Himachal Pradesh Power Corporation Limited
Standalone Balance Sheet as at 31st March, 2025

(In Lakh)

	Particulars	Note No.	As at March 31,2025	As at March 31,2024	As at March 31,2023
	1	2	3	4	5
	ASSETS				
(1)	**Non - Current Assets**				
	(a) Property, Plant and Equipment	2.1	5,90,281.75	5,47,895.98	5,31,942.97
	(b) Capital Work-in-progress	2.2	4,54,502.46	3,99,300.00	3,23,848.51
	(c) Investment Property	2.3	22.83	24.24	26.00
	(d) Goodwill		-	-	-
	(e) Other Intangible Assets	2.4	161.69	53.97	43.00
	(f) Financial Assets:				
	(i) Investments	2.5	-	-	-
	(ii) Trade receivables				
	(iii) Loans	2.6	152.70	152.69	151.00
	(g) Deferred tax assets (net)				
	(h) Other Non-current Assets	2.7	1,31,044.45	1,29,422.81	1,13,151.56
(2)	**Current Assets**				
	(a) Inventories	2.8	1,655.35	1,431.16	952.00
	(b) Finacial Assets				
	(i) Investments				
	(ii) Trade Receivables	2.9	31,210.63	9,894.74	1,061.00
	(iii) Cash and cash equivalents	2.10	22,552.61	20,033.99	13,203.00
	(iv) Bank Balance other than above	2.11	6,705.84	3,484.49	3,124.00
	(v) Loans	2.12	15.37	128.39	-
	(vi) Others	2.13	1,006.71	9,139.01	6,525.00
	(c) Other Current Assets	2.14	21,256.12	13,707.37	6,457.00
	Total Assets		**12,60,568.52**	**11,34,668.83**	**10,00,485.04**
	EQUITY AND LIABILITIES				
	Equity				
	(a) Equity Share Capital	2.15	2,34,762.79	2,34,262.79	2,30,248.00
	(b) Other Equity	2.16	(86,523.57)	(86,724.80)	(76,469.79)
	Liabilities				
(1)	**Non- current Liabilities**				
	(a) Financial Liablities				
	(i) Borrowings	2.17	1,37,930.30	69,797.11	63,190.00
	(ii) Lease Liabilities	2.18	388.61	322.97	520.00
	(iii) Other Financial Liablities	2.19	63,229.90	4,298.01	2,075.00
	(b) Provisions	2.20	8,053.47	7,377.32	7,317.00
	(c) Deferred tax liabilities (Net)	2.21	-	-	-
	(d) Other Non- Current Liabilities	2.22	3,56,327.93	2,85,833.73	2,48,547.00
(2)	**Current Liabilities**				
	(a) Financial Liablities				
	(i) Borrowings	2.23	2,70,602.61	2,54,223.55	2,10,044.00
1	(ii) Lease Liabilities	2.24	35.13	284.93	224.00
	(iii) Trade Payables	2.25	-	-	-
	(A) total outstanding dues of micro enterprises and small enterprises; and				-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.				-
	(iv) Other Financial Liablities	2.26	2,46,216.52	3,31,771.28	2,89,420.83
				-	
	(b) Provisions	2.27	29,016.34	32,823.78	25,062.00
	(c) Other Current Liabilities	2.28	528.49	398.16	307.00
	Inter unit transfer			-	-
	Zero Balance Clr		-	-	-
	Total Equity and Liabilities		**12,60,568.52**	**11,34,668.83**	**10,00,485.04**

Significant Accounting Policies 1

The accompanying notes form an integral part of these financial statements

Note: The figures for the year ended 31st March 2025 and 1st April 2024 as given above are reinstated

For and on behalf of the Board of Directors

(Manoj Kumar)
AGM (F & A)

(Sudershan K Sharma)
Company Secretary

(Naresh Thakur)
Director (Finance)
DIN No. 11088059

(Abid Hussain Sadiq)
Managing Director
DIN No. 08183381

FOR N.K Bhargava & Co
Chartered Accountants
FRN: 0000429N

Partner
Membership No:
UDIN:

Himachal Pradesh Power Corporation Limited

Standalone Statement of Profit & Loss for the year Ended 31st March, 2025

(In Lakh)

	Particulars	Note No.	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
I	Revenue from Operations	2.29	38,397.17	38,825.67	38,488.59
II	Other Income	2.30	3,358.50	1,611.90	207.43
III	**Total Income (I+II)**		41,755.67	40,437.57	38,696.02
IV	**Expenses**				
	Cost of materials consumed				
	Purchases of Stock-in-Trade				
	Changes in inventories of finished goods, Stock-in -Trade and workin-progress				
	Employee Benefits Expense	2.31	2,643.67	2,688.23	2,704.19
	Finance Costs	2.32	20,054.50	20,162.09	20,313.27
	Depreciation and Amortization Expense	2.33	21,485.09	20,895.12	20,734.23
	Other Expenses	2.34	3,521.52	5,156.87	4,348.71
	Total Expenses (IV)		47,704.78	48,902.31	48,100.41
V	**Profit/(loss) before exceptional items and tax (III-IV)**		**(5,949.12)**	**(8,464.74)**	**(9,404.39)**
VI	Exceptional Items				
VII	**Profit/ (loss) before exceptions items and tax(V-VI)**		**(5,949.12)**	**(8,464.74)**	**(9,404.39)**
VIII	Tax expense:				
	(1) Current tax		-	-	
	(2) Deferred tax		-	-	
IX	**Profit (Loss) for the period from continuing operations (VII-VIII)**		**(5,949.12)**	**(8,464.74)**	**(9,404.39)**
	Loss on Sale of Fixed Assets		**(0.22)**	**(1.89)**	-
X	Profit/(loss) from Discontinued operations		-	-	
XI	Tax expenses of discontinued operations		-	-	
XII	**Profit/(loss) from Discontinued operations (after tax) (X-XI)**		-	-	
XIII	**Profit/(loss) for the period (IX+XII)**		**(5,949.33)**	**(8,466.63)**	**(9,404.39)**
XIV	Other comprehensive income				
	A. (i) Items that will not be reclassified to profit or loss	2.35	432.56	80.07	205.55
	(ii) Income tax relating to items that will not be reclassified to profit or loss				
	B. (i) Items that will be reclassified to profit or loss				
	(ii) Income tax relating to items that will be reclassified to profit or loss				
XV	**Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other comprehensive Income for the period)**		**(5,516.77)**	**(8,386.56)**	**(9,198.84)**
XVI	**Earnings per equity share (for continuing operation):**				
	(1) Basic	2.36	(23.52)	(35.80)	(41.31)
	(2) Diluted				
XVII	**Earnings per equity share (for discontinued operation):**				
	(1) Basic				
	(2) Diluted				
XVIII	**Earnings per equity share (for discontinued & continuing operation):**				
	(1) Basic	2.36	(23.52)	(35.80)	
	(2) Diluted				

Significant Accounting Policies 1

The accompanying notes form an integral part of these financial statements

For and on behalf of the Board of Directors

(Manoj Kumar)
AGM (F & A)

(Sudershan K Sharma)
Company Secretary

(Naresh Thakur)
Director (Finance)
DIN No. 11088059

(Abid Hussain Sadiq)
Managing Director
DIN No. 08183381

FOR N.K Bhargava & Co
Chartered Accountants
FRN: 0000429N

Partner
Membership No:
UDIN:

Himachal Pradesh Power Corporation Limited
Standalone Statement Of Cash Flows for the year Ended 31st March, 2025

(In Lakh)

Particulars	For the Year Ended March 31, 2025		For the Year Ended March 31, 2024
Cash flow from operating activites			
Profit before tax (A)		**-5,516.77**	**-8,386.56**
change in other equity as per restated balancesheet (B)			-3.45
Adjustment for:			
Depreciation and amortization	21,485.09		20,895.12
Finance Cost			-
Loss on disposal/write off of fixed assets	0.22		1.89
Profit on sale of fixed assets	-		-
Total Adjustment (C)		**21,485.30**	**20,897.01**
Adjustment for assets and liabilities			
Inventories	-224.20		-479.16
Trade receivable and unbilled revenue	-21,315.89		-8,833.74
Loans, other financial assets and other assets	-2,524.79		-10,353.26
Other financial liabilities and other liabilities	-5,489.11		65,176.11
Other Current liabilities	130.32		91.16
Provisions	-3,131.29		7,822.11
Total Adjustment (D)		**-32,554.95**	**53,423.22**
Cash used in operating activities (E)=(A+B+C+D)		-16,586.42	65,930.22
Less: Income tax paid		-	-
Net cash used in operating activities (F)		**-16,586.42**	**65,930.22**
Cash flow from investing activities:			
Net expenditure on Property, Plant & Equipment and CWIP	-1,19,179.85		-1,12,310.72
Term Deposits with Banks (having maturity more than 3 months)			-
Interest on term deposits/ Sweep Deposits	-0.01		-1.69
Investment in Subsidiary/Associate/Joint Venture			-
Other non current asset	-1,621.63		-16,271.25
loss of Fixed/ CWIP assets from torrential rain & flood			
Net cash used in investing activities (G)		**-1,20,801.50**	**-1,28,583.66**
Cash flow from financing activities:			
Share Capital	500.00		4,014.79
Share money pending allotment	5,718.00		-1,865.00
Proceeds from borrowings	-		
Repayment of borrowings	-		
Other Non Current Liabilites	70,494.20		37,286.73
Payment of lease liabilities	-184.16		-136.10
Renuka Ji Grant Received	63,378.50		30,184.00
Interest and finance charges	-		
Net Cash generated from financing activities (H)		**1,39,906.53**	**69,484.42**
Net increase in cash and cash equivalents (I)=(F+G+H)		**2,518.62**	**6,830.98**
Cash & Cash Equivalents at the beginning of the year		**20,033.99**	**13,203.00**
Cash & Cash Equivalents at the end of the year		**22,552.61**	**20,033.98**
		22,552.61	**20,033.99**
Restricted cash balance		0.00	0.00
Earmarked Balance (Unpaid Dividend)		-	-
Margin Money for BG/ Letter of Credit and Pledged deposits		6,705.84	3,484.49
Total		**6,705.84**	**3,484.49**

This is the Statement of Cash Flows referred to in our report of even date.

For and on behalf of the Board of Directors

(Manoj Kumar)
AGM (Finance)

(Sudershan K Sharma)
Company Secretary

(Naresh Thakur)
Director (Finance)
DIN No. 11088059

(Abid Hussain Sadiq)
Managing Director
DIN No. 08183381

FOR N.K Bhargava & Co
Chartered Accountants
FRN: 0000429N

Partner
Membership No:
UDIN:

HIMACHAL PRADESH POWER CORPORATION LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

1. Company Information and Significant Accounting Policies:

A. Reporting Entity

Himachal Pradesh Power Corporation Ltd. (the "Company") is a Company domiciled in India and limited by shares (CIN: U40101HP2006SGC030591). The address of the Company's Registered Office is Himfed Building, BCS, New Shimla (H.P.)-171009, India. Electricity generation is the principal business activity of the Company.

B. Significant Accounting Policies

1.1 Basis of Preparation:

These standalone financial statements are prepared on going concern basis following accrual system of accounting and in compliance 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) and the provisions of the Electricity Act, 2003, to the extent applicable.

Use of estimates and management Judgements:

The preparation of the financial statements requires management to make estimates and assumptions that may impact the application of accounting policies and the reported value of Assets, Liabilities, Income, Expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. Actual results could vary from these estimates. The estimates and management's judgements are based on previous experience and other factors considered reasonable and prudent in the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods, if the revision affects both current and future years.

1.2 Basis of Measurement:

These financial statements have been prepared on accrual basis and under the historical cost convention except following whichhave been measured at fair value:

- financial assets and liabilities except certain Investments and borrowings carried at amortised cost,
- assets held for sale — measured at fair value less cost of disposal,
- defined benefit plans – plan assets measured at fair value,
- Right of Use Assets – measured at fair value.

Fair value is the price that would be received to sell an assetor 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.

1.3 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 to the nearest Lacs (upto two decimals), except as stated otherwise.

1.4 Current and non-current classification: The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;

- Expected to be realized 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.

A liability is current when:

- It is expected to be settled in 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. Deferred tax assets/liabilities are classified as non-current.

1.5 Property, plant and equipment (PPE)

a) The Company has opted to utilize the option under para D7AA of Appendix D to Ind AS 101 which permits to continue to use the Indian GAAP carrying amount as a deemed cost under Ind AS at the date of transition to Ind AS. Therefore, the carrying amount of property, plant and equipment according to the Indian GAAP as at April 1, 2015 i.e. Group's date of transition to Ind AS, were maintained in transition to Ind AS.

b) An item of PPE is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

c) PPE are initially measured at cost of acquisition/construction including decommissioning or restoration cost wherever required. The cost includes expenditure that is directly attributable to the acquisition/construction of the asset. Where final settlement of bills with contractors is pending/under dispute, capitalization is done on estimated/provisional basis subject to necessary adjustment in the year of final settlement.

d) After initial recognition, Property, Plant & Equipment is carried at cost less accumulated depreciation/ amortisation and accumulated impairment losses, if any.

e) Deposits, Payments / liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.

f) Asset created on land not belonging to the company, where the company is having control over the use and access of such asset are included under Property, Plant and Equipment.

g) Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item, if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised when no future economic benefits are expected from its use or upon disposal. The costs of the day-to-day servicing of property, plant and equipment are recognised in statement of profit and loss as and when incurred. Other spares are treated as "stores & spares" forming part of the inventory and expensed when used/ consumed.

h) Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the company and the cost of the item can be measured reliably.

i) Property, plant and equipment is derecognized when no future economic benefits are expected from its use or upon its disposal. Gains and losses on disposal of an item of property; plant and equipment is recognized in the statement of profit and loss.

1.6 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 cost comprises of purchase price of asset including other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner.

b) Cost directly attributable to projects under construction include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, depreciation on assets used in construction of projects, interest during construction and other costs if attributable to construction of projects. Such costs 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.

c) Capital Expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential for construction of the project is carried under "Capital Work-in-progress" and subsequently allocated on systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects. Expenditure of such nature incurred after completion of the project, is charged to Statement of Profit and Loss.

d) Expenditure on Survey and Investigation of the project is carried as Capital Work-in-progress and capitalized as cost of project on completion of construction of the project or the same is expensed in the year in which it is decided to abandon such project.

e) Expenditure against "Deposit Works" is accounted for on the basis of statement of account received from the concerned agency and acceptance by the company. However, provision is made wherever considered necessary.

f) Claims for price variation / exchange rate variation in case of contracts are accounted for on acceptance.

g) The Expenditure of Corporate office and Sundernagar design office is allocated to different accounting units on systematic basis.

1.7 Investment Property

a) Land or a building or part of building or both held by company to earn rentals or for capital appreciation or both is classified as Investment property other than for :

i) Use in the production or supply of goods or services or for administrative purpose; or

ii) Sale in the ordinary course of business.

b) Investment property is recognised as an asset when and only when:

i) It is probable that the future economic benefits that are associated with the investment property will flow to the entity; and

ii) The cost of the investment property can be measured reliably.

c) 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.

d) Investment properties are derecognised either when they have been disposed off or when they are permanently with drawn 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 de-recognition.

e) Transfers to or from investment property is made when and only when there is a change in use.

1.8 Intangible Assets

a) Intangible assets are identifiable non-monetary asset without physical substance. Intangible assets are recognised if:

i). It is probable that the expected future economic benefit that are attributable to the asset will flow to the entity; and

ii). The cost of the asset can be measured reliably

b) Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Subsequent expenditure on already capitalized Intangible assets is capitalised when it increases the future economic benefits embodied in an existing asset and is amortised prospectively.

c) Software (not being an integral part of the related hardware) acquired for internal use, is stated at cost of acquisition less accumulated amortisation and impairment losses, if any.

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 de recognition 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.

e) Expenditure on development activities is capitalised 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.

f) Expenditure incurred which are eligible for capitalisationunder intangible assets are carried as intangible assets under development till they are ready for their intended use.

1.9 Regulatory deferral accounts

a) Expenses / income recognized in the Statement of Profit & Loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per HPERC Tariff Regulations are recognized as 'Regulatory deferral account balances' as per Ind AS-114.

b) Regulatory deferral account balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries.

1.10 Impairment of non-financial assets

a) The carrying amounts of the Company's non-financial assets primarily include property, plant and equipment, which are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU's) 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 fairvalue less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

c) Impairment losses recognized in earlier period are assessed at each reporting date for any indication that 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 recognized.

1.11 Inventories

a) Inventories mainly comprise stores and spare parts to be used for maintenance of Property, Plant and Equipment.

b) Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

c) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

d) The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained on review and provided for. Scrap is accounted for as and when sold.

1.12 Foreign Currency Transactions:

a) **Functional and presentation currency:**

Financial statements have been presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

b) **Transactions and balances:**

i) Transactions in foreign currency are initially recorded at exchange rate prevailing on the date of transaction. At each Balance Sheet date, monetary items denominated in foreign currency are translated at the exchange rates prevailing on that date. Non-monetary items denominated in foreign currency are reported at the exchange rate prevailing at the date of transaction.

ii) Exchange differences arising on translation or settlement of monetary items are recognised in the statement of profit and loss in the year in which it arises.

1.13 Financial instruments – initial recognition, subsequent measurement and impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A) Financial Assets

A financial asset includes inter-alia any asset that is cash, equity instrument of another entity or contractual obligation to receive cash or another financial assets or to exchange financial asset or financial liability under condition 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, Advances to employees/ contractors, security deposit, claims recoverable etc.

Measurement:

The company measures the trade receivables at their transaction price if the trade receivables do not contain a significant financing component. A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business.

De-recognition:

Financial asset is derecognised when all the cash flows associated with the financial asset has been realised or such rights have expired.

B) Financial liabilities:

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company. The Company's financial liabilities include loans & borrowings, trade and other payables etc.

Measurement:

a) Financial liabilities are measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss or in the "Expenditure Attributable to Construction" if another standard permits inclusion of such cost in the carrying amount of an asset, when the liabilities are derecognised as well as through the EIR amortisation process.

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

De-recognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

1.14 Investment in joint ventures and associates:

a) A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

b) An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control over those policies.

c) The investment in joint ventures and associates are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

1.15 Leases

The Company has adopted Ind AS 116-Leases effective 1st April,2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019).

Lease is a contract that conveys the right to control the use of 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: (i) the contract involves use of an identified assets, (ii) the customer has substantially all the economic benefits from the use of the asset through the period of the lease and (iii) the customer has the right to direct the use of the asset.

i) **As a lessee**

At the date of commencement of lease, the company recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for lease with a term of twelve months or less (i.e. short term leases) and leases for which the underlying asset is of low value. For these short-term and leases for which underlying asset is of low value, the company recognizes the lease payments on the straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liability includes these options when it is reasonably certain that they will be exercised.

The right-to-use assets are initially recognized at cost, which comprises the amount of initial measurement of the lease liability adjusted for any lease payments made at or before the inception date of lease along with the initial direct costs, restorationobligations and lease incentives received.

Subsequently, the right-to-use assets is measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of lease liability. The Company applies Ind AS 36 to determine whether a ROU asset is impaired and accounts for any identified impairment loss as described in accounting policy 1.8 on "Impairment of non- financial assets".

The lease liability is initially measured at 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.

The interest cost on lease liability is expensed in the Statement of Profit and Loss, unless eligible for capitalization as per accounting policy 1.16 on "Borrowing Cost".

Lease liability and ROU assets have been separately presented in the financial statements and lease payments have been classified as financing cash flows.

ii) **As a Lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Operating lease:

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. In the case of operating leases or embedded operating leases, the lease income from the operating lease is recognised in revenue on the basis of generation from such Plant. The respective leased assets are included in the balance sheet based on their nature.

1.16 Government Grants

a) Government grants with a condition to purchase, constructor otherwise acquire long-term assets are initially measured based on grant receivable under the scheme. Such grants are recognised in the Statement of Profit and Loss on a systematic basis over the useful life of the asset. Amount of benefits receivable in excess of grant income accrued based on usage of the assets is accounted as Government grant received in advance. Changes in estimates are recognised prospectively over the remaining life of the assets.

b) Government revenue grants relating to costs are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate.

1.17 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction/erection or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. All other borrowing costs are expensed in the period in which they occur.

Income earned on temporary investment made out of the borrowings pending utilization for expenditure on the qualifyingassets is deducted from the borrowing costs eligible for capitalization.

1.18 Provisions, Contingent Liabilities and Contingent Assets

a) A provision is recognised when:

i). the Company has present legal or constructive obligation as result of past event;

ii). it is probable that an outflow of economic benefits will be required to settle the obligation; and

iii). a reliable estimate can be made of the amount of the obligation.

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

c) The amount recognised as provision is the best estimate of consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

d) 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.

e) 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 the management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

f) Contingent asset is a possible asset that arises 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 judgement of management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

1.19 Revenue Recognition and Other Income:

Company's revenues arise from sale of energy and other income. Other income comprises interest from banks, employees, contractors etc., surcharge received from beneficiaries for delayed payments, sale of scrap, other miscellaneous income, etc. Revenue from sale of energy is accounted for at rates as per the PPA & Agreement signed between HPPC Ltd. and HPSEB Ltd./Tata Power Trading Company Ltd. (TPTCL).

1.20 Employee Benefits

Employee benefits consist of wages, salaries, benefits in kind, provident fund, pension, gratuity, post-retirement medical facilities, leave benefits and other terminal benefits etc.

a) Post-employment benefits plan:

Employee benefits obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments indiscount rates, the rate of salary increases and the inflation rate. 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.

a) **Short-term Benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed in the period in which the service is provided.

b) **Terminal Benefits**

Expenses incurred on terminal benefits in the form of ex-gratia payments and notice pay on voluntary retirement schemes, if any, are charged to the profit and loss in the year of incurrence of such expenses.

1.21 Depreciation and amortization

i) Depreciation on Property, Plant & Equipment of Operating Units of the Company is charged to the Statement of Profit & Loss on straight-line method following the rates and methodology as notified by HPERC for the fixation of tariff in accordance with Schedule-II of the Companies Act 2013, except for the assets specified below:

a) Depreciation is charged on Straight Line method following the rate & methodology notified by the H.P State Electricity Regulatory Commission (HPERC) for the purpose of fixation of tariff as amended from time to time, **except in case of:**
b) Mobile Phones are depreciated fully @ 25% P.A. in 4 years.
c) Kitchen items and small office items are depreciated over the period of 3 years, keeping 10% residual value.
d) Assets costing Rs.5000/- or less are depreciated fully in the year of procurement.
e) Expenditure on software is recognised as "Intangible Asset" and amortised fully over three years on SLM or over a period of its legal rights to use, whichever is less.
f) Infrastructural development construction power depreciated @5.28% SLM under the head any other assets not covered in the HPERC Schedule.
g) Depreciation is provided on pro-rata basis from the month in which the asset becomes obsolete is provided till the end of the month in which such declaration is made.

ii) Expenditure on catchment area treatment (CAT) Plan during construction is capitalised along with Dam/Civil works. Such expenditure during O & M stage is charged to revenue in the year of incurrence of such expenditure

iii) 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, change in duties or similar factors, the revised unamortised balance of such assets is depreciated prospectively over the residual life.

iv) Depreciation on increase/decrease in the value of existing assets on account of settlement of disputes is charged retrospectively.

v) Depreciation on assets till start of commercial production has been shown under 'Incidental Expenditure during construction" under capital work in progress.

vi) Depreciation on addition/deduction from fixed assets during the year is charged on pro-rata basis from/up to the date, when the asset is available for use/disposal.

(vii) Leasehold land is amortized pro-rata through depreciation over the period of lease or 40 years, whichever is lower.

viii) Tangible Assets 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 HPERC tariff regulations for such assets, whichever is higher.

ix)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 asset determined following the applicable accounting policies relating to depreciation/ amortization.

x)Where the life and / or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along with its unamortized depreciable amount is charged prospectively over the revised / remaining useful life determined by technical assessment.

xi) 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 the HPERC.

xii) Temporary erections are depreciated fully (100%) in the year ofacquisition /capitalization.

xiii) Expenditure on software recognized as 'Intangible Asset' and is amortized fully on straight line method over a period of legal right to use or three years, whichever is less. Other intangible assets with a finite useful life are amortized on a systematic basis over its useful life. The amortisation period and the amortisation method of intangible assets with a finite useful life is reviewed at each financial year end.

xiv) Right-of-use land and buildings relating to generation of electricity business governed by CERC Tariff Regulations are fully amortized over lease period or life of the related plant whichever is lower following the rates and methodology notified by the CERC Tariff Regulations.

xv) Right-of-use land and buildings relating to generation of electricity business which are not governed by CERC tariff Regulations are fully amortized over lease period or life of the related plant whichever is lower. Other Right of use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

1.22 Income Taxes

Income tax expense comprises current tax and deferred tax.

Current 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 Income tax**

Current tax is expected tax payable on taxable profit for the year, using tax rates enacted or substantively enacted at the balance sheet date and any adjustments to tax payable in respect of previous years.

b) **Deferred tax**

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1.23 Earnings per Share:

Basic earning 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.

1.24 Statement of Cash Flows

a) Cash and cash equivalents includes cash/drafts/cheques 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.

b) Statement of cash flows is prepared in accordance with the indirect method (whereby profit or loss is adjusted for effects of non-cash transactions) prescribed in Ind AS-7 "Statement of Cash Flows".

1.25 Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which error occurred. If the error occurred before the earliest period presented, opening balances of assets, liabilities and equity for the earliest period presented, are restated.

1.26 Segment Reporting:

i) Segments have been identified taking into account nature of product and differential risk and returns of the segment. These business segments are reviewed by the Management.

ii) Electricity generation is the principal business activity of the company. Other operations viz., Consultancy works etc. do not form a reportable segment as per the Ind AS -108 - 'Operating Segments'.

iii) The company is having a single geographical segment as all its Power Stations are located within the Country.

Himachal Pradesh Power Corporation Limited
Standalone
2. Notes To Accounts

Non Current
Assets

(In Lakh)

	Particulars	Sub Note	As at March 31,2025	As at March 31,2024
2.1	Property, Plant and Equipment	2.1.1	5,90,281.75	5,47,895.98
2.2	Capital Work-in-progress	2.2.1	4,54,502.46	3,99,300.00
2.3	Investment Property	2.3.1	22.83	24.24
2.4	Other Intangible Assets	2.4.1	161.69	53.97
			10,44,968.74	**9,47,274.19**

2.5 Investments (In Lakh)

	Particulars		As at March 31,2025	As at March 31,2024
	Investment in Equity instrutments			
	Non Trade-Unquoted (at cost)			
	(a) Subsidiary Companies			
	(b) Joint Venture Companies			
	3375000 (P.Y. 3375000) Equity Shares of Rs. 10/- in Himachal Emta Power Ltd		337.50	337.50
	Share Application Money EMTA			
Less:	Provision for Doubtful Investment		(337.50)	(337.50)
	Total Investment in Equity Instruments		-	-
	Other Investment			
	Total Other Investment		-	-
	Total Investments		-	-

2.6 Loans (In Lakh)

	Particulars		As at March 31,2025	As at March 31,2024
	Security Deposits			
	Secured Considered Good		152.70	152.69
	Unsecured considered good		-	-
	- Doubtful			
	Total (A)		152.70	152.69
	Loans to other Employees			
	- Secured considered good		-	-
	Unsecured Considered Good		-	-
	- Doubtful		-	-
	Total (B)		-	-
	Total (C) =(A+B)		**152.70**	**152.69**

machal Pradesh Power Corporation Limited

andalone

Sub Note No 2.1.1 **Schedule of Property Plant and Equipment**

(In Lakh)

A) Own Assets:	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Particulars	As at 01.04.2024	Addition durng the year	Deductions / Adjustments	As at 31.03.2025	As at 01.04.2024	Addition durng the year	Deductions / Adjustments	As at 31.03.2025	As at 31.03.2025	As at 31.03.2024
LAND - LEASEHOLD	49 26		1.16	48 10	(1 48)	-	-	(1 48)	49 57	50.74
LAND - FREEHOLD	2,29,771.46	1,12,778 20	74,505.08	2,68,044.58	-	-	-	-	2,68,044 58	2,29,771.46
RESIDENTIAL BUILDINGS	2,640 90	-	-	2,640 90	878 20	91 47	-	969 67	1,671 23	1,762.70
NON RESIDENTIAL BUILDINGS	1,908 16	10 79	-	1,918 96	529 32	58 11	-	587 44	1,331 52	1,378 84
TEMPORARY SHEDS/ERECTIONS	9 87	0 55	-	10 41	9 85	0 05	-	9 90	0 51	0 01
PROJECT CIVIL WORKS	3,00,644 19	742 57	123 17	3,01,263 59	73,599 09	14,305 32	2 45	87,901 97	2 13,361 63	2 27,045 09
ROADS, BRIDGES & TRAFFIC TUNNELS	225 73	-	-	225 73	17 92	10 39	-	28 31	197.42	207.81
PROJECT ELECTRO MECHENICAL WORKS	1,08,581 60	26,995 37	2,907 24	1,32,669.72	27,863 22	6,074 48	0 33	33,937.37	98,732 35	80,718.38
PLANT (CURRENTLY FOR WATER TREATMENT)	67 63	0 21	-	67 84	12 54	3 26	-	15 81	52 03	55 09
OFFICE MACHINARY (LIKE LAB, FIRE ,SAFETY)	198 42	19 84	0 00	218 26	79 95	10 72	-	90 67	127 59	118.47
ELECTRONICS & ELECTRICAL ITEMS	511 68	117 47	0 00	629 14	227 27	31 91	-	259.18	369.96	284.40
FURNITURES & FIXTURES	475 36	18 50	0 00	493 86	245 06	28 42	-	273 48	220 37	230 30
COMPUTERS & DATA PROCESSING MACHINES	382 88	58 87	35 81	405 94	159 83	44 67	31 18	173 32	232.62	223.04
VEHICLES	125 54	19 44	21 47	123 52	65 47	22 02	19 32	68.18	55.34	60 07
KITCHEN ITEMS	4 55	-	-	4 55	2 47	0 35	-	2 83	1.72	2 07
FIRE FIGHT EQUIPMENT	2 37	1 02	-	3 39	0 30	0 15	-	0 45	2 94	2 08
SMALL OFFICE ITEMS	0.73	-	-	0.73	0.68	0.03	-	0.71	0.03	0.05
HELIPAD	23.49	-	-	23.49	8.64	0.70	-	9.33	14.16	14.85
BRIDGES & CULVERTS	579.85	-	-	579.85	199.57	18.67	0.13	218.12	361.74	380.28
SERVER AND NETWORKS	899.20	291.93	-	1,191.13	749.77	15.22	-	765.00	426.14	149.43
ROADS	5,015.18	119.17	59.58	5,074.77	1,711.13	162.88	0.01	1,874.00	3,200.77	3,304.05
ASSETS NOT OWNED BY COMPANY Roads	-	-	-	-	311.30	-	-	311.30	(311.30)	(311.30)
ASSETS NOT OWNED BY COMPANY OTHERS	312.15	-	-	312.15	125.29	-	-	125.29	186.87	186.87
INFRASTUCTURE DEVELOPMENT CONSTRUCTION POWER	2,619.52	-	-	2,619.52	937.05	124.43	-	1,061.48	1,558.04	1,682.47
Grand Total	6,55,049.73	1,41,173.91	77,653.52	7,18,570.13	1,07,732.47	21,003.26	53.42	1,28,682.30	5,89,887.83	5,47,317.26

(In Lakh)

B) Right of Use:	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Particulars	As at 01.04.2024	Addition durng the year	Deductions / Adjustments	As at 31.03.2025	As at 01.04.2024	Addition durng the year	Deductions / Adjustments	As at 31.03.2025	As at 31.03.2025	As at 31.03.2024
Building	1,211.10	200.23	132.43	1,278.91	662.61	252.29	-	914.90	364.00	548.49
Land	31.31	-	-	31.31	1.04	0.35	-	1.39	29.92	30.27
Total (B)	1,242.41	200.23	132.43	1,310.22	663.65	252.64	-	916.29	393.93	578.76
Grand Total (A+B)	6,56,292.14	1,41,374.15	77,785.94	7,19,880.35	1,08,396.12	21,255.90	53.42	1,29,598.59	5,90,281.75	5,47,896.02

Himachal Pradesh Power Corporation Limited

Standalone
Note No 2.2.1
Capital work in progress
as at March 31,2024

(In Lakh)

Particulars		As at April 1, 2024	Additions During the Year	Transfers/ Adjustment	Total CWIP as at March 31,2025	Capitalised During the Year	As at March 21,2025
Residential Buildings		-	-		-	-	-
Non Residential Buildings		17.54	5.05		22.59	10.79	11.80
Roads, Bridges & Culverts		662.93	194.25		857.17		857.17
Civil Works		1,19,716.83	40,031.96		1,59,748.79	3,131.79	1,56,617.00
Electro-Mechanical Works		58,487.25	27,901.27		86,388.51	34,472.86	51,915.66
Construction Power		78.53	0.41		78.94		78.94
Environment & R&R Expenses		49.20	227.95		277.15		277.15
Plant & Machinery		7.54	-		7.54	-	7.54
Land Submerged Area		-			-		-
Investigation & Survey		-			-		-
AUC Office Items		0.84			0.84		0.84
Expenditure during construction		2,19,967.35	27,155.08		2,47,122.43	3,004.06	2,44,118.37
Lada		309.00	309.00		618.00		618.00
-					-		-
IndAS Adjustment		2.41		2.41	-		-
Total		**3,99,299.42**	**95,824.96**	**2.41**	**4,95,121.97**	**40,619.50**	**4,54,502.46**

(Rs. In Lakh)

Particulars		As at April 1, 2023	Additions During the Year	Transfers/ Adjustment	Total CWIP as at March 31,2024	Capitalised During the Year	As at March 21,2024
Residential Buildings		-			-		-
Non Residential Buildings		184.35	5.74		190.10	172.56	17.54
Roads, Bridges & Culverts		856.06	32.59		888.66	225.73	662.93
Civil Works		99,226.31	20,490.53		1,19,716.83		1,19,716.83
Electro-Mechanical Works		36,118.07	22,369.17		58,487.25		58,487.25
Construction Power		73.97	4.56		78.53		78.53
Environment & R&R Expenses		10.49	38.70		49.20		49.20
Plant & Machinery		7.54			7.54		7.54
Land Submerged Area		-			-		-
Investigation & Survey		-			-		-
AUC Office Items		0.84			0.84		0.84
Expenditure during construction		1,87,366.77	32,600.58		2,19,967.35		2,19,967.35
Lada			309.00		309.00		309.00
		-					
IndAS Adjustment		2.41			2.41		2.41
Total		3,23,846.82	75,850.88		3,99,697.70	398.28	3,99,299.42

Capital Work In Progress(aging Schedule)
as at March 31,2025

	Less Then One Year	1-2 Years	2-3 Years	More then 3 Years	Total
Projects in Progress	55,205.46	75,452.60	1,03,236.38	2,20,608.03	4,54,502.46
Projects Temporary suspended					
	55,205.46	75,452.60	1,03,236.38	2,20,608.03	4,54,502.46

	Less Then One Year	1-2 Years	2-3 Years	More then 3 Years	Total
as at March 31,2024					
Projects in Progress	75,452.60	1,03,236.38	27,588.00	1,93,022.45	3,99,299.42
Projects Temporary suspended					
	75,452.60	1,03,236.38	27,588.00	1,93,022.45	3,99,299.42

Note No 2.2.2

HIMACHAL PRADESH POWER CORPORATION LIMITED						
						Amount in Lakh
Expenditure During Construction	Note No.	As at 31.03.2024	Addition during 24-25	Deletion during 24-25	Net Adj. During 24-25	As at 31.03.2025
EXPENSES (A):						
Employees' Benefits Expenses	2.2.2.1	74,624.46	6,575.32	-	6,575.32	81,199.78
Finance/Interest Cost	2.2.2.2	48,247.80	12,751.62	-	12,751.62	60,999.42
Depreciation Expenses	2.2.2.3	2,644.97	489.40	-	489.40	3,134.37
Office and Administrative Expenses	2.2.2.4	1,09,532.80	7,339.61	(1,751.65)	5,587.97	1,15,120.77
TOTAL (A)		**2,35,050.03**	**27,155.96**	**(1,751.65)**	**25,404.31**	**2,60,454.34**
Less: Miscellaneous Income	2.2.2.5	(15,082.68)	(0.88)	(1,252.41)	(1,253.29)	(16,335.97)
Less: Renukaji & Gyspa Project Depreciation adjusted against Capital Reserve		-	-	-	-	-
NET EXPENDITURE (B) (Carried forward to CWIP)		**2,19,967.35**	**27,155.08**	**(3,004.06)**	**24,151.02**	**2,44,118.37**

Note No 2.2.2.1

EMPLOYEE BENEFITS EXPENSES (Expenditure During Construction):

Amount in Lakh

PARTICULARS	As at 31.03.2025	Addition during 24-25	Deletion during 24-25	Net During 2024-25	As at 31.03.2024
Salaries, Wages, Allowances and Benefits	74,282.62	6,293.55		6,293.55	67,989.07
Contribution to Provident and Other Funds	1,171.97	84.84		84.84	1,087.13
Leave Salary and Pension Contribution	4,013.70	48.79		48.79	3,964.91
Travelling Exp.	486.74	27.23		27.23	459.51
Medical Exp.	669.53	42.79		42.79	626.74
Welfare Expenses	575.21	78.12		78.12	497.09
TOTAL	**81,199.78**	**6,575.32**	-	**6,575.32**	**74,624.46**

Note No 2.2.2.2

FINANCE/INTEREST COST (Expenditure During Construction):

Amount in Lakh

PARTICULARS	As at 31.03.2025	Addition during 24-25	Deletion during 24-25	Net During 2024-25	As at 31.03.2024
Interest on Term Loans	60,680.63	12,494.30		12,494.30	48,186.33
Bank Charges/LC Charges	44.61	2.18		2.18	42.43
Others-FBT/Service Tax Interest	274.18	255.14		255.14	19.04
TOTAL	**60,999.42**	**12,751.62**	-	**12,751.62**	**48,247.80**

Note No 2.2.2.3

DEPRECIATION EXPENSES:

