Loktak Downstream Hydroelectric Corporation Limited

12TH ANNUAL REPORT 2020-21

Loktak Downstream Hydroelectric Corporation Limited
Regd Office : P.O. Loktak, Kom Keirap, Manipur - 795124
Tele: 03879-261533, Fax: 03879-261258
Website: http://ldhcl.in, E-mail id: ldhcl2011@gmail.com

CIN: U40101MN2009GOI008249

CONTENTS

Reference Information.....	(i)
Directors' Report.....	1
Report on Corporate Governance.....	16
Compliance Certificate on Corporate Governance.....	34
Management Discussion and Analysis Report.....	36
Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo.....	48
Statutory Audit Report.....	49
Financial Statements.....	58
Comments of Comptroller and Auditor General of India.....	153
Secretarial Audit Report.....	154

REFERENCE INFORMATION

Registered Office:

Loktak Downstream Hydroelectric Corporation Limited

P.O. Loktak, Kom Keirap, Manipur – 795124

Phone: 03879-261533, Fax: 03879-261258

Website: http://ldhcl.in

CIN: U40101MN2009GOI008249

Directors:

1. **Shri Abhay Kumar Singh, Chairman and Nominee Director**
   (Chairman & Managing Director, NHPC Limited)
2. **Shri Rajendra Prasad Goyal, Nominee Director**
   (Director (Finance), NHPC Limited)
3. **Shri Vinod Kumar Maini, Nominee Director**
   (Executive Director, NHPC Limited)
4. **Smt. Manisha Shrivastava, Nominee Director**
   (General Manager (Electrical), NHPC Limited)
5. **Shri N. Sarat Singh, Nominee Director**
   (Managing Director, Manipur State Power Company Limited)
6. **Shri Kh. Raghumani Singh, Nominee Director**
   (Commissioner (Power), Government of Manipur)

Key Managerial Persons (KMPs):

1. Shri H.N. Satyanarayana, Chief Executive Officer
2. Shri R. Vinodkumar, Chief Finance Officer
3. Ms. Neelam Singh, Company Secretary

Auditors:

1. M/s Kunjabi & Co., Chartered Accountants (Statutory Auditor)
2. M/s Garima Duggal & Associates, Company Secretaries (Secretarial Auditor)

DIRECTORS' REPORT

Dear Members,

Loktak Downstream Hydroelectric Corporation Limited

Your Directors take pleasure in presenting their 12th Annual Report on the business and operations of your Company, together with the audited financial statements, Auditor's Report, Report of Secretarial Auditor and review of financial statements by the Comptroller and Auditor General of India for the financial year ended on 31st March 2021.

1. FINANCIAL RESULTS

The financial results of your Company for the year ended 31st March 2021 are summarized in Table 1.

TABLE 1: FINANCIAL HIGHLIGHTS **(Rs. in Lakhs)**

PARTICULARS	**2020-21**	**2019-20**
Revenue from Operations	NIL	NIL
Other Income	2.41	18.04
TOTAL INCOME (A)	**2.41**	**18.04**
TOTAL EXPENDITURE (B)	**1.92**	**5.17**
Profit Before Depreciation, Interest and Tax (A-B)	0.50	12.87
Depreciation	-	-
Profit After Depreciation but Before Interest and Tax	0.50	12.87
Interest & Finance Charges	-	-
Profit After Depreciation and Interest but Before Tax	0.50	12.87
Tax Expenses	0.13	3.34
Profit After Depreciation, Interest and Tax	0.37	9.52
Profit available for appropriations	0.37	9.52
APPROPRIATIONS		
Tax on Dividend written back	-	-
Interim Dividend	-	-
Proposed Final Dividend	-	-
Transfer to general reserve	-	-

Balance Profit carried to Reserves and Surplus	0.37	9.52
Surplus of Statement of Profit and Loss of earlier years	1987.33	1977.81

During the year 2020-21, Company has not earned any revenue from operations. The Company had parked the funds received from promoters towards equity contribution in fixed deposits with scheduled banks and has earned an interest of Rs.2.41 Lakh. An amount of Rs. 0.37 Lakh has been transferred to Reserves and Surplus account during the financial year 2020-21.

2. DETAILS OF REVISION OF FINANCIAL STATEMENT

Pursuant to approval of financial statements of FY 2020-21 by the Board of Directors of your company on 06th May 2021, provisional comment was issued by the Office of C&AG, Kolkata during supplementary audit of accounts for the year ended 31st March, 2021. Provisional Comments were issued for rectification of the figures in the financial statement through revision of accounts. The inadvertent errors as pointed out by Office of C&AG, Kolkata were rectified including some other minor corrections in Cash flow statement as per the suggestions. However, there was no change in the Balance Sheet and the Statement of Profit and Loss of the Company for the year ended 31st March, 2021. The revised financial statement for the FY 2020-21 were duly approved by the Board of Directors in its meeting held on 09th August 2021. Disclosure stating the facts and circumstances of revision of accounts of the Company has been added to Note 34- "Other Explanatory Notes to Accounts" of Revised Financial Statements of your Company for FY 2020-21.

3. DIVIDEND

The Board of Directors of your Company has not recommended any dividend for the financial year 2020-21.

4. CAPITAL STRUCTURE AND NET WORTH

The total paid-up share capital of your Company as on the close of financial year 2020-21 was Rs. 13200.23 Lakh. During the year under report, Company has issued 86,10,000 equity shares to NHPC Limited. Further, Company has allotted 16,51,351 equity shares to Government of Manipur in the month of May, 2021 and 2,20,000 equity shares to NHPC Limited in the month of September 2021. Accordingly, total paid-up

share capital of your Company as on date is Rs.13587.36 Lakh. As per the Promoters' Agreement between NHPC Limited and Government of Manipur (GoM), the shareholding shall be in the ratio of 74:26 respectively. No debentures were issued by the Company during the year 2020-21. The net worth of your Company as on 31st March, 2021 stands at Rs. 15187.93 Lakh.

5. STATUS OF LOKTAK DOWNSTREAM HYDROELECTRIC PROJECT

All the statutory clearances including Techno Economic Clearance in respect of Loktak Downstream Hydroelectric Project (LDHEP) are available. Power Purchase Agreement (PPA) with Govt. of Manipur has been signed on 31.08.2020. NIT for execution of Civil & Hydro Mechanical works in EPC package was floated by the Company which are under process. Preparation of fresh tender documents for execution of Electro- Mechanical works considering GST regime is under preparation and tender documents approving committee for EPC package for electro-mechanical works has been constituted. PIB memo has been submitted to Ministry of Power, Govt. of India (MOP) which has been circulated by MOP on 25.01.2021. A meeting of the PIB was held on 14th July 2021 under the Chairmanship of FS & Secretary (Expenditure). During the meeting it was decided to work out the estimated cost of project with establishment cost till zero date, price escalation, share of State Govt. and the levellised tariff. These details are to be submitted in the PIB meeting after accord of acceptance by the Govt. of Manipur. The details comprising of estimated cost of project with establishment cost till zero date, price escalation, share of State Govt. and the levellised tariff has been forwarded to the Govt. of Manipur on 16.08.2021 for acceptance. Further, Land Acquisition process is in progress.

6. CONSULTANCY ASSIGNMENTS

Your Company was assigned consultancy assignments for Development, Survey, Investigation & preparation of Detailed Project Report (DPR) in respect of Lokchao & Irang Hydroelectric Projects (upto 5 MW) under Small Hydro Projects initiatives by MANIREDA. Final DPR for both the projects have been submitted to MANIREDA.

7. NEW INITIATIVES

Your Company is empowered by its Memorandum of Association to undertake development of power in all its aspects through hydroelectric projects in the State of Manipur. Accordingly, Government of Manipur has allocated the following additional hydro projects to your Company:

(a) Thoubal (3X2.5 MW) HE Scheme

(b) Nungleiband (2x35 MW) HE Project

Preliminary activities in respect of these projects are being undertaken by your Company. The present status of each Project/ Scheme is as under:

(a) Thoubal (3 X 2.5 MW) HE Scheme:

Thoubal Multipurpose Project on the river Thoubal, a tributary of Manipur River, is located near village Phayang, 35 km from Imphal, in Ukhrul district, Manipur. Initially project was executed by the Government of Manipur for irrigation, water supply & hydro benefits. Subsequently, state government approached your Company to execute Power Component of the project and accordingly, Implementation Agreement (IA) was signed between Loktak Downstream Hydroelectric Corporation Limited (LDHCL) and Government of Manipur in November 2014. As per the provisions of IA, Civil Works of the component has also been handed over to the Company by State Govt. of Manipur. Your company has completed the additional investigations of Thoubal H.E. scheme. Consultancy services for review and updation of DPR of Thoubal H.E Scheme was assigned to NHPC Limited. The final updated DPR was received and further submitted to Water Resource Department, Govt. of Manipur. The updated DPR of Thoubal H.E Scheme has been approved by State Govt. of Manipur and is in process of obtaining subsidy from MNRE, Govt. of India.

(b) Nungleiband HE Project:

The project is located in Churachandpur district of Manipur State on the river Leimatak, a tributary of Barak River. M/s WAPCOS Limited has prepared Pre-Feasibility Report (PFR) for Nungleiband HE Project 105 MW (2 X 52.5 MW)

in the year 2004. On request of your company, a team of professionals of NHPC Limited visited the site to assess the viability of the project. In the assessment report, the team of NHPC has expressed apprehension on the installed capacity of the project. NHPC team also desired Topographical survey of the area for firming up location of Dam/Barrage. Accordingly, the Topographical Survey was carried out and report has been submitted to NHPC for their comments. As desired by NHPC, Survey of India has also been requested to provide Topographical Maps of the Project.

8. FINANCING OF NEW PROJECTS:

As per the guidelines issued by Central Electricity Regulatory Commission for the purpose of tariff fixation, the financing of a project shall be considered in 70:30 Debt Equity Ratio. As per the Promoters' Agreement between NHPC Limited and Government of Manipur, the equity share capital of the Company shall be in the ratio of 74:26 respectively. NHPC has accorded approval to contribute equity amounting to Rs.7.98 crore for taking up balance works of power component of Thoubal Small Hydroelectric Project (3x2.5 MW) through LDHCL. Accordingly, NHPC and GoM were requested for equity contribution for Thoubal HE Scheme. Both the promoters have given their in-principle approval for the same.

9. INFORMATION TECHNOLOGY AND COMMUNICATION

Your Company uses information technology to communicate with its Members, Auditors, Directors etc. Company had launched its website, which hosts various information for the benefit of its stakeholders. As per the Government of India directives, the procurement process through e-tender system is being implemented in the Company. Further all communication with Directors related to Board Meeting and Audit Committee Meeting is done electronically.

10. TRAINING AND HUMAN RESOURCE DEVELOPMENT

The fast changing economic scenario and technological innovations are creating an increasingly competitive market environment. Your Company consistently evaluates the training needs of its employees to keep them updated with latest changes to improve their productivity and work efficiency. Based on the evaluation, the employees of your Company are provided training through T&HRD division of NHPC Limited.

11. INDUSTRIAL RELATIONS

During the year, industrial relations remain cordial and harmonious.

12. RESETTLEMENT AND REHABILITATION

There are likely to be very few Project Affected Families (PAFs) in respect of Loktak Downstream HE Project. Your Company shall resolve the issues like loss of land, houses, other resources and means of livelihood of these PAFs in accordance with Right to Fair Compensation & Transparency in Land Acquisition, Rehabilitation & Resettlement Act, 2013. The State Government is being pursued to expedite the completion of land acquisition process.

13. VIGILANCE ACTIVITIES

As your Company is a subsidiary of NHPC Limited, therefore, the vigilance function has been assigned to Chief Vigilance Officer, NHPC Limited. Further, provisions of integrity pact in line with NHPC have been incorporated in the bid document for execution of major works of Loktak Downstream Hydroelectric Project. Circulars and guidelines issued by NHPC are invariably followed by the Company as part of preventive vigilance. No director and/or employee has been denied access to the Audit committee for reporting their concern(s).

14. INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design and operation were observed.

15. RISK MANAGEMENT

Your Company is yet to formulate a Risk Management Policy. However, the risks associated with hydro projects being undertaken by the Company are broadly classified into the following categories:

(a) Strategic Risk:

Risk of losses resulting from business factors. These risks adversely affect the achievement of strategic objectives which may impair overall enterprise value.

(b) Financial Risk:

Risk directly impacting the balance sheet and access to capital market.

(c) Operational Risk:

Risk of loss resulting from inadequate or failed processes, people and information systems.

(d) Compliance risk:

Risk arising out of non-compliance with/ non-fulfillment of legal, regulatory and statutory requirements.

16. 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 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 extended to encourage these enterprises.

During the financial year 2020-21, your Company has not procured any goods from MSEs. However, services were received from MSEs, which constituted 96% of total annual services against the mandate of 25% set by Ministry of Micro, Small and Medium Enterprises, Govt. of India. During the year, 05 MSEs were benefitted out of which 01 MSEs were owned by SC/ST entrepreneurs.

17. OFFICIAL LANGUAGE IMPLEMENTATION

Efforts were made to improve the use of official language in accordance with the policy of the Government of India.

18. CORPORATE GOVERNANCE

During the year 2020-21, five meetings of Board of Directors and four meetings of Audit Committee were held. A separate section on Corporate Governance is given at **Annexure-A** in compliance with the guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE). Certificate from a practicing Company Secretary regarding compliance of conditions of Corporate Governance is placed at **Annexure-B**.

19. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As stipulated under DPE guidelines on Corporate Governance for CPSEs, a separate report on management discussion and analysis along with financial discussion and analysis is annexed at **Annexure-C** to this report.

20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

There is no significant information relating to Conservation of Energy, Technology Absorption as required to be disclosed under section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014. During the financial year 2020-21, there was no foreign exchange earnings and outgo of the Company. Details are annexed at **Annexure-D** and form part of the Directors' Report.

21. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2020-21, the Company has not entered into any material transaction as contract or arrangement with any of its related parties. The Company's related party contracts/ arrangements are generally with NHPC Limited (a Government Company) for taking consultancy services, property on lease and manpower services. These contracts/ arrangements were intended to further Company's interests. All the contracts/ arrangements with related parties were on arm's length basis. Accordingly, the disclosure in respect of particulars of contracts/

arrangements with related parties as required under section 134 (3) (h) of the Companies Act, 2013 in form AOC-2 is not applicable.

22. REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) & SUSTAINABILITY DEVELOPMENT (SD)

As per the provisions of the Companies Act, 2013, the Company is not required to undertake Corporate Social Responsibility (CSR) activities.

23. ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company has been placed on the website of the Company and can be accessed at at **http://ldhcl.in/?cat=13**

24. RIGHT TO INFORMATION ACT

Right to Information has been implemented in the Company in accordance with Right to Information Act, 2005. During the year 2020-21, no application was received under the aforesaid Act.

25. AUDITORS AND AUDITORS' REPORT

(a) STATUTORY AUDITOR AND REVIEW BY C&AG

In exercise of powers conferred by Section 139 of the Companies Act, 2013, the Comptroller and Auditor General of India had appointed M/s Kunjabi & Co., Imphal as the Statutory Auditor of the Company for the year 2020-21. The reports of the Statutory Auditor along with financial results of the Company are enclosed as **Annexure-E**. The Comptroller and Auditor General of India (CAG) have given a provisional comment on financial statements of the Company for the year ended 31.03.2021, based on which your company has revised the Financial Statements for the year ended 31.03.2021 and submitted to C&AG. C&AG has given NIL comments on the Revised Financial Statements of your company. The comments of C&AG on the Revised Financial Statements of your company is enclosed as **Annexure-F**.

The notes on financial statements referred to in the Auditor's Report are self-explanatory and do not require any further comments. The Auditor's Report do not contain any qualification, reservation or adverse remark.

(c) INTERNAL AUDITOR

As per section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the Company has appointed M/s Ashish Ayush & Associates, Chartered Accountants, Imphal to conduct the internal audit of the Company. The firm has not reported any significant internal control weakness in the processes of the company.

(d) SECRETARIAL AUDITOR

The Board of Directors had appointed M/s Garima Duggal & Associates., Practicing Company Secretary as Secretarial Auditor of the Company to conduct the secretarial audit for the year 2020-21. The secretarial audit report is given at **Annexure-G** to this report. The Secretarial Auditor, in their Report, has made certain qualifications / observations. The qualifications / observations and reply thereto are as under:

S. No.	Qualification / Observations	Management Reply
1.	**The composition of the Board of Directors and Audit Committee are not in Compliance with relevant sections of the Companies Act, 2013 as the Company does not have Independent directors and Women directors (women director was appointed on 1st July, 2020) on its Board. Further, the Company has failed to adhere to clause VII of Schedule IV of the Companies Act, 2013 regarding holding of a meeting of Independent Directors without the attendance of non-independent directors and members of the management.**	There is no Independent Director on the Board of the Company. Therefore, meeting of the Independent Directors could not be held. As per Article 40 of the Articles of Association of the Company read with MCA notification dated 5th June, 2015, the power to appoint Independent Director on the Board of the Company vests in the President of India. The matter regarding appointment of Independent Directors has been taken up with the administrative Ministry i.e. Ministry of Power. Further, as per MCA Notification dated 5th July, 2017, being a Joint Venture Company, the Company is exempted from appointment of Independent Director. Woman director has been

		appointed on the Board of the Company w.e.f. 01.07.2020.
2.	**The ratio of part-time Directors representing NHPC and Govt. of Manipur in the Board composition is in variance to Article 39 (ii) of the Article of Association of the Company.**	The matter for appointment of three more part-time directors had been taken up with NHPC Limited so that the ratio of the part-time directors representing NHPC Limited and Government of Manipur can be maintained. NHPC has informed that the decision regarding appointment of additional directors will be taken after start of the project.
3.	**The Company has no director nominated by the President to represent Government of India which is in variance to Article 39(iii) of the Articles of Association of the Company**	The matter regarding nomination of a director on the Board of LDHCL to represent Govt. of India has been taken up with the administrative Ministry i.e. Ministry of Power.
4.	**The Company has not constituted the Nomination and Remuneration Committee as required under section 178 of the Companies Act, 2013.**	The compliance shall be made after appointment of Independent Directors.

26. PARTICULARS OF LOAN & GUARANTEE GIVEN, INVESTMENTS MADE AND SECURITIES PROVIDED

Particulars of loans & guarantees given, investment made and securities provided are given in the financial statements (please refer to Note no. 3.1, 3.3, 10 & 11 of the financial statements).

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

27. COVID-19 :

The Covid-19 pandemic consequences were not restricted to mere health crisis but also had an unprecedented impact on Indian and global business environment. Your company has followed all preventive measures as per the COVID guidelines issued

from time to time by Central Government and State Government / Local bodies. No COVID impact is seen on the day-to-day activities as the project is yet to take off as the PIB clearance is in the advanced stage. Hence no impact of COVID has been observed on any physical and financial parameters of the company.

28. DISCLOSURES:

(i) As per Section 177 of the Companies Act, 2013, the Board had constituted an Audit Committee. The composition in respect of the Committee is given in the Corporate Governance Report forming part of this report. The Board had accepted all the recommendations of the Audit Committee, as and when given.

(ii) Ministry of Corporate Affairs vide its notification dated 5th June 2015 exempted / amended certain provisions of the Companies Act, 2013 for Government Companies. The Directors of the Company are from NHPC Limited, Government of Manipur and Government of India. Their performance is evaluated by the respective appointing authority. The performance evaluation of the Board and its Committee is yet.to be carried out.

(iii) All the KMPs (other than directors) and employees of the Company are from NHPC Limited and their performance evaluation is being carried out by their respective reporting officers in line with the "Performance Appraisal – Recording and Custody" Rules of NHPC Limited read with Guidelines of Department of Public Enterprises. The pay structure, allowances and other benefits of KMPs and other employees of the Company are governed by relevant DPE guidelines.

(iv) Particulars of employees and related disclosures have not been provided in the report pursuant to Ministry of Corporate Affairs notification dated 5th June 2015 (exemption of Section 197 of the Companies Act, 2013 to Government Companies).

(v) Your Directors further state that:

a. There is no change in the nature of business of the Company.

b. Your Company has complied with applicable Secretarial Standards issued by Institute of Company Secretaries of India (ICSI).

c. Your Company is not having any subsidiary, joint venture or associate so far.

d. No disclosure or reporting is required in respect of the following items as there was no transaction relating to these items during the year under report:

   (i) Details relating to deposits covered under Chapter V of the Companies Act, 2013.

   (ii) Issue of equity shares with differential rights as to dividend, voting or otherwise.

   (iii) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.

e. No significant or material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

f. No case was filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the year under report.

g. The Company has not undertaken any recruitment exercise during the year. Therefore, information regarding percentage employment of Persons with Disability (PwDs) is NIL.

h. During the year, there were no instances of fraud reported by the Auditors of the Company under section 143(12) of the Companies Act, 2013.

i. No material changes and commitments have occurred after the close of the financial year till the date of this report, which affect the financial position of the Company.

j. There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.

k. There was no instance of onetime settlement with any Bank or Financial Institution.

29. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMPs)

During the year 2020-21, Smt. Manisha Shrivastava was appointed as woman Nominee Director on the Board of the Company with effect from 01st July, 2020. Shri Vishal Pal Singh, ceased to be Director on the Board of the Company w.e.f. 28th September, 2020.

Shri H. N. Satyanarayana was appointed as CEO of the Company w.e.f. 01.09.2020 in place of Shri Amitabh Srivastav, who ceased to be CEO of the Company w.e.f. 31st August, 2020 subsequent to his superannuation.

Ms. Neelam Singh was appointed as Company Secretary of the Company with effect from 06th May 2021 in place of Shri Abhishek Dagur, who ceased to be Company Secretary of the Company with effect from 19th April, 2021.

Shri Kh. Raghumani Singh, Nominee Director is liable to retire by rotation and being eligible is proposed to be re-appointed at the forthcoming Annual General Meeting. Brief profile of the Director proposed to be re-appointed at the forthcoming AGM is given in the notice of AGM.

30. COMMITTEES OF DIRECTORS

Board of Directors of your Company have constituted an Audit Committee. The Composition of Audit Committee as on 31st March 2021 was as under:

(i)	Shri Rajendra Prasad Goyal	Chairman
(ii)	Shri Sarat Singh Nandeibam	Member
(iii)	Shri Vinod Kumar Maini	Member

31. DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 134(3) (c) of the Companies Act, 2013, the Directors hereby confirm the following:

i) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii) 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 2020-21 and of the profit and loss of the Company for that period;

iii) 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;

iv) Directors had prepared the annual accounts on a going concern basis; and

v) 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.

ACKNOWLEDGEMENTS

The Board of Directors acknowledge with deep appreciation the co-operation and guidance received from the Government of India, Ministries of Govt. of India specially Ministry of Power, NHPC Limited, Government of Manipur, Departments of Govt. of Manipur, Auditors and Bankers of the Company for their continued support during the year.

The Board takes on record its deep appreciation for the co-operation extended by the Office of the Comptroller and Auditor General of India.

The Board would also like to express their gratitude for the sincerity, hard work, commitment and contribution of the employees of the Company and have confidence that they will continue to contribute their best in the coming years.

For and on behalf of the Board of Directors

(Abhay Kumar Singh)
Chairman
DIN: 08646003

Date: 23.09.2021
Place: FARIDABAD

ANNEXURE- A

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate governance is a mechanism, process and relation by which Companies are controlled and directed. Governance structure identifies the distribution of rights and responsibilities among different participants in the Company such as the Board of Directors, Managers, Shareholders, Creditors, Auditors, Regulators, and others and includes the rules and procedures for making decisions in corporate affairs. It is about commitment towards values, ethical business conduct and transparency.

The management of the Company recognizes the inherent values of corporate governance and therefore, is taking all possible steps to attain highest level of governance to enhance the stakeholders value. The Company follows the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by Department of Public Enterprises (DPE) (DPE Guidelines), Government of India.

2. BOARD OF DIRECTORS:

(i) Size of the Board of Directors:

Loktak Downstream Hydroelectric Corporation Limited (LDHCL) is Government Company within the definition of Section 2(45) of the Companies Act, 2013 and was constituted pursuant to a Promoters' Agreement between NHPC Limited and Government of Manipur. According to the Articles of Association of the Company, the strength of the Board shall not be less than 5 (five) and not more than 15 (fifteen) Directors.

(ii) Composition & Category of Board of Directors:

As on 31st March, 2021 the Board comprised of six (6) non-executive Directors. Four Directors (including Chairman) were nominated by NHPC Limited and two Directors were nominated by Government of Manipur.

During the year under report, Company had no Independent Director on the Board of the Company. Further, there was no Nominee Director nominated by the President to represent the Government of India w.e.f. 28.09.2020. As per Ministry of Corporate Affairs (MCA) notification dated 5th July, 2017, Company, being a Joint Venture company is exempted from appointment of Independent Director. However, as per the DPE Guidelines at least one-third of the Board Members of the Company should be Independent Directors.

Further, as per the provisions of Articles of Association, part-time non-official (Independent) directors are to be appointed by the President of India. Accordingly, Ministry of Power, Government of India has been requested for appointment of Independent Directors and Nominee Director in the Company. Response is still awaited in this regard. Compliance in respect of having at-least one-third of the Board Members as independent directors shall be made after appointment of independent directors.

The composition of the Board and the number of Directorships and Committee positions (in Audit Committee and Stakeholder Relationship Committee) in other companies held by the Directors as on 31st March, 2021 is given in **Table 1** and attendance of each Director at the Board Meetings held during the year 2020-21 and at the last Annual General Meeting is given in **Table 2**.

TABLE 1: COMPOSITION & CATEGORY OF BOARD OF DIRECTORS AND DETAILS OF DIRECTORSHIPS AND COMMITTEE POSITIONS IN OTHER COMPANIES HELD BY DIRECTORS AS ON 31ST MARCH 2021.

Sr. No.	Name	Category of Director	Details of Directorships held in other Companies	Details of Committee Positions held in other Companies*	
				As Chairman	As Member
1)	Shri Abhay Kumar Singh	Non-Executive Chairman	(1) NHPC Limited, Chairman and Managing Director	NIL	NIL

		(Nominee of NHPC Limited)	(2) NHDC Limited, Nominee Director-Chairman		
2)	Shri Rajendra Prasad Goyal	Non-Executive Director (Nominee of NHPC Limited)	(1) NHPC Limited, Director (Finance) (2) Chenab Valley Power Projects Private Limited, Director	NIL	Member of Stakeholder Relationship Committee of NHPC Limited
3)	Shri Vinod Kumar Maini	Non-Executive Director (Nominee of NHPC Limited)	(1) Lanco Teesta Hydro Power Corporation Limited- Director	NIL	NIL
4)	Shri N Sarat Singh	Non-Executive Director (Nominee of Govt. of Manipur)	(1) Manipur State Power Distribution Company Limited, Director (2) Manipur State Power Company Limited, Managing Director	NIL	NIL
5)	Shri Kh. Raghumani Singh	Non-Executive Director (Nominee of Govt. of Manipur)	(1) Manipur State Power Distribution Company Limited, Director (2) Manipur State Power Company Limited, Director	NIL	NIL
6)	Smt. Manisha Srivastava[1]	Non-Executive Director (Nominee of NHPC Limited)	NIL	NIL	NIL
7)	Shri Vishal Pal Singh[2]	Non-Executive Director (Nominee of Govt. of India)	-	-	-

**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 as nominee of NHPC Limited and Chairman w.e.f. 01st July, 2020.

[2]Ceased to be Director on the Board of the Company w.e.f. 28th September, 2020.

Notes:

1. None of the Directors holds office at the same time as Director in more

than twenty Companies / ten Public Companies including alternate Directorship(s). Further, none of the Director is a member in more than ten Committees or is a Chairman of more than five Committees across all the Companies in which he is a Director.

2. The Directors of the Company do not have any relationship inter-se.

TABLE 2: ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS HELD DURING THE YEAR 2020-21 AND THE LAST ANNUAL GENERAL MEETING.

