is a partner or a director or a member.	Nil	Nil
7.2.3	Refer Annexure-I to Note No-7.2 for Ageing schedule of Trade Receivables.		
7.2.4	**Represents receivable on account of :**		
	Water Usage Charges	165.53	11.32
	Unbilled sale for the month of March	506.74	672.78
	MEA Sales	7.44	6.11
	Revision in NAPAF for 2009-14-Sewa-II Power Station **(Refer Note 7.2.8)**	32.97	32.97
	Saving due to refinancing & Bond Issue Expenses	(21.00)	(23.22)
	Tax adjustment including Deferred Tax Materialized	(99.58)	15.94
	Energy Shortfall	601.18	469.66
	Foreign Exchange Rate Variation	31.57	44.78
	Impact of AFC billed and recoverable as per New Regulation 2019-24 including Security Expenses	1,857.19	1,121.39
	Impact of O&M & Wage Revision	57.68	-
	Others	0.94	(3.77)
	Total	**3,140.66**	**2,347.96**

7.2.5 Due to short-term nature of current receivables, their carrying amount is assumed to be the same as their fair value.

7.2.6 Trade Receivables amounting to ₹ 948.04 (Previous Year ₹ 1323.90 Crore) liquidated by way of discounting of bills from various banks have not been derecognised in view of terms of the bill discounting agreement as per which the Group guarantees to compensate the banks for credit losses that may occur in case of default by the respective beneficiaries. Refer Note 20.1.1 with regard to liability recognised in respect of discounted bills.

7.2.7 Refer Note 34(17) of the Consolidated Financial Statements with regard to confirmation of balances.

7.2.8 Central Electricity Regulatory Commission(CERC) in its order dated 05.02.2020 in petition no. 281/GT/2018 allowed NAPAF of 90% for the period 2010-14 against 80% as allowed in its earlier order dated 06.09.2010 in petition No. 57/2010 with the stipulation that recovery of Incentive shall be allowed beyond 90% instead of beyond 80%. Since the said stipulation is ultra vires to the Tariff Regulations 2009-14, appeal has been filed with the Hon'ble Appellate Tribunal for Electricity (APTEL) against the review order dated 05.02.2020. Pending decision of APTEL, unbilled revenue booked in FY 2021-2022 against the incentive in respect of NAPAF beyond 80% and upto 90%, has not been reversed.

Annexure-I to Note No-7.2

As at 31st March 2023

(₹ in Crore)

Particulars	Unbilled	Not Due	Trade Receivable due and outstanding for following period from due date of payment					Total
			Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 Years	
Undisputed Trade receivables-Considered Good	3,140.66	1,321.88	1,595.55	18.29	30.53	24.01	20.30	6,151.22
Disputed Trade receivables-Considered Good	-	-	6.78	2.59	-	-	-	9.37
Disputed Trade receivables-Credit Impaired	-	-	-	-	-	-	35.37	35.37
Total	**3,140.66**	**1,321.88**	**1,602.33**	**20.88**	**30.53**	**24.01**	**55.67**	**6,195.96**

As at 31st March 2022

(₹ in Crore)

Particulars	Unbilled	Not Due	Trade Receivable due and outstanding for following period from due date of payment					Total
			Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 Years	
Undisputed Trade receivables-Considered Good	2,347.96	55.82	2,298.08	429.02	24.03	19.09	1.84	5,175.84
Disputed Trade receivables-Credit Impaired	-	-	-	-	-	-	35.33	35.33
Total	**2,347.96**	**55.82**	**2,298.08**	**429.02**	**24.03**	**19.09**	**37.17**	**5,211.17**

NOTE NO. 8 CURRENT - FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
A	**Balances with banks**		
	With scheduled banks		
	- In Current Accounts	531.29	1,009.82
	- In Deposit Accounts	488.51	304.85
	(Deposits with original maturity of less than three months)		
B	Cash in hand **(Refer Note 8.1)**	0.01	-
	TOTAL	**1,019.81**	**1,314.67**
8.1	Includes stamps in hand	0.01	-

NOTE 9 : CURRENT - FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
A	Bank Deposits for original maturity more than 3 months and upto 12 months **(Refer Note 9.1)**	1,519.36	507.52
B	Deposit -Unpaid Dividend **(Refer Note 9.2 and 9.3)**	52.30	47.54
C	Deposit -Unpaid Interest	87.22	87.16
D	Other Earmarked Balances with Banks **(Refer Note 9.4)**	14.99	1.46
	TOTAL	**1,673.87**	**643.68**
9.1	**Includes balances which are not freely available for the business of the Company :**		
	(i) held for works being executed by Company on behalf of other agencies.	84.74	86.77
	(ii) held as Payment Security Fund i.e Principal and Interest thereon received under Solar 2000 MW Scheme in terms of Power Purchase Agreement Clause.	16.30	-
	(iii) Bank Deposits include an amount representing deposit by Oustees towards Land in respect of Omkareshwar Project, which is not freely available for the business of the Company.	0.08	0.08
	(iv) Bank Deposits include an amount under lien with banks as per orders of Hon'ble Court of Law, which is not freely available for the business of the Company included in stated amount.	7.87	7.52
	(v) Bank Deposits include an amount under lien with banks for non fund based credit, which is not freely available for the business of the Company included in stated amount.	1.99	-

9.2 Includes unpaid dividend payable amounting to ₹ 22.99 Crore (Previous Year ₹ 24.64 Crore) and TDS on dividend ₹ 29.31 Crore (Previous Year ₹ 22.90 Crore).

9.3 During the year, unpaid dividend of ₹ 3.68 Crore (Previous Year ₹ 0.80 Crore) has been paid to the Investor Education and Protection Fund. There is no amount due for payment to Investor Education and Protection Fund. **(Refer Note 20.4.2)**

9.4 Includes balances which are not freely available for the business of the Company :

		As at 31st March, 2023	As at 31st March, 2022
(i)	held for works being executed by Company on behalf of other agencies.	1.45	0.87
(ii)	NHPC Emergency relief fund created in pursuance of order of Hon'ble High Court of Sikkim.	0.61	0.59
(iii)	Held for Payment of Monthly instalment on account of securitization of ROE of Chamera-I Power Station to Lender (HDFC Bank)	12.93	-

NOTE NO. 10 CURRENT - FINANCIAL ASSETS - LOANS

(₹ in Crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
A	**Loan (including interest thereon) to Related Party - (Refer Note 34(10), 10.1 and 10.2)**		
	Loan Receivable - Unsecured (Considered Good)	-	0.92
	Loan Receivable-Credit Impaired - Unsecured	3.18	0.42
	Less : Loss Allowances for doubtful loan to Related Party **(Refer Note 10.4)**	3.18	0.42
	Sub-total	**-**	**0.92**
B	**Loan to Employees (including accrued interest) (Refer Note 10.2 and 10.3)**		
	- Loans Receivables- Considered good- Secured	25.79	20.50
	- Loans Receivables- Considered good- Unsecured	34.98	39.62
	- Credit Impaired- Unsecured	0.01	0.01

(₹ in Crore)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Less : Loss Allowances for doubtful Employees loans **(Refer Note 10.5)**	0.01	0.01
Sub-total	**60.77**	**60.12**
TOTAL	**60.77**	**61.04**

10.1	**Loan to Related Parties (Including Interest) granted for business purpose:-**		
	- National High Power Test Laboratory (P) Limited (Refer "A")	3.18	1.34
	(A) Detail of Repayment:- Loan amounting to ₹ 6.00 crore and ₹ 12.40 crore were released to NHPTL on dated 11.05.2018 and 31.03.2021 respectively. The loan is interest bearing at the rate of 10% per annum, compounded anually and is repayable in 20 equal half yearly instalments starting from 31.10.2022. Interest is payble half yearly on 30th April and 31st October of every financial year starting from 30.04.2021. Above outstanding amount includes current maturity of loan ₹ 2.76 Crore and interest accrued ₹ 0.42 Crore as on 31.03.2023.		
10.2	Loans and advances in the nature of loan that are repayable on demand.	Nil	Nil
	Loans and advances in the nature of loan that are without specifying any terms or period of repayment.	Nil	Nil
10.3	Due from directors or other officers of the company **(refer Note 34(10)** of Consolidated Financial Statements)	0.03	0.08
10.4	**Loss Allowances for doubtful loan to Related Party**		
	Opening Balance	0.42	-
	Addition during the year	2.76	0.42
	Closing balance	**3.18**	**0.42**
10.5	**Loss Allowances for doubtful Employees loans**		
	Opening Balance	0.01	0.01
	Closing balance	**0.01**	**0.01**
10.6	Advance due by firms or private companies in which any Director of the Company is a Director or member.	Nil	Nil

10.7 Particulars of Loans as required in terms of section 186(4) of Companies Act 2013 have been disclosed under Note 10 above.

10.8 Loans are non-derivative financial assets which generate a fixed or variable interest income for the company. The Carrying value may be affected by changes in the credit risk of the counterparties.

10.9 Refer Note 34(17) of the Consolidated Financial Statement with regard to confirmation of balances.

NOTE NO. 11 CURRENT - FINANCIAL ASSETS - OTHERS

(₹ in crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
A	**Security Deposits**		
	- Considered good- Unsecured	1.10	0.36
	Sub-total	**1.10**	**0.36**
B	Amount recoverable **(Refer Note 11.1)**	907.07	809.80
	Less: Loss Allowances for Doubtful Recoverables **(Refer Note 11.2)**	287.17	282.65
	Sub-total	**619.90**	**527.15**
C	Receivable from Joint Ventures	-	55.24
D	Receivable on account of Late Payment Surcharge	30.91	81.77
E	Lease Rent receivable (Finance Lease) **(Refer Note 11.5 and 34(18)(B))**	199.27	185.32
F	Interest Income accrued on Bank Deposits **(Refer Note 11.3)**	83.87	34.25
G	Interest recoverable from beneficiary	-	10.55
H	Interest Accrued on Investment (Bonds)	2.53	2.53
I	Amount Recoverable on account of Bonds Fully Serviced by Government of India **(Refer Note 3.4(D))**		
	- Interest accrued	4.49	4.49
	TOTAL	**942.07**	**901.66**

11.1 Amount recoverable includes:

(i) An amount of claim ₹ 121.41crore (Previous Year: NIL) to be reimbursed by State Taxes Department, Government of J&K to the Company in terms of scheme "Reimbursement of State Goods and Services Taxes on Utilization of Goods and Service in the Power Projects in the Union Territory of Jammu and Kashmir (RSGTPP)" for development and construction of Pakal Dul HEP, Kiru HEP & Kwar HEP notified by Finance Department, Government of Jammu & Kashmir vide Notification SO. 281 dt. 17.08.2021 to the extent Suppliers' invoices are reflected in GSTR 2A of the Company including cash paid by it on Reverse Charge Mechanism (RCM) basis. Wherever the amount of claim to be reimbursed by State Taxes Department, Government of J&K was booked as cost of PPE/CWIP in earlier years, the same has also been included in the recoverable amount after Corresponding adjustment to PPE/CWIP.

(ii) An amount of ₹ 15.91 crore (Previous Year: ₹ 38.68 crore) due from Govt. of Madhya Pradesh.

(iii) An amount of ₹ 34.79 crore (Previous Year: ₹ 26.93 crore) on account of PRP recoverable from employees for the period 2017-18 to 2020-21. Pursuant to interim relief provided by Hon'ble MP High Court, recovery of ₹ 29.75 crore out of the above amount stayed temporarily.

11.2 Loss Allowances for Doubtful Recoverables

(₹ in Crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
	Opening Balance	282.65	275.18
	Addition during the year	5.68	9.03
	Used during the year	0.12	1.38
	Reversed during the year	1.04	0.18
	Closing balance	**287.17**	**282.65**
11.3	Includes Interest accrued on balances of held for works being executed by Company on behalf of other agencies and are not freely available for the business of the Company.	0.38	0.60

11.4 Refer Note 34(17) of the Consolidated Financial Statements with regard to confirmation of balances.

11.5 Refer Note 34(11) of the Consolidated Financial Statements with regard to assets mortgaged/hypothecated as security.

NOTE NO. 12 CURRENT TAX ASSETS (NET)

(₹ in Crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
	Current Tax Assets		
A	Advance Income Tax including Tax Deducted at Source	2,099.37	1,340.23
B	Less: Provision for Current Tax	1,968.30	1,218.80
	Net Current Tax Assets (A-B)	**131.07**	**121.43**
	Income Tax Refundable	2.00	24.36
	TOTAL	**133.07**	**145.79**

NOTE NO. 13 OTHER CURRENT ASSETS

(₹ in Crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
A.	**Advances other than Capital Advances**		
a)	**Deposits**		
	- Considered good- Unsecured	34.48	29.10
	- Considered doubtful- Unsecured	84.89	84.89
	Less : Allowances for Doubtful Deposits **(Refer Note 13.1)**	84.89	84.89
	Sub-total	**34.48**	**29.10**
b)	**Advance to contractors and suppliers (Refer Note 13.7)**		
	- Considered good- Secured	0.12	0.38

(₹ in Crore)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
- Considered good- Unsecured		
– Against bank guarantee	0.43	0.66
– Others	24.72	47.85
Less : Expenditure booked pending utilisation certificate	0.82	17.45
- Considered doubtful- Unsecured	45.52	61.93
Less : Allowances for doubtful advances **(Refer Note 13.2)**	45.52	61.93
Sub-total	**24.45**	**31.44**
c) Other advances - Employees		
- Considered good- Unsecured **(Refer Note 13.6)**	1.17	0.88
- Considered doubtful- Unsecured	0.04	0.01
Sub-total	**1.21**	**0.89**
d) Interest accrued		
Others		
- Considered Good	25.99	6.90
Sub-total	**25.99**	**6.90**
B. Others		
a) Expenditure awaiting adjustment	37.06	37.06
Less: Allowances for project expenses awaiting write off sanction **(Refer Note 13.3)**	37.06	37.06
Sub-total	**-**	**-**
b) Losses awaiting write off sanction/pending investigation	2.71	12.37
Less: Allowances for losses pending investigation/awaiting write off / sanction **(Refer Note 13.4)**	2.71	12.37
Sub-total	**-**	**-**
c) Prepaid Expenditure	162.40	154.74
d) Deferred Cost on Employees Advances	12.38	12.98
e) Deferred Foreign Currency Fluctuation		
Deferred Foreign Currency Fluctuation Assets	44.02	44.02
Deferred Expenditure on Foreign Currency Fluctuation	6.36	6.36
f) Surplus / Obsolete Assets (Refer Note 13.8)	8.11	6.92
g) Goods and Services Tax Input Credit Receivable	102.37	77.24
Less: Allowances against Goods and Services Tax Input Credit Receivable **(Refer Note 13.5)**	84.27	44.63
Sub-total	**18.10**	**32.61**
h) Others (Mainly on account of Material Issued to Contractors)	**124.93**	**137.07**
TOTAL	**462.43**	**463.03**
13.1 Allowances for Doubtful Deposits		
Opening Balance	84.89	74.79
Addition during the year	-	10.10
Closing balance	**84.89**	**84.89**
13.2 Allowances for doubtful advances (Contractors and Suppliers)		
Opening Balance	61.93	61.93
Reversed during the year	16.41	-
Closing balance	**45.52**	**61.93**
13.3 Allowances for project expenses awaiting write off sanction		
Opening Balance	37.06	37.06
Closing balance	**37.06**	**37.06**

(₹ in Crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
13.4	**Allowances for losses pending investigation/ awaiting write off / sanction**		
	Opening Balance	12.37	8.51
	Addition during the year	-	6.28
	Used during the year	9.62	2.21
	Reversed during the year	0.04	0.21
	Closing balance	**2.71**	**12.37**
13.5	**Allowances against Goods and Services Tax Input Credit Receivable**		
	Opening Balance	44.63	13.54
	Addition during the year	39.64	31.09
	Closing balance	**84.27**	**44.63**
13.6	Due from directors or other officers of the company **(refer Note 34(10)** of Consolidated Financial Statements)	Nil	Nil
13.7	Advance due by Firms or Private Companies in which any Director of the Company is a Director or member.	Nil	Nil

13.8 Surplus Assets / Obsolete Assets held for disposal are shown at lower of book value and net realizable value.

13.9 Refer Note 34(17) of the Consolidated Financial Statements with regard to confirmation of balances.

NOTE NO. 14.1 REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES

(₹ in Crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
A	**Regulatory Deferral Account Balances in respect of Subansiri Lower Project**		
	Opening Balance	3,470.59	3,470.59
	Closing balance	**3,470.59**	**3,470.59**
B	**Wage Revision as per 3rd Pay Revision Committee**		
	Opening Balance	495.41	609.61
	Adjustment during the year (through Statement of Profit and Loss) **(Refer Note 31)**	(501.90)	(116.53)
	Adjustment during the year (through Other Comprehensive Income) **(Refer Note 30.2)**	6.49	2.33
	Closing balance	**-**	**495.41**
C	**Kishanganga Power Station: Differential Depreciation due to Moderation of Tariff**		
	Opening Balance	761.46	563.11
	Addition during the year **(Refer Note 31)**	199.36	198.35
	Closing balance	**960.82**	**761.46**
D	**Exchange Differences on Monetary Items**		
	Opening Balance	1.55	1.72
	Addition due to acquisition **(Refer Note 14.1.2)**	0.44	-
	Addition during the year (**Refer Note 31**)	1.23	(0.17)
	Closing balance	**3.22**	**1.55**

(₹ in Crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
E	**Adjustment against Deferred Tax Recoverable for tariff period upto 2009**		
	Opening Balance	1,665.63	1,715.15
	Used during the year **(Refer Note 31)**	56.09	49.52
	Closing balance	**1,609.55**	**1,665.63**
F	**Adjustment against Deferred Tax Liabilities for tariff period 2014-2019 and onwards**		
	Opening Balance	854.09	843.37
	Addition during the year (Refer Note 31)	1.18	10.72
	Reversed during the year (Refer Note 31)	217.16	-
	Closing balance	**638.11**	**854.09**
	Closing Balance (A+B+C+D+E+F)	**6,682.29**	**7,248.73**
	Less: Deferred Tax on Regulatory Deferral Account Balances	(8.56)	(280.39)
	Add: Deferred Tax recoverable from Beneficiaries	(8.56)	(280.39)
	Regulatory Deferral Account Balances net of Deferred Tax.	**6,682.29**	**7,248.73**

14.1.1 Refer Note 34(19) and 34(23) of Consolidated Financial Statements for futher disclosures regarding Impairment and Regulatory Deferral Account Balances.

14.1.2 The Company has gained control of CVPPPL w.e.f. 21.11.2022. Accordingly, outstanding balances of Regulatory Deferral Account Balances created on account of Exchange Differences on Monetary Item up to that date has been included in the Group.

NOTE NO. 14.2 REGULATORY DEFERRAL ACCOUNT CREDIT BALANCES

(₹ in crore)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
MAT Credit to be Passed on to Beneficiaries		
Opening Balance	2,016.72	763.78
Addition during the year (Refer Note 31)	125.59	1313.27
Used during the Year (Refer Note 31)	268.29	60.33
Reversed during the year	390.07	-
Closing Balance	**1483.95**	**2016.72**

14.2.1 Refer Note 34(23) of Consolidated Financial Statements for futher disclosures regarding Regulatory Deferral Account Balances.

NOTE : 15.1 EQUITY SHARE CAPITAL

PARTICULARS	As at 31st March, 2023		As at 31st March, 2022	
	Nos	Amount (₹ in Crore)	Nos	Amount (₹ in Crore)
Authorized Share Capital (Par value per share ₹ 10)	15000000000	15,000.00	15000000000	15,000.00
Equity shares issued, subscribed and fully paid (Par value per share ₹ 10)	10045034805	10045.03	10045034805	10,045.03

15.1.1 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:

PARTICULARS	As at 31st March, 2023		As at 31st March, 2022	
	Nos	Amount (₹ in Crore)	Nos	Amount (₹ in Crore)
Opening Balance	10045034805	10,045.03	10045034805	10,045.03
Closing Balance	10045034805	10,045.03	10045034805	10,045.03

15.1.2 The Company has issued only one kind of equity shares with voting rights proportionate to the share holding of the shareholders. These voting rights are exercisable at meeting of shareholders. The holders of the equity shares are also entitled to receive dividend as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

15.1.3 Shares in the company held by each shareholder holding more than 5 percent specifying the number of shares held : -

PARTICULARS	As at 31st March, 2023		As at 31st March, 2022	
	Number	In (%)	Number	In (%)
- President of India	7126772676	70.95%	7126772676	70.95%
- Life Insurance Corporation of India	349142900	3.48%	704952213	7.02%

15.1.4 214285714 equity shares of ₹ 10 each were bought back during the period of five years immediately preceeding the date of Balance Sheet.

15.1.5 Shareholding of Promoters as at 31st March 2023

Promoter Name	No. of Shares	% of Total Shares	% Change during the Year
- President of India	7126772676	70.95%	-

15.1.6 Shareholding of Promoters as at 31st March 2022

Promoter Name	No. of Shares	% of Total Shares	% Change during the Year
- President of India	7126772676	70.95%	-

NOTE NO. 15.2 OTHER EQUITY

(₹ in Crore)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
(i) Capital Reserve		
As per last Balance Sheet	64.08	64.08
Add: Addition During the Year **(Refer Note 2.7.4(b))**	1.55	-
As at Balance Sheet date	**65.63**	**64.08**
(ii) Capital Redemption Reserve		
As per last Balance Sheet	2,255.71	2,255.71
As at Balance Sheet date	**2,255.71**	**2,255.71**
(iii) Bond Redemption Reserve		
As per last Balance Sheet	1,366.25	1,641.95
Add: Transfer to Surplus / Retained Earnings	236.95	275.70
As at Balance Sheet date	**1,129.30**	**1,366.25**
(iv) General Reserve		
As per last Balance Sheet	11,544.83	11,544.83
As at Balance Sheet date	**11,544.83**	**11,544.83**
(v) Surplus/Retained Earnings		
As per last Balance Sheet	9,521.15	7,374.95
Add: Profit during the year	3,889.98	3,523.57
Add: Other Comprehensive Income during the year	4.30	14.61

(₹ in Crore)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Add: Transfer from Bond Redemption Reserve	236.95	275.70
Less: Dividend (Final and Interim) **(Refer Note 33(3)(C))**	1,908.56	1,667.48
Add: Transactions with NCI	(0.41)	(0.20)
As at Balance Sheet date	**11,743.41**	**9,521.15**
(vi) Fair value through Other Comprehensive Income (FVTOCI)-Debt Instruments		
As per last Balance Sheet	37.19	45.41
Add: Change in Fair value of FVTOCI (Net of Tax)	(11.86)	(8.22)
As at Balance Sheet date	**25.33**	**37.19**
(vii) Fair value through Other Comprehensive Income (FVTOCI)-Equity Instruments		
As per last Balance Sheet	86.74	81.34
Add: Change in Fair value of FVTOCI (Net of tax)	3.36	5.40
As at Balance Sheet date	**90.10**	**86.74**
TOTAL	**26,854.31**	**24,875.95**

15.2.1 NATURE AND PURPOSE OF RESERVES

(i) **Capital Reserve :** The Company has acquired Jal Power Corporation Limited (JPCL) and Lanco Teesta Hydro Power Limited (LTHPL) through National Company Law Tribunal (NCLT) during previous Years. Fair value of assets acquired over and above the amount paid had been recognised in Capital Reserve. During the current Financial Year, the Company has gained control over Chenab Valley Power Project Pvt. Limited (CVPPPL) w.e.f. 21.11.2022, due to which Capital Reserve recognised till 20.11.2022 under equity method has been transferred to the Group's Capital Reserve.

(ii) **Capital Redemption Reserve :** The company is required to create a capital redemption reserve from distributable profit if the buy-back of shares is out of free reserves. The nominal value of the shares so bought back is required to be transferred to capital redemption reserve. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

(iii) **Bond Redemption Reserve :** As per the Companies (Share Capital and Debentures) Rules, 2014, the Company was required to create a Bond Redemption Reserve out of available profits for the purpose of redemption of bonds. The Companies (Share Capital and Debentures) Amendment Rules, 2019 exempts the Company from creation of Bond Redemption Reserve. The Amendment Rules, 2019 further stipulate that the amount credited to Debenture Redemption Reserve shall not be utilized by the company except for the purpose of redemption of debentures. Accordingly, though the Bond Redemption Reserve created till 31.03.2019 has been carried forward and further utilised for bonds redeemed during the current year, no further accrual to the reserve has been made.

(iv) **General Reserve :** The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes, as the same is created by transfer from one component of equity to another. The same will be utilised as per the provisions of the Companies Act, 2013.

(v) **Surplus/ Retained Earnings:** Surplus/ Retained earnings generally represent the undistributed profit/ amount of accumulated earnings of the company and includes remeasurement gain/ losses on defined benefit obligations.

(vi) **FVTOCI-Debt Instruments :** The Company has elected to recognise changes in the fair value of certain investments in debt securities in other comprehensive income. This reserve represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income. The Company transfers amounts from this reserve to retained earnings when the relevant debt securities are disposed off or on matury of these instruments.

(vii) **FVTOCI-Equity Instruments :** The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. The Company transfers amounts from this reserve directly to retained earnings when the relevant equity securities are disposed off.

Note No. 15.3 : NON-CONTROLLING INTERESTS (NCI)

Name of Subsidiaries	As at 31-Mar-23	As at 31-Mar-22
NHDC Limited	2,785.33	2,761.56
Loktak Downstream Hydroelectric Corporation Ltd. (LDHCL)	(0.07)	39.76
Bundelkhand Saur Urja Pvt. Ltd. (BSUL)	12.28	12.66
Lanco Teesta Hydro Power Limited (LTHPL)	-	-
Jalpower Corporation Limited (JPCL)	-	-
Ratle Hydroelectric Power Corporation Limited (RHPCL)	235.18	48.89
NHPC Renewable Energy Limited (NREL)- w.e.f. 16-Feb-2022	-	-
Chenab Valley Power Projects (P) Limited (CVPPPL) w.ef. 21-Nov-2022 **(Refer Note 15.3.1)**	1,782.41	-
TOTAL	**4,815.13**	**2,862.87**

15.3.1 During FY 2021-22, NHPC has obtained the approval of the Ministry of Power, Govt. of India for acquiring the shareholding of M/s PTC (India) Limited, one of the Joint Venture partners, amouting to 2% of the equity shares of CVPPPL on 12 May 2021. Purchase consideration has been paid to M/s PTC (India) Limited for acquisition of 40,80,000 shares of CVPPPL during FY 2021-22. A supplementary Promoters Agreement in respect of CVPPPL has been signed between NHPC and JKSPDC on 21.11.2022, consequent to which NHPC has gained control of CVPPPL. Accordingly, accounts of CVPPPL have been consolidated as joint venture using equity method upto 20.11.2022 and as subsidiary w.e.f. 21.11.2022. **[Also refer Note 34 (32)** of Consolidated Financial Statements]

15.3.2 Explanatory Note:

a) INTERESTS IN OTHER ENTITIES

The group's subsidiaries at 31st March, 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal activities
		31-Mar-23 %	31-Mar-22 %	31-Mar-23 %	31-Mar-22 %	
NHDC Limited	India	51.08	51.08	48.92	48.92	Electricity generation
Loktak Downstream Hydroelectric Corporation Ltd. (LDHCL)	India	74.82	74.83	25.18	25.17	Electricity generation
Bundelkhand Saur Urja Pvt. Ltd. (BSUL)	India	86.94	86.67	13.06	13.33	Electricity generation
Lanco Teesta Hydro Power Limited (LTHPL)	India	100.00	100.00	0.00	0.00	Electricity generation
Jalpower Corporation Limited	India	100.00	100.00	0.00	0.00	Electricity generation
Ratle Hydroelectric Power Corporation Limired (RHPCL)	India	51.00	73.53	49.00	26.47	Electricity generation
NHPC Renewable Energy Limited (NREL)- w.e.f. 16.02.2022#	India	100.00	NA	0.00	NA	Electricity generation

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal activities
		31-Mar-23 %	31-Mar-22 %	31-Mar-23 %	31-Mar-22 %	
Chenab Valley Power Projects (P) Limited (w.e.f. 21.11.2022)	India	52.74	NA	47.26	NA	Electricity generation

NHPC Limited has formed a wholly owned subsidiary company in the name of NHPC Renewable Energy Limited (NREL) on 16.02.2022 for development of renewable energy, small hydro and green hydrogen projects. The first Financial Statements of the NREL has been prepared in current Financial Year.

b) Non-Controlling Interest (NCI)

Set out below is the summarised financial information for each subsidiary that has non-controlling interests to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

(₹ in Crore)

Particulars	NHDC Limited		Loktak Downstream Hydroelectric Corporation Ltd.		Bundelkhand Saur Urja Pvt. Ltd.		Lanco Teesta Hydro Power Limited (LTHPL)	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Current Assets	2,038.20	1,310.51	0.27	1.85	22.31	18.39	44.82	15.19
Current Liabilities	425.87	358.70	1.36	1.82	23.33	15.47	153.61	51.58
Net Current Assets	**1,612.33**	**951.81**	**(1.09)**	**0.03**	**(1.02)**	**2.92**	**(108.79)**	**(36.39)**
Non-current Assets	5,350.96	6,100.73	0.79	160.18	255.45	167.42	2,455.24	1,528.34
Regulatory Deferral Account Balance	(299.13)	(402.81)	-	-	-	-	-	-
Non-current Liabilities	970.90	1,005.05	-	-	160.39	75.32	581.81	10.99
Net Non-current Assets	**4,080.93**	**4,692.87**	**0.79**	**160.18**	**95.06**	**92.10**	**1,873.43**	**1,517.35**
Net Assets	**5,693.26**	**5,644.68**	**(0.30)**	**160.21**	**94.04**	**95.02**	**1,764.64**	**1,480.96**
Share Application money pending allotment	-	-	-	-	-	-	-	-
Share Application money received from Parent	-		-		-	-	-	-
Total of Non Controlling Interest	**2,785.33**	**2,761.56**	**(0.07)**	**39.76**	**12.28**	**12.66**	-	-

(₹ in Crore)

Particulars	Jalpower Corporation Limited (JPCL)		Ratle Hydroelectric Power Corporation Limited (RHPCL)		NHPC Renewable Energy Limited (NREL)- w.e.f. 16.02.2022		Chenab Valley Power Projects (P) Limited (w.ef. 21.11.2022)	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Current Assets	45.18	73.27	112.64	178.34	17.96	-	869.01	-
Current Liabilities	38.01	19.50	16.20	117.10	0.01	-	322.83	-
Net Current Assets	**7.17**	**53.77**	**96.44**	**61.24**	**17.95**	**-**	**546.18**	**-**
Non-current Assets	601.87	252.47	302.50	125.03	0.46	-	4,514.95	-
Regulatory Deferral Account Balance	-	-	-	-	-	-	0.56	-
Non-current Liabilities	304.59	2.08	23.04	-	-	-	1,065.45	-

(₹ in Crore)

Particulars	Jalpower Corporation Limited (JPCL)		Ratle Hydroelectric Power Corporation Limited (RHPCL)		NHPC Renewable Energy Limited (NREL)- w.e.f. 16.02.2022		Chenab Valley Power Projects (P) Limited (w.ef. 21.11.2022)	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Net Non-current Assets	**297.28**	**250.39**	**279.46**	**125.03**	**0.46**	**-**	**3,450.06**	**-**
Net Assets	**304.45**	**304.16**	**375.90**	**186.27**	**18.41**	**-**	**3,996.24**	**-**
Share Application money pending allotment	**-**	**-**	**100.00**	**-**	**-**	**-**	**-**	**-**
Share Application money received from Parent	**-**	**-**	**-**	**1.56**	**-**	**-**	**224.69**	**-**
Total of Non Controlling Interest	**-**	**-**	**235.18**	**48.89**	**-**	**-**	**1,782.41**	**-**

c) Summarised Statement of Profit and Loss

(₹ in Crore)

Particulars	NHDC Limited		Loktak Downstream Hydroelectric Corporation Ltd.		Bundelkhand Saur Urja Pvt. Ltd.		Lanco Teesta Hydro Power Limited (LTHPL)	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Revenue	1,509.34	1,085.29	0.02	0.02	4.31	0.94	-	-
Profit/(Loss) for the year	670.75	452.63	(161.28)	0.01	(3.00)	(0.70)	(0.22)	(0.20)
Regulatory Deferral Income	103.68	60.33		-	-	-	-	-
Other Comprehensive income	(1.65)	(1.89)	-	-	-	-	-	-
Total Comprehensive income	**772.78**	**511.07**	**(161.28)**	**0.01**	**(3.00)**	**(0.70)**	**(0.22)**	**(0.20)**
Profit including "Movement in Regulatory Deferral Account Balances" allocated to NCI	378.88	250.96	(40.62)	-	(0.39)	(0.09)	-	-
OCI allocated to NCI	(0.81)	(0.93)	-	-	-	-	-	-
Dividends paid to NCI	354.30	280.37	-	-	-	-	-	-

(₹ in Crore)

Particulars	Jalpower Corporation Limited (JPCL)		Ratle Hydroelectric Power Corporation Limited (RHPCL)		NHPC Renewable Energy Limited (NREL)- w.e.f. 16.02.2022		Chenab Valley Power Projects (P) Limited (w.ef. 21.11.2022)	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Revenue	0.40	0.70	9.05	2.09	0.83	-	19.63	-
Profit/(Loss) for the year	0.28	(0.48)	6.32	(0.43)	(1.59)	-	7.90	-
Regulatory Deferral Income	-	-	-	-	-	-	0.12	-
Other Comprehensive income	-	-	-	-	-	-	-	-
Total Comprehensive income	**0.28**	**(0.48)**	**6.32**	**(0.43)**	**(1.59)**	**-**	**8.02**	**-**

(₹ in Crore)

Particulars	Jalpower Corporation Limited (JPCL)		Ratle Hydroelectric Power Corporation Limited (RHPCL)		NHPC Renewable Energy Limited (NREL)- w.e.f. 16.02.2022		Chenab Valley Power Projects (P) Limited (w.ef. 21.11.2022)	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Profit including "Movement in Regulatory Deferral Account Balances" allocated to NCI	-	-	3.10	(0.11)	-	-	3.79	-
OCI allocated to NCI	-	-	-	-	-	-	-	-
Dividends paid to NCI	-	-	-	-	-	-	-	-

d) Summarised Cash Flows

(₹ in Crore)

Particulars	NHDC Limited		Loktak Downstream Hydroelectric Corporation Ltd.		Bundelkhand Saur Urja Pvt. Ltd.		Lanco Teesta Hydro Power Limited (LTHPL)	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Cash flows from operating activities	721.22	332.62	-	-	14.21	(2.30)	55.02	(0.95)
Cash flows from investing activities	(82.50)	160.70	(2.33)	(7.56)	(75.14)	(133.10)	(904.11)	(469.36)
Cash flows from financing activities	(725.32)	(573.52)	0.78	8.31	64.16	107.04	880.23	443.90
Net increase /(decrease) in cash and cash equivalents	**(86.60)**	**(80.20)**	**(1.55)**	**0.75**	**3.23**	**(28.36)**	**31.14**	**(26.41)**

(₹ in Crore)

Particulars	Jalpower Corporation Limited (JPCL)		Ratle Hydroelectric Power Corporation Limited (RHPCL)		NHPC Renewable Energy Limited (NREL)- w.e.f. 16.02.2022		Chenab Valley Power Projects (P) Limited (w.ef. 21.11.2022)	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Cash flows from operating activities	(0.49)	(1.49)	19.57	2.99	(2.79)	-	(12.71)	-
Cash flows from investing activities	(305.60)	(42.40)	(336.95)	(52.88)	(17.03)	-	198.49	-
Cash flows from financing activities	273.37	116.49	183.30	186.70	20.00	-	240.24	-
Net increase /(decrease) in cash and cash equivalents	**(32.72)**	**72.60**	**(134.08)**	**136.81**	**0.18**	**-**	**426.02**	**-**

NOTE NO. 16.1 NON CURRENT - FINANCIAL LIABILITIES - BORROWINGS

(₹ in crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
	At Amortised Cost		
A	**- Secured Loans**		
	-Bonds	13,099.23	14,517.90
	-Term Loan		
	- from Banks	6,276.60	2,560.00
	- from Other (Financial Institutions)	-	158.00
B	**- Unsecured Loans**		
	- Bonds	996.00	-
	- Term Loan		
	- from Bank	853.31	930.25
	- from Government of India (Subordinate Debts) **(Refer Note 16.1.3)**	4,107.30	3,686.39
	- from Other (in Foreign Currency)	1,269.80	1,374.07
	TOTAL	**26,602.24**	**23,226.61**

16.1.1 Debt Covenants : Refer Note no. 33(3) with regard to Capital Management.

16.1.2 Term Loan-From Government of India (Subordinate Debts) is net of fair valuation since these loans carrying interest rate which is lower than the prevailing market rate. Total Subordinate Debts outstanding as on 31.03.2023 is ₹ 5760.67 Crore (Previous Year ₹ 4760.29 Crore). This includes current maturity amounting to ₹ 23.11 Crore (Previous Year ₹ 23.11 Crore).