Amount in Lakh

PARTICULARS	As at 31.03.2025	Addition during 24-25	Deletion during 24-25	Net During 2024-25	As at 31.03.2024
Depreciation for the year (Transferred to Profit & Loss Account)				-	-
Depreciation for the year (Transferred to Expenditure During Construction)	3,134.37	489.40	0.00	489.40	2,644.97
TOTAL	**3,134.37**	**489.40**	**0.00**	**489.40**	**2,644.97**
Depreciation written off from Capital Reserve				-	

Note No 2.2.2.4

OFFICE AND ADMINISTRATIVE EXPENDITURE (Projects Incidental Expenditure):

Amount in Lakh

PARTICULARS	As at 31.03.2025	Addition during 24-25	Deletion during 24-25	Net During 2024-25	As at 31.03.2024
Repairs and Maintenance Vehicle	157.90	11.74	0.00	11.74	146.16
Repairs and Maintenance Office Furniture & Equipr	128.52	8.86	0.00	8.86	119.67
Repairs and Maintenance Plant and Machinery	134.78	1.20	0.00	1.20	133.57
Repairs and Maintenance Buildings	754.76	40.83	0.00	40.83	713.93
Repairs and Maintenance Others	62.59	11.60	0.00	11.60	50.99
Office & Administration Expenses	41.83	0.00	0.00	0.00	41.83
Hospitality and Entertainment Expenses	214.54	17.39	0.00	17.39	197.15
Meeting Expenses	96.42	7.93	0.00	7.93	88.49
Misc. Expenses	143.99	2.14	0.00	2.14	141.85
Communication Expenses	846.81	47.03	0.00	47.03	799.78
Rent, Rates and Taxes	2,328.95	85.19	0.00	85.19	2,243.76
Consultancy Fees	960.30	44.98	0.00	44.98	915.32
Annual Technical Support-SAP/ AMC	3,974.22	226.70	0.00	226.70	3,747.52
Vehicle Running Charges & Insurance Charges	401.80	22.08	0.00	22.08	379.72
Hired Vehicle Expenses	2,996.19	323.01	0.00	323.01	2,673.17
Training & Seminar	355.37	44.67	0.00	44.67	310.71
Fees & Subscription	50.96	2.24	0.00	2.24	48.72
Electricity & Water Expenses	557.91	35.54	0.00	35.54	522.36

Printing & Stationary	378.13	36.62	0.00	36.62	341.51
Books, Periodicals & Newspapers	90.50	4.80	0.00	4.80	85.70
Freight & Labour Charges	53.51	1.67	0.00	1.67	51.84
Insur[illegible]	54.54	2.50	0.00	2.50	52.03
Raising Day Expense	33.31	0.00	(0.05)	(0.05)	33.36
Legal & Professional Charges	563.70	63.72	0.00	63.72	499.98
Postage & Telegram Expenses	34.11	1.21	0.00	1.21	32.91
Publicity & Advertisement Expenditure	381.62	24.13	0.00	24.13	357.49
Expenditure on Transit Camps/Guest House	54.70	4.70	0.00	4.70	50.00
Business Promotion Expenses	272.13	7.37	0.00	7.37	264.76
Power/ Water Park	42.79	0.00	0.00	0.00	42.79
Foreign Exchange Variation Cost	55.36	0.00	0.00	0.00	55.36
Land Acquisition Expenses	32.54	21.47	0.00	21.47	11.07
LADA	4,994.81	0.00	(0.25)	(0.25)	4,995.06
Relief and Rehabilitation Costs	8,208.17	94.74	0.00	94.74	8,113.43
Environmental and Ecology exp.	68,826.34	222.37	0.00	222.37	68,603.97
Expenditure on Enabling Assets	51.24	0.00	0.00	0.00	51.24
CAT Plan	8,053.62	94.00	0.00	94.00	7,959.62
Study and Research	49.76	0.00	0.00	0.00	49.76
Survey & Investigation	24,515.69	279.15	0.00	279.15	24,236.54
Construction Power HPSEBL 1-8-1	1,068.04	819.32	0.00	819.32	248.72
Environment Management Plan	4,708.36	3,586.28	0.00	3,586.28	1,122.08
Fuel expenses Data Centre	44.66	35.54	0.00	35.54	9.11
Gift & Presentation A/c (Pending Allocation)	3.39	0.00	0.00	0.00	3.39
Honorarium & Stipend	225.70	0.00	0.00	0.00	225.70
Incidental expenses-Power Water & parks	(42.53)	0.00	0.00	0.00	(42.53)
OUTSOURCED MANPOWER EXPENSES (Pendir	6,737.79	982.63	0.00	982.63	5,755.16
Retain earning Adjustment unto FY 2014	2,847.95	0.00	0.00	0.00	2,847.95
SAFETY RELATED EXPENSES	0.22	0.00	0.00	0.00	0.22
Hydraulic and numerical Model	32.08	0.00	0.00	0.00	32.08
Winter Heating Exp. (Pending Allocation)	99.34	5.82	0.00	5.82	93.52
Wages (Daily paid staff) (PROJECT)	4.57	0.00	0.00	0.00	4.57
Remuneration to Auditors	35.95	1.88	0.00	1.88	34.07
Consumables Stores	117.37	6.02	0.00	6.02	111.35
Transmission lines	24.00	12.00	0.00	12.00	12.00
Common Cost (HO & SNR)	(16,558.66)	0.00	(882.35)	(882.35)	(15,676.31)
Fisheries Management	(42.51)	0.00	0.00	-	(42.51)
Preliminary Expenses	11.91	0.00	0.00	0.00	11.91
Pre- construction & Construction stage Expenses	(1.41)	0.00	(7.93)	(7.93)	6.52
Incidental exp after COD(proportion)Stage-1 2017-	(0.98)	0.00	0.00	0.00	(0.98)
Incidental exp Before COD Stage-1	(8,152.73)	0.00	0.00	0.00	(8,152.73)
Expenditure related to previous year	46.74	0.00	0.00	0.00	46.74
AUC-Amount Settlement	(1,114.03)	0.00	(861.07)	(861.07)	(252.96)
AUC incidental investment clearing account	(6,041.42)	0.00	0.00	-	(6,041.42)
Financial Charges on lease	9.30	0.48	0.00	0.48	8.81
Interest/Penalty	0.33	0.00	0.00	0.00	0.33
E & M Letter of credit Charges	8.88	6.70	0.00	6.70	2.18
Loss on sale of assets	1.36	0.00	0.00	0.00	1.36
Pekhubella SPP	0.95	0.00	0.00	0.00	0.95
S&I WORK	91.36	91.36	0.00	91.36	0.00
Generation of DPR	0.22	0.00	0.00	0.00	0.22
TOTAL	**1,15,120.60**	**7,339.61**	**(1,751.65)**	**5,587.97**	**1,09,532.63**

Note No 2.2.2.5

Miscellaneous Income Transferred to Expenditure During Construction:

Amount in Lakh

PARTICULARS	**As at 31.03.2025**	**Addition during 24-25**	**Deletion during 24-25**	**Net During 2024-25**	**As at 31.03.2024**
Interest from Banks Deposits/FDR's	(2,197.35)	(0.88)		(0.88)	(2,196.47)
Income from Providing design work/Lab Receipts	0.00	0.00		0.00	0.00
Interest from Employees	0.00	0.00		0.00	0.00
House Rent Collection from employees/Other recov	0.00	0.00		0.00	0.00
Infirm Sale or Power	(16.82)	0.00		0.00	(16.82)
Interest on Tax Refunds	0.00	0.00		0.00	0.00
Income from sale of tender forms	(0.87)	0.00		0.00	(0.87)
Income from Contractors	0.00	0.00		0.00	0.00
Income from Transit Camp/Guest House	0.00	0.00		0.00	0.00
Gain on sale of Assets	(1.16)	0.00		0.00	(1.16)
Miscellaneous Receipts	(14119.77)	-	(1252.41)	(1252.41)	(12867.35)
TOTAL	**(16335.97)**	**(0.88)**	**(1252.41)**	**(1253.29)**	**(15082.68)**

HIMACHAL PRADESH POWER CORPORATION LIMITED

Note 2.3.1
Standalone
Investment Property

As at 31-3-25

(In Lakh)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	NET BLOCK
Particulars	As at 01.04.2024	Addition durng the year	Deductions / Adjustments	As at 31.03.2025	As at 01.04.2024	Addition durng the year	Deductions / Adjustments	As at 31.03.2025	As at 31.03.2025	As at 31.03.2024
Building -Investment	46.91	-	-	46.91	22.68	1.41	-	24.09	22.83	24.24
Total	**46.91**	-	-	**46.91**	**22.68**	**1.41**	-	**24.09**	**22.83**	**24.24**

As at 31-3-24

(In Lakh)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	NET BLOCK
Particulars	As at 01.04.2023	Addition durng the year	Deductions / Adjustments	As at 31.03.2024	As at 01.04.2023	Addition durng the year	Deductions / Adjustments	As at 31.03.2024	As at 31.03.2024	As at 31.03.2023
Building -Investment	46.91	-	-	46.91	21.26	1.41	-	22.68	24.24	25.65
Total	**46.91**	-	-	**46.91**	**21.26**	**1.41**	-	**22.68**	**24.24**	**25.65**

Himachal Pradesh Power Corporation Limited

Standalone

Sub Note No 2.4.1 Other Intangible Assets

(In Lakh)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Particulars	As at 01.04.2024	Addition durng the year	Deductions / Adjustments	As at 31.03.2025	As at 01.04.2024	Addition durng the year	Deductions / Adjustments	As at 31.03.2025	As at 31.03.2025	As at 31.03.2024
Software	128.13	175.25	-	303.38	74.16	67.53	-	141.69	161.69	53.97
Total	128.13	175.25	-	303.38	74.16	67.53	-	141.69	161.69	53.97

(In Lakh)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Particulars	As at 01.04.2023	Addition durng the year	Deductions / Adjustments	As at 31.03.2024	As at 01.04.2023	Addition durng the year	Deductions / Adjustments	As at 31.03.2024	As at 31.03.2024	As at 31.03.2023
Software	101.42	26.71	-	128.13	58.84	15.32	-	74.16	53.97	42.58
Total	101.42	26.71	-	128.13	58.84	15.32	-	74.16	53.97	42.58

Intangible Assets(aging Schedule)

As at March 31,2025

	Less Then One Year	1-2 Years	2-3 Years	More then 3 Years	Total
Projects in Progress	175.25	26.71	32.29	69.13	303.38
Projects Temporary suspended					
	175.25	26.71	32.29	69.13	303.38

	Less Then One Year	1-2 Years	2-3 Years	More then 3 Years	Total
As at March 31,2024					
Projects in Progress	26.71	32.29	0	69.13	128.13
Projects Temporary suspended					
	26.71	32.29	0	69.13	128.13

Himachal Pradesh Power Corporation Limited

Non Current Assets

2.7 Other Non Current assets

(In Lakh)

	As at March 31,2025	As at March 31,2024
Capital Advances		
Advances to Suppliers and Contractors		
Covered By Bank Guarantee	0.00	0.00
Unsecured Considered Good	7,578.41	1,365.54
Others	0.00	0.00
Loans and Advances to Related Parties		
Unsecured Considered Good	60.50	60.50
Less: Provision for Doubtful Advances	-60.50	-60.50
Advances to Govt Departments	1,359.55	196.18
Advances to Others		
Others- Secured Considered Good	91.45	113.34
Others- Unsecured Considered Good	0.00	0.00
Total Adavnces (A)	**9,029.42**	**1,675.06**
Others		
Recoverable from Contractors		
Others- Secured Considered Good	0.00	0.00
Others- Unseured Considered Good	6,404.07	6,870.30
Recoverable from staff	0.00	0.00
Deposits with Income Tax Authorities	7,730.54	7,584.45
Deposits with Courts	25,384.95	37,303.26
Other Recoverable	19.58	19.20
Interest Recoverable	0.00	0.00
Recoverable From Govt	7,458.78	8,109.63
Capital Stores at Cost		
Other Items		
Grant Receivables- Non Current	75,002.69	67,859.73
Prepaid Expenses	14.43	0.00
Deferred Empoyee Benefits Expense	0.00	0.00
Total - Others (B)	**1,22,015.03**	**1,27,746.58**
Total Other Non- Current Assets (C)=(A+B)	**1,31,044.45**	**1,29,421.64**

Himachal Pradesh Power Corporation Limited

Current Assets

2.8 Inventories

(In Lakh)

Particulars	As at March 31,2025	As at March 31,2024
Inventories	613.30	507.24
Loose Tools	91.70	119.30
Stores and Spares	950.35	804.62
Less : Provision for Shortage of store and Obsolescence		
Total	**1,655.35**	**1,431.16**

2.9 Trade Receivables

(In Lakh)

Particulars	As at March 31,2025	As at March 31,2024
Secured Consisdered good		
Unsecured considered good:		
Sale of Power	31,186.86	9,870.97
Others(HPTCL)	23.77	23.77
Total	**31,210.63**	**9,894.74**

2.10 Cash and cash equivalents

(In Lakh)

Particulars	As at March 31,2025	As at March 31,2024
		-
'Term Deposits (having original maturity of upto 3 months)		-
Cash and Bank Balances		
Cash in Hand	0.17	0.07
Stamps in Hand	0.15	0.12
Balance with Banks	-	-
Current Deposits	22,552.29	20,033.79
Term Deposits with maturity upto 3 months	-	-
Total	**22,552.61**	**20,033.99**

2.11 Bank Balance - Other than above

(In Lakh)

Particulars	As at March 31,2025	As at March 31,2024
Earmarked Balance (Unpaid Dividend)	-	-
Margin Money for Pledged Deposits	-	-
Other term Deposits having maturity period of more than 3	323.87	201.20
Margin Money for BG/ Letter of Credit	6,381.97	3,283.29
Total	**6,705.84**	**3,484.49**

2.12 Loans

(In Lakh)

Particulars	As at March 31,2025	As at March 31,2024
Security Deposits		
Secured Considered Good	-	-
Unsecured considered good	-	-
Doubtful		
TDS RECOVERABLE	(1.78)	112.47
Recoverable from Staff	16.90	15.66
Advances to Employees		
Secured considered good	-	-
Unsecured Considered Good	0.25	0.25
Doubtful	-	-
Total Loans	**15.37**	**128.39**

2.13 Other Assets

(In Lakh)

	Particulars	As at March 31,2025	As at March 31,2024
	Interest Accrued but not due on deposits with Banks	5.36	43.71
	Interest recoverable	16.74	8,180.21
	Amount Receivable from Others	44.93	40.33
	Amount Recoverable from Contractor & Suppliers	13,974.10	13,909.19
Less	Provision for Doubtful Recoverable from contractor & suppliers	(13,034.42)	(13,034.42)
	Total Other Financial Asssets	**1,006.71**	**9,139.01**

2.14 Other Current Assets

(In Lakh)

Particulars	As at March 31,2025	As at March 31,2024
Advances Others		
Secured Considered Good	-	-
Unsecured considered good	-	-
Advance to Suppliers and Contractors		
Secured Considered Good	-	-
Unsecured considered good	4,038.51	9,735.63
Advances to Govt Departments		
Secured Considered Good	-	-
Unsecured considered good	758.55	1,266.09
Others		
Prepaid Expenses	1,526.04	946.86
Amount Recoverable from tax authorities	-	-
Deposits with Courts	13,837.58	1,478.70
Other Recoverable	189.52	280.09
Recoverable from Governent	905.26	-
Recv from Rent	0.66	-
Total	**21,256.12**	**13,707.37**

Himachal Pradesh Power Corporation Limited

2.15 Equity Share Capital

	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	Share Capital	No. of Shares	Share Capital
AUTHORISED Equity Shares of par value @ 1000/- each	2,50,00,000	**25,00,00,00,000**	2,50,00,000	**25,00,00,00,000**
ISSUED, SUBSCRIBED AND FULLY PAID UP Equity Shares of par value @ 1000/- each fully paid up	2,34,76,279	23,47,62,79,000	2,34,26,279	23,42,62,79,000
Total		**23,47,62,79,000**		**23,42,62,79,000**

2.15.1 Details of shareholders holding more than 5% shares in the Company :

	Name of the shareholder	As at March 31, 2025		As at March 31, 2024	
		No. of shares	%	No. of shares	%
-30	Government of Himachal Pradesh (GoHP)	1,02,96,991	43.86	1,02,46,991	43.74
	Himachal Pradesh Infrastructre Development Board	1,18,71,507	50.57	1,18,71,507	50.68
-20	Himachal Pradesh Electricity Board Limited	13,07,731	5.57	13,07,731	5.58
		2,34,76,229		**2,34,26,229**	

2.15.2 The reconciliation of the number of shares outstanding is set out below:

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	Share Capital	No. of Shares	Share Capital
Number of shares at the beginning	2,34,26,279	23,42,62,79,000	2,30,24,779	23,02,47,79,000
No. of shares issued during the year	50,000	5,00,00,000	4,01,500	40,15,00,000
No. of shares Bought Back during the year				
Number of shares at the end	**2,34,76,279**	**23,47,62,79,000**	**2,34,26,279**	**23,42,62,79,000**

Himachal Pradesh Power Corporation Limited
Statement of changes in Equity
Standalone
A. Equity Share Capital

(1) For FY 2024-25 (In Lakh)

	Balance as at 1st April, 2024	Changes in equity shares capital due to prior period errors	Restated balance as at 1st April, 2024	Changes in equity shares capital during the year	Balance as at 31st March, 2025
	2,34,262.79		2,34,262.79	500.00	2,34,762.79

(2) For FY 2023-24

	Balance as at 1st April, 2023	Changes in equity shares capital due to prior period errors	Restated balance as at 1st April, 2023	Changes in equity shares capital during the year	Balance as at 31st March, 2024
2.16	2,30,247.79		2,30,247.79	4,015.00	2,34,262.79

B. Other Equity

(1) For FY 2024-25

	Share application on money pending allotment	Equity component of compound financial instrument	Reserve & Surplus: Capital Reserve	Reserve & Surplus: Securities Premium	Reserve & Surplus: Other Reserve (Specify nature)	Reserve & Surplus: Retained Earning	Debt Instrument through other Compre hensive Income	Equity Instrument through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revalution Surplus	Exchange difference on translating the financial statment	Other items of Other Compr ehensive Income (Specify nature)	Other items of Other Compr ehensive Income (Specify nature)	Total
Balance as on 1st, April, 2024	-					-86,720.92								-86,720.92
Changes in accounting policy or prior period errors						-3.88								-3.880000
Restated balance at the beginning of the current reporting period	-					-86,724.80								-86,724.80
Total comprehensive Income for the current year						432.56								432.56
Dividends														
Transfer to retained earnings														-
Any other change	5,718.00					-5,949.33								-5,949.33 5,718.00
Balance as on 31st March, 2025	5,718.00					-92,241.57								-86,523.57

(2) For FY 2023-24 (In Lakh)

	Share application on money pending allotment	Equity component of compound financial instrument	Reserve & Surplus: Capital Reserve	Reserve & Surplus: Securities Premium	Reserve & Surplus: Other Reserve (Specify nature)	Reserve & Surplus: Retained Earning	Debt Instrument through other Compre hensive Income	Equity Instrument through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revalution Surplus	Exchange difference on translating the financial statment	Other items of Other Compr ehensive Income (Specify nature)	Other items of Other Compr ehensive Income (Specify nature)	Total
Balance as on 1st, April, 2023	1,865.00					-78,207.56								-76,342.56
Changes in accounting policy or prior period errors						-126.79								-126.79
Restated balance at the beginning of the current reporting period						-78,334.36								-78,334.36
Total comprehensive Income for the current year						80.07								80.07
Dividends														
Transfer to retained earnings														-
Any other change	-1,865.00					-8,466.63								-8,466.63 -1,865.00
Balance as on 31st March, 2024	-					-86,720.92								-86,720.92

For and on behalf of the Board of Directors

(Manoj Kumar)
AGM (F & A)

(Sudershan K Sharma)
Company Secretary

(Naresh Thakur)
Director (Finance)

(Abid Hussain Sadiq)
Managing Director

This is the Statement of Changes in Equity referred to our report of even date

FOR N.K Bhargava & Co
Chartered Accounants
FRN: 0000429N

Partner
Membership No:
UDIN:

Himachal Pradesh Power Corporation Limited

Non Current Liabilities

2.17 Borrowings

(In Lakh)

Particulars	As at March 31,2025	As at March 31,2024
Term Loans		
From Banks/Institutions:		
A **Secured**		
From PFC Loan Shongtong	1,23,100.09	40,451.93
Total (A)	**1,23,100.09**	**40,451.93**
B **Unsecured**		
Government of Himachal Pradesh Loan for Shongtong HEP *(Rate of Interest 3.83% p.a. payable in halfyealrly instalments from july 2018 to January 2028)*	2,064.72	3,097.08
Government of Himachal Pradesh Loan for Shongtong HEP *(Rate of Interest 0.75% p.a. payable in halfyealrly instalments from july 2023 to January 2053)*	4,298.93	4,463.93
Government of Himachal Pradesh Loan		
Government of Himachal Pradesh Loan (Trench 1) *(Rate of Interest 10% pa payable in yearly instalments of principal and interest from april 18 to January 2023)*	-	-
Government of Himachal Pradesh Loan (Trench 2) *(Rate of Interest 10% pa payable in yearly instalments of principal and interest from april 18 to January 2025)*	-	-
Government of Himachal Pradesh Loan (Trench 3) *(Rate of Interest 10% pa payable in yearly instalments of principal and interest from april 18 to January 2026)*	-	10,525.98
Government of Himachal Pradesh Loan (Trench 4) *(Rate of Interest 10% pa payable in yearly instalments of principal and interest from april 18 to January 2027)*	3,426.62	6,853.24
Government of Himachal Pradesh Loan (UNSEC.TRM.LOAN HP Govt)	635.00	-
Unsecured Term Loan Chanju-III -AFD *(Rate of Interest 2.39 % pa payable in semi annual instalments for each calendar half year on or before 15th January/ 15th July succeeding half year to which the interest relates)*	4,382.74	4,382.74
Unsecured Term Loan Deothal Chanju- AFD *(Rate of Interest 2.39 % pa payable in semi annual instalments for each calendar half year on or before 15th January/ 15th July succeeding half year to which the interest relates)*	22.21	22.21
Total (B)	**14,830.22**	**29,345.18**
Total Term Loans from Banks (A+B)	**1,37,930.30**	**69,797.11**

2.18 Lease Liabilities

(In Lakh)

	As at March 31,2025	As at March 31,2024
Lease Liabilites -Non Current	388.61	322.97
Total	**388.61**	**322.97**

2.19 Other Financial Liabilities

(In Lakh)

	As at March 31,2025	As at March 31,2024
Deposits, Retention Money from Contractors and Others	7,123.78	4,297.28
Liabiities For Contractors & Suppliers	236.74	-
Provision for Expenses	9,633.34	-
Deferred Repayment of Interest of GOHP Loan	-	-
Liabilities for Government Departments	46,236.04	-
Total	**63,229.90**	**4,297.28**

Himachal Pradesh Power Corporation Limited

Non Current Liabilities

2.20 Provisions

(In Lakh)

Particulars	As at March 31,2025	As at March 31,2024
Unfunded Employee benefit		
Pension Contribution	1234.62	1015.68
Gratuity	2472.90	1929.70
Leave Enchasment	4345.95	4431.94
Provision for Doubtful Investments	-	-
Total	**8053.47**	**7377.32**

2.21 Deferred tax liabilities (Net)

(In Lakh)

Particulars	As at March 31,2025	As at March 31,2024
Deferred Tax Liabilities	-	-
Total	-	-

2.22 Other Non-Current Liabilities

(In Lakh)

Particulars	As at March 31,2025	As at March 31,2024
Capital Grant government of India		
Utilised Grant		
Renuka		
Opening Balance	284878.39	247571.72
Additions during the year	70511.01	37306.61
Less: Acculumated depreciation on fixed Assets	(312.06)	(288.33)
Less: Accumulated Depreciation on Fixed Assets write-off during the year		
Closing Balance	**355077.33**	**284590.00**
Gyspa		
Opening Balance	1290.31	1281.81
Additions during the year	10.44	8.56
Less: Acculumated depreciation on fixed Assets	(50.16)	(46.64)
Closing Balance	**1250.59**	**1243.73**
Total Utilised grant	**356327.93**	**285833.73**

Himachal Pradesh Power Corporation Limited

Current Liabilities

2.23 Borrowings

(In Lakh)

	Particulars	As at March 31,2025	As at March 31,2024
A	**Secured**		
	From Banks		
	'From UCO Bank	-	-
	'From PFC Loan Shongtong	-	-
	From Others		
	From KCCBL	7,966.47	7,684.88
	HPSCBL CCL	18,935.26	17,987.75
B	**Unsecured**		
	Government of Himachal Pradesh Loan (ADB)	2,35,470.82	2,21,718.23
	Government of Himachal Pradesh Loan (KFW)	8,230.06	6,832.69
	Total	**2,70,602.61**	**2,54,223.55**

2.24 Lease Liabilities

(In Lakh)

Particulars	As at March 31,2025	As at March 31,2024
Lease Liabilites	35.13	284.93
Total	**35.13**	**284.93**

2.25 Trade Payables

(In Lakh)

Particulars	As at March 31,2025	As at March 31,2024
Trade Payables	-	-
Total	-	-

2.26 Other Financial Liablities

(In Lakh)

Particulars	As at March 31,2025	As at March 31,2024
Liabilities for employees Remuneration and Benefit	152.10	571.06
Interest Accrued and Due on Loan (ADB & KFW)	2,34,081.14	2,44,679.92
Salary & Other Exps. Payable to Employees	2.58	-
	-	-
Deposits, Retention Money from Contractors and Others	2,454.15	5,077.95
Liabilities for Government Departments	2,520.08	75,902.67
Liabities For Contractors & Suppliers	6,325.71	3,757.91
	-	-
	-	-
Other Liabilities	169.52	1,710.85
Interest Accrued but not due on Loan (PFC)	511.26	70.94
Total	**2,46,216.52**	**3,31,771.28**

2.27 Provisions

(In Lakh)

Particulars	As at March 31,2025	As at March 31,2024
Unfunded Employee benefit		
Pension Contribution	-	-
Gratuity	-	-
Leave Enchasment	-	-
Provision for Expenses	29,016.34	32,670.11
	-	-
Total	**29,016.34**	**32,670.11**

2.28 Other Current Liabilities

Particulars	As at March 31,2025	As at March 31,2024
Advance for deposit Work	89.32	93.39
Provision for Income Tax	0.30	0.30
Taxes and Duties Payable	438.87	304.47
Total	**528.49**	**398.16**

Himachal Pradesh Power Corporation Limited

2.29 Revenue from Operations

(In Lakh)

		For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
	Sales		
	Energy Sales	38,514.77	38,951.59
Less:	Purchase of Power (RTM)	(121.66)	(131.69)
	Total Energy Sale(A)	**38,393.11**	**38,819.90**
	Sale of Services		
	Rent from Property	4.05	5.77
	Total Sale of Services (B)	**4.05**	**5.77**
	Total Revenue from Operations(C)=(A+B)	**38,397.17**	**38,825.67**

2.30 Other Income

(In Lakh)

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Miscellaneous Income	3,358.50	1,611.90
Total	**3,358.50**	**1,611.90**

#Miscellaneous Income		
Income for providing Design works/Lab Receipt	6.15	4.60
Interest from Banks	16.56	5.73
Late Payment Surcharge	3,276.68	1,211.79
Rebate NRLDC Fee Chg	0.07	0.15
Interest on Bank Deposit - FDR's	0.33	0.98
Others	58.70	388.65
Total	**3,358.50**	**1,611.90**

2.31 Employee Benefits Expense

(In Lakh)

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Salaries,Wages, Allowances and Benefits	2,163.90	2,214.59
Contribution to Provident and Other Funds	146.39	145.55
Leave Salary and Pension Contribution *	152.10	158.23
Welfare Expenses	181.28	169.87
Total	**2,643.67**	**2,688.23**

2.32 Finance Costs

(In Lakh)

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Bank Charges	0.00	0.03
Interest on Term Loan	20,006.74	19,640.09
Interest on Other Loan	47.76	521.97
Total	**20,054.50**	**20,162.09**

2.33 Depreciation and Amortization Expense

(In Lakh)

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Depreciation for the Year	21,485.09	20,895.11
Depeciation Charged to Statement of Profit & Loss	**21,485.09**	**20,895.11**

Himachal Pradesh Power Corporation Limited

2.34 Other Expenses
Office and Administrative Expenditure

(In Lakh)

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Repair and Maintenance		
Buildings	98.84	71.01
Roads	170.44	51.83
Plant & Machinery	969.54	1,072.42
Office Equipments & Furnitures	3.58	1.83
Civil Works	465.99	156.28
Vehicles	-	-
TOTAL (A)	**1,708.38**	**1,353.37**
Expenses related to sales of power		
Expenses in relation to sale of power	76.91	718.26
Free Power	92.47	74.13
Rebate to Customers	-	-
TOTAL (B)	**169.38**	**792.39**
Other expenses		
Rent, rates and Taxes	13.80	8.99
Insurance -Other Assets	918.11	818.38
Electricity & Water Charges	36.00	39.37
Travelling & Conveyance	7.60	4.95
Training Expenses	2.19	8.45
Legal and Professional Charges	45.97	66.97
Communication Expenses	10.01	5.50
Printing & Stationery	3.29	12.42
Statutory Audit Fees	7.58	7.86
Consultancy fees	0.77	0.84
Publicity and Advertisement Expenses	4.56	4.21
Hiring of Vehicles	166.00	150.62
Vehicle Running Charges and Insurance Charges	-	0.02
Annual Technical Support- SAP	9.77	4.20
Fees and subscription	39.99	266.25
Expenses on Transit Camps	0.50	0.39
Books & Periodicals	1.47	1.33
Hospitality and Entertainment Expense	1.41	1.65
Freight and Labour Charges	0.12	0.24
Postage and Telegram Expenses	0.17	0.32
Raising Day Expense	24.85	24.37
Meeting Expenses	0.56	1.07
Environment & Ecology Expenses	286.66	428.85
Office Expenses	33.89	40.46
Interest & penalties under I.Tax	0.01	0.08
Loss on Sale of Fixed Assets	2.48	1.87
Miscellaneous Expenses	26.00	19.21
CAT Plan Expenses	-	0.00
Training Expense O&M	-	-
Water Cess	-	1,069.48
Intt../Penalty- Entry	-	-
Prior Period Expense	-	-
TOTAL (C)	1,643.76	2,988.35
GRAND TOTAL (A) + (B) + (C)	**3,521.52**	**5,134.11**

Himachal Pradesh Power Corporation Limited

2.35 Other Comprehensive Income

(In Lakh)

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
A. Items that will not be reclassified to profit & loss		
(ii) Remeasurement of the defined benefit plans	432.56	80.07
Total	**432.56**	**80.07**

2.36 Earning Per Share Basic and Dilluted

(In Lakh)

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Net Profit After Tax	(5,516.77)	(8,386.56)
Weighted Average No. of shares	234.51	234.26
EPS	**(23.52)**	**(35.80)**

B) FAIR VALUATION MEASUREMENT

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

(In Lakh)

	Note no	As at March 31,2025			As at March 31,2024		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets at FVTOCI							
(i) Investments							
-In equity Instrument quoted		-	-	-	-	-	-
- In government Securities		-	-	-	-	-	-
- In public sector undertakings/ Public Financial Institution and Corporate Bonds		-	-	-	-	-	-
Total		-	-	-	-	-	-

(b) Financial Assets/ Liabilities measured at amortised cost for which fair value are not disclosed

(In Lakh)

	Note no	As at March 31,2025			As at March 31,2024		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets							
(i) Loans to employees and Others	2.6/2.12		168			281	
(ii) Other		-	-	-	-	-	-
Bank deposits with more than 12 months maturity		-	-	-	0	-	-
		-	-	-	-	-	-
Total Assets		-	168	-	0	281	-
Financial Liabilities							
(i) Long term Borrowings(including current Maturity and Interest	2.17 /2.26		3,72,523			3,14,548	
(ii) Deposit / Retention Money (Including Current	2.19/2.26	-	9,584	-	-	9,382	-
(iii) Lease Liabilities	2.18 / 2.24		424			608	
Total Liabilities		-	3,82,531	-	-	3,24,538	-
Total		-					

Valuation techniques and process used to determine fair values

(c) Fair Value of financial assets and Liabilities measures at carrying cost

(In Lakh)

	Note No	As at March 31,2025		As at March 31,2024	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets					
(i) Loans to employees and Others	2.6 / 2.12	168	168	281	281
(ii) Other					
Bank deposits with more than 12 months maturity		-	-	-	-
Total Assets		168	168	281	281
Financial Liabilities					
(i) Long term Borrowings (including current Maturity and Interest)	2.17 /2.26	3,72,523	3,72,523	3,14,548	3,14,548
(ii) Deposit / Retention Money (Including Current)	2.19/2.26	9,584	9,584	9,382	9,382
(iii) Lease Liabilities	2.21 and 2.27	424	424	608	608
Total Liabilities		3,82,531	3,82,531	3,24,538	3,24,538

Note No 2.37

Disclosure on Financial Instruments and Risk Management

i) Fair Value Measurement

a) Financial Instruments by Category

(In Lakh)

Particulars	Note no	As at March 31,2025	As at March 31,2024
		Amortised Cost	Amortised Cost
Financial Assets			
Non Current Financial Assets			
(i)Investments	2.5	-	-
(ii)Loans	2.6	153	153
(iii)Others		-	-
Bank Deposits with more than 12 Months Maturity			
Current Financial Assets			
(i)Trade Receivables	2.9	31,211	9,895
(ii)Cash and Cash Equivalents	2.10	22,553	20,034
(iii)Bank Balance other than above	2.11	6,706	3,484
(iv)Loans	2.12	15	128
(v)Other Assets			
Interest Accrued	2.13	5	44
Other Recoverable	2.13	1,001	9,095
Total Financial Assets		**61,644**	**42,833**
Financial Liabilities			
(i)Long Term Borrowings			
a)Term Loans Financial Institutions	2.17	1,23,100	40,452
b)Term Loans from Others	2.17	14,830	29,345
(ii) Lease Liabilities	2.18	389	323
(ii) Deposits / retention non current	2.19	7,130	4,304
Investment Held as Security		(6)	(7)
Current Financial Liabilities			
(iii) Financial Liabilities			
Short Term Borrowings	2.23	26,902	25,673
a)Current Maturity of Term Loans Financial Inst	2.26	511	71
b)Current Maturity of Term Loans other	2.23	2,43,701	2,28,551
c)Lease Liabilities	2.24	35	285
d)Deposit/ retention Money	2.26	2,454	5,078
e)Liability for Employee Benefits	2.26	152	571
f)Other Payables	2.26	2,43,610	3,26,122
Total Financial Liabilities		**6,62,808**	**6,60,768**

Note 2.38 Analytical Ratios

The Following are the analytical ratios for the year ended 31st March 2025 and 31st March 2024

Sr. No.	Particulars	Numerator	Denominator	31st March 2025	31st March 2024	Percentage Variance
1	**Current Ratio**	Current Assets	Current Liabilities	0.15	0.09	65.46
2	**Debt Equity Ratio**	Paid Up debt Capital	Shareholder Equity	0.93	0.47	96.89
3	**Debt Service Coverage Ratio**	Profit before tax+interest+depriciation+execptional items	interest scheduled principal repayments of scheduled borrowings	0.06	0.07	(17.83)
4	**Return on Equity Ratio**	Net Profit for the Year	Average Shareholders Equity	(23.52)	(35.80)	(34.29)
5	**Inventory Turnover ratio**	Revenue from Operations	Average Inventory	24.88	32.57	(23.61)
6	**Trade Receivable Turnover Ratio**	Revenue from Operations	Average Trade Receivables	1.87	7.09	(73.64)
7	**Trade Payable Ratio**	Other Expenses	Average Trade Payables	-	-	-
8	**Net Capital Turnover Ratio**	Revenue from Operations	Net Working Capital	(0.08)	(0.07)	20.20
9	**Net Profit Ratio**	Profit for the Year	Revenue from Operations	-14%	-22%	(33.30)
10	**Return on Capital Employed**	Earnings Before interest, Tax and Exceptional items	Shareholders Equity +Paid up Debt Capital	10%	8%	19.91
11	**Return on Investment**	Income Generated from Investments	Time Weighted average Investments	18%	24%	(25.37)

Disclosure as per Ind AS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors'
(A) Restatement for the year ended 31st March 2024 and as at 1st April 2023

In accodance with Ind AS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 1, 'Presentation of Financial Statements', the Company has retrospectively restated its Balance Sheet as at 31st March 2024 and 1st April 2023 (beginning of the preceding period) and Statement of Profit and Loss and Statement of Cash Flows for the year ended 31st March 2024 for the reasons as stated in the notes below.

Reconciliation of Restated items of Balance Sheet as at 31st March 2024 & 1st April 2023 :

(In Lakh)

Particulars		Note No.	As at March 31,2024			As at April 1, 2023		
			As Previously Reported	IND AS 8 Adjustment	As Restated	As Previously Reported	IND AS 8 Adjustment	As Restated
Capital Work-in-Progress		2.2	3,99,299.42	(0.93)	3,99,300.00	3,23,846.82	1.51	3,23,848.33
Recoverable from Govt Department		2.7	1,29,421.64	0.61	1,29,422.81	1,13,150.51	0.56	1,13,151.07
PPE		2.1	5,47,896.02	(0.01)	5,47,895.98	5,31,943.35	(0.03)	5,31,943.32
Inventories		2.8	1,432.00	(0.84)	1,431.16			
Extract Total				**(1.18)**			**2.04**	
Other Equity		2.16	(86,571.36)	(26.65)	(86,724.80)	(76,342.91)	(126.79)	(76,469.70)
Provision for expenses		2.27	32,670.11	24.84	32,823.78	25,061.70	128.83	25,190.53
Other Financial Liabilities		2.19	4,297.28	0.72	4,298.01			
Other Non Current Liabilities		2.22	2,85,833.67	0.06	2,85,833.73			
Other Financial Liabilities		2.26	3,31,771.43	(0.15)	3,31,771.28			
Extract Total				**(1.18)**			**2.04**	

Reconciliation of Restated items of Sattement of Profit and Loss for the year ended 31st March 2024

Particulars		Note No.	As at March 31,2024		
			As Previously Reported	IND AS 8 Adjustment	As Restated
Depreciation & Amortization Expenses			20,895.11	0.01	20,895.12
Other Expenses			5,134.11	22.76	5,156.87
Profit after Tax					-

Notes:

i) Certain reclassification have been made to the comparative period's financial statements to enhance comparability with the current year's financial statements.

