

DIRECTORS' REPORT

Dear Members,

The Board of Directors of your Company are pleased to share the highlights of developments and progress of your Company since its last report along with audited financial statements, Auditors' Report thereon and review of financial statements by the Comptroller and Auditor General of India (C&AG).

During the year 2019-20, your Company has maintained its 'excellent' performance in all parameters, while meeting the energy requirements and aspirations of the country. Major achievements of your Company are as under:

- Power Stations have achieved highest ever annual generation of 26,121 Million Units (MUs) during financial year 2019-20 surpassing the previous highest generation of 24,193 MUs during financial year 2018-19.
- Total revenue and revenue from operations (net) were ₹ 9,771.59 crore and ₹ 8,735.41 crore respectively. Total comprehensive income, Net Profit After Tax (PAT) and other comprehensive income were ₹ 3,006.55 crore, ₹ 3,007.17 crore and ₹ (0.62) crore respectively.
- Cash contribution of ₹ 2,320.56 crore was made to Government of India's exchequer through dividend, dividend distribution tax and income tax during the financial year 2019-20.
- A Memorandum of Understanding (MoU) has been signed between NHPC Limited and Green Energy Development Corporation of Odisha Limited (GEDCOL) on July 20, 2020 to form a Joint Venture Company (JVC) to plan & develop techno-commercially feasible floating solar power projects of 500 MW in the State of Odisha.
- NHPC has taken over Lanco Teesta Hydro Power Limited (LTHPL) for the implementation of Teesta VI HE Project (500 MW) in Sikkim through Corporate Insolvency Resolution Process (CIRP) in October, 2019. It was first Central Public Sector Enterprise's takeover of a Company through CIRP. After takeover, LTHPL has become wholly owned subsidiary of NHPC Limited.
- NHPC has been declared successful resolution applicant by the Committee of Creditors of Jal Power Corporation Limited, a company implementing Rangit Stage-IV HE Project (120 MW) in Sikkim, subject to approval of resolution plan by the Hon'ble National Company Law Tribunal, Hyderabad Bench.

- A Memorandum of Understanding (MoU) has been signed with Government of Himachal Pradesh in September, 2019 for the execution of Dugar HE Project (449 MW) in Himachal Pradesh.
- NHPC and NEA Engineering Company Limited, Nepal has exchanged 'Letter of Intent' in December, 2019 for mutual co-operation in the field of Design & Engineering of hydropower projects. This exchange would start a new journey of co-operation between India and Nepal for hydropower development in Nepal. Further, a MoU has been signed with Hydroelectricity Investment and Development Company Limited (HIDCL), a Company owned by Govt. of Nepal in June, 2020 for joint cooperation to develop hydropower projects in Nepal.
- NHPC has signed a Memorandum of Agreement (MoA) for R&D collaboration with IIT Kanpur in September, 2019 and IIT(ISM) Dhanbad in November, 2019.

1. FINANCIAL PERFORMANCE

The important financial highlights for the year ended March 31, 2020 are given in **Table 1**.

Table 1: Financial Highlights

(₹ in crore)

PARTICULARS	Financial Year	
	2018-19	2019-20
Revenue from operations	8,161.18	8,735.41
Profit before depreciation, interest, rate regulated income and tax	5,406.25	5,605.32
Depreciation	1,589.99	1,545.34
Profit after depreciation but before rate regulated income, interest and tax	3,816.26	4,059.98
Interest and finance charges	894.88	795.42
Profit after depreciation and interest but before rate regulated income and tax	2,921.38	3,264.56
Rate regulated income	823.40	343.61
Tax	1,114.23	601.00
Profit after depreciation, interest, rate regulated income and tax	2,630.55	3,007.17
Other Comprehensive Income (OCI)	(12.41)	(0.62)



Total Comprehensive Income (TCI)	2,618.14	3,006.55
Surplus from statement of profit and loss of earlier years (including Other Comprehensive Income)	3,590.61	4,995.92
Transfer from bond redemption reserve	244.98	244.97
Sub-total	6,453.73	8,247.44
Less : Appropriations		
Transfer to bond redemption reserve	308.78	-
Dividend and Corporate Dividend Tax (CDT)	1,149.03	2,237.47
Closing Balance of Retained Earnings including Other Comprehensive Income	4,995.92	6,009.97

1.1 REVENUE

Your Company has generated revenue of ₹ 9,771.59 crore during the financial year 2019-20. The revenue during the financial year 2018-19 was ₹ 9,085.96 crore.

1.2 EXPENSES

The total expenditure during financial year 2019-20 was ₹ 6,507.03 crore. The total expenditure in the financial year 2018-19 was ₹ 6,164.58 crore.

1.3 PROFIT

Your Company has earned a Total Comprehensive Income of ₹ 3,006.55 crore during the financial year 2019-20 as against Rs. 2,618.14 crore in the financial year 2018-19.

1.4 NET WORTH

Your Company's net worth as on March 31, 2020 was ₹ 29,983.91 crore as compared to ₹ 29,214.73 crore at the end of previous financial year.

1.5 SHARE CAPITAL

Your Company's paid-up share capital as on March 31, 2020 was ₹ 10,045.03 crore which remained unchanged during the financial year 2019-20.

2. DISINVESTMENT BY THE GOVERNMENT OF INDIA

President of India was holding 7,36,59,64,993 equity shares constituting 73.33% of the total paid-up share capital as on April 1, 2019. During the financial year 2019-20, Government of India divested its holding in NHPC by transferring 2,20,34,198 and 21,71,58,119 shares to Bharat 22 Exchange Traded Fund (ETF)

in October, 2019 and CPSE ETF in February, 2020 respectively. After the transfer of shares, Government of India's holding in NHPC reduced to 7,12,67,72,676 shares constituting 70.95% of the total paid-up share capital as on March 31, 2020.

3. DIVIDEND

Your Company has a consistent track record of dividend payment. The Board of Directors has recommended a final dividend of ₹ 0.32 per equity share for the financial year 2019-20 amounting to ₹ 321.44 crore. The above dividend is in addition to the interim dividend of ₹ 1.18 per equity share amounting to ₹ 1,185.31 crore (excluding dividend distribution tax) paid in March, 2020. Accordingly, total dividend for the financial year 2019-20 comes to ₹ 1.50 per equity share.