16.1.3 Particulars of Redemption, Repayments, Securities and rate of Interest.

NOTE NO. - 16.1.3

(₹ in Crore)

	16.1.3. A Particulars of redemptions , repayments and securities	As at 31st March, 2023	As at 31st March, 2022
(A)	**BONDS (Non-convertible and Non-cumulative)-Secured**		
i)	**TAX FREE BONDS- 3A SERIES (Refer Note 16.1.3.B(2&5))** (8.67% p.a. 20 Years Secured Redeemable Non Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2033)	336.07	336.07
ii)	**TAX FREE BONDS- 3B SERIES (Refer Note 16.1.3.B(2&5))** (8.92% p.a. 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2033)	253.62	253.62
iii)	**BONDS- U SERIES (Refer Note 16.1.3.B(1&6))** (8.24% p.a. 15 Years Secured Redeemable Non-Cumulative Non-Convertible Taxable Bonds of ₹ 10,00,000/- each). (Date of redemption 27.06.2031)	540.00	540.00
iv)	**BONDS- U1 SERIES (Refer Note 16.1.3.B(1&6))** (8.17% p.a. 15 Years Secured Redeemable Non-Cumulative Non Convertible Taxable Bonds of ₹ 10,00,000/- each). (Date of redemption 27.06.2031) "	360.00	360.00
v)	**TAX FREE BONDS- 2A SERIES (Refer Note 16.1.3.B(2&5))** (8.54% p.a. 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2028)	213.12	213.12
vi)	**TAX FREE BONDS- 2B SERIES (Refer Note 16.1.3.B(2&5))** (8.79% p.a. 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2028)	85.61	85.61

(₹ in Crore)

	Particulars of redemptions, repayments and securities	As at 31st March, 2023	As at 31st March, 2022
vii)	**BONDS-AC SERIES (Refer Note 16.1.3.B (12))** (6.86% p.a. 15 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 10 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/10th of face value of Bond). (Bond issue amount of ₹ 1500 Crores redeemable in 10 equal annual instalments commencing from 12.02.2027)	1,500.00	1,500.00
viii)	**BONDS-AB SERIES (Refer Note 16.1.3.B(11))** (6.80% p.a. 10 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond). (Bond issue amount of ₹ 750 Crores redeemable in 5 equal annual instalments commencing from 24.04.2026).	750.00	750.00
ix)	**BONDS-AA-1 SERIES (Refer Note 16.1.3.B(10))** (6.89% p.a. 10 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond). (Bond issue amount of ₹ 500 Crores redeemable in 5 equal annual instalments commencing from 11.03.2026).	500.00	500.00
x)	**BONDS-AA SERIES (Refer Note16.1.3.B(10))** (7.13% p.a. 10 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond). (Bond issue amount of ₹ 1500 Crores redeemable in 5 equal annual instalments commencing from 11.02.2026).	1,500.00	1,500.00
xi)	**BONDS-Y-1 SERIES (Refer Note16.1.3.B(9))** (7.38% p.a. 10 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond). (Bond issue amount of ₹ 500 Crores redeemable in 5 equal annual instalments commencing from 03.01.2026).	500.00	500.00
xii)	**BONDS-Y SERIES (Refer Note 16.1.3.B(9))** (7.50% p.a. 10 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond). (Bond issue amount of ₹ 1500 Crores redeemable in 5 equal annual instalments commencing from 07.10.2025).	1,500.00	1,500.00
xiii)	**TAX FREE BONDS- 1A SERIES (Refer Note 16.1.3.B(2&5))** (8.18% p.a. 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2023)	50.81	50.81
xiv)	**TAX FREE BONDS- 1B SERIES (Refer Note 16.1.3.B(2&5))** (8.43% p.a. 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1,000/- each). (Date of redemption 02.11.2023)	60.77	60.77

(₹ in Crore)

	Particulars of redemptions, repayments and securities	As at 31st March, 2023	As at 31st March, 2022
xv)	**BONDS-W2 SERIES (Refer Note 16.1.3.B(8))** (7.35% p.a. 10 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 50,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond). (Bond issue amount of ₹ 750 Crores redeemable in 5 equal annual instalments commencing from 15.09.2023).	750.00	750.00
xvi)	**BONDS-V2 SERIES (Refer Note 16.1.3.B(2))** (7.52% p.a. 10 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 50,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond). (Bond issue amount of ₹ 1475 Crores redeemable in 5 equal annual instalments commencing from 06.06.2023).	1,475.00	1,475.00
xvii)	**BONDS-X SERIES (Refer Note 16.1.3.B(2))** (8.65% p.a. 10 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each Redeemable in 7 equal yearly instalments). (Bond issue amount of ₹ 1500 Crores redeemable in 7 equal annual instalments commencing from 08.02.2023. As on 31.03.2023, 6 annual instalments of ₹ 214.2857143 crore each are outstanding).	1,285.71	1,500.00
xviii)	**BONDS-T SERIES (Refer Note 16.1.3.B(1 and 6))** (8.50% p.a. 15 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond). (Bond issue amount of ₹ 1474.92 Crores redeemable in 12 equal annual instalments commencing from 12.07.2019. As on 31.03.2023, 8 annual instalments of ₹ 122.91 crore each are outstanding).	983.28	1,106.19
xix)	**BONDS-R-3 SERIES (Refer Note 16.1.3.B(2))** (8.78% p.a. 15 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 10 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/10th of face value of Bond). (Bond issue amount of ₹ 892.00 Crores redeemable in 10 equal annual instalments commencing from 11.02.2019. As on 31.03.2023, 5 annual instalments of ₹ 89.20 Crores each are outstanding).	446.00	535.20
xx)	**BONDS-S-2 SERIES (Refer Note 16.1.3.B(6))** (8.54% p.a. 15 Years Secured Non-Cumulative Non-Convertible Redeemable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond). (Bond issue amount of ₹ 660.00 Crores redeemable in 12 equal annual instalments commencing from 26.11.2018. As on 31.03.2023, 7 annual instalments of ₹ 55.00 crore each are outstanding).	385.00	440.00
xxi)	**BONDS-W1 SERIES (Refer Note 16.1.3.B(8))** (6.91% p.a. 5 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 50,00,000/- each with 5 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/5th of face value of Bond). (Bond issue amount of ₹ 1500 Crores redeemable in 5 equal annual instalments commencing from 15.09.2018. As on 31.03.2023, NIL outstanding).	-	300.00

(₹ in Crore)

	Particulars of redemptions, repayments and securities	As at 31st March, 2023	As at 31st March, 2022
xxii)	**BONDS-Q SERIES (Refer Note 16.1.3.B(3&7))** (9.25% p.a. 15 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th 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 31.03.2023, 4 annual instalments of ₹ 105.50 Crores each are outstanding).	422.00	527.50
xxiii)	**BONDS-R-2 SERIES (Refer Note 16.1.3.B(2))** (8.85% p.a. 14 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th 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 31.03.2023, 4 annual instalments of ₹ 31.84 Crores each are outstanding).	127.36	159.20
xxiv)	**BONDS-P SERIES (Refer Note 16.1.3.B (2, 4 & 5))** (9.00% p.a. 15 Year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each redeemable in 10 equal yearly instalments). (Bond issue amount of ₹ 2000 Crores redeemable in 10 equal annual instalments commencing from 01.02.2016. As on 31.03.2023, 2 annual instalments of ₹ 200 Crores each are outstanding).	400.00	600.00
xxv)	**BONDS-S-1 SERIES (Refer Note 16.1.3.B(6))** (8.49% p.a. 10 Years Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 10,00,000/- each with 10 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/10th of face value of Bond) (Bond issue amount of ₹ 365 Crores redeemable in 10 equal annual instalments commencing from 26.11.2015. As on 31.03.2023, 2 annual instalments of ₹ 36.50 Crores each are outstanding).	73.00	109.50
xxvi)	**BONDS-R-1 SERIES (Refer Note 16.1.3.B(2))** (8.70% p.a. 13 year Secured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹ 12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th 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 31.03.2023, 3 annual instalments of ₹ 6.85 Crores each are outstanding).	20.55	27.40
	Total Bonds	**14,517.90**	**15,679.99**
	Less Current Maturities	**1,418.67**	**1,162.09**
	Bonds - Net of current maturities (A)	**13,099.23**	**14,517.90**
(B)	**TERM LOANS - From Banks (Secured)**		
i)	**CENTRAL BANK OF INDIA (Refer Note 16.1.3.B(2&3))** (Repayable in 92 equal monthly instalments of ₹ 10.8695652 Crore commencing from 01.05.2024 to 01.12.2031 at floating interest rate of 7.64% p.a. (Repo rate 6.25% PLUS 1.39% Spread with Quarterly reset) as on 31.03.2023).	1,000.00	500.00
ii)	**J & K BANK LIMITED (Refer Note 16.1.3.B (16))** (Repayable in 108 equal monthly instalments of ₹ 5.5555556 Crore commencing from 01.04.2024 to 01.03.2033 at floating interest rate of 7.75% p.a. (Repo rate 6.50% PLUS 1.25% Spread with Quarterly reset) as on 31.03.2023).	600.00	-

(₹ in Crore)

	Particulars of redemptions, repayments and securities	As at 31st March, 2023	As at 31st March, 2022
iii)	**HDFC BANK LIMITED (Refer Note 16.1.3.B (12,13&14))** (Repayable in 92 equal monthly instalments of ₹ 21.7391304 Crore commencing from 01.03.2024 to 01.10.2031 at floating interest rate of 8.19% p.a. (3 months Treasury Bill 6.26% PLUS 1.93% Spread with Quarterly reset) as on 31.03.2023)	2,000.00	2,000.00
iv)	**STATE BANK OF INDIA (MONETISATION OF FREE CASH OF URI-I PS) (Refer Note 16.1.3.B (19))** (Repayable in 120 monthly instalments commencing from 31.03.2023 to 28.02.2033 at floating interest rate of 8.05% p.a. (3 months MCLR i.e. 8.00% PLUS 0.05% Spread with Quarterly reset) as on 31.03.2023 and 5% of actual revenue booked by NHPC for the Power Station from sale of Secondary Energy Units for previous 12 – month period shall be paid to the Bank at the end of respective 13-month period inclusive of the month of disbursement). (As on 31.03.2023, 119 monthly instalments are outstanding).	1,866.14	-
v)	**HDFC BANK LIMITED (Refer Note 16.1.3.B (16))** (Repayable in 13 years on quarterly basis starting from 3rd quarter of FY 2023-24 to 2nd quarter of FY 2036-37 (with moratorium of 2 years) at Floating interest rate (RBI Repo rate plus 2.48 %). The loan has been taken by Bundelkhand Saur Urja Limited.	133.00	60.00
(vi)	**J & K Bank Ltd. (Refer Note 16.1.3.B (17))** (Repayable in 80 equal monthly instalments w.e.f. 1st September 2025 at floating interest rate (Repo plus 1.85 % spread with RBI Policy reset) of 8.10% p.a. as on 31.03.2023 after 36 months of moratorium period). The loan has been taken by Lanco Teesta Hydro Power Limited.	200.00	-
(vii)	**Bank of Baroda (Refer Note 16.1.3.B (17))** (Repayable in 80 equal monthly instalments w.e.f. 1st March 2026 at floating interest rate (G Sec. plus 0.60% spread with RBI Policy reset) of 7.65 % p.a. as on 31.03.2023 after 36 months of moratorium period). The loan has been taken by Lanco Teesta Hydro Power Limited.	350.00	-
viii)	**J & K Bank Ltd. (Refer Note 16.1.3.B (18))** (Repayable in 80 equal monthly instalments w.e.f. 1st October 2025 at floating interest rate (Repo plus 2% spread with RBI Policy reset) of 8.25% p.a. as on 31.03.2023). The loan has been taken by Jalpower Corporation Limited.	280.00	-
	Total Term Loan - Banks (Secured)	**6,429.14**	**2,560.00**
	Less Current Maturities	**152.54**	**-**
	Term Loan - Banks Net of current maturities (B)	**6,276.60**	**2,560.00**
(C)	**Term Loan-From other (Secured)**		
	LIFE INSURANCE CORPORATION OF INDIA (Refer Note 16.1.3.B(3&7)) (Repayable in 2 equal half yearly instalments of ₹ 79 Crore each upto 31.10.2023 at Fixed Interest rate of 9.118% p.a.) (As on 31.03.2023, 2 half yearly instalments are outstanding).	158.00	316.00
	Total Term Loan - Other Parties (Secured)	**158.00**	**316.00**
	Less Current Maturities	**158.00**	**158.00**
	Term Loan - Other Net of current maturities (C)	**-**	**158.00**

(₹ in Crore)

Particulars of redemptions, repayments and securities	As at 31st March, 2023	As at 31st March, 2023
(D) BONDS (Non-convertible and Non-cumulative)-Unsecured		
BONDS AD Series-2038	996.00	-
(7.59% p.a. 15 year Unsecured Non-Cumulative Non-Convertible Redeemable Taxable Bonds of ₹12,00,000/- each with 12 Separately Transferable Redeemable Principal Parts and each Separately Transferable Redeemable Principal Part comprising 1/12th of face value of Bond). (Bond issue amount of ₹ 996 Crores redeemable in 12 equal annual instalments commencing from 20.02.2027).		
Total Bonds -(Unsecured) - including Current Maturities	**996.00**	**-**
Less Current Maturities	**-**	**-**
Total Bonds -(Unsecured) excluding Current Maturities (D)	**996.00**	**-**
(E) Term Loan-From Banks (Unsecured)		
HDFC Bank Ltd. (Securitization of Return on Equity of Chamera-I Power Station) (Refer Note 34(29))	936.98	1,010.01
(Repayable in 120 monthly instalments commencing from 31.03.2022 to 29.02.2032 at floating interest rate of 7.79% p.a. (3 months Treasury Bill i.e. 6.26% PLUS 1.53% Spread with Quarterly reset) as on 31.03.2023 and 5% of Income booked by NHPC for the Power Station against sale of Secondary Energy Units for previous 12–month period shall be paid to the HDFC at the end of the next month of every 12 month period completed inclusive of the month of disbursement). (As on 31.03.2023, 108 monthly instalments are outstanding).		
Total Term Loan - From Banks (Unsecured)	**936.98**	**1,010.01**
Less Current Maturities	**83.67**	**79.76**
Term Loan - From Banks (Unsecured) Net of current maturities (E)	**853.31**	**930.25**
(F) Term Loan-From Government of India (Unsecured)		
Loans from Government of India (At fair value)		
i) Subordinate Debt from Government of India for Kishanganga Power Station	2,919.77	2,870.05
(Repayable in 10 equal annual instalments of ₹ 377.429 Crore each in respect of undiscounted amount from the 11th year after commissioning of the project i.e. from 24-05-2029 at fixed interest rate of 1% p.a.)		
ii) Subordinate Debt from Government of India for Nimmo-Bazgo Power Station	438.54	433.63
(Repayable in 18 equal annual instalments of ₹ 29.095 Crore each in respect of undiscounted amount from the 12th year after commissioning of the project i.e. from 10.10.2025 at fixed interest rate of 4% p.a.)		
iii) Subordinate Debt from Government of India for Chutak Power Station	387.55	405.82
(Repayable in 24 equal annual instalments of ₹ 23.11 Crore each from the 6th year after commissioning of the project i.e. from 01.02.2019 at fixed interest rate of 2.50% p.a.) (As on 31.03.2023, 19 annual instalments of ₹ 23.11 Crores each are outstanding).		
iv) Subordinate Debt from Government of India for Pakaldul HEP	384.55	-
(Repayment to be started from 8th year of completion of project and continue till 19th year i.e. from July 2033 along with interest @ 1% per annum to be charged after the completion of the project)		
Total Term Loan -Government (Unsecured)	**4,130.41**	**3,709.50**
Less Current Maturities	**23.11**	**23.11**
Term Loan - Government Net of current maturities (F)	**4,107.30**	**3,686.39**

(₹ in Crore)

	Particulars of redemptions, repayments and securities	As at 31st March, 2023	As at 31st March, 2022
(G)	**TERM LOANS - From Others- Foreign Currency (Unsecured)**		
i)	**Japan International Cooperation Agency Tranche-I (Refer Note 16.1.3.B(15))** (Repayable in 6 equal half yearly instalments of ₹ 7.58 Crore each upto 20.01.2026 at fixed interest rate of 2.3% as on 31.03.2023)	45.48	60.80
ii)	**Japan International Cooperation Agency Tranche-II (Refer Note 16.1.3.B(15))** (Repayable in 10 equal half yearly instalments of ₹ 24.86 Crore each upto 20.12.2027 at fixed interest rate of 2.3% as on 31.03.2023)	248.65	299.19
iii)	**Japan International Cooperation Agency Tranche-III (Refer Note 16.1.3.B(15))** (Repayable in 22 equal half yearly instalments of ₹ 18.37 Crore each upto 20.03.2034 at fixed interest rate of 1.3% as on 31.03.2023)	404.05	441.98
iv)	**MUFG Bank Limited, Singapore** (Repayable in one instalment bullet on 25.07.2024 at 6 monthly compounded reference rate interest (CAS + Tona + 0.75%). The loan is hedged at coupon only swap fixed rate of 0.931 % p.a. & and call spread coupon fixed rate of 6.25% p.a. with JPY strike price of ₹ 0.90.)	673.24	674.00
	Total Term Loan -Other Parties -Foreign Currency (Unsecured)	**1,371.42**	**1,475.97**
	Less Current Maturities	**101.62**	**101.90**
	Term Loan - Other Parties- Foreign Currency (Unsecured) (G)	**1,269.80**	**1,374.07**
	Grand Total (A+B+C+D+E+F+G)	**26,602.24**	**23,226.61**

16.1.3.B PARTICULARS OF SECURITY

1. Secured by pari-passu charge by way of Equitable mortgage/hypothecation against Immovable/Moveable assets (except for Book Debts and Stores) of Company's Uri-I Power Station situated in the Union Territory of Jammu & Kashmir.
2. Secured by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati-II HE Project situated in the state of Himachal Pradesh.
3. Secured by pari-passu charge by way of equitable mortgage/hypothecation against immovable/movable assets (except for Book Debts and Stores) of Company's Teesta Low Dam-III Power Station situated in the state of West Bengal.
4. Secured by pari-passu charge by way of equitable mortgage and charge over all the immoveable and moveable assets (except for Book Debts and Stores) of the Company's Dhauliganga Power Station situated in the state of Uttrakhand.
5. Secured by a first charge on pari-passu basis by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Chamera-III Power Station situated in the state of Himachal Pradesh.
6. Secured by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati -III Power Station situated in the state of Himachal Pradesh.
7. Secured by pari-passu charge by way of equitable mortgage/hypothecation against immovable/movable assets (except for Book Debts and Stores) of Company's Teesta-V Power Station situated in the state of Sikkim.
8. Security creation by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati -II Power Station situated in the state of Himachal Pradesh and Secured by pari-passu charge by way of hypothecation against the moveable assets (except for Book Debts and Stores) of the Company's Dulhasti Power Station situated in the union territory of Jammu & Kashmir.

9. Security creation by pari-passu charge by way of mortgage and hypothecation against the immovable and movable assets (except for Book Debts and Stores) of the Company's Parbati-II Project situated in the state of Himachal Pradesh and secured by pari-passu charge by way of hypothecation against the movable assets (except for book debts and stores) of the company's Kishanganga Power Station situated in the Union Territory of Jammu & Kashmir.
10. Security creation by pari-passu charge, by way of mortgage/hypothecation against the movable and immovable assets (except for book debts and stores) of the Company's Parbati-II Project, Parbati-III Power Station, Chamera-II Power Station situated in the state of Himachal Pradesh and Dhauliganga Power Station situated in the state of Uttarakhand.
11. Security creation by pari-passu charge by way of mortgage/hypothecation against the immovable and movable assets (except for Book Debts and Stores) of the Company's Chamera- II Power Station situated in the state of Himachal Pradesh.
12. Security creation by pari-passu charge by way of hypothecation against the movable assets (except for Book Debts and Stores) of the Company's Subansiri Lower Project situated in the state of Assam and Arunachal Pradesh.
13. Security creation by pari-passu charge by way of hypothecation against the movable assets (except for Book Debts and Stores) of the Company's TLDP-IV Power Station situated in the state of West Bengal.
14. Security creation by pari-passu charge by way of hypothecation against the movable assets (except for Book Debts and Stores) of the Company's Uri-II Power Station situated in the Union Territory of Jammu & Kashmir.
15. Security creation by First pari-passu charge by way of hypothecation against the Fixed assets (Present and Future) of the Company.
16. Loan is secured by hypothecation against immovable/movable assets of Bundelkhand Saur Urja Limited (Subsidiary). The loan is also secured by irrevocable and unconditional Corporate Guarantee from NHPC Limited.
17. Loan is secured by hypothecation against immovable/movable assets of Lanco Teesta Hydro Power Limited. The loan is also secured by way of Corporate Guarantee by NHPC Limited.
18. Loan is secured by hypothecation against immovable/movable assets of Jalpower Corporation Limited.The loan is secured against pari pasu charges on movable and immovable assets of Jalpower Corporation Limited. The loan is also secured by way of Corporate Guarantee by NHPC Limited.
19. Security creation by pari-passu charge by way of hypothecation against the immovable structures of the Company's Subansiri Lower Project situated in the state of Asaam and Arunachal Pradesh such as buildings, Dam, Power Tunnel, Tail Race Tunnel and other structures /erections/constructed/ to be constructed.

NOTE NO. 16.2 NON CURRENT - FINANCIAL LIABILITIES - LEASE LIABILITIES

(₹ in crore)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Lease Liabilities **(Refer Note 34(18)(A))**	47.18	17.46
TOTAL	**47.18**	**17.46**

NOTE NO. 16.3 NON CURRENT - FINANCIAL LIABILITIES - OTHERS

(₹ in crore)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Payable towards Bonds Fully Serviced by Government of India **(Refer Note 16.3.1)**		
- Principal	2,017.20	2,017.20
Retention Money	167.20	81.77
Liability against Capital Works	4.17	-
Payable for Late Payment Surcharge	1.45	-
Derivative MTM Liability	8.76	-
TOTAL	**2,198.78**	**2,098.97**

16.3.1 For meeting funding requirement of Government of India for the Scheme of Power System Development Fund (PSDF) during the financial year 2018-19, the company has raised an amount of ₹ 2017.20 Crore through private placement of Unsecured Non-cumulative Non-convertible Redeemable, taxable 'Government of India Fully Serviced Bonds- Series- I', with face value of ₹ 10,00,000/- each , in the nature of debentures (Bonds). As per Ministry of Power (MoP) letter dated 12.03.2019 read with letter of Ministry of Finance (MoF) dated 21.01.2019 & 11.03.2019, the repayment of principal and interest of the above bonds shall be made by Government of India by making suitable budget provisions in the demand of Ministry of Power as per estimated liabilities. Accordingly, the amount of such bonds along with interest payable to Bond Holders is appearing as financial liability. Further, the amount recoverable by the company from Government of India has been shown as " Amount recoverable on Account of Bonds fully Serviced by Government of India" under Non-Current Financial Assets-Others under **Note No-3.4.**

Detail of Government of India Fully Serviced Bonds raised during financial year 2018-19 is as under :

Government of India Fully Serviced Bond-I Series: 8.12% semi-annual, 10 year unsecured, non-cumulative, redeemable, non-convertible Taxable Bonds of ₹ 10,00,000/- each. (Date of redemption - 22.03.2029)	2,017.20	2,017.20

NOTE NO. 17 NON CURRENT - PROVISIONS

(₹ in crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
A.	**PROVISION FOR EMPLOYEE BENEFITS**		
i)	**Provision for Long term Benefits (Provided for on the basis of actuarial valuation)**		
	As per last Balance Sheet	32.11	8.17
	Additions during the year	16.84	24.52
	Amount used during the year	2.03	0.58
	Closing Balance	**46.92**	**32.11**
B.	**OTHERS**		
i)	**Provision For Committed Capital Expenditure**		
	As per last Balance Sheet	1.41	1.37
	Amount used during the year	0.66	0.10
	Amount reversed during the year	0.11	-
	Unwinding of discount	0.10	0.14
	Closing Balance	**0.74**	**1.41**
ii)	**Provision For Livelihood Assistance**		
	As per last Balance Sheet	19.70	19.08
	Additions during the year	1.06	0.23
	Amount used during the year	0.32	-
	Unwinding of discount	0.49	0.39
	Closing Balance	**20.93**	**19.70**
iii)	**Provision-Others**		
	As per last Balance Sheet	1.07	1.07
	Closing Balance	**1.07**	**1.07**
	TOTAL	**69.66**	**54.29**

17.1 Information about nature and purpose of Provisions is given in Note 34 (22) of Consolidated Financial Statements.

NOTE NO. 18 NON CURRENT - DEFERRED TAX LIABILITIES (NET)

(₹ in Crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
	Deferred Tax Liability		
a)	Property, Plant and Equipments, Right of Use, Investment Property and Intangible Assets.	4,052.85	4,049.39
b)	Financial Assets at FVTOCI	19.09	22.69
c)	Other Items	769.08	745.81
d)	Undistributed Earnings	500.58	529.69
	Deferred Tax Liability	**5,341.60**	**5,347.58**
	Less:-Set off Deferred Tax Assets pursuant to set off provisions		
a)	Provision for employee benefit scheme, doubtful debts, inventory and others	505.13	445.66
b)	Other Items	71.79	57.80
c)	MAT credit entitlement (Refer Note 18.2)	2,301.07	2,401.68
	Deferred Tax Assets	**2,877.99**	**2,905.14**
	Deferred Tax Liability (Net)	**2,463.61**	**2,442.44**

18.1 Movement in Deferred Tax Liability/ (Assets) is given as Annexure to Note 18.1.

18.2 Detail of MAT Credit Entitlement:-

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	2,401.68	993.40
Add: Recognised during the year	417.31	1,478.62
Less: Utilised during the year	517.92	70.34
Closing Balance	**2,301.07**	**2,401.68**

18.3 Pursuant to the provisions of Section 115BAA of the Income Tax Act 1961 announced by Tax Laws (amended) Ordinance 2019 and promulgated as Taxation Laws (amendment) Act 2019 enacted on 11th December 2019 applicable with effect from 1st April 2019, Domestic Companies have options to pay Income Tax at concessional rates by foregoing certain exemptions/ deductions (the new tax regime) as specified in the said section. Group has Minimum Alternate Tax (MAT) credit of ₹ 2829.72 Crore (including unrecognised amount of MAT Credit of ₹ 528.65 crore) lying unutilized as on 31st March, 2023 (Previous year ₹ 3347.64 Crore including unrecognised amount of MAT Credit of ₹ 945.95 crore) and is availing tax deductions in respect of its profit from generation of power from certain power stations. In view of the same, it has been decided to continue with existing tax structure for Current and Deferred Tax recognition. Necessary decision for exercising the option under section 115BAA will be taken once tax deductions are not available and MAT credit is substantially exhausted.

18.4 Refer Note 14.2 and 34(23) of Consolidated Financial Statements for RDA (Credit) balances created against MAT Credit recognised.