(ii) Financial Risk Management

Financial risk factors:
The Company's principal financial liabilities comprise borrowings, trades and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has advances, trades and other receivables, investments, cash and short-term deposits that arise directly from its operations. The Company's activities expose it to a variety of financial risks:

a) 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) and from its financing activities including deposits with banks and financial institutions.

Risk	Exposure arising From	Measurement	Management
Credit risk	Cash & Cash equivalents, Trade receivables and financial assets measured at amortised cost	Aging analysis	Diversification of bank deposits, credit limits and letter of credit
Liquidity Risk	Borrowings and other facilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market Risk-Interest rate	Long term borrowings at Fixed rates	Sensitivity analysis	Interest rate swaps/change of financer

b) 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.

c) 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 risks: currency rate risk, interest rate risk and other price risks. Financial instruments affected by market risk include loans and borrowings, deposits, investments. Foreign currency risk is the risk that the fair value or future cash flows of financial instrument/advances/retention money 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. This is based on the financial assets and financial liabilities held as at 31st March, 2025 and 31st March, 2024.The Company's policies approved by Board of Directors from time to time.

(A) 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.

a) Trade Receivables:
The Company extends credit to customers in normal course of business. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low; as its customers are mainly State Discoms to whom late payment

surcharge is as per the HPERC regulation. Further, the fact that beneficiaries are primarily State Discoms and considering the historical credit loss experience for trade receivables, the Company does not envisage either impairment in the value of receivables from beneficiaries or loss due to time value of money, due to delay in realization of trade receivables.

b) Financial assets at carrying cost:
The advances to contractors and other recoverable are shown at carrying cost. Management has assessed the past data and does not envisage any probability of default on these loans

c) Financial instruments and cash deposits:
The Company considers factors such as track record, size/net worth of the institution/bank, market reputation and service standards and limits and policies as approved by the Board of Directors to select the banks with which balances and deposits are maintained.

(B) 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. The Company's objective is to maintain an optimum level of liquidity at all times to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its need for funds. The current committed lines of credit 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 head room on its undrawn committed borrowing facilities at all times, so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

Maturities of Financial Liabilities:
The table below provides undiscounted cash flows towards company's financial liabilities into relevant maturity based on the remaining period at the Balance Sheet date to the contractual maturity date. Balance due within 1 year is equal to their carrying balances as the impact of discounting is not significant. (Refer note 2.17, 2.18, 2.19, 2.23, 2.24, 2.26, 2.27 & 2.28).

(Rs. in lakh)

As at 31st March, 2025						
Contractual maturities of financial liabilities	**Note No.**	**Outstanding debt on 31.03.2025**	**With in 1 year**	**More than 1 year and less than 3 years**	**More than 3 years and less than 5 years**	**More than 5 years**
1. Borrowings (Including interest accrued but not due)	2.17, 2.23 & 2.26	6,16,223.59	4,78,928.29	5,822.02	330.68	1,31,142.60
2. Other current & financial liabilities	2.18,2.19, 2.23,2.24,2.26, 2.27 & 2.28	82,965.64	65,971.78	16,993.86	-	-

(Rs. in lakh)

As at 31st March, 2024						
Contractual maturities of financial liabilities	**Note No.**	**Outstanding debt on 31.03.2024**	**Within 1 year**	**More than 1 year and less than 3 years**	**More than 3 years and less than 5 years**	**More than 5 years**
1. Borrowings (Including interest accrued but not due)	2.20, 2.26 & 2.30	5,43,100	4,73,302	20,971	330	48,496
2. Other current & financial liabilities	2.22, 2.26, 2.29 , 2.30 & 2.31	74,440	70,143	4,297	-	-

(C) Market Risk:
The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit and Loss item 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 has taken borrowings from State Government (ADB, KFW, AFD, etc.), only at fixed rate of interest which is not subjected to risks of changes in market interest rates and the same has been shown at carrying value. Further, the company has also taken borrowings from Power Finance Corporation (PFC) at compounding rate of interest.

(Rs. in Lakh)

Particulars	**As At 31st March 2025**	**As At 31st March 2024**
Fixed Rate Borrowings	2,58,531.11	2,57,896.10
Compound Rate Borrowings (PFC)	1,23,100.09	40,451.93

ii) Price Risk: Exposure:
The company has no exposure to price risk as there is no investment in equity shares which are listed in recognised stock exchange and are publicly traded in the stock exchanges.

iii) Foreign Currency Risk: Foreign Currency Risk Exposure:

The company's exposure to foreign currency risk at the end of the reporting period expressed ***(in lacs)*** is as follows:

Particulars	**As At 31st March 2025**			**As At 31st March 2024**		
Foreign Currency	USD	Euro	CHF	USD	Euro	CHF
Financial Assets						
Net Exposure to foreign currency risk -Asset (A)	13.94	(0.56)	0	7.92	0.84	0
Financial Liabilities	0	0	0	0	0	0
Retention Money	0	0	0	0	0	0
Other Payables	0	0	0	0	0	0
Net Exposure to foreign currency risk –Liabilities (B)	0	0	0	0	0	0
Net Exposure to foreign currency risk (A-B)	**13.94**	**(0.56)**	**0**	**7.92**	**0.84**	**0**

The foreign currency risk is only for the foreign currency advances and other liability on account supplier dues and retention money payable to contractors. As per accounting policy of the company, transactions in foreign currency are initially recorded at exchange rate prevailing on the date of transaction. At each Balance Sheet date, monetary items denominated in foreign currency are translated at the exchange rates prevailing on that date. Non-monetary items denominated in foreign currency are reported at the exchange rate prevailing at the date of transaction. Exchange differences arising on translation or settlement of monetary items are recognised in the statement of profit and loss, in the year in which it arises.

(iii) Capital Management

(a) Capital Risk Management:

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern, in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended 31st March, 2025.

The Company monitors capital using gearing ratio, which is net debt divided by total of Capital and Net Debt. The gearing ratios are as follows:

(Rs. In Lakh)

Particulars		**As at 31st March 2025**	**As at 31st March 2024**
a)	**Loans and Borrowings**	4,08,532.91	3,24,020.66
b)	**Trade and Other Payables**	7,03,407.78	6,62,502.28
c)	**Less: Cash and Cash Equivalents**	22,552.61	20,033.99
d)	**Net Debt**	**10,89,388.08**	**9,66,488.95**
e)	**Total Capital**	1,48,239.22	1,47,537.99
f)	**Capital and Net Debt**	**12,37,627.30**	**11,14,026.94**
g)	**Gearing Ratio (%age)**	**88.02**	**86.76**

Note: For the purpose of the Company's capital management, capital includes issued capital, and all other equity reserves. Net debt includes, interest bearing loans and borrowings, trade and other payables less cash and short term deposits.

(b) Loan Covenants:
Under the terms of the major borrowing facilities, the company is required to comply with the following financial covenants:-

There is requirement to maintain Debt Equity ratio of 28:72 in case of World Bank (H.P Power Sector Development Program) and 80:20 by the AFD & PFC which are the funding agencies to the State Government.

(c) Dividends:
The Company started commercial operation during the year 2016-17 and total cumulative loss as on 31.03.2025 is Rs. 86,523.57 lakh, thus no dividend has been declared by the company.

Other Explanatory Notes to Accounts:

2.41 Contingent Liabilities:

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

(i) Capital works:

Contractors have lodged claims as on 31.3.2025, aggregating to approx. Rs. 59561.24 lakh, against the Company on account of rate & quantity deviation, cost relating to extension of time and 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/other Courts.

(ii) Land Compensation cases:

In respect of land acquired for the projects, some of the land losers have filed claims for higher compensation amounting to Rs. 29369.50 lakh as on 31.03.2025, before various authorities/courts. Company has shown the same as contingent liability as the matter is subjudice.

(iii) Others:

Claims on account of other matters as on 31.03.2025 amounting to Rs. 5973.04 lakh are mainly on account of claims for EPF, diversion of land & building etc.

		(Rs. In Lakh)
Particulars	**31st March 2025**	**31st March 2024**
Capital Works	59561.24	74606.98
Land Compensation	29369.50	20836.06
Others	5973.04	5663.07
Total	**94903.78**	**101106.11**

The above is summarized below as at 31.03.2025:

(Rs. In Lakh)

Particulars	Claims as on 31.3.2025	Provision Against the Claims	Contingent Liablility as on 31.3.2025	Contigent Liability as on 31.3.2024	Addition /deletion of Contigent Liability for the period
Capital Works	59,561.24	0	59,561.24	74,606.98	-15,045.74
Land Compensation	29,369.50	0	29,369.50	20,836.06	8,533.44
Others	5,973.04	0	5,973.04	5,663.07	309.97

The above is summarized below as at 31.03.2024:

(Rs. In Lakh)

Particulars	**Claims as on 31.3.2024**	**Provision Against the Claims**	**Contingent Liablility as on 31.3.2024**	**Contigent Liability as on 31.3.2023**	**Addition /deletion of Contigent Liability for the period**
Capital Works	74,606.98	0	74,606.98	91,440.77	-16,833.79
Land Compensation	20,836.06	0	20,836.06	76,100.36	-55,264.30
Others	5,663.07	0	5,663.07	4,875.96	787.11

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

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

(c) The company's management does not expect that the above claims/obligations (including under litigation), when ultimately concluded and determined, will have a material effect on the company's results of operations or financial condition, however, which shall be claimed in Tariff Petition as additional capital expenditure and will be recovered through PPA already done

2.42 Detail of Contingent Assets: **(Rs. In Lakh)**

Particulars	**As At 31st March 2025**	**As At 31st March 2024**
Civil Work and E & M works	54,110.67	54,110.50

2.43 Estimated amount of commitments not provided for is as under: **(Rs. In Lakh)**

Particulars	**Currency**	**As At 31st March 2025**	**As At 31st March 2024**
Estimated amount of contracts remaining to be executed on capital account and not provided for	INR	1,27,096.76	1,18,267.97
	Euro	53.19	54.15
	US$	1.68	6.33

2.44 The effect of foreign exchange fluctuation during the year is as under:

(Rs. In Lakh)

Sr. No.	**Particulars**	**Year ended 31.3.2025**	**Year ended 31.3.2024**
(i)	Amount Charged to Statement of Profit and Loss Account excluding depreciation	**13.38**	**9.68**
(ii)	Amount Charged to Expenditure attributable to construction	**Nil**	**Nil**
(iii)	Amount adjusted by addition to the carrying amount of fixed Assets	**Nil**	**Nil**

2.45 Disclosure under the provisions of IND-AS-19 'Employee Benefits': General description of various defined employee benefits are as under:

(a) Defined Contribution plans:

(i) Pension:

The Company employees are not covered under any Government pension scheme. However, the employees of the HPSEBL who are on secondment basis with the company the pension contribution is payable to the HPSEBL.

b) Defined Benefit plans:

(i) Employers contribution to Provident Fund:

The employees of the company are covered under EPF Scheme with Regional Provident Commissioner and the contribution is being paid on monthly basis to the authorities.

(ii) Gratuity:

The liability of the same is recognised on the basis of actuarial valuation. However the employees of the HPSEBL who are on secondment basis with the company the gratuity contribution is payable to the HPSEBL.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at balance sheet date:

2.1 (a): Table Showing Changes in Present Value of Obligations:

(In INR)

Period	From: 01-04-2024 To: 31-03-2025
Present value of the obligation at the beginning of the period	19,29,70,350
Interest cost	1,39,51,756
Current service cost	1,89,37,077
Past Service Cost	0
Benefits paid (if any)	(24,49,958)
Actuarial (gain)/loss	2,38,80,800
Present value of the obligation at the end of the period	24,72,90,025

2.2: Key results (The amount to be recognized in the Balance Sheet):

Period	As on: 31-03-2025
Present value of the obligation at the end of the period	24,72,90,025
Fair value of plan assets at end of period	0
Net liability/(asset) recognized in Balance Sheet and related analysis	24,72,90,025
Funded Status - Surplus/ (Deficit)	(24,72,90,025)

2.3 (a): Expense recognized in the statement of Profit and Loss:

Period	From: 01-04-2024 To: 31-03-2025
Interest cost	1,39,51,756
Current service cost	1,89,37,077
Past Service Cost	0
Expected return on plan asset	(0)
Expenses to be recognized in P&L	3,28,88,833

2.3 (b): Other comprehensive (income) / expenses (Remeasurement)

Period	From: 01-04-2024 To: 31-03-2025
Cumulative unrecognized actuarial (gain)/loss opening. B/F	0
Actuarial (gain)/loss - obligation	2,38,80,800
Actuarial (gain)/loss - plan assets	0
Total Actuarial (gain)/loss	2,38,80,800
Cumulative total actuarial (gain)/loss. C/F	2,38,80,800

2.3 (c): Net Interest Cost

Period	From: 01-04-2024 To: 31-03-2025
Interest cost on defined benefit obligation	1,39,51,756
Interest income on plan assets	0
Net interest cost (Income)	1,39,51,756

3.1: Summary of membership data at the date of valuation and statistics based thereon:

Period	As on: 31-03-2025
Number of employees	363
Total monthly salary	3,65,88,570
Average Past Service(Years)	11.1
Average Future Service (yrs)	17.5
Average Age(Years)	40.5
Weighted average duration (based on discounted cash flows) in years	14
Average monthly salary	1,00,795

3.2: Actuarial assumptions provided by the company and employed for the calculations are tabulated:

Discount rate	6.80 % per annum
Salary Growth Rate	6.00 % per annum
Mortality	IALM 2012-14
Attrition / Withdrawal Rate (per Annum)	3.00% p.a.(18 to 30 Years)
Attrition / Withdrawal Rate (per Annum)	2.00% p.a. (30 to 44 Years)
Attrition / Withdrawal Rate (per Annum)	1.00% p.a. (44 to 58 Years)

3.3: Benefits valued:

Normal Retirement Age	58 Years
Salary	Last drawn qualifying salary
Vesting Period	5 Years of service
Benefits on Normal Retirement	15/26 * Salary * Past Service (yr).
Benefit on early exit due to death and disability	As above except that no vesting conditions apply
Limit	2000000.00

3.4: Current Liability (*Expected payout in next year as per schedule III of the Companies Act, 2013) :

Period	As on: 31-03-2025
Current Liability (Short Term)*	81,66,166
Non Current Liability (Long Term)	23,91,23,859
Total Liability	24,72,90,025

3.5: Effect of plan on entity's future cash flows

3.5 (a): Funding arrangements and funding policy

Not Applicable

3.5 (b): Expected contribution during the next annual reporting period

The Company's best estimate of Contribution during the next year	2,04,05,191

3.5 (c): Maturity profile of defined benefit obligation: Weighted Average

Weighted average duration (based on discounted cash flows) in years	14

3.5 (d): Maturity Profile of Defined Benefit Obligation: Maturity analysis of benefit obligations.

01 Apr 2025 to 31 Mar 2026	81,66,166
01 Apr 2026 to 31 Mar 2027	49,84,140
01 Apr 2027 to 31 Mar 2028	73,14,090
01 Apr 2028 to 31 Mar 2029	74,34,347
01 Apr 2029 to 31 Mar 2030	81,23,204
01 Apr 2030 Onwards	21,12,68,078

3.6: Sensitivity Analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Period	As on: 31-03-2025
Defined Benefit Obligation (Base)	24,72,90,025 @ Salary Increase Rate : 6%, and discount rate :6.8%
Liability with x% increase in Discount Rate	22,09,42,780; x=1.00% [Change (11)%]
Liability with x% decrease in Discount Rate	27,81,19,812; x=1.00% [Change 12%]
Liability with x% increase in Salary Growth Rate	27,80,56,486; x=1.00% [Change 12%]
Liability with x% decrease in Salary Growth Rate	22,05,27,032; x=1.00% [Change (11)%]
Liability with x% increase in Withdrawal Rate	24,89,37,335; x=1.00% [Change 1%]
Liability with x% decrease in Withdrawal Rate	24,54,39,048; x=1.00% [Change (1)%]

(iii) Leave encashment:

The liability of the leave encashment is recognised on the basis of actuarial valuation. However the employees of the HPSEBL who are on secondment basis with the company, the leave salary contribution is payable to the HPSEBL as per the formula devised by them.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the Leave encashment plan and the amounts recognized in the Company's financial statements as at balance sheet date:

2.1 (a): Table Showing Changes in Present Value of Obligations:

Period	From: 01-04-2024 To: 31-03-2025
Present value of the obligation at the beginning of the period	25,89,00,321
Interest cost	1,87,18,493
Current service cost	1,85,88,656
Benefits paid (if any)	(14,96,588)
Actuarial (gain)/loss	(5,02,52,595)
Present value of the obligation at the end of the period	24,44,58,287

2.2: Key results (The amount to be recognized in the Balance Sheet):

Period	As on: 31-03-2025
Present value of the obligation at the end of the period	24,44,58,287
Fair value of plan assets at end of period	0
Net liability/(asset) recognized in Balance Sheet and related analysis	24,44,58,287
Funded Status - Surplus/ (Deficit)	(24,44,58,287)

2.3 (a): Expense recognized in the statement of Profit and Loss:

Period	From: 01-04-2024 To: 31-03-2025
Interest cost	1,87,18,493
Current service cost	1,85,88,656
Expected return on plan asset	(0)
Net actuarial (gain)/loss recognized in the period	(5,02,52,595)
Expenses to be recognized in P&L	(1,29,45,446)

3.1: Summary of membership data at the date of valuation and statistics based thereon:

Period	As on: 31-03-2025
Number of employees	363
Total monthly salary	3,65,88,570
Average Past Service(Years)	11.1
Average Future Service (yrs)	17.5
Average Age(Years)	40.5
Total Leave With Cap/Without Cap	68,759/69,246
Total CTC / Availment Rate	3,65,88,570 / 3%
Weighted average duration (based on discounted cash flows) in years	14
Average monthly salary	1,00,795

3.2: Actuarial assumptions provided by the company and employed for the calculations are tabulated:

Discount rate	6.80 % per annum
Salary Growth Rate	6.00 % per annum
Mortality	IALM 2012-14
Attrition / Withdrawal Rate (per Annum)	3.00% p.a.(18 to 30 Years)
Attrition / Withdrawal Rate (per Annum)	2.00% p.a. (30 to 44 Years)
Attrition / Withdrawal Rate (per Annum)	1.00% p.a. (44 to 58 Years)

3.3: Benefits valued:

Normal Retirement Age	58 Years
Salary	As per rules of the company
Benefits on Normal Retirement	1/30 * Salary * Number of leaves.
Benefit on early exit	As above, subject to rules of the company.
Benefit on death	As above, subject to rules of the company.

3.4: Current Liability (*Expected payout in next year as per schedule III of the Companies Act, 2013) :

Period	As on: 31-03-2025
Current Liability (Short Term)*	78,11,371
Non Current Liability (Long Term)	23,66,46,916
Total Liability	24,44,58,287

3.5: Sensitivity Analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Period	As on: 31-03-2025
Defined Benefit Obligation (Base)	24,44,58,287
Liability with x% increase in Discount Rate	21,85,75,679; x=1.00% [Change (11)%]
Liability with x% decrease in Discount Rate	27,47,42,646; x=1.00% [Change 12%]
Liability with x% increase in Salary Growth Rate	27,46,80,330; x=1.00% [Change 12%]
Liability with x% decrease in Salary Growth Rate	21,81,66,780; x=1.00% [Change (11)%]
Liability with x% increase in Withdrawal Rate	24,61,31,660; x=1.00% [Change 1%]
Liability with x% decrease in Withdrawal Rate	24,25,88,501; x=1.00% [Change (1)%]

2.46 Segment information:

a) Operating Segments are defined as components of an enterprise for which financial information is available that is evaluated regularly by the Management in deciding how to allocate resources and assessing performance.

b) Electricity generation is the principal business activity of the Company. Other operations viz., Lab Testing does not form a reportable segment as per the Ind AS 108 on 'Segment Reporting'.

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

d) **Information about major customers:**

(Rs. In Lakh)

Sr. No	**Name of Customer**	**Revenue from Customers**	**Revenue from Customers**	**Revenue from Customers as %age of revenue**	
		2024-25	**2023-24**	**2024-25**	**2023-24**
1	**HPSEB Ltd.**	**34130.00**	**29899.76**	**81.68**	**76.64**
2	**M/s TPTCL & PTC**	**7654.00**	**9052.24**	**18.32**	**23.36**
	Total Revenue	**41784.00**	**38952.00**	**100**	**100**

2.47 Information on 'Related Party Disclosures' as per Ind AS 24 is as under:

(a) List of Related Parties:

(i) Directors & Key Management Personnel:

Name	Designation	Period/Duration (w.e.f.)
Sh. Harikesh Meena, IAS	Managing Director	04.02.2023 to 19.03.2025
Sh. Rakesh Kumar Prajapati, IAS		20.03.2025 to 27.04.2025
Sh. Abid Hussain Sadiq Bhat, IAS		30.04.2025 and continuing
Sh. Shivam Pratap Singh, IAS	Director (Personnel & Finance)	04.07.2023 to 08.04.2025
Sh. Naresh Thakur, HAS		08.04.2025 and continuing
Sh. Surender Kumar	Director (Civil)	22.07.2021 and continuing
Sh. Desh Raj	Director (Electrical)	28.11.2023 to 23.07.2025
Sh. Maneesh Mahajan		26.06.2025 and continuing
Sh. Sudershan Kumar Sharma	Company Secretary	07.08.2008 and continuing

(ii) Joint Ventures:

Name of Entity	Principal Place of operation	Principal Activities	Percentage of Shareholding/ voting Power	
			As At 31st March 2025	As At 31st March 2024
Himachal EMTA Power Limited	Kolkata	Thermal Power Generation	50%	50%

(iii)Transactions with the related parties are as follows: (Rs. In Lakh)

Particulars	Joint Venture Companies	
Transactions During the Year	2024-25	2023-24
Investment in Share Capital	-	-
Share Application Money	-	-
Amount Recoverable	-	-

2.48 Remuneration to Directors and Key Managerial Personnel:

(Rs. In Lakh)

Sr. No.	Particulars	Year ended on 2024-25	Year ended on 2023-24
(i)	Short Term Employee Benefits	105.89	56.56
(ii)	Post Employment Benefits	Nil	Nil
(iii)	Other Long Term Benefits	Nil	Nil
(iv)	Termination Benefits	Nil	Nil
	Total	105.89	**56.56**

Whole Time Directors are allowed to the use of staff cars including private journeys on payment in accordance with company rules. Remuneration shown above includes value of perquisite on account of leased accommodation.

2.49 Interest in Other Entities:

Interest in joint ventures:
(i) Himachal EMTA

The company's interest in joint ventures as at 31st March, 2025 are set out below, which in the opinion of the management, are material to the company. The entities listed below have share capital consisting solely of equity shares, which are held directly by the company. The country of incorporation of Company or registration is also their principal place of business and the proportion of ownership interest is the same as the proportion of voting rights held:

(Rs. In Lakh)

Name of Entity and place of Business	% of ownership Interest	Relation-ship	Accounting Method	Quoted Fair value		Carrying Amount	
				31st March 2025	31st March 2024	31st March 2025	31st March 2024
Himachal EMTA Power Limited	50	Joint Venture	Equity Method	*	*	*	*

* Unlisted Entity- no quoted Price available

** The Company has made provision of doubtful investments amounting to Rs. 338 lakhs in the F.Y. 2017-18.The same has been approved in 61st BoD meeting vide agenda item no. 61.27 dated 13.09.2017.

- The Company has 50 % interest in Himachal EMTA Power Limited, which is a Joint Venture with EMTA Limited for setting up (2*250 MW) thermal power Plant at Rani Ganj West Bengal. However the Hon'ble Supreme Court of India has cancelled all allotment of coal Blocks and termed all captive coal Blocks as illegal.

Summarised balance sheet as at 31 March 2025 using the Equity Method: (Rs. In lakh)

Cash and cash Equivalents	18.94	17.85
Other Assets	1.75	0.98
Total Current Assets	**20.69**	**18.83**
Total Non Current Assets	**374.07**	**366.82**
Current Liabilities:		
Financial Liablities	0.71	0.71
Current Liabilities	1.40	1.57
Total Current Liabilities	**2.11**	**2.28**
Non Current Liabilities:		
Financial Liabilities	121.00	121.00
Other Liablities	210.65	207.93
Total Non Current Liabilities	**331.65**	**328.93**
Net Assets	**61.00**	**54.44**

Summarised Statement of Profit and Loss using Equity Method: **(Rs. In lakh)**

	As At 31st March 2025	As At 31st March 2024
Revenue	0.00	0.00
Interest Income	1.22	1.32
Other Expenses	1.15	0.80
Depreciation and Amortisation	0.00	0.00
Profit Before Tax	0.07	0.52
Tax Expense	(0.08)	0.08
Total Comprehensive Income for the Year	**0.15**	**0.44**

The Enforcement Directorate vide Provisional Attachment Order 03/2017 dated 29/12/2017 (F No ECIR/ 02/54520/2014/07/7537) dated 29/12/2017, has attached the assets of the Himachal EMTA Private Limited (HEPL) (a Joint Venture Company), amounting to ₹ 2.59 crores. M/s HEPL, filed a Special Leave Petition (SLP) in the Hon'ble Supreme Court, which has been dismissed by the Hon'ble Supreme Court of India.

Status regarding CBI Court Case related to M/s Himachal EMTA Power Limited (HEPL):

On reference of Central Vigilance Commission, CBI registered the case on 07.08.2014 and thereafter, on 31.08.2022, CBI court passed its judgment wherein all the accused i.e. M/s Himachal EMTA Power Ltd. (A-1), its two directors: Ujjal Kumar Upadhaya (A-2) and Bikash Mukherjee (A-3), and its CGM (Power): N.C. Chakraborty (A-4) were held guilty and convicted for the offence u/s 120-B IPC and 120-B r/w 420 IPC. All the above accused persons were also held guilty and convicted for the substantive offence u/s 420 IPC. Subsequently, orders dated 07.09.2022 on sentence were passed by the Hon'ble court wherein out of total four (4) convicts, M/s HEPL was fined with Rs.10,00,000/- under 120-B/420 IPC and Rs.10,00,000/- under 420 IPC, which was to be deposited within two weeks (till 21.09.2022), whereas, other three convicts were sentenced for three years of imprisonment with fine of Rs. 4 lakhs each. In view of aforesaid judgment and subsequent court orders, HPPCL sought opinion of Panel Advocate, Sh. Aaditya Vijay Kumar, engaged by GoHP vide letter dated 29.01.2021, with respect to safeguarding the interest of GoHP/ HPPCL and its officers (who are on the Board of M/s HEPL). In response, Ld. Counsel opined that *"No steps have to be taken presently to safeguard the interests of the GoHP and/ or HPPCL and its officers. The entire judgment does not refer to the role of GoHP/ HPPCL and its officers. Infact, it only discloses the manner in which the Accused misrepresented and cheated the Government of India. In this background, it would only be advisable to keep a watch on the appeals which are filed and observe such proceedings, as and when the appeals are filed."*

Subsequently, Legal Cell of HPPCL opined that the Managing Director, M/s HEPL, may be requested to deposit the fine imposed on Accused No. 1 i.e. M/s HEPL till 21.09.2022 as ordered by the Court and also, to assail the order of the CBI Court by way of filing appeal before the concerned High Court. Accordingly, Managing Director, M/s HEPL, was requested vide letter dated 13.09.2022, in response of which M/s HEPL vide letter dated 17.09.2022 intimated that *"...we need to pay a total amount of Rs. 32 Lakhs for the Company itself, its' two Directors and Ex-CGM (Power) and fund be provided by the partners of the Joint Venture, EMTA and HPPCL in the ratio of 50:50 basis."* Further, aforementioned fine was deposited by the M/s HEPL.

Further, in this matter the appeal has been filed before the Hon'ble High Court of Delhi on 15.10.2022 titled as M/S HIMACHAL EMTA POWER LTD Vs. CBI with the No. CRL.A.536/2022 & CRL.M.(Bail) 1279/2022 against the judgement of CBI Court. The hearing was held on dated 30.07.2025; appeal CRL.M.(Bail) 1279/2022 is dismissed as withdrawn & appeal CRL.A. 536/2022 has been listed as 'regular matters' as per Hon'ble High Court of Delhi order dated 30.07.2025. Not listed till date.

Disclosure: HPPCL has made an investment of Rs. 337.5 Lakh in the equity of Himachal EMTA Power Limited (HEPL), which is a Joint Venture (JV) with EMTA Limited for setting up (2*250 MW) Thermal Power Plant at Raniganj, West Bengal. The company has 50% equity participation in HEPL. The objective of JV is coal block for ensuring the uninterrupted fuel supplies thereto. However, Hon'ble Supreme Court of India has cancelled all allotment of coal block and termed all captive coal block allocation since 1993 as illegal. The JV Company of Himachal EMTA has filed a claim to the Ministry of Coal for expenditure incurred on the project and has not received the claim for the Ministry of Coal as yet. Therefore, the Provision for Doubtful Investment of Rs. 337.5 Lakh has been made in the books of accounts in the F.Y. 2016-17.

(ii) Oil India Limited-1 MW Green Hydrogen Plant (on pilot basis)

HPPCL has made collaboration with M/s OIL for the installation of 1 MW Green Hydrogen Plant. The work for establishment of 1 MW Green Hydrogen Plant at Dabhota, Nalagarh (on pilot basis) was awarded to EPC Contractor on 09-09-2024 with the initial completion time period of 18 months from the date of award.

The work of PMC was also awarded by M/s OIL in due course. The PMC has approved the drawings as submitted by EPC contractor and the HAZOP analysis has also been approved. Statutory approvals like consent to establish etc. have also been obtained and application for bore well digging permission has been filed. Tree cutting has been completed and site developed and barricaded. Plant fabrication work is complete in factory and civil construction at site will start shortly which shall be followed by mechanical installation. The commissioning of the project is targeted by 30.06.2026.

2.50 Impairment of Assets:

Ind AS 36,. in the opinion of the management there is no indication of any significant impairment of assets during the year.

2.51 Fair Valuation of assets and liabilities:

The company had adopted the carrying cost / value of all liabilities and assets as on 1st April 2015 and also on 1st April 2026, as the fair value of the assets and liabilities cannot be measured accurately due to the uncertainty involved in the estimating the exact date of commissioning of the projects, which is dependent on various external factors and which have impact on the payments to be made to the contractors and the amount to be recovered from them.

2.52 Other disclosures as per Schedule-III of the Companies Act, 2013 are as under:

(Rs. in Lakh)

	Particulars	Year ended on 2024-25	Year ended on 2023-24
A	Expenditure in Foreign Currency (EURO)	Nil	Nil
B	Earnings in Foreign Currency	Nil	Nil
C	Value of Import Calculated on CIF basis	Nil	Nil
i)	Capital Goods	Nil	Nil
ii)	Spare Parts	Nil	Nil
D)	Value of Component, Stores and Spare Parts Consumed	Nil	Nil
i)	Imported	Nil	Nil
ii)	Indigenous	Nil	Nil

2.53 Quantitative details in respect of energy generated & sold:
Hydro & Solar Power:

Sr. No	Particulars	Year ended on 2024-25	Year ended on 2023-24
1)	Licensed Capacity	**313 MW**	**281 MW**
2)	Installed Capacity	**313 MW**	**281 MW**
3)	Actual Generation (million Units)	**926 MUs**	**854.744MUs**

2.54 Payment to Auditors includes: **(Rs In Lakh)**

Particulars	Year ended on 2024-25	Year ended on 2023-24
Statutory Auditors	5.62	5.62
Tax Audit	2.86	2.00
Cost Audit	1.60	1.51
Other services	0.00	0.00
Reimbursement of Expenses(TA/DA)	0.07	4.47
Reimbursement of GST	1.81	1.64
Total	**11.96**	**15.24**

2.55 Disclosure related to Corporate Social Responsibility (CSR) as per the Companies Act, 2013:
The company has started commercial operations from the year 2016-17 and has not generated any profits since then and even during the year; hence CSR rules are not applicable.

2.56 Information in respect of Micro and Small Enterprises as at 31st March 2025 as required by Micro, Small and Medium Enterprises Development Act, 2006:

(Rs. in lakh)

Particulars	Year ended on 2024-25	Year ended on 2023-24
a) Amount remaining unpaid to any supplier	**7.71**	**3.48**
Principal amount	Nil	Nil
Interest due thereon	Nil	Nil
b) Amount of interest paid in terms of section 16 of the MSMED Act along with the amount paid to the suppliers beyond the appointed day.	Nil	Nil
c) Amount of interest due and payable for the period 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 MSMED Act	Nil	Nil
d) Amount of interest accrued and remaining unpaid	Nil	Nil
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under section 23of MSMED Act.	Nil	Nil

2.57 Previous years' figures have been re-casted/ regrouped to comply with the Ind AS, wherever required.

2.58 Status of pending Income Tax cases:

- From F.Y. 2007-08 till F.Y. 2014-15, the cases are pending before Hon'ble High Court of H.P., for full Tax exemption u/s 260A of Income Tax Act, 1961.

- For the FY 2015-16, an amount of Rs. 11,05,28,339/- has been deposited as Advance tax (including TDS & TCS) and Rs. 29,25,700/- as statutory deposit @20% against total demand raised by the AO Shimla circle for Rs. 1,46,28,230/- and the corporation have preferred to file an Appeal before CIT (Appeal) camp at Solan, against the demand raised by the Assessing Officer. The Appeal is yet to be decided by the CIT (Appeal).

- For the FY 2016-17, an amount of Rs. 6,55,52,279/- (Rs. 6,06,67,400+ Rs. 48,84,879) has been deposited as Advance tax (including TDS & TCS). The assessment proceeding is completed and a partial refund of Rs. 4,61,89,669/- is received along with interest of Rs. 79,14,291/-. The appeal is pending before CIT (Appeal) for full Income Tax relief.

- For the FY 2017-18, an amount of Rs. 7,62,66,645/- (Rs. 6,46,89,324 + Rs. 1,15,77,321) has been deposited as Advance tax (including TDS and TCS) with Income Tax authorities. The assessment proceeding is completed and a Refund of Rs. 7,62,66,645/- is received along with interest. An appeal is pending with CIT Appeal against the penalty imposed u/s 271 (1) (c).

- For the FY 2018-19, an amount of Rs. 1,71,74,779/-, (Rs. 62,96,381+ Rs. 1,08,74,148) has been deposited as Advance tax, TDS & TCS. Assessment proceedings by AO has been completed and a refund of Rs. 1,79,47,641/- along with interest of Rs. 7,72,862/- is issued in favour of HPPCL. An appeal is filed with CIT (Appeal) against the Assessment orders passed by the A.O. vide which the carry forward expenses are not considered for the Assessment of Income of the Corporation and appeal is yet to be decided by the CIT Appeal.

- For the FY 2019-20 (AY 2020-21) Assessment Proceeding has been completed and a Refund of Rs. 32,62,495/- (TDS Rs. 32,33,524 + TCS 28,971) along with interest has been issued in favor of HPPCL and No Liability/Demand has been raised yet.

- For the FY 2020-21 (AY 2021-22) and FY 2021-22 (AY 2022-23), the Assessment proceedings have not started yet, however, partial refund has been issued after adjustment/recovery against demand of AY 2018-19 (i.e. Rs. 22,88,000/- plus Interest).

- For the FY 2022-23 (AY 2023-24), FY 2023-24 (AY 2024-25) and FY 2024-25 (AY 2025-26) the Assessment proceedings have not started yet.

2.59 Demand by the PF Authorities:

The Regional Provident Commissioner, Shimla has raised demand for the period August 2008 to June 2011 amounting to Rs 1.89 Crore on the payment made to the contractors at various projects/units of the company. The Company has filed an appeal against the order with Central Government Industrial Tribunal Chandigarh. The Ld. Tribunal had passed the stay order in favour of HPPCL subject to the deposition of 50% of the amount assessed by the Asstt, Provident Fund Commissioner, Shimla and Rs.94,63,268/- was deposited with The Registrar, CGIT-1 Chandigarh on dated 02.11.2018.The company has shown Rs. 94,63,268/- as contingent liability. The hearing of this case is going on and next date of the hearing has been scheduled on 12.05.2026.

2.60 The Company is in possession of forest land at Sainj HEP, Shongtong HEP, Kashang HEP, Sawra Kudu HEP and Beradol SPP. The Company has accounted for the cost of the lease hold land in accordance of Govt. of H.P notification No.Rev.-D(G) 6-69/2011-II dated 23.01.2016. However, the lease deeds with the revenue department in respect of above projects are under process.

2.61 Apportionment of expenditure of Corporate Office and DW Sundernagar:

Pre COD

The Company has apportioned the expenditure net of income of corporate office and Design Wing Sundarnagar up to 31st August 2016 since incorporation of the company in the following proportions :-

- 15% of the total expenditure to Renukaji project.
- Rest is apportioned to the remaining projects on the basis of ratio of the capital expenditure incurred on various projects up to 31st August 2016.

Post COD

(i) **Expenditure :**

The Company has apportioned the expenditure of Corporate office and Sundernagar (Design Wing) from 01 September 2016 to 31st March 2025 in the following proportions:-

- 15% of the total expenditure to Renukaji project
- In case of Commissioned projects the apportionment has been done in the ratio of Sales (Gross Generation-13% free power) to Capital outlay
- Rest is apportioned to the projects which are under construction stage/ Investigation Stage on the basis of ratio of the capital expenditure incurred by these projects.
-

(ii) **Income Portion:**

The Company has apportioned the income of Corporate office and Design Wing Sundernagar from 01 September 2016 to 31st March 2025 in the following proportions:-

- 15% of the total income to Renukaji project.
- Rest is apportioned to the projects which are under construction stage/ Investigation Stage on the basis of ratio of the capital expenditure incurred by these projects.

2.62 AFD during Dec, 2015 has agreed to provide Euro 80 million for construction of Chanju-III and Deothal Chanju HEP. Credit Facility agreement between GoI and AFD was signed on 04.07.2017 and **Project Agreement** among HPPCL, GoHP and AFD was signed on dated 02.02.2018. Upto 28 Feb, 2026 the total loan raised from AFD stands at Rs. 4404.95 lakh only. Further, the Board of Directors in its 86th meeting dated 20.08.2024 has decided that it would be in fitness of things that Deothal Chanju HEP is not taken up for execution.