Name of the Directors	Attendance of Directors during respective tenure of the Director in the Financial Year 2020-21		
	Board Meeting		Last AGM (held on September 2020)
	Held	Attended	
Shri Abhay Kumar Singh, Chairman	5	3 (one meeting was attended through Video Conferencing)	YES
Shri Rajendra Prasad Goyal	5	4 (two meetings were attended through Video Conferencing)	YES
Shri Vinod Kumar Maini	5	5 (two meetings were attended through Video Conferencing)	YES
Shri N Sarat Singh	5	5 (All meetings were attended through Video Conferencing)	YES
Shri Kh. Raghumani Singh	5	1 (the meeting was attended through Video Conferencing)	NO
Smt. Manisha Srivastav[1]	3	3 (one meeting was attended through Video Conferencing)	YES
Shri Vishal Pal Singh[2]	3	3 (All meetings were attended through Video Conferencing)	N.A

[1]Appointed on the Board of the Company as nominee of NHPC Limited and Chairman w.e.f. 01st July, 2020.

[2]*Ceased to be Director on the Board of the Company w.e.f. 28th September, 2020.*

(iii) Number of Board Meetings: Five Board Meetings were held during the year under review. The maximum time interval between any two Board Meetings did not exceed three months. The details of the Board meetings held during the year 2020-21 are given in **Table 3**.

TABLE 3: NUMBER OF BOARD MEETINGS HELD DURING THE YEAR 2020-21.

Sr. No.	Board Meeting No.	Date of Board Meeting	Board Strength	No. of Directors Present
1.	51	15.04.2020	6	5 (All Directors through Video Conferencing)
2.	52	19.05.2020	6	5 (including two Directors through Video Conferencing)
3.	53	17.08.2020	7	7 (including three Directors through Video Conferencing)
4.	54	12.11.2020	6	4 (All Directors through Video Conferencing)
5.	55	08.02.2021	6	3 (including one Director through Video Conferencing)

(iv) Age limit and tenure of Directors: The Directors nominated by Government of India, Government of Manipur and NHPC Ltd shall hold office at discretion of the nominating authority or till ceasing to be officials of the Government of India/ Government of Manipur/ NHPC Limited, as the case may be.

(v) Resume of Directors: A brief profile of directors seeking re-appointment at the ensuing Annual General Meeting is appended to the notice calling the AGM.

(vi) Non-Executive Director's Compensation & Disclosures: The Directors on the Company are appointed by NHPC Ltd, Govt. of Manipur and Ministry of Power. The Company has not paid any sitting fee or remuneration, commission or performance linked incentive to any of the Directors during the year under review. No stock options were issued during the year either to Directors, Key Managerial Personnel or employees of the Company. No severance fees/ notice period pay is payable to the Directors at the time of separation from the Company.

(vii) Board Meetings, Committee Meetings & Procedures:

(A) Decision making process: The Company follows a systematic procedure for the meetings of the Boards of Directors with a view to professionalize its affairs. These procedures seek to systematize the decision-making process in Board meetings/ Committee meetings in an informed and efficient manner.

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

- Meetings of the Board/ Committee are convened by giving appropriate notice after approval of the Chairman. Detailed agenda notes, management reports and other explanatory statements are circulated in advance among the members to facilitate meaningful, informed and focused decisions during the meeting. Whenever urgent issues need to be addressed, meetings are called at a shorter notice or agenda notes are placed on table or resolutions are passed by circulation.
- Whenever it is not possible to attach a document to the agenda notes due to its confidential nature, or in special and exceptional circumstances, or in case of additional or supplemental items, such documents are placed on the table during the meeting with the approval of the Chairman/ Directors present at the meeting.
- Agenda papers are generally circulated after obtaining approval of the Chairman.

- The meetings are either held at Corporate Office of NHPC Ltd., Faridabad or at Manipur with a facility of video conferencing to all its members.
- As and when required, presentations are made before the Board/ Committee.
- Members of the Board have complete access to the information pertaining to the Company. Board/Committee members are also free to recommend any issue that they may consider important for inclusion in the agenda. As and when necessary, senior management officials are called during the meeting to provide additional inputs on the matters being discussed by the Board/Committee.
- Chief Executive Officer (CEO) is a permanent invitee to all the Board/Committee meetings.

(C) Recording of the Minutes of the Board/Committee Meetings: The draft Minutes of the proceedings of each Board/ Committee Meeting are duly circulated to all Board/ respective Committee members for their comments within fifteen days of the conclusion of the Meeting. The Directors communicate their comments on the draft minutes within seven days from the date of circulation thereof. A comparative sheet of all comments received from Directors are placed before the Chairman / Chairman of respective Committee(s) for consideration and approval thereof. The approved minutes of proceedings of each Board / Committee meeting are duly recorded in the minutes book within thirty days of the conclusion of the meeting.

(D) Follow-up Mechanism: Based on the decisions of the Board/ Committee, an action taken report on the decisions is presented in subsequent meetings of respective Board / Committee, which helps in effective follow-up, review and reporting on decisions.

(E) Compliance: A compliance report of all applicable provisions and

statutory requirements under different laws is regularly placed before the Board.

The following agenda items are regularly presented to the Board for its consideration/ information:

- Annual Budgets and related updates.
- Minutes of the meetings of the Audit Committee.
- Disclosure of interest by the Directors about their Directorships, Committee positions held by them in other Companies/Firms, their shareholding, etc.
- Award of large value contracts.
- Details of Related Party Transactions with respect to consultancy services assigned to/ rendered by NHPC Limited.
- Review of Compliance of Laws.
- Information with respect to status of the Projects including new initiatives.
- Action Taken Report on decisions/ directions of the Board.
- Quarterly/ Annual Financial Statements of the Company.
- Directors' Report
- Constitution/ re-constitution of Board Committees
- Alteration/ modification in terms of reference of Board Committees
- Quarterly information with respect to purchase / works / contracts awarded on nomination basis.
- Any other information required to be presented to the Board either for information or approval as per the requirement of applicable laws.

(viii) Code of Conduct: The Code of Business Conduct and Ethics for Directors and Senior Management Personnel are yet to be formulated. However, the Directors and the Senior Management Personnel are committed to adhere to the highest standards of business conduct and ethics.

(ix) Risk Management: The risk management in the Company is

undertaken as a part of normal business practice and not as a separate task at set times.

(x) Training of Board Members: The Board of the Company comprises of nominees from NHPC Limited, Government of Manipur and Government of India. They have adequate exposure and are well versed with the model and risk profile of the business of the Company.

(xi) Functional Role Clarity between Board of Directors and Management: As per Articles of Association of the Company, all the powers are vested with the Board of Directors of the Company. In order to clearly distinguish the role of the Board and the management, the Board of the Company has delegated certain powers to the Management of the Company. Decision on matters excluded from delegation are taken by the Board. The Board is provided with detailed information/ progress by the Management on various developments.

3. COMMITTEES OF THE BOARD OF DIRECTORS:

(i) Audit Committee: The Audit Committee comprises of three Nominee Directors of the Company. The composition of Audit Committee as on 31st March, 2021 was as under:

(i)	Shri Rajendra Prasad Goyal	Chairman
(ii)	Shri Vinod Kumar Maini	Member
(iii)	Shri N. Sarat Singh	Member

The presence of at-least two Directors is required to formulate valid quorum of the audit Committee meeting. Further, there is no independent Director on the Board of the Company. Hence, none of the members including Chairman of the Committee is independent Director. All members of the Committee have knowledge of financial matters of the Company. Chairman, Audit Committee is a member of the Institute of Cost Accountants of India. He carries a good knowledge and related financial management expertise.

Chief Financial Officer was generally present during the meetings of the

Audit Committee to provide inputs to the Committee. Statutory Auditors are invited to Audit Committee meetings in which financial statements are discussed.

Meetings and Attendance: Four meetings were held during the year under review. Shri Rajendra Prasad Goyal and Shri Vinod Kumar Maini chaired three and one meetings respectively. Shri Rajendra Prasad Goyal was present during the last Annual General Meeting of the Company to answer the shareholders' queries. The gap between any two audit Committee meetings were not more than four months as per Guidelines on Corporate Governance issued by DPE. The details of the Audit Committee meetings held during the year under review are given in **Table 4**:

TABLE 4: NUMBER OF MEETINGS AND ATTENDANCE OF THE AUDIT COMMITTEE DURING 2020-21.

Sr. No.	Audit Committee Meeting No.	Date of Meeting	Committee Strength	No. of Members Present
1.	42	19.05.2020	3	3 (including one member through Video Conferencing)
2.	43	17.08.2020	3	3 (including one member through Video Conferencing)
3.	44	12.11.2020	3	3 (All members through Video Conferencing)
4.	45	08.02.2021	3	2 (including one member through Video Conferencing)

The Company Secretary acts as secretary to the Audit Committee.

Attendance of members in the Audit Committee Meetings during the year under review was as under:

Sr. No.	Name of the member during 2020-21	Meetings held during the tenure of member	Meetings attended
1	Shri Rajendra Prasad Goyal	4	3 (including one meeting through Video Conferencing)
2.	Shri Vinod Kumar Maini	4	4 (including one meeting through Video Conferencing)
3.	Shri N.Sarat Singh	4	4 (All meetings were attended through video conferencing)

The terms of reference of the Audit Committee are as under:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the fixation of audit fees to the Board.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
   a. matters required to be included in the Directors' Responsibility Statement in terms of relevant provisions of the Act;
   b. changes, if any, in accounting policies and practices and reasons for the same;
   c. major accounting entries involving estimates based on the exercise of judgment by management;
   d. significant adjustments made in the financial statements arising out of audit findings;

e. compliance with legal requirements relating to financial statements;
f. disclosure of any related party transactions; and
g. qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, performance of internal auditors and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
8. Discussion with internal auditors and/or auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors/auditors/agencies into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower Mechanism.
13. To review the follow up action on the audit observations of the C&AG audit.
14. To review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.
15. Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors.

16. Review all related party transactions in the Company. For this purpose, the Audit Committee may designate a member who shall be responsible for reviewing related party transactions.

    Explanation: The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, issued by the Institute of Chartered Accountants of India.

17. Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.

18. Consider and review the following with the independent auditor and the management:
    - The adequacy of internal controls including computerized information system controls and security, and
    - Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.

19. Consider and review the following with the management, internal auditor and the independent auditor:
    - Significant findings during the year, including the status of previous audit recommendations,
    - Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

21. The recommendation for appointment, remuneration and terms of appointment of auditors of the Company.

22. Review and monitor the auditor's independence and performance, and effectiveness of audit process.

23. Examination of the financial statement and the auditors' report thereon.

24. Approval or any subsequent modification of transactions of the Company with related parties.

25. Scrutiny of inter-corporate loans and investments.

26. Valuation of undertakings or assets of the Company, wherever it is necessary.
27. Evaluation of internal financial controls and risk management systems.
28. Monitoring the end use of funds raised through public offers and related matters.

4. NOMINATION & REMUNERATION COMMITTEE

Pursuant to Ministry of Corporate Affairs (MCA) notification dated 5th July, 2017, Company being a Joint Venture company is exempted from the requirement to constitute Nomination & Remuneration Committee. However, as per the DPE guidelines, Company is required to constitute Nomination and Remuneration Committee comprising of at least three directors, to be headed by an Independent Director.

The Company is not having any Independent Director on its Board. Therefore, the Board had decided to constitute the Nomination and Remuneration Committee after the appointment of Independent Directors. The Company has not yet recruited any employee. All the employees posted in the Company are from NHPC Limited and therefore, performance related pay (PRP) to executives/ non-unionized supervisors was paid as per payment criteria / policy of NHPC Limited / DPE guidelines.

Ministry of Corporate Affairs (MCA) vide notification dated 5th June, 2015 had inter-alia exempted Government Companies from the requirement to specify the manner for effective evaluation of performance of Board, its committees and individual directors and review its implementation and compliance. The said notification also exempted Government Companies from the requirement of providing information in the Directors' report about the manner, in which annual evaluation of the performance of Board, its committees and individual directors has been made, in case, the performance of directors is evaluated by the Administrative Ministry in Charge of the Company.

The performance of Nominee Directors of the Company is being evaluated by the respective nominating authority. Performance Evaluation criteria for Board and its committees has not yet been formulated by the Company.

5. GENERAL MEETINGS:

Dates, times and locations of the last three Annual General Meetings are given in **Table 5**:

TABLE 5: DETAILS OF ANNUAL GENERAL MEETINGS (AGMs)

Financial Year	Date	Time	Location
2019-20	28th September 2020	03:00 P.M.	Meeting held through Video Conferencing/ Other Audio Video Means
2018-19	26th September, 2019	03:00 P.M.	NHPC OFFICE COMPLEX, Sector-33, Faridabad-121003 (Haryana)*
2017-18	18th September, 2018	11:00 A.M.	NHPC OFFICE COMPLEX, Sector-33, Faridabad-121003 (Haryana)*

** The Annual General Meetings of the Company were held at a place other than its registered office with the approval of Central Government/ consent of all the members given in advance.*

DETAILS OF SPECIAL RESOLUTIONS PASSED IN THE PREVIOUS THREE ANNUAL GENERAL MEETINGS:

No Special resolution was passed in previous three Annual General Meetings. Further, no resolution was passed through postal ballot during the financial year 2020-21.

6. DISCLOSURES:

(i) **Related Party Transactions:** During the financial year 2020-21, the Company has not entered into any material transaction as contract or arrangement with any of its related parties. The Company's related party contracts / arrangements are generally with NHPC Limited (holding

Company) for taking consultancy services, property on lease and manpower services. These contracts / arrangements were intended to further Company's interests. All the contracts / arrangements with related parties were on arm's length basis.

(ii) No penalty or strictures were imposed on the Company by any statutory authority, on any matter related to any guidelines issued by Government, during the preceding three years.

(iii) **Whistle Blower Policy:** The Company has not adopted any Whistle Blower Policy. However, no personnel have been denied access to the Audit Committee.

(iv) There is no independent Director on the Board of the Company, hence the Company could not comply with the various provisions regarding Independent Director as per the Companies Act, 2013 and Guidelines issued by.the Department of Public Enterprises.

(v) The Company is not having any subsidiary.

(vi) No Presidential Directives have been issued to the Company during the year 2020-21 and preceding three years.

(vii) No item of expenditure was debited in the books of accounts, which are not for the purpose of business.

(viii) There was no pecuniary relationship or transactions with the Directors vis-a-vis the Company during the year.

(ix) There were no expenses incurred which are personal in nature and incurred for the Board and Management. None of the Senior Management personnel of the Company have any financial or commercial transactions with the Company except their remuneration.

(x) Details of administrative and office expenses as a percentage of total expenses vis-à-vis financial expenses and reasons for increase are given below:

Sr. No.	Particulars	2020-21		2019-20		
		As a %age of total expenses	As a %age of financial expenses	As a %age of total expenses	As a %age of financial expenses	Reasons for increase
1	Administrative Expenses	8.42	No finance charge	9.01	No finance charge	The increase in office expenses is due to increase of POL expenditure and increase of wages to labourers due to which R&M expenditure increased
2.	Office Expenses	13.14		11.37		

(xi) Accounting Treatment:

The Company has followed all applicable Accounting Standards in the preparation of Financial Statements. However, deviations, if any, have been reported in the notes forming part of accounts.

(xii) Remuneration of Directors:

Directors are not paid any remuneration or sitting fees.

7. MEANS OF COMMUNICATION:

The annual financial statement of the Company is provided to members in physical form as well as in electronic form. The Company is not required to publish quarterly results.

8. INFORMATION FOR SHAREHOLDERS:

ANNUAL GENERAL MEETING:

Date of Annual General Meeting: **27th September, 2021**

Day and Time: **Monday, 01:00 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 13.01.2021 read with circular dated 05.05.2020 and by SEBI vide circular dated 15.01.2021 read with circular dated 12.05.2020, the AGM of the Company for financial year 2020-21 shall be held through Video Conferencing. However, the deemed venue of AGM shall be NHPC Office Complex, Sector-33, Faridabad- 121003 (Haryana).

The Notice of AGM may be referred for necessary details/ instructions regarding participation in the AGM.

9. AUDIT QUALIFICATION:

There are no adverse remarks by the Statutory Auditor. The Comptroller and Auditor General of India has given NIL comments on the revised financial statements of the Company for the year ended 31st March 2021.

10. COMPLIANCE CERTIFICATE:

A Certificate from M/s Garima Duggal & Associates, Practicing Company Secretary, confirming the compliance or otherwise with the conditions of Corporate Governance as stipulated under the Guidelines on Corporate Governance for Central Public Sector Enterprises 2010, is forming part of the Report.

For and on behalf of the Board of Directors

(Abhay Kumar Singh)
Chairman
DIN: 08646003

Date: 23.09.2021
Place: FARIDABAD

Annexure - B

GARIMA DUGGAL & ASSOCIATES
PRACTISING COMPANY SECRETARIES
Off.: Flat No. 106, Carnation Tower,
Omaxe Green Valley Apartments,
Sector 42-43, Faridabad-121010 (Haryana)
Landline: +91-129-4321659
Email: garima@click2comply.net

Certificate of Compliance of Corporate Governance

To,

The Members
LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED
(CIN: U40101MN2009GOI008249)

We have examined the compliance of conditions of Corporate Governance by **M/s LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED (CIN: U40101MN2009GOI008249)** (the company) as required to be done Guidelines on Corporate Governance for Central Public Sector Enterprises for the financial year ended on 31st March, 2021

The Compliance of conditions of Corporate Governance is the responsibility of management. Our examination as carried out was limited to review the procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on financial statements of the Company.

In our opinion and according to the examinations carried out by us and explanations furnished to us by the Company, its officer & agents, and to the best of our knowledge and belief, we hereby certify that company has complied with all the provisions of in respect of the aforesaid financial year except for the points listed below:

1. The Company has not complied with Para 3.1 and Para 3.3.1 of the Guidelines on Corporate Governance for Central Public Sector Enterprises with regard to Composition of Board. The Company has no independent directors and women director, appointed w.e.f 1st July, 2020 during the financial year, on its Board of Directors so certain compliances as mandated under the aforesaid guidelines have not been complied with by the Company.

2. The Company has not complied with Para 3.4.1 and 3.4.2 of the Guidelines on Corporate Governance for Central Public Sector Enterprises with regard to code of conduct for all Board members and senior management of the Company

GARIMA DUGGAL
Digitally signed by GARIMA DUGGAL
Date: 2021.09.13 16:36:56 +05'30'

3. The Company has not complied with Para 3.4.5 of Guidelines on Corporate Governance for Central Public Sector Enterprises with regard to formal statement of Board Charter which clearly defines roles and responsibilities of the Board and individual directors.

4. Company has not framed a formal training programme for its new Board Members. However all its present Board Members are nominees of NHPC Limited, Government of Manipur and Nominee of Ministry of Power hence they are well versed with the Business model, risk profile etc.

5. Company has not yet constituted Remuneration Committee as provided in Para 5.1 of the Guidelines on Corporate Governance for Central Public Sector Enterprises

6. Company has not yet adopted any Whistle Blower Policy

7. Company has not yet laid down its Risk Management Policy

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

FOR GARIMA DUGGAL & ASSOCIATES
ICSI Unique Code: S2009DE115400
Peer Review Cert. No.: 1360/2021

GARIMA DUGGAL
Digitally signed by GARIMA DUGGAL
Date: 2021.09.13 16:37:22 +05'30'

GARIMA DUGGAL
PRACTISING COMPANY SECRETARY
MEMBERSHIP NO F-7923
CERTIFICATE OF PRACTICE NO 8413

DATED: 13th September, 2021

PLACE: Faridabad

UDIN: F007923C000938930

ANNEXURE-C

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

I. INDUSTRY STRUCTURE AND DEVELOPMENT

The world seeks ways to accelerate the pace of transformation in the energy sector through new energy sources and new players entering the arena of power generation. With this, the aims of quadrupling renewable electricity capacity by 2030, more than doubling the share of natural gas in the energy mix, enhancing energy efficiency and transport infrastructure, increasing domestic coal output, and reducing reliance on imports have been energy reforms and targets of the Country. While there has been progress on many fronts over these years, the extraordinary disruption caused by the Covid - 19 pandemic has cast a cloud over the future. The electricity generation in the country fell by 9.12% to 598.93 Billion Units (BUs) in the first half of FY21 as compared to previous year due to industrial and commercial activities remained muted amid lockdowns imposed across the nation, but picked up pace in the second half of the fiscal, with the easing of lockdown measures[1]

India is a major force in the global energy economy. India is the third largest consumer of energy in the world after USA and China as reported by international agencies like IEA, Statista, but the per capita energy consumption of India is still very low as compared to developed countries and the lowest even among the BRICS countries. Energy use on a per capita basis is well under half the global average. On a range of economic and energy - related indicators, India has been catching up with the rest of the world in recent years.

Water is one of the nature's invaluable renewable gifts which can be harnessed for least cost power generation. Hydro-electric power is one of the most widely used sources of energy. Our country has an enormous hydro power potential and ranks amongst the topmost nations in the world for possessing feasible hydro-power capacity, most of which is yet to be tapped.

[1] Source: Central Electricity Authority

Power scenario in Manipur in the recent past has improved tremendously. As per the initiative of Government of India, now, consumers in the state are getting 24X7 Power most of the time. However, the situation is generally different during the lean hydro season when the generation in all the hydro power stations in North Eastern Region is minimum. There has been gap between demand and supply during this period. To help bridge the gap and meet future requirements, your Company is in the process of implementation of Loktak Downstream HE Project (66 MW) and other Hydro projects in the state.

II. STRENGTH

We believe that the following are the primary competitive strengths of the Company:

Power purchase agreements

At the time of investment decisions made by the GOI on new projects, the Company generally obtains the commitments from State Electricity Boards / Power Departments and their successor entities for purchase of power from the new projects. As per clause II (d) of the Memorandum of Understanding signed on 14th September 2009 between Government of Manipur and NHPC Limited, Govt. of Manipur would purchase entire power generated from Loktak Downstream Hydroelectric Project.

Competent and committed workforce

In terms of Articles of Association of the Company, the manpower required for the implementation of Loktak Downstream Hydroelectric Project is to be deployed by the promoters i.e. NHPC Limited and Government of Manipur. At present, all the manpower is from NHPC Limited. The workforce deputed by NHPC Limited has extensive experience in the industry. The skill, industry knowledge and operating experience of these senior executives provide the Company with a significant competitive advantage.

Strong design and engineering team

The Company is well supported by NHPC Limited, which has an in-house team for project design and engineering capabilities ranging from conceptualization to

commissioning. The engineers have experience with a variety of specialized analysis, design and computer aided design ("**CAD**") software applications and their innovative and fully-integrated approach brings a full complement of skills and knowledge to provide solutions to any given design problem.

III. OPPORTUNITIES

The growth of solar in recent times has highlighted the need for sources to complement the intermitted nature of solar power. This presents hydro sector a great opportunity to flourish. Eastern India is blessed with huge untapped hydro power potential and the development of hydro power is considered an excellent option to boost the economy for this underdeveloped part of the country. With the construction of Loktak Downstream Hydroelectric Project, this part of the country is expected to see tremendous growth in all sectors.

IV. THREATS, WEAKNESSES, RISKS AND CONCERNS

Management perceives following as threats, weaknesses, risks and concerns in construction of Hydro Power Projects:

Land Acquisition

Hydropower projects are generally located in hilly, difficult and remote terrains which require large area of land for submergence and development of infrastructure including project's components. The process of land acquisition is quite cumbersome.

Geological Surprises

Hydropower projects generally involve substantial underground works of head race tunnel and surge shaft. Geological surprises associated with underground work may result in time and cost over-run.

Natural Calamities

As hydropower project are generally proposed in hilly terrains and are generally subject to associated geological adversities such as hill slope failures, road blocks, flash floods and cloud bursts etc., which may cause severe set-back in construction of projects.

Unexpected complexities

Development of a Project may be subject to unexpected complexities and delays in clearances/ execution, which may result in time and cost overrun for developing projects, compared to estimates. The generation capacity may vary substantially because of variations in hydrology due to climatic conditions, which may cause significant variation in revenue earnings of the Company.

Long Gestation Period

Hydroelectric Power Projects are capital intensive and have a long gestation period.

Variation in cost

Hydroelectric power projects have long gestation period and are also subject to various geological surprises & adversities resulting in time and cost overruns, compared to estimates. The cost overruns may lead to increase in tariff.

V. SEGMENT WISE OR PRODUCT WISE PERFORMANCE

Construction of hydroelectric power projects and generation of power is the only business of the Company. Further, the Company is having a single geographical segment as it is operating in the state of Manipur only.

VI. OUTLOOK

Electricity is critical to livelihoods and essential to well-being. The potential for growth in energy demand and energy infrastructure in India remains enormous. The country's continued industrialization and urbanization will make huge demands of its energy sector. Your Company is committed to make its contribution in ensuring availability of reliable electricity to all sections of consumers in the state of Manipur. Despite the logistic challenges due to remote location and the fact the state has tough terrain, your company is committed to overcome them.

Considering the high unexploited hydropower potential of the Country specifically north-eastern states, ample opportunities are available in the field of hydro power

development. Further, initiatives of Government of India such as enhancing energy efficiency and transport infrastructure, and reducing reliance on imports shall strengthen the road ahead for development of hydro power sector in the Country.

VII. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a specific delegation of powers. The Organizational structure is well defined in terms of the structured authority / responsibility involved at a particular hierarchy level. M/s Ashish Ayush & Company, Chartered Accountants, Imphal was appointed as internal auditor of the company. The efficacy of internal control systems has also been pointed out by Independent Auditors' Report forming part of Annual Report.

VIII. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

A) Financial Performance

The Company is engaged in execution of Loktak Downstream Hydroelectric Project. The equity portion required for the project as per CERC norms shall be provided by promoters. The available funds of the Company have been parked in the term deposits with scheduled banks and are earning interest for the Company.

B) Operational Performance of the Company

All statutory clearances including environment clearance, forest clearance and defence clearance in respect of Loktak Downstream Hydroelectric Project have been obtained.

IX. DEVELOPMENT IN HUMAN RESOURCES, INDUSTRIAL RELATIONS, INCLUDING NUMBER OF PEOPLE EMPLOYED

The number of regular employees posted at LDHCL and the number of contractual staff employed by LDHCL through Contractors are as under:

a) Number of Regular Employees

Sl. No.	Discipline/Designation	No.
1	General Manger (Civil) as CEO of the Company	1
2	Chief Medical Officer	1
3	Senior Manager (Fin)	2
4	Senior Manager (Civil))	1
5	Senior Manager (Env.)	1
6	Senior Manager (Elect.)	1
7	Manager (Geology)	1
8	Sr. Supervisor (Survey)	1
	Total=	**9**

b) Category-wise number of casual workers employed through Contractors for R&M of Offices, Field Hostel, Vehicles, Site Camps, G&D Stations and Rain Gauge Stations at Dam and Power House Sites

Sl.No.	Category	No.
1	Skilled	15
2	Semi-Skilled	12
3	Un-Skilled	30
	Total=	**57**

INDUSTRIAL RELATION & STAFF WELFARE

Industrial relations between employees and employer were cordial and harmonious. No man-day was lost on account of strike / lock-out. Staff welfare activities were given special consideration. Workers were encouraged to participate in the areas concerning their working conditions, welfare etc. Some of the staff welfare activities carried out by the Company are as follows:

- School children are extended transportation facility for going to Schools.
- Cultural programmes, celebration of festivals and sports activities are organized. Clubs for both executives and Non–Executives are used for various cultural activities and is being maintained at Loktak Power Station.
- Entertainment Facilities like Cable T.V. have been provided to employees by

arranging infrastructure or outsourcing the same.

- Educational facilities through Kendriya Vidyalya at Loktak Power Station are being provided.
- Hospital / Dispensary facility with qualified internal Doctors and para-medical staff at Loktak Power Station are being provided. Along with the project hospital, employees and their families are also entitled to seek treatment in various empanelled hospitals throughout the country.