18.1: MOVEMENT IN DEFERRED TAX LIABILITY / (ASSETS)

Financial Year 2022-23

Movement in Deferred Tax Liability (₹ in Crore)

Particulars	Property, Plant and Equipments, Right of Use, Investment Property and Intangible Assets.	Financial Assets at FVTOCI	Other Items	Undistributed Earnings	Total
At 1st April 2022	4,049.39	22.69	745.81	529.69	5,347.58
Charged/(Credited)					
-to Profit or loss	3.46	-	25.89	(29.11)	0.24
-to OCI	-	(3.60)	(2.62)	-	(6.22)
At 31st March 2023	**4,052.85**	**19.09**	**769.08**	**500.58**	**5,341.60**

Movement in Deferred Tax Assets (₹ in Crore)

Particulars	Provision for employee benefit scheme, doubtful debts, inventory and others	Other Items	MAT Credit	Total
At 1st April 2022	445.66	57.80	2,401.68	2,905.14
Charged/(Credited)				
-to Profit or loss	60.05	11.55	-100.61	(29.01)
-to OCI	-0.58	2.44	-	1.86
At 31st March 2023	**505.13**	**71.79**	**2,301.07**	**2,877.99**

Financial Year 2021-22

Movement in Deferred Tax Liablity (₹ in Crore)

Particulars	Property, Plant and Equipments, Right of Use, Investment Property and Intangible Assets.	Financial Assets at FVTOCI	Other Items	Undistributed Earnings	Total
At 1st April 2021	4,012.53	25.19	717.65	538.23	5,293.60
Charged/(Credited)					-
-to Profit or loss	36.86	(1.38)	28.82	(8.54)	55.76
-to OCI	-	(1.12)	(0.66)	-	(1.78)
At 31st March 2022	**4,049.39**	**22.69**	**745.81**	**529.69**	**5,347.58**

Movement in Deferred Tax Assets (₹ in crore)

Particulars	Provision for employee benefit scheme, doubtful debts, inventory and others	Other Items	Mat Credit	Total
At 1st April 2021	417.80	36.52	993.40	1,447.72
Charged/(Credited)				
-to Profit or loss	28.52	21.28	1,478.62	1,528.42
-MAT Credit Utilized against Current Tax Provision	-	-	(70.34)	(70.34)
-to OCI	(0.66)	-	-	(0.66)
At 31st March 2022	**445.66**	**57.80**	**2,401.68**	**2,905.14**

NOTE NO. 19 OTHER NON CURRENT LIABILITIES

(₹ in Crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
	Income received in advance-Advance Against Depreciation	831.38	886.69
	Deferred Income from Foreign Currency Fluctuation Account	38.71	40.13
	Grants in aid-from Government-Deferred Income **(Refer Note 19.1)**	2,695.16	2,111.03
	TOTAL	**3,565.25**	**3,037.85**
19.1	**GRANTS IN AID-FROM GOVERNMENT-DEFERRED INCOME**		
	Opening Balance (Current and Non Current)	2,208.75	2,227.30
	Add: Received during the year	682.60	78.71
	Less: Transferred to Statement of Profit and Loss **(Refer Note 24.2)**	97.72	97.26
	Closing Balance (Current and Non Current) (Refer Note 19.1.1)	**2,793.63**	**2,208.75**
	Grants in Aid-from Government-Deferred Income (Current)- **(Refer Note No-21)**	98.47	97.72
	Grants in Aid-from Government-Deferred Income (Non-Current)	2,695.16	2,111.03

(₹ in Crore)

PARTICULARS		As at 31st March, 2023	As at 31st March, 2022
19.1.1	Grant includes:-		
(i)	Fair value gain on Subordinate Debts received from Government of India for Chutak Power Station, Nimoo Bazgo Power Station, Kishanganga Power Station and Pakal Dul HEP accounted as Grant In Aid.	1,770.29	1,135.17
(ii)	Funds (Grant-in-Aid) received from Government of India for Downstream Protection Measures in respect of Subansiri Lower HE Project.	78.05	74.07
(iii)	Funds (Grant in Aid) received from Government of India through Solar Energy Corporation of India (SECI) for setting up 50 MW Solar Power Project in Tamil Nadu and Funds (Grant in Aid) received from Government of India for setting up rooftop Solar Power Plant.	21.10	22.15
(iv)	Grant received from Government of Madhya Pradesh for Indira Sagar & Omkareshwar Power Stations. (Refer Note 34(7))	905.30	963.34
(v)	Funds (Grant in Aid) received from Govt. of Uttar Pradesh for setting up Solar Power Project in the state including interest accrued thereon.	18.89	14.02
	Total	**2,793.63**	**2,208.75**

NOTE NO. 20.1 CURRENT - FINANCIAL LIABILITIES - BORROWINGS

(₹ in crore)

PARTICULARS		As at 31st March, 2023	As at 31st March, 2022
A	**Other Loans**		
	From Bank-Secured **(Refer Note 20.1.1)**	948.04	1,323.90
B	Current maturities of long term debt **(Refer Note 20.1.2)**		
	- Bonds	1,418.67	1,162.09
	- Term Loan -Banks-Secured	152.54	-
	- Term Loan -Financial Institutions-Secured	158.00	158.00
	- Term Loan -Banks-Unsecured	83.67	79.76
	- Unsecured-From Government (Subordinate Debts)	23.11	23.11
	- Other-Unsecured (in Foreign Currency)	101.62	101.90
	Sub Total (B)	**1,937.61**	**1,524.86**
	TOTAL (A+B)	**2,885.65**	**2,848.76**

20.1.1 Secured loan from Bank amounting to ₹ 948.04 Crore (Previous Year ₹ 1323.90 Crore) is towards amount payable to the banks by the beneficiaries on account of bills discounted with recourse against trade receivables. **Refer Note 7.2.6** on continuing recognition of trade receivables liquidated by way of bill discounting.

20.1.2 Details of redemption, rate of interest, terms of repayment and particulars of security are disclosed in **Note No-16.1.2**

NOTE NO. 20.2 CURRENT - FINANCIAL LIABILITIES- LEASE LIABILITIES

(₹ in crore)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Current maturities of Lease Liabilities **(Refer Note 34(18)(A))**	4.77	3.12
TOTAL	**4.77**	**3.12**

NOTE NO. 20.3 CURRENT - FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in crore)

PARTICULARS		As at 31st March, 2023	As at 31st March, 2022
	Total outstanding dues of micro enterprise and small enterprise(s)	46.67	30.37
	Total outstanding dues of Creditors other than micro enterprises and small enterprises	188.15	183.74
	TOTAL	**234.82**	**214.11**
20.3.1	Outstanding Liabilities towards Micro, Small and Medium Enterprise	46.88	30.65

20.3.2 Refer Annexure-I to Note No-20.3 for Ageing schedule of Trade Payables.

20.3.3 Refer Note 34(17) of the Consolidated Financial Statements with regard to confirmation of Balances.

ANNEXURE-I TO NOTE NO-20.3

As at 31st March 2023 (₹ in Crore)

Particulars	Unbilled	Not Due	Trade Payables due and outstanding for following period from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 Years	
(i) MSME	21.73	19.19	5.88	-	-	-	46.80
(ii) Others	58.35	22.12	94.92	6.18	3.56	2.81	187.94
(iii) Disputed dues-MSME	0.03	0.05	-	-	-	-	0.08
Total	**80.11**	**41.36**	**100.80**	**6.18**	**3.56**	**2.81**	**234.82**

As at 31st March 2022 (₹ in crore)

Particulars	Unbilled	Not Due	Trade Payables due and outstanding for following period from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 Years	
(i) MSME	7.69	-	21.39	1.11	0.27	0.11	30.57
(ii) Others	48.10	3.61	100.46	9.73	6.27	15.29	183.46
(iii) Disputed dues-MSME	-	-	0.04	-	0.04	-	0.08
Total	**55.79**	**3.61**	**121.89**	**10.84**	**6.58**	**15.40**	**214.11**

NOTE NO. 20.4 CURRENT - OTHER FINANCIAL LIABILITIES

(₹ in Crore)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Liability against capital works/supplies other than micro and small enterprises	819.32	583.87
Liability against capital works/supplies-Micro and Small Enterprises	16.67	12.59
Liability against Corporate Social Responsibility	13.44	14.89
Interest accrued but not due on borrowings	637.26	636.29
Payable towards Bond fully serviced by Govt. of India		
- Interest	4.49	4.49
Earnest Money Deposit/ Retention Money	316.40	247.44
Unpaid dividend **(Refer Note 20.4.1)**	22.99	24.64
Unpaid interest **(Refer Note 20.4.1)**	0.60	0.54
Payable for Late Payment Surcharge	0.83	-
Payable to Employees	38.25	27.15
Payable to Others	27.66	25.22
TOTAL	**1,897.91**	**1,577.12**

20.4.1 Unpaid Dividend" and "Unpaid Interest" include the amounts which have not been claimed by the investors/ holders of the equity shares/bonds. During the year, unpaid dividend of ₹ 3.68 crore (Previous Year ₹ 0.80 crore) has been paid to the Investor Education & Protection Fund (IEPF).There is no amount due for payment to Investor Education & Protection Fund. (Refer Note 9.3)

20.4.2 Refer Note 34(17) of the Consolidated Financial Statement with regard to confirmation of Balances.

NOTE NO. 21 OTHER CURRENT LIABILITIES

(₹ in Crore)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Income received in advance (Advance against depreciation)	53.14	52.60
Deferred Income from Foreign Currency Fluctuation Account	1.42	1.42
Water usage charges Payable	243.82	103.42

(₹ in Crore)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Statutory dues Payable	233.75	167.11
Contract Liabilities-Deposit Works	84.64	6.30
Contract Liabilities-Project Management/ Consultancy Work	106.79	112.54
Advance from Customers and Others	28.40	66.79
Grants in aid-from Government-Deferred Income **(Refer Note No-19.1)**	98.47	97.72
TOTAL	**850.43**	**607.90**

21.1 Refer Note 34(17) of the Consolidated Financial Statements with regard to confirmation of Balances.

NOTE NO. 22 CURRENT - PROVISIONS

(₹ in Crore)

	PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
A.	**PROVISION FOR EMPLOYEE BENEFITS**		
i)	**Provision for Long term Benefits (Provided for on the basis of actuarial valuation)**		
	As per last Balance Sheet	1.92	1.09
	Additions during the year	0.42	1.92
	Amount used during the year	-	1.09
	Closing Balance	**2.34**	**1.92**
ii)	**Provision for Wage Revision**		
	As per last Balance Sheet	0.08	0.22
	Additions during the year	0.01	-
	Amount used during the year	-	0.01
	Amount reversed during the year	-	0.13
	Closing Balance	**0.09**	**0.08**
iii)	**Provision for Performance Related Pay/Incentive**		
	As per last Balance Sheet	285.71	510.34
	Additions during the year	263.16	240.43
	Amount used during the year	239.40	422.15
	Amount reversed during the year	28.16	42.91
	Closing Balance	**281.31**	**285.71**
	Less: Advance Paid	1.08	0.39
	Closing Balance Net of Advance	**280.23**	**285.32**
B.	**OTHERS**		
i)	**Provision For Tariff Adjustment**		
	As per last Balance Sheet	214.25	202.08
	Additions during the year	69.16	85.31
	Adjustment	-	22.71
	Amount used during the year	135.06	89.61
	Amount reversed during the year	-	6.24
	Closing Balance	**148.35**	**214.25**
ii)	**Provision For Committed Capital Expenditure**		
	As per last Balance Sheet	122.26	145.23
	Additions during the year	218.33	0.10
	Amount used during the year	27.32	23.07
	Amount reversed during the year	20.00	-
	Closing Balance	**293.27**	**122.26**

(₹ in Crore)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
iii) Provision for Restoration expenses of Insured Assets		
As per last Balance Sheet	85.17	148.18
Additions during the year	26.01	21.02
Amount used during the year	44.23	82.64
Amount reversed during the year	0.98	1.39
Closing Balance	**65.97**	**85.17**
iv) Provision For Livelihood Assistance		
As per last Balance Sheet	13.51	16.16
Additions during the year	0.90	0.17
Amount used during the year	2.89	2.87
Amount reversed during the year	0.04	-
Unwinding of discount	0.08	0.05
Closing Balance	**11.56**	**13.51**
v) Provision in respect of arbitration award/ court cases		
As per last Balance Sheet	347.54	384.83
Additions during the year	706.82	6.40
Amount used during the year	2.13	27.77
Amount reversed during the year	0.01	15.92
Closing Balance	**1,052.22**	**347.54**
vi) Provision - Others		
As per last Balance Sheet	270.69	277.34
Additions during the year	65.97	100.48
Adjustment	-	(22.71)
Amount used during the year	103.35	83.12
Amount reversed during the year	18.60	1.30
Closing Balance	**214.71**	**270.69**
TOTAL	**2,068.74**	**1,340.74**

22.1 Information about nature and purpose of Provisions is given in Note 34(22) of Consolidated Financial Statements.

NOTE NO. 23 CURRENT TAX LIABILITIES (NET)

(₹ in Crore)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Current Tax Liability as per last Balance Sheet	845.26	716.90
Additions during the year	947.71	915.60
Less: MAT Credit Utilized during the year	-	70.34
Amount adjusted during the year	(836.75)	(716.90)
Closing Balance of Current Tax Liablity (A)	**956.22**	**845.26**
Less: Current Advance Tax including Tax Deducted at Source (B)	989.96	834.04
Net Current Tax Liabilities (A-B)	(33.74)	11.22
(Disclosed under **Note No-4**)	33.74	3.34
TOTAL	**-**	**14.56**

NOTE NO. 24.1 REVENUE FROM OPERATIONS

(₹ in Crore)

	PARTICULARS	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
	Operating Revenue		
A	**SALES (Refer Note 24.1.1 and 24.1.3)**		
	Sale of Power	8,213.19	7,122.89
	Advance Against Depreciation -Written back during the year	54.76	52.60
	Performance based Incentive	1,126.24	836.04
	Sub-Total (i)	**9,394.19**	**8,011.53**
	Less :		
	Sales adjustment on account of Foreign Exchange Rate Variation	32.47	44.02
	Tariff Adjustments **(Refer Note 24.1.2)**	71.83	94.37
	Income from generation of electricity–precommissioning (Transferred to Expenditure Attributable to Construction) **(Refer Note 32)**	45.72	53.81
	Rebate to customers	34.00	30.12
	Sub-Total (ii)	**184.02**	**222.32**
	Sub - Total (A) = (i-ii)	**9,210.17**	**7,789.21**
B	**Income from Finance Lease (Refer Note 34(18(B))**	841.83	865.51
C	**Income from Operating Lease (Refer Note 24.1.5 & 34(18(C))**	392.41	384.07
D	**Revenue From Contracts, Project Management and Consultancy Works**		
	Contract Income	-	0.02
	Revenue from Project management/ Consultancy works	29.77	22.90
	Sub - Total (D)	**29.77**	**22.92**
E	**Revenue from Power Trading**		
	Trading Margin **(Refer Note 24.1.4)**	4.60	0.27
	Sub - Total (E)	**4.60**	**0.27**
	Sub-Total-I (A+B+C+D+E)	**10,478.78**	**9,061.98**
F	**Other Operating Revenue**		
	Income From Sale of Self Generated VERs/REC	-	52.70
	Income on account of generation based incentive (GBI)	3.68	3.61
	Interest from Beneficiary States- Revision of Tariff	124.94	25.91
	Sub-Total-II	**128.62**	**82.22**
	TOTAL (I+II)	**10,607.40**	**9,144.20**
24.1.1	Sale of Power includes :-		
	(i) Amount recovered/recoverable directly from beneficiary towards deferred tax liability pertaining to the period upto 2009 and materialised during the year.	86.20	76.13
	(ii) Earlier Year Sales	579.75	288.68
	(iii) Electricity Duty & Energy Development Cess recoverable from beneficiary and accordingly billed to the beneficiary:		
	- Electricity Duty	0.96	0.43
	- Energy Development Cess	81.40	39.54
24.1.2	Tariff Adjustment:- Tariff regulation notified by Central Electricity Regulatory Commission (CERC) vide notification dated 21.02.2014 inter-alia provides that capital cost considered for fixation of tariff for current tariff period shall be subject to truing up at the end of the tariff period, which may result in increase or decrease in tariff. Accordingly, stated amount has been provided in the books during the year.	71.83	94.37

(₹ in Crore)

	PARTICULARS	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
24.1.3	Amount of unbilled revenue included in Sales.	1,529.49	1,229.86
24.1.4	Trading Margin in respect of Power Trading Business :-		
	(i) Sale of Power (Net of Rebate)	260.04	44.85
	(ii) Purchase of Power (Net of Rebate)	(255.44)	(44.58)
	Net Trading margin	**4.60**	**0.27**

24.1.5 Power Purchase Agreement (PPA) in respect of 50 MW Wind Power Project, Jaisalmer with Jodhpur Vidyut Vitran Nigam Limited (JdVVNL) is pending for renewal/ extension w.e.f 01.04.2019. However, power is being supplied to the beneficiary, being a must run power plant. The matter regarding renewal/ extension of PPA is sub-judice in Hon'ble High Court of Rajasthan, Jaipur since tariff of ₹ 2.44 per kWh offered by the Rajasthan Renewable Energy Corporation Limited was not acceptable to the Company. Pending decision of the Hon'ble High Court, net revenue from sale of power from the plant w.e.f. 01.04.2019 is being recognized at the pooled cost of power determined by the Rajasthan Electricity Regulatory Commission (RERC) which is ₹ 3.14 per kWh.

NOTE NO. 24.2 OTHER INCOME

(₹ in Crore)

	PARTICULARS	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
A	**Interest Income**		
	- Investments carried at FVTOCI- Non Taxable	5.66	5.67
	- Investments carried at FVTOCI- Taxable	25.86	25.82
	- Loan to Government of Arunachal Pradesh	72.26	66.30
	- Deposit Account	176.89	128.44
	- Employee's Loans and Advances (Net of Rebate)	31.05	32.66
	- Advance to contractors	57.15	25.34
	- Unwinding of Fair Value Loss on Financial Assets	63.86	-
	- Others	5.83	1.41
B	**Dividend Income**		
	- Dividend - Others	6.96	9.00
C	**Other Non Operating Income (Net of Expenses directly attributable to such income)**		
	Late payment surcharge	65.57	271.91
	Realization of Loss Due To Business Interruption **(Refer Note 34(24))**	42.14	161.86
	Income from Insurance Claim	19.33	21.34
	Liabilities/ Impairment Allowances/ Provisions not required written back **(Refer Note 24.2.1)**	32.18	46.01
	Material Issued to contractor		
	(i) Sale on account of material issued to contractors	258.04	255.19
	(ii) Less: Cost of material issued to contractors on recoverable basis	(450.36)	(421.41)
	(iii) Net: Adjustment on account of material issued to contractor	192.32	166.22
	Amortization of Grant in Aid (Refer Note 19.1)	97.72	97.26
	Exchange rate variation (Net)	0.48	49.28
	Mark to Market Gain on Derivative	-	4.14
	Others	41.71	48.33
	Sub-total	**744.65**	**994.77**
	Less: Transferred to Expenditure Attributable to Construction	66.23	30.09

(₹ in Crore)

PARTICULARS	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Less: Transferred to Advance/ Deposit from Client/Contractees and against Deposit Works	0.83	0.45
Less: Transfer of other income to grant	0.09	0.17
TOTAL	**677.50**	**964.06**

24.2.1 Detail of Liabilities/Impairment Allowances/Provisions not required written back

a)	Allowances for Obsolescence & Diminution in Value of Inventories	0.95	5.39
b)	Allowances for trade receivables	-	2.38
c)	Allowances for doubtful recoverable	1.04	0.18
d)	Allowances for losses pending investigation/awaiting write off / sanction	0.04	0.21
e)	Provision for PRP / Incentive /Productivity Linked Incentive	-	11.05
f)	Provision for tariff adjustment	-	6.24
g)	Provision for Restoration expenses of Insured Assets	0.98	1.39
h)	Provision in respect of arbitration award/ court cases	-	15.68
i)	Others	29.17	3.49
	Total	**32.18**	**46.01**

NOTE NO. 25 GENERATION EXPENSES

(₹ in Crore)

PARTICULARS	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Water Usage Charges	916.77	823.21
Consumption of stores and spare parts	23.89	21.06
Sub-total	**940.66**	**844.27**
Less: Transferred to Expenditure Attributable to Construction	1.10	0.15
TOTAL	**939.56**	**844.12**

NOTE NO. 26 EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

PARTICULARS	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Salaries and Wages	1,477.27	1,451.40
Contribution to provident and other funds (Refer Note 26.2 and 26.4)	250.88	316.89
Staff welfare expenses	112.00	111.95
Sub-total	**1,840.15**	**1,880.24**
Less: Transferred to Expenditure Attributable to Construction	404.87	325.48
TOTAL	**1,435.28**	**1,554.76**
26.1 Disclosure about leases towards residential accomodation for employees are given in Note 34 (18) (A) of Consolidated Financial Statements.		
26.2 Contribution to provident and other funds include contributions:		
i) Towards Employees Provident Fund	97.67	139.74
ii) Towards Employees Defined Contribution Superannuation Scheme	120.31	115.23
26.3 Salary and wages includes expenditure on short term leases as per IND AS-116 " Leases". (Refer Note 34(18A)) of Consolidated Financial Statements.	0.30	0.37

26.4 "The Employees' Provident Funds and Miscellaneous Provisions Act, 1952" requires the Company to reimburse the Provident Fund Trust in case of any any loss to the Trust. Contribution towards EPF includes ₹ 1.20 Crore (Previous year ₹ 12.76 Crore) being interest overdue on certain investments of the trust which has become impaired. Further, an amount of ₹ 36.24 Crore was paid to the trust during the previous year towards principal amount of these investments.

26.5 Employee benefit expenditure includes an amount of ₹ 9.37 Crore (Previous year ₹ 7.02 Crore) in respect of employees engaged in R&D Activities of the Company.

NOTE NO. 27 FINANCE COSTS

(₹ in Crore)

	PARTICULARS	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
A	**Interest on Financial Liabilities at Amortized Cost**		
	Bonds	1,208.19	1,289.19
	Term loan	348.26	51.66
	Foreign loan	18.78	23.47
	Government of India Loan	70.16	70.73
	Short Term Loan	2.82	5.40
	Lease Liabilities	3.37	1.46
	Unwinding of discount-Government of India Loan	73.39	55.22
	Sub-total	**1,724.97**	**1,497.13**
B	**Other Borrowing Cost**		
	Call spread/ Coupon Swap	44.49	43.91
	Bond issue/ service expenses	1.28	1.16
	Guarantee fee	10.34	11.62
	Other finance charges	1.40	0.66
	Unwinding of discount-Provision & Financial Liablities	9.36	4.74
	Sub-total	**66.87**	**62.09**
C	**Interest on Income Tax**	1.13	2.91
	Total (A + B + C)	**1,792.97**	**1,562.13**
	Less: Transferred to Expenditure Attributable to Construction	1,318.71	1,029.85
	TOTAL	**474.26**	**532.28**

NOTE NO. 28 DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in Crore)

PARTICULARS	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Depreciation -Property, Plant and Equipment	1,142.29	1,116.59
Depreciation-Right of use Assets	90.54	83.32
Amortization -Intangible Assets	3.62	4.71
Depreciation adjustment on account of Foreign Exchange Rate Variation **(Refer Note 19 and 5(D)(iii))**	8.81	4.95
Sub-total	**1,245.26**	**1,209.57**
Less: Transferred to Expenditure Attributable to Construction	30.59	19.27
TOTAL	**1,214.67**	**1,190.30**

NOTE NO. 29 OTHER EXPENSES

(₹ in Crore)

	PARTICULARS	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
A	**REPAIRS AND MAINTENANCE**		
	- Building	90.71	80.19
	- Machinery	96.29	71.35
	- Others	193.81	192.06
B	**OTHER EXPENSES**		
	Rent **(Refer Note 29.2)**	15.11	17.43
	Hire Charges	53.59	36.83
	Rates and taxes	101.29	61.89
	Insurance	278.64	278.61
	Security expenses	471.83	434.53
	Electricity Charges	58.28	51.83
	Travelling and Conveyance	24.09	14.62
	Expenses on vehicles	8.52	6.84
	Telephone, telex and Postage	19.21	16.53
	Advertisement and publicity	11.06	4.54
	Entertainment and hospitality expenses	1.33	0.98
	Printing and stationery	4.80	4.44
	Consultancy charges - Indigenous	27.07	16.96
	Audit expenses	2.81	2.30
	Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	0.67	14.43
	Expenses on downstream protection works **(Refer Note 29.4)**	44.43	158.50
	Expenditure on land not belonging to Company	54.10	14.76
	Loss on Assets (Net)	2.14	13.90
	Losses out of insurance claims	33.83	21.77
	Donations	2.00	1.00
	Corporate Social Responsibility	147.99	125.35
	Community Development Expenses	0.03	-
	Directors' Sitting Fees	0.52	0.18
	Interest on Arbitration/ Court Cases	0.44	0.65
	Interest to beneficiary	48.55	53.30
	Expenditure on Self Generated VER's/REC	-	8.04
	Training Expenses	10.20	4.50
	Petition Fee /Registration Fee /Other Fee – To CERC/RLDC/RPC/IEX/ PXIL	11.58	10.52
	Operational/Running Expenses of Kendriya Vidyalaya	8.71	8.65
	Operational/Running Expenses of Other Schools	0.40	0.35
	Operational/Running Expenses of Guest House/Transit Hostel	28.72	24.76
	Operating Expenses of DG Set-Other than Residential	8.54	7.27
	Fair Value Loss on Financial Assets	138.06	-
	Change in Fair Value of Derivatives	30.86	-
	Other general expenses	57.51	88.31
	Sub-total	**2,087.72**	**1,848.17**
	Less: Transferred to Expenditure Attributable to Construction	305.73	318.71
	Less: Recoverable from Deposit Works	0.13	-
	Sub-total (i)	**1,781.86**	**1,529.46**
C	**PROVISIONS/ IMPAIRMENT ALLOWANCE**		
	Loss allowance for trade receivables	0.04	3.95

(₹ in Crore)

PARTICULARS	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Allowance for Bad and doubtful advances / deposits	0.01	10.11
Allowance for Bad and doubtful claims	5.68	5.94
Allowance for Bad and Doubtful Loan	18.40	-
Allowance for Doubtful Interest	-	0.42
Allowance for stores and spares/ Construction stores	0.32	0.61
Allowance for Project expenses / Capital Work In Progress	158.15	7.47
Allowance for losses pending investigation/ awaiting write off/ sanction	-	0.03
Others	39.64	31.09
Sub-total	**222.24**	**59.62**
Less: Transferred to Expenditure Attributable to Construction	39.65	31.11
Sub-total (ii)	**182.59**	**28.51**
TOTAL (i+ii)	**1,964.45**	**1,557.97**

29.1 Disclosure about leases are given in Note 34(18A) of Consolidated Financial Statements.

29.2 Rent includes the following expenditure as per IND AS-116 "Leases" :

(i) Expenditure on short-term leases other than lease term of one month or less	12.40	12.20
(ii) Variable lease payments not included in the measurement of lease liabilities	4.43	5.41

29.3 Other Expenses includes an amount of ₹ 1.93 Crore (Previous year ₹ 3.05 Crore) incurred on R&D Activities of the Company.

29.4 Expense of ₹ 44.43 Crore (Previous year ₹ 158.50 Crore) on Downstream Protection works incurred in Subansiri Lower Project has been capitalized by way of Expenditure Attributable to Construction (EAC) **(Refer Note 2.2.7).**

NOTE NO. 30.1 TAX EXPENSES

(₹ in Crore)

PARTICULARS	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Current Tax		
Provision for Current Tax	946.87	912.69
Adjustment relating To earlier years	0.13	3.00
Total Current Tax expenses (i)	**947.00**	**915.69**
Deferred Tax		
Decrease (increase) in Deferred Tax Assets		
- Relating to origination and reversal of temporary differences	(50.99)	(43.31)
- Adjustments on account of MAT credit entitlement	100.61	(1,478.62)
Increase (decrease) in Deferred Tax Liabilities		-
- Relating to origination and reversal of temporary differences	8.73	57.80
- Relating to undisributed Earnings	(29.11)	(8.54)
Total Deferred Tax Expenses (benefits)	**29.24**	**(1,472.67)**
Net Deferred Tax (ii)	**29.24**	**(1,472.67)**
TOTAL (i + ii)	**976.24**	**(556.98)**

30.1.1 Reconciliation of tax expense and the accounting profit multiplied by India's domestic rate.	**For the Year ended 31st March, 2023**	**For the Year ended 31st March, 2022**
Accounting profit/loss before income tax including movement in Regulatory Deferral Account Balance	4,894.19	4,471.23
Applicable tax rate (%)	34.9440	34.9440
Computed tax expense	**1,710.23**	**1,562.43**

(₹ in Crore)

PARTICULARS	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Tax effects of amounts which are not deductible (Taxable) in calculating taxable income.		
Non Deductible Tax Expenses	103.34	67.27
Tax Exempt Income	183.56	100.30
Tax Incentives (80-IA Deductions)	-	(658.62)
Adjustment for current tax of earlier years	1.99	3.00
Minimum Alternate Tax Adjustments	(345.69)	(1,478.62)
Undistributed Profit	(29.11)	(8.54)
Deduction u/s 80M	(610.55)	(130.10)
Others	(37.53)	(14.10)
Income tax expense reported in Statement of Profit and Loss	**976.24**	**(556.98)**
30.1.2 Amounts recognised directly in Equity		
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited/(credited) to equity		
Current Tax	Nil	Nil
Deferred tax	Nil	Nil
Total	**Nil**	**Nil**
30.1.3 Tax losses and credits		
(i) Unused tax losses for which no deferred tax asset has been recognised	Nil	Nil
Potential tax benefit @ 30%	Nil	Nil
(ii) The details of MAT Credit available to the Company in future but not recognised in the books of account **(Refer Note 30.1.5)**	528.65	945.96
30.1.4 Unrecognised temporary differences		
Temporary differences relating to investments in subsidiaries for which deferred tax liabilities have not been recognised.		
Undistributed Earnings	Nil	Nil
Unrecognised deferred tax liabilities relating to the above temporary differences	Nil	Nil

30.1.5 The details of Deferred Tax Assets in the nature of Minimum Alternate Tax (MAT) Credit available to the Company in future but not recognised in the Books of Accounts

	As at 31st March 2023		As at 31st March 2022	
	Amount	**Year of Expiry**	**Amount**	**Year of Expiry**
2014-15	46.81	2029-30	46.81	2029-30
2013-14	481.84	2028-29	481.84	2028-29
2012-13	-	-	291.72	2027-28
2008-09	-	-	125.59	2023-24
TOTAL	**528.65**		**945.96**	

Deferred tax assets in respect of aforesaid MAT credit available to company in future has not been recognised considering its uncertainty of reversal in foreseeable future.