Your Company has a Dividend Distribution Policy. As per Dividend Distribution Policy of the Company, broadly the dividend payment shall be 30% of PAT or 5% of the Net worth, whichever is higher. Accordingly, total dividend payout for financial year 2019-20 (subject to approval of final dividend by the members of the Company) @ ₹ 1.50 per share will be ₹ 1,506.75 crore (excluding dividend distribution tax on interim dividend) representing 50% of Profit after Tax for financial year 2019-20 & 5.03% of Net worth as on March 31, 2020 as against total dividend pay-out of ₹ 1,466.58 crore representing 56% of the Profits after Tax for financial year 2018-19 & 5.02% of Net worth as on March 31, 2019 in the previous year.

The Dividend Distribution Policy is given as a separate annexure to this report and is also available on website of the Company i.e. www.nhpcindia.com.

4. OPERATIONAL PERFORMANCE

During the financial year 2019-20, your Company has achieved highest ever generation of 26,121 MUs, surpassing the generation target of 26,000 MUs for the 'Excellent' rating under MoU with Ministry of Power, Government of India. The above generation is excluding the deemed generation of 195 MUs from Nimoo Bazgo and Chutak Power Stations.

During the year, thirteen power stations have achieved highest ever generation since their commissioning. The pondage power stations i.e. other than run of the river & restricted plants achieved Plant Availability Factor (PAF) of 89.30%. The overall PAF of all the hydropower Stations was 84.04%. Seven power stations viz. Salal, Tanakpur, Uri, Dhauliganga, Sewa-II, Uri-II & Kishanganga have achieved highest ever PAF since their commissioning during the year. The power station wise generation and PAF are given at **Table 2**.

Table 2: Power Station wise generation and PAF during the financial year 2019-20

NAME OF POWER STATION	GENERATION TARGET* (MU)	ACTUAL GENERATION (MU)	PAF TARGET* (%)	ACTUAL PAF (%)
PONDAGE POWER STATIONS**				
Loktak (105 MW)	600	367	95.75	90.64
Chamera – I (540 MW)	2460	2663	96.25	95.19
Rangit (60 MW)	340	355	96.25	95.35
Chamera – II (300 MW)	1470	1237	96.25	54.89
Dhauliganga (280 MW)	1100	1325	94.25	98.99
Dulhasti (390 MW)	2200	2065	94.05	79.75
Teesta – V (510 MW)	2720	2832	95.75	97.50
Sewa – II (120 MW)	500	648	96.25	104.04
Chamera – III (231 MW)	1085	1056	96.25	93.16
TLDP – III (132 MW)	585	582	93.75	95.43
TLDP – IV (160 MW)	720	739	93.25	89.42
Sub Total (A)	13780	13869	95.35	89.30
RUN OF THE RIVER POWER STATIONS & RESTRICTED PLANTS				
Bairasiul (180 MW)	300	331	57.00	44.81
Salal (690 MW)	3520	4010	79.00	97.43
Tanakpur (94.2 MW)	450	558	68.00	84.41
Uri (480 MW)	2920	3408	78.00	93.61
Chutak ¹ (44 MW)	47	98	47.00	51.05
Nimoo Bazgo ¹ (45 MW)	110	172	68.00	75.02
Uri – II (240 MW)	1490	1794	83.00	97.91
Parbati – III (520 MW)	685	692	59.00	61.83
Kishanganga (330 MW)	1700	849	89.00	48.92
Parbati – II ² (800 MW)	300	190	-	-
Sub Total (B)	11522	12102	73.85	78.37
TOTAL (A+B) (HYDRO)	25302	25971	85.00	84.04
Wind Power Project, Jaisalmer (50 MW)	100	53	-	-
Solar Power Project, Tamil Nadu (50 MW)	98	97	-	-
TOTAL	25500	26121	85.00	84.04

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

** PAF targets shown for the financial year 2019-20 are as per MoU for pondage power stations only i.e. run of river power stations and restricted plants were excluded.

Note:

1. Generation excludes deemed generation from Chutak Power Station (102.6 MUs) & Nimoo Bazgo Power Station (92.40 MUs).
2. Generation shown is infirm power.

The remote controlled operation of Teesta Low Dam-III Power Station, West Bengal and Teesta Low Dam-IV Power Station, West Bengal from Regional Office, Siliguri was successfully implemented during the year.

Your Company has undertaken Renovation & Modernization for Life Extension (R&M LE) of its two power stations on completion of their useful life of 35 years. These power stations are Bairasiul (180 MW), Himachal Pradesh and Loktak (105 MW), Manipur.

At Bairasiul Power Station, the R&M LE of one unit (Unit # II) has been completed and of second unit (Unit # I) is under progress. Scheduled completion of R&M LE is during the financial year 2021-22 with concurrent availability of two units for generation and one unit under R&M. The R&M LE of Loktak Power Station has been approved by Central Electricity Regulatory Commission (CERC) which is scheduled during the period 2021-24.



5. COMMERCIAL PERFORMANCE

5.1 SALES AND REALIZATION

During the year under report, your Company's revenue from operations stood at ₹ 8,735.41 crore. Company's collection during the year was ₹ 7,500.56 crore against billing of principal amount of ₹ 7,642.26 crore i.e. more than 98%. We are pleased to inform that your Company has been able to realize an amount of ₹ 7,817.53 crore including surcharge of ₹ 325.66 crore during the financial year 2019-20. Your Company has also earned net deviation charges of ₹ 156 crore (approx.) by efficient operation and timely response to changes in the grid frequency during the financial year 2019-20.

As on March 31, 2020, the total outstanding dues of ₹ 2,677.61 crore (including surcharge of ₹ 453.47 crore) were pending for more than 45 days. The outstanding amount mainly pertains to Power Development Department, UT of Jammu & Kashmir (₹ 1,467.83 crore) and Uttar Pradesh Power Corporation Limited (₹ 746.09 crore).

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

5.2 SIGNING OF POWER PURCHASE AGREEMENTS (PPAs)

Availability of long term PPAs for Power Stations of your Company is the key to its sustainability. These PPAs give revenue visibility for the Company and assured rate of return. Your Company strives for signing of long term PPAs for its Power Stations. NHPC has long term PPAs with beneficiaries for most of its Power Stations. Major achievements on front of PPAs during the year 2019-20 are as follows:

6. STATUS OF CONSTRUCTION PROJECTS

Your Company is presently engaged in the construction of two hydro-electric projects with an aggregate installed capacity of 2,800 MW. Construction activities at these projects remained suspended from March 23, 2020 till April 22, 2020 due to nationwide lockdown ordered by Central Government/State Government in view of CoVID-19 Pandemic. The status of these on-going projects is as under:

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

Parbati-II H.E. Project is being constructed on the River Parbati in Kullu District of Himachal Pradesh as a run of the river scheme. Major civil works of dam, intake structure, de-silting chamber, pressure shafts, surge shaft, powerhouse and works at Jiwa Nallah have been completed. Electro-Mechanical (E&M) works of powerhouse has also been completed. Excavation of Head Race Tunnel (HRT) by Tunnel Boring Machine (TBM), which is critical for completion of the project is under progress. Drilling & Blasting Method (DBM) package for execution of 1500m HRT works of the project has been awarded in June, 2020 subsequent to part termination of work of agency executing through TBM.

