



Annual Report  
of Subsidiary Companies

---

2013-14



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## DIRECTORS' REPORT

To the Members,  
NHDC Limited

Your Directors have great pleasure in presenting the 14th 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 31st March 2014.

During the year under review, your Company has achieved an aggregate income of ₹ 211543 lacs representing an increase of 58.08% over the previous year. The highlights of the financial results are as under:

### 1. FINANCIAL HIGHLIGHTS:

(₹ in Lacs)

Particulars	2013-14	2012-13
Revenue from Operations (net)	188442	109545
Other Income	23101	24274
<b>Total Revenue</b>	<b>211543</b>	<b>133819</b>
Generation and Other Expenses {(Including Prior period items (net))}	35215	14227
Profit Before Depreciation & Amortization, Finance Cost and Tax.	176328	119592
Depreciation & Amortization	25397	24418
Profit after Depreciation & Amortization and before Finance Cost and Tax.	150931	95174
Finance Cost	15781	21083
Profit after Depreciation & Amortization and Finance Cost but before Tax.	135150	74091
Tax	28787	16527
Profit After Tax.	106363	57564
Surplus of Profit and Loss brought forward.	241520	190845
<b>Balance available for appropriations</b>	<b>347883</b>	<b>248409</b>

### LESS - APPROPRIATIONS

Transfer to General Reserve	10636	-
Transfer to Corporate Social Responsibility (CSR)/ Sustainable Development (SD)	704	-
Transfer to Research & Development	472	-
Interim Dividend	67709	-
Tax on interim Dividend	11507	-
Proposed Dividend	11579	5888
Tax on proposed dividend	1968	1001
<b>Balance carried forward (forming part of Note 2 – Reserves &amp; Surplus)</b>	<b>243308</b>	<b>241520</b>

Previous year figures regrouped, as applicable.

### 2. REVENUE REALISATION:

A cash revenue realization of ₹ 136911 lacs have been registered during FY 2013-14, which included an amount of ₹ 17890 lacs through EMLs against outstanding securitized dues of Indira Sagar Power Project & Omkareshwar Power Project.

### 3. POWER GENERATION:

The two Power Projects of your company viz., ISP and OSP have generated total 5711.88 MU of energy during FY 2013-14.

### 4. DIVIDEND:

Considering the surplus amount available with the Company and in expectation of earning large amount of profit during the current financial year as well, the Board of Directors declared interim dividend @ ₹ 345 per equity share of the Company amounting to ₹ 67709 lacs (excl. dividend tax as applicable) for the financial year 2013-14.

Further, as against net profit of ₹ 106363 lacs for the F.Y. 2013-14, Board of Directors recommended final dividend @ ₹ 404 per equity share of the Company amounting to ₹ 79288 lacs (excl. dividend tax as applicable) for the financial year 2013-14, subject to approval of the Shareholders in the ensuing Annual General Meeting. The final dividend shall be paid after reducing interim dividend already paid.

### 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 (8x125 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.

The generation from Indira Sagar Power Project during the FY 2013-14 was 4078.75 MU against the target of 2310 MU. The Plant Availability Factor (PAF) of 90.54 % has been achieved against the target of 88.00% 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 (8x65 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 2013-14 was 1633.14 MU against the target of 1243 MU. The Plant Availability Factor (PAF) of 98.05 % has been achieved against the target of 95.00% 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 the company during the year 2012-13, DPE, GOI had evaluated the performance of your Company against MOU as "Excellent" for the year 2012-13.

### 8. DIVERSIFICATION ACTIVITIES:

#### A. REVA THERMAL POWER PROJECT (2 x 660 MW):

Your Company had envisaged to set up a super critical technology based 1320 MW (2 x 660 MW) Reva Thermal Power Project (RTPP) in District Khandwa, M.P. All site activities for preparation of DPR and other required clearances have been completed, however its finalization is awaited for want of coal linkage.

#### B. RENEWAL ENERGY:

Your Company is endeavoring for development of Non-Conventional energy sources especially in solar power. The Company has already installed 20 KW, 15 KW and 20 KW capacity Solar PV plants at ISP, OSP and Corporate Office respectively for captive purposes. However for the development of solar power over spare land available in and around existing projects, a dialogue has also been established with Solar Energy Corporation of India (A Govt. Of India Enterprise), an implementing agency under MNRE, Gol.

#### C. 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 employees 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.

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

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 the 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 Official Language section of your company has made effective efforts to achieve desired targets in the compliance of OL Annual programme. During the year, the Town Official Language Implementation Committee (Corporations), Bhopal honoured your company with award also.

### 11. RIGHT TO INFORMATION ACT, 2005:

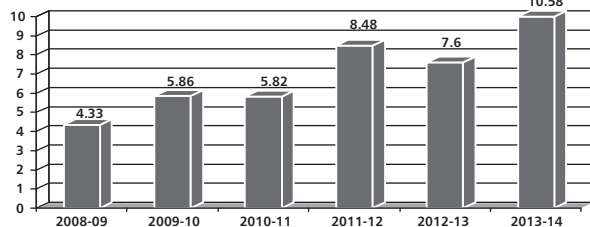
As per the directives of the Government of India, the Right to Information Act, 2005 has been implemented in the Company and all the required infrastructural arrangements such as appointment of Public Information Officers, Assistant Public Information officers and Appellate Authority are available. The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

### 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 31st March 2014, your Company had strong force of 540 employees. Being a learning organization, the company has continuously emphasized on training & development of employees in order to keep them updated and consequently meeting 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.

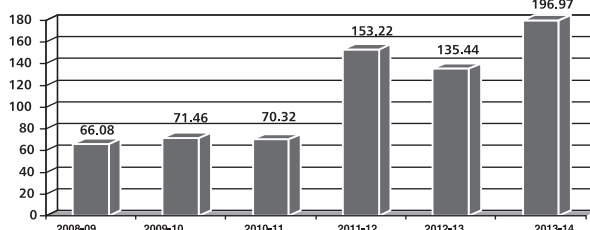
**GENERATION PER EMPLOYEE**

(In Million Units)



**PROFIT BEFORE TAX PER EMPLOYEE**

(Amount in Lacs)



### 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 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 the Companies Act, the directors hereby confirm the following:

- That in the preparation of the Annual Accounts for the financial year ended 31st March, 2014, 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 31st March, 2014 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 2013-14.

### 17. AUDITORS' REPORT:

Report of the Statutory Auditors on the accounts of the Company for the financial year ended on 31st March, 2014 is given at Annexure "B" to the Report. The comments on accounts for the year ended 31st March, 2014 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 2013-14 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 292A of the Companies Act, 1956. As on 31st March, 2014, 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:

As on 31st March, 2014, the composition of the Board includes Sh. G. Sai Prasad as Chairman of the Company along with other Directors appointed by NHPC/MoP, GoI and Govt. of Madhya Pradesh.

GoMP has appointed Sh. S. K. Panwar, Member (F), NVDA as part time director on the Board of the Company w.e.f. 27th June, 2013.

Sh. Gajendra Singh Patel has ceased to be director of the Company w.e.f. 05th November, 2013.

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 places 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

S/d-  
Chairman

Dated : 16-07-2014

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 243028.95 MW (as on 31st March, 2014). 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 243028.95 MW of installed capacity of power, thermal power accounted for 168254.99 MW (69.23%), hydro 40531.41 MW (16.68%), nuclear 4780 MW (1.97%) and renewable energy sources 29462.55 MW (12.12%). The Public Sector has taken a major role in development of power sector and has contributed 66% of total installed capacity. The participation of private sector is 34% which is increasing since the liberalization of economy in 1991.

To fulfill the objectives of the National Electricity Policy, the GoI has now set the target of 88537 MW (excluding power from Renewable Energy Sources) to be added during the 12th Plan (2012-17) and out of this 38447.81 MW has already been achieved up to 31st March, 2014.

NHDC Ltd. (Joint Venture of NHPC Ltd. & GoMP) was set up in August 2000 and was 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, it is the largest hydro power producer in the State of M.P and also a vital constituent of Western region.

The installed capacity in Western region inclusive of power allocation from Joint & Central sector as on 31st March, 2014 was 87388.99 MW. This consists of Thermal 68176.30 MW (78.01 %), hydro 7447.50 MW (8.52 %), nuclear 1840 MW (2.11%) and renewable energy sources 9925.19 MW (11.36 %). The current deficit in energy demand in Western region is 1.0 % whereas the peak demand deficit is 2.4%.

Though the gap between demand and supply of power in Western region in particular is getting bridged gradually, but in order to keep pace with the future demand of power, NHDC Ltd. has envisaged to set 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 its finalization is awaited for want of coal linkage.

### 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 Strengths, Weaknesses, Opportunities and Threats are :-

#### STRENGTHS

- Expertise in Project Management & implementing Hydroelectric Projects.
- Exposure to construction and operation of hydroelectric projects and its management.
- Long Term Power Purchase Agreements with Customer(s).
- Strong Operative Performance.
- Competent & qualified workforce.

#### WEAKNESSES

- Not succeeding to take the full advantage of power generation due to restrictions to fill the reservoir of OSP up to FRL.
- Lack of potential for viable hydro power projects in Madhya Pradesh.

#### OPPORTUNITIES

- To bridge the gap between demand and supply of power for future requirement.
- Potential for developing Projects from all conventional and non-conventional sources of energy.
- Presence of potential sites for the development of mini and micro hydro power stations in Upper Narmada Basin.

#### THREATS

- Competition from Private Developers in Power Sector.
- Scarcity of coal in the country for thermal projects.

- Natural Calamities during construction and operation of Projects.
- Unexpected Complexities and delays like inaccessibility of wind sites, land acquisition in tribal areas, delay in land acquisition for filling of reservoirs.

### POWER GENERATION

Narmada Basin has been benefitted with exceptionally good monsoon during the year 2013. Consequently the NHDC's Power stations have achieved the highest ever annual generation of 5711.89 MU (i.e. 4078.75 MU from ISPS & 1633.14 MU from OSPS) as compared to earlier record generation of 4664 MU which was achieved during FY 2011-12.

### RISKS AND CONCERNS

NHDC's hydro power generating stations are mainly dependent on the unpredictable nature of monsoon.

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 electrical energy demand in the years 2016-17 and 2021-22 would be 1403 billion units and 1993 billion units respectively as per planning commission report, whereas the power generated during the year 2013-14 was 966.378 BU. Similarly, the peak demand in 2016-17 and 2021-22 has been projected as 197.69 GW and 289.67 GW respectively. The peak demand during the year 2013-14 has been 135.92 GW. The demand for electrical energy is to increase by 7% to 8% annually in accordance with the economic growth of the country.

### INTERNAL CONTROL SYSTEM AND ITS 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 authorized, 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 the 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 have been made to provide the right environment for their continuous development in line with organizational goals, priorities and individual aspirations of employees. HR initiatives undertaken to improve employee 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 and 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 who can make 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. A 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 plan has been formulated for ensuring post deployment training and development. This has been designed to groom employees 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 programmes 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

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rate (1.83%) has been the lowest in the industry. The company has developed modern township with best quality of life, containing amenities like, educational, medical and recreational facilities for employees and their family members. The Company has also empanelled hospitals at various locations to meet health needs of the employees. The company has the best record in the industry for accident free man hours. The Company emphasizes aligning capability and competency of the people with current and emerging job responsibility and business challenges.

### INDUSTRIAL RELATIONS:

The Industrial Relations 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 AND SUSTAINABILITY (CSR&S):

Corporate Social Responsibility and Sustainability is 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 common guidelines for Corporate Social Responsibility and Sustainability (CSR&S) effective from 1st April, 2013, accordingly NHDC Ltd has got its "Corporate Social Responsibility and Sustainability Policy" approved from Board. As per these guidelines public sector companies like NHDC Ltd has to earmark 1% to 2% of their Profit After Tax (PAT) of the previous year, towards CSR&S projects for welfare of society in general. During FY 2013-14 out of budget provision of ₹ 7.20 Crore (@1.25% of PAT for FY 2012-13) along with an unspent amount of ₹ 3.10 Crore available towards CSR provisions from earlier years, cumulative amount of ₹ 4.09 Crore has been spent over Corporate Social Responsibility and Sustainability Projects by NHDC Ltd during FY 2013-14. These CSR projects were focused mainly over vocational training, health, peripheral development and various other activities based over local needs.

NHDC is further committed to augment its CSR & S activities in the areas of creation of bio-diversity Park and plant repository for conservation and propagation of species and education purpose, augmentation of fish stock in reservoir of Indira Sagar Project and / or Omkareshwar Project and promotion of handicrafts of M.P. for enhanced potential of livelihood for local affected population besides its ongoing CSR & S activities as stated above for stakeholders and affected population in particular.

### ENVIRONMENT PROTECTION & CONSERVATION:

NHDC Ltd fully acknowledges its corporate environmental responsibilities towards the society, environmental protection and conservation of natural resources and as such same has commanded due attention during implementation of its activities well beyond the statutory obligations. Hydroelectric 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. Some of them are – compensatory afforestation, catchment area treatment, seismic monitoring, creation of National Parks & Sanctuaries, relocation/ restoration of monuments of archeological significance etc.

### RENEWABLE ENERGY DEVELOPMENT

Company in its endeavor to diversify into the field of Non Conventional Energy Sources, is also exploring the possibilities of Installation of Solar Photo-Voltaic (PV) system over spare land available in and around its projects and for this purpose a dialogue has already been established with Solar Energy Corporation of India (A Govt. of India Enterprise) an implementing agency under MNRE, GoI.

GoMP has offered to NHDC the execution of viable power component of medium & minor multipurpose projects 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 2013-14, the Revenue from Operations (net) was ₹ 188442 lacs and Profit After Tax (PAT) was ₹ 106363 Lacs against previous year of ₹ 109545 lacs and ₹ 57564 lacs respectively.

A detailed financial discussion and analysis on the audited financial results of the Corporation for the FY 2013-14 vis-à-vis FY 2012-13 is as under:—

#### 1.0 INCOME

	FY 2013-14	FY 2012-13
Sale of Power (in MU)	5668.86	4140.98
Income (₹ in Lacs)		
Revenue from Operations( Net)	188442	109545
Other Income	23101	24274
Total	211543	133819

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 increased by 58.08% i.e. from ₹ 211543 Lacs in FY 2013-14 ₹ 133819 Lacs in FY 2012-13.

#### 1.1 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. Current year i.e. FY 2013-14 is the last year of the tariff period issued for 5 years i.e. for 2009-14 as per CERC Tariff Regulations 2009 as notified vide CERC's Notification no. L-7/145(160)/2008-CERC dated January 19, 2009. As per 2009 Tariff Regulations, the generation tariff is admissible to the utility in the form of Annual Fixed Charges (AFC), which is derived on 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 calculated by applying the ratio of Plant Availability Factor during the Year (PAFY) 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 @ ₹ 0.80 / KWH is recoverable additionally towards the energy supplied over & above the Saleable Design Energy.

#### 1.2 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', MP Tradeco (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 have been recognized as per Tariff Order dated 13-06-2012 of CERC under Petition No. 154/2010 for ISP & as per Tariff order dated 09.5.2013 in petition no. 248/GT/2012 for OSP issued for the period 2009-14 as per CERC Tariff Regulations 2009.

Further, unbilled revenue of ₹ 1574 Lacs have also been included in Sales on account of increase in return of Equity from 15.5% to 16.5% for ISP based on equity admitted by the commission. The deferred tax liability as materialized amounting to ₹ 3475 Lacs (Previous Year Sales ₹ 3058 Lacs) during the year has also been accounted for in the Sale of Power and the same is recoverable from the beneficiary as per CERC Tariff Regulations 2009.

The Company has transmitted 5668.86 MUs of energy to the beneficiary from its ISPS and OSP during FY 2013-14 as compared to 4140.98 MUs during previous FY 2012-13. The increase in sales in MU is 36.90% compared to previous year energy sales. Revenue from Operations (net) increased by 72.02 % to ₹ 188442 Lacs in FY 2013-14 as against ₹ 109545



Lacs in FY 2012-13. Sales realization in FY 2013-14 has been to the tune of ₹ 132652 lacs as against ₹ 114065 lacs in FY 2012-13.

### 1.3 ADJUSTED SALES OF ENERGY

During the FY 2013-14, CERC has notified the final tariff in respect of Omkareshwar Project vide tariff order dated 09-05-2013 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 recoverable materialized during the year.

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

₹ in Lacs

PARTICULARS	FY 2013-14	FY 2012-13
Revenue from Operation	188442	109545
Less: Interest from Beneficiary allowed by CERC	9656	1553
Revenue from Operation (net of income other than AFC as per Tariff Order)	178786	107992
Less:		
(a) Earlier year sales (net of AAD)	31229	1135
(b) UI Charges	738	408
(c) Energy Development Cess	19871	
Adjusted Sales of Energy	126948	106449
Increase in Adjusted Sales over previous year (%)	19.26	

### 1.4 OTHER INCOME

₹ in Lacs

PARTICULARS	FY 2013-14	FY 2012-13
Other Income	23101	24274

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 2013-14, other income is ₹ 23101 Lacs, which is 4.83%, lower as compared to ₹ 24274 Lac during previous FY 2012-13. The decrease in other income is mainly attributable to decrease in Term Deposits during the current year especially on account of payment of additional special compensation package for OSP, payment of interim dividend, payment of energy development cess & electricity duty, pre-payment of ISP loans, payment of Compensatory Afforestation Fund Management and Planning Authority Fund, however, compensated by increase in income due to additional securitization of trade receivable.

### 2.0 EXPENDITURE: A COMPARATIVE POSITION

₹ in Lacs

PARTICULARS	FY 2013-14	FY 2012-13
Generation, Administration and Other Expenses	28423	8210
Employees' Benefits Expenses	7388	6395
Finance Cost	15781	21083
Depreciation & Amortization Expenses	25397	24418
Prior Period Items (net)	(596)	(378)
<b>Total</b>	<b>76393</b>	<b>59728</b>

The total expenditure during FY 2013-14 is ₹ 76393 Lacs, which witnessed an increase of 27.90% as compared to total expenditure of ₹ 59728 Lacs during FY 2012-13. Further, the percentage of total expenditure with respect to total income during FY 2013-14 is 36.11% as against 44.63% during previous FY 2012-13.

Head-wise reasons are analyzed as under:

### 2.1 GENERATION, ADMINISTRATION AND OTHER EXPENSES

₹ in Lacs

PARTICULARS	FY 2013-14	FY 2012-13	VARIATION
Generation, Administration and Other Expenses	28423	8210	20213

The increase is mainly attributable to the increase in amount of rates and taxes due to applicability Energy Development Cess levied by State Government during the current year first time.

### 2.2 EMPLOYEES BENEFITS EXPENSES

₹ in Lacs

PARTICULARS	FY 2013-14	FY 2012-13	VARIATION
Employees Benefits Expenses	7388	6395	993

The increase in Employees Benefits expenses mainly attributable to increase in Actuarial Valuation cost related to Leave Salary, Gratuity, Employees defined contribution Superannuation Scheme, REHS etc. including NHPC and normal increase in other items of salary.

### 2.3 FINANCE COST

Finance Cost consists primarily of interest expenses on term loans. Finance Cost decreased by 25.15% to ₹ 15781 Lacs in FY 2013-14 from ₹ 21083 Lacs in FY 2012-13 due to repayment and prepayment of loans.

### 2.4 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 ₹ 25397 Lacs is made towards Depreciation and Amortization expenses during FY 2013-14 as compared to ₹ 24418 Lacs during previous FY 2012-13 which witnessed an increase of ₹ 979 Lacs, which is attributable mainly due to additional capitalization on account of R&R cost.

### 2.5 TAX EXPENSES

Owing to the increase in Income, the Tax Expenses during the FY 2013-14 is ₹ 28787 Lacs, which witnessed an increment of 74.18% as compared to tax of ₹ 16527 Lacs paid during previous FY 2012-13.

### 3.0 CASH FLOW

₹ in Lacs

PARTICULARS	FY 2013-14	FY 2012-13
Net Cash inflow from operating activities	16498	77342
Net cash outflow from investing activities	(11920)	12138
Net cash outflow from financing activities	(148014)	(44811)
Net increase/(decrease) in cash/cash equivalents	(143436)	44669



# NHDC Limited

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

### 4.0 ANALYSIS OF BALANCE SHEET ITEMS –

#### 4.1 EQUITIES & LIABILITIES

₹ in lacs

PARTICULARS	AS AT 31ST MARCH 2014	AS AT 31ST MARCH 2013	VARIATION
Long Term Borrowings	72228	138838	(66610)
Deferred Tax (Net)	16772	16340	432
Other Long Term Liabilities	12215	12132	83
Long Term Provisions	1037	805	232
Trade Payables	2138	887	1251
Other Current Liabilities	31787	39355	(7568)
Short Term Provisions	30765	59670	(28905)

The decrease in long term borrowings is on account of repayment of principal amount of borrowings and also prepayment of long term borrowings. The increase in long term provisions is on account of employees long term benefits based on actuarial valuation. Other current liabilities have decreased mainly on account of prepayment of long term borrowings and accordingly amount of current maturities of long term borrowings have been reduced. The increase in trade payables is on account of booking of liability for the month of March 2014 in respect of Energy Development Cess and Electricity Duty. The short term provisions have decreased mainly on account of payment of Compensatory Afforestation Fund Management and Planning Authority (CAMPA) against use of forest land for non-forest purpose in case of OSP. The variations on other items are not significant.

#### 4.2 ASSETS

₹ in Lacs

PARTICULARS	AS AT 31ST MARCH 2014	AS AT 31ST MARCH 2013	VARIATION
Tangible Assets (Gross Block)	401645	400984	661
Intangible Assets (Right of Use) (Gross Block)	353459	319825	33634
Capital Work-in-Progress	386	306	80
Long Term Loans & Advances	3844	3232	612
Other non current Assets	42795	18801	23994
Inventories	755	714	41
Trade Receivables	55866	19100	36766
Cash and Bank Balances	71916	215352	(143436)
Short -Term Loans & Advances	2637	2670	(33)
Other Current Assets	47340	31256	16084

The increase in tangible assets is mainly on account of construction of wall at CISF quarters in OSP & additional bathroom in G type quarter in ISP and others variations are insignificant. The increase in intangible assets (Right of use) is mainly on account of payment of special package to the land oustees in respect of Omkareshwar Project. The increase in Long Term Loans & Advances is mainly on account of Loans & Advances paid during the year to the employees. Other current assets increase is mainly on account of additional securitization of trade receivable in respect of ISP and OSP. The trade receivables increase is on account of increase in current trade receivable arising out of finalization of tariff order of OSP for the tariff period 2009-2014. Cash and Bank Balances decrease is mainly on account of payment of special package to the land oustees, payment of Compensatory Afforestation Fund Management and Planning Authority (CAMPA), payment of interim dividend to shareholders, payment of energy development cess and electricity duty and prepayment of long term loan. The decrease in other current assets is mainly due increase of amount recoverable from the Narmada Valley Development Authority on account of payment of special package to the land oustees in respect of Omkareshwar Project. However, there are no significant variations in other items.



## 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 2012-13.

### 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(s) will 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, the 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, whichever is earlier.

### 2.1 Composition & Tenure of the Board.

As on 31st March, 2014, the Board comprises of 7 Members, consisting of Chairman, Managing Director, 1 Whole Time Director, 1 Part Time Director appointed by NHPC, 1 Independent Director appointed by NHPC and 2 Part Time Director(s) 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 applicable for CPSE.

### 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 2013-2014, 7 (Seven) Board meetings were held on 17th May, 2013, 12th June, 2013, 01st August, 2013, 12th September, 2013, 09th October, 2013, 01st November, 2013 and 29th January, 2014. The meeting called on 11th April, 2013 could not be held for want of quorum. The said meeting was then held on 17th May, 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 01st Aug., 2013	No. of other Directorship held on 31/03/2014	No. of Committee memberships in other Companies on 31/03/14
<b>Non-Executive Directors</b>					
Shri G. Sai Prasad	7	2	Nil	3	Nil
Shri Rajneesh Vaish	7	6	Yes	2	Nil
Shri Shiv Kumar	7	6	Yes	Nil	Nil
Sh S. K. Panwar*	5	2	Yes	Nil	Nil
<b>Executive Directors</b>					
Shri R.S. Mina	7	7	Yes	1	Nil
Shri K.M. Singh	7	7	Yes	Nil	Nil
<b>Independent Director (ID)/ Non-Official Part time Director</b>					
Shri G.S. Vedi	7	5	Yes	2	3
Sh. Gajendra Singh Patel**	6	4	Yes	Nil	Nil

\*Sh. S. K. Panwar, Member (F), NVDA was appointed as director on the Board of NHDC w.e.f. 27th June, 2013.

\*\*Sh. Gajendra Singh Patel ceased to be director of the Company w.e.f. 05th November, 2013.

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.

### 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.

### 3. AUDIT COMMITTEE

As on 31st March, 2014, 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	Chief Executive Director
03	Shri Shiv Kumar	Member	Part Time Director

During the financial year i.e. 2013-14, 6 (Six) Audit Committee Meetings were held on 15th May, 2013, 12th June, 2013, 26th July, 2013, 11th September, 2013, 30th October, 2013 and 28th January, 2014.

Sr. No.	Name	No. of meetings held during tenure	No. of meetings attended.
1	Sh. G. S. Vedi	6	6
2	Sh.K. M. Singh	6	6
3	Sh. Shiv Kumar	6	6

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 applicable for CPSE.

### 4. "CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY (CSR&S) COMMITTEE"

As on 31st March, 2014, the "Corporate Social Responsibility and Sustainability (CSR&S) Committee" comprises the following members:

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

During the financial year i.e. 2013-14, 3 (Three) "Corporate Social Responsibility and Sustainability (CSR&S) Committee" Meetings were held on 12th June, 2013, 11th September, 2013 and 28th January, 2014.

Sr. No.	Name	No. of meetings held during tenure	No. of meetings attended.
1	Sh. G. S. Vedi	3	3
2	Sh.K. M. Singh	3	3
3	Sh. Shiv Kumar	3	3

The scope of work for the "Corporate Social Responsibility and Sustainability (CSR&S)" is as per DPE guidelines issued for CPSE.

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### 5. REMUNERATION COMMITTEE

As on 31st March, 2014, the Remuneration Committee consists of following members:

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

The scope of work for the "Remuneration Committee" is as per DPE guidelines.

During the Financial Year 2013-14, 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*	23.62	-	23.62

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

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

(In ₹)

Name of the Director	Sitting Fees
Shri G. S. Vedi	2,25,000.00
Shri Gajendra Singh Patel	75,000.00

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

### 6. GENERAL BODY MEETINGS

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

- 11th Annual General Meeting was held on 01st August, 2011 at 11.00 a.m. in Hotel Jehan Numa Palace, Shymala Hills, Bhopal.
- 12th Annual General Meeting was held on 01st August, 2012 at 12.45 p.m. in NHDC Parisar, Shymala Hills, Bhopal.
- 13th Annual General Meeting was held on 01st August, 2013 at 12.15 p.m. in NHDC Parisar, Shymala Hills, Bhopal.

### 7. 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.

### 8. 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.

### 9. 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.

### 10. COMPLIANCE CERTIFICATE

Certificate from M/s DPA & Associates, Company Secretaries in Whole-time Practice confirming compliance with the conditions of Corporate Governance as stipulated under Corporate Governance Guidelines for CPSE-2010, forms part of the Annual Report.



# **NHPC Limited**

(A Government of India Enterprise)

## **DECLARATION BY MANAGING DIRECTOR REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT DURING THE FINANCIAL YEAR 2014**

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 2013-14.

**Date : 23-4-2014**

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

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## **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, 2014 as stipulated in 'Guidelines on Corporate Governance - 2010 dated 14th 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 of the effectiveness with which the Management has conducted the affairs of the Company.

Place : Bhopal  
Date : 15-7-2014

**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><b>Indirasagar Power Station</b></p> <ol style="list-style-type: none"> <li>(1) Installation of 2 x 10 KWp Photo voltaic Solar Power Systems at Power House &amp; Admin Office of ISPS.</li> <li>(2) Replacement of 75 W MH post top lantern with 18 W CFL fittings at VIP &amp; Punasa Guest House and E1 to E6.</li> <li>(3) Installation of HT Capacitor Bank of 484 KVAR at left Bank substation, 200 KVAR APFC and 45 KVAR fixed Capacitor at Office Transformer and 45 KVAR at Colony Transformer.</li> </ol> <p><b>Omkareshwar Project</b></p> <ol style="list-style-type: none"> <li>(4) Installation of LED based illumination fittings at Power house control room and conference room.</li> <li>(5) Illumination level management through switching on the lights at Power House and Switchyard on alternate basis.</li> <li>(6) Use of solar energy system at Project Colony.</li> <li>(7) Use of LED light in place of MH Lamp light CFL light and Halogen Lamp light at Project Colony.</li> </ol> <p><b>Corporate Office Bhopal</b></p> <ol style="list-style-type: none"> <li>(8) CFLs have been installed in the Office building at NHDC Parisar.</li> <li>(9) Split type AC's are installed in the Office complex, which can be switched on/off depending upon the requirements.</li> <li>(10) Directions for use along with requests to switch off the equipments after use are displayed at different locations.</li> <li>(11) APFC system installed at NHDC Parisar, for power factor improvement.</li> <li>(12) Periodic cleaning of lamps and fixtures for maximum output.</li> <li>(13) Outdoor lights are being operated with help of timer switch to reduce manual operation so that lights can be switched on and off timely.</li> </ol>
(b)	Additional investments and proposals, if any, being implemented for reduction of consumption of energy;	<p><b>Indirasagar Power Station</b></p> <p>Replacement of existing Sodium Vapour Lamp Fitting with suitable LED Fitting with additional Investment of Rs. 10 lacs.</p> <p><b>Omkareshwar Project</b></p> <ol style="list-style-type: none"> <li>i) Automatic Power factor Control panels of capacity 200 KVAR and 150 KVAR is proposed to be installed at Power House.</li> <li>ii) Solar Power Plant of capacity 40 KW is proposed to be installed at roof top of OSP Power House.</li> <li>iii) LED street light at left bank of OSP dam are under tendering stage amounting to Rs. 745500.</li> </ol> <p><b>Corporate Office, Bhopal</b></p> <p>For reduction of consumption of conventional energy, 20 KW Solar PV Power Plant at the roof top of new office building has been installed. Investment of Rs. 18.32 Lacs has been made on solar PV pwer plant.</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;	<p><b>Indirasagar Power Station</b></p> <ol style="list-style-type: none"> <li>a-1) Average monthly saving is 1290 KWH from Solar System installed resulting in yearly saving of 15480 KWh (Units) of Power.</li> <li>a-3) Reduction in Energy Billing in the tune of Rs. 6 lacs per month due to improvement of Power Factor from 0.78 to 0.88-0.93.</li> </ol> <p><b>Omkareshwar Project</b></p> <ol style="list-style-type: none"> <li>a-4) Reduction of energy consumption by approx. 518 Units per month because of installation of LED fittings in OSP Power house.</li> <li>a-5) Reduction of energy consumption by approx. 12672 Units per month because of illumination level management at OSP Power house.</li> <li>a-6) Energy savings achieved is 14069 units as on Dec'13.</li> <li>a-7) Energy savings achieved is 22260 W.</li> </ol> <p><b>Corporate Office, Bhopal</b></p> <p>Energy consumption reduced after execution of 20 KW Solar Power Plant by an amount generated by the system. Power generation started from 16/01/2014 and on average Solar system is generating 100 units daily.</p>
(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.	NHDC is not in the categories of industries mentioned in the schedule.





### FORM-B

Sr. No.	Information Sought	Reply
(1)	Specific areas in which R&D carried out by the Company.	a) Power Factor Improvement by installation of HT & LT Capacitor bank at ISPS. b) Installation of online vibration monitoring system for generation units of ISPS. c) Installation of Electro static Machine for extraction of oil vapour from bottom & top guide bearing for 01 generating unit of ISPS. d) Installation of oil coolers for LGB & thrust bearing for 01 generating unit at ISPS. e) Study & augmentation of fire protection scheme for 11KV and 415V electrical panels at OSP. f) Study for identification of cause and path of excessive seepage/leakage from vertical formed drains in Drainage Gallery in different blocks of Omkareshwar Dam and its remedies.
(2)	Benefit derived as a result of the above R&D	1-a) Saving of Rs. 6 Lacs approx. in HT electricity b of each Month and Power factor improved fro 0.78 to 0.88 – 0.93. 1-b) Monitoring of two directional vibrations along with housing vibration resulted in improved reliability generating unit. 1-c) This activity resulted in non deposition of vapour in the rotor / air guide area. 1-d) The operating temperature of bottom and thrust bearing has been minimized.
(3)	Future Plan of action.	After completion of 1st phase power Factor Correction equipment, installation of 200 KVAR APFC panel and Fixed Type Capacitor bank of total amount Rs. 3,57,800/–approx. is in progress.
4)	Expenditure on R&D	
	(a) Capital	-
	(b) Recurring	-
	(c) Revenue	₹ 9,96,371/
	(d) Total	₹ 9,96,371/
	(d) Total R&D expenditure as a percentage of total turnover	0.005%

### TECHONLOGY ABSORPTION, ADAPTATION AND INNOVATION

Sr. No.	Information Sought	Reply
1.	Efforts in brief made towards technology absorption, adaptation and innovation	<b>Indirasagar Power Station</b> (1) An oil mist extractor and precipitator system (electro static machine) has been introduced for extraction of oil vapour from bottom & top guide bearing housing of generating unit of ISPS. With the installation of this system, oil mist is being taken out from the top bracket and bottom bracket housing and precipitated in collection chamber. This facility prevented escape of oil mist in generator air circuit and further deposition of oil in generator windings. <b>Omkareshwar Project</b> (2) Installation of LED based illumination fittings at Power house control room and conference room. (3) Solar Power Plant of capacity 40 KW is proposed to be installed at roof top of Power House. (4) Automatic Power factor Control panels of capacity 200 KVAR and 150 KVAR is proposed to be installed at Power House. (5) Installation of new advanced workstations and configuration with existing software is proposed to be done. (6) Solar plant of capacity 15 KW has been stalled at admin building of Urjavihar, OSP.
2.	Benefits derived as result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.	<b>Indirasagar Power Station</b> Enhanced running life of generator windings and reduced maintenance cost due to efforts made as mentioned at S. No. (1) <b>Omkareshwar Project</b> i) Energy savings through reduction of energy Consumptions due to S. No. 2 to 4 above. ii) Faster and efficient operation of Power House.

Technology imported during last five years	NIL
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### 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 ₹ 93 Lacs

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.

## INDEPENDENT AUDITOR'S REPORT

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

### **REPORT ON THE FINANCIAL STATEMENTS:**

We have audited the attached financial statements of NHDC Ltd which comprise the Balance Sheet as at 31.03.2014 the Statement of Profit and Loss for the year ended on 31-3-2014 and Cash Flow statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information as required by the Act in the manner so required and give a true and fair view in conformity with the Accounting principles generally accepted in India:

- i) In the case of Balance Sheet, of the state of affairs of the company for the year ending 31.03.2014.
- ii) In the case of Statement of Profit and Loss, of the Profit of the company for the year ending 31.03.2014.
- iii) In the case of Cash Flow Statement of the cash flows, of the Company for the year ended on that date.

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order 2003 as amended by 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 of the matters specified in the paragraph 4 and 5 of the said order.
2. As required by section 227(3) of the Act 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, the Company has kept proper books of accounts as required by law so far as appears from our examination of those books.
  - c) The Balance Sheet and Profit and 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 Accounting Standards referred to in section 211(3C) of the Companies Act 1956.
  - e) As per the circular issued by the Department of Companies Affairs vide their General Circular No 829 (E) dt 21-10-2013 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 Government company, hence in our opinion the requirements of this clause does not apply to this company also.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act 1956, nor has it issued any Rules under the said section prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

(Mahesh Gupta)  
Partner

**Membership No. 079732**  
**Firm Reg No: 004465C**

Place : Camp, New Delhi  
Date : 06.05.2014

**ANNEXURE TO THE AUDITORS' REPORT  
FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2014**  
(Referred to in paragraph 3 of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, all the fixed assets have been physically verified by the Internal Audit Department of the Company. 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.
- (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.
- (ii) (a) The Internal Audit Department of the Company 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.
- (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.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (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.
- (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 (b), (c) & (d) of clause (iii) are not applicable.
- (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.
- (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 5 are not applicable.
- (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.
- (vii) In our opinion, the company has an internal audit system commensurate with size and the nature of its business.
- (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.
- (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

explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were in arrears, as at 31st March, 2014 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. 5 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	5

- (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**

**(Mahesh Gupta)**  
**Partner**

**Membership No. 079732**  
**Firm Reg No: 004465C**

Place : Camp, New Delhi  
Date : 06.05.2014

# NHDC Limited

## Annual Report 2013-14

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

Annexure "C"

### 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 2014

The preparation of financial statements of NHDC Limited, Bhopal for the year ended 31<sup>st</sup> March, 2014 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 Standards on Auditing 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 06 May, 2014.

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<sup>st</sup> March, 2014. This Supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. On the basis of my 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/-  
(Tanuja S. Mittal)

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

Place : New Delhi  
Date : 23 June, 2014



# NHPC Limited

(A Government of India Enterprise)

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2014

(Amount in ₹ Lacs)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	2	196258	196258
(b) Reserves and Surplus	3	413053	376116
<b>(2) NON-CURRENT LIABILITIES</b>			
(a) Long Term Borrowings	4	72228	138838
(b) Deferred Tax Liabilities	5	16772	16340
(c) Other Long Term Liabilities	6	12215	12132
(d) Long Term Provisions	7	1037	805
<b>(3) CURRENT LIABILITIES</b>			
(a) Short Term Borrowings	8		
(b) Trade Payables	9	2138	887
(c) Other Current Liabilities	10	31787	39355
(d) Short Term Provisions	7	30765	59670
<b>TOTAL</b>		<b>776253</b>	<b>840401</b>
<b>II. ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
(a) Fixed Assets			
(i) Tangible Assets	11.1	271765	290947
(ii) Intangible Assets	11.2	278949	258023
(iii) Capital Work In Progress	12.1	386	306
(iv) Intangible Assets under development	12.2	-	-
(b) Non Current Investments	13	-	-
(c) Deferred tax assets	5	-	-
(d) Long term loans and advances	14	3844	3232
(e) Other non-current assets	15	42795	18801
<b>(2) CURRENT ASSETS</b>			
(a) Current Investments	16	-	-
(b) Inventories	17	755	714
(c) Trade Receivables	18	55866	19100
(d) Cash & Bank Balances	19	71916	215352
(e) Short term Loans and Advances	14	2637	2670
(f) Other Current Assets	20	47340	31256
<b>TOTAL</b>		<b>776253</b>	<b>840401</b>
<b>Significant Accounting Policies</b>	<b>1</b>		
<b>Expenditure during Construction for the Year</b>	<b>29</b>		
<b>Other Explanatory Statements to Accounts</b>	<b>30</b>		
<b>Note 1 to 30 form integral part of the Accounts</b>			

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

In terms of our report of even date attached  
**For BHUTORIA GANESAN & CO.**  
Chartered Accountants

Sd/-  
**MAHESH GUPTA**  
(Partner)  
Membership No 079732  
FRN - 004465C

Sd/-  
**K. M. SINGH**  
Chief Executive Director  
DIN 02223301

Sd/-  
**R. S. MINA**  
Managing Director  
DIN 00149956

Sd/-  
**V. K. TRIPATHI**  
Co. Secretary

Sd/-  
**D. CHAKRABORTY**  
General Manager (Finance)

Place : New Delhi  
Dated : 6-5-2014



# NHDC Limited

## Annual Report 2013-14

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

### STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

(Amount in ₹ Lacs)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
<b>INCOME</b>			
i) Revenue from Operations (gross)	21	193440	109545
Less: Electricity duty		4998	-
Revenue from Operations (net)		188442	109545
ii) Other Income	22	23101	24274
<b>TOTAL REVENUE</b>		<b>211543</b>	<b>133819</b>
<b>EXPENDITURE</b>			
i) Generation, Administration and Other Expenses	23	28423	8210
ii) Employee Benefits Expense	24	7388	6395
iii) Finance Cost	25	15781	21083
iv) Depreciation & Amortization Expense	26	25397	24418
<b>TOTAL EXPENDITURE</b>		<b>76989</b>	<b>60106</b>
<b>Profit before Prior Period items, Exceptional and Extraordinary items and Tax</b>		<b>134554</b>	<b>73713</b>
Prior Period Items (net)	27	(596)	(378)
<b>Profit before Exceptional and Extraordinary items and Tax</b>		<b>135150</b>	<b>74091</b>
Exceptional items [Expenses / (Income)]		-	-
<b>Profit before extraordinary items and Tax</b>		<b>135150</b>	<b>74091</b>
Extraordinary items		-	-
<b>PROFIT BEFORE TAX</b>		<b>135150</b>	<b>74091</b>
<b>Tax Expenses</b>	28		
i) Current Tax		28355	14824
ii) Adjustments relating to earlier periods		-	(5)
iii) Deferred Tax		432	1708
<b>Total Tax Expenses</b>		<b>28787</b>	<b>16527</b>
<b>Profit for the period from continuing operations</b>		<b>106363</b>	<b>57564</b>
Profit from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
<b>Profit from discontinuing operations after tax</b>		<b>-</b>	<b>-</b>
<b>Profit for the year</b>		<b>106363</b>	<b>57564</b>
Earning per share (Equity shares, face value of ₹ 1000/- each)			
<b>Basic</b>		<b>541.96</b>	<b>293.31</b>
<b>Diluted</b>		<b>541.96</b>	<b>293.31</b>
<b>Expenditure during Construction for the Year</b>	29		
<b>Other Explanatory Statements to Accounts</b>	30		
<b>Note 1 to 30 form integral part of the Accounts</b>			

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

In terms of our report of even date attached  
**For BHUTORIA GANESAN & CO.**  
Chartered Accountants

Sd/-  
**MAHESH GUPTA**  
(Partner)  
Membership No. 079732  
FRN - 004465C

Sd/-  
**K. M. SINGH**  
Chief Executive Director  
DIN 02223301

Sd/-  
**R. S. MINA**  
Managing Director  
DIN 00149956

Sd/-  
**V. K. TRIPATHI**  
Co. Secretary

Sd/-  
**D. CHAKRABORTY**  
General Manager (Finance)

Place : New Delhi  
Dated : 6-5-2014



## 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 Assets created on land not belonging to the Company are included under fixed assets.
- 2.3 Payments made provisionally towards compensation and other expenses relating to land are treated as cost of land.
- 2.4 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- Right of use, to be amortised over a period of 30 years from the date of commercial operation of the project.
- 2.5 Fixed Assets declared surplus are shown at lower of book value and net realisable value.

### 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 Statement of Profit & Loss 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 Statement of Profit & Loss 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 Capital work-in-progress is carried at cost. Administration & General overhead and other expenditure attributable to construction of the project are accumulated under 'Expenditure During Construction (EDC)' and are subsequently allocated on systematic basis over 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.
- 4.4 Capital expenditure incurred for creation of facilities, over which the company does not have control but the creation of which is essential principally for construction of the project, is charged to 'Expenditure during Construction (EDC).' Subsequent to completion of the project, expenditure on creation of facilities over which the company does not have control is charged to statement of profit & loss.

### 5. DEPRECIATION & AMORTISATION

- 5.1 Depreciation on additions to /deductions from tangible 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 tangible 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 tangible assets of other than Operating Units of the company is charged on straight-line method to the 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 WDV.
- 5.3 Assets valuing ₹ 5,000/- or less but more than ₹ 750/- and such items (excluding immovable assets) with written down value of ₹ 5,000/- or less at the beginning of the year are fully depreciated during the year with ₹ 1/- as WDV.
- 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 in the year of use.
- 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 from the date such asset is available for use or at the applicable depreciation rates & methodology notified by CERC regulations for such assets, whichever is higher.

- 5.8 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.
- 5.9 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 ₹ 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 Statement of Profit & Loss 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, sale is recognized on provisional rates worked out by the Company 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 Regional Energy Account (REA), 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/ 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 ₹ 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 qualifying tangible 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.

### 14. IMPAIRMENT OF ASSETS

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 a change in the recoverable amount and such loss either no longer exists or has decreased.

### 15. GRANT-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 Grants 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 31st March, 2014		As at 31st March, 2013	
	In No.	(Amount in ₹)	In No.	(Amount in ₹)
a) Authorized Equity Share Capital (Par value per share ₹1000/-)	30000000	3000000	30000000	300000
b) No. of Equity shares issued, subscribed and fully paid (Par value per share ₹ 1000/-)	19625800	196258	19625800	196258
c) During the year ended 31 March, 2014, the company has neither issued / nor reduced any share capital. Hence reconciliation of equity shares is not required.				
d) 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	As at 31st March, 2014		As at 31st March, 2013	
	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 immediately preceding 31.03.2014, Company has not allotted any equity share as fully paid up pursuant to contract(s) without payment being received in cash/ not allotted any equity share as fully paid up by way of bonus share(s) / not bought back any equity shares.				

## NOTE NO. 3 - RESERVE AND SURPLUS

(Amount in ₹ Lacs)

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
<b>Grant in aid Reserve</b>	-	-
As per last Balance Sheet	118545	120711
Additions during the year	30492	5830
Deductions during the year	7156	5716
Less: Adjustments during the year	-	2280
As at Balance Sheet date	141881	118545
<b>Self Insurance Fund</b>		
As per last Balance Sheet	16051	16051
Add: Transfer from Surplus	-	-
Less: Utilisation during the year	-	-
	16051	16051
Less: - Adjustment on account of Claim	-	-
<b>As at Balance Sheet date</b>	<b>16051</b>	<b>16051</b>
<b>Corporate Social Responsibility (CSR) / Sustainable Development (SD) Reserve</b>		
As per last Balance Sheet	-	-
Add: Transfer from Surplus	704	-
Less: Write back during the year	-	-
Less: Adjustments during the year	-	-
As at Balance Sheet date	704	-
<b>Research &amp; Development Reserve</b>		
As per last Balance Sheet	-	-
Add: Transfer from Surplus	473	-
Less: Write back during the year	-	-
Less: Adjustments during the year	-	-
As at Balance Sheet date	473	-
<b>General Reserve</b>		
As per last Balance Sheet	-	-
Add: Transfer from Surplus	10636	-
Less: Write back during the year	-	-
Less: Adjustments during the year	-	-
<b>As at Balance Sheet date</b>	<b>10636</b>	-
<b>Surplus *</b>	243308	241520
<b>Total</b>	<b>413053</b>	<b>376116</b>
<b>* Surplus</b>		
Profit for the Year as per Statement of Profit and Loss	106363	57564
Balance brought forward	241520	190845
<b>Add:</b>		
Amount Utilised From Self Insurance Fund	-	-
Write Back From CSR / SD Reserve	-	-
Write Back From Research & Development Reserve	-	-

# NHDC Limited

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(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, 2014	As at 31 <sup>st</sup> March, 2013
<b>Balance available for Appropriation</b>		
Transfer to General Reserve	10636	-
Transfer to Self Insurance Fund	-	-
Transfer to Corporate Social Responsibility (CSR) / Sustainable Development (SD) Reserve	704	-
Transfer to Research & Development Reserve	473	-
Dividend :		
- Interim	67709	-
- Proposed	11579	5888
- Final		
Tax on Dividend		
- Interim	11507	-
- Proposed	1968	1001
<b>Balance carried forward</b>	<b>243308</b>	<b>241520</b>

### Explanatory Note: -

(Amount in ₹ Lacs)

	01.04.2013	ADDITIONS	DEDUCTIONS	ADJUSTMENTS	31.03.2014.
i) Proportionate contribution by Govt. of Madhya Pradesh towards Irrigation Component in ISPS as a Grant-in-Aid.	29384	1412	1546	-	29250
ii) Proportionate Sub-vention towards Sardar Sarovar project transferred from NVDA Account for ISPS.	37555	1804	1976	-	37383
iii) Contribution by Govt of Madhya Pradesh towards R&R of ISPS.	26570	5787	1444	-	30913
iv) Proportionate contribution by Govt. of Madhya Pradesh towards Irrigation Component in OSPA as Grant-in-Aid.	19128	121	1073	-	18176
v) Contribution by Govt of Madhya Pradesh towards R&R of OSPA.	5908	21368	1117		26159
<b>Total</b>	<b>118545</b>	<b>30492</b>	<b>7156</b>	<b>-</b>	<b>141881</b>

### NOTE NO. 4 - LONG TERM BORROWINGS

(Amount in ₹ Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2014			As at 31 <sup>st</sup> March, 2013		
	Total Borrowings	Less: - Current Maturities	Long Term Borrowing	Total Borrowings	Less: - Current Maturities	Long Term Borrowing
<b>Bonds</b>						
- Secured	-	-	-	-	-	-
- Unsecured	-	-	-	-	-	-
<b>Term Loans</b>						
• From Banks #						
- Secured	33925	8947	24978	97045	18957	78088
- Unsecured	-	-	-	-	-	-
• From other parties #						
- Secured	60750	13500	47250	74250	13500	60750
- Unsecured	-	-	-	-	-	-
	<b>94675</b>	<b>22447</b>	<b>72228</b>	<b>171295</b>	<b>32457</b>	<b>138838</b>
Aggregate amount of loans guaranteed by directors	Nil			Nil		
Aggregate amount of loans guaranteed by directors	Nil			Nil		
Amount of default in repayment of loans and interest as at 31.03.2014	Nil			Nil		
Period of default in repayment of loans and interest as at 31.03.2014	Nil			Nil		

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

- Above outstanding 'Term Loans from Banks' are 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 Indra Sagar Project.
- 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.
- Current maturities of Term Loans from banks include ₹ 2983 Lacs which was due on 31.03.2014. However, due to bank holiday at lender's place, the due date changed to immediately following working day as per term loan agreement with HDFC Bank.
- 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**  
**Long Term Borrowing**

(Amount in ₹ Lacs)

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>(A) BONDS (Non-convertible and Non-cumulative)-Secured</b>	-	-
<b>TOTAL BONDS (A)</b>	-	-
<b>(B) TERM LOANS - Secured</b>		
<b>I- INDIRA SAGAR PROJECT</b>		
<b>CENTRAL BANK OF INDIA</b>	-	20280
(Outstanding loan of Central Bank of India was fully prepaid on 03.03.2014 on the pre-payment date Interest rate was @ 12.50% p.a.)		
<b>DENA BANK</b>	-	17172
(Outstanding loan of Dena Bank was fully prepaid on 03.03.2014 on the pre-payment date Interest rate was @ 12.50% p.a.)		
<b>DENA BANK</b>	-	15479
(Outstanding loan of Dena Bank was fully prepaid on 05.03.2014 on the pre-payment date Interest rate was @ 11.75% p.a.)		
<b>HDFC BANK LIMITED</b>	20490	24216
(Repayable in 20 half yearly equal installments of ₹ 1863 Lacs each upto 31.03.2019 at floating interest rate of 12.50% p.a. as on 31.03.2014)		
<b>HDFC BANK LIMITED</b>	13434	15673
(Repayable in 20 half yearly equal installments of ₹ 1120 Lacs each upto 30.09.2019 at floating interest rate of 11.75% p.a. as on 31.03.2014)		
<b>UNITED BANK OF INDIA</b>	-	4225
(Outstanding loan of United Bank of India was fully prepaid on 08.10.2013 on the pre-payment date Interest rate was @ 12.50% p.a.)		
<b>Sub Total</b>	<b>33924</b>	<b>97045</b>
<b>II- OMKARESHWAR PROJECT</b>		
<b>POWER FINANCE CORPORATION LIMITED</b>	60750	74250
(Repayable in 20 half yearly equal installments of ₹ 6750 Lacs each upto 15.07.2018 at floating interest rate of 10.80% p.a. as on 31.03.2014)		
<b>Sub Total</b>	<b>60750</b>	<b>74250</b>
<b>TOTAL TERM LOANS - Banks/Financial Institutions - INR- SECURED (B)</b>	<b>94674</b>	<b>171295</b>
<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>(D) Loans from Central Govt.- Unsecured</b>	-	-
<b>TOTAL UNSECURED LOANS ( D)</b>	-	-
<b>Grand Total (A+B+C+D)</b>	<b>94674</b>	<b>171295</b>

# NHDC Limited

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

(Amount in ₹ Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Deferred Tax Liability</b>		
Depreciation	66591	68770
<b>Less: Deferred Tax Assets</b>	-	-
Provision for doubtful debts, inventory and others	-	-
Provision for employee benefit schemes	291	494
Deferred Tax Liability	66300	68276
Less: Recoverable	49528	51936
<b>Deferred Tax Liability (Net)</b>	<b>16772</b>	<b>16340</b>

#### Explanatory Note: -

In compliance to the Accounting Standard 22 on "Accounting for Taxes on Income" notified by The Companies Accounting Standard Rules, 2006 ₹ 432 lacs ( corresponding previous year ₹ 1708 lacs ) has been created as deferred tax liability during the year ended 31.03.2014.

### NOTE NO. 6 OTHERS LONG TERM LIABILITIES

(Amount in ₹ Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
a) <b>Trade Payables</b>	-	-
b) <b>Others</b>		
Deposits/ retention money	211	128
Income received in advance	12004	12004
Deferred Foreign Currency Fluctuation Liabilities	-	-
Deferred Income from Foreign Currency Fluctuation Account	-	-
	<b>12215</b>	<b>12132</b>

### NOTE NO. 7 PROVISIONS

(Amount in ₹ Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2014			As at 31 <sup>st</sup> March, 2013		
	Long Term	Short Term	Total	Long Term	Short Term	Total
a) <b>PROVISION FOR EMPLOYEE BENEFITS</b>						
i) <b>Provision for leave encashment</b>						
As per last Balance Sheet	555	33		619	66	
Additions during the year	198	49		-	356	
Amount used during the year	-	42		-	389	
Amount reversed during the year	-	-		64	-	
<b>Closing Balance</b>	<b>753</b>	<b>40</b>	793	<b>555</b>	<b>33</b>	588
ii) <b>Provision for REHS</b>						
As per last Balance Sheet	223	1		212	1	
Additions during the year	30	1		11	-	
Amount used during the year	-	1		-	-	
Amount reversed during the year	-	-		-	-	
<b>Closing Balance</b>	<b>253</b>	<b>1</b>	254	<b>223</b>	<b>1</b>	224
iii) <b>Provision for TTA (Baggage Allowance on Retirement)</b>						
As per last Balance Sheet	26	-		28	-	
Additions during the year	4	-		-	-	
Amount used during the year	-	-		-	-	
Amount reversed during the year	-	-		2	-	
<b>Closing Balance</b>	<b>30</b>	<b>-</b>	30	<b>26</b>	<b>-</b>	26
iv) <b>Provision for Memento</b>						
As per last Balance Sheet	1	-		1	-	
Additions during the year	-	-		-	-	
Amount used during the year	-	-		-	-	
Amount reversed during the year	-	-		-	-	
<b>Closing Balance</b>	<b>1</b>	<b>-</b>	1	<b>1</b>	<b>-</b>	1



## NOTE NO. 7 PROVISIONS

(Amount in ₹ Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2014			As at 31 <sup>st</sup> March, 2013		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>v) Provision for Wage Revision</b>						
As per last Balance Sheet	-	111		-	710	
Additions during the year	-	40		-	22	
Amount used during the year	-	28		-	21	
Amount reversed during the year	-	-		-	600	
<b>Closing Balance</b>	-	<b>123</b>		-	<b>111</b>	
<b>Less: Advance paid</b>	-	123		-	111	
<b>Closing Balance (Net of advance)</b>	-	-	-	-	-	-
<b>vi) Provision for Performance Related Pay/Incentive</b>						
As per last Balance Sheet	-	477		-	1561	
Additions during the year	-	626		-	442	
Amount used during the year	-	378		-	1484	
Amount reversed during the year	-	42		-	42	
<b>Closing Balance</b>	-	<b>683</b>		-	<b>477</b>	
<b>Less: Advance paid</b>	-	4		-	4	
<b>Closing Balance (Net of advance)</b>	-	<b>679</b>	<b>679</b>	-	<b>473</b>	<b>473</b>
<b>vii) Provision for Superannuation /Pension Fund</b>						
As per last Balance Sheet	-	886		-	943	
Additions during the year	-	220		-	168	
Paid to Trust	-	1106		-	223	
Amount reversed during the year	-	-		-	2	
<b>Closing Balance</b>	-	-	-	-	<b>886</b>	<b>886</b>
<b>b) OTHERS</b>						
<b>i) Provision for Taxation</b>						
As per last Balance Sheet	-	-		-	24668	
Additions during the year	-	28355		-	14824	
Amount adjusted during the year	-	-		-	-	
Amount used during the year	-	-		-	7681	
Amount reversed during the year	-	-		-	5	
<b>Closing Balance</b>	-	<b>28355</b>		-	<b>31806</b>	
<b>Less: Advance Tax &amp; TDS</b>	-	<b>28355</b>		-	<b>31806</b>	
<b>Provision of Income Tax ( Net of Refund)</b>	-	-	-	-	-	-
<b>ii) Provision for Proposed Dividend</b>						
As per last Balance Sheet	-	5888		-	5888	
Additions during the year	-	11579		-	5888	
Amount used during the year	-	5888		-	5888	
Amount reversed during the year	-	-		-	-	
<b>Closing Balance</b>	-	<b>11579</b>	<b>11579</b>	-	<b>5888</b>	<b>5888</b>
<b>iii) Tax on Proposed Dividend</b>						
As per last Balance Sheet	-	1001		-	955	
Additions during the year	-	1968		-	1001	
Amount used during the year	-	1001		-	955	
Amount reversed during the year	-	-		-	-	
<b>Closing Balance</b>	-	<b>1968</b>	<b>1968</b>	-	<b>1001</b>	<b>1001</b>
<b>iv) Provision For Tariff Adjustment</b>						
As per last Balance Sheet	-	43		-	-	
Additions during the year	-	-		-	43	
Amount used during the year	-	-		-	-	
Amount reversed during the year	-	-		-	-	
<b>Closing Balance</b>	-	<b>43</b>	<b>43</b>	-	<b>43</b>	<b>43</b>

# NHDC Limited

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(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, 2014			As at 31 <sup>st</sup> March, 2013		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>v) Provision For Corporate Social Responsibility and Sustainable Development</b>						
As per last Balance Sheet	-	393		-	503	
Transfer from Surplus	-	-		-	428	
Transfer to Surplus	-	393		-	538	
Amount reversed during the year	-	-		-	-	
<b>Closing Balance</b>	-	-	-	-	<b>393</b>	<b>393</b>
<b>vi) Provision For Committed Capital Expenditure</b>						
As per last Balance Sheet	-	46760		-	60856	
Additions during the year	-	-		-	-	
Amount used during the year	-	34984		-	988	
Amount reversed during the year	-	-		-	13108	
<b>Closing Balance</b>	-	<b>11776</b>	<b>11776</b>	-	<b>46760</b>	<b>46760</b>
<b>vii) Provision - Others</b>						
As per last Balance Sheet	-	4192		-	3034	
Additions during the year	-	710		-	1582	
Amount used during the year	-	223		-	424	
Amount reversed during the year	-	-		-	-	
<b>Closing Balance</b>	-	<b>4679</b>	<b>4679</b>	-	<b>4192</b>	<b>4192</b>
<b>Total</b>	<b>1037</b>	<b>30765</b>	<b>31802</b>	<b>805</b>	<b>59670</b>	<b>60475</b>

#### Explanatory Note: -

Provision of ₹ 40 lacs (Cumulative provision ₹ 123 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 ₹ 123 lacs stands paid towards this and is shown as "Advance Paid".

### NOTE NO. 8 - SHORT TERM BORROWINGS

(Amount in ₹ Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
"Short Term Loans	-	-
-From Banks (Secured)"	-	-

### NOTE NO. 9 - TRADE PAYABLE

(Amount in ₹ Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
For goods and services	2138	887
	<b>2138</b>	<b>887</b>

### NOTE NO. 10 - OTHER CURRENT LIABILITIES

(Amount in ₹ Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Current maturities of long term debt (Refer Note no. 4)	22447	32457
Current maturities of finance lease obligations	-	-
Deposits	-	-
Interest accrued but not due on borrowings	656	1382
Interest accrued and due on borrowings	-	-
Income received in advance	-	-
Unpaid dividend	-	-
Liability against capital works/supplies	5893	2839
Deposits/ retention money	862	728
Due to Holding Company	256	-
Unspent amount of deposit/agency	-	-
Bond application money	-	-
Statutory dues payables	608	628
Liabilities toward Self Insurance Fund	-	-
Other liabilities	1065	1321
Advances against the deposit works	-	-
Less: Amount Spent on Deposit Work	-	-
Advances against cost of Project Mgt./ Consultancy Work	-	-
Less: Amount Spent in respect of Project Mgt./ Consultancy Work	-	-
Provision Toward Amt Recoverable in r/o Project Mgt / Consultancy Work	-	-
Grants in aid - pending utilization	-	-
	<b>31787</b>	<b>39355</b>

## NOTE NO. 11.1 TANGIBLE ASSETS

Sl. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION		NET BLOCK	
		01.04.2013	Additions	Deductions	Other Adjustments	31.03.2014	01.04.2013	For the Period	Adjustments
i)	Land – Freehold	-	-	-	-	-	-	-	-
ii)	Land – Leasehold	176	-	-	-	176	44	6	1
iii)	Roads and Bridges	1266	-	-	-	1266	241	47	-
iv)	Buildings	66417	380	12	6	66791	14956	2,245	235
v)	Railway sidings	-	-	-	-	-	-	-	-
vi)	Hydraulic Works(Dams, Water Conductor system, Hydro mechanical gates, tunnels)	168207	996	-	54	169257	44967	8890	1014
vii)	Generating Plant and machinery	157148	859	19	14	158002	45746	8298	629
viii)	"Plant and machinery Sub station"	2412	1	-	-	2413	681	128	-
ix)	"Plant and machinery Transmission lines"	391	24	-	-	415	93	23	-
x)	Plant and machinery Others	426	-	-	-	426	147	23	-
xi)	Construction Equipment	579	33	-	-	612	385	52	(1)
xii)	Water Supply System/Drainage and Sewerage	257	44	-	-	301	45	10	1
xiii)	Electrical installations	59	21	-	-	80	10	3	(1)
xiv)	Vehicles	121	-	-	-	121	93	5	(1)
xv)	Aircraft/ Boats	-	-	-	-	-	-	-	-
xvi)	Furniture and fixture	518	37	4	-	551	245	35	(1)
xvii)	Computers	248	17	3	-	262	192	19	-
xviii)	Communication Equipment	48	1	-	-	49	20	3	-
xix)	Office Equipments	265	44	2	2	309	123	19	(2)
xx)	Research and Development	120	-	-	-	120	1	8	-
xxi)	Other assets	347	68	-	(1)	414	99	25	(1)
xxii)	Capital Expenditure on assets Not Owned by NHDC	1904	-	1,854	(50)	-	1,875	-	(1875)
xxiii)	Tangible Assets of minor value > 750 and < Rs.5000	74	7	1	-	80	74	7	(1)
xxiv)	Obsolete / surplus assets	1	-	-	(1)	-	-	-	-
<b>Total</b>		<b>400984</b>	<b>2532</b>	<b>1895</b>	<b>24</b>	<b>401645</b>	<b>110037</b>	<b>19846</b>	<b>(3)</b>
Previous year		400199	830	38	(7)	400984	90243	19828	(34)

## NOTE NO. 11.2 INTANGIBLE ASSETS

Sl. No.	PARTICULARS	GROSS BLOCK				AMORTISATION		NET BLOCK	
		01.04.2013	Additions	Deductions	Other Adjustments	31.03.2014	01.04.2013	For the Period	Adjustments
i)	Land – Unclassified/ Right of Use	319738	33564	-	-	353302	61724	12675	-
ii)	Computer Software	87	70	-	-	157	78	33	-
<b>Total</b>		<b>319825</b>	<b>33634</b>	<b>-</b>	<b>-</b>	<b>353459</b>	<b>61802</b>	<b>12708</b>	<b>-</b>
Previous year		323333	9600	13108	-	319825	51497	10305	-

Figures within parenthesis represent deductions.

### Explanatory Note: -

- 1) Tangible Assets including underground works of ₹ 397783 lacs ( As on 31.03.2013 ₹ 395430 lacs) created on Land unclassified/ Right to use are included under the relevant head. executed/passed. Expenses on stamp duty etc. relating to registration thereof will be accounted for as and when incurred.
- 2) Other Disclosures:

Class of Assets		Addition to Gross Block on account of foreign exchange rate variation	
	As on 31.03.2014 (in ₹ Lacs)	As on 31.03.2013 (in ₹ Lacs)	
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	19	2	
Generating Plant and machinery	5	1	
<b>Total</b>	<b>24</b>	<b>3</b>	

Depreciation for the period (Amount in ₹ Lacs)	
10.1 Tangible Assets	19846
10.2 Intangible Assets	12708
<b>Total</b>	<b>32554</b>
Charged to Grant in Aid Reserve	7156
Charged to P&L	25397



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### NOTE NO. 12.1 - CAPITAL WORK IN PROGRESS

(Amount in ₹ Lacs)

Particulars	01.04.2013	Addition	Adjustment	Capitalised	31.03.2014
i) Roads and Bridges	-	62	-	-	62
ii) Buildings	40	161	-	148	53
iii) Railway sidings	-	-	-	-	-
iv) Hydraulic Works(Dams, Water Conductor system, Hydro mechanical gates, tunnels)	-	-	-	-	-
v) Generating Plant and Machinery	-	55	-	-	55
vi) Plant and Machinery - Sub station	-	-	-	-	-
vii) Plant and Machinery - Transmission lines	1	19	-	20	-
viii) Plant and Machinery - Others	-	-	-	-	-
ix) Construction Equipment	-	-	-	-	-
x) Water Supply System/Drainage and Sewerage	40	3	-	43	-
xi) Other assets awaiting installation	22	102	-	124	-
xii) Capital Expenditure On assets Not Owned by NHDC	23	1	(24)	-	-
xiii) CWIP - Assets Under 5 KM Scheme Of the GOI	-	-	-	-	-
xiv) Survey, investigation, consultancy and supervision charges	180	36	-	-	216
xv) Expenditure on compensatory Afforestation	-	-	-	-	-
xvi) Expenditure during construction*	-	-	-	-	-
Less: Provided for	-	-	-	-	-
<b>Sub total (a)</b>	<u>306</u>	<u>439</u>	<u>(24)</u>	<u>335</u>	<u>386</u>
Construction Stores					
Less : Provisions for construction stores	-	-	-	-	-
<b>Sub total (b)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>306</u>	<u>439</u>	<u>(24)</u>	<u>335</u>	<u>386</u>
Previous year	<b>275</b>	<b>509</b>	<b>1</b>	<b>479</b>	<b>306</b>

Figures within parenthesis represent deductions.

#### Explanatory Note: -

CWIP including underground works of ₹ 171 lacs ( As on 31.03.2013 ₹ 82 lacs ) created on Land unclassified/ Right to use are included under the relevant head.

### NOTE NO. 12.2 - INTANGIBLE ASSETS UNDER DEVELOPMENT

(Amount in ₹ Lacs)

Particulars	01.04.2013	Addition	Adjustment	Capitalised	31.03.2014
i) Intangible assets under development					-
<b>TOTAL</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Previous year	-	-	-	-	-



# NHPC Limited

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## NOTE NO. 13 - NON CURRENT INVESTMENTS

Particulars	As at 31 <sup>st</sup> March, 2014			As at 31 <sup>st</sup> March, 2013		
	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	-	-	-	-	-	-
<b>Trade - Unquoted</b>						
(a) Investment In Equity Instruments	-	-	-	-	-	-
(b) Investment In Bonds	-	-	-	-	-	-
(c) Share Application Money	-	-	-	-	-	-
<b>Sub Total (A)</b>	-	-	-	-	-	-
<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. 14 - LOANS AND ADVANCES

(Amount in ₹ Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2014			As at 31 <sup>st</sup> March, 2013		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>CAPITAL ADVANCES</b>						
Secured (considered good)	-	-	-	-	-	-
Unsecured (considered good)						
- Against bank guarantee	-	-	-	-	-	-
- Others	-	-	-	-	-	-
<b>Less : Provision for expenditure awaiting utilisation certificate</b>	-	-	-	-	-	-
Unsecured (considered doubtful)	-	-	-	-	-	-
<b>Less : Provisions for doubtful advances 1*</b>	-	-	-	-	-	-
<b>DEPOSITS</b>	726	385	1111	668	338	1006
<b>Less : Provision for Doubtful Deposits 2*</b>	-	50	50	-	50	50
<b>LOANS &amp; ADVANCES TO RELATED PARTIES</b>						
- Secured (considered good)						
- Unsecured (considered good)	-	-	-	-	-	-
- Unsecured (considered doubtful)						
<b>OTHER LOANS &amp; ADVANCES</b>						
<b>Employees (including accrued interest)</b>						
- Secured (considered good)	2629	231	2860	2006	200	2206
- Unsecured (considered good)	489	156	645	558	153	711
- Unsecured (considered doubtful)	-	-	-	-	-	-

# NHDC Limited

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### NOTE NO. 14 - LOANS AND ADVANCES

(Amount in ₹ Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2014			As at 31 <sup>st</sup> March, 2013		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>Advance to contractor / supplier / Service Provider</b>						
- Secured (considered good)		-	-		-	-
- Unsecured (considered good)						
- Against bank guarantee		-	-		9	9
- Others		8	8		66	66
- 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 of Arunachal Pradesh</b>						
- Secured (considered good)						
- Unsecured (considered good)	-	-	-	-	-	-
- Unsecured (considered doubtful)						
<b>Other advances</b>						
- Unsecured (considered good)		433	433		248	248
- Unsecured (considered doubtful)						
<b>Less : Provisions for doubtful Other loans &amp; advances 3*</b>	-	-	-	-	-	-
<b>Advance income tax &amp; tax deducted at source</b>		61635	61635		33512	33512
<b>Less : Provisions for Income Tax</b>		60161	60161		31806	31806
<b>Net Advance Tax</b>		1474	1474		1706	1706
	<b>3844</b>	<b>2637</b>	<b>6481</b>	<b>3232</b>	<b>2670</b>	<b>5902</b>
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>Provisions for doubtful advances 1*</b>						
Opening Balance	-	-	-			-
Addition during the year			-			-
Used during the year			-			-
Reversed during the year			-			-
<b>Closing balance</b>	-	-	-	-	-	-
<b>Provisions for Doubtful Deposits *2</b>						
Opening Balance	-	50	50	-	50	50
Addition during the year		-	-	-	-	-
Used during the year		-	-	-	-	-
Reversed during the year		-	-	-	-	-
<b>Closing balance</b>	-	50	50	-	50	50
<b>Provisions for Doubtful Loans &amp; Advances *3</b>						
Opening Balance	-	-	-			-
Addition during the year			-			-
Used during the year			-			-
Reversed during the year			-			-
<b>Closing balance</b>	-	-	-	-	-	-
<b>Explanatory Note : -</b>						(Amount in ₹ Lacs)
1) PARTICULARS OF LOANS AND ADVANCES DUE FROM DIRECTORS			<b>As at 31.03.2014</b>			<b>As at 31.03.2013</b>
Amount due at the end of the period			-			1
2) Advance due by firms or private companies in which any Director of the Company is a Director or member amounts to Rs. Nil (Previous year Rs. Nil)						
3) Provision for doubtful deposit represent non - refundable amount ₹ 50 lacs with M.P. Urja Vikas Nigam, Bhopal during the year 2007.						



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## NOTE NO. 15 OTHER NON-CURRENT ASSETS

(Amount in ₹ Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Long term trade receivable</b>		
- Secured - Considered good	-	-
- Unsecured - Considered good	42795	18801
- Considered doubtful and provided	-	-
Receivable on account of Unbilled Revenue	-	-
<b>Others</b>		
Interest accrued on:		
- Advance to Government of Arunachal Pradesh	-	-
- Others	-	-
Deferred Foreign Currency Fluctuation Assets	-	-
Deferred Expenditure on Foreign Currency Fluctuation Account	-	-
	<b>42795</b>	<b>18801</b>

## NOTE NO. 16 - CURRENT INVESTMENTS

Particulars	As at 31 <sup>st</sup> March, 2014			As at 31 <sup>st</sup> March, 2013		
	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>A. Trade - Quoted</b>	-	-	-	-	-	-
<b>B. Non Trade - Quoted</b>	-	-	-	-	-	-
<b>Total</b>						
Unquoted Investments						
Aggregate Cost			-			-
Valuation as per accounting policy no. 6						

## NOTE NO. 17 - INVENTORIES

(Amount in ₹ Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>(Valuation as per Accounting Policy No. 7)</b>		
Stores and spares	363	412
Stores in transit/ pending inspection	<b>60</b>	95
Loose tools	8	8
Scrap inventory	8	5
Material at site	316	194
Material issued to contractors/ fabricators	-	-
Inventory for Self Generated VER's	-	-
<b>Less: Provision for Obsolescence &amp; Diminution in Value *4</b>	-	-
	<b>755</b>	<b>714</b>
<b>Provision for Obsolescence &amp; Diminution in Value *4</b>		
Opening Balance	-	-
Addition during the year		
Used during the year		
Reversed during the year		
<b>Closing balance</b>	-	-

### Explanatory Note: -

Stores in transit/ pending inspection includes ₹ Nil (As on 31.03.2013 ₹ 2 lacs) on account of material in transit .

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### NOTE NO. 18 - TRADE RECEIVABLES

(Amount in ₹ Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Trade Receivables outstanding for a period exceeding six months from the date they become due for payment		
- Secured - Considered good		
- Unsecured - Considered Good	21198	10798
- Unsecured - Considered Doubtful		-
Other Trade Receivables		
- Secured - Considered good		
- Unsecured - Considered Good	34668	8302
- Unsecured - Considered Doubtful		
<b>Less: Provision for doubtful debts *5</b>	<u>-</u>	<u>-</u>
	<b>55866</b>	<b>19100</b>
<b>Provisions for doubtful debts *5</b>		
Opening Balance	-	
Addition during the year		
Used during the year		
Reversed during the year		
<b>Closing balance</b>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

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

(Amount in ₹ Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>A Cash and Cash Equivalents</b>		
i) Cash on hand	3	4
ii) Cheques, drafts on hand	-	18
iii) Balances with banks		
• With scheduled banks		
- In current account	3679	72
- In deposits account	26100	45042
# Deposits with maturity of three months or less		
<b>B Other Bank Balances</b>		
i) Deposits with maturity of more three months but less than/upto 12 months		
• With scheduled banks		
- In deposits account - Self Insurance Fund	35685	144149
ii) Deposits with more than 12 months maturity	-	-
- Term Deposit	6449	26067
	<u>71916</u>	<u>215352</u>

#### Explanatory Note: -

- Cash and Bank Balances include an amount of ₹ Nil (As on 31.03.2013 ₹ 122 lacs) kept with banks under lien as margin money for opening Letter of Credit or similar facility, which is not available for use as on 31.03.2014.
- Cash and Bank Balances include an amount of ₹ 824 lacs (As on 31.03.2013 ₹ 780 lacs) kept with banks as per orders of Hon'ble Court of Law, which is not available for use as on 31.03.2014.
- Cash and Bank Balances include an amount of ₹ 511 lacs (As on 31.03.2013 ₹ 1048 lacs) representing deposit by oustees towards Land for Land in respect of Omkareshwar Project, which is not available for use as on 31.03.2014.
- Cash and Bank Balances include an amount of ₹ 16051 lacs (As on 31.03.2013 ₹ 16051 lacs) held by the corporation towards self insurance reserve, not available for use otherwise.



## NOTE NO. 20 - OTHER CURRENT ASSETS

(Amount in ₹ Lacs)

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
<b>a) Interest accrued on:</b>		
Loan to State Government in settlement of dues from customers	-	-
Deposits		
- IPO	-	-
- Self Insurance	-	-
- Other deposits	5559	12179
Others	-	-
<b>b) Receivable on account of unbilled revenue</b>	1939	3526
<b>c) Recoverables from Holding company</b>	-	20
<b>d) Interest recoverable from beneficiary</b>	323	175
<b>e) Claims recoverables</b>	36069	12323
Less: Provisions for Doubtful Claims *6	25	25
	36044	12298
<b>f) Others</b>	3475	3058
<b>g) Work In Progress</b>		
Construction work in progress(on behalf of client)	-	-
Consultancy work in progress(on behalf of client)	-	-
<b>h) Expenditure awaiting adjustment</b>	-	-
Less: Provision for project expenses write off sanction *7	-	-
	-	-
<b>i) Losses awaiting write off sanction/pending investigation</b>	18	28
Less: Provision for losses pending investigation/awaiting write off sanction *8	18	28
	-	-
	47340	31256
<b>Provisions for Doubtful Claims *6</b>		
Opening Balance	25	59
Addition during the year	-	-
Used during the year	-	34
Reversed during the year	-	-
<b>Closing balance</b>	25	25
<b>Provision for project expenses write off sanction *7</b>		
Opening Balance	-	-
Addition during the year	-	-
Used during the year	-	-
Reversed during the year	-	-
<b>Closing balance</b>	0	0
<b>Provision for losses pending investigation/awaiting write off sanction *8</b>		
Opening Balance	28	32
Addition during the year	-	-
Used during the year	10	4
Reversed during the year	-	-
<b>Closing balance</b>	18	28

### Explanatory Note: -

- 1) Claims recoverable ( at e ) includes a sum of ₹ 8 lacs (As on 31.03.2013 ₹ 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.
- 2) Others at (e) represents Materialisation of deferred tax amounting to ₹ 3475 lacs (Previous Year ₹ 3058 lacs).



# NHDC Limited

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### NOTE NO. 21 - REVENUE FROM OPERATIONS

(Amount in ₹ Lacs)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
<b>A SALES</b>		
SALE OF POWER (including electricity duty)	183784	108035
Less :		
- Sales adjustment on a/c of Foreign Exchange Rate Variation	-	-
- Tariff Adjustments	-	43
- Regulated Power Adjustment	-	-
- Income from generation of electricity	-	-
- precommissioning (refer Note 29 I (a))	-	-
<b>Sub total A</b>	<b>183784</b>	<b>107992</b>
<b>B ADVANCE AGAINST DEPRECIATION</b>		
During the year	-	-
Less : Written back during the year	-	-
<b>Sub total B</b>	<b>-</b>	<b>-</b>
<b>C OTHER OPERATING INCOME</b>		
Interest from Beneficiary States	9656	1553
<b>Sub total C</b>	<b>9656</b>	<b>1553</b>
<b>D REVENUE FROM CONTRACTS, PROJECT MANAGEMENT AND CONSULTANCY WORKS</b>		
Contract Income	-	-
Revenue from Project management/ Consultancy works	-	-
<b>Sub total D</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A-B+C+D)</b>	<b>193440</b>	<b>109545</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 and Omkareshwar Power Project.
- 'Sales of power' includes unbilled revenue on account of increase in Return on equity for ISP from 15.50% to 16.50% amounting to ₹ 1574 lacs (previous year 564 lacs for ISP and OSP).
- For the purpose of recognizing sales for the year, Return on Equity (ROE) has been grossed up using Minimum Alternate Tax (MAT) rate for F.Y. 2013-14.
- 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 trueing up at the end of the tariff period, which may result in increase or decrease in tariff. Accordingly, an amount of ₹ Nil (Corresponding Previous year ₹ 43 lacs) has been provided in the books during the year.
- Sales for the year includes ₹ 31093 lacs (previous year ₹ 1135 lacs) on account of earlier year sales arising out of finalisation of tariff in current period.
- In terms of regulation No. 39 of tariff regulation issued vide Central Electricity Regulatory Commission (CERC) notification No. 1-7/145(160)/2000-CERC dated 19.01.2009 deferred tax liabilities for the period upto 31st March 2009, whenever materialized is recoverable directly from the beneficiaries and are accounted for on yearly basis. Accordingly current year sale includes ₹ 3475 lacs (previous year 3058 lacs) on account of deferred tax which is materialized.
- During the year the company has paid Electricity Duty ₹ 4998 lacs (Previous year Nil /-) for the period 25.04.2012 to 31.03.2014 and energy Development Cess ₹ 19871 lacs (Previous year Nil /-) for the period 10.08.2011 to 31.03.2014 to Govt. of Madhya Pradesh. The Electricity Duty and Energy Development Cess is recoverable from beneficiary and accordingly billed to the beneficiary and included in Sales of Power.



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## NOTE NO. 22 - OTHER INCOME

(Amount in ₹ Lacs)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
<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>		
- Dividend income -Mutual Fund	-	-
- Dividend income -Others	-	-
- Interest- (Self Insurance Fund)	-	-
<b>B) Other Income</b>		
<b>i) Interest</b>		
- Deposit Account -Self Insurance Fund	-	-
- Deposit Account ( Banks)- Other than self insurance fund	16504	19520
Interest from Beneficiary -Trade receivable on deferred credit	5954	3068
- Employee's Loans and Advances	226	178
- Others	-	-
<b>ii) Late payment surcharge</b>	-	-
<b>iii) Net Gain/Loss on Sale of Mutual Fund</b>	-	-
<b>iv) Income From Sale Of Self Generated VERs</b>	-	-
<b>v) Realization Of Loss Due To Business Interruption</b>	-	-
<b>vi) Profit on sale of assets</b>	1	1
<b>vii) Liability/ Provisions not required written back #</b>	67	1090
<b>viii) Others</b>	349	417
<b>ix) Exchange rate variation</b>	-	-
<b>TOTAL</b>	<b>23101</b>	<b>24274</b>
Add/(Less): C.O./Regional Office/PID Expenses	-	-
<b>TOTAL</b>	<b>23101</b>	<b>24274</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>23101</b>	<b>24274</b>
<b>#Detail of Liability/Provisions not required written back</b>		
a) Bad and doubtful Advances *1	-	-
b) Bad and doubtful deposits *2	-	-
c) Other doubtful Loans & Advances *3	-	-
d) Diminution in value of stores and spares *4	-	-
e) Bad and doubtful debts *5	-	-
f) Bad and doubtful claims *6	-	34
g) Project expenses awaiting w/o reversed *7	-	-
h) Losses pending investigation/awaiting write off sanction *8	-	2
i) Provision for wage revision	-	600
j) Provision for PRP / Incentive /Productivity Linked Incentive	42	41
k) Provision for Superannuation/Pension Fund	2	-
l) Provision for Retirement benefits (Gratuity, Leave Encashment, REHS, Mommento etc)	-	-
m) Provision for tariff adjustment	-	-
n) Provision For Corporate Social Responsibility and Sustainable Development & Research & Development Expenses	-	-
o) Provision for Committed Capital Expenditure	-	2
p) Others	23	411
<b>TOTAL</b>	<b>67</b>	<b>1090</b>

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

(Amount in ₹ Lacs)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
<b>A. GENERATION EXPENSES</b>		
Water Charges	-	-
<b>B. Consumption of stores and spare parts</b>	315	187
<b>C. Direct Expenditure on Contract, Project Management and Consultancy Works</b>	-	-
<b>D. REPAIRS &amp; MAINTENANCE</b>		
- Building	308	533
- Machinery	88	313
- Others	1832	1410
<b>E. ADMINISTRATION EXPENSES</b>		
Rent	475	454
Rates and taxes	22	24
Energy Development Cess	19871	-
Insurance	1012	906
Reimbursement towards claim from Self insurance fund	-	-
Security expenses	970	905
Electricity Charges	874	920
Travelling and Conveyance	108	103
Expenses on vehicles	28	19
Telephone, telex and Postage	56	53
Advertisement and publicity	163	73
Entertainment and hospitality expenses	20	19
Printing and stationery	73	62
Consultancy charges - Indigenous	150	139
Consultancy charges - Foreign	-	-
Audit expenses (Refer detail below)	12	9
Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	-	-
Expenditure on land not belonging to company	45	8
Loss on sale of assets	1	-
Assets / claims written off	-	-
Books & Periodicals	3	3
Donation	-	-
CSR/ Sustainable Development/ Community Development Expenses	415	437
Directors' expenses	3	1
Research and development expenses	10	209
Interest on Arbitration/ Court Cases	-	-
Interest to beneficiary states	-	-
Rebate to customers	1198	975
Expenditure on Self Generated VER's	-	-
Expenses for Regulated Power	-	-
Less: - Exp Recoverable on Regulated Power	-	-
Exchange rate variation	-	-
Other general expenses	371	445
<b>Sub-total</b>	<b>28423</b>	<b>8207</b>
Add/(Less): C.O./Regional Office/PID Expenses	-	-
<b>Sub-total</b>	<b>28423</b>	<b>8207</b>
Less: Amount transferred to EDC	-	-
Less: Recoverable from Deposit Works	-	-
<b>Total (A)</b>	<b>28423</b>	<b>8207</b>



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

(Amount in ₹ Lacs)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
<b>F. PROVISIONS</b>		
Bad and doubtful debts provided	-	-
Bad and doubtful advances / deposits provided	-	-
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
Diminution in value of Inventory of Self Generated VER's Provided for	-	-
<b>Sub-total</b>	-	<b>3</b>
Add/(Less): C.O./Regional Office/PID Expenses	-	-
<b>Sub-total</b>	-	<b>3</b>
Less: Amount transferred to EDC	-	-
Less: Recoverable from Deposit Works	-	-
<b>Total (B)</b>	-	<b>3</b>
<b>Total carried forward to Statement of Profit &amp; Loss</b>		
<b>Total (A) + (B)</b>	<b>28423</b>	<b>8210</b>
<b>Explanatory Note:</b>		
1) 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.		
2) Sitting fees to independent directors	3	1
3) Detail of audit expenses are as under: -		
<b>i) Statutory auditors</b>	As on 31.03.2014	As on 31.03.2013
<b>As Auditor</b>		
Audit Fees	8	5
Tax Audit Fees	<u>2</u>	<u>2</u>
	10	7
<b>In other Capacity</b>		
Taxation Matters	-	-
Company Law Matters	-	-
Management Services	-	-
Other Matters/services	<u>1</u>	<u>1</u>
	1	1
<b>Reimbursement of expenses</b>	-	-
<b>ii) Cost Auditors</b>		
Audit Fees	1	1
Reimbursement of expenses	-	-
<b>Total Audit Expenses</b>	<u>12</u>	<u>9</u>

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### NOTE NO. 24 - EMPLOYEE BENEFITS EXPENSE

(Amount in ₹ Lacs)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
Salaries, wages, allowances	5975	5222
Gratuity, Contribution to provident fund & pension scheme (incl. administration fees)	1007	820
Staff welfare expenses	406	353
Leave Salary & Pension Contribution	-	-
<b>TOTAL</b>	<b>7388</b>	<b>6395</b>
Add/(Less): C.O./Regional Office Expenses	-	-
<b>TOTAL</b>	<b>7388</b>	<b>6395</b>
Less: Employee Cost transferred to EDC	-	-
Less: Recoverable from Deposit Works	-	-
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>7388</b>	<b>6395</b>

#### Explanatory Note: -

- 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 Rs. 242 lacs (Corresponding Previous year Rs. 201 lacs) towards lease payments in respect of premises for residential use of employees.

(Amount in ₹ Lacs)

	As on 31.03.2014	As on 31.03. 2013
2) Gratuity, Contribution to provident fund & pension scheme include contributions:		
i) towards Employees Provident Fund	355	305
ii) towards Employees Defined Contribution Superannuation Scheme	476	259

### NOTE NO. 25 - FINANCE COST

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
<b>a) Interest on :</b>		
Government of India loan	-	-
Bonds	-	-
Foreign loan	-	-
Term loan	15771	21073
Cash credit facilities /WC DL	-	-
Other interest charges	-	-
<b>Sub Total</b>	<b>15771</b>	<b>21073</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>15781</b>	<b>21083</b>
Add/(Less): C.O./Regional Office/PID Expenses	-	-
<b>TOTAL</b>	<b>15781</b>	<b>21083</b>
Less: Finance Cost transferred to EDC	-	-
Less: Recoverable from Deposit Works	-	-
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>15781</b>	<b>21083</b>



## NOTE NO. 26 - DEPRECIATION AND AMORTIZATION EXPENSES

(Amount in ₹ Lacs)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
Depreciation & Amortisation	32553	30134
Depreciation adjustment on account of Foreign Exchange Rate Variation	-	-
Add/(Less): C.O./Regional Office / PID Expenses	-	-
<b>TOTAL</b>	<b>32553</b>	<b>30134</b>
Less: Depreciation & Amortisation Expenses transferred to EDC	-	-
Less: Recoverable from Deposit Works	-	-
Less: Charged to Grant in Aid - Reserve (Grants written off)	7156	5716
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>25397</b>	<b>24418</b>

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

(Amount in ₹ Lacs)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
<b>INCOME</b>		
Sale of Electricity	-	-
Advance Against Depreciation written back	-	-
Interest/Surcharge from debtors	-	-
Others	-	-
<b>SUB TOTAL</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURE</b>		
Salary & Wages	-	-
Repair & Maintenance	-	-
Finance Cost	-	-
Depreciation & Amortization Expense	1	(378)
Others	(597)	-
<b>SUB TOTAL</b>	<b>(596)</b>	<b>(378)</b>
<b>TOTAL</b>	<b>(596)</b>	<b>(378)</b>
Add/(Less): C.O./Regional Office/PID Expenses	-	-
<b>TOTAL</b>	<b>(596)</b>	<b>(378)</b>
<b>Less: Prior Period Expenses transferred to EDC</b>		
Prior period expenses	-	-
Less Prior period income	-	-
<b>Total</b>	<b>(596)</b>	<b>(378)</b>
Less: Recoverable from Deposit Works	-	-
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>(596)</b>	<b>(378)</b>

## NOTE NO. 28 - TAX EXPENSES

(Amount in ₹ Lacs)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
Current Tax		
Income Tax Provision	28355	14824
<b>Adjustment Relating To Earlier years</b>	-	(5)
<b>Deferred Tax</b>	(1975)	(311)
Less: Recoverable	(2407)	(2019)
	<b>432</b>	<b>1708</b>
	<b>28787</b>	<b>16527</b>



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

(Amount in ₹ Lacs)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
<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	-	-
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	-	-
<b>Design and Consultancy charges:</b>		
xii) - Indigenous	-	-
xiii) - Foreign	-	-
xiv) Remuneration to Auditors	-	-
xv) Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	-	-
xvi) Expenditure on land not belonging to company	-	-
xvii) Losses on sale of assets	-	-
xviii) Loss on assets/ materials written off	-	-
xix) Exchange rate variation	-	-
xx) Other general expenses	-	-
<b>Sub-total</b>	-	-
<b>D. FINANCE COST</b>		
i) Interest on :		
Government of India loan	-	-
Bonds	-	-
Foreign loan	-	-
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>	-	-



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

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
<b>G. PRIOR PERIOD EXPENSES</b>		
Prior Period Expenses	-	-
Less: Prior Period Income	-	-
<b>Sub-total</b>	-	-
<b>H. 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 to H)</b>	-	-
<b>I. LESS: RECEIPTS AND RECOVERIES</b>		
<b>a) Income from generation of electricity – precommissioning</b>	-	-
<b>b) Others</b>		
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	-	-
vi) Hire charges/ outturn on plant and machinery	-	-
<b>Sub-total</b>	-	-
<b>TOTAL</b>	-	-

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

1. a) Contingent Liabilities as on :-

(₹ in Lacs)

Particulars	As at 31.03.2014	As at 31.03.2013
i) Claims against the Company not acknowledged as debts in respect of -		
- Capital Works	27294	24920
- Land Compensation Cases	119514	120999
- Others	101	NIL
ii) Disputed Income Tax Demand	NIL	NIL
iii) Disputed Sales Tax Demand	NIL	NIL
iv) Disputed Service Tax Demand	NIL	NIL
v) Disputed Entry Tax Demand	5	3
vi) Others	NIL	NIL
<b>TOTAL</b>	<b>146914</b>	<b>145922</b>

- 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 works include 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. The above also include claims of contractors which are under scrutiny at various levels of Management but yet to achieve finality.
- d) The Contingent Liability under the head "Capital Works" includes ₹ 13095 Lacs (previous year ₹ 11989 Lacs), towards arbitration awards received against the company. Outflow is not considered probable in respect of these awards since the same stands 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 Company ₹ 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 ₹ 6163 Lacs (Previous Year ₹ 4291 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 ₹ 4684 Lacs (Previous Year ₹ 13075 Lacs).

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: -

(Refer note no 3)

**Indira Sagar Project :-**

(₹ in Lacs)

(A)	Amount received in Cash or in kind	Cumulative upto 31.03.2013	During F.Y. 2013 - 14	Cumulative upto 31.03.2014
i.	Expenditure incurred by NVDA	129874	1257	131131
ii.	Cash Received	55797	5210	61007
iii.	Amount transferred from OSP A/c	856	-	856
<b>Total of (A)</b>		<b>186527</b>	<b>6467</b>	<b>192994</b>
<b>(B)</b>				
i.	Equity Capital	66000	-	66000
ii.	Irrigation Component	38430	1412	39842
iii.	SSP Component	49107	1804	50911

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(B) Due/Adjusted on account of	Cumulative upto 31.03.2013	During F.Y. 2013 - 14	Cumulative upto 31.03.2014
iv. Sub-vention towards excess R&R Expenses	32375	5787	38162
v. Electricity charges & water supply maintenance charges	504	-	504
vi. Advance against Irrigation/ Equity of OSP	3308	-	3308
<b>Total of (B)</b>	<b>189724</b>	<b>9003</b>	<b>198727</b>
<b>(C) Amount recoverable from NVDA i.e. (B-A)</b>	<b>3197</b>	<b>2536</b>	<b>5733</b>

Omkareshwar Project: -

(₹ in Lacs)

(D) Amount received in Cash or in kind	Cumulative upto 31.03.2013	During F.Y. 2013 - 14	Cumulative upto 31.03.2014
i. Expenditure incurred by NVDA	8270	-	8270
ii. Cash Received	41476	-	41476
iii. Amount transferred from ISP A/C	3308	-	3308
<b>Total of (D)</b>	<b>53054</b>	<b>-</b>	<b>53054</b>
<b>(E) Due /Adjusted on account of:</b>			
i. Equity Capital	30016	-	30016
ii. Irrigation Component	23793	121	23914
iii. Sub-vention towards excess R&R Expenses	6875	619	7494
iv. Amount Transferred to ISP A/C	856	-	856
v. Additional Special R&R Package		20749	20749
<b>Total of (E)</b>	<b>61540</b>	<b>21489</b>	<b>83029</b>
<b>(F) Amount recoverable from NVDA i.e. (E-D)</b>	<b>8486</b>	<b>21489</b>	<b>29975</b>
<b>(G) Total Amount recoverable i.e (C+F)</b>	<b>11683</b>	<b>24025</b>	<b>35708</b>

4. (a) Pending approval of the competent authority, provisional payments/provisions made towards executed quantities of some of the items beyond approved quantities, extra items & expenditure incurred by NVDA on behalf of the Company, 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, 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:

(₹ in Lacs)

	For 2013-14	For 2012-13
(i) Amount charged to Statement of Profit & Loss excluding depreciation (as FERV)	NIL	NIL
(ii) Amount charged to Statement of Profit & Loss 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 carrying amount of fixed assets	24	3

6. Following Accounting Policies have been introduced / modified /deleted/ reworded during the financial year 2013-14, 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 2013-14
1	<b>Policy No. 2.2</b>	Policy has been reworded to have a better disclosure.	No impact
2	<b>Policy No. 2.3</b>	Policy on Capital expenditure on assets where neither the land nor the assets is owned by the Company (enabling assts) has been deleted on introduction of new Accounting policy no. 4.4.	Refer Policy No 4.4
3	<b>Policy No. 2.4, 2.5, 2.6 (old)</b>	Policies have been renumbered as 2.3, 2.4, 2.5.	No impact
4	<b>Policy No. 2.4</b>	Policy has been reworded to have a better disclosure.	No impact
5	<b>Policy No. 2.7 (old)</b>	Policy has been renumbered as 14	No impact
6	<b>Policy No. 3.1 (b)</b>	Policy has been reworded to have a better disclosure.	No impact
7	<b>Policy No. 4.1</b>	Policy has been reworded to have a better disclosure.	No impact
8	<b>Policy No. 4.4</b>	New Policy on capital expenditure on facilities over which Company does not have control has been introduced.	Profit increased by ₹ 24 Lacs
9	<b>Policy No. 5.2.1</b>	Policy has been reworded to have a better disclosure.	No impact
10	<b>Policy No. 5.2.2</b>	Policy has been reworded to have a better disclosure.	No impact
11	<b>Policy No. 5.3</b>	Policy has been reworded to have a better disclosure.	No impact
12	<b>Policy No. 5.4</b>	Policy has been reworded to have a better disclosure.	No impact
13	<b>Policy No. 5.7</b>	Policy has been reworded to have a better disclosure.	No impact
14	<b>Policy No. 5.8</b>	Policy on amortization of capital expenditure referred to in Policy No. 2.3 has also been deleted consequent to deletion of Accounting policy no. 2.3	Refer Policy No 4.4
15	<b>Policy No. 5.9, 5.10 (old)</b>	Policies have been renumbered as 5.8 & 5.9	No impact
16	<b>Policy No. 8.2</b>	Policy has been reworded to have a better disclosure.	No impact
17	<b>Policy No. 10.1(a)</b>	Policy has been reworded to have a better disclosure.	No impact
18	<b>Policy No. 10.1(c)</b>	Policy has been reworded to have a better disclosure.	No impact
19	<b>Policy No. 12</b>	Policy has been reworded to have a better disclosure	No impact
20	<b>Policy No. 14</b>	Policy no. 2.7 has been renumbered as 14	No impact

7. Disclosure as required by Accounting Standard (AS) 15:

General description of various defined employee benefit schemes as under:

### Defined Contribution Schemes

#### A. Provident Fund

The Company pays fixed contribution to 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/ expenditure during construction. 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. Social Security Scheme

The Company has a Social Security Scheme. The Company makes a matching contribution per month per employee and such contribution is to be made for first 8 years to build up corpus from the date the scheme is in operation i.e. 01.04.2009. 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 bereaved 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.

## C. Employees Defined Contribution Superannuation Scheme

The Company has an employee defined contribution superannuation scheme for providing pension benefits to employees. As per the scheme, each employee contributes @ 5% of Basic Pay & Dearness Allowance. The company contributes to the extent of balance available after deducting employer's contribution to Provident fund, contribution to Gratuity Trust and REHS, from the amount worked out @ 30% of Basic Pay & DA.

### Defined Benefits Schemes

## D. 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 pay dearness allowance) for each completed year of service subject to a maximum of ₹ 10 Lacs, on superannuation, resignation, termination, disablement or on death. The plan is being managed by a separate Trust created for the purpose and obligation of the Company is to make contribution to the Trust based on actuarial valuation.

## E. Leave

The Company provides for earned leave and half-pay leave to the employees, which accrue annually @ 30 days and 20 days respectively. The maximum ceiling of encashment of earned leave is limited to 300 days. However, any shortfall in the maximum limit of 300 days in earned leave on superannuation shall be regulated as per the clarification issued by the department of Public Enterprises (DPE), Government of India. The liability for the same is recognized on the basis of actuarial valuation.

## F. Retired Employee Health Scheme (REHS)

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

## G. Baggage 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 Company. In case of death, family of deceased employee can also avail this facility.

## H. Memento to employees on attaining the age of Superannuation

The Company has a policy of providing Memento valuing ₹ 0.05Lacs to employee retiring on Superannuation.

Schemes described as above at A, B, C, & D are funded and rest are un-funded.

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 31.03.2014. 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 31.03.2014 given below: -

**Table 1: - Key Assumptions**

	As at 31.03.2014	As at 31.03.2013
Mortality Table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (1994-96)
Attrition Rate	Up to 30 Years - 1% 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	8.50%	8.00%
Rate of increase in compensation level	6.50%	6.00%
Expected average remaining working lives of employees (years)	20.58	21.56

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

(Refer note no 7 & 10)

(₹ in Lacs)

	As at 31.03.2014			As at 31.03.2013		
	Gratu-ity	Leave encash-ment	REHS	Gratu-ity	Leave encash-ment	REHS
PVO at beginning of year	662	588	224	464	685	213
Interest Cost	53	48	18	37	55	17
Past Service Cost	-	-	-	-	-	-
Current Service Cost	92	90	26	79	72	27
Benefit paid	(11)	(42)	(1)	(15)	(389)	(1)
Actuarial (gain)/loss	47	109	(13)	97	165	(32)
PVO at end of year	843	793	254	662	588	224

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

(₹ in Lacs)

	As at 31.03.2014			As at 31.03.2013		
	Gratu-ity	Leave encash-ment	REHS	Gratu-ity	Leave encash-ment	REHS
PVO at the end of year	843	793	254	662	588	224
Fair value of plan assets at the end of year	721	-	-			
				481	-	-
Funded status/ Difference	(122)	(793)	(254)	(181)	(588)	(224)
Unrecognized Actuarial (gain)/loss	-	-	-			
Net assets/ (liability) recognized in balance sheet	(122)	(793)	(254)	(181)	(588)	(224)

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

(₹ in Lakhs)

	As at 31.03.2014			As at 31.03.2013		
	Gratu-ity	Leave encash-ment	REHS	Gratu-ity	Leave encash-ment	REHS
Current Service cost	92	90	26	79	73	27
Past service cost	-	-	-	-	-	-
Interest Cost	53	48	18	37	55	17

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	As at 31.03.2014			As at 31.03.2013		
	Gratu-ity	Leave encash-ment	REHS	Gratu-ity	Leave encash-ment	REHS
Expected return on plan assets	(45)	-	-	-	-	-
Net Actuarial (gain)/loss recognized for the year	33	109	(13)	86	165	(32)
Expenses recognized in P&L A/c for the year	133	247	31	202	293	12

Liabilities as on 31.03.2014 on account of Baggage Allowance on retirement & Memento are ₹ 30 Lacs & ₹ 1 Lacs (Previous year ₹ 26 Lacs & ₹ 1 Lacs) respectively.

8. a) Electricity Generation is the principal business activity of the Company. Other revenue viz, interest income do not form part of a reportable segment as per Accounting Standard-17 on Segment Reporting notified by The Companies Accounting Standard Rules, 2006.
- b) The Company 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 as notified by The Companies Accounting Standard Rules, 2006, the required information is given as under: -

### Key Management Personnel

Name	Designation
Sh. G. Sai Prasad	Joint Secretary (Thermal), Ministry of Power, Government of India. Assigned additional charge of Chairman of the Company
Sh. R.S. Mina	Managing Director
Sh. K.M. Singh	Chief Executive Director

Remuneration to key management personnel is ₹ 28 Lacs (Corresponding previous year ₹ 52 Lacs)

10. The Company has a separate CSR/ SD and R&D Policy. As per these policies fund once created, to the extent not spent in the year, will not lapse and be transferred to separate reserves. For the Financial 2013-14 funds have been created @1.25% and 0.5% for CSR/ SD and R&D respectively. The outstanding provisions against CSR, SD and R&D as on 31.03.2013 has been credited to Statement of Profit & Loss for the period ending 31.03.2014 and shown under prior period items. To the same extent, CSR, SD reserve and R&D reserve have been created as on 31.03.2014 by transfer of surplus in P&L account (Refer note no 2 & 27).
11. The elements considered for calculation of Earning per Share (EPS) are as under: -

Particulars	For the year 2013-14		For the year 2012-13	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Net Profit after tax used as numerator (₹)	10,63,63,09,939	10,63,63,09,939	5,75,64,40,505	5,75,64,40,505
Weighted Average No. of Equity Share used as denominator	19625800	19625800	19625800	19625800
Earning Per share (₹)	541.96	541.96	293.31	293.31
FV Per Share (₹)	1000	1000	1000	1000

12. 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 31.03.2014.

13. Other disclosures as per schedule – VI of the Companies Act, 1956

(₹ in Lacs)

Sl. No.	Particulars	For the year 2013-14	For the year 2012-13
a)*	Value of imports calculated on CIF basis:		
i)	Capital Goods		
ii)	Spare parts	93	NIL
		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.		
i)	Imported		
ii)	Indigenous	NIL	NIL
		315	187
d)*	Earnings in foreign currency		
i)	Interest	NIL	NIL
ii)	Others	NIL	NIL

\* Accrual basis.

14. Disclosures as required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 are as follows:

Sl. No.	Particulars	(₹ 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

15. 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  
Mahesh Gupta  
Partner

Membership No. 079732  
FRN - 004465C

Place: New Delhi  
Date: 06.05.2014



# NHPC Limited

(A Government of India Enterprise)

## CASH FLOW STATEMENT

(Amount in ₹ Lacs)

S. No.	PARTICULARS	For the year ended 31.03.2014	For the year ended 31.03.2013
<b>A)</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before tax and extraordinary items	135150	74091
	Add:		
	- Depreciation & Amortisation including Prior Period	25398	24040
	- Provisions/Liabilities written Back	656	75
	- Provisions	282	368
	- Advance against depreciation	-	-
	- Loss/(Profit) on sale of assets (net)	-	-
	- Finance cost	15781	21083
	- Interest Income	(22458)	(22588)
	Operating profit before working capital changes	154809	97069
	Working Capital Changes		
	(Increase)/ Decrease in inventories	(41)	(134)
	(Increase)/ Decrease in Trade Receivables	(60760)	3031
	(Increase)/ Decrease in Loans & Advances	(811)	(875)
	(Increase)/ Decrease in Other Current Assets	(16084)	(5832)
	Increase /(Decrease) in Current Liabilities & Provisions	(32492)	(499)
		44621	92760
	Less: Taxes Paid ( Including TDS) Net of Refund	28123	15418
		28123	15418
	Cash generated from operations (A)	16498	77342
<b>B)</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Tangible & Intangible Assets and CWIP	(34380)	(10451)
	Interest Income	22458	22588
	Proceeds on sale of assets	2	1
	<b>Net cash used in Investing Activities (B)</b>	(11920)	12138
<b>C)</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from issue of Share Capital	-	-
	Proceeds from Borrowings	-	-
	Repayments of Borrowings	(76621)	(20813)
	Funds received from GOMP towards SSP, Irrigation component & R&R Subvention	30493	3928
	Dividend Paid	(5888)	(5888)
	Dividend Tax Paid	(1001)	(955)
	Interim Dividend Paid	(67709)	-
	Interim Dividend Tax Paid	(11507)	-
	Finance cost	(15781)	(21083)
	Cash Flow From Financing Activities	(148014)	(44811)
	Net increase / decrease in Cash and Cash equivalents (A+B+C)	(143436)	44669
	Cash and Cash equivalents (Opening Balance)	215352	170683
	Cash and Cash equivalents (Closing Balance)	71916	215352

### Explanatory notes to Cash Flow Statement

- Cash and Bank Balances include an amount of ₹ Nil (As on 31.03.2013 ₹ 122 lacs) kept with banks under lien as margin money for opening Letter of Credit or similar facility, which is not available for use as on 31.03.2014.
- Cash and Bank Balances include an amount of ₹ 824 lacs (As on 31.03.2013 780 lacs) kept with banks as per orders of Hon'ble Court of Law, which is not available for use as on 31.03.2014.
- Cash and Bank Balances include an amount of ₹ 511 lacs (As on 31.03.2013 ₹ 1048 lacs) representing deposit by oustees towards Land for Land in respect of Omkareshwar Project, which is not available for use as on 31.03.2014.
- Cash and Bank Balances include an amount of ₹ 16051 lacs (As on 31.03.2013 ₹ 16051 lacs) held by the corporation towards self insurance reserve, not available for use otherwise.
- The previous year's figures has been regrouped / re-arranged / re-casted wherever necessary.

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

In terms of our report of even date attached  
**For BHUTORIA GANESAN & CO.**  
Chartered Accountants

Sd/-  
**MAHESH GUPTA**  
(Partner)  
Membership No 079732  
FRN - 004465C

Sd/-  
**K. M. SINGH**  
Chief Executive Director  
DIN 02223301

Sd/-  
**R. S. MINA**  
Managing Director  
DIN 00149956

Sd/-  
**V. K. TRIPATHI**  
Co. Secretary

Sd/-  
**D. CHAKRABORTY**  
General Manager (Finance)

Place : New Delhi  
Dated : 6-5-2014



# LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

## Annual Report 2013-14

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

### DIRECTORS' REPORT

To the Members,

Loktak Downstream Hydroelectric Corporation Limited

Directors of Loktak Downstream Hydroelectric Corporation Limited ("LDHCL") are pleased to present the 5<sup>th</sup> Annual Report on performance of the Company along-with Audited Statement of Accounts, Auditor's Report and comments on accounts by the Comptroller and Auditor General of India for the year ended on 31<sup>st</sup> March 2014.

#### 1. STATE OF COMPANY'S AFFAIRS

##### a. OPERATIONAL REVIEW

Central Electricity Authority ("CEA") accorded concurrence to Loktak Downstream Hydroelectric Project ("Project") in favour of NHPC Ltd on 15<sup>th</sup> November 2006 which was further revalidated up to 14<sup>th</sup> November, 2012. CEA transferred concurrence in favour of LDHCL on 6<sup>th</sup> August, 2012. In January 2013, CEA extended concurrence up to 14<sup>th</sup> November 2014 with the condition that LDHCL shall submit updated Detailed Project Report ("DPR") along-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 in the DPR. Accordingly, the DPR has been updated and has been submitted on 23<sup>rd</sup> September 2013 to CEA. After examination and concurrence by CEA, process for recommendation of Public Investment Board (PIB) and thereafter, approval of Cabinet Committee on Economic Affairs (CCEA) shall be initiated. Environment clearance, Forest clearance (1<sup>st</sup> stage) and Defence clearance for the Project are available.

Board of Directors of your company is actively monitoring various activities of the Project which includes 2<sup>nd</sup> stage Forest clearance, Updation of DPR, Bidding for Turnkey implementation, etc.

##### NEW SCHEMES

As per Government of Manipur (GoM) Hydro Policy, it can allocate Projects with the Capacity between 5 MW to 25 MW to your Company by entering into Memorandum of Understanding. Your Company has approached GoM for allocation of E&M component of Thoubal Multipurpose HE Project, to which the GoM has agreed. The formalities in respect of this Project are under finalization.

##### b. FINANCIAL REVIEW

The financial performance for the year ended as on March 31<sup>st</sup> 2014 is summarized here under:-

#### FINANCIAL HIGHLIGHTS

(₹ in Crore)

Particulars	2013-14	2012-13
Sales	-	-
Profit before Depreciation, Interest and Tax	4.15	6.80
Depreciation	-	-
Profit after Depreciation but before Interest and Tax	4.15	6.80
Interest & Finance Charges	-	-
Profit after Depreciation and Interest but before Tax	4.15	6.80
Tax	1.35	2.21
Profit after Depreciation, Interest and Tax	2.80	4.59
Surplus of Profit and Loss Account of earlier years	10.19	5.60
Profit available for appropriations	12.99	10.19
<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	12.99	10.19

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 ₹ 430.60 Lacs. An amount of ₹ 280.50 Lacs has been transferred to Reserves and Surplus account. 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 share capital of the company as on the close of financial year was ₹ 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 information 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 appointed M/s Kunjabi & Co., Imphal as the Statutory Auditors of the Company for the year 2013-14.

#### 8. INTERNAL AUDITORS

As per section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the Company has appointed Shri C. Sanjoy Singh, Chartered Accountant to conduct the internal audit of the Company on bi-annual basis.

#### 9. KEY MANAGERIAL PERSONNEL

Shri Siladitya Basu, Chief (Finance) has been designated as Chief Financial Officer (CFO) of your Company for the purpose of Section 203 of the Companies Act, 2013. Further, Shri Ranjan Mitra, CEO, Shri Siladitya Basu, CFO and Shri Vipin Jain, AM (Fin), NHPC Ltd [having additional charge of the post of the Company Secretary], have been declared whole time key managerial personnel of the Company.

#### 10. 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**.

#### 11. 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.

#### 12. 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 31<sup>st</sup> March, 2014 are enclosed as **Annexure-IV** and **V** respectively.



# NHPC Limited

(A Government of India Enterprise)

### 13. AUDIT COMMITTEE

The Board of the Company constituted an Audit Committee in terms of Section 292A of the Companies Act, 1956. The Board in its recent meeting widened the terms of reference of the Committee in line with the Companies Act, 2013. The composition and other details of the committee have been given in the Corporate Governance Report forming part of this report.

### 14. DIRECTORS' RESPONSIBILITY STATEMENT

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

- For preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- Directors have 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 2013-14 and of the profit of the Company for that period;
- Directors have taken proper and sufficient care for 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;
- Directors have prepared the annual accounts on a going concern basis.

### 15. BOARD OF DIRECTORS

Pursuant to Article 40 of the Articles of Association of the Company, Chairman, NHPC Limited shall act as Chairman of the Company. NHPC intimated that consequent upon the assumption of the additional charge for the post of CMD, NHPC Limited, Shri R.S.T Sai shall act as Chairman of the Company pursuant to its Articles of Association. Accordingly, Shri G. Sai Prasad ceased to be the Chairman of the Company. The Board of Directors appointed Shri R. S. T. Sai as Chairman of the Company w.e.f.

7<sup>th</sup> July 2014. Further, Ministry of Power has withdrawn nomination of Shri Rajiv Kumar Gupta, then Director (H-II), MoP. Therefore, he ceased to be the director of the Company w.e.f. 17<sup>th</sup> July 2014. At present the Board of your Company comprises of the following members:

- |    |                                |          |
|----|--------------------------------|----------|
| 1. | Shri R.S.T. Sai <sup>(1)</sup> | Chairman |
| 2. | Shri Vijay Kumar               | Director |
| 3. | Shri Rajesh Agrawal            | Director |
| 4. | Shri Kanwar Singh              | Director |

(1) Shri R.S.T. Sai has been appointed as the Chairman of the Company w.e.f 7<sup>th</sup> July, 2014.

### 16. 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 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

(R.S.T. SAI)

Chairman

DIN: 00171920

Date : 14<sup>th</sup> August, 2014

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

Following responses are kept blank since the Project is yet to take off. Therefore, there is no significant information.

#### A. Conservation of Energy:

- Energy Conservation Measures Taken;
- Additional investments and proposals, if any, being implemented for reduction of consumption of energy;
- Impact of the measures at a) and b) above for reduction of energy consumption and consequent impact on the cost of production of goods;
- 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

#### B. Technology Absorption:

- Efforts made in technology absorption as per Form B of the Annexure.

#### C. Foreign Exchange Earning and Outgo

- Activities relating to exports; initiatives taken to increase exports; development of new markets for products and services and export plans;
- Total Foreign Exchange used and earned

### 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 2014-15.

No R&D activity have been planned for the Financial Year 2014-15

##### 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 2013-14.

#### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

No significant efforts were made.

##### 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

# LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

## Annual Report 2013-14

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

### 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 ₹ 60,00,000/- per annum.

Particulars of Employees employed for part of the financial year who were in receipt of remuneration not less than ₹ 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

The Members

Ms/ Loktak Downstream Hydroelectric Corporation Limited

We have examined the compliance of conditions of Corporate Governance of **M/s LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED** (having CIN U40101MN2009GOI008249) (the company) as required to be done under the Guidelines on Corporate Governance for Central Public Sector Enterprises for the financial year ended on 31<sup>st</sup> March, 2014

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 Corporate Governance with respect to Guidelines on Corporate Governance for Central Public Sector Enterprises for the aforesaid financial year except for the points listed below:

1. 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.

2. Company has not yet constituted Remuneration Committee.
3. Company has not yet laid down its Risk Management Policy
4. Company has no independent directors on its Board and certain compliances as mandated under the aforesaid guidelines have not been complied with by the Company.
5. Since Company has no independent director on its Board, hence company does not have any independent member in its audit committee neither as member nor as chairman.
6. Company has not yet let down the Code of Conduct for its Board Members and senior management personnel.

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**

**Date: 14<sup>th</sup> August, 2014**



## REPORT ON CORPORATE GOVERNANCE

Corporate governance is of paramount importance to a company and is almost as important as its primary business plan. It 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. Good governance generates goodwill among business partners, customers and investors and earns respect from society at large. A corporation without a system of corporate governance is often regarded as a body without a soul or conscience. The Management of the Company 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 endeavour to attain highest level of governance to enhance the stakeholders' 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 efficiency of Business Enterprise for creation of wealth of the Company 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) directors.

#### (ii) Composition of Board:

The Board of Directors of the Company (the "Board") as on 31<sup>st</sup> March, 2014 consisted of (5) five 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 31<sup>st</sup> March, 2014 was as under:

S. No.	Name	Category of Director	Other Director-ships held #	Other Committee Positions	
				As Chairman	As Member
1)	Shri G. Sai Prasad <sup>(1)</sup>	Non-Executive Chairman	3	Nil	Nil
2)	Shri Vijay Kumar	Non-Executive Director	Nil	Nil	Nil
3)	Shri Rajesh Agrawal	Non-Executive Director	2	Nil	Nil
4)	Shri Kanwar Singh	Non-Executive Director	Nil	Nil	Nil
5)	Shri Rajiv Kumar Gupta <sup>(2)</sup>	Non-Executive Director	Nil	Nil	Nil

1) Shri G. Sai Prasad ceased to be the Chairman of the Company w.e.f. 8<sup>th</sup> June, 2014.

2) Shri Rajiv Kumar Gupta ceased to be the Director of the Company w.e.f. 17<sup>th</sup> July, 2014

# 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 present directors on the Board of the company is as under:

**Shri R.S.T Sai (DIN: 00171920)**, 57 years, is our Chairman. He is an Electrical Engineering Graduate and is a fellow of Institution of Engineers. He has done Management Diploma from IIM, Bangalore and also holds Degree in law from Delhi University. He has 33 years varied experience in Banking, Finance, Commercial, EPC Contracting and Contract Management. He has developed transparent tender documentation for evaluation of Suppliers' Credit and also introduced innovation of Bonus for early completion of project in Delhi Metro. Shri Sai has worked in SBI, NTPC, POWERGRID and Delhi Metro respectively in various capacities. Presently he is a part time director in UJVNL and member of Governing Body of IIT, Roorkee. He is also the Chairman and Managing Director of THDC India Ltd. Prior to this, he was holding the charge of Director (Finance) in THDC since May 2005. He joined the LDHCL Board from 7<sup>th</sup> July 2014.

**Shri Vijay Kumar (DIN: 03021294)**, 53 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 16<sup>th</sup> January 2012.

**Shri Rajesh Agrawal (DIN: 00242334)**, 44 years is our part time 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.

**Shri. Kanwar Singh (DIN: 05351047)**, 54 years, is our part time Director. He holds Bachelor's degree in Civil Engineering. He has 31 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 17<sup>th</sup> August 2012.

#### (iii) 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.

#### (iv) 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.

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### (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 generally held at New Delhi.
- 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 to 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 the Board of Directors.

### (D) Follow-up Mechanism:

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

### (E) Compliance:

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 Loktak Downstream HE project.
- Review of Compliance of Laws.
- Information with respect to progress of the Project.
- Any other information required to be presented to the Board either for information or approval as per the requirement of applicable laws.

Total seven 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 2013-14 are given as under:

Sr. No.	Board Meeting No.	Date of Board Meeting	Board Strength	No. of Directors Present
1.	16	11 <sup>th</sup> April, 2013	5	5
2.	17	18 <sup>th</sup> May, 2013	5	3
3.	18	26 <sup>th</sup> July, 2013	5	5
4.	19	21 <sup>st</sup> October, 2013	5	5
5.	20	5 <sup>th</sup> November, 2013	5	5
6.	21	22 <sup>nd</sup> November, 2013	5	3
7.	22	21 <sup>st</sup> February, 2014	5	4

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 2013-14	
	Board Meeting	Last AGM
Shri G. Sai Prasad (NE)*	6	No
Shri Vijay Kumar (NE)*	6	yes
Shri Rajesh Agrawal (NE)*	7	yes
Shri Kanwar Singh (NE)*	7	yes
Shri Rajiv Kumar Gupta (NE)*	4	No

(\*) NE stands for 'Non Executive Director.

### (v) 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.

### (vi) 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, 2014 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 five meetings were held during the year under review. The gap between any two audit committee meetings was not more than four months. The details of the Audit Committee meetings held during the year under review are as under:

Sr. No.	Date of Meeting	Committee Strength	No. of Members Present
1.	11th April, 2013	3	3
2.	18th May, 2013	3	3
3.	10th September, 2013	3	3
4.	05th November, 2013	3	3
5.	21st February, 2014	3	3

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:

Sr. No.	Name of the member	Meetings held during the tenure of member	Meetings attended during 2013-14
1.	Shri. Vijay Kumar	5	5
2.	Shri. Rajesh Agrawal	5	5
3.	Shri Kanwar Singh	5	5

The Board of Directors in its 23<sup>rd</sup> meeting held on 5<sup>th</sup> May, 2014 revised the terms of reference of the Committee in line with the Companies Act, 2013. The revised terms of reference are as under:

- 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.
- Recommending the fixation of audit fees to the Board.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - 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;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with legal requirements relating to financial statements;
  - disclosure of any related party transactions; and
  - qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, performance of internal auditors and adequacy of the internal control systems.
- 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.
- Discussion with internal auditors and/or auditors any significant findings and follow up there on.
- 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.
- 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.
- 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.
- To review the functioning of the Whistle Blower Mechanism.
- To review the follow up action on the audit observations of the C&AG audit.
- To review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.
- Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors.
- 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.

- 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.
- 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.
- 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,
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- The recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Examination of the financial statement and the auditors' report thereon.
- Approval or any subsequent modification of transactions of the company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Monitoring the end use of funds raised through public offers and related matters.

#### 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
2010-11	04.08.2011	04:30 p.m	New Delhi
2011-12	17.08.2012	03:00 p.m	New Delhi
2012-13	10.09.2013	12:00 Noon	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.

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### DISCLOSURES:

- (i) **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.
- (ii) 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.
- (iii) **Whistle Blower Policy:** The Company has not adopted any Whistle Blower Policy. However, no personnel has been denied access to the Audit Committee.
- (iv) 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.
- (v) No Presidential Directives were issued to the Company since inception.
- (vi) No item of expenditure was debited in books of accounts, which are not for the purpose of business.
- (vii) There were no expenses incurred which are personal in nature and incurred for the Board and Management.
- (viii) 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	3%	Not Increased
2	Office Expenses	1%	

(ix) **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.

(x) **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 24<sup>th</sup> Meeting held on 28<sup>th</sup> July, 2014 has authorized the Chairman of the Company to decide a date, time and place of the 5<sup>th</sup> AGM.

9. **Audit Qualification:**

There are no adverse remarks by the Statutory Auditor. The comments of the Comptroller and Auditor General of India on the accounts of the company for the year ended 31st March 2014 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, Practicing 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



(R.S.T SAI)  
Chairman  
DIN: 00171920

Date : 14<sup>th</sup> August, 2014  
Place: New Delhi





## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### I INDUSTRY STRUCTURE AND DEVELOPMENT

Power is one of the most important factors for 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 2,43,029 MW, Thermal, Hydro, Nuclear and Renewable power generation as on 31<sup>st</sup> March 2014 is recorded at 1,68,255 MW; 40,531 MW; 4,780 MW and 29,463 MW respectively.

The present power scenario in Manipur is not good. General consumers get about 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, is 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 had planned to implement Loktak Downstream HE Project (66 MW) under Joint Venture mode. 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 State Electricity Boards / 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 Loktak Downstream Hydroelectric Project is to be 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 Loktak 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 Loktak Downstream Hydroelectric Project with the proposed installed capacity of 66 MW. The Company is in the process of executing implementation agreement with Government of Manipur for execution of E&M component of Thoubal Multipurpose HE Project (7.5 MW).

### 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. Shri Chongtham Sanjoy Singh was appointed internal auditor of the company.

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

#### A) Financial Performance

The Company is engaged in tendering for award of Loktak 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

Environment clearance, Forest clearance (1<sup>st</sup> stage) and Defence clearance in respect of Loktak Downstream Hydroelectric Project has been obtained.

### 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.

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### 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 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 31/03/14	Representation					
		SCs	SC%	STs	ST%	OBC	OBC%
Total	38	4	10.53%	5	13.16 %	3	7.9%

### WELFARE OF PERSONS WITH DISABILITIES

There was no physically challenged employee in the Company as on 31.03.2014.

### 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



(R.S.T. SAI)  
Chairman  
DIN: 00171920

Date : 14<sup>th</sup> August, 2014  
Place: New Delhi



## INDEPENDENT AUDITOR'S REPORT

TO  
THE MEMBERS OF  
LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of **Loktak Downstream Hydroelectric Corporation Limited** ("the Company"), which comprise the Balance Sheet as at 31.03.2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information

required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- In the case of the Cash Flow Statements, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements.

- As required by the Companies (Auditor's Report) Order 2003 ("the Order") issued by the Central Government of India, in terms sub-section (4A) of section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said Order.
- As required by the Section 227(3) of the Act, we report that:
  - 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;
  - In our opinion, proper books of account as required by law have been kept by the Company as far as appears from our examination of those books.
  - The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt by this Report are in agreement with the books of account
  - In our opinion, the Balance Sheet, the Statements of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act.
  - On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of section 274(1) (g) of the Act.

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

**(LINDA KSHETRIMAYUM)**  
Partner  
Membership no. 511337

Place : New Delhi  
Date : 5<sup>th</sup> May, 2014

## ANNEXURE TO THE BRANCH AUDITORS' REPORT

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

- The Company has maintained proper records of Fixed Assets showing full particulars including quantitative details and situation of its fixed assets.
  - 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.
  - 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.
- As explained to us, inventories have been physically verified by the management during the year.
  - 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.
  - 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.
- 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.
  - 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.
- In our opinion and according to information and explanations given to 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.

# LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

## Annual Report 2013-14

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

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.
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 respect of 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  
FRN 309115E

**(LINDA KSHETRIMAYUM)**  
Partner  
Membership no. 511337

Place : New Delhi  
Date : 5th May-2014

### 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, MANIPUR FOR THE YEAR ENDED 31 MARCH 2014

The preparation of financial statements of Loktak Downstream Hydroelectric Corporation Limited for the year ended 31 March 2014 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 Standards on Auditing 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 05 May 2014.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of the Statutory Auditors on the accounts of Loktak Downstream Hydroelectric Corporation Limited, Manipur for the year ended 31 March, 2014 and as such have no comments to make under Section 619(4) of the Companies Act, 1956.

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

**(Tanuja S. Mittal)**  
Principal Director of Commercial Audit &  
Ex-officio Member, Audit Board - III,  
New Delhi

Place : New Delhi  
Dated : 20<sup>th</sup> June, 2014



# NHPC Limited

(A Government of India Enterprise)

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2014

(Amount in ₹)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	2	1176923090	1176923090
(b) Reserves and Surplus	3	129955866	101905875
<b>(2) NON-CURRENT LIABILITIES</b>			
(a) Long Term Borrowings	4	-	-
(b) Deferred Tax Liabilities	5	-	-
(c) Other Long Term Liabilities	6	-	-
(d) Long Term Provisions	7	-	-
<b>(3) CURRENT LIABILITIES</b>			
(a) Short Term Borrowings	8	-	-
(b) Trade Payables	9	5279233	1606736
(c) Other Current Liabilities	10	42189249	333560622
(d) Short Term Provisions	7	74820840	60791020
<b>(4) FUND FROM C.O.</b>	2A	-	-
<b>TOTAL</b>		<b>1429168278</b>	<b>1674787343</b>
<b>II. ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
(a) Fixed Assets			
(i) Tangible Assets	11.1	10104249	9157674
(ii) Intangible Assets	11.2	1	1
(iii) Capital Work In Progress	12.1	800279742	482873089
(iv) Intangible Assets under development	12.2	-	-
(b) Non Current Investments	13	-	-
(c) Deferred tax assets	5	-	-
(d) Long term loans and advances	14	12676771	8245241
(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	496535795	1064626215
(e) Short term Loans and Advances	14	71921181	69167087
(f) Other Current Assets	20	37650539	40718036
<b>TOTAL</b>		<b>1429168278</b>	<b>1674787343</b>
<b>Significant Accounting Policies</b>	1		
<b>Expenditure during Construction for the Year</b>	29		
<b>Other Explanatory Statements to Accounts</b>	30		
<b>Note 1 to 30 form integral part of the Accounts</b>			

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

**LINDA KSHETRIMAYUM**  
 PARTNER  
 MEMBERSHIP NO - 511337

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

**(G SAI PRASAD)**  
 CHAIRMAN  
 DIN-00325308

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

**(SILADITYA BASU)**  
 CHIEF FINANCIAL OFFICER

**(VIPAN JAIN)**  
 COMPANY SECRETARY

Place : New Delhi  
 Dated : 5th May 2014

# LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

Annual Report 2013-14

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

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

(Amount in ₹)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
<b>INCOME</b>			
i) Revenue from Operations	21	-	-
ii) Other Income	22	43060187	68113307
<b>TOTAL REVENUE</b>		43060187	68113307
<b>EXPENDITURE</b>			
i) Generation, Administration and Other Expenses	23	1538478	126660
ii) Employee Benefits Expense	24	-	-
iii) Finance Cost	25	-	-
iv) Depreciation & Amortization Expense	26	-	-
<b>TOTAL EXPENDITURE</b>		1538478	126660
<b>Profit before Prior Period items, Exceptional and Extraordinary items and Tax</b>		41521709	67986647
Prior Period Items (net)	27	-	-
<b>Profit before Exceptional and Extraordinary items and Tax</b>		41521709	67986647
Exceptional items		-	-
<b>Profit before extraordinary items and Tax</b>		41521709	67986647
Extraordinary items [Expenses / (Income)]		-	-
<b>PROFIT BEFORE TAX</b>		41521709	67986647
<b>Tax Expenses</b>	28		
i) Current Tax		13471718	22058268
ii) Adjustments relating to earlier periods		-	-
iii) Deferred Tax		-	-
<b>Total Tax Expenses</b>		13471718	22058268
<b>Profit for the period from continuing operations</b>		28049991	45928379
Profit from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
<b>Profit from discontinuing operations after tax</b>		-	-
<b>Profit for the year</b>		28049991	45928379
Earning per share (Equity shares, face value of ₹ 10/- each)			
<b>Basic</b>		0.24	0.39
<b>Diluted</b>		0.24	0.41
<b>Expenditure during Construction for the Year</b>	29		
<b>Other Explanatory Notes to Accounts</b>	30		
<b>Note 1 to 30 form integral part of the Accounts</b>			

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

**LINDA KSHETRIMAYUM**  
 PARTNER  
 MEMBERSHIP NO - 511337

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

**(G SAI PRASAD)**  
 CHAIRMAN  
 DIN-00325308

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

**(SILADITYA BASU)**  
 CHIEF FINANCIAL OFFICER

**(VIPAN JAIN)**  
 COMPANY SECRETARY

Place : New Delhi  
 Dated : 5th May 2014





## NOTE NO. 01- 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 Assets created on land not belonging to the Company are included under fixed assets.
- 2.3 Payments made provisionally towards compensation and other expenses relatable to land are treated as cost of land.
- 2.4 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- Right of use, to be amortised over a period of 30 years from the date of commercial operation of the project.
- 2.5 Fixed Assets declared surplus are shown at lower of book value and net realisable value.

### 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 Statement of Profit & Loss 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 Statement of Profit & Loss 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 directly 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, upgradation 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.

- 4.4 Capital expenditure incurred for creation on facilities, over which the company does not have control but the creation of which is essential principally for construction of the project, is charged to 'Expenditure during Construction (EDC)'.

### 5. DEPRECIATION & AMORTISATION

- 5.1 Depreciation on additions to /deductions from tangible 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 tangible 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 tangible 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 WDV.
- 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 in the year of use.
- 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 from the date such asset is available for use or at the applicable depreciation rates & methodology notified by CERC regulations for such assets, whichever is higher.
- 5.8 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.
- 5.9 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.

# LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

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### 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 ₹ 5,000/- or less and in other cases written off in 5 yearly equated instalments.

### 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 Statement of Profit & Loss 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, sale is recognized on provisional rates worked out by the Company 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 Regional Energy Account (REA), 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/ 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 ₹ 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 qualifying tangible 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.

### 14. IMPAIRMENT OF ASSETS

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 a change in the recoverable amount and such loss either no longer exists or has decreased.





# NHPC Limited

(A Government of India Enterprise)

## NOTE NO. 2 - SHARE CAPITAL

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	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	117692309	1176923090
c) During the year ended 31 <sup>st</sup> March, 2014 the company has neither issued / nor reduced any share capital. Hence reconciliation of equity shares is not required.				
d) 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				
e) Shares in the company held by each shareholder holding more than 5 percent specifying the number of shares held				
<b>NHPC LIMITED</b>	87092309	74.00%	87092309	74.00%
<b>GOVT OF MANIPUR</b>	30600000	26.00%	30600000	26.00%
<b>TOTAL</b>	<b>117692309</b>		<b>117692309</b>	
Right/restriction of shareholder				
f) Promoter Agreement dated 26.09.2008, which was entered into between NHPC Ltd & GOM, imposes various restriction upon transfer of the shares. No transfer of any share shall be valid unless such transfer is made strictly in accordance with the said Promoters Agreement.				

## NOTE NO. 3 - RESERVE AND SURPLUS

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Capital Reserve	-	-
Securities Premium Account	-	-
General Reserve		
Bond Redemption Reserve		
Self Insurance Fund		
As at Balance Sheet date	-	-
Corporate Social Responsibility (CSR)/ Sustainable Development Reserve		
Research & Development Reserve		
Surplus *	129955866	101905875
<b>Total</b>	<b>129955866</b>	<b>101905875</b>
* Surplus		
Profit for the year as per Statement of Profit and Loss	28049991	45928379
Balance brought forward	101905875	55977496
<b>Balance carried forward</b>	<b>129955866</b>	<b>101905875</b>

## NOTE NO. 4 - LONG TERM BORROWINGS

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2014			As at 31 <sup>st</sup> March, 2013		
	Total Borrowings	Less: - Current Maturities	Long Term Borrowing	Total Borrowings	Less: - Current Maturities	Long Term Borrowing
Bonds						
- Secured	-	-	-	-	-	-
- Unsecured	-	-	-	-	-	-
Term Loans						

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

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Deferred Tax Liability</b>		
Less: Deferred Tax Assets	-	-
Deferred Tax Liability (Net)	-	-

# LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

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

### NOTE NO. 6 - OTHERS LONG TERM LIABILITIES

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
a) Trade Payables	-	-
b) Others	-	-

### NOTE NO. 7 - PROVISIONS

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2014			As at 31 <sup>st</sup> March, 2013		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>a) PROVISION FOR EMPLOYEE BENEFITS</b>						
<b>i) Provision for leave encashment</b>						
Closing Balance	-	-	-	-	-	-
<b>ii) Provision for gratuity</b>						
Closing Balance	-	-	-	-	-	-
<b>iii) Provision for REHS</b>						
Closing Balance	-	-	-	-	-	-
<b>iv) Provision for TTA (Baggage Allowance on Retirement)</b>						
Closing Balance	-	-	-	-	-	-
<b>v) Provision for Memento</b>						
Closing Balance	-	-	-	-	-	-
<b>vi) Provision for Wage Revision</b>						
As per last Balance Sheet	-	1573449		-	923402	
Additions during the year		426319		-	650047	
Amount used during the year				-	-	
Amount reversed during the year		255136		-	-	
Closing Balance	-	1744632		-	1573449	
<b>Less: Advance paid</b>	-	1744632		-	1573449	
Closing Balance (Net of advance)	-	-	-	-	-	-
<b>vii) Provision for Performance Related Pay/Incentive</b>						
As per last Balance Sheet	-	2952527		-	3847910	
Additions during the year		3714837		-	2952527	
Amount used during the year		1870684		-	3339250	
Amount reversed during the year		1081843		-	508660	
Closing Balance	-	3714837		-	2952527	
<b>Less: Advance paid</b>		-			-	
Closing Balance (Net of advance)		3714837	3714837		2952527	2952527
<b>viii) Provision for Superannuation / Pension Fund</b>						
As per last Balance Sheet	-	1799179		-	2513507	
Additions during the year		1594971		-	1799179	
Amount used during the year		1799179		-	1842673	
Amount reversed during the year				-	670834	
Closing Balance	-	1594971	1594971	-	1799179	1799179



PARTICULARS	As at 31 <sup>st</sup> March, 2014			As at 31 <sup>st</sup> March, 2013		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>b) Provision for Taxation</b>						
As per last Balance Sheet	-	56039314		-	33981046	
Additions during the year		13471718		-	22058268	
Amount adjusted during the year				-	-	
Amount used during the year				-	-	
Amount reversed during the year				-	-	
Closing Balance	-	69511032	69511032	-	56039314	56039314
<b>c) Provision for Proposed Dividend</b>						
Closing Balance	-	-	-	-	-	-
<b>d) Tax on Proposed Dividend</b>						
Closing Balance	-	-	-	-	-	-
<b>e) Provision For Tariff Adjustment</b>						
Closing Balance	-	-	-	-	-	-
<b>f) Provision For Corporate Social Responsibility and Sustainable Development &amp; Research &amp; Development Expenses</b>						
Closing Balance	-	-	-	-	-	-
<b>g) Provision For Committed Capital Expenditure</b>						
Closing Balance	-	-	-	-	-	-
<b>h) Provision - Others</b>						
Closing Balance	-	-	-	-	-	-
<b>Total</b>	-	74820840	74820840	-	60791020	60791020

**Explanatory Note: -**

- 1) Provision of ₹ 171183/- (Cumulative provision ₹ 1744632/- ) 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 ₹ 171183/- 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. 14.

**NOTE NO. 8 - SHORT TERM BORROWINGS**

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Short Term Loans	-	-
- From Banks (Secured)	-	-

**NOTE NO. 9 - TRADE PAYABLE**

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
For goods and services	5279233	1606736
<b>Total</b>	5279233	1606736

# LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

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

### NOTE NO. 10 - OTHER CURRENT LIABILITIES

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Current maturities of long term debt (Refer Note no. 4)	-	-
Deposits	-	-
Interest accrued but not due on borrowings	-	-
Interest accrued and due on borrowings	-	-
Income received in advance	-	-
Unpaid dividend	-	-
Liability against capital works/supplies	-	-
Deposits/ retention money	103385	192566
Due to Subsidiaries	-	-
Unspent amount of deposit/agency basis works	-	-
Bond application money	-	-
Statutory dues payables	5053893	1403608
Liabilities toward Self Insurance Fund	-	-
Other liabilities	37031971	8324673
Advances against the deposit works	-	323639775
Less: Amount Spent on Deposit Works	-	-
	-	323639775
Advances against cost of Project Mgt./ Consultancy Work	-	-
Less: Amount Spent in respect of Project Mgt./ Consultancy Works	-	-
Provision Toward Amt Recoverable in r/o Project Mgt / Consultancy Works	-	-
Grants in aid - pending utilization	-	-
	42189249	333560622

## NOTE NO. 11.1 - TANGIBLE ASSETS

NOTE NO. 11.1 - TANGIBLE ASSETS

Sl. No.	PARTICULARS	GROSS BLOCK					As at 31.03.2014	DEPRECIATION		NET BLOCK		
		Additions		Deductions		For the Period		Adjustments	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	
		IUT	Others	IUT	Others							
		As at 01.04.2013										
i)	Land – Freehold	0					0			0	0	0
ii)	Land – Leasehold	0					0			0	0	0
iii)	Roads and Bridges	4763741					4763741	853245	159109	0	1012354	3751387
iv)	Buildings	5607531	1001173				6608704	2679415	927396	0	3606811	3001893
v)	Railway sidings	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
vii)	Generating Plant and machinery	0					0	0	0	0	0	0
viii)	Plant and machinery Sub station	0					0	0	0	0	0	0
ix)	"Plant and machinery Transmission lines"	0					0	0	0	0	0	0
x)	Plant and machinery Others	94554					94554	74174	4992	0	79166	15388
xi)	Construction Equipment	7472225	15298				7487523	6763182	1598	0	6764780	722743
xii)	Water Supply System/Drainage and Sewerage	0					0	0	0	0	0	0
xiii)	Electrical installations	0					0	0	0	0	0	0
xiv)	Vehicles	4230770					4230770	3807693	0	0	3807693	423077
xv)	Aircraft/ Boats	0					0	0	0	0	0	0
xvi)	Furniture and fixture	1144413	480625				1625038	900015	48165	0	948180	676858
xvii)	Computers	1820365	479954				2300319	1289854	273602	55994	1619450	680869
xviii)	Communication Equipment	113945	37988				151933	104737	11314	0	116051	35882
xix)	Office Equipments	777570	82000				859570	609800	29281	0	639081	220489
xx)	Research and Development	0					0	0	0	0	0	0
xxi)	Other assets	1270689	417472				1688161	1056805	56611	0	1113416	574745
xxii)	Capital Expenditure on assets Not Owned by Company	0					0	0	0	0	0	0
xxiii)	Tangible Assets of minor value > 750 and < ₹ 5000	1611606	216313				1827919	1610815	216186	0	1827001	918
xxiv)	Obsolete / surplus assets	0					0	0			0	0
	Total	28907409	2730823	0	0	0	31638232	19749735	1728254	55994	21533983	10104249
	Previous year	28422327	145990	0	155574	0	28907409	19091932	630139	27664	19749735	9157674
			494666									9330395

## NOTE NO. 11.2 INTANGIBLE ASSETS

NOTE NO. 11.2 INTANGIBLE ASSETS													
Sl. No.	PARTICULARS	GROSS BLOCK						AMORTISATION		NET BLOCK			
		As at 01.04.2013	Additions		Deductions		Other Adjustments	As at 31.03.2014	As at 01.04.2013	For the Period	Adjustments	As at 31.03.2014	As at 31.03.2013
i)	PARTICULARS		IUT	Others	IUT	Others							
ii)	Land – Right of Use	0						0	0	0	0	0	0
	Computer Software	7850						7850	7849	0	7849	1	1
	Total	7850	0	0	0	0	0	7850	7849	0	7849	1	1
	Previous year	7850	0	0	0	0	0	7850	5232	2617	7849	1	2618

# LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

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### NOTE NO. 12.1 - CAPITAL WORK IN PROGRESS

(Amount in ₹)

Particulars	As at 01.04.2013	Addition	Adjustment	Capitalised	As at 31.03.2014
i) Roads and Bridges	-				-
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 the company	-				-
xiii) CWIP - Assets Under 5 KM Scheme Of the GOI	-				-
xiv) Survey, investigation, consultancy and supervision charges	55761976	42244514			98006490
xv) Expenditure on compensatory Afforestation	-	159528000			159528000
xvi) Expenditure during construction*	426982915	115634139			542617054
Less: Provided for	-				-
<b>Sub total (a)</b>	<b>482744891</b>	<b>317406653</b>	<b>-</b>	<b>-</b>	<b>800151544</b>
* For addition during the period refer Note No. 29					
** For detail of cumulative EDC, refer Annexure to Note no. 12.1					
	As at 01.04.2013		Adjustment		As at 31.03.2014
Construction Stores	257198	-			257198
Less : Provisions for construction stores	129000	-			129000
Sub total (b)	128198	-			128198
<b>TOTAL</b>	<b>482873089</b>	<b>317406653</b>	<b>-</b>	<b>-</b>	<b>800279742</b>
Previous year	418015182	66805911	(1948004)	-	482873089

### Annexure to Note- 12.1 - CUMMULATIVE EDC

(Amount in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>A. EMPLOYEES BENEFITS EXPENSES</b>		
Salaries, wages, allowances	318,497,865	267,070,939
Gratuity and contribution to provident fund	56,873,377	49,466,165
Staff welfare expenses	38,823,155	35,832,766
Leave Salary & Pension Contribution	4,869	4,869
<b>Sub-total(a)</b>	<b>414,199,266</b>	<b>352,374,739</b>
<b>Less: Capitalized During the year</b>	<b>-</b>	<b>-</b>
<b>Sub-total(A)</b>	<b>414,199,266</b>	<b>352,374,739</b>
<b>B. REPAIRS AND MAINTENANCE</b>		
Building	6,294,833	5,027,419
Machinery	110,591	110,591
Others	14,526,878	12,793,911



## Annexure to Note- 12.1 - CUMMULATIVE EDC

(Amount in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>C. ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Rent	4,873,351	4,005,523
Rates and taxes	118,636	107,796
Insurance	2,015,822	1,922,439
Security expenses	-	-
Electricity Charges	90,916	77,916
Travelling and Conveyance	12,785,784	9,217,075
Expenses on vehicles	5,674,611	4,677,383
Telephone, telex and Postage	2,069,893	1,865,404
Advertisement and publicity	1,357,161	1,357,161
Entertainment and hospitality expenses	23,045	23,045
Printing and stationery	2,010,285	1,558,977
Design and Consultancy charges:		-
- Indigenous	41,757,460	116,506
- Foreign	-	-
Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	-	-
Expenditure incurred for Creation of Facilities on which company does not have control	183,233	183,233
Land acquisition and rehabilitation	-	-
Assets/ Claims written off	13,562	13,562
Losses on sale of assets	-	-
Other general expenses	8,375,130	5,804,665
Remuneration to Auditors	130,449	130,449
<b>Sub-total (b)</b>	<b>102,411,640</b>	<b>48,993,055</b>
<b>Less: Capitalized During the year</b>	<b>-</b>	<b>-</b>
<b>Sub-total(B)</b>	<b>102,411,640</b>	<b>48,993,055</b>
<b>D. PROVISIONS</b>	<b>1,660,747</b>	<b>1,660,747</b>
<b>Sub-total(e)</b>	<b>1,660,747</b>	<b>1,660,747</b>
<b>Less: Capitalized During the year</b>	<b>-</b>	<b>-</b>
<b>Sub-total(E)</b>	<b>1,660,747</b>	<b>1,660,747</b>
<b>E. FINANCE COST</b>		
Interest on :		
Government of India loan	-	-
Bonds	-	-
Foreign loan	-	-
Term loan	-	-
Cash credit facilities /WCDL	-	-
Other finance charges	173,934	171,531
<b>Sub-total (c)</b>	<b>173,934</b>	<b>171,531</b>
<b>Less: Capitalized During the year</b>	<b>-</b>	<b>-</b>
<b>Sub-total (C)</b>	<b>173,934</b>	<b>171,531</b>
<b>F. EXCHANGE RATE VARIATION (NET)</b>		
i) ERV (Debit balance)	-	-
Less: ii) ERV (Credit balance)	-	-
<b>Sub-total (d)</b>	<b>-</b>	<b>-</b>
<b>Less: Capitalized During the year</b>	<b>-</b>	<b>-</b>
<b>Sub-total (D)</b>	<b>-</b>	<b>-</b>

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### Annexure to Note- 12.1 - CUMMULATIVE EDC

(Amount in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>G. DEPRECIATION &amp; AMORTISATION EXPENSES</b>	23,131,768	21,403,514
Sub-total (f)	23,131,768	21,403,514
Less: Capitalized During the year	-	-
Sub-total (F)	23,131,768	21,403,514
<b>H. PRIOR PERIOD EXPENSES (NET)</b>		
Prior period expenses	65,299	65,299
Less Prior period income	-	-
Sub-total (g)	65,299	65,299
Less: Capitalized During the year	-	-
Sub-total (G)	65,299	65,299
<b>I. C.O./Regional Office Expenses (i)</b>	13,152,865	13,152,865
Less: Capitalized During the year	-	-
Sub-total (I)	13,152,865	13,152,865
<b>J. LESS : RECEIPTS AND RECOVERIES</b>		
Income from generation of electricity -precommissioning	-	-
Interest on loans and advances	2,706,199	2,706,199
Miscellaneous receipts	1,136,659	968,638
Profit on sale of assets	61,513	61,513
Provision/liability not required written back	8,064,584	7,102,485
Hire charges/ outturn on plant and machinery	209,510	-
Sub-total (h)	12,178,465	10,838,835
Less: Capitalized During the year	-	-
Sub-total (H)	12,178,465	10,838,835
<b>GRAND TOTAL ( a+b+c+d+e+f+g+h+i-j)</b>	<b>542,617,054</b>	<b>426,982,915</b>
Less: Capitalized During the year	-	-
<b>GRAND TOTAL ( A+B+C+D+E+F+G+H+I-J)</b>	<b>542,617,054</b>	<b>426,982,915</b>
Note : 12.1 EDC (CLOSING BALANCE)	542,617,054	426,982,915

### NOTE NO. 13 - NON CURRENT INVESTMENTS

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
A. Trade - Quoted	-	-
B. Non Trade - Quoted	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

### NOTE NO. 14 - LOANS AND ADVANCES

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2014			As at 31 <sup>st</sup> March, 2013		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>a) CAPITAL ADVANCES</b>						
Secured (considered good)	-	-	-	-	-	-
Unsecured (considered good)						
– Against bank guarantee	-	-	-	-	-	-
– Others	12543679	-	12543679	7914833	-	7914833
<b>Less : Provision for expenditure awaiting utilisation certificate</b>	-	-	-	-	-	-
<b>Unsecured (considered doubtful)</b>	151747	-	151747	151747	-	151747
Less : Provisions for doubtful advances 1*	151747	-	151747	151747	-	151747





## NOTE NO. 14 - LOANS AND ADVANCES

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2014			As at 31 <sup>st</sup> March, 2013		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>b) DEPOSITS</b>						
- Unsecured (considered good)	-	-	-	-	-	-
- Unsecured (considered doubtful)	-	-	-	-	-	-
Less : Provision for Doubtful Deposits 2*	-	-	-	-	-	-
<b>c) OTHER LOANS &amp; ADVANCES</b>						
<b>Employees (including accrued interest)</b>						
- Secured (considered good)	133092	-	133092	330408	-	330408
- Unsecured (considered good)	-	1700471	1700471	-	1341262	1341262
- Unsecured (considered doubtful)	-	-	-	-	-	-
<b>Advance to contractor / supplier</b>						
- Secured (considered good)	-	-	-	-	-	-
- Unsecured (considered good)	-	-	-	-	-	-
- Against bank guarantee	-	-	-	-	-	-
- Others	-	219000	219000	-	10909035	10909035
- Unsecured (considered doubtful)	-	-	-	-	-	-
Less : Provisions for doubtful Other loans & advances 3*	-	-	-	-	-	-
<b>Advance income tax &amp; tax deducted at source</b>		70001710	70001710		56916790	56916790
<b>Total</b>	<b>12676771</b>	<b>71921181</b>	<b>84597952</b>	<b>8245241</b>	<b>69167087</b>	<b>77412328</b>
	<b>Long Term</b>	<b>Short Term</b>	<b>Total</b>	<b>Long Term</b>	<b>Short Term</b>	<b>Total</b>
<b>Provisions for Doubtful Capital Advances 1*</b>						
Opening Balance	151747	-	151747	151747	-	151747
Addition during the year	-	-	-	-	-	-
Used during the year	-	-	-	-	-	-
Reversed during the year	-	-	-	-	-	-
<b>Closing balance</b>	<b>151747</b>	<b>-</b>	<b>151747</b>	<b>151747</b>	<b>-</b>	<b>151747</b>
	<b>Long Term</b>	<b>Short Term</b>	<b>Total</b>	<b>Long Term</b>	<b>Short Term</b>	<b>Total</b>
<b>Provisions for Doubtful Deposits *2</b>						
Opening Balance	-	-	-	-	-	-
Addition during the year	-	-	-	-	-	-
Used during the year	-	-	-	-	-	-
Reversed during the year	-	-	-	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Long Term</b>	<b>Short Term</b>	<b>Total</b>	<b>Long Term</b>	<b>Short Term</b>	<b>Total</b>
<b>Provisions for Doubtful Other Loans &amp; Advances *3</b>						
Opening Balance	-	-	-	-	-	-
Addition during the year	-	-	-	-	-	-
Used during the year	-	-	-	-	-	-
Reversed during the year	-	-	-	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Long Term</b>	<b>Short Term</b>	<b>Total</b>	<b>Long Term</b>	<b>Short Term</b>	<b>Total</b>

### Explanatory Note: -

Loan & Advances due from directors or other officers of the company at the end of the year -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)

Particulars of amount outstanding at end of year and maximum outstanding during the year from Holding Company (NHPC Limited)

	As at 31.03.2014		As at 31.03.2013	
	Maximum outstanding	Balance at end of year	Maximum outstanding	Balance at end of year
NHPC Limited	-	413142	-	3799162
	-	-	-	-

# LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

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### NOTE NO. 15 - OTHER NON-CURRENT ASSETS (Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Long term trade receivable	-	-
Others		
<b>Total</b>	-	-

### NOTE NO. 16 - CURRENT INVESTMENTS

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
A. Trade - Quoted	-	-
B. Non Trade - Quoted	-	-
<b>Total</b>	-	-

### NOTE NO. 17 - INVENTORIES

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
(Valuation as per Accounting Policy No. 7)		
Less: Provision for Obsolescence & Diminution in Value *4	-	-
<b>Total</b>	-	-
Provision for Obsolescence & Diminution in Value *4		
Closing balance	-	-

### NOTE NO. 18 - TRADE RECEIVABLES

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Trade Receivables outstanding for a period exceeding six months from the date they become due for payment		
Less: Provision for Doubtful Debts *5	-	-
<b>Total</b>	-	-
Provisions for Doubtful Debts *5		
Closing balance	-	-

#### Explanatory Note: -

Debt due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director of the Company is a partner or a director or a member amounts to NIL (Previous year NIL).

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

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>A Cash and Cash Equivalents</b>		
Cash on hand (includes stamps on hand of ₹ -----, Previous year ₹ -----)	19572	24074
Cheques, drafts on hand	-	-
Balances with banks		
• <b>With scheduled banks</b>		
- In current account		
- Self Insurance Fund	-	-
- Others	779544	325728900
- In deposits account (Deposits with maturity of three months or less)		
• <b>With other banks</b>		
- In current account		



## NOTE NO. 19 - CASH AND BANK BALANCES

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>B Other Bank Balances</b>		
Deposits with maturity of more three months but less than/upto 12 months		
• <b>With scheduled banks</b>		
- IPO Proceeds	-	-
- Others	495736679	663873241
Deposit account-Unpaid Dividend	-	-
Deposits with more than 12 months maturity		
- Self Insurance Fund	-	-
- IPO Proceeds	-	-
- Others	-	75000000
<b>Total</b>	<b>496535795</b>	<b>1064626215</b>

## NOTE NO. 20 - OTHER CURRENT ASSETS

(Amount in ₹)

PARTICULARS	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
a) Interest accrued on:		
Loan to State Government in settlement of dues from customers	-	-
Deposits		
- IPO	-	-
- Self Insurance	-	-
- Other deposits	37234090	36826661
Others	-	-
b) Receivable on account of unbilled revenue	-	-
c) Receivable from Holding Company (NHPC Limited)	413142	3799162
d) Interest recoverable from beneficiary/Holding Company	-	-
e) Claims recoverables	3307	92213
Less: Provisions for Doubtful Claims *6	-	-
Work In Progress	3307	92213
<b>Total</b>	<b>37650539</b>	<b>40718036</b>

## NOTE NO. 21 - REVENUE FROM OPERATIONS

(Amount in ₹)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
<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>D REVENUE FROM CONTRACTS, PROJECT MANAGEMENT AND CONSULTANCY WORKS</b>		
Sub total D	-	-
<b>TOTAL (A+B+C+D)</b>	<b>-</b>	<b>-</b>

# LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

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

### NOTE NO. 22 - OTHER INCOME

(Amount in ₹)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
<b>A) Income from Non-Current Investments</b>		
Trade		
Non-Trade		
<b>B) Other Income</b>		
Interest		
-Deposit Account - Self Insurance Fund	-	-
-Deposit Account - Other than self insurance fund	43060187	68113307
- Employee's Loans and Advances	-	-
- Others	-	-
Liability/ Provisions not required written back #	962099	1179494
Others	377531	152990
Exchange rate variation	-	-
<b>TOTAL</b>	<b>44399817</b>	<b>69445791</b>
Add/(Less): C.O./Regional Office/PID Expenses	-	-
<b>TOTAL</b>	<b>44399817</b>	<b>69445791</b>
Less: Income transferred to EDC	1339630	1332484
Total carried forward to Statement of Profit & Loss	<b>43060187</b>	<b>68113307</b>
<b>#Detail of Liability/Provisions not required written back</b>		
i) Provision for wage revision		-
j) Provision for PRP / Incentive /Productivity Linked Incentive	922581	508660
k) Provision for Superannuation/Pension Fund	-	670834
o) Others	39518	-
<b>TOTAL</b>	<b>962099</b>	<b>1179494</b>

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

(Amount in ₹)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
<b>A. GENERATION EXPENSES</b>		
Water Usage Charges	-	-
Consumption of stores and spare parts	-	-
<b>B. Direct Expebditure on Contract, Project Management and Consultancy Works</b>	-	-
<b>C. REPAIRS &amp; MAINTENANCE</b>		
- Building	1267414	1359184
- Machinery	-	-
- Others	1732967	1032286
<b>D. ADMINISTRATION EXPENSES</b>		
Rent	867828	645538
Rates and taxes	23953	21730
Insurance	93383	71550
Utilization of Self Insurance Fund	-	-
Security expenses	-	-
Electricity Charges	13000	10452



# NHPC Limited

(A Government of India Enterprise)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
Travelling and Conveyance	3568709	1315266
Expenses on vehicles	997228	888269
Telephone, telex and Postage	204489	144082
Advertisement and publicity	1041680	-
Entertainment and hospitality expenses	139535	19119
Printing and stationery	451308	143786
Consultancy charges - Indigenous	41640954	66500
Consultancy charges - Foreign	-	-
Audit expenses (Refer detail below)	94944	99521
Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	-	-
Expenditure incurred for Creation of Facilities on which company does not have control	-	-
Loss on sale of assets	-	-
Assets / claims written off	-	-
Books & Periodicals	21789	210
Donation	-	-
CSR/ Sustainable Development/ Community Development Expenses	210448	-
Directors' expenses	-	-
Research and development expenses	-	-
Interest on Arbitration/ Court Cases	-	-
Interest to beneficiary states	-	-
Rebate to customers	-	-
Expenditure on Self Generated VER's	-	-
Expenses for Regulated Power	-	-
Less: - Exp Recoverable on Regulated Power	-	-
Exchange rate variation	-	-
Other general expenses	2587434	1315696
<b>Sub-total</b>	<b>54957063</b>	<b>7133189</b>
Add/(Less): C.O./Regional Office/PID Expenses	-	-
Sub-total	<b>54957063</b>	<b>7133189</b>
Less: Amount transferred to EDC	53418585	7006529
Less: Recoverable from Deposit Works	-	-
<b>Total (A to D) = i</b>	<b>1538478</b>	<b>126660</b>
<b>E. PROVISIONS</b>		
<b>Sub-total</b>	-	-
Add/(Less): C.O./Regional Office/PID Expenses	-	-
<b>Sub-total</b>	-	-
Less: Amount transferred to EDC	-	-
Less: Recoverable from Deposit Works	-	-
<b>Total (E) = ii</b>	-	-
Total carried forward to statement of profit & Loss <b>Total (i) + (ii)</b>	<b>1538478</b>	<b>126660</b>

# LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

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### Explanatory Note: -

- 1) 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.
- 2) Detail of audit expenses are as under: -

#### i) Statutory auditors

##### As Auditor

	During F. Y. 2013-14	During F. Y. 2012-13
Audit Fees	44944.00	22472.00
Tax Audit Fees	-	-
	44944.00	22472.00

##### In other Capacity

Taxation Matters	-	-
Company Law Matters	-	-
Management Services	-	-
Other Matters/services	-	-
Reimbursement of expenses	-	-
Other expenses related to Audit	50000.00	77049.00

#### ii) Cost Auditors

Audit Fees	-	-
Reimbursement of expenses	-	-
<b>Total Audit Expenses</b>	<b>94944.00</b>	<b>99521.00</b>

### NOTE NO. 24 - EMPLOYEE BENEFITS EXPENSE

(Amount in ₹)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
<b>SALARIES, WAGES, ALLOWANCES</b>	51426926	28957544
Gratuity, Contribution to provident fund & pension scheme (incl. administration fees)	7407212	5920030
Staff welfare expenses	2990389	2573145
Leave Salary & Pension Contribution	-	-
<b>TOTAL</b>	<b>61824527</b>	<b>37450719</b>
Add/(Less): C.O./Regional Office Expenses	-	-
<b>TOTAL</b>	<b>61824527</b>	<b>37450719</b>
Less: Employee Cost transferred to EDC	61824527	37450719
Less: Recoverable from Deposit Works	-	-
Total carried forward to Statement of Profit & Loss	-	-

### Explanatory Note: -

- 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 ₹ 21,84,461/- (Previous year ₹ 12,73,329/-) towards lease payments in respect of premises for residential use of employees.
- 2) Gratuity, Contribution to provident fund & pension scheme include contributions:
 

	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
i) towards Employees Provident Fund	3034110	2210091
ii) towards Employees Defined Contribution Superannuation Scheme	3791233	1979576



## NOTE NO. 25 - FINANCE COST

(Amount in ₹)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
<b>a) Interest on :</b>		
Government of India loan	-	-
Bonds	-	-
Foreign loan	-	-
Term loan	-	-
Cash credit facilities /WCDL	-	-
Other interest charges	-	-
<b>sub total</b>	<u>-</u>	<u>-</u>
<b>b) Other Borrowing Cost</b>		
Loss on Hedging Transactions	-	-
Bond issue/ service expenses	-	-
Commitment fee	-	-
Guarantee fee on foreign loan	-	-
Other finance charges	2403	2662
<b>sub total</b>	<u>2403</u>	<u>2662</u>
<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>	<u>-</u>	<u>-</u>
<b>Total</b>	2403	2662
Add/(Less): C.O./Regional Office/PID Expenses	-	-
<b>TOTAL</b>	<u>2403</u>	<u>2662</u>
Less: Finance Cost transferred to EDC	2403	2662
Less: Recoverable from Deposit Works	-	-
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<u>-</u>	<u>-</u>

## NOTE NO. 26 -DEPRECIATION AND AMORTIZATION EXPENSES

(Amount in ₹)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
Depreciation & Amortisation Expenses	1728254	632756
Depreciation adjustment on account of Foreign Exchange Rate Variation	-	-
Add/(Less): C.O./Regional Office / PID Expenses	-	-
<b>TOTAL</b>	<u>1728254</u>	<u>632756</u>
Less: Depreciation & Amortisation Expenses transferred to EDC	1728254	632756
Less: Recoverable from Deposit Works	-	-
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<u>-</u>	<u>-</u>

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

(Amount in ₹)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
<b>INCOME</b>		
<b>SUB TOTAL</b>	-	-
<b>EXPENDITURE</b>		
<b>SUB TOTAL</b>	-	-
<b>TOTAL</b>	-	-
Add/(Less): C.O./Regional Office/PID Expenses	-	-
<b>TOTAL</b>	-	-
Less: Prior Period Expenses transferred to EDC		
Prior period expenses	-	-
Less Prior period income	-	-
<b>TOTAL</b>	-	-
Less: Recoverable from Deposit Works	-	-
<b>Total carried forward to Statement of Profit &amp; Loss</b>	-	-

### NOTE NO. 28 TAX EXPENSES

(Amount in ₹)

	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
<b>Current Tax</b>		
Income Tax Provision	13471718	22058268
Adjustment Relating To Earlier years	-	-
Deferred Tax	-	-
Less: Recoverable	-	-
	<b>13471718</b>	<b>22058268</b>

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

(Amount in ₹)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
<b>A. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages, allowances	51426926	28957544
Gratuity and contribution to provident fund	7407212	5920030
Staff welfare expenses	2990389	2573145
Leave Salary & Pension Contribution	-	-
<b>Sub-total</b>	<b>61824527</b>	<b>37450719</b>
<b>B. REPAIRS &amp; MAINTENANCE</b>		
Building	1267414	1382945
Machinery	-	17449
Others	1732967	991076
<b>Sub-total</b>	<b>3000381</b>	<b>2391470</b>
<b>C. ADMINISTRATION &amp; OTHER EXPENSES</b>		
Rent	867828	645538
Rates and taxes	10840	13920
Insurance	93383	71550
Security expenses	-	-





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

(Amount in ₹)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
Electricity Charges	13000	10452
Travelling and Conveyance	3568709	1315266
Expenses on vehicles	997228	888269
Telephone, telex and Postage	204489	144082
Advertisement and publicity	-	-
Entertainment and hospitality expenses	-	-
Printing and stationery	451308	143786
Design and Consultancy charges:		
- Indigenous	41640954	-
- Foreign	-	-
Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	-	-
Expenditure incurred for Creation of Facilities on which company does not have control	-	-
Assets/ Claims written off	-	-
Losses on sale of assets	-	-
Other general expenses	2570465	1382196
Remuneration to Auditors	-	-
Exchange rate variation (Debit)	-	-
<b>Sub-total</b>	<b>50418204</b>	<b>4615059</b>
<b>D. PROVISIONS</b>	-	-
Sub-total	-	-
<b>E. FINANCE COST</b>		
Interest on :		
Government of India loan	-	-
Bonds	-	-
Foreign loan	-	-
Term loan	-	-
Cash credit facilities /WCDL	-	-
Exchange differences regarded as adjustment to interest cost	-	-
Loss on Hedging Transactions	-	-
Bond issue/ service expenses	-	-
Commitment fee	-	-
Guarantee fee on loan	-	-
Other finance charges	2403	2662
<b>Sub-total</b>	<b>2403</b>	<b>2662</b>
<b>F. DEPRECIATION AND AMORTISATION EXPENSES</b>	1728254	632756
Sub-total	<b>1728254</b>	<b>632756</b>
<b>G. PRIOR PERIOD EXPENSES</b>		
Prior Period Expenses	-	-
Less: Prior Period Income	-	-
<b>Sub-total</b>	-	-

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

(Amount in ₹)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
<b>H. 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>Sub-total</b>	-	-
<b>GRAND TOTAL (A to H)</b>	<b>116973769</b>	<b>45092666</b>
<b>I. LESS: RECEIPTS AND RECOVERIES</b>		
a) Income from generation of electricity – precommissioning	-	-
b) Others		
Interest on loans and advances	-	-
Miscellaneous receipts	168021	152990
Profit on sale of assets	-	-
Exchange rate variation (Credit)	-	-
Provision/Liability not required written back	962099	1179494
Hire charges/ outturn on plant and machinery	209510	-
<b>Sub-total</b>	<b>1339630</b>	<b>1332484</b>
<b>TOTAL</b>	<b>115634139</b>	<b>43760182</b>

### NOTE NO. 30 - EXPENDITURE ON CONTRACT, PROJECT MANAGEMENT AND CONSULTANCY WORKS

(Amount in ₹)

PARTICULARS	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
A. DIRECT EXPENSES	-	-
EMPLOYEE BENEFITS EXPENSE		
B. REPAIRS & MAINTENANCE		
C. ADMINISTRATION & OTHER EXPENSES		
D. Depreciation & Amortisation Expenses	-	-
E. Finance Cost	-	-
Loss on construction contracts	-	-
F. Provisions	-	-
G. C.O./Regional Office Expenses:		
<b>TOTAL EXPENDITURE</b>	<b>-</b>	<b>-</b>
H. Less: Receipts and recoveries	-	-
<b>Net expenditure during the year</b>	<b>-</b>	<b>-</b>
I. Prior year Adjustments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## NOTE NO. – 31 – Other Explanatory Notes to Accounts

### 1. a) Contingent Liabilities as on:-

(₹ in Crore)

Description	Opening Balance 01/04/2013	Closing Balance 31/03/2014
Claims against the Company not acknowledged as debts in respect of:-	Nil	Nil
-Capital Works	Nil	Nil
-Land Compensation Cases	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) Contingent liabilities towards capital works include 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 provisions of the respective contracts or are lying at Arbitration tribunal/other forums. The above also includes claims of contractors which are under scrutiny at various levels of Management but yet to achieve finality.
- d) The Contingent liabilities under the head "Capital Works" includes Nil Crore (previous year Nil Crore), towards arbitration awards received against the company as outflow is not considered probable in respect of these awards since the same stands 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 Company of Nil Crore (Previous year Nil Crore) towards above contingent liabilities.
- g) An amount of Nil Crore (Previous year Nil Crore) stands paid towards above contingent liabilities to contest the cases and is being shown as Current Assets.
- h) As no construction work has been undertaken. there is no capital commitment.
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 22<sup>nd</sup> October, 2009 have been incorporated by the company as gross value of assets transferred to it by the corporation as on 23<sup>rd</sup> 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 Nil (Previous year Nil).
4. Pending approval of the competent authority, provisional payments / provisions made towards executed quantities of some of the items beyond the approved quantities asalso for extra items totalling to Nil (Previous year Nil), are included in Capital Work-in-Progress/Fixed Asset.
5. a) Balances shown under material issued to contractors, claims recoverable including insurance claims, advances for Capital expenditure, Sundry Debtors, Advances to Contractors, Sundry Creditors and Deposits/Earnest money from contractors 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.

6. The following accounting policies have been introduced/modified/deleted during the financial year ended 31.03.2014:

(₹ in Crore)

Policy No.	Description of Accounting Policy	Impact on Profit for the year
Earlier A.P. 2.3	Policy on Capital expenditure on assets where neither the land nor the asset is owned by the Company (enabling assets) has been deleted on introduction of new Accounting policy no. 4.4.	No significant impact
Earlier A.P. 5.8	Policy on amortization of Capital expenditure referred to in Policy no. 2.3 has also been deleted consequent to deletion of Accounting policy no. 2.3.	No significant impact
New A.P. 4.4	New Policy on Capital expenditure on facilities over which Company does not have control has been introduced.	

7. Disclosures as per Accounting Standard – 7 on Construction Contracts notified under the Companies Accounting Standard Rules, 2006 in accordance with EAC opinion are as follows:-

(₹ in Crore)

Sl. No.	Particulars	31/03/2014	31/03/2013
1.	Aggregate amount of costs incurred and recognised profits (less recognised losses) on contracts in progress upto reporting date. (aggregate of indirect cost +/- Profit/Loss only)	Nil	Nil
2.	Amount of advances received. ( only on account of service charges only)	Nil	Nil
3.	Amount of retention.	Nil	Nil
4.	The gross amount due from customers for contract works as an asset.	Nil	Nil
5.	The gross amount due to customers for contract works as a liability.	Nil	Nil

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

(₹ in Crore)

	For the year ended 31.03.2014	For the year ended 31.03.2013
(i) Amount charged to Statement of Profit & Loss excluding depreciation (as FERV)	Nil	Nil
(ii) Amount charged to Statement of Profit & Loss 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

\* There is however no impact on profit of the Company as the impact of change in foreign exchange rates is recoverable from beneficiaries in terms of prevailing CERC (terms & conditions of tariff) regulations. The exchange rate variation for the year is transferred to deferred foreign currency fluctuation assets (recoverable from beneficiaries) as per opinion of EAC of ICAI.

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(₹ in Crore)

9. All the employees posted in the company are on the roll of NHPC Ltd and all Provisions for Employee Benefits as per Accounting Standard 15 (Revised 2005) for the year ended 31.03.2014 have been kept in the books of NHPC Ltd. However increase in the provision on account of Employees benefit for the year ended 31st March-2014 have been debited to Note No-26 'Employees Benefits Expenses'.
10. The Impairment Analysis as per Accounting Standard (AS)-28 on "Impairment of assets" is being done at Corporate Office level.
11. Other disclosures required under Schedule VI of the Companies Act, 1956 are as under:-

(₹ in Crore)

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
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.		
i) Imported	Nil	Nil
ii) Indigenous	Nil	Nil
d)* Earnings in foreign currency		
i) Interest	Nil	Nil
ii) Others	Nil	Nil

\* Accrual basis.

12. Disclosure relating to verified emission reductions (VERs) is as under:-

Sr. No.	Description	
1.	No. of VERs held as Investment & the basis of valuation	Nil
2.	No. of VERs under certification	Nil
3.	Depreciation and operating and maintenance cost of Emission Reduction Equipment expensed during the year (₹ in Crore)	Nil
4.	No. of VERs sold during the year ended 31.03.2014 with the value thereof.	Nil

13. Disclosures as required under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 are 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 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 paid during the year	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

14. Statutory dues which have not been deposited on account of any dispute:-

Name of the Statute	Nature of dues	Amount in ₹	Year to which it pertains	Forum at which case is pending
Income Tax Act, 1961	Income Tax	Nil	NA	
Sales Tax Acts	Sales Tax	Nil	NA	
Custom Act, 1962	Custom Duty	Nil	NA	
Finance Act, 1994	Service Tax	Nil	NA	
Please specify	Any other levies	Nil	NA	

15. Sales, allocation of corporate office management expenditure, Regional office expenses and actuarial valuation based expenditure on employee benefits have been accounted on the basis of advices from Corporate Office.

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

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

**LINDA KSHETRIMAYUM**  
 PARTNER  
 MEMBERSHIP NO - 511337

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

**(G SAI PRASAD)**  
 CHAIRMAN  
 DIN-00325308

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

**(SILADITYA BASU)**  
 CHIEF FINANCIAL OFFICER

**(VIPAN JAIN)**  
 COMPANY SECRETARY

Place : New Delhi  
 Dated : 5th May 2014



# NHPC Limited

(A Government of India Enterprise)

## CASH FLOW STATEMENT

(Amount in ₹)

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit before taxation	41521709	67986647
Adjustments		
- Interest/other income	(43060187)	(68113307)
- Preliminary Expense Written Off		
Operating profit before working capital changes	(15,38,478)	(1,26,660)
Changes in working capital		
(Increase)/decrease in loans & advances	(71,85,624)	(293,41,762)
(Increase)/decrease in other current assets	30,67,497	253,98,061
Increase/(decrease) in current liabilities	(2876,98,876)	2503,35,507
Increase/(decrease) in provisions	140,29,820	20647295
Cash generated from operations	(2793,25,661)	2669,12,441
Income tax paid	134,71,718	220,58,268
Net cash from operating activities (A)	<b>(2927,97,379)</b>	<b>2448,54,173</b>
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition of fixed assets	(27,30,823)	175338
Increase in capital work in progress	(3156,22,405)	(64857907)
Increase in stores & spares		
Interest income	43060187	68113307
Interest income (prior period)		
Net cash from investing activities (B)	<b>(2752,93,041)</b>	<b>34,30,738</b>
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Miscellaneous expenses		
Proceeds agst. Share allotment/application money	-	142307690
Proceeds agst. Grant		
Net cash from financing activities (C)	-	<b>1423,07,690</b>
Net increase in cash and cash equivalents (A+B+C)	<b>(5680,90,420)</b>	<b>3905,92,601</b>
Cash and cash equivalents at the beginning of the year	<b>10646,26,215</b>	<b>6740,33,614</b>
Cash and cash equivalents at the end of the year	<b>4965,35,795</b>	<b>10646,26,215</b>

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

**LINDA KSHETRIMAYUM**  
 PARTNER  
 MEMBERSHIP NO - 511337

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

**(G SAI PRASAD)**  
 CHAIRMAN  
 DIN-00325308

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

**(SILADITYA BASU)**  
 CHIEF FINANCIAL OFFICER

**(VIPAN JAIN)**  
 COMPANY SECRETARY

Place : New Delhi  
 Dated : 5th May 2014





44 MW Chutak Power Station of NHPC Ltd. (Jammu & Kashmir)-Barrage

**एनएचपीसी लिमिटेड**  
(भारत सरकार का उद्यम)



**NHPC Limited**  
(A Government of India Enterprise)

CIN No. 'L40101HR1975GOI032564'

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