NOTE NO. 30.2 OTHER COMPREHENSIVE INCOME

(₹ in Crore)

	PARTICULARS	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
(i)	**Items that will not be reclassified to profit or loss**		
(a)	Remeasurement of post employment defined benefit obligations	(7.48)	12.73
	Less: Income Tax on remeasurement of post employment defined benefit obligations	(2.61)	4.45
	Remeasurement of the post employment defined benefit obligations (net of Tax)	**(4.87)**	**8.28**
	Less:- Movement in Regulatory Deferral Account Balances in respect of Tax on defined benefit obligations	(1.87)	(3.07)
	Movement in Regulatory Deferral Account Balances-Remeasurement of post employment defined benefit obligations	6.49	2.33
	Remeasurement of the post employment defined benefit obligations (net of Tax) and Regulatory Deferral Account balances	**3.49**	**13.68**
	Share of Other comprehensive Income of Joint Ventures accounted for using the equity method	-	-
	Sub-total (a)	**3.49**	**13.68**
(b)	Investment in Equity Instruments	3.36	5.40
	Less: Income Tax on Equity Instruments	-	-
	Sub-total (b)	**3.36**	**5.40**
	Total (i)=(a)+(b)	**6.85**	**19.08**
(ii)	**Items that will be reclassified to profit or loss**		
	Investment in Debt Instruments	(15.46)	(10.72)
	Less: Income Tax on investment in Debt Instruments	(3.60)	(2.50)
	Total (ii)	**(11.86)**	**(8.22)**
	TOTAL =(i+ii)	**(5.01)**	**10.86**

NOTE NO. 31 MOVEMENT IN REGULATORY DEFERRAL ACCOUNT BALANCES

(₹ in Crore)

	PARTICULARS	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
(i)	Wage Revision as per 3rd Pay Revision Committee	(501.90)	(116.53)
(ii)	Kishanganga Power Station:-Depreciation due to moderation of Tariff	199.36	198.35
(iii)	Exchange Differences on Monetary Items	1.23	(0.17)
(iv)	Adjustment against Deferred Tax Recoverable for tariff period upto 2009	(56.09)	(49.52)
(v)	Adjustment against Deferred Tax Liabilities for tariff period 2014-2019 and onwards	(215.98)	10.72
(vi)	Regulatory liability on account of recognistion of MAT Credit	532.77	(1,252.94)
	Total (i)+(ii)+(iii)+(iv)+(v)+(vi)	**(40.61)**	**(1,210.09)**
	Impact of Tax on Regulatory Deferral Accounts		
	Less: Deferred Tax on Regulatory Deferral Account Balances	151.86	13.56
	Add: Deferred Tax recoverable from Beneficiaries	151.86	13.56
	TOTAL	**(40.61)**	**(1,210.09)**

31.1 Refer Note 14.1 and 14.2 of Consolidated Financial Statements.

NOTE NO. 32 EXPENDITURE ATTRIBUTABLE TO CONSTRUCTION (EAC) FORMING PART OF CAPITAL WORK IN PROGRESS FOR THE YEAR

(₹ in Crore)

	PARTICULARS	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
A.	**GENERATION EXPENSE**		
	Consumption of stores and spare parts	1.10	0.15
	Sub-total	**1.10**	**0.15**
B.	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries and Wages	248.50	182.09
	Contribution to provident and other funds	35.28	26.74
	Staff welfare expenses	14.44	8.52
	Sub-total	**298.22**	**217.35**
C.	**FINANCE COST**		
	Interest on : **(Refer Note 2.2.2)**		
	Bonds	903.86	950.35
	Foreign loan	6.43	7.65
	Term loan	336.21	25.41
	Lease Liabilities	0.17	0.23
	Sub-total	**1,246.67**	**983.64**
	Loss on Hedging Transactions	44.50	43.91
	Guarantee fee on loan	4.07	0.03
	Other finance charges	0.65	-
	Transfer of expenses to EAC- Interest on loans from Central Government-adjustment on account of effective interest	13.91	-
	Transfer of expenses to EAC-Interest on security deposit/ retention money-adjustment on account of effective interest	8.69	2.07
	Sub-total	**71.82**	**46.01**
D.	**DEPRECIATION AND AMORTISATION EXPENSES**	27.80	16.55
	Sub-total	**27.80**	**16.55**
E.	**OTHER EXPENSES**		
	Repairs And Maintenance :		
	-Building	12.54	11.40
	-Machinery	1.83	2.09
	-Others	32.69	28.66
	Rent & Hire Charges	19.72	11.60
	Rates and taxes	4.57	2.89
	Insurance	32.01	12.85
	Security expenses	38.84	31.71
	Electricity Charges	7.29	4.80
	Travelling and Conveyance	4.34	2.75
	Expenses on vehicles	1.95	0.86
	Telephone, telex and Postage	4.11	2.35
	Printing and stationery	0.81	0.65
	Design and Consultancy charges:		
	- Indigenous	12.66	7.79
	Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	0.50	14.38
	Expenses on works of downstream protection works **(Refer Note 29.4)**	44.43	158.50
	Expenditure on land not belonging to company	53.75	1.08

(₹ in Crore)

	PARTICULARS	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
	Assets/ Claims written off	0.08	0.11
	Losses on sale of assets	0.03	0.04
	Other general expenses	21.80	14.34
	Sub-total	**293.95**	**308.85**
F.	**PROVISIONS**	39.65	31.11
	Sub-total	**39.65**	**31.11**
G.	**CORPORATE OFFICE/REGIONAL OFFICE EXPENSES**		
	Other Income	(0.28)	(0.55)
	Other Expenses	11.78	9.86
	Employee Benefits Expense	106.65	108.13
	Depreciation and Amortization Expenses	2.79	2.72
	Finance Cost	0.22	0.20
	Sub-total	**121.16**	**120.36**
H.	**LESS: RECEIPTS AND RECOVERIES**		
	Income from generation of electricity – precommissioning	45.72	53.81
	Interest on loans and advances	57.14	25.07
	Profit on sale of assets	0.04	-
	Provision/Liability not required written back	0.96	0.44
	Miscellaneous receipts	6.23	3.40
	Transfer of fair value gain to EAC- security deposit	1.58	0.63
	Sub-total	**111.67**	**83.35**
	TOTAL (A+B+C+D+E+F+G-H) (Refer Note 2.2)	**1,988.70**	**1,640.67**

NOTE-33: DISCLOSURE ON FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(1) Fair Value Measurement

A) Financial Instruments by category

(₹ in Crore)

Financial assets	Notes	As at 31st March, 2023			As at 31st March, 2022		
		Fair value through Profit or Loss	Fair value through Other Comprehensive Income	Amortised Cost	Fair value through Profit or Loss	Fair value through Other Comprehensive Income	Amortised Cost
Non-current Financial assets							
(i) Non-current investments							
a) In Equity Instrument (Quoted)	3.1	-	102.06	-	-	98.70	-
b) In Debt Instruments (Government/ Public Sector Undertaking)- Quoted	3.1	-	245.16	-	-	411.64	-
Sub-total			**347.22**	**-**		**510.34**	**-**
(ii) Trade Receivables	3.2			473.51	-	-	-
(iii) Loans							
a) Loans to Joint Venture (National High Power Test Laboratory (P) Limited)	3.3			-			17.48
b) Employees	3.3			243.02			223.70
c) Loan to Government of Arunachal Pradesh (Including interest accrued)	3.3			875.18			802.92
(iv) Others							
a) Deposits	3.4			28.76			25.16
b) Lease Receivables including interest	3.4			5,877.99			6,086.51
c) Recoverable on account of Bonds fully Serviced by Government of India	3.4			2,017.20			2,017.20
d) Derivative MTM Asset	3.4	0.24			22.35		
e) Bank Deposits with more than 12 Months Maturity (Including interest accrued)	3.4			683.49			1,227.68
f) Receivable on account of Late Payment Surcharge/ Others	3.4			6.42			10.38
Total Non-current Financial assets		**0.24**	**347.22**	**10,205.57**	**22.35**	**510.34**	**10,411.03**
Current Financial assets							
(i) Current Investments	7.1		151.35	-			-
(ii) Trade Receivables	7.2			6,160.59			5,175.84
(iii) Cash and cash equivalents	8			1,019.81			1,314.67
(iv) Bank balances other than Cash and Cash Equivalents	9			1,673.87			643.68

(₹ in Crore)

Financial assets	Notes	As at 31st March, 2023 Fair value through Profit or Loss	As at 31st March, 2023 Fair value through Other Comprehensive Income	As at 31st March, 2023 Amortised Cost	As at 31st March, 2022 Fair value through Profit or Loss	As at 31st March, 2022 Fair value through Other Comprehensive Income	As at 31st March, 2022 Amortised Cost
(v) Loans	10						
a) Employee Loans		-	-	60.77	-	-	60.12
b) Loans to Joint Venture (National High Power Test Laboratory (P) Limited) (Net of Impairment Allowances)		-	-	-	-	-	0.92
c) Deposits	11	-	-	1.10	-	-	0.36
(vi) Others (Excluding Lease Receivables)	11			658.93	-	-	682.09
(vii) Others (Lease Receivables including interest)	11	-	-	283.14	-	-	219.57
Total Current Financial Assets		**-**	**151.35**	**9,858.21**	**-**	**-**	**8,097.25**
Total Financial Assets		**0.24**	**498.57**	**20,063.78**	**22.35**	**510.34**	**18,508.28**

(₹ in Crore)

Financial Liabilities	Notes	As at 31st March, 2023 Fair value through Profit or Loss	As at 31st March, 2023 Fair value through Other Comprehensive Income	As at 31st March, 2023 Amortised Cost	As at 31st March, 2022 Fair value through Profit or Loss	As at 31st March, 2022 Fair value through Other Comprehensive Income	As at 31st March, 2022 Amortised Cost
(i) Long-term borrowings	16.1	-	-	26,602.24	-	-	23,226.61
(ii) Long term maturities of lease liabilities	16.2	-	-	47.18	-	-	17.46
(iii) Other Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India)	16.3	8.76	-	2,190.02	-	-	2,098.97
(iv) Borrowing -Short Term including current maturities of long term borrowings	20.1	-	-	2,885.65	-	-	2,848.76
(v) Current maturities of lease obligations	20.2	-	-	4.77	-	-	3.12
(vi) Trade Payables including Micro, Small and Medium Enterprises	20.3	-	-	234.82	-	-	214.11
(vii) Other Current financial liabilities		-	-		-	-	-
c) Interest Accrued but not due on borrowings	20.4	-	-	637.26	-	-	636.29
d) Other Current Liabilities	20.4	-	-	1,260.65	-	-	940.83
Total Financial Liabilities		**8.76**	**-**	**33,862.59**	**-**	**-**	**29,986.15**

B) FAIR VALUATION MEASUREMENT

(i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the following three levels prescribed under Ind AS-113 "Fair Value Measurements":

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and traded bonds that have quoted price. The fair value of all equity instruments including bonds which are traded in the recognised Stock Exchange and money markets are valued using the closing prices as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.The fair value of financial assets and liabilities included in level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments. This includes derivative MTM assets/liabilities, security deposits/ retention money and loans at lower than market rates of interest.

(a) Financial Assets/Liabilities Measured at Fair Value-Recurring Fair Value Measurement:

(₹ in Crore)

		As at 31st March, 2023			As at 31st March, 2022		
	Note No.	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial Assets at FVTOCI							
(i) Investments-							
- In Equity Instrument (Quoted)	3.1	102.06			98.70		
- In Debt Instruments (Government/ Public Sector Undertaking)- Quoted *	3.1 & 7.1	396.51			411.64		
Financial Assets at FVTPL :							
(i) Derivative MTM Asset (Call spread option and Coupon only swap)	3.4		0.24	-		22.35	-
Total Financial Assets		**498.57**	**0.24**	**-**	**510.34**	**22.35**	**-**
Financial Liabilities at FVTPL :							
(i) Derivative MTM Liabilities (Call spread option)	16.3		8.76				
Total Financial Liabilities			**8.76**				

Note:

*in the absence of latest quoted market rates in respect of these instruments, rates have been derived as per Fixed Income Money Market and Derivatives Association of India (FIMMDA).

All other financial assets and financial liabilities have been measured at amortised cost at balance sheet date and classified as non-recurring fair value measurement.

(b) Financial Assets/Liabilities measured at amortised cost for which Fair Value are disclosed:

(₹ in Crore)

Particulars	Note No.	As at 31st March, 2023			As at 31st March, 2022		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets							
(i) Trade Receivables	3.2		-	473.51		-	
(ii) Loans							
a) Employees (including Current)	3.3 & 10		304.11			284.39	
b) Loan to Joint Venture (National High Power Test Laboratory (P) Limited)	3.3		-			17.48	
c) Loan to Government of Arunachal Pradesh (including Interest Accrued)	3.3		875.18			802.92	
(iii) Others							
a) Deposits	3.4			28.76			25.16
b) Bank Deposits with more than 12 Months Maturity (Including Interest accrued)	3.4		683.49			1,227.68	
c) Recoverable on account of Bonds fully Serviced by Government of India	3.4	2,017.20			2,017.20		
d) Recoverable on account of Late Payment Surcharge / Others	3.4			6.42			10.38
Total Financial Assets		**2,017.20**	**1,862.78**	**508.69**	**2,017.20**	**2,332.47**	**35.54**
Financial Liabilities							
(i) Long-term borrowings including current maturities and accrued interest	16.1, 20.1 & 20.4	19,083.09	2,207.18	2,881.38	19,083.09	2,207.18	2,881.38
(ii) Other Long Term Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India)	16.3	2,017.20		175.09	2,017.20		87.87
Total Financial Liabilities		**21,100.29**	**2,207.18**	**3,056.47**	**21,100.29**	**2,207.18**	**2,969.25**

(c) Fair value of Financial Assets and liabilities measured at Amortised Cost

(₹ in Crore)

Particulars	Note No.	As at 31st March, 2023		As at 31st March, 2022	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets					
(i) Trade Receivables	3.2	473.51	473.51	-	-
(ii) Loans					
a) Employees (including Current)	3.3 & 10	303.79	304.11	283.82	284.39
b) Loans to Joint Venture (National High Power Test Laboratory (P) Limited)	3.3	-	-	17.48	17.48
c) Loan to Government of Arunachal Pradesh (including Interest Accrued)	3.3	875.18	875.18	802.92	802.92
(iii) Others					
a) Deposits	3.4	28.76	28.76	25.16	25.16
b) Bank Deposits with more than 12 Months Maturity (Including Interest accrued)	3.4	683.49	683.49	1,227.68	1,227.68
c) Recoverable on account of Bonds fully Serviced by Government of India	3.4	2,017.20	2,017.20	2,017.20	2,017.20
d) Recoverable on account of Late Payment Surcharge / Others	3.4	6.42	6.42	10.38	10.38
Total Financial Assets		**4,388.35**	**4,388.67**	**4,384.64**	**4,385.21**
Financial Liabilities					
(i) Long-term borrowings including Current maturities and accrued interest	16.1, 20.1 & 20.4	29,177.11	27,980.38	25,387.76	25,144.25
(ii) Other Long Term Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India)	16.3	2,190.02	2,192.29	2,098.97	2,105.07
Total Financial Liabilities		**31,367.13**	**30,172.67**	**27,486.73**	**27,249.32**

Note:-

1. The Carrying amounts of current investments, Trade and other receivables, Cash and cash equivalents,Short-term loans and advances, Short term borrowings, Trade payables and other current financial liabilities are considered to be the same as their fair values, due to their short term nature.
2. For financial assets and financial liabilities measured at fair value, the carrying amounts are equal to the fair value.

(d) Valuation techniques and process used to determine fair values

1. The Group values financial assets or financial liabilities using the best and most relevant data available. Specific valuation techniques used to determine fair value of financial instruments includes:
   - Use of Quoted market price or dealer quotes for similar instruments.
   - Fair value of remaining financial instruments is determined using discounted cash flow analysis.
2. The discount rate used to fair value financial instruments classified at Level -3 is based on the Weighted Average Rate of Group's outstanding borrowings except subordinate debts and foreign currency borrowings.
3. Financial liabilities that are subsequently measured at amortised cost are recognised initially at fair value minus transaction costs using the effective interest method where such transaction costs incurred on long term borrowings are material.

(2) Financial Risk Management

(A) Financial risk factors

The Group's activities expose it to a variety of financial risks. These are summarised below:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash & Cash equivalents, Other Bank Balances ,Trade receivables and financial assets measured at amortised cost, Lease Receivable.	Ageing analysis, credit rating.	Diversification of bank deposits, letter of credit for selected customers.
Liquidity Risk	Borrowings and other facilities.	Rolling cash flow forecasts & Budgets	Availability of committed credit lines and borrowing facilities.
Market Risk-Interest rate	Long term borrowings at variable rates	Sensitivity Analysis	1. Diversification of fixed rate and floating rates 2. Refinancing 3. Actual Interest is recovered through tariff as per CERC Regulation
Market Risk-security prices	Investment in equity and debt securities	Sensitivity Analysis	Portfolio diversification
Market Risk- foreign exchange	Recognised financial liabilities not denominated in INR.	Sensitivity Analysis	Foreign exchange rate variation is recovered through tariff as per CERC Regulation. Call spread option and coupon only swap

Risk management framework

The Group's activities make it susceptible to various risks. The Group has taken adequate measures to address such concerns by developing adequate systems and practices. Group has a well-defined risk management policy to provide overall framework for risk management in the Group. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group is exposed to the following risks from its use of financial instruments:

i) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables/leased assets) and from its financing activities including deposits with banks and financial institutions.

ii) Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise of three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group operates in a regulated environment. Tariff of the Group is fixed by the Central Electricity Regulatory Commission (CERC) through Annual Fixed Charges (AFC) comprising of the following five components: 1. Return on Equity (RoE), 2. Depreciation, 3. Interest on Loans, 4. Operation & Maintenance Expenses and 5. Interest on Working Capital Loans. In addition to the above, Foreign Currency Exchange variations and Taxes are also recoverable from Beneficiaries in terms of the Tariff Regulations. Hence variation in interest rate, currency exchange rate variations and other price risk variations are recoverable from tariff and do not impact the profitability of the

Group. Further, the Group also hedges its medium-term foreign currency borrowings by way of interest rate hedge and currency swaps.

(B) Credit Risk

The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

Trade Receivables, unbilled revenue & lease receivables :-

The Group extends credit to customers in normal course of business. The Group monitors the payment track record of the customers. Outstanding receivables are regularly monitored. In the case of the Group, the concentration of risk with respect to trade receivables is low, as its customers are mainly state government companies/DISCOMS and operate in largely independent markets. Unbilled revenue primarily relates to the Group's right to consideration for work completed but not billed at the reporting date and have substantially the same risk characteristics as trade receivables for the same type of contracts.

Lease receivables of the Group are with regard to Power Purchase Agreements classified as finance lease as per Ind AS 116- 'Leases' as referred to in Note No. 34. The power purchase agreements are for sale of power to single beneficiary and recoverability of interest income and principal on leased assets i.e. PPE of the power stations are assessed on the same basis as applied for trade receivables.

Financial assets at amortised cost :-

Employee Loans: The Group has given loans to employees at concessional rates as per the Group's policy which have been measured at amortised cost at Balance Sheet date. The recovery of the loan is on fixed instalment basis from the monthly salary of the employees. Long Term loans for acquisition of assets are secured by way of mortgage/hypothecation of the assets for which such loans are given. Management has assessed the past data and does not envisage any probability of default on these loans.

Loans to Government of Arunanchal Pradesh : The Group has given loan to Government of Arunachal Pradesh at 9% rate of interest (compunded annually) as per the terms and conditions of Memorandum of understanding signed between the Group and Government of Arunachal Pradesh for construction of hydroelectric projects in the state. The loan has been measured at amortised cost and is recoverable from the share of free power of the state government from the first hydroelectric project to be commissioned in the state. Management does not envisage any probability of default on the loan.

Financial instruments and cash deposits :

The Group considers factors such as track record, size of the bank, market reputation and service standards to select banks with which balances and deposits are maintained. Generally, the balances are maintained with banks with which the Group has also availed borrowings. The Group invests surplus cash in short term deposits with scheduled banks. The Group has balances and deposits with banks which are well diversified across private and public sector banks with limited exposure to any single bank.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as under:

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Non-current investments (Other than Subsidiaries and Joint Ventures)	347.22	510.34
Loans -Non Current (including interest)	1,146.96	1,069.26
Other Non Current Financial Assets	2,700.69	3,244.88
Current Investments	151.35	-
Cash and cash equivalents	1,019.81	1,314.67
Bank balances other than Cash and Cash Equivalents	1,673.87	643.68
Loans -Current	61.87	61.40
Other Financial Assets (Excluding Lease Receivables)	658.93	682.09
Total (A)	**7,760.70**	**7,526.32**

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade Receivables	6,160.59	5,175.84
Lease Receivables (Including Interest)	6,161.13	6,306.08
Total (B)	**12,321.72**	**11,481.92**
TOTAL (A+B)	**20,082.42**	**19,008.24**

(ii) Provision for expected credit losses :-

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The Group assesses outstanding receivables on an ongoing basis considering changes in payment behaviour and provides for expected credit loss on case-to-case basis.

(b) Financial assets for which loss allowance is measured using life time expected credit losses

A default in recovery of financial assets occurs when there is no significant possibility of recovery of receivables after considering all available options for recovery as per assessment of the management. As the power stations and beneficiaries of the Group are spread over various states of India, geographically there is no concentration of credit risk.

The Group primarily sells electricity to bulk customers comprising mainly of state utilities owned by State Governments. The Group has a robust payment security mechanism in the form of Letters of Credit (LC) backed by the Tri-Partite Agreements (TPA) signed among the Govt. of India, RBI and the individual State Governments subsequent to the issuance of the One Time Settlement Scheme of SEBs dues during 2001-02 by the GOI, which was valid till October 2016. Government of India has approved the extension of these TPAs for another period of 10 years and the same has been signed by most of the States. As per the provisions of the TPA and Power Purchase Agreements (PPA), the customers are required to open LCs covering 105% of the average monthly billing of the Group for last 12 months. The TPA also provides that if there is any default in payment of current dues by any State Utility, the outstanding dues can be deducted from the Central Plan Assistance of the State and paid to the concerned CPSU. Also, Electricity (Late Payment Surcharge & Related Matters) Rules, 2022 provides for regulation of power by the Group in a gradual manner in case of non-payment of dues beyond 30 days of the due date, i.e. when payment is not made by any beneficiary even after 75 days (being due period of 45 days plus 30 days) from the date of presentation of the bill.

CERC Tariff Regulations 2019-24 allow the Group to raise bills on beneficiaries for late-payment surcharge, which adequately compensates the Group for time value of money due to delay in payment. Further, the fact that beneficiaries are primarily State Governments/ State Discoms and considering the historical credit loss experience for trade receivables, the Group does not envisage either impairment in the value of receivables from beneficiaries or loss due to time value of money due to delay in realization of trade receivables. However, the Group assesses outstanding trade receivables on an ongoing basis considering changes in operating results and payment behaviour and provides for expected credit loss on case-to-case basis. As at the reporting date Group does not envisage any default risk on account of non-realization of trade receivables.

(iii) Reconciliation of impairment loss provisions

The movement in the allowance for impairment in respect of financial assets during the year was as follows:

(₹ in Crore)

	Trade Receivables	Amount Recoverable	Loans	Total
Balance as at 1.4.2021	**33.76**	**275.18**	**0.01**	**308.95**
Changes in Loss Allowances	1.57	7.47	0.42	9.46
Balance as at 1.4.2022	**35.33**	**282.65**	**0.43**	**318.41**
Changes in Loss Allowances	0.04	4.52	18.40	22.96
Balance as at 31.3.2023	**35.37**	**287.17**	**18.83**	**341.37**

Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of any other financial assets as the amounts of such allowances are not significant.

(C) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

i) The Group's objective is to maintain optimum levels of liquidity at all times to meet its cash and collateral requirements. The Group relies on a mix of borrowings and excess operating cash flows to meet its need for funds. The current committed lines of credit and internal accruals are sufficient to meet its short to medium term expansion needs. The Group monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet capital expenditure and operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the borrowing limits or covenants (where applicable) are not breached on any of its borrowing facilities.

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
At Floating Rate	925.00	1,425.00
Total	**925.00**	**1,425.00**

ii) Maturities of Financial Liabilities:

The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 1 year is equal to their carrying balances as the impact of discounting is not significant.

As at 31st March, 2023 (₹ in Crore)

Contractual maturities of financial liabilities	Note No.	Outstanding Debt as on 31.3.2023	Within 1 Year	More than 1 Year & Less than 3 Years	More than 3 Year & Less than 5 Years	More than 5 Year
Borrowings	16.1 & 20.1	29,147.17	2,885.65	5,524.60	6,092.28	14,644.64
Lease Liabilities	16.2 & 20.2	75.98	4.78	9.65	3.31	58.24
Other financial Liabilities	16.3 & 20.4	4,134.32	1,916.13	60.62	35.05	2,122.52
Trade Payables	20.3	234.82	234.82	-	-	-
Total Financial Liabilities		**33,592.29**	**5,041.38**	**5,594.87**	**6,130.64**	**16,825.40**

As at 31st March, 2022 (₹ in Crore)

Contractual maturities of financial liabilities	Note No.	Outstanding Debt as on 31.03.2022	Within 1 Year	More than 1 Year & Less than 3 Years	More than 3 Year & Less than 5 Years	More than 5 Year
Borrowings	16.1 & 20.1	27,080.92	2,848.76	4,337.53	5,321.14	14,573.49
Lease obligations	16.2 & 20.2	30.86	3.12	7.51	4.14	16.09
Other financial Liabilities	16.3 & 20.4	3,701.41	1,581.51	15.05	18.15	2,086.70
Trade Payables	20.3	214.11	214.11	-	-	-
Total Financial Liabilities		**31,027.30**	**4,647.50**	**4,360.09**	**5,343.43**	**16,676.28**

(D) Market Risk:

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligation provisions and on the non-financial assets and liabilities. The sensitivity of the relevant item of the Statement of Profit and Loss is the effect of the assumed changes in the respective market risks. The Group's activities expose it to a variety of financial risks, including the effects of changes in interest rates.

(i) Interest rate risk and sensitivity

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with floating interest rates. Group's policy is to maintain most of its borrowings at fixed rate. Group's fixed rate borrowings are carried at amortised cost and are not subject to interest rate risk. Further the Group refinance these debts as and when favourable terms are available. The Group is also compensated for variability in floating rate through recovery by way of tariff adjustments under CERC tariff regulations.

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	weighted average interest rate (%)	(₹ in Crore)	weighted average interest rate (%)	(₹ in Crore)
Floating Rate Borrowings (INR)	8.26	6,403.12	5.64	3,510.01
Fixed Rate Borrowings (INR)	7.80	19,417.76	7.87	19,705.49
Fixed Rate Borrowings (FC)	1.35	1,371.42	1.38	1,475.97
Total		**27,192.30**		**24,691.48**

a) Interest Rate Sensitivity Analysis

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The majority of the borrowings of the Group are at fixed interest rate. In case of floating rate borrowings there is no impact on Statement of Profit and Loss of the Group due to increase/decrese in interest rates, as the same is recoverable from beneficiaries through tariff.

(b) Interest Rate Benchmark reform rate:

During the previous year, the Company has transitioned the outstanding Foreign Currency (JPY) Loan amounting to ₹ 688.75 Crore repayable in one instalment bullet on 25.07.2024 from floating rate of 6 month (LIBOR+ 0.75 %) to Compounded Reference Rate (i.e. TONA+CAS) +0.75%.

Contractual terms of the Company's bank borrowings stands amended as a direct consequence of the change in interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the basis immediately preceding the change.

The Company has opted for the practical expedient in Ind AS 109 i.e. Changes to cash flow flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.

The total outstanding amount of exposure that is directly affected by the Interest rate benchmark reform (IBOR) is ₹ 688.75 Crore. Further, the total amount of exposure on account of principal and Interest is hedged by derivative instruments.

Accordingly, there is no material impact on the Statement of Profit and Loss of the Company due to interest rate benchmark reforms.

(ii) Price Risk:

(a) Exposure

The Group's exposure to price risk arises from investment in equity shares and debt instruments classified in the financial statements as Fair Value Through OCI. Group's investment in equity shares are listed in recognised stock exchange and are publicly traded in the stock exchanges. Group's investment in debt instruments comprise quoted Government Securities and Public Sector Bonds and are publicly traded in the market. The investment has been classified under current/ non-current investment in Balance Sheet.

At a reporting date, the exposure to equity and debt instruments are as under:-

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Equity Instruments	102.06	98.70
Debt Instruments	396.51	411.64

(b) Price Risk Sensitivity

For Investment in Equity Instruments (Investment in equity shares of PTC)

The table below summarises the impact of increase/decrease in the market price of investment in equity instruments on the Group's equity for the year:

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	% change	Impact on other components of equity (₹ in Crore)	% change	Impact on other components of equity (₹ in Crore)
Investment in Equity shares of:				
PTC India Ltd	18.39	18.77	8.62	8.50

Sensitivity has been worked out based on the previous 3 years average of six monthly fluctuations in the share price as quoted on the National Stock Exchange (NSE).

For Investment in Debt Instruments (Investments in Government and Public Sector Undertaking Bonds)

The table below summarises the impact of increase/decrease of the market value of the debt instruments on Group's equity for the year:

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	% change	Impact on other components of equity (₹ in Crore)	% change	Impact on other components of equity (₹ in Crore)
Government Securities	0.03	0.09	0.61	2.01
Public Sector Undertaking Tax Free Bonds	0.89	0.73	1.42	1.20

(iii) Foreign Currency Risk

The Group is compensated for variability in foreign currency exchange rate through recovery by way of tariff adjustments under the CERC Tariff Regulations.

(a) Foreign Currency Exposure:

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows :

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Financial Liabilities:		
Foreign Currency Loans		
Japan International Corporation LTD (JPY)	698.18	801.97
MUFG BANK (JPY)	673.24	674.00
Other Financial Liabilities	39.61	49.77
Net Exposure to foreign currency (liabilities)	**1,411.03**	**1,525.74**

Out of the above, loan from MUFG bank is hedged through call spread, option and coupon only swap. For balance exposure gain/(loss) on account of exchange variation is recoverable from beneficiaries as per Tariff Regulation 2019-24. Therefore, currency risk in respect of such exposure would not be significant.

(b) Sensitivity Analysis

There is no impact of foreign currency fluctuations on the profit of the Group as these are either adjusted to the carrying cost of respective fixed asset/Capital Work-in-Progress or recovered through tariff as per CERC Tariff Regulation. sensitivity analysis for currency risk is not disclosed.

(3) CAPITAL MANAGEMENT

(a) Capital Risk Management

The primary objective of the Group's capital management is to maximize the shareholder value. CERC Tariff Regulations prescribe Debt : Equity ratio of 70:30 for the purpose of fixation of tariff of Power Projects. Accordingly the Group manages its capital structure to maintain the normative capital structure prescribed by the CERC.

The Group monitors capital using Debt : Equity ratio, which is net debt divided by total capital. The Debt : Equity ratio are as follows:

Statement of Gearing Ratio

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Total Debt (₹ in Crore)	31,557.04	28,113.15
(b) Total Equity Attributable to Owners of the Company (₹ in Crore)	36,899.34	34,920.98
Gearing Ratio (a/b)	0.86	0.81

Note: For the purpose of the Group's capital management, capital includes issued capital and reserves. Total debt includes Long term debts and Lease Liabilities including current maturities thereof, Short term Borrowings and Payable towards Bonds fully serviced by Government of India.

(b) Loan Covenants:

Under the terms of the major borrowing facilities, the Company is required to comply with the following financial covenants:-

1. Maintain AAA credit rating and if rating comes down, rate of interest shall be increased by 25 basis point for each notch below AAA rating .
2. Debt to net worth should not exceed 2:1.
3 Interest coverage ratio should be more than 2 times and should be calculated as ((Net Profit+Non Cash Expenditures+Interest Payable-Non Cash Income)/Interest Payable))
4. The gross Debt Service Coverage Ratio of the Company will no time be less than 1.25 during the currency of loan.
5. The Government of India holding in the Company not to fall below 51%.
6. First Charge on Assets with 1:1.33 coverage on pari paasu basis.

During the year the Group has complied with the above loan covenants.

(c) Dividends:

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) Equity Shares		
Final dividend for the year 2021-22 of INR 0.50 per fully paid share approved in Aug-2022 and paid in Sep-2022. (31st March 2021- INR 0.35 fully paid share for FY 2020-21).	502.25	351.58
Interim dividend for the year ended 31st March 2023 of INR 1.40 (31st March 2022- INR 1.31) per fully paid share.	1,406.31	1,315.90
(ii) Dividend not recognised at the end of the reporting year		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of INR 0.45 (31st March 2022- INR 0.50) per fully paid up Shares . The proposed dividend is subject to the approval of shareholders in the ensuring AGM.	452.03	502.25

Note No. – 34: Other Explanatory Notes to Accounts

1. The Subsidiary Companies and Joint Venture Companies considered in the Consolidated Financial Statements are:

Name of the Company	Country of Incorporation	Proportion (%) of Ownership Interest	
		31.03.2023	31.03.2022
A. Subsidiary Companies			
NHDC Limited	India	51.08%	51.08%
Loktak Downstream Hydroelectric Corporation Limited (LDHCL)	India	74.82%	74.83%
Bundelkhand Saur Urja Limited (BSUL)	India	86.94%	86.67%
Lanco Teesta Hydro Power Limited (LTHPL) (Refer Note 1.1 of Note 34)	India	100.00%	100.00%
Jalpower Corporation Limited (JPCL) (Refer Note 1.2 of Note 34)	India	100.00%	100.00%
Ratle Hydroelectric Power Corporation Limited (w.e.f. 01.06.2021) (RHPCL)	India	51.00%	73.53%
NHPC Renewable Energy Limited (NREL)- w.e.f. 16.02.2022 (Refer Note 1.3 of Note 34)	India	100.00%	-
Chenab Valley Power Projects (P) Limited (CVPPPL) (w.e.f 21.11.2022) (Refer Note 1.4 of Note 34)	India	52.74%	-
B. Joint Venture Companies			
Chenab Valley Power Projects (P) Limited (CVPPPL) (till 20.11.2022)	India	-	55.13%
National High Power Test Laboratory Private Limited (NHPTL) (Refer Note 1.5 of Note 34)	India	20.00%	20.00%

1.1 The Board of Directors of the Company in its meeting held on December 7, 2021 has approved the merger/ amalgamation of Lanco Teesta Hydro Power Limited (a wholly owned subsidiary of NHPC Limited) with NHPC Limited under Section 230-232 of the Companies Act, 2013 and other statutory provisions as per the terms and conditions mentioned in the Scheme of Amalgamation (Scheme). Application for approval of the "Scheme of Merger/Amalgamation of Lanco Teesta Hydro Power Limited (LTHPL) with NHPC Limited" has been filed before the Ministry of Corporate Affairs (MCA) on August 10, 2022 after receiving consent from the Government of India. Further to the same, MCA has issued certain directions and the Company is in the process of compliance of these directions.