First and second units have been successfully synchronized with grid at part-load in September, 2018 by using discharge from Jiwa Nallah. Third and fourth units have also been successfully test synchronized with grid in September, 2019. Project is anticipated to be commissioned by December, 2021.

Sl. No.	Name of State/Union Territory/Distribution Companies	Name of Power Station	Validity Period (in years) from Commercial Date of Operation (COD)
Operating Power Stations			
1	Jammu & Kashmir	Uri-II	10*
2	Uttar Pradesh Power Corporation Limited (UPPCL), Uttar Pradesh	Uri-II and Parbati-III	35
3	BSES Rajdhani Power Limited (BRPL), BSES Yamuna Power Limited (BYPL) and Tata Power Delhi Distribution Limited (TPDDL), Delhi		40
4	Uttarakhand Power Corporation Limited (UPCL), Uttarakhand		
5	Haryana Power Purchase Centre (HPPC), Haryana		
Construction Projects			
6	Department of Power, Arunachal Pradesh	Subansiri Lower HE Project	40
7	Kerala State Electricity Board	Floating Solar Plant	25**

*PPA renewed for 5 years.

**Useful life for Solar Power Plant is 25 years only.

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

As per the order of Hon'ble National Green Tribunal (NGT) in July, 2019, the project be advanced in public interest. A MoA has been signed with Government of Assam for implementation of Subansiri Lower HE Project in August, 2019. A PPA has also been signed with Government of Arunachal Pradesh for the supply of power from project in August, 2019. Pursuant to NGT order and signing of MoA with Government of Assam, construction activities of the project were resumed in October, 2019. Tender for Power House package (Lot-SSL-6 works) is in progress. Erection of Draft Tube (DT) Gates 3, 4 & 5 have also been completed. Project is anticipated to be commissioned by September, 2023.

7. PROJECTS UNDER CLEARANCE/ APPROVAL

Your Company recognizes the importance of expansion of its activities to maintain its sustainable leadership position, in addition to take up of green field projects.

Your Company is participating in the bidding process for takeover of stressed hydro projects of country through CIRP process. During the year 2019-20, NHPC has taken over LTHPL and was declared as a successful resolution applicant for Jal Power Corporation Limited, subject to approval of Hon'ble NCLT.

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

Table 3: Projects under clearance/approval stage:

S. No.	PROJECT	STATE/UNION TERRITORY (UT)	INSTALLED CAPACITY (MW)
A. STANDALONE BASIS			
(a) HYDRO PROJECTS			
i	Kotlibhel – IA*	Uttarakhand	195
ii	Teesta-IV	Sikkim	520
iii	Dibang	Arunachal Pradesh	2,880
iv	Tawang-I		600
v	Tawang-II		800
vi	Bursar	Jammu & Kashmir	800
vii	Goriganga-III A	Uttarakhand	150
Sub-total (a)			5,945
(b) WIND PROJECTS			
i	Wind Project, Palakkad	Kerala	8
Sub-total (b)			8
Total A (a+b)			5,953
B. THROUGH SUBSIDIARIES/JOINT VENTURES			
(a) HYDRO PROJECTS			
i	Loktak Downstream H.E. Project through Loktak Downstream Hydroelectric Corporation Limited (A Joint Venture with Govt. of Manipur)	Manipur	66
ii	Kwar (A Joint Venture with JKSPDC & PTC India Limited)	Jammu & Kashmir	540
iii	Ratle (A Joint Venture with JKSPDC – yet to be incorporated)**		850
iv	Chamkharchhu – I (A Joint Venture with Druk Green Power Corporation Limited, Bhutan – yet to be incorporated) in Bhutan	-	770
Sub-total (a)			2,226



(b) SOLAR PROJECTS			
i	Project in Jalaun District of U.P. through Bundelkhand Saur Urja Limited (A Joint Venture with UPNEDA)***	Uttar Pradesh	32
Sub-total (b)			32
Total B (a+b)			2,258
Grand Total (A+B)			8,211

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

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

***MoU was signed between NHPC and Uttar Pradesh New and Renewable Energy Development Agency (UPNEDA) for setting up of 50 MW solar power project in UP. Since the land is presently available for 32 MW project only therefore fresh proposal to enhance the capacity of the project for ascertaining its commercial viability is under process.

8. PROJECT UNDER PREPARATION OF DETAILED PROJECT REPORT (DPR)

Dugar HE Project (449 MW), Himachal Pradesh

The Dugar HE Project, situated in the Lahaul-Spiti Valley of Himachal Pradesh, has been allotted to NHPC by Government of Himachal Pradesh on Build Own Operate & Transfer basis (BOOT) for a period of 70 years pursuant to MoU signed in September, 2019. The work of updating existing DPR, as taken over from the earlier developer, is being carried out, for additional investigations & studies. The Project offers limited accessibility during the year, due to harsh climatic conditions. The project will be executed on fast track basis after the clearance from Cabinet Committee on Economic Affairs (CCEA), Govt. of India.

9. DIVERSIFICATION

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

9.1 SOLAR POWER PROJECTS

9.1.1 Projects envisaged under Ultra Mega Renewable Energy Power Parks (UMREPPs) Scheme of MNRE

The Ministry of New and Renewable Energy (MNRE), Government of India has allotted the States of Telangana and Odisha (for Floating Solar) and Union Territory of J&K to NHPC, to explore the possibility of development of UMREPPs. Discussions regarding modalities to implement UMREPPs, based on available potential in States/UT are in progress. NHPC has envisaged following projects for exploration and development under UMREPP:

(i) 500 MW Floating Solar Project in Odisha

A MoU has been signed between NHPC Limited and Green Energy Development Corporation of Odisha Limited (GEDCOL) in July, 2020 through video conferencing. As per the MoU, parties may collaborate and cooperate to form a Joint Venture Company (JVC) to plan & develop techno-commercially feasible floating solar power projects of 500 MW in a phased manner, preferably in packages of 50 MW each in the State of Odisha under UMREPPs scheme of MNRE. The parties also agreed to explore further potential to install floating solar projects after joint identification in subsequent periods in the Odisha State.