2.63 Loan for Shongtong-Karcham HEP (450 MW):

Consequent upon the expiry of ADB loan and cancellation of KFW Loan, HPPCL has executed a loan agreement with Power Finance Corporation (PFC) Limited on dated 06.10.2021 for a loan amounting to Rs 2207.63 crore for the balance works of STKHEP including IDC. Corporation has also availed the disbursements amounting to Rs. 1994.15 crores from the said loan upto 28.02.2026.

2.64 Commissioning of a new Project:

Pekhubella and Bhanjal SPPs have been commissioned during Financial Year 2024-25 i.e. on dated 15.04.2024 and 30.11.2024 respectively. The Aghlor SPP have been commissioned on dated 21.05.2025.

2.65 A sum of ₹103.24 lakh (excluding interest) is shown as recoverable from the Directorate of Energy (DoE), Govt. of H.P., for the Tidong-II HEP.

In the 70th meeting of the Board of Directors (BoD) held on 03.12.2019, the BoD did not approve the proposal to consider this investment as a doubtful debt. Instead, they advised pursuing the matter further with the DoE, GoHP.

Given the broader issue of significant amounts owed by various developers to HPSEB and HPPCL, a meeting was convened on 25.08.2021 under the chairmanship of the ACS (MPP & Power), involving DoE, HPPCL, HPSEBL and HIMURJA. It was decided that DoE and HPSEBL would finalize the total dues, including interest and issue recovery notices to defaulting companies/PSUs to expedite the process. DoE, GoHP, has been repeatedly requested through letters dated 18.10.2022, 24.05.2023, 13.09.2023, 13.03.2024 ,07.10.2024 & 03.07.2025 to recover the total expenditure i/c 10% interest liability till July,2025 amounting to Rs.4,68,58,846/-(Four crore sixty eight lakh fifty eight thousand eight hundred forty six only) incurred by HPPCL on Survey & Investigation works of Tidong-II Hydro Electric Project (60MW) from developer, but no response has been received from DoE till date.

Since, the Directorate of Energy has not explicitly denied reimbursement, a provision for doubtful debt has not been made in the Books of Accounts.

2.66 Survey and Investigation of Khab Hydro Electric Project:

No Provision of Survey and Investigation expenditure is made by the Corporation in its books of accounts with respect to Khab Hydro Electric project, for which the expenditure is incurred by SJVN as the same was allotted to the SJVN earlier by Department of Energy. The Company has communicated to the DoE, GoHP vide letter dated 22.07.2017 that as PFR prepared by SJVNL is of no use to Company and fresh planning of Khab HEP has to be carried out by Company as it was observed that the Khab Dam HEP, as proposed by SJVN, encroaches the domain of both the upstream and downstream projects, already allotted to other IPPs. DoE vide letter dated 31.07.2017 allowed company to carryout fresh planning of Khab HEP, with domain elevations ranging between El. ±2538m to El. ±2325m, after considering the requirement of MoEF guidelines. Accordingly vide HPPCL letter dated 16.05.2018, informed SJVNL that the PFR of Khab HEP prepared by SJVNL encroaches the domain of other allotted projects, hence HPPCL has to prepare fresh PFR and therefore, it is not in a position to take into account the expenditure incurred by SJVNL. After receiving the above response from HPPCL, SJVNL has not raised any fresh demand of re-imbursement from HPPCL.

2.67 Grant Receivable:

Cabinet Committee of Economic Affairs (CCEA) approved funding of the water component of Renukaji Dam Project (a National Project) under PMKSY-AIBP on 15.12.2021. Hon'ble Prime Minister has laid foundation stone on 27.12.2021. A sum of Rs. 3206.24 Crore has been utilized till 28.02.2026. Upto 06.03.2026, an amount of Rs.3512.34 Cr has been contributed by GoI, Govt. of NCT Delhi, Govt. of Haryana, Govt. of Rajasthan and GoHP. These funds have been utilized under for investigation previously conducted and additional investigation suggested by Central Water Commission (CWC), Geological Society of India (GSI), Panel of Geological Experts (PoGE); payment of enhanced compensation to land owners and for land acquisition; for clearance; buildings, roads and for miscellaneous works. The proposal for Central Assistance (CA) for FY 2025-26 for Rs. 933 Cr. as Central grant has been submitted to CWC on 10.07.2025. Out of this amount GoI sanction an amount of Rs. 149.95 Crore as 2nd installment for FY 2025-26 on 27.02.2026.

The second installment of CA for FY 2024-25, amounting to ₹352.175 Cr, has been released on 20.06.2025 against the CA proposal of ₹782.61 Cr for FY 2024-25. However, these funds have been released under the Annual Plan for FY 2025-26. Accordingly, the net Central Assistance required for FY 2025-26 now stands at ₹580.23 Cr. M/s Tractable Engineering Pvt.

Ltd. has appointed as Project Manager Consultant (PMC). The construction of Diversion Tunnels is expected to start soon.

In case of Gyspa HEP, Company has shown Rs 12.51 crore as Grant Receivable upto 31.03.2025 from Central Water Commission, Government of India. The Central Water Commission has sanctioned Rs 12.50 crore to the company for field survey and investigation and preparation of Detailed Project report of the Gyspa HEP (300MW). The Central Water Commission has released Rs 5.00 crore to the company for the above work on 31 March 2012; with the condition that next installment will be paid on the submission of the DPR of the project. The work for conducting the investigation /preparation of DPR was allotted and the same was started by the consultant. But could not be completed due to sustained opposition and hindrance by local people. The Company has incurred expenditure in excess of the amount released by the authorities and the same has been shown as grant receivable from the Central Water Commission. HPPCL vide letter dated 16.08.2021 submitted that the detailed geological investigation desired by CWC shall be carried out after approval of ToR from MoEF & CC and hence requested to convey the prima–facie acceptance of location of the dam so that case for approval of ToR can be processed. CWC vide letter dated 03.09.2021 reiterated that it is essential to examine the layout of spillway and proposed sediment management measures to examine the suitability of Dam location. To solve the above issue a meeting was held under the chairmanship of Member (WP&P), CWC on 04.01.2022 wherein it was informed that BoD of HPPCL has decided that the matter for construction of Gyspa Dam shall be taken up with GoHP/Directorate of Energy (DoE) to allot this project to some other CPSU and HPPCL has communicated the same to DoE. However, CWC desired that till the time project is allotted to some other organization, HPPCL may work on the project and reply to observations may be submitted for approval at the earliest.

Keeping in view the emphasis laid by GoI and the past history of opposition of local people it was decided that a drone survey of the dam area will be carried out since there are less chances of it being hindered by local people. The survey work has been completed and the deliverables/report has been received from the contractor. Now conceptual layout of dam and associated appurtenant structure has been developed based upon observed geography and geology of the area. The revised PFR of the project incorporating the conceptual layout of dam and associated appurtenant structure is under finalization and the same will shortly be submitted to CWC for approval.

2.68 The Company is in possession of Land and Buildings at Sarabai, Thalot and Larji of HPSEB Ltd. (Erstwhile HPSEB Board) at Sainj HEP. The Joint Committee constituted by both Companies has assessed the value of the said properties at Rs.45.99 Crores in the Meeting held in the month of August 2012. Now, the said properties have been transferred in name of HPPCL, in the revenue records. But due to pending approval of higher authorities and financial constraints, the said payment could not be released to the HPSEBL. Now, HPPCL has requested to HPSEBL for conveying its acceptance for payment in the shape of Equity Share Capital for the amount involved so that long pending para could be settled. Hence, no provision in the Books of Accounts has been made so far. The same shall be accounted for only after taking approval from BoD.

2.69 Local Area Development Fund: Provision of amount payable to LADA fund (as booked in the books of accounts) on account of increase in cost of the Projects on its commissioning, has been made.

2.70 No provision of income tax has been made by the company, as the company has brought forward losses and unabsorbed depreciation under Income Tax Act and during the year also, the company has incurred losses.

2.71 Amount recoverable from contractors includes a sum of Rs.129.92 crores recoverable from Coastal Projects on account of works being executed on their risk and cost awarded to

M/s HCC Limited. The Lender Banks of the Contractor had filed liquidation proceedings with Ld. NCLT and the company had filed claim of Rs.405.67 crores against the contractor. Provision for doubtful amount for recovery has been made for Rs.129.92 Crores in the Books of Accounts as on 31.3.2022, keeping in view the bleak realization of such recoverable amount. The matter has been disposed of by the Ld. NCLT Cuttack Bench on 18.04.2023 by dismissing the Application/Claim of HPPCL. However, on such dismissal the HPPCL has filed the appeal against the order of NCLT before the Ld. NCLAT (National Company Law Tribunal) at Delhi on 30.05.2023 with the filing No. 9910133/04372/2023. The case was listed on dated 17.12.2024 and on that date the learned Counsel for the Respondent had sought some time to file a short Affidavit. As requested, the Affidavit be filed within four weeks. Response to the said Affidavit, if any, be filed within two weeks thereafter. The matter is now listed for 10.04.2026.

2.72 Nakthan HEP: Nakthan HEP (460MW) was allotted to the HPPCL by the Government of Himachal Pradesh on 22 September 2009 as a Run-of-the- River project on Tosh Nala / Parbati River in Distt.Kullu.. The Detailed Project Report (DPR) of the project was in Central Electricity Authority (CEA)/ Central Water Commission (CWC. Clearances/approval for 8 aspects/chapters of DPR out of total 8 aspects/chapters under Level-I stage were obtained Defence clearance is also in Place.

In the 91st meeting of EAC held in February 2016, Environment clearance was withheld due to pending court case with M/s Sai Engineering.

Subsequently, DPR monitoring by CEA was suspended on 31-12-2018. Further investigations were also stopped till appropriate decision in the matter and consultancy services for FSR/DPR terminated on 31-12-2022. Total complete cost (including escalation, IDC and Financial charges) with 1% local area Development cost is ₹ 5149.14 crore.

Pre construction activities (FRA, demarcation, FC) remain pending till project domain is finalized.

Nakthan HEP (460 MW) has remained stalled due to litigation with M/s Sai Engineering, issues of domain on Tosh Nallah/ Parbati River, and restrictions arising from Eco-Sensitive Zone (ESZ) and Khirganga National park notifications. For amicable out of Court settlement, the issue of development of Standalone Hydro Electric Scheme on river Parvati and Tosh Nallah is under consideration of GoHP.

A Committee under MD(HPPCL) was constituted in 2022 to resolve issues of capacity, domain, and eco-sensitive zones. In January 2023, Hon'ble Chief Minister reviewed proposals for separate projects by HPPCL and IPP. Forest Department clarified that SC order dated 03-06-2022 requires a1 km ESZ, which overlaps with components of Nakthan HEP.

As per the order of Hon'ble Apex Court dated 03.06.2022 in IA no. 1000 of 2023(as intimated by Forest Deptt.), the present domain of the project will fall inside the ESZ of the Great Himalayan National Park Conservation Area.

The ongoing Arbitration case No. 27/2016 has been transferred to the Commercial Division of the High Court and the next hearing has been scheduled on 08.05.2026. HPPCL has filed an intervening application for impleading HPPCL as a party to the case which is under consideration of Hon'ble High Court.

2.73 POWER SALE AGREEMENTS

IKHEP/ Sawra Kuddu/ Sainj:

For IKHEP and Sawra Kuddu the Long term PPA dt. 29.03.2023 has been signed b/w HPPCL & HPSEBL at HPERC determined tariff valid from 01.04.2023 till the useful life of the project as per PPA.

The power of Sawra-Kuddu, Kashang-I & Sainj HEPs is being supplied to HPSEBL as per the Long Term PPA. In case of Sainj HEP 50% power is being sold through IEX.50% generation of HPPCL share of power from Sainj HEP has been committed to World bank for their mission regarding "INDIA: Himachal Pradesh Power Sector Development Program (P176032)" as the pilot project (i.e. Bundled power project for RTC power) that's why, only 50% generation of HPPCL share of power from Sainj HEP (2 X 50MW) has been tied up with HPSEBL.

For hiring of power trader/ aggregator by HPPCL for developing and operationalizing a green bundled product with an identified hydropower capacity and other Renewable Energy (RE) capacity bids were invited and a pre-bid meeting was held with the prospective bidders on 14.01.2025 and the contract was signed on 13.02.2026.

Berradol SPP/ Bhanjal SPP/ Aghlor SPP:

PPA has been entered from CoD till 25 years with HPSEBL.

Pekhubella SPP:

PPA has been entered with HPSEBL on 26.12.2024 for 25 Years. Since the Pekhubella SPP was commissioned on dated 15.04.2024 and the PPA with HPSEBL was signed w.e. f. 26.12.2024. Therefore, for the remaining period i.e. 16.04.2024 to 25.12.2024, a revised petition has been filed with HPERC for regulating the said period. Accordingly, the sale of power for the period from CoD i.e 15.04.2024 to 26.12.2024 has not been accounted for in the books of accounts as the rates are not available for the said period. Now, the petition has been decided in favour of HPPCL by HPERC order dated 07.02.2026 vide which HPSEBL is directed to make the payment of the above period.

2.75 Renukaji Dam Project:

Renukaji Dam, a Project of "National Importance" has been conceived as a storage project on Giri River in Sirmaur district of Himachal Pradesh. Live Storage will be 0.498 billion cubic meters (BCM). 23 cumecs of drinking water will be supplied to Delhi and 200 Million Units of electricity will be generated in 90% dependable year, which will be utilized by Himachal Pradesh. Project envisages construction of a 148m high rock fill dam and a surface power house with installed capacity of 40MW on right bank of the river. Interstate Agreement amongst Govt. of India and the beneficiary states of Upper Yamuna Basin was signed on 11.01.2019. In February 2019 updated cost at October 2018 price level has been finalized at Rs 6946.99 Crore Cost apportionment has been finalized with cost of water and power component as Rs. 6647.46 Crore and Rs. 299.53 Crore respectively.

Cabinet Committee of Economic Affairs (CCEA) has granted its approval for the funding of the Project under Pradhan Mantri Kisan Sinchayi Yojana- Accelerated Irrigation Benefit Program (PMKSY-AIBP) on 15-12-2021. Hon'ble Prime Minister of India has laid the Foundation Stone of the Project on 27-12-2021.

The validity of Environmental Clearance has been extended up to October 2027. The forest clearance - Stage-II has been accorded by MoEFF&CC on 04-06-2025.

- **Design of the Dam by CWC (Design Consultant)**
  a. Work was assigned to CWC on 03.07.2022. CWC studied the DPR and intended to affect some changes in design. A Panel of Geological Expert was formed on 13-02-2023.

b. In a site assessment visit from 23rd to 24th March 2023, in which Panel of Geological Experts (PoGE) and officials from CWC, CSMRS, & GSI were involved, PoGE recommended further investigations and tests to determine the dam type.
c. Following investigations and a review meeting on 18-08-2023, The Panel of Geological Experts conveyed that the rock quality at the dam site is not conducive to a concrete or hybrid dam. Consequently, CWC opted for a Rock-fill cum earthen dam with a plastic diaphragm.
d. Subsequently CWC has submitted preliminary layout and sections of the Main Dam.
e. Additional investigations suggested by CWC have been completed.GSI has completed the logging of all drill holes at water conductor system and DT outlet portal. Geological mapping and Geological sections of the drill holes are being carried out by GSI.
f. CWC submitted the specification drawings for the diversion tunnels (DTs) on 28-03-2025. HPPCL raised some observations regarding some provisions in the drawings. CWC has submitted the revised specification drawings for the DTs on 19-05-2025. Also CWC has submitted Hydro-mechanical drawings for the DTs on 12-06-2025. Based on these drawings Tender documents have been Finalized.

- **Project Management Consultant (PMC):** M/s Tractebel Engineering Pvt. Ltd. has been selected as the PMC for the project on 07.08.2025.
- **River Diversion Arrangement (Package-I):** Tender of River Diversion Arrangement (Package-I) have been floated on 17.12.2025. After the evaluation of bids the work will be awarded.

2.76 Advances given to HPSEB Ltd., HPPTCL, HPPWD etc. against works to be executed on deposit work basis and will be settled after the completion of work supported by utilization certificate.

2.77 Disclosure of Major Changes in existing Contracts/Agreements:

For the F.Y. 2023-24 & 2024-25:

- Amicable Settlement Agreement No. 1 i.e. amicable settlement of disputes between M/s PEL and HPPCL executed on 05.04.2023.
- Change Order/ Variation Order No. 11 w.r.t. additional work/ extra effort carried out by M/s PEL for construction of niches in Power House and Transformer cavern.
- Supplementary Agreement No. 14 executed between HPPCL and M/s PEL on 10.04.2023 regarding procurement of material through Escrow Account.
- Supplementary Agreement No. 15 executed between HPPCL and M/s PEL on 10.04.2023 regarding Special Advance payment amounting Rs.25.000 crore to M/s PEL on 11.09.2024.
- Change Order/ Variation Order No. 12 dated 26.12.2024 w.r.t. the additional cost due to haulage and dumping of muck to other identified/ to be identified dumping locations.
- Supplementary Agreement No. 16 (Amendment to Supplementary Agreement No.3) executed between HPPCL and M/s PEL on 24.01.2025 regarding grant of 2nd EOT to M/s PEL.
- Amendment No. I to Supplementary Agreement no.3 executed between HPPCL and M/s PEL on 24.01.2025 Amendment of Schedule No. 1.2 (Diversion Barrage including Appurtenant works) of the 'Revise Schedule of Stage wise payments' (Annex-VII) of Article-1.

- ❖ Change Order/ Variation Order No. 13 dated 24.01.2025 w.r.t. the additional cost for variation in Diversion Barrage including Appurtenant Works.

For the F.Y. 2025-26:

- ❖ Amicable Settlement Agreement No.2 i.e. regarding dispute No. 10 between M/s PEL and HPPCL executed on 17.11.2025.

2.78 As per Hydro Generation Tariff Regulation 20, on Depreciation (given in the Appendix of Depreciation Schedule), of HPERC Notification No. HPERC/Gen/479 dated 1St April, 2011, investment in land, cost of clearing the site and land for reservoir in case of Hydro Generation Station of Land under lease is to be capitalized and depreciated @3.34%. Land under full ownership is not required to be depreciated. In case of this Corporation, Reservoir/ Dam, is being constructed in RenukaJi HEP only and the land so far acquired is under the full ownership of the Corporation, hence the depreciation is not applicable on it.

2.79 To finance the working capital requirements, Corporation is availing the cash credit limits of Rs. 200.00 Crore, each from KCC Bank Ltd., Dharamshala and H.P. State Cooperative Bank Ltd., The Mall, Shimla against the State Govt. Guarantee. As on 28.02.2026, total limit exhausted/utilised against CCLs stands at Rs. 189.48 crore and Rs. 194.59 crore respectively. In case of H.P. State Cooperative Bank Limited, escrow arrangement w.r.t. revenue receipts of Kashang Stage-I HEP have been made and charge over current assets of Corporation equivalent to limit amount has been created. In respect of KCC Bank Ltd., the charge over assets of Kashang Stage-I equivalent to limit amount has been created.

2.80 Surrender of Unviable/Idle Hydro Electric Projects allotted to HPPCL:

Corporation has submitted a proposal to the GoHP to surrender the under mentioned Unviable/Idle Projects allotted to HPPCL i.e. Chirgaon-Majhgaon HEP (52 MW), Dhamwari Sunda HEP (70 MW), Lujai HEP (45 MW), Chiroti Saichu HEP (26MW), Saichu HEP (58 MW) and Saichu Sach Khas HEP (117 MW). Approval of GoHP is awaited.

Further, the Board of Directors in its 86th meeting dated 20.08.2024 has decided that considering the high cost of the Deothal Chanju HEP and the limited time period for completion of the project with respect to the availability of AFD funds, it would be in fitness of things that this project is not taken up for execution.

2.81 Change in accounting policies -Applicability of IND AS 20- Accounting for Government Grants and Disclosure of Government Assistance.

Non-monetary government grants

As per para 23 of IND AS 20, a government grant may take the form of a transfer of a non-monetary asset, such as land or other resources, for the use of the entity. In these circumstances the fair value of the non-monetary asset is assessed and both grant and asset are accounted for at that fair value.

Further para 23, substituted vide Notification No. G.S.R. 903(E) dated 20th September 2018,a Government grant may take the form of a transfer of a non-monetary asset, such as land or other resources, for the use of the entity. In these circumstances, it is usual to assess the fair value of the non-monetary asset and to account for both grant and asset at that fair value. An alternative course that is sometimes followed is to record both assets and grant at a nominal amount.

HPPCL has received forest land from state government at the concessional rate in the following units stated below:

1)Sawra Kuddu HEP, 2) Sainj HEP, 3) Kashang HEP Stage- I, 4) Kashang HEP Stage- II & III, 5) Shongtong Karchham HEP

In pursuance of para 23 of Ind AS 20 there are two methods available for recording of asset received at concessional rate i.e., either at nominal amount or fair value. So, Himachal Pradesh Power Corporation Limited (HPPCL) has adopted a nominal value method for accounting of land received at concessional rate.

2.82 (i) HPPCL has assailed the Arbitration Award which was passed against the HPPCL on 31.03.2023 amounting Rs. 101.00 crore approx. by AT-III titled as HPPCL Vs M/s HCC Ltd. in respect of EPC contract for (Civil & HM Works) of Sainj HEP before the Hon'ble High Court of HP which was first listed on 30.06.2023 and was sub-judice before the said Hon'ble Court. As per the order dated 01.08.2025, the Hon'ble High Court of HP has directed HPPCL to deposit the award amount. HPPCL has deposited an amount of Rs.75.86 crore i.e. 75% of the award amount with Hon'ble High Court of HP on dated 30.10.2025 and the case was not listed further after 28.11.2025.

(ii) HPPCL has assailed the Arbitration Award of Rs. 124.75 crores which was passed by the Arbitral Tribunal titled as HPPCL Vs M/s HCC Ltd. in respect of Contract Agreement No. Kashang/Civil-I for Civil & HM Works of Kashang HEP before the Hon'ble High Court of HP on 5th September, 2023. The matter is sub-judice before the said Court and now as per order dated 09.12.2024, the Hon'ble High Court of HP has mentioned that these cases are liable to be dealt with by the Commercial Division of this Court.

2.83 Allotment of New Projects:
Three new projects have been allotted to HPPCL by GoHP. Among these projects one is Jangi Thopan Powari HEP 780 MW allotted to HPPCL on 09-10-2024 and other are Renukaji Pump Storage Project (1630 MW) and Thana Plaun Pump Storage Project (270 MW) allottd on 08-10-2024.

(i) Jangi Thopan Powari HEP (780 MW):
Jangi Thopan Powari HEP (780 MW) is an upstream development of Shongtong Karchham HEP in Satluj river basin (in the domain elevation from El + 2320 m to + 965 m). This project has been allotted to HPPCL on Build,Own, Operate and Transfer Basis (BOOT) for a period of 40 years by Directorate of Energy (DoE), GoHP vide letter dated 09.10.2024. Pre Implementation Agreement (PIA) has been signed with DoE (GoHP) on 14-05-2025. HPPCL is in the process of acquiring the investigation data and DPR prepared by previous agencies in order to take up the necessary investigations required to update and revise to DPR.

(ii) Renukaji Pump Storage Project (1630 MW):
Renukaji Pump Storage Project (1630 MW) is envisaged as an off-stream open-loop scheme, which will utilize water from the reservoir of Renukaji Dam Project as lower reservoir to pump water into an upper reservoir created by constructing a ±100m high Earth Cum Rock-fill dam on Jogar Ka Khala, a left-bank tributary of the Giri River in District Sirmaur. The project includes a ±2530m water conductor system and an underground powerhouse with 10 units of 163 MW each. The Project has been allotted to HPPCL by Directorate of Energy (DoE), GoHP vide letter dated 08.10.2024. HPPCL is in the process of appointing a consultant for preparing the Detailed Project Report of the project.

(iii) Thana Plaun Pump Storage Project (270 MW):
Thana Plaun Pump Storage Project (270MW) is envisaged as an off-stream open-loop scheme, which will utilize water from the Thana Plaun HEP as a lower reservoir to pump water into an upper reservoir created by constructing a ±60m high gravity dam on Luni khad,

a tributary of Beas River. The project includes a ±250m water conductor system and an underground powerhouse with 4 units of 67.5 MW each. The project has been allotted to HPPCL by Directorate of Energy (DoE), GoHP vide letter dated 08.10.2024. HPPCL is in the process of appointing a consultant for preparing the Detailed Project Report of the project.

2.84 Government of Himachal Pradesh has decided to develop Himachal Pradesh as Green Energy State for which Himachal Pradesh Power Corporation Limited has assigned a target to harness the Solar potential in Himachal Pradesh upto 500MW.

In this regard, HPPCL has identified several land parcels in different districts of Himachal Pradesh. Accordingly, the various projects have been allotted by HIMURJA, the status of which is as follows:

Sr. No.	Project Name allotted by HIMURJA	Capacity allotted by HIMURJA (in MW)	Actual Plant Capacity (in MW)	Allotment letter issued on	Remarks
Projects with works awarded					
1	Pekhubella	70	32	18-03-2023	C.O.D. of Pekhubela SPP 32MW has been declared w.e.f. 15-04-2024.
2	Bhanjal	5	5	24-04-2024 (revised)	C.O.D. of Bhanjal SPP 5MW has been declared w.e.f. 30-11-2024.
3	Aghlor	10	10	05-03-2025 (revised)	Project has been synchronized on 21-05-2025.
Projects under Execution Stage					
4	Gondpur bulla	12	12	18-09-2024 (revised)	Letter of Award has been placed on 20-12-2024 and work is in progress.
5	Lamlehri Upparli	11	11	18-09-2024 (revised)	Letter of Award has been placed on 01-01-2025 and work is in progress.
Projects under Tendering Stage					
6	Bada Basot	8	8	18-09-2024 (revised)	Bid evaluation process has been completed. The work shall be awarded after transfer of the land.
7	Saned	13	13	05-03-2025 (revised)	Tenders have been cancelled and shall be refloated soon.
8	Tihra Khas	6	6	18-09-2024 (revised)	
9	Dabhota-I	9	9	05-03-2025 (revised)	
10	Mazra and Dabhota-II	13	13	05-03-2025 (revised)	

Other Solar Projects					
11	Ghandran	41	10	05-12-2024	DPRs have been approved by Himurja.
12	Sukohan	15	5	05-12-2024	
13	Lamlehri Nichali	54	-	17-02-2023	DPR under preparation.
14	Bhangla	15	13	06-06-2023	FCA case under process. Efforts are being made to revise FCA clearances where tree cutting is minimal.
15	Palasi Kalan	34	23	06-06-2023	
16	Kyariyan	11	-	06-06-2023	
17	Hadal	27	-	06-06-2023	
18	Kopda Uprgehad (Kopda-II)	16	-	06-06-2023	
19	Kopda Khas (Kopda-I)	33	-	06-06-2023	
20	Tanda Upparla	45	-	16-08-2023	
21	Ghanger	53	-	16-08-2023	
22	Bera Dol-II	20		05-12-2024	
23	Kohladi	17	-	16-08-2023	Kept in Abeyance
24	Thana Gaon	10		05-12-2024	
25	Sainj	3	3	16-08-2023	
26	Dhaular	36	-	05-12-2024	
Projects Dropped:					
27	Mata Hateshwar SPP	5	4	15-09-2022	Projects have been dropped, as approved vide 40th meeting of WTDs (Item no. 04) and consequent GM(Elect-II/RE) letters HPPCL/GM(RE)/Solar/ 2024-25-8333-36 dt. 09-09-2024.
28	Shivnagar	3.4	-	12-10-2022	
29	Laam	36	-	17-02-2023	
30	Santokhgarh	5.5	-	18-03-2023	
31	Ropa	7	-	06-06-2023	
32	Bela Ludhiarchan	15	-	06-06-2023	
33	Dalyaoo	6	-	06-06-2023	
34	Kaloor	5	-	06-06-2023	
35	Kirpalpur	11	-	06-06-2023	
36	Kolar	20	-	06-06-2023	
37	Bela	11.5	-	06-06-2023	
38	Jhida	5.5	-	06-06-2023	
39	Dol Nadoli	19	-	16-08-2023	

2.85 HPPCL actively working to achieve the ambitious target, with solar projects totalling around 626 MW at different stages of is in process of identifying suitable locations for setting up of aggregate 200MW of Solar capacity by March 2024. Setting up of 150 MW capacity has been agreed as a Disbursement Linked Indicator under the Himachal Pradesh Power Sector Development Program (HPPSDP) being funded by the World Bank although total capacity of 200 MW will qualify under the program boundary for expenditure under the sub head. So, on progressive achievement of the above target, alongwith some other indicators funds to the tune of net 112.5 M USD shall flow to the HPPCL. The appraisal had got completed in October 2022 and invitation to negotiations and negotiations package containing draft Program Appraisal Document, draft Loan agreement, draft Program Agreement and draft Disbursement and Financial Information letter was received vide Bank's letter dated 31.10.2022. The loan negotiations meeting was held on May 27, 2023 and negotiations have been concluded successfully. Further, the program has received approval of Executive Board of Directors of the World Bank on 27.06.2023.

The Loan Agreement between Govt. of India and the World Bank was signed on 06.11.2023. The Pekhubella Solar Power Projects (SPP) was commissioned on 15.04.2024. Further the Bhanjal SPP (5MW) was on 30.11.2024. While the execution works for the Aghlor SPP (10MW) is in progress and is expected to be completed by March 2025.

The first claim disbursement under World Bank Funded HPPSDP amounting Rs. 63.53 crores has been received in the month of October 2024. The second claim disbursement under the program was raised in the month of Feb 2024 and subsequent reminder was sent to DoE on 22.01.2025.

2.86 The forest land having area 6.46 hact. for the construction of Berra Dol 5 MW Solar Power Project has been transferred in the name of MPP& Power Deptt. by the DC Bilaspur. Matter has been taken up with Tehsildar Swarghat to make necessary entries in the revenue record. The process of entries in revenue record is under progress. Thereafter, revenue papers of said land shall be collected from concerned Patwari & shall be forwarded to LAO for further lease in the name of HPPCL.
With respect to additional forest land, initially the matter was taken up with DC Bilaspur on dated 14.12.2018 for diversion of said land. DC Bilaspur desired to submit the State order on dated 29.05.2019, for which matter was taken up with Conservator of Forest, Bilaspur on dated 14.06.2019. & with DFO Bilaspur on dated 06.08.2019. & with Nodal Officer-Cum-CCF (FCA),O/o Pr. CCF. HP (HoFF), Shimla-01,(H.P.) on dated 12.09.2019, 09.10.2019.

After series of correspondence, all the documents as desired by the Nodal officer APCCF(FCA) O/o Pr.CCF HP Shimla vide letter dated 28.11.2019 stands again submitted to his office vide this office letter no. 1674-79 dated 11.12.19. After that reminders were issued on dated 14.02.2020 & 03.07.2020, but state order is yet to be issued.

After issuance of state order, DC Bilaspur shall issue the necessary order regarding transfer of said land to MPP& Power Deptt. After that, matter shall be pursued with Tehsildar, Swarghat for making necessary entries in revenue record and thereafter, the revenue papers of said land shall be collected from concerned Patwari & shall be forwarded to LAO for further lease in the name of HPPCL.

2.87 LTA Charges

Outstanding LTA charges in respect of the Wangtoo substation, it is informed that HPERC passed the tariff order against the capital cost of the Wangtoo substation on dated September 28, 2022. However, the beneficiaries of the substation were not clear and HPPTCL has been directed to file suitable application before the CERC for recovery of ARR approved in the order. No transmission charges bill has been raised to HPPCL in respect of the transmission charges against wangtoo substation till date.

The transmission charges bill i.r.o. Kashang Bhabha line was initially raised by HPPTCL on dated 06.04.2021. However, among other observations raised i.r.o. the bill, a crucial one was related to the mode of preparation of the bill which as per HPERC regulations requires the calculation of TAFM. However, there was no reference to TAFM in any bill of HPPTCL up to December 2023 despite repeated correspondence in the matter. Due to this, the said bills were not accepted by HPPCL. For the first time, in the bill of January, 2022, a calculation of TAFM was submitted and the same was processed. However, the surcharge was denied due to the bills not being as per the regulatory procedure of raising the transmission charges bills. Also, a disputed amount of Rs. 8, 71, 98,209/- was retained on account of interest on PFC loan. However, after multiple correspondences, the said disputed amount was released on dated 04.02.2023.

Initially, this office started to claim rebate @1% as per the regulation having cleared the previous bills. However, HPPTCL refused to admit the initial bills not being as per the regulatory procedure. HPPTCL have continued to pile surcharge on account of the accumulated surcharge on bills dated up to December 2021. Initially, this office started to claim rebate @ 1% which is applicable as per the regulations upon timely clearing of bills. However, the same was stopped after March 2023 due to the same not being considered by HPPTCL. All the payments made by this office are under protest initially due to non providing of certified copy of TAFM and thereafter due to the HPERC having stated in its order dated 02.05.2022 that the aforesaid line is not a dedicated line and the commission was misinformed about its status.

Further a petition dated 10.09.2025 has been filed by Himachal Pradesh Power Transmission Corporation Limited **(HPPTCL)** before the Himachal Pradesh Electricity Regulatory Commission **(HPERC)** under Regulation 75 read with Sr. No. 20 of the Fee Schedule of the HPERC (Conduct of Business) Regulations, 2024 and Section 151 of the Code of Civil Procedure, 1908. The petition seeks directions to all beneficiaries of the 400/220/66 kV GIS Pooling Sub-Station Wangtoo (Sherpa Colony) for payment of transmission charges in terms of the Commission's Order dated 28.09.2022 in Petition No. 29/2022 read with the Order dated 20.03.2025 passed by the Central Electricity Regulatory Commission **(CERC)** in Petition No. 38/MP/2023. In response thereto, Himachal Pradesh Power Corporation Limited **(HPPCL)** has already filed its detailed reply before HPERC on 03.11.2025. The matter is presently sub judice before the Commission and is pending adjudication. The issue is under active consideration of the Hon'ble Commission.

2.88 The bank balance in the accounts of Land Acquisition Officer against land compensation cases of HPPCL as on 31.03.2025 is Rs. 3,02,96,268.96/-.

2.89 Loan installment from AFD bank for Chanju-III HEP and Deothal Chanju amounting to Rs.80.65 Crore and Rs.0.22 crore respectively has been received from GoHP upto 28.02.2026.

2.90 Beneficiary State share of Haryana Govt. amounting to Rs.26.29 Crore for Renukaji HEP is to be received from GoHP.

2.91 In case of Sainj HEP, 2 nos. GIS circuit breaker got damaged during May, 2022 and subsequently during Nov, 2022. However the damaged poles have not been scraped/ written off till now as the damaged poles are required for carrying out the Root Cause Analysis, so that the damaged/ failure of GIS Circuit Breaker poles do not occur/ happen again.

2.92 As per provisions of the Contract Agreement and as decided by the Board, an amount of Rs.14.85 Crore has been shown as recoverable in the Books of Accounts for imposition of Liquidated damages of M/s HCC Limited. Now, the Corporation has filed a petition against the arbitral award in the Hon'ble High Court of HP and the matter is still sub-judice in the Hon'ble High Court.

2.93 The proposal for declaring submerged area as reserve forest under Section -4 of the Indian Forest Act, 1927 in respect of Shongtong Karchham Hydel Electric Project (STKHEP) is presently under active consideration at the HP State Govt. level.

2.94 The Leave salary amount to be recovered in r/o HPPCL employees who are on deputation with various Central, State Deptt./ undertakings has not been reflected in books of accounts for the F.Y. 2024-25. However, the provision of related leave salary & gratuity has already been taken in books of accounts based upon the Actuarial valuation as per Ind AS19.

2.95 Termination of contract of M/s Prozeal Green Energy Limited- Contract with M/s Prozeal was terminated on dt. 18.08.25 due to default by Contractor. Thereafter, the Settlement Agreement and Supplementary Agreement were executed between HPPCL & M/s Prozeal Green Energy Limited, on mutually agreed terms, on dated 13th December 2025.

2.96 Depreciation rate for Pekhubella and Bhanjal has been charged at the rate of 4.67% for 15 years and 1.99% for remaining life of the solar power project.

2.97 Other Disclosures:

a) Suspension of Director (Electrical), HPPCL:

The services of Sh. Desh Raj Director (Electrical) were placed under suspension from 19.03.2025 under Rule 20 of HPPCL Conduct, Discipline and Appeal Rules and relevant provisions of CCS (CCA) Rules, 1965. The suspension orders were revoked by the State Govt. & Er. Desh Raj, Director (Electrical), HPPCL was repatriated to H.P. State Electricity Board Limited (HPSEBL) and has now been ceased as a Director from the Board of Directors of the Corporation. w.e.f. 23.07.2025.

b) CBI Enquiry:

Central Bureau of Investigation (CBI) is currently investigating a matter registered under Crime Number RC0482025S0003/CBI/SC-I/New Delhi concerning the deceased Er. Vimal Negi. The matter is currently under investigation and sub-judice and the related judicial proceedings are still in progress.