1.2. The Board of Directors of the Company in its meeting held on September 24, 2021 has approved the proposal to initiate the process of merger of Jalpower Corporation Limited (a wholly owned subsidiary of NHPC Limited) with NHPC Limited as per applicable provisions of the Companies Act, 2013. Approval of the Ministry of Power, Government of India has been conveyed on 26th April, 2023. Application for approval of the Scheme of Merger/ Amalgamation shall be filed before the Ministry of Corporate Affairs (MCA) in due course.

1.3. Holding Company had incorporated a wholly owned subsidiary company in the name of NHPC Renewable Energy Limited (NREL) on 16.02.2022 for development of renewable energy, small hydro and green hydrogen projects. NREL has prepared its first Financial Statements during the current financial year from its date of incorporation. There was no asset/liability as at 31.03.2022 and no Income/Expenditure for the period started from date of Incorporation to 31st March 2022.

1.4. During FY 2021-22, the Company had acquired 2% equity of PTC India Limited (PTC) in Chenab Valley Power Projects Private Limited (A Joint Venture Company between NHPC (49%), Jammu and Kashmir State Power Development Corporation Limited (JKSPDCL) (49%) and PTC (2%)). Subsequent to this, shareholding of NHPC had crossed 50%. However pending modification in the Promoter's Agreement, during FY 2021-22, CVPPPL was accounted for as a Joint Venture owing to control being exercised jointly with the other joint venturer (JKSPDCL) in terms of the Joint Venture agreement. During FY 2022-23, the Supplementary Promoters' Agreement of Chenab Valley Power Projects Private Ltd. (CVPPPL) has been signed between NHPC and JKSPDCL on 21.11.2022. As per the said agreement, NHPC has majority representation on the Board of CVPPPL and has gained control over CVPPPL from that date. Accordingly, this date has been considered as the date of acquisition under Ind AS 103 "Business Combinations". Status of CVPPPL has changed from a Joint Venture to a Subsidiary Company w.e.f. 21.11.2022.

1.5 The financial statements are unaudited. The figures appearing in financial statements may change on completion of its audit.

2. Disclosures relating to Contingent Liabilities:

Contingent Liabilities to the extent not provided for –

a) Claims against the Group not acknowledged as debts in respect of:

(i) Capital works

Contractors have lodged claims aggregating to ₹ **10258.26 Crore** (Previous year ₹ **10482.29 Crore)** against the Group on account of rate and quantity deviation, cost relating to extension of time, idling charges due to stoppage of work/delays in handing over the site etc. These claims are being contested by the Group as being not admissible in terms of provisions of the respective contracts or are lying at arbitration tribunal/ other forums/under examination with the Group. These include ₹ **6442.57** Crore (Previous year ₹ **6281.87** Crore) towards arbitration awards including updated interest thereon, against the Group, which have been challenged/decided to be challenged in the Court of Law.

Management has assessed the above claims and recognized a provision of ₹ **1125.34 Crore** (Previous year ₹ **418.63 Crore)** based on probability of outflow of resources embodying economic benefits and estimated ₹ **8835.67 Crore** (Previous year ₹ **9787.51 Crore)** as the amount of contingent liability i.e. amounts for which Group may be held contingently liable. In respect of such estimated contingent claims either the outflow of resources embodying economic benefits is not probable or a reliable estimate of the amount required for settling the obligation cannot be made. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered remote.

(ii) Land Compensation cases

In respect of land acquired for the projects, some of the erstwhile land owners have filed claims for higher compensation amounting to ₹ **523.72 Crore** (Previous year ₹ **554.17 Crore)** before various authorities/ Courts. Pending settlement, the Group has assessed and provided an amount of ₹ **31.11 Crore** (Previous year ₹ **59.63 Crore)** based on probability of outflow of resources embodying economic benefits and estimated ₹ **492.61 Crore** (Previous year ₹ **494.54 Crore)** as the amount of contingent liability as outflow of resources is considered not probable.

(iii) Disputed Tax Demands

Disputed Income Tax/Sales Tax/Service Tax/Goods & Services Tax/ Water Cess/ Green Energy Cess /other taxes/duties matters pending before various appellate authorities amount to ₹ **2064.15 Crore** (Previous year ₹ **1905.83 Crore).** Pending settlement, the Group has assessed and provided an amount of ₹ **17.52 Crore** (Previous year ₹ **17.52 Crore)** based on probability of outflow of resources embodying economic benefits and ₹ **856.98 Crore** (Previous year ₹ **704.40 Crore)** are being disclosed as contingent liability as outflow of resources is considered not probable. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered remote.

(iv) Others

Claims on account of other miscellaneous matters amount to ₹ **917.39 Crore** (Previous year ₹ **772.20 Crore).** These claims are pending before various forums. Pending settlement, the Group has assessed and provided an amount of ₹ **102.16 Crore** (Previous year ₹ **102.24 Crore)** based on probability of outflow of resources embodying economic benefits and estimated ₹ 806.67 Crore (Previous year ₹ **660.62 Crore)** as the amount of contingent liability as outflow of resources is considered as not probable. In respect of the rest of the claims/ obligations, possibility of any outflow in settlement is considered remote.

The above is summarized as below:

(₹ in Crore)

Sl. No.	Particulars	Claims as on 31.03.2023	up to date Provision against the claims	Contingent liability as on 31.03.2023	Contingent liability as on 31.03.2022	Addition to (deduction) from contingent liability during the year	Decrease of contingent liability from Opening Balance as on 01.04.2022
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)=(v)-(vi)	(viii)
1.	Capital Works	10258.26	1125.34	8835.67	9787.51	(951.84)	1809.61

(₹ in Crore)

Sl. No.	Particulars	Claims as on 31.03.2023	up to date Provision against the claims	Contingent liability as on 31.03.2023	Contingent liability as on 31.03.2022	Addition to (deduction) from contingent liability during the year	Decrease of contingent liability from Opening Balance as on 01.04.2022
2.	Land Compensation cases	523.72	31.11	492.61	494.54	(1.93)	18.09
3.	Disputed tax matters	2064.15	17.52	856.98	704.40	152.58	1.09
4.	Others	917.39	102.16	806.67	660.62	146.05	27.50
	Total	**13763.52**	**1276.13**	**10991.93**	**11647.07**	**(655.14)**	**1856.29**

(b) The above do not include contingent liabilities on account of pending cases in respect of service matters relating to employees (including ex-employees)and others where the amount cannot be quantified.

(c) It is not practicable to ascertain and disclose the uncertainties relating to outflow in respect of contingent liabilities.

(d) There is possibility of reimbursement to the Group of ₹ **502.25 Crore** (Previous year ₹ **462.67 Crore)** towards above Contingent Liabilities.

(e) (i) An amount of ₹ **1231.31 Crore** (Previous year ₹ **1140.40 Crore)** stands paid towards above Contingent Liabilities in respect of Capital Works, pursuant to Niti Aayog directions issued vide OM No. 14070/14/2016-PPPAU dated 5th September 2016, in cases where Arbitral Tribunals have passed orders in favour of contractors and such awards/orders have been further challenged/ being challenged by the Group in a Court of Law. The amount so paid has been shown under Other Non-Current Assets (Also refer Note No. 5).

(ii) An amount of ₹ **1663.97 Crore** (Previous year ₹ **1657.55 Crore**) stands paid /deposited with courts/paid as per Court Order towards above contingent liabilities to contest the cases and has been shown under Other Non-Current/ Current Assets/ adjusted against other liabilities of the claimants.

(f) The Management does not expect that the above claims/obligations (including under litigation), when ultimately concluded and determined, will have a material and adverse effect on the Group's results of operations or financial condition.

3. Contingent Assets: Contingent assets in respect of the Group are on account of the following:

a) Counter Claims lodged by the Group on other entities:

The Group has lodged counter claims aggregating to ₹ **1401.48 Crore** (Previous year ₹ **1067.90 Crore**) against claims of other entities. These claims have been lodged on the basis of contractual provisions and are being contested at arbitration tribunal/other forums/under examination with the counterparty. It includes counter claims of ₹ **36.13 Crore** (Previous year ₹ **26.74 Crore**) towards arbitration awards including updated interest thereon.

Based on Management assessment, a favourable outcome is probable in respect of the claims aggregating ₹ **1106.28 Crore** (Previous year ₹ **828.50 Crore**) and for rest of the claims, the possibility of any inflow is remote. Accordingly, these claims have not been recognised.

b) Late Payment Surcharge:

CERC (Terms & Conditions of Tariff) Regulations 2014-19/2019-24 provide for levy of Late Payment Surcharge by generating Group in case of delay in payment by beneficiaries beyond specified days from the date of presentation of bill. In view of significant uncertainties in the ultimate collection from beneficiaries, an amount of ₹ **23.76 Crore** (previous year ₹ **25.61 Crore**) as estimated by the management has not been recognised.

c) Revenue to the extent not recognised in respect of power stations:

Tariff orders on account of petition fee for 2019-24 are pending in respect of twelve Power stations. Management has assessed that additional revenue of ₹ **5.69 Crore** (Previous year ₹ **7.26 Crore**) is likely to accrue which has not been recognised due to significant uncertainty for the approval thereof.

d) Business Interruption Losses

Insurance Claims due to Business Interruption Losses in respect of Power Stations are recognised when no significant uncertainty of ultimate collection exists. Management has assessed the claim of ₹ **128.97 Crore** (Previous Year ₹ **192.71 Crore**) in this respect which have not been recognised. Power Station-wise details of claims are given at Note 34(24) of the Consolidated Financial Statements.

e) Other Cases

Claims on account of other miscellaneous matters comprising of interest on amounts deposited as per NITI Aayog directions/ Court Orders in respect of cases pending in Court, liquidated damages, dues from ex- employees etc. estimated by Management to be ₹ **1175.75 Crore** (Previous year ₹ **933.28 Crore**) have not been recognised.

4. Commitments (to the extent not provided for):

(a) Estimated amount of contracts remaining to be executed on capital account are as under:

(₹ in Crore)

Sl. No.	Particulars	As at 31.03.2023	As at 31.03.2022
(i)	(ii)	(iii)	(iv)
1.	Property Plant and Equipment (including Capital Work in Progress)	22,065.91	9203.58
2.	Intangible Assets	29.68	33.09
	Total	**22,095.59**	**9236.67**

(b) The Holding Company has commitments of ₹ **NIL Crore** (Previous year ₹ **762.19 Crore)** towards further investment in the Joint Venture Companies as at 31st March, 2023.

5. Commitments regarding Corporate Guarantee issued by the Holding Company:

Corporate Guarantee Given to	Guarantee Given in favour of	Total Commitment (including outstanding interest as at)	Exposure of the Holding Company from the Commitment as at		Guarantee fee charged by the Company	Purpose
		31.03.2023	31.03.2023	31.03.2022	(in %)	
		(₹ in Crore)				
Bundelkhand Saur Urja Limited (BSUL)	HDFC Bank in support of credit facility to BSUL	213.25	134.01	60.19	1.20%	For meeting CAPEX Requirement
Jalpower Corporation Limited (JPCL)	J&K Bank in support of credit facility to JPCL	313.00	280.00	-	1.20%	For meeting CAPEX Requirement
Lanco Teesta Hydro Power Limited (LTHPL)	J&K Bank and Bank of Baroda in support of credit facility to LTHPL	553.58	553.58	-	1.20%	For meeting CAPEX Requirement

6. **Disclosures as per IND AS 115 'Revenue from contracts with customers':**

(A) Nature of goods and services

Revenue of the Group comprises of income from sale of power, trading of power, consultancy and other services. The following is a description of the principal activities:

(a) Revenue from sale of power

The major revenue of the Group comes from sale of power/electricity. The Group sells power to bulk customers, mainly electricity utilities owned by State Governments as well as private Discoms operating in States. Sale of power is generally made pursuant to long-term Power Purchase Agreements (PPAs) entered into with the beneficiaries.

The details of nature, timing of satisfaction of performance obligations and significant payment terms under contracts for sale of power are as under:

Product/ Service	Nature, timing of satisfaction of performance obligations and significant payment terms
Sale of electricity	The Group recognises revenue from contracts for electricity sales on the basis of long-term Power Purchase Agreements entered into with the beneficiaries, which is for substantially the entire life of the Power Stations, i.e., 40 years in case of Hydro Power Stations and 25 years in case of Renewable Energy Projects. Revenue from sale of electricity is accounted for based on tariff rates approved by the CERC for tariff periods of 5 years as modified by the orders of Appellate Tribunal for Electricity to the extent applicable. In case of power stations where the tariff rates are yet to be approved/ approved provisionally by the CERC in their orders, provisional rates are adopted considering the applicable CERC Tariff Regulations. Revenue from sale of electricity is recognised once the electricity has been delivered to the beneficiary. The amounts are billed as per the terms of Power Purchase Agreements (PPA) and are payable as per Terms of PPA.

(b) Project Management / Construction Contracts/ Consultancy assignments (Projects and Consultancies)

The Group undertakes consultancy and project execution & maintenance contracts for domestic and international clients. Services are rendered in various areas, viz. Design and engineering, procurement, project management and supervision, construction management, operation and maintenance of power plants, rural road projects and rural electrification projects.

The details of nature, timing of satisfaction of performance obligations and significant payment terms under contracts for consultancy and other services are as under:

Product/ Service	Nature, timing of satisfaction of performance obligations and significant payment terms
Consultancy Services	The Group recognises revenue from contracts for consultancy services over time as customers simultaneously receive and consume the benefits provided by the Group. The assets (e.g. deliverables, reports etc.) transferred under the contracts do not have any alternative use to the Company and the Group has enforceable right to payment for performance completed to date. The revenue from consultancy services is determined as per the terms of the contracts. The amounts are billed as per the terms of contracts and are payable within contractually agreed credit period.
Rural Road Project / Rural Electrification Project	The Group recognises revenue from work done under the scheme over time as the assets do not have alternative use to the Company and the Company has enforceable right to payment for performance completed to date. Revenue from the scheme is determined as per terms of contract. The amounts are billed as per the terms of contract and are payable within contractually agreed credit period.

(c) Trading of Power

The Group purchases power from Generating Companies and sells it to Discoms. Depending on the nature and the risks and reward profile of the agreements, the Group accounts for revenue from trading of power either as an agent or as a principal.

Below are the details of nature, timing of satisfaction of performance obligations and significant payment terms under contracts for sale of electricity through trading:

Product/ Service	Nature, timing of satisfaction of performance obligations and significant payment terms
Sale of electricity through trading	The Group recognises revenue from contracts for sale of electricity through trading over the time as the customers simultaneously receive and consume the benefits provided by the Group. Tariff for computing revenue from sale of electricity through trading is determined as per the terms of the agreements. The amounts are billed as per periodicity specified in the Contract and are payable within contractually agreed credit period.

(B) Disaggregation of Revenue

In the following table, revenue is disaggregated by type of product and services, geographical market and timing of revenue recognition:

(₹ in Crore)

Particulars	Generation of electricity for the year ended (including revenue classified as revenue from Finance and Operating Leases)		Project Management / Construction Contracts/ Consultancy assignments		Trading of Power		Others		Total	
Geographical markets	**31st March 2023**	**31st March 2022**	**31st March 2023**	**31st March 2022**	**31st March 2023**	**31st March 2022**	**31st March 2023**	**31st March 2022**	**31st March 2023**	**31st March 2022**
India	10,444.41	9,038.79	29.50	22.33	4.60	0.27	128.62	82.22	10,607.13	9,143.61
Others	-	-	0.27	0.59	-	-	-	-	0.27	0.59
Total	**10,444.41**	**9,038.79**	**29.77**	**22.92**	**4.60**	**0.27**	**128.62**	**82.22**	**10,607.40**	**9,144.20**
Timing of revenue recognition:										
Products and services transferred over time	10,444.41	9,038.79	29.77	22.92	4.60	0.27	128.62	82.22	10,607.40	9,144.20
Units Sold (MU)	27068	24145							27068	24145

(C) Contract Balances

Details of trade receivables including unbilled receivables and 'advances from customers / clients for Deposit Works and Contract Liabilities-Project Management/Consultancy Work are as under:

(₹ in Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade Receivable-Non Current	473.51	-
Trade Receivables Current	6160.59	5175.84
Contract Liabilities- Deposit Works -Current	84.64	6.30
Contract Liabilities- Project Management/ Consultancy Work- Current	106.79	112.54
Advance from Customers and Others- Current	28.40	66.79

The Group has recognised revenue of ₹ **0.41 Crore** (Previous Year ₹ **NIL**) from opening contract liabilities.

(D) Transaction price allocated to the remaining performance obligations is either not applicable or not material to the Company's operations.

(E) Practical expedients applied as per Ind AS 115 'Revenue from Contracts with Customers':

(i) The Group has not disclosed information about remaining performance obligations that have original expected duration of one year or less and where the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date.

(ii) The Group generally does not have any contracts in the normal course of business where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Accordingly, transaction price has been adjusted for the time value of money only where such time value of money is significant.

(F) The Group has not incurred any incremental costs of obtaining contracts with a customer and has therefore, not recognised any asset for such costs.

7. Government of Madhya Pradesh (GoMP), being a shareholder of Subsidiary Company, contributed on various accounts through Narmada Valley Development Authority (NVDA) as per CCEA approval, details given below: - (Refer Note No. 19 of Consolidated Balance Sheet)

Movement as per FY 2022-23:

Indira Sagar Project (ISP): -

(₹ in Crore)

(A) Amount received in Cash or in kind	Cumulative up to 31.03.2022	During 2022-23	Cumulative up to 31.03.2023
i. Expenditure by NVDA on account of Project	1,378.64	2.27	1,380.91
ii. Cash Received	672.83	-	672.83
iii. Amount transferred from OSP A/c	8.56	-	8.56
Total of (A)	**2,060.03**	**2.27**	**2,062.30**
(B) Due/Adjusted on account of			
i. Equity Capital	660.00	-	660.00
ii. Irrigation Component	407.26	0.10	407.36
iii. SSP Component	520.41	0.12	520.53
iv. Sub-vention towards excess R&R Expenses	425.14	3.17	428.31
v. Electricity charges and water supply maintenance charges	5.04	-	5.04
vi. Equity of OSP	33.08	-	33.08
Total of (B)	**2,050.93**	**3.39**	**2,054.32**
(C) Amount recoverable from NVDA i.e. (B-A)	**(9.10)**	**1.12**	**(7.98)**

Omkareshwar Project (OSP): -

(₹ in Crore)

(D) Amount received in Cash or in kind	Cumulative up to 31.03.2022	During 2022-23	Cumulative up to 31.03.2023
i. Expenditure by NVDA on account of Project	127.94	4.97	132.91
ii. Cash Received	658.41	22.00	680.41
iii. Amount transferred from ISP A/C	33.08	-	33.08
Total of (D)	**819.43**	**26.97**	**846.40**

(₹ in Crore)

(D) Amount received in Cash or in kind	Cumulative up to 31.03.2022	During 2022-23	Cumulative up to 31.03.2023
(E) Due/Adjusted on account of			
i. Equity Capital	300.16	-	300.16
ii. Irrigation Component	243.12	0.46	243.58
iii. Subvention towards excess R&R Expenses	83.37	2.63	86.00
iv. Amount Transferred to ISP A/C	8.56	-	8.56
v. Additional Special R&R Package	231.99	-	231.99
Total of (E)	**867.20**	**3.09**	**870.29**
(F) Amount recoverable from NVDA i.e. (E-D)	**47.77**	**(23.88)**	**23.89**
(G) Total Amount recoverable i.e (C+F)	**38.67**	**(22.76)**	**15.91**

Movement of Grant in Aid during Financial Year 2022-23 is as under:-

(₹ in Crore)

Sl. No.	Particulars	01.04.2022	Additions	Deductions	31.03.2023
1.	Proportionate contribution by Govt. of Madhya Pradesh towards Irrigation Component in ISP as a Grant-in-Aid	188.51	0.10	12.65	175.96
2.	Proportionate Sub-vention towards Sardar Sarovar project transferred from NVDA Account for ISP.	240.92	0.12	16.16	224.88
3.	Contribution by Govt. of Madhya Pradesh towards R&R of ISP.	224.19	3.17	16.95	210.41
4.	Proportionate contribution by Govt. of Madhya Pradesh towards Irrigation Component in OSP as Grant-in-Aid	109.62	0.46	5.81	104.27
5.	Contribution by Govt. of Madhya Pradesh towards R&R of OSP.	200.10	2.63	12.95	189.78
	Total	**963.34**	**6.48**	**64.52**	**905.30**

Movement during FY 2021-22:

Indira Sagar Project (ISP): -

(₹ in Crore)

(A) Amount received in Cash or in kind	Cumulative up to 31.03.2021	During 2021-22	Cumulative up to 31.03.2022
i. Expenditure by NVDA on account of Project	1,375.67	2.97	1,378.64
ii. Cash Received	672.83	-	672.83
iii. Amount transferred from OSP A/c	8.56	-	8.56
Total of (A)	**2,057.06**	**2.97**	**2,060.03**
(B) Due/Adjusted on account of			
i. Equity Capital	660.00	-	660.00
ii. Irrigation Component	406.91	0.35	407.26

(A) Amount received in Cash or in kind	Cumulative up to 31.03.2021	During 2021-22	Cumulative up to 31.03.2022
iii. SSP Component	519.95	0.46	520.41
iv. Sub-vention towards excess R&R Expenses	422.57	2.57	425.14
v. Electricity charges and water supply maintenance charges	5.04	-	5.04
vi. Equity of OSP	33.08	-	33.08
Total of (B)	**2,047.55**	**3.38**	**2,050.93**
(C) Amount recoverable from NVDA i.e. (B-A)	**(9.51)**	**0.41**	**(9.10)**

Omkareshwar Project (OSP): -

(₹ in Crore)

(D) Amount received in Cash or in kind	Cumulative up to 31.03.2021	During 2021-22	Cumulative up to 31.03.2022
i. Expenditure by NVDA on account of Project	127.76	0.18	127.94
ii. Cash Received	655.41	3.00	658.41
iii. Amount transferred from ISP A/C	33.08	-	33.08
Total of (D)	**816.25**	**3.18**	**819.43**
(E) Due/Adjusted on account of			
i. Equity Capital	300.16	-	300.16
ii. Irrigation Component	243.03	0.09	243.12
iii. Subvention towards excess R&R Expenses	82.72	0.65	83.37
iv. Amount Transferred to ISP A/C	8.56	-	8.56
v. Additional Special R&R Package	231.99	-	231.99
Total of (E)	**866.46**	**0.74**	**867.20**
(F) Amount recoverable from NVDA i.e. (E-D)	**50.21**	**(2.44)**	**47.77**
(G) Total Amount recoverable i.e (C+F)	**40.70**	**(2.03)**	**38.67**

Movement of Grant in Aid during Financial Year 2021-22 is as under:-

(₹ in Crore)

Sl. No.	Particulars	01.04.2021	Additions	Deductions	31.03.2022
1.	Proportionate contribution by Govt. of Madhya Pradesh towards Irrigation Component in ISP as a Grant-in-Aid	200.79	0.35	12.63	**188.51**
2.	Proportionate Sub-vention towards Sardar Sarovar project transferred from NVDA Account for ISP.	256.60	0.46	16.14	**240.92**
3.	Contribution by Govt. of Madhya Pradesh towards R&R of ISP.	238.33	2.57	16.71	**224.19**
4.	Proportionate contribution by Govt. of Madhya Pradesh towards Irrigation Component in OSP as Grant-in-Aid	115.35	0.09	5.82	**109.62**
5.	Contribution by Govt. of Madhya Pradesh towards R&R of OSP.	212.23	0.65	12.78	**200.10**
	Total	**1,023.30**	**4.12**	**64.07**	**963.34**

8. The effect of foreign exchange rate variation (FERV) during the year are as under:

(₹ in Crore)

Sl. No.	Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
(i)	Amount charged to Statement of Profit and Loss as FERV	(0.48)	(49.28)
(ii)	Amount recognised in Regulatory Deferral Account Balances	1.23	(0.17)
(iii)	Amount adjusted by addition to the carrying amount of Property, Plant and Equipment	(7.45)	(58.77)

9. Operating Segments:

a) Electricity generation (including income from embedded Finance/ Operating leases) is the principal business activity of the Group. Other operations viz., Contracts, Project Management, Consultancy works and Power Trading Business do not form a reportable segment as per the Ind AS – 108 on 'Operating Segments'.

b) The Group has a single geographical segment as all its Power Stations /Power-generating units are located within the Country.

c) Information about major customers: Revenue of ₹ **3699.70 Crore** (Previous year ₹ **3843.80 Crore**) is derived from following customers as per details below:

Sl. No.	Name of Customer	Revenue from customer for the year ended 31st March, 2023		Revenue from customer for the year ended 31st March, 2022	
		Amount (₹ in Crore)	% of Total Revenue	Amount (₹ in Crore)	% of Total Revenue
1	Uttar Pradesh Power Corporation Limited.	1,275.49	12.02%	1525.86	16.69%
2	Power Development Department, Jammu & Kashmir Govt./ JK Power Corporation Limited	1,105.80	10.42%	1459.74	15.96%
3	Madhya Pradesh Power Management Company Limited	1,318.41	12.43%	858.20	9.39%
	Total	**3,699.70**	**34.87%**	**3,843.80**	**42.04%**

d) Revenue from External Customers: The Group is domiciled in India. The amount of its revenue from external customers is as under:

(₹ in Crore)

Sl. No	Revenue from External Customers	For the year ended 31.03.2023	For the year ended 31.03.2022
1	Nepal	0.27	0.59
	Total	**0.27**	**0.59**

Note: Above includes amount in foreign currency ₹ **NIL** (Previous year ₹ **NIL**).

e) Non-Current Assets held in foreign Countries:

(₹ in Crore)

Sl. No	Foreign Countries	Non-Current Asset	For the year ended 31.03.2023	For the year ended 31.03.2022
1	Nepal*	Capital Work in Progress	26.52	-
		Total	**26.52**	**-**

* Projects in Nepal are under survey and Investigation stage.

10. **Disclosures under Ind AS-24 "Related Party Disclosures":**

(A) List of Related parties:

(i) Joint Ventures:

Name of Companies	Principal place of operation
National High Power Test Laboratory (P) Limited (NHPTL)	India
Chenab Valley Power Projects Private Limited (CVPPPL) (up to 20.11.2022)	India

(ii) Key Managerial Personnel (KMP):

Sl. No.	Name	Position Held
1	Shri Rajeev Kumar Vishnoi	Chairman and Managing Director (CMD) w.e.f. 13.12.2022
2	Shri Yamuna Kumar Chaubey	Director (Technical); Additional Charge of Chairman and Managing Director (w.e.f. 01.09.2022 to 13.12.2022); Additional Charge of Director (Personnel) (w.e.f 03.03.2022 to 02.03.2023)
3	Shri Abhay Kumar Singh	Chairman and Managing Director (Superannuated on 31.08.2022)
4	Shri Rajendra Prasad Goyal	Director (Finance) and CFO Additional Charge of Director (Personnel) w.e.f. 03.03.2023
5	Shri Biswajit Basu	Director (Projects)
6	Shri Nikhil Kumar jain	Director Personnel (Ceased on 02.12.2021)
7	Shri Tanmay Kumar	Govt. Nominee Director (Joint Secretary, Ministry of Power) (Ceased on 13.09.2021)
8	Shri Raghuraj Madhav Rajendran	Govt. Nominee Director (Joint Secretary, Ministry of Power) (Appointed on 16.09.2021 and Ceased on 05.12.2022)
9	Shri Mohammad Afzal	Govt. Nominee Director (Joint Secretary, Ministry of Power) w.e.f. 06.12.2022
10	Dr. Uday Sakharam Nirgudkar	Independent Director (Appointed on 15.11.2021)
11	Dr. Amit Kansal	Independent Director (Appointed on 21.11.2021)
12	Dr. Rashmi Sharma Rawal	Independent Director (Appointed on 30.11.2021)
13	Shri Jiji Joseph	Independent Director (Appointed on 01.12.2021)
14	Shri Premkumar Goverthanan	Independent Director (Appointed w.e.f. 10.03.2023)
15	Smt. Rupa Deb	Company Secretary (Appointed on 24.09.2021)
16	Shri Saurabh Chakravorty	Company Secretary (Ceased on 24.09.2021)

(iii) Post-Employment Benefit Plans :

Name of Related Parties	Principal place of operation
NHPC Limited Employees Provident Fund	India
NHPC Limited Employees Group Gratuity Assurance Fund	India
NHPC Limited Retired Employees Health Scheme Trust	India
NHPC Limited Employees Social Security Scheme Trust	India
NHPC Limited Employees Defined Contribution Superannuation Scheme Trust	India
NHPC Limited Employee Leave Encashment Trust	India

(iv) Other entities with joint-control or significant influence over the Group:

The Group is a Central Public Sector Enterprise (CPSE) controlled by Central Government by holding majority of shares. The Group has applied the exemption available for government related entities and has made limited disclosures in the Financial Statements in accordance with Ind AS 24. Accordingly, party-wise details of such transactions have not been given since such transactions are carried out in the ordinary course of business at normal commercial terms and are not considered to be significant.

Sl. No.	Name of the Governments/ Other Govt. Controlled Entities	Nature of Relationship with NHPC
1	Government of India	Shareholder having control over Group
2	Government of Madhya Pradesh (GoMP), Government of Manipur, Uttar Pradesh New and Renewable Energy Development Agency (UPNEDA) , and Jammu and Kashmir State Power Development Corporation Limited (JKSPDCL)	Shareholder (NCI) in Subsidiary Companies of NHPC
3	Various Central Public Sector Enterprises and Other Govt. Controlled Entities (BHEL, IOCL, POSOCO, SAIL, New India Assurance Company, Damodar Vally Corporation, PGCIL, REC, BSNL, EESL, KV, Balmer Lawrie & Co. Ltd., Power Foundation of India etc.)	Entities controlled by the same Government (Central Government) that has control over NHPC

(B) Transactions with related parties are as follows:

(i) Transactions with Joint Ventures

(₹ in Crore)

Particulars	For the Year ended 31.03.2023	For the Year ended 31.03.2022
(i)	(ii)	(iii)
Services Provided by the Group		
▪ CVPPPL (up to 20.11.2022)	16.58	33.22
Equity contributions (including share application money) by the Group		
▪ CVPPPL (up to 20.11.2022)	107.94	451.56
Reimbursement of employee benefit expenses of employees on deputation/ posted at Subsidiary Companies		
▪ CVPPPL (up to 20.11.2022)	-	2.95
Interest Income on Loan given by the Company		
▪ NHPTL	-	0.19

(₹ in Crore)

Balances with Joint Ventures	As at 31.03.2023	As at 31.03.2022
(i)	(ii)	(iii)
Receivable (unsecured)		
▪ CVPPPL*(up to 20.11.2022)	-	60.89
Investment in Equity		
▪ CVPPPL*(up to 20.11.2022)	-	1839.56
▪ NHPTL (Also Refer Note 33(a))	30.40	30.40
Loans & Advances Receivable (including accrued interest) from:		
▪ NHPTL**	18.82	18.82

* Balances as at 31.03.2023 has been eliminated considering CVPPPL as subsidiary.