(ii) 500 MW Floating Solar Project in Telangana

A Joint Venture Company between NHPC and Telangana State Renewable Energy Development Corporation Limited (TSREDCO) (State Nodal Agency) is under discussion for jointly exploring and developing viable floating solar power projects with an aggregate capacity of 500 MW in reservoir of Mid Manair Dam, Karim Nagar, Telangana. The MoU will be signed after the approval from Govt. of Telangana.

(iii) 50 MW Floating Solar Project, Kerala

NHPC is in the process for development of Floating Solar Power project in West Kallada, Kerala. Letter of Award for 10 MW Floating Solar Project under 1st Phase was cancelled, due to non-submission of Performance Bank Guarantee (PBG) by Engineering, Procurement and Construction (EPC) Contractor. Kerala State Electricity Board (KSEB) has given its consent to go ahead with the implementation of 50 MW Floating Solar Project in one go under UMREPP Scheme of MNRE. Notice Inviting Tender (NIT) for EPC bids have been issued on June 30, 2020.

(iv) Explorations at other locations

Development of UMREPPs at other locations is also being explored. Land Identification in various other potential rich States is in process and arrangement of private land through invitation of Expression of Interests from Land Aggregators are also being considered to take advantage under the MNRE Scheme.

9.1.2 Utility Solar Power projects

(i) 140 MW NHPC Solar Park in Odisha

MNRE has conveyed its in-principle approval to NHPC for enhancement of Solar Park capacity (from 100 MW to 140 MW) in Odisha, which envisages development of 40 MW Project in Ganjam District and 100 MW Project in Deogarh District. Approvals of State Technical Committee for both the projects have been obtained and necessary lands for development of these projects have been identified. The approval for allotment of land for 40 MW Project at Ganjam District has been conveyed by Industrial Development Corporation of Odisha Limited (IDCOL) and land identified for 100 MW Project at Deogarh District has been earmarked by IDCOL. Other activities for the development of Solar Projects are in progress.

(ii) Other utility scale solar projects

NHPC is also exploring the possibilities of other utility scale solar projects in different States/UTs such as Telangana (293 MW), Tamil Nadu (25X25 MW) and Leh (50 MW).

(iii) Development of Solar Projects in Facilitator Mode (As a trader)

Request for Selection (RfS) Document for selection as a developer was invited for the development of aggregate 2,000 MW Solar Power Projects on anywhere in India basis. E-Reverse Auction for the above RfS has been successfully conducted by NHPC on April 16, 2020. Letter of Award (LOA) for entire 2,000 MW has been issued and signing of PPA (Power Purchase Agreement-with Developers) and PSA (Power Sale Agreement-with DISCOMS/Consumers) is under process.

9.2 WIND POWER PROJECTS

Kerala Wind Power Project (72 MW)

NHPC has taken up development of Wind Power Projects in the State of Kerala. A MoU with the Power Department, Government of Kerala has also been signed. Earlier the Kerala Government had asked NHPC, to tap the high wind potential available in Agali village of Palakkad district, as per availability of evacuation infrastructure. Due to poor response to Notice Inviting Tender (NIT) for earlier envisaged 8 MW, Kerala State Electricity Board (KSEB) has given its consent to explore the possibilities for implementation of 72 MW Project in one go, so as to conceive a viable proposition. Necessary exploration of power evacuation arrangements and additional land for scaling up the project is in progress.

9.3 POWER TRADING

Your Company, as part of business expansion and diversification program, has ventured into power trading business. Endeavour of power trading business of the Company is to provide efficient and smart business solution for its clients i.e. Buyers/ DISCOMs, Generator/Sellers, utilities etc. CERC has granted Category-I trading license in April, 2018 for interstate trading of electricity in whole of India. NHPC is registered at DEEP (Discovery of Efficient Electricity Price) e-bidding portal and has obtained trader membership in Indian Energy Exchange (IEX) & Power Exchange of India Limited (PXIL). During March, 2020, NHPC has achieved 6th position among the traders for short term transactions. Company has traded 2,022 MUs with the turnover of ₹ 695.84 crore (including Agency nature of Power Trading Business) during financial year 2019-20. Company has successfully executed the tenders for Uttar Pradesh, Andhra Pradesh, Tamil Nadu and UT of J&K during 2019-20.

10. DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company has the following subsidiaries/ associates/joint venture companies as on March 31, 2020:

Name of the Company	Details of joint venture partners (equity participation)	Performance of the Company during FY 2019-20
SUBSIDIARY COMPANIES		
NHDC Limited (NHDC)	NHPC (51.08%) and Government of Madhya Pradesh (48.92%)	NHDC has two operating power stations viz. Indira Sagar (1,000 MW) and Omkareshwar (520 MW) in Madhya Pradesh. During the year 2019-20, NHDC had generated 4,109.63 MUs from its power stations i.e. 2,877.34 MUs from Indira Sagar Power Station and 1,232.29 MUs from Omkareshwar Power Station.



			NHDC is also exploring the possibilities for capacity addition by diversification of its activities in renewable sources of energy i.e. solar power projects in the state of Madhya Pradesh.
Loktak Hydroelectric Limited (LDHCL)	Downstream Corporation	NHPC (73.17%) and Government of Manipur (26.83%)	<p>LDHCL is currently implementing Loktak Downstream Hydro-electric Project (66 MW) in Tamenglong, Manipur. All statutory clearances for the project have been received. Tendering process for the EPC packages has already been initiated. Efforts for expeditious signing of PPA is under process.</p> <p>The Government of Manipur has also allocated hydro-electric component of Thoubal Multipurpose Scheme (7.5 MW) to the Company. The Board of NHPC Limited has accorded its in-principle approval for equity contribution for this project. The project, at present, is under investigation stage.</p>
Bundelkhand Saur Urja Limited (BSUL)		NHPC (99.99%) and Uttar Pradesh New & Renewable Energy Development Agency (UPNEDA)	<p>BSUL was incorporated for the development of 50 MW Solar Power Project in Tehsil Kalpi, District Jalaun, Uttar Pradesh and other conventional & non-conventional power projects entrusted by the Govt. of Uttar Pradesh. 63.491 Ha land has been transferred to BSUL. On the basis of availability of land, a 32 MW Solar Power Plant was envisaged for implementation.</p> <p>As per the discovered EPC cost after retendering, the current proposal for installation of 32 MW project was not found techno-commercial viable. As such, fresh proposal to scale up the capacity of Project by allocation of additional land to BSUL is under consideration with UPNEDA.</p>
Lanco Teesta Hydro Power Limited (LTHPL)		Wholly Owned Subsidiary	LTHPL is executing 500 MW Teesta VI HE Project in Sikkim. NHPC has acquired LTHPL through CIRP process in October, 2019 and infused equity of ₹ 897.50 crore as consideration amount pursuant to approved resolution plan. The Cabinet Committee on Economic Affairs, Government of India has accorded its investment approval of ₹ 5,748.04 crore for the acquisition of LTHPL and execution of balance works of Teesta VI HE Project in March, 2019. Major contract packages i.e. Lot-1 and Lot-2 of the Project have been awarded in March, 2020. Tenders for the award of balance Hydro-Mechanical (HM) and E&M works are under process.

