



**Annual Report  
of Subsidiary Companies**

---

**2012-13**



# Contents

## NHDC

Directors' Report .....	2
Management Discussion and Analysis Report .....	4
Report on Corporate Governance .....	7
Auditors' Report.....	12
Annual Accounts.....	14
Cash Flow Statement .....	43

## LDHCL

Directors' Report .....	44
Report on Corporate Governance .....	47
Management Discussion and Analysis Report .....	51
Auditors' Report.....	53
Annual Accounts.....	55
Cash Flow Statement .....	71

## CVPPPL

Auditors' Report.....	72
Annual Accounts.....	74
Cash Flow Statement .....	90



# NHPC Limited

(A Government of India Enterprise)

## DIRECTORS' REPORT

### TO THE MEMBERS,

#### NHDC Limited

Your Directors have great pleasure in presenting the 13<sup>th</sup> Annual Report of your company together with the Audited Accounts, Auditor's Report and the comments of the Comptroller and Auditor General of India for the financial year ended 31<sup>st</sup> March 2013.

During the year under review, your company has achieved an aggregate income of ₹ 133819 lacs representing a decrease of 7.74% over the previous year. The total revenue for the financial year 2012-13 has declined mainly due to lower generation and lower amount of earlier year arrear sale, offset by some increase in other income. The highlights of the financial results are as under:-

#### 1. FINANCIAL HIGHLIGHTS:

(₹ in Lacs)

Particulars	2012-13	2011-12
Revenue from Operations	109545	129132
Other Income	24274	15919
<b>Total Revenue</b>	<b>133819</b>	<b>145051</b>
Generation and Other Expenses {(Including Prior period items (net))}	14227	11504
Profit Before Depreciation & Amortization, Finance Cost and Tax	119592	133547
Depreciation & Amortization	24418	25755
Profit after Depreciation & Amortization and before Finance Cost and Tax	95174	107792
Finance Cost	21083	23063
Profit after Depreciation & Amortization and Finance Cost but before Tax	74091	84729
Tax	16527	20039
Profit After Tax	57564	64690
Surplus of Profit and Loss brought forward	190845	132998
Balance available for appropriations	248409	197688
LESS - APPROPRIATIONS:		
Proposed Dividend	5888	5888
Tax on proposed dividend	1001	955
<b>Balance carried forward (forming part of Note 2 – Reserves &amp; Surplus)</b>	<b>241520</b>	<b>190845</b>

Previous year figures regrouped, as applicable.

#### 2. EVENUE REALISATION:

A cash revenue realization of ₹ 114065 lacs have been registered during FY 2012-13, which includes an amount of ₹ 13416 lacs through EMLs against old outstanding securitized dues of Indira Sagar Power Project & Omkareshwar Power Project.

#### 3. POWER GENERATION:

The two Power Projects of NHDC viz. ISP and OSP have generated total 4160.50 MUs of energy during FY 2012-13.

#### 4. DIVIDEND:

Considering the net profit of ₹ 57564 lacs for the F.Y.2012-13, the Board recommended a dividend @ ₹ 30 per equity share of the Company amounting to ₹ 5888 lacs as dividend (excl. dividend tax as applicable) for the financial year 2012-13, subject to approval of the Shareholders in the ensuing Annual General Meeting.

#### 5. CAPITAL STRUCTURE:

During the year, the capital structure of your Company remained unchanged with paid up capital of ₹ 196258 lacs.

#### 6. PROGRESS OF WORKS:

##### Indira Sagar Project (ISP):

Indira Sagar Power Project (8 x 125 MW) is a multipurpose Project and the mother project for the downstream projects on Narmada Basin with largest reservoir in India, having a gross storage capacity 12.22 Bm3. The installed capacity of the Project is 1000 MW, with stage-wise Annual Design Energy of 1980 MU, 1095 MU & 876 MU during Stage-I, II & III respectively. During monsoon 2012, the cap imposed to restrict the reservoir level up to EL 260.00 M was removed and it was allowed to be raised up to Full reservoir level (FRL). Accordingly, FRL i.e. EL 262.13 M was attained during FY 2012-13.

The generation from Indira Sagar Power Project during the FY 2012--13 was 2896.47 MU against the target of 2340 MU. The Plant Availability Factor (PAF) of 90.15% has been achieved against the target of 87.00% under excellent category.

The water released from Indira Sagar Power Project is utilized downstream at Omkareshwar Power Project for generation of electricity.

##### OMKARESHWAR PROJECT (OSP):

Omkareshwar Project (8 x 65 MW), the first downstream project in the cascading series of Indira Sagar Project, with an installed capacity of 520 MW and Annual Design Energy of 1166 MU is under operation and maintenance. In anticipation of GoMP's permission for filling of reservoir up to FRL of EL 196.60 M, currently the generation of energy from Omkareshwar Project is still being done by maintaining the reservoir level below MDDL at EL 189 M. Accordingly, the generation with peaking capability of 400 MW, is continued at Omkareshwar power project corresponding to its installed capacity of 520 MW.

The generation from Omkareshwar Project during the FY 2012-13 was 1264.03 MU against the target of 1020 MU. The Plant Availability Factor (PAF) of 97.26% has been achieved against the target of 93.00% under excellent category.

#### 7. PERFORMANCE RATING UNDER MOU:

Your Company is a joint venture of NHPC and Govt. of Madhya Pradesh. As per prevailing guidelines of DPE, GOI, the Company is required to sign MOU (to be finalized by DPE, GOI) with its Holding Company i.e. NHPC every year. Based on the performance made by your Company during the year 2011-12, DPE, GOI has evaluated the performance of the Company against MOU as "Excellent" for the year 2011-12.

#### 8. DIVERSIFICATION ACTIVITIES:

##### Reva Thermal Power Project (Rtpp) (2 X 660 Mw):

Awaiting coal linkage to RTPP (2 x 660 MW) in District Khandwa against the MoU signed with GoMP on 29/06/2009, the Company has also applied for allotment of coal block(s) in response to notice dated 31/12/2012 of Ministry of Coal (MoC), Gol. However, the project could not get priority in allotment of coal block and still waiting for coal.

##### renewal ENERGY:

Your Company is exploring the possibility of potential sites for development of Non-Conventional energy sources i.e. Wind & Solar in the State of Madhya Pradesh on commercial basis. However, for its captive purposes, the Company has already installed 20 KW and 15 KW capacity Solar PV plants respectively at ISP & OSP and installation of 20 KW capacity plant at Corporate Office is progressing.

##### Other Activities:

The final consent of GoMP is still awaited on draft MoU (approved by MoP;Gol) for execution of viable power component of Medium & Minor multi-purpose projects proposed in upper Narmada Basin.

#### 9. VIGILANCE ACTIVITIES:

The Vigilance Division of your Company is constantly making all efforts to support the management by bringing awareness amongst the employee in the organization to ensure adherence to various procedures and guidelines so as to bring transparency and fairness in the system. All circulars/ guidelines issued by the organization as well as instructions from Government of India & Central Vigilance Commission are being circulated among the HODs and HOPs of your company regularly.

Further, vigilance appreciation programmes / workshops, surprise and regular inspections are being conducted at the projects and Corporate Office regularly as preventive measures. Continuous efforts are being made to protect interest of the Stakeholders by keeping a close watch on activities in the Organization and continually improving the existing system and procedures.

#### 10. OFFICIAL LANGUAGE (OL) IMPLEMENTATION REPORT:

During the year under review, the Rajbhasha Vibhag of your company has made effective efforts to achieve desired targets in the compliance of OL Annual programme. Your Company has been awarded with 'Hindi Sevi Samman' by M.P.Rashtrabhasha Prachar Samiti, Bhopal and 'Rajbhasha Karyanvayan Utkrshitata Puraskar' by Dushyant Kumar Smarak Pandulipi Sangrahalaya, Bhopal.

#### 11. Right to information Act, 2005:

As per the directives of the Government of India, the Right to Information Act, 2005 has been implemented in the Company and all the required infrastructural arrangements such as appointment of Public Information Officers, Assistant Public Information officers and Appellate Authority are available. The compliances of other formalities under the Act, are also made. Thirty nine number applications have been received from the information

# NHDC LIMITED

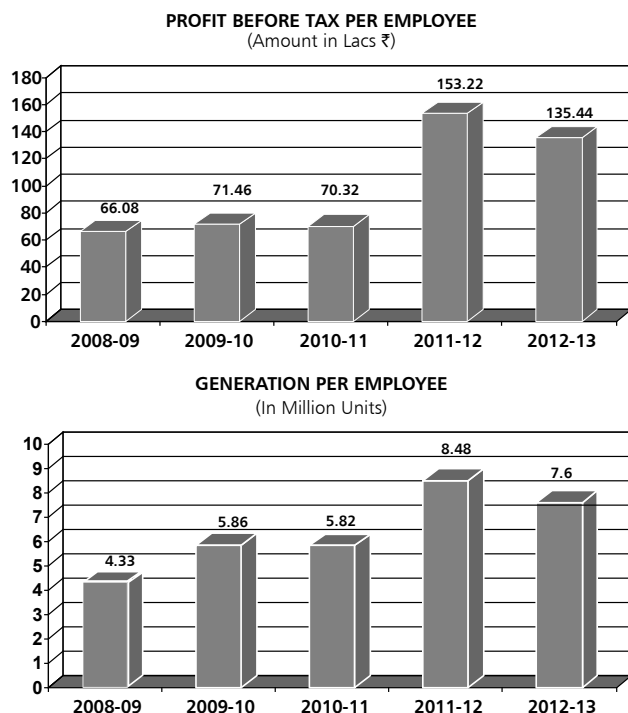
## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Madhya Pradesh)

seekers under the RTI Act 2005 during the FY 2012-13. Necessary action has been taken for their disposal as per the provisions of the Act.

### 12. HUMAN RESOURCE

Your company believes that human resource is the biggest asset for the organization with whose contribution the company has achieved its milestones and shall continue to take big leap in the future. The company believes that in fulfillment of its business plan, the potential of employees should be suitably leveraged. As on 31<sup>st</sup> March 2013, Your Company had strong force of 547 employees. Being a learning organization, the company has continuously emphasized on training & development of employees in order to keep them updated and consequently meeting the emerging organizational needs. For overall competency enhancement, job enrichment/ job enlargement and job rotation is done, thereby creating knowledge asset for the organization. The chart below showing Profit before Tax (PBT) per employee and Generation per employee reflects high efficiency of our Manpower.



### 13. RESERVATION FOR SC/ST/OBC:

Your Company follows the instructions relating to reservation of post for SC/ST/OBCs/Differently abled persons in service as per the directives issued from time to time for recruitment and promotion of employees. In order to effectively redress the grievances of SC/ST/OBC employees, Liaison Officers have been designated. Special drive has been undertaken to fill up the backlog vacancies for SC/ST persons. Special arrangements have been made at Projects/Offices for smooth access of differently abled persons.

### 14. STATUTORY AND OTHER INFORMATION

The information required to be furnished as per the Companies Act, 1956, and Corporate Governance guidelines on the following matters is placed at Annexure "A".

- Management Discussion and Analysis Report.
- Report on Corporate Governance.
- Information on conservation of energy, technology absorption and foreign exchange earnings and out go.
- Information as per Companies (Particulars of Employees) Rules 1975.

### 15. DIRECTORS' RESPONSIBILITY STATEMENT:

As required under section 217 (2AA) of the Companies Amendment Act, 2000, the directors hereby confirm the following:

- That in the preparation of the Annual Accounts for the financial year ended 31<sup>st</sup> March, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- The Company has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the Company for that period;
- The Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The accounts have been prepared for the financial year ended 31<sup>st</sup> March, 2013 on a 'going concern' basis.

### 16. AUDITORS:

M/s Bhutoria Ganesan & Co., Chartered Accountants, Bhopal were appointed as "Statutory Auditors" for conducting the Audit for the year 2012- 2013.

### 17. AUDITORS' REPORT:

Report of the Statutory Auditors on the accounts of the Company for the financial year ended on 31<sup>st</sup> March, 2013 is given at annexure "B" to the Report. The comments on accounts for the year ended 31<sup>st</sup> March, 2013 by the Comptroller & Auditor General of India under Section 619(4) of the Companies Act, 1956 are enclosed at annexure "C" to this report.

### 18. COST AUDIT:

Pursuant to the Central Government directions to audit "cost accounting records" as maintained by the Company, the following "Cost Auditors" have been appointed to conduct the audit of cost accounting records of the project(s) indicated against his name for the financial year 2012-13 with the approval of Ministry of Corporate affairs

Sr. No.	Name of the Auditor	Unit
1.	S.P.S. Dangi, Indore.	Indira Sagar Power Project
2.	Krishan Singh Berk, Faridabad.	Omkareshwar Power Project.

### 19. AUDIT COMMITTEE:

The Audit Committee has reviewed the annual financial statements before submission to the Board as required u/s Sec. 292A of the Companies Act, 1956. As on 31<sup>st</sup> March, 2013, the composition of audit committee consists of Sh. G. S. Vedi, Independent Director as Chairman along with two other Directors i.e. Sh. K. M. Singh, Chief Executive Director and Sh. Shiv Kumar, Director.

### 20. PARTICULARS OF DIRECTORS:

Presently, the composition of the Board includes Sh. G. Sai Prasad as Chairman of the Company along with other Directors from NHPC and Govt. of Madhya Pradesh.

NHPC has appointed Sh. Shiv Kumar, Executive Director as part time director on the Board of the Company w.e.f. 06<sup>th</sup> December, 2012. Sh. G. S. Vedi, an Independent Director has joined the Board of the Company in place of Sh. A. Gopalakrishnan w.e.f. 16<sup>th</sup> January, 2013. NHPC has also appointed Sh. R. S. Mina, Director (Personnel- NHPC) as director on the Board of the Company w.e.f. 18<sup>th</sup> February, 2013. The Ministry of Power, Govt. of India has given him the charge of "Managing Director" in the Company vide letter dt. 08<sup>th</sup> May, 2013.

Sh. O. P. Rawat, Sh. M. K. Jain, Sh. A. Gopalakrishnan, Sh. R. K. Taneja and Sh. A.B.L. Srivastava have been ceased to be directors of the Company during the year under review.

The Board expresses its gratitude for the contributions and guidance given by the outgoing Directors of the Company.

### 21. ACKNOWLEDGEMENTS:

The Board acknowledges with thanks the guidance and cooperation extended by various Ministries, State Govt. and other Govt. agencies at various stages of work. The Board placed on record its appreciation for cooperation extended by the Statutory Auditors, Office of Comptroller and Auditor General of India, Bankers and other concerned authorities. Further, the Board wishes to record its deep gratitude to all the members of NHDC family whose enthusiasm, dedication and cooperation have made the achievement of a satisfying performance possible. The Board is also confident that the employees will continue to contribute their best in the coming years.

For and on behalf of the Board of Directors  
Chairman

Dated: 16.07.2013

Place: DELHI



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE AND DEVELOPMENT

The electrical power is a key infrastructure needed for sustained growth of Indian economy. The power sector of India has shown remarkable progress since independence. The total installed capacity has increased from 1362 MW to the present capacity of 223343.60 MW (as on 31<sup>st</sup> March '2013). Despite this, the sector is facing challenging situations of meeting power demand of peak load and base load both, inadequate hydro-thermal mix, unstable grids, frequency fluctuations, poor distribution networks etc.

Out of the 223343.60 MW of installed capacity in power of India, thermal power accounted for 151530.49 MW (67.80%), hydro 39491.40 MW (17.70 %), nuclear 4780 MW (2.10%) and renewable energy sources 27541.71 MW (12.30%). The Public Sector has taken a major role in development of power sector and has contributed 69.17% of total installed capacity. The participation of private sector is 30.83 % which is increasing since the liberalization of economy in 1991.

Against the original target of 78,700 MW as set for 11<sup>th</sup> Plan (2007-12), the actual achievement was 54,964 MW. To fulfill the objectives of the National Electricity Policy, the GoI has now set the target of 79,690 MW (excluding power from Renewable Energy Sources) to be added during the 12<sup>th</sup> Plan (2012-17).

NHDC Ltd. (Joint Venture of NHPC Ltd. & GoMP) was setup in August 2000 and initially entrusted on ownership basis the two mega hydro power projects in Narmada basin namely Indira Sagar (1000 MW) & Omkareshwar (520 MW) and both the power projects have been completed in time. Presently, NHDC Ltd. the largest hydro power producer in the State of M.P.

The installed capacity in Madhya Pradesh inclusive of power allocation from Joint & Central sector as on 31<sup>st</sup> March '2013 was 10631.65 MW. This consist of Thermal 6608.57 MW (62.16 %), hydro 3223.66 MW (30.32 %), nuclear 273.24 MW (2.57%) and renewable energy sources 526.18 MW (4.95%). The current deficit in energy demand in Madhya Pradesh is 9.60 % whereas the peak demand deficit is 6.10%.

Considering this deficit, the limited potential of viable hydro power projects in Madhya Pradesh and the track record of NHDC Ltd. in project execution coupled with its financial position, GoMP had agreed for setting-up a Super Critical Technology based 1320 MW (2x660 MW) Reva Thermal Power Project (RTPP) in District Khandwa in M.P. All site activities for preparation of DPR and other required clearances have been completed, however in the absence of coal linkage, the characteristics of coal is yet to be freezed in the DPR. In an endeavor to arrange coal for RTPP, the NHDC has recently applied for allotment of coal blocks at five prospective locations in response to MoC, GoI, notification dated 31.12.2012.

### CAPABILITY

NHDC is a strong & efficient organization with the proven track record in completing the hydro power projects ahead of schedule with limited resources. SWOT analysis has been done to examine the capability of our company to reach better heights. The Strength, Weaknesses, Opportunities and Threats are :-

#### STRENGTH

- Largest hydro power producer in the State of M.P.
- Free reserves of more than Rs. 2415 Crores (as on 31<sup>st</sup> March 2013).
- Complete support from GoMP since formation of company and recently co-operation extended during August 2012 for raising of Indira Sagar reservoir level beyond EL 260.0 M to FRL, EL 262.13 M.

#### WEAKNESSES

- Not succeeding to raise reservoir level of Omkareshwar beyond EL 189.0M.
- Lack of potential for viable hydro power projects in Madhya Pradesh.

#### OPPORTUNITIES

- Huge gap between demand and supply of power.
- Potential for developing power projects from all conventional and non-conventional sources of energy.
- Presence of potential sites for the development of mini and micro hydro power station in Upper Narmada Basin.

#### THREATS

- Competition from Private Sector.
- Scarcity in availability of coal in the country for thermal project.

### POWER GENERATION

Narmada Basin has though observed the good monsoon during year 2012, but it was not so well spread as compare to previous year monsoon 2011. Consequently, the inflows during monsoon period could not be utilized optimally for the power

generation. As such, the actual power generation during FY 2012-13 was although 4160.50 MU (i.e. 2896.47 MU from ISPS & 1264.03 MU from OSPS) as against 3360 MU set under Excellent category of MoU 2012-13 of NHDC, but it was slightly on lower side as compared to 4664 MU generated during previous FY 2011-12. The cumulative generation of power up to 31.03.2013 by the Company has been 27600.0 MU.

### RISKS AND CONCERNS

- Hydro power generation mainly depends on the vagary nature of monsoon and this cannot be predicted with certainty.
- Now-a-days land acquisition and rehabilitation has also become a major problem in the country for establishing new Projects.
- The main fuel for thermal project is Coal, which is in scarcity in the Country.
- Time required for clearances/approvals from the regulatory authorities cannot be predicted.

### OUTLOOK

The Projected power demand in the year 2016-17 and 2021-22 would be 1354 billion units and 1904 billion units respectively as per 18<sup>th</sup> EPS Draft report whereas the power generated during the year 2012-13 was 911.65 BU. Similarly, the peak demand in 2016-17 and 2021-22 has been projected as 199.54 GW and 283.47 GW respectively. The peak demand during the year 2012-13 has been 135.45 GW. The demand of electrical energy is to increase 7% to 8% annually in accordance with the economic growth of the country.

However, in Madhya Pradesh, the current deficit in energy demand is 9.60 % and in peak load demand, the deficit is 6.10% . This gap between demand and supply of power may be bridged up through speedy development of power projects in the State of Madhya Pradesh.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has robust and effective internal control system and process for smooth and efficient conduct of business and it complies with relevant laws & regulations. A well defined delegation of financial powers has been made at appropriate level. An in house Internal Audit department exists in the company commensurate with its size and nature of business. Regular and exhaustive internal audits are conducted at all locations where the company has its units. Proper and adequate internal controls and checks are in place to provide reasonable assurance that all the assets are safeguarded, transactions are authorised, recorded and reported correctly and to ensure compliance with policies and statutes. The Company's Audit Committee constituted as per provisions of section 292A of Companies Act is at the foundation of the system to ensure compliance of guidelines for Corporate Governance of Central Public Sector Enterprises. The Audit Committee members meet regularly, review the quarterly reports submitted by the Internal Auditors and give necessary directions as and when required.

### HUMAN RESOURCE DEVELOPMENT

People are the strength of the Company and conscious efforts are being made to provide the environment for continuous development in line with organizational goals, priorities and individual aspirations of employees. HR initiatives undertaken to improve employee's performance level include KPA based appraisal system for all Executives and training for multi-skilling and re-deployment. The Company's unique work culture is based on trust & openness. An effective and empowering system has been established through well laid out delegation of power, decentralization and transparency. The organization looks at each and every employee as an achiever making the difference. Periodical job rotation and inter location transfers are undertaken to facilitate development and broaden outlook. The Human Resources function follows integrated approach to actualize the HR goals. The new recruits are attached with Senior Executive under a systematic and formal training to integrate them into the culture of the company. Library with large collection of books has been established at Project/ Offices. Executives are encouraged to take professional bodies membership for knowledge enhancement.

A systematic training plan has been formulated for ensuring post deployment training and development. This has been designed to groom employee for assuming position of higher responsibility. The Company has been organizing annual inter and intra project/office sports competition to inculcate team building. The company also continues to focus on building leadership capability and strategic orientation through a series of training programme and workshops. Demonstrating its high concern for people, the company has developed employee welfare, health and social security system leading to high level of commitment. The Employee attrition rate (1.27%) has been lowest in the industry. The company has developed Modern Township with best quality of life, containing amenities like, educational, medical and recreational facility for employee and their family Members. The Company has also empanelled hospitals at various

# NHDC LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Madhya Pradesh)

locations to meet employee health needs. The company has the best record in the industry for accident free man hours. The Company emphasizes aligning people capability and competency with current and emerging job responsibility and business challenges.

### INDUSTRIAL RELATIONS

The industrial Relation during the year continued to be harmonious. The company takes proactive measures and follows open door policy to redress the grievances of the employees. There was no loss of any man-days during the year thanks to the cordial atmosphere.

### CORPORATE SOCIAL RESPONSIBILITY (CSR) & SUSTAINABLE DEVELOPMENT (S.D) POLICY

Corporate Social Responsibility and Sustainability is a company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. Stakeholders include employees, investors, shareholders, customers, business partners, clients, civil society groups, Government and non-government organizations, local communities, environment and society at large. In the context of public sector enterprises Corporate Social Responsibility (CSR) should be viewed as a way of conducting business, which enables the creation and distribution of wealth for the betterment of its stakeholders, through the implementation and integration of ethical systems and sustainable management practices.

Department of Public Enterprises (DPE) has issued separate guidelines for Corporate Social Responsibility (CSR) and Sustainable Development (SD) works. NHDC Ltd has got Corporate Social Responsibility as well Sustainable Development Policies approved from Board. As per these guidelines public sector companies like NHDC Ltd has to earmark certain percentage of their Profit After Tax (PAT) of the previous year, towards CSR and SD projects for welfare of society in general. During FY 2012-13 out of total provision of Rs 8.25 Crore an amount of Rs 5.32 Crore has been spent over Corporate Social Responsibility Projects being carried out by NHDC Ltd. These CSR projects were focused mainly over education, health, peripheral development, vocational training and various other activities. While for Sustainable Development during FY 2012-13 out of total provision of Rs 1.04 Crore an amount of Rs 5 Lakh has been spent over plantation, solar street light / solar lantern projects.

### ENVIRONMENT PROTECTION & CONSERVATION

NHDC Ltd fully acknowledges it's corporate environmental responsibilities towards the society, environmental protection & conservation of natural resources and as such same has commanded due attention during implementation of its activities well beyond the statutory obligations. Hydropower projects i.e. Indira Sagar Project (ISP) and Omkareshwar Project (OSP) have adopted Environment Management System (ISO 14001: 2004) as an integral part of their project activities. This has helped in resource conservation and waste minimization. Hydropower projects are the most environment friendly means of generating electricity at large scale. However, during execution of hydropower projects there are certain environmental fallouts and in order to suitably remediate this adequate environmental safeguards are in place, worth mentioning among them are – compensatory afforestation, catchment area treatment, seismic monitoring, creation of National Park & Sanctuaries, relocation/ restoration of monuments of archeological significance etc.

NHDC Ltd has opted in favour of Super-Critical technology for its Reva Thermal Power Project (2 x 660 MW), which is comparatively more efficient and environment friendly as such this will result into significant decrease in emissions into the surrounding environment of thermal project. The Corporation is committed to strive for such policies, implementation modules and monitoring formats in its business activities which are environment friendly and provides ample benefits to society at large leading to Sustainable Development and inclusive growth.

### RENEWABLE ENERGY DEVELOPMENT

The Company has also formulated a long term vision for renewable form of energy i.e. Hydro Power, Wind Power and Solar Power Energy.

The Company has therefore registered with Madhya Pradesh Urja Vikas Nigam (MPUVN) in its endeavor to diversify into the field of Non-Conventional Energy Sources for development of Wind Power Project in M.P.

Similarly Company is also exploring the possibilities of Installation of Solar Photo-Voltaic (PV) system over spare land available in and around projects of NHDC Limited.

Further, GoMP has offered to NHDC the execution of viable power component of medium & minor multipurpose project proposed in upper Narmada Basin. The anticipated capacity of each power project shall be ranging between 10 to 25 MW.

### FINANCIAL PERFORMANCE

#### Results of Operations

The financial accounts of the Company have been prepared based upon applicable Accounting Standards and Revised Schedule VI as notified by Ministry

of Corporate Affairs under Companies Act 1956. Accordingly, the figures for previous year have been regrouped/rearranged as and where applicable.

During FY 2012-13, the Revenue from Operations was Rs. 109545 lacs and Profit After Tax (PAT) was Rs. 57564 Lacs against previous year of Rs. 129132 lacs and Rs. 64690 lacs respectively.

A detailed financial discussion and analysis on the audited financial results of the Corporation for the FY 2012-13 vis-à-vis FY 2011-12 is as under:-

#### Income

	FY 2012-13	FY 2011-12
Sale of Power (in MU)	4140.98	4640.57
Income (₹ in Lacs)		
Revenue from Operations (Net of Advance Against Depreciation)	109545	129132
Other Income	24274	15919
Total	133819	145051

The income of the Company comprises income from sales of electricity, interest from beneficiary (on difference in final and provisional tariff as allowed under CERC Regulations) and other income such as interest earned on investment of surplus funds, interest on securitized Trade receivable, Employee Advances. Company's total income decreased by 7.74% to ₹ 133819 Lacs in FY 2012-13 from ₹ 145051 Lacs in FY 2011-12.

#### Tariff

The tariff of NHDC's generating stations is being determined by the Central Electricity Regulatory Commission (CERC) as per their applicable Regulations for different tariff periods. Currently, the tariff period of 5 years i.e. 2009-14 is underway and CERC Regulations '2009 is applicable as notified vide CERC's Notification no. L-7/145(160)/2008-CERC dated January 19, 2009. As per 2009 Regulations, the generation tariff is admissible to the utility in the form of Annual Fixed Charges (AFC), which is derived on Capital Cost plus basis. Accordingly, the AFC under Regulations 2009 has been allowed to workout under five different components namely (i) Return on Equity (ROE) grossed-up with applicable MAT/ Income Tax Rate, (ii) Depreciation, (iii) Interest on Loan, (iv) Interest on Working Capital and (v) Operation and Maintenance Expenses.

The 50% of AFC so worked out and allowed by CERC is recoverable from beneficiary in the form of Capacity Charges. The 100% Capacity Charges is recoverable from the beneficiary at Normative Annual Plant Availability Factor (NAPAF). The NAPAF is plant specific and it is 85% for Indira Sagar Power Station and whereas it is 90% for Omkareshwar Project. The Capacity Charges is thus grossed-up with in the ratio of Plant Availability Factor during the Year (PAFY) with respect to Normative Annual Plant Availability Factor (NAPAF) so as to work out incentive or disincentive as the case may be.

The balance 50% of AFC is recoverable in the form of Energy Charges based on Energy Charge Rate (ECR) worked out on the basis of Design Energy. Further, the Energy Charges @ Rs. 0.80 / KWH is recoverable additionally towards the energy generated over & above the Design Energy.

#### Sale of Energy

The sole beneficiary of NHDC's Power Stations is the State of Madhya Pradesh for which long term Tripartite Power Purchase Agreements have been signed amongst NHDC as 'Generator', MPTradeco (now known as MP Power Management Co. Ltd.) as 'Beneficiary' and GoMP as 'Guarantor' in the event of default in payment by the beneficiary. Sales figures of ISPS have been recognized as per Tariff Order dated 13-06-2012 of CERC under Petition No. 154/2010 as per 2009 Regulations for the period 2009-14. The issuance of Tariff Order under tariff petition No. 248/GT/2012 filed for the determination of tariff of Omkareshwar Project (OSP) for the period 2009-14 is pending and thus, the sales for OSP have been accounted for based on principles enunciated in the applicable 2009 Regulation of CERC. The conservatism has also been followed, as the CERC invariably exercises prudence check while determining the tariff. However, billing during the year had been continued pursuant to Regulation 5 (3) of 2009 Regulations according to which the AFC as applicable on 31-03-2009 is recoverable on provisional basis with tax adjustment, subject to adjustment at a later date after issuance of final tariff order as per 2009 Regulations.

Accordingly, unbilled revenue of ₹ 1118 lacs and ₹ 523 lacs in respect of ISP & OSP respectively have been considered in the Sale of Power. The deferred tax liability as materialized for ₹ 3058 Lacs (Previous Year Sales ₹ 1600 Lacs) during the year has also been accounted for in the Sale of Power and the same is recoverable from the beneficiary as per 2009 Regulations.

The Company has transmitted 4140.98 MUs of energy to the beneficiary from its ISPS and OSP during FY 2012-13 as compared to 4640.57 MUs during previous FY 2011-12. The decrease in sales in MU is 10.76% compared to previous year energy sales as Revenue from Operations decreased by 15.17 % to ₹ 109545 Lacs in FY 2012-13 as against ₹ 129132 Lacs in FY 2011-12. Sales realization





# NHPC Limited

(A Government of India Enterprise)

in FY 2012-13 was to the tune of ₹ 114065 lacs as against ₹ 116055 lacs in FY 2011-12.

## Adjusted Sales of Energy

During the FY 2012-13, CERC has notified the final tariff in respect of Indira Sagar Project vide tariff order dated 13-06-2012 for the period 2009-14. Accordingly, the revenue from sales of energy also includes prior period arrears and the interest recoverable from beneficiary as per 2009 Regulations. It also includes unscheduled interchange (UI) charges as prescribed in the regulation and Deferred Tax materialized.

The details of sales of current year vis-à-vis previous year are given as under :-

₹ in Lacs		
Particulars	FY 2012-13	FY 2011-12
Revenue from Operation	109545	129132
Less: Interest from Beneficiary allowed by CERC	1553	2568
Net Sales	107992	126564
Less:		
(a) Earlier year sales (net of AAD)	1135	16284
(b) UI Charges	408	617
Adjusted Sales of Energy	106449	109663
Decrease in sales over previous year (%)	2.93	

## Other Income

₹ in Lacs		
Particulars	FY 2012-13	FY 2011-12
Other Income	24274	15919

The Other Income mainly consists of income from investment of surplus cash, interest income from securitized Trade Receivable, interest on employee advances and miscellaneous income. During FY 2012-13, other income is ₹ 24274 Lacs, which is 52.48% higher as compared to ₹ 15919 Lac during previous FY 2011-12. The increase in other income is mainly attributable to Interest on Term Deposit and income from securitized Trade Receivable.

## 2.0 Expenditure: A Comparative Position

₹ in Lacs		
Particulars	FY 2012-13	FY 2011-12
Generation, Administration and Other Expenses	8210	7672
Employees' Benefits Expenses	6395	5925
Finance Cost	21083	23063
Depreciation & Amortization Expenses	24418	25755
Prior Period Items (net)	(378)	(2093)
<b>Total</b>	<b>59728</b>	<b>60322</b>

The total expenditure during FY 2012-13 is ₹ 59728 Lacs, which witnessed a decrease of 0.98% as compared to total expenditure of ₹ 60322 Lacs during FY 2011-12. Further, the percentage of total expenditure with respect to total income during FY 2012-13 is 44.63% as against 41.59% during previous FY 2011-12.

Head-wise reasons are analyzed as under:-

### Generation, Administration and Other Expenses

₹ in Lacs			
Particulars	FY 2012-13	FY 2011-12	Variation
Generation, Administration and Other Expenses	8210	7672	538

The increase is mainly attributable to deployment of CISF for the full year at OSP and first time booking of Research & Development (R&D) expenditure on implementation of R & D Policy.

### Employees Benefits Expenses

₹ in Lacs			
Particulars	FY 2012-13	FY 2011-12	Variation
Employees Benefits Expenses	6395	5925	470

The increase in Employees Benefits expenses mainly on account of huge leave encashment during current year.

### Finance Cost

Finance Cost consists primarily of interest expenses on term loans. Finance Cost decreased by 8.59% to ₹ 21083 Lacs in FY 2012-13 from ₹ 23063 Lacs in FY 2011-12 due to repayment of loans.

## Depreciation & Amortization Expenses.

As per significant accounting policy of the Company, depreciation is charged on straight line method following the rates and methodology as notified by CERC vide notification dated 19.01.2009, except for some items for which depreciation at the rates assessed by the Company is charged. The Ministry of Corporate Affairs, Govt. of India vide its letter no. 51/23/2011-CL-III dated 31.05.2011 has clarified that companies referred to in section 616(C) of the companies Act 1956, i.e. engaged in generation or supply of Electricity, can distribute dividend out of profits arrived at after providing for depreciation following the rate as well as methodology notified by CERC and the same shall be sufficient compliance of section 205 of the Companies Act 1956.

The provision of ₹ 24418 Lacs is made towards Depreciation and Amortization expenses during FY 2012-13 as compared to ₹ 25755 Lacs during previous FY 2011-12 which witnessed a decrease of ₹ 1337 Lacs mainly on account of revision of CAMPA Fund liability and corresponding de-capitalization during the year.

## Tax Expenses

Owing to the decrease in Income, the Tax Expenses during the FY 2012-13 is ₹ 16527 Lacs, which witnessed a reduction of 17.53% as compared to tax of ₹ 20039 Lacs paid during previous FY 2011-12.

## Cash Flow

₹ in Lacs		
Particulars	FY 2012-13	FY 2011-12
Net Cash inflow from operating activities	77342	126910
Net cash outflow from investing activities	12138	(34493)
Net cash outflow from financing activities	(44811)	(54743)
Net increase in cash/cash equivalents	44669	37674

## ANALYSIS OF BALANCE SHEET ITEMS –

### Equities & Liabilities

₹ in lacs			
Particulars	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2012	Variation
Long Term Borrowings	138838	163982	(25144)
Deferred Tax (Net)	16340	14632	1708
Other Long Term Liabilities	12132	12110	22
Long Term Provisions	805	1305	(500)
Trade Payables	887	843	44
Other Current Liabilities	39355	33075	6280
Short Term Provisions	59670	74302	(14632)

The decrease in long term borrowings is on account of repayment of principal. The short term provisions have decreased mainly on account of revised provisions of Net Present Value (NPV) payable to Compensatory Afforestation Monitoring and Planning Authority (CAMPA) against use of forest land for non-forest purpose in case of OSP. Other current liabilities have increased mainly on account of shifting of due date of installment to 01.04.2013 from 31.03.2013 (being holiday) in respect of ISP Term Loan. The variations on other items are not significant.

## ASSETS

₹ in Lacs			
Particulars	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2012	Variation
Tangible Assets (Gross Block)	400984	400199	785
Intangible Assets (Right of Use) (Gross Block)	319825	323333	(3508)
Capital Work-in-Progress	306	275	31
Long Term Loans & Advances	3232	2690	542
Other non current Assets	18801	19914	(1113)
Inventories	714	580	134
Trade Receivables	19100	21707	(2607)
Cash and Bank Balances	215352	170683	44669
Short - Term Loans & Advances	2461	1530	931
Other Current Assets	31465	24943	6522

The increase in other current assets is mainly on account of receivables in respect of unbilled revenue, accrued interest on Fixed Deposits and Project cost recoverable from NVDA. The decrease in Intangible Assets (Right of use) is mainly on account of revised cost of NPV payable to CAMPA in respect of Omkareshwar Project. However, there are insignificant variations in other items.



# NHDC LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Madhya Pradesh)

Annexure- "A" (Ref: Para- 14(b))

### REPORT ON CORPORATE GOVERNANCE

#### 1. The Company's philosophy on corporate governance

Your Company is committed to following sound corporate practices that are based on conscience, openness, fairness, professionalism and accountability. It has been our endeavour to build confidence among various stakeholders thus paving the way for long term success. The Company believes that Corporate Governance enhances its management practices. At NHDC, the Corporate Governance system is participatory, transparent, responsive, consensus-oriented and equitable. The Company makes all efforts to follow the guidelines on Corporate Governance issued by DPE, GOI to the extent possible. The grading of "Very Good" has been achieved by your Company on the basis of compliance with guidelines on Corporate Governance for the year 2011-12.