RESERVATION FOR SC/ST/OBC CATEGORIES OF EMPLOYEES

The Company is making a modest contribution for the socio-economic development of SC / ST and other weaker sections of the society. Since, in terms of the Promoters' Agreement between NHPC Limited and Government of Manipur, the staff for the Company is to be provided by promoters, therefore, no recruitments are being done by the Company. However, both the promoters are following reservation and relaxation as per guidelines issued by the Government from time to time.

A table showing representation of SC/ST/OBC Employees is as under

Total Employees as on 31.03.2021	Representation					
	SCs	SC%	STs	ST%	OBCs	OBC%
09						
Male	00	00	01	11%	02	22%
Female	00	00	00	00	00	00
Total	00	00	01	11%	02	22%

WELFARE FOR THE PERSONS WITH DISABILITIES (PwD)

There was no physically challenged employee posted in the Company as on 31.03.2021.

X. ENVIRONMENTAL PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, RENEWABLE ENERGY DEVELOPMENTS, FOREIGN EXCHANGE CONSERVATION

The Company is committed to preserve mankind's precious heritage 'nature' by maintaining a balance between preservation of environment and its activities at

project site. The adverse impact, if any, of construction activities will be mitigated and compensated by adopting measures like Compensatory Afforestation, Catchment Area Treatment, Green Belt Development, Fishery Management, Health Management, Rejuvenation of Dumping Sites and Quarry Sites, Resettlement & Rehabilitation, etc.

XI. CORPORATE SOCIAL RESPONSIBILITY

As per the provisions of the Companies Act, 2013, the Company is not required to undertake Corporate Social Responsibility (CSR) activities. However, as a responsible corporate citizen, your Company strives to demonstrate environmentally as well as ethically conscious behaviour. It seeks to incorporate best practices in corporate governance, employee welfare and environmental commitment.

The Resettlement and Rehabilitation ("R&R") program of your Company aims to improve the economic status of people, who will be displaced or otherwise affected adversely by the Project. Your Company is committed to safeguard the interests of Project Affected Families (PAFs) through implementation of R&R Policy.

XII. FINANCIAL DISCUSSION AND ANALYSIS

Loktak Downstream Hydroelectric Corporation Limited is in the process of development of 66MW hydro power project and at present, no major activities are going on for the same. During the year Company has earned an amount of Rs.2.41 lakh on account of interest on term deposit of share capital contributed by Shareholders, which is shown under other income. The expenditure incurred is mainly on account of establishment cost and survey & investigation expenditure of the project. The Company has appointed M/s. Ashish Ayush & Company, Chartered Accountants, to conduct the internal audit of the Company for the year 2020-21. Management has suitably replied to the observations of Internal Auditor. Further, compliance of recommendation/observation is under process.

A. RESULTS OF OPERATIONS

The company is in initial stage of development of project and as such there is no revenue from sale of energy. An amount of Rs. 2.41 lakh has been recognised in financial year 2020-21 as other income as against Rs.18.04 lakh in financial year 2019-20. The income of the Company during financial year 2020-21 comprises of other income on account of interest earned on share capital deposited with SBI.

During the financial year 2020-21 the expenditure was Rs. 1.92 lakhs as against Rs. 5.17 lakh in the financial year 2019-20. All the other expenditure such as establishment, survey & investigation are booked under CWIP/EAC. CWIP/EAC added during the year 2020-21 is to the tune of Rs. 662.83 lakh as against Rs. 671.15 lakh during 2019-20. Total EAC/CWIP as on 31st March 2021 stands at Rs. 15165.97 lakhs (PY14503.14 lakh).

B. PROFIT BEFORE TAX

The PBT was of the order of Rs. 0.50 lakh in financial year 2020-21 as against Rs. 12.87 lakh in financial year 2019-20.

C. TAX EXPENSES

The tax outgo on the profits was of the order of Rs. 0.13 lakh in financial year 2020-21 as against Rs. 3.34 lakh in the financial year 2019-20.

D. SOURCE OF FUNDING

Liquidity

NHPC and Government of Manipur have contributed Rs.13200.23 lakh towards the equity of the Company in the ratio of 74:26. The same has been kept in Fixed Deposits with State Bank of India and is the only source of liquidity till 31/03/2021. The current balance in such fixed deposits is Rs. 95.43Lakh. Apart from this a sum of Rs. 4.51 Lakh is held as cash in current account for day to day requirement.

The net cash flow from operating and investing activities (net effect of inflow due to Bank Deposits/Interest and outflow due to CWIP/Fixed Assets) is (-) Rs 6.50 Lakh in financial year 2020-21 as against Rs. 96.76 Lakh in financial year 2019-20.

E. DISCUSSION OF BALANCE SHEET ITEMS

Balance Sheet Highlights

(Rs. in lakh)

	As on 31st March	
	2021	**2020**
Non – Current Assets		
Net Tangible Fixed Assets	87.15	105.61
Non-Current Investments	-	-
Long term loans and advance	-	-
Net Intangible assets	-	0
Non-current Tax assets	8.82	7.03
Other non-current assets	15165.97	14503.14
Current Assets		
Current Investments	--	--
Inventories	--	--
Trade Receivables	0	34.92
Cash & Bank Balances	99.94	176.44
Short-term Loans and Advances	0	6.09
Other Current Assets	69.06	2.62

F. FINANCIAL CONDITION

Net Worth

The net worth of the Company at the end of financial year 2020-21 increased to Rs. 15187.93 lakh from Rs. 14326.56 lakh in the previous financial year registering an increase of 6.01%. Increase in net worth is attributable to increase in accumulated reserve and surplus over the year and additional equity received during the year 2020-21 amounting to Rs.8.61 Cr.

Net Fixed Assets

The fixed assets after depreciation, defined as net fixed tangible assets, were Rs.87.15 lakh and Rs. 105.61 lakh as of March 31, 2021 and March 31, 2020 respectively. Since the project is in survey & investigation stage, no major assets are either created or procured so far. The total fixed assets consist of roads and bridges, building plant and machinery, office equipment, computers, intangible assets, etc.

Loans and Advances (Current & Non-Current)

Loans and advances as of March 31, 2021 and 2020 were Rs. Nil lakh and Rs. 6.09 lakh respectively. Loans and advances include advances to our employees, contractors and suppliers.

Cash and Bank Balances

Cash and bank balances consist of cash surplus as on the balance sheet date in our current account and short term deposits. Our cash and bank balances as of March 31, 2021 and 2020 were Rs. 99.94 Lakh and Rs. 176.44 Lakh respectively.

Other Current Assets

As of March 31, 2021 and 2020, other current assets were Rs. 69.06 Lakh and Rs. 2.62 Lakh respectively. It mainly consists of Rs.69.02 lakhs receivable from NHPC on account of various Inter Unit transactions

Liabilities and Provisions

(Rs. in lakh)

	As of March 31	
Non-Current Liabilities	**2021**	**2020**
Long Term Borrowings	--	--
Deferred Tax Liabilities	--	--
Other Long Term Liabilities	--	--
Long Term Provisions	--	--
Current Liabilities		

Trade Payable	87.60	279.15
Other Current Liabilities	39.91	93.16
Short Term Provisions	115.50	136.98

Other Long Term Liabilities

There are no long term liabilities either in this financial year or in previous financial year.

Trade payable

The Trade Payables stood at Rs 87.60 lakh in financial year 2020-21 against Rs. 279.15 lakh for the previous financial year consisting mainly of Sundry creditors and Consultancy Charges payable.

Other Current Liabilities

Other current liabilities stood at Rs. 39.91 lakh in financial year 2020-21 against Rs. 93.16 lakh for the previous financial year consisting mainly of EMD/SD, Statutory dues and other expenses payable.

Cautionary Statement

The views and forward-looking statements contained in this report are based on reasonable assumptions and subject to certain risks and uncertainty that could cause actual results to differ from those reflected in such statements. Readers should carefully review the other information in this report and in the Company's periodic reports. The Company undertakes no obligation to publicly update or revise any of these forward-looking statements whether as a result of new information, future events or otherwise.
The financial figures shown above are based on the audited results of the Company.

for and on behalf of the Board of Directors

(Abhay Kumar Singh)
Chairman
DIN: 08646003

Date: 23.09.2021
Place: FARIDABAD

ANNEXURE-D

Disclosure required under Section 134 (3) (m) of the Companies Act, 2013 on Energy Conservation, Technology absorption and Foreign Exchange Earnings read with rule 8 of the Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY.

The steps taken or impact on conservation of energy: **NIL**

The steps taken by the Company for utilizing alternate sources of energy: **NIL**

The capital investment on energy conservation equipments: **NIL**

B. TECHNOLOGY ABSORPTION.

(i) the efforts made towards technology absorption - **NIL**

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution - **NIL**

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

a. the details of technology imported - **NIL**

b. the year of import - **NIL**

c. whether the technology being fully absorbed - **NIL**

d. if not fully absorbed, areas where absorption has not taken place and the reasons thereof - **Not Applicable** .

(iv) the expenditure incurred on Research and Development - **NIL**

C. FOREIGN EXCHANGE EARNING AND OUTGO.

The foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflow - **NIL**

for and on behalf of the Board of Directors

(Abhay Kumar Singh)
Chairman
DIN: 08646003

Date: 23.09.2021
Place: FARIDABAD

Annexure - E

ꯁꯦꯟꯖꯕꯤ ꯀꯦꯀꯟ ꯁꯤ
ꯋꯥꯡꯈꯦꯜ ꯀꯣꯡꯍꯣꯟꯊꯣꯡ
ꯋꯥꯡꯅꯥ ꯂꯩꯕꯥ, ꯆꯦꯡꯀꯣꯟ
ꯏꯃꯐꯜ-꯷꯹꯵ ꯰꯰꯱

KUNJABI & CO.
Chartered Accountants
WANGKHEI KHUNOU, CHECKON
IMPHAL - 795 001
FRN - 309115E
Tele fax : +91 385 2444228
Tele : +91 385 2449001
e-mail:kunjabi@gmail.com
info@kunjabiandco.com

INDEPENDENT AUDITORS'S REPORT

To

The Members of
LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

Report on the Audit of the Standalone Financial Statements

We issued an audit report dated 6th May,2021(the original report) on the Financial Statements approved by the Board of Directors on that date. Pursuant to the observations from the Office of the Comptroller and Auditor General of India under section143(6)(b) of the Companies Act.2013, the Financial Statements have been revised and the revised statements have been approved by the Board of Directors on 9th August, 2021. There is no impact of revision on the Balance Sheet and Statement of Profit & Loss and other consequential effects is stated in Note No 34 para 23 of these Financial Statements. Accordingly, we have issued this revised report which supersedes our earlier report dated 6th May, 2021.

We have audited the standalone financial Statements of Loktak Downstream Hydroelectric Corporation Limited ("the Company"), which comprise of the balance sheet as at 31st March 2021 and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31,2021, and profit, changes in equity and its cash flows for the year ended on that date

Basis of Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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(ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we

have obtained is sufficient and appropriate to provide a basis for our opinion on standalone financial statements

Key Audit Matters

The Company is not a listed company and hence we have not expressed a separate opinion on these matters.

Information other than the standalone financial statements

The Company's Board of Directors is responsible for the preparation of other information which comprises information included in the Management Discussion and Analysis, Board's Report including Annexures thereto, Business Responsibility Report, Corporate Governance and Shareholder's Information. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 financial statement 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. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Other Matters

The Company's standalone financial statements do not include any other information than its own. Hence we do not express any opinion on other matters

SD

IMPHAL
FRN
309115E

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **"Annexure- A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. The Comptroller and Auditor General of India have issued directions indicating the areas to be examined in terms of sub-section (5) of section 143 of the Companies Act, 2013, the compliance of which is set out in **"Annexure –B"**
3. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
   (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account
   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   (e) The requirement of disclosure under section 164(2) of the Act is not applicable
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure C ".**
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company does not have any pending litigations which would impact its financial position

      (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses

      (iii) There were no amounts which were required to be transferred to the investor Education and Protection Fund by the Company

For **KUNJABI & CO**
Chartered Accountants
FRN. 309115E

Linda Kshertimayum
Partner
[M.No. 511337]
UDIN -21511337AAAAEW7266

Imphal
Date: 09/08/2021

ANNEXURE – "A" to the Auditors' Report

Companies (Auditor's Report) Order, 2020

[Referred to in our Report of even date on the Accounts of LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED. as at and for the year ended 31st March 2021]

The Annexure referred to in our report to the members of LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED for the year Ended on 31st March-2021. We report that:

(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, including quantitative details and situation of intangible assets

(b) These Property, Plant and Equipment were physically verified on 18/03/2021 by the management and no discrepancies were found on such verification.

c) According to the information and explanations given to us, a piece of land measuring 3835 sq ft at Thangal Village donated by Thangal Village Authority to NHPC Ltd. The land along with temporary shed thereon was transferred to the company at the time incorporation by NHPC Ltd. No value has been assigned to the land. This is disclosed under Note No. 2.1 of Financial statements

Description of property	Gross carrying value as on 31.03.2021 (Rs in lakh)	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reasons for not holding in the name of company
Land – Freeland	0	0	0	0	0

d) The company has not revalued its Property, Plant and Equipment (including Right to Use assets) or intangible assets during the year.

(e) There is no instance with the company of holding any benami property.

(ii) (a) The company has not commenced any business operation and has not carried any inventory

(b) No working capital limit has been sanctioned to the company so far and hence the matter is not reported.

(iii) During the year the company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans either secured or unsecured to any party.

(iv) The Company has not directly or indirectly advanced any loan to the persons covered under Section 185 of the Act or given guarantees or securities in connection with the loan taken by such persons. The Company has not made any investments or given any loan or any guarantee or security in connection with the loan to any person or body corporate covered under Section 186 of the Act during the year.

(v) According to the information and explanations given to us, the Company has not accepted any deposit nor has any unclaimed deposit within the meaning of the provisions of Sections 73 to 76 or any other relevant provision of the Act and the rules framed thereunder.

(vi)Maintenance of Cost accounting records is not applicable since the company has completed survey & investigation phase and has not started construction.

S2

PUNJABI & CO. IMPHAL FRN 309115E CHARTERED ACCOUNTANTS

(vii) The company is regular in depositing undisputed statutory dues

(a) Details of Undisputed Statutory dues outstanding as on 31.03.2021 which have not been deposited within six months from the date they became payable are as under

Nature of dues	Amount (in Rs.)	Due date of remittance
Income Tax	NIL	
Goods & Service Tax Act		
Sales Tax /VAT		
Service Tax		
Custom Duty		
Excise Duty		
Works Contract Tax		
Cess		
EPF		
ESI		
Any other levies (Please specify)		

(b) Details of Statutory dues which have not been deposited on account of any dispute as at 31st March 2021 are as under:

Name of the Statute	Nature of dues	Financial Year to which it pertains	Forum at which case is pending	Gross Disputed Amount (in Rs.)	Amount Deposited under Protest (in Rs.)
Income Tax Act,1961	Income Tax	NIL			
Central Sales Tax and VAT Acts of Various States	Sales Tax/ VAT				
Finance Act,1994	Service Tax				
Custom Act,1962	Custom Duty				
Central Excise Tariff Act, 1985	Excise Duty				
Works Contract Tax	Works Contract Tax				
Goods & Service Tax Act 2017	Goods & Service Tax				
Please specify	Any other levies				

(viii) There is no case of unrecorded transactions that have been surrendered or disclosed during the year as income requiring a separate disclosure.

(ix) (a) The company has not raised any loan or borrowings from any financial institution or lender and the matters under sub-clause (a) to (f) do not require reporting.

(x) (a) The company, during the year, has not raised money by way of initial public offer or further public offer (including debt instruments) and also has not made any preferential allotment or private placement of shares or convertible debenture and hence reporting under para (a) and (b) of this clause is not applicable.

(xi) No fraud by the Company or any fraud on the Company by any person including its officers/employees has been noticed or reported during the year.

(xii) The company is not a Nidhi Company and hence the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.

(xiii) Transactions with 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 financial statements as required by the applicable accounting standards.

(xiv) The company has an internal audit system commensurate with its size and nature of business. The report of such internal auditor, a firm of chartered accountants, has been considered.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non–cash transaction with the Directors or Persons connected with them and covered under Section 192 of the Act. Hence, clause (xv) of paragraph 3 of the Order is not applicable to the Company.

(xvi) (a) To the best of our knowledge and as explained the company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934

(b) The company has not conducted any Non-Banking Financial or Housing Finance Activities

(c) The company is not Core Investment Company

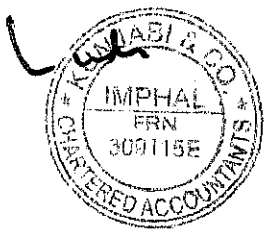
(xvii) The company has not incurred any cash loss during the financial year and also in the immediately preceding financial year.

(xviii) There has not been any case of resignation of statutory auditors during the year

(xix) The company is yet to start construction . It has entered the Power Purchase Agreement with Govt of Manipur on 31.8.2020 and has initiated further process for Public Investment Board (PIB) clearance and tendering for major works. To the best of our information and as per explanation given to us we are of the opinion that there is no existence of material uncertainty on the date of audit report in regard to company's incapability of meeting its liabilities

(xx) The provisions of Section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility Policy is not applicable to the company and as such the matters under para (a) and (b) of this clause are not pertinent to the company

(xxi) There is no adverse or qualified remarks to be reflected in the consolidated financial statements



Annexure "B" to the Auditor's Report

[referred to in our Report of even date on the accounts of Loktak Downstream Hydroelectric Corporation Limited, as at the year ended 31st March 2021

Report under Directions under section 143(5) of the Companies Act 2013 :

Sl No	Directions	Report	Action taken thereon	Impact on accounts & financial statements of the company
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	The company passes its accounting transactions through Oracle accounting package	No action is required	No impact
2	Whether there is any restructuring of any 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 property accounted for?	There is no such case of waiving of loan	No action is required	No impact
3	Whether funds (grants/ subsidy etc) received/ receivable for specific schemes from Central / State agencies were properly accounted for/ utilised as per its terms and conditions? List the cases of deviation	No fund for the purpose of any specific scheme has been received from Central / State agencies	No action is required	No impact

For KUNJABI & CO

Chartered Accountants
FRN 309115E

Linda Kshetrimayum
Partner
Membership No. 511337
UDIN- 21511337AAAAEW7266

Imphal,
Date : 09/08/2021

Annexure –"C" to the Auditors' Report

[Referred to in our Report of even date on the Accounts of LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED as at and for the year ended 31st March 2021]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED ("the Company") as of 31st March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting.

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3)provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For KUNJABI & CO
CHARTERED ACCOUNTANTS
(FRN. 309115E)

LINDA KSHETRIMAYUM
PARTNER
(M. NO.511337)

Place : Imphal
Date : 09/08/2021

UDIN – 21511337AAAAEW7266

KUNJABI & CO * CHARTERED ACCOUNTANTS * IMPHAL FRN 309115E

LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LTD.
(A Joint Venture of NHPC Limited & Government of Manipur)

BALANCE SHEET AS AT 31ST MARCH, 2021

(Amount in ₹ lcas)

	PARTICULARS	Note No.	As at 31st March, 2021	As at 31st March, 2020
	ASSETS			
(1)	**NON-CURRENT ASSETS**			
a)	Property, Plant and Equipment	2.1	86.98	93.36
b)	Capital Work In Progress	2.2	15,165.97	14,503.14
c)	Right Of Use Assets	2.3	0.17	12.25
d)	Investment Property	2.4	-	-
e)	Intangible Assets	2.5	-	-
f)	Intangible Assets under development	2.6	-	-
g)	Financial Assets		-	-
	i) Investments	3.1	-	-
	ii) Trade Receivables	3.2	-	-
	iii) Loans	3.3	-	-
	iv) Others	3.4	-	-
h)	Non Current Tax Assets (Net)	4	8.82	7.03
i)	Other Non Current Assets	5	-	-
	TOTAL NON CURRENT ASSETS		15,261.94	14,615.78
(2)	**CURRENT ASSETS**			
a)	Inventories	6	-	-
b)	Financial Assets			
	i) Trade Receivables	7	-	34.92
	ii) Cash & Cash Equivalents	8	99.94	106.44
	iii) Bank balances other than Cash and Cash Equivalents	9	-	70.00
	iv) Loans	10	-	6.09
	v) Others	11	69.06	2.52
c)	Current Tax Assets (Net)	12	-	-
d)	Other Current Assets	13	-	0.10
	TOTAL CURRENT ASSETS		169.00	220.08
(3)	Regulatory Deferral Account Debit Balances	14	-	-
	TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES		15,430.94	14,835.86
	EQUITY AND LIABILITIES			
(1)	**EQUITY**			
(a)	Equity Share Capital	15.1	13,200.23	12,339.23
(b)	Other Equity	15.2	1,987.70	1,987.33
	TOTAL EQUITY		15,187.93	14,326.56
(2)	**LIABILITIES**			
	NON-CURRENT LIABILITIES			
a)	Financial Liabilities			
	i) Borrowings	16.1	-	-
	ii) Other financial liabilities	16.2	-	-
b)	Provisions	17	-	-
c)	Deferred Tax Liabilities (Net)	18	-	-
d)	Other non-current Liabilities	19	-	-
	TOTAL NON CURRENT LIABILITIES		-	-
(3)	**CURRENT LIABILITIES**			
a)	Financial Liabilities			
	i) Borrowings	20.1	-	-
	ii) Trade Payables	20.2		
	Total outstanding dues of micro enterprises and small enterprises		-	-
	Total outstanding dues of Creditors other than micro enterprises and small enterprises		87.60	279.15
	iii) Other financial liabilities	20.3	20.20	77.79
b)	Other Current Liabilities	21	19.71	15.37
c)	Provisions	22	115.50	136.98
d)	Current Tax Liabilities (Net)	23	-	-
(4)	Regulatory Deferral Account Credit Balances	14.2	-	-
(5)	FUND FROM C.O.	15.3	-	-
	TOTAL CURRENT LIABILITIES		243.01	509.29
	TOTAL EQUITY & LIABILITIES		15,430.94	14,835.86

Accompanying notes to the Standalone Financial Statements 1-34

For and on behalf of Board of Directors

For KUNJABI &CO.
Chartered Accountants
(Firm Regn. No. 309115E)

KUNJABI & CO. CHARTERED ACCOUNTANTS IMPHAL FRN 309115E

(Linda Kshetrimayum)
Partner
M.No. 511337

(Vinodkumar R)
Chief Financial Officer

(Abhay Kumar Singh)
Chairman
DIN-08646003

(Rajendra Prasad Goyal)
Director
DIN-08645380

(H N Satyanarayana)
Chief Executive Officer

Neelam Singh
Company Secretary
M.No.A35813

Place: -
Date: 9/8/2021
UDIN-21511374AAAEW7266

LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LTD.

(A Joint Venture of NHPC Limited & Government of Manipur)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(Amount in ₹ in lacs)

PARTICULARS	Note No.	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
INCOME			
I) Revenue from Operations	24.1	-	-
II) Other Income	24.2	2.41	18.04
TOTAL INCOME		2.41	18.04
EXPENSES			
i) Purchase of Power - Trading	25.1	-	-
ii) Generation Expenses	25.2	-	-
iii) Employee Benefits Expense	26	-	-
iv) Finance Costs	27	-	-
v) Depreciation and Amortization Expense	28	-	-
vi) Other Expenses	29	1.92	5.17
TOTAL EXPENSES		1.92	5.17
PROFIT BEFORE EXCEPTIONAL ITEMS, REGULATORY DEFERRAL ACCOUNT BALANCES AND TAX		0.50	12.87
Exceptional items		-	-
PROFIT BEFORE REGULATORY DEFERRAL ACCOUNT BALANCES AND TAX		0	12.87
Tax Expenses	30.1		
i) Current Tax		0.13	3.34
ii) Deferred Tax		-	-
Total Tax Expenses		0.13	3.34
PROFIT FOR THE YEAR BEFORE NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES		0.37	9.52
Movement in Regulatory Deferral Account Balances (Net of Tax)	31	-	-
PROFIT FOR THE YEAR (A)		0.37	9.52
OTHER COMPREHENSIVE INCOME (B)	30.2		
(i) Items that will not be reclassified to profit or loss (Net of Tax)			
(a) Remeasurement of the post employment defined benefit obligations		-	-
Less:-Movement in Regulatory Deferral Account Balances in respect of tax on defined benefit obligations		-	-
Sub total (a)		-	-
(b)Investment in Equity Instruments		-	-
Sub total (b)		-	-
Total (i)=(a)+(b)		-	-
(ii) Items that will be reclassified to profit or loss (Net of Tax)			
- Investment in Debt Instruments		-	-
Total (ii)		-	-
Other Comprehensive Income (B)=(I+II)		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)		0.37	9.52
Earning per share (Basic and Diluted) (Equity shares, face value of ₹ 10/- each)	34 (12)		
Before movements in Regulatory Deferral Account Balances		-	0.00
After movements in Regulatory Deferral Account Balances		-	0.00
Accompanying notes to the Standalone Financial Statements	1-34		

For KUNJABI &CO.
Chartered Accountants
(Firm Regn. No. 309115E)

(Linda Kshetrimayum)
Partner
M.No. 511337

(Vinodkumar R)
Chief Financial Officer

(Abhay Kumar Singh)
Chairman
DIN-08646003

(Rajendra Prasad Goyal)
Director
DIN-08645380

(H N Satyanarayana)
Chief Executive Officer)

Neelam Singh
Company Secretary
M.No.A35813

Place:
Date: 9/8/2021

UDIN 21511337AAAAEN7266

NOTE NO. 1: COMPANY INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

(I) Reporting entity

Loktak Downstream Hydroelectric Corporation limited (the "Company") is a Company domiciled in India and limited by shares (CIN: U40101MN2009GOI008249). The address of the Company's registered office is **Loktak Downstream Hydroelectric Corporation limited , Komkeirap, Manipur-795124.** The Company is primarily involved in the generation and sale of bulk power to various Power Utilities. Other business includes providing project management / construction contracts/ consultancy assignment services and trading of power.

(II) Basis of preparation

(A) Statement of Compliance

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

These financial statements were authorised for issue by the Board of Directors on 7th Aug 2021.

(B) Basis of Measurement

The financial statements have been prepared on historical cost basis, except for:

- Certain financial assets and liabilities measured at fair value.
- Plan assets of defined employee benefit plans measured at fair value.

The methods used to measure fair values are discussed in Note 33.

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition or the amount of proceeds received in exchange for the obligation, or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(C) Application of new and revised standards

During the year, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amendment Rules, 2020 which has brought about certain amendments in the existing Indian Accounting Standards. Impact of these amendments are disclosed hereunder:

(i) **Ind AS 1- Presentation of Financial Statements:** The Companies (Indian Accounting Standards) Amendment Rules, 2020 has amended the definition of "materiality" under Ind AS 1. Consequential amendments have also been made in Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors, Ind AS 10- Events after the Reporting Period, Ind AS 34- Interim Financial Reporting and Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. There is, however, no material impact on the financial statements.

(ii) **Ind AS 116- Leases:** The Companies (Indian Accounting Standards) Amendment Rules, 2020 permit lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of COVID -19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. There is, however, no material impact on the financial statements.

(iii) **Ind AS 103- Business Combinations:** The Companies (Indian Accounting Standards) Amendment Rules, 2020 has amended the definition of "business" whereby emphasis is given on goods and services provided to customers. Further, to be considered as a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create an output. There is, however, no material impact on the financial statements.

(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 Lacs (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 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 plant is recognised as a Lease Receivable. The minimum lease payments are identified by segregating the embedded lease payments from the rest of the contract amounts. Each lease receipt is allocated between the receivable and finance lease income so as to achieve a constant rate of return on the Lease Receivable outstanding.