** Also Refer Note 34(19) of Consolidated Financial Statements.

(ii) Transactions and Balances with Key Management Personnel:

(₹ in Crore)

Compensation to Key Management Personnel	For the year ended 31.03.2023	For the year ended 31.03.2022
Short Term Employee Benefits	3.81	5.11
Post-Employment Benefits	0.56	0.49
Other Long Term Benefits	0.34	0.09

(₹ in Crore)

Other Transactions with KMP	For the year ended 31.03.2023	For the year ended 31.03.2022
Sitting Fees to independent directors	0.48	0.14
Interest Received during the year	0.01	0.09

(₹ in Crore)

Balances with KMP	As at 31.03.2023	As at 31.03.2022
Receivable on account of Employee Loans	0.03	0.42

(iii) Transactions & Balances with Post -Employment Benefit Plans

(₹ in Crore)

Post -Employment Benefit Plans	Contribution by the company (Net of Refund from Post -Employment Benefit Plans)		Balances with Post -Employment Benefit Plans	
	for the year ended 31.03.2023	for the year ended 31.03.2022	As at 31.03.2023	As at 31.03.2022
Employees Provident Fund	292.78	326.68	(23.47)	(54.05)
Employees Group Gratuity Assurance Fund	70.17	78.61	(1.47)	9.10
Retired Employees Health Scheme Trust	(15.08)	(36.74)	(17.97)	1.03
Employees Social Security Scheme Trust	5.03	5.65	(0.40)	(0.45)
Employees Defined Contribution Superannuation Scheme Trust	171.15	190.28	(33.53)	(41.17)
Employee Leave Encashment Trust	3.05	19.64	4.23	2.06

(iv) Transactions with Government that has control over the Holding Company (i.e Central Government)

(₹ in Crore)

Particulars	For the Year ended 31.03.2023	For the Year ended 31.03.2022
(i)	(ii)	(iii)
Guarantee Fee on Foreign Loans to Govt. of India	9.62	11.62
Interest on Subordinate debts by Group (including interest accrued)	70.16	70.73
Interest received on account of 8.12% NHPC GOI Fully Serviced Bonds Issued on mandate of MOP and paid to GOI (including Interest Accrued)	163.80	163.80
Services Provided by the Group	0.02	40.75

Particulars	For the Year ended 31.03.2023	For the Year ended 31.03.2022
Sale of goods (Electricity) by the Group	30.33	25.47
Dividend Paid during the year	1354.09	1183.04
Services Received by the Group	2.92	0.45
Grant received from MNRE	4.78	0.35

(v) (a) Outstanding balances with Central Government:

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
(i)	(ii)	(iii)
Balances with Central Government (that has control over the Holding Company)		
Loan Payable to Government (Subordinate debts) (Including Interest Accrued)	5830.83	4831.02
Receivable - 8.12% NHPC GOI Fully Service Bonds Issued on mandate of MOP and Paid to GOI (including interest accrued)	2021.69	2021.69
Receivables (Unsecured)	84.80	54.55
Foreign Currency Borrowings guaranteed by Government of India	698.17	801.97

(b) Outstanding balances of Loan guaranteed by Central Government:

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
(i)	(ii)	(iii)
Foreign Currency Borrowings	698.17	801.97

(vi) Transactions with minority Shareholders in Subsidiary Companies of NHPC (i.e. Government of Manipur, Government of Madhya Pradesh (GoMP, UPNEDA and JKSPDCL):

(₹ in Crore)

Particulars	For the Year ended 31.03.2023	For the Year ended 31.03.2022
(i)	(ii)	(iii)
Purchase of Property/ Assets/Material by the Group	6.78	109.38
Sale of goods (Electricity) by the Group	1368.96	919.03
Dividend Paid during the year by the Group	354.30	280.36
Equity contribution(including Share Application Money) Received by the Group	200.08	57.88
Services Received by the Group	49.03	11.76
Grant received by Group	6.48	4.12
Service provided by the Group	22.77	-

(vii) Balances with Shareholders in Subsidiary Companies of NHPC (i.e. Government of Manipur, Government of Madhya Pradesh (GoMP), UPNEDA and JKSPDC):

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
(i)	(ii)	(iii)
Receivable	518.78	219.44
Payable	1.02	136.46
Equity contribution (including Share Application Money)	2985.94	1056.86

(viii) Transactions with entities controlled by the Government that has control over the Group

(₹ in Crore)

Particulars	For the Year ended 31.03.2023	For the Year ended 31.03.2022
(i)	(ii)	(iii)
Purchase of property/Other assets	19.92	29.35
Purchase of Construction Materials, Stores, etc.	336.03	460.36
Services Received by the Group	812.10	618.08
Services Provided by the Group	2.06	0.59
Sale of goods made by the Group	80.05	72.76
Settlement of claims/Amount received by the Group against Insurance Claims	61.22	105.20
Contribution by the Company	6.00	5.00

(ix) Balances with entities controlled by the Government that has control over the Group

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
(i)	(ii)	(iii)
Balances with Entities controlled by the Government that has control over the Group		
▪ Payables	81.81	52.73
▪ Receivables	284.11	208.27

(C) Other notes to related party transactions:

(i) Terms and conditions of transactions with the related parties:

(a) Transactions with the state governments and entities controlled by the Government of India are carried out at market terms on arms-length basis (except subordinate debts received from Central Government at concessional rate) through a transparent price discovery process against open tenders, except in a few cases of procurement of spares/services from Original Equipment Manufacturers (OEMs) for proprietary items on single tender basis due to urgency, compatibility or other reasons. Such single tender procurements are also done through a process of negotiation with prices benchmarked against available price data of same/similar items.

(b) Unsecured loan of ₹ **18.40 crore** (Previous Year ₹ **18.40 crore**) granted to NHPTL is interest bearing @ 10% p.a. to be compounded annually. Impairment provision amounting to ₹ **18.82 crore** (Previous Year ₹ **0.42 crore**) along with accrued interest has been recognised due to significant uncertainty in realisation.

(c) Consultancy services provided by the Group to Joint Venture Companies are generally on nomination basis at the terms, conditions and principles applicable for consultancy services provided to other parties.

(d) Outstanding balances of Joint Venture Company as at 31.03.2023 are unsecured and settlement occurs through banking transactions. These balances other than loans are interest free. Assessment of impairment is undertaken at each financial year through examining the financial position of the related party and the market in which the related party operates.

(e) Contributions to post-employment benefit plans are net of refunds from trusts.

(ii) Commitment towards further investments in the Joint Venture Company is disclosed at Note 34(4).

11. Particulars of Security: The carrying amount of assets mortgaged/ hypothecated as security for borrowings are as under.

(₹ in Crore)

S. No	Particulars	As on 31.03.2023		As on 31.03.2022	
		Specific Assets mortgaged/ hypothecated against Borrowings	Common Assets mortgaged/ hypothecated against Borrowings #	Specific Assets mortgaged/ hypothecated against Borrowings	Common Assets mortgaged/ hypothecated against Borrowings
1	Property, Plant & Equipment	9,433.58	8,160.10	9790.32	-
2	Capital work in progress	14,137.11	12,102.92	11813.08	-
3	Financial Assets-Others	967.59	987.93	1200.68	-
	Total	**24,538.28**	**21,250.95**	**22804.08**	**-**

The actual value of security pledged against common pool of assets is ₹ **1866.14 Crore** as on 31.03.2023 (Previous Year-**Nil**).

12. Disclosures Under Ind AS-19 " Employee Benefits":

(A) Defined Contribution Plans-

(i) **Social Security Scheme:** The Group has a Social Security Scheme in lieu of the erstwhile scheme of compassionate appointment which has been is in operation i.e. 01.06.2007. Contribution to the fund is made by employees at a fixed amount per month and a matching contribution for the same amount is also made by the Group. The scheme has been created to provide financial help to bereaved families in the event of death or permanent total disability of its employee. The expenses recognised during the year towards social security scheme are ₹ **2.73 Crore** (Previous year ₹ **2.94 Crore**). The funds of the scheme have been invested in the NHPC Limited Employees Social Security Scheme Trust and the same is managed by the Life Insurance Corporation (LIC) of India.

(ii) **Employees Defined Contribution Superannuation Scheme (EDCSS):** The scheme has been created for providing pension benefits to employees. As per the scheme, each employee contributes @ 5% of Basic Pay and Dearness Allowance. The Group contributes to the extent of balance available after deducting employers' contribution to Provident Fund, contribution to Gratuity Trust and REHS Trust, from the amount worked out @ 30% of the Basic Pay and DA. The Scheme is managed by the LIC of India. Expense recognised during the year towards EDCSS are ₹ **103.88 Crore** (Previous year ₹ **104.93 Crore**).

(B) **Defined Benefit Plans-** Group has following defined post-employment benefit obligations :

(a) Description of Plans:

(i) **Provident Fund:** The Group pays fixed contribution to Provident Fund at predetermined rates to a separate Trust, which invests the funds in permitted securities. The contribution to the fund for the year is recognised as expense and is charged to the Statement of Profit and Loss/Expenditure Attributable to Construction. The obligation of the Group is to make a fixed contribution and to ensure a minimum rate of return to the members as specified by the Government of India (GoI).

(ii) **Gratuity:** The Group has a defined benefit gratuity plan. The ceiling limit of gratuity is fixed as per the Payment of Gratuity Act, 1972, whereby every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹ 0.20 Crore on superannuation, resignation, termination, disablement or death.

Such ceiling limit of gratuity shall, however, increase by 25% when Industrial Dearness Allowance increase by 50%. The plan is being managed by a separate Trust created for the purpose and obligation of the Group is to make contribution to the Trust based on actuarial valuation. The funds of the trust are managed by the LIC of India.

(iii) Retired Employees Health Scheme (REHS): The Group has a Retired Employee Health Scheme, under which retired employee and/or spouse of retiree and eligible dependent children and parents of deceased employees are provided medical facilities in the Group hospitals / empanelled hospitals. They can also avail treatment as Out-Patient subject to a ceiling limit fixed by the Group. The liability REHS is recognised on the basis of actuarial valuation. The Scheme is being managed by a separate Trust created for the purpose and obligation of the Group to make contribution to the Trust based on such actuarial valuation. The funds of the Trust are managed by the LIC of India.

(iv) Allowances on Retirement/Death: Actual cost of shifting from place of duty at which employees is posted at the time of retirement to any other place where he / she may like to settle after retirement is paid as per the rules of the Group. In case of death, family of deceased employee can also avail this facility. Liability for the same is recognised on the basis of actuarial valuation.

(v) Memento to employees on attaining the age of superannuation: The Group has a policy of providing Memento valuing ₹ **10,000/-** to employees on superannuation. Liability for the same is recognised on the basis of actuarial valuation.

(vi) Employees Family Economic Rehabilitation Scheme: Group has introduced "Employees Family Economic Rehabilitation Scheme" w.e.f. 01.04.2021. The objective of this scheme is to provide monetary assistance and support to an employee in case of permanent total disablement of the employee and to his family in case of death of the employee, provided the permanent total disablement / death as the case may be, takes place while the employee is in service of the Group. On the separation of an employee from the service of the Group on account of death / permanent total disablement, the beneficiary is entitled to monthly payment equivalent to 50% of one month Basic Pay & DA last drawn by the employee and other benefits including HRA, Children's Education Allowance, etc. provided the beneficiary surrenders with the Group the death/ disablement benefits received under Social Security Scheme. Liability for the Scheme is recognised on the basis of actuarial valuation.

(b) Disclosure of Balance Sheet amounts and sensitivity analysis of Plans:

(i) Provident Fund : Movements in the net defined benefit obligation during the years 2022-23 and 2021-22 are as follows:

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2022-23	
Opening Balance as at 01.04.2022	**3151.52**	**3190.78**	**(39.26)**
Current Service Cost	96.08	-	96.08
Interest Expenses/ (Income)	247.32	247.14	0.18
Total	**343.40**	**247.14**	**96.26**
Re-measurements			
Return on Plan Assets, excluding amount included in interest expenses/(Income)	-	3.03	(3.03)
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(0.13)	-	(0.13)
Experience (gains)/Losses	(0.52)	-	(0.52)
Total	**(0.65)**	**3.03**	**(3.68)**

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2022-23	
Contributions:-			
-Employers	-	96.08	(96.08)
-Plan participants	242.92	242.92	-
Benefit payments	(515.84)	(515.84)	-
Closing Balance as at 31.03.2023	**3221.35**	**3264.11**	**(42.76)**

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2021-22	
Opening Balance as at 01.04.2021	**3136.25**	**3144.22**	**(7.97)**
Adjustment	-	-	-
Current Service Cost	96.48	-	96.48
Interest Expenses/ (Income)	242.82	246.47	(3.65)
Total	**339.30**	**246.47**	**92.83**
Re-measurements			
Return on Plan Assets, excluding amount included in interest expenses/(Income)	-	13.27	(13.27)
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(0.41)	-	(0.41)
Experience (gains)/Losses	(13.96)	-	(13.96)
Total	**(14.37)**	**13.27**	**(27.64)**
Contributions:-			
-Employers	-	96.48	(96.48)
-Additional Contribution Employee for last year loss	-	-	-
-Plan participants	275.04	275.04	-
Benefit payments	(584.70)	(584.70)	-
Closing Balance as at 31.03.2022	**3151.52**	**3190.78**	**(39.26)**

The net liability disclosed above related to funded and unfunded plans are as follows:

(₹ in Crore)

Particulars	31st March 2023	31st March 2022
Present Value of funded obligations	3221.35	3151.52
Fair value of Plan Assets	3264.11	3190.78
Deficit/(Surplus) of funded plans	**(42.76)**	**(39.26)**
Unfunded Plans	-	-
Deficit/(Surplus) before asset ceiling	**(42.76)**	**(39.26)**

As per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Group has no right to the benefits either in the form of refund from the plan or lower future contribution to the plan towards the net surplus of ₹ **42.76 Crore** determined through actuarial valuation. Accordingly, Group has not recognised the surplus as an asset, and the actuarial gains in Other Comprehensive Income, as these pertain to the Provident Fund Trust and not to the Group

Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

Particulars	Change in Assumptions			Impact on Defined Benefit Obligation				
				Increase in Assumption			Decrease in Assumptions	
	31st March 2023	31st March 2022		31st March 2023	31st March 2022		31st March 2023	31st March 2022
Discount Rate	0.50%	0.50%	Decrease by	0.007%	0.007%	Increase by	0.007%	0.007%

(ii) Gratuity: The amount recognised in the Balance Sheet as at 31.03.2023 and 31.03.2022 along with the movements in the net defined benefit obligation during the years 2022-23 and 2021-22 are as follows:

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2022-23	
Opening Balance as at 01.04.2022	**599.85**	**598.38**	**1.47**
Opening Balance of CVPPPL on 21.11.2022	**3.53**	**-**	**3.53**
Current Service Cost	17.55	-	17.55
Past Service cost	18.24	-	18.24
Interest Expenses/ (Income)	42.15	41.93	0.22
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	**77.94**	**41.93**	**36.01**
Re-measurements			
Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	0.68	(0.68)
(Gain)/loss from change in demographic assumptions	2.80	-	2.80
(Gain)/loss from change in financial assumptions	(13.92)	-	(13.92)
Experience (gains)/Losses	(9.81)	-	(9.81)
Total Amount recognised in Other Comprehensive Income	**(20.93)**	**0.68**	**(21.61)**
Contributions:-			
-Employers	-	10.00	(10.00)
-Plan participants	-	-	-
Benefit payments	(84.92)	(89.25)	4.33
Closing Balance as at 31.03.2023	**575.47**	**561.74**	**13.73**

Keeping in view the provision whereby the ceiling limit of gratuity increases by 25% when Industrial Dearness Allowance increased by 50% and considering the fact that the current Industrial Dearness Allowance is 37.20% as on 31.03.2023, Gratuity ceiling of ₹ **0.24 Crore** has been considered for actuarial valuation in respect of employees retiring after 01.01.2027.

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2021-22	
Opening Balance as at 01.04.2021	**631.80**	**680.11**	**(48.31)**
Current Service Cost	17.72	-	17.72
Past Service Cost	33.75	-	33.75
Interest Expenses/ (Income)	41.38	44.55	(3.17)
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	**92.85**	**44.55**	**48.30**
Re-measurements			
Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	2.61	(2.61)
(Gain)/loss from change in demographic assumptions	0.24	-	0.24
(Gain)/loss from change in financial assumptions	(18.49)	-	(18.49)
Experience (gains)/Losses	(9.74)	-	(9.74)
Total Amount recognised in Other Comprehensive Income	**(27.99)**	**2.61**	**(30.60)**
Contributions:-			
- Employers	-	(29.33)	29.33
- Plan participants	-	-	-
Benefit payments	(96.81)	(99.56)	2.75
Closing Balance as at 31.03.2022	**599.85**	**598.38**	**1.47**

Total amount recognised in the Statement of Profit and Loss/ Expenditure attributable to Constructions and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report.

The net liability disclosed above related to funded and unfunded plans are as follows:

(₹ in Crore)

Particulars	31st March 2023	31st March 2022
Present Value of funded obligations	575.47	599.85
Fair value of Plan Assets	561.74	598.38
Deficit/(Surplus) of funded plans	**13.73**	**1.47**
Unfunded Plans	-	-
Deficit/(Surplus) before asset ceiling	**13.73**	**1.47**

Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

Particulars	Change in Assumptions			Impact on Defined Benefit Obligation				
				Increase in Assumption			Decrease in Assumptions	
	31st March 2023	31st March 2022		31st March 2023	31st March 2022		31st March 2023	31st March 2022
Discount Rate	0.50%	0.50%	Decrease by	3.44%	3.46%	Increase by	3.66%	3.70%
Salary growth rate	0.50%	0.50%	Increase by	0.51%	0.53%	Decrease by	0.57%	0.61%

(iii) Retired Employees Health Scheme (REHS): The amount recognised in the Balance Sheet as at 31.03.2023 and 31.03.2022 along with the movements in the net defined benefit obligation during the years 2022-23 and 2021-22 are as follows:

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2022-23	
Opening Balance as at 01.04.2022	**1014.92**	**1016.22**	**(1.30)**
Opening Balance of CVPPPL on 21.11.2022	**1.88**	**-**	**1.88**
Current Service Cost	18.46	-	18.46
Interest Expenses/ (Income)	71.13	71.15	(0.02)
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	**89.59**	**71.15**	**18.44**
Re-measurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	11.38	(11.38)
(Gain)/loss from change in demographic assumptions	0.26	-	0.26
(Gain)/loss from change in financial assumptions	(51.38)	-	(51.38)
Experience (gains)/Losses	89.20	-	89.20
Total Amount recognised in Other Comprehensive Income	**38.08**	**11.38**	**26.70**
Contributions:-			
-Employers	-	16.34	(16.34)
-Plan participants	-	-	-
Benefit payments	(55.58)	(51.24)	(4.34)
Closing Balance as at 31.03.2023	**1088.89**	**1063.85**	**25.04**

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2021-22	
Opening Balance as at 01.04.2021	**959.29**	**1054.25**	**(94.96)**
Current Service Cost	17.57	-	17.57
Interest Expenses/ (Income)	62.83	69.05	(6.22)
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	**80.40**	**69.05**	**11.35**
Re-measurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	7.39	(7.39)
(Gain)/loss from change in demographic assumptions	0.08	-	0.08
(Gain)/loss from change in financial assumptions	(57.99)	-	(57.99)
Experience (gains)/Losses	78.95	-	78.95
Total Amount recognised in Other Comprehensive Income	**21.04**	**7.39**	**13.65**
Contributions:-			
-Employers	-	(66.74)	66.74
-Plan participants	-	-	-
Benefit payments	(45.81)	(47.73)	1.92
Closing Balance as at 31.03.2022	**1014.92**	**1016.22**	**(1.30)**

Total amount recognised in the Statement of Profit and Loss/ Expenditure attributable to Construction and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report.

The net liability disclosed above related to funded and unfunded plans are as follows:

Particulars	31st March 2023	31st March 2022
Present Value of funded obligations	1088.89	1014.92
Fair value of Plan Assets	1063.85	1016.22
Deficit/(Surplus) of funded plans	**25.04**	**(1.30)**
Unfunded Plans	-	-
Deficit/(Surplus) before asset ceiling	**25.04**	**(1.30)**

Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

Particulars	Change in Assumptions			Impact on Defined Benefit Obligation				
				Increase in Assumption			Decrease in Assumptions	
	31st March 2023	31st March 2022		31st March 2023	31st March 2022		31st March 2023	31st March 2022
Discount Rate	0.50%	0.50%	Decrease by	6.74%	6.73%	Increase by	6.83%	6.78%
Medical cost rate	0.50%	0.50%	Increase by	6.87%	6.80%	Decrease by	6.76%	6.76%

(iv) **Allowances on Retirement/Death:** The amount recognised in the Balance Sheet as at 31.03.2023 and 31.03.2022 along with the movements in the net defined benefit obligation during the years 2022-23 and 2021-22 are as follows:

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2022-23	
Opening Balance as at 01.04.2022	**5.77**	**-**	**5.77**
Opening Balance of CVPPPL on 21.11.2022	**0.02**	**-**	**0.02**
Current Service Cost	0.26	-	0.26
Interest Expenses/ (Income)	0.41	-	0.41
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	**0.67**	**-**	**0.67**
Re-measurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	-	-
(Gain)/loss from change in demographic assumptions	(0.02)	-	(0.02)
(Gain)/loss from change in financial assumptions	(0.14)	-	(0.14)
Experience (gains)/Losses	0.03	-	0.03
Total Amount recognised in Other Comprehensive Income	**(0.13)**	**-**	**(0.13)**
Contributions:-			
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	(0.73)	-	(0.73)
Closing Balance as at 31.03.2023	**5.60**	**-**	**5.60**

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2021-22	
Opening Balance as at 01.04.2021	6.05	-	6.05
Current Service Cost	0.27	-	0.27
Interest Expenses/ (Income)	0.40	-	0.40
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	**0.67**	**-**	**0.67**
Re-measurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(0.26)	-	(0.26)
Experience (gains)/Losses	0.15	-	0.15

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2021-22	
Total Amount recognised in Other Comprehensive Income	**(0.11)**	**-**	**(0.11)**
Contributions:-			
- Employers	-	-	-
- Plan participants	-	-	-
Benefit payments	(0.84)	-	(0.84)
Closing Balance as at 31.03.2022	**5.77**	**-**	**5.77**

Total amount recognised in the Statement of Profit and Loss/ Expenditure attributable to Constructions and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report.

The net liability disclosed above is related to unfunded plans.

Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

Particulars	Change in Assumptions			Impact on Defined Benefit Obligation				
				Increase in Assumption			Decrease in Assumptions	
	31st March 2023	31st March 2022		31st March 2023	31st March 2022		31st March 2023	31st March 2022
Discount Rate	0.50%	0.50%	Decrease by	4.94%	4.76%	Increase by	5.27%	5.10%
Cost Increase	0.50%	0.50%	Increase by	5.47%	5.32%	Decrease by	4.99%	4.85%

(v) **Memento to employees on attaining the age of superannuation:** The amount recognised in the Balance Sheet as at 31.03.2023 and 31.03.2022 along with the movements in the net defined benefit obligation during the years 2022-23 and 2021-22 are as follows:

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2022-23	
Opening Balance as at 01.04.2022	**2.83**	**-**	**2.83**
Current Service Cost	0.11	-	0.11
Interest Expenses/ (Income)	0.20	-	0.20
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	**0.31**	**-**	**0.31**
Re-measurements			
(Gain)/loss from change in demographic assumptions	(0.01)	-	(0.01)
(Gain)/loss from change in financial assumptions	(0.05)	-	(0.05)
Experience (gains)/Losses	(0.17)	-	(0.17)
Total Amount recognised in Other Comprehensive Income	**(0.23)**	**-**	**(0.23)**

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2022-23	
Contributions:-			
-Plan participants	-	-	-
Benefit payments	(0.37)	-	(0.37)
Closing Balance as at 31.03.2023	**2.54**	**-**	**2.54**

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2021-22	
Opening Balance as at 01.04.2021	**3.21**	**-**	**3.21**
Current Service Cost	0.12	-	0.12
Interest Expenses/ (Income)	0.21	-	0.21
Total Amount recognised in Statement of Profit and Loss/ Expenditure During Construction	**0.33**	**-**	**0.33**
Re-measurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(0.08)	-	(0.08)
Experience (gains)/Losses	(0.19)	-	(0.19)
Total Amount recognised in Other Comprehensive Income	**(0.27)**	**-**	**(0.27)**
Contributions:-			
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	(0.44)	-	(0.44)
Closing Balance as at 31.03.2022	**2.83**	**-**	**2.83**

Total amount recognised in the Statement of Profit and Loss/ Expenditure attributable to Constructions and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report.

The net liability disclosed above is related to unfunded plans.

Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

Particulars	Change in Assumptions		Impact on Defined Benefit Obligation					
			Increase in Assumption			Decrease in Assumptions		
	31st March 2023	31st March 2022		31st March 2023	31st March 2022		31st March 2023	31st March 2022
Discount Rate	0.50%	0.50%	Decrease by	3.01%	3.27%	Increase by	3.11%	3.44%

(vi) Employees Family Economic Rehabilitation Scheme: The amount recognised in the Balance Sheet as at 31.03.2023 and 31.03.2022 along with the movements in the net defined benefit obligation during the years 2022-23 and 2021-22 are as follows:

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2022-23	
Opening Balance as at 01.04.2022	**25.44**	**-**	**25.44**
Current Service Cost	2.10	-	2.10
Past Service Cost	-	-	-
Interest Expenses/ (Income)	1.56	-	1.56
Total Amount recognised in Statement of Profit and Loss	**3.66**	**-**	**3.66**
Re-measurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(0.33)	-	(0.33)
Experience (gains)/Losses	1.09	-	1.09
Total Amount recognised in Other Comprehensive Income	**0.76**	**-**	**0.76**
Contributions:-			
- Employers	-	-	-
- Plan participants	-	-	-
Benefit payments	(0.94)	-	(0.94)
Closing Balance as at 31.03.2023	**28.92**	**-**	**28.92**

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2021-22	
Opening Balance as at 01.04.2021	**-**	**-**	**-**
Current Service Cost	1.13	-	1.13
Past Service Cost	21.03	-	21.03
Interest Expenses/ (Income)	-	-	-
Total Amount recognised in Statement of Profit and Loss	**22.16**	**-**	**22.16**
Re-measurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-
Experience (gains)/Losses	**-**	**-**	**-**
Total Amount recognised in Other Comprehensive Income	-	-	-
Contributions:-			
- Employers	-	-	-

(₹ in Crore)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount of Obligation/ (Asset)
	(i)	(ii)	iii=(i)-(ii)
		2021-22	
- Plan participants	3.08	-	3.08
Benefit payments	0.20	-	0.20
Closing Balance as at 31.03.2022	**25.44**	**-**	**25.44**

Total amount recognised in the Statement of Profit and Loss and total amount recognised under Other Comprehensive Income disclosed above are based on the actuarial valuation report.

The net liability disclosed above is related to unfunded plans.

Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

Particulars	Change in Assumptions			Impact on Defined Benefit Obligation				
				Increase in Assumption			Decrease in Assumptions	
	31st March 2023	31st March 2022		31st March 2023	31st March 2022		31st March 2023	31st March 2022
Discount Rate	0.50%	0.50%	Decrease by	2.00%	2.89%	Increase by	2.12%	3.13%
Salary growth rate	0.50%	0.50%	Increase by	0.82%	1.43%	Decrease by	0.78%	1.40%

(c) Defined Benefit Plans: Significant estimates: Actuarial assumptions:

Particulars	31st March 2023	31st March 2022
Discount Rate (Holding Company)	7.35%	7.00%
Discount Rate (NHDC)	7.35%	7.14%
Salary growth rate	6.50%	6.50%

(d) The major categories of Plan Assets are as follows:

Provident Fund:

(₹ in Crore)

Particulars	31st March 2023			
	Quoted	Unquoted	Total	In %
Debt Instruments				
Government Bonds	1949.31	-	**1949.31**	59.78
Corporate Bonds	1051.50	-	**1051.50**	32.25
Investment Funds				
Mutual Funds	147.83	-	**147.83**	4.53
Cash and Cash Equivalents	-	48.50	**48.50**	1.49
Accrued Interest	63.47	-	**63.47**	1.95
Total	**3212.11**	**48.50**	**3260.61**	**100.00**

(₹ in Crore)

Particulars	31st March 2022			
	Quoted	Unquoted	Total	In %
Debt Instruments				
Government Bonds	1,904.14	-	**1,904.14**	59.73
Corporate Bonds	1,091.12	-	**1,091.12**	34.23
Investment Funds				
Mutual Funds	80.78	-	**80.78**	2.53
Cash and Cash Equivalents	**-**	46.70	**46.70**	1.46
Accrued Interest	65.26	-	**65.26**	2.05
Total	**3,141.30**	**46.70**	**3,188.00**	**100.00**

Gratuity

(₹ in Crore)

Particulars	31st March 2023			
	Quoted	Unquoted	Total	In %
Investment Funds				
LIC Scheme	-	561.70	561.70	100.00
Cash and Cash Equivalents	**-**	0.02	**0.02**	**-**
Total	**-**	**561.72**	**561.72**	**100.00**

(₹ in Crore)

Particulars	31st March 2022			
	Quoted	Unquoted	Total	In %
Investment Funds				
LIC Scheme	-	598.35	**598.35**	100.00
Cash and Cash Equivalents	**-**	0.02	**0.02**	**-**
Total	**-**	**598.37**	**598.37**	**100.00**

Retired Employees Health Scheme (REHS):

(₹ in Crore)

Particulars	31st March 2023			
	Quoted	Unquoted	Total	In %
Debt Instruments				
Government Bonds	9.64	-	**9.64**	0.91
Corporate Bonds	418.52	-	**418.52**	39.36
LIC Scheme	-	619.05	**619.05**	58.22
Fixed Deposit	-	0.25	**0.25**	0.02
Cash and Cash Equivalents	-	0.13	**0.13**	0.01
Accrued Interest	15.34	0.40	**15.74**	1.48
Total	**443.50**	**619.83**	**1063.33**	**100.00**

(₹ in Crore)

Particulars	31st March 2022			
	Quoted	Unquoted	Total	In %
Debt Instruments				
Government Bonds	4.82	-	**4.82**	0.47
Corporate Bonds	430.52	-	**430.52**	42.38
LIC Scheme	-	564.81	**564.81**	55.59
Cash and Cash Equivalents	-	0.09	**0.09**	0.01
Accrued Interest	15.74	-	**15.74**	1.55
Total	**451.08**	**564.90**	**1,015.98**	**100.00**

(e) **Risk Exposure:** Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such, the Group is exposed to various risks as follow -

A) Salary Increase- Actual salary increase will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B) Investment Risk – For funded plans, asset-liability mismatch and actual return on assets at a rate lower than the discount rate assumed at the last valuation date can impact the liability.

C) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

D) Mortality and disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

(f) **Defined benefit liability and employer contributions:** Funding levels are monitored on an annual basis and the current contribution rate is 30% of basic salary and dearness allowance. The Group considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

Expected contributions to defined-benefit plans for the year ending March 31, 2024 are ₹ **149.80 Crore.**

The weighted average duration of the defined benefit obligations as at 31st March , 2023 is **10.37 Years** (Previous Year: **10.49 years).**

The expected maturity analysis of undiscounted defined benefit plans is as follows:

The expected maturity analysis of Provident Fund (NHPC Ltd. Employees Provident Fund)

(₹ in Crore)

Particulars	Between 0-1 years	Between 1-5 years	Between 5-10 years	Over 10 years	Total
31.03.2023	478.90	862.82	650.48	1229.15	**3221.35**
31.03.2022	499.94	885.14	604.77	1161.67	**3151.52**

The expected maturity analysis of Gratuity (NHPC Ltd. Employees Group Gratuity Assurance Fund), Post employment Medical Benefits (NHPC Ltd. Retired Employees Health Scheme Trust), Allowances on Retirement/ Death, Memento and Employees Family Economic Rehabilitation Scheme are as under.