For and on behalf of Board of Directors:

(Manoj Kumar)	(Sudershan K Sharma)	(Naresh Thakur)	(Abid Hussain Sadiq)
AGM (F&A)	**Company Secretary**	**Director (Finance)**	**Managing Director**
		DIN No.11088059	**DIN No.08183381**

For N.K. Bhargava & Co.
Chartered Accountants
FRN No. 0000429N

Partner
M. No.
Place:
Date:

Himachal Pradesh Power Corporation Limited
Consolidated Balance Sheet as at 31st March, 2025

(In Lakh)

	Particulars	Note No.	As at March 31,2025	As at March 31,2024	As at March 31,2023
	1	2	3	4	5
	ASSETS				
(1)	**Non - Current Assets**				
	(a) Property, Plant and Equipment	2.1	5,90,281.75	5,47,895.98	5,31,942.97
	(b) Capital Work-in-progress	2.2	4,54,502.46	3,99,300.00	3,23,848.51
	(c) Investment Property	2.3	22.83	24.24	26.00
	(d) Goodwill		-	-	-
	(e) Other Intangible Assets	2.4	161.69	53.97	43.00
	(f) Financial Assets:				
	(i) Investments	2.5	-	-	-
	(ii) Trade receivables				
	(iii) Loans	2.6	152.70	152.69	151.00
	(g) Deferred tax assets (net)				
	(h) Other Non-current Assets	2.7	1,31,044.45	1,29,422.81	1,13,151.56
(2)	**Current Assets**				
	(a) Inventories	2.8	1,655.35	1,431.16	952.00
	(b) Finacial Assets				
	(i) Investments				
	(ii) Trade Receivables	2.9	31,210.63	9,894.74	1,061.00
	(iii) Cash and cash equivalents	2.10	22,552.61	20,033.99	13,203.00
	(iv) Bank Balance other than above	2.11	6,705.84	3,484.49	3,124.00
	(v) Loans	2.12	15.37	128.39	-
	(vi) Others	2.13	1,006.71	9,139.01	6,525.00
	(c) Other Current Assets	2.14	21,256.12	13,707.37	6,457.00
	Total Assets		**12,60,568.52**	**11,34,668.83**	**10,00,485.04**
	EQUITY AND LIABILITIES				
	Equity				
	(a) Equity Share Capital	2.15	2,34,762.79	2,34,262.79	2,30,248.00
	(b) Other Equity	2.16	(86,523.57)	(86,724.80)	(76,469.79)
	Liabilities				
(1)	**Non- current Liabilities**				
	(a) Financial Liablities				
	(i) Borrowings	2.17	1,37,930.30	69,797.11	63,190.00
	(ii) Lease Liabilities	2.18	388.61	322.97	520.00
	(iii) Other Financial Liablities	2.19	63,229.90	4,298.01	2,075.00
	(b) Provisions	2.20	8,053.47	7,377.32	7,317.00
	(c) Deferred tax liabilities (Net)	2.21	-	-	-
	(d) Other Non- Current Liabilities	2.22	3,56,327.93	2,85,833.73	2,48,547.00
(2)	**Current Liabilities**				
	(a) Financial Liablities				
	(i) Borrowings	2.23	2,70,602.61	2,54,223.55	2,10,044.00
	(ii) Lease Liabilities	2.24	35.13	284.93	224.00
	(iii) Trade Payables	2.25	-	-	-
	(A) total outstanding dues of micro enterprises and small enterprises; and				
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.				-
	(iv) Other Financial Liablities	2.26	2,46,216.52	3,31,771.28	2,89,420.83
	(b) Provisions	2.27	29,016.34	32,823.78	25,062.00
	(c) Other Current Liabilities	2.28	528.49	398.16	307.00
	Inter unit transfer			-	-
	Zero Balance Clr		-	-	-
	Total Equity and Liabilities		**12,60,568.52**	**11,34,668.83**	**10,00,485.04**
	Significant Accounting Policies	1			

The accompanying notes form an integral part of these financial statements

Note: The figures for the year ended 31st March 2025 and 1st April 2024 as given above are reinstated

For and on behalf of the Board of Directors

(Manoj Kumar) AGM (F & A)	(Sudershan K Sharma) Company Secretary	(Naresh Thakur) Director (Finance) DIN No. 11088059	(Abid Hussain Sadiq) Managing Director DIN No. 08183381

FOR N.K Bhargava & Co
Chartered Accountants
FRN: 0000429N

Partner
Membership No:
UDIN:

Himachal Pradesh Power Corporation Limited
Consolidated Statement of Profit and Loss for the period ended 31st March, 2025

(In Lakh)

	Particulars	Note No.	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
I	Revenue from Operations	2.29	38,397.17	38,825.67	38,488.59
II	Other Income	2.30	3,358.50	1,611.90	207.43
III	**Total Income (I+II)**		41,755.67	40,437.57	38,696.02
IV	**Expenses**				
	Cost of materials consumed				
	Purchases of Stock-in-Trade				
	Changes in inventories of finished goods, Stock-in -Trade and workin-progress				
	Employee Benefits Expense	2.31	2,643.67	2,688.23	2,704.19
	Finance Costs	2.32	20,054.50	20,162.09	20,313.27
	Depreciation and Amortization Expense	2.33	21,485.09	20,895.12	20,734.23
	Other Expenses	2.34	3,521.52	5,156.87	4,348.71
	Total Expenses (IV)		47,704.78	48,902.31	48,100.41
V	**Profit/(loss) before exceptional items and tax (III-IV)**		(5,949.12)	(8,464.74)	(9,404.39)
VI	Exceptional Items				
VII	**Profit/ (loss) before exceptions items and tax(V-VI)**		(5,949.12)	(8,464.74)	(9,404.39)
VIII	Tax expense:				
	(1) Current tax		-	-	
	(2) Deferred tax		-	-	
IX	**Profit (Loss) for the period from continuing operations (VII-VIII)**		(5,949.12)	(8,464.74)	(9,404.39)
	Loss on Sale of Fixed Assets		(0.22)	(1.89)	-
X	Profit/(loss) from Discontinued operations		-	-	
XI	Tax expenses of discontinued operations		-	-	
XII	**Profit/(loss) from Discontinued operations (after tax) (X-XI)**		-	-	
XIII	**Profit/(loss) for the period (IX+XII)**		(5,949.33)	(8,466.63)	(9,404.39)
XIV	Other comprehensive income				
	A. (i) Items that will not be reclassified to profit or loss	2.35	432.56	80.07	205.55
	(ii) Income tax relating to items that will not be reclassified to profit or loss				
	B. (i) Items that will be reclassified to profit or loss				
	(ii) Income tax relating to items that will be reclassified to profit or loss				
XV	**Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other comprehensive Income for the period)**		(5,516.77)	(8,386.56)	(9,198.84)
XVI	**Earnings per equity share (for continuing operation):**				
	(1) Basic	2.36	(23.52)	(35.80)	(41.31)
	(2) Diluted				
XVII	**Earnings per equity share (for discontinued operation):**				
	(1) Basic				
	(2) Diluted				
XVIII	**Earnings per equity share (for discontinued & continuing operation):**				
	(1) Basic	2.36	(23.52)	(35.80)	
	(2) Diluted				

Significant Accounting Policies 1

The accompanying notes form an integral part of these financial statements

For and on behalf of the Board of Directors

(Manoj Kumar)
AGM (F & A)

(Sudershan K Sharma)
Company Secretary

(Naresh Thakur)
Director (Finance)
DIN No. 11088059

(Abid Hussain Sadiq)
Managing Director
DIN No. 08183381

FOR N.K Bhargava & Co
Chartered Accountants
FRN: 0000429N

Partner
Membership No:
UDIN:

Himachal Pradesh Power Corporation Limited
Consolidated Statement Of Cash Flows for the year Ended 31st March, 2025

(In Lakh)

Particulars	For the Year Ended March 31, 2025		For the Year Ended March 31, 2024
Cash flow from operating activites			
Profit before tax (A)		-5,516.77	-8,386.56
change in other equity as per restated balancesheet (B)			-3.45
Adjustment for:			
Depreciation and amortization	21,485.09		20,895.12
Finance Cost			-
Loss on disposal/write off of fixed assets	0.22		1.89
Profit on sale of fixed assets	-		-
Total Adjustment (C)		21,485.30	20,897.01
Adjustment for assets and liabilities			
Inventories	-224.20		-479.16
Trade receivable and unbilled revenue	-21,315.89		-8,833.74
Loans, other financial assets and other assets	-2,524.79		-10,353.26
Other financial liabilities and other liabilities	-5,489.11		65,176.11
Other Current liabilities	130.32		91.16
Provisions	-3,131.29		7,822.11
Total Adjustment (D)		-32,554.95	53,423.22
Cash used in operating activities (E)=(A+B+C+D)		-16,586.42	65,930.22
Less: Income tax paid		-	-
Net cash used in operating activities (F)		-16,586.42	65,930.22
Cash flow from investing activities:			
Net expenditure on Property, Plant & Equipment and CWIP	-1,19,179.85		-1,12,310.72
Term Deposits with Banks (having maturity more than 3 months)			-
Interest on term deposits/ Sweep Deposits	-0.01		-1.69
Investment in Subsidiary/Associate/Joint Venture			-
Other non current asset	-1,621.63		-
loss of Fixed/ CWIP assets from torrential rain & flood			-16,271.25
Net cash used in investing activities (G)		-1,20,801.50	-1,28,583.66
Cash flow from financing activities:			
Share Capital	500.00		4,014.79
Share money pending allotment	5,718.00		-1,865.00
Proceeds from borrowings	-		
Repayment of borrowings	-		
Other Non Current Liabilites	70,494.20		37,286.73
Payment of lease liabilities	-184.16		-136.10
Renuka Ji Grant Received	63,378.50		30,184.00
Interest and finance charges	-		
Net Cash generated from financing activities (H)		1,39,906.53	69,484.42
Net increase in cash and cash equivalents (I)=(F+G+H)		2,518.62	6,830.98
Cash & Cash Equivalents at the beginning of the year		20,033.99	13,203.00
Cash & Cash Equivalents at the end of the year		22,552.61	20,033.98
		22,552.61	20,033.99
Restricted cash balance		0.00	0.00
Earmarked Balance (Unpaid Dividend)		-	-
Margin Money for BG/ Letter of Credit and Pledged deposits		6,705.84	3,484.49
Total		6,705.84	3,484.49

This is the Statement of Cash Flows referred to in our report of even date.
For and on behalf of the Board of Directors

(Manoj Kumar)
AGM (Finance)

(Sudershan K Sharma)
Company Secretary

(Naresh Thakur)
Director (Finance)
DIN No. 11088059

(Abid Hussain Sadiq)
Managing Director
DIN No. 08183381

FOR N.K Bhargava & Co
Chartered Accountants
FRN: 0000429N

Partner
Membership No:
UDIN:

HIMACHAL PRADESH POWER CORPORATION LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

1. Company Information and Significant Accounting Policies:

A. Reporting Entity

Himachal Pradesh Power Corporation Ltd. (the "Company") is a Company domiciled in India and limited by shares (CIN: U40101HP2006SGC030591). The address of the Company's Registered Office is Himfed Building, BCS, New Shimla (H.P.)-171009, India. Electricity generation is the principal business activity of the Company.

B. Significant Accounting Policies

1.1 Basis of Preparation:

These standalone financial statements are prepared on going concern basis following accrual system of accounting and in compliance 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) and the provisions of the Electricity Act, 2003, to the extent applicable.

Use of estimates and management Judgements:

The preparation of the financial statements requires management to make estimates and assumptions that may impact the application of accounting policies and the reported value of Assets, Liabilities, Income, Expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. Actual results could vary from these estimates. The estimates and management's judgements are based on previous experience and other factors considered reasonable and prudent in the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods, if the revision affects both current and future years.

1.2 Basis of Measurement:

These financial statements have been prepared on accrual basis and under the historical cost convention except following whichhave been measured at fair value:

- financial assets and liabilities except certain Investments and borrowings carried at amortised cost,
- assets held for sale — measured at fair value less cost of disposal,
- defined benefit plans – plan assets measured at fair value,
- Right of Use Assets – measured at fair value.

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.

1.3 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 to the nearest Lacs (upto two decimals), except as stated otherwise.

1.4 Current and non-current classification: The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;

- Expected to be realized 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.

A liability is current when:

- It is expected to be settled in 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. Deferred tax assets/liabilities are classified as non-current.

1.5 Property, plant and equipment (PPE)

a) The Company has opted to utilize the option under para D7AA of Appendix D to Ind AS 101 which permits to continue to use the Indian GAAP carrying amount as a deemed cost under Ind AS at the date of transition to Ind AS. Therefore, the carrying amount of property, plant and equipment according to the Indian GAAP as at April 1, 2015 i.e. Group's date of transition to Ind AS, were maintained in transition to Ind AS.

b) An item of PPE is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

c) PPE are initially measured at cost of acquisition/construction including decommissioning or restoration cost wherever required. The cost includes expenditure that is directly attributable to the acquisition/construction of the asset. Where final settlement of bills with contractors is pending/under dispute, capitalization is done on estimated/provisional basis subject to necessary adjustment in the year of final settlement.

d) After initial recognition, Property, Plant & Equipment is carried at cost less accumulated depreciation/ amortisation and accumulated impairment losses, if any.

e) Deposits, Payments / liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.

f) Asset created on land not belonging to the company, where the company is having control over the use and access of such asset are included under Property, Plant and Equipment.

g) Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item, if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised when no future economic benefits are expected from its use or upon disposal. The costs of the day-to-day servicing of property, plant and equipment are recognised in statement of profit and loss as and when incurred. Other spares are treated as "stores & spares" forming part of the inventory and expensed when used/ consumed.

h) Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the company and the cost of the item can be measured reliably.

i) Property, plant and equipment is derecognized when no future economic benefits are expected from its use or upon its disposal. Gains and losses on disposal of an item of property; plant and equipment is recognized in the statement of profit and loss.

1.6 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 cost comprises of purchase price of asset including other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner.

b) Cost directly attributable to projects under construction include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, depreciation on assets used in construction of projects, interest during construction and other costs if attributable to construction of projects. Such costs 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.

c) Capital Expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential for construction of the project is carried under "Capital Work-in-progress" and subsequently allocated on systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects. Expenditure of such nature incurred after completion of the project, is charged to Statement of Profit and Loss.

d) Expenditure on Survey and Investigation of the project is carried as Capital Work-in-progress and capitalized as cost of project on completion of construction of the project or the same is expensed in the year in which it is decided to abandon such project.

e) Expenditure against "Deposit Works" is accounted for on the basis of statement of account received from the concerned agency and acceptance by the company. However, provision is made wherever considered necessary.

f) Claims for price variation / exchange rate variation in case of contracts are accounted for on acceptance.

g) The Expenditure of Corporate office and Sundernagar design office is allocated to different accounting units on systematic basis.

1.7 Investment Property

a) Land or a building or part of building or both held by company to earn rentals or for capital appreciation or both is classified as Investment property other than for :

i) Use in the production or supply of goods or services or for administrative purpose; or

ii) Sale in the ordinary course of business.

b) Investment property is recognised as an asset when and only when:

i) It is probable that the future economic benefits that are associated with the investment property will flow to the entity; and

ii) The cost of the investment property can be measured reliably.

c) 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.

d) Investment properties are derecognised either when they have been disposed off or when they are permanently with drawn 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 de-recognition.

e) Transfers to or from investment property is made when and only when there is a change in use.

1.8 Intangible Assets

a) Intangible assets are identifiable non-monetary asset without physical substance. Intangible assets are recognised if:

i). It is probable that the expected future economic benefit that are attributable to the asset will flow to the entity; and

ii). The cost of the asset can be measured reliably

b) Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Subsequent expenditure on already capitalized Intangible assets is capitalised when it increases the future economic benefits embodied in an existing asset and is amortised prospectively.

c) Software (not being an integral part of the related hardware) acquired for internal use, is stated at cost of acquisition less accumulated amortisation and impairment losses, if any.

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 de recognition 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.

e) Expenditure on development activities is capitalised 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.

f) Expenditure incurred which are eligible for capitalisationunder intangible assets are carried as intangible assets under development till they are ready for their intended use.

1.9 Regulatory deferral accounts

a) Expenses / income recognized in the Statement of Profit & Loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per HPERC Tariff Regulations are recognized as 'Regulatory deferral account balances' as per Ind AS-114.

b) Regulatory deferral account balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries.

1.10 Impairment of non-financial assets

a) The carrying amounts of the Company's non-financial assets primarily include property, plant and equipment, which are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU's) 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 fairvalue less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

c) Impairment losses recognized in earlier period are assessed at each reporting date for any indication that 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 recognized.

1.11 Inventories

a) Inventories mainly comprise stores and spare parts to be used for maintenance of Property, Plant and Equipment.

b) Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

c) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

d) The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained on review and provided for. Scrap is accounted for as and when sold.

1.12 Foreign Currency Transactions:

a) **Functional and presentation currency:**

Financial statements have been presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

b) **Transactions and balances:**

i) Transactions in foreign currency are initially recorded at exchange rate prevailing on the date of transaction. At each Balance Sheet date, monetary items denominated in foreign currency are translated at the exchange rates prevailing on that date. Non-monetary items denominated in foreign currency are reported at the exchange rate prevailing at the date of transaction.

ii) Exchange differences arising on translation or settlement of monetary items are recognised in the statement of profit and loss in the year in which it arises.

1.13 Financial instruments – initial recognition, subsequent measurement and impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A) Financial Assets
A financial asset includes inter-alia any asset that is cash, equity instrument of another entity or contractual obligation to receive cash or another financial assets or to exchange financial asset or financial liability under condition 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, Advances to employees/ contractors, security deposit, claims recoverable etc.

Measurement:
The company measures the trade receivables at their transaction price if the trade receivables do not contain a significant financing component. A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business.

De-recognition:
Financial asset is derecognised when all the cash flows associated with the financial asset has been realised or such rights have expired.

B) Financial liabilities:
Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company. The Company's financial liabilities include loans & borrowings, trade and other payables etc.

Measurement:
a) Financial liabilities are measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss or in the "Expenditure Attributable to Construction" if another standard permits inclusion of such cost in the carrying amount of an asset, when the liabilities are derecognised as well as through the EIR amortisation process.
b) Amortised cost is calculated by taking into account any discount tor premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition:
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

1.14 Investment in joint ventures and associates:
a) A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.
b) An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control over those policies.
c) The investment in joint ventures and associates are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

1.15 Leases

The Company has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019).

Lease is a contract that conveys the right to control the use of 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: (i) the contract involves use of an identified assets, (ii) the customer has substantially all the economic benefits from the use of the asset through the period of the lease and (iii) the customer has the right to direct the use of the asset.

i) **As a lessee**

At the date of commencement of lease, the company recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for lease with a term of twelve months or less (i.e. short term leases) and leases for which the underlying asset is of low value. For these short-term and leases for which underlying asset is of low value, the company recognizes the lease payments on the straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liability includes these options when it is reasonably certain that they will be exercised.

The right-to-use assets are initially recognized at cost, which comprises the amount of initial measurement of the lease liabilityadjusted for any lease payments made at or before the inceptiondate of lease along with the initial direct costs, restorationobligations and lease incentives received.

Subsequently, the right-to-use assets is measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of lease liability. The Company applies Ind AS 36 to determine whether a ROU asset is impaired and accounts for any identified impairment loss as described in accounting policy 1.8 on "Impairment of non- financial assets".

The lease liability is initially measured at 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.

The interest cost on lease liability is expensed in the Statement of Profit and Loss, unless eligible for capitalization as per accounting policy 1.16 on "Borrowing Cost".

Lease liability and ROU assets have been separately presented in the financial statements and lease payments have been classified as financing cash flows.

ii) **As a Lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Operating lease:

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. In the case of operating leases or embedded operating leases, the lease income from the operating lease is recognised in revenue on the basis of generation from such Plant. The respective leased assets are included in the balance sheet based on their nature.

1.16 Government Grants

a) Government grants with a condition to purchase, constructor otherwise acquire long-term assets are initially measured based on grant receivable under the scheme. Such grants are recognised in the Statement of Profit and Loss on a systematic basis over the useful life of the asset. Amount of benefits receivable in excess of grant income accrued based on usage of the assets is accounted as Government grant received in advance. Changes in estimates are recognised prospectively over the remaining life of the assets.

b) Government revenue grants relating to costs are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate.

1.17 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction/erection or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. All other borrowing costs are expensed in the period in which they occur.

Income earned on temporary investment made out of the borrowings pending utilization for expenditure on the qualifyingassets is deducted from the borrowing costs eligible for capitalization.

1.18 Provisions, Contingent Liabilities and Contingent Assets

a) A provision is recognised when:

i). the Company has present legal or constructive obligation as result of past event;

ii). it is probable that an outflow of economic benefits will be required to settle the obligation; and

iii). a reliable estimate can be made of the amount of the obligation.

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

c) The amount recognised as provision is the best estimate of consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

d) 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.

e) 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 the management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

f) Contingent asset is a possible asset that arises 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 judgement of management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

1.19 Revenue Recognition and Other Income:

Company's revenues arise from sale of energy and other income. Other income comprises interest from banks, employees, contractors etc., surcharge received from beneficiaries for delayed payments, sale of scrap, other miscellaneous income, etc. Revenue from sale of energy is accounted for at rates as per the PPA & Agreement signed between HPPC Ltd. and HPSEB Ltd./Tata Power Trading Company Ltd. (TPTCL).

1.20 Employee Benefits

Employee benefits consist of wages, salaries, benefits in kind, provident fund, pension, gratuity, post-retirement medical facilities, leave benefits and other terminal benefits etc.

a) Post-employment benefits plan:

Employee benefits obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments indiscount rates, the rate of salary increases and the inflation rate. 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.

a) **Short-term Benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed in the period in which the service is provided.

b) **Terminal Benefits**

Expenses incurred on terminal benefits in the form of ex-gratia payments and notice pay on voluntary retirement schemes, if any, are charged to the profit and loss in the year of incurrence of such expenses.

1.21 Depreciation and amortization

i) Depreciation on Property, Plant & Equipment of Operating Units of the Company is charged to the Statement of Profit & Loss on straight-line method following the rates and methodology as notified by HPERC for the fixation of tariff in accordance with Schedule-II of the Companies Act 2013, except for the assets specified below:

a) Depreciation is charged on Straight Line method following the rate & methodology notified by the H.P State Electricity Regulatory Commission (HPERC) for the purpose of fixation of tariff as amended from time to time, **except in case of:**

b) Mobile Phones are depreciated fully @ 25% P.A. in 4 years.

c) Kitchen items and small office items are depreciated over the period of 3 years, keeping 10% residual value.

d) Assets costing Rs.5000/- or less are depreciated fully in the year of procurement.

e) Expenditure on software is recognised as "Intangible Asset" and amortised fully over three years on SLM or over a period of its legal rights to use, whichever is less.

f) Infrastructural development construction power depreciated @5.28% SLM under the head any other assets not covered in the HPERC Schedule.

g) Depreciation is provided on pro-rata basis from the month in which the asset becomes obsolete is provided till the end of the month in which such declaration is made.

ii) Expenditure on catchment area treatment (CAT) Plan during construction is capitalised along with Dam/Civil works. Such expenditure during O & M stage is charged to revenue in the year of incurrence of such expenditure

iii) 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, change in duties or similar factors, the revised unamortised balance of such assets is depreciated prospectively over the residual life.

iv) Depreciation on increase/decrease in the value of existing assets on account of settlement of disputes is charged retrospectively.

v) Depreciation on assets till start of commercial production has been shown under 'Incidental Expenditure during construction" under capital work in progress.

vi) Depreciation on addition/deduction from fixed assets during the year is charged on pro-rata basis from/up to the date, when the asset is available for use/disposal.

(vii) Leasehold land is amortized pro-rata through depreciation over the period of lease or 40 years, whichever is lower.

viii) Tangible Assets 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 HPERC tariff regulations for such assets, whichever is higher.

ix)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 asset determined following the applicable accounting policies relating to depreciation/ amortization.

x)Where the life and / or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along with its unamortized depreciable amount is charged prospectively over the revised / remaining useful life determined by technical assessment.

xi) 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 the HPERC.

xii) Temporary erections are depreciated fully (100%) in the year ofacquisition /capitalization.

xiii) Expenditure on software recognized as 'Intangible Asset' and is amortized fully on straight line method over a period of legal right to use or three years, whichever is less. Other intangible assets with a finite useful life are amortized on a systematic basis over its useful life. The amortisation period and the amortisation method of intangible assets with a finite useful life is reviewed at each financial year end.

xiv) Right-of-use land and buildings relating to generation of electricity business governed by CERC Tariff Regulations are fully amortized over lease period or life of the related plant whichever is lower following the rates and methodology notified by the CERC Tariff Regulations.

xv) Right-of-use land and buildings relating to generation of electricity business which are not governed by CERC tariff Regulations are fully amortized over lease period or life of the related plant whichever is lower. Other Right of use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

1.22 Income Taxes

Income tax expense comprises current tax and deferred tax.

Current 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 Income tax**

Current tax is expected tax payable on taxable profit for the year, using tax rates enacted or substantively enacted at the balance sheet date and any adjustments to tax payable in respect of previous years.

b) **Deferred tax**

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1.23 Earnings per Share:

Basic earning 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.

1.24 Statement of Cash Flows

a) Cash and cash equivalents includes cash/drafts/cheques 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.

b) Statement of cash flows is prepared in accordance with the indirect method (whereby profit or loss is adjusted for effects of non-cash transactions) prescribed in Ind AS-7 "Statement of Cash Flows".

1.25 Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which error occurred. If the error occurred before the earliest period presented, opening balances of assets, liabilities and equity for the earliest period presented, are restated.

1.26 Segment Reporting:

i) Segments have been identified taking into account nature of product and differential risk and returns of the segment. These business segments are reviewed by the Management.

ii) Electricity generation is the principal business activity of the company. Other operations viz., Consultancy works etc. do not form a reportable segment as per the Ind AS -108 - 'Operating Segments'.

iii) The company is having a single geographical segment as all its Power Stations are located within the Country.

Himachal Pradesh Power Corporation Limited

Consolidated

2. Notes To Accounts

Non Current AssetS

The Figures in Financial Statements are presented in INR rounded off to the nearest rupee lakh unless otherwise stated. The figures or the previous financial years have been reclassified/ regrouped / rearranged whereever necessary to conform to current year classification

(In Lakh)

	Particulars	Sub Note	As at March 31,2025	As at March 31,2024
2.1	Property, Plant and Equipment	2.1.1	5,90,281.75	5,47,895.98
2.2	Capital Work-in-progress	2.2.1	4,54,502.46	3,99,300.00
2.3	Investment Property	2.3.1	22.83	24.24
2.4	Other Intangible Assets	2.4.1	161.69	53.97
			10,44,968.74	9,47,274.19

2.5 Investments

(In Lakh)

	Particulars	As at March 31,2025	As at March 31,2024
	Investment in Equity instrutments		
	Non Trade-Unquoted (at cost)		
	(a) Subsidiary Companies		
	(b) Joint Venture Companies		
	3375000 (P.Y. 3375000) Equity Shares of Rs. 10/- in Himachal Emta Power Ltd		
	Share Application Money EMTA	337.50	337.50
Less:	Provision for Doubtful Investment	(337.50)	(337.50)
	Total Investment in Equity Instruments	-	-
	Other Investment		
	Total Other investment	-	-
	Total Investments	-	-

a) Interest in Joint Ventures Companies

The entities listed below have share capital consisting solely of equity shares, which are held directly by the group. The country of incorporation or

	Place of Business/Accounting Method		
Himachal Emta Power Limited	India /Equity Metho	*50%*	*50%*

	Carrying Amount	
Himachal Emta Power Limited		
	30.79	27.50
Less provision for Doubtful investments in SA FS	337.50	337.50
Reclassification of Carrying amount adjusted in retained earnings OB	-310.00	-310.00
Adjustments during the year	3.21	0.00
Closing Balance	-306.79	-310.00
	-0.08	0.00

Note 2.5.2

Share of Profit of Joint ventures Accounted for Using Equity Method

	as at March 31,2025	as at March 31,2024
Himachal Emta Power Limited	0.00	0.00
	0.00	0.00

Explanatory Note

SUMMARISED FINANCIAL INFORMATION FOR JOINT VENTURES

The tables below provide summarised financial information for joint ventures of the group. The information disclosed reflects the amounts presented in the financial statements of the joint ventures. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

	as at March 31,2025	as at March 31,2024
Summarised Balance Sheet		
Assets		
Non Current Assets	374.07	367.00
Current Assets	20.69	19.00
Total Assets	394.76	386.00
Liabilities		
Non Current Liabilities	331.65	329.00
Current Liabilities	2.11	2.28
Total Liabilities	333.75	331.28
Net Assets	61.01	54.72

Note 2.5.3

Rupees (In Lakh)

Reconciliation of Carrying Amount		
Opening Net Assets	55.00	55.00
Profit / Loss during the year	0.15	0.00
Other Comprehensive Income	-	-
Reclassification Adjustment	6.42	-
	61.57	55.00
Group Share in Percentage	50%	50%
Group Share in Rupees	30.79	27.50

Rupees (In Lakh)

	as at March 31,2025	as at March 31,2024
Summarised Statement of Profit and Loss Account		
Other Income	1.22	1.00
Other Expenses	1.15	1.00
Depreciation and Amortisation		-
Income Tax	-0.08	-
Net Loss	0.15	0.00
Group Share in Rupees	0.08	0.00

2.6 Loans

(In Lakh)

Particulars	As at March 31,2024	As at March 31,2024
Security Deposits		
Secured Considered Good	152.70	152.69
Unsecured considered good	-	-
- Doubtful		
Total (A)	152.70	152.69
Loans to other Employees		
- Secured considered good	-	-
Unsecured Considered Good	-	-
- Doubtful	-	-
Total (B)	-	-
Total (C) =(A+B)	152.70	152.69

Himachal Pradesh Power Corporation Limited
Consolidated
Sub Note No 2.1.1 **Schedule of Property Plant and Equipment**

A) Own Assets: (In Lakh)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2024	Addition durng the year	Deductions / Adjustments	As at 31.03.2025	As at 01.04.2024	Addition durng the year	Deductions / Adjustments	As at 31.03.2025	As at 31.03.2025	As at 31.03.2024
LAND - LEASEHOLD	49.26		1.16	48.10	(1.48)	-	-	(1.48)	49.57	50.74
LAND - FREEHOLD	2,29,771.46	1,12,778.20	74,505.08	2,68,044.58	-	-	-	-	2,68,044.58	2,29,771.46
RESIDENTIAL BUILDINGS	2,640.90	-	-	2,640.90	878.20	91.47	-	969.67	1,671.23	1,762.70
NON RESIDENTIAL BUILDINGS	1,908.16	10.79	-	1,918.96	529.32	58.11	-	587.44	1,331.52	1,378.84
TEMPORARY SHEDS/ERECTIONS	9.87	0.55	-	10.41	9.85	0.05	-	9.90	0.51	0.01
PROJECT CIVIL WORKS	3,00,644.19	742.57	123.17	3,01,263.59	73,599.09	14,305.32	2.45	87,901.97	2,13,361.63	2,27,045.09
ROADS, BRIDGES & TRAFFIC TUNNELS	225.73	-	-	225.73	17.92	10.39	-	28.31	197.42	207.81
PROJECT ELECTRO MECHENICAL WORKS	1,08,581.60	26,995.37	2,907.24	1,32,669.72	27,863.22	6,074.48	0.33	33,937.37	98,732.35	80,718.38
PLANT (CURRENTLY FOR WATER TREATMENT)	67.63	0.21	-	67.84	12.54	3.26	-	15.81	52.03	55.09
OFFICE MACHINARY (LIKE LAB, FIRE ,SAFETY)	198.42	19.84	0.00	218.26	79.95	10.72	-	90.67	127.59	118.47
ELECTRONICS & ELECTRICAL ITEMS	511.68	117.47	0.00	629.14	227.27	31.91	-	259.18	369.96	284.40
FURNITURES & FIXTURES	475.36	18.50	0.00	493.86	245.06	28.42	-	273.48	220.37	230.30
COMPUTERS & DATA PROCESSING MACHINES	382.88	58.87	35.81	405.94	159.83	44.67	31.18	173.32	232.62	223.04
VEHICLES	125.54	19.44	21.47	123.52	65.47	22.02	19.32	68.18	55.34	60.07
KITCHEN ITEMS	4.55	-	-	4.55	2.47	0.35	-	2.83	1.72	2.07
FIRE FIGHT EQUIPMENT	2.37	1.02	-	3.39	0.30	0.15	-	0.45	2.94	2.08
SMALL OFFICE ITEMS	0.73	-	-	0.73	0.68	0.03	-	0.71	0.03	0.05
HELIPAD	23.49	-	-	23.49	8.64	0.70	-	9.33	14.16	14.85
BRIDGES & CULVERTS	579.85	-	-	579.85	199.57	18.67	0.13	218.12	361.74	380.28
SERVER AND NETWORKS	899.20	291.93	-	1,191.13	749.77	15.22	-	765.00	426.14	149.43
ROADS	5,015.18	119.17	59.58	5,074.77	1,711.13	162.88	0.01	1,874.00	3,200.77	3,304.05
ASSETS NOT OWNED BY COMPANY Roads	-	-	-	-	311.30	-	-	311.30	(311.30)	(311.30)
ASSETS NOT OWNED BY COMPANY OTHERS	312.15	-	-	312.15	125.29	-	-	125.29	186.87	186.87
INFRASTUCTURE DEVELOPMENT CONSTRUCTION POWER	2,619.52	-	-	2,619.52	937.05	124.43	-	1,061.48	1,558.04	1,682.47
Grand Total	**6,55,049.73**	**1,41,173.91**	**77,653.52**	**7,18,570.13**	**1,07,732.47**	**21,003.26**	**53.42**	**1,28,682.30**	**5,89,887.83**	**5,47,317.26**

B) Right of Use: (In Lakh)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2024	Addition durng the year	Deductions / Adjustments	As at 31.03.2025	As at 01.04.2024	Addition durng the year	Deductions / Adjustments	As at 31.03.2025	As at 31.03.2025	As at 31.03.2024
Building	1,211.10	200.23	132.43	1,278.91	662.61	252.29	-	914.90	364.00	548.49
Land	31.31	-	-	31.31	1.04	0.35	-	1.39	29.92	30.27
Total (B)	**1,242.41**	**200.23**	**132.43**	**1,310.22**	**663.65**	**252.64**	-	**916.29**	**393.93**	**578.76**
Grand Total (A+B)	**6,56,292.14**	**1,41,374.15**	**77,785.94**	**7,19,880.35**	**1,08,396.12**	**21,255.90**	**53.42**	**1,29,598.59**	**5,90,281.75**	**5,47,896.02**

Himachal Pradesh Power Corporation Limited

Consolidated
Note No 2.2.1
Capital work in progress
as at March 31,2024

(In Lakh)

Particulars		**As at April 1, 2024**	**Additions During the Year**	**Transfers/ Adjustment**	**Total CWIP as at March 31,2025**	**Capitalised During the Year**	**As at March 21,2025**
Residential Buildings		-	-		-	-	-
Non Residential Buildings		17.54	5.05		22.59	10.79	11.80
Roads, Bridges & Culverts		662.93	194.25		857.17		857.17
Civil Works		1,19,716.83	40,031.96		1,59,748.79	3,131.79	1,56,617.00
Electro-Mechanical Works		58,487.25	27,901.27		86,388.51	34,472.86	51,915.66
Construction Power		78.53	0.41		78.94		78.94
Environment & R&R Expenses		49.20	227.95		277.15		277.15
Plant & Machinery		7.54	-		7.54		7.54
Land Submerged Area		-			-		-
Investigation & Survey		-			-		-
AUC Office Items		0.84			0.84		0.84
Expenditure during construction		2,19,967.35	27,155.08		2,47,122.43	3,004.06	2,44,118.37
Lada		309.00	309.00		618.00		618.00
-					-		-
IndAS Adjustment		2.41		2.41	-		-
Total		**3,99,299.42**	**95,824.96**	**2.41**	**4,95,121.97**	**40,619.50**	**4,54,502.46**

(In Lakh)

Particulars		**As at April 1, 2023**	**Additions During the Year**	**Transfers/ Adjustment**	**Total CWIP as at March 31,2024**	**Capitalised During the Year**	**As at March 21,2024**
Residential Buildings		-			-		-
Non Residential Buildings		184.35	5.74		190.10	172.56	17.54
Roads, Bridges & Culverts		856.06	32.59		888.66	225.73	662.93
Civil Works		99,226.31	20,490.53		1,19,716.83		1,19,716.83
Electro-Mechanical Works		36,118.07	22,369.17		58,487.25		58,487.25
Construction Power		73.97	4.56		78.53		78.53
Environment & R&R Expenses		10.49	38.70		49.20		49.20
Plant & Machinery		7.54			7.54		7.54
Land Submerged Area		-			-		-
Investigation & Survey		-			-		-
AUC Office Items		0.84			0.84		0.84
Expenditure during construction		1,87,366.77	32,600.58		2,19,967.35		2,19,967.35
Lada			309.00		309.00		309.00
		-					
IndAS Adjustment		2.41			2.41		2.41
Total		**3,23,846.82**	**75,850.88**		**3,99,697.70**	**398.28**	**3,99,299.42**

Note No 2.2.2

HIMACHAL PRADESH POWER CORPORATION LIMITED						
						Amount in Lakh
Expenditure During Construction	**Note No.**	**As at 31.03.2024**	**Addition during 24-25**	**Deletion during 24-25**	**Net Adj. During 24-25**	**As at 31.03.2025**
EXPENSES (A):						
Employees' Benefits Expenses	2.2.2.1	74,624.46	6,575.32	-	6,575.32	81,199.78
Finance/Interest Cost	2.2.2.2	48,247.80	12,751.62	-	12,751.62	60,999.42
Depreciation Expenses	2.2.2.3	2,644.97	489.40	-	489.40	3,134.37
Office and Administrative Expenses	2.2.2.4	1,09,532.80	7,339.61	(1,751.65)	5,587.97	1,15,120.77
TOTAL (A)		**2,35,050.03**	**27,155.96**	**(1,751.65)**	**25,404.31**	**2,60,454.34**
Less: Miscellaneous Income	2.2.2.5	(15,082.68)	(0.88)	(1,252.41)	(1,253.29)	(16,335.97)
Less: Renukaji & Gyspa Project Depreciation adjusted against Capital Reserve		-	-	-	-	-
NET EXPENDITURE (B) (Carried forward to CWIP)		**2,19,967.35**	**27,155.08**	**(3,004.06)**	**24,151.02**	**2,44,118.37**

Note No 2.2.2.1

EMPLOYEE BENEFITS EXPENSES (Expenditure During Construction): Amount in Lakh

PARTICULARS	As at 31.03.2025	Addition during 24-25	Deletion during 24-25	Net During 2024-25	As at 31.03.2024
Salaries, Wages, Allowances and Benefits	74,282.62	6,293.55		6,293.55	67,989.07
Contribution to Provident and Other Funds	1,171.97	84.84		84.84	1,087.13
Leave Salary and Pension Contribution	4,013.70	48.79		48.79	3,964.91
Travelling Exp.	486.74	27.23		27.23	459.51
Medical Exp.	669.53	42.79		42.79	626.74
Welfare Expenses	575.21	78.12		78.12	497.09
TOTAL	**81,199.78**	**6,575.32**	-	**6,575.32**	**74,624.46**