#### 2. Board of Directors

Your Company is a joint venture of NHPC Ltd. (Govt. of India Enterprise) and Govt. of Madhya Pradesh with equity participation of 51% and 49 % respectively. As per existing articles of association of the Company, the Chairman as well as Managing Director will be appointed by NHPC and whole time Director shall be appointed by NHPC in consultation with GoMP. Further the power to appoint other directors also vests with Joint Venture Partners only i.e. NHPC Ltd. and Govt. of Madhya Pradesh. The strength of the Board shall not be less than 5 and not more than 11. These numbers include all whole time and part time directors.

Further articles of the Company provide that the nominees of NHPC and Govt. of Madhya Pradesh shall hold office of the Directors in the Company at the pleasure of NHPC Ltd. and Govt. of Madhya Pradesh respectively. The Managing Director and Whole time Directors shall be appointed for a period of five years or till they reach the age of superannuation, which ever is earlier.

#### 2.1 Composition & Tenure of the Board.

As on 31<sup>st</sup> March, 2013, the Board comprises of 7 Members, consisting of Chairman, 1 Whole Time Director, 2 Part Time Directors appointed by NHPC, 1 Independent Director appointed by NHPC and 2 Part Time Directors appointed by Govt. of Madhya Pradesh. The Composition of the Board and its Sub-committee is yet to be formalized in accordance with Corporate Governance Guidelines-2010.

#### 2.2 Board Meetings

The Board meetings are held at New Delhi to facilitate large participation of Directors. However, efforts are being made to have the meetings at its Registered Office at Bhopal.

During the Financial Year 2012-2013, 7 (Seven) Board meetings were held on 11<sup>th</sup> April, 2012, 18<sup>th</sup> May, 2012, 11<sup>th</sup> July, 2012, 01<sup>st</sup> August, 2012, 31<sup>st</sup> October, 2012, 13<sup>th</sup> December, 2012, & 18<sup>th</sup> January, 2013.

Details of number of Board Meetings, attendance of the Directors, attendance at last AGM, Directorship, Committee membership i.e. of Audit Committee and/or Shareholders' Grievances Committee are as under

Name of the Director	Meetings held during respective tenure of Directors	No. of Board meetings attended	Attendance at last AGM held on 01 <sup>st</sup> Aug., 2012	No. of other Directorship held on 31/03/2013	No. of Committee memberships in other Companies on 31/03/13
<b>Non-Executive Directors</b>					
Shri G. Sai Prasad	7	3	Nil	6	Nil
Shri R.S. Mina*	0	0	N.A	1	Nil
Shri Rajneesh Vaish	7	5	Yes	2	Nil
Shri Shiv Kumar**	2	2	N.A	Nil	Nil
Shri O. P. Rawat***	0	0	N.A	1	Nil

Name of the Director	Meetings held during respective tenure of Directors	No. of Board meetings attended	Attendance at last AGM held on 01 <sup>st</sup> Aug., 2012	No. of other Directorship held on 31/03/2013	No. of Committee memberships in other Companies on 31/03/13
Shri R.K. Taneja****	5	5	Yes.	Nil	Nil
Sh M. K. Jain*****	6	5	Yes	Nil	Nil
<b>Executive Directors</b>					
Shri K.M. Singh.	7	7	Yes	Nil	Nil
Shri A.B.L. Srivastava*****	7	7	Yes	1	1
<b>Independent Director (ID)/ Non-Official Part time Director</b>					
Shri G.S. Vedi*****	1	Nil	N.A	2	2
Shri Gajendra Singh Patel	7	4	Yes	Nil	Nil
Shri A. Gopalakrishna *****	5	4	NIL	1	1

\* Sh. R. S. Mina, Director (Personnel) NHPC was appointed as director on the Board of NHDC w.e.f. 18<sup>th</sup> February, 2013 & he has been given charge of "Managing Director" in NHDC vide MoP, Gol letter dt. 08<sup>th</sup> May, 2013.

\*\* Sh. Shiv Kumar, E.D (Contract-Civil) NHPC was appointed as director on the Board of NHDC w.e.f. 06<sup>th</sup> December, 2012.

\*\*\* Sh. O. P. Rawat ceased to be director of the Company w.e.f. 02<sup>nd</sup> April, 2012.

\*\*\*\* Sh. R. K. Taneja ceased to be director of the company w.e.f. 31<sup>st</sup> October, 2012 consequent upon his superannuation.

\*\*\*\*\* Sh. M. K. Jain ceased to be director of the Company w.e.f. 11<sup>th</sup> January, 2013.

\*\*\*\*\* Sh. A.B.L. Srivastava ceased to be director of NHDC w.e.f. 10<sup>th</sup> February, 2013 vide NHPC letter dt. 18<sup>th</sup> February, 2013 & consequently ceased to be "Managing Director" as well.

\*\*\*\*\*Sh. G. S. Vedi was appointed as Independent Director on the Board of NHDC w.e.f. 16<sup>th</sup> January, 2013.

\*\*\*\*\*Sh. A. Gopalakrishnan, Independent Director ceased to be director of NHDC w.e.f. 03<sup>rd</sup> December, 2012.

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

#### 2.3 Training of Board of Directors.

The Company provides a set of documents and booklets to the directors as and when required. This includes important data about performance of the Company, Memorandum & Articles of Association, Corporate Governance guidelines etc. The Company's directors are being considered for nomination to participate in seminars/training program organized by reputed institution(s).

#### 2.4 Fraud and Risk Management Policy.

The risk management system is integrated and aligned with the corporate and operational objectives. Risk management is undertaken as a part of normal business practice and not as a separate task at set times. The Company has separate policies for fraud and risk management.



# NHPC Limited

(A Government of India Enterprise)

### 3. AUDIT COMMITTEE

As on 31<sup>st</sup> March, 2013, the audit committee comprises the following members:

Sr. No.	Name	Designation	Category
01	Shri G. S. Vedi	Chairman	Independent Director
02	Shri K. M. Singh	Member	Whole time Director
03	Shri Shiv Kumar	Member	Part Time Director.

During the financial year i.e. 2012-13, 5 (Five) Audit Committee Meetings were held on 18<sup>th</sup> May, 2012, 22<sup>nd</sup> June, 2012, 27<sup>th</sup> July, 2012, 18<sup>th</sup> October, 2012 & 15<sup>th</sup> February, 2013. After cessation of Sh. A. Gopalakrishnan during the F.Y. 2012-13, Sh. G. S. Vedi has been appointed as Chairman, Audit Committee of NHDC. Further Sh. Shiv Kumar has been appointed as Member of Audit Committee of NHDC in place of Sh. R. K. Taneja. The details of attendance in the audit committee are as under.

Sr. No.	Name	No. of meetings held during tenure	No. of meetings attended.
1	Sh. A. Gopalakrishnan	4	4
2	Sh. K. M. Singh	5	5
3	Sh. R. K. Taneja	4	4
4	Sh. G. S. Vedi	1	1
5	Sh. Shiv Kumar	1	1

The scope of audit committee is in accordance with Sec. 292A of the Companies Act, 1956 and as referred to it by the Board and further in accordance with audit committee's role, powers and review of information as per Corporate Governance-2010.

### 4. REMUNERATION COMMITTEE

As on 31<sup>st</sup> March, 2013, the Remuneration Committee consists of following members:

Sr. No.	Name	Designation	Category
01	Shri G. S. Vedi	Chairman	Independent Director
02	Shri Rajneesh Vaish	Member	Part Time Director.
03	Shri Shiv Kumar	Member	Part Time Director.

During the financial year 2012-13, one meeting of the "Remuneration Committee" was held. The scope of work for the "Remuneration Committee" is Performance Related pay for executives and non-unionized supervisors as per DPE guidelines.

During the Financial Year 2012-13, the remuneration details of Executive Directors and sitting fees paid to Independent Director(s)/Non-official part time director(s) are as under:

#### A: Executives Directors

(In ₹) Lacs

Name of the Director	Salary	Perquisites	Total
Sh. K. M. Singh Chief Executive Director*	44.90	0.09	44.99

\*The above figures does not include provision for gratuity, leave encashment, REHS and Baggage Allowance, since the same is provided on actuarial valuation basis for the Corporation as a whole.

#### B: Independent Director(s)/Non-Official Part time Director(s)

(In ₹) Lacs

Name of the Director	Sitting Fees
Shri A. Gopalakrishnan	45,000
Shri Gajendra Singh Patel	20,000

(Tax has been deducted as per the applicable rate(s).

### 5. GENERAL BODY MEETINGS

Date, time and location where the last three Annual General Meetings were held are as under:

- 10<sup>th</sup> Annual General Meeting was held on 05<sup>th</sup> July, 2010 at 11.15 a.m. in Hotel Lake View Ashoka, Shymala Hills, Bhopal.
- 11<sup>th</sup> Annual General Meeting was held on 01<sup>st</sup> August, 2011 at 11.00 a.m. in Hotel Jehan Numa Palace, Shymala Hills, Bhopal.
- 12<sup>th</sup> Annual General Meeting was held on 01<sup>st</sup> August, 2012 at 12.45 p.m. in NHDC Parisar, Shymala Hills, Bhopal.

### 6. DISCLOSURES:

- There was no transaction of material nature with the directors of the Company having potential conflict with the interests of the Company at large.
- The details of the Related Party Disclosure are included in notes forming part of the accounts as per Accounting Standard 18 issued by the Institute of Chartered Accountants of India.
- The Statutory compliance report is being placed before the Board regularly. Further, no penalty, strictures is imposed on the Company by any statutory authority on any matter related to any guidelines issued by the Govt. during the last three years.
- A policy to prevent frauds has already been adopted by NHDC for reporting of frauds or suspected frauds involving employees of the Company as well as representative of vendors, suppliers, Contractors, Consultants, Service Providers or any other party doing any type of business with NHDC. The mechanism for prevention of fraud is also included in the policy.
- The Company has followed the Accounting Standards as prescribed by the Institute of Chartered Accountants of India.

### 7. MEANS OF COMMUNICATION

The entire paid up capital of the Company is being held by NHPC Ltd. (Govt. of India Enterprise) and Govt. of Madhya Pradesh. The Company communicates with its Shareholders through its annual report, general meetings and disclosure through website.

### 8. CODE OF CONDUCT

The Board of Directors has laid down the Code of Business Conduct and Ethics for the Board members and Senior Management of the Company. The copy of the Code is displayed on the Website of the Company [www.nhdcindia.com](http://www.nhdcindia.com). All Board members and key officials of the company have affirmed their compliance with the code. A declaration to this effect is annexed to this Report.

### 9. COMPLIANCE CERTIFICATE

Certificate from M/s DPA & Associates, Company Secretaries in whole Time Practice confirming with the conditions of Corporate Governance as stipulated under Corporate Governance Guidelines for CPSE-2010, forms part of the annual report.

# NHDC LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Madhya Pradesh)

### DECLARATION BY MANAGING DIRECTOR REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT DURING THE FINANCIAL YEAR 2012-13

I.R.S. Mina, Managing Director, NHDC Limited, do hereby declare that all the Members of the Board of Directors and the Senior Management Team of the Company have affirmed their compliance of the Code of Business Conduct and Ethics of the Company during 2012-13.

Date: 22-05-2013

(R.S. Mina)  
Managing Director  
DIN: 00149956

---

### CORPORATE GOVERNANCE CERTIFICATE

To  
The Members,  
NHDC LIMITED,  
NHDC Parisar, Shyamla Hills,  
Bhopal.

We have examined the compliance of the conditions of Corporate Governance by NHDC Limited, (hereinafter referred as 'the Company') for the year ended on 31<sup>st</sup> March, 2013 as stipulated in 'Guidelines on Corporate Governance-2010 dt. 14<sup>th</sup> May, 2010 by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India and annexure mentioned there under (hereinafter referred as 'Guidelines').

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance as stipulated in above mentioned guidelines. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we hereby certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Guidelines.

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

Place : Bhopal  
Date : 16.07.2012

**For DPA & Associates  
Company Secretaries**

Sd/-  
**CS Amit Kumar Jain**  
Partner  
FCS - 6522,  
C. P. No. 7136.

## CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION FOR CONSERVATION OF ENERGY

Sr. No.	Information Sought	Reply
(a)	Energy conservation measures taken	<p>a) The existing Current Transformers and Potential Transformers of generator have been replaced with lower burden and high accuracy CTs and PTs in order to minimize energy difference between gross and net to below 1 % of generation at OSP.</p> <p>b) The 400 watt SV/MH illumination fittings at OSP Power House, Dam and Switchyard are switched On alternate basis to reduce energy consumption.</p> <p>c) Double tube light fittings at power house, Dam and switchyard are being operated in single lamp mode to reduce energy consumption at Omkareshwar Power Station (OSP).</p> <p>d) Conventional tube light &amp; CFL fittings have been replaced with more energy efficient LED light fittings at administrative building of OSP.</p> <p>e) Timers have been installed for operation of illumination system of OSP Power house, Dam and Switchyard.</p> <p>f) The alternate power supply to Omkareshwar Dam has been done from Diesel Generating (DG) set at Switchyard in place of DG at Dam site thus reducing the DG operation at Dam. The DG located at Dam site is operated on emergency basis in case of failure of DG at Switchyard.</p> <p>g) APFC system installed at NHDC Parisar, Bhopal for power factor improvement.</p> <p>h) Outdoor lights are being operated with help of timer switch to reduce manual operation so that lights can be switched on and off timely.</p> <p>i) Solar PV power plants of 15 kW and 2 x 10 kW capacity were installed at Omkareshwar and Indira sagar Power Station (ISPS) respectively for captive generation in the year 2011-12. During this year the Solar energy produced from these plants have been utilized in place of conventional energy.</p>
(b)	Additional investments and proposals, if any, being implemented for reduction of consumption of energy;	<p>a) The case for installation of two nos. APFC panels of capacity 200 KVAR and 150 KVAR at OSP Power house for improvement of power factor is under process.</p> <p>b) The case of installation of LED base light fittings in place of conventional tube lights &amp; CFL for OSP power house control room and conference room is under progress.</p> <p>c) It is also proposed to install a 40 KW photovoltaic solar power plant at roof top of OSP, Power House.</p> <p>d) Development of system for Power factor improvement at ISP.</p> <p>e) For reduction of consumption of conventional energy 20 KW Solar Power Project at the roof top of new office building, NHDC Parisar, Bhopal has been finalized for installation.</p>
(c)	Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods;	There is a significant reduction in conventional energy consumption.
(d)	Total energy consumption and energy consumption per unit of production as per Form -A of the annexure thereto in respect of industries specified in the schedule thereto.	Not Applicable

# NHDC LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Madhya Pradesh)

### FORM-B

Sr. No.	Information sought	Reply
1)	Specific areas in which R&D carried out by the Company.	a) Development of Online 2 Dimensional vibration monitoring system for TG sets at Power House of Indira sagar Power Station (ISPS) being undertaken. b) Online DGA Equipment for 04 nos Generator Transformer at Omkareshwar Power Station (OSPS) has been carried out. c) Preparation of PFR for setting up of Geothermal production plant in State of Madhya Pradesh has been undertaken by engaging MANIT, Bhopal, a Govt. of India Institution. MANIT submitted report on Evaluation, Scope & utilization of Geothermal Energy in M.P. d) Load study and Power Factor improvement at Indira Sagar Power Station has been carried out.
2)	Benefit derived as a result of the above R&D;	A benefit from above is expected to be derived in the forthcoming years.
3)	Future Plan of action;	a) Study and Installation of external oil coolers for Lower Guide Bearing and Thrust bearing at ISP. b) Study and installation of electrostatic machine for oil extraction of oil vapour from bottom and top of Guide bearing at ISP. c) Studies of flow pattern in TRC of OSP with improvements in river channel for increase in power generation. d) Study and augmentation of fire protection scheme for 11KV and 415V electric panels at OSP. e) Performance evaluation of EDA of Dam spillway of ISP using latest computational techniques. f) Study and identification of cause and path of excessive seepage / leakage from vertical formed drains in different blocks of Omkareshwar Dam.
4)	Expenditure on R&D	
	a) Capital	₹ 114 Lakhs
	b) Recurring	
	c) Revenue	₹ 209 Lakhs
	d) Total	₹ 323 Lakhs
	Total R&D expenditure as a percentage of total turnover	0.3% of total Turnover of ₹ 1095.45 Cr.

### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Sr. No.	Information sought	Reply
1	Efforts in brief made towards technology absorption, adaptation and innovation;	a) 15 KW photo-voltaic Solar Power Plant has been installed at roof top of OSP Administrative Building to cater the need of illumination system. b) Conventional fluorescent tube lights CFL lamps have been replaced with more energy efficient LED based illumination fittings at OSP Administrative Buildings.
2	Benefits derived as result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.	Benefits from above is expected to be derived in the forthcoming years.
Technology imported during last five years		NIL

### FOREIGN EXCHANGE EARNINGS AND OUTGO

Sr. No.	Information Sought	Reply
1.	Activities relating to exports; initiatives taken to increase export; development of new export markets for products and services; and export plans.	N.A
2.	Total foreign exchange earning Total foreign exchange outgo.	Nil Nil

Annexure- "A" (Ref: Para- 14(d))

### PARTICULARS OF EMPLOYEES:

Information required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 may be treated as NIL.



## AUDITORS' REPORT

To The Members of NHDC Limited, Bhopal (M.P.)

We have audited the attached Balance Sheet of NHDC LIMITED, BHOPAL as at 31<sup>st</sup> March 2013, Statement of Profit and Loss and also the Cash Flow Statement of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the company as we considered appropriate, and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;

In our opinion, proper books of account as required by law have been kept by the company so far as its appears from our examination of those books;

The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956:

As per the circular issued by the Department of Companies Affairs vide their General Circular No. 829 (E) dt. 21.10.03 it has been directed that the clause (g) of sub section (1) of section 274 of the said Act about disqualification of Directors shall not apply to a Govt. company, hence in our opinion the requirement of this clause does not apply to this company also;

In our opinion and according to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies, Other Explanatory Notes to Accounts thereon and attached thereto, give in the prescribed manner, the information required by the Companies Act, 1956, and give, a true & fair view in conformity with the accounting principles generally accepted in India:

In the case of Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2013;

In the case of Statement of Profit & Loss, of the profit for the year ended on that date.

In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For BHUTORIA GANESAN & CO.**  
**Chartered Accountants**

**(R. Ganesan)**  
**Partner**

**Membership No. 26164**  
**FRN -004465C**

Place: Camp, New Delhi  
Date: 17.05.2013

## ANNEXURE TO THE AUDITORS' REPORT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2013

(Referred to in paragraph 3 of our report of even date)

- |   |  |
|---|--|
| <p>(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>(b) As explained to us, all the fixed assets have been physically verified by the outside Chartered Accountant firm during the year. In our opinion, the frequency of verification is reasonable. According to the information and explanations given to us and the records produced to us for our verification, discrepancies noticed on such physical verification were not material in our opinion, and the same have been properly dealt with in the Books of Accounts.</p> <p>(c) Since there is no disposal of a substantial part of fixed assets during the year, the preparation of financial statements on a going concern basis is not affected on this account.</p> | <p>(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventories, fixed assets and for the sale of power and services. During the course of our audit no major weakness has been noticed on the internal control system.</p> <p>(v) Based on the audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, there were no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need be entered in the register required to be maintained under that Section. In view of this, sub clause (a) and (b) of clause (V) are not applicable.</p>  |
| <p>(ii) (a) The outside Chartered Accountant firm has physically verified the inventory of the company other than items in transit and material at site. In our opinion, the frequency of verification is reasonable.</p> <p>(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.</p> <p>(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.</p>  | <p>(vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the Section 58 A and 58 AA and any other relevant provisions of the Companies Act, 1956 and the rules framed there under.</p> <p>(vii) In our opinion, the company has an internal audit system commensurate with size and the nature of its business.</p>   |
| <p>(iii) (a) Based on the audit procedures applied by us and according to the information and explanations given to us, the Company has not granted or taken any loans, secured or unsecured, to / from companies, firms or the other parties covered in the register maintained under section 301 of the Companies Act, 1956. In view of this, sub clauses (b), (c) and (d) of clause (iii) are not applicable.</p> <p>(b) As per the information and explanations, the Company has not taken any loans, from the parties covered in the register maintained u/s 301 of the Companies Act, 1956. In view of this, sub clauses (e), (f) &amp; (g) of clause (iii) are not applicable.</p>   | <p>(viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of these records with a view to determining whether they are accurate or complete.</p> <p>(ix) (a) According to the records provided to us by the Company, undisputed statutory dues including Provident Fund, Income Tax, VAT/Entry Tax, Wealth Tax, Service Tax, Custom Duty, Cess and other statutory dues, that are required to be deposited regularly with authorities, have generally been regularly deposited with the appropriate authorities. We are informed that the Employee's State Insurance Scheme is not applicable to the Company. According to the information and</p> |

# NHDC LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Madhya Pradesh)

explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were in arrears, as at 31<sup>st</sup> March, 2013 for a period of more than six months from the date they became payable .

- (b) According to the information and explanations given to us, the cases of non-deposit with the appropriate authorities of disputed dues of Income Tax, VAT/Entry Tax, Wealth Tax, Service Tax, Customs Duty, is Rs. 3 Lacs (For Entry Tax) with details as under:

Name of statute	Nature of dues	Forum where the dispute is pending	Amount (Rs.in lacs)
M.P. Entry Tax Act	Entry Tax on addition to Fixed Asset due to exchange rate variation and other additions.	MPCT APPELLATE BOARD	3

- (x) The company neither has any accumulated losses at the end of the period nor has incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) On the basis of verification of records and according to the information and explanations given to us, the company has not defaulted in repayment of dues to Financial Institutions/Banks or Debenture holders.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a Chit/Nidhi/Mutual Benefit Fund/Society and as such the clause of the order is not applicable.
- (xiv) The company is not dealing or trading in shares, securities, debentures and other investments.

- (xv) The company has not given any guarantee for loan taken by others from banks/Financial Institutions.
- (xvi) On the basis of review of utilization of funds pertaining to Term Loans on overall basis and related information as made available to us, the company has applied term loans for the purposes for which they were obtained.
- (xvii) According to the information and explanations given to us, based on an overall examination of the Balance Sheet of the company, related information made available to us and as represented to us by the Management, the funds raised on short term basis has not been utilized for long term investments.
- (xviii) The Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year and therefore the question of creating security or charge in respect thereof does not arise.
- (xx) The Company has not made any public issue of any securities during the year and therefore the question of disclosing the end use of money raised by any public issue does not arise.
- (xxi) Based on the audit procedures adopted and information and explanations given to us by the management, no fraud on or by the company has been noticed or reported during the year.

**For BHUTORIA GANESAN & CO.**  
**Chartered Accountants**

**(R. Ganesan)**  
**Partner**

**Membership No. 26164**  
**FRN -004465C**

Place: Camp, New Delhi  
Date: 17.05.2013

## COMMENTS OF THE CONTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(A) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF NHDC LIMITED, BHOPAL FOR THE YEAR ENDED 31 MARCH 2013

The preparation of financial statements of NHDC Limited, Bhopal for the year ended 31 March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 17 May 2013.

I, on behalf of the Comptroller and Auditor General of India, have conducted a Supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of NHDC Limited, Bhopal, for the year ended 31 March 2013. This Supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquire of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act, 1956.

**For and on the behalf of the**  
**Comptroller & Auditor General of India**

**sd/-**  
**(Brij Mohan)**

**Principal Director of Commercial Audit &**  
**Ex-officio Member Audit, Board - III,**  
**New Delhi**

**Place : New Delhi**  
**Date : 14.06.2013**





# NHPC Limited

(A Government of India Enterprise)

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2013

(Amount in Lacs)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	2	196258	196258
(b) Reserves and Surplus	3	376116	327607
<b>(2) NON-CURRENT LIABILITIES</b>			
(a) Long Term Borrowings	4	138838	163982
(b) Deferred Tax Liabilities	5	16340	14632
(c) Other Long Term Liabilities	6	12132	12110
(d) Long Term Provisions	7	805	1305
<b>(3) CURRENT LIABILITIES</b>			
(a) Short Term Borrowings	4	-	-
(b) Trade Payables	8	887	843
(c) Other Current Liabilities	9	39355	33075
(d) Short Term Provisions	7	59670	74302
<b>TOTAL</b>		<b>840401</b>	<b>824114</b>
<b>II. ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
(a) Fixed Assets			
(i) Tangible Assets	10.1	290947	309956
(ii) Intangible Assets	10.2	258023	271836
(iii) Capital Work In Progress	11.1	306	275
(iv) Intangible Assets under development	11.2	-	-
(b) Non Current Investments	12	-	-
(c) Deferred tax assets	5	-	-
(d) Long term loans and advances	13	3232	2690
(e) Other non-current assets	14	18801	19914
<b>(2) CURRENT ASSETS</b>			
(a) Current Investments	15	-	-
(b) Inventories	16	714	580
(c) Trade Receivables	17	19100	21707
(d) Cash & Bank Balances	18	215352	170683
(e) Short term Loans and Advances	13	2461	1530
(f) Other Current Assets	19	31465	24943
<b>TOTAL</b>		<b>840401</b>	<b>824114</b>
<b>Significant Accounting Policies</b>	1		
<b>Other Explanatory Notes to Accounts</b>	30		
<b>Note 1 to 30 form integral part of the Accounts</b>			

For and on behalf of Board of Directors

As per our report of even date attached  
**For BHUTORIA GANESAN & CO.**  
Chartered Accountants

**R. GANESAN**  
(Partner)  
Membership No. 26164  
FRN - 004465C

**K. M. SINGH**  
Chief Executive Director  
DIN 02223301

**V. K. TRIPATHI**  
Co. Secretary

**R.S. MINA**  
Managing Director  
DIN 00149956

**D. CHAKRABORTY**  
General Manager (Finance)

Place: New Delhi  
Date : 17.05.2013

# NHDC LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Madhya Pradesh)

### STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

(Amount in Lacs)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
<b>INCOME</b>			
i) Revenue from Operations	20	109545	129132
ii) Other Income	21	24274	15919
<b>TOTAL REVENUE</b>		<b>133819</b>	<b>145051</b>
<b>EXPENDITURE</b>			
i) Generation, Administration and Other Expenses	22	8210	7672
ii) Employee Benefits Expense	23	6395	5925
iii) Finance Cost	24	21083	23063
iv) Depreciation & Amortization Expense	25	24418	25755
<b>TOTAL EXPENDITURE</b>		<b>60106</b>	<b>62415</b>
<b>Profit before Prior Period items, Exceptional and Extraordinary items and Tax</b>		73713	82636
Prior Period Items (net)	26	(378)	(2093)
<b>Profit before Exceptional and Extraordinary items and Tax</b>		74091	84729
Exceptional items		-	-
<b>Profit before extraordinary items and Tax</b>		74091	84729
Extraordinary items		-	-
<b>PROFIT BEFORE TAX</b>		74091	84729
<b>Tax Expenses</b>	27		
i) Current Tax		14824	16987
ii) Adjustments relating to earlier periods		(5)	24
iii) Deferred Tax		1708	3028
<b>Total Tax Expenses</b>		16527	20039
<b>Profit for the year</b>		<b>57564</b>	<b>64690</b>
Earning per share (Equity shares, face value of ₹ 1,000/- each)			
Basic		293.31	329.61
Diluted		293.31	329.61
<b>Significant Accounting Policies</b>	1		
<b>Other Explanatory Notes to Accounts</b>	30		
<b>Note 1 to 30 form integral part of the Accounts</b>			

For and on behalf of Board of Directors

As per our report of even date attached  
**For BHUTORIA GANESAN & CO.**  
Chartered Accountants

**R. GANESAN**  
(Partner)  
Membership No. 26164  
FRN - 004465C

**K. M. SINGH**  
Chief Executive Director  
DIN 02223301

**V. K. TRIPATHI**  
Co. Secretary

**R.S. MINA**  
Managing Director  
DIN 00149956

**D. CHAKRABORTY**  
General Manager (Finance)

Place: New Delhi  
Date : 17.05.2013



## NOTE NO. 1 - SIGNIFICANT ACCOUNTING POLICIES

### 1. ACCOUNTING CONVENTIONS

The accounts of the Corporation are prepared under the historical cost convention using the accrual method of accounting.

### 2. FIXED ASSETS

- 2.1 Fixed assets are stated at cost of acquisition/construction. In cases where final settlement of bills with contractors is pending, but the asset is complete and ready for use, capitalization is done on estimated basis subject to necessary adjustment, including those arising out of settlement of arbitration/court cases, in the year(s) of final settlement.
- 2.2 Fixed Assets created on land not belonging to the Corporation are included under fixed assets.
- 2.3 Capital Expenditure on assets where neither the land nor the asset is owned by the Company is reflected as a distinct item in capital work in progress till the period of completion and thereafter in the fixed assets.
- 2.4 Payments made provisionally towards compensation and other expenses relating to land are treated as cost of land.
- 2.5 Land taken for use from State Government (without transfer of title) and expenses on relief and rehabilitation as also on creation of alternate facilities for land evacuates or in lieu of existing facilities coming under submergence and where construction of such alternate facilities is a specific pre condition for the acquisition of the land for the purpose of the project, are accounted for as Land-unclassified/Right of use, to be amortized over a period of 30 years from the date of commercial operation of the project.
- 2.6 Fixed Assets declared surplus are shown at lower of book value and net realizable value.
- 2.7 The company assesses at each balance sheet date whether there is any indication that cash generating unit (CGU) is impaired based on internal/external indicators. If any such indication exists, company estimates the recoverable amount of the CGU. An impairment loss is recognized in the statement of profit and loss where the carrying amount exceeds the recoverable amount of the cash generating units. An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.

### 3. MACHINERY SPARES

- 3.1 (a) Machinery spares procured along with the Plant & Machinery or subsequently and whose use is expected to be irregular are capitalized separately, if cost of such spares is known and depreciated fully over the residual useful life of the related plant and machinery at the rates of depreciation and methodology as notified by CERC for such Plant & Machinery. If cost of such spares is not known particularly when procured along with mother plant, these are capitalized & depreciated along with mother plant at the rates of depreciation and methodology as notified by CERC for such Plant & Machinery.
- (b) WDV of spares is charged off to Profit & Loss Account in the year in which such spares are replaced in place of retrieved spares, provided the spares so retrieved do not have any useful life. Similarly value of such spares, procured & replaced in place of retrieved spares, is charged off to Profit & Loss Account in that year itself, provided spares so retrieved do not have any useful life.
- (c) When the useful life of the related fixed asset expires and asset is retired from active use, such spares are valued at net book value or net realizable value whichever ever is lower. However, in case retired assets are not replaced, WDV of related spares less disposable value is written off.
- 3.2 Other spares are treated as "stores & spares" forming part of the inventory and expensed when issued.

### 4. CAPITAL WORK IN PROGRESS

- 4.1 Projects under commissioning and other capital work-in-progress are carried at cost. Administration & General overhead expenses attributable to construction of fixed assets are identified and allocated on systematic basis on major immovable assets other than land and infrastructural facilities, on commissioning of the project.
- 4.2 Expenditure on maintenance, up gradation etc. of common public facilities in projects under construction is charged to 'Expenditure During Construction (EDC)'.
- 4.3 Expenditure in relation to Survey and Investigation of the projects is carried as capital work in progress. Such expenditure is either capitalized as cost of Project on completion of the construction of the project or the same is expensed in the year in which it is decided to abandon such project.

### 5. DEPRECIATION & AMORTISATION

- 5.1 Depreciation on additions to /deductions from fixed assets during the year is charged on pro-rata basis from / up to the date in which the asset is available for use / disposal.
- 5.2.1 Depreciation on Fixed Assets of Operating Units of the company is charged on straight-line method following the rates and methodology as notified by the Central Electricity Regulatory Commission (CERC) for the fixation of tariff except for assets specified in 5.2.3 below, in respect of which depreciation is charged at the rates mentioned in that policy.
- 5.2.2 Depreciation on Fixed Assets of other than Operating Units of the company is charged on straight-line method to extent of 90% of the cost of asset following the rates as notified by the Central Electricity Regulatory Commission (CERC) for the fixation of tariff except for assets specified in 5.2.3 below, in respect of which depreciation is charged at the rates mentioned in that policy.
- 5.2.3 Depreciation in respect of following assets is charged on straight line method to the extent of 90% of the cost of asset following the rates of depreciation indicated as against each asset
  - (i) Construction Plant & Machinery 11.25%
  - (ii) Computer & Peripherals 30%
- 5.2.4 Temporary erections are depreciated fully (100%) in the year of acquisition / capitalization by retaining Re.1/- as a WDV.
- 5.3 Assets valuing Rs 5000/- or less but more than Rs. 750/- and such items (excluding immovable assets) with written down value of Rs 5000/- or less at the beginning of the year are fully depreciated during the year with Re. 1 as a balance value.
- 5.4 Low value items, which are in the nature of assets (excluding immovable assets) and valuing upto Rs 750/- are not capitalized and charged off to revenue.
- 5.5 Cost of software is recognized as 'Intangible Assets' and is amortized on straight line method over a period of legal right to use or three financial years, whichever is earlier. Other intangible assets are amortized on straight line method over the period of legal right to use.
- 5.6.1 Leasehold Land, in case of operating units, is amortised over the period of lease or 35 years whichever is lower, following the rates and methodology notified by CERC, vide tariff regulation 2009.
- 5.6.2 Leasehold Land, in case of units other than operating units, is amortised over the period of lease or 35 years whichever is lower.

# NHDC LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Madhya Pradesh)

- 5.7 Fixed Assets created on leasehold land are depreciated to the extent of 90% of original cost over the balance available lease period of respective land or at the applicable depreciation rates & methodology notified by CERC regulations for such assets, whichever is higher.
- 5.8 Capital Expenditure referred to in Policy 2.3 is amortized over a period of 5 years from the year in which the first unit of project concerned comes into commercial operation and thereafter from the year in which the relevant asset becomes available for use.
- 5.9 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, change in duties or similar factors, the unamortized balance of such assets is depreciated prospectively over the residual life of such assets at the rate of depreciation and methodology notified by CERC regulations.
- 5.10 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.

### 6. INVESTMENTS

Investments are intended for long term and carried at cost. Provision for diminution, other than temporary, in the value of such investment is provided.

### 7. INVENTORIES

- 7.1 Stores & Spares are valued at cost, determined on weighted average basis, or net realizable value whichever is lower.
- 7.2 Losses towards unserviceable and obsolete stores and spares, identified on a systematic basis, are provided in the accounts.
- 7.3 Loose tools issued during the year are charged to consumption account where cost of individual items is Rs. 5,000/- or less and in other cases written off in 5 yearly equated installments.

### 8. FOREIGN CURRENCY TRANSACTIONS

- 8.1 Transactions in foreign currency are initially recorded at exchange rates prevailing on the date of transaction. At each Balance Sheet date monetary items denominated in foreign currency are translated at the exchange rate prevailing on the Balance Sheet date.
- 8.2 Exchange differences are recognized as income & expenses in the period in which they arise in Profit & Loss Account in case of operational stations and to EDC in case of projects under construction. However, Exchange Differences in respect of liabilities relating to fixed assets/capital work-in-progress arising out of transaction entered into prior to 01/04/2004 are adjusted to the carrying cost of respective fixed asset/Capital Work-in-Progress.

### 9. EMPLOYEE BENEFITS

- 9.1 Provision for Post employment benefit as defined in Accounting Standard 15 (2005) on Employee Benefits is made based on actuarial valuation at the year-end.
- 9.2 Provision for Long term employee benefits is made in the books on the basis of actuarial valuation made at the year end.
- 9.3 Expenses on Ex-gratia payments & Notice Pay under Voluntary Retirement Scheme are charged to revenue in the year of incurrence.

### 10. REVENUE

- 10.1 (a) Sale of energy is accounted for as per tariff notified by Central Electricity Regulatory Commission. In case of Power Station where tariff is not notified, sales are billed on provisional rates worked out based on the parameters and method adopted by the appropriate authority. Recovery/refund towards foreign currency variation in respect of foreign currency loans and recovery towards income tax are accounted for on year to year basis.
- (b) Incentives/Disincentives are recognized as per tariff notifications. In case of Power Station where tariffs have not been notified, incentives are recognized provisionally on assessment of the likelihood of acceptance of the same.
- (c) Adjustments arising out of finalization of global accounts, though not material, are effected in the year of respective finalization.
- (d) Advance against depreciation considered as deferred income in earlier years is included in sales on straight line basis over the balance useful life after 31<sup>st</sup> March of the year closing after a period of 12 years from the date of commercial operation of the project, considering the total useful life of the project as 35 years.
- 10.2 Revenue on Project Management / Construction Contracts and consultancy assignments is recognized on percentage of completion method. The percentage of completion is determined as proportion of "cost incurred up to reporting date" to "estimated cost to complete the concerned Project Management / Construction Contracts and consultancy assignment".
- 10.3 Interest on investments is accounted for on accrual basis.
- 10.4 Interest / Surcharge charged from customers are recognized as income on receipt or when there is reasonable certainty of collection.

### 11. MISCELLANEOUS

- 11.1. Liabilities for Goods in transit/Capital works executed but not certified are not provided for, pending inspection and acceptance by the Corporation.
- 11.2 Prepaid expenses and prior period expenses/income of items of Rs.50,000/- and below are charged to natural heads of accounts.
- 11.3 Insurance claims are accounted for based on certainty of realization.