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

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

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

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

c) Recoverable amount of property, plant and equipment, capital work in progress and intangible assets

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

d) Post-retirement benefit plans

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

e) Revenue

The Company records revenue from sale of power based on Tariff approved by the CERC, as per the principles of Ind AS 115. However, in cases where tariff rates are yet to be approved, provisional rates are adopted considering the applicable CERC Tariff

Regulations. Further, where tariff 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 following unforeseeable developments.

g) Recoverable Amount of Rate Regulated Assets

The operating activities of the Company are subject to cost-of-service regulations whereby tariff charged for electricity generated is based on allowable costs like interest costs, depreciation, operation & maintenance including a stipulated return. Guidance Note on Rate Regulated Activities issued by the ICAI (previous GAAP) and Ind AS 114- 'Regulatory Deferral Accounts' permits an entity to include in the rate base, as part of the cost of self-constructed (tangible) PPE or internally generated intangible assets, amounts that would otherwise be recognised as an expense in the Statement of Profit and Loss in accordance with Ind AS. The Company estimates that items of regulatory deferral accounts recognised in the financial statements are recoverable as per the current CERC Tariff Regulations 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 & Equipment is based on estimates & assumptions as per terms and conditions of insurance policies.

(III) SIGNIFICANT ACCOUNTING POLICIES:

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

Up to March 31, 2015, Property, Plant and Equipment, Capital Work in Progress, Intangible Assets and Investment Property were carried in the Balance Sheet in accordance with Indian GAAP. The Company had elected to avail the exemption granted by IND AS 101, "First time adoption of IND AS" to regard those amounts as the deemed cost at the date of transition to IND AS (i.e., as on April 1, 2015). Therefore, the carrying amount of property, plant and equipment and intangible assets 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 PPE 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 & Machinery or subsequently) which meet the recognition criteria are capitalized. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other spare parts are treated as "stores & spares" forming part of inventory.

i) If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection carried out.

j) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

2.0 Capital work in Progress

a) Expenditure incurred on assets under construction (including a project) is carried at cost under Capital Work in Progress (CWIP). Such costs comprise purchase price of assets including import duties and non-refundable taxes (after deducting trade discounts and rebates), expenditure in relation to survey and investigation activities of projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, etc.

b) Costs including employee benefits, professional fees, expenditure on maintenance and up-gradation of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management are accumulated under "Expenditure Attributable to Construction

(EAC)" and subsequently allocated on systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects. Net pre-commissioning income/ expenditure is adjusted directly in the cost of related assets.

c) Capital Expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential principally for construction of the project is accumulated under "Expenditure Attributable to Construction" and carried under "Capital Work in Progress" and subsequently allocated on a systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects, keeping in view the "attributability" and the "Unit of Measure" concepts in Ind AS 16- "Property, Plant & Equipment". Expenditure of such nature incurred after completion of the project, is charged to the Statement of Profit and Loss.

3.0 Investment Property

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

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

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

4.0 Intangible Assets and Intangible Assets under Development

a) Expenditure on research is charged to revenue as and when incurred. Expenditure on development is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to & has sufficient resources to complete development and to use or sell the asset.

b) Intangible assets 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 enterprise 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 Balance Sheet date, monetary items denominated in foreign currency are translated at the functional currency exchange rates prevailing on that date.

b) Exchange differences relating to PPE/capital work-in-progress arising out of transaction entered into prior to April 1, 2004 are adjusted to the carrying cost of respective PPE/capital work-in-progress.

c) Exchange differences arising from translation of foreign currency borrowings entered into prior to March 31, 2016 recoverable from or payable to beneficiaries in subsequent periods as per CERC Tariff regulations are recognised as "Deferred Foreign Currency Fluctuation Recoverable/ Payable Account" and adjusted from the year in which the same is recovered/ paid.

d) Exchange differences arising from settlement/ translation of monetary items denominated in foreign currency entered into on or after 01.04.2016 to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized as 'Regulatory Deferral Account Balances' during construction period and adjusted from the year in which the same become recoverable from or payable to the beneficiaries.

e) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Where the Company has paid or received advance consideration in a foreign currency, the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it), is the date when the Company initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

6.0 Regulatory Deferral Accounts

a) Where an item of expenditure incurred during the period of construction of a project is recognised as expense in the Statement of Profit and Loss i.e., not allowed to be capitalized as part of cost of relevant PPE in accordance with Ind AS, but is nevertheless permitted by CERC to be recovered from the beneficiaries in future through tariff, the right to recover the same is recognized as "Regulatory Deferral Account balances."

b) Expense/ income recognised in the Statement of Profit and Loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognised as "Regulatory Deferral Account balances."

c) These Regulatory Deferral Account balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries.

d) Regulatory Deferral Account balances are evaluated at each Balance Sheet date to ensure that the underlying activities meet the recognition criteria and it is probable that future economic benefits associated with such balances will flow to the entity. If these criteria are not met, the Regulatory Deferral Account balances are derecognised.

e) Regulatory Deferral Account balances are tested for impairment at each Balance Sheet date.

7.0 Fair value measurement

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

8.0 Investments in subsidiaries and joint ventures

Investments in equity shares of subsidiaries and joint ventures are carried at cost 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 & joint ventures, Trade Receivables, Advances 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 will either be recorded in the Statement of Profit and Loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

b) Initial recognition and measurement

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

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

c) Subsequent measurement

Debt instruments at amortised cost

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

i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

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

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

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

i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

ii) The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

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

Equity investments:

All equity investments in entities other than subsidiaries and joint ventures are measured at fair value. Equity instruments which are held for trading, if any, are classified at Fair Value Through Profit or Loss (FVTPL). 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 entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

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

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

e) Impairment of financial assets

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

i) Financial assets that are debt instruments, and are measured at amortised cost.

ii) Financial assets that are debt instruments and are measured as at FVTOCI

iii) Contract Assets and Trade Receivables under Ind AS 115, Revenue from Contracts with Customers

iv) Lease Receivables under Ind AS 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 recognizing impairment loss allowance based on 12-month ECL. The amount of expected credit loss (or reversal) for the period is recognized as expense/ income in the Statement of Profit and Loss.

10.0 Inventories

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

Scrap is valued at net realisable value.

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

11.0 Dividends

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

12.0 Financial liabilities

Financial liabilities of the Company are contractual 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 & borrowings, trade and other payables.

a) Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable and subsequently measured at amortised cost. Financial liabilities are classified as subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss or in the carrying amount of an asset if another standard permits such inclusion, over the period of the borrowings using the effective rate of interest.

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

b) Subsequent measurement

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

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

c) Derecognition

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

d) Offsetting of financial instruments

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

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.

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

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

d) Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

15.0 Revenue Recognition and Other Income

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

a) Revenue from sale of power

i) Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over the products or services to a customer.

ii) Revenue from sale of power (except for power stations considered as Finance/Operating Lease) is accounted for as per tariff notified by the Central Electricity Regulatory Commission (CERC) under the CERC (Terms & Conditions of Tariff) Regulations, 2019 as modified by the orders of Appellate Tribunal for Electricity to the extent applicable. In the case of Power Stations where provisional/

final tariff is yet to be notified or where incentives/disincentives are chargeable/ payable as per CERC (Terms & Conditions of Tariff) Regulations, revenue is recognised to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Rebates given to beneficiaries as early payments incentives are deducted from the amount of revenue.

iii) Customers are billed on a periodic and regular basis. As at each reporting date, revenue from sale of power includes an accrual for sales delivered to customers but not yet billed (unbilled revenue).

iv) Recovery/ refund towards foreign currency variation in respect of foreign currency loans and recovery towards Income Tax are recognised on year to year basis based on regulatory norms. Recovery towards deferred tax items recognized till March 31, 2009 are accounted for when the same materialises.

v) Adjustments arising out of finalisation of Regional Energy Account (REA), though not material, are effected in the year of respective finalisation.

vi) Advance Against Depreciation (AAD) considered as deferred income up to 31st March 2009 is included in sales on straight line basis over the balance useful life after a period of 12 years from the date of commercial operation of the Power Station.

b) Revenue from Project Management / Construction Contracts/ Consultancy assignments

i) Revenue from Project Management / Construction Contracts/ Consultancy assignments is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the services and excludes amounts collected on behalf of third parties. The Company recognises revenue on the basis of input method. Input method recognises revenue on the basis of the costs incurred towards the satisfaction of a performance obligation relative to the total expected costs to the satisfaction of that performance obligation.

ii) Contract modifications, if any, are accounted for when there is a change in the scope or price (or both) of a contract that is approved by the parties to the contract and when the parties to a contract approve a modification that either creates new or changes existing enforceable rights and obligations of the parties to the contract. Accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Contract modifications are recorded on standalone basis when the scope of the contract increases because of the addition of promised goods or services or the price of the contract increases by an amount of consideration that reflects the Company's standalone selling prices of the additional promised goods or services and any appropriate adjustments to that price to reflect the circumstances of the particular contract. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

c) Revenue from trading of power

i) Accounting for revenue from trading of power involves assessment of the contract conditions to determine whether the Company is required to act in the capacity of a principal or as an agent. The Company acts in the nature of a principal in case it obtains control of the electricity before transferring it to the customer. Indicators of control includes assessment of whether the company is primarily responsible for fulfilling the promise to provide the electricity, it has the discretion to establish the price or whether it bears the inventory risk. Where the Company does not obtain

control of the electricity before transferring it to the customer and its performance obligation is to arrange for the supply of electricity by another party, it acts in the nature of an agent.

ii) Where the Company acts as a principal in a contract for trading of power, the amount of the transaction price allocated to the performance obligation that is satisfied is recognised as revenue.

iii) Where the Company acts as an agent in a contract for trading of power, the net consideration retained after paying the supplier for the electricity provided to the customer is recognised as revenue from operations. Financial assets and liabilities arising out of these transactions are not set off.

d) Other income

i) Dividend income is recognized when the right to receive the same is established.

ii) For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

iii) Interest/Surcharge recoverable from customers including those arising out of contracts for trading of power and liquidated damages /interest on advances to contractors is recognised when it is highly probable that a significant reversal in the amount of revenue recognised will not occur in the future.

16.0 Employee Benefits

i) Short-term employee benefits

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

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

ii) Defined contribution plans

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

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

iii) Defined benefit plans

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

The liability or asset recognised in the Balance Sheet in respect of Gratuity 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 and in the Balance Sheet.

iv) Other long-term employee benefits

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

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

v) Termination benefits

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

17.0 Borrowing costs

Borrowing costs 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 life and residual value (5%) given in the Schedule II of the Companies Act, 2013:

- Construction Plant & Machinery

- Computer & Peripherals

ii) Based on management assessment, depreciation on Mobile Phones is provided on straight line basis over a period of three years with residual value of Re 1.

iii) Based on management assessment, depreciation on Roof Top Solar Power System / Equipment is provided on straight line basis over a period of twenty five years with residual value of 10%.

e) Temporary erections are depreciated fully (100%) in the year of acquisition /capitalization by retaining Re. 1/- as WDV.

f) Assets valuing Rs. 5000/- or less but more than Rs. 750/- are fully depreciated during the year in which the asset becomes available for use with Re. 1/- as WDV.

g) Low value items, which are in the nature of assets (excluding immovable assets) and valuing upto Rs. 750/- are not capitalized and charged off to revenue in the year of use.

h) Leasehold Land of operating units, is amortized over the period of lease or 40 years whichever is lower, following the rates and methodology notified vide CERC tariff regulations.

i) Leasehold Land and buildings, of units other than operating units, is amortized over the period of lease or 40 years, whichever is lower.

j) PPE created on leasehold land are depreciated to the extent of 90% of original cost over the balance available lease period of respective land from the date such asset is available for use or at the applicable depreciation rates & methodology notified by CERC tariff regulations for such assets, whichever is higher.

k) Right to use in respect of land is amortized over a period of 30 years from the date of commercial operation of the project in line with CERC tariff regulations notified for tariff fixation.

l) Cost of software recognized as 'Intangible Assets' is amortized on straight line method over a period of legal right to use or three financial years, whichever is earlier, starting from the year in which it is acquired.

m) Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, settlement of arbitration/court cases, change in duties or similar factors, the unamortized balance of such assets is depreciated prospectively over the residual life of such assets at the rate of depreciation and methodology notified by CERC tariff regulations.

n) Spare parts procured along with the Plant & Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery at the rates and methodology notified by CERC.

o) Useful life, method of depreciation and residual value of assets where depreciation is charged as per management assessment are reviewed at the end of each financial year and adjusted prospectively over the balance life of the asset, wherever required.

19.0 Impairment of non-financial assets other than inventories

a) The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an

asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss.

b) In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

c) In case of expenditure on survey & investigation of projects, if it is decided to abandon such a project, expenditure incurred thereon is charged to the Statement of Profit and Loss in the year in which such decision is taken.

d) In case a project under survey and Investigation remains in abeyance by the order of appropriate authority/ by injunction of court order, any expenditure incurred on such projects from the date of order/ injunction of court is provided in the books from the date of such order till the period project is kept in abeyance by such order/ injunction. Provision so made is however reversed on the revocation of aforesaid order/ injunction.

e) Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

20.0 Income Taxes

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

a) Current tax

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 - 'Operating Segments'.

c) The Company has a single geographical segment as all its Power Stations are located within the Country.

23.0 Leases

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

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  - the Company has the right to operate the asset; or
  - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

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

i. Company as a lessee

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

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

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

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

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

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

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

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

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

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

ii. Company as a lessor

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

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

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

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 and liabilities are classified as non-current assets and 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 inspection and acceptance by the Company.

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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. As on date there is no notification which would have been applicable from April 1, 2021.

For KUNJABI &Co.	**(Abhay Kumar Singh)**	**(Rajendra Prasad Goyal)**
Chartered Accountants	**Chairman**	**Director**
(Firm Regn. No. 309115E)	**DIN 08646003**	**DIN 08645380**

(Linda Kshetrimayum)	**(Vinod kumar R)**	**(H N Satyanarayana)**	**Neelam Singh**
Partner	**Chief Financial Officer**	**Chief Executive Officer**	**Company Secretary**
M.No. 511337			**M.No. A35813**

UDIN 21511337AAAAEW7266

Place :

Date :9/8/2021

NOTE NO. 2.1 Property, Plant and Equipment as on 31.3.2021

(Amount in Flacs)

Sl. No.	PARTICULARS	GROSS BLOCK								DEPRECIATION					NET BLOCK	
		As at 01-Apr-2020	Reclassification as on 01-Apr-2019 due to IND AS 116	Additions		Deductions		Other Adjustments	As at 31st March, 2021	As at 01-Apr-2020	Reclassification as on 01-Apr-2019 due to IND AS 116	For the Year	Adjustments	As at 31st March, 2021	As at 31st March, 2021	As at 31st March, 2020
				IUT	Others	IUT	Others									
i)	Land – Freehold	0.00							0	0				0	0	0
ii)	Roads and Bridges	35.92							35.92	7.96		1.59	0.00	9.55	26.38	27.97
iii)	Buildings	36.54							36.54	20.13		1.06	0.00	21.18	15.36	16.41
		0.00							0.00	0.00		0.00	0.00	0.00		
iv)	Railway sidings	0.00							0.00	0.00		0.00	0.00	0.00	0.00	0.00
v)	Hydraulic Works[Dams, Water Conductor system, Hydro mechanical gates, tunnels)	0.00							0.00	0.00		0.00	0.00	0.00	0.00	0.00
vi)	Generating Plant and machinery	0.00							0.00	0.00		0.00	0.00	0.00	0.00	0.00
vii)	Plant and machinery Sub station	0.00							0.00	0.00		0.00	0.00	0.00	0.00	0.00
viii)	Plant and machinery Transmission lines	0.00							0.00	0.00		0.00	0.00	0.00	0.00	0.00
ix)	Plant and machinery Others	0.12							0.12	0.02		0.00	0.00	0.02	0.09	0.09
x)	Construction Equipment	3.67							3.67	0.11		0.01	0.00	0.12	3.55	3.56
xi)	Water Supply System/Drainage and Sewerage	0.00							0.00	0.00		0.00	0.00	0.00	0.00	0.00
xii)	Electrical installations	0.00							0.00	0.00		0.00	0.00	0.00	0.00	0.00
xiii)	Vehicles	4.23							4.23	0.00		0.00	0.00	0.00	4.23	4.23
xiv)	Aircraft/ Boats	0.00							0.00	0.00		0.00	0.00	0.00	0.00	0.00
xv)	Furniture and fixture	13.25					1.46		11.79	3.64		0.81	-0.25	4.20	7.59	9.62
xvi)	Computers	11.02			2.93				13.95	8.85		0.86	0.00	9.71	4.24	2.17
xvii)	Communication Equipment	3.68							3.68	0.55		0.24	0.00	0.78	2.90	3.13
xviii)	Office Equipments	36.37					1.85		34.52	10.19		2.13	-0.44	11.88	22.64	26.18
xxiii)	Research and Development	0.00							0.00	0.00		0.00	0.00	0.00	0.00	0.00
xxiv)	Other assets	0.00							0.00	0.00		0.00	0.00	0.00	0.00	0.00
xxv)	Tangible Assets of minor value >750 and <Rs 5000	0.00							0.00	0.00		0.00	0.00	0.00	0.00	0.00
	Total	144.80	0	0	2.93	0	3.31	0	144.42	51.44		6.69	-0.69	57.44	86.98	93.36
	Previous year	145.43	-0.20	0	0	0	0.42	0	144.80	44.29	-0.02	7.58	-0.42	51.44	93.36	101.13

Note: - A piece of land measuring 3836 sq.ft. at Thangal Village was donated by Thangal Village authorities to NHPCLimited. The land alongwith the temporary shed constructed thereon transferred to the company at the time of incorporation .The land is in possession of the company but no value assigned.

Annexure-I to NOTE NO. 2.1 Property, Plant and Equipment

(Amount in Rscs)

Sl. No.	PARTICULARS	GROSS BLOCK								DEPRECIATION						NET BLOCK	
		As at 01-Apr-2020	Reclassification as on 01-Apr-2019 due to IND AS 116	Additions		Deductions		Other Adjustments	As at 31st March, 2021	As at 01-Apr-2020	Reclassification as on 01-Apr-2019 due to IND AS 116	For the Year	Adjustments	As at 31st March, 2021	As at 31st March, 2021	As at 31st March, 2020
				IUT	Others	IUT	Others									
i)	Land – Freehold (Refer Note 2.1.1 and 2.1.2)	0		0	0	0	0	0	0	0			0	0	0	0
ii)	Roads and Bridges	47.64		0	0	0	0	0	47.64	19.67		1.59	0.00	21.26	26.4	28.0
iii)	Buildings	73.60		0	0	0	0	0	73.60	57.19		1.05	0.00	58.24	15.4	16.4
iv)	Railway sidings	0.00		0	0	0	0	0	0.00	0		0.00	0.00	0.00	0.0	0.0
v)	Hydraulic Works(Dams, Water Conductor system, Hydro mechanical	0.00		0	0	0	0	0	0.00	0		0.00	0.00	0.00	0.0	0.0
vi)	Generating Plant and machinery	0.00		0	0	0	0	0	0.00	0		0.00	0.00	0.00	0.0	0.0
vii)	Plant and machinery Sub station	0.00		0	0	0	0	0	0.00	0		0.00	0.00	0.00	0.0	0.0
viii)	Plant and machinery Transmission lines	0.00		0	0	0	0	0	0.00	0		0.00	0.00	0.00	0.0	0.0
ix)	Plant and machinery Others	0.95		0	0	0	0	0	0.95	0.85		0.00	0.00	0.85	0.1	0.1
x)	Construction Equipment	74.88		0	0	0	0	0	74.88	71.31		0.01	0.00	71.32	3.6	3.6
xi)	Water Supply System/Drainage and Sewerage	0.00		0	0	0	0	0	0	0.00		0.00	0.00	0.00	0.0	0.0
xii)	Electrical Installations	0.00		0	0	0	0	0	0	0.00		0.00	0.00	0.00	0.0	0.0
xiii)	Vehicles	42.31		0	0	0	0	0	42.31	38.08		0.00	0.00	38.08	4.2	4.2
xiv)	Aircraft/ Boats	0.00		0	0	0	0	0	0.00	0		0	0	0	0.0	0.0
xv)	Furniture and fixture	23.05		0	0	0	1.46	0	21.58	13.43	0.00	0.81	-0.25	13.99	7.6	9.6
xvi)	Computers	30.12			2.93	0	0	0	33.05	27.96	0.00	0.86	0.00	28.82	4.2	2.2
xvii)	Communication Equipment	4.86		0	0	0	0	0	4.86	1.73	0.00	0.24	0.00	1.97	2.9	3.1
xviii)	Office Equipments	63.90		0	0	0	1.85	0	62.05	37.73	0.00	2.13	-0.44	39.42	22.6	26.2
xix)	Research and Development	0.00											0		0	0
xxiv)	Other assets	0.00											0		0	0
xxv)	Tangible Assets of minor value >750 and < Rs.5000	0.00											0		0	0
	Total	361.30	0	0	2.93	0.00	3.31	0.00	360.92	267.94	0.00	6.69	-0.69	273.94	86.98	93.36
	Previous year	370.68	-0.20	0	0	0	9.17	0	361.30	269.55	-0.02	7.58	-9.17	267.94	93.36	101.13

Note: -

KUNJABI & CO. CHARTERED ACCOUNTANTS IMPHAL FRN 309115

48

NOTE NO. 2.3 Right - of - use Assets

(Amount in ₹)

Sl. No.	PARTICULARS	GROSS BLOCK								DEPRECIATION					NET BLOCK	
		As at 01-Apr-2020	Reclassification as on 01-Apr-2019 due to IND AS 116	Additions		Deductions		Other Adjustments	As at 31st March, 2021	As at 01-Apr-2020	Reclassification as on 01-Apr-2019 due to IND AS 116	For the Year	Adjustments	As at 31st March, 2021	As at 31st March, 2021	As at 31st March, 2020
				IUT	Others	IUT	Others									
i)	Land -Leasehold	0.20							0.20	0.03		0.01	0	0.03	0.17	0.17
ii)	Building Under Lease	30.31					30.31		0	18.23		12.08	-30	0	0.00	12.08
iii)	Construction Equipment	0.00							0	0		0.00	0	0	0.00	0.00
iv)	Vehicles	0.00							0	0		0.00	0	0	0.00	0.00
v)	Land-Right to Use	0.00							0	0		0.00	0	0	0.00	0.00
	Total	30.51		0.00	0.00	0.00	30.31	0.00	0.20	18.26		12.08	-30	0.03	0.17	12.25
	Previous year	30.31	0.20	0	0	0	0	0	30.51	0	0.02	18.24		18.26	12.25	30.31

Note:-

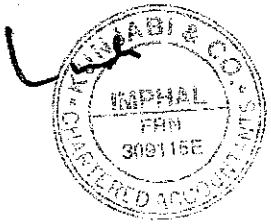
2.3.2 "Building under Lease" includes building space of 91.84 sq.mtr. in NHP Office Complex FBD for use of Company's Office and one quarter for use as Transit Camp in NHPC Colony. Lease deed in respect of the same has been executed.

Annexure-I to NOTE NO. 2.3 Right - of - use Assets

(Amount in ₹ Lacs)

Sl. No.	PARTICULARS	GROSS BLOCK								DEPRECIATION						NET BLOCK	
		As at 01-Apr-2020	Reclassification as on 01-Apr-2019 due to IND AS 116	Additions		Deductions		Other Adjustments	As at 31st March, 2021	As at 01-Apr-2020	Reclassification as on 01 Apr-2019 due to	For the Year	Adjustments	As at 31st March, 2021	As at 31st March, 2021	As at 31st March, 2020
				IUT	Others	IUT	Others									
i)	Land Leasehold (Refer Note 2.3.1)	0.20		0	0	0	0	0	0.20	0.03		0.01	0	0.03	0	0
ii)	Building Under Lease (Refer 34(16B))	30.31		0	0	0	30.31	0	0	18.23		12.08	-30.31	0	0	12.08
iii)	Construction Equipment	0		0	0	0	0	0	0	0		0	0	0	0	0
iv)	Vehicles	0		0	0	0	0	0	0	0		0	0	0	0	0
v)	Land-Right to Use	0		0	0	0	0	0	0	0		0	0	0	0	0
	Total	31		0	0	0	30.31	0	0.20	18.26		12.08	-30.31	0.03	0.17	12.25
	Previous year	30.31	0.20	0	0	0	30.51		30.51	0	0.02	18.24	0	18.26	12.25	30.31

28



NOTE NO. 2.5 Intangible Assets

(Amount in Crores)

Sl. No.	PARTICULARS	GROSS BLOCK								AMORTISATION					NET BLOCK	
		As at 01-Apr-2020		Additions		Deductions		Other Adjustments	As at 31st March, 2021	As at 01-Apr-2020	Reclassification as on 01-Apr-2019 due to IND	For the Year	Adjustments	As at 31st March, 2021	As at 31st March, 2021	As at 31st March, 2020
				IUT	Others	IUT	Others									
II)	Computer Software	1.90							1.90	1.90		0	0.00	1.90	0	0
	Total	1.90	0	0	0	0	0	0	1.90	1.90		0	0.00	1.90	0	0
	Previous year	1.90		0	0	0	0	0	1.90	1.90		0	0.00	1.90	0	0

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

87

NOTE NO. 2.4 INVESTMENT PROPERTY

(Amount in Rlacs)

Sl. No.	PARTICULARS	GROSS BLOCK								AMORTISATION					NET BLOCK	
		As at 01-Apr-2020		Additions		Deductions		Other Adjustments	As at 31st March, 2021	As at 01-Apr-2020		For the Year	Adjustments	As at 31st March, 2021	As at 31st March, 2021	As at 31st March, 2020
				IUT	Others	IUT	Others									
i)	Land Freehold	0		0	0	0	0	0	0	0		0	0	0	0	0
	Total	0		0	0	0	0	0	0	0		0	0	0	0	0
	Previous year								0					0	0	0

Annexure-I to NOTE NO. 2.5 Intangible Assets

(Amount in Rlacs)

Sl. No.	PARTICULARS	GROSS BLOCK								AMORTISATION					NET BLOCK	
		As at 01-Apr-2020	Reclassificatio n as on 01-Apr-2019 due to IND AS 116	Additions		Deductions		Other Adjustments	As at 31st March, 2021	As at 01-Apr-2020	Reclassificatio n as on 01-Apr-2019 due to IND AS 116	For the Year	Adjustments	As at 31st March, 2021	As at 31st March, 2021	As at 31st March, 2020
				IUT	Others	IUT	Others									
i)	Computer Software	1.98		0	0	0	0	0	1.98	1.98		0	0	1.98	0	0
	Total	1.98	0	0	0	0	0	0	1.98	1.98	0	0	0	1.98	0	0
	Previous year	1.98		0	0	0	0	0	1.98	1.98		0	0	1.98	0	0

88

IMPHAL FRN 309115E

Note no. 2.2 Capital Work In Progress

(Amount in ₹ Lacs)

S.No	Particulars	As at 01-Apr-2020	Addition	Adjustment	Capitalised	As at 31st March, 2021
i)	Roads and Bridges	-				-
ii)	Buildings	351.99				351.99
iii)	Building-Under Lease	-				-
iv)	Railway sidings	-				-
v)	Hydraulic Works(Dams, Water Conductor system, Hydro mechanical gates, tunnels)	-				-
vi)	Generating Plant and Machinery	-				-
vii)	Plant and Machinery - Sub station	-				-
viii)	Plant and Machinery - Transmission lines	-				-
ix)	Plant and Machinery - Others	-				-
x)	Construction Equipment	-				-
xi)	Water Supply System/Drainage and Sewerage	-				-
xii)	Assets awaiting installation	-				-
xiii)	CWIP - Assets Under 5 KM Scheme Of the GOI	-				-
xiv)	Survey, investigation, consultancy and supervision charges	1499.79	17.90			1517.70
xv)	Expenditure on compensatory Afforestation	1595.28	-			1595.28
xvi)	Expenditure attributable to construction **(Refer Note-32)**	11055.11	644.93			11700.04
	Less: Capital Work in Progress Provided **(Refer Note 2.2.2)**	-				-
	Sub total (a)	**14502.17**	**662.83**	-	-	**15165.00**
	Construction Stores	0.97			-	0.97
	Less : Provisions for construction stores	-	-	-	-	-
	Sub total (b)	**0.97**	0.00	0.00	0.00	**0.97**
	TOTAL	**14503.14**	**662.83**	**0.00**	**0.00**	**15165.97**
	Previous year	13831.98	671.15	-	-	14503.14

2.2.7 Refer Note no. 34(4) of Standalone Financial Statements for information regarding assets capitalised on provisional basis.

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

Annexure to Note 2.2

CUMMULATIVE EDC (Amount in Rupees-Lacs)

Particulars	Linkage	31.3.2021	31.03.2020
A. EMPLOYEES BENEFITS EXPENSES			
Salaries, wages, allowances	437501 & 437589 & 437505 & 437500	6702.95	6386.39
Gratuity and contribution to provident fund (including administration fees)	437502	1021.51	987.85
Staff welfare expenses	437503	585.55	576.51
Leave Salary & Pension Contribution	437504	0.05	0.05
Sub-total(a)		**8310.06**	**7950.79**
Less: Capitalized During the year/Period	438103	0.00	0.00
Sub-total(A)		**8310.06**	**7950.79**
B. OTHER EXPENSES			
CONSUMPTION OF STORES AND SPARES AT PROJECTS GENERATING INFIRM POWER	437507	0	0
REPAIR AND MAINTENANCE- DAM/WATER REGULATING SYSEM AT PROJECTS GENERATING INFIRM POWER	437508	0	0
REPAIR AND MAINTENANCE- GPM/ OTHER POWER PLANT SYSTEM AT PROJECTS GENERATING INFIRM POWER	437509	0	0
Repairs-Building	437510	468.26	413.17
Repairs-Machinery	437511	1.15	1.15
Repairs-Others	437512	279.96	259.39
Rent	437514 & 437588	135.07	143.51
Rates and taxes	437515	8.35	5.95
Insurance	437516	26.66	25.67
Security expenses	437517	0.00	0.00
Electricity Charges	437518	2.10	2.10
Travelling and Conveyance	437519	279.10	277.31
Expenses on vehicles	437520	105.60	97.47
Telephone, telex and Postage	437521	36.63	35.06
Advertisement and publicity	437522	21.81	21.81
Entertainment and hospitality expenses	437523	0.23	0.23
Printing and stationery	437524	54.31	52.97
Remuneration to Auditors	437552	1.30	1.30
Design and Consultancy charges:		0.00	0.00
- Indigenous	437526	1251.71	1114.76
- Foreign	437527	0.00	0.00
Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	437531	0.00	0.00
Expenditure on land not belonging to corporation	437532	1.83	1.83
Land acquisition and rehabilitation	437533	0.00	0.00
EAC - LEASE RENT	437534	32.34	19.00
Loss on assets/ materials written off	437528	4.70	4.70
Losses on sale of assets	437530	0.00	0.00
Other general expenses	437525 & 437535	378.78	346.01
Sub-total (b)		**3089.91**	**2823.41**
Less: Capitalized During the year/Period	438102	**0.00**	**0.00**
Sub-total(B)		**3089.91**	**2823.41**
C. FINANCE COST			
i) Interest on :			
a) Government of India loan	437540	0	0
d) Term loan	437543 and 44	0	0
ii) Bond issue/ service expenses	437546	0	0
iii) Commitment fee	437547	0	0
iv) Guarantee fee on loan	437548	0	0
v) Other finance charges	437549	1.86	1.86

viii) EAC- COMMITTED CAPITAL EXPENSES- ADJUSTMENT FOR TIME VALUE	437585	0.00	0.00
ADJUSTMENT	437590	0.00	0.00
x) EAC- INTEREST EXPENSES - UNDER LEASE (IND AS)	437587	2.03	1.65
Sub-total (c)		**3.89**	**3.51**
Less: Capitalized During the year/Period	438105	0.00	0.00
Sub-total (C)		**3.89**	**3.51**
D. EXCHANGE RATE VARIATION (NET)			
I) ERV (Debit balance)	437550	0	0
Less: ii) ERV (Credit balance)	437551	0	0
Sub-total (d)		**0**	**0**
Less: Capitalized During the year/Period	438108	0	0
Sub-total(D)		**0**	**0**
E. PROVISIONS	437561	16.61	16.61
Sub-total(e)		**16.61**	**16.61**
Less: Capitalized During the year/Period	438106	0.00	0.00
Sub-total(E)		**16.61**	**16.61**
F. DEPRECIATION & AMORTISATION	437560	307.49	300.80
	437586	30.32	18.24
Sub-total (f)		**337.81**	**319.04**
Less: Capitalized During the year/Period	438104	0.00	0.00
Sub-total(F)		**337.81**	**319.04**
G. PRIOR PERIOD EXPENSES (NET)			
Prior period expenses	437565	0.65	0.65
Less Prior period income	437579	0	0
Sub-total (g)		0.65	0.65
Less: Capitalized During the year/Period	438107	0.00	0.00
Sub-total (G)		**0.65**	**0.65**
H. LESS : RECEIPTS AND RECOVERIES			
i) Income from generation of electricity – precommissioning	437570	0	0
ii) Interest on loans and advances	437571	27.06	27.06
iii) Miscellaneous receipts	437572	24.65	24.64
iv) Profit on sale of assets	437573	0.62	0.62
v) Provision not required written back	437574	133.81	133.81
vi) Hire charges/ outturn on plant and machinery	437575	4.29	4.29
ix) EAC- FAIR VALUE GAIN ON PROVISIONS FOR COMMITTED CAPITAL EXPENDITURE	437584	0.00	0.00
		0.00	0.00
Sub-total (h)		**190.43**	**190.42**
Less: Capitalized During the year/Period	438101	0	0
Sub-total (H)		**190.43**	**190.42**
I. C.O./Regional Office Expenses (i)	437599	131.53	131.53
Less: Capitalized During the year/Period	438109	0	0
Sub-total(I)		**131.53**	**131.53**
GRAND TOTAL (a+b+c+d+e+f+g-h+I)		**11700.04**	**11055.11**
Less: Capitalized During the year/Period		**0.00**	**0.00**
GRAND TOTAL (A+B+C+D+E+F+G-H+I)		**11700.04**	**11055.11**

NOTE NO. 3.1 NON-CURRENT - FINANCIAL ASSETS - INVESTMENTS

(₹ in Lacs)

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
Total		

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

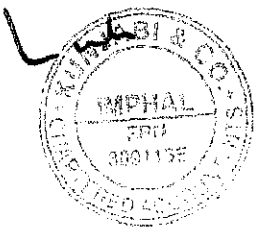
(₹ in Lacs)

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
Trade Receivables - Considered Good- Unsecured	-	-
Total	-	-

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

(₹ in Lacs)

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
At Amortised Cost		
A Deposits		
- Considered good- Unsecured	-	-
- Considered doubtful- Unsecured	-	-
Less : Allowances for Doubtful Deposits **(Refer Note 3.3.1)**	-	-
Sub-total	-	-
B Loans to Employees (Refer Note 3.3.5)		
- Considered good- Secured	-	-
- Considered good- Unsecured	-	-
- Considered doubtful- Unsecured	-	-
Less : Allowances for doubtful Employees loans **(Refer Note 3.3.2)**	-	-
Sub-total	-	-
C Contractor / supplier		
- Considered good- Secured	-	-
- Considered good- Unsecured	-	-
– Against bank guarantee	-	-
– Others	-	-
- Considered doubtful- Unsecured	-	-
Less : Allowances for doubtful advances to Contractor/ Supplier **(Refer Note 3.3.3)**	-	-
Sub-total	-	-
D State Government in settlement of dues from customer		
- Considered good- Secured	-	-
- Considered good- Unsecured		
- Considered doubtful- Unsecured		
Less : Allowances for doubtful Loan to State Government **(Refer Note 3.3.4)**		
Sub-total	-	-
TOTAL	-	-
3.3.1 Allowances for Doubtful Deposits		
Opening Balance	-	
Addition during the year		
Used during the year		
Reversed during the year		
Closing balance	-	-
3.3.2 Allowances for doubtful Employees loans		
Opening Balance	-	
Addition during the year		
Used during the year		
Reversed during the year		
Closing balance	-	-
3.3.3 Allowances for doubtful advances to Contractor/ Supplier		
Opening Balance	-	
Addition during the year		
Used during the year		
Reversed during the year		
Closing balance	-	-
3.3.4 Allowances for doubtful Loan to State Government		
Opening Balance	-	
Addition during the year		
Used during the year		
Reversed during the year		
Closing balance	-	-
3.3.5 Due from directors or other officers of the company. -	-	-
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 Lacs)

	PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
A	Bank Deposits with more than 12 Months Maturity	-	-
B	Lease Rent receivable (Refer Note 34(16)(C))	-	-
C	Amount Recoverable on account of Bonds Fully Serviced by Government of India (Refer Note 3.4.1 and also Refer 11(i))	-	-
D	Interest receivable on lease	-	-
E	Interest accrued on:	-	-
	- Bank Deposits with more than 12 Months Maturity	-	-
F	Derivative MTM Asset	-	-
G	Share Application Money Pending Allotment (LANCO TEESTA VI)- Subsidiary	-	-
	TOTAL	-	-

3.4.1 Refer Note 16.2.1 in respect of amount payable towards Bonds fully serviced by Government of India.

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

NOTE NO. 4 NON CURRENT TAX ASSETS (NET)

(₹ in Lacs)

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
Advance Income Tax including Tax Deducted at Source	13.88	25.56
Less: Provision for Current Tax	5.06	18.54
Total	8.82	7.03

NOTE NO. 5 OTHER NON-CURRENT ASSETS

(₹ in Lacs)

PARTICULARS		As at 31st March, 2021	As at 31st March, 2020
A.	CAPITAL ADVANCES		
	- Considered good- Secured	-	-
	- Considered good- Unsecured		
	– Against bank guarantee	-	-
	– Others	-	-
	Less : Expenditure booked pending utilisation certificate	-	-
	- Considered doubtful - Unsecured	-	-
	Less : Allowances for doubtful advances (Refer Note 5.1)	-	-
	Sub-total	-	-
B.	ADVANCES OTHER THAN CAPITAL ADVANCES		
	i) DEPOSITS		
	- Considered good- Unsecured	-	-
	Less : Expenditure booked against demand raised by Government Departments	-	-
	- Considered doubtful - Unsecured	-	-
	Less : Allowances for Doubtful Deposits (Refer Note 5.2)	-	-
	Sub-total	-	-
	ii) Other advances		
	- Considered good- Unsecured	-	-
	- Considered doubtful - Unsecured	-	-
	Sub-total	-	-
C	Interest accrued		
	Others		
	- Considered Good	-	-
D.	Others		
	i) Advance against arbitration awards towards capital works (Unsecured)		
	Released to Contractors - Against Bank Guarantee	-	-
	Released to Contractors - Others	-	-
	Deposited with Court	-	-
	Sub-total	-	-
	ii) Deferred Foreign Currency Fluctuation Assets/ Expenditure		
	Deferred Foreign Currency Fluctuation Assets	-	-
	Deferred Expenditure on Foreign Currency Fluctuation	-	-
	Sub-total	-	-
	iii) Deferred Cost on Employees Advances	-	-
	TOTAL	-	-

5.1 Provision for doubtful Advances		
Opening Balance	-	
Addition during the year		
Used during the year		
Reversed during the year		
Closing balance	-	-
5.2 Provision for doubtful Deposits		
Opening Balance	-	
Addition during the year		
Used during the year		
Reversed during the year		
Closing balance	-	-

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

NOTE NO. 6 INVENTORIES

(₹ in Lacs)

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
(Valued at lower of Cost or Net Realisable Value)		
Stores and spares	-	-
Stores in transit/ pending inspection	-	-
Loose tools	-	-
Scrap Inventory	-	-
Material at site	-	-
Material issued to contractors/ fabricators	-	-
Inventory for Self Generated VER's/REC	-	-
Less: Allowances for Obsolescence and Diminution in Value **(Refer Note 6.1)**	-	-
TOTAL	-	-
6.1 Allowances for Obsolescence and Diminution in Value		
Opening Balance	-	
Addition during the year **(Refer Note 6.1.1)**		
Used during the year		
Reversed during the year		
Closing balance	-	-
6.1.1 During the Year, inventories written down to net realissble value (NRV) and recognised as an expense in the Statement of Profit and Loss.	-	-
6.1.2 Allowances for Obsolance and Diminution in value of inventory booked in earlier years and reversed during the period.	-	-

NOTE NO. 7 FINANCIAL ASSETS - CURRENT - TRADE RECEIVABLES

(₹ in Lacs)

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
.- Trade Receivables- Considered Good- Unsecured **(Refer Note 7.2 and 7.3)**	-	34.92
- Trade Receivables- Credit Impaired **(Refer Note 7.2 and 7.3)**	-	-
Less: Impairment allowances for Trade Recevables (Refer Note 7.1)	-	-
TOTAL	-	34.92
7.1 Impairment allowances for Trade Recevables		
Opening Balance	-	
Addition during the year		
Used during the year		
Reversed during the year		
Closing balance	-	-
7.2 Debt due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director of the Company is a partner or a director or a member.-	-	-
7.3 Debt due by subsidiaries/ Joint Ventures and others related parties of the company at point 7.2 above .-	-	-

7.4 Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

7.5 Trade Receivables amounting to ₹ Nil (Previous Year ₹ .Nil) 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 beneficieries. Refer Note 20.1.2 with regard to liability recognised in respect of discounted bills.

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

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

(₹ in Lacs)

	PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
A	**Balances with banks**		
	With scheduled banks		
i)	- In Current Account **(Refer Note 8.1)**	4.51	1.83
ii)	- In deposits account (Deposits with original maturity of less than three months)	95.43	104.50
	With other banks		
	- in current account		
	Bank of Bhutan	-	-
B	**Cheques, drafts on hand**	-	-
C	**Cash on hand (Refer Note 8.1)**	-	0.11
	TOTAL	99.94	106.44
	8.1 Includes stamps on hand	-	-

IMPHAL FRN 309115E

NOTE 9 : FINANCIAL ASSETS - CURRENT - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lacs)

	PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
A	Bank Deposits for original maturity more than 3 months upto 12 months (Refer Note 9.1)	-	70.00
B	Deposit -Unpaid Dividend	-	-
C	Deposit -Unpaid Interest	-	-
D	Other Earmarked Balances with Banks (Refer Note 9.2)	-	-
	TOTAL	-	70.00
9.1	Includes balances held for works being executed by Company on behalf of other agencies and are not freely available for the business of the Company.	-	70.00
9.2	Includes balances which are not freely available for the business of the Company :		
	(i) held for works being executed by Company on behalf of other agencies.	-	-

NOTE NO. 10 FINANCIAL ASSETS - CURRENT - LOANS

(₹ in Lacs)

	PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
A	**Deposits**		
	- Unsecured (considered good)	-	-
	- Unsecured (considered doubtful)		
	Less : Impairement Allowances for Doubtful Deposits (Refer Note 10.1)	-	-
	Sub-total	-	-
B	**Loan (including interest thereon) to Related Party - Unsecured (considered good)**		
	- National High Power Test Laboratory (P) Limited (Refer Note 34(8))	-	-
	Sub-total	-	-
C	**Employees Loan (including accrued interest) (Refer Note 10.3)**		
	- Loans Receivables- Considered good- Secured	-	-
	- Loans Receivables- Considered good- Unsecured	-	6.09
	- Loans Receivables which have significant increase in Credit Risk	-	-
	Less : Impairment allowances for loans which have significant increase in Credit Risk (Refer Note 10.2)	-	-
	Sub-total	-	6.09
D	**Loan to State Government in settlement of dues from customer**		
	- Unsecured (considered good)	-	-
	Sub-total	-	-
E	**Advances to Subsidiaries / JV's**	-	-
	TOTAL	-	6.09
10.1	**Impairement Allowances for Doubtful Deposits**		
	Opening Balance	-	
	Addition during the year		
	Used during the year		
	Reversed during the year		
	Closing balance	-	-
10.2	**Impairement Allowances for loan which have significant increase in Credit Risk**		
	Opening Balance	-	
	Addition during the year		
	Used during the year		
	Reversed during the year		
	Closing balance	-	-
10.3	Due from directors or other officers of the company. -	-	-
10.4	Advance due by firms or private companies in which any Director of the Company is a Director or member . -	-	-
10.5	Particulars of Loans as required in terms of Section 186 (4) of the Companies Act, 2013 have been disclosed under Note 10 above.		
10.6	Refer Note 34(13) of the Standalone Financial Statements with regard to confirmation of balances.		

NOTE NO. 11 FINANCIAL ASSETS - CURRENT - OTHERS

(₹ in Lacs)

	PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
	Others		
A	Amount recoverable	0.01	-
	Less: Allowances for Doubtful Recoverables (Refer Note 11.1)	-	-
	Sub-total	0	-
B	Interest Income accrued on Bank Deposits	0.02	2.52
C	Receivable on account of unbilled revenue (Refer Note 11.2)	-	-
D	Receivable from Subsidiaries / Joint Ventures (Refer Note 11.3)	-	-
E	Interest recoverable from beneficiary	-	-
F	Lease Rent receivable (Finance Lease) (Refer Note 34(16)(C))	-	-
G	Interest receivable on Finance lease	-	-
H	Interest Accrued on Investment (Bonds)	-	-
I	Amount Recoverable on account of Bonds Fully Serviced by Government of India (Refer Note 3.4(C))		
	-Principal	-	-
	- Interest accrued	-	-
J	Interest accrued on Loan to State Government in settlement of dues from customers	-	-
K	Derivative MTM Asset	-	-
L	Claim recoverable from parent company - NHPC LTD.	69.03	-
	TOTAL	69.06	2.52

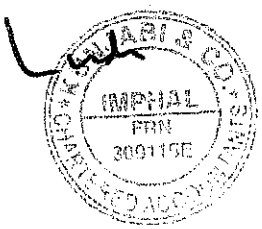
11.1	**Allowances for Doubtful Recoverables**		
	Opening Balance	-	
	Addition during the year		
	Used during the year		
	Reversed during the year		
	Closing balance	-	-
11.2	**Represents receivable on account of :**		
	Grossing up of Return on Equity		
	Water cess		
	Unbilled sale for the month of March		
	Saving due to refinancing & Bond Issue Expenses		
	Tax adjustment Including Deferred Tax Materialized		
	Energy Shortfall		
	Additional Impact of Goods and Services Tax		
	Operation and Maintenance Expenses - Sairasiul		
	Foreign Exchange Rate Variation		
	O & M and Security Expenses-Increase as per new Tariff Regulation 2019-24		
	Depreciation on account of change in project life		
	Wage Revision		
	Unbilled Debtor- Power Trading Business		
	Others	-	-
	Total	-	-

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 Lacs)

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
Current Tax Assets		
Current Tax (Refer Note No-23)	-	-
Income Tax Refundable	-	-
Total	-	-



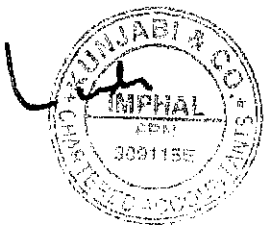
NOTE NO. 13 OTHER CURRENT ASSETS

(₹ in Lacs)

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
A. Advances other than Capital Advances		
a) Deposits		
- Considered good- Unsecured	-	-
Less : Expenditure booked against demand raised by Government Departements	-	-
- Considered doubtful- Unsecured	-	-
Less : Allowances for Doubtful Deposits **(Refer Note 13.1)**	-	-
Sub-total	-	-
b) Advance to contractors and suppliers (Refer Note 13.8)		
- Considered good- Secured	-	-
- Considered good- Unsecured		
– Against bank guarantee	-	-
– Others	-	-
Less : Expenditure booked pending utilisation certificate	-	-
- Considered doubtful- Unsecured	-	-
Less : Allowances for doubtful advances **(Refer Note 13.2)**	-	-
Sub-total	-	-
c) Other advances - Employees		
- Considered good- Unsecured **(Refer Note 13.7)**	-	0.10
Sub-total	-	0.10
d) Interest accrued		
Others		
- Considered Good	-	-
- Considered Doubtful	-	-
Less: Allowances for Doubtful Interest **(Refer Note 13.3)**	-	-
Sub-total	-	-
B. Others		
a) Expenditure awaiting adjustment	-	-
Less: Allowances for project expenses awaiting write off sanction **(Refer Note 13.4)**	-	-
Sub-total	-	-
b) Losses awaiting write off sanction/pending investigation	4.57	4.57
Less: Allowances for losses pending investigation/awaiting write off / sanction **(Refer Note 13.5)**	4.57	4.57
Sub-total	-	-
c) Work in Progress		
Construction work in progress(on behalf of client)	-	-
Consultancy work in progress(on behalf of client)	-	-
d) Prepaid Expenditure	-	-
e) Deferred Cost on Employees Advances	-	-
f) Deferred Foreign Currency Fluctuation		
Deferred Foreign Currency Fluctuation Assets	-	-
Deferred Expenditure on Foreign Currency Fluctuation	-	-
g) Surplus / Obsolete Assets (Refer Note 13.9)	-	-
h) Goods and Services Tax Input Receivable	-	-
Less: Allowances for Goods and Services Tax Input Receivable **(Refer Note 13.6)**	-	-
Sub-total	-	-
i) Others (Mainly on account of Material Issued to Contractors)	-	-
TOTAL	-	0

13.1 Allowances for Doubtful Deposits		
Opening Balance	-	
Addition during the year		
Used during the year		
Reversed during the year		
Closing balance	-	-
13.2 Allowances for doubtful advances (Contractors and Suppliers)		
Opening Balance	-	
Addition during the year		
Used during the year		
Reversed during the year		
Closing balance	-	-

13.3	**Allowances for Doubtful Accrued Interest**		
	Opening Balance	-	
	Addition during the year		
	Used during the year		
	Reversed during the year		
	Closing balance	-	-
13.4	**Allowances for project expenses awaiting write off sanction**		
	Opening Balance	-	
	Addition during the year		
	Used during the year		
	Reversed during the year		
	Closing balance	-	-
13.5	**Allowances for losses pending investigation/ awaiting write off / sanction**		
	Opening Balance	4.57	4.57
	Addition during the year		
	Used during the year		
	Reversed during the year		
	Closing balance	4.57	4.57
13.6	**Allowances for Goods and Services Tax Input Receivable**		
	Opening Balance	-	
	Addition during the year		
	Used during the year		
	Reversed during the year		
	Closing balance	-	-
13.7	Loans and Advances due from Directors or other officers at the end of the year.	-	-
13.8	Advance due by Firms or Private Companies in which any Director of the Company is a Director or member.-	-	-
13.9	Surplus Assets / Obsolete Assets held for disposal are shown at lower of book value and net realizable value.		
13.10	Refer Note 34(13) of the Standalone Financial Statements with regard to confirmation of balances.		



NOTE NO. 14 REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES

(₹ in Lacs)

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
A **Regulatory Deferral Account Balances in respect of Subansiri Lower Project**		
Opening Balance	-	
Addition during the year (Refer Note 31)	-	
Adjustment during the year		
Reversed during the year		
Less:Provided for	-	
Closing balance	-	-
B **Wage Revision as per 3rd Pay Revision Committee**		
Opening Balance	-	
Addition during the year (through Statement of Profit and Loss) (Refer Note 31)	-	
Addition during the year (through Other Comprehensive Income)	-	
Adjustment during the year		
Reversed during the year		
Closing balance	-	-
C **Kishanganga Power Station: Differential Depreciation due to Moderation of Tariff**		
Opening Balance	-	
Addition during the year (Refer Note 31)	-	
Adjustment during the year		
Reversed during the year		
Closing balance	-	-
D **Exchange Differences on Monetary Items**		
Opening Balance	-	
Addition during the year (Refer Note 31)	-	
Adjustment during the year		
Reversed during the year		
Closing balance	-	-
E **Adjustment against Deferred Tax Recoverable for tariff period upto 2009**		
Opening Balance	-	
Addition during the year (Refer Note 31)		
Used during the year		
Reversed during the year		
Closing balance	-	-
F **Adjustment against Deferred Tax Liabilities for tariff period 2014-2019.**		
Opening Balance	-	
Addition during the year (Refer Note 31)		
Used during the year		
Reversed during the year		
Closing balance	-	-
Closing Balance (A+B+C+D+E+F)	-	-
Less: Deferred Tax on Regulatory Deferral Account Balances	-	-
Add: Deferred Tax recoverable from Beneficiaries	-	-
Regulatory Deferral Account Balances net of Deferred Tax.	-	-

14.1 Refer Note-34 (18) and 34 (22) of Standalone Financial Statements.

STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH, 2021

OTHER EQUITY

(₹ in Lacs)

Particulars	Reserve & Surplus				Other Comprehensive Income		
	Capital Redemption Reserve	Bond Redemption Reserve	General Reserve	Surplus/ Retained Earnings	Equity Instruments through OCI	Debt instruments through OCI	Total
Balance as at 1st April, 2020	-	-	-	**1,987.33**	-	-	**1,987.33**
Profit for the period	-	-	-	**0.37**	-	-	**0.37**
Other Comprehensive Income	-	-	-	-	-	-	-
Total Comprehensive Income for the	-	-	-	**0.37**	-	-	**0.37**
Share Application Money received during the year.							-
Transfer to Retained Earning							-
Amount transferred from Bond Redemption Reserve	-	-		-			-
Tax on Dividend - Write back	-	-		-			-
Amount written back from Research & Development Fund				-			-
Amount Transferred from General Reserve							-
Transfer from Retained Earning							-
Dividend	-	-		-			-
Tax on Dividend	-	-		-			-
Transfer to Bond Redemption Reserve	-	-		-			-
Transfer to Research and Development I	-	-		-			-
Transfer to General Reserve			-	-			-
Balance as at 31st March 2021	-	-	-	**1,987.70**	-	-	**1,987.70**

For KUNJABI &CO.
Chartered Accountants
(Firm Regn. No. 309115E)

(Linda Kshetrimayum)
Partner
M.No. 511337
UDIN 21511337AAAAEN7266
Date. 9/8/2021

(Vinodkumar R)
Chief Financial Officer

(H N Satyanarayana)
Chief Executive Officer

NOTE : 15.1 EQUITY SHARE CAPITAL

Rs. In lacs

	PARTICULARS	As at 31st March, 2021		As at 31st March, 2020	
		Nos	Amount	Nos	Amount
	Authorized Share Capital (Par value per share Rs. 10)	230000000	23000.00	230000000	23000.00
	Equity shares issued, subscribed and fully paid (Par value per share Rs. 10)	1320023090	13200.23	123392309	12339.23

15.1.1 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:

Opening Balance	123392309	12339.23	117692309	11769.23
Add: No. of shares/Share Capital issued/ subscribed during the year	8610000	861.00	5700000	570.00
Less:-Buyback of shares during the period/ year	-	0.00	-	0.00
Closing Balance	132002309	13200.23	123392309	12339.23

15.1.2 The Company has issued only one kind of equity shares with voting rights proportionate to the share holding of the shareholders. These voting rights are exercisable at meeting of shareholders. The holders of the equity shares are also entitled to receive dividend as declared from time to time for them.
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

15.1.3 Shares in the company held by each shareholder holding more than 5 percent specifying the number of shares

	As at 31st March, 2021		As at 31st March, 2020	
	Number	In (%)	Number	In (%)
NHPC Limited	98902309	74.92%	90292309	73.17%
Govt.of Manipur	33100000	25.08%	33100000	26.83%

Note 15.2 Other Equity

(₹ in Lacs)

	PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
A	Capital Reserve	-	-
B	Capital Redemption Reserve	-	-
C	Securities Premium Account	-	-
D	Bond Redemption Reserve	-	-
E	Research & Development Fund	-	-
F	Share Application Money Pending Allotment	-	-
G	General Reserve	-	-
H	Retained Earnings		
	i) Reserves created on account of Ind AS Adjustment	-	-
	ii) Closing Balance Remeasurement of the defined benefit plans	-	-
	iii) Surplus	1,987.70	1,987.33
I	FVTOCI Reserve-		
	- Equity Instruments	-	-
	- Debt Instruments	-	-
	Total	**1,987.70**	**1,987.33**
	*** Surplus**		
	Profit for the Year as per Statement of Profit and Loss	0.37	9.52
	Adjustment arising out of transition provisions for recognising Rate Regulatory Assets	-	-
	Balance brought forward	1,987.33	1,977.81
	Add:		
	Amount Written Back From Bond Redemption Reserve	-	-
	Write Back From Capital Reserve	-	-
	Write Back From Other Reserve	-	-
	Amount Utilised From Self Insurance Fund	-	-
	Tax On Dividend Write Back	-	-
	Write Back From Corporate Social Responsibility Fund	-	-
	Write Back From Research & Development Fund	-	-
	Balance available for Appropriation	**1,987.70**	**1,987.33**
	Less:		
	Transfer to Bond Redemption Reserve	-	-
	Transfer to Self Insurance Fund	-	-
	Transfer to General Reserve	-	-
	Transfer to Corporate Social Responsibility Fund	-	-
	Transfer to Research & Development Fund	-	-
	Dividend :		
	- Interim	-	-
	- Final	-	-
	Tax on Dividend		
	- Interim	-	-
	- Final	-	-
	Balance carried forward	**1,987.70**	**1,987.33**

IMPHAL

NOTE NO. 16.1 FINANCIAL LIABILITIES - NON CURRENT - BORROWINGS

(₹ in Lacs)

	PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
	At Amortised Cost		
A	- Secured Loans		
	-Bonds	-	-
	-Term Loan	-	-
	- from Banks	-	-
	- from Other (Financial Institutions)	-	-
B	- Unsecured Loans		
	-Term Loan		
	- from Government of India (Subordinate Debts)	-	-
	- from Other (in Foreign Currency)	-	-
	Sub-total (A+B)	-	-
C	Long term maturities of lease obligations	-	-
	TOTAL	-	-

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

16.1.2 Particulars of Redemption, Repayments and Securities.

16.1.3 **Maturity Analysis of Borrowings (For Corporate Office Only)**

The table below summarises the maturity profile of the company's borrowings and lease liability based on contractual payments (Undiscounted Cash Flows) :

Particulars	As at 31st March, 2021	As at 31st March, 2020
More than 1 Year & Less than 3 Years		
More than 3 Year & Less than 5 Years		
More than 5 Years		
TOTAL	-	-

16.1.4 **Maturity Analysis of Lease Liability**

The table below summarises the maturity profile of the company's borrowings and lease liability based on contractual payments (Undiscounted Cash Flows) :

Particulars	As at 31st March, 2021	As at 31st March, 2020
More than 1 Year & Less than 3 Years		
More than 3 Year & Less than 5 Years		
More than 5 Years		
TOTAL	-	-

16.1.5	Movement in Lease Liability	As at 31st March, 2021	As at 31st March, 2020
	Opening Balance	12.96	30.31
	Addition in lease liabilities		-
	Finance Cost accrued during the year	0.38	1.65
	Less: Payment of lease liabilities	13.34	19.00
	Closing Balance	-	12.96
	Current maturities of lease obligations (Refer Note 20.3)	-	12.96
	Long term maturities of lease obligations	-	-

NOTE NO. 16.2 FINANCIAL LIABILTIES - NON CURRENT - OTHERS

(₹ in Lacs)

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
Payable towards Bonds Fully Serviced by Government of India (Refer Note 16.2.1)		
- Principal	-	-
Retention Money	-	-
TOTAL	-	-
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)	-	-

16.2.2 **Maturity Analysis of Retention Money**

The table below summarises the maturity profile of the deposits/retention money based on contractual payments (Undiscounted Cash Flows) :

Particulars	As at 31st March, 2021	As at 31st March, 2020
More than 1 Year & Less than 3 Years		
More than 3 Year & Less than 5 Years		
More than 5 Years		
TOTAL	-	-

NOTE NO. 17 PROVISIONS - NON CURRENT

(₹ in Lacs)

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
A. **PROVISION FOR EMPLOYEE BENEFITS**		
i) **Provision for Long term Benefits (Provided for on the basis of actuarial valuation)**		
As per last Balance Sheet	-	
Additions during the year		
Amount used during the year		
Amount reversed during the year		
Closing Balance	-	-
B. **OTHERS**		
i) **Provision For Committed Capital Expenditure**		
As per last Balance Sheet	-	-
Additions during the year	-	-
Amount used during the year	-	-
Amount reversed during the year	-	-
Unwinding of discount	-	-
Closing Balance	-	-
ii) **Provision For Livelihood Assistance**		
As per last Balance Sheet	-	-
Additions during the year	-	-
Amount used during the year	-	-
Amount reversed during the year	-	-
Unwinding of discount	-	-
Closing Balance	-	-
iii) **Provision-Others**		
As per last Balance Sheet	-	
Additions during the year		
Amount used during the year		
Amount reversed during the year		
Closing Balance	-	-
TOTAL	-	-

17.1 Information about Provisions is given in Note 34 (21) of Standalone Financial Statements.

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

(₹ in Lacs)

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
Deferred Tax Liability		
a) Property, Plant and Equipments, Right of Use, Investment Property and Intangible Assets.	-	-
b) Financial Assets at FVTOCI	-	-
c) Other items	-	-
Deferred Tax Liability	-	-
Less:-Set off Deferred Tax Assets pursuant to set off provisions		
a) Provision for employee benefit scheme, doubtful debts, inventory and others	-	-
b) Other Items	-	-
c) MAT credit entitlement	-	-
Deferred Tax Assets	-	-
Deferred Tax Liability (Net)	-	-

Annexure to Note No. 18.1

Movement in Deferred Tax Liability

(Amount in ₹ lacs)

Particulars	Property, Plant and Equipments,Investment Property and Intangible Assets.	Financial Assets at FVTOCI	Other Items	Total
At 1st April 2020	-	-	-	-
Charge/(Credit)				
-to Statement of Profit and Loss	-	-	-	-
-to Other Comprehensive Income		-		-
At 31st March 2021	-	-	-	-

Movement in Deferred Tax Assets

(Amount in ₹lacs)

Particulars	Provision for employee benefit scheme, doubtful debts, inventory and others	Other Items	MAT credit entitlement	Total
At 1st April 2020	-	-	-	-
(Charge)/Credit				-
-to Statement of Profit and Loss	-	-	-	-
-to Other Comprehensive Income				-
At 31st March 2021	-	-	-	-
			-	

PUNJABI & CO. CHARTERED ACCOUNTANTS IMPHAL FRN 309115E

NOTE NO. 19 OTHER NON CURRENT LIABILITIES

(₹ in Lacs)

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
Income received in advance-Advance Against Depreciation	-	-
Deferred Foreign Currency Fluctuation Liabilities	-	-
Deferred Income from Foreign Currency Fluctuation Account	-	-
Grants in aid-from Government-Deferred Income (Refer Note 19.1)	-	-
TOTAL	-	-
GRANTS IN AID-FROM GOVERNMENT-DEFERRED INCOME		
Opening Balance (Current and Non Current)	-	
Add: Received during the year		
Less: Transferred to Statement of Profit and Loss (Refer Note 24.2)		
Closing Balance (Current and Non Current) (Refer Note 19.1.1)	-	-
Grants in Aid-from Government-Deferred Income (Current)- (Refer Note No-21)	-	-
Grants in Aid-from Government-Deferred Income (Non-Current)	-	-

NOTE NO. 20.1 BORROWINGS - CURRENT

(₹ in Lacs)

	PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
A	Loan Repayable on Demand		
	From Banks-Secured (Refer Note 20.1.1)	-	-
B	Other Loans		
	From Bank-Secured (Refer Note 20.1.2)	-	-
	TOTAL	-	-

20.1.1 Detail of Borrowings (Secured)

S.No	Name of Bank along with details of Security	As at 31st March, 2021	As at 31st March, 2020
1			
2			
	Total	-	-

20.1.2 Secured loan from Bank amounting to ₹ .Nil (Previous Year ₹ Nil.) is towards amount payable to the banks by the beneficiaries on account of bills discounted with recourse against trade receivables. Refer Note 7.5 on continuing recognition of trade receivables liquidated by way of bill discounting.

NOTE NO. 20.2 TRADE PAYABLE - CURRENT

(₹ in Lacs)

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
Total outstanding dues of micro enterprise and small enterprise(s) (Refer Note 20.2.1)	-	-
Total outstanding dues of Creditors other than micro enterprises and small enterprises	87.60	279.15
TOTAL	**87.60**	**279.15**

20.2.1 Disclosure of sundry creditors under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprise Development Act, 2006 (the Act). Disclosure requirement in respect of Trade Payables of Micro and Small Enterprises under Section 22 of The Micro, Small and Medium Enterprise Development Act, 2006 is given under Note No.34(15).

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

NOTE NO. 20.3 OTHER FINANCIAL LIABILITIES - CURRENT

(₹ in Lacs)

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
Current maturities of long term debt (Refer Note 20.3.1)		
- Bonds	-	-
- Term Loan -Banks-Secured	-	-
- Term Loan -Banks-Unsecured	-	-
- Term Loan -Financial Institutions-Secured	-	-
- Unsecured-From Government (Subordinate Debts)	-	-
- Other-Unsecured (in Foreign Currency)	-	-
Current maturities of lease obligations **(Refer Note 16.1.5)**	-	12.96
Bond application money	-	-
Liability against capital works/supplies other than Micro and Small Enterprises	-	-
Liability against capital works/supplies-Micro and Small Enterprises **(Refer Note 20.3.2)**	-	-
Interest accrued but not due on borrowings	-	-
Interest accrued and due on borrowings	-	-
Payable towards Bonds Fully Serviced by Government of India		
- Principal	-	-
- Interest	-	-
Earnest Money Deposit/ Retention Money	8.33	8.51
Due to Subsidiaries	-	51.09
Liability for share application money -to the extent refundable	-	-
Unpaid dividend **(Refer Note 20.3.3)**	-	-
Unpaid interest **(Refer Note 20.3.3)**	-	-
Payable to Employees	11.73	5.18
Payable to Others	0.14	0.06
TOTAL	20.20	77.79

20.3.1 Details in respect of redemption, rate of interest, terms of repayment and particulars of security are disclosed in **Note No-16.1.2**

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

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

NOTE NO. 21 OTHER CURRENT LIABILITIES

(₹ in Lacs)

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
Income received in advance (Advance against depreciation)	-	-
Deferred Income from Foreign Currency Fluctuation Account	-	-
Deferred Foreign Currency Fluctuation Liabilities	-	-
Unspent amount of deposit/agency basis works	-	-
Water Usage Charges Payables	-	-
Statutory dues payables	19.71	15.37
Contract Liabilities-Deposit Works	-	-
Contract Liabilities-Project Management/ Consultancy Work	-	-
Provision toward amount recoverable in respect of Project Management/ Consultancy Work	-	-
Advance from Customers and Others	-	-
Grants in aid-from Government-Deferred Income **(Refer Note No-19)**	-	-
TOTAL	19.71	15.37

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

IMPHAL PAN 309115E

NOTE NO. 22 PROVISIONS - CURRENT

(₹ in Lacs)

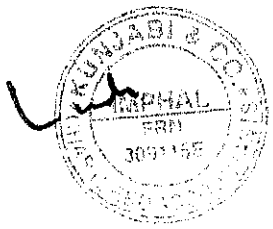
PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
A. PROVISION FOR EMPLOYEE BENEFITS		
i) Provision for Long term Benefits (Provided for on the basis of actuarial valuation)		
As per last Balance Sheet	-	
Additions during the year		
Amount used during the year		
Amount reversed during the year		
Closing Balance	-	-
ii) **Provision for Performance Related Pay/Incentive**		
As per last Balance Sheet	136.98	152.13
Additions during the year	40.84	81.81
Amount used during the year	43.42	96.95
Amount reversed during the year	-	
Closing Balance	134.40	136.98
Less:-Advance Paid	18.90	-
Closing Balance Net of Advance	115.50	136.98
iii) Provision for Superannuation / Pension Fund		
As per last Balance Sheet	-	
Additions during the year	-	
Amount used during the year	-	
Amount reversed during the year	-	
Closing Balance	-	-
iv) Provision For Wage Revision - 3rd Pay Revision Committee		
As per last Balance Sheet	-	
Additions during the year		
Amount used during the year		
Amount reversed during the year		
Closing Balance	-	-
B. OTHERS		
i) Provision For Tariff Adjustment		
As per last Balance Sheet	-	
Additions during the year	-	
Amount used during the year	-	
Amount reversed during the year	-	
Closing Balance	-	-
ii) Provision For Committed Capital Expenditure		
As per last Balance Sheet	-	-
Additions during the year	-	-
Amount used during the year	-	-
Amount reversed during the year	-	-
Unwinding of discount	-	-
Closing Balance	-	-
iii) Provision for Restoration expenses of Insured Assets		
As per last Balance Sheet	-	
Additions during the year	-	
Amount used during the year	-	
Amount reversed during the year	-	
Closing Balance	-	-
iv) Provision For Livelihood Assistance		
As per last Balance Sheet	-	-
Additions during the year	-	-
Amount used during the year	-	-
Amount reversed during the year	-	-
Unwinding of discount	-	-
Closing Balance	-	-
v) Provision in respect of arbitration award/ court cases		
As per last Balance Sheet	-	
Additions during the year	-	
Amount used during the year	-	
Amount reversed during the year	-	
Closing Balance	-	-
vi) Provision - Others		
As per last Balance Sheet	-	
Additions during the year	-	
Amount used during the year	-	
Amount reversed during the year	-	
Closing Balance	-	-
TOTAL	115.50	136.98

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

NOTE NO. 23 CURRENT TAX LIABILITIES (NET)

(₹ in Lacs)

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
Current Tax Liability as per last Balance Sheet		
Additions during the year		
Amount adjusted during the year		
Amount used during the year		
Amount reversed during the year		
Closing Balance of Current Tax Liability (A)	-	-
Less: Current Advance Tax including Tax Deducted at Source (B)	-	-
Net Current Tax Liabilities (A-B)	-	-
(Disclosed under Note No-12 above)	-	-
TOTAL	-	-



NOTE NO. 24.1 REVENUE FROM OPERATIONS

(₹ in Lacs)

	PARTICULARS	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
	Operating Revenue		
A	**SALES (Refer Note 24.1.1, 24.1.3 and 34(20))**		
	Sale of Power	-	-
	Advance Against Depreciation -Written back during the period	-	-
	Performance based Incentive/ (Disincentive)	-	-
	Sub-total (i)	-	-
	Less :		
	Sales adjustment on account of Foreign Exchange Rate Variation	-	-
	Tariff Adjustments **(Refer Note 24.1.2)**	-	-
	Regulated Power Adjustment	-	-
	Income from generation of electricity – precommissioning (Transferred to Expenditure Attributable to Construction)	-	-
	Rebate to customers	-	-
	Sub-total (ii)	-	-
	Sub - Total (A) = (i-ii)	-	-
B	**Income from Finance Lease (Refer Note 34(16)(C))**	-	-
C	**Income from Operating Lease (Refer Note 34(16)(D))**	-	-
D	**Revenue From Contracts, Project Management and Consultancy Works**		
	Contract Income	-	-
	Revenue from Project management/ Consultancy works	-	-
	Sub - Total (D)	-	-
E	**Revenue from Power Trading**		
	Sale of Power (Net of Rebate)	-	-
	Trading Margin	-	-
	Sub - Total (E)	-	-
	Sub-Total-I (A+B+C+D+E)	-	-
F	**OTHER OPERATING REVENUE**		
	Income From Sale of Self Generated VERs/REC	-	-
	Income on account of generation based incentive (GBI)	-	-
	Interest from Beneficiary States -Revision of Tariff	-	-
	Sub-Total-II	-	-
	TOTAL (I+II)	-	-

NOTE NO. 24.2 OTHER INCOME

(₹ in Lacs)

PARTICULARS	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
A) **Interest Income**		
- Investments carried at FVTOCI- Non Taxable	-	-
- Investments carried at FVTOCI- Taxable	-	-
- Interest - Government Securities (8.5% tax free bonds issued by the State Governments)	-	-
- Loan to Government of Arunachal Pradesh	-	-
- Deposit Account	2.41	17.59
- Employee's Loans and Advances (Net of Rebate)	-	-
- Advance to contractors	-	-
- Others	-	-
B) **Dividend Income**		
- Dividend from subsidiaries	-	-
- Dividend - Others	-	-
C) **Other Non Operating Income (Net of Expenses directly attributable to such income)**		
Late payment surcharge	-	-
Realization of Loss Due To Business Interruption	-	-
Profit on sale of investments	-	-
Profit on sale of Assets (Net)	-	-
Income from Insurance Claim	-	-
Liabilities/ Impairment Allowances/ Provisions not required written back **(Refer Note 24.2.1)**	-	-
Material issued to contractor		
(i) Sale on account of material issued to contractors	-	-
(ii) Cost of material issued to contractors on recoverable basis	-	-
(iii)Adjustment on account of material issued to contractor	-	-
Amortization of Grant in Aid	-	-
Exchange rate variation (Net)	-	-
Mark to Market Gain on Derivative	-	-
Others	0.01	1.53
Sub-total	**2.42**	**19.12**
Add/(Less): C.O./Regional Office/PID Income	-	-
Sub-total	**2.42**	**19.12**
Less: transferred to Expenditure Attributable to Construction	0.01	1.08
Less: transferred to Advance/ Deposit from Client/Contractees and against Deposit Works	-	-
Less: Transfer of other income to grant	-	-
Total	**2.41**	**18.04**

24.2.1 **Detail of Liabilities/Impairment Allowances/Provisions not required written back**		
a) Allowances for Bad & Doubtful Employees Loans		
b) Allowances for Bad & Doubtful Advances to Contractor/ Supplier		
c) Allowances for Bad & Doubtful Loan to State Government		
d) Allowances for Bad & Doubtful Capital Advances		
e) Allowances for Obsolescence & Diminution in Value of Inventories		
f) Impairment Allowances for trade receivables		
g) Allowances for Bad & Doubtful Deposits		
h) Impairment Allowances for loan which have significant increase in credit risk		
i) Allowances for doubtful recoverables		
j) Allowances for Doubtful Accrued Interest		
k) Allowances for project expenses awaiting write off sanction		
l) Allowances for losses pending investigation/awaiting write off / sanction		
m) Provision for Long Term Benefits (Provided for on the basis of acturial valuation)		
n) Provision for PRP / Incentive /Productivity Linked Incentive		
o) Provision for tariff adjustment		
p) Provision for Committed Capital Expenditure		
q) Provision for Livelihood Assistance		
r) Provision for Restoration expenses of Insured Assets		
s) Provision for 3rd PRC		
t) Others	-	-
TOTAL	-	-

NOTE NO. 25.1 Purchase of Power - Trading (₹ in Lacs)

PARTICULARS	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
Purchase of Power	-	-
Less : Rebate from Supplier	-	-
Total	-	-

NOTE NO. 25.2 GENERATION EXPENSES (₹ in Lacs)

PARTICULARS	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
Water Usage Charges	-	-
Consumption of stores and spare parts	-	-
Sub-total	-	-
Less: transferred to Expenditure Attributable to Construction	-	-
Total	-	-

NOTE NO. 26 EMPLOYEE BENEFITS EXPENSE (₹ in Lacs)

PARTICULARS	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
Salaries and Wages	316.57	408.24
Contribution to provident and other funds	33.66	52.21
Staff welfare expenses	9.04	22.26
Leave Salary & Pension Contribution	-	-
Sub-total	359.27	482.71
Add/(Less): C.O./Regional Office Expenses	-	-
Sub-total	359.27	482.71
Less: transferred to Expenditure Attributable to Construction	359.27	482.71
Less: Recoverable from Deposit Works	-	-
Total	0.00	-

26.1 Disclosure about operating leases towards residential accomodation for employees are given in Note 34 (16) (A).

26.2 Contribution to provident and other funds include contributions:	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
i) towards Employees Provident Fund	18.52	21.41
ii) towards Employees Defined Contribution Superannuation Scheme	12.88	20.47

26.3 Salary and wages includes expenditure on short term leases as per IND AS-116 " Leases". - 0

NOTE NO. 27 FINANCE COSTS

(₹ in Lacs)

	PARTICULARS	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
A	**Interest on Financial Liabilities at Amortized Cost**		
	Bonds	-	-
	Term loan	-	0.00
	Foreign loan	-	-
	Government of India loan	-	-
	Lease Liabilities	0.38	1.65
	Unwinding of discount-Government of India Loan	-	-
	Sub-total	**0.38**	**1.65**
B	**Other Borrowing Cost**		
	Call spread/ Coupon Swap	-	-
	Bond issue/ service expenses	-	-
	Commitment fee	-	-
	Guarantee fee on foreign loan	-	-
	Other finance charges	-	0.01
	Unwinding of discount-Provision & Financial Liabilities	-	-
	Sub-total	**-**	**0.01**
C	**Applicable net (gain)/ loss on Foreign currency transactions and translation**		
	Exchange differences regarded as adjustment to interest cost	-	-
	Less: Transferred to Deferred Foreign Currency Fluctuation Assets	-	-
	Sub-total	**-**	**-**
D	**Interest on Income Tax**	-	-
	Total (A + B + C+D)	**0.38**	**1.66**
	Add/(Less): C.O./Regional Office/PID Expenses	-	-
	TOTAL	**0.38**	**1.66**
	Less: transferred to Expenditure Attributable to Construction	0.38	1.66
	Less: Recoverable from Deposit Works	-	-
	Total	**-**	**-**

NOTE NO. 28 DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in Lacs)

PARTICULARS	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
Depreciation -Property, Plant and Equipment	6.69	7.58
Depreciation-Right of use Assets	12.08	18.24
Amortization -Intangible Assets	-	-
Depreciation adjustment on account of Foreign Exchange Rate Variation **(Refer Note 19 and 5(C)(ii)**	-	-
Add/(Less): C.O./Regional Office / PID Expenses	-	-
Sub-total	**18.77**	**25.82**
Less: transferred to Expenditure Attributable to Construction	18.77	25.82
Less: Recoverable from Deposit Works	-	-
Total	**-**	**-**

NOTE NO. 29 OTHER EXPENSES

(₹ in Lacs)

	PARTICULARS	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
A.	**Direct Expenditure on Contract, Project Management and Consultancy Works**	-	-
B.	**REPAIRS AND MAINTENANCE**		
	- Building	55.09	52.29
	- Machinery	-	-
	- Others	20.57	15.54
C.	**OTHER EXPENSES**	-	-
	Rent	-	-
	Hire Charges	4.91	5.21
	Rates and taxes	2.54	4.04
	Insurance	0.98	0.92
	Security expenses	-	-
	Electricity Charges	-	0.61
	Travelling and Conveyance	1.79	6.53
	Expenses on vehicles	8.13	4.82
	Telephone, telex and Postage	1.57	1.97
	Advertisement and publicity	0.05	-
	Entertainment and hospitality expenses	0.86	0.38
	Printing and stationery	1.73	1.70
	Consultancy charges - Indigenous	136.95	6.66
	Consultancy charges - Foreign	-	-
	Audit expenses **(Refer Note 29.3)**	0.47	0.70
	Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	-	-
	Expenditure on land not belonging to company	-	-
	Loss on Assets (Net)	-	0.00
	Losses out of insurance claims	-	-
	Donation	-	-
	Corporate social responsibility **(Refer Note 34(14))**	-	0.25
	Community Development Expenses	-	-
	Directors''Sitting Fees	-	-
	Interest on Arbitration/ Court Cases	-	-
	Interest to beneficiary	-	-
	Expenditure on Self Generated VER's/REC	-	-
	Expenses for Regulated Power	-	-
	Less: - Exp Recoverable on Regulated Power	-	-
	Exchange rate variation (Net)	-	-
	Training Expenses	-	-
	Petition Fee /Registration Fee /Other Fee – To CERC/SLDC/RPC/CEA/POSOCO	-	-
	Operational/Running Expenses of Kendriya Vidyalay	-	-
	Operational/Running Expenses of Other Schools	-	-
	Operational/Running Expenses of Guest House/Transit Hostel	32.01	29.52
	Operating Expenses of DG Set-Other than Residential	-	-
	Change in Fair Value of Derivatives	-	-
	Other general expenses	0.75	4.22
	Sub-total	**268.42**	**135.37**
	Add/(Less): C.O./Regional Office/PID Expenses	-	-
	Sub-total	**268.42**	**135.37**
	Less: transferred to Expenditure Attributable to Construction	266.50	130.20
	Less: Recoverable from Deposit Works	-	-
	Less: Transfer to General Reserve for Expenses on Buyback	-	-
	Sub-total (I)	**1.92**	**5.17**
D.	**PROVISIONS/ IMPAIRMENT ALLOWANCE**		
	Impairment allowance for trade receivables	-	-
	Allowance for Bad and doubtful advances / deposits	-	-
	Allowance for Bad and doubtful claims	-	-
	Allowance for Doubtful Interest	-	-
	Allowance for stores and spares/ Construction stores	-	-
	Allowance for Shortage in store & spares provided	-	-
	Allowance against diminution in the value of investment	-	-
	Allowance for Project expenses	-	-
	Allowance for fixed assets/ stores	-	-
	Allowance for catchment area treatment plan	-	-
	Interest to Beneficiary **(Refer Note 29.2)**	-	-
	Interest against court/arbitration award	-	-
	Others	-	-
	Sub-total	-	-
	Add/(Less): C.O./Regional Office/PID Expenses	-	-
	Sub-total	-	-
	Less: transferred to Expenditure Attributable to Construction	-	-
	Less: Recoverable from Deposit Works	-	-
	Sub-total (II)	-	-
	Total (I+II)	**1.92**	**5.17**

29.1 Disclosure about operating leases are given in Note 34 (16) (A).

(₹ in Lacs)

29.3	Detail of audit expenses are as under: -	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
	i) Statutory auditors		
	As Auditor		
	Audit Fees	0.47	0.49
	Tax Audit Fees	-	-
	In other Capacity		
	Taxation Matters	-	-
	Company Law Matters	-	-
	Management Services	-	-
	Other Matters/services	-	-
	Reimbursement of expenses	-	0.21
	ii) Cost Auditors		
	Audit Fees	-	-
	Reimbursement of expenses	-	-
	iii) Goods and Service Tax (GST) Auditors		
	Audit Fees	-	-
	Reimbursement of expenses	-	-
	Total Audit Expenses	0.47	0.70

29.4	Rent includes the following expenditure as per IND AS-116 " Leases".		
(i)	Expenditure on short-term leases other than lease term of one month or less	-	-
(ii)	Expenditure on long term lease of low-value assets	-	-
(iii)	Variable lease payments not included in the measurement of lease liabilities	-	-

NOTE NO. 30.1 TAX EXPENSES

(₹ in Lacs)

PARTICULARS	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
Current Tax		
Provision for Current Tax	0.13	3.34
Adjustment Relating To Earlier periods	-	-
Total current tax expenses	**0.13**	**3.34**
Deferred Tax		
Decrease (increase) in deferred tax assets		
- Relating to origination and reversal of temporary differences	-	-
- Relating to change in tax rate		-
- Adjustments in respect of deferred tax of prior periods		-
- Adjustments on account of MAT credit entitlement	-	-
Increase (decrease) in deferred tax liabilities		
- Relating to origination and reversal of temporary differences	-	-
- Relating to change in tax rate		-
- Adjustments in respect of deferred tax of prior periods		-
Total deferred tax expenses (benefits)	-	-
Net Deferred Tax	-	-
Total	0	3.34

NOTE NO. 30.2 OTHER COMPREHENSIVE INCOME

(₹ In Lacs)

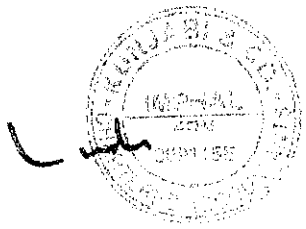
PARTICULARS	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
(i) Items that will not be reclassified to profit or loss		
(a) Remeasurement of the post employment defined benefit obligations	-	-
Less: Income Tax on remeasurement of the post employment defined benefit obligations	-	-
Remeasurement of the post employment defined benefit obligations (net of Tax)	-	-
Less:-Movement in Regulatory Deferral Account Balances in respect of tax on defined benefit obligations	-	-
Remeasurement of the post employment defined benefit obligations (net of Tax) and Regulatory deferral account balances (a)	-	-
(b)Investment in Equity Instruments	-	-
Less: Income Tax on Equity Instruments	-	-
Sub total (b)	-	-
Total (i)=(a)+(b)	-	-
(ii) Items that will be reclassified to profit or loss		
- Investment in Debt Instruments	-	-
Less: Income Tax on investment in Debt Instruments	-	-
Total (ii)	-	-
Total =(i+ii)	-	-

NOTE NO. 31 Movement in Regulatory Deferral Account Balances

(₹ in Lacs)

PARTICULARS	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
Movement in Regulatory Deferral Account Balances on account of:-		
(i) Subansiri Lower Project:-		
a) Employee Benefits Expense	-	-
b) Other Expenses	-	-
c) Depreciation and Amortization Expense	-	-
d) Finance Costs	-	-
e) Other Income	-	-
Sub Total (i)	-	-
(ii) Wage Revision as per 3rd Pay Revision Committee	-	-
(iii) Kishanganga Power Station:-Depreciation due to moderation of Tariff	-	-
(iv) Exchange Differences on Monetary Items	-	-
(v) Adjustment against Deferred Tax Recoverable for tariff period upto 2009	-	-
(vi) Adjustment against Deferred Tax Liabilities for tariff period 2014-2019.	-	-
(vii) MAT Credit	-	-
TOTAL (i)+(ii)+(iii)+(iv+(v)+(vi)	-	-
Impact of Tax on Regulatory Deferral Accounts		
Less: Deferred Tax on Regulatory Deferral Account Balances	-	-
Add: Deferred Tax recoverable from Beneficiaries	-	-
Total	-	-

Refer Note 14 of Standalone Financial Statements.

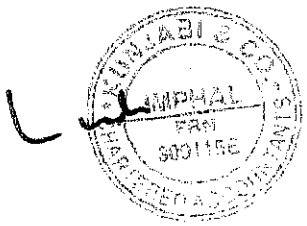


NOTE NO. 32 EXPENDITURE ATTRIBUTABLE TO CONSTRUCTION (EAC) FORMING PART OF CAPITAL WORK IN PROGRESS FOR THE YEAR.

(₹ in Lacs)

	PARTICULARS	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
A.	**GENERATION EXPENSE**		
	Consumption of stores and spare parts	-	-
	Sub-total	-	-
B.	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries and Wages	316.57	408.24
	Contribution to provident and other funds	33.66	52.75
	Staff welfare expenses	9.04	21.72
	Leave Salary & Pension Contribution	-	-
	Sub-total	**359.27**	**482.71**
C.	**FINANCE COST**		
	Interest on : **(Refer Note 2.2.1)**		
	Bonds	-	-
	Foreign loan	-	-
	Term loan	-	-
		-	-
	Cash credit facilities /WCDL	-	-
	Exchange differences regarded as adjustment to interest cost	-	-
	Loss on Hedging Transactions	-	-
	Bond issue/ service expenses	-	-
	Commitment fee	-	-
	Guarantee fee on loan	-	-
	Other finance charges	-	0.01
	Transfer of expenses to EAC- Interest on loans from Central Government-adjustment on account of effective interest	-	-
	Transfer of expenses to EAC-Interest on security deposit/ retention money-adjustment on account of effective interest	0.38	1.65
	Transfer of expenses to EAC- Interest on FC Loans - Effective Interest Adjustment	-	-
	Transfer of expenses to EAC-committed capital expenses-adjustment for time value	-	-
	Sub-total	**0.38**	**1.66**
D.	**DEPRECIATION AND AMORTISATION EXPENSES**	18.77	25.82
	Sub-total	**18.8**	**25.8**
E.	**OTHER EXPENSES**		
	Repairs And Maintenance :		
	-Building	55.09	52.29
	-Machinery	-	-
	-Others	20.57	15.54
	Rent & Hire Charges	4.91	5.21
	Rates and taxes	2.40	3.83
	Insurance	0.98	0.92
	Security expenses	-	-
	Electricity Charges	-	0.61
	Travelling and Conveyance	1.79	5.29
	Expenses on vehicles	8.13	4.82
	Telephone, telex and Postage	1.57	1.97
	Advertisement and publicity	-	-
	Printing and stationery	1.34	1.70
	Design and Consultancy charges:	-	-
	- Indigenous	136.95	6.66
	Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	-	-
	Expenditure on land not belonging to company	-	-
	Assets/ Claims written off	-	-
	Land Acquisition and Rehabilitation Expenditure	-	-
	Losses on sale of assets	-	-
	Other general expenses	32.77	31.36
	Exchange rate variation (Debit)	-	-
	Sub-total	**266.50**	**130.20**
F.	**PROVISIONS**	-	-
	Sub-total	-	-
G.	**CORPORATE OFFICE/REGIONAL OFFICE EXPENSES**		
	Other Income	-	-
	Other Expenses	-	-
	Employee Benefits Expense	-	-
	Depreciation & Amortisation Expenses	-	-
	Finance Cost	-	-
	Provisions	-	-
	Sub-total	-	-

H.	**LESS: RECEIPTS AND RECOVERIES**		
	Income from generation of electricity – precommissioning	-	-
	Interest on loans and advances	-	-
	Profit on sale of assets	-	-
	Exchange rate variation (Credit)	-	-
	Provision/Liability not required written back	-	-
	Miscellaneous receipts	0.01	1.08
	Transfer of fair value gain to EAC- security deposit	-	-
	Transfer of fair value gain to EAC - on provisions for committed capital expenditure	-	-
	Sub-total	**0.01**	**1.08**
	TOTAL (A+B+C+D+E+F+G-H) (Refer Note 2.2)	**644.93**	**639.32**



A) Financial Instruments by category

(Rs.in lacs)

Financial assets	Notes	As at 31st March, 2021			As as 31st March, 2020		
		Fair value through Profit or Loss	Fair value through Other Comprehensive Income	Amortised Cost	Fair value through Profit or Loss	Fair value through Other Comprehensive Income	Amortised Cost
a) In Equity Instrument (Quoted)	3.1			-			-
b) In Debt Instruments (Government/ Public Sector Undertaking)- Quoted	3.1			-			-
Sub-total			-	-		-	-
(ii) Trade Receivables	3.2			-			-
(iii) Loans							
a) Deposits	3.3			-			-
b) Employees	3.3			-			-
c) Others	3.3			-			-
(iv) Others							
-Lease Receivables including interest	3.4			-			-
-Recoverable on account of Bonds fully Serviced by Government of India	3.4			-			-
-Share Application Money - Limited (Pending Allotment)	3.4			-			-
- Derivative MTM Asset	3.4	-			-		
-Bank Deposits with more than 12 Months Maturity (Including interest accrued)	3.4			-			-
Total Non-current Financial assets		-	-	-	-	-	-
Current Financial assets							
(i) Trade Receivables	7			-			34.92
(ii) Cash and cash equivalents	8			99.94			106.44
(iii) Bank balances other than Cash and Cash Equivalents	9			-			70.00
(iv) Loans	10						
-Employee Loans				-			6.09
-Loans to Joint Venture (National High Power				-			-
-Deposits				-			-
-Others				-			-
(v) others (Excluding Lease Receivables)	11			69.06			2.52
(vi) others (Lease Receivables including interest)	11			-			-
Total Current Financial Assets		-	-	**169.00**	-	-	**219.98**
Total Financial Assets		-	-	**169.00**	-	-	**219.98**

121

Financial Liabilities	Notes	As at 31st March, 2021			As as 31st March, 2020		
		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			-			-
(ii) Long term maturities of lease obligations	16.1			-			-
(iii) Other Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India)	16.2			-			-
(iv) Borrowing -Short Term	20.1			-			-
(v) Trade Payables including Micro, Small and Medium Enterprises	20.2			87.60			279.15
(vi) Other Current financial liabilities							
a) Current maturities of long term borrowings	20.3			-			-
b) Current maturities of lease obligations	20.3			-			12.96
c) Interest Accrued but not due on borrowings	20.3			-			-
d) Other Current Liabilities	20.3			20.20			64.83
Total Financial Liabilities				**107.80**			**356.94**

TOTAL

(Amount in Rupees')

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

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and traded bonds that have quoted price. The fair value of all equity instruments including bonds which are traded in the recognised Stock Exchange and money markets are valued using the closing prices as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.The fair value of financial assets and liabilities included in level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments. This includes derivative MTM assets/liabilities,security deposits/ retention money and loans at below market rates of interest.

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

(Amount in Rupees-Lacs')

		As at 31st March, 2021			As as 31st March, 2020		
	Note No.	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets at FVTOCI							
(i) Investments-							
- In Equity Instrument (Quoted)	3.1	-			-		
- In Debt Instruments (Government/ Public Sector Undertaking)- Quoted *	3.1	-			-		
Financial Assets at FVTPL :							
(i) Derivative MTM Asset (Call spread option and Coupon only swap)	3.4		-			0	
Total		-	-	-	-	-	-

Note:

* in the absence of latest quoted market rates in respect of these instruments, rates have been derived as per Fixed Income Money Market and Derivatives Association of India

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.

(Amount in Rupees-Lacs')

(b) Financial Assets/Liabilities measured at amortised cost for which Fair Value are disclosed:

Particulars		As at 31st March, 2021			As at 31st March, 2020		
	Note No.	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets							
(i) Trade Receivables	3.2		0			-	
(ii) Loans							
a) Employees	3.3		0			0	
c) Deposits	3.3			-			-
d) Others	3.3			-			-
(ii) Others							
-Bank Deposits with more than 12 Months Maturity (Including Interest accrued)	3.4		-			-	
-Recoverable on account of Bonds fully Serviced by Government of India	3.4	0			0		
Total Financial Assets		0	0	0	0	0	0
Financial Liabilities							
(i) Long-term borrowings including current maturities and accrued interest	16.1 & 20.3						
(ii) Long term & Short term maturities of lease obligations	16.1 & 20.3			-			12.96
(iii) Other Long Term Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India)	16.2	-		-	0		0
Total Financial Liabilities		0	0	0	0	0	12.96

(Amount in Rupees-Lacs')

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

Particulars	Note No.	As at 31st March, 2021		As at 31st March, 2020	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets					
(i) Trade Receivables	3.2	-	-	-	-
(ii) Loans					
a) Employees	3.3	-		-	
b) Loan to Government of Arunachal Pradesh (including Interest	3.3	-	-	-	-
c) Deposits	3.3	-	-	-	-
d) Others		-	-	-	-
(ii) Others					
-Bank Deposits with more than 12 Months Maturity (Including Interest accrued)	3.4	-	-	-	-
-Recoverable on account of Bonds fully Serviced by Government of India	3.4	-	-	-	-
Total Financial Assets		-	-	-	-
Financial Liabilities					
(i) Long-term borrowings including Current maturities and accrued interest	16.1 & 20.3	-		-	
(ii) Long term & Short term maturities of lease obligations	16.1 & 20.3	-	-	12.96	12.96
(iii) Other Long Term Financial Liabilities (including Payable towards Bonds Fully Serviced by Government of India)	16.2	-		0.00	
Total Financial Liabilities		-	-	12.96	12.96

Note:-

1. The Carrying amounts of current investments, Trade and other receivables, Cash and cash equivalents,Short-term loans and advances, Short term borrowings, Trade payables and other current financial liabilities are considered to be the same as their fair values, due to their short term nature.

2. For financial assets and financial liabilities measured at fair value, the carrying amounts are equal to the fair value.

(d) Valuation techniques and process used to determine fair values

(1) The Company values financial assets or financial liabilities using the best and most relevant data available. Specific valuation techniques used to determine fair value of financial instruments includes:

-Use of Quoted market price or dealer quotes for similar instruments.

- Fair value of remaining financial instruments is determined using discounted cash flow analysis.

(2) The discount rate used to fair value financial instruments classified at Level -3 is based on the Weighted Average Rate of company's outstanding borrowings except subordinate debts and foreign currency bon

(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.

INITIAL FOR IDENTIFICATION

(2)Financial Risk Management

(A) Financial risk factors

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash & Cash equivalents, Other Bank Balances ,Trade receivables and financial assets measured at amortised cost, Lease Receivable.	Aging analysis, credit rating.	Diversification of bank deposits, letter of credit for selected customers.
Liquidity Risk	Borrowings and other facilities.	Rolling cash flow forecasts & Budgets	Availability of committed credit lines and borrowing facilities.
Market Risk- interest rate	Long term borrowings at variable rates	Sensitivity Analysis	1. Diversification of fixed rate and floating rates 2. Refinancing 3. Actual Interest is recovered through tariff as per CERC Regulation
Market Risk- security	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

126

Risk management framework

The Company's activities make it susceptible to various risks. The Company has taken adequate measures to address such concerns by developing adequate systems and practices. Company has a well-defined risk management policy to provide overall framework for the risk management in the Company. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company is exposed to the following risks from its use of financial instruments:

i) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables/leased assets) and from its financing activities including deposits with banks and financial institutions.

ii) Liquidity risk.

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

(B) Credit Risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

Trade Receivables, unbilled revenue & lease receivables :-

The Company extends credit to customers in normal course of business. The Company monitors the payment track record of the customers. Outstanding receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are mainly state government authorities and operate in largely independent markets. Unbilled revenue primarily relates to the Company's right to consideration for work completed but not billed at the reporting date and have substantially the same risk characteristics as trade receivables for the same type of contracts.

Lease receivables of the company are with regard to Power Purchase Agreements classified as deemed lease as per Appendix C of Ind AS 17- 'Leases' as referred to in Note No. 34. The power purchase agreements are for sale of power to single beneficiary and recoverability of interest income and principal on leased assets i.e. PPE of the power stations are assessed on the same basis as applied for trade receivables.

Financial assets at amortised cost :-

Employee Loans: The Company has given loans to employees at concessional rates as per Company's policy which have been measured at amortised cost at Balance Sheet date. The recovery of the loan is on fixed instalment basis from the monthly salary of the employees. The loans are secured by way of mortgage/hypothecation of the assets for which such loans are given. Management has assessed the past data and does not envisage any probability of default on these loans.

Financial instruments and cash deposits :-

The Company considers factors such as track record, size of the bank, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the banks with which the Company has also availed borrowings. The Company invests surplus cash in short term deposits with scheduled banks. The company has balances and deposits with banks which are well diversified across private and public sector banks with limited exposure with any single bank.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as under:

(Amount in Rupees-Lacs `)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Non-current investments (Other than Subsidiaries and Joint Ventures)	-	-
Loans -Non Current (including interest)	-	-
Other Non Current Financial Assets	-	-
Current Investments	-	-
Cash and cash equivalents	99.94	106.44
Bank balances other than Cash and Cash Equivalents	-	70.00
Loans -Current	-	6.09
Other Financial Assets (Excluding Lease Receivables)	69.06	2.52
Total (A)	**169.00**	**185.06**
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade Receivables	-	34.92
Lease Receivables (Including Interest)	-	-
Total (B)	**-**	**34.92**
TOTAL (A+B)	**169.00**	**219.98**

(ii) Provision for expected credit losses :-

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The Company assesses outstanding receivables on an ongoing basis considering changes in payment behaviour and provides for expected credit loss on case-to-case basis.

(b) Financial assets for which loss allowance is measured using life time expected credit losses

A default in recovery of financial assets occurs when in view of the management there is no significant possibility of recovery of receivables after considering all available options for recovery. As the power stations and beneficiaries of the company are spread over various states of India, geographically there is no concentration of credit risk.

(iii) Reconciliation of impairment loss provisions : Not Applicable

(C) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

i) The Company's objective is to maintain optimum levels of liquidity at all times to meet its cash and collateral requirements. The Company relies on a mix of borrowings and excess operating cash flows to meet its need for funds. The current committed lines of credit and internal accruals are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet capital expenditure and operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the borrowing limits or covenants (where applicable) are not breached on any of its borrowing facilities.

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

(Amount in `)

	As at 31st March, 2021	As at 31st March, 2020
At Floating Rate		
fixed rate		
Total	-	-

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, 2021 (Amount in Rupees-Lacs `)

Contractual maturities of financial liabilities	Note No.	Outstanding Debt as on 31.3.2021	Within 1 Year	More than 1 Year & Less than 3 Years	More than 3 Year & Less than 5 Years	More than 5 Year
Borrowings	16.1, 20.1 & 20.3	-	-	-	-	-
Lease obligations	16.1 & 20.3	-	-	-	-	-
Other financial Liabilities	16.2 & 20.3	20.20	20.20	-	-	-
Trade Payables	20.2	87.60	87.60	-	-	-
Total Financial Liabilities		107.80	107.80	-	-	-

As at 31st March, 2020 (Amount in Rupees-Lacs `)

Contractual maturities of financial liabilities	Note No.	Outstanding Debt as on 31.03.2020	Within 1 Year	More than 1 Year & Less than 3 Years	More than 3 Year & Less	More than 5 Year
Borrowings	16.1, 20.1 & 20.3	-	-	-	-	-
Lease obligations	16.1 & 20.3	12.96	12.96	-	-	-
Other financial Liabilities	16.2 & 20.3	64.83	64.83	-	-	-
Trade Payables	20.2	279.15	279.15	-	-	-
Total Financial Liabilities		356.94	356.94	-	-	-

IMPHAL FRN 309115E

(D) Market Risk:

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligation provisions and on the non-financial assets and liabilities. The sensitivity of the relevant item of the Statement of Profit and Loss is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in interest rates.

(i) Interest rate risk and sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates. Company's policy is to maintain most of its borrowings at fixed rate. Company's fixed rate borrowings are carried at amortised cost and are not subject to interest rate risk. Further the company refinance these debts as and when favourable terms are available. The company is also compensated for variability in floating rate through recovery by way of tariff adjustments under CERC tariff regulations.

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows: Not Applicable

Interest Rate Sensitivity Analysis

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The majority of the borrowings of the company are at fixed interest rate. In case of floating rate borrowings there is no impact on Statement of Profit and Loss of the company due to increase/decrese in interest rates, as the same is recoverable from beneficiaries through tariff .

(ii) Price Risk:

(a) Exposure

The company's exposure to price risk arises from investment in equity shares and debt instruments classified in the financial statements as Fair Value Through OCI. Company's investment in equity shares are listed in recognised stock exchange and are publicly traded in the stock exchanges. Company's investment in debt instruments comprise quoted Government Securities and Public Sector Bonds and are publicly traded in the market. The investment has been classified under non-current investment in Balance Sheet.

(b) Price Risk Sensitivity : Not Applicable

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) -Not Applicable

(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: Not Applicable

(b) Sensitivity Analysis

There is no impact of foreign currency fluctuations on the profit of the company as these are either adjusted to the carrying cost of respective fixed asset/Capital Work-in-Progress or recovered through tariff as per CERC Tariff Regulation 2014-19.

(3) Capital Management

(a) Capital Risk Management

The primary objective of the Company's capital management is to maximize the shareholder value. CERC Tariff Regulations prescribe Debt : Equity ratio of 70:30 for the purpose of fixation of tariff of Power Projects. Accordingly The Company monitors capital using Debt : Equity ratio, which is net debt divided by total capital. The Debt : Equity

(Amount in Rs.-Lacs `)

Statement of Gearing Ratio		
Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Total Debt	-	-
(b) Total Capital	15,187.93	14,326.56
Gearing Ratio (a/b)	0.00	0.00

Note: For the purpose of the Company's capital management, capital includes issued capital and reserves. Net debt includes interest bearing loans and borrowings.

(b) Loan Covenants: Not Applicable

LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED
CIN: U40101MN2009GOI063249
(A JOINT VENTURE OF NHPC LIMITED AND GOVT. OF MANIPUR)
Cash Flow Statement as on 31.03.2021

(Amount in Rs 'Lacs)

PARTICULARS	For the Year Ended 31.03.2021		For the Year Ended 31.03.2020	
A.)CASH FLOWS FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAXATION	0.00		0.00	
ADJUSTMENTS				
-INTEREST/OTHER INCOME	0.00		0.00	
-PRELIMINARY EXPENSE WRITTEN OFF	0		0	
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	0.00		0.00	
CHANGES IN WORKING CAPITAL(OPERATING ACTIVITIES)				
(INCREASE)/DECREASE TRADE RECEIVABLE	34.92		5.77	
INCREASE/(DECREASE) IN CURRENT LIABLITIES	0.00		-4.78	
	34.92		0.99	
CASH GENERATED FROM OPERATIONS	34.92		0.99	
INCOME TAX			0.00	
NET CASH FROM OPERATING ACTIVITIES (A)		34.92		0.99
B.)CASH FLOWS FROM INVESTING ACTIVITIES				
CHANGES IN WORKING CAPITAL(INVESTING ACTIVITIES)				
(INCREASE)/DECREASE IN LOANS & ADVANCES	6.89		1.10	
(INCREASE)/DECREASE IN OTHER CURRENT ASSETS	-66.43		99.72	
INCREASE/(DECREASE) IN CURRENT LIABLITIES	-244.79		-123.97	
INCREASE/(DECREASE) IN PROVISIONS	-21.49		-78.17	
CASH GENERATED FROM INVESTING ACTIVITIES	-326.62		-101.33	
INCOME TAX	-1.93		14.71	
NET CASH FROM INVESTING ACTIVITIES (i)		-328.55		-86.62
ADDITION/DELETION OF FIXED ASSETS	0.38		-21.14	
INCREASE IN CAPITAL WORK IN PROGRESS	-544.75		-654.50	
CHANGES IN BANK DEPOSIT OTHER THAN CASH & CASH EQUIVALENT	70.00		275.16	
NET PROFIT BEFORER TAX	0.50		12.87	
(ii)		(473.87)		-387.61
NET CASH FROM INVESTING ACTIVITIES (B)=(i)+(ii)		(802.42)		(474.23)
C.)CASH FLOWS FROM FINANCING ACTIVITIES				
MISCELLANEOUS EXPENSES				
INCREASE/(DECREASE) IN OTHER FINANCIAL LIABILITIES		0.00		
PROCEEDS AGST. SHARE ALLOTMENT/APPLICATION MONEY		361.00		570.00
NET CASH FROM FINANCING ACTIVITIES (C)		361.00		570
NET INCREASE IN CASH AND CASH EQUIVALENTS(A+B+C)		-6.50		96.76
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		106.44		9.68
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		99.94	-	106.44

For & on behalf of Board of Directors

FOR KUNJABI &CO.
CHARTERED ACCOUNTANTS
(F.Regn. No-309115E)

(A K SINGH)
CHAIRMAN
DIN-08646003

(R P SOYAL)
DIRECTOR
DIN-08646380

(LINDA KSHETRIMAYUM)
PARTNER
MEMBERSHIP NO-511337
UDIN 21511337AAAAEW7R66
Place-
Dated- 9/9/2021

(VINODKUMAR R)
CHIEF FINANCIAL OFFICER

(H N SATYANARAYANA)
CHIEF EXECUTIVE OFFICER

NEELAM SINGH
COMPANY SECRETARY
M. NO-A35813

Note No. – 34: Other Explanatory Notes to Accounts

1. **Disclosures relating to Contingent Liabilities:**
   Contingent Liabilities to the extent not provided for -

a) **Claims against the Company not acknowledged as debts in respect of:**

(i) **Capital works**

Contractors have lodged claims aggregating to ₹ Nil (Previous year ₹ Nil) against the Company on account of rate and quantity deviation, cost relating to extension of time, idling charges due to stoppage of work/delays in handing over the site etc. These claims are being contested by the company as being not admissible in terms of provisions of the respective contracts or are lying at arbitration tribunal/other forums/under examination with the Company. These include ₹ Nil (Previous year ₹ Nil) towards arbitration awards including updated interest thereon, against the Company, which have been challenged/decided to be challenged in the Court of Law.

Management has assessed the above claims and recognized a provision of ₹ Nil. (Previous year ₹ Nil.) based on probability of outflow of resources embodying economic benefits and estimated ₹ Nil (Previous year ₹ Nil) as the amount of contingent liability i.e. amounts for which Company may be held contingently liable. In respect of such estimated contingent claims either the outflow of resources embodying economic benefits is not probable or a reliable estimate of the amount required for settling the obligation cannot be made. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered as remote.

(ii) **Land Compensation cases**

In respect of land acquired for the projects, some of the erstwhile land owners have filed claims for higher compensation amounting to ₹ Nil (Previous year ₹ Nil) before various authorities/courts. Pending settlement, the Company has assessed and provided an amount of ₹ Nil (Previous year ₹ Nil) based on probability of outflow of resources embodying economic benefits and estimated ₹ Nil. (Previous year ₹ Nil) as the amount of contingent liability as outflow of resources is considered as not probable.

(iii) **Disputed Tax Demands**

Disputed Income Tax/Sales Tax/Service Tax/ Water Cess/ Green Energy Cess/other taxes/duties matters pending before various appellate authorities amount to ₹ Nil (Previous year ₹ Nil). Pending settlement, the Company has assessed and provided an amount of ₹ Nil (Previous year ₹ Nil) based on probability of outflow of resources

embodying economic benefits and ₹ Nil (Previous year ₹ Nil) are being disclosed as contingent liability as outflow of resources is considered not probable. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered as remote.

(iv) Others

Claims on account of other miscellaneous matters amount to ₹ Nil (Previous year ₹ Nil). These claims are pending before various forums. Pending settlement, the Company has assessed and provided an amount of ₹ Nil (Previous year ₹ Nil.) based on probability of outflow of resources embodying economic benefits and estimated ₹ Nil (Previous year ₹ Nil) as the amount of contingent liability as outflow of resources is considered as not probable. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered as remote.

The above is summarized as below:

(₹ in lacs..)

Sl. No.	Particulars	Claims as on 31.03.2021	up to date Provision against the claims	Contingent liability as on 31.03.2021	Contingent liability as on 31.03.2020	Addition/ (deduction) from contingent liability during the year	Decrease of contingent liability from Opening Balance as on 01.04.2020
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)=(v)-(vi)	(viii)
1.	Capital Works	0	0	0	0	0	0
2.	Land Compen-sation cases	0	0	0	0	0	0
3.	Disputed tax matters	0	0	0	0	0	0
4.	Others	0	0	0	0	0	0
	Total	0	0	0	0	0	0

(b) The above do not include contingent liabilities on account of pending cases in respect of service matters and others where the amount cannot be quantified.

(c) It is not practicable to ascertain and disclose the uncertainties relating to outflow in respect of contingent liabilities.

(d) There is possibility of reimbursement to the company of ₹ Nil (Previous year ₹ Nil) towards above Contingent Liabilities.

(e) (i) An amount of ₹ Nil (Previous year ₹ Nil) stands paid towards above Contingent Liabilities in respect of Capital Works, pursuant to Niti Aayog directions issued vide OM No. 14070/14/2016-PPPAU dated 5th September 2016, in cases where Arbitral Tribunals have passed orders in favour of contractors and such awards/orders have been further challenged/being challenged by the Company in a Court of Law. The amount so paid has been shown under Other Non-Current Assets (Also ref. Note No.5)

(ii) An amount of ₹ Nil (Previous year ₹ Nil) stands paid /deposited with courts/paid as per Court Order towards above contingent liabilities to contest the cases and has been shown under Other Non-Current/ Current Assets/ adjusted against other liabilities of the claimants. (Also refer Note no. 5 and 13)

(f) The Management does not expect that the above claims/obligations (including under litigation), when ultimately concluded and determined, will have a material and adverse effect on
the company's results of operations or financial condition.

(g) Category of agency wise details of contingent liabilities as at 31.03.2021 are as under:
Not Applicable

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 ₹ Nil (Previous year ₹ Nil) 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 ₹ Nil (Previous year ₹ Nil) towards arbitration awards including updated interest thereon.

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

c) Revenue to the extent not recognised in respect of power stations:
Tariff orders for 2019-24 are pending in respect of all Power stations and Tariff order for 2014-19 is pending in respect of TLDP-IV Power Station. Management has assessed that additional revenue of ₹ Nil(Previous year ₹Nil) is likely to accrue on account of tariff revision which has not been recognised due to significant uncertainty for the approval thereof.

d) Business Interruption Losses

Insurance Claims due to Business Interruption Losses in respect of Power Stations are recognised when no significant uncertainty of ultimate collection exists. Management has assessed the claim of ₹ Nil (Previous Year ₹ Nil) in this respect which has not been recognised. Power Station-wise details of claims are given at Note 34(23) of the standalone Financial Statements.

e) Other Cases

Claims on account of other miscellaneous matters estimated by Management to be ₹Nil (Previous year ₹ Nil) has not been recognised.

3. Commitments (to the extent not provided for):

(a) Estimated amount of contracts remaining to be executed on capital account are as under:

(₹ in lacs ..)

Sl. No.	Particulars	As at 31.03.2021	As at 31.03.2020
(i)	(ii)	(iii)	(iv)
1.	Property Plant and Equipment (including Capital Work in Progress)	0	0
2.	Intangible Assets	0	0
	Total	0	0

(b) The Company has commitments of ₹ Nil (Previous year ₹Nil) towards further investment in the subsidiary companies as at 31st March, 2021.

(c) The Company has commitments of ₹Nil (Previous year ₹ Nil) towards further investment in the joint venture companies at as at 31st March, 2021.

4. Pending approval of competent authority, provisional payments / provisions made towards executed quantities of works of some of the items beyond the approved quantities and/ or for extra items aggregating to ₹ Nil (Previous year ₹ Nil.) are included in Capital Work-in-Progress /Property, Plant and Equipment.

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

(A) Nature of goods and services

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

(a) Revenue from sale of electricity

The major revenue of the Company comes from sale of electricity. The Company sells electricity to bulk customers, mainly electricity utilities owned by State Governments as well as private Discoms operating in States. Sale of electricity is generally made pursuant to long-term Power Purchase Agreements (PPAs) entered into with the beneficiaries.

The details of nature, timing of satisfaction of performance obligations and significant payment terms under contracts for electricity sales are as under:

Product/ Service	Nature, timing of satisfaction of performance obligations and significant payment terms
Sale of electricity	The Company recognises revenue from contracts for electricity sales on the basis of long term Power Purchase Agreements entered into with the beneficiaries, which is for substantially the entire life of the Power Stations, i.e. 40 years. Revenue from sale of electricity is accounted for based on tariff rates approved by the CERC for tariff periods of 5 years as modified by the orders of Appellate Tribunal for Electricity to the extent applicable. In case of power stations where the tariff rates are yet to be approved/approved provisionally by the CERC in their orders, provisional rates are adopted considering the applicable CERC Tariff Regulations. Revenue from sale of electricity is recognised once the electricity has been delivered to the beneficiary. Beneficiaries are billed on a periodic and regular basis.

(b) Project Management / Construction Contracts/ Consultancy assignments (Projects and Consultancies)

The Company undertakes consultancy and project execution & maintenance contracts for domestic and international clients. Services are rendered in various areas, viz. Design and engineering, procurement, project management and supervision, construction management, operation and maintenance of power plants, rural road projects and rural electrification projects.

The details of nature, timing of satisfaction of performance obligations and significant payment terms under contracts for consultancy and other services are as under:

Product/ Service	Nature, timing of satisfaction of performance obligations and significant payment terms
Consultancy services	The Company recognises revenue from contracts for consultancy services over the time as the customers simultaneously receive and consume the benefits provided by the Company. The assets (e.g. deliverables, reports etc.) transferred under the contracts do not have any alternative use to the Company and the Company has enforceable right to payment for performance completed to date. The revenue from consultancy services is determined as per the terms of the contracts. The amounts are billed as per the terms of the contracts and are payable within contractually agreed credit period.
Rural Road	The Company recognises revenue from work done under the scheme

Project / Rural Electrification Project	over the time as the assets do not have alternative use to the Company and the Company has enforceable right to payment for performance completed to date. The revenue from the scheme is determined as per the terms of the contract. The amounts are billed as per the terms of the contracts and are payable within contractually agreed credit period.

(c) Trading of Power : Not Applicable

(B) Contract Balances

Details of trade receivables, unbilled revenue and 'advances from customers / clients for Deposit Works and Contract Liabilities-Project Management/Consultancy Work are as under:

(₹ in lacs..)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Current	Non-Current	Current	Non-Current
Trade Receivables	0	0	34.92	0
Unbilled Revenue	0	0	0	0
Contract Liabilities-Deposit Works	0	0	0	0
Contract Liabilities-Project Management/ Consultancy Work	0	0	0	0
Advance from Customers and Others	0	0	0	0

The Company has recognised revenue of ₹Nil (Previous Year/period ₹ Nil) from opening contract liabilities.

(C) Transaction price allocated to the remaining performance obligations is either not applicable or not material to the Company's operations.

(D) Practical expedients applied as per Ind AS 115 'Revenue from Contracts with Customers':

(i) The company has not disclosed information about remaining performance obligations that have original expected duration of one year or less and where the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date.

(ii) Company does not have any contracts in the normal course of business where the period between the transfer of the promised goods or services to the customer and

payment by the customer exceeds one year. Accordingly, transaction price has been adjusted for the time value of money only where such time value of money is significant.

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

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

(₹ in lacs ..)

Sl. No.	Particulars	For the period ended 31.03.2021	For the period ended 31.03.2020
(i)	Amount charged to Statement of Profit and Loss as FERV	0	0
(ii)	Amount charged to Statement of Profit and Loss as Borrowing Cost*	0	0
(iii)	Amount recognised in Regulatory Deferral Account Balances	0	0

*There is however no impact on profitability of the Company, as the impact of change in foreign exchange rates is recoverable from beneficiaries in terms of prevailing CERC (Terms and Conditions of Tariff) Regulations 2019-24. The exchange rate variation included under borrowing cost for the year is transferred to deferred foreign currency fluctuation assets (recoverable from beneficiaries) as per Significant Accounting Policy of the Company.

7. Operating Segment:

a) Electricity generation (including income from embedded Finance/ Operating leases) is the principal business activity of the Company. Other operations viz., Contracts, Project Management, Consultancy works and Power Trading Business do not form a reportable segment as per the Ind AS – 108 on 'Operating Segment'.

b) The Company has a single geographical segment as all its Power Stations are located within the Country.

c) Information about major customers: Revenue of ₹ Nil (Previous period ₹ Nil) is derived from following customers as per details below: Not Applicable

e) Revenue from External Customers: The Company is domiciled in India. The amount of its revenue from external customer is as under: Not Applicable

8. Disclosures under Ind AS-24 "Related Party Disclosures":

(A) List of Related parties:

(i) Parent Company:

Name of Company	Principle place of operation

NHPC Limited	India

(ii) Key Managerial Personnel:

Sl. No.	Name	Position Held
1	Shri. H N Satyanarayana	Chief Executive Officer (Sept.2020 to Dec.2020)
2	Shri. Amitabh Srivastava	Chief Executive Officer (April-2020 to August-2020)
3	Shri.Vinodkumar R	Chief Financial Officer

(iii)Post-Employment Benefit Plans :

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

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

The Company is a Central Public Sector Undertaking (CPSU) controlled by Central Government by holding majority of shares. The Company has applied the exemption available for government related entities and has made limited disclosures in the Financial Statements in accordance with Ind AS 24. Therefore, party-wise details of such transactions have not been given since such transactions are carried out in the ordinary course of business at normal commercial terms and are not considered to be significant.

Sl. No.	Name of the Government	Nature of Relationship with NHPC
1	Government of India	Shareholder having control over Holding company
2	NHPC Limited	Holding Company
3	State Government.....	Shareholder in Company having control over company

4	Central/State controlled PSU.....	Entities controlled by the same Government (Central Govt./State Govt.) that has control over Holding

(B) Transactions with related parties are as follows:

(i) Transactions with Parent

(₹ in lacs.)

Particulars	For the period ended 31.03.2021	For the period ended 31.03.2020
(i)	(ii)	(iii)
Services received by the Company		
NHPC	149.30	28.07
Services provided by the Company		
▪ NHPC	0	0
Dividend Paid by the company		
▪ NHPC	0	0
Equity contributions received by the Company		
▪ NHPC	861.00	320.00
Reimbursement (of Cost of employee on deputation) by the Company		
▪ NHPC	0	0

(ii) Compensation to Key Management Personnel:

(₹ in lacs.)

Particulars	For the period ended 31.03.2021	For the period ended 31.03.2020
Short Term Employee Benefits	131.46	97.17
Post-Employment Benefits	29.77	14.73
Other Long Term Benefits		

(₹ in lacs..)

Other Transactions with KMP	For the period ended 31.03.2021	For the period ended 31.03.2020
Sitting Fees and other reimbursements to non-executive/independent directors	0	0
Interest Received during the year	0	0

(iv)Transactions with other related parties- Post Employment Benefit Plans

(₹ in lacs.)

Particulars	For the period ended 31.03.2021	For the period ended 31.03.2020
(i)	(ii)	(iii)
Contribution to EPF Trust	18.52	21.41
Contribution to Gratuity Trust/(Net of Refund from Trust)	0	0
Contribution to REHS Trust/(Net of Refund from Trust)	0	0
Contribution to Social Security Scheme Trust	0.53	0.64
Contribution to EDCSS Trust	11.56	19.02
Contribution to Leave Encashment (Net of Refund from Trust)	0	0

(v) Transactions with entities controlled by the Government that has control over the Holding Company i.e. NHPC (CPSU):

(₹ in lacs.)

Particulars	For the period ended 31.03.2021	For the period ended 31.03.2020
(i)	(ii)	(iii)
Services Received by the Company	2.55	0.81
Services Provided by the Company	0	0
Sale of goods/Inventory made by the Company	0	0
Purchase of goods/Inventory	0	0
Dividend Paid during the year	0	0

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

(₹ in lacs..)

Particulars	For the period ended 31.03.2021	For the period ended 31.03.2020
(i)	(ii)	(iii)
Purchase of property/Other assets	0	0
Purchase of goods/Inventory	0	0
Services Received by the Company	0	0

Services Provided by the Company	0	0
Sale of goods/Inventory made by the company	0	0

(C) Outstanding balances and guarantees with Related Parties:

(₹ in lacs ..)

Particulars	As at 31.03.2021	As at 31.03.2020
(i)	(ii)	(iii)
Balances with Parent (NHPC)		
▪ Receivables	69.03	0
▪ Payables	69.97	206.04
Balances with KMP		
▪ Receivables	22.09	5.76
Balances with Trust created for post-employment benefit plans of NHPC	0	0
Receivable		
▪ Gratuity Trust	0	0
▪ REHS Trust	0	0
Payable		
▪ EPF Trust	6.01	6.11
▪ REHS Trust	0	0
▪ Social Security Scheme Trust	0	0
▪ EDCSS Trust	0	0
▪ Leave Encashment Trust	0	0
Balances with State Government that has control over the Company		
▪ Payables	0	0
▪ Receivables (Manireda)	0	34.92
▪ Balances Out of Commitments	0	0
Balances with Entities controlled by the same Government that has control over the Holding Company (CPSU)		
▪ Payables	0	0
▪ Receivables	0	0
▪ Balances Out of Commitments	0	0

(D) Other notes to related party transactions:

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

(a) Transactions with the state governments and entities controlled by the Government of India are carried out at market terms on arms- length basis (except subordinate debts received from Central Government at concessional rate) through a transparent price discovery process against open tenders, except in a few cases of procurement of spares/services from Original Equipment Manufacturers (OEMs) for proprietary items on single tender basis due to urgency, compatibility or other reasons. Such single tender procurements are also done through a process of negotiation with prices benchmarked against available price data of same/similar items.

(b) Consultancy services received by the Company from parent company are generally on nomination basis at the terms, conditions and principles applicable for consultancy services received from other parties.

(c) Outstanding balances of parent company are unsecured and settlement occurs through banking transactions. These balances other than loans are interest free. No impairment of receivables relating to amounts owed by related parties has been recognised. Assessment of impairment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(ii) Contributions to post-employment benefit plans are net of refunds from trusts.

9. Particulars of Security: The carrying amount of assets mortgaged/ hypothecated as security for borrowings are as under.

(₹ in lacs)

Sl. No	Particulars	As at 31.03.2021	As at 31.03.2020
	First Charge		0
1	Property Plant and Equipment	0	0
2	Capital Work In Progress	0	0
	Total	0	0

10. Disclosures Under Ind AS-19 " Employee Benefits": All employees working in the Company belongs to the Holding Company (NHPC Limited). The employee benefit obligations have been recognised by the Holding Company. Corresponding expenditure is born by the Company.

11. Particulars of income and expenditure in foreign currency and consumption of spares are as under:-

(₹ in lacs)

Sl. No.	Particulars	For the period ended 31.03.2021	For the period ended 31.03.2020

a)	Expenditure in Foreign Currency i) Interest ii) Other Misc. Matters	0	0
b)	Value of spare parts and Components consumed in operating units. i) Imported ii) Indigenous	0	0

12. Earnings Per Share:

a) The Earnings Per Share (Basic and Diluted) are as under:

Particulars	For the period ended 31.03.2021	For the period ended 31.03.2020
Earnings per Share before Regulatory Income (₹) – Basic and Diluted	0.00	0.007
Earnings per Share after Regulatory Income (₹) – Basic and Diluted	0.00	0.007
Par value per share (₹)		

b) Reconciliation of Earning used in calculating Earnings Per Share:

Particulars	For the period ended 31.03.2021	For the period ended 31.03.2020
Net Profit after Tax but before Regulatory Income used as numerator (₹ in lacs.)	0.37	9.52
Net Profit after Tax and Regulatory Income used as numerator (₹ in lacs)	0.37	9.52

c) Reconciliation of weighted average number of shares used as denominator :

Particulars	For the period ended 31.03.2021	For the period ended 31.03.2020
Weighted Average number of equity shares used as denominator	132002309	123392309

13. Disclosure related to Confirmation of Balances is as under :

(a) Balances shown under material issued to contractors, claims recoverable including insurance claims, advances for Capital expenditure, Sundry Debtors, Advances to Contractors, Sundry Creditors and Deposits/Earnest money from contractors other than as given at (b) below are subject to reconciliation/ confirmation and respective consequential adjustments. Claims recoverable also

include claims in respect of projects handed over or decided to be handed over to other agencies in terms of Government of India directives.

(b) The confirmation in respect of Trade Receivables, Trade Payables, Deposits, Advances to Contractors/Suppliers/Service Providers/Others including for capital expenditure and material issued to contractors have been sought for outstanding balances of ₹ 5lakhs or above in respect of each party as at 31st December, 2020. Status of confirmation of balances as at December 31, 2020 as well as amount outstanding as on 31.03.2021 is as under:

(₹ in lacs)

Particulars	Outstanding amount as on 31.12.2020	Amount confirmed	Outstanding amount as on 31.03.2021
Trade receivable	24.92	24.92	00
Deposits, Advances to contractors/ suppliers/service providers/ others including for capital expenditure and material issued to contractors	0	0	0
Trade/Other payables	78.69	78.69	69.97
Security Deposit/Retention Money payable	0	0	0

(c)In the opinion of the management, unconfirmed balances will not have any material impact.

14. Disclosure related to Corporate Social Responsibility (CSR) (Refer Note 29)

(i) The breakup of CSR expenditure under various heads of expenses incurred is as below:-

(₹ in lacs.)

Sl. No.	Heads of Expenses constituting CSR expenses	For the period ended 31.03.2021	For the period ended 31.03.2020
1	Health Care and Sanitation	0	0.25
2	Education and Skill Development	0	0
3	Women Empowerment /Senior Citizen	0	0
4	Environment	0	0
5	Art and Culture	0	0

6	Ex-Armed Forces	0	0
7	Sports	0	0
8	National Welfare Fund	0	0
9	Rural Development	0	0
10	Capacity Building	0	0
11	Swachh Vidyalaya Abhiyan	0	0
12	Swachh Bharat Abhiyan	0	0
13	Contribution to PM CARES Fund	0	0
14	Disaster Management	0	0
15	Administrative Overhead	0	0
	Total amount	0	0

(ii) Other disclosures:-

(a) Details of expenditure incurred during the year paid in cash and yet to be paid in cash

along with the nature of expenditure (capital or revenue nature) is as under:-

(₹ in lacs)

	Purpose	For the period ended 31.03.2021			For the period ended 31.03.2020		
		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	0	0	0	0	0	0
(ii)	For purpose other than (i) above	0	0	0	0	0	0
	Total	0	0	0	0	0	0

(b) As stated above, a sum of ₹ Nil out of total expenditure of ₹ Nil is yet to be paid to concerned parties which are included in the relevant head of accounts pertaining to liabilities.

(iii) As per Section 135 read with Section 198 of Companies Act 2013, the amount required to be spent towards CSR works out to ₹ Nil for financial year 2020-21 (based on 2% of average net profit of preceding three financial years).

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 lacs.)

Sl. No.	Particulars	As at 31.03.2021	As at 31.03.2020
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier on Balance Sheet date: a) Trade Payables: -Principal (Refer Note 20.2) -Interest b) Others: -Principal (Refer Note 20.3) -Interest	0	0
(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.	0	0
(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;	0	0
(iv)	The amount of interest accrued and remaining unpaid as on Balance Sheet date.	0	0
(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.	0	0

16. Disclosures regarding leases as per IND AS -116 "Leases":

A) Company as Lessee:

(i) Transition to Ind AS 116 :

With effect from 1 April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method.

The Company 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 initial application.

d. Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

e. The Company has elected to use the practical expedient not to apply this Standard to contracts that were not previously identified as containing a lease as per Ind AS 17. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to leases recognised during FY 2020-21 is 6.83%.

(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 lacs.)

S. No	Description	31.03.2021	31.03.2020
1	Expenditure on short-term leases	0	0
2	Expenditure on lease of low-value assets	0	0
3	Variable lease payments not included in the measurement of lease liabilities	0	0

(iv) Commitment for Short Term Leases as on 31.03.2021 is ₹ Nil. (Previous Period ₹ Nil).

(v) Movement in lease liabilities during the year:

(₹ in lacs.)

Particulars	31.03.2021	31.03.2020
Opening Balance	12.95	30.31
Additions in lease liabilities	0	0
Finance cost accrued during the year	0.38	1.65
Less: Payment of lease liabilities	13.39	19.00
Closing Balance	0	12.95

B) Finance Lease – Company as Lessor : Not Applicable

17. *Capital Expenditure (CAPEX) means any expenditure incurred towards acquisition/ addition of any asset which on completion, would form part of Fixes Assets (Property, Plant and Equipment, Capital Work in Progress, Intangible Assets etc.). During the year cash expenditure incurred by the Company towards CAPEX is Rs518.55 lacs/-. (Previous Year Rs.484.77 lacs/-). Details of cash expenditure incurred towards CAPEX are as under:*

(₹ in lacs.)

No.	*Description*	*For the Period ended*	
		31.03.2021	*31.03.2020*
1	*Property, Plant & Equipment*	*2.93*	*0*
2	*Capital Work in Progress*	*515.62*	*484.77*
3	*Right of Use Assets (Land)*	*0*	*0*
4	*Intangible Assets*	*0*	*0*
5	*Capital Advances*	*0*	*0*
	Total	*518.55*	*484.77*

18. Ind AS 36- *Impairment of Assets* requires an entity to assess on each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the entity is required to estimate the recoverable amount of the asset. If there is no indication of a potential impairment loss, the Standard does not require an enterprise to make a formal estimate of the recoverable amount.

Management has determined that each of the Project / Power Station of the Company is the smallest identifiable group of assets that generate cash inflows from continuing use that is largely independent of the cash inflows from other assets or groups of assets and accordingly qualifies to be designated as a Cash Generating Unit (CGU). Impairment indicators applicable to these CGUs have been assessed and based on such assessment, Management is of the opinion that no significant change with an adverse effect on the Company has taken place during the year, or is expected to take place in the near future, in the technological, economic or legal environment in which the Company . Based on the assessment, there exists no significant indicator that would suggest an impairment of the carrying amounts of the CGUs of the during FY 2020-21.

19. Nature and details of provisions (refer Note No. 17 and 22)

(i) General

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a Finance Cost.

ii) Provision for employee benefits (Other than provisions for defined contribution and defined benefit plans which have been disclosed as per Ind AS-19 at S. No. 10 of Note No. 34):

a) Provision for Performance Related Pay/Incentive:

Short-term Provision has been recognised in the accounts towards Performance Related Pay/ incentive to employees on the basis of Management estimates as per company's rules in this regard which are based on the guidelines of the Department of Public Enterprises, Government of India.

b) Provision For Wage Revision as per 3rd Pay Revision Committee (PRC):

Short term provision for wage revision of the employees of the company was recognised earlier as per notification of the Department of Public Enterprises, Government of India.

(iii)Other Provisions: Not Applicable

20. Disclosures relating to creation of Regulatory Deferral Account (RDA)balances as per Ind AS 114: Not Applicable

21. IMPACT OF COVID-19

The Company's primary source of revenue is from generation and sale of hydroelectricity. During the outbreak of COVID-19, Government of India and State Governments have declared lockdown which have affected business in general. Power supply being an essential service and considering the must-run status for Run-of-the-River (ROR) projects and scheduling to the extent possible by RLDCs in case of ROR with Pondage and Storage Projects, no material impact of COVID-19 on the financial performance of the Company including interalia the carrying value of various current and non-current assets or the ability to service the debt of the company, is expected to arise. Further impact of COVID-19, if any, is dependent upon future developments. The company will continue to monitor the impact of the pandemic and the same will be taken into consideration on crystallization.

22. In terms of MOU with Government of Manipur and NHPC Ltd (Corporation),the Loktak Downstream HE Project of the Corporation with all its fixed assets , EAC , construction stores and advances , current assets (including cash and Bank balances) and current liabilities as on 22nd October 2009 was converted into a joint venture company (a subsidiary of the Corporation), under the name and style of Loktak Downstream Hydroelectric corporation Limited on its incorporation on 23rd October 2009 on a going concern basis. The Gross value of assets and liabilities of Loktak Downstream HE Project of the Corporation till 22nd October 2009 have been incorporated by the Company as Gross value of the assets and liabilities transferred to it by the corporation as on 23rd October 2009. Also the gross value of depreciation, wherever applicable, has been shown as gross value of depreciation up to 22.10.2009 transferred by NHPC Ltd to the Company.

23. Subsequent to the approval of accounts for the financial year ended 31st March, 2021 by the Board of Directors on 6th May, 2021, provisional comment had been issued during supplementary audit of accounts for the year ended 31 March, 2021 by the Office of the C&AG of India regarding mismatch of figures of "Other Income" reported in the Statement of Profit and Loss and under Note No. 24.2 (Other Income) in the Financial Statements of the Company for the year ended 31st March, 2021. In addition to above some minor corrections are also required in the cash flow statement.

Accordingly, the company has rectified the figures reported under Note No. 24.2 (Other Income) of the Financial Statements of the Company for the year ended 31st March, 2021 along with previous year figures and some minor corrections are also made in the Cash flow Statement. However, there is no change in Other Income reported in the Statement of Profit and Loss for the year ended 31st March, 2021. The accounts approved earlier by the Board of Directors have been revised to that extent.

For KUNJABI &Co.	(Abhay Kumar Singh)	(Rajendra Prasad Goyal)
Chartered Accountants	Chairman	Director
(Firm Regn. No. 309115E)	DIN 08646003	DIN 08645380

(Linda Kshetrimayum)	(Vinod kumar R)	(H N Satyanarayana)	Neelam Singh
Partner	Chief Financial Officer	Chief Executive Officer	Company Secretary
M.No. 511337			M.No.A35813

UDIN 21511337AAAAEW7266

Place :

Date : 7/8/2021

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2021

The preparation of financial statements of Loktak Downstream Hydroelectric Corporation Limited for the year ended 31 March 2021 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 auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 09 August 2021 which supersedes their earlier Audit Report dated 06 May 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Loktak Downstream Hydroelectric Corporation Limited for the year ended 31 March 2021 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.

In view of the revisions made in the financial statements by the management, as indicated in Para No. 23 of Note No. 34 of the financial statements, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

Place Kolkata

Date 26 AUG 2021

(Suparna Deb) 26/8/21
Director General of Audit (Mines)
Kolkata

Annexure-G

GARIMA DUGGAL & ASSOCIATES
PRACTISING COMPANY SECRETARIES
Off.: Flat No. 106, Carnation Tower,
Omaxe Green Valley Apartments,
Sector 42-43, Faridabad-121010 (Haryana)
Landline: +91-129-4321659
Email: garima@click2comply.net

Form No. MR-3

Secretarial Audit Report
(For the Financial Year Ended 31st March 2020)
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Board of Directors

LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED
(CIN: U40101MN2009GOI008249)

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED (CIN: U40101MN2009GOI008249)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on our verification of the 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 ended on **31st March, 2021** 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:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED (CIN: U40101MN2009GOI008249)** (**"The Company"**) for the period ended on **31st March 2020** 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**

GARIMA DUGGAL
Digitally signed by GARIMA DUGGAL
Date: 2021.09.13 16:58:08 +05'30'

III. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder; **-NOT APPLICABLE**

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**

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company: -

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- **NOT APPLICABLE**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992-**NOT APPLICABLE**

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- **NOT APPLICABLE**

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- **NOT APPLICABLE**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **NOT APPLICABLE**

(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- **NOT APPLICABLE**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **NOT APPLICABLE**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations- 1998- **NOT APPLICABLE**

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations- 2015- **NOT APPLICABLE**

GARIMA DUGGAL
Digitally signed by GARIMA DUGGAL
Date: 2021.09.13 16:58:25 +05'30'

(j) I further report that having regard to the Compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has **complied with Electricity Act, 2003** and the rules and regulations made thereunder which is specifically applicable law to the Company as per the management. .

I have also examined compliance with the applicable clauses of the following:

i) Secretarial Standards issued by The Institute of Company Secretaries of India.

ii) The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited. - **NOT APPLICABLE**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. **The composition of the Board of Directors and Audit Committee are not in Compliance with relevant sections of the Companies Act, 2013 as the Company does not have Independent directors and Women directors (women director was appointed on 1st July, 2020) on its Board. Further, the Company has failed to adhere to clause VII of Schedule IV of the Companies Act, 2013 regarding holding of a meeting of Independent Directors without the attendance of non independent directors and members of the management.**

2. **The ratio of part time directors representing NHPC Limited and Government of Manipur in the Board composition is in variance to Article 39(ii) of the Articles of association of the Company.**

3. **The Company has no director nominated by the President to represent Government of India which is in variance to Article 39(iii) of the Articles of Association of the Company**

4. **The Company has not constituted the Nomination and Remuneration Committee as required under Section 178 of the Companies Act, 2013**

I further report that The Board of Directors of the Company is **not** duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent 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 Act.

GARIMA DUGGAL

Digitally signed by GARIMA DUGGAL
Date: 2021.09.13 16:58:40 +05'30'

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried with unanimous view and hence no dissenting members' views are captured and recorded as part of the minutes

I further report based on the review of compliance mechanism established by the Company and on the basis of Certificate of legal Compliance issued by the Company Secretary of the Company and taken on record by the Board of Directors at their meetings, I am of the opinion that 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. Further I am informed that the Company has responded to notices for demands, claims, penalties etc levied by various statutory/ regulatory authorities and initiated actions for corrective measures, wherever found necessary during the audit period.

I further report that during the audit period, the Company had no events/ actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards etc.

FOR GARIMA DUGGAL & ASSOCIATES
ICSI Unique Code: S2009DE115400
Peer Review Cert. No.: 1360/2021

GARIMA DUGGAL
Digitally signed by GARIMA DUGGAL
Date: 2021.09.13 16:58:54 +05'30'

GARIMA DUGGAL
PRACTISING COMPANY SECRETARY
MEMBERSHIP NO F-7923
CERTIFICATE OF PRACTICE NO 8413

DATED: 13th September 2021

PLACE: Faridabad

UDIN: F007923C000939381