ASSOCIATE/JOINT VENTURE COMPANIES		
Chenab Valley Power Projects Private Limited (CVPPPL)	NHPC Limited (49.89%), Jammu & Kashmir State Power Development Corporation Limited (49.89%) and PTC India Limited (0.22%)	Three projects viz. Pakal Dul HE Project (1,000 MW), Kiru HE Project (624 MW) and Kwar HE Project (540 MW) in UT of Jammu & Kashmir are being developed by CVPPPL. The Company has taken up infrastructure development works of these projects viz. roads, bridge, building etc. The works of Pakal Dul HE project is being executed through five packages of major components viz. HRT-TBM, Dam, Power house, HM and E&M. The works for Dam, Power house, E&M and HM packages have been awarded. Bids for HRT-TBM package are under process. The tenders for all the three packages viz. Civil, HM and E&M of Kiru HE Project have been awarded in February, 2020. However, tenders are being re-invited for all the three packages of Kwar HE Project.
National High Power Test Laboratory Private Limited (NHPTL)	NHPC Limited, NTPC Limited, Power Grid Corporation of India Limited, Damodar Valley Corporation and Central Power Research Institute (each having shareholding of 20%)	NHPTL was established to set up an online high power test laboratory for short-circuit test facility in the country. The laboratory for High Voltage Transformer (HVTR) at 400 kV level and 765kV level is already in operation at Bina, Madhya Pradesh. Laboratory for Medium Voltage Transformer (MVTR) is expected to be commissioned by September, 2020.

During the financial year 2019-20, LTHPL has become wholly owned subsidiary of NHPC. Further, during the year 2019-20, CVPPPL ceased to be subsidiary of NHPC as required matching contribution was made by JKSPDC.

A statement containing the salient features of the financial statements of your Company's Subsidiaries, Associate Companies and Joint Ventures as per first proviso to Section 129(3) of the Companies Act, 2013 including details of individual contribution of these companies, in the overall performance of Company during the period is given under Consolidated Financial Statements.

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

11. HEALTH, SAFETY & ENVIRONMENT (HSE)

Your Company is committed to conduct its business with a strong environment conscience, ensuring

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

Most of the power stations of your Company are ISO:9001 & 14001 certified i.e. certification for sustainable development as well as for the Occupational Health & Safety Management System (OHSMS/OHSAS-18001/45001). Compliance to safety systems & procedures and environmental laws is regularly monitored.

12. CONSULTANCY SERVICES

Your Company takes up consultancy assignments mainly to increase its outreach and footprint across the country and in its neighboring countries. The



main aim is to share its best practices with fellow organizations and other stakeholders in the hydro power sector in construction of Hydro-electric Projects in the geologically fragile Himalayan Region. The best O&M practices, which have allowed NHPC to achieve best plant availability, increased efficiency and increased plant/equipment life across its various power stations are also shared through consultancy. The average annual turnover of consultancy services rendered to different clients during the last five years is ₹ 40 crore.

13. FINANCING OF NEW PROJECTS

Your directors believe that internal accruals of the Company would be sufficient to finance the equity component for the new/upcoming projects. Your Company is well positioned to raise the borrowings as per CERC norms, given its low geared capital structure and strong credit ratings. During the year 2019-20, your Company has raised ₹ 5,553.39 crore through various options of borrowing from domestic and international sources i.e. ₹ 4,000 crore through Corporate Bonds on private placement basis, ₹ 310 crore through Term Loan from State Bank of India, ₹ 554.64 crore sub-ordinate debt from Government of India, and ₹ 688.75 crore (1,079.55 JPY) from MUFG Bank, Hong Kong.

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

14. CREDIT RATING

• Domestic Rating

Your Company has the highest domestic credit rating of 'AAA' with stable outlook assigned by domestic credit rating agencies i.e. ICRA, CARE and India Ratings for its listed bonds. This signifies the highest credit rating in India, hence, carries lower credit risk for the investors.

• International Rating

S&P has maintained international rating 'BBB-' with stable outlook of the Company, equivalent to sovereign rating of India.

15. INFORMATION TECHNOLOGY AND COMMUNICATION

Your Company considers information technology as an important constituent for the attainment of sustainable growth in business. Your Company has implemented NICS's e-Office (e-file) solution across all its locations to achieve paperless or less-paper office. A state-of-art 'Data Centre' equipped with latest technology has been made operational in

January, 2020. Your Company has also been awarded ISMS 27001:2013 certification for its IT&C division including data centre. The implementation of ISMS 27001:2013 assures confidentiality, integrity and availability of information assets. During the period of nation-wide lockdown day to day functioning of the Company remain almost uninterrupted through the efficient functioning of various e-modules i.e. e-office, ERP, e-IOM etc. Your Company facilitated work from home for the employees.

Various units of the Company across India are connected to Corporate Office through multimode & fail-safe communication links. Enterprise Resource Planning (ERP) application has been implemented in NHPC to integrate all its business functions to improve information availability, transparency and decision making.

As per Government of India directives, e-procurement, Government e-Market (GeM) and e-Reverse auction system is operational in the Company. Your Company is also acting as a nodal agency for CERT-HYDRO to guide and monitor the cyber security related activities in the constituent member organizations.

16. HUMAN RESOURCES

Your Company has a strong and dedicated workforce of 6,131 employees, consisting of 3,380 executives and 2,751 non-executives as on March 31, 2020. The above workforce includes 649 women employees.

Your Company believes in lifelong learning and competency development for its employees for improving their performance and enhancing organizational capabilities. NHPC trains its employees through internal faculty and premier institutes. During the year, Training & Human Resource Development (T&HRD) division of your Company has organized various training and development programmes for its employees through premier management and engineering institutions like IIMs, IITs, ICAI etc. These programmes facilitate employees to enhance their skills and competencies for effective discharge of their responsibilities. Your Company also deposes senior and potential employees to foreign training programmes to keep them abreast with the latest developments in the field of hydropower. In addition to above, NHPC also sponsor its executives to acquire higher qualification and specialization to various institutions. NHPC has four training centers viz. Salal Power Station (UT of Jammu & Kashmir), Uri-I Power Station (UT of Jammu & Kashmir), Tanakpur Power Station (Uttarakhand) and Chamera-I Power Station (Himachal Pradesh).

NHPC is also encouraging web-learning for its employees. During the year 2019-20, various online programmes were conducted. Online programmes on

ERP modules, i.e. HR, finance, payroll, procurement & contract and inventory were conducted with different locations/units of the Company. All locations of the Company participated and benefited from web-learning. During the period of nation-wide lockdown, T&HRD division has organized various programmes for its employees through webinar.

Assessment Development Center (ADC) to identify & assess skills and competencies of General Managers was conducted. More than 200 Executives were assessed and Individual Development Plans have been prepared for their focused training.

The Industrial Relations in the Company remained cordial and harmonious during the year. Your Company believes that holistic and meaningful employee engagement and their right development will enhance employees' potential.

Your Company follows the Government of India's guidelines regarding reservation in services for SC/ST/OBC/PWD (Persons with Disabilities)/Ex-servicemen to promote inclusive growth. Necessary concessions/relaxations in accordance with the rules in this regard are extended to physically challenged persons in recruitment. The number of employees with disabilities as on March 31, 2020 was 117. Details of representation of SC/ST/OBC/PWD are given in Management Discussion & Analysis Report annexed with this report.

17. RESETTLEMENT AND REHABILITATION (R&R)

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

18. VIGILANCE

The objective of the vigilance function is to ensure maintenance of the highest level of integrity throughout the Company. Your Company has a Vigilance Department headed by Chief Vigilance Officer to ensure transparency, objectivity and quality of decision making in its operations. All the procedures are documented to monitor and handle vigilance complaints and disciplinary cases.

Vigilance Department co-ordinates with Ministry of Power, Central Bureau of Investigation (CBI), Central Vigilance Commission (CVC) and other concerned

departments of the Government. As on March 31, 2020, five vigilance cases relating to misconduct, misappropriation and disproportionate assets against employees were under investigation.

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

19. INTERNAL FINANCIAL CONTROLS

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

20. RISK MANAGEMENT

Your Company recognizes that effective management of risks associated with the business is a fundamental requirement to its continued profitability and long-term sustainability. Your Company has an elaborate Risk Management Policy to have structured and disciplined approach towards risks. The development and implementation of Risk Management Policy has been covered in the Management Discussion and Analysis Report, which forms part of this report.

21. PROCUREMENT FROM MICRO & SMALL ENTERPRISES

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

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

During the financial year 2019-20, your Company has procured products and services from MSEs, which constituted 56.59% of the total annual procurement value, against the mandate of 25% set by Ministry of Micro, Small and Medium Enterprises, Govt. of India. During the year, 1003 MSEs were benefited out of which 73 MSEs and 8 MSEs were owned by SC/ST and women entrepreneurs respectively.

Trade Receivables Discounting System (TReDS) platform facilitates the discounting of invoices of



MSMEs facilitating generation of working capital for their regular business operations. NHPC is also registered on the platform for the benefit of MSMEs

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

22. IMPLEMENTATION OF OFFICIAL LANGUAGE

Your Company is committed for the implementation of Official Language Hindi at its various offices/locations/units in day-to-day functioning in accordance to the provisions of the Official Languages Act, 1963 and rules notified thereunder. During the year 2019-20, quarterly meetings of the Official Language Implementation Committee of the Company and the Town Official Language Implementation Committee (Office), Faridabad were regularly organized to review the status of implementation of Official Language.

During the year, NHPC organized various programmes to encourage the use of Hindi like Akhil Bhartiya Rajbhasha Sammelan, Hasya Kavi Sammelan, Hindi Seminar on "Mahatma Gandhi's Language Contemplation", Hindi Pakhwara, Hindi Kavya Sangosthi etc. for its employees. In addition to above, Hindi typing training programmes, Hindi workshops and departmental computer workshops were regularly organized. Further, to increase the interest of employees in Hindi, an 'Online Hindi Quiz Competition' has been started in Corporate Office, Faridabad. Rajbhasha magazines titled 'Rajbhasha Jyoti' and 'Nagar Saurabh' were also published to encourage the use of Hindi.

Attractive incentive schemes for employees by contributing for articles/write-ups for in-house magazines, reading Hindi books, and noting and drafting in Hindi etc. have been implemented to encourage employees for active participation in promotion of Hindi.

The efforts made by the Company for the progressive use of Hindi were appreciated at various forums. Your Company received "Second Prize" for the year 2018-19 under the Rajbhasha Shield Yojna under the aegis of Ministry of Power, Govt. of India for excellent Official Language Implementation among the overall power sector. Your Company's website i.e. www.nhpcindia.com has bilingual mode of operating i.e. in Hindi and English.

23. SPORTS AND OTHER ACTIVITIES

During the year 2019-20, NHPC participated in various Inter CPSU tournaments organized under the aegis

of Power Sports Control Board, Ministry of Power. NHPC teams were in award winning positions in Inter CPSU Badminton, Chess and Volleyball Tournaments. Your Company has organized Inter CPSU Carrom Tournament at Siliguri in December, 2019.

NHPC coordinated painting competitions under the National Awareness Campaign on Energy Conservation 2019 organized by the Ministry of Power, Government of India amongst school students in the states/union territory of Jammu and Kashmir, Manipur, Sikkim, Arunachal Pradesh and Madhya Pradesh. Shri Priyaranjan, DGM(HR), RO Itanagar was adjudged "Best Nodal Officer" under the category Union Territory, North-East and Himalyan States by the Ministry of Power, Government of India.