(₹ in Crore)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31.03.2023					
Gratuity	69.77	55.95	106.12	343.60	**575.44**
Post-employment Medical Benefits (REHS)	55.63	59.42	208.51	765.34	**1088.90**
Allowances on Retirement/Death	0.53	0.46	0.84	3.77	**5.60**
Memento to employees on attaining the age of superannuation	0.36	0.28	0.47	1.41	**2.52**
NHPC Employees Family Economic Rehabilitation Scheme	1.13	1.20	4.09	22.49	**28.91**
TOTAL	**127.42**	**117.31**	**320.03**	**1136.61**	**1701.37**
31.03.2022					
Gratuity	80.41	63.48	115.38	340.55	**599.82**
Post-employment Medical Benefits (REHS)	43.59	46.22	202.81	722.31	**1,014.93**
Allowances on Retirement/Death	0.57	0.52	1.00	3.69	**5.78**
Memento to employees on attaining the age of superannuation	0.41	0.35	0.63	1.43	**2.82**
NHPC Employees Family Economic Rehabilitation Scheme	0.94	0.96	3.01	20.52	**25.43**
TOTAL	**125.92**	**111.53**	**322.83**	**1,088.50**	**1,648.78**

(C) **Other long-term employee benefits (Leave Benefit):** The Group provides for earned leave and half-pay leave to the employees who accrue annually @ 30 days and 20 days respectively. Earned Leave (EL) is also encashable while in service. The maximum ceiling of encashment of earned leave is limited to 300 days. However, any shortfall in the maximum limit of 300 days in earned leave on superannuation shall be fulfilled by half pay leave to that extent. The liability for the same is recognised on the basis of actuarial valuation. The expenses recognised during the year on the basis of actuarial valuation are ₹ **57.83 Crore** (31st March 2022: ₹ **65.01 Crore).**

13. Particulars of income and expenditure in foreign currency and consumption of spares are as under:-

(₹ in Crore)

Sl. No.	Particulars	For the Year ended 31.03.2023	For the Year ended 31.03.2022
a)	Expenditure in Foreign Currency		
	i) Interest	18.78	23.47
	ii) Other Misc. Matters	51.56	6.43
b)	Value of spare parts and Components consumed in operating units.		
	i) Imported	-	-
	ii) Indigenous	23.89	21.06

14. Earnings Per Share:

a) The Earnings Per Share (Basic and Diluted) are as under:

Particulars	For the Year ended 31.03.2023	For the Year ended 31.03.2022
Earnings per Share before Regulatory Income (₹) – Basic and Diluted	3.91	4.71
Earnings per Share after Regulatory Income (₹) – Basic and Diluted	3.87	3.51
Par value per share (₹)	10	10

b) Reconciliation of Earning used in calculating Earnings Per Share:

Particulars	For the Year ended 31.03.2023	For the Year ended 31.03.2022
Net Profit after Tax but before Regulatory Income used as numerator (₹ in crore)	3930.59	4733.66
Net Profit after Tax and Regulatory Income used as numerator (₹ in crore)	3889.98	3523.57

c) Reconciliation of weighted average number of shares used as denominator :

Particulars	For the Year ended 31.03.2023	For the Year ended 31.03.2022
Weighted Average number of equity shares used as denominator	10045034805	10045034805

15. Disclosure as per Schedule-III of Companies Act,2013 :

FY 2022-23

(₹ in Crore)

Name of the entities in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
1	2	3	4	5	6	7	8	9
Holding								
NHPC	72.50	30,246.10	84.74	3,593.14	67.06	(3.36)	84.76	3,589.78
Subsidiary Companies								
NHDC	5.77	2,407.35	10.03	424.66	16.77	(0.84)	10.02	423.82
LDHCL	-	(0.22)	(2.85)	(120.67)	-	-	(2.85)	(120.67)
BSUL	0.20	81.75	(0.07)	(2.61)	-	-	(0.07)	(2.61)
LTHPL	4.21	1,757.94	(0.01)	(0.22)	-	-	(0.01)	(0.22)
JPCL	0.73	303.22	0.01	0.28	-	-	0.01	0.28
RHPTL	0.33	139.65	0.08	3.22	-	-	0.08	3.22
NREL	0.04	18.41	(0.04)	(1.59)	-	-	(0.04)	(1.59)
CVPPPL (w.e.f. 21.11.2022)	4.68	1,950.51	0.10	4.23	-	-	0.10	4.23
Non-controlling Interests in all Subsidiary Companies	11.54	4,815.13	8.13	344.76	16.17	(0.81)	8.12	343.95

(₹ in Crore)

Name of the entities in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
1	2	3	4	5	6	7	8	9
Joint Ventures (Investments as per the Equity Method)								
NHPTL	-	-	(0.34)	(14.24)	-	-	(0.34)	(14.24)
CVPPL	-		0.22	9.15	-	-	0.22	9.15
TOTAL	**100.00**	**41,719.84**	**100.00**	**4240.11**	**100.00**	**(5.01)**	**100.00**	**4,235.10**

FY 2021-22

(₹ in Crore)

Name of the entities in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
1	2	3	4	5	6	7	8	9
Holding								
NHPC	75.64	28578.31	86.27	3256.01	117.49	12.76	86.36	3268.77
Subsidiaries								
NHDC	6.23	2353.43	7.18	270.55	(8.93)	(0.97)	7.13	269.58
LDHCL	0.30	115.12	-	0.01	-	-	-	0.01
BSUL	0.22	82.36	(0.02)	(0.61)	-	-	(0.02)	(0.61)
LTHPL	3.90	1475.01	(0.01)	(0.20)	-	-	(0.01)	(0.20)
JPCL	0.80	303.63	(0.01)	(0.48)	-	-	(0.01)	(0.48)
RHPTL	0.36	136.96	(0.01)	(0.32)	-	-	(0.01)	(0.32)
Non-controlling Interests in all Subsidiary Companies	7.58	2862.87	6.64	250.76	(8.56)	(0.93)	6.60	249.83
Joint Ventures (Investments as per the Equity Method)								
NHPTL	0.04	14.24	(0.11)	(3.97)	-	-	(0.11)	(3.97)
CVPPPL	4.93	1861.92	0.07	2.58	-	-	0.07	2.58
TOTAL	**100.00**	**37783.85**	**100.00**	**3774.33**	**100.00**	**10.86**	**100.00**	**3785.19**

16. Commitments and contingent liabilities in respect of Joint Ventures:

(₹ in Crore)

	Particulars	As on 31.03.2023	As on 31.03.2022
A	Contingent Liabilities	1.27	80.61
B	Capital Commitments	0.28	5,100.29

17. Disclosure related to Confirmation of Balances is as under :

(a) The Group has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts and borrowings from banks & financial institutions. With regard to receivables for energy sales, the Company sends demand intimations to the beneficiaries with details of amount paid and balance outstanding which can be said to be automatically confirmed on receipt of subsequent payment from such beneficiaries. In addition, reconciliation with beneficiaries and other customers is generally done on quarterly basis

(b) The confirmation in respect of Trade Receivables, Trade Payables, Deposits, loans (other than employee), Advances to Contractors/Suppliers/Service Providers/Others including for capital expenditure have been sought for outstanding balances of ₹ **0.05 crore** or above in respect of each party as at 31st December, 2022. Status of confirmation of balances against total outstanding as at December 31, 2022 as well as total outstanding as on 31.03.2023 is as under:

(₹ in Crore)

Particulars	Outstanding amount as on 31.12.2022	Amount confirmed	Outstanding amount as on 31.03.2023
Trade receivable (excluding unbilled)*	3,938.02	3396.86	3963.11
Deposits, Loans, Advances to contractors/ suppliers /service providers/ others including for capital expenditure	3300.68	1461.40	3377.99
Trade/Other payables	702.16	159.57	1023.26
Security Deposit/Retention Money payable	440.43	124.95	530.24

* Trade receivables are including receivables on account of interest receivable from Beneficiaries and net of advance from customers.

(c) In the opinion of the management, unconfirmed balances will not require any adjustment having any material impact on the Financial Statements of the Group.

18. Disclosures regarding leases as per IND AS -116 "Leases":

A) Group as Lessee:

(i) Accounting Treatment of Leases as per Ind AS 116 :

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The Group has applied the following practical expedients on initial application of Ind AS 116:

a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

c) Excluded the initial direct costs, if any from the measurement of the right-of-use asset at the date of recognition of right-of-use asset.

d) Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

e) The weighted average incremental borrowing rate applied to leases recognised during FY 2022-23 is 6.58%.

(ii) Nature of lease: The Group's significant leasing arrangements are in respect of the following assets:

(a) Premises under cancellable lease arrangements for residential use of employees ranging from 3-4 months to three years.

(b) Premises for offices, guest houses and transit camps on lease which are not non-cancellable and are usually renewable on mutually agreeable terms.

(c) Land obtained on lease for construction of projects and / or administrative offices.

(d) Vehicles on operating leases generally for a period of 1 to 2 years and such leases are not non-cancellable.

(iii) Amount recognised in the Statement of Profit and Loss / Expenditure Attributable to Construction in respect of short term, low value and variable lease during the year ended 31.03.2023:

(₹ in Crore)

S. No	Description	31.03.2023	31.03.2022
1	Expenditure on short-term leases	12.70	12.57
2	Variable lease payments not included in the measurement of lease liabilities	4.43	5.41

(iv) Commitment for Short Term Leases as on 31.03.2023 is ₹ 5.16 Crore (Previous Year ₹ 4.31 Crore).

(v) Movement in lease liabilities during the year:

(₹ in Crore)

Particulars	31.03.2023	31.03.2022
Opening Balance	20.58	15.11
Additions in lease liabilities	78.82	8.96
Finance cost accrued during the year	3.37	1.46
Less: Payment of lease liabilities	50.82	4.95
Closing Balance	**51.95**	**20.58**

B) Finance Lease – Group as Lessor

The Group has entered into lease arrangements with a single beneficiary, Power Development Department, Jammu & Kashmir for sale of the entire power generated by two power stations, namely Nimmo Bazgo and Chutak Power Stations and Madhya Pradesh Power Management Group for sale of the entire power generated by two power stations namely Indira Sagar and Omkareshwar Power stations for the substantial period of the expected life of these Power Stations. Under the agreements, the customer is obligated to purchase the entire output at prices determined by the Central Electricity Regulatory Commission (CERC). Further, the Group has entered into a supplementary PPA with M/s West Bengal State Electricity Development Corporation Limited (WBSEDCL) for offtake of the entire power generated by TLDP-III Power Station for its balance useful life of 35 years on mutually agreed tariff w.e.f 1st April, 2019. The arrangements have been assessed by the Company and classified as a Finance Lease. Other financial assets (Current and Non-Current) include lease receivables representing the present value of future lease rentals receivable on the embedded finance lease arrangements entered into by the Group.

Income from Finance Lease for the year is ₹ **841.83 Crore** (previous year ₹ **865.51 Crore).**

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the end of the financial year as at 31.03.2023:

(₹ in Crore)

Particulars	31.03.2023	31.03.2022
Undiscounted lease payments receivable:		
Less than one year	1,015.26	1,028.39
One to two years	998.27	1,018.28
Two to three years	940.43	999.86
Three to four years	835.14	942.74
Four to five years	818.31	835.34
More than five years	15,484.82	16,343.59
Total undiscounted lease payments receivable	**20,092.23**	**21,168.19**
Add: unguaranteed residual value	808.70	806.75
Less: Unearned finance income	14,823.66	15,703.11
Net investment in the lease	**6,077.26**	**6,271.83**
Discounted unguaranteed residual value included in net investment in lease	24.69	21.72

Significant changes in the carrying amount of the net investment in finance leases:

(₹ in Crore)

Particulars	31.03.2023	31.03.2022
Opening Balances	6,271.83	6,415.55
Additions during the year	26.97	49.36
Income from Finance Lease for the year	841.83	865.51
Less: Amount received during the year	1,063.37	1,058.59
Closing Balances	**6,077.26**	**6,271.83**

C) Operating Lease –Group as Lessor :

The Group has entered into Power Purchase Agreements (PPA) with WBSEDCL for sale of power from TLDP-IV power station for a period of 10 years and with Jodhpur Vidyut Vitran Nigam Limited (JVVNL) for sale of power from 50 MW Wind Power Project, Jaisalmer for a period of 3 years. Power Purchase Agreement with JVVNL has expired on March 31, 2019 and extension of PPA is under process, though power is being scheduled to the customer. As per the PPAs, the customer is obligated to purchase the entire output of these Power Stations/Power Projects at mutually agreed tariff in case of TLDP-IV Power Station and on the basis of pooled cost of power for 50 MW Wind Power Project. The Group has determined that these arrangements are in the nature of an Operating Lease.

Income from Operating Lease for the year is ₹ **392.41 Crore** (previous year ₹ **384.07 Crore).**

The following table sets out the maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the end of the financial year as per Power Purchase Agreement:

(₹ in Crore)

Particulars	31.03.2023	31.03.2022
Less than one year	312.21	312.21
One to two years	312.21	312.21
Two to three years	312.21	312.21
Three to four years	320.10	312.21
Four to five years	320.10	320.10
More than five years	960.30	1280.41
Total	**2537.13**	**2849.35**

19. As per Ind AS 36- Impairment of Assets requires an entity to assess on each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the entity is required to estimate the recoverable amount of the asset. If there is no indication of a potential impairment loss, the Standard does not require an enterprise to make a formal estimate of the recoverable amount.

Management has determined that each Project / Power Station of the Group is the smallest identifiable group of assets that generate cash inflows from continuing use that is largely independent of the cash inflows from other assets or groups of assets and accordingly qualifies to be designated as a Cash Generating Unit (CGU). Impairment indicators applicable to these CGUs have been assessed and based on such assessment, Management is of the opinion that no significant change with an adverse effect on the Group has taken place during the year, or is expected to take place in the near future, in the technological, economic or legal environment in which the Group operate. This includes the regulations notified by CERC for the tariff period 2019-24 where there are no major amendments that can have a significantly adverse impact on the future cash flow from the CGUs. There is no evidence available from internal reporting that indicates that the economic performance of a CGU is, or will be, worse than expected.

Further, nine CGUs of the Group were assessed for impairment as on 31st March, 2023. The CGUs of the Group were selected based on criteria like capital cost per MW, tariff, etc. and include the two major construction projects of the Group, one Renewable Energy Generation Station and the four most recently commissioned Power Stations over 100 MW capacity. Regulatory Deferral Account balances to be recovered in future through tariff as part of capital cost recognised in one of the CGUs has also been considered along with the carrying amount of the CGU for impairment assessment.

The impairment analysis was carried out on the basis of value-in-use calculation by measuring the recoverable amount of the CGUs as per cash flow projections based on the applicable CERC Tariff Regulations adjusted for the risks specific to each CGU and a pre-tax discount rate arrived at on the basis of the Capital Asset Pricing Model that reflects market assessments of the time value of money.

Based on the assessment, there exists no significant indicator that would suggest an impairment of the carrying amounts of the CGUs including Regulatory Deferral Account Balances of the Group during FY 2022-23 except for impairment of loan in one Joint Venture Company as under:

(i) **Impairment in respect of Loan to National High Power Test Laboratory Pvt. Ltd. (Joint Venture Company):** During FY 2020-21, the Company had granted loan of ₹ **18.40 crore** interest bearing at the rate of 10% p.a. compounded annually to NHPTL . The interest is payable half yearly on 30th April and 31st October of every financial year starting from 30.04.2021. The loan was repayable in 20 equal half-yearly instalments starting from 31.10.2022. However, considering default in payment of interest and repayment of instalment due on 31.10.2022, the Group has recognized an impairment provision of ₹ **18.40 crore** during the year due to significant uncertainty in realisation.

Further, there exists no impairment in respect of the Projects/Power Stations of the Group during FY 2022-23.

20. As per Hydro Policy 2008, 100 units of electricity is to be provided to each Project Affected Family (PAF) notified by the State Government for a period of 10 years from the date of commissioning of a project. Notification by the respective State Governments regarding PAFs is yet to be made. Since the electricity to be provided to the PAFs is to be deducted from free power to the State Government, there shall not be any impact on the profit of the Group.

21. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020 and has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the year the Code becomes effective.

22. Nature and details of provisions (refer Note No. 17 and 22)

(i) General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When a provision is discounted, the increase in the provision due to the passage of time is recognised as a Finance Cost.

ii) Provision for employee benefits (Other than provisions for defined contribution and defined benefit plans which have been disclosed as per Ind AS-19 at S. No. 12 of Note No. 34 of Consolidated Financial Statements):

a) Provision for Performance Related Pay/Incentive:

Short-term Provision has been recognised in the accounts towards Performance Related Pay/ incentive to employees on the basis of Management estimates as per Group's rules in this regard which are based on the guidelines of the Department of Public Enterprises, Government of India.

b) Provision For Wage Revision as per 3rd Pay Revision Committee (PRC):

Short term provision for wage revision of the employees of the Group was recognised earlier as per notification of the Department of Public Enterprises, Government of India.

iii) Other Provisions:

a) Provision For Tariff Adjustment:

Provision for tariff adjustment is made on estimated basis against probable refund to beneficiaries on reassessment of tariff billed, pending approval of Tariff/truing up for the Year 2014-19/2019-24 by Central Electricity Regulatory Commission (CERC).

b) Provision for Livelihood Assistance:

Provision has been recognised at discounted value adjusted for average inflation in the accounts towards special financial package finalised in consultation with the State Government and approved by the Board of Directors of NHPC for livelihood assistance of the project affected families (PAFs) in Parbati-II and Parbati-III. As per the package, pending finalisation of modalities of payment, one eligible person from each PAF shall be provided livelihood assistance equivalent to minimum wage of unskilled category as per the Government of Himachal Pradesh/ Central Government whichever is higher, on monthly instalment basis, for the following periods:

i) Till the date of superannuation for PAFs eligible for employment.

ii) For 2000 days to those PAFs left with zero balance land but excluded for employment.

iii) For 1000 days to all remaining PAFs.

c) Provision for Committed Capital Expenditure:

Provision has been recognised at discounted value in case of non- current amount of Capital Expenditure to be incurred towards environment, compensatory afforestation, local area development, etc. which was a pre-condition for granting approval for construction of the project and expenditure towards which had not been completed till commissioning of the project. Such provisions are adjusted against the incurrence of actual expenditure as per demand raised by the concerned State Government Authorities.

d) Provision for restoration expenses of insured assets:

Provision has been recognised in the accounts based on Management Estimates for restoration of damaged assets insured under Mega Policy and Construction Plant and Machinery Policy. Utilization of the provision is to be made against incurrence of actual expenditure towards restoration of the assets.

e) Provisions for expenditure in respect of Arbitration Award/Court cases:

This includes provisions created on the basis of management assessment as to probable outflow in respect of contractors claims against which arbitration award/Court decision have been received and which have been further challenged in a Court of Law. Utilization/outflow of the provision is to be made on the outcome of the case.

f) Provisions- Others: This includes provisions towards:-

(i) Contractor claims, Land compensation cases, disputed tax demands and other cases created on the basis of management assessment towards probable outflow. Utilization/outflow of the provision is to be made on the outcome of the case.

(ii) Wage revision of Central Government Employees whose services are utilised by the Group.

(iii) Provision for interest to beneficiaries on excess tariff recovered in terms of Tariff Regulations for the Year 2014 -19 where the capital cost considered for fixation of tariff by the CERC on the basis of projected capital cost as on Commercial Operation Date or the projected additional capital expenditure exceeds the actual capital cost incurred.

(iv) Upfront provision for rebate towards interest on House Building Advance provided to employees based on the historical trend of rebate allowed.

(v) Upfront provision for rebate to customers for sale of power based on the historical trend of rebate allowed.

(vi) Provision for impairment of investment by Employees Provident Fund Trust in certain interest-bearing Financial Instruments including interest accrued thereon but not received.

(vii) Provision for cost of Carbon Credits / Certified Emission Reductions (CERs)/ Verified Carbon Units (VCUs) as per Management estimate

23. Disclosures relating to creation of Regulatory Deferral Account (RDA)balances as per Ind AS 114:

The Group is principally engaged in the construction and operation of hydroelectric power projects. The price (tariff) to be charged by the Group for electricity sold to its customers is determined by Central Electricity Regulatory Commission (CERC) under applicable CERC (terms & conditions of tariff) Regulations. The said price (tariff) is based on allowable costs like interest costs, depreciation, operation and maintenance charges plus a stipulated return. This form of rate regulation is known as cost-of-service regulations. The basic objective of such regulations is to give the entity the opportunity to recover its costs of providing the goods or services plus a fair return.

For the purpose, the Group is required to make an application to CERC based on capital expenditure incurred duly certified by the Auditors or already admitted by CERC or projected to be incurred upto the date of commercial operation and additional capital expenditure duly certified by the Auditor or projected to be incurred during tariff year. The tariff determined by CERC is recovered from the customers (beneficiaries) on whom the same is binding.

The above rate regulation results in creation of right (asset) or an obligation (liability) as envisaged in the accounting framework which is not the case in other industries. Guidance Note on Accounting for Rate Regulated Activities (Previous GAAP) issued by the ICAI is applicable to entities that provide goods or services whose prices are subject to cost-of-service regulations and the tariff determined by the regulator is binding on the customers (beneficiaries). As per guidance note, a regulatory asset is recognized when it is probable (a reasonable assurance) that the future economic benefits associated with it will flow to the entity as a result of the actual or expected actions of the regulator under applicable regulatory framework and the amount can be measured reliably.

The Guidance Note also provides that in some cases, a regulator permits an entity to include in the rate base, as part of the cost of self-constructed (tangible) fixed assets or internally generated intangible assets, amounts that would otherwise be recognized as expense in the statement of profit and loss in accordance with Accounting Standards.

With effect from 01.04.2016, such rate regulated items are to be accounted for as per Ind AS 114 'Regulatory Deferral Accounts.' Ind AS 114 allows an entity to continue to apply previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances. For this purpose, Guidance Note of the ICAI on 'Accounting for Rate Regulated Activities' shall be considered to be the previous GAAP.

A) Regulatory Deferral Account balances in respect of Subansiri Lower Project:

Construction activities at site of Subansiri Lower Project were interrupted from 16.12.2011 to 30.09.2019 due to cases filed before the National Green Tribunal. Technical and administrative work at the project, however, continued.

Vide order dated 31st July 2019, the Hon'ble NGT held that there is no justification in the petitions of the applicants pleading bias in the constitution of the Expert Committee by the MoEF & CC and accordingly, the cases against Subansiri Lower Project pending with the NGT were dismissed. Active construction work at the project was resumed from October 2019.

In line with the opinion of Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), borrowing cost of ₹ **2735.61 Crore** (upto Previous year ₹ **2735.61 Crore),** employee benefits expense, depreciation and other expense of ₹ **1427.67 crore** (upto Previous year ₹ **1427.67 Crore),** net of other income of ₹ **322.60 Crore** (upto Previous year ₹ **322.60 Crore)** incurred till 30th September 2019 was charged to the Statement of Profit and Loss.

CERC Tariff Regulations allows inclusion of such costs for fixation of tariff in case the cessation of construction activities were beyond the control of the Project Developer. Accordingly, and in line with Guidance Note on Rate Regulated Activities and Ind AS 114, the aforesaid expenditure has further been recognized as Regulatory Deferral Account (Debit) balances

As active construction work at the project has been resumed during FY 2019-20, borrowing cost, employee benefits expense, depreciation and other expense (net of other income) incurred with effect from 01.10.2019 has been capitalized as Expenditure attributable to Construction.

The total Regulatory Deferral Account Debit balances recognized in respect of Subansiri Lower Project for and upto the year ended 31.03.2023 are as under:

(₹ in Crore)

Regulatory asset created in relation to:	**Upto 31.03.2023**
Borrowing Costs	2509.67
Employee Benefit expense	628.73
Depreciation and Amortisation	54.86
Other Expense	562.83
Other Income	(285.50)
Total	**3470.59**

No regulatory deferral account balances in respect of Subansiri Lower Project has been recognized during the year 2022-23.

As per management assessment, there is no impairment in the carrying amount of ₹ **13947.17 crore (Previous Year ₹ 10479.22 crore)** included under Capital Work in Progress of the Project including the regulatory deferral account balances recognized therein.

After Commercial Operation Date (COD) of the Project, amount recognized as Regulatory Deferral Account balances in respect of Subansiri Lower Project shall be amortized/ liquidated in proportion to depreciation following the rates and methodology notified under CERC Tariff Regulations over the life of the Project, i.e. 40 years.

Tariff Regulations for the period 2019-2024 have been notified by the CERC. In addition to the earlierTariff Regulations (2014-19) authorizing capitalisation of borrowing and other attributable costs incurred due to uncontrollable factors including force majeure events like blockade/ embargo, the Tariff Regulations for the period 2019-2024 also include delay in obtaining statutory approval for projects as one of the force majeure events. Accordingly, Management considers that adverse changes in Tariff Regulations are not likely to be a significant area of risk for the future recovery of RDA balances recognized in respect of Subansiri Lower Project.

Risks and uncertainties that might affect the future recovery of the Regulatory Deferral Account balances being created in respect of Subansiri Lower Project are:

a) **Demand Risk:** Recovery of the Regulatory Deferral Account Balances shall be by way of depreciation through tariff. Accordingly, the same is affected by the normal risks and uncertainties impacting sale of electricity in India like difficulty in signing of long term Power Purchase Agreements (PPAs), at the rate covering the cost and required return ensuring the viability of the Project.

b) **Regulatory Risk:** Tariff regulations further provide that if the delay is not attributable to the generating company but is due to uncontrollable factors, IEDC may be allowed after due prudence check. Any disallowance of expenditure after prudence check can affect the quantum of regulatory deferral account balances to be recovered from beneficiaries.

B) Regulatory Deferral Account balances in respect of expenditure recognized due to 3rd Pay Revision of Central Public Sector Units (CPSUs):

Pay of employees of CPSUs including Central Govt. Employees under IDA pay scale have been revised from 1st January, 2017. As approved by the Government of India, in addition to enhancing Basic Pay, DA and allowances with effect from 01.01.2017, the ceiling limit of Gratuity has been enhanced from the existing ₹ **0.10 crores** to ₹ **0.20 crores** with effect from 01.01.2017. Pay revision for all employees have been implemented.

CERC Tariff Regulations 2014-19 read with the Statement of Reasons CERC (Terms and Conditions of Tariff) Regulations, 2014 provides that the impact of actual increase in employee cost on account of wage revision of operational Power Stations including employees of Kendriya Vidyalaya and CISF Personnel is recoverable from the beneficiaries in future through tariff. Further, during the tariff period 2004-09, CERC had allowed recovery of the actual increase in employee cost on account of wage revision (with effect from 01.01.2007) upto 50% of the salary and wages (Basic + DA) of the employees of the petitioner Group as on 31.12.2006 from the beneficiaries in twelve equal monthly installments. Tariff Regulations for the period 2019-2024 read with corrigendum dated 15th March 2019 notified by the CERC also provide for recoverability of pay revision from the beneficiaries in future through tariff.

Keeping in view the provisions of Ind AS 114-"Regulatory Deferral Accounts", additional expenditure on employee benefits (including employees of Kendriya Vidyalaya and CISF Personnel) due to revision of pay/gratuity ceiling, to the extent charged to the Statement of Profit and Loss and to Other Comprehensive Income till 31st March 2019, amounting to ₹ **670.90 Crore** have been recognized as 'Regulatory Deferral Account balances'.

As opposed to tariff period 2014-19 where RDA balances of pay revision had been created based on the expectation that CERC would allow the same in tariff in line with that allowed earlier for pay revision during FY 2009, tariff regulation 2019-24 specifically allows for recovery of additional expenditure on account of pay revision. Accordingly, additional expenditure due to 3rd PRC from FY 2019-20 has been recognized as revenue with corresponding Trade Receivables.

During the current year, these balances have been billed to beneficiaries as per tariff order received against petition filed with CERC in this regard. Accordingly the outstanding amount under Regulatory Deferral Account balances has been adjusted during the year. Summary of total RDA Debit balances recognized and adjusted till 31.03.2023 in the financial statement are as under:

(₹ in Crore)

Sl. No.	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2022	495.41
B	Addition during the year (+)	-
C	Amount collected during the year (-)	(495.41)
D	**Regulatory income recognized in the Statement of Profit and Loss & Other Comprehensive Income (B+C)**	**(495.41)**
E	**Closing balance as on 31.03.2023 (A+D)**	**-**

Recoverability of the Regulatory Deferral Account balances on account of Pay Revision of Employees is however, subject to Regulatory Risk since such expenditures are generally allowed by the CERC after due prudence check. Any disallowance of expenditure after prudence check can affect the quantum of regulatory deferral account balances to be recovered from beneficiaries. The Group expects to recover the carrying amount of Regulatory Deferral Account balances in respect of 3rd pay revision during the current CERC Regulation 2019-24 periods.

C) Regulatory Deferral Account balances due to moderation of tariff of Kishanganga Power Station:

As per CERC Tariff Regulations 2014-19/2019-24, depreciation on capital cost of a Power Station forms one of the components of tariff. Depreciation is charged in the books as per the rates provided in the Tariff Regulations

2014-19/2019-24 in the initial operating period of 12 years and thereafter the balance depreciation is spread over equally in the remaining 23/28 years so as to recover 90 percent of the capital cost of the Power Station by way of depreciation. As per Tariff regulations 2019-24, the operating life of a hydro-power station is 40 years.

As per CERC Tariff Regulations, 2019-24, tariff for sale of electricity by the generating Group may also be determined in deviation of the norms specified in the Regulations provided the levelised tariff over the useful life of the project on the basis of the norms in deviation does not exceed the levelised tariff calculated on the basis of the norms specified in the Regulations. Similar provisions exist in the Tariff Regulations for the period 2019-2024 notified by the CERC.

In the case of Kishanganga Power Station (Commercial Operation Date: 17th May, 2018), the Group has made moderation in tariff of Kishanganga Power Station by fixing lower tariff in the initial ten years and then fixing higher tariff in the remaining 30 years by way of charging 1.5% depreciation from the 1st to the 10th year and 2.5% depreciation from 11th to the 40th year, thus aggregating 90 percent of the Capital Cost of the Power Station. This moderation, with the intent to reduce tariff in the initial years of operation, has been duly approved by the CERC.

Moderation of depreciation rates for tariff determination in Kishanganga Power Station gives rise to a significant mismatch by way of higher depreciation charged in the books (as per CERC Tariff Regulations, 2019-24) during the first 12 years of commercial operation and recovery by way of tariff as per Tariff Order of the Power Station approved by the CERC. The lower recovery during the first 12 years would, however, be compensated over the balance period of the operational life of the Power Station by way of higher recovery of depreciation through tariff than that charged in the books. This deferment of recovery of costs with the intent to reduce tariff in the initial years and its recovery in subsequent years demonstrates that an asset exists by way of the right to recover current costs in future through tariff and such right is enforceable.

Keeping in view the provisions of Ind AS 114- "Regulatory Deferral Accounts", difference between depreciation charged to the Statement of Profit and Loss as per Tariff Regulations 2019-24 and the depreciation allowed by way of tariff and which is recoverable from the beneficiaries in subsequent periods is being recognized as 'Regulatory Deferral Account balances' with effect from Commercial Operation Date of the Power Station. RDA balances created during the first 12 years of commercial operation life shall be recovered from beneficiaries by way of higher depreciation as a component of tariff over the balance useful life of the Power Station, i.e. over a period of 28 years.

The regulated assets (+)/liability (-) recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

(₹ in Crore)

Sl. No.	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2022	761.46
B	Addition during the year (+)	199.36
C	Amount Used/collected during the year (-)	-
D	**Regulatory income/(expense) recognized in the Statement of Profit and Loss (B+C)**	**199.36**
E	**Closing balance as on 31.03.2023 (A+D)**	**960.82**

The Group has long term Power Purchase Agreements in respect of Kishanganga Power Station. Since the proposal for moderation of tariff already stands approved by the CERC, the Group does not envisage any significant risk as regards recoverability of the Regulatory Deferral Account balances created in respect of Kishanganga Power Station.

However, as depreciation charge in the books and recovery thereof through tariff are dependent on the Capital Cost of the Power Station as allowed by CERC, recovery of the regulatory deferral account balances in respect of Kishanganga Power Station would be subject to **Regulatory Risk.** Approval of actual capital expenditure on the Power Station including expenditure on account of time and cost overruns etc. are subject to prudence check by the CERC. Any disallowance of expenditure after prudence check can affect the quantum of regulatory deferral account balances to be recovered from beneficiaries.

D) Regulatory Deferral Account balances in respect of exchange differences on Foreign Currency Monetary items:

As per Ind AS 23- "Borrowing Costs", borrowing cost on foreign currency loans to the extent treated as an adjustment to interest costs is allowed to be capitalised during construction period. Further, Ind AS 21-"The Effects of Changes in Foreign Exchange Rates" provides that exchange differences arising on settlement or translation of monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognized in the Profit and Loss in the period in which they arise.

Para D13AA of Ind AS 101- "First Time Adoption of Ind AS" provides that a first-time adopter may continue the existing accounting policy adopted for accounting of exchange differences arising from translation of long-term foreign currency monetary items. Accordingly, for periods beginning on or after 01.04.2016, all exchange differences arising on translation/ settlement of monetary items other than exchange difference on borrowings to the extent treated as an adjustment to interest cost during construction period are to be charged to the Statement of Profit and Loss.

As per the CERC Tariff Regulations 2014-19, any gain or loss on account of exchange risk variation shall be recoverable as part of capital cost for calculation of tariff on Commercial Operation Date (COD) of a project and on actual payment basis during Operation and Maintenance (O&M) period. Further, CERC in past tariff orders has allowed exchange differences incurred during the construction period as a part of capital cost.

Keeping in view the provisions of Ind AS 114- "Regulatory Deferral Accounts" as regards recognition and CERC Tariff Regulations 2014-19 as regards recoverability, exchange differences arising on translation/ settlement of foreign currency monetary items to the extent charged to the Statement of Profit and Loss are being recognized as 'Regulatory Deferral Account balances' with effect from 01.04.2016. These balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries after Commercial Operation Date (COD) of the Project.