Note No 2.2.2.2

FINANCE/INTEREST COST (Expenditure During Construction): Amount in Lakh

PARTICULARS	As at 31.03.2025	Addition during 24-25	Deletion during 24-25	Net During 2024-25	As at 31.03.2024
Interest on Term Loans	60,680.63	12,494.30		12,494.30	48,186.33
Bank Charges/LC Charges	44.61	2.18		2.18	42.43
Others-FBT/Service Tax Interest	274.18	255.14		255.14	19.04
TOTAL	**60,999.42**	**12,751.62**	-	**12,751.62**	**48,247.80**

Note No 2.2.2.3

DEPRECIATION EXPENSES: Amount in Lakh

PARTICULARS	As at 31.03.2025	Addition during 24-25	Deletion during 24-25	Net During 2024-25	As at 31.03.2024
Depreciation for the year (Transferred to Profit & Loss Account)				-	-
Depreciation for the year (Transferred to Expenditure During Construction)	3,134.37	489.40	0.00	489.40	2,644.97
TOTAL	**3,134.37**	**489.40**	**0.00**	**489.40**	**2,644.97**
Depreciation written off from Capital Reserve				-	

Note No 2.2.2.4

OFFICE AND ADMINISTRATIVE EXPENDITURE (Projects Incidental Expenditure): Amount in Lakh

PARTICULARS	As at 31.03.2025	Addition during 24-25	Deletion during 24-25	Net During 2024-25	As at 31.03.2024
Repairs and Maintenance Vehicle	157.90	11.74	0.00	11.74	146.16
Repairs and Maintenance Office Furniture & Equipr	128.52	8.86	0.00	8.86	119.67
Repairs and Maintenance Plant and Machinery	134.78	1.20	0.00	1.20	133.57
Repairs and Maintenance Buildings	754.76	40.83	0.00	40.83	713.93
Repairs and Maintenance Others	62.59	11.60	0.00	11.60	50.99
Office & Administration Expenses	41.83	0.00	0.00	0.00	41.83
Hospitality and Entertainment Expenses	214.54	17.39	0.00	17.39	197.15
Meeting Expenses	96.42	7.93	0.00	7.93	88.49
Misc. Expenses	143.99	2.14	0.00	2.14	141.85
Communication Expenses	846.81	47.03	0.00	47.03	799.78
Rent, Rates and Taxes	2,328.95	85.19	0.00	85.19	2,243.76
Consultancy Fees	960.30	44.98	0.00	44.98	915.32
Annual Technical Support-SAP/ AMC	3,974.22	226.70	0.00	226.70	3,747.52
Vehicle Running Charges & Insurance Charges	401.80	22.08	0.00	22.08	379.72
Hired Vehicle Expenses	2,996.19	323.01	0.00	323.01	2,673.17
Training & Seminar	355.37	44.67	0.00	44.67	310.71
Fees & Subscription	50.96	2.24	0.00	2.24	48.72
Electricity & Water Expenses	557.91	35.54	0.00	35.54	522.36

Printing & Stationary	378.13	36.62	0.00	36.62	341.51
Boo[illegible]riodicals & Newspapers	90.50	4.80	0.00	4.80	85.70
Freight & Labour Charges	53.51	1.67	0.00	1.67	51.84
Insurance	54.54	2.50	0.00	2.50	52.03
Raising Day Expense	33.31	0.00	(0.05)	(0.05)	33.36
Legal & Professional Charges	563.70	63.72	0.00	63.72	499.98
Postage & Telegram Expenses	34.11	1.21	0.00	1.21	32.91
Publicity & Advertisement Expenditure	381.62	24.13	0.00	24.13	357.49
Expenditure on Transit Camps/Guest House	54.70	4.70	0.00	4.70	50.00
Business Promotion Expenses	272.13	7.37	0.00	7.37	264.76
Power/ Water Park	42.79	0.00	0.00	0.00	42.79
Foreign Exchange Variation Cost	55.36	0.00	0.00	0.00	55.36
Land Acquisition Expenses	32.54	21.47	0.00	21.47	11.07
LADA	4,994.81	0.00	(0.25)	(0.25)	4,995.06
Relief and Rehabilitation Costs	8,208.17	94.74	0.00	94.74	8,113.43
Environmental and Ecology exp.	68,826.34	222.37	0.00	222.37	68,603.97
Expenditure on Enabling Assets	51.24	0.00	0.00	0.00	51.24
CAT Plan	8,053.62	94.00	0.00	94.00	7,959.62
Study and Research	49.76	0.00	0.00	0.00	49.76
Survey & Investigation	24,515.69	279.15	0.00	279.15	24,236.54
Construction Power HPSEBL 1-8-1	1,068.04	819.32	0.00	819.32	248.72
Environment Management Plan	4,708.36	3,586.28	0.00	3,586.28	1,122.08
Fuel expenses Data Centre	44.66	35.54	0.00	35.54	9.11
Gift & Presentation A/c (Pending Allocation)	3.39	0.00	0.00	0.00	3.39
Honorarium & Stipend	225.70	0.00	0.00	0.00	225.70
Incidental expenses-Power Water & parks	(42.53)	0.00	0.00	0.00	(42.53)
OUTSOURCED MANPOWER EXPENSES (Pendir	6,737.79	982.63	0.00	982.63	5,755.16
Retain earning Adjustment unto FY 2014	2,847.95	0.00	0.00	0.00	2,847.95
SAFETY RELATED EXPENSES	0.22	0.00	0.00	0.00	0.22
Hydraulic and numerical Model	32.08	0.00	0.00	0.00	32.08
Winter Heating Exp. (Pending Allocation)	99.34	5.82	0.00	5.82	93.52
Wages (Daily paid staff) (PROJECT)	4.57	0.00	0.00	0.00	4.57
Remuneration to Auditors	35.95	1.88	0.00	1.88	34.07
Consumables Stores	117.37	6.02	0.00	6.02	111.35
Transmission lines	24.00	12.00	0.00	12.00	12.00
Common Cost (HO & SNR)	(16,558.66)	0.00	(882.35)	(882.35)	(15,676.31)
Fisheries Management	(42.51)	0.00	0.00	-	(42.51)
Preliminary Expenses	11.91	0.00	0.00	0.00	11.91
Pre- construction & Construction stage Expenses	(1.41)	0.00	(7.93)	(7.93)	6.52
Incidental exp after COD(proportion)Stage-1 2017-1	(0.98)	0.00	0.00	0.00	(0.98)
Incidental exp Before COD Stage-1	(8,152.73)	0.00	0.00	0.00	(8,152.73)
Expenditure related to previous year	46.74	0.00	0.00	0.00	46.74
AUC-Amount Settlement	(1,114.03)	0.00	(861.07)	(861.07)	(252.96)
AUC incidental investment clearing account	(6,041.42)	0.00	0.00	-	(6,041.42)
Financial Charges on lease	9.30	0.48	0.00	0.48	8.81
Interest/Penalty	0.33	0.00	0.00	0.00	0.33
E & M Letter of credit Charges	8.88	6.70	0.00	6.70	2.18
Loss on sale of assets	1.36	0.00	0.00	0.00	1.36
Pekhubella SPP	0.95	0.00	0.00	0.00	0.95
S&I WORK	91.36	91.36	0.00	91.36	0.00
Generation of DPR	0.22	0.00	0.00	0.00	0.22
TOTAL	**1,15,120.60**	**7,339.61**	**(1,751.65)**	**5,587.97**	**1,09,532.63**

Note No 2.2.2.5

Miscellaneous Income Transferred to Expenditure During Construction:

Amount in Lakh

PARTICULARS	As at 31.03.2025	Addition during 24-25	Deletion during 24-25	Net During 2024-25	As at 31.03.2024
Interest from Banks Deposits/FDR's	(2,197.35)	(0.88)		(0.88)	(2,196.47)
Income from Providing design work/Lab Receipts	0.00	0.00		0.00	0.00
Interest from Employees	0.00	0.00		0.00	0.00
House Rent Collection from employees/Other recov	0.00	0.00		0.00	0.00
Infirm Sale or Power	(16.82)	0.00		0.00	(16.82)
Interest on Tax Refunds	0.00	0.00		0.00	0.00
Income from sale of tender forms	(0.87)	0.00		0.00	(0.87)
Income from Contractors	0.00	0.00		0.00	0.00
Income from Transit Camp/Guest House	0.00	0.00		0.00	0.00
Gain on sale of Assets	(1.16)	0.00		0.00	(1.16)
Miscellaneous Receipts	(14119.77)	-	(1252.41)	(1252.41)	(12867.35)
TOTAL	**(16335.97)**	**(0.88)**	**(1252.41)**	**(1253.29)**	**(15082.68)**

HIMACHAL PRADESH POWER CORPORATION LIMITED
Consolidated
Note 2.3.1

Investment Property

22.68

As at 31-3-25

(In Lakh)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	NET BLOCK
Particulars	As at 01.04.2024	Addition durng the year	Deductions / Adjustments	As at 31.03.2025	As at 01.04.2024	Addition durng the year	Deductions / Adjustments	As at 31.03.2025	As at 31.03.2025	As at 31.03.2024
Building -Investment	46.91	-	-	46.91	22.68	1.41	-	24.09	22.83	24.24
Total	**46.91**	-	-	**46.91**	**22.68**	**1.41**	-	**24.09**	**22.83**	**24.24**

As at 31-3-24

(In Lakh)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	NET BLOCK
Particulars	As at 01.04.2023	Addition durng the year	Deductions / Adjustments	As at 31.03.2024	As at 01.04.2023	Addition durng the year	Deductions / Adjustments	As at 31.03.2024	As at 31.03.2024	As at 31.03.2023
Building -Investment	46.91	-	-	46.91	21.26	1.41	-	22.68	24.24	25.65
Total	**46.91**	-	-	**46.91**	**21.26**	**1.41**	-	**22.68**	**24.24**	**25.65**

Himachal Pradesh Power Corporation Limited

Consolidated

Sub Note No 2.4.1 Other Intangible Assets

(In Lakh)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2024	Addition durng the year	Deductions / Adjustments	As at 31.03.2025	As at 01.04.2024	Addition durng the year	Deductions / Adjustments	As at 31.03.2025	As at 31.03.2025	As at 31.03.2024
Software	128.13	175.25	-	303.38	74.16	67.53	-	141.69	161.69	53.97
Total	**128.13**	**175.25**	**-**	**303.38**	**74.16**	**67.53**	**-**	**141.69**	**161.69**	**53.97**

(In Lacs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2023	Addition durng the year	Deductions / Adjustments	As at 31.03.2024	As at 01.04.2023	Addition durng the year	Deductions / Adjustments	As at 31.03.2024	As at 31.03.2024	As at 31.03.2023
Software	101.42	26.71	-	128.13	58.84	15.32	-	74.16	53.97	42.58
Total	**101.42**	**26.71**	**-**	**128.13**	**58.84**	**15.32**	**-**	**74.16**	**53.97**	**42.58**

Intangible Assets(aging Schedule)
As at March 31,2025

	Less Then One Year	1-2 Years	2-3 Years	More then 3 Years	Total
Projects in Progress	175.25	26.71	32.29	69.13	303.38
Projects Temporary suspended					
	175.25	26.71	32.29	69.13	303.38

	Less Then One Year	1-2 Years	2-3 Years	More then 3 Years	Total
As at March 31,2024					
Projects in Progress	26.71	32.29	0	69.13	128.13
Projects Temporary suspended					
	26.71	32.29	0	69.13	128.13

Himachal Pradesh Power Corporation Limited

Consolidated

Non Current Assets

2.7 Other Non Current assets

(In Lakh)

		As at March 31,2025	As at March 31,2024
	Capital Advances		
	Advances to Suppliers and Contractors		
	Covered By Bank Guarantee	-	-
	Unsecured Considered Good	7,578.41	1,365.54
	Others	-	-
	Loans and Advances to Related Parties		
	Unsecured Considered Good	60.50	60.50
Less:	Provision for Doubtful Advances	(60.50)	(60.50)
	Advances to Govt Departments	1,359.55	196.18
	Advances to Others		
	Others- Secured Considered Good	91.45	113.34
	Others- Unsecured Considered Good	-	-
	Total Adavnces (A)	**9,029.42**	**1,675.06**
	Others		
	Recoverable from Contractors		
	Others- Secured Considered Good	-	-
	Others- Unseured Considered Good	6,404.07	6,870.30
	Recoverable from staff	-	-
	Deposits with Income Tax Authorities	7,730.54	7,584.45
	Deposits with Courts	25,384.95	37,303.26
	Other Recoverable	19.58	19.20
	Interest Recoverable	-	-
	Recoverable From Govt	7,458.78	8,109.63
	Capital Stores at Cost		
	Other Items		
	Grant Receivables- Non Current	75,002.69	67,859.73
	Prepaid Expenses	14.43	-
	Deferred Empoyee Benefits Expense	-	-
	Total - Others (B)	**1,22,015.03**	**1,27,746.58**
	Total Other Non- Current Assets (C)=(A+B)	**1,31,044.45**	**1,29,421.64**

Current Assets

2.8 Inventories

(In Lakh)

Particulars	As at March 31,2025	As at March 31,2024
Inventories	613.30	507.24
Loose Tools	91.70	119.30
Stores and Spares	950.35	804.62
Less : Provision for Shortage of store and Obsolescence		
Total	**1,655.35**	**1,431.15776790**

2.9 Trade Receivables

(In Lakh)

Particulars	As at March 31,2025	As at March 31,2024
Secured Consisdered good		
Unsecured considered good:		
Sale of Power	31,186.86	9,870.97
Others(HPTCL)	23.77	23.77
Total	**31,210.63**	**9,894.74**

2.10 Cash and cash equivalents

(In Lakh)

Particulars	As at March 31,2025	As at March 31,2024
'Term Deposits (having original maturity of upto 3 months)		-
Cash and Bank Balances		
Cash in Hand	0.17	0.07
Stamps in Hand	0.15	0.12
Balance with Banks	-	-
Current Deposits	22,552.29	20,033.79
Term Deposits with maturity upto 3 months	-	-
Total	**22,552.61**	**20,033.99**

2.11 Bank Balance - Other than above

(In Lakh)

Particulars	As at March 31,2025	As at March 31,2024
Earmarked Balance (Unpaid Dividend)	-	-
Margin Money for Pledged Deposits	-	-
Other term Deposits having maturity period of more than 3 months	323.87	201.20
Margin Money for BG/ Letter of Credit	6,381.97	3,283.29
Total	**6,705.84**	**3,484.49**

..12 Loans

(In Lakh)

Particulars	As at March 31,2025	As at March 31,2024
Security Deposits		
Secured Considered Good	-	-
Unsecured considered good	-	-
Doubtful		
TDS RECOVERABLE	(1.78)	112.47
Recoverable from Staff	16.90	15.66
Advances to Employees		
Secured considered good	-	-
Unsecured Considered Good	0.25	0.25
Doubtful	-	-
Total Loans	**15.37**	**128.39**

2.13 Other Assets

(In Lakh)

	Particulars	As at March 31,2025	As at March 31,2024
	Interest Accrued but not due on deposits with Banks	5.36	43.71
*	Interest recoverable	16.74	8,165.31
	Amount Receivable from Others	44.93	55.23
	Amount Recoverable from Contractor & Suppliers	13,974.10	13,909.19
Less	Provision for Doubtful Recoverable from contractor & suppliers	(13,034.42)	(13,034.42)
	Total Other Financial Asssets	**1,006.71**	**9,139.01**

* (Unbilled Revenue)

2.14 Other Current Assets

(In Lakh)

Particulars	As at March 31,2025	As at March 31,2024
Advances Others		
Secured Considered Good	-	-
Unsecured considered good	-	-
Advance to Suppliers and Contractors		
Secured Considered Good	-	-
Unsecured considered good	4,038.51	9,735.63
Advances to Govt Departments		
Secured Considered Good	-	-
Unsecured considered good	758.55	1,266.09
Others		
Prepaid Expenses	1,526.04	946.86
Amount Recoverable from tax authorities	-	-
Deposits with Courts	13,837.58	1,478.70
Other Recoverable	189.52	280.09
Recoverable from Govertent	905.26	-
Recv from Rent	0.66	-
Total	**21,256.12**	**13,707.37**

Himachal Pradesh Power Corporation Limited

2.15 Equity Share Capital

	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	Share Capital	No. of Shares	Share Capital
AUTHORISED Equity Shares of par value @ 1000/- each	2,50,00,000	**25,00,00,00,000**	2,50,00,000	**25,00,00,00,000**
ISSUED, SUBSCRIBED AND FULLY PAID UP Equity Shares of par value @ 1000/- each fully paid up	2,34,76,279	23,47,62,79,000	2,34,26,279	23,42,62,79,000
Total		**23,47,62,79,000**		**23,42,62,79,000**

2.15.1 Details of shareholders holding more than 5% shares in the Company :

	Name of the shareholder	As at March 31, 2025		As at March 31, 2024	
		No. of shares	%	No. of shares	%
-30	Government of Himachal Pradesh (GoHP)	1,02,96,991	43.86	1,02,46,991	43.74
	Himachal Pradesh Infrastructre Development Board	1,18,71,507	50.57	1,18,71,507	50.68
-20	Himachal Pradesh Electricity Board Limited	13,07,731	5.57	13,07,731	5.58
		2,34,76,229		**2,34,26,229**	

2.15.2 The reconciliation of the number of shares outstanding is set out below:

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	Share Capital	No. of Shares	Share Capital
Number of shares at the beginning	2,34,26,279	23,42,62,79,000	2,30,24,779	23,02,47,79,000
No. of shares issued during the year	50,000	5,00,00,000	4,01,500	40,15,00,000
No. of shares Bought Back during the year				
Number of shares at the end	**2,34,76,279**	**23,47,62,79,000**	**2,34,26,279**	**23,42,62,79,000**

Himachal P[illegible]desh Power Corporation Limited
Statement [illegible]nges in Equity
Consolidated

A. Equity Share Capital

(1) For FY 2024-25 (In Lakh)

	Balance as at 1st April, 2024	Changes in equity shares capital due to prior period errors	Restated balance as at 1st April, 2024	Changes in equity shares capital during the year	Balance as at 31st March, 2025
	2 34 262 79		2 34 262 79	500 00	2 34 762 79

(2) For FY 2023-24

	Balance as at 1st April, 2023	Changes in equity shares capital due to prior period errors	Restated balance as at 1st April, 2023	Changes in equity shares capital during the year	Balance as at 31st March, 2024
	2 30 247 79		2 30 247 79	4,015 00	2 34 262 79

2.16

B. Other Equity

(1) For FY 2024-25

	Share application on money pending allotment	Equity component of compound financial instrument	Reserve & Surplus				Debt instrument through other Compre hensive Income	Equity Instrument through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revalution Surplus	Exchange difference on translating the financial statment	Other items of Other Compr ehensive Income (Specify nature)	Other items of Other Compr ehensive Income (Specify nature)	Total
			Capital Reserve	Securities Premium	Other Reserve (Specify nature)	Retained Earning								
Balance as on 1st, April, 2024	-					-86,720.92								-86,720.92
Changes in accounting policy or prior period errors						-3.880000								-3.88
Restated balance at the beginning of the current reporting period	-					-86,724.80								-86,724.80
Total comprehensive Income for the current year						432.56								432.56
Dividends														-
Transfer to retained earnings														
Any other change	5,718.00					-5,949.33								-5,949.33 5,718.00
Balance as on 31st March, 2025	5,718.00					-92,241.57								-86,523.57

(2) For FY 2023-24 (In Lakh)

	Share application on money pending allotment	Equity component of compound financial instrument	Reserve & Surplus				Debt Instrument through other Compre hensive Income	Equity Instrument through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revalution Surplus	Exchange difference on translating the financial statment	Other Items of Other Compr ehensive Income (Specify nature)	Other items of Other Compr ehensive Income (Specify nature)	Total
			Capital Reserve	Securities Premium	Other Reserve (Specify nature)	Retained Earning								
Balance as on 1st, April, 2023	1,865.00					-76,207.56								-76,342.56
Changes in accounting policy or prior period errors						-126.79								-126.79
Restated balance at the beginning of the current reporting period						-78,334.36								-78,334.36
Total comprehensive Income for the current year						80.07								80.07
Dividends														-
Transfer to retained earnings														
Any other change	-1,865.00					-8,466.63								-8,466.63 -1,865.00
Balance as on 31st March, 2024	-					-86,720.92								-86,720.92

For and on behalf of the Board of Directors

(Manoj Kumar)
AGM (F & A)

(Sudershan K Sharma)
Company Secretary

(Naresh Thakur)
Director (Finance)
DIN No. 11088059

(Abid Hussain Sadiq),
Managing Director
DIN No. 08183381

This is the Statement of Changes in Equity referred to our report of even date

FOR N.K Bhargava & Co
Chartered Accountants
FRN: 0000429N

Partner
Membership No:
UDIN:

Himachal Pradesh Power Corporation Limited

Non Current Liabilities

2.17 Borrowings

(In Lakh)

Particulars	As at March 31,2025	As at March 31,2024
Term Loans		
From Banks/Institutions:		
A **Secured**		
From PFC Loan Shongtong	1,23,100.09	40,451.93
Total (A)	**1,23,100.09**	**40,451.93**
B **Unsecured**		
Government of Himachal Pradesh Loan for Shongtong HEP *(Rate of Interest 3.83% p.a. payable in halfyealrly instalments from july 2018 to January 2028)*	2,064.72	3,097.08
Government of Himachal Pradesh Loan for Shongtong HEP *(Rate of Interest 0.75% p.a. payable in halfyealrly instalments from july 2023 to January 2053)*	4,298.93	4,463.93
Government of Himachal Pradesh Loan		
Government of Himachal Pradesh Loan (Trench 1) *(Rate of Interest 10% pa payable in yearly instalments of principal and interest from april 18 to January 2023)*	-	-
Government of Himachal Pradesh Loan (Trench 2) *(Rate of Interest 10% pa payable in yearly instalments of principal and interest from april 18 to January 2025)*	-	-
Government of Himachal Pradesh Loan (Trench 3) *(Rate of Interest 10% pa payable in yearly instalments of principal and interest from april 18 to January 2026)*	-	10,525.98
Government of Himachal Pradesh Loan (Trench 4) *(Rate of Interest 10% pa payable in yearly instalments of principal and interest from april 18 to January 2027)*	3,426.62	6,853.24
Government of Himachal Pradesh Loan (UNSEC.TRM.LOAN HP Govt)	635.00	-
Unsecured Term Loan Chanju-III -AFD *(Rate of Interest 2.39 % pa payable in semi annual instalments for each calendar half year on or before 15th January/ 15th July succeeding half year to which the interest relates)*	4,382.74	4,382.74
Unsecured Term Loan Deothal Chanju- AFD *(Rate of Interest 2.39 % pa payable in semi annual instalments for each calendar half year on or before 15th January/ 15th July succeeding half year to which the interest relates)*	22.21	22.21
Total (B)	**14,830.22**	**29,345.18**
Total Term Loans from Banks (A+B)	**1,37,930.30**	**69,797.11**

2.18 Lease Liabilities

(In Lakh)

	As at March 31,2025	As at March 31,2024
Lease Liabilites -Non Current	388.61	322.97
Total	**388.61**	**322.97**

2.19 Other Financial Liabilities

(In Lakh)

	As at March 31,2025	As at March 31,2024
Deposits, Retention Money from Contractors and Others	7,123.78	4,297.28
Liabiities For Contractors & Suppliers	236.74	-
Provision for Expenses	9,633.34	-
Deferred Repayment of Interest of GOHP Loan	-	-
Liabilities for Government Departments	46,236.04	-
Total	**63,229.90**	**4,297.28**

Non Current Liabilities

2.20 Provisions

(In Lakh)

Particulars	As at March 31,2025	As at March 31,2024
Unfunded Employee benefit		
Pension Contribution	1234.62	1015.68
Gratuity	2472.90	1929.70
Leave Enchasment	4345.95	4431.94
Provision for Doubtful Investments	-	-
Total	**8053.47**	**7377.32**

2.21 Deferred tax liabilities (Net)

(In Lakh)

Particulars	As at March 31,2025	As at March 31,2024
Deferred Tax Liabilities	-	-
Total	-	-

2.22 Other Non-Current Liabilities

(In Lakh)

Particulars	As at March 31,2025	As at March 31,2024
Capital Grant government of India		
Utilised Grant		
Renuka		
Opening Balance	284878.39	247571.72
Additions during the year	70511.01	37306.61
Less: Acculumated depreciation on fixed Assets	(312.06)	(288.33)
Less: Accumulated Depreciation on Fixed Assets write-off during the year		
Closing Balance	**355077.33**	**284590.00**
Gyspa		
Opening Balance	1290.31	1281.81
Additions during the year	10.44	8.56
Less: Acculumated depreciation on fixed Assets	(50.16)	(46.64)
Closing Balance	**1250.59**	**1243.73**
Total Utilised grant	**356327.93**	**285833.73**

Himachal Pradesh Power Corporation Limited

Current Liabilities

2.23 Borrowings

(In Lakh)

	Particulars	As at March 31,2025	As at March 31,2024
A	**Secured**		
	From Banks		
	'From UCO Bank	-	-
	'From PFC Loan Shongtong	-	-
	From Others		
	From KCCBL	7,966.47	7,684.88
	HPSCBL CCL	18,935.26	17,987.75
B	**Unsecured**		
	Government of Himachal Pradesh Loan (ADB)	2,35,470.82	2,21,718.23
	Government of Himachal Pradesh Loan (KFW)	8,230.06	6,832.69
	Total	**2,70,602.61**	**2,54,223.55**

2.24 Lease Liabilities

(In Lakh)

Particulars	As at March 31,2025	As at March 31,2024
Lease Liabilites	35.13	284.93
Total	**35.13**	**284.93**

2.25 Trade Payables

(In Lakh)

Particulars	As at March 31,2025	As at March 31,2024
Trade Payables	-	-
Total	-	-

2.26 Other Financial Liablities

(In Lakh)

Particulars	As at March 31,2025	As at March 31,2024
Liabilities for employees Remuneration and Benefit	152.10	571.06
Interest Accrued and Due on Loan (ADB & KFW)	2,34,081.14	2,44,679.92
Salary & Other Exps. Payable to Employees	2.58	-
	-	-
Deposits, Retention Money from Contractors and Others	2,454.15	5,077.95
Liabilities for Government Departments	2,520.08	75,902.67
Liabiities For Contractors & Suppliers	6,325.71	3,757.91
	-	-
	-	-
Other Liabilities	169.52	1,710.85
Interest Accrued but not due on Loan (PFC)	511.26	70.94
Total	**2,46,216.52**	**3,31,771.28**

2.27 Provisions

(In Lacs)

Particulars	As at March 31,2025	As at March 31,2024
Unfunded Employee benefit		
Pension Contribution	-	-
Gratuity	-	-
Leave Enchasment	-	-
Provision for Expenses	29,016.34	32,670.11
	-	-
Total	**29,016.34**	**32,670.11**

2.28 Other Current Liabilities

Particulars	As at March 31,2025	As at March 31,2024
Advance for deposit Work	89.32	93.39
Provision for Income Tax	0.30	0.30
Taxes and Duties Payable	438.87	304.47
Total	**528.49**	**398.16**

Himachal Pradesh Power Corporation Limited

2.29 Revenue from Operations

(In Lakh)

		For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
	Sales		
	Energy Sales	38,514.77	38,951.59
Less:	Purchase of Power (RTM)	(121.66)	(131.69)
	Total Energy Sale(A)	**38,393.11**	**38,819.90**
	Sale of Services		
	Rent from Property	4.05	5.77
	Total Sale of Services (B)	**4.05**	**5.77**
	Total Revenue from Operations(C)=(A+B)	**38,397.17**	**38,825.67**

2.30 Other Income

(In Lakh)

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Miscellaneous Income	3,358.50	1,611.90
Total	**3,358.50**	**1,611.90**

#Miscellaneous Income		
Income for providing Design works/Lab Receipt	6.15	4.60
Interest from Banks	16.56	5.73
Late Payment Surcharge	3,276.68	1,211.79
Rebate NRLDC Fee Chg	0.07	0.15
Interest on Bank Deposit - FDR's	0.33	0.98
Others	58.70	388.65
Total	**3,358.50**	**1,611.90**

2.31 Employee Benefits Expense

(In Lakh)

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Salaries,Wages, Allowances and Benefits	2,163.90	2,214.59
Contribution to Provident and Other Funds	146.39	145.55
Leave Salary and Pension Contribution *	152.10	158.23
Welfare Expenses	181.28	169.87
Total	**2,643.67**	**2,688.23**

2.32 Finance Costs

(In Lakh)

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Bank Charges	0.00	0.03
Interest on Term Loan	20,006.74	19,640.09
Interest on Other Loan	47.76	521.97
Total	**20,054.50**	**20,162.09**

2.33 Depreciation and Amortization Expense

(In Lakh)

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Depreciation for the Year	21,485.09	20,895.11
Depeciation Charged to Statement of Profit & Loss	**21,485.09**	**20,895.11**

Himachal Pradesh Power Corporation Limited

2.34 Other Expenses

Office and Administrative Expenditure

(In Lakh)

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Repair and Maintenance		
Buildings	98.84	71.01
Roads	170.44	51.83
Plant & Machinery	969.54	1,072.42
Office Equipments & Furnitures	3.58	1.83
Civil Works	465.99	156.28
Vehicles	0.00	0.00
TOTAL (A)	**1,708.38**	**1,353.37**
Expenses related to sales of power		
Expenses in relation to sale of power	76.91	718.26
Free Power	92.47	74.13
Rebate to Customers	0.00	0.00
TOTAL (B)	**169.38**	**792.39**
Other expenses		
Rent, rates and Taxes	13.80	8.99
Insurance -Other Assets	918.11	818.38
Electricity & Water Charges	36.00	39.37
Travelling & Conveyance	7.60	4.95
Training Expenses	2.19	8.45
Legal and Professional Charges	45.97	66.97
Communication Expenses	10.01	5.50
Printing & Stationery	3.29	12.42
Statutory Audit Fees	7.58	7.86
Consultancy fees	0.77	0.84
Publicity and Advertisement Expenses	4.56	4.21
Hiring of Vehicles	166.00	150.62
Vehicle Running Charges and Insurance Charges	0.00	0.02
Annual Technical Support- SAP	9.77	4.20
Fees and subscription	39.99	266.25
Expenses on Transit Camps	0.50	0.39
Books & Periodicals	1.47	1.33
Hospitality and Entertainment Expense	1.41	1.65
Freight and Labour Charges	0.12	0.24
Postage and Telegram Expenses	0.17	0.32
Raising Day Expense	24.85	24.37
Meeting Expenses	0.56	1.07
Environment & Ecology Expenses	286.66	428.85
Office Expenses	33.89	40.46
Interest & penalties under I.Tax	0.01	0.08
Loss on Sale of Fixed Assets	2.48	1.87
Miscellaneous Expenses	26.00	19.21
CAT Plan Expenses	0.00	0.00
Training Expense O&M	0.00	0.00
Water Cess	0.00	1,069.48
Intt../Penalty- Entry	0.00	0.00
Prior Period Expense	0.00	0.00
TOTAL (C)	1,643.76	2,988.35
GRAND TOTAL (A) + (B) + (C)	**3,521.52**	**5,134.11**

Himachal Pradesh Power Corporation Limited

2.35 Other Comprehensive Income

(In Lakh)

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
A. Items that will not be reclassified to profit & loss		
(ii) Remeasurement of the defined benefit plans	432.56	80.07
Total	**432.56**	**80.07**

2.36 Earning Per Share Basic and Dilluted

(In Lakh)

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Net Profit After Tax	(5,516.77)	(8,386.56)
Weighted Average No. of shares	234.51	234.26
EPS	**(23.52)**	**(35.80)**

Note No 2.37

Disclosure on Financial Instruments and Risk Management

i) Fair Value Measurement

a) Financial Instruments by Category

Rupees (In Lakh)

Particulars	Note no	As at March 31,2025 Amortised Cost	As at March 31,2024 Amortised Cost
Financial Assets			
Non Current Financial Assets			
(i)Investments	2.5	-	-
(ii)Loans	2.6	153	153
(iii)Others		-	-
Bank Deposits with more than 12 Months Maturity			
Current Financial Assets			
(i)Trade Receivables	2.9	31,211	9,895
(ii)Cash and Cash Equivalents	2.10	22,553	20,034
(iii)Bank Balance other than above	2.11	6,706	3,484
(iv)Loans	2.12	15	128
(v)Other Assets			
Interest Accrued	2.13	5	44
Other Recoverable	2.13	1,001	9,095
Total Financial Assets		**61,644**	**42,833**
Financial Liabilities			
(i)Long Term Borrowings			
a)Term Loans Financial Institutions	2.17	1,23,100	40,452
b)Term Loans from Others	2.17	14,830	29,345
(ii) Lease Liabilities	2.18	389	323
(ii) Deposits / retention non current	2.19	7,130	4,304
Investment Held as Security		(6)	(7)
Current Financial Liabilities			
(iii) Financial Liabilities			
Short Term Borrowings	2.23	26,902	25,673
a)Current Maturity of Term Loans Financial Inst	2.26	511	71
b)Current Maturity of Term Loans other	2.23	2,43,701	2,28,551
c)Lease Liabilities	2.24	35	285
d)Deposit/ retention Money	2.26	2,454	5,078
e)Liability for Employee Benefits	2.26	152	571
f)Other Payables	2.26	2,43,610	3,26,122
Total Financial Liabilities		**6,62,808**	**6,60,768**

FAIR VALUATION MEASUREMENT

(a) Financial Assets/ Liabilities Measured at Fair Value- recurring Fair Value Measurement **(In Lakh)**

		As at March 31,2025			As at March 31,2024		
	Note no	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets at FVTOCI							
(i) Investments							
-In equity Instrument quoted		-	-	-	-	-	-
- In government Securities		-	-	-	-	-	-
- In public sector undertakings/ Public Financial Institution and Corporate Bonds		-	-	-	-	-	-
Total		-	-	-	-	-	-

(b) Financial Assets/ Liabilities measured at amortised cost for which fair value are not disclosed **(In Lakh)**

		As at March 31,2025			As at March 31,2024		
	Note no	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets							
(i) Loans to employees and Others	2.6/2.12		168			281	
(ii) Other		-	-	-	-	-	-
Bank deposits with more than 12 months maturity		-	-	-	0	-	-
		-	-	-	-	-	-
Total Assets		-	168	-	0	281	-
Financial Liabilities							
(i) Long term Borrowings(including current Maturity and Interest	2.17 /2.26		3,72,523			3,14,548	
(ii) Deposit / Retention Money (Including Current	2.19/2.26	-	9,584	-	-	9,382	-
(iii) Lease Liabilities	2.18 / 2.24		424			608	
Total Liabilities		-	3,82,531	-	-	3,24,538	-
Total		-					

Valuation techniques and process used to

(c) Fair Value of financial assets and Liabilities measures at carrying cost **(In Lakh)**

		As at March 31,2025		As at March 31,2024	
	Note No	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets					
(i) Loans to employees and Others	2.6 / 2.12	168	168	281	281
(ii) Other					
Bank deposits with more than 12 months maturity		-	-	-	-
Total Assets		168	168	281	281
Financial Liabilities					
(i) Long term Borrowings (including current Maturity and Interest)	2.17 /2.26	3,72,523	3,72,523	3,14,548	3,14,548
(ii) Deposit / Retention Money (Including Current)	2.19/2.26	9,584	9,584	9,382	9,382
(iii) Lease Liabilities	2.21 and 2.2	424	424	608	608
Total Liabilities		3,82,531	3,82,531	3,24,538	3,24,538

Note 2.38 Analytical Ratios

The Following are the analytical ratios for the year ended 31st March 2025 and 31st March 2024

Sr. No.	Particulars	Numerator	Denominator	31st March 2025	31st March 2024	Percentage Variance
1	**Current Ratio**	Current Assets	Current Liabilities	0.15	0.09	65.46
2	**Debt Equity Ratio**	Paid Up debt Capital	Shareholder Equity	0.93	0.47	96.89
3	**Debt Service Coverage Ratio**	Profit before tax+interest+depriciation+execptional items	interest scheduled principal repayments of scheduled borrowings	0.06	0.07	(17.83)
4	**Return on Equity Ratio**	Net Profit for the Year	Average Shareholders Equity	(23.52)	(35.80)	(34.29)
5	**Inventory Turnover ratio**	Revenue from Operations	Average Inventory	24.88	32.57	(23.61)
6	**Trade Receivable Turnover Ratio**	Revenue from Operations	Average Trade Receivabl	1.87	7.09	(73.64)
7	**Trade Payable Ratio**	Other Expenses	Average Trade Payables	-	-	-
8	**Net Capital Turnover Ratio**	Revenue from Operations	Net Working Capital	(0.08)	(0.07)	20.20
9	**Net Profit Ratio**	Profit for the Year	Revenue from Operations	-14%	-22%	(33.30)
10	**Return on Capital Employed**	Earnings Before interest, Tax and Exceptional items	Shareholders Equity +Paid up Debt Capital	10%	8%	19.91
11	**Return on Investment**	Income Generated from Investment	Time Weighted average Investments	18%	24%	(25.37)

Disclosure as per Ind AS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors'
(A) statement for the year ended 31st March 2024 and as at 1st April 2023

In accodance with Ind AS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 1, 'Presentation of Financial Statements', the Company has retrospectively restated its Balance Sheet as at 31st March 2024 and 1st April 2023 (beginning of the preceding period) and Statement of Profit and Loss and Statement of Cash Flows for the year ended 31st March 2024 for the reasons as stated in the notes below.