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

24. RIGHT TO INFORMATION ACT

An elaborate mechanism is in place to deal the matters related to Right to Information Act, 2005. The Company has nominated a senior level executive as the Appellate Authority. The Company has nominated one Central Public Information Officer (CPIO) and one Transparency Officer. These officers are based at Corporate Office. In addition to above, 32 Assistant Public Information Officers (APIOs) are nominated at different units/offices. The details of all the designated officials, third-party audit reports, etc. are available on the website of the Company i.e. www.nhpcindia.com.

The online RTI portal of the Company is aligned with the portal launched by Department of Personnel & Training (DoPT). All applications/appeals received through the portal are attended and disposed-off accordingly. During the year 2019-20, 458 applications and 53 first stage appeals were received out of which 454 (99.13%) applications and 52 (98.11%) first stage appeals were replied/disposed-off. 5 second stage appeals were filed by the applicants before the Central Information Commissioner (CIC) which were also disposed-off.

25. CORPORATE SOCIAL RESPONSIBILITY

Your Company has been actively engaged in various CSR activities over the years. The aim of CSR activities is to create a deeper positive impact on society at large by development of key areas, especially by addressing the social, economic, environmental and welfare concerns of stakeholders. CSR activities of the Company focus on equitable development through empowerment of marginalized and underprivileged sections/communities. The thrust areas under CSR inter-alia include Education, Health, Sanitation, Drinking water, Rural Development, Skill Development, Environment, Women Empowerment etc. A report on

CSR activities undertaken by your Company during the financial year 2019-20 is given as annexure to this report. The Corporate Social Responsibility & Sustainability Policy of your Company is available at http://www.nhpcindia.com/writereaddata/Images/pdf/CSR_Policy_E_CMA_201811_1.pdf

26. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the year 2019-20, the Company has not entered into any material transaction with any of its related parties. The Company's major related party transactions are generally with its subsidiaries and associates for providing consultancy services, leasing out of properties and manpower services. All the contracts/arrangements/transactions entered into with related parties were on arm's length basis, intended to further the Company's interest. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

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

27. VIGIL MECHANISM - POLICY ON WHISTLE BLOWER AND FRAUD PREVENTION

Your Company has framed a 'Whistle Blower Policy' wherein directors, employees, contractors and vendors of the Company are free to report any unethical practice, in violation of applicable laws, rules, regulations or Company's code of conduct, that could adversely impact Company's operations, business performance and/or reputation.

The policy also allows direct access to the Chairperson of the Audit Committee. The identity of the complainant/informant is kept confidential while enquiring any complaint under the policy so that he/she shall not be subjected to any discriminatory practice. A senior level officer has been nominated as Coordinator for effective implementation of the policy to deal such complaints reported under the policy.

During the year 2019-20, one complaint was received under Whistle Blower Policy. The complaint was examined as per prescribed procedure under the policy and report was submitted to Chairperson of the Audit Committee. During the year, no person was denied access to the Audit Committee on issues relating to Whistle Blower Policy.

Your Company has also framed a Fraud Prevention & Detection Policy to prevent, detect and allow speedy disposal of fraud or suspected fraud. Mechanism under the policy is appropriately communicated

within the organization across all levels and has been displayed on Company's intranet.

28. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

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

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

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the financial year 2019-20 is as under:

A	Number of complaints pending at the beginning of the financial year	NIL
B	Number of complaints filed during the financial year	
C	Number of complaints disposed off during the financial year	
D	Number of complaints pending as on end of the financial year	

29. DEBENTURE TRUSTEES

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

30. COVID-19

The threat of a great depression is looming large on the world as well as the nation's economy due to CoVID-19 pandemic. The country is passing through a period of all time low on the economic front due to pandemic. The Power Sector is not left untouched from the threat, however, it performed efficiently during this difficult period. Your Company had provided uninterrupted power supply and ensured its operations continued 24X7. NHPC, being a pioneer



in hydro-power generation in India, had proven the importance of hydropower by contributing to stability of National Grid during the Hon'ble Prime Minister's '9PM9MIN' initiative on April 5, 2020. NHPC stood by the nation in this moment of crisis and contributed ₹ 40 Crore towards PM CARES Fund from its CSR Budget.

31. STATUTORY AND OTHER INFORMATION

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

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

32. AUDIT AND AUDITORS' REPORT

32.1 SECRETARIAL AUDIT

The Board had appointed M/s Agarwal S. & Associates, Company Secretaries, Delhi to conduct Secretarial Audit of the Company for the financial year 2019-20. The Secretarial Auditor, in its report, has given some observations. The Secretarial Auditor's Report along with management replies on the observations is given at **Annexure-IX**.

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

32.2 STATUTORY AUDIT

The Statutory Auditors of your Company are appointed by the C&AG. C&AG had appointed following Joint Statutory Auditors for the financial year 2019-20:

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

The Joint Statutory Auditors have given un-modified report on the financial statements of the Company

for the financial year 2019-20. Further, no instance of fraud by any officer or employee of the Company has been reported by the Auditors under Section 143(12) of the Companies Act, 2013.

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

32.3 REVIEW OF ACCOUNTS BY C&AG

The C&AG has given NIL comments on the standalone and consolidated financial statements of your Company for the year ended March 31, 2020 after conducting supplementary audit under Section 143 (6) (a) of the Companies Act, 2013. The comments of C&AG for both the standalone and consolidated financial statements of your Company for the year ended March 31, 2020 are given at **Annexure- XIII**.

32.4 COST AUDIT

The Company maintains necessary cost records as specified by Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014. As recommended by the Audit Committee, your Board has appointed the following firms of Cost Accountants to conduct audit of cost accounting records of power stations for the financial year 2019-20 under Section 148 of the Companies Act, 2013:

Name of the Firm	Name of Power Station
M/s Chandra Wadhwa & Co., Delhi (Lead Cost Auditor)	Dulhasti and Salal
M/s Balwinder & Associates, Mohali-Punjab	Chamera-II, Chamera-III and Sewa-II
M/s Sanjay Gupta & Associates, Delhi	Uri-I, Uri-II and Kishanganga
M/s K. L. Jaisingh & Co., Noida	Dhauliganga, Wind Power Project (Jaisalmer) and Tanakpur
M/s K. G. Goyal & Associates, Jaipur	Chamera-I, Baira Siul and Parbati-III
M/s R. J. Goel & Co., Delhi	Chutak and Nimoo Bazgo
M/s DGM & Associates, Kolkata	Rangit, Teesta-V and TLDP-III
M/s Niran & Co., Kolkata	Loktak, TLDP-IV and 50 MW Solar Power Project (Tamil Nadu)

The consolidated Cost Audit Report in XBRL format for the financial year ended March 31, 2019 was filed with the Central Government on October 15, 2019. The Cost Audit Report for the financial year ended March 31, 2020 shall be filed within the prescribed time period.