### 12. BORROWING COST

Borrowing costs attributable to the Fixed Assets during construction/renovation & modernization are capitalized. Other borrowing costs are recognized as an expense in the period in which they are incurred.

### 13. TAXES ON INCOME

Tax on income for the current period is determined on the basis of taxable income under the Income Tax Act, 1961.

Deferred tax is recognized on timing differences between the accounting income and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred Tax Recovery Adjustment Account is credited/debited to the extent tax expense is chargeable from the Beneficiaries in future years.

### 14. GRANTS-IN-AID

Amount of contribution received from the Govt. of Madhya Pradesh towards "Irrigation and R&R Component" and Govt. of Gujarat towards "Sardar Sarovar Component", being not relatable to cost of individual assets are treated initially as Grant in Aid - Reserve and subsequently adjusted in the same proportion as the depreciation written off on the assets acquired out of such contribution.



# NHPC Limited

(A Government of India Enterprise)

## NOTE NO. 2 - SHARE CAPITAL

(Amount in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2013		As at 31 <sup>st</sup> March, 2012	
	In No.	(Amount in Lacs)	In No.	(Amount in Lacs)
a) Authorized Equity Share Capital (Par value per share ₹ 1000/-)	30000000	300000	30000000	300000
b) No. of Equity shares issued, subscribed and fully paid (Par value per share ₹1000/-)	19625800	196258	19625800	196258
c) Reconciliation of no. of Equity Shares & Share Capital outstanding:				
Opening number of shares outstanding	19625800	196258	19625800	196258
Add: No. of shares/Share Capital issued/ subscribed during the year	-	-	-	-
Less: Reduction in no. of shares/Share Capital	-	-	-	-
Closing number of shares outstanding	19625800	196258	19625800	196258
d) Rights, Preference and restriction to the equity shares				
The Company has issued only one kind of equity shares with voting rights proportionate to the share holding of the shareholders. These voting rights are exercisable at meeting of shareholders. The holders of the equity shares are also entitled to receive dividends as declared from time to time for them.				
e) Shares in the company held by each shareholder holding more than 5 percent specifying the number of shares held	In No.	In (%)	In No.	In (%)
NHPC LTD. (Holding Company)	10024200	51.08%	10024200	51.08%
Govt. of Madhya Pradesh	9601600	48.92%	9601600	48.92%
f) In Preceding Five financial years				
		<b>As at 31.03.2013</b>		<b>As at 31.03.2012</b>
Aggregate no. of equity shares allotted as fully paid up pursuant to contract(s) without payment being in cash		NIL		NIL
Aggregate no. of equity shares allotted as fully paid up by way of bonus share(s)		NIL		NIL
Aggregate no. of equity shares bought back		NIL		NIL

## NOTE NO. 3 - RESERVE AND SURPLUS

(Amount in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2013		As at 31 <sup>st</sup> March, 2012	
<b>Capital Reserve</b>				
As per last Balance Sheet	-		-	
Add: Transfer from Surplus	-		-	
Add: Grants received during the year	-		-	
Less: Write back during the year	-		-	
Less: Adjustments during the year	-		-	
<b>As at Balance Sheet date</b>		-		-
<b>Securities Premium Account</b>				
As per last Balance Sheet	-		-	
Add: Addition during the year	-		-	
Less: Adjustments during the year	-		-	
<b>As at Balance Sheet date</b>		-		-
<b>General Reserve</b>				
As per last Balance Sheet	-		-	
Add: Transfer from Surplus	-		-	
Less: Write back during the year	-		-	
Less: Adjustments during the year	-		-	
<b>As at Balance Sheet date</b>		-		-
<b>Self Insurance Fund</b>				
As per last Balance Sheet	16051		16051	
Add: Transfer from Surplus	-		-	
Less: Write back during the year	-		-	
Less: Adjustments during the year	-		-	
Less: - Claim recoverable from self insurance fund	-		-	
<b>As at Balance Sheet date</b>	16051	16051	-	16051
<b>Grant in aid Reserve</b>				
As per last Balance Sheet	120711		117216	
Add: Addition during the year	5830		9096	
Less: Deduction during the year	5716		5773	
Less: Adjustments during the year	2280		(172)	
<b>As at Balance Sheet date</b>		118545		120711

# NHDC LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Madhya Pradesh)

### NOTE NO. 3 - RESERVE AND SURPLUS

(Amount in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>Surplus *</b>	241520	190845
<b>Total</b>	<b>376116</b>	<b>327607</b>
<b>* Surplus</b>		
Profit for the year as per Statement of Profit and Loss	57564	64690
Balance brought forward	190845	132998
<b>Add:</b>		
Write Back From Capital Reserve	-	-
Write Back from Bond Redemption Reserve	-	-
Write Back From Other Reserve	-	-
Write Back from Self Insurance Fund	-	-
Tax on Dividend write back	-	-
<b>Balance available for Appropriation</b>		
Transfer to Capital Reserve	-	-
Transfer to Bond Redemption Reserve	-	-
Transfer to Self Insurance Fund	-	-
Transfer to General Reserve	-	-
Dividend :		
- Interim	-	-
- Proposed	5888	5888
- Final	-	-
Tax on Dividend		
- Interim	-	-
- Proposed	1001	955
<b>Balance carried forward</b>	<b>241520</b>	<b>190845</b>

### Explanatory Note: -

(Amount in Lacs)

1 Grant in Aid Reserves	01.04.2012	ADDITIONS	DEDUCTIONS	ADJUSTMENTS	31.03.2013
i) Proportionate contribution by Govt. of Madhya Pradesh towards Irrigation Component in ISPS as a Grant-in-Aid.	30419	449	1484		29384
ii) Proportionate Sub-vention towards Sardar Sarovar project transferred from NVDA Account for ISPS.	38876	576	1897		37555
iii) Contribution by Govt of Madhya Pradesh towards R&R of ISPS.	24687	3068	1185		26570
iv) Proportionate contribution by Govt. of Madhya Pradesh towards Irrigation Component in OSPS as Grant-in-Aid.	22316		908	(2280)	19128
v) Contribution by Govt of Madhya Pradesh towards R&R of OSPS.	4413	1737	242		5908
<b>Total</b>	<b>120711</b>	<b>5830</b>	<b>5716</b>	<b>(2280)</b>	<b>118545</b>

Figures within parenthesis represent deductions.

### NOTE NO. 4 - BORROWINGS

(Amount in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2013			As at 31 <sup>st</sup> March, 2012		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>Bonds</b>						
- Secured	-	-	-	-	-	-
- Unsecured	-	-	-	-	-	-
<b>Term Loans</b>						
• From Banks #						
- Secured	97045	-	97045	104358	-	104358
- Unsecured	-	-	-	-	-	-
• From other parties #						
- Secured	74250	-	74250	87750	-	87750
- Unsecured	-	-	-	-	-	-
<b>Total Long Term borrowings</b>	<b>171295</b>	<b>-</b>	<b>171295</b>	<b>192108</b>	<b>-</b>	<b>192108</b>
<b>Less: Current maturities of long term debt</b>	<b>32457</b>		<b>32457</b>	<b>28126</b>		<b>28126</b>



# NHPC Limited

(A Government of India Enterprise)

## NOTE NO. 4 - BORROWINGS

(Amount in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2013			As at 31 <sup>st</sup> March, 2012		
	Long Term	Short Term	Total	Long Term	Short Term	Total
	138838	-	138838	163982	-	163982
Aggregate amount of loans guaranteed by directors			Nil			Nil
Aggregate amount of loans guaranteed by Govt. of India			Nil			Nil
Amount of default in repayment of loans and interest as at 31.03.2013			Nil			Nil
Period of default in repayment of loans and interest as at 31.03.2013			Nil			Nil

### # Disclosure on security (Separately in each case):-

1. Above outstanding 'Term Loans from Banks' are secured by way of first Pari-passu Charge in favour of the lenders by deposit of title deeds of immovable property and also first pari-passu charge on all present and future movable, fixed and current assets of Indira Sagar Project.
2. Above outstanding 'Term Loan from Other Parties' (Power Finance Corporation) is secured by way of first charge in favour of the lender by deposit of title deeds of immovable property and also first charge on all present and future movable, fixed and current assets of Omkareshwar Project.
3. Details in respect of rate of interest and terms of payment of Term Loans are disclosed in Appendix to Note no. 4. - Borrowings.

## APPENDIX TO NOTE NO. 4

(Amount in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>Long Term Borrowing</b>		
<b>(A). BONDS (Non-convertible and Non-cumulative)-Secured</b>	0	0
<b>TOTAL BONDS (A)</b>	<b>0</b>	<b>0</b>
<b>(B). TERM LOANS - Secured</b>		
<b>I- INDIRA SAGAR PROJECT</b>		
<b>CENTRAL BANK OF INDIA</b>	20280	21840
(Repayable in 20 half yearly equal installments of ₹ 1560 Lacs each upto 31.03.2019 at floating interest rate of 12.50% as on 31.03.2013)		
<b>DENA BANK</b>	17172	18493
(Repayable in 20 half yearly equal installments of ₹ 1321 lacs each upto 31.03.2019 at floating interest rate of 12.50% as on 31.03.2013)		
<b>DENA BANK</b>	15479	16604
(Repayable in 20 half yearly equal installments of ₹ 1125 lacs each upto 30.09.2019 at floating interest rate of 11.75% as on 31.03.2013)		
<b>HDFC BANK LIMITED</b>	24216	26079
(Repayable in 20 half yearly equal installments of ₹ 1863 lacs each upto 31.03.2019 at floating interest rate of 12.50% as on 31.03.2013)		
<b>HDFC BANK LIMITED</b>	15673	16793
(Repayable in 20 half yearly equal installments of ₹ 1120 lacs each upto 30.09.2019 at floating interest rate of 11.75% as on 31.03.2013)		
<b>UNITED BANK OF INDIA</b>	4225	4550
(Repayable in 20 half yearly equal installments of ₹ 325 lacs each upto 31.03.2019 at floating interest rate of 12.50% as on 31.03.2013)		
<b>Sub Total</b>	<b>97045</b>	<b>104359</b>
<b>II- OMKARESHWAR PROJECT</b>		
<b>POWER FINANCE CORPORATION LIMITED</b>	74250	87750
(Repayable in 20 half yearly equal installments of ₹ 6750 lacs each upto 15.07.2018 at floating interest rate of 10.80% as on 31.03.2013)		
<b>Sub Total</b>	<b>74250</b>	<b>87750</b>
<b>TOTAL TERM LOANS - Banks/Financial Institutions - INR- SECURED (B)</b>	<b>171295</b>	<b>192109</b>



# NHDC LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Madhya Pradesh)

### APPENDIX TO NOTE NO. 4

(Amount in Lacs)

#### Long Term Borrowing

Particulars	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>Term Loan-From other parties (Unsecured)</b>		
<b>(C) TERM LOAN FROM BANKS/FIS - FOREIGN CURRENCY</b>		
Guaranteed by Government of India		
<b>TOTAL TERM LOANS - Banks/Financial Institutions - FC - Unsecured (C)</b>	<b>0</b>	<b>0</b>
<b>(D) Loans from Central Govt.- Unsecured</b>	<b>-</b>	<b>-</b>
<b>TOTAL UNSECURED LOANS (D)</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C+D)</b>	<b>171295</b>	<b>192109</b>

### NOTE NO. 5 - DEFERRED TAX LIABILITIES / ASSETS

(Amount in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>Deferred Tax Liability</b>		
Depreciation	68770	66344
<b>Less: Deferred Tax Assets</b>		
Accumulated unabsorbed depreciation	-	-
Provision for doubtful debts, inventory and others		
Provision for employee benefit schemes	<b>494</b>	<b>330</b>
Deferred Tax Liability	68276	66014
Less: Recoverable	51936	51382
<b>Deferred Tax Liability (Net)</b>	<b>16340</b>	<b>14632</b>

#### Explanatory Note: -

In compliance to the Accounting Standard 22 on "Accounting for Taxes on Income" notified by The Companies Accounting Standard Rules, 2006, ₹ 1708 lacs (Corresponding previous year ₹ 3028 lacs) has been created as deferred tax liability during the year ended on 31.03.2013.

### NOTE NO. 6 OTHERS LONG TERM LIABILITIES

(Amount in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
a) Trade Payables	-	-
b) Others		
Deposits/ retention money / advances received	128	106
Income received in advance	12004	12004
Deferred Foreign Currency Fluctuation Liabilities	-	-
Deferred Income from Foreign Currency Fluctuation Account	-	-
	12132	12110

### NOTE NO. 7 PROVISIONS

(Amount in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2013			As at 31 <sup>st</sup> March, 2012		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>a) PROVISION FOR EMPLOYEE BENEFITS</b>						
<b>i) Provision for leave encashment</b>						
As per last Balance Sheet	619	66		521	47	
Additions during the year	-	356		98	54	
Amount used during the year	-	389		-	35	
Amount reversed during the year	64	-		-	-	
<b>Closing Balance</b>	<b>555</b>	<b>33</b>	588	<b>619</b>	<b>66</b>	685
<b>ii) Provision for gratuity</b>						
As per last Balance Sheet	445	19		450	11	
Additions during the year	-	6		-	19	
Amount used during the year	445	25		-	11	



# NHPC Limited

(A Government of India Enterprise)

## NOTE NO. 7 PROVISIONS

(Amount in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2013			As at 31 <sup>st</sup> March, 2012		
	Long Term	Short Term	Total	Long Term	Short Term	Total
Amount reversed during the year	-	-	-	5	-	-
<b>Closing Balance</b>	-	-	-	<b>445</b>	<b>19</b>	464
<b>iii) Provision for REHS</b>						
As per last Balance Sheet	212	1		153	7	
Additions during the year	11	-		59	-	
Amount used during the year	-	-		-	1	
Amount reversed during the year	-	-		-	5	
<b>Closing Balance</b>	<b>223</b>	<b>1</b>	224	<b>212</b>	<b>1</b>	213
<b>iv) Provision for TTA (Baggage Allowance on Retirement)</b>						
As per last Balance Sheet	28	-		32	-	
Additions during the year	-	-		-	-	
Amount used during the year	-	-		-	-	
Amount reversed during the year	2	-		4	-	
<b>Closing Balance</b>	<b>26</b>	-	26	<b>28</b>	-	28
<b>v) Provision for Memento</b>						
As per last Balance Sheet	1	-		-	-	
Additions during the year	-	-		1	-	
Amount used during the year	-	-		-	-	
Amount reversed during the year	-	-		-	-	
<b>Closing Balance</b>	<b>1</b>	-	1	<b>1</b>	-	1
<b>b) PROVISION FOR WAGE REVISION</b>						
As per last Balance Sheet	-	710		-	2732	
Additions during the year	-	22		-	66	
Amount used during the year	-	21		-	1845	
Amount transferred to Superannuation/ Pension fund	-	-		-	-	
Amount reversed during the year	-	600		-	243	
Closing Balance	-	<b>111</b>		-	<b>710</b>	
<b>Less: Advance paid</b>	-	111		-	84	
<b>Closing Balance (Net of advance)</b>	-	-	-	-	<b>626</b>	626
<b>c) PROVISION FOR PERFORMANCE RELATED PAY/INCENTIVE</b>						
As per last Balance Sheet	-	1561		-	1100	
Additions during the year	-	442		-	517	
Amount used during the year	-	1484		-	56	
Amount reversed during the year	-	42		-	-	
Closing Balance	-	<b>477</b>	477	-	<b>1561</b>	1561
<b>Less: Advance paid</b>		4	4		150	150
<b>Closing Balance (Net of advance)</b>		<b>473</b>	473		<b>1411</b>	1411
<b>d) PROVISION FOR SUPERANNUATION /PENSION FUND</b>						
As per last Balance Sheet	-	943		-	600	
Additions during the year	-	168		-	343	
Amount transferred from Provision for wage revision	-	-		-	-	
Amount used during the year	-	223		-	-	
Amount reversed during the year	-	2		-	-	
<b>Closing Balance</b>	-	<b>886</b>	886	-	<b>943</b>	943
<b>e) OTHERS</b>						
<b>i) Provision for Proposed Dividend</b>						
As per last Balance Sheet	-	5888		-	3925	
Additions during the year	-	5888		-	5888	
Amount used during the year	-	5888		-	3925	

# NHDC LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Madhya Pradesh)

### NOTE NO. 7 PROVISIONS

(Amount in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2013			As at 31 <sup>st</sup> March, 2012		
	Long Term	Short Term	Total	Long Term	Short Term	Total
Amount reversed during the year	-	-	-	-	-	-
<b>Closing Balance</b>	-	<b>5888</b>	5888	-	<b>5888</b>	5888
<b>ii) Tax on Proposed Dividend</b>						
As per last Balance Sheet	-	955	-	-	637	-
Additions during the year	-	1001	-	-	955	-
Amount used during the year	-	955	-	-	637	-
Amount reversed during the year	-	-	-	-	-	-
<b>Closing Balance</b>	-	<b>1001</b>	1001	-	<b>955</b>	955
<b>iii) Provision - Others</b>						
As per last Balance Sheet	-	3034	-	-	3563	-
Additions during the year	-	1582	-	-	5	-
Amount used during the year	-	424	-	-	534	-
Amount reversed during the year	-	-	-	-	-	-
<b>Closing Balance</b>	-	<b>4192</b>	4192	-	<b>3034</b>	3034
<b>iv) Provision For Tariff Adjustment</b>						
As per last Balance Sheet	-	-	-	-	-	-
Additions during the year	-	43	-	-	-	-
Amount used during the year	-	-	-	-	-	-
Amount reversed during the year	-	-	-	-	-	-
<b>Closing Balance</b>	-	<b>43</b>	43	-	-	-
<b>v) Provision For Corporate Social Responsibility Expenses (CSR) &amp; Sustainable Development Expenses (SD)</b>						
As per last Balance Sheet	-	503	-	-	275	-
Additions during the year	-	428	-	-	608	-
Amount used during the year	-	538	-	-	380	-
Amount reversed during the year	-	-	-	-	-	-
<b>Closing Balance</b>	-	<b>393</b>	393	-	<b>503</b>	503
<b>vi) Provision For Committed Capital Expenditure</b>						
As per last Balance Sheet	-	60856	-	-	14570	-
Additions during the year	-	-	-	-	47098	-
Amount used during the year	-	988	-	-	812	-
Amount reversed during the year	-	13108	-	-	-	-
<b>Closing Balance</b>	-	<b>46760</b>	46760	-	<b>60856</b>	60856
<b>Total</b>	<b>805</b>	<b>59670</b>	<b>60475</b>	<b>1305</b>	<b>74302</b>	<b>75607</b>

#### Explanatory Note: -

- Provision of ₹ 22 lacs (Cumulative provision ₹ 111 lacs) has been made under the head "Provision for wage revision" towards the "Personal Adjustment Pay (fitment benefits) pending settlement of the same for want of approval by Competent Authority. An amount of ₹ 111 lacs stands paid towards this and is shown as "Advance Paid".
- Addition to Provision for Corporate Social Responsibility (CSR) and Sustainable Development (SD), includes ₹ 323 lacs (previous year ₹ 608 lacs) towards CSR and of ₹ 105 lacs (previous year ₹ Nil) towards SD. As per scheme, any unspent amount including those of previous year is being carried forward for utilization in next year. No separate fund has however been created. Provision for sustainable development has been created in 2012-13 as per DPE Guidelines.
- Addition to Provision Others includes ₹ 323 lacs (previous year ₹ Nil) towards Research & Development (R&D) created in 2012-13 as per DPE guidelines. As per scheme, any unspent amount including those of previous year is being carried forward for utilization in next year. No separate fund has however been created.
- Provision for Committed capital expenditure includes an amount of ₹ 33990 lacs (previous year ₹ 47098 lacs) towards CAMPA fund (Compensatory Afforestation Management and Planning Authority) obligation in respect of Omkareshwar project, towards use of forest land for non forest purposes as revised by NVDA.
- Pending implementation of Pension Scheme for employees in terms of DPE guidelines, a provision of ₹ 168 lacs (previous year ₹ 343 lacs) has been made during the year ended 31.03.2013 (cumulative provision ₹ 886 lacs).



# NHPC Limited

(A Government of India Enterprise)

## NOTE NO. 8 - TRADE PAYABLE

(Amount in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
For goods and services	887	843
	<b>887</b>	<b>843</b>

## NOTE NO. 9 - OTHER CURRENT LIABILITIES

(Amount in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
a) Current maturities of long term debt *	32457	28126
b) Current maturities of finance lease obligations	-	-
c) Deposits	-	-
d) Interest accrued but not due on borrowings	1382	441
e) Interest accrued and due on borrowings	-	-
f) Income received in advance	-	-
g) Unpaid dividend	-	-
h) Liability against capital works/supplies	2839	3378
i) Deposits/ retention money	728	601
j) Due to Holding Company	-	110
k) Unspent amount of deposit/agency	-	-
l) Bond application money	-	-
m) Statutory dues payables	628	197
n) Liabilities toward Self Insurance Fund	-	-
o) Other liabilities	1321	222
P) Advances against the deposit works	-	-
Less: Amount Spent on Deposit Work	-	-
q) Advances against cost of Project Mgt./ Consultancy Work	-	-
Less: Amount Spent in respect of Project Mgt./ Consultancy Work	-	-
r) Provision Toward Amt Recoverable in r/o Project Mgt / Consultancy Work	-	-
	<b>39355</b>	<b>33075</b>

### Explanatory Note: -

\* Details in respect of rate of interest, terms of payment and security of secured and current maturities of long term debts indicated above at (a) are disclosed in Note No. 4.

Other liabilities includes ₹ 1048 lacs (Previous year ₹ Nil) on account of Deposit by oustees of Omkareshwar Project towards land for land scheme as per decision of Grievance Redressal Authority.

# NHDC LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Madhya Pradesh)

### NOTE NO. 10.1 TANGIBLE ASSETS

Sl. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION		NET BLOCK	
		01.04.2012		31.03.2013		For the Period	Adjustments	31.03.2013	31.03.2012
		Additions	Deductions	Additions	Other Adjustments				
		Others	Others						
i)	Land – Freehold	0	0	0	0	0	0	0	0
ii)	Land – Leasehold	176	0	0	0	6	0	44	132
iii)	Roads and Bridges	1266	0	0	0	47	0	241	1025
iv)	Buildings	66058	360	0	(1)	2235	0	14956	53337
v)	Railway sidings	0	0	0	0	0	0	0	0
vi)	Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	168189	16	0	2	8881	0	44967	123240
vii)	Generating Plant and machinery	157040	107	0	1	8291	0	45746	111402
viii)	Plant and machinery Sub station	2412	0	0	0	127	0	681	1731
ix)	Plant and machinery Transmission lines	376	16	0	(1)	21	0	93	298
x)	Plant and machinery Others	424	2	0	0	22	0	147	279
xi)	Construction Equipment	578	1	0	0	56	1	385	194
xii)	Water Supply System/Drainage and Sewerage	257	0	0	0	9	0	45	212
xiii)	Electrical installations	41	19	0	0	3	0	10	50
xiv)	Vehicles	120	0	0	0	5	0	93	27
xv)	Aircraft/ Boats	0	0	0	0	0	0	0	0
xvi)	Furniture and fixture	500	23	4	(1)	32	(2)	245	273
xvii)	Computers	233	39	24	0	16	(20)	192	56
xviii)	Communication Equipment	48	1	1	0	3	(1)	20	28
xix)	Office Equipments	262	11	2	(6)	21	(7)	123	142
xx)	Research and Development	6	114	0	0	1	0	1	119
xxi)	Other assets	242	108	2	(1)	19	0	99	248
xxii)	Capital Expenditure on assets Not Owned by NHDC	1904	0	0	0	22	0	1875	29
xxiii)	Tangible Assets of minor value > 750 and < Rs.5000	67	13	5	(1)	12	(5)	74	0
xxiv)	Obsolete / surplus assets	0	0	0	1	0	0	0	1
<b>Total</b>		<b>400199</b>	<b>830</b>	<b>38</b>	<b>(7)</b>	<b>19828</b>	<b>(34)</b>	<b>110037</b>	<b>309956</b>
	Previous year	447944	905	48650		20163	(8215)	90243	369649

### NOTE NO. 10.2 INTANGIBLE ASSETS

Sl. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION		NET BLOCK	
		01.04.2012		31.03.2013		For the Period	Adjustments	31.03.2013	31.03.2012
		Additions	Deductions	Additions	Other Adjustments				
		Others	Others						
i)	Land – Unclassified/ Right of Use	323246	9600	319738	0	10285	0	61724	258014
ii)	Computer Software	87	0	87	0	20	0	78	9
	Total	323333	9600	319825	0	10305	0	61802	258023
	Previous year	225862	97471	0	0	11365	8099	51497	271836

Figures within parenthesis represent deductions.

#### Explanatory Note: -

- 1) Tangible Assets including underground works of ₹ 395430 lacs (Previous year ₹ 394963 lacs) created on Land unclassified/ Right to use are included under the relevant head.
- 2) Other Disclosures:

Class of Assets	Addition to Gross Block on account of foreign exchange rate variation	
	As on 31.03.2013 (₹ in Lacs)	As on 31.03.2012 (₹ in Lacs)
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	2	16
Generating Plant and machinery	1	3
	3	19

Depreciation for the year	
10.1	19828
10.2	10305
<b>Total</b>	<b>30133</b>
Charged to P&L	24418
Charged to Grant in Aid Reserve	5716



# NHPC Limited

(A Government of India Enterprise)

## NOTE NO. 11.1 - CAPITAL WORK IN PROGRESS

(Amount in Lacs)

Particulars	01.04.2012	Addition	Adjustment	Capitalised	31.03.2013
i) Roads and Bridges	-	-	-	-	-
ii) Buildings	48	351	1	360	40
iii) Railway sidings	-	-	-	-	-
iv) Hydraulic Works(Dams, Water Conductor system, Hydro mechanical gates, tunnels)	7	9	-	16	-
v) Generating Plant and Machinery	-	73	-	73	-
vi) Plant and Machinery - Sub station	-	-	-	-	-
vii) Plant and Machinery - Transmission lines	-	17	-	16	1
viii) Plant and Machinery - Others	-	2	-	2	-
ix) Construction Equipment	-	-	-	-	-
x) Water Supply System/Drainage and Sewerage	14	26	-	-	40
xi) Other assets awaiting installation	12	22	-	12	22
xii) Capital Expenditure On assets Not Owned by NHDC	19	4	-	-	23
xiii) CWIP - Assets Under 5 KM Scheme Of the GOI	-	-	-	-	-
xiv) Survey, investigation, consultancy and supervision charges- New Projects	175	5	-	-	180
xv) Expenditure on compensatory Afforestation	-	-	-	-	-
xvi) Expenditure during construction*	-	-	-	-	-
Less: Provided for	-	-	-	-	-
<b>Sub total (a)</b>	<b>275</b>	<b>509</b>	<b>1</b>	<b>479</b>	<b>306</b>
<b>* For addition during the period refer Note No. 29</b>					
	01.04.2012		Adjustment		<b>31.03.2013</b>
Construction Stores	-	-			0
Less : Provisions for construction stores	-	-			0
<b>Sub total (b)</b>	<b>0</b>	<b>-</b>			<b>0</b>
<b>Total</b>	<b>275</b>	<b>509</b>	<b>1</b>	<b>479</b>	<b>306</b>
Previous year	<b>573</b>	<b>401</b>	<b>(66)</b>	<b>633</b>	<b>275</b>

Figures within parenthesis represent deductions.

### Explanatory Note: -

CWIP including underground works of ₹ 82 lacs (Previous year ₹ 68 lacs) created on Land unclassified/ Right to use are included under the relevant head.

## NOTE NO. 11.2 - INTANGIBLE ASSETS UNDER DEVELOPMENT

(Amount in Lacs)

Particulars	01.04.2012	Addition	Adjustment	Capitalised	31.03.2013
i) Intangible assets under development	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Previous year	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# NHDC LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Madhya Pradesh)

### NOTE NO. 12 - NON CURRENT INVESTMENTS

Particulars	As at 31 <sup>st</sup> March, 2013			As at 31 <sup>st</sup> March, 2012		
	Number of shares/ bonds/ securities	Face value per share/ bond/ security (₹ in Lacs)	(Amount in Lacs)	Number of shares/ bonds/ securities	Face value per share/ bond/ security (₹ in Lacs)	(Amount in Lacs)
<b>A. Trade - Quoted</b>						
(a) Investment in Equity Instrument						
PTC India Ltd. (Fully Paid Up)			-			-
<b>Trade - Unquoted</b>						
(a) Investment In Equity Instruments						
Subsidiary Companies (Fully Paid Up)			-			-
Joint Venture Companies (Fully Paid Up)			-			-
(b) Investment In Bonds			-			-
(c) Share Application Money			-			-
Joint Venture Companies						
- Chenab Valley Power Projects Private Limited						
- National High Power Test Laboratory (P) Limited						
<b>Sub Total (A)</b>			-			-
<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2013</b>			<b>As at 31<sup>st</sup> March, 2012</b>		
	Number of shares/ bonds/ securities	Face value per share/ bond/ security (₹ in Lacs)	(Amount in Lacs)	Number of shares/ bonds/ securities	Face value per share/ bond/ security (₹ in Lacs)	(Amount in Lacs)
<b>B. Non Trade - Quoted</b>						
(a) Investment in Equity Instrument			-			-
(b) Investment In Government Securities - (Self Insurance Fund)			-			-
(c) Investment In Public Sector Undertaking/Public Financial Institution & Corporate Bonds - (Self Insurance Fund)			-			-
<b>Sub Total (B)</b>			-			-
<b>Total (A+B)</b>			-			-
Quoted Investments						
(i) Aggregate Cost			-			-
(ii) Aggregate Market Value			-			-
Unquoted Investments						
(i) Aggregate Cost			-			-
(ii) Aggregate provision for diminution in value			-			-
Valuation as per accounting policy no. 6						

### NOTE NO. 13 - LOANS AND ADVANCES

(Amount in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2013			As at 31 <sup>st</sup> March, 2012		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>CAPITAL ADVANCES</b>						
Secured (considered good)	-		-	-		-
Unsecured (considered good)						
- Against bank guarantee	-		-	-		-
- Others	-		-	-		-
Unsecured (considered doubtful)	-		-	-		-
<b>Less : Provision for expenditure awaiting utilisation certificate</b>	-		-	-		-
<b>Less : Provisions for doubtful advances</b>	-		-	-		-
<b>DEPOSITS</b>	668	338	1006	953	50	1003
<b>Less : Provision for Doubtful Deposits</b>	-	50	50	-	50	50





# NHPC Limited

(A Government of India Enterprise)

## NOTE NO. 13 - LOANS AND ADVANCES

(Amount in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2013			As at 31 <sup>st</sup> March, 2012		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>LOANS &amp; ADVANCES TO RELATED PARTIES</b>						
- Secured (considered good)						
- Unsecured (considered good)	-	20	20	-	-	-
- Unsecured (considered doubtful)						
<b>OTHER LOANS &amp; ADVANCES</b>						
<b>Employees (including accrued interest)</b>						
- Secured (considered good)	2006	200	2206	1352	151	1503
- Unsecured (considered good)	558	153	711	385	136	521
- Unsecured (considered doubtful)	-	-	-	-	-	-
<b>Advance to contractor / supplier</b>						
- Secured (considered good)		-	-		-	-
- Unsecured (considered good)						
- Against bank guarantee	-	9	9		8	8
- Others	-	66	66		126	126
- Unsecured (considered doubtful)						
<b>Loan to State Government in settlement of dues from customer</b>						
- Secured (considered good)						
- Unsecured (considered good)	-	-	-	-	-	-
- Unsecured (considered doubtful)						
<b>Advance to Government</b>						
- Secured (considered good)						
- Unsecured (considered good)	-	-	-	-	-	-
- Unsecured (considered doubtful)	-	-	-	-	-	-
<b>Other advances</b>						
- Unsecured (considered good)		19	19		1	1
- Unsecured (considered doubtful)						
<b>Less : Provisions for doubtful Other loans &amp; advances</b>	-	-	-	-	-	-
<b>Advance income tax &amp; tax deducted at source</b>		33512	33512		25776	25776
<b>Less: Provision for Income Tax</b>		31806	31806		24668	24668
<b>Net Advane Tax</b>		1706	1706		1108	1108
	<b>3232</b>	<b>2461</b>	<b>5693</b>	<b>2690</b>	<b>1530</b>	<b>4220</b>

### Explanatory Note :-

- PARTICULARS OF LOANS AND ADVANCES DUE FROM DIRECTORS  
Amount due at the end of the year  

	<b>As at 31.03.2013</b>	<b>As at 31.03.2012</b>
	1	2
- Advance due by firms or private companies in which any Director of the Company is a Director or member amounts to ₹ Nil (Previous year ₹ Nil)
- Provision for doubtful deposit represent non -refundable amount ₹ 50 lacs with M.P. Urja Vikas Nigam, Bhopal during the year 2007. Above deposit is adjustable against wind projects to be undertaken in the state of M.P. by NHDC as per communication in this regard, however, provided for following the principle of conservatism & abundant caution.

## NOTE NO. 14 OTHER NON-CURRENT ASSETS

(Amount in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>Long term trade receivable</b>		
- Secured - Considered good		
- Unsecured - Considered good	18801	19914
- Considered doubtful and provided	-	-
Receivable on account of Unbilled Revenue	-	-
<b>Others</b>		
Interest accrued on:		
- Advance to State Government	-	-
- Others	-	-

# NHDC LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Madhya Pradesh)

### NOTE NO. 14 OTHER NON-CURRENT ASSETS

(Amount in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
Deferred Foreign Currency Fluctuation Assets	-	-
Deferred Expenditure on Foreign Currency Fluctuation Account	-	-
	<b>18801</b>	<b>19914</b>

### NOTE NO. 15 - CURRENT INVESTMENTS

Particulars	As at 31 <sup>st</sup> March, 2013			As at 31 <sup>st</sup> March, 2012		
	Number of shares/ bonds/ securities	Face value per share/ bond/ security (₹ in Lacs)	(Amount in Lacs)	Number of shares/ bonds/ securities	Face value per share/ bond/ security (₹ in Lacs)	(Amount in Lacs)
<b>Current maturities of long term investments</b>			-			-
<b>Trade - Unquoted</b>			-			-
<b>Total</b>			-			-
Unquoted Investments			-			-
Aggregate Cost			-			-
Valuation as per accounting policy no. 6			-			-

### NOTE NO. 16 - INVENTORIES

(Amount in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2013		As at 31 <sup>st</sup> March, 2012	
<b>(Valuation as per Accounting Policy No. 7)</b>				
Stores and spares	412		399	
Stores in transit/ pending inspection	<b>95</b>	507	<b>8</b>	407
Loose tools		8		11
Scrap inventory		5		3
Material at site		194		159
Material issued to contractors/ fabricators		-		-
Inventory for Self Generated CERs/VERs		-		-
Less: Provision for Obsolescence & Diminution in Value		-		-
	<b>714</b>		<b>580</b>	

#### Explanatory Note: -

- 1) Stores in transit/ pending inspection includes ₹ 2 lacs (Previous year ₹ 2 lacs) on account of material in transit .

### NOTE NO. 17 - TRADE RECEIVABLES

(Amount in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2013		As at 31 <sup>st</sup> March, 2012	
Trade Receivables outstanding for a period exceeding six months (from the date they become due for payment)				
- Unsecured - Considered good		10798		3155
- Considered doubtful and provided				
Other Trade Receivables				
- Unsecured - Considered good		8302		18552
- Considered doubtful and provided				
Less: Provision for doubtful debts		-		-
	<b>19100</b>		<b>21707</b>	



# NHPC Limited

(A Government of India Enterprise)

## NOTE NO. 18 - CASH AND BANK BALANCES

(Amount in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>A Cash and Cash Equivalents</b>		
i) Cash on hand (includes stamps on hand of ₹ 1,506 /-, Previous year ₹ 17,050/-)	4	4
ii) Cheques, drafts on hand	18	-
iii) Balances with banks		
• With scheduled banks		
- In current account		
- Others	72	1352
- In deposits account #	-	-
- Others	45042	31605
• With other banks		
- In current account		
- In deposits account		
# Deposits with maturity of three months or less		
<b>B Other Bank Balances</b>		
i) Balances with banks (Deposits with maturity of more than three months but less than/up to 12 months)		
• With scheduled banks		
- In deposits account - Self Insurance Fund		
- Others	144149	110574
ii) Deposit account-Unpaid Dividend	-	-
iii) Bank deposits with more than 12 months maturity		
- Term Deposit - Others	26067	27148
	<b>215352</b>	<b>170683</b>

### Explanatory Note: -

- Cash and Bank Balances include an amount of ₹ 122 lacs (Previous year ₹ Nil /-) kept with banks under lien as margin money for opening Letter of Credit or similar facility, which is not available for use as on 31.03.2013.
- Cash and Bank Balances include an amount of ₹ 780 lacs (Previous year ₹ 248 lacs) kept with banks as per orders of Hon'ble Court of Law, which is not available for use as on 31.03.2013.
- Cash and Bank Balances include an amount of ₹ 1048 lacs (Previous year ₹ Nil /-) representing deposit by oustees towards Land for Land in respect of Omkareshwar Project, which is not available for use as on 31.03.2013.
- Cash and cash equivalents consist of amount of ₹ 16051 lacs (Previous year ₹ 16051 lacs) held by the corporation towards self insurance reserve, not available for use otherwise.

## NOTE NO. 19 OTHER CURRENT ASSETS

(Amount in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>a) Interest accrued on:</b>		
i) Loan to State Government in settlement of dues from customers	-	-
ii) Deposits		
- Other deposits	12179	10064
iii) Others	-	-
<b>b) Receivable on account of unbilled revenue</b>	3526	1884
<b>c) Interest recoverable from beneficiary</b>	175	-
<b>d) Claims recoverables</b>	12323	9008
Less: Provisions for doubtful claims	<b>25</b>	<b>72</b>
<b>e) Others</b>	3287	4059
<b>f) Work In Progress</b>		
Construction work in progress(on behalf of client)	-	-
Consultancy work in progress(on behalf of client)	-	-
<b>g) Expenditure awaiting adjustment</b>	-	-
Less: Provision for project expenses awaiting write off sanction	-	-
<b>h) Losses awaiting write off sanction/pending investigation</b>	<b>28</b>	<b>32</b>
Less: Provision for losses pending investigation/awaiting write off sanction	<b>28</b>	<b>32</b>
	<b>31465</b>	<b>24943</b>

# NHDC LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Madhya Pradesh)

### Explanatory Note: -

- Other claims recoverable includes a sum of ₹ 8 lacs (Previous year ₹ 8 lacs) recoverable from Land Oustees towards TDS not deducted u/s 194 LA of the Income Tax Act 1961 against payment of Compensation and a sum of ₹ 12 lacs (Previous year ₹ 12 lacs) towards duplicate payments to oustees, already provided for.
- Others at (e) includes Materialisation of deferred tax amounting to ₹ 3058 lacs (Previous Year ₹ 3825 lacs).

<b>NOTE NO. 20 - REVENUE FROM OPERATIONS</b>			(Amount in Lacs)
<b>PARTICULARS</b>	<b>For the year ended 31<sup>st</sup> March, 2013</b>	<b>For the year ended 31<sup>st</sup> March, 2012</b>	
<b>A SALES</b>			
SALE OF POWER	108035	128467	
Sales adjustment on a/c of Foreign Exchange Rate Variation	-	-	
Less : Tariff Adjustments	43	-	
Less: Regulated Power Adjustment	-	-	
<b>Less : Income from generation of electricity – precommissioning (refer Note 29 H (a))</b>	-	-	
<b>Sub total A</b>	<b>107992</b>	<b>128467</b>	
<b>B ADVANCE AGAINST DEPRECIATION</b>			
During the year	-	1903	
Less : Written back during the year	-	-	
<b>Sub total B</b>	<b>-</b>	<b>1903</b>	
<b>C OTHER OPERATING INCOME</b>			
Interest from Beneficiary- Allowed by CERC	1553	2568	
	<b>1553</b>	<b>2568</b>	
<b>D REVENUE FROM CONTRACTS, PROJECT MANAGEMENT AND CONSULTANCY WORKS</b>			
Contract Income	-	-	
Revenue from Project management/ Consultancy works	-	-	
<b>Sub total C</b>	<b>-</b>	<b>-</b>	
<b>TOTAL (A-B+C+D)</b>	<b>109545</b>	<b>129132</b>	

### Explanatory Note: -

- Sales have been recognized as per final tariff for the period 2009-14 notified by Central Electricity Regulatory Commission (CERC), in respect of Indira Sagar Power Project.
- The company has filed tariff petition with CERC for determination of tariff for the period 2009-14 for Omkareshwar Project (OSP). Pending tariff notification for period 2009-14, the sales for OSP have been accounted for based on principles enunciated in CERC Tariff Regulation 2009 and following the principle of conservatism, as the tariff petitions are subject to prudence check by CERC. However, billing during the year has been made at the tariff approved by the CERC as applicable on 31<sup>st</sup> March 2009, with tax adjustment.
- 'Sales of power' includes unbilled revenue accounted for (i) On account of application of tariff principles as per CERC Tariff Regulation 2009 for OSP amounting to Rs 324 lacs (Previous Year ₹ 1884 lacs), (ii) Due to increase in Return on equity for ISP and OSP from 15.50% to 16.50% w.e.f. 31-12-2012 to 31-03-2013 amounting to ₹ 564 lacs (Previous Year nil), (iii) Due to change in design energy of ISP from 1901 MU to 1853 MU as per draft water accounting issued by Narmada Control Authority applicable for 2011-12 & 2012-13 amounting to ₹ 753 lacs (Previous Year nil) and (iv) Materialisation of deferred tax amounting to ₹ 3058 lacs (Previous Year ₹ 1600 lacs).
- For the purpose of recognizing sales for the year, Return on Equity (ROE) (a component of tariff) has been grossed up using Minimum Alternate Tax (MAT) rate of FY. 2012-13.
- Tariff regulation notified by CERC vide notification dated 19.01.2009 inter-alia provides that capital cost considered for fixation of tariff for current tariff period shall be subject to truing up at the end of the tariff period, which may result in increase or decrease in tariff. Accordingly, an amount of ₹ 43 lacs (Corresponding Previous year ₹ Nil) has been provided in the books during the year as an abundant precaution.
- Sales includes ₹ 1135 lacs (Corresponding Previous year ₹ 16284 lacs) on account of earlier year sales arising out of finalisation of tariff in current year.

<b>NOTE NO. 21 - OTHER INCOME</b>			(Amount in Lacs)
<b>PARTICULARS</b>	<b>For the year ended 31<sup>st</sup> March, 2013</b>	<b>For the year ended 31<sup>st</sup> March, 2012</b>	
<b>A) INCOME FROM NON-CURRENT INVESTMENTS</b>			
<b>i) Trade</b>			
- Dividend from subsidiaries	-	-	
- Dividend -Others	-	-	
- Interest	-	-	
Government Securities (8.5% tax free bonds issued by the State Governments)			
<b>ii) Non-Trade</b>			



# NHPC Limited

(A Government of India Enterprise)

## NOTE NO. 21 - OTHER INCOME

(Amount in Lacs)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
- Dividend income -Mutual Fund	-	-
- Dividend income -Others	-	-
- Interest-(Self Insurance Fund)	-	-
<b>B) OTHER INCOME</b>		
<b>i) Interest</b>		
- Loan to State Government in settlement of dues from customers	-	-
- Loan to Government	-	-
- Deposit Account -Self Insurance Fund - Indian Banks	-	-
- Deposit Account - Other than self insurance fund- Indian Banks	19520	14405
Interest from Beneficiary -Trade receivable on deferred credit	3068	729
- Employee's Loans and Advances	178	88
- Others	-	-
<b>ii) Late payment surcharge</b>	-	54
<b>iii) Net Gain/Loss on Sale of Mutual Fund</b>	-	-
<b>iv) Income From Sale Of Self Generated CERs/VERs</b>	-	-
<b>v) Profit on sale of assets</b>	1	-
<b>vi) Liability/ Provisions not required written back #</b>	1090	340
<b>vii) Others</b>	417	303
<b>viii) Exchange rate variation</b>	-	-
<b>TOTAL</b>	<b>24274</b>	<b>15919</b>
Add/(Less): C.O./Regional Office Expenses	-	-
<b>TOTAL</b>	<b>24274</b>	<b>15919</b>
Less: Income transferred to EDC	-	-
Less: Income transferred to Advance Deposit from Client/Contractees and against Deposit Works	-	-
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>24274</b>	<b>15919</b>
<b>#Detail of Liability/Provisions not required written back</b>		
a) Bad and doubtful debts	-	-
b) Bad and doubtful advances / deposits	-	-
c) Bad and doubtful claims	34	-
d) Diminution in value of stores and spares	-	-
e) Shortage in store & spares	-	-
f) Provision for wage revision	600	243
g) Provision for Committed Capital Expenditure	-	-
h) Provision for losses pending investigation	2	-
i) Provision for PRP / Incentive /Productivity Linked Incentive	41	-
j) Provision for Superannuation/Pension Fund	2	-
k) Liability not required written back	-	97
m) Others	411	-
	<b>1090</b>	<b>340</b>

# NHDC LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Madhya Pradesh)

### NOTE NO. 22 GENERATION, ADMINISTRATION AND OTHER EXPENSES

(Amount in Lacs)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
<b>A. GENERATION EXPENSES</b>		
Consumption of stores and spare parts	187	300
Water Usage Charges	-	-
<b>B. Direct Expenditure on Contract, Project Management and Consultancy Works</b>	-	-
<b>C. REPAIRS &amp; MAINTENANCE</b>		
- Building	533	505
- Machinery	463	423
- Others	1259	987
<b>D. ADMINISTRATION EXPENSES</b>		
Rent	454	391
Rates and taxes	24	24
Insurance	906	891
Reimbursement towards claim from Self insurance fund	-	-
Security expenses	905	602
Electricity Charges	920	888
Travelling and Conveyance	103	92
Expenses on vehicles	19	31
Telephone, telex and Postage	53	50
Advertisement and publicity	73	48
Entertainment and hospitality expenses	19	18
Donation	-	-
Printing and stationery	62	85
Books & Periodicals	3	3
Consultancy charges - Indigenous	139	119
Consultancy charges - Foreign	-	-
Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	-	-
Expenditure on land not belonging to company	8	-
Loss on sale of assets	-	2
Assets / claims written off	-	-
Interest on Arbitration/ Court Cases	-	-
Interest to beneficiary states	-	105
Rebate to customers	975	955
CSR/ Sustainable Development/ Community Development Expenses	437	665
Expenditure on Self Generated CERS/VERS	-	-
Other general expenses	446	400
Exchange rate variation	-	-
Audit expenses (Refer detail below)	9	8
Directors' expenses	1	-
Research and development expenses	209	-
Expenses for Regulated Power	-	-
Less: - Exp Recoverable on Regulated Power	-	-
<b>Sub-total</b>	<b>8207</b>	<b>7592</b>
Add/(Less): C.O./Regional Office Expenses	-	-
<b>Sub-total</b>	<b>8207</b>	<b>7592</b>
Less: Amount transferred to EDC	-	-
Less: Recoverable from Deposit Works	-	-
<b>Total (A)</b>	<b>8207</b>	<b>7592</b>



# NHPC Limited

(A Government of India Enterprise)

## NOTE NO. 22 GENERATION, ADMINISTRATION AND OTHER EXPENSES

(Amount in Lacs)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
<b>E. PROVISIONS</b>		
Bad and doubtful debts provided	-	-
Bad and doubtful advances / deposits provided	-	50
Bad and doubtful claims provided	-	-
Diminution in value of stores and spares	-	-
Shortage in store & spares provided	-	-
Provision against diminution in the value of investment	-	-
Project expenses provided for	-	-
Provision for fixed assets/ stores provided for	3	30
Diminution in value of Inventory of Self Generated (CERs)/ (VERs) Provided for	-	-
<b>Sub-total</b>	<b>3</b>	<b>80</b>
Add/(Less): C.O./Regional Office Expenses	-	-
<b>Sub-total</b>	<b>3</b>	<b>80</b>
Less: Amount transferred to EDC	-	-
Less: Recoverable from Deposit Works	-	-
<b>Total (B)</b>	<b>3</b>	<b>80</b>
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>8210</b>	<b>7672</b>
<b>Total (A) + (B)</b>		

### Explanatory Note: -

#### 1) Detail of audit expenses are as under: -

##### i) Statutory auditors

##### As Auditor

	As on 31.03.2013	As on 31.03.2012
Audit Fees	5	5
Tax Audit Fees	2	1
	7	6

##### In other Capacity

Taxation Matters	-	-
Company Law Matters	-	-
Management Services	-	-
Other Matters/services	1	1
	1	1

##### Reimbursement of expenses

##### ii) Cost Auditors

Audit Fees	1	1
Reimbursement of expenses	-	-
	-	-

##### Total Audit Expenses

	9	8
	1	-

#### 2) Sitting fees to independent directors

- 3) The Company's significant leasing arrangements are in respect of operating leases of premises for offices, guesthouses & transit camps. These leasing arrangements, which are not non-cancellable, are usually renewable on mutually agreeable terms. Lease payments in respect of premises for offices, guest house & transit camps are shown in Rent.



# NHDC LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Madhya Pradesh)

### NOTE NO. 23 EMPLOYEE BENEFITS EXPENSE

(Amount in Lacs)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
Salaries, wages, allowances	5222	4697
Gratuity, Contribution to provident fund & pension scheme (incl. administration fees)	820	816
Staff welfare expenses	353	412
Leave Salary & Pension Contribution	-	-
<b>TOTAL</b>	<b>6395</b>	<b>5925</b>
Add/(Less): C.O./Regional Office Expenses	-	-
<b>TOTAL</b>	<b>6395</b>	<b>5925</b>
Less: Employee Cost transferred to EDC	-	-
Less: Recoverable from Deposit Works	-	-
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>6395</b>	<b>5925</b>
<b>Explanatory Note: -</b>		
1) The Company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees. These leasing arrangements, which are not non-cancellable, are usually renewable on mutually agreeable terms. Salaries, wages, allowances includes ₹ 201 lacs (Corresponding Previous year ₹ 153 lacs) towards lease payments in respect of premises for residential use of employees.		
2) Gratuity, Contribution to provident fund & pension scheme include contributions:	<b>As on 31.03.2013</b>	<b>As on 31.03.2012</b>
i) towards Employees Provident Fund	305	251
ii) towards Employees Defined Contribution Superannuation Scheme	259	411

### NOTE NO. 24 - FINANCE COST

(Amount in Lacs)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
<b>a) Interest on :</b>		
Government of India loan	-	-
Bonds	-	-
Foreign loan	-	-
Term loan	21073	23053
Cash credit facilities /WCDL	-	-
Other interest charges	-	-
<b>sub total</b>	<b>21073</b>	<b>23053</b>
<b>b) Other Borrowing Cost</b>		
Loss on Hedging Transactions	-	-
Bond issue/ service expenses	-	-
Royalty	-	-
Commitment fee	-	-
Guarantee fee on foreign loan	-	-
Other finance charges	10	10
<b>sub total</b>	<b>10</b>	<b>10</b>
<b>c) Applicable net gain/ loss on Foreign currency transactions and translation</b>		
Exchange differences regarded as adjustment to interest cost	-	-
Less: Interest adjustment on account of Foreign Exchange Rate Variation	-	-
<b>sub total</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>21083</b>	<b>23063</b>
Add/(Less): C.O./Regional Office Expenses	-	-
<b>TOTAL</b>	<b>21083</b>	<b>23063</b>
Less: Finance Cost transferred to EDC	-	-
Less: Recoverable from Deposit Works	-	-
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>21083</b>	<b>23063</b>



# NHPC Limited

(A Government of India Enterprise)

## NOTE NO. 25 - DEPRECIATION AND AMORTIZATION EXPENSES

(Amount in Lacs)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
Depreciation & Amortisation	30134	31528
Depreciation adjustment on account of Foreign Exchange Rate Variation	-	-
Add/(Less): C.O./Regional Office Expenses	-	-
<b>TOTAL</b>	<b>30134</b>	<b>31528</b>
Less: Depreciation & Amortisation Expenses transferred to EDC	-	-
Less: Recoverable from Deposit Works	-	-
Less: Charged to Grant in Aid - Reserve (Grants written off) (refer note no.3)	5716	5773
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>24418</b>	<b>25755</b>

## NOTE NO. 26 PRIOR PERIOD ITEMS (NET)

(Amount in Lacs)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
<b>INCOME</b>		
Sale of Electricity	-	2224
Add: Advance Against Depreciation written back	-	-
Interest/Surcharge received from debtors	-	-
Others	-	-
<b>SUB TOTAL</b>	<b>-</b>	<b>2224</b>
<b>EXPENDITURE</b>		
Salaries & Wages	-	-
Repair & Maintenance	-	31
Finance Cost	-	-
Depreciation & Amortization Expense	(378)	100
Others	-	-
<b>SUB TOTAL</b>	<b>(378)</b>	<b>131</b>
<b>TOTAL</b>	<b>(378)</b>	<b>(2093)</b>
Add/(Less): C.O./Regional Office Expenses	-	-
<b>TOTAL</b>	<b>(378)</b>	<b>(2093)</b>
<b>Less: Prior Period Expenses transferred to EDC</b>		
Prior period expenses	-	-
Less Prior period income	-	-
<b>Total</b>	<b>(378)</b>	<b>(2093)</b>
<b>Less: Recoverable from Deposit Works</b>	-	-
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>(378)</b>	<b>(2093)</b>

## NOTE NO. 27 - TAX EXPENSES

(Amount in Lacs)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
<b>CURRENT TAX</b>		
Income Tax Provision	14824	16987
<b>Adjustment Relating To Earlier periods</b>	(5)	24
<b>Deferred Tax</b>	(311)	(203)
Less: Recoverable	(2019)	(3231)
	<b>1708</b>	<b>3028</b>
	<b>16527</b>	<b>20039</b>

## NOTE NO. 28 - EXPENDITURE ON CONTRACT, PROJECT MANAGEMENT AND CONSULTANCY WORKS

(Amount in Lacs)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
<b>A. DIRECT EXPENSES</b>	-	-
<b>EMPLOYEE BENEFITS EXPENSE</b>		
i) Salaries, Wages, Allowances and benefits	-	-
ii) Gratuity, Contribution to provident fund & pension scheme	-	-

# NHDC LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Madhya Pradesh)

### NOTE NO. 28 - EXPENDITURE ON CONTRACT, PROJECT MANAGEMENT AND CONSULTANCY WORKS

(Amount in Lacs)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
iii) Staff welfare Expenses	-	-
<b>B. REPAIRS &amp; MAINTENANCE</b>		
- Buildings	-	-
- Machinery	-	-
- Others	-	-
<b>C. ADMINISTRATION &amp; OTHER EXPENSES</b>		
- Rent	-	-
- Travelling and Conveyance	-	-
- Expenses on vehicles	-	-
- Insurance	-	-
- Telephone, telex, and postage	-	-
- Advertisement and publicity	-	-
- Printing and Stationery	-	-
- Remuneration to Auditors	-	-
- Other Expenses	-	-
- Rates and taxes	-	-
- Security	-	-
- Electricity	-	-
- Contingencies	-	-
- Consultancy charges	-	-
<b>D. Depreciation &amp; Amortisation Expenses</b>	-	-
<b>E. Finance Cost</b>	-	-
Loss on construction contracts	-	-
<b>F. Provisions</b>	-	-
Work-in-Progress	-	-
- Construction Contract	-	-
- Consultancy	-	-
<b>G. C.O./Regional Office Expenses:</b>		
Other Income	-	-
Generation, Administration and Other Expenses	-	-
Employee Benefits Expense	-	-
Depreciation & Amortisation Expenses	-	-
Finance Cost	-	-
Provisions	-	-
Prior Period Adjustment (Net)	-	-
<b>TOTAL EXPENDITURE</b>	-	-
<b>H. Less: Receipts and recoveries</b>	-	-
Net expenditure during the year	-	-
<b>I. Prior period Adjustments</b>	-	-
<b>Total</b>	-	-

### NOTE NO. 29 - EXPENDITURE DURING CONSTRUCTION FOR THE YEAR

(Amount in Lacs)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
<b>A. EMPLOYEE BENEFITS EXPENSE</b>		
i) Salaries, wages, allowances	-	-
ii) Gratuity and contribution to provident fund (including administration fees)	-	-
iii) Staff welfare expenses	-	-
iv) Leave Salary & Pension Contribution	-	-
<b>Sub-total</b>	-	-
<b>B. REPAIRS &amp; MAINTENANCE</b>		
i) Building	-	-
ii) Machinery	-	-



# NHPC Limited

(A Government of India Enterprise)

## NOTE NO. 29 - EXPENDITURE DURING CONSTRUCTION FOR THE YEAR

(Amount in Lacs)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
iii) Others	-	-
<b>Sub-total</b>	-	-
<b>C. ADMINISTRATION &amp; OTHER EXPENSES</b>		
i) Rent	-	-
ii) Rates and taxes	-	-
iii) Insurance	-	-
iv) Security expenses	-	-
v) Electricity Charges	-	-
vi) Travelling and Conveyance	-	-
vii) Expenses on vehicles	-	-
viii) Telephone, telex and Postage	-	-
ix) Advertisement and publicity	-	-
x) Entertainment and hospitality expenses	-	-
xi) Printing and stationery	-	-
xii) Remuneration to Auditors	-	-
Design and Consultancy charges:		
xiii) - Indigenous	-	-
xiv) - Foreign	-	-
xv) Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	-	-
xvi) Expenditure on land not belonging to company	-	-
xvii) Land acquisition and rehabilitation	-	-
xviii) Loss on assets/ materials written off	-	-
xix) Losses on sale of assets	-	-
xx) Exchange rate variation	-	-
xxi) Other general expenses	-	-
<b>Sub-total</b>	-	-
<b>D. FINANCE COST</b>		
i) Interest on :		
a) Government of India loan	-	-
b) Bonds	-	-
c) Foreign loan	-	-
d) Term loan	-	-
ii) Bond issue/ service expenses	-	-
iii) Commitment fee	-	-
iv) Guarantee fee on loan	-	-
v) Other finance charges	-	-
<b>Sub-total</b>	-	-
<b>E. PROVISIONS</b>	-	-
<b>Sub-total</b>	-	-
<b>F. DEPRECIATION AND AMORTISATION EXPENSES</b>	-	-
<b>Sub-total</b>	-	-
<b>G. PRIOR PERIOD EXPENSES</b>		
Prior Period Expenses	-	-
Less: Prior Period Income	-	-
<b>Sub-total</b>	-	-
<b>H. LESS: RECEIPTS AND RECOVERIES</b>		
a) Income from generation of electricity – precommissioning	-	-
b) Others		
i) Interest on loans and advances		
ii) Miscellaneous receipts		
iii) Profit on sale of assets		
iv) Exchange rate variation (Credit)		
v) Provision/Liability not required written back		

# NHDC LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Madhya Pradesh)

### NOTE NO. 29 - EXPENDITURE DURING CONSTRUCTION FOR THE YEAR

(Amount in Lacs)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
vi) Hire charges/ outturn on plant and machinery	-	-
<b>Sub-total</b>	-	-
<b>I. C.O./REGIONAL OFFICE EXPENSES:</b>		
i) Other Income	-	-
ii) Generation, Administration and Other Expenses	-	-
iii) Employee Benefits Expense	-	-
iv) Depreciation & Amortisation Expenses	-	-
v) Finance Cost	-	-
vi) Provisions	-	-
vii) Prior Period Adjustment (Net)	-	-
<b>Sub-total</b>	-	-
<b>GRAND TOTAL (A+B+C+D+E+F+G+I-H)</b>	-	-

### NOTE NO. 30 – OTHER EXPLANATORY NOTES TO ACCOUNTS

1. a) Contingent Liabilities not provided for in respect of: -

(Amount in Lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
i) Claims against the Corporation not acknowledged as debts in respect of -		
- Capital Works	24920	23050
- Land Compensation Cases	120999	128499
- Others	-	-
ii) Disputed Income Tax Demand	-	6
iii) Disputed Sales Tax Demand	-	-
iv) Disputed Service Tax Demand	-	-
v) Disputed Entry Tax Demand	3	3
vi) Others	-	-
<b>TOTAL</b>	<b>145922</b>	<b>151558</b>

During F.Y. 2010-11 Holding Company NHPC Ltd. had received an opinion from Expert Advisory Committee of the Institute of Chartered Accountants of India (EAC of ICAI) and as per opinion of EAC, expenditure incurred for creation of assets not within the control of company should be charged to profit & loss account in the year of incurrence itself, consequent upon withdrawal of Guidance Note on Expenditure During Construction. The Holding company has represented to the EAC of ICAI that such expenditure, being essential for setting up of a hydro project, should be allowed to be capitalized. Company is further of the view that capitalization of such expenditure is supported by Exposure draft on Limited Revision to AS-10 and Guidance Note on rate regulated entity issued by ICAI. Pending receipt of further opinion from the EAC, revision in AS-10 and implementation of guidance note on rate regulated entity, the accounting treatment as per existing accounting practices/ policies has been continued.

3. Government of Madhya Pradesh (GoMP), being a joint venture partner, contributed on various accounts through Narmada Valley Development Authority (NVDA) as per CCEA approval, details given below: -

#### INDIRA SAGAR PROJECT : -

(Amount in Lacs)

(Refer note no 3)

(A)	Amount received in Cash or in kind	Cumulative upto 01.04.2012	During F.Y. 2012 - 13	Cumulative upto 31.03.2013
i.	Expenditure incurred by NVDA	128659	1215	129874
ii.	Cash Received	55797	-	55797
iii.	Amount transferred from OSP	856	-	856
<b>Total of (A)</b>		185312	1215	186527
<b>(B) Due/Adjusted on account of</b>				
i.	Equity Capital	66000	-	6,6000
ii.	Irrigation Component	37981	449	38430
iii.	SSP Component	48531	576	49107
iv.	Sub-vention towards excess R&R Expenses	29307	3068	32375
v.	Electricity charges & water supply maintenance charges	279	225	504
vi.	Advance against Irrigation/Equity of OSP	3308	-	3308
<b>Total of (B)</b>		185406	4318	189724
<b>(C) Amount recoverable from NVDA i.e. (B-A)</b>		94	3103	3197

- b) The above contingent liabilities do not include contingent liabilities on account of pending cases in respect of service matters and others where the amount cannot be quantified.
- c) Contingent liabilities towards capital work includes claims of contractors regarding 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 the provisions of the respective contracts or are lying at Arbitration Tribunal/ Court.
- d) The Contingent Liability under the head "Capital Works" includes ₹11989 lacs (previous year ₹11201 lacs), towards arbitration awards against the company as outflow is not considered probable in respect of these awards, the same being challenged/decided to be challenged in the Court of Law.
- e) It is not practicable to disclose the uncertainties relating to any outflow.
- f) There is a possibility of reimbursement to the Corporation ₹ NIL (Previous Year ₹ NIL) towards above contingent liabilities.
2. a) Estimated amount of contracts (net of advances) remaining to be executed on capital account not provided for ₹ 4291 lacs (Previous Year ₹ 3882 lacs). This includes estimated unexecuted amount for the railway diversion works ₹ 3461 lacs (Previous Year ₹ 3461 lacs)
- b) Estimated amount of capital commitment towards compensation for Land and other related expenditure not provided for ₹ 13075 lacs (Previous Year ₹ 7127 lacs).
- c) Capital Expenditure on assets Not Owned by NHDC (included in tangible assets):



# NHPC Limited

(A Government of India Enterprise)

## OMKARESHWAR PROJECT: -

(Amount in Lacs)

(D) Amount received in Cash or in kind	Cumulative upto 01.04.2012	During F.Y. 2012 - 13	Cumulative upto 31.03.2013
i. Expenditure incurred by NVDA	8262	8	8270
ii. Cash Received	41476	-	41476
iii. Amount transferred from ISP A/C	3308	-	3308
<b>Total of (D)</b>	<b>53046</b>	<b>8</b>	<b>53054</b>
<b>(E) Due /Adjusted on account of:</b>			
i. Equity Capital	30016	-	30016
ii. Irrigation Component	25695	(1902)	23793
iii. Sub-vention towards excess R&R Expenses	5138	1737	6875
iv. Amount Transferred to ISP A/C	856	-	856
<b>Total of (E)</b>	<b>61705</b>	<b>(165)</b>	<b>61540</b>
<b>(F) Amount recoverable from NVDA i.e. (E-D)</b>	<b>8659</b>	<b>(173)</b>	<b>8486</b>
<b>(G) Total Amount recoverable i.e. (C+F)</b>	<b>8753</b>	<b>2930</b>	<b>11683</b>

4. (a) Pending approval of the competent authority, provisional payments made towards executed quantities of some of the items beyond approved quantities, extra items & expenditure incurred by NVDA on behalf of the corporation, are included in Capital Work-in-Progress/ Fixed Assets/Statement of Profit & Loss.
- (b) Balances shown under Material issued to contractors, Claims recoverable, Advance for Capital Expenditure, Trade receivables, Advances to Contractors, Trade payables, Term loan from Banks/ FIs and Deposits/Earnest Money from contractors are subject to reconciliation/confirmation and consequential adjustments, if any.
- (c) In the opinion of the management, the value of the current assets, loans and advances on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
5. The effect of foreign exchange fluctuation during the year is as under:

(Amount in Lacs)

	For 2012-13	For 2011-12
(i) Amount charged to Profit & Loss Account excluding depreciation (as FERV)	-	-
(ii) Amount charged to Profit & Loss Account excluding depreciation (as borrowing cost)	-	-
(iii) Amount charged to Expenditure During Construction (as FERV)	-	-
(iv) Amount charged to Capital Work-In-Progress (as FERV)	-	-
(v) Amount adjusted by addition to carrying amount of fixed assets	3	19

6. Following Accounting Policies have been introduced / modified /deleted/ reworded during the financial year 2012-13, the impact of which on profit for the year is given below: -

Sl. No.	Accounting Policy No.	Description	Impact on Profit for the financial year 2012-13
1	Policy No. 2.6	Policy has been reworded to have a better disclosure.	NIL Impact
2	Policy No. 2.7	New policy on impairment of assets has been introduced to incorporate the practice into policy.	NIL Impact
3	Policy No. 5.5	Policy has been reworded to have a better disclosure of the practice.	NIL Impact

Sl. No.	Accounting Policy No.	Description	Impact on Profit for the financial year 2012-13
---------	-----------------------	-------------	---

4	Policy No. 10.2	Policy has been reworded to have a better disclosure.	NIL Impact
5	Policy No. 11.2	Policy has been deleted as it become redundant in the present scenario as direct consumption of power generated by a power station of company is not allowed.	NIL Impact
6	Policy No. 14	Policy has been reworded to have a better disclosure.	NIL Impact

7. Disclosure as required by Accounting Standard (AS) 15: General description of various defined employee benefit schemes as under:

### A. Provident Fund

Company pays fixed contribution of provident fund at predetermined rates to a separate trust namely NHDC Ltd. Employees Provident Fund Trust, which invests the funds in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to the Statement of Profit & Loss. The obligation of the company is to make such fixed contribution and also to ensure a minimum rate of return to the members as specified by GOI. This fund is operated by the Trust under statutory interest rate guarantee of exempted Fund and provision is created on the basis of Actuarial Valuation.

### B. Gratuity

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹ 10 lacs, on superannuation, resignation, termination, disablement or on death.

### C. Retired Employee Health Scheme (REHS)

The Company has Retired Employee Health Scheme, under which retired employee and the spouse of retiree, spouse and dependent children of deceased employees are provided medical facilities in the Company hospitals / empanelled hospitals. They can also avail OPD treatment subject to a ceiling fixed by the Company.

### D. Allowance on Retirement / Death

Actual cost of shifting from place of duty at which employee is posted at the time of retirement to any other place where he / she may like to settle after retirement is paid as per the rules of the corporation. In case of death, family of deceased employee can also avail this facility.

### E. Leave

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the Company, which accrue annually at 30 days and 20 days respectively. 75 % of the earned leave is en-cashable while in service and a maximum of 300 days on superannuation. Half-pay leave en-cashment has been discontinued from December 2012. However any shortfall in EL limit of 300 days at the time of retirement/ superannuation/death can be compensated from HPL without commutation.

### F. Social Security Scheme

The Company has a Social Security Scheme in lieu of compassionate appointment subject to the condition that the scheme will be withdrawn on introduction of pension scheme. Company makes a matching contribution per month per employee and such contribution is to be made for first 8 years to build up corpus. The scheme is in operation since 01.04.2009. The Funds so accumulated are managed by a separate Trust namely NHDC Employees Social Security Scheme Trust. The scheme has been created to take care of and helping grieved families in event of death of its employee or permanent total disability during employment. In case of resignation or retirement of an employee, amount equivalent to his own contribution and applicable interest as credited to his account till such date is refunded back.

# NHDC LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Madhya Pradesh)

### G. Memento to employees retired on attaining the age of Superannuation

The Corporation has a policy of providing Memento valuing ₹5000/- to employee retiring on Superannuation.

The schemes as stated at B, C, D, E & G above are recognized on the basis of actuarial valuation. Schemes stated at A, B and F above are funded scheme and out of these scheme A & F are defined contribution benefit scheme.

The Provisions for employee's benefits in respect of NHDC's employees have been made for the year on the basis of actuarial valuation as and where applicable as at 31.03.2013. In respect of NHPC employees who are presently posted at NHDC, no provision has been created and only the share of expenditure debited to Statement of Profit & Loss on the basis of information/advice received from NHPC. No provision has been made for employees who are on deputation from GoMP. The disclosure under the provisions of Accounting Standard – 15 (Revised) on "Employees Benefits" for the financial year ended 31.03.2013 given below: -

**Table 1: - Key Assumptions**

Mortality Table	As at 31.03.2013	As at 31.03.2012
	Indian Assured Lives Mortality (1994-96)	Indian Assured Lives Mortality (1994-96) (modified) ultimate table
Attrition Rate	Up to 30 Years - 3% P.A. 31 to 44 Years - 2% P.A. Above 44 Years - 1% P.A.	Up to 30 Years - 3% P.A. 31 to 44 Years - 2% P.A. Above 44 Years - 1% P.A.
Discount rate	8.00%	8.50%
Rate of increase in compensation level	6.00%	6.00%
Rate of return on plan assets	9.60%	N.A.
Expected average remaining working lives of employees (year)	21.56	22

**Table 2: - Change in present value of obligations**

(Refer note no 7 & 9)

(Amount in Lacs)

	As at 31.03.2013			As at 31.03.2012		
	Gratu-ity	Leave encash-ment	REHS	Gratu-ity	Leave encash-ment	REHS
PVO at beginning of year	464	685	213	461	568	160
Interest Cost	37	55	17	37	47	13
Past Service Cost	-	-	-	-	-	-
Current Service Cost	79	72	27	63	133	26
Benefit paid	(15)	(389)	(1)	(11)	(35)	(1)
Actuarial (gain)/ loss	97	165	(32)	(86)	(28)	15
PVO at end of year	662	588	224	464	685	213

**Table 3: - Amount recognized in Balance Sheet**

(Amount in Lacs)

	As at 31.03.2013			As at 31.03.2012		
	Gratu-ity	Leave encash-ment	REHS	Gratu-ity	Leave encash-ment	REHS
PVO at the end of year	662	588	224	464	685	213
Fair value of plan assets at the end of year	481	-	-	-	-	-
Funded status/ Difference	(181)	(588)	(224)	(464)	(685)	(213)
Unrecognized Actuarial (gain)/loss	-	-	-	-	-	-
Net assets/ (liability) recognized in balance sheet	(181)	(588)	(224)	(464)	(685)	(213)

**Table 4: - Amount recognized in Statement of Profit & Loss Account**

(Amount in Lacs)

	As at 31.03.2013			As at 31.03.2012		
	Gratu-ity	Leave encash-ment	REHS	Gratu-ity	Leave encash-ment	REHS
Current Service cost	79	73	27	63	133	26
Past service cost	-	-	-	-	-	-
Interest Cost	37	55	17	37	47	13
Expected return on plan assets	-	-	-	-	-	-
Net Actuarial (gain)/ loss recognized for the year	86	165	(32)	(86)	(28)	15
Expenses recognized in P&L A/c for the year	202	293	12	14	152	54

Liabilities as on 31.03.2013 on account of Baggage Allowance on retirement & Memento are ₹ 26 lacs & ₹ 1 lacs (Previous year ₹ 28 lacs & ₹ 1 lacs) respectively.

8. a) Electricity Generation is the principal activity of the Corporation. Other revenue viz, interest income do not form part of a reportable segment as per Accounting Standard-17 on Segment Reporting.
- b) The Corporation has at present power projects only in the State of Madhya Pradesh, therefore, reporting geographical segments are inapplicable.
9. In compliance of Accounting Standard – 18 on related party disclosures the required information is given as under: -

Key Management Personal

Name	Designation
Sh. G. Sai Prasad	Chairman
Sh. K.M. Singh	Chief Executive Director



# NHPC Limited

(A Government of India Enterprise)

10. The elements considered for calculation of Earning per Share (EPS) are as under: -

Particulars	For the year 2012-13		For the year 2011-12	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Net Profit after tax used as numerator(₹)	5,75,64,40,505	5,75,64,40,505	646,90,17,516	646,90,17,516
Weighted Average No. of Equity Share used as denominator	19625800	19625800	19625800	19625800
Earning Per share (₹)	293.31	293.31	329.61	329.61
FV Per Share (₹)	1000	1000	1000	1000

11. The Management is of the opinion that no case of impairment of Assets exists under the provision of Accounting Standard - 28 on Impairment of Assets as on 31.03.2013.
12. Expenditure w.r.t.

(Amount in Lacs)

Sl. No.	Particulars	For the year 2012-13	For the year 2011-12
a)*	Value of imports calculated on CIF basis:		
	i) Capital Goods	-	-
	ii) Spare parts	-	-
b)*	Expenditure in Foreign Currency		
	i) Know - How	-	-
	ii) Interest	-	-
	iii) Other Misc. Matters	-	-
c)*	Value of spare parts and Components consumed in operating units.		
	i) Imported	-	-
	ii) Indigenous	187	300
d)**	Earnings in foreign currency		
	i) Interest	-	-
	ii) Others	-	-

\* Accrual basis. \*\*Cash basis

13. Disclosure as required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 is as follows

Sl. No.	Particulars	(Amount in lacs)
i)	Principal amount remaining unpaid to Micro, Small & Medium Enterprise	NIL
ii)	Interest accrued on principal amount remaining unpaid as (i) above.	NIL
iii)	Amount of Interest paid during the year along with the payment of principal amount made beyond 15 days or agreed time from the date of delivery/rendering of services.	NIL
iv)	Interest due but yet to be paid on principal amount paid during the year.	NIL
v)	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 enterprise, for the purpose of disallowance as deductible expenditure.	NIL

14. Previous year's figures / opening balances have been regrouped/re-arranged/re-cast wherever necessary.

For and on behalf of BOARD OF DIRECTORS

**K.M. Singh**  
Chief Executive Director  
DIN 02223301

**R. S. MINA**  
Managing Director  
DIN 00149956

**V.K. Tripathi**  
Co. Secretary

**D. Chakraborty**  
G.M. (Finance)

As per our report of even date attached

**For Bhutoria Ganesan & CO.**

Chartered Accountants

**R. Ganesan**

Partner

Membership No. 26164

FRN - 004465C

Place: New Delhi

Date: 17.05.2013



# NHDC LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Madhya Pradesh)

### CASH FLOW STATEMENT

(Amount in lacs)

S. No.	Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>A)</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before tax and extraordinary items	74091	84729
	Add:		
	- Depreciation & Amortisation including Prior Period	24040	25855
	- Provisions/Liabilities written Back	75	80
	- Advance against depreciation	-	1903
	- Loss/(Profit) on sale of assets	-	1
	- Finance cost	21083	23168
	- Interest Income	(22588)	(15134)
	Operating profit before working capital changes	96701	120602
	Working Capital Changes		
	(Increase)/ Decrease in inventories	(134)	(29)
	(Increase)/ Decrease in Trade Receivables	3031	(16529)
	(Increase)/ Decrease in Loans & Advances	(875)	5160
	(Increase)/ Decrease in Other Current Assets	(5832)	(5494)
	Increase /(Decrease) in Current Liabilities & Provisions	(131)	(3941)
		92760	143446
	Taxes Paid (Including TDS) Net of Refund	15418	16536
		<b>15418</b>	<b>16536</b>
	Cash generated from operations (A)	77342	126910
<b>B)</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Intangible Assets and CWIP	(10451)	(49628)
	Interest Income	22588	15134
	Proceeds on sale of assets	<b>1</b>	<b>1</b>
	Net cash used in Investing Activities (B)	12138	(34493)
<b>C)</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from issue of Share Capital	-	-
	Proceeds from Borrowings	-	1500
	Repayments of Borrowings	(20813)	(29626)
	Funds received from GOMP towards SSP, Irrigation component & R&R Subvention	3928	1232
	Dividend Paid	(5888)	(3925)
	Dividend Tax Paid	(955)	(637)
	Finance cost	(21083)	(23287)
	Cash flow from Financing Activities	(44811)	(54743)
	Net increase / decrease in Cash and Cash equivalents (A+B+C)	44669	37674
	Cash and cash equivalents (Opening balance)	170683	133009
	Cash and cash equivalents (Closing balance)	215352	170683

#### Explanatory Notes To Cash Flow Statement

- Cash and Bank Balances include an amount of ₹ 122 lacs (Previous year ₹ Nil /-) kept with banks under lien as margin money for opening Letter of Credit or similar facility, which is not available for use as on 31.03.2013.
- Cash and Bank Balances include an amount of ₹ 780 lacs (Previous year ₹ 248 lacs) kept with banks as per orders of Hon'ble Court of Law, which is not available for use as on 31.03.2013.
- Cash and Bank Balances include an amount of ₹ 1048 lacs (Previous year ₹ Nil /-) representing deposit by oustees towards Land for Land in respect of Omkareshwar Project, which is not available for use as on 31.03.2013.
- Cash and cash equivalents consist of amount of ₹ 16051 lacs (Previous year ₹ 16051 lacs) held by the corporation towards self insurance reserve, not available for use otherwise.
- Cash (excluding taxes) realised on sale /disposal of fixed assets during the year is ₹ 1 Lacs (as on 31.03.2012 ₹ 1 lacs).
- The previous year's figures has been regrouped / re-arranged / re-casted wherever necessary.

#### For and on behalf of Board of Directors

As per our report of even date attached  
**For BHUTORIA GANESAN & CO.**  
Chartered Accountants

**R. GANESAN**  
(Partner)  
Membership No. 26164  
FRN - 004465C

**K. M. SINGH**  
Chief Executive Director  
DIN 02223301

**V. K. TRIPATHI**  
Co. Secretary

**R.S. MINA**  
Managing Director  
DIN 00149956

**D. CHAKRABORTY**  
General Manager (Finance)

Place: New Delhi  
Date : 17.05.2013



## DIRECTORS' REPORT

To the Members,  
Loktak Downstream Hydroelectric Corporation Limited

Directors of Loktak Downstream Hydroelectric Corporation Limited ("LDHCL") are pleased to present the 4th Annual Report on the performance of the Company along-with Audited Statement of Accounts, Auditor's Report and the comments on the accounts by the Comptroller and Auditor General of India for the year ended on 31st March 2013.

### 1. STATE OF COMPANY'S AFFAIRS

#### a. OPERATIONAL REVIEW

Central Electricity Authority ("CEA") had accorded concurrence to the project in favour of NHPC Ltd on 15th November 2006 which was valid up to 14th November 2012. CEA transferred concurrence in favour of LDHCL on 06th August 2012. In January 2013, CEA extended concurrence up to 14th November 2014 with the condition that LDHCL shall submit the updated Detailed Project Report ("DPR") with a certificate by an authorized signatory that all the observations of Central Electricity Authority, Central Water Commission ("CWC"), Geological Survey of India ("GSI") during the appraisal process of the project in 2006 and afterwards have been incorporated. Environment & Forest clearance (Stage-1) are available in respect of the project undertaken by the Company. The company is not having any subsidiary.

The Board of Directors of your company are actively monitoring various activities of the Project which includes completion of Topographical Survey, Geo Technical investigation, Drilling at Barrage & Power house sites, Obtaining Defense clearance, Forest Clearance (stage-2), Updation of DPR, Floating Notice Inviting Quotations (NIQ) on International Competitive Bidding basis for turnkey implementation, Preparation of Public Investment Board note etc.

#### b. FINANCIAL REVIEW

The financial performance for the year ended as on March 31st 2013 is summarized here under:-

#### FINANCIAL HIGHLIGHTS

(Rs. in Crore)

Particulars	2012-13	2011-12
Sales	-	-
Profit before Depreciation, Interest and Tax	6.80	6.00
Depreciation	-	-
Profit after Depreciation but before Interest and Tax	6.80	6.00
Interest & Finance Charges	-	-
Profit after Depreciation and Interest but before Tax	6.80	6.00
Tax	2.21	1.95
Profit after Depreciation, Interest and Tax	4.59	4.05
Surplus of Profit and Loss Account of earlier years	5.60	1.55
Profit available for appropriations	10.19	5.60
<b>APPROPRIATIONS</b>		
Transfer from Bond Redemption Reserve	-	-
Transfer to Self Insurance Reserve	-	-
Tax on Dividend written back	-	-
Amount written back from Self Insurance Reserve	-	-
Interim Dividend	-	-
Proposed Final Dividend	-	-
Corporate Dividend Tax	-	-
Transfer to general reserve	-	-
Balance Profit carried to Reserves and Surplus	-	-
	10.19	5.60

During the period under review, your Company had parked its funds received from promoters towards equity contribution in fixed deposits with State Bank of India/other scheduled banks and earned an interest of Rs. 681.13 Lac. An amount of Rs. 459.28 Lakhs has been transferred to Reserves and Surplus account. The Board of Directors of the Company has not recommended any dividend during the year.

### 2. CAPITAL STRUCTURE

The Promoters' Agreement entered into between NHPC Limited and Government of Manipur provides that the paid up share capital of the Company shall be in the ratio of 74:26 respectively. The paid-up capital of the company as on the close of financial year was Rupees 117.69 crore.

### 3. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED EITHER DURING THE FINANCIAL YEAR OR SINCE THE END OF FINANCIAL YEAR

No material change has occurred during the financial year in the nature of company's business or in the class of business in which company has interest. Further, no material changes and commitment par se has occurred since the end of financial year thus not effecting financial position in any way.

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

There is no significant particular relating to Conservation of Energy, Technology Absorption under the companies (Disclosure of particulars in the report of the Board of Directors) Rule, 1988. During the year there is no Foreign Exchange earnings and outgo of the Company. Details are annexed to this report.

### 5. EMPLOYEE RELATIONS

During the year, industrial relations remain cordial and harmonious.

### 6. PARTICULARS OF EMPLOYEES

The information as required under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 is given in **Annexure-I** to the report.

### 7. STATUTORY AUDITOR

In exercise of powers conferred by section 619 (2) of the Companies Act, 1956 the Comptroller and Auditor General of India had appointed M/s Kunjabi & Co., Imphal as the Statutory Auditors of the Company for the year 2012-13.

### 8. CORPORATE GOVERNANCE

A separate statement on Corporate Governance is produced as a part of the Directors' Report along with the Certificate for compliance as **Annexure-II**.

### 9. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As stipulated under DPE guidelines on corporate Governance for CPSEs, a separate section on Management Discussion and Analysis Report is annexed as **Annexure-III** to this report.

### 10. AUDITOR'S REPORT

The reports of the Statutory Auditors along with financial results of the company and comments of the Comptroller and Auditor General of India on the account of LDHCL for the year ended 31st March 2013 are enclosed as **Annexure-IV and V** respectively.

### 11. AUDIT COMMITTEE

The Board of the Company constituted an Audit Committee in terms of section 292A of the Companies Act, 1956. The composition and other details of the committee have been given in the Corporate Governance Report forming part of this report.

### 12. DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 217 of the Companies Act, 1956, the Directors hereby confirm the following:

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- The Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2012-13 and of the profit of the Company for that period;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets

# LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Manipur)

of the Company and for preventing and detecting fraud and other irregularities;

- iv) The Directors had prepared the annual accounts on a going concern basis.

### 13. BOARD OF DIRECTORS

Pursuant to Article 40 of the Articles of Association of the Company, the Chairman, NHPC Limited shall act as Chairman of the Company. Accordingly, Shri G. Sai Prasad, Chairman & Managing Director, NHPC Limited was appointed by NHPC Limited as Chairman of the Company. At present the Board of your company comprises of the following members:

- |                           |          |
|---------------------------|----------|
| 1. Shri G. Sai Prasad     | Chairman |
| 2. Shri Vijay Kumar       | Director |
| 3. Shri Rajesh Agrawal    | Director |
| 4. Shri Kanwar Singh      | Director |
| 5. Shri Rajiv Kumar Gupta | Director |

### 14. RIGHT TO INFORMATION

Right to Information has been implemented in the Company.

### ACKNOWLEDGEMENTS

The Board of Directors acknowledge with deep appreciation the cooperation and guidance received from the Government of India, specially the Ministry of Power, NHPC Limited, Government of Manipur and its ministries, Departments / Boards, Auditors and Bankers of the Company.

The Board places on record its deep appreciation for the cooperation extended by the Office of Comptroller and Auditor General of India.

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

For and on behalf of the Board of Directors

sd/-  
(G. Sai Prasad)  
Chairman  
DIN: 00325308

Date: 07-08-2013

Place: New Delhi

### ANNEXURE TO THE DIRECTOR'S REPORT ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988

#### A. Conservation of Energy:

##### a) Energy Conservation Measures Taken;

As energy consumption is very low, no significant measures have been taken for energy conservation.

##### b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

As energy consumption is very low, no proposal for reduction of consumption is being implemented.

##### c) Impact of the measures at a) and b) above for reduction of energy consumption and consequent impact on the cost of production of goods;

Not applicable.

##### d) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure in respect of industries specified in the Schedule thereto

Not applicable.

#### B. Technology Absorption:

##### (e) Efforts made in technology absorption as per Form B of the Annexure.

The details are enclosed.

#### C. Foreign Exchange Earning and Outgo

##### (f) Activities relating to exports; initiatives taken to increase exports; development of new markets for products and services and export plans;

Loktak Downstream Hydroelectric Corporation limited has no export plans.

##### (g) Total Foreign Exchange used and earned

Nil

## FORM – B

### RESEARCH AND DEVELOPMENT (R&D)

#### 1. Specific areas in which R&D carried out by the company.

No R&D activity has been taken up by the company.

#### 2. Benefits derived as a result of the above R&D.

Not Applicable.

#### 3. Future plan of action 2013-14.

No R&D activities have been planned for the year 2013-14.

#### 4. Expenditure on R&D.

(a) Capital : Nil

(b) Recurring : Nil

(c) Total : Nil

(d) Total R&D expenditure as a percentage of total turnover

There is no Expenditure on R&D during the Financial Year 2012-13

### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

#### 1. Efforts in brief made towards technology absorption, adaptation and innovation

No significant efforts were made towards technology absorption, adoption and innovation as the construction work yet to start.

#### 2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.:

Not Applicable.

#### 3. In case of Imported Technology (imported during last five years: reckoned from the beginning of the financial year), following information may be furnished;

(a) Technology imported

(b) Year of import

(c) Has technology been fully absorbed?

(d) If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action.

NIL



# NHPC Limited

(A Government of India Enterprise)

## ANNEXURE-I

### INFORMATION REQUIRED UNDER SECTION 217(2A) OF THE COMPANIES ACT 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1975

Particulars of Employees throughout the Financial Year who were in receipt of remuneration not less than Rs. 60,00,000/- per annum.

Particulars of Employees employed for part of the financial year who were in receipt of remuneration not less than Rs. 5,00,000/- per month.

Name & Emp No	Designation of Employee & Nature of Duties	Qualification & Exp. of the employee	Date of commencement of Employment	Age	Nature of employment	Remuneration received	Last Employment held	Remarks
NIL								

## CERTIFICATE OF COMPLIANCE OF CORPORATE GOVERNANCE

To,

The Members

M/s Loktak Downstream Hydroelectric Corporation Limited

We have examined the compliance of conditions of Corporate Governance by M/s LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED (the company) as required to be done under the Guidelines on Corporate Governance for Central Public Sector Enterprises for the financial year ended on 31st March, 2013.

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

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

1. The Company has no independent directors on its Board. Hence certain compliances as mandated under the aforesaid guidelines have not been complied with by the company.
2. The number of nominee directors on the Board of Company is more than two.

3. Company has not yet laid down the code of conduct for its Board members and senior management personnel.
4. Company has not framed a formal training programme for its new Board Members. However all its present Board Members are nominees of NHPC Limited, Commissioner (Power), Government of Manipur and Nominee of Ministry of Power. Hence they are well versed with the Business model, risk profile etc.
5. Since Board does not have any independent director, hence Company does not have any independent member in its audit committee neither as member nor as chairman.
6. Company has not yet constituted Remuneration Committee.
7. Company has not yet laid down its Risk Management Policy.

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

**For Garima Duggal & Associates**  
**Company Secretaries**

sd/-

**Garima Duggal**  
**Proprietor**

**Membership No.21818**  
**CP No. 8413**

# LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Manipur)

Annexure-II

### REPORT ON CORPORATE GOVERNANCE

Corporate Governance deals with laws, practices and implicit rules that determine company's ability to take informed managerial decisions vis-à-vis its claimants in particular, its shareholders, creditors, customers, the State and its employees. It is about commitment to values, ethical business conduct, and transparency and makes a distinction between personal and corporate funds in the management of a company. The Management of Loktak Downstream Hydroelectric Corporation Limited ("LDHCL") tries to act in the best interest of all its stakeholders. The Company recognizes that transparency, disclosure, financial controls and accountability are the pillars of any good system of corporate governance. It is the Company's endeavor to attain highest level of governance to enhance the stakeholder's value.

#### 1. PHILOSOPHY ON CODE OF GOVERNANCE:

- To have adequate control system in operation and provide information to the Board on a timely basis in a transparent manner to enable the Board to monitor the accountability of Management to it.
- To increase the efficiency of Business Enterprise for creation of wealth of the Enterprise and Country as a whole.
- To ensure that Employees and Board subscribe to the corporate values and apply them in their conduct.
- To ensure growth of all individuals associated with or effected by the Enterprise on sustainable basis.
- To ensure that Enterprise is acceptable to the society in which it is functioning.

#### 2. COMPOSITION AND CATEGORY OF BOARD OF DIRECTORS:

##### (I) Size of the Board:

Loktak Downstream Hydroelectric Corporation Limited is a Company as defined under Section 617 of the Companies Act, 1956. As per Articles of Association of the Company, the strength of the Board shall not be less than 5 (five) and not more than 15 (fifteen).

##### (II) Composition of Board:

The Board of Directors of the Company (the "Board") consists of (5) five directors all of whom are Non-Executive Directors. At present, the company is not having any Independent Director on its Board. The composition of the Board and the number of Directorships and Committee positions (in Audit Committee and Shareholders' Grievance Committee) in other companies held by the Directors as on 31st March, 2013 is as under

Name	Category of Director	Other Director - ships held#	Other Committee Positions	
			As Chairman	As Member
Shri. G. Sai Prasad <sup>(1)</sup>	Non-Executive Chairman	5	Nil	Nil
Shri Vijay Kumar <sup>(2)</sup>	Non-Executive Director	Nil	Nil	Nil
Shri Rajesh Agrawal <sup>(3)</sup>	Non-Executive Director	2	Nil	Nil
Shri Kanwar Singh <sup>(4)</sup>	Non-Executive Director	Nil	Nil	Nil
Shri Rajiv Kumar Gupta <sup>(5)</sup>	Non-Executive Director	Nil	Nil	Nil

1). Shri G. Sai Prasad joined the Board on 27th July 2012.

2). Shri Vijay Kumar joined the Board on 16th January 2012

3). Shri Rajesh Agrawal joined the Board on 01st August 2012.

4). Shri Kanwar Singh joined the Board on 17th August 2012

5). Shri Rajiv Kumar Gupta joined the Board on 28th December 2012

# The Directorships held by the Directors, as mentioned above excludes alternate directorships, directorships in foreign companies and companies under Section 25 of the Companies Act, 1956.

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

#### A brief profile of the directors on the Board of the company as on 31st March 2013 is as under:

**Mr. G. Sai Prasad (DIN: 00325308) 47 years**, is our Chairman. He is a graduate from Andhra University and has Post Graduate degrees from the Indian Institute of Technology, (IIT) Delhi and from Duke University, USA. Shri Prasad is also an Indian Administrative Service officer of the 1991 batch. He has worked in several capacities in the state of Andhra Pradesh, including stints as Sub-Collector (Paderu), Project Officer (ITDA Paderu), Municipal Commissioner (Guntur), Joint Collector (Kadapa) and Collector and District Magistrate in Kurnool and Chittoor Districts. Before joining the Ministry of Power, Shri Prasad was also the CMD of Central Power Distribution Company Andhra Pradesh Limited and the Eastern Power Distribution Company of AP Limited. He joined the LDHCL Board on 27th July 2012. Shri G. Sai Prasad also holds directorships in NHPC Limited, NHDC Limited, THDC India Ltd, SJVN Limited and North Eastern Electric Power Corporation Ltd.

**Mr. Vijay Kumar (DIN - 03021294), 52 years**, is our Director. He holds a bachelor's degree in Science. He is a qualified Cost Accountant and a member of the Institute of Cost Accountants of India. He has over 28 years of experience in the Hydro Power Sector Accounting. He is holding the post of General Manager (Finance) in NHPC Limited. He is having vast experience in Finalization of Accounts, Fixation of Tariff and financial vetting of proposals. Shri Vijay Kumar is also the chairman of the Audit Committee of the Company. He joined the LDHCL Board on 16th January 2012.

**Mr. Rajesh Agrawal (DIN NO 00242334), 43 years** is our Director. He is a graduate from the Delhi University and a post graduate in International Business from IIFT, Delhi. He joined the Indian Administrative Service in 1994 and has served in various capacities in the State of Manipur, Jharkhand and Bihar. Starting his career as Sub-Divisional Officer Tamenglong in Manipur, he has worked as Deputy Commissioner in the Bokaro, West Singhbhum and Giridih districts of Jharkhand. He also had a successful stint as Director of Industries and Commerce, Jharkhand. Shri Agrawal has also served as Director (Fertilizers) in Government of India and Private Secretary to the Union Minister, before joining in his current position as Commissioner to the Government of Manipur holding the charge of Power, Agriculture, Science & Technology and Eco & Statistics department. Shri Agrawal also holds directorships in Manipur State Power Company Limited and Manipur State Power Distribution Company Limited.

**Mr. Kanwar Singh (DIN - 05351047), 53 years**, is our Director. He holds Bachelor's degree in Civil Engineering. He has 30 years of experience in Hydro Sector. He is presently the Executive Director of Consultancy and Joint Venture Division of NHPC Limited. He was involved in Construction of Dulhasti and Dhauliganga HE projects of NHPC Ltd at various levels. He was closely associated for award of works for 390 MW Dulhasti H.E. Project, 480 MW Uri H.E. Project and 330MW Kishanganga Project in J&K on turnkey basis. He has experience of formulation of Condition of Contract, qualification particulars and evaluation of Bids. He was conferred with "Outstanding Public Offer" for the year 2010 by Construction Industry Development Council (CIDC). He joined the LDHCL Board on 17th August 2012.

**Mr. Rajiv Kumar Gupta (DIN - 06462992), 49 years**, is our Director. He has done his bachelor's degree in Civil Engineering from Motilal Nehru National Institute of Technology and his masters in Irrigation and Hydraulics from Punjab Engineering College, Chandigarh. He is an Indian Forest Services officer of 1988 batch and belongs to Arunachal-Goa-Mizoram-UT cadre. Shri Gupta has worked in various capacities in forest establishments of Mizoram and Government of NCT of Delhi. He has also worked in Ministry of Environment & Forest, Government of India in the field of forest conservation. Shri Gupta is presently posted as Director (Hydro), Ministry of Power, Government of India. He joined the LDHCL Board on 28th December 2012.



## (ii) Non-Executive Director's Compensation & Disclosures:

The Directors on the company are appointed by NHPC Ltd, Govt. of Manipur and Ministry of Power. No severance fees/ notice period pay is payable to the directors at the time of separation from the Company. The Company has not paid any sitting fee or remuneration to any of the Directors during the year under review.

## (iii) Board Meetings, Committee Meetings & Procedures:

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

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

- Meetings are convened by giving appropriate notice after approval of the Chairman. Detailed agenda notes, management reports and other explanatory statements are circulated in advance among the members to facilitate meaningful, informed and focused decisions during the meeting. Whenever urgent issues need to be addressed, meetings are called at a shorter notice or resolutions are passed by circulation.
- Whenever it is not possible to attach a document to the agenda notes due to its confidential nature, or in special and exceptional circumstances, or in case of additional or supplemental items, such documents are placed on the table during the meeting.
- Agenda papers are generally circulated after obtaining approval of the Chairman.
- The meetings are held at New Delhi / Imphal.
- Members of the Board have complete access to the information pertaining to the Company. Board/Committee members are also free to recommend any issue that they may consider important for inclusion in the agenda. Senior management officials and officials of promoters are called during the meeting to provide additional inputs on the matters being discussed by the Board/Committee, as and when necessary.
- CEO is permanent invitee in all the Board/Committee meetings.

### (C) Recording of the Minutes of the Board/Committee Meetings:

Minutes of the proceedings of each Board/Committee Meeting are duly recorded in the Minutes Book. The minutes of each Board Meeting are circulated amongst the Members for their confirmation in the next meeting of Board of Directors.

### (D) Follow-up Mechanism:

Based on the decisions of the Board/Committee, an Action Taken Report on the decisions of the Board/Committee is presented in subsequent meetings of respective Board/Committee, which helps in effective follow-up, review and reporting on decisions.

### (E) Compliance:

The Company ensures compliance of all applicable provisions and statutory requirements under different laws. The Board reviews the Legal Compliance Report placed before it from time to time.

The following information is regularly provided to the Board:

- Annual Budgets and related updates.
- Minutes of the meetings of the Audit Committee
- Disclosure of interest by the Directors about their Directorships and committee positions held by them in other Companies/ Firms, etc.
- Awarding of large contracts.
- Information with respect to consultancy services assigned to/ rendered by NHPC Limited for implementation of the project.

Total four Board Meetings were held during the year under review as per pre-schedule. As per section 285 of companies

Act, 1956 the Company held at-least one Board Meeting every three months. The Chief Executive Officer of the Company has been delegated substantial powers to run the business. The Board is provided with detailed information / progress on various developments.

The details of the Board meetings held during the year 2012-13 are given as under:

Sr. No.	Board Meeting No. and Board Meeting Date	Board Strength	No. of Directors Present
1.	12th meeting held on 18th May 2012	5	5
2.	13th meeting held on 17th August 2012	5	4
3.	14th meeting held on 14th November 2012	4	3
4.	15th meeting held on 06th February 2013	5	5

Attendance of Directors in the Board Meetings during the year under review was as under:

Name of the Directors & Category of Director	Attendance of Meetings during 2012-13	
	Board Meeting	Last AGM
Shri A.B.L. Srivastava (NE)\$	1	N.A
Shri Liangsi Paul Gonmei (NE)\$	1	N.A
Smt. Kalyani Mishra (NE)	2	Yes
Shri D.K.Ray (NE)\$	1	N.A
Shri Vijay Kumar (NE)	4	Yes
Shri G. Sai Prasad (NE)*	2	No
Shri Rajesh Agrawal (NE)*	3	Yes
Shri Kanwar Singh (NE)*	2	Yes
Shri Rajiv Kumar Gupta (NE)*	1	N.A

\$ Nomination of Shri A.B.L. Srivastava was withdrawn by NHPC Limited w.e.f. 27th July 2012.

\$ Nomination of Shri Liangsi Paul Gonmei was withdrawn by Nominating Authority(GoM) w.e.f. 31st July 2012.

\$ Shri D.K.Ray ceased to be a director w.e.f. 17th August 2012.

\* Shri G. Sai Prasad, Shri Rajesh Agrawal, Shri Kanwar Singh and Shri Rajiv Kumar Gupta have joined the Board of the Company on 27th July, 2012, 01st August 2012, 17th August, 2012 and 28th December, 2012 respectively.

NE stands for 'Non Executive Director'

## (iv) Code of Conduct:

Although, the Code of Business Conduct and Ethics for Directors and Senior Management Personnel are not yet formulated, the Board and the Senior Management Personnel are committed to adhere to the highest standards of business conduct and ethics.

## (v) Risk Management:

The Board has ensured integration and alignment of the risk management system with the corporate and operational objectives. Also the risk management is undertaken as a part of normal business practice and not as a separate task at set times.

## 3. AUDIT COMMITTEE:

The Board of the company had constituted an audit committee. The composition of Audit Committee as on 31st March 2013 and as on date is as under:

(i)	Shri Vijay Kumar	Chairman
(ii)	Shri Rajesh Agrawal	Member
(iii)	Shri Kanwar Singh	Member

There is no independent director on the board of the company; hence, none of the member including Chairman of the Committee is independent Director.

## Meetings and Attendance:

Total three meetings were held during the year under review. The gap between any two audit committee meetings was not more than four

# LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Manipur)

months. The details of the Audit Committee meetings held during the year under review are as under:

Sr. No.	Date	Committee Strength	No. of Members Present
1.	18th May, 2012	4	4
2	12th September, 2012	4	3
3	21st December, 2012	3	2

The Company Secretary acted as secretary to the Audit Committee. Attendance of members in the Audit Committee Meetings during the year under review was as under:

Name of the member	Meetings held during the tenure of member	Meetings attended during 2012-13
Shri. Vijay Kumar	3	2
Shri. Liangsi Paul Gonmei <sup>(1)</sup>	1	1
Smt. Kalyani Mishra <sup>(2)</sup>	2	1
Shri. D.K.Ray <sup>(3)</sup>	1	1
Shri. Rajesh Agrawal <sup>(4)</sup>	2	2
Shri Kanwar Singh <sup>(5)</sup>	2	2

- 1). Shri Liangsi Paul Gonmei ceased to be member of the Audit Committee w.e.f 31st July 2012.
- 2). Smt. Kalyani Mishra ceased to be member of the Audit Committee w.e.f 26th October 2012.
- 3). Shri D.K.Ray ceased to be member of the Audit Committee w.e.f 17th August 2012.
- 4). Shri. Rajesh Agrawal was made the member of the Audit Committee by the board in its 13th meeting held on 17th August 2012.
- 5). Shri Kanwar Singh was made the member of the Audit Committee by the board in its 13th meeting held on 17th August 2012.

The terms of reference of the Committee are as under:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the fixation of audit fees to the Board.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - a. matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
  - b. changes, if any, in accounting policies and practices and reasons for the same;
  - c. major accounting entries involving estimates based on the exercise of judgment by management;
  - d. significant adjustments made in the financial statements arising out of audit findings;
  - e. compliance with legal requirements relating to financial statements;
  - f. disclosure of any related party transactions; and
  - g. qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, performance of internal auditors and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.

8. Discussion with internal auditors and/or auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors/auditors/agencies into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower Mechanism.
13. To review the follow up action on the audit observations of the C&AG audit.
14. To review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.
15. Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors.
16. Review all related party transactions in the company. For this purpose, the Audit Committee may designate a member who shall be responsible for reviewing related party transactions.

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

17. Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
18. Consider and review the following with the independent auditor and the management:
  - The adequacy of internal controls including computerized information system controls and security, and
  - Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.
19. Consider and review the following with the management, internal auditor and the independent auditor:
  - Significant findings during the year, including the status of previous audit recommendations
  - Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information,
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The powers of the Audit Committee are as per section 292A of the Companies Act, 1956.

#### 4. SUBSIDIARY COMPANIES:

The company is not having any subsidiary.

#### 5. REMUNERATION COMMITTEE:

The Company has not constituted any Remuneration Committee.

#### 6. GENERAL BODY MEETINGS:

The dates, times and locations of the previous three Annual General Meetings are given as under:

Financial Year	Date	Time	Location
2009-10	08.09.2010	2.30 p.m	New Delhi
2010-11	04.08.2011	4.30 p.m	New Delhi
2011-12	17.08.2012	3.00 p.m	New Delhi

No special resolution was passed in the previous three AGMs of the Company. The Company had held its Annual General Meetings at Delhi (i.e. at a place other than place of registered office) with the approval of Central Government. The Chairman of the Audit Committee was present in the Annual General Meeting.



## 6.1 DETAILS OF SPECIAL RESOLUTIONS PASSED DURING THE LAST THREE YEARS:

Sl. No.	Details of Meeting	Special Resolution passed
1.	Extra-ordinary General Meeting held on 17th May 2010	Change of registered office of the company.

No resolution was passed through postal ballot during the year under review.

### DISCLOSURES:

- Related Party Transactions: There were no transactions of material nature with the promoters or Directors or the Management, etc, which have potential conflict with the interest of the Company at large.
- No penalty or strictures were imposed on the company by any statutory authority, on any matter related to any guidelines issued by Government, since inception.
- Whistle Blower Policy: The Company has not adopted any Whistle Blower Policy. However, no personnel has been denied access to the Audit Committee.
- No independent Director has been appointed in the Board of the Company, hence the Company could not comply with the various provisions regarding Independent Director, issued by the Department of Public Enterprises.
- No Presidential Directives were issued to the company since inception.
- No item of expenditure was debited in books of accounts, which are not for the purpose of business.
- There were no expenses incurred which are personal in nature and incurred for the Board and Management.
- Details of administrative and office expenses as a percentage of total expenses vis-à-vis financial expenses and reasons for increase are given below:

Sr. No.	Particulars	% age of total expenses	Reasons for increase
1.	Administrative Expense	7%	Increase of administrative & office Expenses is due to implementation of project Pre Construction activities.
2.	Office Expenses	3%	

- Accounting Treatment:

The Company has followed the Accounting Standards notified under the Companies Accounting Standards Rules, 2006. However, deviations, if any, have been reported in the notes forming part of accounts.

- Remuneration of Directors:

Directors are not paid any remuneration or sitting fees.

## 7. MEANS OF COMMUNICATION:

The annual financial results of the company are provided to members in physical form. The company is not required to publish quarterly results.

## 8. INFORMATION FOR SHAREHOLDERS: ANNUAL GENERAL MEETING:

The Board in its 17th Meeting held on 18th May 2013 has authorized the Chairman of the Company to decide a date, time and place of the 4th AGM.

## 9. AUDIT QUALIFICATION:

There are no adverse remarks by the Statutory Auditor. However, the Comptroller and Auditor General of India has highlighted a matter regarding classification of advance of Rs. 106.95 Lacs given to Survey of India for undertaking Topographical Survey Work of Loktak Downstream Hydroelectric Project. The comments of the Comptroller and Auditor General of India on the accounts of the company for the year ended 31st March 2013 and the Management Reply thereon are annexed elsewhere with the Directors' Report.

## 10. TRAINING OF BOARD MEMBERS:

Loktak Downstream Hydroelectric Corporation Ltd is into power generation business. The Board of the company comprises nominees of NHPC Limited, Commissioner (Power), Government of Manipur and nominee of Ministry of Power. Therefore, they are well versed with the business model and risk profile of the business of the company.

## 11. COMPLIANCE CERTIFICATE:

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

For and on behalf of the Board of Directors

(G. Sai Prasad)  
Chairman  
DIN: 00325308

Date: 07-08-2013  
Place: New Delhi



# LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Manipur)

ANNEXURE-III

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### I INDUSTRY STRUCTURE AND DEVELOPMENT

Power is one of the most important factors for the growth of an economy, in particular, for a developing country like India where higher and improved standard of living depends upon the availability of adequate and reliable power at an affordable price. Unlike other commodities, the dynamics of supply and demand does not apply to power, as it cannot be stored. India has witnessed a robust growth in power sector since independence. With a total installed capacity of 2,23,626 MW, Thermal, Hydro, Nuclear and Renewable power generation as on 31st March 2013 is recorded at 151,680 MW; 39623 MW; 4780 MW and 27,542 MW respectively.

The present power scenario in Manipur is not good. General consumers get not more than 6-7 hrs power supply in a day. The situation generally worsens during the lean season when the generation in all the hydro power stations in North Eastern Region, from where the State gets its share, are at its minimum low. The total peak demand of the State is about 180 MW while, the availability of power varies from around 120 MW during peak hydro season to 45-30 MW during the winter peak. The gap between the demand and supply is expected to increase in the years to come. To tide over the situation, the Power department has planned to implement two hydro power projects viz Locket Downstream HE Project(66 MW) and Tipaimukh HE Project (1500 MW) under Joint Venture mode out of which Locket Downstream HE Project has been assigned to the Company. State would consume the entire power generated from this Project which will improve the availability of power in the State.

#### II STRENGTH

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

At the time of investment decisions made by the GOI on new projects, the Company obtains the commitments from SEBs / Power Departments and their successor entities for purchase of power from the new projects. Same commitments exist in respect of the Company. As per clause II (d) of the Memorandum of Understanding between Government of Manipur and NHPC Limited signed on 14th September 2009, Govt. of Manipur would purchase entire power generated from the project.

##### Competent and committed workforce

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

##### Strong design and engineering team of parent organizations

The Company is well supported by NHPC Limited, parent Company which has an in-house team for project design and its engineering capabilities ranging from the concept stage to the commissioning of the projects. This team is supported by international and domestic project consultants. The engineers of NHPC Limited have specialized tunnel design experience and are able to design for variable and unpredictable geological conditions. The engineers have experience with a variety of specialized analysis, design and computer aided design ("CAD") software applications and their innovative and fully-integrated approach brings a full complement of skills and knowledge to provide solutions to any given design problem.

#### III OPPORTUNITIES

North Eastern India is blessed with huge untapped hydro potential and the development of hydro power is considered an excellent option to boost the economy for this underdeveloped part of the country. With the construction of the Locket Downstream Hydro-electric Project, this part of the country will see tremendous growth in all sectors.

#### IV THREATS, WEAKNESSES, RISKS AND CONCERNS

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

##### Land Acquisition

The project is located in hilly and difficult terrains which require large areas of land for infrastructure works as well as for project's components including submergence. The process of land acquisition is quite cumbersome and requires simplification of procedures.

##### Geological Surprises

Geological surprises especially in underground works are common in this area, which may result in time and cost over-run.

##### Natural Calamities

As Hydropower project is located in hilly terrains, land-slides, hill slope collapses and road blocks, flood and cloud burst may cause severe set-back in construction schedules.

##### Unexpected complexities

Development of the Project may be subject to unexpected complexities and delays, which may cause the actual costs of developing projects to differ significantly from estimates.

The generation capacity may vary substantially because of variations in water flow due to climatic conditions, which may cause significant fluctuations in revenue and profits.

#### V SEGMENT WISE OR PRODUCT WISE PERFORMANCE

The Company is executing Locket Downstream Hydroelectric Project with the proposed installed capacity of 66 MW. There are no segments or products, present or proposed, other than the execution of this project.

#### VI OUTLOOK

Ample opportunities are available for investors / executors in the field of hydro power development. Various initiatives have been taken for the reforms in Power Sector as a whole and hydropower in particular such as ranking study of potential hydro sites by CEA in 2001, enactment of Electricity Act 2003, 50,000 MW Hydroelectric Initiatives in May 2003, and introduction of Hydro Policy, 2008.

The changed scenario will provide new opportunity for the development of hydropower in the country.

#### VII INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a specific delegation of powers. The Organizational structure is well defined in terms of the structured authority / responsibility involved at a particular hierarchy level. Internal Audit Department of NHPC Limited has been requested to conduct internal audit of the Company, which is staffed with qualified experienced people.

#### VIII DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

##### A) Financial Performance

The Company is engaged in the survey & Investigation of Locket downstream Hydroelectric Corporation limited for which the Company has sufficient funds available with it. These funds have been parked in the term deposits with schedule banks and earning interest for the Company.

##### B) Operational Performance of the Project

Third phase topographical survey work by the Survey of India (Sol) has been completed. Ministry of Environment and Forest has accorded Environmental and Stage-I Forest Clearance to the project.

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

Your Company believes that a well-trained and experienced team of employees is crucial for the continued growth and success of the Company. All the workforce of the Company has been deputed from NHPC Limited. Employees are put to various trainings as per the training policy of NHPC Limited.

##### INDUSTRIAL RELATION & STAFF WELFARE

Industrial relations between employees and employer were cordial and harmonious. No man-days were lost on account of strikes / lock-out. Staff



# NHPC Limited

(A Government of India Enterprise)

welfare activities were given special consideration. Workers were encouraged to participate in the areas concerning their working conditions, welfare etc.

- School children are extended transportation facility for going to Schools.
- Cultural programmes, celebration of festivals and sports activities are organized. Clubs for both executives and Non-Executives are duly furnished.
- Entertainment Facilities like Cable T.V. by arranging infrastructure or outsourcing the same.
- Educational facilities through Kendriya Vidyalaya at Loktak Power station are being provided.
- Hospital / Dispensary facility with qualified internal Doctors and para-medical staff at Loktak Power Station are being provided. Along with the Hospital, employees and their families are also entitled to seek treatment in various empanelled hospitals throughout the country.

## RESERVATION FOR SC/ST/OBC

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

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

Group	Total Employees as on 31/03/13	Representation					
		SCs	SC%	STs	ST%	OBC	OBC%
Total	31	2	6%	3	9%	2	6%

## WELFARE OF PERSONS WITH DISABILITIES

There was no physically challenged employee in the Company as on 31.03.2013.

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

The Company is committed to preserve mankind's precious heritage nature by maintaining a balance between preservation of environment and its activities at project site. The adverse impact, if any, of construction activities will be mitigated and compensated by adopting measures like Compensatory Afforestation, Catchment Area Treatment, Green Belt Development, Fishery Management, Health Management, Rejuvenation of Dumping Sites and Quarry Sites, Resettlement & Rehabilitation, etc.

## XI CORPORATE SOCIAL RESPONSIBILITY

Your Company is committed to Corporate Social Responsibility ("CSR") efforts and strives to demonstrate environmentally as well as ethically conscious behaviour. It seeks to incorporate best practices in corporate governance, employee welfare, and environmental commitment.

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

### Cautionary Statement

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

The financial figures in the Directors' Report are based on the audited results of the Company.

For and on behalf of the Board of Directors

(G. Sai Prasad)  
Chairman  
DIN: 00325308

Date: 07-08-2013  
Place: New Delhi

# LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Manipur)

ANNEXURE-IV

### AUDITOR'S REPORT

TO THE MEMBER OF LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

We have audited the attached Balance Sheet of LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED as at 31st March, 2013 and the related Profit & Loss Account, Cash Flow Statement and Statement of Expenditure during Construction for the year ended on 31st March, 2013, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimate made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion, and we report that-

1. As required by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs (4) and (5) of the said Order.
2. Further to our comments in the annexure referred to in paragraph (1) above, we report that:-
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of accounts, as required by law, have been kept by the company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, Profit & Loss Account, Cash Flow Statement and the Expenditure during Construction Account dealt with by this report are in agreement with the books of accounts.

- (d) In our opinion, the Balance Sheet, Profit & Loss Account, Cash Flow Statement and the Expenditure during Construction Account dealt with by this report comply with the applicable mandatory accounting standards, referred to in Section 211(3C) of the Companies Act, 1956.
- (e) The Department of Company Affairs vide their Notification No. F. No. 8/5/2001-CL.V dated 21st October 2003 have notified that the provision of section 274(1) (g) of the Companies Act 1956 is not applicable to Government Company.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with the Significant Accounting Policies (Note No-34) and Explanatory Statement to Accounts (Note No-35), give the information, required by the Companies Act, 1956 in the manner so required and give a true and fair view:-
  - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2013 and
  - ii) In the case of Profit & Loss Account, of the net profit for the year ended on that date.
  - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.
  - iv) In the case of Statement of Expenditure during Construction, of the Expenditure of the Company incurred for the year ended on that date.

**For Kunjabi & Co**  
Chartered Accountants  
(Firm Regn. No. 309115E)

**(LINDA KSHETRIMAYUM )**  
Partner  
M.No.511337

Place: Imphal  
Dated: 18th May 2013

### ANNEXURE TO AUDITORS' REPORT

Referred to in Para-1 of our Report of even date

1.
  - (a) The Company has maintained proper records of Fixed Assets showing full particulars including quantitative details and situation of its fixed assets.
  - (b) All the assets have been physically verified by management during the year as there is a programme of verification, which, in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (c) Since there is no disposal of substantial part of fixed assets during the year, the preparation of financial statements on a going concern basis is not affected on this account.
2.
  - (a) As explained to us, inventories have been physically verified by the management during the year.
  - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - (c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3.
  - (a) Based on the audit procedures applied by us and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. In view of this, sub clauses (b), (c) and (d) of clause (iii) are not applicable.
  - (b) As per information and explanation the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered under the register maintained u/s 301 of the Companies Act, 1956. In view of this, sub clauses (e), (f) and (g) of clause (iii) are not applicable.
4. In our opinion and according to information and explanations given us in general there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventories and fixed assets. There was no sale of goods and services during the year as the project is under construction stage.
5.
  - (a) According to the information and explanations given to us, during the year under audit there have been no contracts or arrangements which need to be entered in the register maintained under section 301 of the Companies Act, 1956.
  - (b) In view of sub-clause (a) above, the sub clause is not applicable.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from within the meaning of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956.
7. The internal audit system of the company is commensurate with the size and nature of its business.
8. The company is under construction stage, so maintenance of cost records is not applicable on the company by Central Government under section 209(1) (d) of the Companies Act, 1956.



# NHPC Limited

(A Government of India Enterprise)

9. (a) According to the records of the company, Provident Fund contributions have regularly been intimated to the corporate office of its holding company NHPC Ltd for onward deposit with NHPC Employees Provident Fund during the year under audit and as informed the actual date of deposit was within due dates and as regards administrative charges on PF and EDLI the same is being deposited with appropriate authorities within due dates and as informed there are no dues towards Investors Education and Protection Fund, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other Statutory dues
- (b) According to the information and explanations given to us, there are no dues pending on account of any dispute regarding Income Tax, Sales Tax, Wealth Tax, Service Tax, custom Duty, excise Duty and Cess which have not been deposited,
10. The clause 4(X) of the order in r/o accumulated loss is not applicable on the company.
11. In our opinion and according to the information and explanations given to us, the company has not accepted any loans from any financial institution or bank. Therefore clause 4(XI) of the order is not applicable on the company.
12. According to the information and explanations given to us the company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore clause 4(XIII) of the order is not applicable to the company.
14. In our opinion and as per the explanation given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Therefore clause 4 (XIV) of the order is not applicable to the company.
15. In our opinion and according to the explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us, the Company did not avail any term loan during the year.
17. According to the information and explanations given to us, the Company did not raise any short term funds during the year.
18. During the year the company has not made any preferential allotment of shares to parties and companies covered in register maintained u/s 301 of the Companies Act, 1956.
19. According to information and explanations given to us, the company has not issued any debentures during the year covered by our audit report.
20. The Company has not raised any money by public issue during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

**For Kunjabi & Co**  
Chartered Accountants  
(Firm Regn. No. 309115E)

**(LINDA KSHETRIMAYUM )**  
Partner  
M.No.511337

Place: Imphal  
Dated: 18th May 2013

## ANNEXURE-V

### COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2013

The preparation of financial statements of Loktak Downstream Hydroelectric Corporation Limited for the year ended 31 March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 18 May 2013.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of Loktak Downstream Hydroelectric Corporation Limited for the year ended 31 March 2013. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit I would like to highlight the following significant matter under section 619(4) of the Companies Act, 1956, which has come to my attention and which in my view, is necessary for enabling a better understanding of the financial statements and the related Audit Report:

#### Balance Sheet

#### Assets

#### Current Assets

#### Short term Loans and Advances (Note 14) - ₹ 729.66 lakh

The above includes an amount of ₹106.95 lakh being the amount of advance paid to Survey of India for undertaking Topological Survey Work of Loktak Downstream Hydroelectric Project. As per Accounting Policy No.4.3 of the Company, expenditure in relation to survey and investigation is capitalized on completion of the construction of the project as cost of the project. Hence, the above advance should have been classified as Capital Advance under the head "Long Term Loans and Advances" in terms of Para 8.7.3 of the Guidance Note of Revised Schedule VI to the Companies Act, 1956.

This has resulted in understatement of "Long Term Loans and Advances" and overstatement of "Short Term Loans and Advances" by ₹ 106.95 Lakh.

Place : New Delhi  
Dated : 18 July 2013

**(Naina A. Kumar)**  
Principal Director of Commercial Audit &  
Ex-officio Member, Audit Board - III,  
New Delhi

# LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Manipur)

### BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2013

(Amount in ₹)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	2	1176923090	984615400
(b) Reserves and Surplus	3	101905875	55977496
<b>(2) SHARE APPLICATION MONEY PENDING ALLOTMENT</b>	4		50000000
<b>(3) NON-CURRENT LIABILITIES</b>			
(a) Long Term Borrowings	5	-	-
(b) Deferred Tax Liabilities	6	-	-
(c) Other Long Term Liabilities	7	-	-
(d) Long Term Provisions	8	-	-
<b>(4) CURRENT LIABILITIES</b>			
(a) Short Term Borrowings	5	-	-
(b) Trade Payables	9	1606736	783379
(c) Other Current Liabilities	10	333560622	84048472
(d) Short Term Provisions	8	60791020	40143725
<b>TOTAL</b>		1674787343	1215568472
<b>II. ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
(a) Fixed Assets			
(i) Tangible Assets	11.1	9157674	9330395
(ii) Intangible Assets	11.2	1	2618
(iii) Capital Work In Progress	12.1	482873089	418015182
(iv) Intangible Assets under development	12.2	-	-
(b) Non Current Investments	13	-	-
(c) Deferred tax assets	6	-	-
(d) Long term loans and advances	14	8245241	987089
(e) Other non-current assets	15	-	-
<b>(2) CURRENT ASSETS</b>			
(a) Current Investments	16	-	-
(b) Inventories	17	-	-
(c) Trade Receivables	18	-	-
(d) Cash & Bank Balances	19	1064626215	674033614
(e) Short term Loans and Advances	14	72966249	50882639
(f) Other Current Assets	20	36918874	62316935
<b>TOTAL</b>		1674787343	1215568472
<b>Significant Accounting Policies</b>	1		
<b>Other Explanatory Statements to Accounts</b>	31		
<b>Note 1 to 31 form integral part of the Accounts</b>			

In terms of our report of even date attached  
**FOR KUNJABI & CO**  
 CHARTERED ACCOUNTANTS  
 ( F.Reg. No-309115E)

**LINDA KSHETRIMAYUM**  
 PARTNER  
 MEMBERSHIP NO - 511337

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

**(KANWAR SINGH)**  
 DIRECTOR  
 DIN-05351047

**(VIJAY KUMAR)**  
 DIRECTOR  
 DIN-03021294

**(RANJAN MITRA)**  
 CHIEF EXECUTIVE OFFICER  
 LDHCL

Place - IMPHAL  
 Dated- 18th MAY 2013



# NHPC Limited

(A Government of India Enterprise)

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

(Amount in ₹)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
<b>INCOME</b>			
i) Revenue from Operations	21	-	-
ii) Other Income	22	68113307	60719161
<b>TOTAL REVENUE</b>		68113307	60719161
<b>EXPENDITURE</b>			
i) Generation, Administration and Other Expenses	23	126660	724396
ii) Employee Benefits Expense	24	-	-
iii) Finance Cost	25	-	-
iv) Depreciation & Amortization Expense	26	-	-
<b>TOTAL EXPENDITURE</b>		126660	724396
<b>Profit before Prior Period items, Exceptional and Extraordinary items and Tax</b>		67986647	59994765
Prior Period Items (net)	27	-	-
<b>Profit before Exceptional and Extraordinary items and Tax</b>		67986647	59994765
Exceptional items		-	-
<b>Profit before extraordinary items and Tax</b>		67986647	59994765
Extraordinary items		-	-
<b>PROFIT BEFORE TAX</b>		67986647	59994765
<b>Tax Expenses</b>	28		
Current Tax		22058268	19465302
<b>Total Tax Expenses</b>		22058268	19465302
<b>Profit for the period from continuing operations</b>		45928379	40529463
Profit from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
<b>Profit from discontinuing operations after tax</b>		-	-
<b>Profit for the year</b>		45928379	40529463
Earning per share (Equity shares, face value of ₹ 10/- each)			
<b>Basic</b>			
<b>Diluted</b>			
<b>Other Explanatory Statements to Accounts</b>	31		
<b>Note 1 to 31 form integral part of the Accounts</b>			

In terms of our report of even date attached

**FOR KUNJABI & CO**

CHARTERED ACCOUNTANTS

( F.Reg. No-309115E)

**LINDA KSHETRIMAYUM**

PARTNER

MEMBERSHIP NO - 511337

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

**(KANWAR SINGH)**

DIRECTOR

DIN-05351047

**(VIJAY KUMAR)**

DIRECTOR

DIN-03021294

**(RANJAN MITRA)**

CHIEF EXECUTIVE OFFICER

LDHCL

Place - IMPHAL

Dated- 18th MAY 2013

# LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Manipur)

### NOTE NO. 1 - SIGNIFICANT ACCOUNTING POLICIES

#### 1. ACCOUNTING CONVENTIONS

The accounts of the Corporation are prepared under the historical cost convention using the accrual method of accounting.

#### 2. FIXED ASSETS

- 2.1 Fixed assets are stated at cost of acquisition/construction. In cases where final settlement of bills with contractors is pending, but the asset is complete and ready for use, capitalisation is done on estimated basis subject to necessary adjustment, including those arising out of settlement of arbitration/court cases, in the year(s) of final settlement.
- 2.2 Fixed Assets created on land not belonging to the Corporation are included under fixed assets.
- 2.3 Capital Expenditure on assets where neither the land nor the asset is owned by the Company is reflected as a distinct item in capital work in progress till the period of completion and thereafter in the fixed assets.
- 2.4 Payments made provisionally towards compensation and other expenses relating to land are treated as cost of land.
- 2.5 Land taken for use from State Government (without transfer of title) and expenses on relief and rehabilitation as also on creation of alternate facilities for land evacuates or in lieu of existing facilities coming under submergence and where construction of such alternate facilities is a specific pre condition for the acquisition of the land for the purpose of the project, are accounted for as Land-unclassified/ Right of use, to be amortised over a period of 30 years from the date of commercial operation of the project.
- 2.6 Fixed Assets declared surplus are shown at lower of book value and net realisable value.
- 2.7 The company assesses at each balance sheet date whether there is any indication that cash generating unit (CGU) is impaired based on internal/external indicators. If any such indication exists, company estimates the recoverable amount of the CGU. An impairment loss is recognized in the statement of profit and loss where the carrying amount exceeds the recoverable amount of the cash generating units. An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.

#### 3. MACHINERY SPARES

- 3.1 (a) Machinery spares procured along with the Plant & Machinery or subsequently and whose use is expected to be irregular are capitalized separately, if cost of such spares is known and depreciated fully over the residual useful life of the related plant and machinery at the rates of depreciation and methodology as notified by CERC for such Plant & Machinery. If cost of such spares is not known particularly when procured along with mother plant, these are capitalized & depreciated along with mother plant at the rates of depreciation and methodology as notified by CERC for such Plant & Machinery.
  - (b) WDV of spares is charged off to Profit & Loss Account in the year in which such spares are replaced in place of retrieved spares, provided the spares so retrieved do not have any useful life. Similarly value of such spares, procured & replaced in place of retrieved spares, is charged off to Profit & Loss Account in that year itself, provided spares so retrieved do not have any useful life.
  - (c) When the useful life of the related fixed asset expires and asset is retired from active use, such spares are valued at net book value or net realizable value whichever is lower. However, in case retired assets are not replaced, WDV of related spares less disposable value is written off.
- 3.2 Other spares are treated as "stores & spares" forming part of the inventory and expensed when issued.

#### 4. CAPITAL WORK IN PROGRESS

- 4.1 Projects under commissioning and other capital work-in-progress are carried at cost. Administration & General overhead expenses

attributable to construction of fixed assets are identified and allocated on systematic basis on major immovable assets other than land and infrastructural facilities, on commissioning of the project.

- 4.2 Expenditure on maintenance, up gradation etc. of common public facilities in projects under construction is charged to 'Expenditure During Construction (EDC)'.
- 4.3 Expenditure in relation to Survey and Investigation of the projects is carried as capital work in progress. Such expenditure is either capitalized as cost of Project on completion of the construction of the project or the same is expensed in the year in which it is decided to abandon such project.

#### 5. DEPRECIATION & AMORTISATION

- 5.1 Depreciation on additions to/deductions from fixed assets during the year is charged on pro-rata basis from / up to the date in which the asset is available for use / disposal.
  - 5.2.1 Depreciation on Fixed Assets of Operating Units of the company is charged on straight-line method following the rates and methodology as notified by the Central Electricity Regulatory Commission (CERC) for the fixation of tariff except for assets specified in 5.2.3 below, in respect of which depreciation is charged at the rates mentioned in that policy.
  - 5.2.2 Depreciation on Fixed Assets of other than Operating Units of the company is charged on straight-line method to extent of 90% of the cost of asset following the rates as notified by the Central Electricity Regulatory Commission (CERC) for the fixation of tariff except for assets specified in 5.2.3 below, in respect of which depreciation is charged at the rates mentioned in that policy.
  - 5.2.3 Depreciation in respect of following assets is charged on straight line method to the extent of 90% of the cost of asset following the rates of depreciation indicated as against each asset
    - (i) Construction Plant & Machinery 11.25%
    - (ii) Computer & Peripherals 30%
  - 5.2.4 Temporary erections are depreciated fully (100%) in the year of acquisition / capitalization by retaining Re.1/- as a WDV.
- 5.3 Assets valuing Rs 5000/- or less but more than Rs. 750/- and such items (excluding immovable assets) with written down value of Rs 5000/- or less at the beginning of the year are fully depreciated during the year with Re. 1 as a balance value.
- 5.4 Low value items, which are in the nature of assets (excluding immovable assets) and valuing upto Rs750/- are not capitalized and charged off to revenue.
- 5.5 Cost of software is recognized as 'Intangible Assets' and is amortized on straight line method over a period of legal right to use or three financial years, whichever is earlier. Other intangible assets are amortized on straight line method over the period of legal right to use.
  - 5.6.1 Leasehold Land, in case of operating units, is amortised over the period of lease or 35 years whichever is lower, following the rates and methodology notified by CERC, vide tariff regulation 2009.
  - 5.6.2 Leasehold Land, in case of units other than operating units, is amortised over the period of lease or 35 years whichever is lower.
- 5.7 Fixed Assets created on leasehold land are depreciated to the extent of 90% of original cost over the balance available lease period of respective land or at the applicable depreciation rates & methodology notified by CERC regulations for such assets, whichever is higher.
- 5.8 Capital Expenditure referred to in Policy 2.3 is amortized over a period of 5 years from the year in which the first unit of project concerned comes into commercial operation and thereafter from the year in which the relevant asset becomes available for use.
- 5.9 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, change in duties or similar factors, the unamortized balance of such assets is depreciated prospectively over the residual life of such assets at the rate of depreciation and methodology notified by CERC regulations.



5.10 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.

## 6. INVESTMENTS

Investments are intended for long term and carried at cost. Provision for diminution, other than temporary, in the value of such investment is provided.

## 7. INVENTORIES

- 7.1 Stores & Spares are valued at cost, determined on weighted average basis, or net realizable value whichever is lower.
- 7.2 Losses towards unserviceable and obsolete stores and spares, identified on a systematic basis, are provided in the accounts.
- 7.3 Loose tools issued during the year are charged to consumption account where cost of individual items is Rs. 5,000/- or less and in other cases written off in 5 yearly equated installments.

## 8. FOREIGN CURRENCY TRANSACTIONS

- 8.1 Transactions in foreign currency are initially recorded at exchange rates prevailing on the date of transaction. At each Balance Sheet date monetary items denominated in foreign currency are translated at the exchange rate prevailing on the Balance Sheet date.
- 8.2 Exchange differences are recognised as income & expenses in the period in which they arise in Profit & Loss Account in case of operational stations and to EDC in case of projects under construction. However, Exchange Differences in respect of liabilities relating to fixed assets/capital work-in-progress arising out of transaction entered into prior to 01/04/2004 are adjusted to the carrying cost of respective fixed asset/Capital Work-in-Progress.

## 9. EMPLOYEE BENEFITS

- 9.1 Provision for Post employment benefit as defined in Accounting Standard 15 (2005) on Employee Benefits is made based on actuarial valuation at the year-end.
- 9.2 Provision for Long term employee benefits is made in the books on the basis of actuarial valuation made at the year end.
- 9.3 Expenses on Ex-gratia payments & Notice Pay under Voluntary Retirement Scheme are charged to revenue in the year of incurrence.

## 10. REVENUE

- 10.1 (a) Sale of energy is accounted for as per tariff notified by Central Electricity Regulatory Commission. In case of Power Station where tariff is not notified, sales are billed on provisional rates worked out based on the parameters and method adopted by the appropriate authority. Recovery/refund towards foreign currency variation in respect of foreign currency loans and recovery towards income tax are accounted for on year to year basis.

(b) Incentives/Disincentives are recognised as per tariff notifications. In case of Power Station where tariffs have not been notified, incentives are recognized provisionally on assessment of the likelihood of acceptance of the same.

(c) Adjustments arising out of finalisation of global accounts, though not material, are effected in the year of respective finalisation.

(d) Advance against depreciation considered as deferred income in earlier years is included in sales on straight line basis over the balance useful life after 31st March of the year closing after a period of 12 years from the date of commercial operation of the project, considering the total useful life of the project as 35 years.

10.2 Revenue on Project Management / Construction Contracts and consultancy assignments is recognized on percentage of completion method. The percentage of completion is determined as proportion of "cost incurred up to reporting date" to "estimated cost to complete the concerned Project Management / Construction Contracts and consultancy assignment".

10.3 Interest on investments is accounted for on accrual basis.

10.4 Interest / Surcharge charged from customers are recognized as income on receipt or when there is reasonable certainty of collection.

## 11. MISCELLANEOUS

11.1. Liabilities for Goods in transit/Capital works executed but not certified are not provided for, pending inspection and acceptance by the Corporation.

11.2 Prepaid expenses and prior period expenses/income of items of Rs.50,000/- and below are charged to natural heads of accounts.

11.3 Insurance claims are accounted for based on certainty of realization.

## 12. BORROWING COST

Borrowing costs attributable to the Fixed Assets during construction/ renovation & modernisation are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

## 13. TAXES ON INCOME

Tax on income for the current period is determined on the basis of taxable income under the Income Tax Act, 1961.

Deferred tax is recognized on timing differences between the accounting income and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred Tax Recovery Adjustment Account is credited/debited to the extent tax expense is chargeable from the Beneficiaries in future years.



# LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Manipur)

### NOTE NO. 2 - SHARE CAPITAL

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2013		As at 31 <sup>st</sup> March, 2012	
	In No.	(Amount in ₹)	In No.	(Amount in ₹)
a) Authorized Equity Share Capital (Par value per share ₹ 10)	230000000	2300000000	230000000	2300000000
b) No. of Equity shares issued, subscribed and fully paid (Par value per share ₹ 10)	117692309	1176923090	98461540	984615400
c) Reconciliation of no. of equity shares & share capital outstanding:	<b>No. of Shares</b>	<b>Share Capital (Amount in ₹)</b>	<b>No. of Shares</b>	<b>Share Capital (Amount in ₹)</b>
Opening number of shares outstanding	98461540	984615400	60000000	600000000
Add: No. of shares/Share Capital issued/ subscribed during the year	19230769	192307690	38461540	384615400
Less: Reduction in no. of shares/Share Capital	-	-	-	-
Closing number of shares outstanding	<b>117692309</b>	<b>1176923090</b>	<b>98461540</b>	<b>984615400</b>
d) Shares in the company held by each shareholder holding more than 5 percent specifying the number of shares held	In No.	In (%)	In No.	In (%)
<b>NHPC LTD</b>	87092309	74.00%	72861540	74.00%
<b>GOVT OF MANIPUR</b>	30600000	26.00%	25600000	26.00%
<b>TOTAL</b>	117692309		98461540	
e) Aggregate No of Shares Alloted for consideration other than cash Right/restriction of shareholder Promoter Agreement dated 26.09.2008, which was entered into between LDHCL Ltd & GOM, imposes various restriction upon transfer of the shares.No transfer of any share shall be valid unless such transfer is made stictly in accordance with the said Promoters Agreement.				

### NOTE NO. 3 - RESERVE AND SURPLUS

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>Surplus *</b>	101905875	55977496
<b>Total</b>	<b>101905875</b>	<b>55977496</b>
<b>* Surplus</b>		
Profit for the period as per Statement of Profit and Loss	<b>45928379</b>	<b>40529463</b>
Balance brought forward	55977496	15448033
<b>Add:</b>		
Write Back From Capital Reserve	-	-
Write Back from Bond Redemption Reserve	-	-
Write Back From Other Reserve	-	-
Write Back from Self Insurance Fund	-	-
Tax on Dividend write back	-	-
<b>Balance available for Appropriation</b>		
Transfer to Capital Reserve	-	-
Transfer to Bond Redemption Reserve	-	-
Transfer to Self Insurance Fund	-	-
Transfer to General Reserve	-	-
Dividend :		
- Interim	-	-
- Proposed	-	-
- Final	-	-
Tax on Dividend		
- Interim	-	-
- Proposed	-	-
<b>Balance carried forward</b>	<b>101905875</b>	<b>55977496</b>



# NHPC Limited

(A Government of India Enterprise)

## NOTE NO. 4 - SHARE APPLICATION MONEY PENDING ALLOTMENT

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
SHARE CAPITAL DEPOSIT		50000000
<b>Balance carried forward</b>		<b>50000000</b>
Govt. of Manipur	50000000	
1 Equity Share of Rs.10/- each ranks pari passu with existing shareholders which are to be issued to above shareholders.		
2 Number of Equity shares of Rs.10/- each has been issued to above parties is 5000000.		
3 The authorised share capital of the company is Rs 230 Crores which is sufficient to cover the share capital amount on allotment of shares out of above share application money.		

## NOTE NO. 5 - BORROWINGS

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2013			As at 31 <sup>st</sup> March, 2012		
	Long Term	Short Term	Total	Long Term	Short Term	Total

## NOTE NO. 6 - DEFERRED TAX LIABILITIES / ASSETS

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012

## NOTE NO. 7 - OTHERS LONG TERM LIABILITIES

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012

## NOTE NO. 8 - PROVISIONS

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2013			As at 31 <sup>st</sup> March, 2012		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>a) PROVISION FOR EMPLOYEE BENEFITS</b>						
<b>b) Provision for Wage Revision</b>						
As per last Balance Sheet	-	923402		-	9628128	
Additions during the year	-	650047		-	923402	
Amount used during the year	-			-	9628128	
Closing Balance	-	1573449		-	923402	
Less: Advance paid	-	1573449		-	923402	
<b>Closing Balance (Net of advance)</b>	-	-	-	-	-	-
<b>c) Provision for Performance Related Pay/Incentive</b>						
As per last Balance Sheet	-	3847910		-	1267304	
Additions during the year	-	2952527		-	2580606	
Amount used during the year	-	3339250		-	-	
Amount reversed during the year	-	508660		-	-	
Closing Balance	-	2952527	2952527	-	3847910	3847910
Less: Advance paid	-	-	-	-	198738	198738
<b>Closing Balance (Net of advance)</b>	-	<b>2952527</b>	2952527	-	<b>3649172</b>	3649172
<b>d) Provision for Superannuation /Pension Fund</b>						
As per last Balance Sheet	-	2513507		-	2513507	
Additions during the year	-	1799179		-	-	
Amount used during the year	-	1842673		-	-	
Amount reversed during the year	-	670834		-	-	
<b>Closing Balance</b>	-	<b>1799179</b>	-	-	<b>2513507</b>	2513507

# LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Manipur)

### NOTE NO. 8 - PROVISIONS

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2013			As at 31 <sup>st</sup> March, 2012		
	Long Term	Short Term	Total	Long Term	Short Term	Total
e) Others						
i) Provision for Taxation						
As per last Balance Sheet	-	33981046		-	10605870	
Additions during the year	-	22058268		-	19465302	
Amount adjusted during the year	-			-	3909874	
<b>Closing Balance</b>	-	<b>56039314</b>	56039314	-	<b>33981046</b>	33981046
<b>Total</b>	-	<b>60791020</b>	<b>58991841</b>	-	<b>40143725</b>	<b>40143725</b>

#### Explanatory Note: -

- 1) Provision of `0.065 Crore (Cumulative provision `0.157 Crore) has been made under the head "Provision for wage revision" towards the "Personal Adjustment Pay (fitment benefits) pending settlement of the same for want of approval by Competent Authority. An amount of `0.157 Crore stands paid towards this and is shown as "Advance Paid".

### NOTE NO. 9 - TRADE PAYABLE

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
For goods and services	1606736	783379
	<b>1606736</b>	<b>783379</b>

### NOTE NO. 10 - OTHER CURRENT LIABILITIES

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
Deposits/ retention money	192566	60753
Dues to Holding Company	-	80905882
Statutory dues payables	1403608	1320256
Other liabilities	8324673	1761581
Advances against the deposit works	323639775	-
Less: Amount Spent on Deposit Work	-	-
	<b>323639775</b>	<b>-</b>
	<b>333560622</b>	<b>84048472</b>



NOTE NO. 11.1 - TANGIBLE ASSETS													
Sl. No.	PARTICULARS	GROSS BLOCK						DEPRECIATION				(Amount in ₹)	
		Additions		Deductions		Other Adjustments	31.03.2013	For the Period		Adjustments	31.03.2013	NET BLOCK	
		01.04.2012	Others	Others	Others			01.04.2012	31.03.2013			01.04.2012	31.03.2013
i)	Land – Freehold	0					0	0			0	0	0
ii)	Land – Leasehold	0					0	0			0	0	0
iii)	Roads and Bridges	4763741					4763741	694136	159109	0	853245	3910496	4069605
iv)	Buildings	5607531					5607531	2549363	130052	0	2679415	2928116	3058168
v)	Railway sidings	0					0	0	0	0	0	0	0
vi)	Hydraulic Works/Dams, Water Conductor system, Hydro mechanical gates, tunnels)	0					0	0	0	0	0	0	0
vii)	Generating Plant and machinery	0					0	0	0	0	0	0	0
viii)	Plant and machinery	0					0	0	0	0	0	0	0
ix)	Sub station	0					0	0	0	0	0	0	0
x)	Plant and machinery	0					0	0	0	0	0	0	0
xi)	Transmission lines	94554					94554	69182	4992	0	74174	20380	25372
xii)	Construction Equipment	7472225					7472225	6763182	0	0	6763182	709043	709043
xiii)	Water Supply System/Drainage and Sewerage	0					0	0	0	0	0	0	0
xiv)	Electrical installations	0					0	0	0	0	0	0	0
xv)	Vehicles	4230770					4230770	3807693	0	0	3807693	423077	423077
xvi)	Aircraft/ Boats	0					0	0	0	0	0	0	0
xvii)	Furniture and fixture	1146054					1144413	878987	42927	-21899	900015	244398	267067
xviii)	Computers	1424968					1820365	1153169	123447	13238	1289854	530511	271799
xix)	Communication Equipment	120654					113945	96039	4412	4286	104737	9208	24615
xx)	Office Equipments	781445					777570	565550	40701	3549	609800	167770	215895
xxi)	Research and Development	0					0	0	0	0	0	0	0
xxii)	Other assets	1261992					1270689	996993	59812	0	1056805	213884	264999
xxiii)	Capital Expenditure on assets Not Owned by NHPC	0					0	0	0	0	0	0	0
xxiv)	Tangible Assets of minor value >750 and < Rs. 5000	1518393					1611606	1517638	64687	28490	1610815	791	755
xxv)	Obsolete / surplus assets	0					0	0	0	0	0	0	0
<b>Total</b>		<b>28422327</b>	<b>0</b>	<b>640656</b>	<b>0</b>	<b>155574</b>	<b>28907409</b>	<b>19091932</b>	<b>630139</b>	<b>27664</b>	<b>19749735</b>	<b>9157674</b>	<b>9330395</b>
Previous year		29005228	0	816577	0	1399478	28422327	19420929	905407	(12,34,404)	19091932	9584299	9330395

NOTE NO. 11.2 - TANGIBLE ASSETS													
Sl. No.	PARTICULARS	GROSS BLOCK						DEPRECIATION				(Amount in ₹)	
		Additions		Deductions		Other Adjustments	31.03.2013	For the Period		Adjustments	31.03.2013	NET BLOCK	
		01.04.2012	Others	Others	Others			01.04.2012	31.03.2013			01.04.2012	31.03.2013
i)	Land – Unclassified/ Right of Use	0					0	0	0	0	0	0	0
ii)	Computer Software	7850					7850	5232	2617		7849	1	2618
<b>Total</b>		<b>7850</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7850</b>	<b>5232</b>	<b>2617</b>	<b>0</b>	<b>7849</b>	<b>1</b>	<b>2618</b>
Previous year		7850	0	0	0	0	7850	2616	2616	0	5232	5234	2618

# LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Manipur)

## NOTE NO. 12.1 - CAPITAL WORK IN PROGRESS

(Amount in ₹)

Particulars	01.04.2012	Addition	Adjustment	Capitalised	31.03.2013
i) Roads and Bridges	1948004		(1948004)		-
ii) Buildings	-	-	-		-
iii) Railway sidings	-				-
iv) Hydraulic Works(Dams, Water Conductor system, Hydro mechanical gates, tunnels)	-				-
v) Generating Plant and Machinery	-				-
vi) Plant and Machinery - Sub station	-				-
vii) Plant and Machinery - Transmission lines	-				-
viii) Plant and Machinery - Others	-				-
ix) Construction Equipment	-				-
x) Water Supply System/Drainage and Sewerage	-				-
xi) Other assets awaiting installation	-				-
xii) Capital Expenditure On assets Not Owned by NHPC	-				-
xiii) CWIP - Assets Under 5 KM Scheme Of the GOI	-				-
xiv) Survey, investigation, consultancy and supervision charges	32716247	23045729			55761976
xv) Expenditure on compensatory Afforestation	-				-
xvi) Expenditure during construction*	383222733	43760182			426982915
Less: Provided for	-				-
<b>Sub total (a)</b>	<b>417886984</b>	<b>66805911</b>	<b>(1948004)</b>	<b>-</b>	<b>482744891</b>
<b>* For addition during the period refer Note No. 29</b>					
	<b>01.04.2012</b>		<b>Adjustment</b>		<b>31.03.2013</b>
<b>Construction Stores</b>	<b>257198</b>	-			257198
Less : Provisions for construction stores	<b>129000</b>	-			129000
<b>Sub total (b)</b>	<b>128198</b>	-			<b>128198</b>
<b>TOTAL</b>	<b>418015182</b>	<b>66805911</b>	<b>(1948004)</b>	<b>-</b>	<b>482873089</b>
Previous year	-	-	-	-	-

## NOTE NO. 12.2 - INTANGIBLE ASSETS UNDER DEVELOPMENT

(Amount in ₹)

Particulars	01.04.2012	Addition	Adjustment	Capitalised	31.03.2013
i) Intangible assets under development	-	-	-	-	-
<b>Total</b>	-	-	-	-	-
Previous year	-	-	-	-	-

## NOTE NO. 13 - NON CURRENT INVESTMENT

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012

## NOTE NO. 14 - LOANS AND ADVANCES

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2013			As at 31 <sup>st</sup> March, 2012		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>CAPITAL ADVANCES</b>						
Unsecured (considered good)						
– Against bank guarantee	-		-	-		-
– Others	7914833		7914833	-		-
Unsecured (considered doubtful)	151747		151747	151747		151747
<b>Less : Provision for expenditure awaiting utilisation certificate</b>	-		-	-		-
<b>Less : Provisions for doubtful advances</b>	151747		151747	151747		151747
<b>LOANS &amp; ADVANCES TO RELATED PARTIES</b>						
- Unsecured (considered good)	-	3799162	3799162	-	-	-



## NOTE NO. 14 - LOANS AND ADVANCES

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2013			As at 31 <sup>st</sup> March, 2012		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>OTHER LOANS &amp; ADVANCES</b>						
<b>Employees (including accrued interest)</b>						
- Secured (considered good)	330408	-	330408	500589	148013	648602
- Unsecured (considered good)	-	1341262	1341262	486500	747110	1233610
<b>Advance to contractor / supplier</b>						
- Unsecured (considered good)						
- Against bank guarantee		-	-		-	-
- Others		10909035	10909035		15483735	15483735
- Unsecured (considered doubtful)						
<b>Advance income tax &amp; tax deducted at source</b>		56916790	56916790		34503781	34503781
	<b>8245241</b>	<b>72966249</b>	<b>81211490</b>	<b>987089</b>	<b>50882639</b>	<b>51869728</b>
			-			-
<b>Explanatory Note of Note no. 13: -</b>						
i) PARTICULARS OF LOANS AND ADVANCES DUE FROM DIRECTORS			<b>As at 31.03.2013</b>			<b>As at 31.03.2012</b>
Amount due at the end of the year			NIL			NIL
Advance due by firms or private companies in which any Director of the Company is a Director or member amounts to ₹ Nil (Previous year ₹ Nil)						

## NOTE NO. 15 - OTHER NON-CURRENT ASSETS

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012

## NOTE NO. 16 - NON CURRENT INVESTMENT

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012

## NOTE NO. 17 - INVENTORIES

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012

## NOTE NO. 18 - TRADE RECEIVABLES

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012

## NOTE NO. 19 - CASH AND BANK BALANCES

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>A Cash and Cash Equivalents</b>		
i) Cash on hand	24074	20727
(includes stamps on hand of ₹ 24074/- ,Previous year ₹ 20727/-)		
ii) Balances with banks		
• <b>With scheduled banks</b>		
- In current account	325728900	2016896
<b>B Other Bank Balances</b>		
i) Balances with banks (Deposits with maturity of more three months but less than/upto 12 months )		
• <b>With scheduled banks</b>		
- In deposits account	663873241	671995991

# LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Manipur)

### NOTE NO. 19 - CASH AND BANK BALANCES

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
ii) Bank deposits with more than 12 months maturity		
- Term Deposit	75000000	-
	<b>1064626215</b>	<b>674033614</b>

### NOTE NO. 20 - OTHER CURRENT ASSETS

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
Interest accrued on:		
Deposits	36826661	62208315
Claims recoverables	92213	108620
Less: Provisions for doubtful claims	- 92213	- 108620
	<b>36918874</b>	<b>62316935</b>

### NOTE NO. 21 - REVENUE FROM OPERATIONS

(Amount in ₹)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012

### NOTE NO. 22 - OTHER INCOME

(Amount in ₹)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
<b>A) INCOME FROM NON-CURRENT INVESTMENTS</b>		
<b>B) Other Income</b>		
i) Interest		
- Deposit Account - Indian Bank	68113307	60627878
- Employee's Loans and Advances	-	91283
ii) Liability/ Provisions not required written back #	1179494	89640
iii) Others	152990	112516
<b>TOTAL</b>	<b>69445791</b>	<b>60921317</b>
Less: Income transferred to EDC	1332484	202156
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>68113307</b>	<b>60719161</b>
 <b>Detail of Liability/Provisions not required written back</b>		
Provision for PRP / Incentive /Productivity Linked Incentive	508660	-
Provision for Superannuation/Pension Fund	670834	-
Others	-	89640
	<b>1179494</b>	<b>89640</b>

### NOTE NO. 23 - GENERATION, ADMINISTRATION AND OTHER EXPENSES

(Amount in ₹)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
<b>A. REPAIRS &amp; MAINTENANCE</b>		
- Building	1359184	586020
- Machinery	17449	23133
- Others	1014837	596310
<b>B. ADMINISTRATION EXPENSES</b>		
Rent	645538	283484
Rates and taxes	21730	40060
Insurance	71550	55579
Electricity Charges	10452	11000
Travelling and Conveyance	1315266	1000213
Expenses on vehicles	888269	358710
Telephone, telex and Postage	144082	113204
Advertisement and publicity	-	496520



# NHPC Limited

(A Government of India Enterprise)

## NOTE NO. 23 - GENERATION, ADMINISTRATION AND OTHER EXPENSES

(Amount in ₹)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
Entertainment and hospitality expenses	19119	37962
Printing and stationery	143786	91651
Books & Periodicals	210	3198
Consultancy charges - Indigenous	66500	13450
Other general expenses	1315696	968652
Audit expenses (Refer detail below)	99521	146015
<b>Sub-total</b>	<b>7133189</b>	<b>4825161</b>
Less: Amount transferred to EDC	7006529	4100765
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>126660</b>	<b>724396</b>
<b>Explanatory Note: -</b>		
<b>1) Detail of audit expenses are as under: -</b>		
<b>i) Statutory auditors</b>	<b>As on 31.03.2013</b>	<b>As on 31.03.2012</b>
<b>As Auditor</b>		
Audit Fees	22472.00	55562.00
Tax Audit Fees	-	55562.00
<b>Reimbursement of expenses</b>	<b>77049.00</b>	<b>90453.00</b>
<b>Total Audit Expenses</b>	<b>99521.00</b>	<b>146015.00</b>

## NOTE NO. 24 - EMPLOYEE BENEFITS EXPENSE

(Amount in ₹)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
<b>SALARIES, WAGES, ALLOWANCES</b>	<b>28957544</b>	<b>29720796</b>
Gratuity, Contribution to provident fund & pension scheme (incl. administration fees)	5920030	5945877
Staff welfare expenses	2573145	2647069
<b>TOTAL</b>	<b>37450719</b>	<b>38313742</b>
<b>LESS: EMPLOYEE COST TRANSFERRED TO EDC</b>	<b>37450719</b>	<b>38313742</b>
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>-</b>	<b>-</b>
<b>Explanatory Note: -</b>		
1) The Company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees. These leasing arrangements, which are not non-cancellable, are usually renewable on mutually agreeable terms. Salaries, wages, allowances includes ₹ 12.73 Lakhs (Corresponding Previous year ₹ 10.83 Lakhs) towards lease payments in respect of premises for residential use of employees.		
<b>2) Gratuity, Contribution to provident fund &amp; pension scheme include contributions:</b>		
	<b>As on 31.03.2013</b>	<b>As on 31.03.2012</b>
i) towards Employees Provident Fund	2210091	1768085
ii) towards Employees Defined Contribution Superannuation Scheme	1979576	2668243

## NOTE NO. 25 - FINANCE COST

(Amount in ₹)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
<b>Other Borrowing Cost</b>		
Other finance charges	2662	2674
<b>sub total</b>	<b>2662</b>	<b>2674</b>
<b>Total</b>	<b>2662</b>	<b>2674</b>
Less: Finance Cost transferred to EDC	2662	2674
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>-</b>	<b>-</b>



# LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Manipur)

### NOTE NO. 26 DEPRECIATION AND AMORTIZATION EXPENSES

(Amount in ₹)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
Depreciation & Amortisation	632756	908023
<b>TOTAL</b>	<b>632756</b>	<b>908023</b>
Less: Depreciation & Amortisation Expenses transferred to EDC	632756	908023
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>-</b>	<b>-</b>

### NOTE NO. 27 - PRIOR PERIOD ITEMS (NET)

(Amount in ₹)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
<b>INCOME</b>		
<b>SUB TOTAL</b>	-	-
<b>EXPENDITURE</b>		
Salaries & Wages	-	(20939829)
<b>SUB TOTAL</b>	-	<b>(20939829)</b>
<b>TOTAL</b>	-	<b>(20939829)</b>
Less: Prior Period Expenses transferred to EDC		
<i>Prior period expenses</i>	-	(20939829)
<i>Less Prior period income</i>	-	-
<b>Total</b>	-	-
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>-</b>	<b>-</b>

### NOTE NO. 28 - TAX EXPENSES

(Amount in ₹)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
<b>Current Tax</b>		
Income Tax Provision	22058268	19465302
	<b>22058268</b>	<b>19465302</b>

### NOTE NO. 29 - EXPENDITURE ON CONTRACT, PROJECT MANAGEMENT AND CONSULTANCY WORKS

(Amount in ₹)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012

### NOTE NO. 30 - EXPENDITURE DURING CONSTRUCTION FOR THE YEAR

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>A. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages, allowances	28957544	29720796
Gratuity and contribution to provident fund (including administration fees)	5920030	5945877
Staff welfare expenses	2573145	2647069
<b>Sub-total</b>	<b>37450719</b>	<b>38313742</b>
<b>B. REPAIRS &amp; MAINTENANCE</b>		
Building	1382945	586020
Machinery	17449	23133
Others	991076	596310
<b>Sub-total</b>	<b>2391470</b>	<b>1205463</b>
<b>C. ADMINISTRATION &amp; OTHER EXPENSES</b>		
Rent	645538	283484
Rates and taxes	13920	13560
Insurance	71550	55579
Security expenses	-	-
Electricity Charges	10452	11000
Travelling and Conveyance	1315266	964900
Expenses on vehicles	888269	358710
Telephone, telex and Postage	144082	113204
Printing and stationery	143786	91651



# NHPC Limited

(A Government of India Enterprise)

## NOTE NO. 30 - EXPENDITURE DURING CONSTRUCTION FOR THE YEAR

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
Remuneration to Auditors	-	32472
Design and Consultancy charges:		
- Indigenious	-	13450
Other general expenses	1382196	957292
<b>Sub-total</b>	<b>4615059</b>	<b>2895302</b>
<b>D. FINANCE COST</b>		
Other finance charges	2662	2674
<b>Sub-total</b>	<b>2662</b>	<b>2674</b>
<b>E. PROVISIONS</b>		
<b>Sub-total</b>	-	-
<b>F. DEPRECIATION AND AMORTISATION EXPENSES</b>		
<b>Sub-total</b>	<b>632756</b>	<b>908023</b>
<b>G. PRIOR PERIOD EXPENSES</b>		
Prior Period Expenses	-	(20939829)
Less: Prior Period Income	-	-
<b>Sub-total</b>	-	<b>(20939829)</b>
<b>H. LESS: RECEIPTS AND RECOVERIES</b>		
<b>a) Income from generation of electricity – precommissioning</b>	-	-
<b>b) Others</b>		
Miscellaneous receipts	152990	112516
Provision/Liability not required written back	1179494	89640
Hire charges/ outturn on plant and machinery	-	202156
<b>Sub-total</b>	<b>1332484</b>	<b>202156</b>
<b>I. C.O./REGIONAL OFFICE EXPENSES:</b>		
<b>Sub-total</b>	-	-
<b>GRAND TOTAL (A+B+C+D+E+F+G+I-H)</b>	<b>43760182</b>	<b>22183219</b>

# LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Manipur)

### NOTE NO. 31 – OTHER EXPLANATORY NOTES TO ACCOUNTS

1. a) Contingent Liabilities as on: -

(In Rs.)		
Description	Opening Balance As at 01/04/2012	Closing Balance As at 31/03/2013
Claims against the Company not acknowledged as debts in respect of		
-Capital Works	Nil	Nil
-Land Compensation Cases	Nil	Nil
-Others	Nil	Nil
-Disputed Income Tax Demand	Nil	Nil
-Disputed Sales Tax Demand	Nil	Nil
-Disputed Service Tax Demand	Nil	Nil
-Others	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

- b) The above Contingent Liabilities do not include Contingent Liabilities on account of pending cases in respect of service matters & others where the amount cannot be quantified.
- c) It is not practicable to disclose the uncertainties relating to any outflow.
- d) There is a possibility of reimbursement to Corporation, of Rs. Nil (Previous year Rs. Nil) towards above Contingent Liabilities.
- e) An amount of Nil (Previous year Rs. Nil) stands paid towards above Contingent Liability and is being shown as Current Assets
2. In terms of MOU with Govt. of Manipur and NHPC Ltd. (Corporation), the Loktak Downstream HE Project of the Corporation with all its Fixed Assets, EDC, Construction Stores and Advances, Current Assets (Including Cash & Bank Balance) and Current Liabilities as on 22nd October, 2009 was converted into a Joint Venture Company (a Subsidiary of the Corporation) under the name and style of Loktak Downstream Hydroelectric Corporation Limited, on its Incorporation on 23rd October, 2009 on a going concern basis. The gross value of assets and liabilities of Loktak Downstream Hydroelectric Corporation Project of the corporation till 22nd October, 2009 have been incorporated by the company as gross value of assets transferred to it by the corporation as on 23rd October, 2009. Also the gross value of depreciation, wherever applicable, has been shown as gross value of depreciation up to 22.10.2009 transferred by NHPC Ltd. to the company
3. Estimated amount of Contracts remaining to be executed on Capital Account and not provided for Rs. Nil (Previous year Nil)
4. a) Balances shown under Material issued to Contractors, Claims Recoverable including Insurance Claims, Advance for Capital Expenditure, Sundry Debtors, Advances to Contractors, Sundry Creditors and Deposits/Earnest Money from Contractors are subject to reconciliation/ confirmation and respective consequential adjustments. Claims Recoverable also include claims in respect of Projects handed over or decided to be handed over to other Agencies in terms of Government of India directives.
- b) In the opinion of the Management, the value of Current Assets, Loans and Advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
5. During F.Y. 2010-11 Company had received an opinion from the Expert Advisory Committee of the Institute of Chartered Accountants of India (EAC of ICAI) and as per opinion of EAC, expenditure incurred for creation of assets not within the control of company should be charged to profit & loss account in the year of incurrence itself, consequent upon withdrawal of Guidance Note on Expenditure During Construction. The Company has

represented to the EAC of ICAI that such expenditure, being essential for setting up of a hydro project, should be allowed to be capitalised. Company is further of the view that capitalization of such expenditure is supported by Exposure Draft on Limited Revision to AS-10 and Guidance Note on Rate Regulated Entity issued by ICAI. Pending receipt of further opinion from the EAC, revision in AS-10 and implementation of guidance note on rate regulated entity, the accounting treatment as per existing accounting practices / policies has been continued.

6. The effect of Foreign Exchange fluctuation during the year is as under:

(In Rs.)			
		For the year ended 31.03.13	For the year ended 31.03.12
(i)	Amount charged to Profit and Loss Account excluding Depreciation (as FERV)	Nil	Nil
(ii)	Amount charged to Profit and Loss Account excluding Depreciation (as Borrowing Cost)	Nil	Nil
(iii)	Amount charged to Expenditure During Construction (as FERV)	Nil	Nil
(iv)	Amount charged to Capital Work-In-Progress (as FERV)	Nil	Nil
(v)	Amount adjusted by addition to the carrying amount of Fixed Assets	Nil	Nil

7. During the year ended 31.03.2013, following Accounting Policies have been Reworded/Modified/Deleted:

Accounting Policy	Changes	Impact
Policy No. 10.2	Policy has been reworded to have a better disclosure.	No Impact

8. Provisions for Employee Benefits as per Accounting Standard 15 (Revised 2005) for the year ended 31.03.2013.
9. Electricity generation is the principal business activity of the Corporation. Other operations viz., Contracts, Project Management and Consultancy works do not form a reportable segment as per the Accounting Standard - 17 on Segment Reporting issued by the Institute of Chartered Accountants of India.
10. In compliance of Accounting Standard – 18 on Related Party disclosures issued by the Institute of Chartered Accountants of India, the required information is given as under: -

- a) Related Parties
- (i) Joint Venture Companies  
There is no Joint Venture Company
- (ii) Key Management Personnel

Shri G.Sai Prasad	Chairman
Shri Rajesh Agrawal	Director
Shri Rajiv Kumar Gupta	Director
Shri Kanwar Singh	Director
Shri Vijay Kumar	Director

- b) Transaction carried out with the Related Parties at a(i) above is as follows:

Particular	During the year ended 31.03.2013	During the year ended 31.03.2012
Investment	-	-

11. 'Advance against Deposit Works' of Rs 32,36,39,775/- under the group head "Other Current Liabilities" pertains to deposit received from Govt of Manipur on 30.3.2013 towards deposit work 'Barrage Construction'. However the Govt of Manipur called back the amount vide their letter No11/32/SE(PD)/2010-ED/111-19 dt4th April-2013 as the work is not required immediately. Accordingly the amount was refunded on 06.4.2013.



# NHPC Limited

(A Government of India Enterprise)

## 12. Earning Per Share:-

The elements considered for calculation of Earnings Per Share (Basic and Diluted) are as under:

Particulars	During the year ended 31.03.2013	During the year ended 31.03.2012
Net Profit after Tax used as numerator (' in Crore)	4.59	4.05
Weighted Average number of equity shares used as denominator		
- AZ Basic	117692309	98461540
- Diluted	112311909	98502636
Earning Per Share (' ) - Basic	0.39	00.41
- Diluted	0.41	00.41
Face value per Share (' )	10	10

## 13. Interest in Joint Venture:-

Name of Companies	Proportion of Ownership interest as at	
	31.03.2013	31.03.2012
	-	-

## 14.

(In Rs.)

	Particulars	During the year ended 31.03.2013	During the year ended 31.03.2012
a)*	Value of Imports calculated on CIF basis:		
i)	Capital Goods	Nil	Nil
ii)	Spare parts	Nil	Nil
b)*	Expenditure in Foreign Currency		
i)	Know - How	Nil	Nil
ii)	Interest	Nil	Nil
iii)	Other Misc. Matters	Nil	Nil
c)*	Value of Spare parts and Components consumed in Operating Units.	Nil	Nil
i)	Imported	Nil	Nil
ii)	Indigenous	Nil	Nil
d)*	Earnings in Foreign Currency		
i)	Interest	-	-
ii)	Others	-	-

\* Accrual basis.

## 15. Disclosure as required under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 is as follows:-

(i)	Principal amount remaining unpaid to Micro, Small & Medium Enterprise.	NIL
(ii)	Interest Accrued on Principal Amount remaining unpaid as (i) above	NIL
(iii)	Amount of Interest paid during the nine months ended 31.03.2013 along with the payment of principal amount made beyond 15 days or agreed time from the date of delivery/rendering of services.	NIL
(iv)	Interest due but yet to be paid on Principal paid during the nine months ended 31.03.2013	NIL
(v)	Amount of further Interest remaining due and payable even in the succeeding period, until such date when the Interest dues as above are actually paid to the Small Enterprise, for the purpose of disallowance as deductible expenditure.	NIL

## 16. Expenditure for temporary Road of Rs 19, 48,004/- & Temporary Structure of Rs.2, 85,383/- was incurred for the purpose of facilitating Survey Work of the project. The expenditure on Survey work is treated as Capital Work in Progress. Therefore the above expenditure is also classified as an item of Capital Work in Progress.

## 17. Corresponding figures for year / Opening balances have been regrouped/ re-arranged/re-cast wherever necessary.

In terms of our report of even date attached

**FOR KUNJABI & CO**

CHARTERED ACCOUNTANTS

( F.Reg. No-309115E)

**LINDA KSHETRIMAYUM**

PARTNER

MEMBERSHIP NO - 511337

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

**(KANWAR SINGH)**

DIRECTOR

DIN-05351047

**(VIJAY KUMAR)**

DIRECTOR

DIN-03021294

**(RANJAN MITRA)**

CHIEF EXECUTIVE OFFICER

LDHCL

Place - IMPHAL

Dated- 18th MAY 2013

# LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD. and Govt. of Manipur)

### CASH FLOW STATEMENT

(Amount in ₹)

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Profit Before Taxation	67986647	59994765
Adjustments		
-Interest/Other Income	(68113307)	(60719161)
-Preliminary Expense Written Off		
Operating Profit Before Working Capital Changes	(1,26,660)	(7,24,396)
Changes in Working Capital		
(Increase)/Decrease in Loans & Advances	(293,41,762)	(352,81,241)
(Increase)/Decrease in Other Current Assets	253,98,061	(380,47,831)
(Increase)/Decrease in Current Liabilities	2503,35,507	(44,13,588)
(Increase)/Decrease in Provisions	206,47,295	1895384
Cash Generated From Operations	2669,12,441	(765,71,672)
Income Tax Paid	220,58,268	(139,18,794)
Net Cash From Operating Activities ( A )	<b>2448,54,173</b>	<b>(904,90,466)</b>
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition of Fixed Assets	1,75,338	(816577)
Increase in Capital Work in Progress	(648,57,907)	(27474951)
Increase in Stores & Spares		
Interest Income	68113307	60719161
Interest Income (Prior Period)		
Net Cash From Investing Activities ( B )	<b>34,30,738</b>	<b>324,27,633</b>
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Miscellaneous Expenses		
Proceeds Against Share Allotment/Application Money	142307690	50000000
Proceeds Agst. Grant		
Net Cash From Financing Activities ( C )	<b>1423,07,690</b>	<b>500,00,000</b>
Net Increase in Cash and Cash Equivalents ( A+B+C )	<b>3905,92,601</b>	<b>(80,62,833)</b>
Cash and Cash Equivalents at the Beginning of the Year	<b>6740,33,614</b>	<b>6820,96,447</b>
Cash and Cash Equivalents at the End of the Year	<b>10646,26,215</b>	<b>6740,33,614</b>

In terms of our report of even date attached

**FOR KUNJABI & CO**

CHARTERED ACCOUNTANTS

( F.Reg. No-309115E)

**LINDA KSHETRIMAYUM**

PARTNER

MEMBERSHIP NO - 511337

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

**(KANWAR SINGH)**

DIRECTOR

DIN-05351047

**(VIJAY KUMAR)**

DIRECTOR

DIN-03021294

**(RANJAN MITRA)**

CHIEF EXECUTIVE OFFICER

LDHCL

Place - IMPHAL

Dated- 18th MAY 2013



## AUDITOR'S REPORT

### TO THE MEMBER OF CHENAB VALLEY POWER PROJECTS PRIVATE LIMITED

We have audited the attached Balance Sheet of CHENAB VALLEY POWER PROJECTS PRIVATE LIMITED as at 31<sup>st</sup> March, 2013 and the related Profit & Loss Account, Cash Flow Statement and Statement of Expenditure during Construction for the year ended on 31<sup>st</sup> March, 2013, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimate made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion, and we report that-

1. As required by the Companies (Auditor's Report) (Amendment) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs (4) and (5) of the said Order.
2. Further to our comments in the annexure referred to in paragraph (1) above, we report that: -
  - A. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - B. In our opinion, proper books of accounts, as required by law, have

been kept by the company so far as it appears from our examination of those books.

- C. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
- D. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the applicable mandatory accounting standards, referred to in the sub section (3C) Section 211 of the Companies Act, 1956.
- E. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with the Significant Accounting Policies and notes annexed thereto, give the information, required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
  - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2013 and
  - ii) In the case of Profit & Loss Account, of the net profit for the year ended on that date.
  - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For KRA & Co**  
Chartered Accountants  
(Firm Regn. No. 309115E)

**(CA. Ajay Kumar )**  
Partner  
M.No. 503015

Place: Jammu  
Dated: 17th May 2013

## ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENT" OF OUR REPORT OF EVEN DATE

1. (a) The Company has maintained proper records of Fixed Assets showing full particulars including quantitative details and situation of its fixed assets.
- (b) All fixed assets have been physically verified by management during the year. There is a regular programme of verification, which, in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) Since there is no disposal of substantial part of fixed assets during the year.
2. Inventory valuation is not applicable to the company, hence provisions of clause 2(a) to (c) have not been commented upon.
3. (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(a) to (d) is not applicable to the company and hence not commented upon.
- (b) According to the information and explanation given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered under the register maintained u/s 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) is not applicable to the company and hence not commented upon.
4. In our opinion and according to information and explanations given us, there is adequate internal control system commensurate with the size of the company and the nature of its business.
5. According to the information and explanations provided by the management, we are of the opinion that there were no contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered in the register maintained under the section 301.
6. The company has not accepted any deposits during the year within the meaning of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956.
7. In our opinion company has an internal audit system commensurate with the size and nature of its business.
8. Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for any activities of the company.
9. (a) Company is regular in depositing with the appropriate authorities undisputed dues including Provident Fund, Employee State Insurance, Income Tax, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, there are no undisputed amount in respect of Provident Fund, Employee State Insurance, Income Tax, Cess and other material statutory dues were outstanding at the year for a period of more than 6 months from the date they become payable.
10. The company has no accumulated loss at the end of financial year and it has not incurred cash losses in the current and immediately preceding financial year.
11. Based on our audit procedure and as per the information and explanations given by the management, we are of opinion that the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us and based on the documents and records produced before us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

# CVPPP LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD., JKSPDC LTD. and PTC India LTD.)

13. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society.

Therefore the provisions of the clause 4(xiii) of the Companies (Auditors Report) Order 2003 (as amended) are not applicable to the company.

14. In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly the provision of the clause 4(xiv) of the Companies (Auditors Report) Order 2003 (as amended) is not applicable to the company.

15. According to the explanations given to us, company has not given any guarantees for loans taken by others from banks or financial institutions.

16. Based on the information and explanations given to us, the Company has not raised any term

loan.

17. According to the information and explanations given to us and on as overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for the long term investments.

18. The company has not made any preferential allotment of shares to parties

or companies covered in register maintained u/s 301 of the Companies Act, 1956.

19. On the basis of records made available to, the company has not issued any secured bonds during the year.

20. Company has not raised any money through a public issue during the year.

21. Based upon the audit procedure performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, we report that no fraud on or by the company has been noticed or reported during the year.

**For KRA & Co**

Chartered Accountants

(Firm Regn. No. 309115E)

**(CA. Ajay Kumar )**

Partner

M.No. 503015

Place: Jammu

Dated:17th May 2013



# NHPC Limited

(A Government of India Enterprise)

## BALANCE SHEET AS AT 31ST MARCH, 2013

(Amount in ₹)

PARTICULARS	Note No.	As at 31st March, 2013	As at 31st March, 2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	2	1225500000	50000000
(b) Reserves and Surplus	3	21305093	(49902)
(c) Share Application Money Pending Allotment	2B	50000000	-
<b>(2) NON-CURRENT LIABILITIES</b>			
(a) Long Term Borrowings	4	-	-
(b) Deferred Tax Liabilities	5	-	-
(c) Other Long Term Liabilities	6	70800	11896
(d) Long Term Provisions	7	16657	-
<b>(3) CURRENT LIABILITIES</b>			
(a) Short Term Borrowings	4	-	-
(b) Trade Payables	8	542653	352765
(c) Other Current Liabilities	9	1793297495	236220129
(d) Short Term Provisions	7	18432874	4837020
(4) FUND FROM C.O.	2A	-	-
<b>TOTAL</b>		<b>3109165572</b>	<b>291371908</b>
<b>II. ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	10.1	119494492	20931057
(ii) Intangible Assets	10.2	-	-
(iii) Capital Work In Progress	11.1	1989285648	50429447
(iv) Intangible Assets under development	11.2	-	-
(b) Non Current Investments	12	-	-
(c) Deferred tax assets	5	-	-
(d) Long term loans and advances	13	199495	5871
(e) Other non-current assets	14	-	-
<b>(2) CURRENT ASSETS</b>			
(a) Current Investments	15	-	-
(b) Inventories	16	-	-
(c) Trade Receivables	17	-	-
(d) Cash & Bank Balances	18	928258470	208878842
(e) Short term Loans and Advances	13	36573366	1847750
(f) Other Current Assets	19	35354101	9278941
<b>TOTAL</b>		<b>3109165572</b>	<b>291371908</b>
Significant Accounting Policies	1		
Other Explanatory Statements to Accounts	30		
Notes 1 to 30 form integral part of the Accounts			
Certified to be correct.			

**For KRA & Co.**  
Chartered Accountants  
FRN: 020266N

**(M Y Khan)**  
Chairman

**(S C Gupta)**  
Managing Director

**CA Ajay Kumar**  
Partner  
Membership No. 503015

**(Sudhir Anand)**  
Company Secretary

**(L. N. Bhardwaj)**  
Chief (Fin)

Place: Jammu  
Date: 17-05-2013



# CVPPP LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD., JKSPDC LTD. and PTC India LTD.)

### STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in ₹)

	Note No.	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>INCOME</b>			
i) Revenue from Operations	20	-	-
ii) Other Income	21	27665196	3856182
<b>TOTAL REVENUE</b>		<b>27665196</b>	<b>3856182</b>
<b>EXPENDITURE</b>			
i) Generation, Administration and Other Expenses	22	-	1626108
ii) Employee Benefits Expense	23	-	-
iii) Finance Cost	24	-	718
iv) Depreciation & Amortization Expense	25	-	1038946
<b>TOTAL EXPENDITURE</b>		<b>-</b>	<b>2665772</b>
Profit before Prior Period items, Exceptional and Extraordinary items and Tax		27665196	1190410
Prior Period Items (net)	26	(2665772)	-
<b>Profit before Exceptional and Extraordinary items and Tax</b>		<b>30330968</b>	<b>1190410</b>
Exceptional items		-	-
<b>Profit before extraordinary items and Tax</b>		<b>30330968</b>	<b>1190410</b>
Extraordinary items		-	-
<b>PROFIT BEFORE TAX</b>		<b>30330968</b>	<b>1190410</b>
<b>Tax Expenses</b>	27		
i) Current Tax		8975973	1240312
ii) Adjustments relating to earlier periods		-	-
iii) Deferred Tax		-	-
<b>Total Tax Expenses</b>		<b>8975973</b>	<b>1240312</b>
<b>Profit for the year</b>		<b>21354995</b>	<b>(49902)</b>
Earning per share (Equity shares, face value of ₹ 10/- each)			
<b>Basic</b>		-	-
<b>Diluted</b>		-	-
Significant Accounting Policies	1		
Other Explanatory Statements to Accounts	30		
Notes 1 to 30 form integral part of the Accounts Certified to be correct.			

**For KRA & Co.**  
Chartered Accountants  
FRN: "020266N"

**CA Ajay Kumar**  
Partner  
Membership No. "503015"

**(M Y Khan)**  
Chairman

**(Sudhir Anand)**  
Company Secretary

**(S C Gupta)**  
Managing Director

**(L. N. Bhardwaj)**  
Chief (Fin)

Place: Jammu  
Date: 17-05-2013



## NOTE NO. 1 - SIGNIFICANT ACCOUNTING POLICIES

### 1. ACCOUNTING CONVENTIONS

The accounts of the Company are prepared under the historical cost convention using the accrual method of accounting.

### 2. FIXED ASSETS

- 2.1 Fixed assets are stated at cost of acquisition/construction. In cases where final settlement of bills with contractors is pending, but the asset is complete and ready for use, capitalisation is done on estimated basis subject to necessary adjustment, including those arising out of settlement of arbitration/court cases, in the year(s) of final settlement.
- 2.2 Fixed Assets created on land not belonging to the Company are included under fixed assets.
- 2.3 Capital Expenditure on assets where neither the land nor the asset is owned by the Company is reflected as a distinct item in capital work in progress till the period of completion and thereafter in the fixed assets.
- 2.4 Payments made provisionally towards compensation and other expenses relating to land are treated as cost of land.
- 2.5 Land taken for use from State Government (without transfer of title) and expenses on relief and rehabilitation as also on creation of alternate facilities for land evacuees or in lieu of existing facilities coming under submergence and where construction of such alternate facilities is a specific pre condition for the acquisition of the land for the purpose of the project, are accounted for as Land-unclassified/Right of use, to be amortized over a period of 30 years from the date of commercial operation of the project.
- 2.6 Fixed Assets declared surplus are shown at lower of book value and net realizable value.
- 2.7 The Company assesses at each balance sheet date whether there is any indication that cash generating unit (CGU) is impaired based on internal/external indicators. If any such indication exists, company estimates the recoverable amount of the CGU. An impairment loss is recognized in the statement of profit and loss where the carrying amount exceeds the recoverable amount of the cash generating units. An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.

### 3. MACHINERY SPARES

- 3.1 (a) Machinery spares procured along with the Plant & Machinery or subsequently and whose use is expected to be irregular are capitalized separately, if cost of such spares is known and depreciated fully over the residual useful life of the related plant and machinery at the rates of depreciation and methodology as notified by CERC for such Plant & Machinery. If cost of such spares is not known particularly when procured along with mother plant, these are capitalized & depreciated along with mother plant at the rates of depreciation and methodology as notified by CERC for such Plant & Machinery.
- (b) WDV of spares is charged off to Profit & Loss Account in the year in which such spares are replaced in place of retrieved spares, provided the spares so retrieved do not have any useful life. Similarly value of such spares, procured & replaced in place of retrieved spares, is charged off to Profit & Loss Account in that year itself, provided spares so retrieved do not have any useful life.
- (c) When the useful life of the related fixed asset expires and asset is retired from active use, such spares are valued at net book value or net realizable value whichever ever is lower. However, in case retired assets are not replaced, WDV of related spares less disposable value is written off.
- 3.2 Other spares are treated as "stores & spares" forming part of the inventory and expensed when issued.

### 4. CAPITAL WORK IN PROGRESS

- 4.1 Projects under commissioning and other capital work-in-progress are carried at cost. Administration & General overhead expenses attributable to construction of fixed assets are identified and allocated on systematic basis on major immovable assets other than land and infrastructural facilities, on commissioning of the project.
- 4.2 Expenditure on maintenance, up gradation etc. of common public facilities in projects under construction is charged to 'Expenditure During Construction (EDC)'.
- 4.3 Expenditure in relation to Survey and Investigation of the projects is carried as capital work in progress. Such expenditure is either capitalized as cost of Project on completion of the construction of the project or the same is expensed in the year in which it is decided to abandon such project.

### 5. DEPRECIATION & AMORTISATION

- 5.1 Depreciation on additions to /deductions from fixed assets during the year is charged on pro-rata basis from / up to the date in which the asset is available for use / disposal.
- 5.2.1 Depreciation on Fixed Assets of Operating Units of the company is charged on straight-line method following the rates and methodology as notified by the Central Electricity Regulatory Commission (CERC) for the fixation of tariff except for assets specified in 5.2.3 below, in respect of which depreciation is charged at the rates mentioned in that policy.
- 5.2.2 Depreciation on Fixed Assets of other than Operating Units of the company is charged on straight-line method to extent of 90% of the cost of asset following the rates as notified by the Central Electricity Regulatory Commission (CERC) for the fixation of tariff except for assets specified in 5.2.3 below, in respect of which depreciation is charged at the rates mentioned in that policy.
- 5.2.3 Depreciation in respect of following assets is charged on straight line method to the extent of 90% of the cost of asset following the rates of depreciation indicated as against each asset
  - (i) Construction Plant & Machinery : 11.25%
  - (ii) Computer & Peripherals : 30%
- 5.2.4 Temporary erections are depreciated fully (100%) in the year of acquisition / capitalization by retaining ₹ 1/- as a WDV.
- 5.3 Assets valuing ₹ 5000/- or less but more than ₹ 750/- and such items (excluding immovable assets) with written down value of ₹ 5000/- or less at the beginning of the year are fully depreciated during the year with ₹ 1/- as a balance value.
- 5.4 Low value items, which are in the nature of assets (excluding immovable assets) and valuing upto ₹ 750/- are not capitalized and charged off to revenue.
- 5.5 Cost of software is recognized as 'Intangible Assets' and is amortized on straight line method over a period of legal right to use or three financial years, whichever is earlier. Other intangible assets are amortized on straight line method over the period of legal right to use.
- 5.6.1 Leasehold Land, in case of operating units, is amortized over the period of lease or 35 years whichever is lower, following the rates and methodology notified by CERC, vide tariff regulation 2009.

# CVPPP LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD., JKSPDC LTD. and PTC India LTD.)

- 5.6.2 Leasehold Land, in case of units other than operating units, is amortized over the period of lease or 35 years whichever is lower.
- 5.7 Fixed Assets created on leasehold land are depreciated to the extent of 90% of original cost over the balance available lease period of respective land or at the applicable depreciation rates & methodology notified by CERC regulations for such assets, whichever is higher.
- 5.8 Capital Expenditure referred to in Policy 2.3 is amortized over a period of 5 years from the year in which the first unit of project concerned comes into commercial operation and thereafter from the year in which the relevant asset becomes available for use.
- 5.9 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, change in duties or similar factors, the unamortized balance of such assets is depreciated prospectively over the residual life of such assets at the rate of depreciation and methodology notified by CERC regulations.
- 5.10 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.

### 6. INVESTMENTS

Investments are intended for long term and carried at cost. Provision for diminution, other than temporary, in the value of such investment is provided.

### 7. INVENTORIES

- 7.1 Stores & Spares are valued at cost, determined on weighted average basis, or net realizable value whichever is lower.
- 7.2 Losses towards unserviceable and obsolete stores and spares, identified on a systematic basis, are provided in the accounts.
- 7.3 Loose tools issued during the year are charged to consumption account where cost of individual items is Rs. 5,000/- or less and in other cases written off in 5 yearly equated installments.

### 8. FOREIGN CURRENCY TRANSACTIONS

- 8.1 Transactions in foreign currency are initially recorded at exchange rates prevailing on the date of transaction. At each Balance Sheet date monetary items denominated in foreign currency are translated at the exchange rate prevailing on the Balance Sheet date.
- 8.2 Exchange differences are recognised as income & expenses in the period in which they arise in Profit & Loss Account in case of operational stations and to EDC in case of projects under construction. However, Exchange Differences in respect of liabilities relating to fixed assets/capital work-in-progress arising out of transaction entered into prior to 01/04/2004 are adjusted to the carrying cost of respective fixed asset/Capital Work-in-Progress.

### 9. EMPLOYEE BENEFITS

- 9.1 Provision for Post employment benefit as defined in Accounting Standard 15 (2005) on Employee Benefits is made based on actuarial valuation at the year-end.
- 9.2 Provision for Long term employee benefits is made in the books on the basis of actuarial valuation made at the year end.
- 9.3 Expenses on Ex-gratia payments & Notice Pay under Voluntary Retirement Scheme are charged to revenue in the year of incurrence.

### 10. REVENUE

- 10.1 (a) Sale of energy is accounted for as per tariff notified by Central Electricity Regulatory Commission. In case of Power Station where tariff is not notified, sales are billed on provisional rates worked out based on the parameters and method adopted by the appropriate authority. Recovery/refund towards foreign currency variation in respect of foreign currency loans and recovery towards income tax are accounted for on year to year basis.
- (b) Incentives/Disincentives are recognised as per tariff notifications. In case of Power Station where tariffs have not been notified, incentives are recognized provisionally on assessment of the likelihood of acceptance of the same.
- (c) Adjustments arising out of finalisation of global accounts, though not material, are effected in the year of respective finalisation.
- (d) Advance against depreciation considered as deferred income in earlier years is included in sales on straight line basis over the balance useful life after 31st March of the year closing after a period of 12 years from the date of commercial operation of the project, considering the total useful life of the project as 35 years.
- 10.2 Revenue on Project Management / Construction Contracts and consultancy assignments is recognized on percentage of completion method. The percentage of completion is determined as proportion of "cost incurred up to reporting date" to "estimated cost to complete the concerned Project Management / Construction Contracts and consultancy assignment".
- 10.3 Interest on investments is accounted for on accrual basis.
- 10.4 Interest / Surcharge charged from customers are recognized as income on receipt or when there is reasonable certainty of collection.