Reconciliation of Restated items of Balance Sheet as at 31st March 2024 & 1st April 2023 :

(In Lakh)

Particulars		Note No.	As at March 31,2024			As at April 1, 2023		
			As Previously Reported	IND AS 8 Adjustment	As Restated	As Previously Reported	IND AS 8 Adjustment	As Restated
Capital Work-in-Progress		2.2	3,99,299.42	(0.93)	3,99,300.00	3,23,846.82	1.51	3,23,848.33
Recoverable from Govt Department		2.7	1,29,421.64	0.61	1,29,422.81	1,13,150.51	0.56	1,13,151.07
PPE		2.1	5,47,896.02	(0.01)	5,47,895.98	5,31,943.35	(0.03)	5,31,943.32
Inventories		2.8	1,432.00	(0.84)	1,431.16			
Extract Total				**(1.18)**			**2.04**	
Other Equity		2.16	(86,571.36)	(26.65)	(86,724.80)	(76,342.91)	(126.79)	(76,469.70)
Provision for expenses		2.27	32,670.11	24.84	32,823.78	25,061.70	128.83	25,190.53
Other Financial Liabilities		2.19	4,297.28	0.72	4,298.01			
Other Non Current Liabilities		2.22	2,85,833.67	0.06	2,85,833.73			
Other Financial Liabilities		2.26	3,31,771.43	(0.15)	3,31,771.28			
Extract Total				**(1.18)**			**2.04**	

Reconciliation of Restated items of Sattement of Profit and Loss for the year ended 31st March 2024

Particulars		Note No.	As at March 31,2024		
			As Previously Reported	IND AS 8 Adjustment	As Restated
Depreciation & Amortization Expenses			20,895.11	0.01	20,895.12
Other Expenses			5,134.11	22.76	5,156.87
					-
Profit after Tax					

Notes:
i) Certain reclassification have been made to the comparative period's financial statements to enhance comparability with the current year's financial statements.

(ii) Financial Risk Management

Financial risk factors:
The Company's principal financial liabilities comprise borrowings, trades and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has advances, trades and other receivables, investments, cash and short-term deposits that arise directly from its operations. The Company's activities expose it to a variety of financial risks:

a) 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) and from its financing activities including deposits with banks and financial institutions.

Risk	**Exposure arising From**	**Measurement**	**Management**
Credit risk	Cash & Cash equivalents, Trade receivables and financial assets measured at amortised cost	Aging analysis	Diversification of bank deposits, credit limits and letter of credit
Liquidity Risk	Borrowings and other facilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market Risk-Interest rate	Long term borrowings at Fixed rates	Sensitivity analysis	Interest rate swaps/change of financer

b) 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.

c) 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 risks: currency rate risk, interest rate risk and other price risks. Financial instruments affected by market risk include loans and borrowings, deposits, investments. Foreign currency risk is the risk that the fair value or future cash flows of financial instrument/advances/retention money 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. This is based on the financial assets and financial liabilities held as at 31st March, 2025 and 31st March, 2024.The Company's policies approved by Board of Directors from time to time.

(A) 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.

a) Trade Receivables:
The Company extends credit to customers in normal course of business. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low; as its customers are mainly State Discoms to whom late payment

surcharge is as per the HPERC regulation. Further, the fact that beneficiaries are primarily State Discoms and considering the historical credit loss experience for trade receivables, the Company does not envisage either impairment in the value of receivables from beneficiaries or loss due to time value of money, due to delay in realization of trade receivables.

b) Financial assets at carrying cost:
The advances to contractors and other recoverable are shown at carrying cost. Management has assessed the past data and does not envisage any probability of default on these loans

c) Financial instruments and cash deposits:
The Company considers factors such as track record, size/net worth of the institution/bank, market reputation and service standards and limits and policies as approved by the Board of Directors to select the banks with which balances and deposits are maintained.

(B) 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. The Company's objective is to maintain an optimum level of liquidity at all times to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its need for funds. The current committed lines of credit 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 head room on its undrawn committed borrowing facilities at all times, so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

Maturities of Financial Liabilities:
The table below provides undiscounted cash flows towards company's financial liabilities into relevant maturity based on the remaining period at the Balance Sheet date to the contractual maturity date. Balance due within 1 year is equal to their carrying balances as the impact of discounting is not significant. (Refer note 2.17, 2.18, 2.19, 2.23, 2.24, 2.26, 2.27 & 2.28).

(Rs. in lakh)

As at 31st March, 2025						
Contractual maturities of financial liabilities	**Note No.**	**Outstanding debt on 31.03.2025**	**With in 1 year**	**More than 1 year and less than 3 years**	**More than 3 years and less than 5 years**	**More than 5 years**
1. Borrowings (Including interest accrued but not due)	2.17, 2.23 & 2.26	6,16,223.59	4,78,928.29	5,822.02	330.68	1,31,142.60
2. Other current & financial liabilities	2.18,2.19, 2.23,2.24,2.26, 2.27 & 2.28	82,965.64	65,971.78	16,993.86	-	-

(Rs. in lakh)

As at 31st March, 2024						
Contractual maturities of financial liabilities	**Note No.**	**Outstanding debt on 31.03.2024**	**Within 1 year**	**More than 1 year and less than 3 years**	**More than 3 years and less than 5 years**	**More than 5 years**
1. Borrowings (Including interest accrued but not due)	2.20, 2.26 & 2.30	5,43,100	4,73,302	20,971	330	48,496
2. Other current & financial liabilities	2.22, 2.26, 2.29 , 2.30 & 2.31	74,440	70,143	4,297	-	-

(C) Market Risk:

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit and Loss item 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 has taken borrowings from State Government (ADB, KFW, AFD, etc.), only at fixed rate of interest which is not subjected to risks of changes in market interest rates and the same has been shown at carrying value. Further, the company has also taken borrowings from Power Finance Corporation (PFC) at compounding rate of interest.

(Rs. in Lakh)

Particulars	As At 31st March 2025	As At 31st March 2024
Fixed Rate Borrowings	2,58,531.11	2,57,896.10
Compound Rate Borrowings (PFC)	1,23,100.09	40,451.93

ii) Price Risk: Exposure:

The company has no exposure to price risk as there is no investment in equity shares which are listed in recognised stock exchange and are publicly traded in the stock exchanges.

iii) Foreign Currency Risk: Foreign Currency Risk Exposure:

The company's exposure to foreign currency risk at the end of the reporting period expressed ***(in lacs)*** is as follows:

Particulars	**As At 31st March 2025**			**As At 31st March 2024**		
Foreign Currency	USD	Euro	CHF	USD	Euro	CHF
Financial Assets						
Net Exposure to foreign currency risk -Asset (A)	13.94	(0.56)	0	7.92	0.84	0
Financial Liabilities	0	0	0	0	0	0
Retention Money	0	0	0	0	0	0
Other Payables	0	0	0	0	0	0
Net Exposure to foreign currency risk –Liabilities (B)	0	0	0	0	0	0
Net Exposure to foreign currency risk (A-B)	**13.94**	**(0.56)**	**0**	**7.92**	**0.84**	**0**

The foreign currency risk is only for the foreign currency advances and other liability on account supplier dues and retention money payable to contractors. As per accounting policy of the company, transactions in foreign currency are initially recorded at exchange rate prevailing on the date of transaction. At each Balance Sheet date, monetary items denominated in foreign currency are translated at the exchange rates prevailing on that date. Non-monetary items denominated in foreign currency are reported at the exchange rate prevailing at the date of transaction. Exchange differences arising on translation or settlement of monetary items are recognised in the statement of profit and loss, in the year in which it arises.

(iii) Capital Management

(a) Capital Risk Management:

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern, in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended 31st March, 2025.

The Company monitors capital using gearing ratio, which is net debt divided by total of Capital and Net Debt. The gearing ratios are as follows:

(Rs. In Lakh)

Particulars		**As at 31st March 2025**	**As at 31st March 2024**
a)	**Loans and Borrowings**	4,08,532.91	3,24,020.66
b)	**Trade and Other Payables**	7,03,407.78	6,62,502.28
c)	**Less: Cash and Cash Equivalents**	22,552.61	20,033.99
d)	**Net Debt**	**10,89,388.08**	**9,66,488.95**
e)	**Total Capital**	1,48,239.22	1,47,537.99
f)	**Capital and Net Debt**	**12,37,627.30**	**11,14,026.94**
g)	**Gearing Ratio (%age)**	**88.02**	**86.76**

Note: For the purpose of the Company's capital management, capital includes issued capital, and all other equity reserves. Net debt includes, interest bearing loans and borrowings, trade and other payables less cash and short term deposits.

(b) Loan Covenants:
Under the terms of the major borrowing facilities, the company is required to comply with the following financial covenants:-

There is requirement to maintain Debt Equity ratio of 28:72 in case of World Bank (H.P Power Sector Development Program) and 80:20 by the AFD & PFC which are the funding agencies to the State Government.

(c) Dividends:
The Company started commercial operation during the year 2016-17 and total cumulative loss as on 31.03.2025 is Rs. 86,523.57 lakh, thus no dividend has been declared by the company.

Other Explanatory Notes to Accounts:

2.41 Contingent Liabilities:

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

(i) Capital works:

Contractors have lodged claims as on 31.3.2025, aggregating to approx. Rs. 59561.24 lakh, against the Company on account of rate & quantity deviation, cost relating to extension of time and 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/other Courts.

(ii) Land Compensation cases:

In respect of land acquired for the projects, some of the land losers have filed claims for higher compensation amounting to Rs. 29369.50 lakh as on 31.03.2025, before various authorities/courts. Company has shown the same as contingent liability as the matter is subjudice.

(iii) Others:

Claims on account of other matters as on 31.03.2025 amounting to Rs. 5973.04 lakh are mainly on account of claims for EPF, diversion of land & building etc.

		(Rs. In Lakh)
Particulars	**31^{st} March 2025**	**31^{st} March 2024**
Capital Works	59561.24	74606.98
Land Compensation	29369.50	20836.06
Others	5973.04	5663.07
Total	**94903.78**	**101106.11**

The above is summarized below as at 31.03.2025:

(Rs. In Lakh)

Particulars	Claims as on 31.3.2025	Provision Against the Claims	Contingent Liablility as on 31.3.2025	Contigent Liability as on 31.3.2024	Addition /deletion of Contigent Liability for the period
Capital Works	59,561.24	0	59,561.24	74,606.98	-15,045.74
Land Compensation	29,369.50	0	29,369.50	20,836.06	8,533.44
Others	5,973.04	0	5,973.04	5,663.07	309.97

The above is summarized below as at 31.03.2024:

(Rs. In Lakh)

Particulars	**Claims as on 31.3.2024**	**Provision Against the Claims**	**Contingent Liablility as on 31.3.2024**	**Contigent Liability as on 31.3.2023**	**Addition /deletion of Contigent Liability for the period**
Capital Works	74,606.98	0	74,606.98	91,440.77	-16,833.79
Land Compensation	20,836.06	0	20,836.06	76,100.36	-55,264.30
Others	5,663.07	0	5,663.07	4,875.96	787.11

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

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

(c) The company's management does not expect that the above claims/obligations (including under litigation), when ultimately concluded and determined, will have a material effect on the company's results of operations or financial condition, however, which shall be claimed in Tariff Petition as additional capital expenditure and will be recovered through PPA already done

2.42 Detail of Contingent Assets: **(Rs. In Lakh)**

Particulars	**As At 31st March 2025**	**As At 31st March 2024**
Civil Work and E & M works	54,110.67	54,110.50

2.43 Estimated amount of commitments not provided for is as under: **(Rs. In Lakh)**

Particulars	**Currency**	**As At 31st March 2025**	**As At 31st March 2024**
Estimated amount of contracts remaining to be executed on capital account and not provided for	INR	1,27,096.76	1,18,267.97
	Euro	53.19	54.15
	US$	1.68	6.33

2.44 The effect of foreign exchange fluctuation during the year is as under:

(Rs. In Lakh)

Sr. No.	**Particulars**	**Year ended 31.3.2025**	**Year ended 31.3.2024**
(i)	Amount Charged to Statement of Profit and Loss Account excluding depreciation	**13.38**	**9.68**
(ii)	Amount Charged to Expenditure attributable to construction	**Nil**	**Nil**
(iii)	Amount adjusted by addition to the carrying amount of fixed Assets	**Nil**	**Nil**

2.45 Disclosure under the provisions of IND-AS-19 'Employee Benefits': General description of various defined employee benefits are as under:

(a) Defined Contribution plans:

(i) Pension:

The Company employees are not covered under any Government pension scheme. However, the employees of the HPSEBL who are on secondment basis with the company the pension contribution is payable to the HPSEBL.

b) Defined Benefit plans:

(i) Employers contribution to Provident Fund:

The employees of the company are covered under EPF Scheme with Regional Provident Commissioner and the contribution is being paid on monthly basis to the authorities.

(ii) Gratuity:

The liability of the same is recognised on the basis of actuarial valuation. However the employees of the HPSEBL who are on secondment basis with the company the gratuity contribution is payable to the HPSEBL.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at balance sheet date:

2.1 (a): Table Showing Changes in Present Value of Obligations:

(In INR)

Period	From: 01-04-2024 To: 31-03-2025
Present value of the obligation at the beginning of the period	19,29,70,350
Interest cost	1,39,51,756
Current service cost	1,89,37,077
Past Service Cost	0
Benefits paid (if any)	(24,49,958)
Actuarial (gain)/loss	2,38,80,800
Present value of the obligation at the end of the period	24,72,90,025

2.2: Key results (The amount to be recognized in the Balance Sheet):

Period	As on: 31-03-2025
Present value of the obligation at the end of the period	24,72,90,025
Fair value of plan assets at end of period	0
Net liability/(asset) recognized in Balance Sheet and related analysis	24,72,90,025
Funded Status - Surplus/ (Deficit)	(24,72,90,025)

2.3 (a): Expense recognized in the statement of Profit and Loss:

Period	From: 01-04-2024 To: 31-03-2025
Interest cost	1,39,51,756
Current service cost	1,89,37,077
Past Service Cost	0
Expected return on plan asset	(0)
Expenses to be recognized in P&L	3,28,88,833

2.3 (b): Other comprehensive (income) / expenses (Remeasurement)

Period	From: 01-04-2024 To: 31-03-2025
Cumulative unrecognized actuarial (gain)/loss opening. B/F	0
Actuarial (gain)/loss - obligation	2,38,80,800
Actuarial (gain)/loss - plan assets	0
Total Actuarial (gain)/loss	2,38,80,800
Cumulative total actuarial (gain)/loss. C/F	2,38,80,800

2.3 (c): Net Interest Cost

Period	From: 01-04-2024 To: 31-03-2025
Interest cost on defined benefit obligation	1,39,51,756
Interest income on plan assets	0
Net interest cost (Income)	1,39,51,756

3.1: Summary of membership data at the date of valuation and statistics based thereon:

Period	As on: 31-03-2025
Number of employees	363
Total monthly salary	3,65,88,570
Average Past Service(Years)	11.1
Average Future Service (yrs)	17.5
Average Age(Years)	40.5
Weighted average duration (based on discounted cash flows) in years	14
Average monthly salary	1,00,795

3.2: Actuarial assumptions provided by the company and employed for the calculations are tabulated:

Discount rate	6.80 % per annum
Salary Growth Rate	6.00 % per annum
Mortality	IALM 2012-14
Attrition / Withdrawal Rate (per Annum)	3.00% p.a.(18 to 30 Years)
Attrition / Withdrawal Rate (per Annum)	2.00% p.a. (30 to 44 Years)
Attrition / Withdrawal Rate (per Annum)	1.00% p.a. (44 to 58 Years)

3.3: Benefits valued:

Normal Retirement Age	58 Years
Salary	Last drawn qualifying salary
Vesting Period	5 Years of service
Benefits on Normal Retirement	15/26 * Salary * Past Service (yr).
Benefit on early exit due to death and disability	As above except that no vesting conditions apply
Limit	2000000.00

3.4: Current Liability (*Expected payout in next year as per schedule III of the Companies Act, 2013) :

Period	As on: 31-03-2025
Current Liability (Short Term)*	81,66,166
Non Current Liability (Long Term)	23,91,23,859
Total Liability	24,72,90,025

3.5: Effect of plan on entity's future cash flows

3.5 (a): Funding arrangements and funding policy

Not Applicable

3.5 (b): Expected contribution during the next annual reporting period

The Company's best estimate of Contribution during the next year	2,04,05,191

3.5 (c): Maturity profile of defined benefit obligation: Weighted Average

Weighted average duration (based on discounted cash flows) in years	14

3.5 (d): Maturity Profile of Defined Benefit Obligation: Maturity analysis of benefit obligations.

01 Apr 2025 to 31 Mar 2026	81,66,166
01 Apr 2026 to 31 Mar 2027	49,84,140
01 Apr 2027 to 31 Mar 2028	73,14,090
01 Apr 2028 to 31 Mar 2029	74,34,347
01 Apr 2029 to 31 Mar 2030	81,23,204
01 Apr 2030 Onwards	21,12,68,078

3.6: Sensitivity Analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Period	As on: 31-03-2025
Defined Benefit Obligation (Base)	24,72,90,025 @ Salary Increase Rate : 6%, and discount rate :6.8%
Liability with x% increase in Discount Rate	22,09,42,780; x=1.00% [Change (11)%]
Liability with x% decrease in Discount Rate	27,81,19,812; x=1.00% [Change 12%]
Liability with x% increase in Salary Growth Rate	27,80,56,486; x=1.00% [Change 12%]
Liability with x% decrease in Salary Growth Rate	22,05,27,032; x=1.00% [Change (11)%]
Liability with x% increase in Withdrawal Rate	24,89,37,335; x=1.00% [Change 1%]
Liability with x% decrease in Withdrawal Rate	24,54,39,048; x=1.00% [Change (1)%]

(iii) Leave encashment:

The liability of the leave encashment is recognised on the basis of actuarial valuation. However the employees of the HPSEBL who are on secondment basis with the company, the leave salary contribution is payable to the HPSEBL as per the formula devised by them.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the Leave encashment plan and the amounts recognized in the Company's financial statements as at balance sheet date:

2.1 (a): Table Showing Changes in Present Value of Obligations:

Period	From: 01-04-2024 To: 31-03-2025
Present value of the obligation at the beginning of the period	25,89,00,321
Interest cost	1,87,18,493
Current service cost	1,85,88,656
Benefits paid (if any)	(14,96,588)
Actuarial (gain)/loss	(5,02,52,595)
Present value of the obligation at the end of the period	24,44,58,287

2.2: Key results (The amount to be recognized in the Balance Sheet):

Period	As on: 31-03-2025
Present value of the obligation at the end of the period	24,44,58,287
Fair value of plan assets at end of period	0
Net liability/(asset) recognized in Balance Sheet and related analysis	24,44,58,287
Funded Status - Surplus/ (Deficit)	(24,44,58,287)

2.3 (a): Expense recognized in the statement of Profit and Loss:

Period	From: 01-04-2024 To: 31-03-2025
Interest cost	1,87,18,493
Current service cost	1,85,88,656
Expected return on plan asset	(0)
Net actuarial (gain)/loss recognized in the period	(5,02,52,595)
Expenses to be recognized in P&L	(1,29,45,446)

3.1: Summary of membership data at the date of valuation and statistics based thereon:

Period	As on: 31-03-2025
Number of employees	363
Total monthly salary	3,65,88,570
Average Past Service(Years)	11.1
Average Future Service (yrs)	17.5
Average Age(Years)	40.5
Total Leave With Cap/Without Cap	68,759/69,246
Total CTC / Availment Rate	3,65,88,570 / 3%
Weighted average duration (based on discounted cash flows) in years	14
Average monthly salary	1,00,795

3.2: Actuarial assumptions provided by the company and employed for the calculations are tabulated:

Discount rate	6.80 % per annum
Salary Growth Rate	6.00 % per annum
Mortality	IALM 2012-14
Attrition / Withdrawal Rate (per Annum)	3.00% p.a.(18 to 30 Years)
Attrition / Withdrawal Rate (per Annum)	2.00% p.a. (30 to 44 Years)
Attrition / Withdrawal Rate (per Annum)	1.00% p.a. (44 to 58 Years)

3.3: Benefits valued:

Normal Retirement Age	58 Years
Salary	As per rules of the company
Benefits on Normal Retirement	1/30 * Salary * Number of leaves.
Benefit on early exit	As above, subject to rules of the company.
Benefit on death	As above, subject to rules of the company.

3.4: Current Liability (*Expected payout in next year as per schedule III of the Companies Act, 2013) :

Period	As on: 31-03-2025
Current Liability (Short Term)*	78,11,371
Non Current Liability (Long Term)	23,66,46,916
Total Liability	24,44,58,287

3.5: Sensitivity Analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Period	As on: 31-03-2025
Defined Benefit Obligation (Base)	24,44,58,287
Liability with x% increase in Discount Rate	21,85,75,679; x=1.00% [Change (11)%]
Liability with x% decrease in Discount Rate	27,47,42,646; x=1.00% [Change 12%]
Liability with x% increase in Salary Growth Rate	27,46,80,330; x=1.00% [Change 12%]
Liability with x% decrease in Salary Growth Rate	21,81,66,780; x=1.00% [Change (11)%]
Liability with x% increase in Withdrawal Rate	24,61,31,660; x=1.00% [Change 1%]
Liability with x% decrease in Withdrawal Rate	24,25,88,501; x=1.00% [Change (1)%]

2.46 Segment information:

a) Operating Segments are defined as components of an enterprise for which financial information is available that is evaluated regularly by the Management in deciding how to allocate resources and assessing performance.

b) Electricity generation is the principal business activity of the Company. Other operations viz., Lab Testing does not form a reportable segment as per the Ind AS 108 on 'Segment Reporting'.

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

d) **Information about major customers:**

(Rs. In Lakh)

Sr. No	**Name of Customer**	**Revenue from Customers**	**Revenue from Customers**	**Revenue from Customers as %age of revenue**	
		2024-25	**2023-24**	**2024-25**	**2023-24**
1	**HPSEB Ltd.**	**34130.00**	**29899.76**	**81.68**	**76.64**
2	**M/s TPTCL & PTC**	**7654.00**	**9052.24**	**18.32**	**23.36**
	Total Revenue	**41784.00**	**38952.00**	**100**	**100**

2.47 Information on 'Related Party Disclosures' as per Ind AS 24 is as under:

(a) List of Related Parties:

(i) Directors & Key Management Personnel:

Name	Designation	Period/Duration (w.e.f.)
Sh. Harikesh Meena, IAS	Managing Director	04.02.2023 to 19.03.2025
Sh. Rakesh Kumar Prajapati, IAS		20.03.2025 to 27.04.2025
Sh. Abid Hussain Sadiq Bhat, IAS		30.04.2025 and continuing
Sh. Shivam Pratap Singh, IAS	Director (Personnel & Finance)	04.07.2023 to 08.04.2025
Sh. Naresh Thakur, HAS		08.04.2025 and continuing
Sh. Surender Kumar	Director (Civil)	22.07.2021 and continuing
Sh. Desh Raj	Director (Electrical)	28.11.2023 to 23.07.2025
Sh. Maneesh Mahajan		26.06.2025 and continuing
Sh. Sudershan Kumar Sharma	Company Secretary	07.08.2008 and continuing

(ii) Joint Ventures:

Name of Entity	Principal Place of operation	Principal Activities	Percentage of Shareholding/ voting Power	
			As At 31st March 2025	As At 31st March 2024
Himachal EMTA Power Limited	Kolkata	Thermal Power Generation	50%	50%

(iii)Transactions with the related parties are as follows: **(Rs. In Lakh)**

Particulars	Joint Venture Companies	
Transactions During the Year	**2024-25**	**2023-24**
Investment in Share Capital	-	-
Share Application Money	-	-
Amount Recoverable	-	-

2.48 Remuneration to Directors and Key Managerial Personnel:

(Rs. In Lakh)

Sr. No.	Particulars	Year ended on 2024-25	Year ended on 2023-24
(i)	Short Term Employee Benefits	105.89	56.56
(ii)	Post Employment Benefits	Nil	Nil
(iii)	Other Long Term Benefits	Nil	Nil
(iv)	Termination Benefits	Nil	Nil
	Total	105.89	**56.56**

Whole Time Directors are allowed to the use of staff cars including private journeys on payment in accordance with company rules. Remuneration shown above includes value of perquisite on account of leased accommodation.

2.49 Interest in Other Entities:

Interest in joint ventures:

(i) Himachal EMTA

The company's interest in joint ventures as at 31st March, 2025 are set out below, which in the opinion of the management, are material to the company. The entities listed below have share capital consisting solely of equity shares, which are held directly by the company. The country of incorporation of Company or registration is also their principal place of business and the proportion of ownership interest is the same as the proportion of voting rights held:

(Rs. In Lakh)

Name of Entity and place of Business	% of ownership Interest	Relation-ship	Accounting Method	Quoted Fair value		Carrying Amount	
				31st March 2025	31st March 2024	31st March 2025	31st March 2024
Himachal EMTA Power Limited	50	Joint Venture	Equity Method	*	*	*	*

* Unlisted Entity- no quoted Price available

** The Company has made provision of doubtful investments amounting to Rs. 338 lakhs in the F.Y. 2017-18.The same has been approved in 61st BoD meeting vide agenda item no. 61.27 dated 13.09.2017.

- The Company has 50 % interest in Himachal EMTA Power Limited, which is a Joint Venture with EMTA Limited for setting up (2*250 MW) thermal power Plant at Rani Ganj West Bengal. However the Hon'ble Supreme Court of India has cancelled all allotment of coal Blocks and termed all captive coal Blocks as illegal.

Summarised balance sheet as at 31 March 2025 using the Equity Method: (Rs. In lakh)

Cash and cash Equivalents	18.94	17.85
Other Assets	1.75	0.98
Total Current Assets	**20.69**	**18.83**
Total Non Current Assets	**374.07**	**366.82**
Current Liabilities:		
Financial Liablities	0.71	0.71
Current Liabilities	1.40	1.57
Total Current Liabilities	**2.11**	**2.28**
Non Current Liabilities:		
Financial Liabilities	121.00	121.00
Other Liablities	210.65	207.93
Total Non Current Liabilities	**331.65**	**328.93**
Net Assets	**61.00**	**54.44**

Summarised Statement of Profit and Loss using Equity Method: (Rs. In lakh)

	As At 31st March 2025	As At 31st March 2024
Revenue	0.00	0.00
Interest Income	1.22	1.32
Other Expenses	1.15	0.80
Depreciation and Amortisation	0.00	0.00
Profit Before Tax	0.07	0.52
Tax Expense	(0.08)	0.08
Total Comprehensive Income for the Year	**0.15**	**0.44**

The Enforcement Directorate vide Provisional Attachment Order 03/2017 dated 29/12/2017 (F No ECIR/ 02/54520/2014/07/7537) dated 29/12/2017, has attached the assets of the Himachal EMTA Private Limited (HEPL) (a Joint Venture Company), amounting to ₹ 2.59 crores. M/s HEPL, filed a Special Leave Petition (SLP) in the Hon'ble Supreme Court, which has been dismissed by the Hon'ble Supreme Court of India.

Status regarding CBI Court Case related to M/s Himachal EMTA Power Limited (HEPL):

On reference of Central Vigilance Commission, CBI registered the case on 07.08.2014 and thereafter, on 31.08.2022, CBI court passed its judgment wherein all the accused i.e. M/s Himachal EMTA Power Ltd. (A-1), its two directors: Ujjal Kumar Upadhaya (A-2) and Bikash Mukherjee (A-3), and its CGM (Power): N.C. Chakraborty (A-4) were held guilty and convicted for the offence u/s 120-B IPC and 120-B r/w 420 IPC. All the above accused persons were also held guilty and convicted for the substantive offence u/s 420 IPC. Subsequently, orders dated 07.09.2022 on sentence were passed by the Hon'ble court wherein out of total four (4) convicts, M/s HEPL was fined with Rs.10,00,000/- under 120-B/420 IPC and Rs.10,00,000/- under 420 IPC, which was to be deposited within two weeks (till 21.09.2022), whereas, other three convicts were sentenced for three years of imprisonment with fine of Rs. 4 lakhs each. In view of aforesaid judgment and subsequent court orders, HPPCL sought opinion of Panel Advocate, Sh. Aaditya Vijay Kumar, engaged by GoHP vide letter dated 29.01.2021, with respect to safeguarding the interest of GoHP/ HPPCL and its officers (who are on the Board of M/s HEPL). In response, Ld. Counsel opined that *"No steps have to be taken presently to safeguard the interests of the GoHP and/ or HPPCL and its officers. The entire judgment does not refer to the role of GoHP/ HPPCL and its officers. Infact, it only discloses the manner in which the Accused misrepresented and cheated the Government of India. In this background, it would only be advisable to keep a watch on the appeals which are filed and observe such proceedings, as and when the appeals are filed."*

Subsequently, Legal Cell of HPPCL opined that the Managing Director, M/s HEPL, may be requested to deposit the fine imposed on Accused No. 1 i.e. M/s HEPL till 21.09.2022 as ordered by the Court and also, to assail the order of the CBI Court by way of filing appeal before the concerned High Court. Accordingly, Managing Director, M/s HEPL, was requested vide letter dated 13.09.2022, in response of which M/s HEPL vide letter dated 17.09.2022 intimated that *"...we need to pay a total amount of Rs. 32 Lakhs for the Company itself, its' two Directors and Ex-CGM (Power) and fund be provided by the partners of the Joint Venture, EMTA and HPPCL in the ratio of 50:50 basis."* Further, aforementioned fine was deposited by the M/s HEPL.

Further, in this matter the appeal has been filed before the Hon'ble High Court of Delhi on 15.10.2022 titled as M/S HIMACHAL EMTA POWER LTD Vs. CBI with the No. CRL.A.536/2022 & CRL.M.(Bail) 1279/2022 against the judgement of CBI Court. The hearing was held on dated 30.07.2025; appeal CRL.M.(Bail) 1279/2022 is dismissed as withdrawn & appeal CRL.A. 536/2022 has been listed as 'regular matters' as per Hon'ble High Court of Delhi order dated 30.07.2025. Not listed till date.

Disclosure: HPPCL has made an investment of Rs. 337.5 Lakh in the equity of Himachal EMTA Power Limited (HEPL), which is a Joint Venture (JV) with EMTA Limited for setting up (2*250 MW) Thermal Power Plant at Raniganj, West Bengal. The company has 50% equity participation in HEPL. The objective of JV is coal block for ensuring the uninterrupted fuel supplies thereto. However, Hon'ble Supreme Court of India has cancelled all allotment of coal block and termed all captive coal block allocation since 1993 as illegal. The JV Company of Himachal EMTA has filed a claim to the Ministry of Coal for expenditure incurred on the project and has not received the claim for the Ministry of Coal as yet. Therefore, the Provision for Doubtful Investment of Rs. 337.5 Lakh has been made in the books of accounts in the F.Y. 2016-17.

(ii) Oil India Limited-1 MW Green Hydrogen Plant (on pilot basis)

HPPCL has made collaboration with M/s OIL for the installation of 1 MW Green Hydrogen Plant. The work for establishment of 1 MW Green Hydrogen Plant at Dabhota, Nalagarh (on pilot basis) was awarded to EPC Contractor on 09-09-2024 with the initial completion time period of 18 months from the date of award.

The work of PMC was also awarded by M/s OIL in due course. The PMC has approved the drawings as submitted by EPC contractor and the HAZOP analysis has also been approved. Statutory approvals like consent to establish etc. have also been obtained and application for bore well digging permission has been filed. Tree cutting has been completed and site developed and barricaded. Plant fabrication work is complete in factory and civil construction at site will start shortly which shall be followed by mechanical installation. The commissioning of the project is targeted by 30.06.2026.

2.50 Impairment of Assets:

Ind AS 36, in the opinion of the management there is no indication of any significant impairment of assets during the year.

2.51 Fair Valuation of assets and liabilities:

The company had adopted the carrying cost / value of all liabilities and assets as on 1st April 2015 and also on 1st April 2026, as the fair value of the assets and liabilities cannot be measured accurately due to the uncertainty involved in the estimating the exact date of commissioning of the projects, which is dependent on various external factors and which have impact on the payments to be made to the contractors and the amount to be recovered from them.

2.52 Other disclosures as per Schedule-III of the Companies Act, 2013 are as under:

(Rs. in Lakh)

	Particulars	**Year ended on 2024-25**	**Year ended on 2023-24**
A	Expenditure in Foreign Currency (EURO)	**Nil**	**Nil**
B	Earnings in Foreign Currency	**Nil**	**Nil**
C	Value of Import Calculated on CIF basis	**Nil**	**Nil**
i)	Capital Goods	**Nil**	**Nil**
ii)	Spare Parts	**Nil**	**Nil**
D)	Value of Component, Stores and Spare Parts Consumed	**Nil**	**Nil**
i)	Imported	**Nil**	**Nil**
ii)	Indigenous	**Nil**	**Nil**

2.53 Quantitative details in respect of energy generated & sold:
Hydro & Solar Power:

Sr. No	Particulars	Year ended on 2024-25	Year ended on 2023-24
1)	Licensed Capacity	**313 MW**	**281 MW**
2)	Installed Capacity	**313 MW**	**281 MW**
3)	Actual Generation (million Units)	**926 MUs**	**854.744MUs**

2.54 Payment to Auditors includes: **(Rs In Lakh)**

Particulars	Year ended on 2024-25	Year ended on 2023-24
Statutory Auditors	5.62	5.62
Tax Audit	2.86	2.00
Cost Audit	1.60	1.51
Other services	0.00	0.00
Reimbursement of Expenses(TA/DA)	0.07	4.47
Reimbursement of GST	1.81	1.64
Total	**11.96**	**15.24**

2.55 Disclosure related to Corporate Social Responsibility (CSR) as per the Companies Act, 2013:
The company has started commercial operations from the year 2016-17 and has not generated any profits since then and even during the year; hence CSR rules are not applicable.

2.56 Information in respect of Micro and Small Enterprises as at 31st March 2025 as required by Micro, Small and Medium Enterprises Development Act, 2006:

(Rs. in lakh)

Particulars	Year ended on 2024-25	Year ended on 2023-24
a) Amount remaining unpaid to any supplier	**7.71**	**3.48**
Principal amount	Nil	Nil
Interest due thereon	Nil	Nil
b) Amount of interest paid in terms of section 16 of the MSMED Act along with the amount paid to the suppliers beyond the appointed day.	Nil	Nil
c) Amount of interest due and payable for the period 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 MSMED Act	Nil	Nil
d) Amount of interest accrued and remaining unpaid	Nil	Nil
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under section 23of MSMED Act.	Nil	Nil

2.57 Previous years' figures have been re-casted/ regrouped to comply with the Ind AS, wherever required.

2.58 Status of pending Income Tax cases:

- From F.Y. 2007-08 till F.Y. 2014-15, the cases are pending before Hon'ble High Court of H.P., for full Tax exemption u/s 260A of Income Tax Act, 1961.

- For the FY 2015-16, an amount of Rs. 11,05,28,339/- has been deposited as Advance tax (including TDS & TCS) and Rs. 29,25,700/- as statutory deposit @20% against total demand raised by the AO Shimla circle for Rs. 1,46,28,230/- and the corporation have preferred to file an Appeal before CIT (Appeal) camp at Solan, against the demand raised by the Assessing Officer. The Appeal is yet to be decided by the CIT (Appeal).

- For the FY 2016-17, an amount of Rs. 6,55,52,279/- (Rs. 6,06,67,400+ Rs. 48,84,879) has been deposited as Advance tax (including TDS & TCS). The assessment proceeding is completed and a partial refund of Rs. 4,61,89,669/- is received along with interest of Rs. 79,14,291/-. The appeal is pending before CIT (Appeal) for full Income Tax relief.

- For the FY 2017-18, an amount of Rs. 7,62,66,645/- (Rs. 6,46,89,324 + Rs. 1,15,77,321) has been deposited as Advance tax (including TDS and TCS) with Income Tax authorities. The assessment proceeding is completed and a Refund of Rs. 7,62,66,645/- is received along with interest. An appeal is pending with CIT Appeal against the penalty imposed u/s 271 (1) (c).

- For the FY 2018-19, an amount of Rs. 1,71,74,779/-, (Rs. 62,96,381+ Rs. 1,08,74,148) has been deposited as Advance tax, TDS & TCS. Assessment proceedings by AO has been completed and a refund of Rs. 1,79,47,641/- along with interest of Rs. 7,72,862/- is issued in favour of HPPCL. An appeal is filed with CIT (Appeal) against the Assessment orders passed by the A.O. vide which the carry forward expenses are not considered for the Assessment of Income of the Corporation and appeal is yet to be decided by the CIT Appeal.

- For the FY 2019-20 (AY 2020-21) Assessment Proceeding has been completed and a Refund of Rs. 32,62,495/- (TDS Rs. 32,33,524 + TCS 28,971) along with interest has been issued in favor of HPPCL and No Liability/Demand has been raised yet.

- For the FY 2020-21 (AY 2021-22) and FY 2021-22 (AY 2022-23), the Assessment proceedings have not started yet, however, partial refund has been issued after adjustment/recovery against demand of AY 2018-19 (i.e. Rs. 22,88,000/- plus Interest).

- For the FY 2022-23 (AY 2023-24), FY 2023-24 (AY 2024-25) and FY 2024-25 (AY 2025-26) the Assessment proceedings have not started yet.

2.59 Demand by the PF Authorities:

The Regional Provident Commissioner, Shimla has raised demand for the period August 2008 to June 2011 amounting to Rs 1.89 Crore on the payment made to the contractors at various projects/units of the company. The Company has filed an appeal against the order with Central Government Industrial Tribunal Chandigarh. The Ld. Tribunal had passed the stay order in favour of HPPCL subject to the deposition of 50% of the amount assessed by the Asstt, Provident Fund Commissioner, Shimla and Rs.94,63,268/- was deposited with The Registrar, CGIT-1 Chandigarh on dated 02.11.2018.The company has shown Rs. 94,63,268/- as contingent liability. The hearing of this case is going on and next date of the hearing has been scheduled on 12.05.2026.

2.60 The Company is in possession of forest land at Sainj HEP, Shongtong HEP, Kashang HEP, Sawra Kudu HEP and Beradol SPP. The Company has accounted for the cost of the lease hold land in accordance of Govt. of H.P notification No.Rev.-D(G) 6-69/2011-II dated 23.01.2016. However, the lease deeds with the revenue department in respect of above projects are under process.

2.61 Apportionment of expenditure of Corporate Office and DW Sundernagar:

Pre COD

The Company has apportioned the expenditure net of income of corporate office and Design Wing Sundarnagar up to 31st August 2016 since incorporation of the company in the following proportions :-

- 15% of the total expenditure to Renukaji project.
- Rest is apportioned to the remaining projects on the basis of ratio of the capital expenditure incurred on various projects up to 31st August 2016.

Post COD

(i) **Expenditure :**

The Company has apportioned the expenditure of Corporate office and Sundernagar (Design Wing) from 01 September 2016 to 31st March 2025 in the following proportions:-

- 15% of the total expenditure to Renukaji project
- In case of Commissioned projects the apportionment has been done in the ratio of Sales (Gross Generation-13% free power) to Capital outlay
- Rest is apportioned to the projects which are under construction stage/ Investigation Stage on the basis of ratio of the capital expenditure incurred by these projects.
-

(ii) **Income Portion:**

The Company has apportioned the income of Corporate office and Design Wing Sundernagar from 01 September 2016 to 31st March 2025 in the following proportions:-

- 15% of the total income to Renukaji project.
- Rest is apportioned to the projects which are under construction stage/ Investigation Stage on the basis of ratio of the capital expenditure incurred by these projects.