The regulated assets (+)/liability (-) recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

(₹ in Crore)

Sl. No.	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2022	1.55
B	Addition during the year (+)	1.67
C	Amount Used/collected during the year (-)	-
D	**Regulatory income/(expense) recognized in the Statement of Profit and Loss (B+C)**	**1.67**
E	**Closing balance as on 31.03.2023 (A+D)**	**3.22**

Tariff Regulations for the period 2019-2024 have been notified by the CERC. Regulations regarding recoverability of Foreign Exchange rate Variation (FERV) as part of capital cost for calculation of tariff on Commercial Operation Date (COD) of a project and on actual payment basis during O&M period of a Power Station as per Tariff Regulations 2014-19 have been continued for the tariff period 2019-24 also. Accordingly, Management considers that adverse changes in Tariff Regulations are not likely to be a significant area of risk for the future recovery of RDA balances recognized in respect of exchange differences on Foreign Currency Monetary items.

Recoverability of the Regulatory Deferral account balances is however, subject to **Demand Risk** since recovery/ payment of the regulatory deferral debit/credit balance shall be by way of billing to the beneficiaries. Accordingly, the same is affected by the normal risks and uncertainties impacting sale of electricity in India like difficulty in signing of long term PPAs, etc.

E) Regulatory Deferral Account balances on account of deferred tax recoverable from / payable to beneficiaries:

As per CERC Tariff Regulations, deferred tax arising out of generating income for the tariff period 2004-09 is recoverable from beneficiaries in the year the same materializes as current tax. For the tariff period 2014-19, deferred tax is recoverable by way of grossing up the Return on Equity by the effective tax rate based on actual tax paid. Till 31st March, 2018 the deferred tax recoverable from beneficiaries in future years was presented as an adjustment to deferred tax liability and was not recognised as RDA.

The practice was reviewed based on an opinion of the Expert Advisory Committee of the Institute of Chartered Accountants of India (EAC of the ICAI) obtained during FY 2018-19. Such deferral account balance which as per EAC of ICAI is not a deductible temporary difference resulting into deferred tax asset under Ind AS 12 but rather fulfils the definition of regulatory deferral account balance in terms of Ind AS 114.

Accordingly, the Group has reclassified the deferred tax recoverable upto 2009 and deferred tax adjustment against deferred tax liabilities pertaining to tariff period 2014-19 earlier presented as an adjustment to Deferred Tax Liability, as Regulatory Deferral Account balance.

As per Tariff Regulations 2019-24 notified by the CERC, there is no change in mode of recovery of current tax and deferred tax as provided in the earlier Tariff Regulations 2014-19.

The regulated assets (+)/liability (-) recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

Movement of Regulatory Deferral Account Debit Balances:

(i) In respect of deferred tax recoverable for tariff period upto 2009:

(₹ in Crore)

Sl. No.	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2022	1665.63
B	Addition during the year (+)	-
C	Amount Used/collected during the year (-)	(56.08)
D	**Regulatory income/(expense) recognized in the Statement of Profit and Loss (B+C)**	**(56.08)**
E	**Closing balance as on 31.03.2023 (A+D)**	**1609.55**

(ii) In respect of deferred tax adjustment against deferred tax liabilities (pertaining to tariff period 2014-19 and onwards):

(₹ in Crore)

Sl. No.	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2022	854.09
B	Addition during the year (+)	1.18
C	Amount Used/collected /Reversed during the year (-)	(217.16)
D	**Regulatory income/(expense) recognized in the Statement of Profit and Loss (B+C)**	**(215.98)**
E	**Closing balance as on 31.03.2023 (A+D)**	**638.11**

(iii) Regulatory Deferral Account Credit balances on account of Minimum Alternative Tax (MAT) Credit:

(₹ in Crore)

Sl. No.	Particulars	Regulatory Deferral Account Credit Balances
A	Opening balance as on 01.04.2022	2016.72
B	Addition during the year (+)	125.59
C	Amount Used/collected /Reversed during the year (-)	(658.36)
D	**Regulatory income/(expense) recognized in the Statement of Profit and Loss (B+C)**	**(532.77)**
E	**Closing balance as on 31.03.2023 (A+D)**	**1483.95**

Recoverability of Regulatory Deferral Account balance recognised on account of deferred tax recoverable/ payable upto tariff period 2004-2009, deferred tax adjustment against deferred tax liabilities pertaining to tariff period 2014-19 and that pertaining to recognition of MAT Credit are dependent upon the future operating performance of the Group. Further, since these Regulatory Deferral Account balances relate to past tariff periods, recoverability is also subject to the regulatory risk of CERC allowing recovery of such balances in future tariff regulations.

24. (i) Uri-II Power Station, where accidental fire broke out on 20.11.2014, resulting in stoppage of generation, was restored during the months of June, July and August 2015. The Assets of the power station and loss of generation are covered under Mega Risk Policy. Status of Insurance claim as on 31.03.2023 is as under:

(₹ in Crore)

Particulars of claims	Updated claim lodged	Amount received	Up to date Amount charged to Statement of Profit and Loss	Balance receivable	
				As at 31st March, 2023	As at 31st March, 2022
Business Interruption Loss	202.98	74.01	-	128.97*	128.97*

* Included in Contingent Assets in Para 3 (d) to Note no. 34.

\# Income recognised in respect of Business Interruption Loss during the year is **NIL** (Cumulative as on date is **₹ Nil Crore).**

(ii) Sewa-II Power Station, where Head Race Tunnel (HRT) was damaged on September 25, 2020 due to land slide. Restoration of the damages has since been completed and power station is currently in operation. The Assets of the power station and loss of generation are covered under Mega Risk Policy. Status of Insurance claim as on 31.03.2023 is as under:

(₹ in Crore)

Particulars of claims	Updated claim lodged	Amount received	Up to date Amount charged to Statement of Profit and Loss	Balance receivable	
				As at 31st March, 2023	As at 31st March, 2022
Against material damage	51.92	25.00	11.92	15.00	39.07
Business Interruption Loss	204.00*	165.00	-	39.00	63.74**
Total	**255.92**	**190.00**	**11.92**	**54.00**	**102.81**

* Net of additional premium amounting to ₹ **36.00 Crore** as per Insurance Policy.

** Included in Contingent Assets in Para 2 (d) to Note no. 34.

\# Income recognised in respect of Business Interruption Loss during the year is ₹ **42.14 Crore** (Cumulative as on date is ₹ **204.00 Crore).**

(iii) Status of Insurance claim in respect of power stations (other than major claims of Uri-II, and Sewa-II disclosed at para 24 (i) and (ii) above) as on 31.03.2023 is as under:

(₹ in Crore)

Particulars of claims	Updated claim lodged	Amount received	Up to date Amount charged to Statement of Profit and Loss	Balance receivable	
				As at 31st March, 2023	As at 31st March, 2022
Against material damage	70.20	6.87	22.01	41.32	38.69
Total	**70.20**	**6.87**	**22.01**	**41.32**	**38.69**

25. As per deliberations of the Board of Directors in its meeting held on 20.03.2014, the viability of Bursar HE Project is dependent upon financial support from Government of India and Government of Jammu & Kashmir. Ministry of Power (MOP), Government of India was approached to provide funding for Survey and Investigation of **Bursar Project** to make it viable. As advised by the MoP, Ministry of Water Resources (MoWR) was approached to provide funds. In the meeting held with MoWR on 27.04.2015, it was informed by the representatives of MoWR that the request of the company for release of funds for preparation of DPR is under consideration for approval of Government of India. Detailed Project Report (DPR) of the project was submitted to CEA and expenditure of ₹ **226.94 Crore** (previous year ₹ **226.78 Crore)** incurred have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision in respect of ibid expenditure had been recognised in earlier years and the same has been continued in the books of accounts.

26. Kotlibhel-IA, Kotlibhel-IB and Kotlibhel-II projects are three of the 24 hydro-electric projects located in the State of Uttarakhand which are covered by the order dated 13.08.2013 of Hon'ble Supreme Court of India directing MoEF not to grant environmental/forest clearance to these projects until further order and to examine the significant impact on the bio-diversity of Alaknanda and Bhagirathi river basin. In accordance with the direction of Hon'ble Supreme Court dated 24.11.2015, MoEF&CC has filed an affidavit in the Hon'ble Court on 17.08.2021, based on consensus of MoEF&CC, Ministry of Power, Ministry of Jal Shakti and State Govt. of Uttarakhand for construction of 7 hydroelectric projects, which does not include Kotli Bhel IA, IB & II projects. Pending final decision of the Hon'ble Supreme Court about the outcome of these projects, the expenditure incurred upto 31.03.2023 amounting to ₹ **279.75 crore** (previous year ₹ **278.11 Crore**), ₹ **42.95 crore** (previous year ₹ **42.95 Crore**)and ₹ **51.42 crore** (previous year ₹ **51.42 Crore**) have been carried forward as Capital Work in Progress in respect of Kotlibhel-1A, Kotlibhel-IB and Kotlibhel-II projects respectively. However, as an abundant precaution, provision for these amounts totalling ₹ **374.12 crore** (previous year ₹ **372.48 Crore**) up to 31.03.2023 has been made in the books of accounts.

27. Expenditure incurred on Tawang Stage-I and Stage-II Hydroelectric Projects amounting to ₹ **237.15 crore** (previous year ₹ **237.15 Crore**) has been carried forward as Capital Work in Progress. However, considering delay in receipt of clearances, difficulty in acquisition of land and overall uncertainties associated with these projects, provision for expenditure incurred in these projects up to 31.03.2023 amounting to ₹ **237.15 crore** (previous year ₹ **237.15 crore**) has been made in the accounts as an abundant precaution. Further, the Company is in the process of handing over these projects to NEEPCO subject to fulfilment of requisite conditions.

28. **a)** Implementation of Dhauliganga Intermediate, Chungar Chal and Kharmoli Lumti Tulli Hydroelectric Projects has been temporarily put on hold. Pending final decision to hand over these projects to the Government of Uttarakhand, the expenditure incurred upto 31.03.2023 amounting to ₹ **35.91 Crore** (previous year ₹ **35.70 Crore)** have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision for ₹ **35.91 Crore** (previous year ₹ **35.70 Crore)** has been made in the books of accounts.

b) Measures to reduce capital cost and optimise tariff of Goriganga IIIA Project are being explored. Pending decision on the same, the expenditure incurred upto 31.03.2023 amounting to ₹ **46.37 Crore** (previous year ₹ **46.37 Crore)** have been carried forward as Capital Work in Progress. However, as an abundant precaution, provision for ₹ **46.37 Crore** (previous year ₹ **46.37 Crore)** has been made in the books of accounts.

29. Disclosure regarding Monetization/ Securitisation:

Monetization/ Securitisation during FY 2022-23 :

During FY 2022-23, the Group has entered into an agreement with State Bank of India for monetization of free cash (consisting Return on Equity, revenue from Secondary Energy and Capacity Incentive) of Uri-I Power Station for 10 years under the National Monetisation Pipeline issued by the NITI Aayog for an amount of **₹ 1876.37 Crore** which is repayable to the Bank over a period of 10 years in the following manner:

(a) **Fixed Component: ₹ 22.42 Crore** per month @ 7.65% discount rate (3M MCLR of SBI plus spread of 0.05%). The applicable discount rate from the date of disbursement till date of first reset shall be the rate based on benchmark rate one day prior to date of disbursement and spread as quoted by bidder. First such reset shall take place on 1st April 2023 and every three months thereafter.

(b) **Variable Component:** 5% of revenue on account of secondary energy of the Power Station, payable annually.

Monetization/ Securitisation during FY 2021-22 :

During FY 2021-22, the Group has entered into an agreement with HDFC Bank Limited for securitisation of Return on Equity (ROE) of Chamera-I Power Station under the National Monetisation Pipeline issued by the NITI Aayog for an amount of **₹ 1016.39 crore** which is repayable to the Bank over a period of 10 years in the following manner:

a) **Fixed Component: ₹ 10.90 crore** per month @ 5.24% discount rate (3-month T- bill 3.71% as on 31-Jan-2022 plus spread of 1.53%). The discount rate shall be reset every three months based on the benchmark rate. First such reset was done on the first day of April 2022 and every three months thereafter.

b) **Variable Component:** 5% of revenue on account of secondary energy of the Power Station, payable annually.

The amount realized on monetization has been initially recognised as a Financial Liability (Borrowings) at fair value in accordance with Ind AS 109. Interest expense has been recognised under Finance Cost/Expenditure Attributable to Construction as per the Effective Interest Rate method.

30. Disclosure as required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

(A) Loans and advances in the nature of loans:

(i) Joint Venture Companies: (₹ in Crore)

Name of Company	Outstanding Balances as at		Maximum amount outstanding during the year	
	31.03.2023	31.03.2022	2022-23	2021-22
National High Power Test Laboratory (P) Ltd. (NHPTL)*	18.82	18.82	18.82	18.82

* Impairment Provision against loan to NHPTL has been recognised. **[Refer Note 34 (19)]**

(ii) To Firms/companies in which directors are interested : NIL (Previous Year-NIL)

B. Investment by the loanee (as detailed above) in the shares of NHPC : NIL (Previous Year- NIL)

31. Quantitative details of Carbon Credit Certificates in respect of Hydro Generating Power Stations:

Sl. No.	Description	Quantity (in Numbers) For the year ended 31.03.2023	Quantity (in Numbers) For the year ended 31.03.2022
1	Opening Balance	2436839	6930932
2	Issued/Generated during the Year	-	138595
3	Sold during the year	-	4632688
4	Closing Balance	2436839	2436839
5	Under Certification	28304999	-

32. Disclosure as per Ind AS 103 'Business Combinations':

Acquisition during the year ended 31.03.2023

Acquisition of Chenab Valley Power Projects (P) Limited (CVPPPL): On 21st November 2022, Holding Company acquired control over the voting shares of Chenab Valley Power Projects (P) Limited (the acquiree), a non- listed

Company based in India and engaged in the business of generating of electricity. CVPPPL was incorporated as a joint venture Company between NHPC (49%), Jammu and Kashmir State Power Development Corporation Limited (JKSPDCL) (49%) and PTC India Limited (PTC) (2%) and is currently engaged in construction of hydro electric projects in the Union Territory of J&K.

Prior to the financial year 2021-22, the Company's investment in CVPPPL was 49% as per the Joint Venture agreement and the accounts of CVPPPL was consolidated as a joint venture using the equity method. During FY 2021-22, the Company had acquired 2% equity of PTC in the acquiree. However, pending modification in the Promoter's Agreement, during FY 2021-22, CVPPPL was accounted for as a Joint Venture owing to control being exercised jointly with the other joint venture, i.e. JKSPDCL in terms of the Joint Venture agreement.

During FY 2022-23, the Supplementary Promoters' Agreement of CVPPPL has been signed between NHPC and JKSPDCL on 21.11.2022. As per the said agreement, NHPC has majority representation on the Board of CVPPPL and has consequently gained control over CVPPPL from that date. Accordingly, this date has been considered as the date of acquisition under Ind AS 103 "Business Combinations".

(i) Primary Reasons for Acquisition:

a) Business Development of the Company.

b) Expeditious decision making, resulting in faster development of the projects currently under execution.

c) Ease access of acquiree Company to funds from lenders at cheaper rates, due to highest credit rating of Holding Company in the domestic market.

(ii) (a) Identifiable assets acquired and liabilities assumed: The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the date of acquisition:

(₹ in Crore)

Particulars	Amount
Assets:	
Property, Plant & Equipment	93.28
Capital Work in Progress	2503.81
Right of Use Assets	801.34
Intangible Assets including under development	1.19
Other Non Current Assets	586.93
Cash & Cash Equivalents	54.63
Other Current Assets	1112.71
Regulatory Deferral Account Debit Balances	0.44
Total Assets (A)	**5154.33**
Liabilities:	
Borrowings	370.64
Other Financial Liabilities	227.80
Provisions	133.97
Other Non Current Liabilities	667.26
Other Current Liabilities	7.13
Total Liabilities (B)	**1406.80**
Fair value of Identifiable Net Assets [C= (A-B)]	**3747.52**
Less: Non-Controlling Interest (NCI) of Identifiable Net Assets (Refer (iii) below **(D)**	**1762.12**
Value of Investment in Shares of Acquiree using Equity Method (E=C-D)	**1985.40**

(b) There were no Trade Receivables in the books of CVPPPL as on the date of acquisition, since the projects of the Company are under construction.

(c) On the date of acquisition, the group has disclosed Contingent Liabilities of ₹ **143.38 Crore** of the acquiree Company.

(iii) The Group elected to measure the non-controlling interest in CVPPPL at the proportionate share of its interest in CVPPPL's net identifiable assets at the date of acquisition:

(₹ in Crore)

Non-Controlling Interest of Identifiable Net Assets	Amount
Fair value of Identifiable Net Assets	**3747.52**
Less: Share Application Money Pending Allotment of NCI	32.00
Net Assets excluding Share application money	**3715.52**
% holding of NCI	46.56%
Portion of NCI in Net Assets excluding Share application Money	1730.12
Share Application Money of NCI	32.00
Non-Controlling Interest of Identifiable Net Assets	**1,762.12**

The valuation is considered to be level 3 in fair value hierarchy due to unobservable inputs used in valuation.

(iv) Acquisition related costs: There were no acquisition-related costs.

(v) Revenue and profit contribution

CVPPPL has contributed ₹ **19.63 crore** and ₹ **8.02 crore** to the consolidated revenue and profit of the Group respectively, since date of acquisition of control.

In case control was transferred on 1st April 2022, the contribution of CVPPPL to the revenue and profit of the group would have been ₹ **53.46 crore** and ₹ **25.15 crore** respectively.

(vi) Disclosure regarding gain on fair valuation of interest in joint venture:

(₹ in Crore)

Particulars	Amount
Fair value of previously held interest in CVPPPL	1985.40
Re-measuring the Equity Interest to Fair Value	1985.40
Amount recognised in profit and loss	NIL

The net assets recognised in the Financial Statements of CVPPPL are in accordance with the fair valuation report of an independent valuer.

There was no acquisition during the Year ended 31.03.2022.

33. Disclosure relating to Investment accounted for using Equity Method under Ind AS 28: During the year, the Company has accounted for the following investments using equity method:

(a) **National High Power Test Laboratory Private Limited (NHPTL):** The Group holds 20% of the Equity of NHPTL. Additionally, the Group had granted unsecured loan of ₹ 18.40 Crore to the Joint Venture Company. At the start of the year, the value of interest in the Joint Venture was ₹ **32.64 Crore** comprising of investment accounted for using the Equity Method **(₹ 14.24 crore)** and unsecured loan of ₹ **18.40 crore.** For the current year, NHPTL has reported a loss of ₹ **111.29 crore** out of which Group's share of loss is ₹ **22.26 crore.** Further, the said loan has been provided for during the current year due to default in repayment and significant uncertainties in realization. Accordingly, as the Group's share of loss exceeds its interest in the Joint Venture as on 31st March, 2023, the Group has recognised its share of loss in the Joint Venture to the extent of its interest in the carrying value of investment, i.e ₹ **14.24 Crore.**

(b) **Investment in Chenab Valley Power Projects (P) Limited (CVPPPL):** Since Investment in CVPPPL has been considered as a Joint Venture till 20th November, 2022, accordingly the same has been consolidated using equity method till 20th November, 2022. For the current year till 20.011.2022, CVPPPL has reported a profit of

₹ **17.13 crore** out of which the Group's share of profit amounting to ₹ **9.15 crore** has been considered under "Share of Net Profit of Joint Ventures accounted for using the "equity method" (Also Refer Note 2.7.2 and Note 34(32) of Consolidated Financial Statments).

34. **Disclosure regarding Relationship with Struck off Companies:** Following is the disclosure regarding balances with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 as per requirement of Schedule-III of the Companies Act, 2013:

Outstanding Payables/Receivables in respect of Struck off Companies as on 31st March 2023

(₹ in Crore)

Sl. No.	Name of Struck off Company	Nature of transaction with Struck off Company	Balance Outstanding as at 31st March 2023	Relationship with the struck off company
1	KISHAN SINGH AND CO PVT LTD	Receivable	0.22	Contractor
2	RMS ELECTRONICS PRIVATE LIMITED	Payable	0.02	Contractor
3	VIRTUAL ELECTRONICS COMPANY	Payable	0.01	Contractor
4	GREAT EASTERN TRADING CO LTD	Payable	0.01	Contractor
5	R.K.BUILDING SOLUTIONS PVT. LTD	Payable	0.06	Contractor
6	ROLTAMAX PORT-TECH PRIVATE LTD	Payable	0.02	Contractor
7	KRCC INFRA PROJECTS PVT. LTD.	Payable	0.35	Contractor

Note: Outstanding Balances with 17 number of Struck off companies whose Individual receivable/payable amount is less than ₹ **50,000/-.** Sum of all such recoverable cases amounts to ₹ **NIL** and sum of all such payable cases amounts to ₹ **186,507/-**.

The following information regarding Outstanding Payables/Receivables from Struck off Companies were disclosed during the previous year:

(₹ in Crore)

Sl. No.	Name of Struck off Company	Nature of transaction with Struck off Company	Balance Outstanding as at 31st March 2022	Relationship with the struck off company
1	KISHAN SINGH AND CO PVT LTD	Receivable	0.22	Contractor
2	RMS ELECTRONICS PRIVATE LIMITED	Payable	0.02	Contractor
3	TOTAL SOLUTIONS PRIVATE LIMITED	Payable	0.02	Contractor
4	R. K. BUILDING SOLUTIONS PVT. LTD	Payable	0.13	Contractor
5	ROLTAMAX PORT-TECH PRIVATE LTD	Payable	0.02	Contractor
6	ROYAL BIOTECH PRIVATE LIMITED	Payable	0.03	Contractor

Note: Outstanding Balances with 9 number of Struck off companies whose Individual receivable/payable amount is less than ₹ **50,000/-**. Sum of all such recoverable cases amounts to ₹ **15,770/-** and sum of all such payable cases amounts to ₹ **81,643/-**.

Equity Shares of NHPC Limited held by struck off companies as on 31st March 2023

Sl. No.	Name of Struck off Company	Number of equity shares held by the struck off company	Nature of transactions with struck off companies
1	UNICON FINCAP PRIVATE LIMITED	1,20,100	Equity Shares of NHPC Limited held by the struck off company
2	DEEPLOK SECURITIES LTD.	50,000	
3	VITALINK WEALTH ADVISORY SERVICES PRIVATE LTD	6,393	
4	TRADESHARE FINANCIAL SERVICES PVT LTD	2,000	
5	HARSH STOCK PORTFOLIO PRIVATE LIMITED	1,426	
6	OMJI SPACES PVT LTD	500	
7	WIZARD INSURANCE SERVICES PVT LIMITED	320	
8	ZENITH INSURANCE SERVICES PVT LTD	320	
9	SIDDHA PAPERS PRIVATE LIMITED	301	
10	HARESH EXTRUSION COMPANY PRIVATE LIMITED	250	
11	DREAMS BROKING PVT LTD	50	
12	RISING STAR REAL ESTATE PRIVATE LIMITED	40	
13	SUSIE AND ROSA REAL ESTATE MARKETING PVT LTD	13	
14	SANVI FINCARE CONSULTANCY PRIVATE LIMITED	2	
15	KOTHARI INTERGROUP LTD.	1	

The following information regarding Equity Shares of NHPC Limited held by Struck off Companies were disclosed during the previous year:

Sl. No.	Name of Struck off Company	Number of equity shares held by the struck off company	Nature of transactions with struck off companies
1	QUANTUM SECURITIES P LTD	7000	Equity Shares of NHPC Limited held by the struck off company
2	VITALINK WEALTH ADVISORY SERVICES PRIVATE LTD	6393	
3	SUYASH MERCANTILE PVT. LTD.	4500	
4	TRADESHARE FINANCIAL SERVICES PVT LTD	2000	
5	HARSH STOCK PORTFOLIO PRIVATE LIMITED	1426	
6	OMJI SPACES PVT LTD	500	
7	WIZARD INSURANCE SERVICES PVT LIMITED	320	
8	ZENITH INSURANCE SERVICES PVT LTD	320	
9	SIDDHA PAPERS PRIVATE LIMITED	301	
10	HARESH EXTRUSION COMPANY PRIVATE LIMITED	250	
11	SUSHIL SECURITIES PRIVATE LIMITED	100	
12	GSB SHARE CUSTODIAN SERVICES LIMITED	100	
13	GVJ PROJECTS PRIVATE LIMITED	59	
14	DREAMS BROKING PVT LTD	50	
15	RISING STAR REAL ESTATE PRIVATE LIMITED	40	
16	SUSIE AND ROSA REAL ESTATE MARKETING PVT LTD	13	
17	SANVI FINCARE CONSULTANCY PRIVATE LIMITED	2	
18	KOTHARI INTERGROUP LTD.	1	

35. **Impact of change in the accounting policies:** During the year, following changes to the accounting policies have been made:

(i) Accounting Policy on Recognition of Carbon Credits/ CERs/VERs has been added under significant accounting policies. There is no impact on profit due to the above change.

(ii) Depreciation on assets provided to employees at residential Office has been revised due to implementation of new Scheme for providing furniture/furnishing at the residential office of employees during the year. Impact on profit due to the above change is insignificant.

36. **Other Disclosure required under Schedule-III of the Companies Act, 2013:**

(i) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) None of the Entities of the Group have been declared wilful defaulter by any bank or financial institution or other lender.

(iv) There were no scheme of Arrangements approved by the competent authority during the year in terms of sections 230 to 237 of the Companies Act,2013. However current status of the ongoing amalgamation process of LTHPL and JPCL (subsidiaries of the Company) are given at Note No. 34.1.1 & 34 .1.2 of the Consolidated Financial Statements.

(v) The Group has not traded or invested in crypto currency or Virtual Currency during the financial year.

(vi) The provisions of clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 are not applicable to the Group as per Section 2(45) of the Companies Act,2013

(vii) No proceedings have been initiated or are pending against the Group under the Benami Transactions (Prohibition) Act, 1988.

(viii) The quarterly returns / statement of current assets filed by the Holding Company with banks / financial institutions are in agreement with the books of accounts.

(ix) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

37. Figures for the previous year have been re-grouped/re-arranged/re-classified/re-stated wherever necessary.

For and on behalf of Board of Directors

(Rupa Deb) Company Secretary	**(Rajendra Prasad Goyal)** Director (Finance) DIN 08645380	**(Rajeev Kumar Vishnoi)** Chairman & Managing Director DIN 08534217

As per report of even date

For K G Somani & Co LLP Chartered Accountants FRN: 006591N/N500377	**For Chaturvedi & Co** Chartered Accountants FRN: 302137E	**For P C Bindal & Co.** Chartered Accountants FRN: 003824N
(Bhuvnesh Maheshwari) Partner M. No. 088155	**(S C Chaturvedi)** Partner M. No. 012705	**(Manushree Bindal)** Partner M. No. 517316

Place : New Delhi
Date : 29th May, 2023

FORM AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part "A": Subsidiaries

(₹ in Crore)

1	Sl. No.	1	2	3	4	5	6	7	8
2	**Name of the subsidiary**	**NHDC Ltd.**	**Loktak Downstream Hydroelectric Corporation Ltd.**	**Bundelkhand Saur Urja Ltd.**	**Lanco Teesta Hydro Power Limited**	**Jalpower Corporation Limited**	**Ratle Hydroelectric Power Corporation Ltd.**	**NHPC Renewable Energy Limited***	**Chenab Valley Power Projects (P) Limited #**
3	The date since when subsidiary was acquired	01-08-2000	23-10-2009	02-02-2015	09-10-2019	31-03-2021	01-06-2021	16-02-2022	13-06-2011
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as that of Holding Company (01.04.2022-31.03.2023)	Same as that of Holding Company (01.04.2022-31.03.2023)	Same as that of Holding Company (01.04.2022-31.03.2023)	Same as that of Holding Company (01.04.2022-31.03.2023)	Same as that of Holding Company (01.04.2022-31.03.2023)	Same as that of Holding Company (01.04.2022-31.03.2023)	(16.02.2022-31.03.2023)	(21.11.2022-31.03.2023)
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA	NA	NA	NA	NA	NA	NA
6	Share capital	1,962.58	141.09	99.17	1,724.41	281.49	270.00	20.00	3,692.39
7	Reserves & surplus	3,730.69	(141.39)	(5.14)	40.24	22.96	105.89	(1.59)	303.84
8	Total assets	7,650.78	1.06	277.75	2,500.06	647.05	415.14	18.43	5,384.52
9	Total Liabilities	1,957.51	1.36	183.72	735.42	342.60	39.25	0.01	1,388.28
10	Investments	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
11	Turnover	1,318.41	-	3.81	-	-	-	-	-
12	Profit before taxation*	1,168.43	(161.28)	(3.93)	(0.22)	0.28	8.59	(1.91)	38.60
13	Provision for taxation**	394.00	-	(0.93)	-	-	2.27	(0.33)	13.45
14	Profit after taxation	774.43	(161.28)	(3.00)	(0.22)	0.28	6.32	(1.59)	25.15
15	Proposed dividend	166.82	Nil	Nil	Nil	Nil	Nil	Nil	Nil
16	Extent of shareholding (in percentage)	51.08%	74.82%	86.94%	100.00%	100.00%	51.00%	100.00%	52.74%

* Including income on regulatory deferral account balances.

** Provision for taxation includes tax expenses and tax on regulatory deferral account balances.

***NHPC Limited has formed a wholly owned subsidiary company in the name of NHPC Renewable Energy Limited (NREL) on 16.02.2022 for development of renewable energy, small hydro and green hydrogen projects. The first Financial Statements of the NREL has been prepared in current Financial Year.

The Company has acquired majority stake in Chenab Valley Power Project Pvt. Limited (CVPPPL) during the FY 2021-22. Supplementary Promoters Agreement in respect of CVPPPL has been signed between NHPC and JKSPDC on 21.11.2022, consequent to which NHPC has gained control of CVPPPL. Accordingly, CVPPPL which was considered as Joint Venture as upto 20th November 2022, is now considered as Subsidiary as on 31st March 2023.

Notes:

1.	Names of subsidiaries which are yet to commence operations	1. Loktak Downstream Hydroelectric Corporation Limited 2. Bundelkhand Saur Urja Limited 3. Lanco Teesta Hydro Power Limited 4. Jalpower Corporation Limited 5. Ratle Hydroelectric Power Corporation Limited 6. NHPC Renewable Energy Limited 7. Chenab Valley Power Projects (P) Limited
2.	Names of subsidiaries which have been liquidated or sold during the year.	NIL

Part "B": Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Joint Ventures

(₹ in crore)

	Name of Joint Ventures	**Chenab Valley Power Projects [P] Ltd. (till 20th November 2022)**	**National High Power Test Laboratory Private Limited.**
1	Latest audited Balance Sheet Date	31st March 2023	31st March 2022*
2	Date on which Joint Venture was associated or acquired	13.06.2011	22.05.2009
3	**Shares of Joint Ventures held by the company on the year end**		
	No.	1,94,73,91,286	3,04,00,000
	Amount of Investment in Joint Venture	1,947.39	30.40
	Extend of Holding %	53.44%	20%
4	Description of how there is significant influence	NA	NA
5	Reason why the joint venture is not consolidated	NA	NA
6	Net worth attributable to Shareholding as per latest audited Balance Sheet	1,924.29	14.24
7	**Profit / (Loss) for the year**		
i	Considered in Consolidation	9.15	(14.24)
ii	Not Considered in Consolidation	NA	(8.02)

* Management certified accounts of National High Power Test Laboratory Private Limited has been considered for Group consolidation for the financial year ended 31.03.2023.

Notes:

1. Names of Joint Ventures which are yet to commence operations. NIL

2. Names of Joint Ventures which have been liquidated or sold during the year. NIL

For and on behalf of Board of Directors

(Rupa Deb) Company Secretary	**(Rajendra Prasad Goyal)** Director (Finance) DIN 08645380	**(Rajeev Kumar Vishnoi)** Chairman & Managing Director DIN 08534217

As per report of even date

For K G Somani & Co LLP Chartered Accountants FRN: 006591N/N500377	**For Chaturvedi & Co** Chartered Accountants FRN: 302137E	**For P C Bindal & Co.** Chartered Accountants FRN: 003824N
(Bhuvnesh Maheshwari) Partner M. No. 088155	**(S C Chaturvedi)** Partner M. No. 012705	**(Manushree Bindal)** Partner M. No. 517316

Place : New Delhi
Date : 29th May, 2023

NOTES

800 MW Parbati-II Project (Himachal Pradesh) – Dam

2880 MW Dibang Multipurpose Project Site - Arunachal Pradesh

NHPC Limited

(A Government of India Enterprise)

Corporate Office: NHPC Office Complex, Sector-33, Faridabad-121003

CIN: L40101HR1975GOI032564, Website: www.nhpcindia.com

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