### 11. MISCELLANEOUS

- 11.1 Liabilities for Goods in transit/Capital works executed but not certified are not provided for, pending inspection and acceptance by the Company.
- 11.2 Prepaid expenses and prior period expenses/income of items of Rs.50,000/- and below are charged to natural heads of accounts.
- 11.3 Insurance claims are accounted for based on certainty of realization.

### 12. BORROWING COST

Borrowing costs attributable to the Fixed Assets during construction/renovation & modernisation are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

### 13. TAXES ON INCOME

Tax on income for the current period is determined on the basis of taxable income under the Income Tax Act, 1961.

Deferred tax is recognized on timing differences between the accounting income and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred Tax Recovery Adjustment Account is credited/debited to the extent tax expense is chargeable from the Beneficiaries in future years.



# NHPC Limited

(A Government of India Enterprise)

## NOTE NO. 2 SHARE CAPITAL

(Amount in ₹)

PARTICULARS	As at 31st March, 2013		As at 31st March, 2012	
	In No.	(Amount in ₹)	In No.	(Amount in ₹)
a) Authorized Equity Share Capital (Par value per share ₹ 10)				
b) No. of Equity shares issued, subscribed and fully paid (Par value per share ₹ 10)	122550000	1225500000	5000000	50000000
c) Reconciliation of no. of equity shares & share capital outstanding:	No. of Shares	Share Capital (Amount in ₹)	No. of Shares	Share Capital (Amount in ₹)
Opening number of shares outstanding	5000000	50000000	-	-
Add: No. of shares/Share Capital issued/ subscribed during the year	117550000	1175500000	5000000	50000000
Less: Reduction in no. of shares/Share Capital	-	-	-	-
Closing number of shares outstanding	122550000	1225500000	5000000	50000000
c) Shares in the company held by each shareholder holding more than 5 percent specifying the number of shares held	In No.	In (%)	In No.	In (%)
NHPC Limited (49%)	100000000	1000000000	2450000	24500000
JKSPDC Limited (49%)	22450000	224500000	2450000	24500000
d) In Preceding Five financial years	As at 31.03.2013		As at 31.03.2012	
Aggregate no. of equity shares allotted as fully paid up pursuant to contract(s) without payment being in cash		NIL		200000
Aggregate no. of equity shares allotted as fully paid up by way of bonus share(s)		NIL		NIL
Aggregate no. of equity shares bought back		NIL		NIL

## NOTE NO. 2B SHARE APPLICATION MONEY PENDING ALLOTMENT

(Amount in ₹)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
SHARE APPLICATION MONEY PENDING ALLOTMENT	50000000	0
<b>Total</b>	<b>50000000</b>	<b>0</b>

## NOTE NO. 3 RESERVE AND SURPLUS

(Amount in ₹)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
<b>General Reserve</b>		
As per last Balance Sheet	-	-
Add: Transfer from Surplus	-	-
Less: Write back during the year	-	-
Less: Adjustments during the year	-	-
As at Balance Sheet date	-	-
<b>Surplus *</b>	21305093	(49902)
<b>Total</b>	<b>21305093</b>	<b>(49902)</b>
* Surplus		
Profit for the period as per Statement of Profit and Loss	21354995	(49902)
Balance brought forward	(49902)	-
<b>Balance carried forward</b>	<b>21305093</b>	<b>(49902)</b>

## NOTE NO. 4 BORROWINGS

(Amount in ₹)

PARTICULARS	As at 31st March, 2013			As at 31st March, 2012		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>Bonds</b>						
- Secured	-	-	-	-	-	-
- Unsecured	-	-	-	-	-	-
<b>Term Loans</b>						
• From Banks						
- Secured	-	-	-	-	-	-
- Unsecured	-	-	-	-	-	-
• From other parties						
- Secured	-	-	-	-	-	-
- Unsecured	-	-	-	-	-	-
<b>Total Long Term borrowings</b>	-	-	-	-	-	-
<b>Less: - Current maturities of long term debt</b>	-	-	-	-	-	-
	-	-	-	-	-	-

# CVPPP LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD., JKSPDC LTD. and PTC India LTD.)

### NOTE NO. 5 DEFERRED TAX LIABILITIES / ASSETS

(Amount in ₹)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
<b>Deferred Tax Liability</b>		
i) Depreciation		
<b>Less: Deferred Tax Assets</b>		
Accumulated unabsorbed depreciation	-	-
Provision for doubtful debts, inventory and others		
Provision for employee benefit schemes		
Deferred Tax Liability	-	-
Less: Recoverable	-	-
<b>Deferred Tax Liability (Net)</b>	-	-

### NOTE NO. 6 OTHERS LONG TERM LIABILITIES

(Amount in ₹)

	As at 31st March, 2013	As at 31st March, 2012
a) Trade Payables	-	-
b) Others		
Deposits/ retention money / advances received	70800	11896
Income received in advance	-	-
	<u>70800</u>	<u>11896</u>

### NOTE NO. 7 PROVISIONS

(Amount in ₹)

PARTICULARS	As at 31st March, 2013			As at 31st March, 2012		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>a) PROVISION FOR EMPLOYEE BENEFITS</b>						
<b>i) Provision for leave encashment</b>						
As per last Balance Sheet	-	-		-	-	
Additions during the year	16657			-	-	
Amount used during the year	-	-		-	-	
Amount reversed during the year	-	-		-	-	
<b>Closing Balance</b>	<u>16657</u>	<u>-</u>	<u>16657</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>b) Provision for Wage Revision</b>						
As per last Balance Sheet	-	932823		-	-	
Additions during the year	-	2258605		-	932823	
Amount used during the year	-	-		-	-	
Amount transferred to Superannuation/ Pension fund	-	-		-	-	
Amount reversed during the year	-	-		-	-	
Closing Balance	-	3191428		-	932823	
<b>Less: Advance paid</b>	-	3191428		-	932823	
<b>Closing Balance (Net of advance)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>c) Provision for Performance Related Pay/Incentive</b>						
As per last Balance Sheet	-	2855656		-	-	
Additions during the year	-	5476494		-	2855656	
Amount used during the year	-	148534		-	-	
Amount reversed during the year	-	-		-	-	
Closing Balance	-	8183616	8183616	-	2855656	2855656
<b>Less: Advance paid</b>	-	-	-	-	-	-
<b>Closing Balance (Net of advance)</b>	<u>-</u>	<u>8183616</u>	<u>8183616</u>	<u>-</u>	<u>2855656</u>	<u>2855656</u>
<b>d) Provision for Superannuation / Pension Fund</b>						
As per last Balance Sheet	-	741052		-	-	
Additions during the year	-	-		-	741052	
Amount transferred from Provision for wage revision	-	-		-	-	
Amount used during the year	-	426679		-	-	
Amount reversed during the year	-	314373		-	-	
<b>Closing Balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>741052</u>	<u>741052</u>



# NHPC Limited

(A Government of India Enterprise)

## NOTE NO. 7 PROVISIONS (Contd.)

(Amount in ₹)

PARTICULARS	As at 31st March, 2013			As at 31st March, 2012		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>e) Others</b>						
<b>i) Provision for Taxation</b>						
As per last Balance Sheet	-	1240312		-	-	
Additions during the year	-	8975973		-	1240312	
Amount adjusted during the year	-			-	-	
Amount used during the year	-			-	-	
Amount reversed during the year	-			-	-	
Closing Balance	-	10216285	10216285	-	1240312	1240312
<b>iv) Provision - Others (Wealth Tax)</b>						
As per last Balance Sheet	-	-		-	-	
Additions during the year	-	32973		-	-	
Amount used during the year	-			-	-	
Amount reversed during the year	-			-	-	
Closing Balance	-	32973	32973	-	-	-
<b>Total</b>	<b>16657</b>	<b>18432874</b>	<b>18449531</b>	<b>-</b>	<b>4837020</b>	<b>4837020</b>

Explanatory Note: -

- 1) Provision of ₹ 0.22 Crore (Cumulative provision ₹ 0.32 Crore) has been made under the head "Provision for wage revision" towards the "Personal Adjustment Pay (fitment benefits) pending settlement of the same for want of approval by Competent Authority. An amount of ₹ 0.22 Crore stands paid towards this and is shown as "Advance Paid".
- 2) Out of provisions under group Provision - Others, an amount of NIL (Previous Year NIL) stands deposited under protest and is appearing under the head "Deposits" in Note No. 13.

## NOTE NO. 8 TRADE PAYABLE

(Amount in ₹)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
For goods and services	542653	352765
	<u>542653</u>	<u>352765</u>

## NOTE NO. 9 OTHER CURRENT LIABILITIES

(Amount in ₹)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
Liability against capital works/supplies	5647463	4405062
Deposits/ retention money	1236463	-
Statutory dues payables	6239822	4176569
Other liabilities	1780173747	227638498
Advances against the deposit works	-	-
Less: Amount Spent on Deposit Work	-	-
	<u>1793297495</u>	<u>236220129</u>

Explanatory Note: -

1. Other Liabilities includes Rs. 175.59 Crore on account of Pakal Dul taken over from NHPC Limited.

# CVPPP LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD., JKSPDC LTD. and PTC India LTD.)

### NOTE NO. 10.1 TANGIBLE ASSETS

(Amount in ₹)

		GROSS BLOCK							DEPRECIATION				NET BLOCK	
Sl. No.	PARTICULARS	01.04.2012	Additions		Deductions		Other	31.03.2013	01.04.2012	For the Period	Adjustment	31.03.2013	31.03.2013	31.03.2012
			Transfer	Others	Transfer	Others	Adjustment							
i)	Land – Freehold	0						0	0			0	0	0
ii)	Land – Leasehold	0		60000000				60000000	0	1014481	0	1014481	58985519	0
iii)	Roads and Bridges	0		553280				553280	0	18480	99634	118114	435166	0
iv)	Buildings	0		29936165				29936165	0	319933	12344179	12664112	17272053	0
v)	Railway sidings	0						0	0	0	0	0	0	0
vi)	Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	0						0	0	0	0	0	0	0
vii)	Generating Plant and machinery	0						0	0	0	0	0	0	0
viii)	Plant and machinery Sub station	961277		114903				1076180	3900	57625	21	61546	1014634	957377
ix)	Plant and machinery Transmission lines	1648167						1648167	7371	87023	0	94394	1553773	1640796
x)	Plant and machinery Others	512660		990336				1502996	4029	66946	256762	327737	1175259	508631
xi)	Construction Equipment	0		7811602				7811602	0	842088	5972438	6814526	997076	0
xii)	Water Supply System/Drainage and Sewerage	0						0	0	0	0	0	0	0
xiii)	Electrical installations	0						0	0	0	0	0	0	0
xiv)	Vehicles	3169654		6463762				9633416	201300	450516	2593938	3245754	6387662	2968354
xv)	Aircraft/ Boats	0						0	0	0	0	0	0	0
xvi)	Furniture and fixture	8899889		10665143		55500		19509532	91072	1107811	464078	1662961	17846571	8808817
xvii)	Computers	688745		4150382				4839127	143949	674113	1434073	2252135	2586992	544796
xviii)	Communication Equipment	360570		94847				455417	9251	27613	23285	60149	395268	351319
xix)	Office Equipments	4674634		4975733		23000		9627367	55011	618363	163526	836900	8790467	4619623
xx)	Research and Development	0						0	0	0	0	0	0	0
xxi)	Other assets	537990		3077438		15800		3599628	6884	225368	1314317	1546569	2053059	531106
xxii)	Capital Expenditure on assets Not Owned by the Company	0						0	0	0	0	0	0	0
xxiii)	Tangible Assets of minor value > 750 and < Rs.5000	632462		1711280				2343742	632224	733041	977484	2342749	993	238
xxiv)	Obsolete / surplus assets	0						0	0			0	0	0
	Sub total (a)	22086048	0	130544871	0	94300	0	152536619	1154991	6243401	25643735	33042127	119494492	20931057
	Previous year (a)	0	489854	21700959	23775	80990		22086048	0	1038946	116045	1154991	20931057	

### NOTE NO. 10.2 INTANGIBLE ASSETS

(Amount in ₹)

		GROSS BLOCK						AMORTISATION				NET BLOCK		
Sl. No.	PARTICULARS	01.04.2012	Additions		Deductions		Other Adjustment	31.03.2013	01.04.2012	For the Period	Adjustment	31.03.2013	31.03.2013	31.03.2012
			IUT	Others	IUT	Others								
i)	Land – Unclassified/ Right of Use	0						0	0	0		0	0	0
ii)	Computer Software	0		105394				105394	0	0	105394	105394	0	0
	Sub total (b)	0	0	105394	0	0	0	105394	0	0	105394	105394	0	0
	Previous year (b)	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total (a+b)	22086048	0	130650265	0	94300	0	152642013	1154991	6243401	25749129	33147521	119494492	20931057
	Previous year (a+b)	0	489854	21700959	23775	80990	0	22086048	0	1038946	116045	1154991	20931057	

#### Explanatory Note: -

- Title deeds/title in respect of Land amounting to Rs.6.00 Crore (Previous year NIL), covering an area of 4 Canal (Previous year NIL), are yet to be executed/passed. Expenses on stamp duty etc. relating to registration thereof will be accounted for as and when incurred.



# NHPC Limited

(A Government of India Enterprise)

## NOTE NO. 11.1 CAPITAL WORK IN PROGRESS

(Amount in ₹)

Particulars	01.04.2012	Addition	Adjustment	Capitalised	31.03.2013
i) Roads and Bridges	-	780810	30333794		31114604
ii) Buildings	-	-	824837		824837
iii) Railway sidings	-				-
iv) Hydraulic Works(Dams, Water Conductor system, Hydro mechanical gates, tunnels)	-				-
v) Generating Plant and Machinery	-				-
vi) Plant and Machinery - Sub station	-				-
vii) Plant and Machinery - Transmission lines	-				-
viii) Plant and Machinery - Others	-				-
ix) Construction Equipment	-				-
x) Water Supply System/Drainage and Sewerage	-				-
xi) Other assets awaiting installation	-				-
xii) Capital Expenditure On assets Not owned by the Company	-				-
xiii) CWIP - Assets Under 5 KM Scheme Of the GOI	-				-
xiv) Survey, investigation, consultancy and supervision charges	-	174094	61599963		61774057
xv) Expenditure on compensatory Afforestation	-				-
xvi) Expenditure during construction*	50429447	186674460	1658301904	-	1895405811
Less: Provided for	-				-
<b>Sub total (a)</b>	<b>50429447</b>	<b>187629364</b>	<b>1751060498</b>	<b>-</b>	<b>1989119309</b>
* For addition during the period refer Note No. 29					
	01.04.2012		Adjustment		31.03.2013
<b>Construction Stores</b>	-			166339	166339
Less : Provisions for construction stores	-			-	0
<b>Sub total (b)</b>	<b>0</b>			<b>166339</b>	<b>166339</b>
<b>TOTAL</b>	<b>50429447</b>	<b>187629364</b>	<b>1751226837</b>	<b>-</b>	<b>1989285648</b>
Previous year	-	50429447	-	-	50429447

## NOTE NO. 11.2 INTANGIBLE ASSETS UNDER DEVELOPMENT

(Amount in ₹)

Particulars	01.04.2012	Addition	Adjustment	Capitalised	31.03.2013
Intangible assets under development	-				-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Previous year	-	-	-	-	-



# CVPPP LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD., JKSPDC LTD. and PTC India LTD.)

### NOTE NO. 12 - NON CURRENT INVESTMENTS

Particulars	As at 31st March, 2013			As at 31st March, 2012		
	Number of shares/ bonds/ securities	Face value per share/ bond/ security (In ₹)	Amount (₹ in Crore)	Number of shares/ bonds/ securities	Face value per share/ bond/ security (in ₹)	Amount (₹ in Crore)
<b>A. Trade - Quoted</b>	NIL	NIL	NIL			
Trade - Unquoted						
Sub Total (A)			-			-
<b>B. Non Trade - Quoted</b>						
Sub Total (B)			-			-
Total (A+B)			-			-

### NOTE NO. 13 LOANS AND ADVANCES

(Amount in ₹)

#### PARTICULARS

#### CAPITAL ADVANCES

- Others

#### DEPOSITS

#### OTHER LOANS & ADVANCES

Employees (including accrued interest)

- Secured (considered good)

- Unsecured (considered good)

- Unsecured (considered doubtful)

Advance to contractor / supplier

- Secured (considered good)

- Unsecured (considered good)

- Against bank guarantee

- Others

- Unsecured (considered doubtful)

#### Other advances

- Unsecured (considered good)

- Unsecured (considered doubtful)

#### Advance income tax & tax deducted at source

PARTICULARS	As at 31st March, 2013			As at 31st March, 2012		
	Long Term	Short Term	Total	Long Term	Short Term	Total
CAPITAL ADVANCES						
- Others	199495		199495	-		-
DEPOSITS	-	15500	15500	-	-	-
OTHER LOANS & ADVANCES						
Employees (including accrued interest)						
- Secured (considered good)	-	-	-	-	-	-
- Unsecured (considered good)	-	1518841	1518841	5871	1171881	1177752
- Unsecured (considered doubtful)	-	-	-	-	-	-
Advance to contractor / supplier						
- Secured (considered good)		-	-		-	-
- Unsecured (considered good)		-	-		-	-
- Against bank guarantee		-	-		-	-
- Others		24822196	24822196		290250	290250
- Unsecured (considered doubtful)						
Other advances						
- Unsecured (considered good)		-	-		-	-
- Unsecured (considered doubtful)						
Advance income tax & tax deducted at source		10216829	10216829		385619	385619
	199495	36573366	36772861	5871	1847750	1853621

### NOTE NO. 14 OTHER NON-CURRENT ASSETS

(Amount in ₹)

#### PARTICULARS

As at 31st March, 2013

As at 31st March, 2012

-

-

### NOTE NO. 15 CURRENT INVESTMENTS

Particulars	As at 31st March, 2013			As at 31st March, 2012		
	Number of shares/ bonds/ securities	Face value per share/ bond/ security (in ₹)	Amount (₹ in Crore)	Number of shares/ bonds/ securities	Face value per share/ bond/ security (in ₹)	Amount (₹ in Crore)
Current maturities of long term investments	NIL	NIL	NIL			
Trade - Unquoted						
Total			-			-



# NHPC Limited

(A Government of India Enterprise)

## NOTE NO. 16 INVENTORIES

(Amount in ₹)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
	-	-

## NOTE NO. 17 TRADE RECEIVABLES

(Amount in ₹)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012

## NOTE NO. 18 CASH AND BANK BALANCES

(Amount in ₹)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
<b>A Cash and Cash Equivalents</b>		
i) Cash on hand (includes stamps on hand of NIL ,Previous year NIL)	70243	-
ii) Cheques, drafts on hand	-	-
iii) Balances with banks		
• With scheduled banks		
- Others	5189979	8878842
- In deposits account -	-	-
• With other banks		
<b>B Other Bank Balances</b>		
	928258470	208878842

## NOTE NO. 19 OTHER CURRENT ASSETS

(Amount in ₹)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
a) Interest accrued on:		
i) Deposits		
- Other deposits	8751484	2978136
b) Claims recoverables	26258306	6300805
Less: Provisions for doubtful claims	-	-
	26258306	6300805
c) Others	344311	-
	35354101	9278941

## NOTE NO. 20 REVENUE FROM OPERATIONS

(Amount in ₹)

PARTICULARS	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>A SALES</b>		
Sub total A	-	-
<b>B ADVANCE AGAINST DEPRECIATION</b>		
Sub total B	-	-
<b>C OTHER OPERATING INCOME</b>		
Sub total C	-	-
<b>TOTAL (A-B+C)</b>	-	-

## NOTE NO. 21 OTHER INCOME

(Amount in ₹)

PARTICULARS	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>A) Income from Non-Current Investments</b>		
<b>B) Other Income</b>		
i) Interest		
-Deposit Account - Indian Bank	27665196	3856182
ii) Liability/ Provisions not required written back #	325001	-
iii) Others	5858241	3234763
<b>TOTAL</b>	33848438	7090945
Add/(Less): C.O./Regional Office Expenses	-	-
<b>TOTAL</b>	33848438	7090945
Less: Income transferred to EDC	6183242	3234763
<b>Total carried forward to Statement of Profit &amp; Loss</b>	27665196	3856182
<b>#Detail of Liability/Provisions not required written back</b>		
Provision for Superannuation/Pension Fund	314373	
Others	10628	
	325001	-

# CVPPP LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD., JKSPDC LTD. and PTC India LTD.)

### NOTE NO. 22 GENERATION, ADMINISTRATION AND OTHER EXPENSES

(Amount in ₹)

PARTICULARS	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>A. GENERATION EXPENSES</b>		
<b>B. Direct Expebditure on Contract, Project Management and Consultancy Works</b>	-	-
<b>C. REPAIRS &amp; MAINTENANCE</b>		
- Building	6096605	2108564
- Machinery	598635	127668
- Others	112921	49532
<b>D. ADMINISTRATION EXPENSES</b>		
Rent	13863831	1129916
Rates and taxes	20659126	-
Insurance	337623	25780
Electricity Charges	2117142	38568
Travelling and Conveyance	3717767	2456570
Expenses on vehicles	313728	93984
Telephone, telex and Postage	1027201	254420
Advertisement and publicity	1649804	810513
Entertainment and hospitality expenses	233100	86534
Donation	-	-
Printing and stationery	2143070	309835
Books & Periodicals	31211	9489
Consultancy charges - Indigenous	18424862	12237241
Loss on sale of assets	30358	-
Assets / claims written off	-	1168190
Other general expenses	291766	285615
Audit expenses (Refer detail below)	87375	11050
<b>Sub-total</b>	<b>71736125</b>	<b>21203469</b>
Add/(Less): C.O./Regional Office Expenses	-	-
<b>Sub-total</b>	<b>71736125</b>	<b>21203469</b>
Less: Amount transferred to EDC	71736125	19577361
Less: Recoverable from Deposit Works	-	-
<b>Total (A)</b>	<b>-</b>	<b>1626108</b>
<b>E. PROVISIONS</b>		
<b>Total (B)</b>	<b>-</b>	<b>-</b>
<b>Total carried forward to Statement of Profit &amp; Loss</b>		
<b>Total (A) + (B)</b>	<b>-</b>	<b>1626108</b>
<b>Explanatory Note: -</b>		
<b>1) Detail of audit expenses are as under: -</b>		
<b>i) Statutory auditors</b>	<b>As on 31.03.2013</b>	<b>As on 31.03.2012</b>
As Auditor		
Audit Fees	0.01	0.00
Tax Audit Fees	- 0.01	- 0.00
Reimbursement of expenses	0.00	-
<b>Total Audit Expenses</b>	<b>0.01</b>	<b>0.00</b>

- 2) The Company's significant leasing arrangements are in respect of operating leases of premises for offices, guesthouses & transit camps. These leasing arrangements, which are not non-cancellable, are usually renewable on mutually agreeable terms. Lease payments in respect of premises for offices, guest house & transit camps are shown in Rent.



# NHPC Limited

(A Government of India Enterprise)

## NOTE NO. 23 EMPLOYEE BENEFITS EXPENSE

(Amount in ₹)

PARTICULARS	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Salaries, wages, allowances	93023781	27946942
Gratuity, Contribution to provident fund & pension scheme (incl. administration fees)	12785316	3251592
Staff welfare expenses	6368385	2888315
Leave Salary & Pension Contribution	-	-
<b>TOTAL</b>	112177482	34086849
Add/(Less): C.O./Regional Office Expenses	-	-
<b>TOTAL</b>	112177482	34086849
Less: Employee Cost transferred to EDC	112177482	34086849
Total carried forward to Statement of Profit & Loss	-	-

### Explanatory Note: -

- The Company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees. These leasing arrangements, which are not non-cancellable, are usually renewable on mutually agreeable terms. Salaries, wages, allowances includes ₹ 0.30 Crore (Corresponding Previous year ₹ 0.18 Crore) towards lease payments in respect of premises for residential use of employees.
- Gratuity, Contribution to provident fund & pension scheme include contributions:

	As on 31.03.2013	As on 31.03.2012
i) towards Employees Provident Fund	0.58	0.16
ii) towards Employees Defined Contribution Superannuation Scheme	0.44	0.01

## NOTE NO. 24 FINANCE COST

(Amount in ₹)

PARTICULARS	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>a) Other Borrowing Cost</b>		
Other finance charges	34922	718
<b>sub total</b>	34922	718
<b>Total</b>	34922	718
Add/(Less): C.O./Regional Office Expenses	-	-
<b>TOTAL</b>	34922	718
Less: Finance Cost transferred to EDC	34922	-
<b>Total carried forward to Statement of Profit &amp; Loss</b>	-	718

## NOTE NO. 25 DEPRECIATION AND AMORTIZATION EXPENSES

(Amount in ₹)

PARTICULARS	For the year ended 3 1st March, 2013	For the year ended 31st March, 2012
Depreciation & Amortisation	6243401	1038946
Add/(Less): C.O./Regional Office Expenses	-	-
<b>TOTAL</b>	6243401	1038946
Less: Depreciation & Amortisation Expenses transferred to EDC	6243401	-
Total carried forward to Statement of Profit & Loss	-	1038946

# CVPPP LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD., JKSPDC LTD. and PTC India LTD.)

### NOTE NO. 26 PRIOR PERIOD ITEMS (NET)

(Amount in ₹)

PARTICULARS	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>INCOME</b>		
Sale of Electricity	-	-
Add: Advance Against Depreciation written back	-	-
Interest/Surcharge received from debtors	-	-
Others	-	-
<b>SUB TOTAL</b>	-	-
<b>EXPENDITURE</b>		
Salaries & Wages	-	-
Repair & Maintenance	-	-
Finance Cost	-	-
Depreciation & Amortization Expense	-	-
Others	-	-
<b>SUB TOTAL</b>	-	-
<b>TOTAL</b>	-	-
Add/(Less): C.O./Regional Office Expenses	-	-
<b>TOTAL</b>	-	-
Less: Prior Period Expenses transferred to EDC		
Prior period expenses	2665772	-
Less Prior period income	-	-
<b>Total</b>	<b>2665772 (2665772)</b>	-
Less: Recoverable from Deposit Works	-	-
Total carried forward to Statement of Profit & Loss	<b>(2665772)</b>	-

### NOTE NO. 27 TAX EXPENSES

(Amount in ₹)

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Current Tax		
Income Tax Provision	8975973	1240312
Adjustment Relating To Earlier periods	-	-
Deferred Tax	-	-
Less: Recoverable	-	-
	<b>8975973</b>	<b>1240312</b>

### NOTE NO. 28 EXPENDITURE ON CONTRACT, PROJECT MANAGEMENT AND CONSULTANCY WORKS

(Amount in ₹)

PARTICULARS	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>A. DIRECT EXPENSES</b>	-	-
<b>EMPLOYEE BENEFITS EXPENSE</b>		
<b>B. REPAIRS &amp; MAINTENANCE</b>		
<b>C. ADMINISTRATION &amp; OTHER EXPENSES</b>		
<b>D. Depreciation &amp; Amortisation Expenses</b>	-	-
<b>E. Finance Cost</b>	-	-
Loss on construction contracts	-	-
<b>F. Provisions</b>	-	-
<b>G. C.O./Regional Office Expenses:</b>		
<b>TOTAL EXPENDITURE</b>	-	-
<b>H. Less: Receipts and recoveries</b>	-	-
Net expenditure during the year	-	-
<b>I. Prior period Adjustments</b>	-	-
<b>Total</b>	-	-



# NHPC Limited

(A Government of India Enterprise)

## NOTE NO. 29 EXPENDITURE DURING CONSTRUCTION FOR THE YEAR

(Amount in ₹)

PARTICULARS	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>A. EMPLOYEE BENEFITS EXPENSE</b>		
i) Salaries, wages, allowances	39058612	27946942
ii) Gratuity and contribution to provident fund (including administration fees)	4473308	3251592
iii) Staff welfare expenses	1008677	2888315
iv) Leave Salary & Pension Contribution	6537	-
Sub-total	<b>44547134</b>	<b>34086849</b>
<b>B. REPAIRS &amp; MAINTENANCE</b>		
i) Building	213460	2108564
ii) Machinery	18117	127668
iii) Others		
Sub-total	39936	49532
<b>C. ADMINISTRATION &amp; OTHER EXPENSES</b>	<b>271513</b>	<b>2285764</b>
i) Rent	973343	1129916
ii) Rates and taxes	34084	-
iii) Insurance	6752	-
iv) Security expenses	-	-
v) Electricity Charges	218603	38568
vi) Travelling and Conveyance	342622	2456570
vii) Expenses on vehicles	70759	93984
viii) Telephone, telex and Postage	89287	254420
ix) Advertisement and publicity	815814	729508
x) Entertainment and hospitality expenses	7580	-
xi) Printing and stationery	208114	309835
xii) Remuneration to Auditors	4309	-
Design and Consultancy charges:		
- Indigenous	17259113	12215141
xiv) Losses on sale of assets	607	-
xv) Other general expenses	653184	63655
Sub-total	<b>20684171</b>	<b>17291597</b>
<b>D. FINANCE COST</b>		
Other finance charges	28432	-
Sub-total	<b>28432</b>	-
<b>E. PROVISIONS</b>	-	-
Sub-total	-	-
<b>F. DEPRECIATION AND AMORTISATION EXPENSES</b>	1584035	-
Sub-total	<b>1584035</b>	-
<b>G. PRIOR PERIOD EXPENSES</b>		
Prior Period Expenses	-	-
Less: Prior Period Income	-	-
Sub-total	-	-
<b>H. LESS: RECEIPTS AND RECOVERIES</b>		
a) Income from generation of electricity – precommissioning	-	-
b) Others		
i) Interest on loans and advances	-	-
ii) Miscellaneous receipts	4715933	3234763
iii) Profit on sale of assets	-	-
iv) Exchange rate variation (Credit)	-	-
v) Provision/Liability not required written back	2121	-
vi) Hire charges/ outturn on plant and machinery	-	-
Sub-total	<b>4718054</b>	<b>3234763</b>
<b>I. C.O./Regional Office Expenses:</b>		
i) Other Income	(1465188)	-
ii) Generation, Administration and Other Expenses	50780441	-
iii) Employee Benefits Expense	67630348	-
iv) Depreciation & Amortisation Expenses	4659366	-
v) Finance Cost	6490	-
vi) Provisions	-	-
i) Prior Period Adjustment (Net)	2665772	-
Sub-total	<b>124277229</b>	-
<b>GRAND TOTAL (A+B+C+D+E+F+G+I-H)</b>	<b>186674460</b>	<b>50429447</b>

# CVPPP LIMITED

## Annual Report 2012-13

(A joint venture between NHPC LTD., JKSPDC LTD. and PTC India LTD.)

### NOTE NO. 30 EXPLANATORY STATEMENTS TO ACCOUNTS:-

a) Contingent Liabilities as on:-

(₹ in Crores)

Description	Opening Balance As at 01-04-2012	Closing Balance As at 31-03-2013
Claims against the Company not acknowledged as debts in respect of		
-Capital Works	Nil	3.19
-Land Compensation Cases	Nil	0.03
-Others	Nil	Nil
-Disputed Income Tax Demand	Nil	Nil
-Disputed Sales Tax Demand	Nil	Nil
-Disputed Service Tax Demand	Nil	Nil
-Others	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>3.22</b>

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

c) It is not practicable to disclose the uncertainties relating to any outflow.

- Estimated amount of the contract remaining to be executed on capital account and not provided for ₹ 6.33 Crore (previous year ₹ NIL).
- No provision for Deferred Tax Liability/ Assets is provided in the books on timing differences, keeping in view the fact that project will start generating income after a long period.
- Balances shown under Claims Recoverable, Advances to Others, Sundry Creditors and Deposits/Earnest Money from Contractors are subject to reconciliation/ confirmation and respective consequential adjustments.
  - In the opinion of the Management, the value of Current Assets, Loans and Advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
- Provisions for Employee Benefits as per Accounting Standard - 15 (Revised 2005) for the year ended 31.03.2013 has been made by NHPC; however the corresponding expenditure has been transferred and booked in the books of accounts.
- Electricity generation is the principal business activity of the Company. A reportable segment as per the Accounting Standard - 17 on Segment Reporting issued by the Institute of Chartered Accountants of India is not applicable.
- Disclosure of key management personnel as per Accounting Standard – 18 is given as under: -  
Key Management Personnel:-  
\* Sh. MY Khan, Chairman, CVPP.  
\* Shri S C Gupta, Managing Director, CVPP.
- Disclosure as required under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 is as follows:-

(In ₹)

(i)	Principal amount remaining unpaid to Micro, Small & Medium Enterprise.	NIL
(ii)	Interest Accrued on Principal Amount remaining unpaid as (i) above	NIL
(iii)	Amount of Interest paid during the nine months ended 31-03-2013 along with the payment of principal amount made beyond 15 days or agreed time from the date of delivery/rendering of services.	NIL
(iv)	Interest due but yet to be paid on Principal paid during the nine months ended 31-03-2013	NIL
(v)	Amount of further Interest remaining due and payable even in the succeeding period, until such date when the Interest dues as above are actually paid to the Small Enterprise, for the purpose of disallowance as deductible expenditure.	NIL

8. The Pakal Dul H E Project has been taken over during the year by CVPP Ltd. and following expenditures Assets and Liabilities have been transferred by NHPC Ltd.

Fixed Assets (Gross block)	₹ 3,20,70,556	Note No. 10.1	₹ 64,00,911
Less: Depreciation	₹ 2,56,69,645		
Net block	₹ 64,00,911		
CWIP (up to 16-05-2012)		Note No. 11.1	₹ 175,10,60,498
Stores and Spares		Note No. 11.1	₹ 2,76,464
Other Current Assets		Note No. 19	₹ 3,13,995
Current Liabilities		Note No. 8	₹ 3,10,057

9. Corresponding figures for year / opening balances have been regrouped/ re-arranged/ re-cast, wherever necessary.

In terms of our report of even date attached

for and on behalf of the Board of Directors

**For KRA & Co.**  
Chartered Accountants  
FRN: "020266N"

**(M Y Khan)**  
Chairman

**(S C Gupta)**  
Managing Director

**CA Ajay Kumar**  
Partner  
Membership No. "503015"

**(Sudhir Anand)**  
Company Secretary

**(L. N. Bhardwaj)**  
Chief (Fin)

Place: Jammu  
Date: 17-05-2013



# NHPC Limited

(A Government of India Enterprise)

## CONSOLIDATED CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31-MAR-2013

Amount (in ₹)

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	27665196	1190410
<b>ADD :</b>		
Depreciation (including Prior Period)	-	1038946
<b>LESS :</b>		
Interest Income	27665196	3856182
	<b>-27665196</b>	<b>-2817236</b>
<b>Cash flow from operating activities before working capital adjustments</b>	<b>-</b>	<b>-1626826</b>
Changes in Working Capital:		
(Increase)/Decrease in Inventories	-	-
(Increase)/Decrease in Other Assets, Loans & Advances	-60800776	-11126691
Increase/(Decrease) in Trade & Other Payables	1570863108	241409914
<b>Cash flow from operating activities before taxes</b>	<b>1510062332</b>	<b>230283223</b>
Less : Taxes	-8975973	-1240312
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>1501086359</b>	<b>227416085</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets & expenditure on construction projects (including expenditure during construction)	-98563435	-21970003
Interest Income	27665196	3856182
Dividend Received /Capital Advance /Furniture Advance to staff	-193624	-5871
Expenditure during Construction (EDC)	-1936173772	-50429447
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<b>-2007265635</b>	<b>-68549139</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Equity Share Issued, Subscribed and Paid Up Capital	1225500000	50,000,000
Security Deposit/ Retention Money	58904	11,896
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>1225558904</b>	<b>50011896</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>719379628</b>	<b>208878842</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>208878842</b>	<b>0</b>
<b>Cash &amp; Cash Equivalents at the closing of the year</b>	<b>928258470</b>	<b>208878842</b>

Note:

Cash & Cash Equivalents at the closing of the year amounting ₹ 92,78,22,248/- includes ₹ 92,29,98,248/- in the form of Corporate Liquid Term Deposits for a period of 3 to 4 months.

In terms of our report of even date attached

for and on behalf of the Board of Directors

**For KRA & Co.**  
Chartered Accountants  
FRN: "020266N"

**(M Y Khan)**  
Chairman

**(S C Gupta)**  
Managing Director

**CA Ajay Kumar**  
Partner  
Membership No. "503015"

**(Sudhir Anand)**  
Company Secretary

**(L. N. Bhardwaj)**  
Chief (Fin)

Place: Jammu

Date: 17-05-2013

At the time of printing of Annual Report of subsidiary companies of NHPC Limited, the Directors' Report of M/s Chenab Valley Power Projects Private Limited was not available and the same will be provided separately to the shareholders on request, as and when available.



[illegible]

## This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



1000 MW Indira Sagar Power Station (Madhya Pradesh) - Power House

**एनएचपीसी लिमिटेड**  
(भारत सरकार का उद्यम)



**NHPC Limited**  
(A Government of India Enterprise)

एनएचपीसी कार्यालय परिसर, सैक्टर - 33, फरीदाबाद - 121003, हरियाणा (भारत) वेबसाइट : [www.nhpcindia.com](http://www.nhpcindia.com)  
NHPC Office Complex, Sector - 33, Faridabad - 121003, Haryana (India) Website : [www.nhpcindia.com](http://www.nhpcindia.com)  
EPABX : 0129-2278421 / 422 / 423