33. PARTICULARS OF LOANS, INVESTMENTS AND CORPORATE GUARANTEES

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

34. PARTICULARS OF EMPLOYEES

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

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

35. BOARD AND COMMITTEES OF THE BOARD

During the financial year 2019-20, the Board of Directors of your Company met ten times. The details of the meetings and attendance thereat are given in the Corporate Governance Report, which forms part of this report.

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

During the financial year 2019-20, there was no instance, where the Board has not accepted the recommendation(s) of any committee of the Board which is mandatorily required.

36. PERFORMANCE EVALUATION OF BOARD, BOARD LEVEL COMMITTEES AND DIRECTORS

Your Company has framed a policy on performance evaluation of Board, Board level committees and

Independent Directors in line with provisions of SEBI LODR. Based on the recommendation of Nomination & Remuneration Committee, the annual performance evaluation of Board, Board level Committees and Independent Directors of the Company for the year 2018-19 has been carried out by the Board in its meeting held in March, 2020. The Independent Directors in their separate meeting held in June, 2019 decided not to carry out the performance evaluation of Functional Directors as their performance is being evaluated by the Ministry of Power (Administrative Ministry). The process of annual performance evaluation of Board, Board level Committees and Independent Directors is given in the Corporate Governance Report.

37. DIRECTORS' RESPONSIBILITY STATEMENT

In line with requirement of Section 134(3)(c) read with Section 134(5) of the companies Act, 2013 with respect to the Directors' Responsibility Statement, it is confirmed that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

38. SECRETARIAL STANDARDS

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



39. GENERAL

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

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

40. WEBSITE LINK FOR VARIOUS POLICIES OF THE COMPANY

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

Particulars	Website Link
Policy on Related Party Transactions	http://www.nhpcindia.com/writereaddata/Images/pdf/Policy-Related-Party-Transaction.pdf
Corporate Social Responsibility & Sustainability Policy	http://www.nhpcindia.com/writereaddata/Images/pdf/CSR_Policy_E_CMA_201811_1.pdf
Policy on Material Subsidiaries	http://www.nhpcindia.com/writereaddata/Images/pdf/Policy-Material-Subsidiary.pdf
Whistle Blower Policy	http://www.nhpcindia.com/writereaddata/images/pdf/wbp.pdf
Familiarization programme for Directors	http://www.nhpcindia.com/writereaddata/Images/pdf/Details%20of%20Director%20Training_FY2019-20%20-%20English.pdf
Dividend Distribution Policy	http://www.nhpcindia.com/writereaddata/Images/pdf/Dividend-Policy-21062017.pdf
Extract of Annual Return	http://www.nhpcindia.com/NHPC-annual-reports.htm

41. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

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

1. Shri Satya Prakash Mangal, Prof. Kanika T. Bhal and Prof. Arun Kumar ceased to be Independent Directors on the Board of the Company on completion of their tenure on November 17, 2019.
2. Shri Balraj Joshi ceased to be Chairman & Managing Director of the Company w.e.f. December 31, 2019 on attaining the age of superannuation.
3. Shri Abhay Kumar Singh was appointed as Chairman & Managing Director of the Company w.e.f. February 24, 2020 as per order of Administrative Ministry i.e. Ministry of Power. Earlier, Shri Ratish Kumar, Director (Projects) held the additional charge of the post of Chairman & Managing Director from January 1, 2020 to February 24, 2020.
4. Shri Janardan Choudhary ceased to be Director (Technical) of the Company w.e.f. March 31, 2020 on attaining the age of superannuation.
5. Shri Yamuna Kumar Chaubey was appointed as Director (Technical) of the Company w.e.f. April 1, 2020 as per order of Ministry of Power.
6. Shri Aniruddha Kumar ceased to be Nominee Director of the Company w.e.f. May 29, 2020 pursuant to order of Ministry of Power.
7. Shri Tanmay Kumar was appointed as Nominee Director of the Company w.e.f. June 11, 2020 pursuant to order of Ministry of Power.

Details of remuneration/sitting fee paid to directors during the year 2019-20 are given in the Corporate Governance Report.

All Independent Directors of the Company as on March 31, 2020, have declared that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI LODR. They have further declared that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. Independent Directors have also declared that they have complied with Rule 6(1)&(2) of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019 regarding inclusion of their name in the data bank of Independent Directors maintained by Indian Institute of Corporate Affairs (IICA).

Shri Nikhil Kumar Jain, Director (Personnel) and Shri Mahesh Kumar Mittal, Director (Finance), are liable to retire by rotation and being eligible are proposed to be re-appointed at the forthcoming Annual General Meeting. A brief profile of the Directors proposed to be appointed/re-appointed at the forthcoming AGM is provided in the notice of the AGM.

42. ACKNOWLEDGEMENT

The Board would like to thank the Government of India, particularly the Ministry of Power, as well as the various State Governments, regulatory and statutory authorities for their valuable guidance and support from time to time.

The Board is also thankful to all its stakeholders, including bankers, investors, members, customers, consultants, contractors, vendors, etc. for their continued support and confidence reposed in the Company.

The Board also acknowledges the constructive suggestions received from the Office of C&AG, Statutory Auditors, Secretarial Auditor and Cost Auditors.

The Board would like to place on record its appreciation for the valuable guidance and significant contribution made by Shri Balraj Joshi, Shri Janardan Choudhary, Shri Aniruddha Kumar,

Shri Satya Prakash Mangal, Prof. Arun Kumar and Prof. Kanika T. Bhal during their tenure on the Board of the Company.

The Board would like to express its appreciation for the dedicated and sincere efforts put by NHPCians at all levels for the excellent performance achieved during the year 2019-20.

Last but not the least, the Board salutes with gratitude to all functionaries and personnel in the Government, doctors, healthcare & medical staff, police, law enforcement and other agencies who are at the frontline to fight the pandemic by keeping essential services operational. NHPC is proud of its employees especially posted at power stations and projects who are contributing in the service of nation during this challenging time.

For and on behalf of the Board of Directors



(Abhay Kumar Singh)

Chairman and Managing Director

DIN 08646003

Date: August 27, 2020

Place: Faridabad