2.62 AFD during Dec, 2015 has agreed to provide Euro 80 million for construction of Chanju-III and Deothal Chanju HEP. Credit Facility agreement between GoI and AFD was signed on 04.07.2017 and **Project Agreement** among HPPCL, GoHP and AFD was signed on dated 02.02.2018. Upto 28 Feb, 2026 the total loan raised from AFD stands at Rs. 4404.95 lakh only. Further, the Board of Directors in its 86th meeting dated 20.08.2024 has decided that it would be in fitness of things that Deothal Chanju HEP is not taken up for execution.

2.63 Loan for Shongtong-Karcham HEP (450 MW):

Consequent upon the expiry of ADB loan and cancellation of KFW Loan, HPPCL has executed a loan agreement with Power Finance Corporation (PFC) Limited on dated 06.10.2021 for a loan amounting to Rs 2207.63 crore for the balance works of STKHEP including IDC. Corporation has also availed the disbursements amounting to Rs. 1994.15 crores from the said loan upto 28.02.2026.

2.64 Commissioning of a new Project:

Pekhubella and Bhanjal SPPs have been commissioned during Financial Year 2024-25 i.e. on dated 15.04.2024 and 30.11.2024 respectively. The Aghlor SPP have been commissioned on dated 21.05.2025.

2.65 A sum of ₹103.24 lakh (excluding interest) is shown as recoverable from the Directorate of Energy (DoE), Govt. of H.P., for the Tidong-II HEP.

In the 70th meeting of the Board of Directors (BoD) held on 03.12.2019, the BoD did not approve the proposal to consider this investment as a doubtful debt. Instead, they advised pursuing the matter further with the DoE, GoHP.

Given the broader issue of significant amounts owed by various developers to HPSEB and HPPCL, a meeting was convened on 25.08.2021 under the chairmanship of the ACS (MPP & Power), involving DoE, HPPCL, HPSEBL and HIMURJA. It was decided that DoE and HPSEBL would finalize the total dues, including interest and issue recovery notices to defaulting companies/PSUs to expedite the process. DoE, GoHP, has been repeatedly requested through letters dated 18.10.2022, 24.05.2023, 13.09.2023, 13.03.2024 ,07.10.2024 & 03.07.2025 to recover the total expenditure i/c 10% interest liability till July,2025 amounting to Rs.4,68,58,846/-(Four crore sixty eight lakh fifty eight thousand eight hundred forty six only) incurred by HPPCL on Survey & Investigation works of Tidong-II Hydro Electric Project (60MW) from developer, but no response has been received from DoE till date.

Since, the Directorate of Energy has not explicitly denied reimbursement, a provision for doubtful debt has not been made in the Books of Accounts.

2.66 Survey and Investigation of Khab Hydro Electric Project:

No Provision of Survey and Investigation expenditure is made by the Corporation in its books of accounts with respect to Khab Hydro Electric project, for which the expenditure is incurred by SJVN as the same was allotted to the SJVN earlier by Department of Energy. The Company has communicated to the DoE, GoHP vide letter dated 22.07.2017 that as PFR prepared by SJVNL is of no use to Company and fresh planning of Khab HEP has to be carried out by Company as it was observed that the Khab Dam HEP, as proposed by SJVN, encroaches the domain of both the upstream and downstream projects, already allotted to other IPPs. DoE vide letter dated 31.07.2017 allowed company to carryout fresh planning of Khab HEP, with domain elevations ranging between El. ±2538m to El. ±2325m, after considering the requirement of MoEF guidelines. Accordingly vide HPPCL letter dated 16.05.2018, informed SJVNL that the PFR of Khab HEP prepared by SJVNL encroaches the domain of other allotted projects, hence HPPCL has to prepare fresh PFR and therefore, it is not in a position to take into account the expenditure incurred by SJVNL. After receiving the above response from HPPCL, SJVNL has not raised any fresh demand of re-imbursement from HPPCL.

2.67 Grant Receivable:

Cabinet Committee of Economic Affairs (CCEA) approved funding of the water component of Renukaji Dam Project (a National Project) under PMKSY-AIBP on 15.12.2021. Hon'ble Prime Minister has laid foundation stone on 27.12.2021. A sum of Rs. 3206.24 Crore has been utilized till 28.02.2026. Upto 06.03.2026, an amount of Rs.3512.34 Cr has been contributed by GoI, Govt. of NCT Delhi, Govt. of Haryana, Govt. of Rajasthan and GoHP. These funds have been utilized under for investigation previously conducted and additional investigation suggested by Central Water Commission (CWC), Geological Society of India (GSI), Panel of Geological Experts (PoGE); payment of enhanced compensation to land owners and for land acquisition; for clearance; buildings, roads and for miscellaneous works. The proposal for Central Assistance (CA) for FY 2025-26 for Rs. 933 Cr. as Central grant has been submitted to CWC on 10.07.2025. Out of this amount GoI sanction an amount of Rs. 149.95 Crore as 2nd installment for FY 2025-26 on 27.02.2026.

The second installment of CA for FY 2024-25, amounting to ₹352.175 Cr, has been released on 20.06.2025 against the CA proposal of ₹782.61 Cr for FY 2024-25. However, these funds have been released under the Annual Plan for FY 2025-26. Accordingly, the net Central Assistance required for FY 2025-26 now stands at ₹580.23 Cr. M/s Tractable Engineering Pvt.

Ltd. has appointed as Project Manager Consultant (PMC). The construction of Diversion Tunnels is expected to start soon.

In case of Gyspa HEP, Company has shown Rs 12.51 crore as Grant Receivable upto 31.03.2025 from Central Water Commission, Government of India. The Central Water Commission has sanctioned Rs 12.50 crore to the company for field survey and investigation and preparation of Detailed Project report of the Gyspa HEP (300MW). The Central Water Commission has released Rs 5.00 crore to the company for the above work on 31 March 2012; with the condition that next installment will be paid on the submission of the DPR of the project. The work for conducting the investigation /preparation of DPR was allotted and the same was started by the consultant. But could not be completed due to sustained opposition and hindrance by local people. The Company has incurred expenditure in excess of the amount released by the authorities and the same has been shown as grant receivable from the Central Water Commission. HPPCL vide letter dated 16.08.2021 submitted that the detailed geological investigation desired by CWC shall be carried out after approval of ToR from MoEF & CC and hence requested to convey the prima–facie acceptance of location of the dam so that case for approval of ToR can be processed. CWC vide letter dated 03.09.2021 reiterated that it is essential to examine the layout of spillway and proposed sediment management measures to examine the suitability of Dam location. To solve the above issue a meeting was held under the chairmanship of Member (WP&P), CWC on 04.01.2022 wherein it was informed that BoD of HPPCL has decided that the matter for construction of Gyspa Dam shall be taken up with GoHP/Directorate of Energy (DoE) to allot this project to some other CPSU and HPPCL has communicated the same to DoE. However, CWC desired that till the time project is allotted to some other organization, HPPCL may work on the project and reply to observations may be submitted for approval at the earliest.

Keeping in view the emphasis laid by GoI and the past history of opposition of local people it was decided that a drone survey of the dam area will be carried out since there are less chances of it being hindered by local people. The survey work has been completed and the deliverables/report has been received from the contractor. Now conceptual layout of dam and associated appurtenant structure has been developed based upon observed geography and geology of the area. The revised PFR of the project incorporating the conceptual layout of dam and associated appurtenant structure is under finalization and the same will shortly be submitted to CWC for approval.

2.68 The Company is in possession of Land and Buildings at Sarabai, Thalot and Larji of HPSEB Ltd. (Erstwhile HPSEB Board) at Sainj HEP. The Joint Committee constituted by both Companies has assessed the value of the said properties at Rs.45.99 Crores in the Meeting held in the month of August 2012. Now, the said properties have been transferred in name of HPPCL, in the revenue records. But due to pending approval of higher authorities and financial constraints, the said payment could not be released to the HPSEBL. Now, HPPCL has requested to HPSEBL for conveying its acceptance for payment in the shape of Equity Share Capital for the amount involved so that long pending para could be settled. Hence, no provision in the Books of Accounts has been made so far. The same shall be accounted for only after taking approval from BoD.

2.69 Local Area Development Fund: Provision of amount payable to LADA fund (as booked in the books of accounts) on account of increase in cost of the Projects on its commissioning, has been made.

2.70 No provision of income tax has been made by the company, as the company has brought forward losses and unabsorbed depreciation under Income Tax Act and during the year also, the company has incurred losses.

2.71 Amount recoverable from contractors includes a sum of Rs.129.92 crores recoverable from Coastal Projects on account of works being executed on their risk and cost awarded to

M/s HCC Limited. The Lender Banks of the Contractor had filed liquidation proceedings with Ld. NCLT and the company had filed claim of Rs.405.67 crores against the contractor. Provision for doubtful amount for recovery has been made for Rs.129.92 Crores in the Books of Accounts as on 31.3.2022, keeping in view the bleak realization of such recoverable amount. The matter has been disposed of by the Ld. NCLT Cuttack Bench on 18.04.2023 by dismissing the Application/Claim of HPPCL. However, on such dismissal the HPPCL has filed the appeal against the order of NCLT before the Ld. NCLAT (National Company Law Tribunal) at Delhi on 30.05.2023 with the filing No. 9910133/04372/2023. The case was listed on dated 17.12.2024 and on that date the learned Counsel for the Respondent had sought some time to file a short Affidavit. As requested, the Affidavit be filed within four weeks. Response to the said Affidavit, if any, be filed within two weeks thereafter. The matter is now listed for 10.04.2026.

2.72 Nakthan HEP: Nakthan HEP (460MW) was allotted to the HPPCL by the Government of Himachal Pradesh on 22 September 2009 as a Run-of-the- River project on Tosh Nala / Parbati River in Distt.Kullu.. The Detailed Project Report (DPR) of the project was in Central Electricity Authority (CEA)/ Central Water Commission (CWC. Clearances/approval for 8 aspects/chapters of DPR out of total 8 aspects/chapters under Level-I stage were obtained Defence clearance is also in Place.

In the 91st meeting of EAC held in February 2016, Environment clearance was withheld due to pending court case with M/s Sai Engineering.

Subsequently, DPR monitoring by CEA was suspended on 31-12-2018. Further investigations were also stopped till appropriate decision in the matter and consultancy services for FSR/DPR terminated on 31-12-2022. Total complete cost (including escalation, IDC and Financial charges) with 1% local area Development cost is ₹ 5149.14 crore.

Pre construction activities (FRA, demarcation, FC) remain pending till project domain is finalized.

Nakthan HEP (460 MW) has remained stalled due to litigation with M/s Sai Engineering, issues of domain on Tosh Nallah/ Parbati River, and restrictions arising from Eco-Sensitive Zone (ESZ) and Khirganga National park notifications. For amicable out of Court settlement, the issue of development of Standalone Hydro Electric Scheme on river Parvati and Tosh Nallah is under consideration of GoHP.

A Committee under MD(HPPCL) was constituted in 2022 to resolve issues of capacity, domain, and eco-sensitive zones. In January 2023, Hon'ble Chief Minister reviewed proposals for separate projects by HPPCL and IPP. Forest Department clarified that SC order dated 03-06-2022 requires a1 km ESZ, which overlaps with components of Nakthan HEP.

As per the order of Hon'ble Apex Court dated 03.06.2022 in IA no. 1000 of 2023(as intimated by Forest Deptt.), the present domain of the project will fall inside the ESZ of the Great Himalayan National Park Conservation Area.

The ongoing Arbitration case No. 27/2016 has been transferred to the Commercial Division of the High Court and the next hearing has been scheduled on 08.05.2026. HPPCL has filed an intervening application for impleading HPPCL as a party to the case which is under consideration of Hon'ble High Court.

2.73 POWER SALE AGREEMENTS

IKHEP/ Sawra Kuddu/ Sainj:

For IKHEP and Sawra Kuddu the Long term PPA dt. 29.03.2023 has been signed b/w HPPCL & HPSEBL at HPERC determined tariff valid from 01.04.2023 till the useful life of the project as per PPA.

The power of Sawra-Kuddu, Kashang-I & Sainj HEPs is being supplied to HPSEBL as per the Long Term PPA. In case of Sainj HEP 50% power is being sold through IEX.50% generation of HPPCL share of power from Sainj HEP has been committed to World bank for their mission regarding "INDIA: Himachal Pradesh Power Sector Development Program (P176032)" as the pilot project (i.e. Bundled power project for RTC power) that's why, only 50% generation of HPPCL share of power from Sainj HEP (2 X 50MW) has been tied up with HPSEBL.

For hiring of power trader/ aggregator by HPPCL for developing and operationalizing a green bundled product with an identified hydropower capacity and other Renewable Energy (RE) capacity bids were invited and a pre-bid meeting was held with the prospective bidders on 14.01.2025 and the contract was signed on 13.02.2026.

Berradol SPP/ Bhanjal SPP/ Aghlor SPP:

PPA has been entered from CoD till 25 years with HPSEBL.

Pekhubella SPP:

PPA has been entered with HPSEBL on 26.12.2024 for 25 Years. Since the Pekhubella SPP was commissioned on dated 15.04.2024 and the PPA with HPSEBL was signed w.e. f. 26.12.2024. Therefore, for the remaining period i.e. 16.04.2024 to 25.12.2024, a revised petition has been filed with HPERC for regulating the said period. Accordingly, the sale of power for the period from CoD i.e 15.04.2024 to 26.12.2024 has not been accounted for in the books of accounts as the rates are not available for the said period. Now, the petition has been decided in favour of HPPCL by HPERC order dated 07.02.2026 vide which HPSEBL is directed to make the payment of the above period.

2.75 Renukaji Dam Project:

Renukaji Dam, a Project of "National Importance" has been conceived as a storage project on Giri River in Sirmaur district of Himachal Pradesh. Live Storage will be 0.498 billion cubic meters (BCM). 23 cumecs of drinking water will be supplied to Delhi and 200 Million Units of electricity will be generated in 90% dependable year, which will be utilized by Himachal Pradesh. Project envisages construction of a 148m high rock fill dam and a surface power house with installed capacity of 40MW on right bank of the river. Interstate Agreement amongst Govt. of India and the beneficiary states of Upper Yamuna Basin was signed on 11.01.2019. In February 2019 updated cost at October 2018 price level has been finalized at Rs 6946.99 Crore Cost apportionment has been finalized with cost of water and power component as Rs. 6647.46 Crore and Rs. 299.53 Crore respectively.

Cabinet Committee of Economic Affairs (CCEA) has granted its approval for the funding of the Project under Pradhan Mantri Kisan Sinchayi Yojana- Accelerated Irrigation Benefit Program (PMKSY-AIBP) on 15-12-2021. Hon'ble Prime Minister of India has laid the Foundation Stone of the Project on 27-12-2021.

The validity of Environmental Clearance has been extended up to October 2027. The forest clearance - Stage-II has been accorded by MoEFF&CC on 04-06-2025.

- **Design of the Dam by CWC (Design Consultant)**
  a. Work was assigned to CWC on 03.07.2022. CWC studied the DPR and intended to affect some changes in design. A Panel of Geological Expert was formed on 13-02-2023.

b. In a site assessment visit from 23rd to 24th March 2023, in which Panel of Geological Experts (PoGE) and officials from CWC, CSMRS, & GSI were involved, PoGE recommended further investigations and tests to determine the dam type.
c. Following investigations and a review meeting on 18-08-2023, The Panel of Geological Experts conveyed that the rock quality at the dam site is not conducive to a concrete or hybrid dam. Consequently, CWC opted for a Rock-fill cum earthen dam with a plastic diaphragm.
d. Subsequently CWC has submitted preliminary layout and sections of the Main Dam.
e. Additional investigations suggested by CWC have been completed.GSI has completed the logging of all drill holes at water conductor system and DT outlet portal. Geological mapping and Geological sections of the drill holes are being carried out by GSI.
f. CWC submitted the specification drawings for the diversion tunnels (DTs) on 28-03-2025. HPPCL raised some observations regarding some provisions in the drawings. CWC has submitted the revised specification drawings for the DTs on 19-05-2025. Also CWC has submitted Hydro-mechanical drawings for the DTs on 12-06-2025. Based on these drawings Tender documents have been Finalized.

- **Project Management Consultant (PMC):** M/s Tractebel Engineering Pvt. Ltd. has been selected as the PMC for the project on 07.08.2025.
- **River Diversion Arrangement (Package-I):** Tender of River Diversion Arrangement (Package-I) have been floated on 17.12.2025. After the evaluation of bids the work will be awarded.

2.76 Advances given to HPSEB Ltd., HPPTCL, HPPWD etc. against works to be executed on deposit work basis and will be settled after the completion of work supported by utilization certificate.

2.77 Disclosure of Major Changes in existing Contracts/Agreements:

For the F.Y. 2023-24 & 2024-25:

❖ Amicable Settlement Agreement No. 1 i.e. amicable settlement of disputes between M/s PEL and HPPCL executed on 05.04.2023.
❖ Change Order/ Variation Order No. 11 w.r.t. additional work/ extra effort carried out by M/s PEL for construction of niches in Power House and Transformer cavern.
❖ Supplementary Agreement No. 14 executed between HPPCL and M/s PEL on 10.04.2023 regarding procurement of material through Escrow Account.
❖ Supplementary Agreement No. 15 executed between HPPCL and M/s PEL on 10.04.2023 regarding Special Advance payment amounting Rs.25.000 crore to M/s PEL on 11.09.2024.
❖ Change Order/ Variation Order No. 12 dated 26.12.2024 w.r.t. the additional cost due to haulage and dumping of muck to other identified/ to be identified dumping locations.
❖ Supplementary Agreement No. 16 (Amendment to Supplementary Agreement No.3) executed between HPPCL and M/s PEL on 24.01.2025 regarding grant of 2nd EOT to M/s PEL.
❖ Amendment No. I to Supplementary Agreement no.3 executed between HPPCL and M/s PEL on 24.01.2025 Amendment of Schedule No. 1.2 (Diversion Barrage including Appurtenant works) of the 'Revise Schedule of Stage wise payments' (Annex-VII) of Article-1.

- Change Order/ Variation Order No. 13 dated 24.01.2025 w.r.t. the additional cost for variation in Diversion Barrage including Appurtenant Works.

For the F.Y. 2025-26:

- Amicable Settlement Agreement No.2 i.e. regarding dispute No. 10 between M/s PEL and HPPCL executed on 17.11.2025.

2.78 As per Hydro Generation Tariff Regulation 20, on Depreciation (given in the Appendix of Depreciation Schedule), of HPERC Notification No. HPERC/Gen/479 dated 1st April, 2011, investment in land, cost of clearing the site and land for reservoir in case of Hydro Generation Station of Land under lease is to be capitalized and depreciated @3.34%. Land under full ownership is not required to be depreciated. In case of this Corporation, Reservoir/ Dam, is being constructed in RenukaJi HEP only and the land so far acquired is under the full ownership of the Corporation, hence the depreciation is not applicable on it.

2.79 To finance the working capital requirements, Corporation is availing the cash credit limits of Rs. 200.00 Crore, each from KCC Bank Ltd., Dharamshala and H.P. State Cooperative Bank Ltd., The Mall, Shimla against the State Govt. Guarantee. As on 28.02.2026, total limit exhausted/utilised against CCLs stands at Rs. 189.48 crore and Rs. 194.59 crore respectively. In case of H.P. State Cooperative Bank Limited, escrow arrangement w.r.t. revenue receipts of Kashang Stage-I HEP have been made and charge over current assets of Corporation equivalent to limit amount has been created. In respect of KCC Bank Ltd., the charge over assets of Kashang Stage-I equivalent to limit amount has been created.

2.80 Surrender of Unviable/Idle Hydro Electric Projects allotted to HPPCL:

Corporation has submitted a proposal to the GoHP to surrender the under mentioned Unviable/Idle Projects allotted to HPPCL i.e. Chirgaon-Majhgaon HEP (52 MW), Dhamwari Sunda HEP (70 MW), Lujai HEP (45 MW), Chiroti Saichu HEP (26MW), Saichu HEP (58 MW) and Saichu Sach Khas HEP (117 MW). Approval of GoHP is awaited.

Further, the Board of Directors in its 86th meeting dated 20.08.2024 has decided that considering the high cost of the Deothal Chanju HEP and the limited time period for completion of the project with respect to the availability of AFD funds, it would be in fitness of things that this project is not taken up for execution.

2.81 Change in accounting policies -Applicability of IND AS 20- Accounting for Government Grants and Disclosure of Government Assistance.

Non-monetary government grants

As per para 23 of IND AS 20, a government grant may take the form of a transfer of a non-monetary asset, such as land or other resources, for the use of the entity. In these circumstances the fair value of the non-monetary asset is assessed and both grant and asset are accounted for at that fair value.

Further para 23, substituted vide Notification No. G.S.R. 903(E) dated 20th September 2018,a Government grant may take the form of a transfer of a non-monetary asset, such as land or other resources, for the use of the entity. In these circumstances, it is usual to assess the fair value of the non-monetary asset and to account for both grant and asset at that fair value. An alternative course that is sometimes followed is to record both assets and grant at a nominal amount.

HPPCL has received forest land from state government at the concessional rate in the following units stated below:

1)Sawra Kuddu HEP, 2) Sainj HEP, 3) Kashang HEP Stage- I, 4) Kashang HEP Stage- II & III, 5) Shongtong Karchham HEP

In pursuance of para 23 of Ind AS 20 there are two methods available for recording of asset received at concessional rate i.e., either at nominal amount or fair value. So, Himachal Pradesh Power Corporation Limited (HPPCL) has adopted a nominal value method for accounting of land received at concessional rate.

2.82 (i) HPPCL has assailed the Arbitration Award which was passed against the HPPCL on 31.03.2023 amounting Rs. 101.00 crore approx. by AT-III titled as HPPCL Vs M/s HCC Ltd. in respect of EPC contract for (Civil & HM Works) of Sainj HEP before the Hon'ble High Court of HP which was first listed on 30.06.2023 and was sub-judice before the said Hon'ble Court. As per the order dated 01.08.2025, the Hon'ble High Court of HP has directed HPPCL to deposit the award amount. HPPCL has deposited an amount of Rs.75.86 crore i.e. 75% of the award amount with Hon'ble High Court of HP on dated 30.10.2025 and the case was not listed further after 28.11.2025.

(ii) HPPCL has assailed the Arbitration Award of Rs. 124.75 crores which was passed by the Arbitral Tribunal titled as HPPCL Vs M/s HCC Ltd. in respect of Contract Agreement No. Kashang/Civil-I for Civil & HM Works of Kashang HEP before the Hon'ble High Court of HP on 5th September, 2023. The matter is sub-judice before the said Court and now as per order dated 09.12.2024, the Hon'ble High Court of HP has mentioned that these cases are liable to be dealt with by the Commercial Division of this Court.

2.83 Allotment of New Projects:
Three new projects have been allotted to HPPCL by GoHP. Among these projects one is Jangi Thopan Powari HEP 780 MW allotted to HPPCL on 09-10-2024 and other are Renukaji Pump Storage Project (1630 MW) and Thana Plaun Pump Storage Project (270 MW) allottd on 08-10-2024.

(i) Jangi Thopan Powari HEP (780 MW):
Jangi Thopan Powari HEP (780 MW) is an upstream development of Shongtong Karchham HEP in Satluj river basin (in the domain elevation from El + 2320 m to + 965 m). This project has been allotted to HPPCL on Build,Own, Operate and Transfer Basis (BOOT) for a period of 40 years by Directorate of Energy (DoE), GoHP vide letter dated 09.10.2024. Pre Implementation Agreement (PIA) has been signed with DoE (GoHP) on 14-05-2025. HPPCL is in the process of acquiring the investigation data and DPR prepared by previous agencies in order to take up the necessary investigations required to update and revise to DPR.

(ii) Renukaji Pump Storage Project (1630 MW):
Renukaji Pump Storage Project (1630 MW) is envisaged as an off-stream open-loop scheme, which will utilize water from the reservoir of Renukaji Dam Project as lower reservoir to pump water into an upper reservoir created by constructing a ±100m high Earth Cum Rock-fill dam on Jogar Ka Khala, a left-bank tributary of the Giri River in District Sirmaur. The project includes a ±2530m water conductor system and an underground powerhouse with 10 units of 163 MW each. The Project has been allotted to HPPCL by Directorate of Energy (DoE), GoHP vide letter dated 08.10.2024. HPPCL is in the process of appointing a consultant for preparing the Detailed Project Report of the project.

(iii) Thana Plaun Pump Storage Project (270 MW):
Thana Plaun Pump Storage Project (270MW) is envisaged as an off-stream open-loop scheme, which will utilize water from the Thana Plaun HEP as a lower reservoir to pump water into an upper reservoir created by constructing a ±60m high gravity dam on Luni khad,

a tributary of Beas River. The project includes a ±250m water conductor system and an underground powerhouse with 4 units of 67.5 MW each. The project has been allotted to HPPCL by Directorate of Energy (DoE), GoHP vide letter dated 08.10.2024. HPPCL is in the process of appointing a consultant for preparing the Detailed Project Report of the project.

2.84 Government of Himachal Pradesh has decided to develop Himachal Pradesh as Green Energy State for which Himachal Pradesh Power Corporation Limited has assigned a target to harness the Solar potential in Himachal Pradesh upto 500MW.

In this regard, HPPCL has identified several land parcels in different districts of Himachal Pradesh. Accordingly, the various projects have been allotted by HIMURJA, the status of which is as follows:

Sr. No.	Project Name allotted by HIMURJA	Capacity allotted by HIMURJA (in MW)	Actual Plant Capacity (in MW)	Allotment letter issued on	Remarks
Projects with works awarded					
1	Pekhubella	70	32	18-03-2023	C.O.D. of Pekhubela SPP 32MW has been declared w.e.f. 15-04-2024.
2	Bhanjal	5	5	24-04-2024 (revised)	C.O.D. of Bhanjal SPP 5MW has been declared w.e.f. 30-11-2024.
3	Aghlor	10	10	05-03-2025 (revised)	Project has been synchronized on 21-05-2025.
Projects under Execution Stage					
4	Gondpur bulla	12	12	18-09-2024 (revised)	Letter of Award has been placed on 20-12-2024 and work is in progress.
5	Lamlehri Upparli	11	11	18-09-2024 (revised)	Letter of Award has been placed on 01-01-2025 and work is in progress.
Projects under Tendering Stage					
6	Bada Basot	8	8	18-09-2024 (revised)	Bid evaluation process has been completed. The work shall be awarded after transfer of the land.
7	Saned	13	13	05-03-2025 (revised)	Tenders have been cancelled and shall be refloated soon.
8	Tihra Khas	6	6	18-09-2024 (revised)	
9	Dabhota-I	9	9	05-03-2025 (revised)	
10	Mazra and Dabhota-II	13	13	05-03-2025 (revised)	

Other Solar Projects					
11	Ghandran	41	10	05-12-2024	DPRs have been approved by Himurja.
12	Sukohan	15	5	05-12-2024	
13	Lamlehri Nichali	54	-	17-02-2023	DPR under preparation.
14	Bhangla	15	13	06-06-2023	FCA case under process. Efforts are being made to revise FCA clearances where tree cutting is minimal.
15	Palasi Kalan	34	23	06-06-2023	
16	Kyariyan	11	-	06-06-2023	
17	Hadal	27	-	06-06-2023	
18	Kopda Uprgehad (Kopda-II)	16	-	06-06-2023	
19	Kopda Khas (Kopda-I)	33	-	06-06-2023	
20	Tanda Upparla	45	-	16-08-2023	
21	Ghanger	53	-	16-08-2023	
22	Bera Dol-II	20		05-12-2024	
23	Kohladi	17	-	16-08-2023	Kept in Abeyance
24	Thana Gaon	10		05-12-2024	
25	Sainj	3	3	16-08-2023	
26	Dhaular	36	-	05-12-2024	
Projects Dropped:					
27	Mata Hateshwar SPP	5	4	15-09-2022	Projects have been dropped, as approved vide 40th meeting of WTDs (Item no. 04) and consequent GM(Elect-II/RE) letters HPPCL/GM(RE)/Solar/ 2024-25-8333-36 dt. 09-09-2024.
28	Shivnagar	3.4	-	12-10-2022	
29	Laam	36	-	17-02-2023	
30	Santokhgarh	5.5	-	18-03-2023	
31	Ropa	7	-	06-06-2023	
32	Bela Ludhiarchan	15	-	06-06-2023	
33	Dalyaoo	6	-	06-06-2023	
34	Kaloor	5	-	06-06-2023	
35	Kirpalpur	11	-	06-06-2023	
36	Kolar	20	-	06-06-2023	
37	Bela	11.5	-	06-06-2023	
38	Jhida	5.5	-	06-06-2023	
39	Dol Nadoli	19	-	16-08-2023	

2.85 HPPCL actively working to achieve the ambitious target, with solar projects totalling around 626 MW at different stages of is in process of identifying suitable locations for setting up of aggregate 200MW of Solar capacity by March 2024. Setting up of 150 MW capacity has been agreed as a Disbursement Linked Indicator under the Himachal Pradesh Power Sector Development Program (HPPSDP) being funded by the World Bank although total capacity of 200 MW will qualify under the program boundary for expenditure under the sub head. So, on progressive achievement of the above target, alongwith some other indicators funds to the tune of net 112.5 M USD shall flow to the HPPCL. The appraisal had got completed in October 2022 and invitation to negotiations and negotiations package containing draft Program Appraisal Document, draft Loan agreement, draft Program Agreement and draft Disbursement and Financial Information letter was received vide Bank's letter dated 31.10.2022. The loan negotiations meeting was held on May 27, 2023 and negotiations have been concluded successfully. Further, the program has received approval of Executive Board of Directors of the World Bank on 27.06.2023.

The Loan Agreement between Govt. of India and the World Bank was signed on 06.11.2023. The Pekhubella Solar Power Projects (SPP) was commissioned on 15.04.2024. Further the Bhanjal SPP (5MW) was on 30.11.2024. While the execution works for the Aghlor SPP (10MW) is in progress and is expected to be completed by March 2025.

The first claim disbursement under World Bank Funded HPPSDP amounting Rs. 63.53 crores has been received in the month of October 2024. The second claim disbursement under the program was raised in the month of Feb 2024 and subsequent reminder was sent to DoE on 22.01.2025.

2.86 The forest land having area 6.46 hact. for the construction of Berra Dol 5 MW Solar Power Project has been transferred in the name of MPP& Power Deptt. by the DC Bilaspur. Matter has been taken up with Tehsildar Swarghat to make necessary entries in the revenue record. The process of entries in revenue record is under progress. Thereafter, revenue papers of said land shall be collected from concerned Patwari & shall be forwarded to LAO for further lease in the name of HPPCL.
With respect to additional forest land, initially the matter was taken up with DC Bilaspur on dated 14.12.2018 for diversion of said land. DC Bilaspur desired to submit the State order on dated 29.05.2019, for which matter was taken up with Conservator of Forest, Bilaspur on dated 14.06.2019. & with DFO Bilaspur on dated 06.08.2019. & with Nodal Officer-Cum-CCF (FCA),O/o Pr. CCF. HP (HoFF), Shimla-01,(H.P.) on dated 12.09.2019, 09.10.2019.

After series of correspondence, all the documents as desired by the Nodal officer APCCF(FCA) O/o Pr.CCF HP Shimla vide letter dated 28.11.2019 stands again submitted to his office vide this office letter no. 1674-79 dated 11.12.19. After that reminders were issued on dated 14.02.2020 & 03.07.2020, but state order is yet to be issued.

After issuance of state order, DC Bilaspur shall issue the necessary order regarding transfer of said land to MPP& Power Deptt. After that, matter shall be pursued with Tehsildar, Swarghat for making necessary entries in revenue record and thereafter, the revenue papers of said land shall be collected from concerned Patwari & shall be forwarded to LAO for further lease in the name of HPPCL.

2.87 LTA Charges

Outstanding LTA charges in respect of the Wangtoo substation, it is informed that HPERC passed the tariff order against the capital cost of the Wangtoo substation on dated September 28, 2022. However, the beneficiaries of the substation were not clear and HPPTCL has been directed to file suitable application before the CERC for recovery of ARR approved in the order. No transmission charges bill has been raised to HPPCL in respect of the transmission charges against wangtoo substation till date.

The transmission charges bill i.r.o. Kashang Bhabha line was initially raised by HPPTCL on dated 06.04.2021. However, among other observations raised i.r.o. the bill, a crucial one was related to the mode of preparation of the bill which as per HPERC regulations requires the calculation of TAFM. However, there was no reference to TAFM in any bill of HPPTCL up to December 2023 despite repeated correspondence in the matter. Due to this, the said bills were not accepted by HPPCL. For the first time, in the bill of January, 2022, a calculation of TAFM was submitted and the same was processed. However, the surcharge was denied due to the bills not being as per the regulatory procedure of raising the transmission charges bills. Also, a disputed amount of Rs. 8, 71, 98,209/- was retained on account of interest on PFC loan. However, after multiple correspondences, the said disputed amount was released on dated 04.02.2023.

Initially, this office started to claim rebate @1% as per the regulation having cleared the previous bills. However, HPPTCL refused to admit the initial bills not being as per the regulatory procedure. HPPTCL have continued to pile surcharge on account of the accumulated surcharge on bills dated up to December 2021. Initially, this office started to claim rebate @ 1% which is applicable as per the regulations upon timely clearing of bills. However, the same was stopped after March 2023 due to the same not being considered by HPPTCL. All the payments made by this office are under protest initially due to non providing of certified copy of TAFM and thereafter due to the HPERC having stated in its order dated 02.05.2022 that the aforesaid line is not a dedicated line and the commission was misinformed about its status.

Further a petition dated 10.09.2025 has been filed by Himachal Pradesh Power Transmission Corporation Limited **(HPPTCL)** before the Himachal Pradesh Electricity Regulatory Commission **(HPERC)** under Regulation 75 read with Sr. No. 20 of the Fee Schedule of the HPERC (Conduct of Business) Regulations, 2024 and Section 151 of the Code of Civil Procedure, 1908. The petition seeks directions to all beneficiaries of the 400/220/66 kV GIS Pooling Sub-Station Wangtoo (Sherpa Colony) for payment of transmission charges in terms of the Commission's Order dated 28.09.2022 in Petition No. 29/2022 read with the Order dated 20.03.2025 passed by the Central Electricity Regulatory Commission **(CERC)** in Petition No. 38/MP/2023. In response thereto, Himachal Pradesh Power Corporation Limited **(HPPCL)** has already filed its detailed reply before HPERC on 03.11.2025. The matter is presently sub judice before the Commission and is pending adjudication. The issue is under active consideration of the Hon'ble Commission.

2.88 The bank balance in the accounts of Land Acquisition Officer against land compensation cases of HPPCL as on 31.03.2025 is Rs. 3,02,96,268.96/-.

2.89 Loan installment from AFD bank for Chanju-III HEP and Deothal Chanju amounting to Rs.80.65 Crore and Rs.0.22 crore respectively has been received from GoHP upto 28.02.2026.

2.90 Beneficiary State share of Haryana Govt. amounting to Rs.26.29 Crore for Renukaji HEP is to be received from GoHP.

2.91 In case of Sainj HEP, 2 nos. GIS circuit breaker got damaged during May, 2022 and subsequently during Nov, 2022. However the damaged poles have not been scraped/ written off till now as the damaged poles are required for carrying out the Root Cause Analysis, so that the damaged/ failure of GIS Circuit Breaker poles do not occur/ happen again.

2.92 As per provisions of the Contract Agreement and as decided by the Board, an amount of Rs.14.85 Crore has been shown as recoverable in the Books of Accounts for imposition of Liquidated damages of M/s HCC Limited. Now, the Corporation has filed a petition against the arbitral award in the Hon'ble High Court of HP and the matter is still sub-judice in the Hon'ble High Court.

2.93 The proposal for declaring submerged area as reserve forest under Section -4 of the Indian Forest Act, 1927 in respect of Shongtong Karchham Hydel Electric Project (STKHEP) is presently under active consideration at the HP State Govt. level.

2.94 The Leave salary amount to be recovered in r/o HPPCL employees who are on deputation with various Central, State Deptt./ undertakings has not been reflected in books of accounts for the F.Y. 2024-25. However, the provision of related leave salary & gratuity has already been taken in books of accounts based upon the Actuarial valuation as per Ind AS19.

2.95 Termination of contract of M/s Prozeal Green Energy Limited- Contract with M/s Prozeal was terminated on dt. 18.08.25 due to default by Contractor. Thereafter, the Settlement Agreement and Supplementary Agreement were executed between HPPCL & M/s Prozeal Green Energy Limited, on mutually agreed terms, on dated 13th December 2025.

2.96 Depreciation rate for Pekhubella and Bhanjal has been charged at the rate of 4.67% for 15 years and 1.99% for remaining life of the solar power project.

2.97 Other Disclosures:

a) Suspension of Director (Electrical), HPPCL:

The services of Sh. Desh Raj Director (Electrical) were placed under suspension from 19.03.2025 under Rule 20 of HPPCL Conduct, Discipline and Appeal Rules and relevant provisions of CCS (CCA) Rules, 1965. The suspension orders were revoked by the State Govt. & Er. Desh Raj, Director (Electrical), HPPCL was repatriated to H.P. State Electricity Board Limited (HPSEBL) and has now been ceased as a Director from the Board of Directors of the Corporation. w.e.f. 23.07.2025.

b) CBI Enquiry:

Central Bureau of Investigation (CBI) is currently investigating a matter registered under Crime Number RC0482025S0003/CBI/SC-I/New Delhi concerning the deceased Er. Vimal Negi. The matter is currently under investigation and sub-judice and the related judicial proceedings are still in progress.

For and on behalf of Board of Directors:

(Manoj Kumar)	(Sudershan K Sharma)	(Naresh Thakur)	(Abid Hussain Sadiq)
AGM (F&A)	**Company Secretary**	**Director (Finance)**	**Managing Director**
		DIN No.11088059	**DIN No.08183381**

For N.K. Bhargava & Co.
Chartered Accountants
FRN No. 0000429N

Partner
M. No.
Place:
Date: