



38th Annual Report 2013-14

Annual General Meeting at 3 p.m. on Friday, 26th September, 2014
at MCF Auditorium, Faridabad, Haryana



CORPORATE VISION

A world class, diversified & transnational organisation for sustainable development of power through conventional and non-conventional sources.

CORPORATE MISSION

- To achieve international standards of excellence in development of power through conventional and non-conventional sources and diversified business.
- To execute and operate projects in a cost effective, environment friendly and socio-economically responsive manner.
- To foster competent, trained and multi-disciplinary human capital.
- To continually develop state-of-the-art technologies through innovative R&D and adopt best practices.
- To adopt the best practices of corporate governance and institutionalise value-based management for a strong corporate identity.
- To maximise creation of wealth through generation of internal funds and effective management of resources.

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CORPORATE PROFILE

FINANCIAL	2013-14	2012-13
Sales**	5335.11	5049.13
Other Operating Revenue & Other Incomes	1658.88	1490.30
Profit Before Interest, Depreciation & Tax ^{\$}	3816.22	4556.80
Profit After Interest & Depreciation	1583.06	3202.13
Profit After Interest, Depreciation & Tax	978.79	2348.22
DIVIDEND PROPOSED/PAID	332.12	738.04
WHAT CORPORATION OWNS		
Net Fixed Assets including CWIP	38736.67	37749.00
Investments (Non Current)	2227.02	2400.61
Other Long Term Loans & Advances and Other Non-Current Asset	1986.06	2183.11
Net Current Assets	4885.60	5813.60
	47835.35	48146.32
WHAT CORPORATION OWNS		
Net Worth	26067.65	27840.50
Long Term Borrowings	18580.52	17417.52
Other Long Term Liability & Long Term Provisions	2420.51	2427.61
Deferred Tax Liability	766.67	460.69
	47835.35	48146.32
OPERATING PERFORMANCE		
GENERATION (MU)	18386	18923
CAPACITY (MW)	4857	4050
PLAT AVAILABILITY FACTOR (%)	77.70	85.30
TURNOVER (₹ in crore)	5537.04	5306.64
MANPOWER (nos.)	9838	10410
** Sales are net after tariff adjustment and advance against depreciation.		
\$ After prior period adjustment		

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(₹ in crore)

2011-12	2010-11	2009-10	2008-2009	2007-08	2006-07	2005-06	2004-05
5509.65	4046.59	4218.90	2671.85	2243.73	1754.12	1614.11	1449.98
1274.62	885.52	673.19	589.64	911.77	433.38	359.55	395.96
4752.02	4160.75	3892.41	2201.76	2201.93	1610.04	1454.71	1438.77
3517.04	2877.41	2402.08	1178.34	1146.65	1087.74	812.16	777.53
2771.77	2166.67	2090.50	1075.22	1004.09	924.80	742.75	684.58
861.05	738.04	676.54	325.00	300.00	278.00	223.00	140.00
35718.06	33063.66	29316.05	27165.66	23884.66	21636.29	19183.08	17608.84
2499.14	2659.96	4394.05	2793.60	3049.22	3322.75	3832.81	3769.43
2610.55	2491.93	1103.90	976.77	888.17	712.78	667.75	676.57
5141.87	3219.44	3903.95	605.76	713.03	-345.60	-225.34	138.69
45969.62	41434.99	38717.95	31541.79	28535.08	25326.22	23458.30	22193.53
26353.53	24580.68	23273.19	17978.29	17275.49	16548.29	15261.43	14100.58
16272.8	13702.53	13868.22	12234.03	9956.33	7531.95	7166.69	7021.80
3139.25	2990.45	1437.44	1329.47	1303.26	1245.98	1030.18	1071.15
204.04	161.33	139.1	0	0	0	0	0
45969.62	41434.99	38717.95	31541.79	28535.08	25326.22	23458.30	22193.53
18683	18604	16960	16689	14813	13049	12567	11286
3775	3775	3655	3655	3315	2755	2755	2475
83.30	85.20	84.10	93.61	96.13	94.11	98.16	95.30
5919.48	4225.25	4331.98	2720.82	2570.36	1882.93	1662.92	1475.56
11036	11420	11712	12028	12341	12768	13118	13470



NHPC Limited

(A Government of India Enterprise)

DIGEST OF IMPORTANT FINANCIAL DATA (TEN YEARS)

FINANCIAL	2013-14	2012-13
A SALE OF ENERGY	5335.11	5049.13
B OTHER OPERATING INCOME & REVENUE FROM CONTRACTS, PROJECT MANAGEMENT AND CONSULTANCY WORKS	201.93	257.51
C OTHER INCOME (INCLUDES EXCEPTIONAL ITEM)	1456.95	1232.79
D TOTAL INCOME (A)+(B)+(C)	6993.99	6539.43
E GENERATION & OTHER EXPENSES	3177.77	1982.63
F GROSS MARGIN (D) - (E)	3816.22	4556.80
G DEPRECIATION & AMORTIZATION EXPENSES	1210.76	969.29
H GROSS PROFIT (F) - (G)	2605.46	3587.51
I FINANCE COST	1022.40	385.38
J NET PROFIT BEFORE TAX (H) - (I)	1583.06	3202.13
K TAX	604.27	853.91
L NET PROFIT AFTER TAX (J) - (K)	978.79	2348.22
M AUTHORISED CAPITAL	15000.00	15000.00
N EQUITY PAID UP CAPITAL	11070.67	12300.74
O RESERVE AND SURPLUS	14996.98	15539.76
P LONG TERM BORROWINGS	18580.52	17417.52
Q OTHER LONG TERM LIABILITY & LONG TERM PROVISIONS	2420.51	2427.61
R GROSS TANGIBLE & INTANGIBLE ASSETS	32931.02	25720.04
S DEPRECIATION	8851.48	7680.08
T NET TANGIBLE & INTANGIBLE ASSETS (R) - (S)	24079.54	18039.96
U CAPITAL WORK-IN-PROGRESS	14657.13	19709.04
V INVESTMENTS (NON CURRENT)	2227.02	2400.61
W OTHER LONG TERM LOANS & ADVANCES AND OTHER NON-CURRENT ASSET	1986.06	2183.11
X WORKING CAPITAL	4885.60	5813.60
Y MISC. EXPENDITURE TO THE EXTENT NOT WRITTEN OFF	0.00	0.00
Z GROSS CAPITAL EMPLOYED (T)+(U)+(V)+(W)+(X)	47835.35	48146.32
AA NET WORTH (N)+(O)-(Y)	26067.65	27840.50
AB INVENTORY CONSUMPTION IN POWER STATION	26.90	27.01
AC VALUE ADDED (A)-(AB)	5308.21	5022.12
RATIOS	2013-14	2012-13
GROSS RETURN ON CAPITAL EMPLOYED (H) / (Z)	5.45%	7.45%
RETURN ON NET WORTH (L) / (AA)	3.75%	8.43%
SALES TO GROSS CAPITAL EMPLOYED (A) / (Z)	11.15%	10.49%
VALUE ADDED TO SALES (AC) / (A)	99.50%	99.47%
NET PROFIT TO NET SALES (L) / (A)	18.35%	46.51%
BOOK VALUE PER SHARE (AA/AD)	23.55	22.63
EARNING PER SHARE	0.82	1.91
DIVIDEND PER SHARE	0.30	0.60
DEBT TO EQUITY RATIO (P) / ((N)+(O))	0.71	0.63
CURRENT RATIO	1.80	1.91

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(₹ in crore)

2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
5509.65	4046.59	4218.90	2671.85	2243.73	1754.12	1614.11	1449.98
409.83	178.66	113.08	48.97	326.63	128.81	48.81	25.58
871.26	706.86	560.11	540.67	585.14	304.57	310.74	370.38
6790.74	4932.11	4892.09	3261.49	3155.50	2187.50	1973.66	1845.94
2038.72	771.36	999.68	1059.73	953.57	577.46	518.95	407.17
4752.02	4160.75	3892.41	2201.76	2201.93	1610.04	1454.71	1438.77
892.74	916.74	1033.25	518.24	443.74	290.55	269.57	248.97
3859.28	3244.01	2859.16	1683.52	1758.19	1319.49	1185.14	1189.80
342.24	366.60	457.08	505.18	611.54	231.75	372.98	412.27
3517.04	2877.41	2402.08	1178.34	1146.65	1087.74	812.16	777.53
745.27	710.74	311.58	103.12	142.56	162.94	69.41	92.95
2771.77	2166.67	2090.50	1075.22	1004.09	924.80	742.75	684.58
15000.00	15000.00	15000.00	15000.00	15000.00	15000.00	15000.00	15000.00
12300.74	12300.74	12300.74	11182.49	11182.49	11207.04	10576.09	9933.27
14052.79	12279.94	10972.45	6798.13	6093.34	5367.05	4709.89	4168.49
16272.80	13702.53	13868.22	12234.03	9956.33	7531.95	7166.69	7021.80
3139.25	2990.45	1437.44	1329.47	1303.26	1245.98	1030.18	1071.15
23060.93	22874.93	21302.37	21460.08	20639.51	12943.64	12755.52	10876.28
6692.61	5774.04	4907.44	3816.27	3262.66	2850.92	2527.83	2148.20
16368.32	17100.89	16394.93	17643.81	17376.85	10092.72	10227.69	8728.08
19349.74	15962.77	12921.12	9521.85	6507.81	11543.57	8955.39	8880.76
2499.14	2659.96	4394.05	2793.60	3049.22	3322.75	3832.81	3769.43
2610.55	2491.93	1103.90	976.77	888.17	712.78	667.75	676.57
5141.87	3219.44	3903.95	605.76	713.03	-345.60	-225.34	138.69
0.00	0.00	0.00	2.33	0.34	25.80	24.55	1.18
45969.62	41434.99	38717.95	31541.79	28535.08	25326.22	23458.30	22193.53
26353.53	24580.68	23273.19	17978.29	17275.49	16548.29	15261.43	14100.58
10.14	3.94	4.28	8.92	6.15	6.56	12.02	7.73
5499.51	4042.65	4214.62	2662.93	2237.58	1747.56	1602.09	1442.25

2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
8.40%	7.83%	7.38%	5.34%	6.16%	5.21%	5.05%	5.36%
10.52%	8.81%	8.98%	5.98%	5.81%	5.59%	4.87%	4.85%
11.99%	9.77%	10.90%	8.47%	7.86%	6.93%	6.88%	6.53%
99.82%	99.90%	99.90%	99.67%	99.73%	99.63%	99.26%	99.47%
50.31%	53.54%	49.55%	40.24%	44.75%	52.72%	46.02%	47.21%
21.42	19.98	18.92	16.08	15.45	14.78	14.94	14.96
2.25	1.76	1.76	0.96	0.90	0.83	0.73	0.73
0.70	0.60	0.55	0.29	0.27	0.25	0.22	0.15
0.62	0.56	0.60	0.68	0.58	0.45	0.47	0.50
1.76	1.52	1.88	1.16	1.21	0.86	1.02	1.04



NHPC Limited

(A Government of India Enterprise)

REFERENCE INFORMATION

Registered Office

NHPC Office Complex
Sector-33, Faridabad
Haryana-121 003.

Corporate Office

NHPC Office Complex
Sector-33, Faridabad
Haryana-121 003.

Company Secretary

Shri Vijay Gupta

Registrar & Share Transfer Agent

For Equity Shares & For Tax Free Bonds

M/s Karvy Computershare Private Limited
Plot No. 17 to 24, Vittal Rao Nagar
Madhapur, Hyderabad-500 081.
Telephone: +91 40 4465 5000
Email: einward.ris@karvy.com
Website: www.karvycomputershare.com

For Bonds:

M/s RCMC Share Registry Private Limited
B-106, Sector-2
Noida, Uttar Pradesh-201 301.
Telephone: +91 120-4015880
Email: info@rcmcdelhi.com

Shares Listed at:

Bombay Stock Exchange Limited
National Stock Exchange of India Limited

Depositories

National Securities Depository Limited
Central Depository Services (India) Limited

Public Spokesperson

Shri Jayant Kumar, Executive Director (Finance)

Statutory Auditors

M/s S.N. Nanda & Co.

Chartered Accountants
C-43, Pamposh Enclave
Greater Kailash-1, New Delhi-110 048.

M/s Singhi & Co.

Chartered Accountants
Emerald House, 4th Floor
1-B, Old Post Office Street
Kolkata, West Bengal-700 001.

M/s Gupta Gupta & Associates

142/3, Trikuta Nagar, Jammu
Jammu & Kashmir-180 012.

M/s Tiwari & Associates

Chartered Accountants
T-8, Green Park Extension
New Delhi-110 016.

Bankers

State Bank of India
Indian Overseas Bank
ICICI Bank Limited
Jammu & Kashmir Bank Limited
Bank of India
Deutsche Bank
Axis Bank
State Bank of Patiala
State Bank of Bikaner & Jaipur
HDFC Bank
Bank of Bhutan
IndusInd Bank

Cost Auditors

M/s Chandra Wadhwa and Co.

204, Krishna House, 4805/24, Bharat Ram Road
Daryaganj, New Delhi-110 002.

M/s R.J. Goel and Co.

31, Community Centre, Ashok Vihar, Phase-I
New Delhi-110 052.

M/s S.C. Mohanty and Associates

511, Sahid Nagar
Bhubaneshwar-751 007.

M/s Ravi Sahni and Co.

6/257, 3rd Floor, Geeta Colony
New Delhi-110 031.

M/s Krishan Singh Berk

365, Sector-15, Faridabad
Haryana-121 007.

M/s Bahadur Murao and Co.

Shop No. 25, DDA Market, 'B' Block
Preet Vihar, Delhi-110 092.

M/s K.L. Jaisingh and Co.

J-7, Sector-XI, Jaisingh House
Noida-201 301.

Debenture Trustees

7.70% O Series

Axis Trustee Services Ltd

Axis House, 2nd Floor
Bombay Dyeing Mills Compound
Pandurang Budhkar Marg, Worli
Mumbai-400 025
Telephone: +91 22 24255227

9% P Series

IDBI Trusteeship Services Ltd

Asian Building, Ground Floor
17, R. Kamani Marg Ballard Estate
Mumbai-400 001.
Telephone: +91 22 40807000
Email:itsl@idbitrustee.com

9.25% Q Series

IDBI Trusteeship Services Ltd

Asian Building, Ground Floor
17, R. Kamani Marg, Ballard Estate
Mumbai-400 001.
Telephone: +91 22 40807000
Email:itsl@idbitrustee.com

8.70% R1

8.85% R2 and

8.78% R3 Series

SBICAP Trustee Company Ltd.

8, Khetan Bhavan, 5th Floor
198, J. Tata Road, Churchgate
Mumbai-400 202.
Telephone: +91 22-43025555

Tax Free Bonds

NHPC 2013

(Series 1A, 1B, 2A, 2B, 3A and 3B)

IDBI Trusteeship Services Ltd

Asian Building, Ground Floor
17, R. Kamani Marg Ballard Estate
Mumbai-400 001.
Telephone: +91 22 40807000
Email:itsl@idbitrustee.com



NHPC Limited

(A Government of India Enterprise)

Letter to Shareholders



Dear Shareholders,

It is a matter of great pleasure for me to present the 38th Annual Report of your Company for the financial year 2013-14. Your Company is advancing by tackling various challenges, deriving strength from its Corporate Vision and Mission.

I am glad to inform you that notwithstanding the setbacks of suspension of some of the major ongoing Projects due to natural calamities and other reasons, we could display a better performance in Operations and Construction, this year. Your Company has added an installed capacity of 760 MW during the year. Sales realization of NHPC during 2013-14 has increased to ₹ 6,397 crore from ₹ 5,369 crore of the previous year. Likewise your Company had raised bills amounting to ₹ 5,928 crore and generated a profit of ₹ 978.79 crore during the financial year 2013-14. The decrease in profit is mainly due to charging off the borrowing cost and other administrative cost of Subansiri Lower and Teesta Low Dam-IV Projects as construction activities were interrupted for a prolonged period.

Board of Directors have recommended a dividend of ₹ 0.30 per share (excluding dividend tax) for the year 2013-14. The total dividend payout will be ₹ 332.12 crore which is 33.93% of the profit after tax. It will be paid after the approval of shareholders at the ensuing Annual General Meeting.

At present the total installed capacity of your Company is 6,507 MW consisting of 18 operating Power Stations including 1,520 MW of NHDC Limited, a Subsidiary Company of NHPC. Since last year, Teesta Low Dam-III (132 MW) in West Bengal, Nimoo Bazgo (45 MW) in Jammu & Kashmir, Uri-II (240 MW) in Jammu & Kashmir and Parbati-III (520 MW) in Himachal Pradesh were declared under commercial operation.

During the year, against the target of 21,465 MUs, NHPC generated 18,386 Million Units of power through 18 operating Power Stations located in different parts of the country. The reason for less generation is mainly due to submergence of Dhauliganga Power Station (280 MW) resulting from cloud burst on 17th June, 2013 in Uttarakhand. However, with the dedication of staff, entire units have been restored.

The outstanding dues pending for more than 60 days as on 31st March, 2014 was ₹ 955 crore. Your Company is continuing all efforts to recover the outstanding dues including regulation of power supply to the defaulting utilities. Most of the beneficiary states except J&K are now liquidating their dues on regular basis.

Presently, construction activities in 4 Hydroelectric Projects with an installed capacity of 3,290 MW are in progress.

I am happy to share with you that as part of Company's future expansion programme, five Projects with an installed capacity of 5,115 MW are under various stages of approval. In addition, three Projects in Jammu & Kashmir (2,120 MW) and one Project in Manipur (66 MW) are envisaged to be executed through Joint Venture Companies i.e. Chenab Valley Power Projects Private Limited (CVPPPL) and Loktak Downstream Hydroelectric Corporation Ltd (LDHCL) respectively.

Exploiting the growth opportunities by leveraging the extant resources and strengths is the crux of business strategy and it gives me immense pleasure to inform you that our efforts for diversification into Thermal, Wind and Solar Power across the country has started fetching results in India and Overseas.

NHPC's varied expertise and experience acquired over the years has been recognized at national and international levels. The Company has received Consultancy assignments from Central and State Government agencies in India and other countries like Bhutan and Ethiopia. So far NHPC has successfully completed 88 Consultancy assignments, while another six are under progress. NHPC is also implementing Rural Electrification Projects under Rajiv Gandhi Gramin Vidyutikaran Yojna (RGGVY) in 27 Districts spread over five States of West Bengal, Bihar, Jammu & Kashmir, Chhattisgarh and Odisha.

A policy framework has been created to manage the Information Technology (IT) systems. The Policy ensures optimum and secure utilization of assets owned by NHPC and integrates the focus of Management on Projects Under Construction and Power Stations.

Human Resources Development is given utmost priority in NHPC as manpower is one of the main pillars of any organization. A comprehensive Training approach is being followed in the Company to keep the employees abreast with the latest advancements in relevant fields. Besides conducting in-house workshops, the Company also organizes training programmes in collaboration with reputed educational Institutes like, IIMs/XLRIs/IITs, etc. by way of strategic alliance to facilitate advance Management and Leadership development programmes for the employees.

NHPC, with its humane touch has been able to generate goodwill in the vicinity of our Projects/Power Stations/Units and also in other parts of the country. This can be attributed to our commitment to Corporate Social Responsibility (CSR) and Resettlement & Rehabilitation (R&R). There is a constant effort to integrate the virtues of Corporate Citizenship vis-à-vis Economic, Social and Environmental responsibilities within the core business processes. We take utmost care to constantly adopt and maintain the highest standards of Corporate Governance in all its Business activities.

Operational excellence is lifeless unless a successful story of holistic development is not put forward by the Company. NHPC endeavours for an all-round growth and the same is reflected in our Management practices. As a result, our Power Stations/Projects/Units and Senior Management personnel have been receiving accolades for operational excellence in various fields for the last many years.

Looking ahead, the Board and Management of your Company will continue to execute various strategies, to develop existing assets, optimize business portfolio through diversification, strengthen financial performance and drive operational efficiencies throughout the organization. I am confident that our strategic endeavours would generate sustainable growth, stronger cash flows, better returns on capital and improve the wealth of shareholders.

It is our commitment to live up to the expectations of our shareholders. I take this opportunity to thank all shareholders for their continued involvement and their encouragement, which are vital for the prosperity of your Company and the same is solicited in future as well.

Yours sincerely,



(R.S.T. Sai)

Chairman and Managing Director
DIN 00171920

Date: 14th August, 2014
Place: New Delhi



NOTICE

NOTICE is hereby given that the 38th Annual General Meeting of the members of NHPC Limited will be held at 3:00 P.M. on Friday, the 26th September, 2014 at Municipal Corporation Auditorium, NIT, Near B K Chowk, Faridabad – 121 001 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and Statement of Profit & Loss for the financial year ended on that date together with Report of the Board of Directors and Auditors thereon.
2. To declare dividend for the financial year 2013-14.
3. To appoint a Director in place of Shri D. P. Bhargava (DIN 01277269), who retires by rotation and being eligible, offers himself for re-appointment for the remaining/extended term at the pleasure of the President of India.
4. To appoint a Director in place of Shri J. K. Sharma (DIN 00387785), who retires by rotation and being eligible, offers himself for re-appointment for the remaining/extended term at the pleasure of the President of India.
5. To fix remuneration of the Joint Statutory Auditors for the year 2014-15 and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT remuneration for Joint Statutory Auditors appointed by the Comptroller and Auditor General of India for the financial year 2014-15 be and is hereby fixed as under:

S. No.	Particulars	Amount (₹ in Lakh)
1.	Annual Audit Fees	50.00
2.	Fees for consolidation of accounts	1.25

RESOLVED FURTHER THAT the above fees is exclusive of service tax, TA/DA and other levies and shall be shared equally by the Joint Statutory Auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to these resolutions."

SPECIAL BUSINESS:

6. **To consider and, if thought fit, to pass with or without modification(s) if any, the following Resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and all other provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2014-15, be paid the remuneration @ ₹ 60,000/- per Power Station (excluding taxes, duties & TA/DA).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to these resolutions."

7. **To consider and, if thought fit, to pass with or without modification(s) if any, the following Resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Clause 49 of the Listing Agreement, Shri Shantikam Hazarika (DIN: 00523656), who was appointed by the President of India as a part time non-official Director on the Board of the Company pursuant to Article 33 of the Articles of Association of the Company vide Ministry of Power letter no. 16/28/99-NHPC [Vol. II] dated 17th May, 2012 for a period of three years from the date of notification of appointment, or until further orders, whichever is earlier and the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from him proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office for a balance term up to 16th May, 2015"

8. **To consider and, if thought fit, to pass with or without modification(s) if any, the following Resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Clause 49 of the Listing Agreement, Shri A. Gopalakrishnan (DIN: 02880344), who was appointed by the President of India as a part time non-official Director on the Board of the Company pursuant to Article 33 of the Articles of Association of the Company vide Ministry of Power letter no. 16/28/99-NHPC [Vol. II] dated 1st March, 2013 for a period of three years from the date of notification of appointment, or until further orders, whichever is earlier and the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from him proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a balance term up to 29th February, 2016."

9. **To consider and, if thought fit, to pass with or without modification(s) if any, the following Resolution as an Ordinary Resolution:**

"RESOLVED THAT Shri R.S.T. Sai who was appointed as an additional Director and designated as Chairman & Managing Director of the Company w.e.f. 8th June, 2014 under Section 161(1) of the Companies Act, 2013 read with Article 35A of the Articles of Association of the Company by the President of India vide letter no 9/2/2013-NHPC dated 6th June, 2014 and shall hold office up to the date of this Annual General Meeting, and the Company has received a notice from him proposing his candidature for the office of Director under Section 160

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of the Companies Act, 2013, be and is hereby appointed as Chairman & Managing Director of the Company as non-retiring Director on the terms and conditions determined by the Government of India.”

By order of the Board of Directors



(Vijay Gupta)
Company Secretary

Regd Office:

NHPC Office Complex
Sector-33, Faridabad, Haryana-121 003.
Date: 14th August, 2014

NOTES:

1. The Register of Members and Share Transfer Books of the Company will remain closed from 13th September, 2014 to 26th September, 2014 (both days inclusive) for determining the name of members eligible for dividend on equity shares, if declared at the meeting. The Board of Directors in its meeting held on 7th July, 2014, has recommended a final dividend @ 3% (₹ 0.30 per share) on the paid up equity share capital of the Company. The final dividend on equity shares, as recommended by the Board of Directors, subject to the provisions of the Companies Act, 2013, if declared at the Annual General Meeting, will be paid on or after 1st October, 2014 to the Members or their mandates whose names appear on the Company's Register of Members on 26th September, 2014 in respect of physical shares. In respect of dematerialized shares, the dividend will be payable to the "beneficial owners" of the shares whose names appear in the Statement of Beneficial Ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on 12th September, 2014.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. Electronic copy of the Annual Report for 2013-14 is being sent to all the members whose Email addresses are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of it. The members who have not registered their E-mail addresses, physical copies of the Annual Report for 2013-14 is being sent to them in the permitted mode.
4. Pursuant to the provisions of Clause 35B of the Listing Agreement as well as Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management & Administration) Rules, 2014, NHPC Limited is offering e-voting facility to its members in respect of the businesses to be transacted at the 38th Annual General Meeting scheduled to be held on Friday, 26th September, 2014 at 3:00 PM at Municipal Corporation Auditorium, NIT, Near B K Chowk, Faridabad – 121 001. Attention is invited that the businesses of the meeting may be transacted through electronic voting system. The detailed instructions and other information relating to e-voting are given overleaf of proxy form.
5. Electronic copy of the Notice of the 38th Annual General Meeting of the Company along with E-voting form indicating the process and manner of E-voting, Attendance Slip, Proxy Form and Ballot Form is being sent to all the members whose E-mail addresses are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. The members who have not registered their E-mail addresses, physical copies of the Notice of the 38th Annual General Meeting of the Company inter alia indicating the process and manner of E-voting along with Attendance Slip, Proxy Form and Ballot Form is being sent to them in the permitted mode.
6. Member(s) can opt for only one mode of voting i.e. either physically voting at the Annual General Meeting, or voting through E-voting/Ballot. A member, who has voted through E-voting mechanism, is not debarred from participating in the general meeting physically. However, he shall not be allowed to vote in the meeting again and his earlier vote (cast through e-means) shall be treated as final.
7. In view of provisions of Section 107 of the Companies Act, 2013 read with general circular no. 20/2014 dated 17th June 2014 issued by the Ministry of Corporate Affairs, voting by show of hands shall not be allowed in the meeting.
8. The Company is not providing video conferencing facility for this meeting.
9. Members may also note that the Notice of the 38th Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website www.nhpcindia.com or using the link <http://nhpc-reports.nic.in> for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Faridabad for inspection between 11.00 a.m. to 1.00 p.m. on working days (barring Saturday and Sunday) prior to the Annual General Meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the email id: companysecretary@nhpc.nic.in.
10. Corporate Members intending to send their authorized representative to attend the Meeting are requested to send a Certified Copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
11. A statement pursuant to Section 102 (1) of the Companies Act, 2013, relating to the special business to be transacted at the meeting is annexed hereto.
12. In terms of Section 152 of the Companies Act, 2013, Shri D. P. Bhargava (DIN 01277269) and Shri J. K. Sharma (DIN 00387785), Directors retire by rotation at the ensuing Meeting and being eligible, offers themselves for re-appointment. The tenure of Shri Bhargava and Shri Sharma in accordance with the letter of appointments issued by the Ministry of Power is up to 25th September, 2014 and 9th October, 2014 respectively. The Board of Directors of the Company commends their respective re-appointments.
13. Brief resume of the Directors seeking appointment and/or re-appointment as mandated under Clause 49 of the Listing Agreement with the Stock Exchanges is annexed hereto and forms part of the Notice.



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14. Members are requested to:
 - i. note that copies of Annual Report will not be distributed at the Annual General Meeting, therefore, bring their copies of Annual Report, Notice and Attendance Slip duly completed and signed at the meeting.
 - ii. deliver duly completed and signed Attendance Slip at the entrance of the meeting venue, as entry to the Hall will be strictly on basis of the entry slip provided at the counters at the venue in exchange of Attendance Slip.
 - iii. note that the Attendance Slip / Proxy form should be signed as per the specimen signature registered with the Karvy Computershare Private Limited, Registrar & Transfer Agent (RTA) / Depository Participant (DP).
 - iv. note that in terms of Clause 35B of the listing Agreement, those members, who do not have access to E-voting facility, may send their assent or dissent in writing on the Ballot Form sent along with this AGM Notice so as to reach the Scrutinizer at the address Ms. Savita Jyoti (CP No. 1796), M/s Savita Jyoti Associates, Company Secretaries, E-86, Sainikpuri, Secunderabad-500094 at Hyderabad email-id savitajyoti@yahoo.com on or before 22nd September, 2014 (6:00 P.M. IST). Any Ballot Form received after this time and date will be treated as if reply from the members has not been received.
 - v. note that in case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
 - vi. quote their Folio/ Client ID & DP ID No. in all correspondence.
 - vii. **note that due to strict security reasons mobile phones, brief cases, eatables and other belongings are not allowed inside the Auditorium/venue.**
 - viii. note that no gifts/coupons will be distributed at the Annual General Meeting.
 - ix. note that entry is restricted to members or registered proxy holders. Accordingly, persons other than members are requested to register their proxies before stipulated time.
15. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the dividend amounts which remain unpaid/ unclaimed for a period of seven years, are required to be transferred to the Investors Education & Protection Fund (IEPF) of the Central Government. After such transfer, there remains no claim of the members whatsoever on the said amount. Pursuant to the provisions of Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts with the Company as on 16th September, 2013 on the website of the Company i.e. www.nhpcindia.com under Investors' Corner and also on the website of the Ministry of Corporate Affairs.
16. Members are advised to submit their Electronic Clearing System (ECS) mandates, to enable the Company to make remittance by means of ECS. Those holding shares in physical form may obtain and send the ECS mandate form to Karvy Computershare Private Limited, Registrar & Share Transfer Agent of the Company. Members holding shares in Electronic Form may obtain and send the ECS mandate form directly to their Depository Participant (DP). Those members who have already furnished the ECS Mandate Form to the Company/Registrar & Share Transfer Agent/DP with complete details need not send it again.

The shareholders who do not wish to opt for ECS facility may please mail their bankers' name, branch address and account number to Karvy Computershare Private Limited, Registrar & Share Transfer Agent of the Company to enable them to print these details on the dividend warrants.
17. Members holding shares in multiple folios in physical mode are requested to apply for consolidation to the Company or its Registrar & Share Transfer Agent along with relevant Share Certificates.
18. SEBI has made it mandatory for the transferee(s) to furnish copy of PAN Card to the Company/ Registrar & Share Transfer Agent for registration of transfers and for securities market transactions and off-market/ private transactions involving transfer of shares of listed companies in physical form. Accordingly, members holding shares in physical form should attach a copy of their PAN card for every transfer request sent to the Company/ Registrar & Share Transfer Agent.
19. Non-Resident Indian Members are requested to inform Karvy, regarding:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the Bank with pin code number, if not furnished earlier.
20. Securities and Exchange Board of India (SEBI) vide Circular Number CIR/MRD/DP/10/2013 dated 21st March, 2013 has directed to use approved electronic mode of payment viz., ECS, NEFT, etc. for making cash payments to the investors. On verification of shareholding records, it is noticed that in some of the cases, Bank Account No. with 9 digits MICR code (either Bank Account No. or 9 digits MICR No. or both) have not been updated. Members are requested to update the following to comply with the aforesaid SEBI Circular:
 - i. For shares held in electronic mode, members may approach their Depository Participant (DP) and update details regarding Bank Account No. and 9 digits MICR code No. to facilitate payments, if any, in electronic mode.
 - ii. For shares held in physical mode, members may send a request to our Registrar and Share Transfer Agent viz., Karvy Computershare Pvt. Limited, Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad-500081 with following documents:
 - i. A request letter for updating Bank Account No. with 9 digits MICR No.
 - ii. Attested copy of your PAN Card.
 - iii. Photocopy of your cheque leaf (to capture correct bank account no., IFSC Code and 9 digits MICR Code).
21. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any changes due to demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
22. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit to Karvy Computershare Private Limited, RTA of the Company, in Form SH 13 as prescribed in the Companies (Share Capital and Debentures) Rules, 2014, the details of any person to whom their shares in the Company shall vest on occurrence of events stated in the form.

In case of shares held in dematerialized form, the nomination has to be lodged with the respective Depository Participant.

23. Members are requested to notify immediately any change of address:
 - i. to their Depository Participants (DP) in respect of shares held in dematerialized form and
 - ii. to the Company at its Registered Office or to its Registrar & Share Transfer Agent, Karvy Computershare Private Limited in respect of their physical shares, if any, quoting their folio number.
24. Members desirous of getting any information on any items of business of this Meeting are requested to address their queries to Shri A. B. L. Srivastava, Director (Finance) and/or public spokesperson, Shri Jayant Kumar, ED (Finance) of the Company at the registered office of the Company at least ten days prior to the date of the meeting, so that the information required can be made readily available at the meeting.
25. Annual listing fee for the year 2014-15 has been paid to all Stock Exchanges wherein shares of the Company are listed.
26. Remuneration of the Joint Statutory Auditors appointed pursuant to Section 139(5) of the Companies Act, 2013 has to be fixed by the Company in a General Meeting or in such manner as the Company in General Meeting may determine in accordance with Section 142 (1) of the Companies Act, 2013.
 The members of the Company in their 37th Annual General Meeting held on 16th September, 2013 authorized the Board of Directors to fix the remuneration of Statutory Auditors for the year 2013-14. The Board of directors has fixed a sum of Rupees Forty Lakhs as remuneration to the Joint Statutory Auditors for the year 2013-14 in addition to applicable service tax and reimbursement of actual traveling and out-of-pocket expenses. The Board in its meeting held on 30th June 2014 has recommended the remuneration as proposed in the resolution for the Joint Statutory Auditors for the year 2014-15.
27. Members who have not encashed their dividend warrants within its validity period may write to the Company at its Registered Office or to M/s Karvy Computershare Private Limited, Registrar & Share Transfer Agent of the Company, for revalidating the warrants or payment in lieu of such warrants in the form of demand draft.
28. The Company is separately seeking approval of shareholders through Postal Ballot under Section 180(1)(a) for creating charge/mortgage on the assets of the Company, under Section 180(1)(c) of the Companies Act, 2013 for increasing borrowing powers of the Company and under Section 42, 71 and all other applicable provisions of the Companies Act, 2013 for issue of Secured / Unsecured redeemable Non-convertible Debentures / Bonds through Private Placement. The notice of Postal Ballot dated 18th July, 2014 has already been sent to members of the Company through permitted mode and is available on the website of the Company i.e. www.nhpcindia.com.
29. Members may write to the Company Secretary of the Company for the Annual Report of the Subsidiary Companies. The Annual Accounts of the Subsidiary Companies shall also be available for inspection by any shareholders at the Registered Office of the Company .
30. None of the Directors of the Company is in any way related to each other.
31. Share transfer documents and all correspondence relating thereto, should be addressed to the Registrar and Transfer Agent of the Company – Shri S. Balaji Reddy, M/s Karvy Computershare Private Ltd. (Karvy), Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081 Phone Nos. 040-23420815-19; e-mail: sbreddy@karvy.com.
 Karvy is also the depository interface of the Company with both NSDL and CDSL.
32. Members who have not registered their E-mail addresses, so far, are requested to register their E-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants for receiving all communication including Annual Report, Notice, Circulars, etc. from the Company electronically. The E-communication registration form given elsewhere in the Annual Report for 2013-14 and also hosted on website of the Company i.e. www.nhpcindia.com.

EXPLANATORY STATEMENT PURSUANT TO THE SECTION 102 OF THE COMPANIES ACT, 2013 ANNEXED TO THE NOTICE

Item No. 6

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of cost records of the Company for the financial year 2014-15 as under:

S. No.	Name of the Firm	Allocation of the Power Stations including projects to be commissioned during F.Y. 2014-15
1.	M/s. Ravi Sahni & Co, New Delhi	Salal, Uri-I and Uri-II
2.	M/s. Bahadur Murao & Co, Delhi	Chamera-I and Bairasiul
3.	M/s. S.C. Mohanty & Associates, Bhubaneswar	Tanakpur, Dhauliganga and Chamera-III
4.	M/s. K.L. Jaisingh & Co, Noida	Rangit, Teesta-V and TLDP-III
5.	M/s. H. Tara & Co, New Delhi	Chutak, Nimmo Bazgo and Parbati-III*
6.	M/s. V.P. Gupta & Co, Noida	Dulhasti, Loktak and TLDP-IV*
7.	M/s. S.K. Rajpurwala, Jaipur	Chamera-II and Sewa-II

*Appointment in respect of Parbati-III and TLDP-IV is subject to commercial operation of respective Projects during the financial year 2014-15. Parbati-III has become commercially operative w.e.f. 6th June, 2014.

As per Rule 14 of Companies (Audit and Auditors) Rules, 2014 read with Section 148(3) of the Companies Act, 2013, the remuneration recommended by the Audit Committee shall be considered and approved by the Board of Directors and ratified subsequently by the shareholders. Accordingly, consent of the members is sought through an Ordinary Resolution for ratification of the remuneration payable to the Cost Auditors for the financial year 2014-15.

Further, it is expected that there can be a need of more firm(s) of Cost Auditors to conduct audit during the year. Accordingly, the Board, on the recommendation of the Audit Committee, has approved a panel of three firms of the Cost Auditors at a remuneration of ₹ 60,000/- (excluding taxes, levies and TA/DA) for each Power Station.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice except to the extent of their shareholding in the Company.

The Board commends the Ordinary Resolution set out at Item no. 6 of the Notice for approval by the shareholders.

Item No. 7

The President of India, pursuant to Article 33 of the Articles of Association of the Company, appointed Shri Shantikam Hazarika as a part-time non official Director of the Company for a period of three years from the date of notification of appointment, or until further orders, whichever is earlier. Shri Shantikam Hazarika joined the Board with effect from 24th May, 2012.



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The Company has received a notice in writing from Shri Shantikam Hazarika alongwith the deposit of requisite amount under Section 160 of the Act proposing his candidature for the office of Director of the Company.

Shri Shantikam Hazarika is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has received a declaration from Shri Shantikam Hazarika that he meets the criteria of Independence as prescribed both under sub-section (6) of Section 149 and Schedule IV of the Companies Act, 2013.

Brief resume of Shri Shantikam Hazarika, nature of his expertise in specific functional areas and names of Companies in which he holds Directorships and Memberships / Chairmanships of Board/Committees, shareholding and relationships between Directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is annexed with this notice.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Shri Shantikam Hazarika be appointed as an Independent Director for remaining term as per his letter of appointment no.16/28/99-NHPC(Vol-III) dated 17.05.2012

Copy of the Ministry of Power's letter for appointment of Shri Shantikam Hazarika as a part time non-official Director is available for inspection by members at the Registered Office of the Company.

Save and except Shri Shantikam Hazarika and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

Item No. 8

The President of India, pursuant to Article 33 of the Articles of Association of the Company, appointed Shri A. Gopalakrishnan as a part-time non official Director of the Company for a period of three years from the date of notification of appointment, or until further orders, whichever is earlier. Shri A. Gopalakrishnan joined the Board with effect from 10th March, 2013.

The Company has received a notice in writing from Shri A. Gopalakrishnan alongwith the deposit of requisite amount under Section 160 of the Act proposing his candidature for the office of Director of the Company.

Shri A. Gopalakrishnan is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has received a declaration from Shri A. Gopalakrishnan that he meets with the criteria of Independence as prescribed both under sub-section (6) of Section 149 and Schedule IV of the Companies Act 2013. Shri A. Gopalakrishnan possesses appropriate skills, experience and knowledge, inter-alia, in the field of Finance.

Brief resume of Shri A. Gopalakrishnan, nature of his expertise in specific functional areas and names of Companies in which he holds Directorships and Memberships / Chairmanships of Board/ Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is annexed with this notice.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Shri A. Gopalakrishnan be appointed as an Independent Director for remaining term as per his letter of appointment no. 16/28/99-NHPC dated 01.03.2013

Copy of the Ministry of Power's letter for appointment of Shri A. Gopalakrishnan as a part time non-official Director is available for inspection by members at the Registered Office of the Company.

Save and except Shri A. Gopalakrishnan and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

Item No. 9

The Ministry of Power vide its letter no. 9/2/2013-NHPC dated 6th June 2014 entrusted the additional charge for the post of CMD, NHPC Limited to Shri R. S. T. Sai, CMD, THDC India Limited in addition to his own duties for a period of three months or until further orders, whichever is earlier, with effect from the date of taking over the charge of CMD, NHPC Limited i.e. w.e.f. 08.06.2014. Further, Ministry of Power has extended the tenure of Shri R. S. T. Sai for a further period up to 07.12.2014.

The Board of Directors of the Company in its meeting held on 7th July, 2014 had appointed Shri R. S. T. Sai as an Additional Director under the provisions of Section 161 of the Companies Act, 2013 till the Annual General Meeting and confirmed him as Chairman & Managing Director of the Company.

Since the tenure of appointment of Shri R. S. T. Sai as an Additional Director is due to expire at the Annual General Meeting pursuant to Section 161(1) of the Companies Act, 2013, approval of the shareholders is being sought in order to confirm his directorship and to appoint him as Chairman & Managing Director of the Company as non-retiring Director on the terms and conditions determined by the Government of India.

The Company has received a notice in writing from Shri R. S. T. Sai alongwith the deposit of requisite amount under Section 160 of the Act proposing his candidature for the office of Director of the Company.

Shri R. S. T. Sai is a Graduate in Electrical Engineering and a fellow of Institution of Engineers. He obtained PGDM from IIM, Bangalore. He holds a degree in Law from Delhi University. Shri R. S. T. Sai has varied experience in Banking, Finance, Commercial, EPC contracting and Project Management.

Save and except Shri R. S. T. Sai and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/ Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

BRIEF RESUME OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE 38TH ANNUAL GENERAL MEETING

Name	Shri D. P. Bhargava	Shri J. K. Sharma	Shri Shantikam Hazarika	Shri A Gopalakrishnan	Shri R. S. T. Sai
Date of Birth & Age	1 st April 1956 (58 years)	30 th September 1958 (56 years)	10 th December, 1947 (66 years)	2 nd December, 1951 (62 years)	10 th November, 1956 (57 years)
Date of Appointment	26 th March 2009. The Government of India vide letter no. 9/6/2006-NHPC (Vol-II) dated 24 th March 2014 has extended the tenure of the director for three months from 26 th March 2014 or until further orders, whichever is earlier. His tenure was further extended till 25 th September, 2014	10 th April 2009. The Government of India vide letter no. 9/6/2006-NHPC (Vol-II) dated 9 th April 2014 has extended the tenure of the director for three months from 10 th April 2014 or till ACC's decision is received, whichever is earlier. His tenure was further extended till 9 th October, 2014	24 th May, 2012. The Government of India vide letter no.16/28/99-NHPC(Vol-III) dated 17.05.2012 has appointed him as part time non-official Director for a period of three years from the date of notification of appointment or until further order, whichever is earlier.	10 th March, 2013. The Government of India vide letter no.16/28/99-NHPC dated 01.03.2013 has appointed him as part time non-official Director for a period of three years from the date of notification of appointment or until further order, whichever is earlier.	8 th June, 2014 The Government of India vide letter no. 09/02/2013-NHPC dated 06.06.2014 has given him additional charge of the post of Chairman & Managing Director for a period of three months or till the regular appointment of CMD,NHPC whichever is earlier which was further extended upto 7.12.2014
Qualification	He holds a bachelor's degree in Electrical Engineering from the University of Roorkee.	He holds a Bachelor's degree in Civil Engineering from the University of Indore and is a member of the American Society of Civil Engineers. He is also a fellow of the Institution of Engineers (India) and Chartered Engineer.	He is an Engineering graduate from BITS Pilani and holds a Post Graduate Diploma in Management from IIM Ahmedabad.	He is a Chartered Accountant	He is a Graduate in Electrical Engineering and a fellow of Institution of Engineers. He has done Management Diploma from IIM, Bangalore and also holds Degree in law from Delhi University
Expertise in specific functional area	Shri D. P. Bhargava has over 35 years of experience in the hydro power sector. He is in-charge of Design and Engineering of projects, Operation and Maintenance of power stations, Contract & Procurement, Rural Electrification Works, Survey & Investigation Works, Research and Development, Quality Assurance and Inspection and Corporate Social Responsibility (CSR). He has also worked at the Nathpa Jhakri Hydro Power Station of SJVN Limited. Prior to joining NHPC Board, Shri Bhargava has served NHPC in various capacities including as the Executive Director (Projects). He was also the Chief Executive Director of NHDC Ltd, a subsidiary of NHPC.	Shri J. K. Sharma has over 34 years of experience mainly in the hydro sector both in India and abroad. He is currently in charge of Construction Projects, Information and Technology (IT), Construction Equipment Planning (CEP), Corporate Planning, and Project Monitoring Service Group (PMSG). Prior to joining NHPC, Shri Sharma served as Director (Civil) in SJVN Limited. He is a recipient of the Rashtriya Gaurav Award and of the Mother Teresa Excellence Award. He is Certified Projects Director, IPMA Level- A w.e.f. 27 th September, 2011.	Shri Shantikam Hazarika is currently the Executive Director of the Gyan Saagar Foundation which runs the Royal group of Institutions and is involved in setting up the Assam Royal Global University. Before that he was the Chairman of the Board of Secondary Education, Assam. Shri Hazarika was the Founder Director of the Assam Institute of Management, Guwahati (A Government of Assam Society), a post that he has served for 22 years. He was earlier a Senior Executive of Oil India Limited where he worked for nearly fifteen years. He has also served as Member (Finance) of the Assam State Electricity Board for three years. Before joining the NHPC Board, Shri Hazarika was also a Member of the Assam State Pay Commission, and Chairman of the Guwahati Stock Exchange Ltd. He has also served as an Independent Director with Hindustan Copper Ltd. Currently, Shri Hazarika also serves as a Director in the Assam State Electronics development Corporation, and independent director in the North Eastern Electrical Power Corporation Ltd. Shri Hazarika is also a Member of the Management Council of Dr. B. Barooah Cancer Institute and a Member of the State Innovation Council, Assam.	Shri A. Gopalakrishnan is a Senior Partner in one of the oldest and most reputed firms of chartered accountants, M/s K.Ventkatachalam Aiyer and Co. headquartered in Thiruvananthapuram. Shri Gopalakrishnan secured 13 th rank at the all-India level in the CA final examination held in May 1974 and 36 th rank in the CA intermediate examination held in May 1973. Shri Gopalakrishnan held membership in the State Council of the Confederation of Indian Industry, Kerala region and the Centre for Taxation Studies, Thiruvananthapuram. Shri Gopalakrishnan was the Chairman of the Kottayam branch of the Institute of Chartered Accountants of India (1999-2000) and has been faculty for the coaching board classes for CA intermediate and final students for several years. He was the Convenor of the Economic Affairs and Taxation Panel of CII Kerala region for 2007-08 and Director of Dena Bank up to December 2009 and Chairman of the Audit Committee of Dena Bank.	Shri Sai has 33 years of 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.



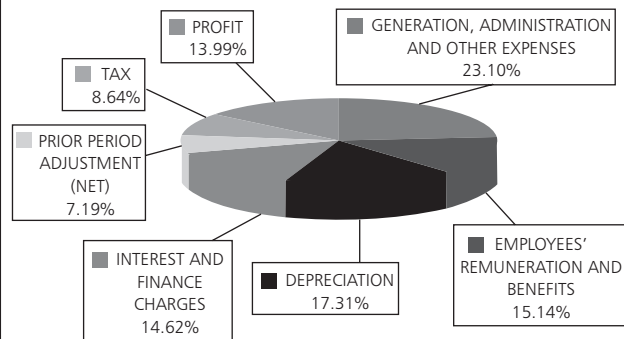
NHPC Limited

(A Government of India Enterprise)

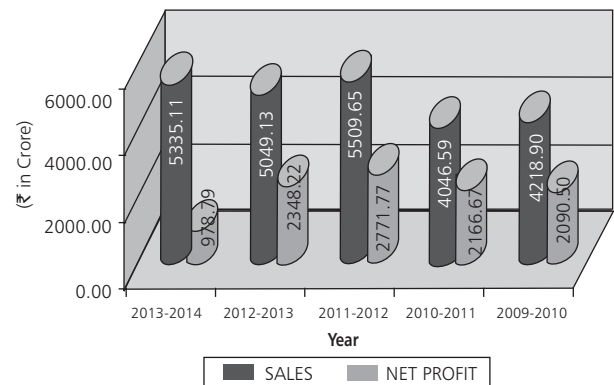
Name	Shri D. P. Bhargava	Shri J. K. Sharma	Shri Shantikam Hazarika	Shri A Gopalakrishnan	Shri R. S. T. Sai
Date of Birth & Age	1 st April 1956 (58 years)	30 th September 1958 (56 years)	10 th December, 1947 (66 years)	2 nd December, 1951 (62 years)	10 th November, 1956 (57 years)
Directorship held in other companies	(1) Chenab Valley Power Projects Private Limited (2) PTC India Limited	Chenab Valley Power Projects Private Limited	(1) North Eastern Electric Power Corporation Limited (2) Assam Electronics Development Corporation Limited (3) Gauhati Stock Exchange Private Limited	(1) Central Railside Warehouse Company Limited (2) Center for Examining Financial Reporting and Governance (India) Private Limited	(1) THDC India Limited (2) Uttar Pradesh Jal Vidyut Nigam Limited (3) NHDC Limited (4) Loktak Downstream Hydro-electric Corporation Limited
Membership / Chairmanship of Committees across all companies	NHPC Limited (1) Audit Committee – Member (2) Committee on Corporate Social Responsibility (CSR) and Sustainability - Member (3) Committee of Directors for Allotment and Post-Allotment Activities of NHPC Securities – Member (4) Committee of Directors for Self Insurance Fund - Member (5) Projects Investment Committee – Member (6) Committee on Management Controls- Member PTC India Limited NIL Chenab Valley Power Projects Private Limited NIL	NHPC Limited (1) Audit Committee – Member (2) Committee of Directors for Self Insurance Fund - Member (3) Projects Investment Committee – Member (4) Committee on Management Controls - Member Chenab Valley Power Projects Private Limited NIL	NHPC Limited (1) Nomination & Remuneration Committee- Member (2) Committee on Management Controls- Member (3) Committee of Directors – Appellate Authority- Chairman North Eastern Electric Power Corporation Limited CSR Committee -Member Assam Electronics Development Corporation Limited NIL Gauhati Stock Exchange Private Limited NIL	NHPC Limited (1) Audit Committee- Chairman (2) Stakeholders' Relationship Committee-Member (3) Projects Investment Committee-Member Central Railside Warehouse Company Limited Audit Committee-Chairman Center for Examining Financial Reporting and Governance (India) Private Limited NIL	NHPC Limited NIL THDC India Limited NIL Uttar Pradesh Jal Vidyut Nigam Limited NIL NHDC Limited NIL Loktak Downstream Hydro-electric Corporation Limited NIL
Number of shares held as on 31 st March 2014	19999	4550	NIL	NIL	NIL

NHPC's PERFORMANCE

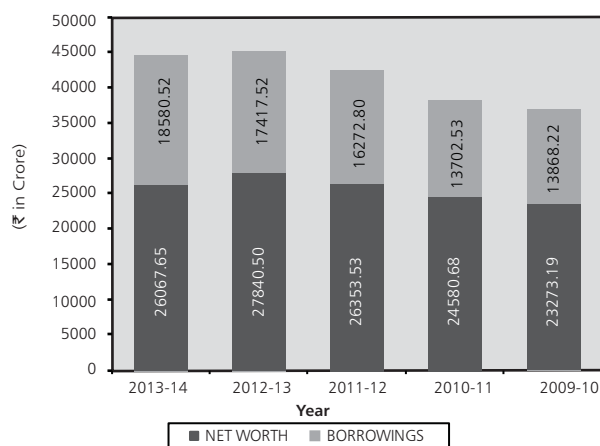
ANALYSIS OF REVENUE 2013-14



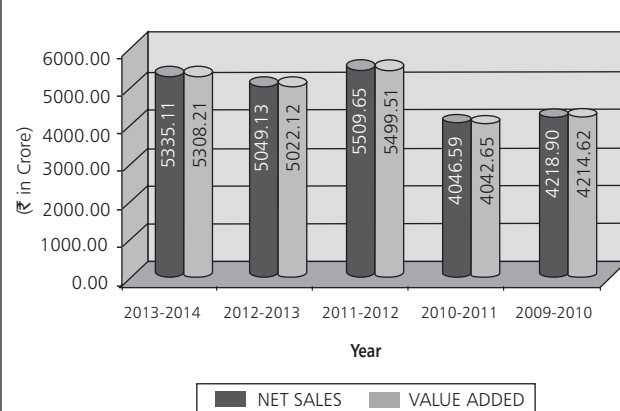
SALES v/s NET PROFIT



NET WORTH v/s LONG TERM BORROWING



NET SALES v/s VALUE ADDED



DIRECTORS' PROFILE



Shri R. S. T. SAI, Chairman and Managing Director

DIN No. 00171920

Shri R. S. T. Sai (57 years), 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

Limited. Prior to this, he was holding the charge of Director (Finance) in THDC since May 2005. He is holding additional charge of the position of Chairman and Managing Director of NHPC with effect from 08.06.2014.

Shri A. B. L. Srivastava, Director (Finance)

DIN No. 01601682

Shri A. B. L. Srivastava (59 years), holds a Master's degree in Business Finance and Commerce. He is also a fellow member of the Institute of Chartered Accountants of India (ICAI). Shri Srivastava has made significant contributions to the growth and success of NHPC. He has been responsible for project finance, including resource mobilization, financial restructuring and fund raising and also its optimum utilization. He has been instrumental in designing adequate internal control systems to enable NHPC to adopt corporate governance practices. Prior to joining NHPC he was associated with REC Ltd. in various capacities such as project finance, resource raising both from domestic and international sources. He was also on the board of the REC Power Distribution Company, a wholly owned subsidiary of REC Ltd. Shri Srivastava was on the board of PTC India Limited & NHDC Limited as a Nominee Director of NHPC. He was actively involved in the disinvestment programme of both REC as well as NHPC Limited. He was also involved in buyback of shares in NHPC, the first CPSE to go for Buy Back of shares.



Shri Srivastava was conferred by "International Project Management Association" (IPMA) as 'Certified Project Director' (CPD), IPMA Level A. The "Institute of Project Management Certification" (IPMC) is the Certification body of Project Management Associates under the regulations of IPMC and the National Competence Baseline. Shri Srivastava is the first person with the background of Finance to get CPD in India. He is one of the recipients of the prestigious Special Achiever Award-2010 given by Institute of Chartered Accountants of India in recognition of his professional achievements besides this conferred with "Top Rankers Excellence - Achiever of the year Award" for 2011 by Top Rankers on 23rd December, 2011 and EPC World Media Group on 14th December 2014 given the award for "Outstanding Individual Contribution to the Power Sector" for his exceptional contribution to the Power Sector. Shri Srivastava was given the additional charge of Chairman and Managing Director, NHPC from 01.01.2011 till 23.07.12. Shri Srivastava joined the NHPC board on 11.02.2008.



Shri D. P. Bhargava, Director (Technical)

DIN No.01277269

Shri D. P. Bhargava (58 years), holds a bachelor's degree in Electrical Engineering from the University of Roorkee and has 35 years of experience in the hydro power sector. Shri Bhargava is In-charge of Design and Engineering of projects, Operation and Maintenance of power stations, Contract & Procurement, Rural Electrification Works, Survey & Investigation Works, Research and Development, Quality Assurance and Inspection and Corporate Social Responsibility (CSR).

He has also worked at the Nathpa Jhakri Hydro Power Station of the Satluj Jal Vidyut Nigam Limited.

Prior to joining NHPC Board, Shri Bhargava has served NHPC in various capacities including as the Executive Director (Projects). He was also the Chief Executive Director of NHDC Ltd, a subsidiary of NHPC. He joined the NHPC Board on 26.03.2009.

Shri J. K. Sharma, Director (Projects)

DIN No. 00387785

Shri J. K. Sharma (56 years), has a Bachelor's degree in Civil Engineering from the University of Indore and is a member of the American Society of Civil Engineers. He is also a fellow of the Institution of Engineers (India) and Chartered Engineer. He is currently in charge of Construction Projects, Information and Technology (IT), Construction Equipment Planning (CEP), Corporate Planning and Project Monitoring Service Group (PMSG).

He has over 34 years of experience mainly in the hydro sector both in India and abroad. Prior to joining NHPC, Shri Sharma served as the Director (Civil) in the Satluj Jal Vidyut Nigam Limited. He is a recipient of the Rashtriya Gaurav Award and of the Mother Teresa Excellence Award. He is Certified Projects Director, IPMA Level - A w.e.f. 27th September, 2011. He joined the NHPC Board on 10.04.2009.



DIRECTORS' PROFILE



Shri Radheshyam Mina, Director (Personnel)

DIN No. 00149956

Shri Radheshyam Mina (57 years), holds a bachelor's degree in Electrical Engineering from Maulana Azad College of Technology, (now known as MANIT), Bhopal and MBA degree with specialization in financial and human resource management from the Indira Gandhi National Open University (IGNOU).

In his over 33 years of experience in the power sector at technical & governance level, he has handled diverse assignments like design, engineering, construction, execution, testing and commissioning of transmission lines and hydroelectric projects. He has also headed several other divisions of NHPC Limited.

His present responsibilities include Human Resource Management, Rajbhasha, Human Resource Development, Legal, Corporate Communication, Consultancy & JV, Business Development & Thermal and Research & Development.

Shri Mina is the recipient of several prestigious awards and recognitions. To mention a few Shri R. S. Mina was conferred with HR Leadership Award instituted by IPE (Institute of Public Enterprise) for his outstanding contribution in HR domain through Organizational Development, Leadership, Innovation & Change management approach. He also received the Gold Award as HR Leader by Greentech Foundation in association with Indian Institute of Corporate Affairs, Ministry of Corporate Affairs, Government of India.

Shri Mina has been elected as the President of Power HR Forum, constituted with aim of "Serving Indian Power Sector through Excellence in HR" for the period 2012-2014 and member of the Executive Board of Standing Conference of Public Enterprises (SCOPE) for the period 2013-15. He is also holding the charge of Managing Director of NHDC.

He joined NHPC in 1981 and in between 1991 to 1998 he was with Power Grid Corporation of India Limited. He rejoined NHPC in 1998 and served in the various capacity of Executive Director (Consultancy and Business Development) and Executive Director of Region-III, Kolkata. He joined the Board on 28.04.2009.

Shri K. N. Garg, Government Nominee Director

DIN No. 06707847



Shri K. N. Garg (59 years), assumed the charge of Member (Hydro), CEA on 28.06.2013. He graduated in Mechanical Engineering from BIT Mesra, Ranchi and holds Post Graduate Diploma in Business Management. He has versatile experience of about 35 years in various disciplines of Power Sector and specialises in the field of hydro power engineering which include planning, assessment of hydro power potential, survey & investigations, construction monitoring, design and engineering, renovation modernisation uprating and life extension of hydroelectric projects including preparation of bidding documents, tender evaluation of main equipment of hydro power plants etc. Shri Garg underwent training in the field of Pumped Storage Plants in UK under Colombo Plan in 1992.

Shri Garg was also involved in allocation of long term linkage of coal to thermal power stations, coordination of research and development in power sector and preparation of National Perspective Plan in association with CPRI, Bangalore and operation of Eastern Grid. He was promoted as Chief Engineer in 2009 and was responsible for management of All India Grid and integrated operation of transmission system along with Information Technology in CEA. Later on, he headed Hydro Engineering & Technology Development and Hydro Engineering and Renovation & Modernisation Divisions. He also worked as Chief Vigilance Officer of CEA.

He joined the NHPC board on 07.10.2013.



Shri Mukesh Jain, Government Nominee Director

DIN No. 06733536

Shri Mukesh Jain (52 years), has joined our Board as a Government Nominee Director w.e.f. 11.11.2013. He holds Bachelor's degree in Electronics Engineering with Gold Medal, Post Graduate Diploma in Management from IIM Ahmedabad and Master's degree in Public Administration from Harvard University. Shri Jain is an IPS officer of the 1989 batch of Madhya Pradesh Cadre. During his illustrious career of 24 years as an IPS officer, he has held various administrative positions in Madhya Pradesh Government as well as in Central Government, including stints as Superintendent of Police (Raisen and Mandsaur), Regional Passport Officer (Jaipur), IG CID (New Delhi), PS to MOS for Commerce and PS to MOS (I/C) for Power. Currently he is Joint Secretary in Ministry of Power.

DIRECTORS' PROFILE



Shri Gurdev Singh Vedi, Independent Director

DIN No. 02286126

Shri Gurdev Singh Vedi (64 years), holds B.Sc. and M.A. degrees and joined the Punjab & Sind Bank in November 1969 and rose steadily to become the bank's General Manager in 2004.

With more than 40 years of experience in the banking industry in various capacities in both administrative offices and operations across the country, Shri Vedi has headed various zonal offices of Punjab & Sind Bank in Mumbai, Chandigarh, Jaipur and Guwahati. He has also handled various assignments in the fields of foreign exchange, personnel, inspection and merchant banking in different capacities. As General Manager, he headed the accounts, treasury, information technology and the planning and development divisions. He played a key role in drawing strategies for the turn around of Punjab & Sind Bank into a rapidly growing and

profitable institution.

Shri Vedi was appointed as an Executive Director of Canara Bank by the Government of India on 07.11.2007. While working with Canara Bank he was in charge of almost all the major departments of the bank including treasury and international operations, information technology, recovery, accounts, planning and development, general administration, inspection and personnel.

In October 2008, Shri Vedi was re-appointed as Executive Director of Punjab & Sind Bank and subsequently appointed as its Chairman and Managing Director on 26.08.2009 by the Government of India. During his tenure the bank achieved an unprecedented year on year growth of more than 35 per cent in its business levels against the industry average of around 20 per cent.

Shri Vedi was also instrumental in introducing core banking solutions in the bank and in securing RBI/Government of India approval to list the bank on the NSE. He is a part time Director on NHDC Board.

He joined the NHPC board on 08.11.2011.

Shri Arun Kumar Mago, Independent Director

DIN No. 01624833

Shri Arun Kumar Mago (69 years), holds a Master's degree in Physics and M. Phil. degree in Social Sciences. He also holds diplomas in Public Administration and Public Finance from Paris and in Public Administration from Delhi.

He joined the Indian Administrative Service in 1967 and has over 37 years of administrative and management experience. Shri Mago has worked in different capacities in both the Central and State Governments in various sectors including energy, power, ports, urban infrastructure, industries, environment and forests. He has expertise in the fields of policy, planning and implementation in power, ports and urban infrastructure sectors.

A former Chairman of the Maharashtra State Electricity Board and the Mumbai Port Trust, Shri Mago has also been the Metropolitan Commissioner, MMRDA and the Commissioner of Food and Drug Administration. He was non-official Director on the Boards of Shipping Corporation of India and Hindustan Copper Limited. He was also on the Board of M/s Yes Bank as independent director and a public Representative Director at the Inter-Connected Stock Exchange of India. He is at present an independent director on the Board of Yes Securities limited.

Shri Mago retired as the Chief Secretary, Government of Maharashtra in 2004 and joined the NHPC board on 09.11.2011 on re-appointment.



Shri R. Jeyaseelan, Independent Director

DIN No. 02143850

Shri R. Jeyaseelan (68 years), has B.E (Civil Engineering) degree from the University of Madras, M.Tech (Structural Engineering) degree from IIT (Madras) and P.G. diploma (hydro power development) from the Norwegian Technical Institute, Trondheim, Norway. He has over 45 years of experience in various facets of Water Resources Development and Management.

Shri Jeyaseelan joined the Central Water Engineering Services as Assistant Director in December 1969. After serving in various capacities for over 33 years he was Chairman, Central Water Commission, Government of India for four years. He has handled several consultancy assignments for water resources development projects in India and abroad including Laos, Myanmar, Afghanistan, Mozambique, the Sultanate of Oman, Indonesia

and Rwanda. He was Vice-President, International Commission on Irrigation and Drainage (ICID), Chairman, Water Resources Division Council, BIS, visiting faculty at the United Nations University in Tokyo, Japan and member of Task Force on Infrastructure Development of National Commission on Centre State Relations. He has contributed about 25 technical papers and delivered several lectures in various fora.

Shri Jeyaseelan has travelled widely in 25 countries as a member of government delegations, for delivering lectures and for participating in international events. He is now advisor/consultant for water resources development and management, particularly dealing with civil aspects of several hydro power development initiatives in India and abroad. He also chairs some technical committees for APGENCO of Government of Andhra Pradesh and SSNNL of Government of Gujarat.

Shri Jeyaseelan joined the NHPC board on 12.11.2011 on re-appointment.

DIRECTORS' PROFILE



Shri Ashoke Kumar Dutta, Independent Director

DIN No. 00045170

Shri Ashoke Kumar Dutta (67 years), was the first Dean of the Business School at IIT Kharagpur. Shri Dutta after successfully leading the oldest business school in India, the Indian Institute for Social Welfare & Business Management, Professor Dutta retired as the first Director, Indian Institute of Management (IIM), Shillong in Meghalaya. Presently, Shri Dutta is Member of the North Eastern Council with the rank and status of the Union Minister of State.

Shri Dutta has over 40 years of experience working for multinational corporations, Indian business houses and public sector enterprises. He has experience in industries such as shipping and transport, fast moving consumer products, pharmaceuticals, media and education.

He is currently serving on the boards of Khadims India Ltd., ABC India Ltd. and is the Chairman of All Indian Technologies Ltd. Professor Dutta is a trustee of DeSales University, in the USA and a consulting Professor at the Ocean University of China, Qingdao. He is also a member of the Executive Council, Assam University and Board of Governors of the Institute of Engineering and Management (IEM), and the Vigyan Jyoti group of institutions in Hyderabad. He joined NHPC board on 30.03.2012.

Shri Atul Kumar Garg, Independent Director

DIN No. 02281287



Shri Atul Kumar Garg (64 years), holds a Post Graduate degree in Political science, Modern history and has also done his MBA from the University of Hull, UK. Shri Garg joined the Indian Administrative Service in 1976 and was allotted the Rajasthan cadre. He was associated with the Government of Rajasthan in various capacities including as the Chairman and Managing Director of Rajasthan Financial Corporation, Secretary to the Governor of Rajasthan and Secretary/Special Secretary to the Department of Agriculture, Government of Rajasthan.

During his stint as CAD Commissioner, Chambal Command Kota, Shri Garg had the distinction of winning the prestigious National Productivity Award (First) twice.

He was responsible for the execution of a large scale Canadian aided irrigation drainage programme in a timely manner. This was the largest Canadian aided programme in the world and the area covered was far larger than that covered by any other agency in the country. He joined NHPC board on 30.03.2012.



Shri Shantikam Hazarika, Independent Director

DIN No. 00523656

Shri Shantikam Hazarika (66 years), is an Engineering graduate from BITS Pilani and holds a post graduate diploma in Management from IIM Ahmedabad. He is currently the Executive Director of the Gyan Sagar Foundation which runs the Royal group of Institutions and is involved in setting up the Assam Royal Global University. Before that he was the Chairman of the Board of Secondary Education, Assam.

Shri Hazarika was the Founder Director of the Assam Institute of Management, Guwahati (A Government of Assam Society), a post that he has served for 22 years. He was earlier a Senior Executive of Oil India Limited where he worked for nearly fifteen years. He has also served as Member (Finance) of the Assam State Electricity Board for three years. Before joining the NHPC Board, Shri Hazarika was also a Member of the Assam State Pay Commission and Chairman of the Guwahati Stock Exchange Ltd. He has also served as an Independent Director with Hindustan Copper Ltd. Currently, Shri Hazarika also serves as a Director in the Assam State Electronics Development Corporation and independent director in the North Eastern Electrical Power Corporation Ltd. Shri Hazarika is also a Member of the Management Council of the Dr. B. Barooah Cancer Institute and a Member of the State Innovation Council, Assam.

He joined NHPC Board on 24.05.2012.



NHPC Limited

(A Government of India Enterprise)

DIRECTORS' PROFILE



Shri A. Gopalakrishnan, Independent Director

DIN No. 02880344

Shri A. Gopalakrishnan (62 years), is a Chartered Accountant and a Senior Partner in one of the oldest and most reputed firms of Chartered Accountants, M/s K.Ventkatachalam Aiyer and Co. headquartered in Thiruvananthapuram. Shri Gopalakrishnan secured 13th rank at the all-India level in the CA final examination held in May, 1974 and 36th rank in the CA intermediate examination held in May, 1973.

He is Director in the Local Board of State Bank of India.

Shri Gopalakrishnan held membership in the State Council of the Confederation of Indian Industry, Kerala region and the Centre for Taxation Studies, Thiruvananthapuram. He is also associated with the Education Trust as Chief Sevak of the Chinmaya Mission Educational and Cultural Trust managing many schools affiliated to CBSE, Ernakulum. He is the President of Chinmaya Vidyalaya, Kottayam from inception. Shri Gopalakrishnan was the Chairman of the Kottayam branch of the Institute of Chartered Accountants of India (1999-2000) and has been faculty for the coaching board classes for CA intermediate and final students for several years.

He was the Convenor of the Economic Affairs and Taxation Panel of CII Kerala region for 2007-08 and Director of Dena Bank up to December, 2009 and Chairman of the Audit Committee of Dena Bank.

Shri Gopalakrishnan has presented papers and written articles on various professional topics and subjects in relation to Accounting Standards including IFRS, Taxation, accounting, audit and finance in number of conferences and seminars organized by professional bodies like ICAI, Chamber of Commerce, Bankers Club. He has rejoined the NHPC board on 10.03.2013.

DIRECTORS' REPORT

Dear Members,
NHPC Limited.

Your Directors are pleased to present the 38th Annual Report on the performance of your Company along with Audited Statement of Accounts, Auditors' Report and Review of Accounts by the Comptroller and Auditor General of India for the financial year ended 31st March, 2014.

1. FINANCIAL RESULTS

The financial results for the year ended 31st March, 2014 are summarized in Table 1.

Table 1: Financial Highlights

(₹ in crore)

PARTICULARS	2013-14	2012-13
Sales	5,335.11	5,049.13
Profit Before Depreciation, Interest and Tax	3,816.22	4,556.80
Depreciation	1,210.76	969.29
Profit After Depreciation but Before Interest and Tax	2,605.46	3,587.51
Interest and Finance charges	1,022.40	385.38
Profit After Depreciation and Interest but Before Tax	1,583.06	3,202.13
Tax	604.27	853.91
Profit After Depreciation, Interest and Tax	978.79	2,348.22
Surplus of Statement of Profit and Loss of earlier years	7,146.38	5,963.10
Amount written back from Bond Redemption Reserve	14.25	14.25
Amount written back from Self-Insurance Reserve	3.97	0.92
Amount written back from CSR Fund	7.88	-
Tax on Dividend-written back	5.11	4.88
Balance available for appropriation	8,156.38	8,331.37
APPROPRIATIONS		
Transfer to Bond Redemption Reserve	249.45	249.17
Transfer to Self-Insurance Fund	51.74	48.84
Transfer to CSR Reserve	2.30	23.50
Transfer to R&D Fund	17.16	-
Proposed/Final Dividend	332.13	738.05
Tax on Proposed Dividend	56.44	125.43
Balance carried over to Reserves and Surplus	7,447.16	7,146.38

The Decline in profit is mainly due to charging off the borrowing cost and other administrative cost of Subansiri Lower & Teesta Low Dam-IV Projects as the construction activities of these Projects were interrupted for a prolonged period.

2. POWER GENERATION

During the year 2013-14, NHPC generated 18,386 MUs of power through 18 Power Stations located in different parts of the Country against the target of 21,465 MUs. The reason for less generation was mainly because of the complete shutdown of 280 MW Dhauliganga Power Station, Uttarakhand, due to flooding of power house by flash floods. Generation from all four units of Dhauliganga Power Station has been restored. The shortfall in generation was also attributable to poor hydrology during the year in some of the Power Stations.

Since last report, 132 MW Teesta Low Dam-III (West Bengal), 45 MW Nimoo Bazgo (Jammu & Kashmir), 240 MW Uri-II (Jammu & Kashmir) and 520 MW Parbati-III (Himachal Pradesh) Power Stations were declared under commercial operation. As such an additional installed capacity of 937 MW was declared under commercial operation since previous report. At present, your Company's total installed capacity is 6,507 MW including 1520 MW of NHDC Limited, a Subsidiary Company of NHPC.

CERC has issued tariff order for 510 MW Teesta-V Power Station, 45 MW Nimoo Bazgo Power Station, 44 MW Chutak Power Station and 240 MW Uri-II Power Station during the period.

3. PROPOSED DIVIDEND

Your Directors have recommended a dividend of ₹ 0.30 per share (excluding dividend tax) for the year 2013-14. The dividend will be paid after your approval at the forthcoming Annual General Meeting. On approval, the total dividend payout for the year will amount to ₹ 332.13 crore.

4. COMMERCIAL PERFORMANCE

Your Company's commercial performance during the year 2013-14 was satisfactory. The sales realization during the year was ₹ 6,397 crore (including ₹ 358.76 crore realized from Delhi Transco Limited (DTL)/Delhi Power Company Limited (DPCL) on account of old dues of Delhi Electric Supply Undertaking (DESU) and ₹ 14.64 crore of old dues realized from Manipur) as against ₹ 5,369 crore in the previous year. The bills raised during the year were to the tune of ₹ 5,928 crore compared to the bills of ₹ 5,184 crore in the previous year.

The outstanding dues pending for more than 60 days as on 31st March, 2014 was ₹ 955 crore. Your Company is continuing all its efforts including regulation of Power supply to the defaulting utilities to recover the outstanding dues. Most of the beneficiary states except J&K are now paying their dues on regular basis.

Central Electricity Regulatory Commission (CERC) Regulations

The CERC has issued Central Electricity Regulatory Commission (Terms & Conditions of Tariff) Regulations, 2014 for the tariff period from 01.04.2014 to 31.03.2019 on 21.02.2014.

Major highlights of the Regulations are:

- O&M expenses for new Projects have been increased from 2% of capital cost to 2.5% for Power Stations of more than 200 MW and 4% for Power Stations of less than 200 MW.
- Return on Equity (ROE) has been retained at present level (15.5% for Run of River (ROR) and 16.5% for ROR with pondage/storage) along with grossing with effective tax rate.
- Rate of Secondary Energy increased from 80 paisa per unit to 90 paisa per unit.

5. CAPITAL STRUCTURE AND NET WORTH

Your Company's paid-up capital at present is ₹ 11,070.66 crore compared to last year of ₹ 12,300.74 crore due to buy back of equity shares during the year. The net-worth of the Company as on 31.03.2014 stands at ₹ 26,067.65 crore.

6. STATUS OF ONGOING PROJECTS

Your Company is engaged in the construction of the following Hydroelectric Projects:

Table 2: Details of Projects under construction during 2013-14

S. No.	Project	State	Installed Capacity (MW)
i.	Teesta Low Dam IV	West Bengal	160
ii.	Parbati II	Himachal Pradesh	800
iii.	Subansiri Lower*	Assam/ Arunachal Pradesh	2,000
iv.	Kishanganga	Jammu & Kashmir	330
	Total:		3,290

* The project work is stand still since 16.12.2011. Efforts are being made to restart the project.

7. NEW PROJECTS

Table 3: Projects in the Clearance/Approval Stage are as under:

PROJECTS TO BE EXECUTED BY NHPC ON STAND ALONE BASIS

S. No.	Project	State	Installed Capacity (MW)
i.	Kotli Bhel I-A	Uttarakhand	195
ii.	Teesta-IV	Sikkim	520
iii.	Dibang	Arunachal Pradesh	3,000
iv.	Tawang-I	Arunachal Pradesh	600
v.	Tawang-II	Arunachal Pradesh	800
	Total:		5,115

PROJECT TO BE EXECUTED THROUGH SUBSIDIARY COMPANY

vi.	Loktak Downstream	Manipur	66
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PROJECT TO BE EXECUTED THROUGH JOINT VENTURE

vii.	Pakal Dul and others	Jammu & Kashmir	2,120
	Grand Total:		7,301

On getting necessary approvals, construction activities at respective sites will be started.

In addition to above, your Company is also exploring the possibility of Wind and Solar Power across the Country.

8. PROJECTS UNDER DPR PREPARATION

Survey & Investigation for preparation of Detailed Project Reports (DPR) of the following Projects has been initiated:

Table 4: Survey and Investigation

S. No.	Project	State	Installed Capacity (MW)
i.	Bursar	J&K	1,020
ii.	Dhauliganga Intermediate	Uttarakhand	210
iii.	Goriganga	Uttarakhand	120
	Total:		1,350

9. RGGVY - RURAL ELECTRIFICATION (RE) PROJECTS

NHPC is implementing Rural Electrification Projects under Rajiv Gandhi Gramin Vidyutikaran Yojna (RGGVY) in 27 Districts spread over 5 states viz. West Bengal, Bihar, Jammu & Kashmir, Chhattisgarh and Odisha at an estimated cost of ₹ 2,844 crore. Out of total do-able scope of work i.e. electrification of 9,168 Un-electrified / De-electrified villages, 19,123 partially electrified villages and 18.54 lakh BPL connections, NHPC has completed electrification of 9,150 Un-electrified / De-electrified villages, 18,957 partially electrified villages and provided service connections to 18.5 lakh BPL households till 31st March, 2014. Balance works are likely to be completed during the current year.

10. RURAL ROADS PROJECT

NHPC had signed an MOU with the Ministry of Rural Development, Government of India and the Government of Bihar for constructing rural roads in Six Districts of Bihar under the Pradhan Mantri Gram Sadak Yojna (PMGSY).

Under the Scheme, 758 roads of 3,228 Km length having cost of ₹ 1,725.65 crore have been awarded by NHPC for execution. Till the end of the financial year, 734 roads of 3,186 Km length have been completed.

11. CONSULTANCY AND BUSINESS DEVELOPMENT SERVICES

NHPC is providing Consultancy services in various fields of Hydro Power viz. River basin studies, Survey works, Design and Engineering, Geotechnical studies, Hydraulic transient studies, Hydrological studies, Construction Management, Testing, Commissioning, Operation & Maintenance etc. to leading organizations globally.

Major Consultancy assignments include assignments from Central and State Government agencies in India and other countries like Bhutan and Ethiopia. Eighty Eight assignments have already been completed, and there are six ongoing assignments presently.

12. GLOBAL INITIATIVES

NHPC is providing Design & Engineering Consultancy services to Mangdechhu Hydroelectric Project Authority (MHPA) for the implementation of 720 MW Mangdechhu Hydroelectric Project in Bhutan.

NHPC is also engaged to provide Management Consultancy to Ethiopia Electric Power Company (EEPCO) through a Consortium led by Power Grid and BSES Rajdhani. The Management contract is for two years duration effective from 25.08.2013.

13. FINANCING OF NEW PROJECTS

As per the Central Electricity Regulatory Commission's guidelines for the purpose of tariff fixation, the financing of a Project is to be considered in 70:30 Debt Equity Ratio.

In your Directors' opinion, available internal accruals will be sufficient to finance the equity component for new Projects. Your Company is well positioned to raise the required borrowings with its low gearing and strong credit ratings, which are at par with sovereign ratings.

The Company is exploring domestic as well as international borrowing options including overseas development assistance provided by bilateral agencies to mobilize the debt required for the planned capacity expansion programme.

14. INFORMATION TECHNOLOGY AND COMMUNICATION

All NHPC's sites are now connected with Corporate Office through multimode, fail-safe communications links using MPLS-VPN/ VSAT-Ku Band / Broadband technologies.



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NHPC has presently co-located key servers at TIER-III Data Centre of National Informatics Centre Service Incorporated (NICS), New Delhi. Disaster Recovery (DR) is in operation at Regional Office, Kolkata.

Presently, business functions such as Finance, Human Resources, Procurement & Contracts, Inventory, Project Management and Quality Assurance have been implemented in the IFS ERP System across the organization.

15. TRAINING AND HUMAN RESOURCE DEVELOPMENT

The fast changing economic scenario and technological innovations are creating an increasingly competitive market environment. Your Company consistently evaluates the Training needs of its employees to keep them updated with latest changes and provide relevant knowledge to enhance their productivity and work efficiency.

The training programmes are designed to develop and groom internal talent through multidisciplinary programmes. Besides conducting in-house workshops, the Company also organizes training programmes in collaboration with the reputed educational Institutes like, IIMs/XLRIs/IITs etc. by way of strategic alliance to facilitate advance Management and Leadership development programmes for its employees.

16. INDUSTRIAL RELATIONS

During the year, Industrial Relations remained cordial and harmonious at all NHPC Projects / Power Stations / Units.

17. RESETTLEMENT AND REHABILITATION

NHPC has its own Resettlement & Rehabilitation (R&R) Policy, 2007 in line with the National Rehabilitation and Resettlement Policy (NRRP), 2007. NHPC's R&R Policy provides certain additional benefits over and above those proposed in NRRP, 2007. The Policy aims to address issues like loss of land, houses, other resources and means of livelihood or social support systems, which Project Affected Families (PAFs) are likely to suffer due to the construction of a Project. Major emphasis is laid on economic sustenance of PAFs. As per NHPC's R&R policy, up to 0.75% of the hard cost of a Project is earmarked towards Community and Social Development Plan (CSDP) for implementation in the resettlement zone and affected areas.

Further, to implement NHPC's R&R policy in its true spirit, an Operational Manual for effective implementation of various R&R activities has also been formulated.

However, w.e.f. 1st January, 2014, both land acquisition and R&R are being implemented in line with the Right to Fair Compensation & Transparency in Land Acquisition, Rehabilitation & Resettlement Act, 2013.

18. VIGILANCE ACTIVITIES

Regular and surprise inspections are being conducted by Vigilance Department at regular intervals. Actionable points identified by Project Vigilance Officers are intimated to Head of Projects from time to time. Intensive examinations of works, wherever required, are also carried out by Chief Technical Examiner (CTE) of the CVC from time to time.

Integrity Pact has been implemented successfully for all the procurement works of the value of ₹ 15 crore and more, and for procurement of goods and services of the value of ₹ 25 lakh and more as per CVC guidelines.

Circulars and guidelines based on inspection / intensive examination are being issued regularly as part of preventive Vigilance. Vigilance Awareness Week and various vigilance awareness programmes are being conducted to promote transparency and ethics in working system. Further during the year, two conferences cum workshops of Vigilance Officers were also conducted at Corporate Office.

As a part of transparent procurement system and in compliance to guidelines issued by Ministry of Power and Central Vigilance Commission, NHPC has opted for e-procurement solution across the organization. The process of supply/works/contracts cases over value of ₹ 10 lakh is through e-procurement.

19. IMPLEMENTATION OF THE FRAUD PREVENTION POLICY

NHPC has formulated a Fraud Prevention Policy to carry out its operations with honesty and ultimately enabling the Company to grow faster.

20. OFFICIAL LANGUAGE IMPLEMENTATION

Your Company has complied with the provisions and rules of the Official Languages Act during the year 2013-14. Efforts were made to improve the progressive use of Official Language in accordance with the policy of the Government of India.

Regular quarterly meetings of the Official Language Implementation Committee (OLIC) and Town Official Language Implementation Committee (TOLIC), Faridabad were organized in NHPC Corporate Office where progress of use of Hindi was reviewed in the presence of Functional Directors. Many initiatives were taken to promote Official Language like organizing Hindi Fortnight, All India

Rajbhasha Sammelan, Hindi Competitions, Hindi Pustak Pathan Saptah, Hindi Kavya Ghosthi, etc. Thirty Nine Hindi workshops were organized in Corporate Office. Rajbhasha magazines titled, 'Rajbhasha Jyoti' and 'Nagar Saurabh' were also published.

The Parliament Sub Committee on Official Languages carried out inspection in some of the Units of the Company and appreciated its implementation. Various incentive Schemes have been introduced in the Corporation to encourage the use of Hindi at workplace.

21. PR INITIATIVES / AWARENESS ACTIVITIES

Your Company's achievements were duly highlighted through print and electronic media from time to time to project NHPC as a leading and strong hydropower developer in the Country.

Corporate films on NHPC and film on environment were screened at a number of platforms to highlight the developmental activities of NHPC. NHPC has also participated in India International Trade Fair 2013.

NHPC successfully hosted 16th Inter CPSU Carom Tournament at Parbati-II Hydroelectric Project from 20th to 23rd March, 2014. Nine Central Power Sector PSUs / Organizations participated in the tournament. Teams of NHPC also participated in various other Inter CPSU sports tournaments organized under the aegis of Power Sports Control Board, Ministry of Power in 2013-14.

To encourage and spread message about energy conservation, NHPC coordinated painting competitions at School, State and National level in the States of Jammu and Kashmir, Manipur, Sikkim, Arunachal Pradesh and Madhya Pradesh. These events were organized by the Bureau of Energy Efficiency (BEE) and Ministry of Power.

22. AWARDS AND RECOGNITION

Today, the gambit of Business exceeds the boundaries of mere profit making and embraces the ethos of Corporate Citizenship in its practice. Operational excellence is lifeless unless a successful story of holistic development is not put forward by the Company. NHPC endeavours for an all-round growth and the same is reflected in its long list of awards & achievements both at Corporate and Individual levels.

Awards in Management & Leadership:

Corporate:

- 'Best Value Creating Miniratna' at the 5th Dalal Street Investment Journal (DSIJ) PSU Awards.
- Gold Medal for 'Excellence in Display' under the category 'Ministries and Departments Pavilion' at the India International Trade Fair (IITF) 2013 (along with other Power PSUs under Ministry of Power).
- Special Jury Award for Team NHPC in the Inter Organization Paper Presentation Competition titled 'Quest for Excellence 2013' organized by Power HR Forum.

Individual:

- Shri A.B.L. Srivastava, Director (Finance) has been conferred with 'Certified Project Director (CPD)' IPMA Level A by the Institute of Project Management Certification (IPMC). Shri Srivastava has entered a very prestigious league of only 13 CPDs in the Country with a distinction of being the first person with the background of Finance.
- Shri A.B.L. Srivastava, Director (Finance)-'Outstanding Individual Contribution to the Power Sector' by EPC World Media Group, New Delhi.
- Shri R.S. Mina, Director (Personnel)-'HR Excellence Award' by Top Rankers Management Consultants, New Delhi.
- Shri R.S. Mina, Director (Personnel)-'HR Leadership Award' and '30 Best HR Leaders in PSUs' by Institute of Public Enterprises.

Sports

Corporate:

- NHPC Badminton Team (First position), NHPC Kabaddi Team (Second position) and NHPC Women Carom Team (Third Position)- Inter CPSU Tournaments 2014, Power Sports Control Board.

Individual:

- Ms. Arunachalam Nalini, Assistant Manager (Finance) won 3 Gold medals (Shot put, Discus throw and Badminton mixed doubles) and 1 Bronze medal (Badminton women's singles) in 6th World Dwarf Games 2013 in Michigan, USA.

23. CORPORATE GOVERNANCE

In compliance with Clause 49(VI) of Listing Agreement and DPE Guidelines on Corporate Governance, a separate section on Corporate Governance is given at **Annexure-I** and forms part of the Directors' Report. Further, in compliance with Clause 49(VII) of the Listing Agreement and DPE Guidelines on Corporate Governance, a Certificate from Practicing Company Secretary regarding compliance of conditions of Corporate Governance is given at **Annexure-II** and forms part of the Directors' Report.



24. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In compliance with Clause 49(IV) (F) of Listing Agreement and DPE Guidelines on Corporate Governance as amended from time to time, a separate report on Management Discussion and Analysis is given at **Annexure-III** and forms part of Directors' Report.

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

The information pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given at **Annexure-IV** and forms part of the Directors' Report.

26. PARTICULARS OF EMPLOYEES

In compliance with Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended from time to time, the prescribed information is set out at **Annexure-V** and forms part of the Directors' Report. This information is also available on NHPC's website i.e. www.nhpcindia.com.

The Company (excluding Joint Ventures and Subsidiaries) had 9,838 employees as on 31st March, 2014. One employee employed throughout the year was in receipt of remuneration of more than ₹ 60 lakh per annum and 169 employees employed for a part of the year were in receipt of remuneration of more than ₹ 5 lakh per month.

27. BUSINESS RESPONSIBILITY REPORT

In compliance with Clause 55 of the Listing Agreement, a separate section on Business Responsibility Report is given at **Annexure-VI**.

28. CORPORATE SOCIAL RESPONSIBILITY (CSR) & SUSTAINABLE DEVELOPMENT (SD)

NHPC has contributed towards the economic development of the society at large and towards improving the quality of life of internal as well as external stakeholders. NHPC has a well-defined CSR and Sustainable Development Policy in line with Department of Public Enterprises, Government of India Guidelines. A separate chapter on Corporate Social Responsibility (CSR) & Sustainable Development (SD) is given at **Annexure-VII**.

29. RIGHT TO INFORMATION ACT, 2005

In compliance with the provisions of the Right to Information Act, 2005, NHPC published various documents/records on its website during the year under review. Assistant Public Information Officers were appointed in all Power Stations/ Projects/ Regional Offices/ Units to facilitate nationwide access to the information.

30. STATUTORY AUDITORS

The Statutory Auditors of NHPC are appointed by the Comptroller and Auditor General of India. M/s S.N. Nanda and Co., Delhi, M/s Singhi and Co., Kolkata, M/s Gupta Gupta & Associates, Jammu and M/s Tiwari and Associates, Delhi were appointed as Joint Statutory Auditors for the financial year 2013-14.

31. AUDITORS' REPORT

The Auditors' Report refers to various notes incorporated by the Company, which are self-explanatory. The report of the Statutory Auditors and management reply thereon is given at **Annexure-VIII**. The comments of the Comptroller and Auditor General of India is given at **Annexure-IX**. The Consolidated Financial Statement of the Company along with the Statutory Auditors' Report is given at **Annexure-X**.

32. COST AUDITORS

In accordance with the Cost Accounting Records (Electricity Industry) Rules, 2011 and Cost Audit Report Rules, 2011, cost accounts are being maintained by all Power Stations of the Company since 2002-03. The following firms of Cost Auditors were appointed to conduct an audit of Cost Accounting Records as indicated against the name of respective Power Station for the financial year 2013-14 under Section 233-B of the Companies Act, 1956:

Name of the Firm	Name of Power Station
M/s Chandra Wadhwa and Co., New Delhi	Salal, Uri-I and Uri-II
M/s R. J. Goel and Co., New Delhi	Tanakpur, Dhauliganga and TLDP-III
M/s S. C. Mohanty and Associates, Bhubaneswar	Rangit and Teesta-V
M/s Ravi Sahni and Co., New Delhi	Dulhasti, Chutak and Nimoo Bazgo
M/s Krishan Singh Berk, Faridabad	Chamera-I and Sewa-II
M/s Bahadur Murao and Co., Delhi	Chamera-II, Chamera-III and Parbati-III
M/s K. L. Jaisingh and Co., Noida	Loktak and Bairasiul

Consolidated Cost Audit Report for the FY 2012-13 was filed by M/s Krishan Singh Berk, Lead Cost Auditor on 24th September, 2013. The due date for filing the same was 27th September, 2013. The details of Cost Audit Firms for which Cost Audit Report for the FY 2012-13 was filed are given below:

S. No.	Power Station	Cost Auditor	Membership No.	Address
1.	Uri-I	M/s Ravi Sahni and Co.	16339	C-40, West Gorakh Park Extension, New Delhi-110032
2.	Dulhasti	M/s R.J. Goel and Co.	14256	31, Community Centre, Ashok Vihar, Phase-I, New Delhi-110052
3.	Salal	M/s R.J. Goel and Co.	14256	31, Community Centre, Ashok Vihar, Phase-I, New Delhi-110052
4.	Chamera-I	M/s R.M. Bansal and Co.	22583	A-201, Twin Towers, Lakhanpur, Kanpur, Uttar Pradesh-208024
5.	Bairasiul	M/s Krishan Singh Berk	2724	365, Sector-15, Faridabad, Haryana-121007
6.	Chamera-II	M/s Krishan Singh Berk	2724	365, Sector-15, Faridabad, Haryana-121007
7.	Loktak	M/s Ravi Sahni and Co.	16339	C-40, West Gorakh Park Extension, New Delhi-110032
8.	Rangit	M/s Bahadur Murao and Co.	5574	Shop No. 25, DDA Market, 'B' Block, Preet Vihar, Delhi-110092
9.	Teesta-V	M/s Bahadur Murao and Co.	5574	Shop No. 25, DDA Market, 'B' Block, Preet Vihar, Delhi-110092
10.	Dhauliganga	M/s Chandra Wadhwa and Co.	6797	204, Krishna House, 4805/24, Bharat Ram Road, Daryaganj, New Delhi-110002
11.	Tanakpur	M/s Chandra Wadhwa and Co.	6797	204, Krishna House, 4805/24, Bharat Ram Road, Daryaganj, New Delhi-110002
12.	Sewa-II	M/s R.M. Bansal and Co.	22583	A-201, Twin Towers, Lakhanpur, Kanpur, Uttar Pradesh-208024
13.	Chutak	M/s S.C. Mohanty and Associates	10924	511, Sahid Nagar, Bhubaneshwar-751007
14.	Chamera-III	M/s S.C. Mohanty and Associates	10924	511, Sahid Nagar, Bhubaneshwar-751007

Company with a view to control avoidable expenditure has got cost reduction study done for 3 power stations on sample basis.

33. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard (AS)-21 on Consolidated Financial Statements read with AS-23 on Accounting for Investments in Associates and AS-27 on Financial Reporting of Interest in Joint Ventures, the Audited Consolidated Financial Statements are provided in the Annual Report. A statement of the Holding Company's interest in the Subsidiary Companies as per Section 212 of the Companies Act, 1956 is annexed to this Annual Report.

34. SUBSIDIARY COMPANIES

Your Company has two Subsidiary Companies namely, NHDC Limited and Loktak Downstream Hydroelectric Corporation Limited. The detailed information about these Companies is included in the Management Discussion and Analysis Report and Corporate Governance Report.

The Annual Accounts along with the Auditors' Report thereon and the Directors' Report of NHDC Limited and Loktak Downstream Hydroelectric Corporation Limited are not being attached to the Balance Sheet of the Company. In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, any shareholder interested in obtaining a copy of reports pertaining to Subsidiary Companies may write to the Company Secretary, NHPC Limited. The information can also be obtained from www.nhpcindia.com.

The Annual Accounts of the Subsidiary will also be kept open for inspection at the Registered Office of the Company and that of the respective Subsidiary Company.

The consolidated financial statements presented by the Company include the financial results of its Subsidiaries.



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35. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm the following:

- i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- iii) The Directors had 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.
- iv) The Directors had prepared the annual accounts on a 'going concern' basis.

36. BOARD OF DIRECTORS

The present composition structure of Directors is given in the Corporate Governance Report.

Since the last report, Shri A.S. Bakshi, then Chairperson, Central Electricity Authority (CEA) ceased to be a director on the Board w.e.f. 1st August, 2013. Shri K.N.Garg, Member (Hydro), Central Electricity Authority and Shri Mukesh Jain, Joint Secretary (Hydro), Ministry of Power were appointed on the board w.e.f. 7th October, 2013 and 11th November, 2013 respectively. Shri G. Sai Prasad, Joint Secretary (Thermal), Ministry of Power, who was holding additional charge of Chairman & Managing Director ceased to be a Director w.e.f. 08.06.2014. Shri R. S. T. Sai, Chairman & Managing Director, THDC India Limited has assumed the Charge of Chairman & Managing Director, NHPC Limited w.e.f. 08.06.2014 in addition to his existing duties.

37. ACKNOWLEDGEMENTS

The Board of Directors acknowledge, with deep appreciation, the cooperation and guidance received from the Government of India specially the Ministry of Power, State Governments and their Ministries, Departments/Boards, Bankers, Financial Institutions, lenders and investors. The Board places its appreciation for contributions of contractors, vendors and consultants for their efforts in timely completion of Projects.

The Board places its special appreciation to the beneficiaries drawing Power, State Electricity Boards and other valuable clients for consultancy assignments.

The Board places on record its deep appreciation for the cooperation extended by Statutory Auditors, Cost Auditors and office of the Comptroller and Auditor General of India. Further, the Board wishes to record its deep gratitude to all the members of NHPC family for their whole hearted support. The Board is also confident that the employees will continue to contribute their best in the years to come.

For and On behalf of the Board of Directors

(R. S. T. Sai)

Chairman and Managing Director
DIN No.:00171920

Date: 14th August, 2014

Place: New Delhi

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on Corporate Governance

Your Company has established a framework of Corporate Governance which emphasizes on commitment to quality of governance, transparency, disclosures, maximization of stakeholders' wealth and Corporate Social Responsibility. Your Company's Management recognizes its role as a trustee on behalf of the stakeholders of the Company. At NHPC, management is taking all possible steps to fulfil its commitment in a judicious, fair and transparent manner. Management believes that Corporate Governance is a way of life rather than a mere legal compulsion.

Besides adhering to provisions of Listing Agreement, we also follow the Guidelines on Corporate Governance for CPSEs issued by Department of Public Enterprises (DPE), Government of India.

2. Board of Directors

(i) **Composition & Category of Directors:** NHPC Limited is a Government Company as defined under Section 2(45) of the Companies Act, 2013 as 85.96% of the total paid-up share capital of the Company is held by the President of India.

In terms of the Articles of Association of the Company, the strength of the Board shall not be less than four and not more than fifteen Directors, provided that the number of Independent Directors in any case shall not be less than half of the actual strength of the Board.

Presently, the Board of NHPC Limited comprises Chairman and Managing Director (CMD), Functional Directors, Government Nominee Directors and Independent Directors. As on 31st March, 2014, there were fourteen Directors, of which five were Functional Directors including Chairman and Managing Director, two Government Nominee Directors and seven Independent Directors. Shri G. Sai Prasad, Joint Secretary (Thermal), Ministry of Power was holding additional charge of Chairman and Managing Director till 7th June, 2014. Further, Ministry of Power vide letter no. 9/2/2013-NHPC dated 6th June, 2014 entrusted the additional charge for the post of Chairman & Managing Director, NHPC to Shri R. S. T. Sai, Chairman & Managing Director, THDC India Limited from the date of taking over the charge of Chairman & Managing Director, NHPC. Shri R. S. T. Sai assumed the additional charge of Chairman & Managing Director, NHPC w.e.f. 8th June, 2014. The composition of the Board of Directors as on 31st March, 2014 is given in Table 1.

Table 1: Composition of the Board of Directors as on 31st March, 2014

Particulars	Board structure	Actual strength as on 31.03.2014
Chairman and Managing Director	1	1
Functional Directors	4	4
Government Nominee Directors	2	2
Independent Directors	7	7
Total	14	14

Attendance of each Director at the Board Meetings held during 2013-14 and the last AGM is given in Table 2. Number of other Boards or Board Committees in which Director of NHPC Limited is a member or Chairman as on 31st March, 2014 is given in Table 3.

Table 2: Attendance of each director at the Board Meetings held during 2013-14 and the last AGM

Director's Name (S/Shri)	No. of Board Meetings		Last AGM (held on 16.09.2013)
	Held	Attended	
Functional Directors			
R. S. T. Sai, Chairman & Managing Director*	NA	NA	NA
G. Sai Prasad, CMD (till 07.06.2014) and Joint Secretary (Thermal), Ministry of Power**	15	13	Yes

Director's Name (S/Shri)	No. of Board Meetings		Last AGM (held on 16.09.2013)
	Held	Attended	
A. B. L. Srivastava, Director (Finance)	15	15	Yes
D. P. Bhargava, Director (Technical)	15	15	Yes
J. K. Sharma, Director (Projects)	15	14	Yes
R. S. Mina, Director (Personnel)	15	12	Yes
Government Nominee Directors			
A. S. Bakshi, Chairperson, CEA**	5	1	NA
K. N. Garg***, Member (Hydro), Central Electricity Authority	7	4	NA
Mukesh Jain***, Joint Secretary (Hydro), Ministry of Power	5	3	NA
Independent Directors			
G. S. Vedi	15	14	Yes
A. K. Mago	15	15	Yes
R. Jeyaseelan	15	12	Yes
Ashoke Kumar Dutta	15	09	Yes
Atul Kumar Garg	15	14	Yes
Shantikam Hazarika	15	12	Yes
A. Gopalakrishnan	15	09	Yes

*Shri R. S. T. Sai was appointed on the Board w.e.f. 8th June, 2014.

**Shri A. S. Bakshi and Shri G. Sai Prasad ceased to be director on the Board w.e.f. 1st August, 2013 and 8th June, 2014 respectively.

***Shri K. N. Garg and Shri Mukesh Jain were appointed on the Board w.e.f. 7th October, 2013 and 11th November, 2013 respectively.

Table 3: Number of other Boards or Board Committees* in which Director of NHPC Limited is a member or Chairman as on 31st March, 2014

Director's name (S/Shri)	Details of directorships in other Companies	Details of committee membership and committee chairmanship
G. Sai Prasad, CMD (till 07.06.2014) and Joint Secretary (Thermal), Ministry of Power	(1) NTPC Limited (2) NHDC Limited (3) Loktak Downstream Hydroelectric Corporation Limited	NIL
A. B. L. Srivastava, Director (Finance)	NIL	NIL
D. P. Bhargava, Director (Technical)	Chenab Valley Power Projects Private Limited	NIL
J. K. Sharma, Director (Projects)	Chenab Valley Power Projects Private Limited	NIL
R. S. Mina, Director (Personnel)	NHDC Limited	NIL

Director's name (S/Shri)	Details of directorships in other Companies	Details of committee membership and committee chairmanship
K. N. Garg, Member (Hydro), Central Electricity Authority	NIL	NIL
Mukesh Jain, Joint Secretary (Hydro), Ministry of Power	SJVN Limited	NIL
G. S. Vedi	(1) MMTC Limited (2) NHDC Limited	(1) Chairman, Audit Committee – NHDC Limited (2) Member, Audit Committee – MMTC Limited
A. K. Mago	Yes Securities Limited	NIL
R. Jeyaseelan	NIL	NIL
Ashoke Kumar Dutta	(1) All India Technologies Limited (2) ABC India Limited (3) Khadim India Limited (4) Batchmates Com Private Limited	Member, Audit Committee – Khadim India Limited
Atul Kumar Garg	NIL	NIL
Shantikam Hazarika	(1) North Eastern Electric Power Corporation Limited (2) Assam Electronics Development Corporation Limited (3) Gauhati Stock Exchange Private Limited	NIL
A. Gopalakrishnan	(1) Central Railside Warehouse Company Limited (2) Center for Examining Financial Reporting and Governance (India) Private Limited	Chairman, Audit Committee – Central Railside Warehouse Company Limited

*Chairmanship/Membership of the Audit Committee and Shareholders'/Investors' Grievance Committee have been considered.

No Director of the Company holds office at the same time as Director in more than fifteen (15) companies. Further, no Director of the Company is a member in more than ten (10) Committees or is a chairman of more than five (5) Committees across all companies in which he is a Director.

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

(ii) Details of Board Meetings held:

Fifteen meetings of the Board of Directors were held during the year 2013-14. At least one Board meeting was held every three months and the maximum time interval between any two meetings did not exceed three months. Details of the Board meetings held during 2013-14 are given in Table 4.

Table 4: Board meetings held during the year 2013-14

S. No.	Board Meeting Number	Board Meeting Date	Board Strength	No. of Directors Present
1.	357	22 nd April, 2013	13	12
2.	358	28 th May, 2013	13	10
3.	359	29 th June, 2013	13	10
4.	360	10 th July, 2013	13	10
5.	361	31 st July, 2013	13	11
6.	362	17 th September, 2013	12	12

S. No.	Board Meeting Number	Board Meeting Date	Board Strength	No. of Directors Present
7.	363	24 th September, 2013	12	9
8.	364	28 th September, 2013	12	9
9.	365	10 th October, 2013	13	13
10.	366	24 th October, 2013	13	12
11.	367	11 th November, 2013	14	11
12.	368	24 th December, 2013	14	10
13.	369	17 th January, 2014	14	11
14.	370	31 st January, 2014	14	12
15.	371	20 th March, 2014	14	10

(iii) **Age limit and tenure of Directors:** The age limit for Functional Directors is Sixty years. The Functional Directors are appointed for a period of five years from the date of taking over the charge or the date of superannuation of the incumbent or until further orders from the Government of India, whichever event occurs earlier.

Government Nominee Directors representing Ministry of Power, Government of India, retire from the Board at the discretion of the nominating authority or on ceasing to be officials of the Govt. of India.

Independent Directors are appointed by Government of India usually for a tenure of three years.

(iv) **Resume of Directors:** The brief resume of Directors seeking appointment and/or re-appointment including nature of their experience in specific functional areas, names of companies in which they hold directorship and membership/chairmanship of Board/Committee is appended to the notice calling the Annual General Meeting. In addition to above, brief profiles of all the Directors are provided elsewhere in this Annual Report.

(v) **Board Meetings, Committee Meetings and Procedures:**

(A) **Decision-making process:** The Company has laid down a set of guidelines for the meetings of the Board of Directors to professionalize its corporate affairs. These guidelines help in an informed and efficient decision-making during the Board meetings.

(B) **Scheduling and Selection of Agenda Items for Board/Committee Meetings:**

- Meetings of the Board/Committee of Directors are convened by giving appropriate notice with the approval of the Chairman of the Board/respective Committees. Detailed agenda notes, management reports and other explanatory statements are circulated in advance amongst the members to facilitate meaningful, informed and focused decision making. Whenever urgent issues need to be addressed, meetings are called at a shorter notice or agenda notes are placed on table or resolutions are passed by circulation.
- Whenever it is not possible to attach a document to the agenda notes due to its confidential nature, or in special and exceptional circumstances, or in case of additional or supplemental information, such documents are placed on the table during the meeting.
- Agenda papers are circulated after obtaining the approval of concerned Functional Directors/CMD.
- The meetings are held at the Company offices situated in Faridabad or in New Delhi.
- As and when required, presentations are made before Board/Committee(s) on the matters related to finance, operations, human resources, etc. to enable the members to take informed decisions.
- Members of the Board have complete access to the information pertaining to the Company. Board/Committee members are also free to recommend any issue which they may consider important for inclusion in the agenda. As and when necessary, senior management officials are called during the meeting to provide additional inputs on the matters being discussed by the Board/Committee.

(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/Committee Meeting are circulated amongst the members for their confirmation/information in the next meeting of Board of Directors/Committee.

(D) **Follow-up Mechanism:** Based on the guidelines laid down by the Board/Committee, an Action-Taken Report on the decisions of the Board/Committee is placed in subsequent meetings of respective Board/Committee, which helps in effective reporting on follow-up and review of decisions.

- (E) Compliance:** It is our endeavour to ensure that all applicable provisions of the law, rules and guidelines are adhered to, at the time of preparation of agenda notes. The Company ensures compliance of all applicable provisions of the Companies Act, 1956, Companies Act, 2013 to the extent these are applicable, SEBI Guidelines, Listing Agreement, and other statutory requirements under different laws. The Board of Directors review the legal compliance report placed before it from time to time.


The following information are usually presented to the Board of Directors either as a part of the agenda papers or are tabled/presented during the course of the Board Meeting:

- Annual operating plans, budgets and related updates.
- Capital budgets and related updates.
- Quarterly financial results of the Company.
- Minutes of meetings of audit committee and other committees of the Board.
- Minutes of board meetings of subsidiary companies.
- Statement of all significant transactions and arrangements entered into by subsidiary companies.
- Fatal or serious accidents, dangerous occurrences at different locations/units.
- Major investment, formation of subsidiaries, joint ventures and strategic alliances.
- Quarterly information with respect to purchases/works/contracts awarded on nomination basis.
- Quarterly report on compliance of various laws.
- Disclosure of interest by the directors about their directorships and committee positions held by them in other companies.
- Significant capital investment proposals or award of large contracts.
- Action taken report on matters desired by the board.
- Status of arbitration cases.
- Changes in significant accounting policies and practices along with reasons thereof.
- Any other information required to be presented to the board either for information or approval as per the requirement of applicable laws.

- (vi) Code of conduct:** The Company is committed to conduct its business in accordance with the highest standards of business ethics and comply with all applicable laws, rules and regulations. It is hereby confirmed that the code of business conduct and ethics for board members and senior management personnel was complied with by all concerned during the year 2013-14.

Declaration as required under Clause 49 of listing agreement and DPE guidelines on corporate governance

All the members of the board and senior management personnel have affirmed compliance to the code of conduct for the financial year ending 31st March, 2014.



(G. Sai Prasad)

Chairman & Managing Director
DIN No: 00325308

Date : 30th April, 2014
Place : New Delhi

- (vii) Policies for Preventing Fraud and Risk Management:** The Risk Management System is integrated and aligned with corporate and operational objectives. Risk Management is undertaken as a part of normal business practices and not as a separate task at set times. The Company has separate policies for fraud prevention and risk management.

(viii) Training of Board Members:

The company has a training policy for its Board Members which aims at building leadership qualities and providing a platform to share the knowledge, skills and experience gained by the Directors. Further, it helps Board Level functionaries to understand the business model of the Company including risk profile.



Whenever a new Director is appointed on the Board, formal induction and orientation with respect to the Company's vision, strategic direction, core values, financial matters & business operations is given through necessary documents/brochures, reports and internal policies. This helps them to familiarize with Company procedures and practices.

In addition to the above, site visits are also arranged for the Directors including Independent Director(s). Independent Directors are also considered for nomination to participate in seminars and training programmes organized by reputed institutions.

- (ix) **Code for Prevention of Insider Trading in Securities of NHPC Limited:** In accordance with requirements of the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, NHPC Limited has implemented a comprehensive Code for Prevention of Insider Trading in its securities. Trading window remains closed for designated employees as and when price sensitive information is about to be placed before the Board.

3. Committees of the Board of Directors

The Board has constituted different Committees to look after various aspects of business. The following standing Committees have been constituted by the Board:

1. Audit Committee.
2. Stakeholders' Relationship Committee.
3. Nomination and Remuneration Committee.
4. Committee on Corporate Social Responsibility (CSR) and Sustainability.
5. Committee of Directors on Contracts.
6. Committee of Directors for Allotment and Post-allotment Activities of NHPC Securities.
7. Committee of Directors for Self-Insurance Fund.
8. Projects Investment Committee.
9. Committee on Management Controls.
10. Committee of Directors – Appellate Authority.

3.1 Audit Committee

The composition, quorum, terms of reference, etc. of the Audit Committee is in line with the Companies Act, 2013, provisions of Listing Agreement and Guidelines on Corporate Governance issued by Department of Public Enterprises, Govt. of India. As on 31st March, 2014, the Audit Committee comprised the following members:

- | | | |
|------|------------------------|---------------------------------|
| i) | Shri A. Gopalakrishnan | Independent Director - Chairman |
| ii) | Shri A. K. Mago | Independent Director |
| iii) | Shri G. S. Vedi | Independent Director |
| iv) | Shri Atul Kumar Garg | Independent Director |
| v) | Shri D. P. Bhargava | Director (Technical) |
| vi) | Shri J. K. Sharma | Director (Projects) |

Meetings and Attendance:

The Committee met six times during the year on 14th May 2013, 27th May 2013, 30th July 2013, 16th September 2013, 11th November 2013 and 31st January, 2014 respectively. Details of the Audit Committee Meetings attended by members are given in Table 5.

Table 5: Audit Committee Meetings

S. No.	Members of the Committee during 2013-14	Meetings held during respective tenure of members	Meetings attended
1	Shri A. K. Mago	6	6
2	Shri G. S. Vedi	6	6
3	Shri Atul Kumar Garg	6	6
4.	Shri A. Gopalakrishnan	6	4
5.	Shri D. P. Bhargava*	1	1
6.	Shri J. K. Sharma*	1	NIL

*Shri D. P. Bhargava, Director (Technical) and Shri J. K. Sharma, Director (Projects) were appointed on the Audit Committee by the Board in its 369th meeting held on 17th January, 2014.

Director (Finance), Head of Internal Audit department, Statutory Auditors and Cost Auditors were invited to the meetings of Audit Committee. Senior officers were also invited as and when required to provide necessary inputs to the Committee.

Shri A. K. Mago, Independent Director chaired all the meetings held till 17th January, 2014 during the financial year 2013-14. The meeting held on 31st January, 2014 was chaired by Shri A. Gopalakrishnan, Independent Director. The time interval between any two Audit Committee meetings had not exceeded three months during financial year 2013-14. Director (Finance) and head of Internal Audit department were present in all Audit Committee Meetings held during the year as invitees. The Company Secretary acted as the Secretary to the Committee. The Chairman of the Audit Committee was present in the last Annual General Meeting of the Company to answer shareholders' queries.

Terms of reference of Audit Committee:

The Board in its 374th meeting held on 7th July, 2014 altered the terms of reference of Audit Committee in line with the Companies Act, 2013, which inter-alia includes:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending fixation of audit fees to the Board.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions; and
 - g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors and/or auditors of any significant findings and follow-up there on.
9. Reviewing the findings of any internal investigations by the internal auditors/auditors/agencies into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
12. To review functioning of the Whistle Blower mechanism.
13. To review the follow-up action on the audit observations of the Comptroller & Auditor General of India (C&AG) audit.
14. To review the follow-up action taken on the recommendations of the Parliament's Committee on Public Undertakings (COPU).
15. Provide an open avenue of communication between the Independent Auditors, Internal Auditor and the Board of Directors.
16. Approval or any subsequent modification of transactions of the Company with related parties.
17. Review with the Independent Auditor the coordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.

18. Consider and review the following with Independent Auditor and 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 management responses.
19. Consider and review the following with management, Internal Auditor and Independent Auditor:
 - Significant findings during the year, including the status of previous audit recommendations, and
 - Any difficulties encountered during audit work, including any restrictions on the scope of activities or access to required information.
20. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
21. Scrutiny of inter-corporate loans and investments.
22. Valuation of undertakings or assets of the Company, wherever it is necessary.
23. Evaluation of internal financial controls and risk management systems.
24. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
25. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee pursuant to the provisions of the Companies Act 2013, Listing agreement and Corporate Governance Guidelines issued by DPE.

3.2 Stakeholders' Relationship Committee

The Board in its 374th meeting held on 7th July, 2014 changed the nomenclature of "Shareholders' Grievance Committee" to "Stakeholders' Relationship Committee" and altered its terms of reference in line with the Companies Act, 2013.

The Committee has been re-constituted by the Board in its 369th meeting held on 17th January, 2014. As on 31st March, 2014, the Committee comprised the following members:

- | | |
|------------------------------|---------------------------------|
| i) Shri R. Jeyaseelan | Independent Director - Chairman |
| ii) Shri A. B. L. Srivastava | Director (Finance) |
| iii) Shri A. Gopalakrishnan | Independent Director |

Meetings and Attendance:

The Committee met twice during the year on 22nd July, 2013 and 10th March, 2014 respectively. Details of Committee Meetings attended by members are given in Table 6.

Table 6: Committee meetings

S. No.	Members of the Committee during 2013-14	Meetings held during respective tenure of members	Meetings attended
1	Shri Shantikam Hazarika*	1	1
2	Shri Ashoke Kumar Dutta*	1	1
3	Shri A. B. L. Srivastava	2	2
4	Shri A. Gopalakrishnan*	1	NIL
5	Shri R. Jeyaseelan*	1	1

*Shri A. Gopalakrishnan, Independent Director and Shri R. Jeyaseelan, Independent Director were appointed on the Committee by the Board in its 369th meeting held on 17th January, 2014, in place of Shri Shantikam Hazarika, Independent Director and Shri Ashoke Kumar Dutta, Independent Director.

Terms of Reference:

1. The Stakeholders' Relationship Committee shall consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends.

2. Carrying out any other function as required by the provisions of the Companies Act, 2013, Listing agreement and Corporate Governance Guidelines issued by DPE.

Name and Designation of Compliance Officer:

Shri Vijay Gupta, Company Secretary is the Compliance Officer in terms of Clause 47(a) of the Listing Agreement.

Shareholders' Grievances:

During the financial year ended on 31st March, 2014, Company has attended grievances of its shareholders' expeditiously except for the cases constrained by disputes or legal impediments. The details of complaints received and resolved during the year are given in Table 7.

Table 7: Shareholders' complaints

Description	Opening balance as on 1 st April, 2013	Received during the year ended on 31 st March, 2014	Resolved during the year ended on 31 st March, 2014	Pending as on 31 st March, 2014
Non-receipt of refund orders	NIL	162	162	NIL
Non-receipt of dividend warrants	NIL	2272	2272	NIL
SEBI complaints	7	68	73	2
Stock exchange complaints	NIL	9	9	NIL
Consumer forum/court cases	2	NIL	NIL	2
Advocate notices	NIL	NIL	NIL	NIL
TOTAL	9	2511	2516	4

Investor complaints shown pending as on 31st March, 2014 have been attended subsequently.

SEBI Complaints Redress System (SCORES) – Online Portal of SEBI for lodging complaints against Listed Companies

Securities and Exchange Board of India (SEBI) has a web based complaints redressal system 'SCORES', through which a shareholder can lodge his/her grievances against a Company and check the status of the complaint. On registration of a complaint, a unique complaint registration number is allotted for future reference and tracking. The concerned entity (Intermediary or Listed Company) uploads Action Taken Report on the complaints electronically, which can be viewed by SEBI as well as by the complainant. The concerned entity and the complainant can also seek and/or provide clarifications online to each other. SEBI disposes the complaints if it is satisfied that the complaint has been adequately redressed.

An investor, who is not familiar with SCORES or does not have access to SCORES, can lodge the complaint(s) in physical form.

During the year 2013-14, shareholders' complaints received through SCORES have been promptly attended to and Action Taken Reports (ATRs) on these complaints as received from Registrar and Transfer Agent have been submitted to the SEBI through SCORES.

Number of pending share transfers:

No share transfer request was pending as on 31st March, 2014.

Share transfers have been affected during the year well within the time prescribed by the Stock Exchanges and a certificate to this effect duly signed by a Practicing Company Secretary has been furnished to Stock Exchanges.

3.3 Nomination & Remuneration Committee

NHPC being a Central Public Sector Undertaking, the appointment, tenure and remuneration of its Directors are decided by the President of India. As per the provisions of DPE Guidelines on Corporate Governance, a Remuneration Committee was constituted to decide the annual bonus/variable pay pool and policy for its distribution across the executives and non-unionized supervisors, within the prescribed limits. The Remuneration Committee has been re-constituted by the Board in its 369th meeting held on 17th January, 2014. The Committee comprised the following members as on 31st March, 2014:

- | | |
|------------------------------|----------------------|
| i) Shri G. S. Vedi | Independent Director |
| ii) Shri Shantikam Hazarika | Independent Director |
| iii) Shri Ashoke Kumar Dutta | Independent Director |
| iv) Shri R. S. Mina | Director (Personnel) |

The Board in its 374th meeting held on 7th July, 2014 changed the nomenclature of “Remuneration Committee” to “Nomination & Remuneration Committee” and altered its terms of reference in line with the Companies Act, 2013.

Meetings and Attendance:

The Committee met twice during the year on 23rd July, 2013 and 16th September, 2013. Details of the meetings of the Committee attended by the members are given in Table 8.

Table 8: Meetings of the Committee

S. No.	Members of the Committee during 2013-14	Meetings held during respective tenure of members	Meetings attended
1.	Shri G. S. Vedi	2	2
2.	Shri Shantikam Hazarika	2	2
3.	Shri Ashoke Kumar Dutta	2	2
4.	Shri R. S. Mina*	NIL	NIL

*Shri R. S. Mina, Director (Personnel) was appointed on the Remuneration Committee by the Board in its 369th meeting held on 17th January, 2014.

Terms of reference:

1. To formulate the criteria for determining positive attributes and independence of a director.
2. To recommend distribution of the Annual Bonus/Performance Related Pay (PRP) and policy for its distribution across the Board and below Board level employees including key managerial personnel.
3. To formulate the criteria for evaluation of Independent Directors and the Board.
4. To devise a policy on Board diversity.
5. To identify persons who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
6. To examine and recommend other allowances and perks, etc. to the Board of Directors for approval.
7. Carrying out any other function as required by the provisions of the Companies Act, 2013, Listing agreement and Corporate Governance Guidelines issued by DPE.

3.4 Committee on Corporate Social Responsibility (CSR) and Sustainability

In line with DPE Guidelines on CSR and Sustainability for CPSEs, the Board in its 359th Meeting held on 29th June, 2013 has constituted Committee on Corporate Social Responsibility (CSR) and Sustainability headed by an Independent Director. Further, the Board in its 369th meeting held on 17th January, 2014 reconstituted the above Committee.

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

- | | | |
|------|----------------------|---------------------------------|
| i) | Shri Atul Kumar Garg | Independent Director – Chairman |
| ii) | Shri D. P. Bhargava | Director (Technical) |
| iii) | Shri R. S. Mina | Director (Personnel) |

The Board in its 374th meeting held on 7th July, 2014 appointed Shri Mukesh Jain, Joint Secretary (Hydro), Ministry of Power on the Committee.

Meetings and Attendance:

The Committee met five times during the year on 24th July, 2013, 26th August, 2013, 25th October, 2013, 6th January, 2014 and 30th January, 2014. Details of the meetings of the Committee on Corporate Social Responsibility (CSR) and Sustainability attended by the members are given in Table 9.

Table 9: Meetings of the Committee on Corporate Social Responsibility (CSR) and Sustainability

S. No.	Members of the Committee during 2013-14	Meetings held during respective tenure of members	Meetings attended
1.	Shri A. K. Mago*	4	4
2.	Shri Atul Kumar Garg	5	5
3.	Shri D. P. Bhargava	5	5
4.	Shri R. S. Mina	1	1
5.	Shri Mukesh Jain**	NA	NA

*Shri A. K. Mago, Independent Director ceased to be a member on the committee w.e.f. 17th January, 2014.

**Shri Mukesh Jain was appointed on the committee w.e.f. 7th July, 2014.

3.5 Committee of Directors on Contracts

The Committee of Directors on Contracts has been re-constituted by the Board in its 369th meeting held on 17th January, 2014. As on 31st March, 2014, the Committee of Directors on Contracts comprised the following members:

- | | | |
|------|--------------------------|----------------------|
| i) | Shri A. K. Mago | Independent Director |
| ii) | Shri R. Jeyaseelan | Independent Director |
| iii) | Shri Shantikam Hazarika | Independent Director |
| iv) | Shri A. B. L. Srivastava | Director (Finance) |
| v) | Shri D. P. Bhargava | Director (Technical) |
| vi) | Shri J. K. Sharma | Director (Projects) |
| vii) | Shri R. S. Mina | Director (Personnel) |

Meetings and Attendance:

The Committee met thrice during the year on 31st July, 2013, 24th October, 2013, and 18th November, 2013. Details of the meetings of the Committee of Directors on Contracts attended by the members are given in Table 10.

Table 10: Meetings of the Committee of Directors on Contracts

S. No.	Members of the Committee during 2013-14	Meetings held during respective tenure of members	Meetings attended
1	Shri A. B. L. Srivastava	3	3
2	Shri Shantikam Hazarika	3	3
3	Shri R. Jeyaseelan	3	3
4	Shri D. P. Bhargava	3	3
5	Shri J. K. Sharma	3	3
6	Shri G. Sai Prasad	2	2
7	Shri A. K. Mago*	NIL	NIL
8	Shri R. S. Mina*	NIL	NIL

* Shri A. K. Mago, Independent Director and Shri R. S. Mina, Director (Personnel) were appointed on Committee by the Board in its 369th meeting held on 17th January, 2014.

Terms of Reference:

The terms of reference of the Committee of Directors on Contracts are as under:

- (a) Award of Letter of Intent/contracts or making commitments referred to at 5 (a) (i), (ii) and (iii) of Annexure-A of Delegation of Powers (Powers excluded/excepted from the Delegation of Powers to the CMD, NHPC Limited) for contract amounts exceeding rupees hundred crore but not exceeding rupees two hundred crore.

- (b) Variations in quantities with respect to quantities indicated in the Bill of Quantity (BOQ) of the Contract Agreement, introduction of new item(s), substitution of one item in the BOQ by another, and deviations from the terms of the contract resulting cumulatively in an increase in the contract value approved by the Board by more than 25 per cent or more than ₹ 75 crore but within ₹ 200 crore, whichever is less excluding increases already built in the contract agreement due to price variation, provision for contingencies, etc. and also due to new statutory requirement or changes in existing statutory requirements.
- (c) Payments of idle charges, hire charges and interest to contractor for delay not attributable to contractor and not covered by force majeure of value not exceeding rupees ten crore.
- (d) Acceptance of disputed claims of the value not exceeding rupees ten crore.

The Board in its 374th meeting held on 7th July, 2014 dissolved the Committee of Directors on Contracts.

3.6 Committee of Directors for Allotment and Post-allotment Activities of NHPC Securities

The Board in its 372nd meeting held on 1st April, 2014 altered the terms of reference of 'Committee of Directors for Allotment and Post- Allotment Activities of NHPC Securities'. As on 31st March, 2014, the Committee comprised the following members:

- i) Shri A. B. L. Srivastava Director (Finance) - Chairman
- ii) Shri D. P. Bhargava Director (Technical)
- iii) Shri R. S. Mina Director (Personnel)

Meetings and Attendance:

The Committee met twenty six times during the year. Details of the meetings of the Committee of Directors for Allotment and Post-Allotment Activities of NHPC Securities attended by members are given in Table 11.

Table 11: Meetings of the Committee of Directors for Allotment and Post-Allotment Activities of NHPC Securities

S. No.	Members of the Committee during 2013-14	Meetings held during respective tenure of members	Meetings attended
1	Shri A. B. L. Srivastava	26	25
2	Shri D. P. Bhargava	26	20
3	Shri R. S. Mina	26	24

Terms of Reference:

1. Issue of certificate(s) relating to securities;
2. Transfer and transmission of securities;
3. Re-materialization of securities certificate(s);
4. Issue of duplicate certificate(s) relating to securities; and
5. Consolidation/splitting of NHPC's securities.

3.7 Committee of Directors for Self-Insurance Fund

As on 31st March, 2014, the Committee comprised the following members:

- i) Shri A. B. L. Srivastava Director (Finance)
- ii) Shri D. P. Bhargava Director (Technical)
- iii) Shri J. K. Sharma Director (Projects)
- iv) Shri R. S. Mina Director (Personnel)

Meetings and Attendance:

The Committee met once during the year on 19th November, 2013. The meeting was attended by all members except Shri J. K. Sharma.

Terms of reference:

The Committee has been authorized to invest the amount available with the self insurance fund in government securities, public sector bonds, and time deposits with nationalized banks. The Committee is also authorized to sell/realize the proceeds of such investments as deemed fit, considering the requirement of funds to compensate the losses occurred.

3.8 Projects Investment Committee

The Projects Investment Committee has been constituted by the Board in its 369th meeting held on 17th January, 2014. As on 31st March, 2014, the Projects Investment Committee comprised the following members:

- | | | |
|------|-------------------------|----------------------|
| i) | Shri A. K. Mago | Independent Director |
| ii) | Shri Ashoke Kumar Dutta | Independent Director |
| iii) | Shri A. Gopalakrishnan | Independent Director |
| iv) | Shri D. P. Bhargava | Director (Technical) |
| v) | Shri J. K. Sharma | Director (Projects) |

No meeting of Projects Investment Committee was held during the year ended on 31st March, 2014

Terms of reference:

The Committee shall examine and make recommendations to the Board on proposals for investment in new/expansion Projects and Feasibility Reports of new projects.

3.9 Committee on Management Controls

The Committee on Management Controls has been constituted by the Board in its 369th meeting held on 17th January, 2014. As on 31st March, 2014, the Committee on Management Controls comprised the following members:

- | | | |
|------|-------------------------|---------------------------------|
| i) | Shri R. Jeyaseelan | Independent Director - Chairman |
| ii) | Shri A. K. Mago | Independent Director |
| ii) | Shri Atul Kumar Garg | Independent Director |
| iii) | Shri Shantikam Hazarika | Independent Director |
| iv) | Shri D. P. Bhargava | Director (Technical) |
| v) | Shri J. K. Sharma | Director (Projects) |

Meetings and Attendance:

The Committee met once during the year on 31st January, 2014. The meeting was attended by all members.

Terms of reference:

The Committee shall establish transparent and effective system of internal monitoring. This committee inter alia, review the management control systems, significant deviations in project implementation and construction, operation & maintenance budgets, etc.

3.10 Committee of Directors – Appellate Authority

The Vigilance Committee has been constituted by the Board in its 369th meeting held on 17th January, 2014. Further, the Board in its 372nd meeting held on 1st April, 2014 changed the name of Vigilance Committee to 'Committee of Directors – Appellate Authority'. As on 31st March, 2014, the Committee comprised the following members:

- | | | |
|------|-------------------------|---------------------------------|
| i) | Shri Shantikam Hazarika | Independent Director - Chairman |
| ii) | Shri Atul Kumar Garg | Independent Director |
| iii) | Shri Ashoke Kumar Dutta | Independent Director |
| iv) | Shri R. S. Mina | Director (Personnel) |

Meetings and Attendance:

The Committee met once during the year on 14th February, 2014. The meeting was attended by all members except Shri Ashoke Kumar Dutta.

Terms of reference:

The Committee is to act as an Appellate Authority for the cases submitted before it in terms of CDA rules.

Committee of Directors for Investment of IPO Proceeds

This Committee was dissolved by the Board in its 369th meeting held on 17th January, 2014. The Committee of Directors for investment of IPO proceeds comprised the following members as on the date of dissolution:

- | | |
|------------------------------|---------------------------------|
| i) Shri Atul Kumar Garg | Independent Director - Chairman |
| ii) Shri A. B. L. Srivastava | Director (Finance) |
| iii) Shri D. P. Bhargava | Director (Technical) |

Meetings and Attendance: The Committee met thrice during the year on 7th June, 2013, 10th July, 2013 and 26th August, 2013. Details of the meetings of the Committee of Directors for Investment of IPO Proceeds attended by members are given in Table 12.

Table 12: Meetings of the Committee of Directors for Investment of IPO Proceeds

S. No.	Members of the Committee during 2013-14	Meetings held during respective tenure of members	Meetings attended
1.	Shri Atul Kumar Garg	3	3
2.	Shri A. B. L. Srivastava	3	3
3.	Shri D. P. Bhargava	3	2

Meeting of Independent Directors

A separate meeting of Independent Directors without the presence of any Functional Directors, Government Nominee Directors and management personnel of NHPC Limited, was held on 10th March, 2014 under the Chairmanship of Shri A. K. Mago. All Independent Directors were present in the meeting except Shri Ashoke Kumar Dutta and Shri A. Gopalakrishnan.

4. Remuneration of Directors

The remuneration payable to Functional Directors including Chairman & Managing Director is decided by the Government of India. As per DPE Guidelines, the Board of Directors of the Company is empowered to determine the sitting fee payable to Independent Directors within the ceiling prescribed under the Companies Act, 1956.

As per the decision of the Board in terms of extant guidelines issued by the Govt. of India, an amount of ₹ 15000/- per meeting is being paid to Independent directors as sitting fees for attending meeting of the Board or Committees thereof. The Board in its 374th meeting held on 7th July, 2014 enhanced the sitting fee from ₹ 15,000 to ₹ 20,000.

Details of remuneration of functional Directors of the Company paid for the financial year 2013-14 are given in Table 13.

Table 13: Remuneration of Functional Directors for the financial year 2013-14

(Amount in ₹)

Name of the Director	Designation	Salary	Benefits*	Performance Related Pay (PRP)**	Total
Shri A. B. L. Srivastava	Director (Finance)	27,25,186	9,61,268	11,50,159	48,36,613
Shri D. P. Bhargava	Director (Technical)	23,59,747	25,79,527	15,74,622	65,13,896
Shri J. K. Sharma	Director (Projects)	23,52,555	15,05,122	9,16,644	47,74,321
Shri R. S. Mina	Director (Personnel)	26,34,927	4,49,154	15,70,692	46,54,773

* Benefits include medical reimbursement, leave encashment, perquisites, lease rent, EPF (MC) and pension fund.

**Performance Related Pay (PRP) paid to Functional Directors is based on the incentive scheme of the Company as per DPE Guidelines.

The Company had not issued any Stock Options during the year 2013-14.

Details of payments of sitting fee paid to Independent Directors for the financial year 2013-14 are given in Table 14.

Table 14: Details of payments of sitting fee paid to Independent Directors for the financial year 2013-14.

(Amount in ₹)

Name of Independent Director	Sitting Fees		Total
	Board Meeting	Committee Meetings	
Shri G. S. Vedi	2,10,000	1,35,000	3,45,000*
Shri A. K. Mago	2,25,000	1,80,000	4,05,000
Shri R. Jeyaseelan	1,80,000	90,000	2,70,000
Shri Ashoke Kumar Dutta	45,000	45,000	90,000
Shri Atul Kumar Garg	2,10,000	2,55,000	4,65,000
Shri Shantikam Hazarika	1,80,000	1,35,000	3,15,000
Shri A. Gopalakrishnan	1,35,000	60,000	1,95,000

* Shri G. S. Vedi is also an Independent Director on the Board of NHDC Limited i.e. subsidiary of NHPC Limited. The mentioned amount excludes sitting fee paid by NHDC Limited.

5. Subsidiary Companies

- (i) **NHDC LIMITED:** NHDC Limited is a Subsidiary Company of NHPC Limited. NHPC holds 51 per cent share of the total paid-up equity share capital. During the year, the minutes of the meetings of the Board of Directors of NHDC Limited were placed before the Board of Directors of NHPC Limited. The Board of NHPC was also apprised of the significant transactions and arrangements entered into by the Subsidiary Company at periodical intervals.

NHDC is also covered under the definition of 'Material Subsidiary' as stipulated under DPE Guidelines on Corporate Governance. Shri G. S. VEDI, an Independent Director on the Board of NHPC Limited is on the Board of NHDC Limited with effect from 16th January, 2013.

Material Progress of NHDC Limited during Financial Year 2013-14:

- (a) **Diversification:** NHDC Limited had signed a Memorandum of Understanding on 29th June, 2009 with Government of Madhya Pradesh for establishing super critical technology based 1,320 MW (2X660 MW) Rewa Thermal Power Project (RTPP), in Khandwa district of Madhya Pradesh. Proposal for Coal Linkage is already under consideration of the Government of India. NHDC has also applied for allotment of Coal Block in its endeavour to arrange coal for Rewa Thermal Power Project. The Company is also exploring the possibility of potential sites for wind & solar energy development in Madhya Pradesh.
- (b) **Other Activities:** Government of Madhya Pradesh (GoMP) has offered NHDC to execute small & mini hydro power schemes in upper Narmada basin ranging between 10 to 25 MW. The gross capacities of these schemes are anticipated to be 100 to 150 MW. The Ministry of Power, Government of India has already accorded its approval for the draft Memorandum of Understanding between NHDC & GoMP, however the final consent from GoMP is awaited.
- (ii) **LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED:** Loktak Downstream Hydroelectric Corporation Limited (LDHCL) was incorporated on 23rd October, 2009. The Company was promoted as a Joint Venture between NHPC Limited and the Government of Manipur with equity shareholding of 74% and 26% respectively. The Company is not a material subsidiary as per the Guidelines on Corporate Governance for CPSEs issued by DPE. The minutes of meetings of the Board of LDHCL were placed before the Board of NHPC Limited.

All statutory clearances for execution of Loktak Downstream Hydroelectric Project have been obtained and pre-qualification of applicants for the award of contract for the execution of Project is under process.

6. General Meetings

Annual General Meeting

Date, time and location of the last three Annual General Meetings are given in Table 15.

Table 15: Annual General Meetings

Financial Year	Date	Time	Location
2010-11	19.09.2011	3:30 p.m.	Magpie Tourist Resort, Sector-16A, Mathura Road, Faridabad
2011-12	17.09.2012	11:00 a.m.	MCF Auditorium, Faridabad, Haryana
2012-13	16.09.2013	12 Noon	MCF Auditorium, Faridabad, Haryana

Details of Special Resolutions passed in the previous three AGMs of NHPC Limited

NHPC Limited had amended its Articles of Association by appending new Article 16A and 35A for "Buy-Back of Shares" and "Additional Directors" respectively by passing Special Resolutions in its 37th Annual General Meeting held on 16th September, 2013.

No special resolution has been passed through postal ballot during the financial year 2013-14.

Special Resolutions proposed to be conducted through Postal Ballot during 2014-15

The Company is proposing to conduct postal ballot (pursuant to provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management & Administration) Rules, 2014) for the following three special business(s):

1. Authorization to the Board of Directors for mortgaging and/or creating charge on all or any of the movable or immovable assets and/or immovable property of the company for securing borrowings for the purpose of the Company;
2. Increase in Borrowing Powers up to ₹ 30,000 Crore; and
3. Issue of Unsecured/Secured Non-convertible Bonds/Debentures up to ₹ 2,500 Crore through Private Placement.

Notice of postal ballot dated 18th July, 2014 has already been dispatched to the Members of the Company by permitted mode.



Procedure for Postal Ballot

Postal ballot shall be conducted pursuant to Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014. However, the brief procedure is given below for reference:

1. Company shall send a notice to all the shareholders, along with a draft resolution explaining the reasons thereof and requesting them to send their assent or dissent in writing on a postal ballot or by electronic means within a period of thirty days from the date of dispatch of the notice.
2. The notice shall be sent by speed post or registered post or by electronic means and shall include with the notice where it is sent by post, a postage pre-paid envelope for facilitating the communication of the assent or dissent of the shareholder to the resolution within the said period of thirty days.
3. If a resolution is assented to by the requisite majority of the shareholders by means of postal ballot including voting by electronic means, it shall be deemed to have been duly passed at a general meeting convened in that behalf.

7. Disclosures

- (i) **Related Party Transactions:** There were no materially significant related party transactions having potential conflict with the interests of the Company at large during the Financial Year 2013-14.

Related Party Disclosures are included in the notes forming part of the accounts as per Accounting Standard - 18 notified by the Companies (Accounting Standards) Rules, 2006.

- (ii) **Disclosure Requirements as per Listing Agreement and DPE Guidelines on Corporate Governance:** The Company has broadly complied with all the statutory requirements of the Listing Agreement with Stock Exchanges as well as regulations and guidelines prescribed by SEBI. The Company has also complied with all the requirements of the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by Department of Public Enterprises (DPE), Government of India.

During the preceding 3 years, no penalty was imposed and/or stricture was made on it by any Stock Exchange or SEBI or any other statutory authority, on any matter related to the capital markets or issued by Government.

The periodic results and other communications are regularly published on Company's official website (www.nhpcindia.com). Information on adoption of the non-mandatory requirements as prescribed under Listing Agreement and DPE Guidelines on Corporate Governance is provided in **Annexure-A**.

No presidential directives were issued to the Company during Financial Year 2013-14 and the preceding three financial years.

- (iii) **Accounting Treatment:** In view of the Management, all applicable accounting standards are being followed in the preparation of Financial Statements. Wherever there is any deviation from the Accounting Standard, proper disclosure has been given in the notes to account.

8. CEO/CFO Certification

As required by Clause 49 of the Listing Agreement, a certificate duly signed by Shri R. S. T. Sai, Chairman & Managing Director and Shri A. B. L. Srivastava, Director (Finance), was placed before the Board of Directors at the meeting held on 7th July, 2014 and is annexed to the Corporate Governance Report as **Annexure-B**.

9. Means of Communication

Periodical financial results of the Company are announced with in the time specified in Listing Agreement. These results are published in the national and local dailies. While the Company did not send periodical results/records to every shareholder, these were placed on the Company's official website (www.nhpcindia.com).

The Company has also issued official news releases on significant corporate decisions and activities which are also hosted on the Company's website.

Details of the audited/unaudited financial results as published by the Company are given in Table 16.

Table 16: Audited/unaudited financial results

Newspapers	Date of publication of results for the period ended			
	30.06.2013	30.09.2013	31.12.2013	31.03.2014
The Financial Express (all editions / English)	-	12.11.2013	01.02.2014	-
Jansatta (Hindi)	-	13.11.2013	02.02.2014	-
Indian Express (English)	-	12.11.2013	01.02.2014	-
Business Standard (all editions/English)	02.08.2013	-	-	08.07.2014
Dainik Bhaskar (Hindi)	-	-	-	09.07.2014

Presentations to institutional investors or analysts are being made regularly and the same are also available on the Company's website.

10. Information for Shareholders

(i) Annual General Meeting

Date: 26th September, 2014

Time: 3:00 PM

Venue: Municipal Corporation Auditorium, Faridabad

(ii) Financial calendar for year 2014-15

Particulars	Date
Accounting period	1 st April, 2014 to 31 st March, 2015
Unaudited Financial Results for the first three quarters	Intimation to Stock Exchanges within fifteen minutes of conclusion of the Board meeting. Board Meeting to be held within forty five days from the end of each quarter.
Fourth quarter results/ annual audited financial results for the year ending on 31 st March, 2015	Intimation to Stock Exchanges within fifteen minutes of conclusion of the Board Meeting. Board Meeting to be held on or before 30 th May, 2015.
AGM – 2015	September, 2015 (Tentative)

(iii) Book Closure

The register of members and share transfer books of the Company will remain closed from 13.09.2014 to 26.09.2014 (both days inclusive).

(iv) Payment of Dividend

The Board of Directors of the Company has recommended a final dividend of ₹ 0.30 per share (3% on paid up share capital) for the financial year ended 31st March, 2014.

The record date for the purpose of determining eligibility to receive dividend is 26th September, 2014 in respect of physical shares. In respect of dematerialized shares, the dividend will be payable to the “beneficial owners” of the shares whose names appear in the Statement of Beneficial Ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on 12th September, 2014.

(v) Dividend History

Financial Year	Total amount of dividend paid (₹ in crore)	Date of AGM in which dividend was declared	Date of payment
2007-08	300.00 (including ₹ 100 crore interim dividend)	05.08.2008	13.08.2008
2008-09	325.00 (including ₹ 125 crore interim dividend)	31.07.2009	13.08.2009
2009-10	676.54	22.09.2010	01.10.2010
2010-11	738.04	19.09.2011	28.09.2011
2011-12	861.05	17.09.2012	26.09.2012
2012-13	738.04	16.09.2013	25.09.2013

(vi) Listing on Stock Exchanges

NHPC equity shares are listed on the following Stock Exchanges:

Bombay Stock Exchange Limited	National Stock Exchange of India Limited
Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	Address: Exchange Plaza, Plot No. C/1, G Block, Bandra (East), Mumbai - 400051
Scrip Code: 533098	Scrip Code: NHPCEQ
ISIN : INE848E01016	ISIN : INE848E01016

The annual listing fee for the financial year 2014-15 has been paid to both National Stock Exchange of India Limited and Bombay Stock Exchange Limited before 30th April, 2014. Further, the annual custodian fee for the financial year 2014-15 has been paid to both Depositories i.e. Central Depository Services (India) Limited and National Securities Depository Limited before 31st May, 2014.



(vii) Market Price data:

NHPC AT NSE			
Month	High (₹)	Low (₹)	Closing (₹)
Apr-13	22.35	19.85	21.65
May-13	21.65	19.15	19.25
Jun-13	19.25	17.15	18.45
Jul-13	19.25	16.55	16.60
Aug-13	17.25	14.80	16.00
Sep-13	20.35	15.95	19.55
Oct-13	20.00	17.90	18.10
Nov-13	19.10	17.60	18.20
Dec-13	19.85	17.75	19.55
Jan-14	19.75	17.45	17.90
Feb-14	18.90	17.35	18.00
Mar-14	19.75	17.50	19.10

NHPC AT BSE			
Month	High (₹)	Low (₹)	Closing (₹)
Apr-13	22.35	19.90	21.65
May-13	21.65	19.20	19.25
Jun-13	19.60	17.20	18.40
Jul-13	19.20	16.55	16.65
Aug-13	17.10	14.80	16.00
Sep-13	20.40	15.95	19.50
Oct-13	20.00	17.95	18.15
Nov-13	19.10	17.60	18.15
Dec-13	19.85	17.80	19.50
Jan-14	19.75	17.45	17.90
Feb-14	18.85	17.35	17.90
Mar-14	19.75	17.55	19.10

(viii) Performance in comparison to indices

BSE Sensex and NHPC Share Price

SENSEX			
Month	High	Low	Closing
Apr-13	19622.68	18144.22	19504.18
May-13	20443.62	19451.26	19760.30
Jun-13	19860.19	18467.16	19395.81
Jul-13	20351.06	19126.82	19345.70
Aug-13	19569.20	17448.71	18619.72
Sep-13	20739.69	18166.17	19379.77
Oct-13	21205.44	19264.72	21164.52
Nov-13	21321.53	20137.67	20791.93
Dec-13	21483.74	20568.70	21170.68
Jan-14	21409.66	20343.78	20513.85
Feb-14	21140.51	19963.12	21120.12
Mar-14	22467.21	20920.98	22386.27

NHPC AT BSE			
Month	High (₹)	Low (₹)	Closing (₹)
Apr-13	22.35	19.90	21.65
May-13	21.65	19.20	19.25
Jun-13	19.60	17.20	18.40
Jul-13	19.20	16.55	16.65
Aug-13	17.10	14.80	16.00
Sep-13	20.40	15.95	19.50
Oct-13	20.00	17.95	18.15
Nov-13	19.10	17.60	18.15
Dec-13	19.85	17.80	19.50
Jan-14	19.75	17.45	17.90
Feb-14	18.85	17.35	17.90
Mar-14	19.75	17.55	19.10

NSE NIFTY and NHPC Share Price

NIFTY			
Month	High	Low	Closing
Apr-13	5962.30	5477.20	5930.20
May-13	6229.45	5910.95	5985.95
Jun-13	6011.00	5566.25	5842.20
Jul-13	6093.35	5675.75	5742.00
Aug-13	5808.50	5118.85	5471.80
Sep-13	6142.50	5318.90	5735.30
Oct-13	6309.05	5700.95	6299.15
Nov-13	6342.95	5972.45	6176.10
Dec-13	6415.25	6129.95	6304.00
Jan-14	6358.30	6027.25	6089.50
Feb-14	6282.70	5933.30	6276.95
Mar-14	6730.05	6212.25	6704.20

NHPC AT NSE			
Month	High (₹)	Low (₹)	Closing (₹)
Apr-13	22.35	19.85	21.65
May-13	21.65	19.15	19.25
Jun-13	19.25	17.15	18.45
Jul-13	19.25	16.55	16.60
Aug-13	17.25	14.80	16.00
Sep-13	20.35	15.95	19.55
Oct-13	20.00	17.90	18.10
Nov-13	19.10	17.60	18.20
Dec-13	19.85	17.75	19.55
Jan-14	19.75	17.45	17.90
Feb-14	18.90	17.35	18.00
Mar-14	19.75	17.50	19.10

(ix) Registrar & Share Transfer Agent

M/s Karvy Computershare Private Limited,

Plot No. 17-24, Vittal Rao Nagar,

Madhapur, Hyderabad – 500 081

Tel No.: +91 40 4465 5000

Fax No.: +91 40 2343 1551

E-mail ID: einward.ris@karvy.com

(x) Share Transfer System

Share transfer activities under physical segment are being carried out by M/s Karvy Computershare Private Limited. The share transfer system consists of activities like receipt of shares along with transfer deed from transferees, its verification, preparation of Memorandum of Transfers, etc. Share transfers are approved by Committee of Directors for allotment and post-allotment activities of NHPC securities.

Pursuant to Clause 47(c) of the Listing Agreement, certificate on half yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary have been submitted to Stock Exchanges within stipulated time.

(xi) Transfer of unpaid/unclaimed amounts to Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 16th September, 2013 (date of Last Annual General Meeting) on the website of the Company (www.nhpcindia.com), and also on the website of Ministry of Corporate Affairs.

(xii) Buy Back of Shares by NHPC Limited

NHPC Limited has bought back 10% (123,00,74,277) of its total paid up equity share capital from existing shareholders through tender offer route during the financial year 2013-14, thereby reducing its total paid up share capital from ₹ 12,300.74 crore to ₹ 11,070.67 crore. After buy back, the holding of President of India has reduced from 86.36% to 85.96% of the total paid up share capital of the Company. Balance equity is held by FIIs, Mutual Funds and Indian Public.

(xiii) Distribution of shareholding

Shares held by different categories of shareholders and according to the size of holdings as on 31st March, 2014 are given below:

According to size

(a) Distribution of shareholding according to size and percentage of holding as on 31st March, 2014:

Category (Amount in ₹)	Number of shareholders	% age of share holders	Total shares	% age of shares
1-5,000	635406	61.36	138588746	1.25
5,001-10,000	288245	27.84	215581829	1.95
10,001-20,000	61446	5.93	91904897	0.83
20,001-30,000	19514	1.89	49933108	0.45
30,001-40,000	8006	0.77	28676838	0.26
40,001-50,000	6539	0.63	30902214	0.28
50,001-1,00,000	9505	0.92	68724098	0.62
1,00,000 and above	6859	0.66	10446356766	94.36
Total	1035520	100.00	11070668496	100.00



NHPC Limited

(A Government of India Enterprise)

(b) Distribution of shareholding of shareholders holding up to 100 shares of NHPC Limited as on 31st March, 2014:

Category (Shares)	No. of Holders	% to Holders	No. of Shares	% to Equity
1 - 10	52708	5.09	112676	0.00
11 - 20	8430	0.81	140017	0.00
21 - 30	9103	0.88	241091	0.00
31 - 40	4640	0.45	171387	0.00
41 - 50	19566	1.89	969435	0.01
51 - 100	75501	7.29	7188221	0.06

(c) Shareholding Pattern on the basis of ownership as on 31st March, 2014:

Category	As on 31 st March, 2014		As on 31 st March, 2013		Change (%)
	Total shares	% to equity	Total shares	% to equity	
Government of India	9516209722	85.96	10623368758	86.36	(0.40)
FIs	183429954	1.66	265141997	2.16	(0.50)
Indian Public & HUF	786896162	7.12	805093672	6.54	0.58
Banks, FIs & INS	412307069	3.72	334463517	2.73	0.99
Private Corporate Bodies	134504517	1.21	186115830	1.51	(0.30)
Mutual Funds	8089308	0.07	59479934	0.48	(0.41)
NRI and OCBs	15900420	0.14	16238712	0.13	0.01
Others					
Clearing Members, trusts & Qualified Foreign Investor- Individual and Foreign National	13331344	0.12	10840353	0.09	0.03
Total	11070668496	100.00	12300742773	100.00	

(d) Major Shareholders as on 31st March, 2014:

Details of shareholders holding more than one per cent of the Paid-up Capital of the Company as on 31st March, 2014 are given below:

Name of shareholder	No. of shares	% to paid-up capital	Category
President of India	9516209722	85.96	Central Govt./State Govt.
Life Insurance Corporation of India	270333289	2.44	Insurance Company

(e) Top Ten Shareholders as on 31st March, 2014:

Details of top ten shareholders of NHPC Limited as on 31st March, 2014 are given below:

S. No.	Name of shareholder	Total shares	% to Equity
1.	PRESIDENT OF INDIA	9516209722	85.96
2.	LIFE INSURANCE CORPORATION OF INDIA	270333289	2.44
3.	UCO BANK	33154836	0.30
4.	VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIE	25324080	0.23
5.	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD	19842359	0.18
6.	GOVERNMENT PENSION FUND GLOBAL	18243768	0.16
7.	CORPORATION BANK	14043251	0.13
8.	SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA	13907798	0.13
9.	EMERGING MARKETS CORE EQUITY PORTFOLIO	10682783	0.10
10.	WISDOMTREE INDIA INVESTMENT PORTFOLIO INC	10296777	0.09
	Total	9932038663	89.72

(xiv) Dematerialization of Shares and Liquidity

The shares of the Company are in the compulsory dematerialized segment and are available for trading with both the depositories, i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Share Capital Audit Report regarding reconciliation of the total issued capital, listed capital and capital held by depositories in a dematerialized form with respect to the Share Capital of the Company was obtained from the Practicing Company Secretary and submitted to the Stock Exchanges within the stipulated time.

No. of shares held in dematerialized and physical mode

	No. of shares	% of total capital issued
Shares in dematerialized form with NSDL	10796114205	97.52
Shares in dematerialized form with CDSL	274331580	2.48
Physical	222711	0.00
Total	11070668496	100.00

The names and addresses of the depositories are as under:

1. National Securities Depository Limited

Trade World, 4th Floor,
Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai – 400 013

2. Central Depository Services (India) Limited

Phiroze Jeejeebhoy Towers,
28th Floor, Dalal Street, Mumbai – 400 023

(xv) Demat Suspense Account

Details of shares in the suspense account opened and maintained after Initial Public Offering of Equity Shares of NHPC Limited as on 31st March, 2014 is given in Table 17.

Table 17: Shares in the suspense account

Description	No. of Cases	No. of Shares
Aggregate number of shareholders and outstanding shares in the suspense account at the beginning of the year	461	181952
Number of shareholders who approached the Company for transfer of shares from the suspense account during the year	49	21928
Number of shareholders to whom shares were transferred from the suspense account during the year	49	21928
Aggregate number of shareholders and outstanding shares in the suspense account at the end of the year	412	160024

Note: Voting rights on these shares shall remain frozen till the rightful owners of such shares claim them.

(xvi) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion date and likely impact on equity:

NHPC has not issued any GDRs/ADRs/warrants or any convertible instruments which has likely impact on equity.

(xvii) Number of Shares held by the Directors as on 31st March, 2014:

Director's Name (S/Shri)	No. of Shares held
G. Sai Prasad	NIL
A. B. L. Srivastava	49,875
D. P. Bhargava	19,999
J. K. Sharma	4,550
R. S. Mina	42,000
K. N. Garg	NIL
Mukesh Jain	NIL
G. S. Vedi	NIL
A. K. Mago	NIL
R. Jeyaseelan	NIL
A. K. Garg	NIL



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Director's Name (S/Shri)	No. of Shares held
A. K. Dutta	NIL
Shantikam Hazarika	NIL
A. Gopalakrishnan	NIL

(xviii) Locations of NHPC Plants:

Bairasiul	NHPC Limited, Surangani, Distt. Chamba, Himachal Pradesh – 176 317
Loktak	NHPC Limited, P.O. Loktak, Komkeirap, Manipur- 795 124
Salal – I & II	NHPC Limited, P.O. Jyotipuram, Via Reasi, Distt. Reasi, Jammu & Kashmir - 182 312
Tanakpur	NHPC Limited, P.O. T.P.S. Campus, Banbassa, Distt. Champawat, Uttarakhand – 262 310
Chamera-I	NHPC Limited, Khairi, Distt. Chamba, Himachal Pradesh – 176325
Uri-I	NHPC Limited, Gingle, P.O. Mohra, Distt. Baramulla, Jammu & Kashmir- 193 122
Rangit	NHPC Limited, P.O. Rangit Nagar, South Sikkim - 737 111
Chamera-II	NHPC Limited, Karian Distt. Chamba, Himachal Pradesh –176310
Dhauliganga	NHPC Limited, Post Box No.1, Tapovan, Dharchula, Distt. Pithoragarh, Uttarakhand - 262 545
Dulhasti	NHPC Limited, Chenab Nagar, Sector-II, Kishtwar, Distt. Kishtwar, Jammu & Kashmir - 182 206
Teesta-V	NHPC Limited, P.O. Singtam, East Sikkim - 737 134
Sewa-II	NHPC Limited, Mashka, Distt. Kathua (J&K)
Chamera-III	NHPC Limited, Village Dharwala, PO – 9, Distt. – Chamba, Himachal Pradesh – 176 311
Chutak	NHPC Limited, P.O. Minji, Distt. Kargil (Ladakh), J & K – 194 103
Teesta Low Dam Project – III	NHPC Limited, Rambh Bazar, P.O. Reang, Distt. Darjeeling (W.B.), PIN – 734 321
Nimmo Bazgo Project	NHPC Limited, Alchi, Distt. Leh (Ladakh), J & K, PIN 194101
Uri II	NHPC Office cum Residential Complex, Nowpora, Uri, Distt. Baramulla, (J & K), PIN 193122
Parbati-III	NHPC Limited, Village Behali, P. O. Larji, Distt. Kullu (H.P.), PIN 175122

(xix) Address for Correspondence:

Shri Vijay Gupta, Compliance Officer,
1st Floor, NHPC Office Complex,
Sector – 33, Faridabad,
Haryana – 121 003
E-mail: companysecretary@nhpc.nic.in

The phone numbers and e-mail reference for communication are given below:

	Telephone Number	Fax No.
Registered Office	0129-2278421	0129-2277941
Investor Relation Cell	0129-2250437	-
E-mail ID	investorcellnhpc@gmail.com, investorcell@nhpc.nic.in	
Public Spokesperson, Shri Jayant Kumar, Executive Director (Finance)	0129-2278232	-
E-mail ID	jayantkumar@nhpc.nic.in	

As per Circular of the Securities & Exchange Board of India dated 22.01.2007, exclusive e-mail address for redressal of Investor Complaints is companysecretary@nhpc.nic.in

For and on behalf of Board of Directors

R S T Sai
(R S T Sai)

Chairman and Managing Director
DIN: 00171920

Place: New Delhi

Date: 14th August, 2014

ANNEXURE-A

Non-Mandatory Requirements: Besides the mandatory requirements as mentioned in the preceding pages, the status of compliance with non-mandatory requirements of the Listing Agreement and DPE Guidelines on Corporate Governance is as under:

- a) **The Board:** The Company is headed by Shri R. S. T. Sai who is holding additional charge of the Chairman and Managing Director in addition to his duties as Chairman & Managing Director, THDC India Limited. No Independent Director has been appointed for the period exceeding, in aggregate of 9 years, on the Board of the Company.
- b) **Remuneration Committee:** Please refer to paragraph 3.3 of this Report.
- c) **Shareholders' Rights:** A half-yearly declaration of financial performance, including a summary of significant events during the last six months is not sent individually to every shareholder. However, this information is made available on the Company's official website. Periodic financial results are published in the leading newspapers as mentioned under 'means of communication' in this Report.
- d) **Audit Qualification:** It is always Company's endeavour to present unqualified financial statements.
- e) **Training of Board Members:** Please refer to paragraph 2(viii) of this Report.
- f) **Mechanism for Evaluating Performance of Non-executive Board Members:** Presently, the Board of the Company comprises nine Non-executive Directors, including two Government Nominees. All of them have been appointed by the President of India through the Ministry of Power and, therefore, their performance evaluation is not done by the Board of the Company.
- g) **Whistle Blower Policy:** NHPC has defined and established a Whistle Blower Policy for reporting the instances of unethical/improper conduct and taking suitable steps to investigate and correct the same. No personnel have been denied access to the Audit Committee. In addition to this, a policy to prevent frauds has also been adopted by the Company for reporting on frauds or suspected frauds involving employees as well as representatives of vendors, suppliers, contractors, consultants, service providers or any other party doing any type of business with NHPC. All reports on frauds or suspected frauds are investigated with utmost speed. The mechanism for prevention of frauds is also included in the policy.



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ANNEXURE-B

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION PURSUANT TO CLAUSE 49(V) OF THE LISTING AGREEMENT

To,
The Board of Directors,
NHPC Limited,
Faridabad

- a. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2014 and that to the best of our knowledge and belief :
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2013-14 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee
 - i. significant changes in internal control over financial reporting during the year 2013-14;
 - ii. significant changes in accounting policies during the year 2013-14 and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
(A B L Srivastava)
Director (Finance)
DIN 01601682

Place: New Delhi
Date: 07.07.2014

Sd/-
(R S T Sai)
Chairman and Managing Director
DIN 00171920

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
NHPC Ltd.

1. We have examined the compliance of conditions of Corporate Governance by NHPC Limited, for the year ended on 31.03.2014, as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchange(s).
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned listing agreement read with the guidelines on Corporate Governance issued by Department of Public Enterprises for CPSEs in May, 2010.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or the effectiveness with which the management has conducted the affairs of the Company.

**For- P.C. Jain & Co.
Company Secretaries**

**Place: Faridabad
Date: 14.08.2014**

**Sd/-
P. C. Jain
(Proprietor)
CP No. 3349**



Management Discussion and Analysis Report

Industry Structure and Development:

India, with over a billion people, has per capita availability of Electricity less than one fourth of World average. As the Indian economy is growing at a fast pace, for self-reliance in power, there is an urgent need to accelerate further Investment in Power Sector for country's sustained industrial and economic growth.

India has witnessed a robust growth in Power Sector since independence. The total installed capacity as on 31st March, 2014 was 2,43,029 MW with contribution of 1,68,255 MW, 40,531 MW, 4,780 MW and 29,463 MW from Thermal, Hydro, Nuclear and Renewable power respectively. Major share of power, from various sources such as coal, water, nuclear, fuel, solar and wind is generated by Public Sector (State and Central).

During the past two decades, Hydropower has gained much momentum across the globe. India ranks amongst top countries worldwide for possessing feasible Hydro Power capacity, much of which remains unutilized. Considering the growing need for power, future of India's Hydro Power generation looks promising and role of NHPC Limited, prominent.

NHPC is a Miniratna Schedule 'A' Enterprise having an authorized share capital of ₹ 15,000 crore, investment base of about ₹ 50,000 crore and an installed capacity of 6,507 MW. During 2013-14, your Company generated 18,386 MUs through various Power Stations located across the country.

In the years to come, NHPC hopes that hydroelectricity generation manifolds its role and thus resolves India's agricultural, industrial and household power requirements to a large extent.

Hydropower Potential in India

Our country is endowed with an enormous Hydro Power potential. The re-assessment studies of hydroelectric potential of the country were completed by Central Electricity Authority (CEA) in 1987. According to study, the Hydro Power potential in terms of installed capacity is estimated at 1,48,701 MW out of which 1,45,320 MW of the potential consists of hydroelectric schemes having installed capacity above 25 MW. A total of 845 Hydroelectric schemes have been identified in the various basins which will yield 442 billion units of electricity. In addition to above, Pumped Storage Schemes for an aggregate capacity of about 96,524 MW have also been identified by CEA.

Strategic Diversification

NHPC Limited, India's leading Company in Hydro Power is also at the initial stages of adding development of thermal, solar, wind, etc.

SWOT ANALYSIS

A) STRENGTHS

NHPC has the following primary competitive strengths:

- **Established track record in implementing Hydroelectric Projects:** NHPC has gained wide experience and expertise in implementing Projects which provides it with significant competitive advantage. It has a strong Design and Engineering base with in house expertise in Geology, Geophysics, Geotechnics, Construction & Material Surveys. Its Engineering capabilities range right from the stage of conceptualization to the commissioning of Projects. NHPC's team is supported by international and domestic project consultants.
- **Exposure of construction and operation of Hydro Projects in remote/ non-penetrative areas of Geotechnically sensitive Himalayan terrain:** Almost all NHPC Projects are situated in remote areas which come with a range of challenges in terms of climate, logistics and technology. However, with its strong and efficient team of competent and experienced professionals with the capability to execute all types and sizes of Hydro Power Projects, NHPC has successfully managed to develop and implement 20 Power Stations, including two through its subsidiary, NHDC.
- **Long term power purchase agreements with customers:** NHPC gets most of its revenue from the sale of energy to State Electricity Boards (SEBs) / Power Departments and their successor entities through Power Purchase Agreements (PPAs). Power from different Power Stations to various beneficiaries is allocated by the Ministry of Power, Government of India. The payments due from the state entities are currently secured through letters of credit pursuant to the tripartite agreements involving Government of India, the Reserve Bank of India and respective State Governments.

Further, the Company also obtains commitments from beneficiaries for purchase of power from new Projects as and when the Government of India decides to invest in such Projects.

- **Competent and committed workforce:** NHPC has a competent and committed workforce. Its executives have extensive experience in the industry. Their skills, industry knowledge and operating experience lead to competitive advantage.
- **Strong financial position:** NHPC is a Minirata Schedule 'A' Enterprise with an authorized share capital of ₹ 15,000 crore and an investment base of over ₹ 50,000 crore.

B) OPPORTUNITIES

The deteriorating hydro-thermal mix, increase in peaking shortages and frequency variations have forced policy makers to turn their attention towards water resources and development of Hydro Power. India's huge untapped hydro potential, especially in the North Eastern region, provides an inordinate opportunity for Hydro Power development. Besides NHPC is also diversifying in other areas namely thermal, wind, solar etc. to explore new opportunities.

C) THREATS/ WEAKNESSES

NHPC Management perceives the following as threats /risks /weaknesses in construction of Hydro Power Projects:

- **Environment & forest clearances** - Stringent norms and cumbersome procedures for getting Environment clearance, Forest clearance and clearance from National Board for Wild Life (wherever applicable) lead to delay in obtaining clearance of Projects, which may adversely affect the capacity addition programme.
- **Land Acquisition** - The process of land acquisition for infrastructure works as well as for Project's components including submergence is quite cumbersome and time consuming.
- **Geological Uncertainties** - In spite of extensive Survey and Investigation, various components of Hydro Projects such as head race tunnel, underground power house, pressure shaft, surge shaft, etc. face geological surprises especially in young Himalayan regions. Nonetheless, due to frequent occurrences of these surprises result in time and cost over-run of the Projects.
- **Inter-state and international disputes** - As water is a State subject in India, on account of inter-state river disputes, many Hydro Projects may get delayed or abandoned. Likewise, the Projects/Power Stations located in border areas quite often become reference points for differences in international relations.
- **Natural calamities** - Most Hydro Projects are generally located in remote mountainous terrains. On account of it, more often than not, these Projects are at the receiving end of devastating natural calamities. Such disasters in the form of landslides, hill slope collapses & roadblocks, flood and cloud burst cause severe setbacks in construction schedules.
- **Unexpected complexities** - Unexpected complexities and delays in clearances / execution due to reasons beyond one's control may cause variation/ escalation in estimates. Further, changes in CERC's tariff regulations may affect cash flow and results of operations.
- **Competition from Independent Power Producers (IPPs)** - NHPC is facing stiff competition from IPPs and other competitors in allotment of new Projects.
- **Law & Order** - Projects/ Power Stations of NHPC located at sensitive border areas witness law & order problems as well. Militant and extremist groups of the areas quite often target NHPC, perceiving it to be a Government representative.

D) RISKS AND CONCERNS

Hydro Power schemes are capital intensive and have a long gestation period. Availability of funds is always seen as one of the major constraints for construction of vast Hydro Power potential available in the country. Water being a State subject, State Governments are demanding higher share of free power and other incentives, resulting in higher tariff.

OUTLOOK

Effective initiatives adopted by NHPC for technological advancements in the areas of Civil and Electrical Engineering have improved key functions vis-a vis Planning, Survey & Investigation, Construction, Operation & Maintenance, etc. Similarly, optimum use of Information Technology has streamlined monitoring of construction activities as well as supervision of post commissioning Operation & Maintenance.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

NHPC has a well defined and well laid out inbuilt Control System in all the functional and operational areas. The processes involved are in accordance with a system of delegation of powers, documented policies, guidelines and manuals. The organization is well structured in terms of hierarchical authority and responsibilities at various levels.



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NHPC has an independent full fledged Internal Audit Department, reporting to Director (Finance). The department has qualified and experienced workforce to carry out audits periodically. Internal Audit Division has been carrying out special audits from time to time as desired by the Management. Work of Internal Audit of 15 Power Stations was outsourced to CA firms during the year 2013-14. Technical Officers were posted in the Internal Audit Division during the year 2013-14 to strengthen the audit effectiveness. The summary of Audit Observations and Action Taken Reports are being submitted before the Audit Committee and the recommendations of the Audit Committee are duly complied with.

FINANCIAL DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

A detailed financial discussion and analysis is furnished below on the Audited Financial Results of the Company for the Fiscal 2014 vis-à-vis Fiscal 2013.

Income

(₹ in crore)

	Fiscal 2014	Fiscal 2013
Units of electricity sold (million units)	15,942	16,397
Income		
Sales of Energy	5,335.11	5,049.13
Other operating income	115.54	141.24
Revenue from Contracts, Project Management and Consultancy Works	86.39	120.36
Other Income	1,456.95	992.78
Total (excluding income from exceptional items)	6,993.99	6,303.51

The income of the Company comprises income from Sales of Electricity, Other Operating Income, Contracts, Project Management & Consultancy services and Other Income. Other Operating Income includes Interest from Beneficiaries. Other Income mainly includes interest earned on investments of surplus funds, interest on Securitized Bonds / Long Term Advances, Dividend Income, etc. Total Income increased by 10.95 % to ₹ 6,993.99 crore in Fiscal 2014 from ₹ 6,303.51 crore in Fiscal 2013, primarily due to commissioning of four Projects namely TLDP-III, Nimoo Bazgo, Uri-II and Parbati-III during FY 2013-14 and full year operation of two Projects namely Chamera-III and Chutak, commissioned in FY 2012-13, increase in dividend income from subsidiary company, NHDC Ltd., realisation of Business Interruption Loss of Dhauliganga Power Station, increase in late payment surcharge, increase in interest on Fixed Deposits, impact of credit of current year other income in respect of Subansiri Lower & TLDP-IV Projects, which are under construction wherein work has been interrupted, compensated by decrease in sales due to less generation in old power stations, forced shut down of Dhauliganga Power Station due to flash flood and decrease in write back of liabilities/ provision.

Tariff

The charges for electricity are determined Power Station wise by the Central Electricity Regulatory Commission (CERC). The regulation has been issued by CERC pursuant to notification no. L-7/145(160)/2008-CERC dated January 19, 2009 which relates to the tariff period 2009-14 and subsequent amendments from time to time.

Tariff is determined by reference to Annual Fixed Charges (AFC), which comprises Return on Equity (ROE), depreciation, interest on loan, interest on working capital and operation & maintenance expenses. ROE is grossed-up with reference to applicable income tax rate (normal corporate tax rate or minimum alternate tax rate) so as to recover income tax incidence. Recovery of capacity charges is dependent on the actual utilisation of machines for generating power. Capacity is determined by reference to the Normative Annual Plant Availability Factor (NAPAF), which has been prescribed for each Power Station based on the nature of the Power Station.

Incentives are received for achieving a plant availability factor greater than NAPAF as well as for generating energy in excess of the design energy level of the plant.

Sale of Energy

Electricity is sold to bulk customers comprising, mainly electricity utilities owned by State Governments/ Private Distribution Companies. Sale of electricity is made pursuant to long-term power purchase agreements. Sales have been recognized as per tariff notified by Central Electricity Regulatory Commission (CERC). Tariff for the tariff period 2009-14 has since been fixed in respect of 16 out of 18 Power Stations.

However, sales in respect of Chamera-III, Chutak, Uri-II and Nimoo Bazgo Power Stations have been recognised based on provisional tariff as notified by CERC. Further, in respect of TLDP-III Power Station, sales have been recognised provisionally based on 85% of capital cost filed with CERC and in respect of Parbati-III Power Station, sales have been recognised provisionally based on sanctioned capital cost.

The said regulations inter-alia provides that for the purpose of filing tariff petitions, ROE is to be grossed-up using applicable Minimum Alternate/Corporate Income Tax Rate for the financial year 2008-09 as per Income Tax Act, 1961. Further, CERC vide notification no. L-7/145/(160)/2008-CERC dated 21.06.2011 provides that the Generating Company shall recover the shortfall or refund of excess Annual Fixed Charge on account of Return on Equity due to change in tax rate (as amended from time to time) of the respective year directly without making any application before the Commission.

In Fiscal 2014, 15,942 MUs of electricity was sold from installed capacity of 4,831.20 MW and in Fiscal 2013, 16,397 MUs was sold from installed capacity of 4,024.20 MW. This represents a decrease of 2.78 % in the number of units sold out. The average selling price (after adjustment of components of earlier year sales) was ₹ 3.38 per unit in Fiscal 2014, compared to ₹ 3.06 per unit in Fiscal 2013.

Sale of energy increased by 5.66% to ₹ 5,335.11 crore in Fiscal 2014 from ₹ 5,049.13 crore in Fiscal 2013 primarily due to commissioning of four projects during FY 2013-14 & full year operation of two projects commissioned in FY 2012-13, compensated by decrease in sales due to less generation in old Power Stations including forced shut down of Dhauliganga Power Station. Company's Plant Availability Factor (PAF) in Fiscal 2014 was 77.70% as compared to 85.30% in Fiscal 2013.

Adjusted Sales of Energy

The revenue from sales of energy includes sales pertaining to earlier years but recognised in current year. It also includes Un-scheduled Interchange (UI) charges for the deviation in generation with respect to schedule (payable or receivable) at rates linked to frequency prescribed in the regulation to bring grid discipline and re-imbursement on account of Foreign Exchange Rate Variation (FERV).

As per CERC Tariff Regulations, exchange rate variation on interest payments and loan repayments corresponding to the normative loans considered for tariff of Stations/ units is payable/ recoverable to/ from the beneficiaries on repayment of the loans and interest thereon. Pursuant to an opinion of Expert Advisory Committee of the ICAI, foreign exchange rate variation on restatement of foreign currency loans as at the Balance Sheet date which is payable/ recoverable to/ from customers later-on on actual settlement is accounted for by creating a deferred liability/ asset in the accounts instead of adjusting the same in the profit & loss account.

For the purpose of year to year comparison, the impact of earlier year sales has been excluded from sales of energy in order to arrive at the adjusted sales of energy.

The revenue from sales of energy after such adjustments is as under:

(₹ in crore)

	Fiscal 2014	Fiscal 2013
Gross Sales	5,405.60	5,407.06
Add: Write back of Advance Against Depreciation (AAD)	50.17	50.17
Less: Regulated Sales Adjustment	5.83	195.82
Less: Sale of infirm power	8.35	37.58
Less: Adjustment for Foreign Exchange Rate Variation	105.35	118.10
Less: Tariff Adjustments	1.13	56.60
Net Sales	5,335.11	5,049.13
Less: Earlier year sales	126.89	279.23
Adjusted Sales of Energy	5,208.22	4,769.90

Earlier year sales have arisen primarily because of finalisation and revision of tariff in respect of Power Stations.

Increase in Adjusted Sales by 9.19 % is primarily attributable to commissioning of TLDP-III, Nimoo Bazgo, Uri-II and Parbati-III Projects during FY 2013-14 and full year operation of Chamera - III & Chutak Power Stations, commissioned in FY 2012-13.

Revenue from Contracts, Project Management and Consultancy Works

The revenue under this head includes revenue from entering into projects for Construction Contracts, Project Management and Consultancy assignments. These assignments primarily include works pursuant to the Pradhan Mantri Gram Sadak Yojna scheme in connection with



the development of rural roads and Rajiv Gandhi Grameen Vidyutikaran Yojna scheme relating to the establishment of rural electrification infrastructure, primarily distribution lines. These two schemes are overseen by different agencies of the Government of India (GOI) and executed by PSUs and government departments. We are responsible for executing the projects allocated to us in certain specified areas throughout India.

The income from Contracts, Project Management and Consultancy works decreased by 28.22% from ₹ 120.36 crore in Fiscal 2013 to ₹ 86.39 crore in Fiscal 2014 due to reduced activities.

Other Income

'Other income' mainly comprises income from securitized power bonds/ long term advances issued under one time settlement scheme, interest income from investment of surplus cash, dividend on equity investment in subsidiary company, late payment surcharge from beneficiaries, reversal of liability/ Provisions made in previous periods and miscellaneous income.

Other income was ₹ 1,456.95 crore in Fiscal 2014, an increase of 46.75% over other income of ₹ 992.78 crore in Fiscal 2013. Major components of Other Income are placed and discussed hereunder:

(₹ in crore)

Other Income	Fiscal 2014	Fiscal 2013
Interest on securitised power bonds/ long term advances	99.62	120.35
Interest on Term Deposit	620.28	536.17
Dividend	377.93	32.03
Late Payment Surcharge	121.57	75.12
Realisation of loss due to Business Interruption	99.99	-
Liability/ Provisions not required written back	36.43	192.87
Other miscellaneous income	101.13	36.24
Total	1,456.95	992.78

The decrease in interest income from securitised power bonds/ long term advances to the extent of ₹ 20.73 crore is due to redemption of these bonds/ long term advances amounting to ₹ 288.79 crore.

Interest on Term Deposit has increased to ₹ 620.28 crore during Fiscal 2014 as against ₹ 536.17 crore during Fiscal 2013 due to investments of surplus cash during the year.

Out of the Initial Public Offering (IPO) proceeds of ₹ 6,038.55 crore made during financial year 2009-10, sale proceeds of ₹ 2,012.85 crore was paid to Ministry of Power, Government of India and ₹ 4,025.70 crore was retained by the Company. Out of ₹ 4,025.70 crore, a sum of ₹ 3,477.90 crore has been utilised up to 31.03.2014 for recoupment of capital expenditure already incurred from internal accruals on the projects specified for utilisation, the unutilised amount of ₹ 509.09 crore has been invested in bank deposits as per extant investment policy of the Company and ₹ 38.71 crore recouped for meeting IPO expenditure.

During Fiscal 2014, ₹ 377.93 crore was earned as dividend from investments mainly in subsidiary company as against ₹ 32.03 crore during Fiscal 2013.

During Fiscal 2014, there was an impact of ₹ 58.72 crore on account of credit of current year other income, due to interruption of work in respect of Subansiri Lower and TLDP-IV Projects.

During Fiscal 2013, provision made in earlier years, against old outstanding receivables pertaining to M/s Delhi Transco Limited (erstwhile DESU) for ₹ 120.01 crore was reversed in view of the said old dues becoming recoverable.

Expenditure

(₹ in crore)

Expenditure	Fiscal 2014	Fiscal 2013
Generation, Administration and Other Expenses	995.41	509.14
Water Cess	620.50	590.28
Employees' Benefits Expense	1,058.67	887.41
Finance Cost	1,022.40	385.38
Depreciation & Amortization	1,210.76	969.29
Total Expenditure	4,907.74	3,341.50

Total expenditure increased by 46.87% to ₹ 4,907.74 crore in Fiscal 2014 from ₹ 3,341.50 crore in Fiscal 2013 mainly due to increase in Generation, Administration and Other Expenses by ₹ 516.49 crore, increase in Employees' Benefit Expense by ₹ 171.26 crore, Finance Cost by ₹ 637.02 crore and depreciation & amortisation by ₹ 241.47 crore. Our total expenditure as a percentage of our total income was 70.17 % in Fiscal 2014 compared to 53.01% in Fiscal 2013.

Generation, Administration and Other Expenses (excluding Water Cess)

'Generation, administration and other expenses' consists primarily of repair and maintenance of buildings and plant & machinery, security expenses, insurance expenses, electricity charges, provisions, etc. These expenses represent approximately 20.28% of the total expenditure in Fiscal 2014 as against 15.24% in Fiscal 2013. In absolute terms, these expenses increased approximately by 95.51% to ₹ 995.41 crore in Fiscal 2014 from ₹ 509.14 crore in Fiscal 2013. The increase of ₹ 486.27 crore in generation, administration and other expenses is primarily due to increase in expenses in Power Stations commissioned upto Fiscal 2012 by ₹ 189.28 crore, impact of ₹ 220.70 crore, due to charging of current year expenditure due to interruption of work in respect of Subansiri Lower & TLDP-IV Projects and increase of ₹ 76.30 crore due to commissioning of four Projects during Fiscal 2014 & full year operation of two Projects commissioned in Fiscal 2013. The increase of ₹ 189.28 crore in respect of Power Stations commissioned upto Fiscal 2012 includes provision in respect of electricity charges of ₹ 64.11 crore towards settlement of old outstanding issue pertaining to Dulhasti Power Station, provision of ₹ 50.38 crore for expenses incurred on Subansiri Upper, Kotli Bhel & Dhauliganga Intermediate Projects, increase in expenditure of ₹ 12.63 crore towards Corporate Social Responsibility & Sustainable Development, increase in insurance charges by ₹ 12.50 crore, increase in security expenses by ₹ 8.66 crore, increase in Repairs & Maintenance expenses by ₹ 28.10 crore and increase in other expenses by ₹ 12.90 crore.

In terms of expenses per unit of saleable energy, it was ₹ 0.62 in Fiscal 2014 as compared to ₹ 0.31 in Fiscal 2013.

Water Cess

Water Cess has increased to ₹ 620.50 crore during Fiscal 2014 from ₹ 590.28 crore during Fiscal 2013 mainly on account of commissioning of Nimoo Bazgo and Uri-II Power Stations in J&K during current financial year and full year operation of Chutak Power Station commissioned during Fiscal 2013.

Employees' Benefits Expenses

Employee benefit expenses include salaries and wages, allowances, incentives, contribution to Provident Fund and Employees Defined Contribution Superannuation Scheme & other funds and welfare expenses. These expenses account for 21.57 % of our total expenditure in Fiscal 2014 as compared to 26.56% in Fiscal 2013. In absolute terms, the employee costs have increased by ₹ 171.26 crore in Fiscal 2014 mainly due to commissioning of four Projects during Fiscal 2014 & full year operation of two Projects commissioned in Fiscal 2013 by ₹ 88.03 crore, impact of ₹ 107.17 crore due to charging of current year expenditure because of interruption of work of Subansiri Lower & TLDP-IV Projects, off-set by decrease in employee cost of Power Stations commissioned till Fiscal 2012 by ₹ 23.94 crore. This resulted in increase in the employee cost per unit of saleable energy from ₹ 0.54 in the Fiscal 2013 to ₹ 0.66 in the Fiscal 2014.

There were 9,838 employees on the payroll as of March 31, 2014, compared to 10,410 employees as of March 31, 2013. Of this, 5,607 and 5,123 employees were engaged in Operation and Maintenance areas of our Business during Fiscal 2014 & 2013 respectively. Employee benefit expenses increased by 19.30% to ₹ 1,058.67 crore in Fiscal 2014 from ₹ 887.41 crore in Fiscal 2013.

As a percentage of total income, employees' benefits expenses increased to 15.14% in Fiscal 2014 from 14.08% in Fiscal 2013.

Depreciation & Amortization

As per accounting policy of the Company, depreciation is charged on straight line method to the extent of 90% of the Cost of Assets following the rates and methodology 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.

Depreciation cost increased by 24.91% to ₹ 1,210.76 crore in Fiscal 2014 from ₹ 969.29 crore in Fiscal 2013. The primary reason for increase in Depreciation Expenses is on account of commissioning of four Projects during Fiscal 2014 & full year operation of two Projects commissioned in Fiscal 2013 by ₹ 233.39 crore and due to charging of current year expenditure due to interruption of work in respect of Subansiri Lower & TLDP-IV Projects by ₹ 8.08 crore.

As a percentage of total income, depreciation increased from 15.38% in Fiscal 2013 to 17.31% in Fiscal 2014.

Finance Costs

'Finance costs' consists primarily of interest expense on bonds and term loans. For accounting purposes, borrowings are denominated in Rupees, including those raised in foreign currencies, primarily consisting of Japanese Yen and Canadian Dollars. Besides, we also incur expenses on account of Guarantee Fees in connection with loans raised in Foreign Market.



Finance Cost increased by 165.30% to ₹ 1,022.40 crore in Fiscal 2014 from ₹ 385.38 crore in Fiscal 2013. The increase in Finance Cost is mainly due to charging of current year expenditure due to interruption of work in respect of Subansiri Lower & TLDP-IV Projects by ₹ 483.73 crore, due to commissioning of four Projects during Fiscal 2014 & full year operation of two Projects commissioned in Fiscal 2013 by ₹ 201.84 crore partially offset by decrease in interest expenditure by ₹ 48.55 crore due to repayment of borrowings.

Prior Period Items (Net)

Prior Period Items (Net) has increased by ₹ 503.30 crore in Fiscal 2014 mainly due to charging of previous years expenditure in respect of Subansiri Lower Project due to interruption of work by ₹ 506.73 crore on account of reversal in Fiscal 2014 of surcharge income from beneficiaries recognized in earlier years, off-set by reversal of provision created towards CSR and R&D Expenses in earlier years by ₹ 3.43 crore.

Exceptional Items

The income from exceptional items in Fiscal 2014 is NIL as against ₹ 240.01 crore in Fiscal 2013 on account of recognition of interest on old outstanding receivables pertaining to M/s Delhi Transco Limited (erstwhile DESU).

Profit Before Tax

Due to the reasons outlined above, our Profit Before Tax decreased by 50.56% to ₹ 1,583.06 crore in Fiscal 2014 from ₹ 3,202.13 crore in Fiscal 2013.

Tax Expenses

In Fiscal 2014, we provided ₹ 604.27 crore for tax as compared to ₹ 853.91 crore in Fiscal 2013. The decrease in tax in Fiscal 2014 is on account of decrease in current year taxes by ₹ 298.96 crore due to decrease in profit before tax, off-set by increase in deferred tax liability by ₹ 49.32 crore, primarily attributable to increase in Depreciation as per Income Tax Act (including additional depreciation) on account of commissioning of four new Projects during the current fiscal and increase in provision for Project expenses.

Impact of charging of borrowing cost and administrative & other general expense incurred in respect of Subansiri Lower Project and Teesta Low Dam Project (TLDP)-IV, due to interruption of work.

Impact on Income & Expenditure heads, due to non-capitalisation of borrowing cost & administrative and other expense incurred/ income earned in respect of Subansiri Lower Project and Teesta Low Dam Project (TLDP)-IV, which are under construction and wherein work has been interrupted since 16.12.2011 and 20.03.2013 respectively is as under:

(₹ in crore)

S.No.	Particulars	Subansiri Lower	TLDP-IV	Total
i)	Other Income	48.21	10.51	58.72
A	Total Income	48.21	10.51	58.72
i)	Generation, Administration and Other Expenses	177.44	42.96	220.70
ii)	Employee Benefits	72.24	34.93	107.17
iii)	Finance Cost	391.99	91.74	483.73
iv)	Depreciation & Amortisation Expenses	7.02	1.06	8.08
v)	Prior Period Items (Net)	507.66	(0.93)	506.73
B	Total Expenses	1,156.65	169.76	1,326.41
C	Profit Before Tax (A-B)	(1,108.44)	(159.25)	(1,267.69)
D	Tax Expenses	(234.77)	(33.69)	(268.46)
E	Profit After Tax (C-D)	(873.67)	(125.56)	(999.23)

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

Both internal and external sources of liquidity are utilised for working capital requirement and funding of capital expenditure requirements. Generally long term borrowings are entered into in the form of term loans or issue of bonds which may be in Indian Rupees or foreign currencies. Cash and Bank Balances were ₹ 5,303.83 crore and ₹ 5,616.01 crore as of March 31, 2014 and 2013 respectively, out of which ₹ 320.63 crore and ₹ 361.37 crore as of March 31, 2014 and 2013 respectively were held for Rural Road and Rural Electrification works being executed by the Company on behalf of other agencies and also includes unpaid dividend ₹ 4.83 crore and ₹ 3.92 crore as of March 31, 2014 and 2013 which were not freely available for the business of the Company.

Cash Flows

(₹ in crore)

	Fiscal 2014	Fiscal 2013
Net cash inflow/(outflow) from operating activities	3,646.03	1,897.59
Net cash inflow/(outflow) from investment activities	(479.80)	(1,294.53)
Net cash inflow/(outflow) from financing activities	(3,478.41)	(991.02)

Net Cash from Operations

The net cash from operating activities was ₹ 3,646.03 crore in Fiscal 2014. Net profit before tax and after extraordinary items was ₹ 1,583.06 crore in Fiscal 2014. Net cash from operating activities has been arrived at after adjusting non-cash items mainly depreciation (including prior period) of ₹ 1,225.25 crore, interest expenses of ₹ 1,022.40 crore, ₹ 1.13 crore on account of tariff adjustment, ₹ 50.17 crore for deferred revenue on account of advance against depreciation, ₹ 38.09 crore on account of provisions/liabilities not required written back, ₹ 766.28 crore towards interest earned on Deposits/Investments and other non-operating items. Changes in current assets and current liabilities had impact of cash inflow by ₹ 1,271.47 crore, which was due to the net effect of change in inventories, receivables and trade & other payables.

The net cash from operating activities was ₹ 1,897.59 crore in Fiscal 2013. We had net profit before tax and after extraordinary items of ₹ 3,202.13 crore in Fiscal 2013. Our net cash from operating activities has been arrived at after adjusting non-cash items mainly depreciation (including prior period) of ₹ 984.67 crore, interest expenses of ₹ 385.38 crore, ₹ 56.60 crore on account of tariff adjustment, ₹ 49.34 crore for deferred revenue on account of advance against depreciation, ₹ 192.87 crore on account of provisions/liabilities not required written back, ₹ 658.66 crore towards interest earned on Deposits/Investments and other non-operating items. Changes in current assets and current liabilities had impact of cash outflow by ₹ 1,289.03 crore, which was due to the net effect of change in inventories, receivables and trade & other payables.

Net Cash from Investing Activities

Our net cash used in investing activities was ₹ 479.80 crore in Fiscal 2014. This mainly reflected expenditure on fixed assets of ₹ 1,796.47 crore offset by decrease in Investments by ₹ 172.47 crore and interest income on Deposits/Investments by ₹ 766.28 crore and an amount of ₹ 377.92 crore towards dividend income.

Our net cash used in investing activities was ₹ 1,294.53 crore in Fiscal 2013. This mainly reflected expenditure on fixed assets of ₹ 2,083.75 crore offset by decrease in Investments by ₹ 98.53 crore and interest income on Deposits/Investments by ₹ 658.66 crore and a small amount of ₹ 32.03 crore towards dividend income.

Net Cash from Financing Activities

In Fiscal 2014, our net cash outflow from financing activities was ₹ 3,478.41 crore. We raised ₹ 2,528.01 crore from fresh domestic term loans & issue of bonds. Our cash outflow on account of buy back of equity shares was to the tune of ₹ 2,367.89 (including premium payment). We repaid borrowings to the tune of ₹ 1,318.46 crore and paid interest and finance charges of ₹ 1,461.70 crore. In Fiscal 2014, we paid final dividend (including dividend tax) of ₹ 858.37 crore for Fiscal 2013.

In Fiscal 2013, our net cash outflow from financing activities was ₹ 991.02 crore. We raised ₹ 2,526.65 crore of fresh domestic term loans & issue of bonds. We repaid borrowings to the tune of ₹ 1,200.66 crore and paid interest and finance charges of ₹ 1,321.14 crore. In Fiscal 2013, we paid final dividend (including dividend tax) of ₹ 995.87 crore for Fiscal 2012.



DISCUSSION OF BALANCE SHEET ITEMS

Balance Sheet Highlights

(₹ in crore)

	As of 31st March	
	2014	2013
Non-Current Assets		
Net Fixed assets	38,736.67	37,749.00
Non Current Investments	2,227.02	2,400.61
Long-term loans and advances	1,089.69	1,238.74
Other non-current assets	896.37	944.37
Current Assets		
Current Investments	251.87	250.74
Inventories	72.29	57.07
Trade Receivables	1,863.77	2,049.05
Cash & Bank Balances	5,303.83	5,616.01
Short-term Loans and Advances	2,093.55	2,099.56
Other Current Assets	1,441.21	2,099.85

Financial Condition

Net worth

The net worth of the Company at the end of Fiscal 2014 decreased to ₹ 26,067.65 crore from ₹ 27,840.50 crore in the previous Fiscal registering a decrease of 6.37% mainly due to buy back of shares aggregating to ₹ 2,367.89 crore, partially off-set by profit after tax for the year and proposed dividend including dividend tax.

Net Fixed Assets

Our fixed assets after depreciation, defined as net fixed assets, were ₹ 38,736.67 crore and ₹ 37,749 crore as of March 31, 2014 and 2013, respectively. Our fixed assets consist of land, dams, tunnels, buildings (including power house buildings), plant and machinery, office equipment, computers and intangible assets, etc.

Net fixed asset value increased by 2.62% in Fiscal 2014 as compared to Fiscal 2013 mainly due to increase in capital work in progress.

Investments (Current & Non-Current)

Investments are intended for long term and carried at cost. Current maturities of long term investments are depicted separately under Current Assets. Our total investment was ₹ 2,478.89 crore and ₹ 2,651.35 crore respectively as of 31st March, 2014 and 2013 which includes current investments (8.50% tax free State Government special bonds) to the tune of ₹ 250.74 crore and ₹ 250.74 crore as of 31st March 2014 and 2013 respectively.

The decrease in Investment is the net effect of decrease due to redemption of securitised power bonds as offset by increase in investment in Government of India Securities-Self Insurance Fund, other long term deposits and Investments in Joint Ventures/Subsidiaries.

Power Bonds received pursuant to the one time settlement scheme are also accounted for as investments. As of March 31, 2014 and 2013, these investments amounted to ₹ 510.03 crore and ₹ 760.76 crore respectively. The decrease in Power Bonds is due to its redemption.

Loans and Advances (Current & Non-Current)

Loans and advances as of March 31, 2014 and 2013 were ₹ 3,183.24 crore and ₹ 3,338.30 crore respectively, a nominal decrease of 4.64% over figures of previous Fiscal. Loans and advances include advance income tax, advances to our employees, contractors and suppliers.

Other Non-Current Assets

Our other non-current assets as of March 31, 2014 and 2013 were ₹ 896.37 crore and ₹ 944.37 crore respectively. Other non-current assets mainly comprises deferred foreign currency fluctuation assets and interest accrued on advance to Government of Arunachal Pradesh. The decrease of 5.08% in Fiscal 2014 as compared to the figures in Fiscal 2013 is mainly due to decrease in deferred foreign currency fluctuation assets.

Inventories

Inventories are valued at cost or Net Realisable Value whichever is lower. Our inventories were valued at ₹ 72.29 crore and ₹ 57.07 crore as of March 31, 2014 and 2013 respectively.

Trade receivables

These consist primarily of receivables relating to sale of electricity. It excludes receivable on account of unbilled revenue. The Trade receivables (net of provision for doubtful debts) as of March 31, 2014 and 2013 were ₹ 1,863.77 crore and ₹ 2,049.05 crore respectively excluding receivables on account of unbilled revenue to the tune of ₹ 426.04 crore and ₹ 1,203.55 crore as of March 31, 2014 and 2013 respectively. There is a decrease of 9.04% in trade receivables between Fiscal 2013 and Fiscal 2014.

Cash and Bank Balances

Our cash and bank balances consist of (i) cash surplus as of the balance sheet date in our current account and short term deposits and (ii) the unspent advances received from Government entities in respect of costs associated with the Pradhan Mantri Grameen Sadak Yojna scheme in connection with the development of rural roads and Rajiv Gandhi Grameen Vidyutikaran Yojana scheme relating to the establishment of rural electrification infrastructure.

Our cash and bank balances as of March 31, 2014 and 2013 were ₹ 5,303.83 crore and ₹ 5,616.01 crore respectively. The decrease of ₹ 312.18 crore during Fiscal 2014 is on account of cash out flow from investing & financing activities by ₹ 479.80 crore & ₹ 3,478.41 crore respectively as offset by cash inflow of ₹ 3,646.03 crore on account of operating activities. Our cash and bank balances included ₹ 320.63 crore (Previous Year ₹ 361.37 crore), held for Rural Road and Rural Electrification works being executed by Company on behalf of other agencies and also included unpaid dividend of ₹ 4.83 crore (Previous Year ₹ 3.92 crore) which were not freely available for the Business of the Company.

Other Current Assets

Other current assets mainly comprises interest accrued on loan to State Governments in settlement of dues, interest accrued on deposits, receivable on account of unbilled revenue, receivable from Subsidiaries / Joint Venture Companies, interest receivable from beneficiaries and claims recoverable. Our other current assets, as of March 31, 2014 and 2013 were ₹ 1,441.21 crore and ₹ 2,099.85 crore respectively, a decrease of 31.37% in Fiscal 2014 as compared to the figures in Fiscal 2013.

Liabilities and Provisions

(₹ in crore)

	As of March 31,	
	2014	2013
Non-Current Liabilities		
Long Term Borrowings	18,580.52	17,417.52
Deferred Tax Liabilities	766.67	460.69
Other Long Term Liabilities	1,605.81	1,705.69
Long Term Provisions	814.70	721.92
Current Liabilities		
Trade Payables	200.71	179.41
Other Current Liabilities	2,938.21	2,766.60
Short Term Provisions	3,002.00	3,412.67

Long Term Borrowings

Long Term Borrowings comprised Bonds, Secured Loans & Unsecured Loans amounting to ₹ 5,786.43 crore, ₹ 8,587.73 crore and ₹ 4,206.36 crore respectively as of March 31, 2014. For the Fiscal 2013, the Bonds, Secured loans & Unsecured loans stood at ₹ 4,850.28 crore, ₹ 8,754.59 crore and ₹ 3,812.65 crore respectively.

The Secured loans include borrowings from domestic banks and financial institutions along with Corporate Bonds raised in the Capital Markets that are secured against assets of the Company.

The increase in Long Term Borrowing to the extent of 6.68% over previous fiscal is mainly on account of fresh issue of Tax Free Bonds for ₹ 1,000 crore to meet out the capital expenditure of on-going Projects and for recoupment of expenditure already incurred from internal accruals.



Other Long Term Liabilities

Our long term liabilities include Deposits/ retention money, Income received in advance on account of Advance against Depreciation (AAD) and Deferred Income from Foreign Currency Fluctuation Account which are due for payment /adjustment after a period of more than 12 months.

The other long term liabilities as at March 31, 2014, stood at ₹ 1,605.81 crore against ₹ 1,705.69 crore for the previous fiscal. Out of above, AAD as of March 31, 2014 and 2013 were ₹ 1,209.71 crore and ₹ 1,259.88 crore respectively. AAD standing in the books is being written-back in a systematic manner consequent upon the removal of its concept by CERC w.e.f. 01.04.2009.

Other Current Liabilities

Our Current liabilities include current maturity of long term debts, interest accrued but not due on borrowings, Deposits/retention money, Income received in advance on account of Advance Against Depreciation (AAD) and Advance against cost of Project Management / Consultancy work remained unutilised, which are due for payment/adjustment within 12 months.

The current liabilities stood at ₹ 2,938.21 crore against ₹ 2,766.60 crore for the previous fiscal. The increase of 6.20% was mainly due to increase in current maturity of long term debts, statutory dues payable, other liabilities, offset by decrease in liability against capital works / supplies and provision towards amount recoverable in respect of Project Management / Consultancy works.

Provisions (Long Term & Short Term)

Provisions (Long Term & Short Term) include provision towards employee benefits (actuarial valuation), performance related pay, superannuation / pension fund, taxation, dividend & dividend tax, committed capital expenditure, etc.

Provisions (Long Terms & Short Term) stood at ₹ 3,816.70 crore against ₹ 4,134.59 crore for the previous fiscal. There has been an overall decrease of 7.69% in provisions (Long Term & Short Term), which is mainly due to decrease in provision for proposed dividend, dividend distribution tax thereon and provision for taxation compensated with increase in provision towards employee benefits (actuarial benefits) and other provisions.

Off-Balance Sheet Items

Contingent Liabilities

The following table sets forth the components of our contingent liabilities as of Fiscal 2014 and 2013.

(₹ in crore)

Particulars	Fiscal 2014	Fiscal 2013
Claims against the Company not acknowledged as debts in respect of:		
Capital Works	8,598.01	10,322.99
Land Compensation Cases	11.65	38.37
Disputed Income Tax, Sales Tax, Other Items	747.20	459.95
Total	9,356.86	10,821.31

Contingent liabilities decreased by 13.53% from ₹ 10,821.31 crore as of March 31, 2013 to ₹ 9,356.86 crore as at March 31, 2014 mainly on account of decrease in contingent liabilities relating to Capital Works.

BUSINESS AND FINANCIAL REVIEW OF SUBSIDIARIES / JOINT VENTURE COMPANIES

Highlights of the Subsidiaries and Joint Venture Companies of NHPC are as under:-

NHDC Ltd.

NHDC Ltd. was incorporated on 01.08.2000 as a Joint Venture of NHPC Limited (51%) and Government of Madhya Pradesh (49%) having authorised share capital of ₹ 3,000 crore. NHDC has commissioned Indira Sagar Power Project (1,000 MW) and Omkareshwar Power Project (520 MW). The Total Income of the Company as of March 31, 2014 and 2013, respectively was ₹ 2,115.43 crore and ₹ 1,338.19 crore. The Profit After Tax of the Company as of March 31, 2014 and 2013, respectively was ₹ 1,063.63 crore and ₹ 575.64 crore.

Loktak Downstream Hydroelectric Corporation Limited

Loktak Downstream Hydroelectric Corporation Limited was incorporated on 23.10.2009 as a Joint Venture of NHPC Limited (74%) and Government of Manipur (26%) having authorized share capital of ₹ 230 crore.

Chenab Valley Power Projects Pvt. Limited

Chenab Valley Power Projects Pvt. Limited was incorporated on 13.06.2011 as a Joint Venture of NHPC Limited (49%), Jammu & Kashmir State Power Development Corporation (JKSPDC) (49%) & PTC India Ltd. (2%) having authorized share capital of ₹ 500 crore for execution of Pakal Dul, Kiru & Kawar Hydroelectric Projects with installed capacity of 2,120 MW in Chenab River Basin.

National Power Exchange Limited (NPEX)

NPEX was incorporated on 11.12.2008 as a Joint Venture Company of NHPC, NTPC, Power Finance Corporation and Tata Consultancy Services under the name 'National Power Exchange Limited' to operate a Power Exchange at National level. NHPC is having 16.67% of equity participation in the said JV. However, the Company has decided to come out of this Joint Venture.

National High Power Test Laboratory Private Limited (NHPTL)

NHPTL was incorporated on 22.05.2009 as a Joint Venture Company of NHPC, NTPC, Power Grid and Damodar Valley Corporation each having 25% of equity participation. During the Fiscal 2013, Central Power Research Institute also entered into the Joint Venture thereby revising the equity participation to 20% of each Joint Venture partner. The Company has been incorporated to set up an Online High Power Test Laboratory for short-circuit test facility in the Country.

Consolidated Financial Statements of NHPC Limited, its Subsidiaries and Joint Venture Companies

The consolidated financial statements have been prepared in accordance with Accounting Standards (AS) 21 – 'Consolidated Financial Statements' and Accounting Standards (AS) 27 – 'Financial reporting of Interests in Joint Ventures' and are included in this Annual Report.

A brief summary of the results on a consolidated basis is given below:

(₹ in crore)

Particulars	Fiscal 2014	Fiscal 2013
Total Income (excluding Exceptional Items)	8,738.03	7,621.32
Profit before Tax	2,528.55	3,894.92
Profit after Tax (After adjustment of Minority Interest)	1,218.75	2,617.41

PERFORMANCE OF POWER STATIONS & PROJECTS DURING 2013-14:

S. No.	Name of Power Stations/ Projects	Generation Target (MU) 2013-14 for "Very Good" MOU rating	Actual Generation (MUs) 2013-14	Actual Generation (MUs) 2012-13	PAF Target (%) 2013-14 for "Very Good" MOU rating	Actual PAF (%) 2013-14	Actual PAF (%) 2012-13
1.	BAIRASIUL	720	638	721	90.0	93.3	98.3
2.	LOKTAK	520	640	581	90.0	90.9	92.7
3.	SALAL	3090	3235	3277	60.0	67.6	65.8
4.	TANAKPUR	445	384	481	58.0	53.9	64.6
5.	CHAMERA -I	2280	2341	2442	92.0	97.4	97.8
6.	URI	2775	2521	2967	68.0	73.0	80.7
7.	RANGIT	330	354	328	90.0	93.0	94.0
8.	CHAMERA-II	1460	1396	1434	92.0	97.4	96.7
9.	DHAULIGANGA	1120	282	1136	90.0	21.1	93.8
10.	DULHASTI	2220	2150	2043	92.0	94.1	85.4
11.	TEESTA-V	2400	2300	2268	90.0	81.6	86.7
12.	SEWA-II	500	502	484	85.0	97.2	81.9
13.	CHAMERA-III	1098	938	716	85.0	88.6	94.6
	Existing Power Station (A)	18958	17680	-	-	-	-

S. No.	Name of Power Stations/ Projects	Generation Target (MU) 2013-14 for "Very Good" MOU rating	Actual Generation (MUs) 2013-14	Actual Generation (MUs) 2012-13	PAF Target (%) 2013-14 for "Very Good" MOU rating	Actual PAF (%) 2013-14	Actual PAF (%) 2012-13
14.	CHUTAK	87	34	26	48.0	49.9	29.0
15.	TLDP III	594	192	3	80.0	32.5	-
16.	NIMOO BAZGO	118	72	16	43.2	67.6	-
17.	URI II	981	404	-	49.8	75.4	-
18.	PARBATI III	701	5	-	26.4	44.5	-
19.	TLDP IV	26	-	-	80.0	-	-
	New Projects* (B)	2507	706	-	-	-	-
	OVERALL (A+B)	21465	18386	18923	75.9	77.7	85.3

* AS PER MOU 2013-14 GENERATION TARGETS WERE SEPARATE FOR EXISTING AND NEW PROJECTS, HOWEVER PAF TARGETS WERE OVERALL FOR ALL PROJECTS OF NHPC.

NOTE: PAF figures of 2013-14 are provisional and subject to certification by respective RPC's .

MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

NHPC trains its staff at all levels in all the departments to keep their productivity, efficiency, competence and morale, high. These programmes help employees to keep up with the latest developments and changes happening in the field of Operations, Technology, HR, Engineering, etc.

The Company has set up four training centers at the following Power Stations—Tanakpur (Uttarakhand), Chamera-I (Himachal Pradesh), Salal and Uri-I (Jammu and Kashmir).

TRAINING

NHPC holds training programmes and learning ventures in association with top league institutions of the Country like the IIM Bangalore & Kolkata, ASCI Hyderabad, CPRI Bangalore, NCB Ballabgarh, ISM Dhanbad, National Water Academy (NWA) Pune, IIT Roorkee and Delhi, and KLG Systel Gurgaon, etc.

The Regional Training Centre established at Regional-III office, Kolkata has been taking care of the training needs of employees who have been posted in the units under Region-III, and those posted in the North Eastern region.

Special training programmes were also conducted for employees of SC/ST/OBC categories to acquaint them with the features of the reservation policy and essential provisions devised especially for them. Besides, these employees were also recommended for external training programmes on relevant subjects.

NHPC has sponsored executives to acquire higher qualifications and specialization in M Tech in Structural Engineering, Water Resource Development and Power Systems from IITs to encourage employees to improve their efficiency and productivity via higher qualifications.

WOMEN EMPLOYEES

The number and percentage of women employees in NHPC as on 31.03.2014 is:

	Total No. of Employees as of 31.03.2014	No. of female employees	% of overall staff strength
Total	9,838	947	9.63%

Steps taken for the welfare of women employees:

- Special care is taken to nominate women employees to attend training programmes/seminars on women empowerment and other issues related to women.
- Creche facility is provided in Corporate Office for employees with infants.
- Special committees with third party association have been set up to look into grievances/complaints of sexual harassment lodged by women employees.

- Child care leave for women employees to take care of their newborn/infant children.
- Maternity leave as per the rules.
- Option to declare parents/parents-in-law as dependents under medical rules.
- Relaxation in attendance timings for female employees at the Corporate Office.

RESERVATIONS FOR SCs/STs/OBCs

NHPC is taking care for socio-economic developments of SC/ST/OBC and weaker category sections of the societies at various Projects/Power Stations situated in remote areas of the Organization. NHPC provides budget allocation for Schools and Colleges at various SC/ST/OBC populated locations of the NHPC Projects/Power Stations. The Medical facilities are also being provided to all the weaker sections and SC/ST/OBC people where it is necessary. During natural calamities/ epidemic, NHPC is helping in different ways and organizing medical camps also.

The reservation and relaxation is provided to SCs/STs and OBCs in direct recruitment as per guidelines issued by DoPT from time to time. The relaxed standard and reservation is applicable for SC/ST employees while considering promotion. The Organization holds periodical meetings with SC/ST Employees. A SC/ST Cell is set up for the Welfare of SCs/STs and OBCs under the direct control of separate Liaison Officers for SC/ST and OBC respectively.

Representation of SC/ST/OBC employees is as under:

	Total Employees as on 31/03/2014	Representation					
		SCs	% age	STs	% age	OBCs	% age
Total	9,838	1,294	13.2	546	5.5	932	9.5

WELFARE OF PERSONS WITH DISABILITIES:

Representation of persons with disabilities:

	Total Employees as on 31/03/2014	Physically Challenged employees			% of Physically Challenged employees	
		VH	HH	OH	Total	% age
Total	9,838	8	2	73	83	0.8

VI=Visual Impaired, HI=Hearing Impaired, OH=Orthopedic Handicap

Steps taken for the welfare of physically challenged employees:

The reservation and relaxation is provided to Physically Challenged Employees in direct recruitments and promotions as per guidelines issued by DoPT/Ministry of Social Justice & Empowerment from time to time in addition to following welfare schemes:-

- Grant of Financial Assistance for vocational Training, who get physically handicapped while in service.
- Reimbursement of monthly Conveyance Allowance for Blind and Orthopedically Handicapped employees.
- Reimbursement of charges for purchase of hearing aid to the employees and their dependents and reimbursement of Cost of Artificial Limbs and extending interest free loans for the same.
- Restriction of age is not applicable in respect of physically/mentally retarded children while considering them as dependents.

ENVIRONMENT PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, RENEWABLE ENERGY DEVELOPMENTS, FOREIGN EXCHANGE CONSERVATION

NHPC is committed to preserving Country's heritage, natural endowments, and protecting the environment while carrying out Hydropower construction work to set the Country on the path of economic growth.

The Company makes an effort to create an environment where economic growth and environmental preservation can become compatible in the long run. NHPC ensures that the relation between optimal growth and sustainability; and the consequences of environmental policy for growth do not clash.

Adverse impacts of construction are compensated by adopting measures like compensatory afforestation, catchment area treatment, wildlife conservation, green belt development, fishery management, health management, rejuvenation of dumping and quarry sites, Resettlement & Rehabilitation, etc.



NHPC Limited

(A Government of India Enterprise)

NHPC shows concerns and sensitivity to the problems and aspirations of Project Affected Families (PAFs). Thus, after consultation with various stakeholders, NHPC formulated its own Resettlement & Rehabilitation (R&R) Policy in 2007; which is in keeping with the National Rehabilitation and Resettlement Policy (NRRP), 2007. An initiative hailed by one and all.

The policy assesses issues like loss of land, houses, and other means of livelihood of the PAFs. It facilitates an insight into resolving issues of income generation. Major emphasis is on making PAFs economically self-reliant and stable.

The policy offers benefits over and above what is proposed in NRRP, 2007. These include irrigation support systems, marriage grants to unmarried girls in BPL section, subsistence grants for asset-less youth, formation of self-help groups, facilities for orphans, and allotting up to 0.75 per cent of the estimated hard cost of a project towards community and social development plan.

In addition to this, NHPC also conducts Post-construction Environment and Social Impact Assessment Studies to evaluate the effectiveness of the management plans implemented during the course of construction of the Project.

NHPC is also exploring the possibility of Wind and Solar Power across the Country.

Corporate Social Responsibility

NHPC has a well-defined CSR and Sustainable Development Policy in line with Department of Public Enterprises Guidelines. A separate chapter on Corporate Social Responsibility (CSR) & Sustainable Development (SD) is given at **Annexure-VII**.

CAUTIONARY STATEMENT

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

For and On behalf of the Board of Directors

(R. S. T. Sai)

Chairman and Managing Director

DIN No.:00171920

Date: 14th August, 2014

Place: New Delhi

Annexure - IV

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988 READ WITH SECTION 217(1) (e) OF THE COMPANIES ACT, 1956:

A. Conservation of Energy

(a) Energy conservation measures taken

With a view to assess and optimize the performance of Power Station, Energy Audit of old Power Stations has already been completed and Energy Audit of recently commissioned Chamera-III Power Station is being carried out.

(b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy

The recommendations of CPRI to improve energy saving measures are being implemented in phased manner by Power Stations.

(c) Impacts of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

The anticipated energy savings is approximately 13 million KWh/year after implementation of energy saving measures in phased manner at Bairasiul, Salal, Loktak, Tanakpur, Chamera-I, Rangit, Uri-I, Chamera-II, Dhauliganga, Dulhasti, Teesta-V and Sewa-II Power Stations as recommended by CPRI in energy audit report which will reduce the cost of production of electricity.

B. TECHNOLOGY ABSORPTION

(e) Efforts made in technology absorption is given in Form-B which is annexed with this report.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(f) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans- No such activity was undertaken

(g) Total foreign exchange used and earned is given as under:

(₹ in crore)

S. No.	Particulars	2013-14	2012-13
1.*	Value of Imports calculated on CIF basis		
	i) Capital Goods	5.73	17.43
	ii) Spare parts	3.59	1.74
2.*	Expenditure in Foreign currency		
	i) Know How	-	(0.57)
	ii) Interest	45.17	53.36
	iii) Other misc. matters	216.18	108.64
3.*	Value of spare parts and components consumed in Operating units		
	i) Imported	-	2.51 (9.29%)
	ii) Indigenous	26.90	24.50 (90.71%)
4.*	EARNINGS IN FOREIGN CURRENCY		
	i) Interest Income	-	-
	ii) Others	0.05	3.03

* Accrual basis

FORM B

Research and Development (R & D)

1. Specific areas in which R&D carried out by the company during 2013-14:

- Development of procedure for onsite repair of EHV transformer (up to 400 kV) at Power Station.
- Application of GIS/GPS in river inflow/discharge measurements for Subansiri River.
- Development of Shaft seal for Silty Water for turbines.

2. Benefits derived as a result of the above Research and Development:

- Development of procedure for onsite repair of EHV transformer (up to 400 kV) at Power Station:** In present practice the EHV transformers have to be carried to the factory manufacturers for repair which is time consuming. With a standard procedure for onsite repair of EHV transformer by high-quality on-site testing technology, it will be possible to optimize the whole onsite processes associated to diagnosis and repair of large HV power transformers. Thereby, it will minimize cost and time in repairing of transformer & downtime at Power Station.
- Application of GIS/GPS in river inflow/discharge measurements for Subansiri River:** This application will help in getting the online discharge data with the help of GIS/GPS telemetry facility. This data can be recorded from a remote site instantaneously so that quick decisions regarding operational aspects & project are facilitated.
- Development of Shaft seal for Silty Water for machines:** The modified shaft seal of hard resin material, shall decrease downtime and increase efficiency, with ease of maintenance.

3. Future Plan of Action 2014-15:

- Development of fully automated river discharge measurement system for Subansiri River at downstream of Subansiri Lower Dam.
- Monitoring cavitation/erosion and measures to reduce the same in one Power Station.
- Renovation, modernization and Up-rating (RM&U) of Bairasiul Power Station.
- Monitoring silt levels and measures to reduce the ingress of silt in the reservoir of one Power Station.

4. Expenditure on R&D during the year 2013-14 :

(a)	Capital	0
(b)	Recurring	4,78,16,836
(c)	Total	4,78,16,836
(d)	Total R & D expenditure as a percentage of total turnover	0.09%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts, in brief, made towards Technology Absorption, Adaptation and Innovation are given as under:

- Hard Coating:** In past, various experimental studies, trials has been carried out in association with specialized organization in the field of Hard coatings for the underwater turbine components to improve their performance against erosion/ cavitation and identified HVOF process as a possible solution.
- NPP Project titled 'Development of Silt Erosion Resistant Material for Turbines of Hydro Generators':** Development of Silt Erosion Resistant Material for Turbines of Hydro Generators is done in association with M/s National Metallurgical Laboratory (NML), Jamshedpur. New alloy has been developed and patent has been registered. Field trials of the hydro-turbine component is under process.
- NPP Project titled 'Tunneling in water charged zones under high hydrostatic pressure':** This work was done by NHPC in 2013.

2. **Benefits derived as a result of the above efforts, like Product Improvement, Cost Reduction, Product Development, Import Substitution, etc. are given as under:**

- **Hard Coating:** Hard coating is an ongoing process. Tungsten carbide cobalt coating with HVOF process seems to be showing encouraging results.
- **NPP Project titled 'Development of Silt Erosion Resistant Material for Turbines of Hydro Generators':** Once the properties of this alloy are proven after field trials, it can help us in silt erosion on resistant coated treatment of various underwater turbine components for our future Hydro Projects.
- **NPP Project titled 'Tunneling in water charged zone area under high hydrostatic pressure':** The major benefits will be in working out a methodology for speedy & safe tunneling in water charged areas under high hydrostatic pressure.

3. **Technology imported during last 5 years**

No technology was imported since last 5 years.

For and On behalf of the Board of Directors



(R. S. T. Sai)

Chairman and Managing Director

DIN No.:00171920

Date: 14th August, 2014

Place: New Delhi

Annexure-V
A) Particulars of employee employed during the year who was in receipt of remuneration of not less than ₹ 60 Lakh per annum during the financial year 2013-14 is given as under:

S. No.	Name of Employee S/Shri	Designation	Date of Joining	Date of Leaving	Total Remuneration (In ₹)	D-Deputation R- Regular	Qualification	Age (In years)	Experience (In years)	Last employment held
1.	D P BHARGAVA	DIRECTOR (TECHNICAL)	20/02/1979	-	65,13,896	R	B.E. ELECTRICAL	58	35	NA

B) Particulars of employees employed during part of the year who were in receipt of remuneration of not less than ₹ 5 Lakh per month including arrear paid to employees retired/resigned during the financial year 2013-14 are given as under:

S. No.	Name of Employee S/Shri/Smt.	Designation	Date of Joining	Date of Leaving	Total Remuneration (In ₹)	D-Deputation R- Regular	Qualification	Age (In years)	Experience (In years)	Last employment held
1	KSH NANDA SINGH	SENIOR H.E.M OPERATOR GRADE II	19/03/1976	10/04/2013	14,84,672	R	8TH	56	37	NA
2	HARDYAL	OPERATOR (HEM) SPECIAL GRADE II	17/10/1986	15/04/2013	12,97,783	R	ILLETRATE	56	27	NA
3	GUNA KANTA TAMULI	TIMEKEEPER GRADE II	01/06/2000	16/04/2013	5,84,186	R	SENIOR SECONDARY	56	13	NA
4	L DEVEN SINGH	FITTER SPECIAL	01/09/1977	20/04/2013	14,20,404	R	7TH	58	36	NA
5	BHOLA RAM	SENIOR H.E.M OPERATOR GRADE II	19/02/1979	21/04/2013	15,58,956	R	8TH	60	34	NA
6	MANOJ KUMAR TYAGI	JE(MECH)-SPECIAL GRADE	11/06/2001	15/04/2013	7,84,692	R	DIPLOMA MECH. ENGG., SENIOR SECONDARY / 12TH, AMIE MECH. ENGG.	39	12	NA
7	SHEELA DEVI	SAFAI SPECIAL GRADE I	29/05/1982	30/04/2013	8,83,252	R	ILLETRATE	60	31	NA
8	MANOJ KUMAR	PLUM SPECIAL GRADE-II	16/05/1972	30/04/2013	10,89,717	R	MIDDLE	60	41	NA
9	JAGAT BAHADUR	SG SPECIAL GRADE I	12/12/1978	30/04/2013	12,07,438	R	ILLETRATE	60	34	NA
10	JAGAN RAI	FITTER -II	21/05/1981	30/04/2013	12,22,969	R	BELOW MATRIC	60	32	NA
11	AGHAN BAI	ATTENDANT SPECIAL- I	04/10/1978	30/04/2013	12,71,269	R	ILLETRATE	60	35	NA
12	DAMODAR OH DAR	DRESS SPECIAL GRADE II	06/10/1981	30/04/2013	12,72,428	R	MATRIC/SSLC	60	32	NA
13	NARESH	BELDAR SPECIAL GRADE I	24/01/1974	30/04/2013	13,61,746	R	7TH	60	39	NA
14	LOK RAM	SC ASSISTANT GRADE I	24/01/1974	30/04/2013	14,15,553	R	8TH	60	39	NA
15	KALU RAM	DAFTY SPECIAL	12/10/1971	30/04/2013	14,18,072	R	7TH	60	42	NA
16	GH HUSSAIN	ELECT. SPECIAL GRADE I	15/11/1984	30/04/2013	14,42,825	R	HIGHER SECONDARY, ITI	60	28	NA
17	GURDEV	BELDAR SPECIAL GRADE I	22/01/1974	30/04/2013	14,58,672	R	ILLETRATE	60	39	NA
18	THAKUR DASS	SC ASSISTANT SPECIAL II	18/01/1978	30/04/2013	14,66,602	R	BELOW MATRIC	60	35	NA
19	BABU RAM GUPTA	SENIOR ASSISTANT GRADE-I	12/06/1978	30/04/2013	14,81,708	R	MATRIC/SSLC	60	35	NA
20	PARAS RAM	MASTER TECHNICIAN (FITTER) GRADE-II	07/02/1977	30/04/2013	15,22,667	R	5TH	60	36	NA
21	P K MATHEW	MASTER TECHNICIAN (MECHANIC) GRADE-I	24/04/1982	30/04/2013	15,23,524	R	MATRIC/SSLC, ITI	60	31	NA
22	TIRLOK SINGH	SENIOR H.E.M OPERATOR GRADE II	01/04/1975	30/04/2013	15,25,498	R	BELOW MATRIC	60	38	NA
23	KRISHAN CHAND	SENIOR SUPERVISOR GRADE I	01/03/1984	30/04/2013	15,51,664	R	MATRIC/SSLC, ITI SURVEY	60	29	NA
24	SWAMI RAJ MANHAS	O S I	05/10/1976	30/04/2013	15,60,033	R	MATRIC/SSLC	60	37	NA
25	CHAMAN SINGH	METER READER	16/01/1976	30/04/2013	15,98,018	R	MATRIC/SSLC	60	37	NA
26	KARAM CHAND	MASTER ELECTRICIAN GRADE I	19/05/1982	30/04/2013	16,10,232	R	9TH	60	31	NA
27	J S THAKUR	ASSISTANT GRADE SPECIAL	26/06/1974	30/04/2013	16,15,792	R	MATRIC/SSLC	60	39	NA
28	MOHINDER KUMAR	SENIOR PHARMASIST-I	24/12/1979	30/04/2013	16,25,361	R	PUC, DIPLOMA PHARMASIST	60	33	NA
29	SURESH KUMAR SHARMA	SENIOR ASSTT. GRADE-I	15/07/1981	30/04/2013	16,26,000	R	MATRIC/SSLC	60	32	NA

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S. No.	Name of Employee S/Shri/Smt.	Designation	Date of Joining	Date of Leaving	Total Remuneration (In ₹)	D-Deputation R- Regular	Qualification	Age (In years)	Experience (In years)	Last employment held
30	A L AWASTHY	SENIOR ASSTT. GRADE-II	01/04/1975	30/04/2013	16,26,744	R	MATRIC/SSLC	60	38	NA
31	SIRI CHAND THAKAR	WORK ASSISTANT SPECIAL GRADE-I	18/07/1978	30/04/2013	16,45,651	R	ITI, MATRIC/SSLC	60	35	NA
32	DHANI RAM SHARMA	ASSISTANT ADMN OFFICER	04/09/1983	30/04/2013	16,49,367	R	SENIOR SECONDARY / 12TH, B.A.	60	30	NA
33	RAJ KUMAR	MASTER TECHNICIAN (MECHANIC) GRADE-I	01/07/1978	30/04/2013	16,51,248	R	ILLETRATE	60	35	NA
34	PRITAM SINGH	SENIOR SC ASSTT. GRADE I	08/04/1974	30/04/2013	16,58,797	R	MATRIC/SSLC	60	39	NA
35	MADAN GOPAL	MASTER ELECTRICIAN GRADE-I	19/04/1978	30/04/2013	16,91,142	R	6TH	60	35	NA
36	RAJ KUMAR PRASHAR	OFFICE SUPERINTENDENT I	27/01/1978	30/04/2013	17,02,704	R	HIGHER SECONDARY	60	35	NA
37	BHANDARI RAM SHARMA	OFFICER (HR)-(E02A)	15/02/1978	30/04/2013	17,05,284	R	B.A., PG DIPLOMA, PM & IR	60	35	NA
38	S KRISNAMOHAN SINGH	MASTER TECHNICIAN (MECHANIC) GRADE-I	19/03/1976	30/04/2013	17,53,241	R	MATRIC/SSLC, ITI	60	37	NA
39	NARINJAN SINGH	AM (IT)	27/09/1977	30/04/2013	17,72,418	R	B.SC., PG DIPLOMA COMPUTER SCIENCE, M.SC. COMPUTER SCIENCE, M.C.A	60	36	NA
40	DEV RAJ	MASTER ELECTRICIAN GRADE II	20/03/1976	30/04/2013	18,08,395	R	9TH	60	37	NA
41	RAM PRAKASH	MASTER TECHNICIAN (W/MEN) GRADE-II	17/12/1979	30/04/2013	18,09,120	R	8TH	60	33	NA
42	SUNIL BAHL	ED (HR)	03/02/1983	30/04/2013	18,20,588	R	PG DIPLOMA (1YEAR) PM & IR, M. COM., B.COM. (HONS), PG DIPLOMA IN PERSONNEL MGT.	60	30	NA
43	PARAS RAM	MASTER ELECTRICIAN GRADE II	29/08/1977	30/04/2013	18,49,121	R	ILLETRATE	60	36	NA
44	RATTAN CHAND	SENIOR H.E.M OPERATOR GRADE II	09/05/1979	30/04/2013	18,80,489	R	7TH	60	34	NA
45	DURGA PRASAD JOSHI	MANAGER (M)	06/05/1978	30/04/2013	19,52,983	R	DIPLOMA MECH. ENGG.	60	35	NA
46	T R DHINGRA	MANAGER (C)	28/09/1977	30/04/2013	20,76,734	R	DIPLOMA CIVIL ENGG.	60	36	NA
47	NANDAN SINGH BISHT	MANAGER (FIN)	13/01/1978	30/04/2013	22,39,167	R	SAE, B.A.	60	35	NA
48	VIJAY TIKOO	SM (E)	31/12/1980	30/04/2013	22,94,350	R	DIPLOMA ELECT. ENGG.	60	32	NA
49	L MANGLEM SINGH	LINEMEN GRADE II	01/06/1979	09/05/2013	42,07,556	R	7TH	54	34	NA
50	T N PANDEY	ELECT. SPECIAL GRADE I	13/02/1980	10/05/2013	15,46,400	R	BELOW MATRIC	54	33	NA
51	JEET BAHADUR	BELDAR SPECIAL GRADE I	25/04/1985	31/05/2013	11,57,142	R	ILLETRATE	60	28	NA
52	RAMJI PRASAD	STORE SPECIAL	01/11/1981	31/05/2013	12,27,223	R	MATRIC/SSLC	60	32	NA
53	AGYA DEVI	ATTENDANT SPECIAL- I	23/04/1985	31/05/2013	12,28,207	R	MATRIC/SSLC	60	28	NA
54	DHARAM CHAND	ATTENDANT SPECIAL- I	01/08/1977	31/05/2013	12,35,270	R	BELOW MATRIC	60	36	NA
55	BASHIR AHMAD	SG SPECIAL GRADE I	01/07/1984	31/05/2013	12,37,199	R	5TH	60	29	NA
56	KRISHAN CHAND	DRESS SPECIAL GRADE II	15/12/1984	31/05/2013	13,08,077	R	MIDDLE	60	28	NA
57	MAN BAHADUR	BELDER SPECIAL GRADE II	28/01/1978	31/05/2013	14,22,332	R	ILLETRATE	60	35	NA
58	SANSAR CHAND	COOK SPECIAL GRADE-II	27/09/1983	31/05/2013	14,37,523	R	8TH	60	30	NA
59	GIAN CHAND	SENIOR H.E.M OPERATOR GRADE II	13/01/1986	31/05/2013	14,39,765	R	7TH	60	27	NA
60	RAJ KUMAR RAJAK	MECHANIC SPECIAL	23/03/1978	31/05/2013	14,63,129	R	ILLETRATE	60	35	NA
61	SEH DEV	FITTER SPECIAL I	04/07/1981	31/05/2013	14,78,669	R	8TH	60	32	NA
62	AMAR SINGH	MASTER TECHNICIAN(MECHANIC) GRADEII	17/02/1976	31/05/2013	15,13,318	R	7TH	60	37	NA
63	KRISHAN SINGH	WORK ASSTT SPECIAL GRADE-I	18/05/1977	31/05/2013	15,52,849	R	MATRIC/SSLC	60	36	NA



S. No.	Name of Employee S/Shri/Smt.	Designation	Date of Joining	Date of Leaving	Total Remuneration (In ₹)	D-Deputation R- Regular	Qualification	Age (In years)	Experience (In years)	Last employment held
64	KARAM CHAND	SENIOR H.E.M OPERATOR GRADE II	02/07/1986	31/05/2013	15,59,848	R	7TH	60	27	NA
65	BODHA	LINEMEN GRADE I	01/07/1977	31/05/2013	15,95,173	R	BELOW MATRIC	60	36	NA
66	PUSHPA DEVI	AG SPECIAL GRADE-I	15/03/1984	31/05/2013	16,13,558	R	MATRIC/SSLC	60	29	NA
67	MAKHAN SINGH	MASTER TECHNICIAN (SBT) GRADE-II	05/04/1978	31/05/2013	16,32,549	R	BELOW MATRIC	60	35	NA
68	HUKUM SINGH	FITTER SPECIAL	27/12/1978	31/05/2013	16,66,846	R	MATRIC/SSLC	60	34	NA
69	SHARDA RANI	ASST. ADMN OFFICER	01/05/1981	31/05/2013	17,11,899	R	B.A.	60	32	NA
70	TEJ SINGH	SENIOR F/MAN (E) - SPECIAL	07/04/1971	31/05/2013	17,16,973	R	BELOW MATRIC	60	42	NA
71	RAGHUBIR SINGH	AG SPECIAL	26/12/1974	31/05/2013	17,24,158	R	B.A.	60	38	NA
72	DES RAJ	MASTER TECHNICIAN (FITTER) GRADE-II	09/05/1979	31/05/2013	17,52,863	R	8TH	60	34	NA
73	RASH PAL SINGH	SENIOR F/M-SPECIAL	10/12/1984	31/05/2013	18,57,502	R	MATRIC/SSLC	60	28	NA
74	BIDHU RAM	MACHINE OPERATOR (GEN/ TUR) GRADE-I	05/11/1977	31/05/2013	18,86,574	R	MATRIC/SSLC	60	36	NA
75	S C DHANIA	AM (ADMN)	17/06/1978	31/05/2013	19,09,999	R	B.A., PG DIPLOMA PM & IR, PG DIPLOMA IN PUBLIC RELATIONS	60	35	NA
76	RISHI KESH	MASTER TECHNICIAN (MACHINIST) GRADE-I	24/04/1976	31/05/2013	19,14,693	R	ITI, 6TH	60	37	NA
77	S IBOCHOUBA SINGH	DM (ADMN)	26/06/1979	31/05/2013	19,83,234	R	B.SC.	60	34	NA
78	MOHAN SINGH	MASTER TECHNICIAN (RIGGER) GRADE-I	01/06/1975	31/05/2013	20,82,918	R	ILLETRATE	60	38	NA
79	NAND LAL	DM (ADMN)	04/01/1974	31/05/2013	20,90,371	R	B.A.	60	39	NA
80	K K BHOLA	MANAGER (E)	22/06/1977	31/05/2013	23,03,919	R	DIPLOMA ELECT. ENGG.	60	36	NA
81	BINODA NAND JHA	CHIEF MEDICAL OFFICER	22/10/1985	31/05/2013	23,78,150	R	MBBS	60	28	NA
82	IDREES AHMAD KHAN	MANAGER (LIB)	23/05/1978	31/05/2013	26,45,263	R	B.A., B.Lib., DIPLOMA IN LIBRARY SCIENCE	60	35	NA
83	M K RAINA	ED	20/08/1979	31/05/2013	32,30,312	R	B.E. ELECTRICAL	60	34	NA
84	ROMESH CHANDER	MASTER TECHNICIAN (MECHANIC) GRADE-I	06/09/1978	09/06/2013	16,25,011	R	MATRIC/SSLC	56	35	NA
85	ANGREZ SINGH	ADMN. OFFICER	01/01/1973	10/06/2013	16,76,909	R	MATRIC/SSLC	59	40	NA
86	TEK BAHADUR MALLA	FITTER -II	28/08/1978	30/06/2013	15,24,207	R	MATRIC/SSLC	60	35	NA
87	JAMITO	BELDAR SPECIAL	09/02/1974	30/06/2013	15,90,675	R	BELOW MATRIC	60	39	NA
88	UJLESH CHAND	SG SPECIAL GRADE I	23/10/1973	30/06/2013	15,93,789	R	7TH	60	40	NA
89	TARA CHAND	MASTER TECHNICIAN (MECHANIC) GRADE.II	31/07/1978	30/06/2013	16,15,391	R	7TH	60	35	NA
90	HANS RAJ	CARPENTER SPECIAL	23/03/1976	30/06/2013	16,25,031	R	BELOW MATRIC	60	37	NA
91	RAM DIYAL	MASTER TECHNICIAN (LINEMAN) GRADE-II	09/02/1974	30/06/2013	16,61,620	R	ILLETRATE	60	39	NA
92	NAZIR AHMED	MECHNICAL SPECIAL GRADE I	26/07/1978	30/06/2013	16,63,823	R	BELOW MATRIC	60	35	NA
93	RAJ/VIR SINGH	OS-II	16/11/1979	30/06/2013	17,09,957	R	SENIOR SECONDARY/ 12TH, B.A.	60	34	NA
94	ASHOK KUMAR	MASTER TECHNICIAN (SBT) GRADE-II	04/10/1978	30/06/2013	17,20,180	R	8TH	60	35	NA
95	HARBANS SINGH	SENIOR F/MAN(C)	26/11/1975	30/06/2013	17,53,286	R	ILLETRATE BELOW MATRIC	60	38	NA
96	BESAR RAM	SENIOR H.E.M OPERATOR GRADE II	15/01/1976	30/06/2013	18,06,583	R	BELOW MATRIC	60	37	NA
97	MUNI NATH	SENIOR TIMEKEEPER GRADE II	01/06/1979	30/06/2013	18,07,850	R	MATRIC/SSLC	60	34	NA

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S. No.	Name of Employee S/Shri/Smt.	Designation	Date of Joining	Date of Leaving	Total Remuneration (In ₹)	D-Deputation R- Regular	Qualification	Age (In years)	Experience (In years)	Last employment held
98	CHOWDHARY RAM	MASTER TECHNICIAN (MECHANIC) GRADE II	13/07/1976	30/06/2013	18,10,186	R	9TH	60	37	NA
99	BALKAR SINGH	MASTER TECHNICIAN (MECHANIC) GRADE-I	27/10/1978	30/06/2013	18,20,248	R	8TH	60	35	NA
100	DHYAN SINGH	WORK ASSTT. SPECIAL GRADE-I	07/03/1974	30/06/2013	18,29,662	R	9TH	60	39	NA
101	DUNI CHAND	CARPENTER GRADE-I	25/05/1974	30/06/2013	18,40,569	R	ILLETRATE	60	39	NA
102	RAM JI SHAH	MASTER TECHNICIAN (RIGGER) GRADE-II	19/10/1975	30/06/2013	18,62,479	R	BELOW MATRIC	60	38	NA
103	DEV RAJ	SENIOR F/M -SPECIAL	02/11/1973	30/06/2013	18,96,311	R	BELOW MATRIC	60	40	NA
104	PARAMJEET SINGH	FITTER SPECIAL	01/10/1975	30/06/2013	18,98,236	R	BELOW MATRIC	60	38	NA
105	SAMIR CHANDRA DEB	STORE KEEPER GRADE I	19/03/1976	30/06/2013	19,22,676	R	HIGHER SECONDARY	60	37	NA
106	JAI PRAKASH SINGH	SENIOR SUP. (STORE)S-3	21/06/1977	30/06/2013	19,81,619	R	B.SC.	60	36	NA
107	R K OBERAI	O.S I	28/02/1979	30/06/2013	19,91,565	R	PUC	60	34	NA
108	UMESH JHA	MANAGER (FIN)	29/11/1978	30/06/2013	25,42,774	R	SAE, B.A. SECRETARIAL PRACTICE	60	35	NA
109	ANIL BHALLA	MANAGER (FIN)	05/06/1978	30/06/2013	29,05,707	R	SAE, B.COM.	60	35	NA
110	ASHOK KUMAR TEWARI	ED (LAW)	02/06/1983	30/06/2013	32,07,257	R	LLB, M.A., B.A.	60	30	NA
111	KHITU RAM	MACHINE OPERATOR GRADE-II	08/12/1977	15/07/2013	51,76,155	R	MATRIC/SSLC	56	36	NA
112	SURINDER SINGH	MASTER TECHNICIAN (RIGGER) GRADE-II	21/06/1977	31/07/2013	20,08,688	R	BELOW MATRIC	60	36	NA
113	ALI MOHD	AG SPECIAL GRADE-I	27/12/1977	31/07/2013	20,09,104	R	MATRIC/SSLC	60	36	NA
114	DHIAN SINGH	SENIOR F/M - SPECIAL	02/05/1973	31/07/2013	20,39,950	R	MATRIC/SSLC	60	40	NA
115	YUVRAJ KRISHNA	DM (PR)	25/01/1980	31/07/2013	20,49,110	R	B.A., M.A. IN JOURNALISM, DIPLOMA IN PUBLIC RELATIONS, POST GRADUATE IN MASS COMMUNICATION	60	34	NA
116	SYED NAJMUL HODA KAZMI	SENIOR ASSTT. GRADE-I	10/07/1978	31/07/2013	20,67,088	R	SENIOR SECONDARY/12TH	60	35	NA
117	HANS RAJ	SENIOR SC ASSTT GRADE I	18/01/1978	31/07/2013	20,76,614	R	HIGHER SECONDARY	60	36	NA
118	DHARAM SINGH	MASTER TECHNICIAN (RIGGER) GRADE-II	01/12/1975	31/07/2013	20,84,199	R	ILLETRATE	60	38	NA
119	KALYAN SINGH	MASTER ELECTRICIAN GRADE II	13/03/1982	31/07/2013	21,03,982	R	SENIOR SECONDARY/12TH	60	31	NA
120	RATTAN SINGH	SENIOR F/MAN(C)	21/02/1974	31/07/2013	21,04,139	R	BELOW MATRIC	60	39	NA
121	LAL MAN SHARMA	SENIOR F/M-SPECIAL	01/04/1974	31/07/2013	21,05,203	R	MATRIC/SSLC	60	39	NA
122	HARNAM SINGH	ASST. ADMN OFFICER	07/02/1978	31/07/2013	21,40,421	R	B.A.	60	36	NA
123	CHINTA MANI THAKUR	SENIOR OPERATOR (COMMUNICATION) GRADE II	14/02/1974	31/07/2013	21,62,817	R	MATRIC/SSLC	60	39	NA
124	JANARDAN JOSHI	AM (ADMN)	04/04/1976	31/07/2013	22,88,374	R	B.A.	60	37	NA
125	RAMESH CHANDER	SENIOR D/MAN-SPECIAL	10/05/1979	31/07/2013	23,37,756	R	PUC	60	34	NA
126	SUSHIL KUMAR DATTA	E D/MAN -GRADE 'A'	21/06/1982	31/07/2013	24,38,105	R	ITI DRAFTSMAN (CIVIL) MATRIC/SSLC	60	31	NA
127	KRISHAN LAL KHURANA	DM (SECURITY)	14/02/1978	31/07/2013	24,66,637	R	GRADUATE	60	35	NA
128	HARSIMRAN SINGH	MANAGER (SECURITY)	31/07/1978	31/07/2013	28,66,400	R	B.COM., PG DIPLOMA PM & IR	60	35	NA
129	S P TYAGI	MANAGER (E)	04/11/1978	31/07/2013	28,78,426	R	DIPLOMA ELECT. ENGG.	60	35	NA
130	B R GULATI	SM (E)	02/03/1976	31/07/2013	29,55,730	R	DIPLOMA ELECT. ENGG.	60	37	NA
131	SAT PAL SHARMA	SENIOR H.E.M OPERATOR GRADE I	23/02/1979	31/07/2013	31,99,890	R	BELOW MATRIC	57	34	NA



S. No.	Name of Employee S/Shri/Smt.	Designation	Date of Joining	Date of Leaving	Total Remuneration (In ₹)	D-Deputation R- Regular	Qualification	Age (In years)	Experience (In years)	Last employment held
132	MD ABDUL MANIKUDDIN	SECURITY GUARD SPECIAL	23/03/1978	17/08/2013	35,58,005	R	4TH	57	35	NA
133	A MANI SINGH	BELDAR SPECIAL	19/02/1982	17/08/2013	46,82,137	R	8TH	52	32	NA
134	TH SANTA KUMAR MEETEI	OPT (COMM) GRADE-II	01/07/1980	17/08/2013	48,29,909	R	B.A.	54	33	NA
135	KOSHAL KUMAR	SENIOR PHARMASIST-I	27/09/1977	31/08/2013	25,06,862	R	MATRIC/SSLC DIPLOMA PHARMASIST	60	36	NA
136	AMAR CHAND THAKUR	SENIOR ASSTT. GRADE-I	28/03/1974	31/08/2013	25,48,994	R	MATRIC/SSLC	60	39	NA
137	OM PARKASH	HELPER SPECIAL GRADE I	10/09/1979	31/08/2013	28,23,467	R	BELOW MATRIC	56	34	NA
138	Y SURJAMANI SINGH	MANAGER (E)	26/06/1978	31/08/2013	29,27,663	R	DIPLOMA ELECT. ENGG.	60	35	NA
139	SHAKTI CHAND	MATER TECHNICIAN (WELDER) GRADE-I	01/12/1975	31/08/2013	30,56,723	R	ITI	58	38	NA
140	MADAN LAL	MATER TECHNICIAN (RIGGER) GRADE-II	01/12/1981	31/08/2013	33,48,983	R	HIGHER SECONDARY	57	32	NA
141	LOCHU RAM	DRIVER SPECIAL	03/03/1975	31/08/2013	34,01,859	R	BELOW MATRIC	57	39	NA
142	SATRUGHAN RAI	MASTER TECHNICIAN (SBT) GRADE-II	05/10/1978	31/08/2013	38,65,398	R	5TH	56	35	NA
143	SUNIT SINGH	SENIOR D/MAN-SPECIAL	09/05/1979	31/08/2013	39,14,219	R	MATRIC/SSLC	58	34	NA
144	KHAYALI SHAHU	HELPER SPECIAL GRADE I	14/03/1984	31/08/2013	41,04,982	R	7TH	53	29	NA
145	DEV RAJ	OPT. (UTL) SPECIAL GRADE II	09/02/1977	31/08/2013	41,25,687	R	5TH	56	37	NA
146	BEDI RAM	HELPER SPECIAL	04/07/1980	31/08/2013	44,51,175	R	ILLETRATE	54	33	NA
147	DES RAJ	DRIVER SPECIAL	01/09/1976	31/08/2013	44,63,446	R	7TH	56	37	NA
148	RIT BAHADUR	OPT(HEM) SPECIAL GRADE I	01/01/1985	31/08/2013	44,77,470	R	8TH	51	29	NA
149	JEEBAN CHANDRA DEB	W/ASSTT SPECIAL	05/09/1977	31/08/2013	45,40,462	R	8TH	56	36	NA
150	T B THAPA	ASST ADMN OFFICER	01/03/1979	31/08/2013	58,11,379	R	MATRIC/SSLC	53	35	NA
151	RITA MOZA	AM (ADMN)	22/06/1981	16/09/2013	58,08,838	R	B.A.	55	32	NA
152	BAL BAHADUR	BELDAR SPECIAL GRADE I	04/04/1985	20/09/2013	40,14,785	R	ILLETRATE	55	28	NA
153	PURAN CHANDRA	DRIVER SPECIAL GRADE I	01/09/1987	26/09/2013	45,90,325	R	5TH	55	26	NA
154	UMESH CHANDER PATHAK	DM (HR)	12/06/1980	30/09/2013	33,90,265	R	GRADUATE PG DIPLOMA PM & IR	60	33	NA
155	KAUSHALYA DEVI	SAFAI SPECIAL GRADE I	06/07/1985	30/09/2013	36,41,380	R	BELOW MATRIC	55	28	NA
156	JANG BAHADUR	HELPER SPECIAL GRADE I	28/05/1979	30/09/2013	40,41,954	R	ILLETRATE	55	34	NA
157	MOHAN SINGH	OPT (HEM) SPECIAL GRADE I	08/05/1984	30/09/2013	41,19,654	R	BELOW MATRIC	56	29	NA
158	FIRANGI SAHU	WORK ASSTT. SPECIAL GRADE-I	11/04/1985	30/09/2013	43,66,428	R	MATRIC/SSLC	54	28	NA
159	TARLOK SINGH	OPT (BOAT) GRADE-I	06/09/1978	30/09/2013	44,73,001	R	BELOW MATRIC	55	35	NA
160	T AMUBA SINGH	SENIOR ASSTT. GRADE-II	01/09/1977	05/10/2013	43,11,137	R	B.A.	57	36	NA
161	NIKKA RAM	CE (M)	30/08/1976	31/10/2013	44,35,241	R	AMIE MECHANICAL	60	37	NA
162	D K BAKSHI	CE (M)	14/08/1976	30/11/2013	42,73,886	R	DIPLOMA AUTO ENG	60	37	NA
163	D S CHAUHAN	GM (HR)	17/01/1985	30/11/2013	43,56,116	R	LLB, M.A. IN PUBLIC ADMINISTRATION, PG DIPLOMA IN PERSONNEL MANAGEMENT, B.S.C.	60	29	Labour Officer in Hindustan Construction Co. Ltd
164	A K SHRIVASTAVA	CMO	03/11/1987	30/11/2013	44,33,755	R	MBBS	60	26	Assam Rifles
165	MADHUSUDHAN G	SENIOR SUP (C) -I	01/02/1981	30/11/2013	65,56,515	R	MATRIC/SSLC	53	33	JE in N D Mazumdar & Co, Kolkata/JE in P&T Kolkata/AR in Chukha Hydel Projects

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S. No.	Name of Employee S/Shri/Smt.	Designation	Date of Joining	Date of Leaving	Total Remuneration (In ₹)	D-Deputation R- Regular	Qualification	Age (In years)	Experience (In years)	Last employment held
166	SIBNARAYAN DATTA	CE (C)	10/09/1982	31/12/2013	45,17,870	R	B.E. CIVIL	60	31	REC, Kurukshetra/ Haryana Irrigation Deptt
167	SANDEEP KANSAL	CE (C)	11/05/1984	31/12/2013	48,64,752	R	M.SC ENGINEERING CIVIL	60	30	Technical Asstt. In CEA
168	VINOD KUMAR JAIN	CE (E)	01/06/1984	31/12/2013	51,33,406	R	B.E. ELECTRICAL	60	30	NA
169	D K RAY	ED	14/04/1980	28/02/2014	56,42,538	R	B.SC. ENGG. MECHANICAL	60	34	NA

Notes:

1. Remuneration includes Salary, allowances including cafeteria allowances, leave encashment, PPR/PLGI to Executives and Supervisors/Workmen, perquisite value, subsidized leased accommodation, reimbursement of medical expenses, employees and employer's contribution to provident fund and other funds. However, it does not include the monetary value of the medical treatment provided in the Company's dispensaries/hospitals at project sites, since it can't be quantified employee-wise. In addition, the employees are entitled to gratuity/group insurance in accordance with Company's rules.
2. Remuneration mentioned above is inclusive of retirement/separation benefits paid during the year and is not indicative of any regular remuneration structure of employees of the Company.
3. None of the employees listed above is related to any of the Directors of the Company.
4. None of the above employees was holding the percentage of equity shares of the Company within the meaning of sub-clause (iii) of Clause 2A of Section 217 of the Companies Act, 1956.

For and On behalf of the Board of Directors



(R. S. T. Sai)

Chairman and Managing Director

DIN No.:00171920

Date: 14th August, 2014

Place: New Delhi



BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company

L40101HR1975GOI032564

2. Name of the Company

NHPC Limited

3. Registered Address

NHPC Office Complex, Sector-33, Faridabad, Haryana-121003 (India)

4. Website

www.nhpcindia.com

5. E-mail id

brr@nhpc.nic.in

6. Financial Year Reported

2013-14

7. Sector(s) that the Company is engaged in (Industrial Activity code-wise)

*Group	Class	Sub-Class	Description
351	3510	35101	Electric power generation by Hydroelectric Power Plants.

*As per classification under National Industrial Classification, Central Statistical Organization, Ministry of Statistics and Programme Implementation, Government of India, New Delhi.

8. List three key products/services that the Company manufactures/provides (as in balance sheet).

- (i) Energy (Hydro Power)
- (ii) Consulting Services

9. Total number of locations where business activity is undertaken by the Company

9.1. Number of International Locations (Provide details of major 5)

NHPC has business presence in Bhutan and Ethiopia. In Bhutan, Detailed Project Report (DPR) of a project has been submitted and the clearance from Central Electricity Authority (CEA) is in its final stage. NHPC is also providing consultancy services for Engineering and Design to one ongoing Hydroelectric Project in Bhutan. In Ethiopia, NHPC is providing consultancy services for power generation to Ethiopian Energy Power Corporation through consortium of NHPC, PGCIL and BSES Rajdhani Power Limited.

9.2. Number of National Locations

We have 18 Power Stations and 4 construction Projects in 7 states across the Country.

State	Location	
	Under Operation	Under Construction
J&K	Baramulla (2), Kathua, Kargil, Leh, Reasi, Kishtwar	Bandipora
Himachal Pradesh	Chamba (4) and Kullu	Mandi
Uttarakhand	Champawat, Pithoragarh	
West Bengal	Darjeeling	Darjeeling
Arunachal Pradesh		Lower Subansiri
Sikkim	East Sikkim, South Sikkim	
Manipur	Bishnupur	

10. Markets served by the Company – Local/State/National/International

Electricity is sold to national beneficiaries in the following States/UT.

Jammu & Kashmir	Rajasthan	Sikkim
Himachal Pradesh	Uttar Pradesh	Manipur
Punjab	Bihar	Meghalaya
Chandigarh	Orissa	Mizoram
Uttarakhand	West Bengal	Tripura
Haryana	Assam	Nagaland
Delhi	Arunachal Pradesh	Jharkhand

Section B: Financial Details of the Company

1. Paid up Capital (INR)

INR 11,070.67 Crore (as on 31.03.2014)

2. Total Revenue (INR)

INR 5,537.04 Crore (Financial Year 2013-14)

3. Total Profit After Taxes (INR)

INR 978.79 Crore (Financial Year 2013-14)

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (%)

Our total spending in 2013-14 on CSR is INR 31.88 crore which is 3.26% of our PAT for FY 2013-14.

5. List of activities in which expenditure in 4 above has been incurred.

- Education
- Healthcare
- Sport, Arts and Culture/Other Initiatives
- Rural Development-Social and Physical Infrastructure Development
- Environment & Sustainability

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?

Yes. Presently NHPC Limited has two Subsidiary Companies, namely:

- NHDC Limited
- Loktak Downstream Hydroelectric Corporation Limited

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

No. The subsidiary companies do not participate in any of the BR initiatives of the parent company.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

None of the entities that the company does business with participate in its BR initiatives.

Section D: BR Information

1. Details of Director/Directors responsible for Business Responsibility

1.1. Details of the Director/Directors responsible for implementation of the Business Responsibility Policy / Policies

- DIN Number: 01601682
- Name: Shri A. B. L. Srivastava
- Designation: Director (Finance)

1.2. Details of the Business Responsibility Head

- DIN Number: Not Applicable
- Name: Shri A. K. Sarkar
- Designation: ED (Planning)
- Telephone Number: 0129-2271425
- Email Id: aksarkar@nhpc.nic.in

2. Principle-wise (as per NVGs) Business Responsibility Policy / Policies:-

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	N	Y	Y	Y	Y	Y
3	Does the policy confirm to any national/international standards? If yes, specify?(The policies are based on the NVG guidelines in addition to conformance to the spirit of international standards like ISO 9001, ISO 14001 and OHSAS 18001)	Y	Y	Y	Y	Y	N	Y	N	
4	Has the policy being approved by the Board? If yes, has it been signed by the MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?*	Y	Y	Y	Y	N	Y	Y	Y	Y
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	N	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	N	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	N	Y	Y	Y	Y	Y	Y	Y

* CSR and Sustainability policy is available at: www.nhpcindia.com/csr-policy.htm. Resettlement & Rehabilitation policy is available at: www.nhpcindia.com/r-and-r-policy.htm. Fraud Policy, Corporate Governance compliance and Policy for Banning Business Dealings are available at: www.nhpcindia.com/corporate-governance.htm. Code of Business Conduct and Ethics, Whistle Blower Policy, Integrity Pact, Integrated Management System Certificate and NHPC Conduct, Discipline and Appeal Rules are available over the company intranet.

2A. If answer to S. No. 1 against any principle is 'No', please explain why:

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The Company has not understood the Principles	Not Applicable								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to Business Responsibility

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.**

The Business Responsibility performance of the Company is assessed annually at the end of financial year.

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

This is the second Business Responsibility Report. Similar to the last year, this would be published annually and will be part of the Annual Report. This report can be accessed at <http://www.nhpcindia.com/annual-report.htm>.

Section E: Principle-wise performance

Principle 1

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

The company considers Corporate Governance norms as an integral part of good management. The Company has a Code of Business Conduct and Ethics which is applicable to its Board Members and Senior Management Personnel. In addition, the company has a Fraud Policy to prevent fraud or suspected fraud. Whistle Blower Policy has also been adopted. Further, the Company has implemented an Integrity Pact for all the procurement works of the value of ₹ 15 Crore and more, and for procurement of goods and services of the value of ₹ 25 lakh. In addition, NHPC also has policy and procedure in place for banning business dealings with bidders (i.e. Group / Joint Venture / Suppliers / Contractors) in the event of an unethical behaviour.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

We have received some stakeholder complaints during 2013-14 with regard to violation of the Corporate Governance norms and Code of Business Conduct and Ethics.

The numbers of complaints as available are as follows:

Description	Opening Balance as on 1 st April, 2013	Received During the Year 2013-14	Resolved During the Year 2013-14	Pending as on 31 st March, 2014
Shareholder				
Non-receipt of refund orders	0	162	162	0
Non-receipt of dividend warrants	0	2272	2272	0
SEBI Complaints	7	68	73	2
Stock exchange complaints	0	9	9	0
Consumer forum/ Court cases	2	0	0	2
Supplier				
Supplier fraud	1	1	1	1

The company has observed no complaints under its Whistle Blower Policy in 2013-14.

Under the Fraud Policy, one complaint received in 2012-13 has been resolved and the supplier has been black listed for 5 years. For the complaint received in 2013-14, investigation is under progress and suitable action will be taken after investigation.

Principle 2

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

Hydropower generation.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)**

Hydroelectric Projects generate electricity by non-consumptive use of water so there is no reduction of resources. Hydropower is a renewable source of energy.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company emphasizes to establish good relationship with its vendors and include them in its growth story. The Company follows International Competitive Bidding (ICB) system for selecting agencies for executing the construction of Hydro Power Projects. The techno-commercial bids are examined in line with ICB practices, CVC guidelines and various other vendor practices like safe working conditions, implementation of labour laws, environment policies etc. The Company officials interact with all agency/agency's representatives on regular basis in a transparent manner.

However, it is difficult to ascertain the percentage of inputs sourced from these suppliers accounting towards total inputs due to many different kinds of materials being used by the Company.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Hydropower generation only requires non consumptive use of water as raw material. However, various Contracts have been entered with locals around project for vehicle hiring, material handling, housekeeping, waste handling and horticulture. These Contracts have led entrepreneur development around project sites and have created indirect employment for local populace.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)

Hydroelectric power generation does not produce any waste. Electricity which is the product of hydroelectric power plants is produced by non-consumptive use of water. Further, sound & optimal design practices are being followed to build safe & sustainable structures for our Projects.

Principle 3

- Please indicate the Total number of employees.
- Please indicate the Total number of employees hired on temporary/contractual/casual basis.
- Please indicate the Number of permanent women employees.
- Please indicate the Number of permanent employees with disabilities.
- Do you have an employee association that is recognized by management?
- What percentage of your permanent employees is members of this recognized employee association?
- Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.
- What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

1.	Total number of employees	9,838 (as on 31.03.2014)
2.	Total number of employees hired on temporary/ contractual/ casual basis	NHPC does not directly employ contract employees.
3.	Total number of permanent women employees	947 (as on 31.03.2014)
4.	Total number of permanent employees with disabilities	83 (as on 31.03.2014)
5.	Employee Associations	No formal recognition has been extended to any association or union from the Corporate.
6.	Percentage Membership of permanent employees in employee association	Not Applicable
7.	Number of complaints relating to child labour, forced labour, involuntary labour in 2013-14 and pending, as of end 2013-14.	None received in this category and none pending.
	Number of complaints relating to sexual harassment in 2013-14 and pending, as of end 2013-14.	Complaint Filed: 0 Complaint Pending: 0
	Number of complaints relating to discriminatory employment in 2013-14 and pending, as of end 2013-14.	None received in this category and none pending.

8.	Percentage of employees who underwent safety and skill up-gradation training (as a percentage of respective total of each category) (2013-14)	
	Permanent employees	35.88%
	Permanent women employees	28.63%
	Temporary/contractual/casual	Not Applicable
	Employees with disabilities	29.68%

Principle 4

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes. We have mapped and identified external stakeholders, including disadvantaged, vulnerable and marginalized stakeholders. Our stakeholders include – employees, customers, local communities, suppliers and contractors, investors and shareholders, Government and regulators and peers and industry ecosystem.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

Our disadvantaged and vulnerable stakeholders include differently-abled employees, girls/women, SC/ST communities and rural/Project displaced communities in and around our Projects.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

- Differently-abled employees: Company endeavours to make NHPC a workplace which is conducive to differently abled employees and employees with special needs. It aims to make these employees self confident through an array of events, forums and trainings specifically crafted for their benefit.
- Girls/women and SC/ST communities: In the vicinity of Project locations, the Company provides scholarship to SC/ST & girl students for education and facilitating literacy programmes in rural areas. The Company works towards upgrading the level of primary education of local communities by conducting training sessions for primary teachers and establishing coaching centres. The Company is providing vocational training to rural youth/women to enhance their employability & develop entrepreneurship.
- Rural/Project displaced communities: The Company tender for works, advises contractor to employ staff and labour with appropriate qualifications and experience from the region of the Project to a practical and reasonable extent. The Company contract provisions for a tender also state that unskilled labour shall be recruited from local regions only. In addition, the contract manual for Civil Works & Service Contracts provides relaxed conditions for Project affected families/persons for registration as Class 'D' & 'E' Contractor in NHPC.

Principle 5

1. Does the policy of the company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company commits to conducts business in a socially and ethically responsible manner by conforming to all the requirements of SA 8000 standard. Currently, the "NHPC Conduct, Discipline and Appeal Rules" is applicable to only our employees, though we expect our stakeholders to adhere and uphold the standards contained therein. The "NHPC Conduct, Discipline and Appeal Rules" are meant to protect any employee right or privilege to which he is entitled; by or under any law for the time being in force; or by the terms and conditions of service or any agreement subsisting between such person and the Company.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The number of complaints as available with Employee Grievance Redressal Cell is:

Opening Balance as on 01.04.2013	Received During the Year 2013-14	Resolved During the Year 2013-14	Closing Balance as on 31.03.2014
3	24	26	1



Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others

NHPC possesses Integrated Management System certificate, which covers quality, environment and occupational health & safety management system for its Corporate Office and Projects/Power Stations.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes, the Company is in the business of Hydropower generation, which is clean power and reduces green house gases compared to other conventional mode of power generation. It also enhances energy security of the country where there is deficit of energy and shortage to meet peak demand.

Besides this NHPC is an Integrated Management System (IMS) certified Company which addresses the requirements of International Standards ISO 9001:2000 (Quality Management System), ISO 14001:2004 (Environment Management System) and OHSAS 18001:2007 (Occupational Health and Safety Assessment Series) as per PAS 99:2006 for NHPC Corporate office. IMS certification truly reflects its international acceptability for the efforts put in for carrying out the development in an environmentally congenial manner. The environment policy adopted by NHPC aims to address the environmental concerns in the Hydropower sector, optimum utilization of natural resources and to maintain and continually improve Environment Management system to conform to International standards.

Few key areas of focus for NHPC in the field of Environmental Management include the following:

- i. Catchment Area Treatment (CAT)
- ii. Compensatory Afforestation/Voluntary Afforestation
- iii. Green Belt Development & Landscaping
- iv. Reservoir Rim Treatment
- v. Rejuvenation of Muck Dumping and Quarry sites
- vi. Biodiversity Conservation
- vii. Conservation and Management of Fishes
- viii. Post Construction Impact Evaluation

The details of these key areas are available at <http://www.nhpcindia.com/key-areas.htm>

3. Does the Company identify and assess potential environmental risks? Y/N

Yes, NHPC is committed to Hydropower generation in a sustainable manner. Environmental Impact Assessment (EIA) is undertaken during Detailed Project Report (DPR) preparation stage to identify probable impacts (positive as well as negative) on environment. Based on the findings of the EIA, Environmental Management Plans (EMP) are proposed and implemented during Project construction to minimize adverse impact.

4. Does the Company have any project related to Clean Development Mechanism? If Yes, whether any environmental compliance report is filed?

Yes. Two NHPC Hydroelectric Projects namely Nimmo Bazgo and Chutak located in J&K State have been registered by CDM Executive Board of United Nations Framework Convention on Climate Change (UNFCCC) during March, 2009 under the methodology ACM0002: Consolidated methodology for grid connected electricity generation from renewable sources. As of now these projects are not connected with Northern grid as originally proposed and supplying electricity locally in the region. As a result of this change the projects will no longer conform to the applicability conditions of ACM0002 and thus will not generate any CERs under the existing registrations of the UNFCCC. To incorporate the above changes efforts are currently in progress to revise the under methodology AM0103: Renewable energy power generation in isolation grids.

No Environmental compliance report has been filed till date.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Hydroelectric power generation is itself a renewable energy initiative. However, the Company has taken up additional initiatives on solar power. A detailed list of such initiatives is available at <http://www.nhpcindia.com/renewable-energy-sources.htm>

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes. During the course of power generation from Hydro Project, no solid waste, liquid effluent or gaseous emissions are generated. In addition, there is no contamination of water during the process of Hydro Power generation. However, river water quality is regularly analyzed to assess any change in quality of river water after power generation. These have been found to be within the permissible limits given by CPCB/SPCB.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No such notices were pending as on the end of the FY 2013-14.

Principle 7

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.

NHPC is a member of Standing Conference of Public Enterprises (SCOPE). SCOPE has basic objective of promoting "better understanding among the public about the individual & collective contribution of public sector".

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

We strongly champion the cause of Governance and Administration for advancement of public good.

Principle 8

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes. As per revised DPE guidelines on CSR and Sustainability w.e.f. 1st April 2013, NHPC is required to spend 1% of PAT on CSR and Sustainable Development Projects. NHPC has adopted a structured scheme on CSR in line with DPE guidelines w.e.f. 2010-11. During FY 2013-14 an amount of ₹ 3,187.97 Lakh has been incurred on CSR activities.

The focus of NHPC's Corporate Social Responsibility (CSR) and Sustainability initiatives is on disadvantaged, vulnerable and marginalized stakeholders and sustainable practices in and around the project areas in states like J&K, Himachal Pradesh, Sikkim, Uttarakhand, Arunachal Pradesh & Assam. NHPC undertakes a number of community development initiatives in the areas like education, health, peripheral development, self employment related trainings, skill development etc. for inclusive growth and equitable development.

In addition to this 5% of the annual budget for CSR and Sustainability activities has been kept for emergency needs, which would include (a) Relief work undertaken during natural calamities/disasters and, (b) Contributions towards Prime Minister's / Chief Minister's Relief Funds and/or to the National Disaster Management Authority.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The Company's CSR Projects are implemented mostly through internal teams, besides few programmes in association with Non-Government Organizations (NGOs) and involvement with government institutions / local bodies.

3. Have you done any impact assessment of your initiative?

No impact assessment on our CSR initiatives has been undertaken till date.

4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

Project	Amount (INR) for 2013-14
Healthcare	284.59 Lakh
Education	1,534.90 Lakh
Rural Development-Social and Physical Infrastructure development	916.05 Lakh
Sport, Arts and Culture/Other initiatives	317.28 Lakh
Environment & Sustainability	135.15 Lakh
Total expenditure	3,187.97 Lakh



NHPC Limited

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The details of CSR projects undertaken by NHPC are as under:

1. Education

- a. Facilitated literacy programmes in rural areas, establishing coaching centres and providing training assistance to local community.
- b. Upgraded the level of primary education by conducting training sessions for primary teachers with special emphasis on behavioural development.
- c. Provided vocational training to rural youth/Women to enhance their employability & develop entrepreneurship.
- d. Provided scholarship to SC/ST students for education.
- e. Provided scholarships to girl students for education.

2. Healthcare

- a. Assisted for improvement of overall health conditions of the communities through establishing new Dispensaries/upgradation of the existing ones at remote locations.
- b. Establishment/upgradation of maternity centres to take care of health of rural women & child at remote locations of NHPC.
- c. Conducted health education programme for citizens in villages.
- d. Arranged awareness programme to parents on malnutrition and poor health of children and free distribution of vitamins and tablets for children suffering from malnutrition.

3. Rural Development-Social and Physical Infrastructure development

- a. Undertook infrastructural & community development works to improve infrastructural facilities at villages.
- b. Improvement of sanitation facilities in villages through setting up of public toilets with special focus on provision for women.
- c. To initiate action/association with the Government/ PSU initiatives for establishment of cold storages for keeping & securing agri-products e.g. fruits, vegetables etc.

4. Sports, Arts & Culture/Other Initiatives

- a. Provided technical Training assistance to farmers in order to improve agricultural productivity etc.
- b. Organized programmes for promoting Rural Sports/local culture through sponsoring local festivals etc.

5. Environment & Sustainability

- a. Voluntary afforestation and plantation of saplings
- b. Rain water harvesting
- c. Distribution of solar street lights and solar lanterns
- d. Renovation of Kuls (irrigation channels) in state J&K.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes, the company has taken various steps to ensure that our community initiatives are successfully adopted by the community, although some hand holding is required in the initial stages of implementation. Proper need assessment of the local requirements in and around Power Stations/Projects is done by Company's experienced in-house team. Proper analysis of our need assessment surveys is conducted before carrying out community development initiatives. Monitoring and mentoring is done at appropriate interval during the implementation. The monitoring and evaluation of our community initiatives is carried out by the independent agencies/experts / local bodies / local administration. Further feedback on our initiatives is also collected from beneficiaries and media sources for future planning purposes.

Principle 9

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year.

No new customer / consumer complaint cases were filed during FY 2013-14.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)

Not Applicable.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year?

No such case has been filed by any stakeholder.

4. Did your company carry out any consumer survey / consumer satisfaction trends?

NHPC arranges annual customer meet to interact & discuss the bilateral issues. Last customer meet was organized from 22.03.2014 to 23.03.2014 at Indore in Madhya Pradesh wherein customers (beneficiaries) from Northern, Eastern, North-Eastern and Western states participated. Apart from interaction, customer feedback is also taken from the beneficiaries in annual performance / bilateral issues.

For and On behalf of the Board of Directors



(R. S. T. Sai)

Chairman and Managing Director

DIN No.:00171920

Date: 14th August, 2014

Place: New Delhi



CORPORATE SOCIAL RESPONSIBILITY (CSR) & SUSTAINABLE DEVELOPMENT (SD) AT NHPC

Introduction

NHPC has shown its continued commitment towards Corporate Social Responsibility (CSR) and has been undertaking various community development initiatives in the vicinity of the area of its operation. With the issuance of revised guidelines of DPE on 12th April, 2013, Sustainability activities were merged with CSR.

CSR & SD Policy

NHPC's CSR & Sustainability Policy aims at facilitating long-term environmental, social and economic development.

The thrust of the Policy is two pronged:

- a) Conducting the business in a socially responsible way by maintaining high level of organizational integrity and ethical behavior, in conformity with expected standards of transparency in reporting and disclosing the performance in all spheres of our activities, demonstration of concern for welfare of the employees, adoption of operational methods and management practices. This will promote social and environmental sustainability to win the trust and confidence of all stakeholders.
- b) Addressing the concerns of key stakeholders directly impacted socially, economically and environmentally by NHPC's operations & activities.

Objectives:

- Promote organizational integrity and ethical business practices through transparency in disclosure and reporting procedures.
- Adopt green technologies, processes and standards that contribute to social and environmental sustainability.
- Contribute to inclusive growth and equitable development through capacity building measures, empowerment of marginalized and underprivileged sections/communities.
- Promote welfare of employees and labour (casual/contractual), by addressing their concerns of safety, security, professional enrichment and healthy working conditions.

Scope:

- NHPC will undertake implementation of schemes in the vicinity of the project. Schemes/activity chosen under CSR/Sustainability should primarily benefit stakeholders.
- NHPC will have an appropriate organization structure both at corporate level and NHPC's projects/field units for identification & selection of CSR & Sustainability schemes, guidance in implementation, monitoring and review of the schemes/activities.
- NHPC will take steps to sensitize and impart training to its employees regarding CSR & Sustainability policies of the Corporation and to bring about the desired attitudinal change towards environmental protection, social development & the need to adopt ethical business practices.
- NHPC will take up schemes/activities which would give visible social, economic or environmental benefits to the society.

Management Structure for Implementation:

The Management structure for CSR & Sustainability is as follows:

- The Board level Committee headed either by the CMD or an Independent Director to allocate budget, review the progress and guide various CSR & Sustainability initiatives.
- Nodal Officer preferably of the Rank of Executive Director assisted by his team, who will co-ordinate the identification and selection of CSR & Sustainability schemes/activities and also exercise an effective oversight on progress of implementation of the same.
- Regional ED/Project Head/Unit Head and his team for identification, implementation & monitoring of CSR & Sustainability schemes/activities etc.

For further details on NHPC's Corporate Social Responsibility & Sustainability Policy, NHPC's website may be referred at following link:
http://www.nhpcindia.com/writereaddata/Images/pdf/csr_sust_policy.pdf

Projects covered under CSR:

Since, NHPC's Power Stations/Projects are located all over India under varying socio-economic condition, the community development programmes have to be identified and formulated based on the specific needs on requirement of the particular location. To this effect, whole gamut of activities have been identified, which to a great extent have been initiated in and around the Power Stations/ Projects. These activities have been illustrated below:

I. Education:

NHPC leads from the front when it comes to imparting education, especially to the poor and underprivileged women. Various Skill Development and Vocational Training Programs have been initiated to improve quality of life of people living in the surrounding areas of various Projects/Power Stations. A total of 13 (Thirteen) ITIs have been adopted (Seven in Jammu & Kashmir, Four in Uttarakhand and Two in Arunachal Pradesh) through Public Private Partnership (PPP) /Vocational Training Improvement Program/ Centre of Excellence Scheme (COE). Beside above, Scholarship to a large number of SC/ST & Girl students studying in Govt. schools within the vicinity of NHPC Project/ Power Station/Township has been provided.

II. Health:

Health is a major issue that your company takes very seriously. NHPC has organized a number of medical camps in surrounding areas of Projects/Power Stations and distributes free medicines to economically weaker families/individuals.

Keeping women folks and children in mind, NHPC creates infrastructure to take care of basic facilities extended for women which includes providing schools, sanitation, maternity centers around NHPC Projects/ Power Stations. These steps have brought a remarkable change in the quality of life of these people.

III. Rural Development:

Various Peripheral Development work was taken to augment basis infrastructure facilities like area electrification, community centre, panchayat ghar, water drains, roads, etc. as per the need and requirement of locals with the concerned government agencies and local community. Priority is given to those schools/ primary health centre which are operating but do not have facilities like building, equipment, etc.

IV. Others:

Rural sports and Art & Cultures are promoted in rural areas through sponsoring events(Organizing Training camps/ Tournaments/ Cultural Programmes/ Mela etc.) and providing sports kits and equipments to rural clubs and associations.

Besides this, NHPC has contributed towards rebuilding of infrastructure in Uttarakhand after natural calamity and works related with Relief & Rehabilitation measures were also taken up.

Sector wise expenditure on CSR & SD during the financial year 2013-14 is as follows:

• Education	:	₹ 1,534.90 Lakh
• Health care	:	₹ 284.59 Lakh
• Rural Development	:	₹ 916.05 Lakh
• Environment & Sustainability	:	₹ 135.15 Lakh
• CSR capacity building & other activities, sports, art & culture etc.	:	₹ 317.28 Lakh

Total: ₹ 3,187.97 Lakh

For and On behalf of the Board of Directors



(R. S. T. Sai)

Chairman and Managing Director

DIN No.:00171920

Date: 14th August, 2014

Place: New Delhi

**NHPC Limited**

(A Government of India Enterprise)

Annexure - VIII**INDEPENDENT AUDITORS' REPORT**

To the Members,
NHPC Limited

Auditors' Comment	Management's Reply
<p>Report on the Financial Statements</p> <p>We issued our audit report dated 30th May 2014 on the Financial Statements of NHPC LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, 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 information. These financial statements were revised by the Board of Directors on 7th July 2014 before circulation to members. We draw attention to note no. 29 para 28 to the financial statements which results in amendment of financial statements due to declaration of proposed dividend amounting to ₹ 332.12 crore and dividend distribution tax thereon amounting to ₹ 56.44 crore. Our audit procedure on subsequent events are restricted solely to the amendment of the financial statements as referred in note no. 29 para 28 to the financial statements. We report on revised Financial Statement of Accounts as under:</p> <p>We have audited the accompanying financial statements of NHPC LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, 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 information.</p> <p>Management's Responsibility for the Financial Statements</p> <p>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 ("the Act") read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.</p> <p>Auditor's Responsibility</p> <p>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.</p> <p>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 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 Company'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.</p> <p>We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.</p> <p>Opinion</p> <p>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:</p> <ul style="list-style-type: none">(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;(b) in the case of the Statement of Profit & Loss, of the profit of the Company for the year ended on that date; and(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.	

<p>Emphasis of Matter</p> <p>We draw attention to:</p> <p>a) Note No. 7 para 1 to financial statements, which describes about the reversal of excess pay drawn from the month of February and March 2014 to be recovered from below Board level Executives giving effect to the approval of Competent Authority that the pay scales shall be fitted w.e.f. 01.01.2007 after correcting the aberrations in pay scales fixed w.e.f. 01.01.1997. The confirmation of action of having implemented the directions of Competent Authority effecting recoveries w.e.f. 01.02.2014 is pending with the Ministry of Power (MoP).</p> <p>b) Note No. 11 para 2 to financial statements read with Note No. 29 paras 9 and 14, which describes uncertainty about the outcome of the projects under survey and investigation stage. Expenditure incurred for conducting Survey & Investigation on such projects are being carried forward as these projects are under investigation/ pending clearance/ financial assistance with various authorities.</p> <p>c) Note No. 29 para 1 to the financial statements, which describes the uncertainty related to the outcome of the claims/ arbitration proceedings and lawsuit filed by/ against the Company on/ by contractors and others. In some of the cases the arbitration award has been decided against the company/ lost in lower courts and the company is pursuing the matter in higher courts. Management does not envisage any possible outflow in respect of decisions against the company other than those already provided for in the books of account.</p> <p>Our opinion is not qualified in respect of these matters.</p> <p>Report on Other Legal and Regulatory Requirements</p> <p>1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.</p> <p>2. As required under provisions of section 227(3) of the Companies Act, 1956, we report that:</p> <p>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;</p> <p>b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;</p> <p>c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;</p> <p>d. In our opinion the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;</p> <p>e. The Department of Company Affairs, Ministry of Finance vide Notification No. F.No.8/5/2001-CL.V dated 21st October, 2003 has notified that the provisions of clause (g) of sub-section (1) of section 274 of Companies Act, 1956, shall not apply to a Government Company.</p> <p>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.</p>	<p>The confirmation of action of having implemented the directions of Competent Authority effecting recoveries w.e.f. 01.02.2014 has been sought from Ministry of Power (MoP), Govt. of India. In the meanwhile, NHPC Officers Association has got a stay from Hon'ble High Court of Delhi against the implementation of stoppage of Personal Pay Adjustment (PA) recovery. In view of the directions of the Hon'ble High Court, PA to the employees is continued to be paid to the employees along with the Salary.</p> <p>In the opinion of the management, the projects on which survey & investigation expenditure is incurred are still active and accordingly, the expenditure incurred is being carried forward. However, provision wherever considered necessary has been made in the books.</p> <p>Company is required to disclose the uncertainty relating to any outflow in respect of Contingent Liability in terms of Para 68 of the Accounting Standard 29, as such the same has been disclosed.</p>
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For S. N. Nanda & Co.

Chartered Accountants
(FR No: 000685N)

(CA Bhavna Nanda)

Partner
M. No. 095275

For Singhi & Co.

Chartered Accountants
(FR No: 302049E)

(CA B. L. Choraria)

Partner
M. No. 0022973

For Gupta Gupta & Associates

Chartered Accountants
(FR No: 001728N)

(CA Ram Kumar Gupta)

Partner
M. No. 097382

For Tiwari & Associates

Chartered Accountants
(FR No: 002870N)

(CA Devender Magoo)

Partner
M. No. 085739

Place :- New Delhi

Date :- 7th day of July, 2014



Annexure referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date

1. In respect of its fixed assets:
 - a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) All the fixed assets have been physically verified by the management/outside agencies during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the company and nature of the assets. As per the information given to us by the management, no material discrepancies as compared to book records were noticed in respect of fixed assets physically verified during the year.
 - c) The Company has not disposed off substantial part of fixed assets during the year.
2. In respect of its inventories:
 - a) The inventory has been physically verified during the year by the management/outside agencies. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanation given to us, the procedure of verification of stocks 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 inventories. The discrepancies noticed on physical verification of inventories have been properly dealt with in the books of account.
3. In respect of loans granted/taken to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
 - a) The company has not granted any loans, secured or unsecured, to/from companies, firms or other parties during the year 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 explanations & information, the Company has not taken any loans from the parties covered under the register maintained u/s 301 of the Companies Act, 1956. In view of this sub clause (e), (f) & (g) of clause (iii) are not applicable.
4. In our opinion, the internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of the inventory, fixed assets and sale of power & services. System audit has suggested improvements to further strengthen the system.
5. In respect of transactions with companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
 - a) According to the information and explanations given to us, during the year under audit there have been no contracts & arrangements entered by the company which needs to be entered in the register maintained under section 301 of the Companies Act.
 - b) In view of sub clause (a) above, the sub-clause (4) (iii) (b) is not applicable.
6. The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act 1956 and the rules framed there under.
7. Company is having internal audit department/Outside agencies responsible for carrying out the Internal Audit of various sections at head office and at project offices at periodical intervals as per the approved audit plan. The internal audit system adopted by the internal audit department and the outside agency commensurate with the size and nature of the business of the company but frequency of internal audit needs to be improved.
8. The Company has maintained proper books of account relating to material, labour and items of cost incurred by it pursuant to the rule made by the Central Government for maintenance of cost records under section 209(1) (d) of the Companies Act, 1956. However, we have not made a detailed examination of these accounts with a view to determine whether they are accurate or complete.
9. In respect of statutory dues:
 - (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess & other material statutory dues, 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 demand 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 and as per the records of the company, the dues of Sales Tax, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess which have not been deposited on account of disputes:-

(₹ in Crores)

Name of the Statute	Nature of the Dues	Amount	Year to which it pertains	Forum
Income Tax Act, 1961	Income tax	0.07	A.Y. 2011-12	ITO(TDS), Srinagar
	Income tax	0.10	AY 2008-09 & 2009-10	Kotli Bhel 1-A
	Total	0.17		
Sales Tax Act of various states	Sales Tax	235.02	1994-95	Sales Tax Appellate Tribunal, Srinagar
	Sales Tax	48.76	1995-96	Sales Tax Appellate Tribunal, Srinagar
	Sales Tax	2.99	1996-97	Sales Tax Appellate Tribunal, Srinagar
	Sales tax	0.54	2008-09	AETC Kullu
		0.29	2009-10	
	Entry tax	0.91	2013-14	Assessing Officer, Lakhampur
	Immovable	0.19	1991-92 to 2000-01	Dy. Commissioner, Commercial Taxes
	Property tax			(Appeal)
	VAT	0.14	2006-07	Sr. Joint Commissioner, Sales Tax, Siliguri
		0.76	2007-08	
		0.43	2008-09	
		0.07	2009-10	
		0.15	2010-11	
	Total	290.25		
Customs Act, 1962	Custom Duty	0.06	1999-00	Custom Department, Mumbai
Finance Act, 1994	Service tax	13.97	2010-11	Commercial Taxes Officer, Faridabad
	Service tax	0.04	2005-06 to 2008-09	Kolkata
	Grand Total	304.49		

10. The company has no accumulated losses as at the end of the financial year. The company has not incurred cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, bank or debenture holders.
12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the company based on the security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 is not applicable to the company.
15. In our opinion and as per the information and explanation given to us, the company has not given guarantees for loans taken by the others from banks or financial institutions during the year.
16. As per information & explanations given to us by the management, the term loans have been applied for the purpose for which they were obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
19. Proper security has been created in respect of tax free bonds issued by the company during the year.
20. During the year the company has issued tax free, secured, redeemable, non-convertible bonds in the nature of debenture and has disclosed the end use of the same in the financial statement and the same has been utilised for the purpose stated.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India we have not come across any instance of fraud on or by the company, and according to the information and explanations given to us, no fraud was noticed or reported during the year by the management.

For S. N. Nanda & Co.
Chartered Accountants
(FR No. 000685N)

(CA Bhavna Nanda)
Partner
M. No. 095275

For Singhi & Co.
Chartered Accountants
(FR No. 302049E)

(CA B. L. Choraria)
Partner
M. No. 0022973

For Gupta Gupta & Associates
Chartered Accountants
(FR No. 001728N)

(CA Ram Kumar Gupta)
Partner
M. No. 097382

For Tiwari & Associates
Chartered Accountants
(FR No. 002870N)

(CA Devender Magoo)
Partner
M. No. 085739

Place :- New Delhi

Date :- 7th day of July, 2014



NHPC Limited

(A Government of India Enterprise)

BALANCE SHEET AS AT 31ST MARCH 2014

(₹ in Crore)

PARTICULARS	Note No.	As at 31st March, 2014	As at 31st March, 2013
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	2	11,070.67	12,300.74
(b) Reserves and Surplus	3	14,996.98	15,539.76
(2) NON-CURRENT LIABILITIES			
(a) Long Term Borrowings	4	18,580.52	17,417.52
(b) Deferred Tax Liabilities	5	766.67	460.69
(c) Other Long Term Liabilities	6	1,605.81	1,705.69
(d) Long Term Provisions	7	814.70	721.92
(3) CURRENT LIABILITIES			
(a) Trade Payables	8	200.71	179.41
(b) Other Current Liabilities	9	2,938.21	2,766.60
(c) Short Term Provisions	7	3,002.00	3,412.67
TOTAL		53,976.27	54,505.00
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible Assets	10.1	23,315.21	17,311.74
(ii) Intangible Assets	10.2	764.33	728.22
(iii) Capital Work In Progress	11	14,657.13	19,709.04
(b) Non Current Investments	12	2,227.02	2,400.61
(c) Long Term Loans and Advances	13	1,089.69	1,238.74
(d) Other Non-Current Assets	14	896.37	944.37
(2) CURRENT ASSETS			
(a) Current Investments	15	251.87	250.74
(b) Inventories	16	72.29	57.07
(c) Trade Receivables	17	1,863.77	2,049.05
(d) Cash & Bank Balances	18	5,303.83	5,616.01
(e) Short Term Loans and Advances	13	2,093.55	2,099.56
(f) Other Current Assets	19	1,441.21	2,099.85
TOTAL		53,976.27	54,505.00
Significant Accounting Policies	1		
Expenditure During Construction For The Year	28		
Other Explanatory Notes to Accounts	29		
Note 1 to 29 form integral part of the Accounts			

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

A. B. L. SRIVASTAVA
Director (Finance)
DIN 01601682

R. S. T. SAI
Chairman & Managing Director
DIN 00171920

As per report of even date

For S. N. Nanda & Co.
(Chartered Accountants)
FR No. 000685N

For Singhi & Co,
(Chartered Accountants)
FR No. 302049E

For Gupta Gupta & Associates
(Chartered Accountants)
FR No. 001728N

For Tiwari & Associates
(Chartered Accountants)
FR No. 002870N

(CA BHAVNA NANDA)
Partner
M. No. 095275

(CA B.L.CHORARIA)
Partner
M. No. 022973

(CA RAM KUMAR GUPTA)
Partner
M. No. 097382

(CA DEVENDER MAGOO)
Partner
M. No. 085739

Place :- New Delhi
Date: - 07/07/2014

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2014

(₹ in Crore)

	Note No.	For the year ended on 31st March, 2014	For the year ended on 31st March, 2013
INCOME			
i) Revenue from Operations	20	5,537.04	5,310.73
ii) Other Income	21	1,456.95	992.78
TOTAL REVENUE		6,993.99	6,303.51
EXPENDITURE			
i) Generation, Administration and Other Expenses	22	1,615.91	1,099.42
ii) Employee Benefits Expense	23	1,058.67	887.41
iii) Finance Cost	24	1,022.40	385.38
iv) Depreciation & Amortization Expenses	25	1,210.76	969.29
TOTAL EXPENDITURE		4,907.74	3,341.50
Profit before Prior Period Items, Exceptional and Extraordinary items and Tax from Continuing Operation		2,086.25	2,962.01
Prior Period Items (net)	26	503.19	(0.11)
Profit before Exceptional and Extraordinary Items and Tax		1,583.06	2,962.12
Exceptional Items		-	(240.01)
Profit before Extraordinary Items and Tax		1,583.06	3,202.13
Extraordinary Items		-	-
PROFIT BEFORE TAX		1,583.06	3,202.13
Tax Expenses	27		
i) Current Tax		251.62	587.41
ii) Adjustments relating to earlier years		46.68	9.85
iii) Deferred Tax		305.97	256.65
Total Tax Expenses		604.27	853.91
PROFIT FOR THE YEAR		978.79	2,348.22
Earning per share (Equity shares, face value of ₹ 10/- each)			
Basic & Diluted		0.82	1.91
Diluted		0.82	1.91
Significant Accounting Policies	1		
Expenditure During Construction For The Year	28		
Other Explanatory Notes to Accounts	29		
Note 1 to 29 form integral part of the Accounts			

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

A. B. L. SRIVASTAVA
Director (Finance)
DIN 01601682

R. S. T. SAI
Chairman & Managing Director
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As per report of even date

For S. N. Nanda & Co.
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M. No. 097382

(CA DEVENDER MAGOO)
Partner
M. No. 085739

Place :- New Delhi
Date: - 07/07/2014

Note No. 1 – SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India, the relevant provisions of the Companies Act, 1956 read with general circular 15/2013 dated 13 September, 2013 of Ministry of Corporate Affairs including accounting standards notified there under and the provisions of the Electricity Act, 2003 to the extent applicable.

2. FIXED ASSETS

- 2.1 Fixed assets are stated at cost of acquisition/construction. In cases where final settlement of bills with contractors is pending, but the asset is complete and ready for use, capitalisation is done on estimated basis subject to necessary adjustment, including those arising out of settlement of arbitration/court cases, in the year(s) of final settlement.
- 2.2 Fixed Assets created on land not belonging to the Company are included under fixed assets.
- 2.3 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 amortized 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 realizable 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) Written Down Value (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 Capital work-in-progress is carried at cost. Administrative & 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 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 ₹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 amortized 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 amortized over the period of lease or 35 years whichever is lower.
- 5.7 Fixed Assets created on leasehold land are depreciated to the extent of 90% of original cost over the balance available lease period of respective land 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, settlement of arbitration/court cases, change in duties or similar factors, the unamortized balance of such assets is depreciated prospectively over the residual life of such assets at the rate of depreciation and methodology notified by CERC 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 Company's liability towards defined contribution plans as defined in Accounting Standard-15 (2005) on 'Employee Benefits' is accounted for and paid to respective funds, which are administered through separate trusts.



- 9.2 Company's liability towards defined benefit plans as defined in Accounting Standard-15 (2005) on 'Employee Benefits' is determined on the basis of actuarial valuation. Gratuity fund is administered through a separate trust.
- 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. Dividend income is recognized when right to receive the same is established.
- 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. PROVISION & CONTINGENT LIABILITIES

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date and are not discounted to present value.

Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

NOTE NO. 2 SHARE CAPITAL

PARTICULARS	As at 31st March, 2014		As at 31st March, 2013	
	In Nos.	(₹ in Crore)	In Nos.	(₹ in Crore)
a) Authorized Equity Share Capital (Par value per share ₹ 10)	15000000000	15000.00	15000000000	15000.00
b) No. of Equity shares issued, subscribed and fully paid (Par value per share ₹ 10)	11070668496	11,070.67	12300742773	12300.74
c) Reconciliation of no. of equity shares & share capital outstanding:				
	No. of Shares	Share Capital (₹ in Crores)	No. of Shares	Share Capital (₹ in Crores)
Opening number of shares outstanding	12300742773	12300.74	12300742773	12300.74
Add: No. of shares/Share Capital issued/ subscribed during the year	-	-	-	-
Less: Reduction in no. of shares/Share Capital on account of buy back of shares.	1230074277	1,230.07	-	-
Closing number of shares outstanding	11070668496	11,070.67	12300742773	12,300.74
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 dividend 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 (%)
- President of India	9516209722	85.96	10623368758	86.36
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).				
g) During the financial year 2013-14, Company has bought back of 1230074277 no. of equity shares at ₹ 19.25 per share (face value ₹ 10 per share).				

NOTE NO. 3 RESERVE AND SURPLUS

PARTICULARS	As at 31st March, 2014		As at 31st March, 2013	
	In Nos.	(₹ in Crore)	In Nos.	(₹ in Crore)
Capital Redemption Reserve				
As per last Balance Sheet	-		-	
Add: Addition during the year	1,230.07			
As at Balance Sheet date		1,230.07		-
Securities Premium Account		2,868.74		2,868.74
Bond Redemption Reserve				
As per last Balance Sheet	649.55		414.63	
Add: Transfer from Surplus	249.45		249.17	
Less: Write back during the year	14.25		14.25	
As at Balance Sheet date		884.75		649.55
Self Insurance Fund				
As per last Balance Sheet	738.82		690.90	
Add: Transfer from Surplus	51.74		48.84	
Less: Utilisation during the year	2.73		0.92	
	787.83		738.82	
Less: - Adjustment on account of claims	8.82		7.29	
As at Balance Sheet date		779.01		731.53



NHPC Limited

(A Government of India Enterprise)

(₹ in Crore)

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
Corporate Social Responsibility Fund		
As per last Balance Sheet	23.50	-
Add: Transfer from Surplus *	2.30	23.50
Less: Write back during the year	7.88	
As at Balance Sheet date	17.92	23.50
Research & Development Fund		
As per last Balance Sheet	-	
Add: Transfer from Surplus	17.16	
As at Balance Sheet date	17.16	-
General Reserve		
As per last Balance Sheet	4,120.06	4,120.06
Less: Utilised for buy back during the year	1,137.82	-
Less: Transfer to Capital Redemption Reserve	1,230.07	
As at Balance Sheet date	1,752.17	4,120.06
Surplus **	7,447.16	7,146.38
TOTAL	14,996.98	15,539.76
** Surplus		
Profit for the year as per Statement of Profit and Loss	978.79	2,348.22
Balance brought forward	7,146.38	5,963.10
Add:		
Amount written back from Bond Redemption Reserve	14.25	14.25
Amount written back from Corporate Social Responsibility Fund	7.88	-
Amount utilised from Self Insurance Fund	3.97	0.92
Tax on Dividend - Write back	5.11	4.88
Balance available for Appropriation	8,156.38	8,331.37
Transfer to Bond Redemption Reserve	249.45	249.17
Transfer to Self Insurance Fund	51.74	48.84
Transfer to Corporate Social Responsibility Fund	2.30	23.50
Transfer to Research & Development Fund	17.16	-
Dividend :		
- Proposed	332.13	738.05
Tax on Dividend		
- Proposed	56.44	125.43
Balance carried forward	7,447.16	7,146.38

* Unspent amount of sustainable development fund upto previous year

NOTE NO. 4 LONG TERM BORROWINGS

(₹ in Crore)

PARTICULARS	As at 31st March, 2014			As at 31st March, 2013		
	Total Borrowings	Less: - Current Maturities	Long Term Borrowings	Total Borrowings	Less: - Current Maturities	Long Term Borrowings
Bonds						
- Secured (Refer A below)	5,850.28	63.85	5,786.43	4,907.28	57.00	4,850.28
Term Loans						
• From Banks						
- Secured (Refer B below)	4,256.90	262.92	3,993.98	3,645.87	188.97	3,456.90
- Unsecured (Refer C below)	2,061.56	203.65	1,857.91	2,226.54	184.54	2,042.00
• From Other Parties						
- Secured (Refer D below)	5,297.68	703.93	4,593.75	6,001.62	703.93	5,297.69
- Unsecured (Refer E below)	2,400.07	51.62	2,348.45	1,845.99	75.34	1,770.65
	19,866.49	1,285.97	18,580.52	18,627.30	1,209.78	17,417.52
Aggregate amount of loans guaranteed by Directors	-		-	-		-
Aggregate amount of loans guaranteed by Govt. of India (Refer Note no 12 of Particulars of security)	2,164.81	255.27	1,909.54	2,403.72	259.88	2,143.84
Amount of default in repayment of loans and interest as at 31.03.2014	-		-	-		-
Period of default in repayment of loans and interest as at 31.03.2014	-		-	-		-

(₹ in Crore)

	As at 31st March, 2014	As at 31st March, 2013
Particulars of redemption & repayment (Disclosure given below for Total Borrowings)		
(A). BONDS (Non-convertible and Non-cumulative)-Secured		
i) TAX FREE BONDS- 3A SERIES *5&10 (8.67% 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹1000/- each).(Date of redemption 02.11.2033)	336.07	-
ii) TAX FREE BONDS- 3B SERIES *5&10 (8.92% 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹1000/- each).(Date of redemption 02.11.2033)	253.62	-
iii) TAX FREE BONDS- 2A SERIES *5&10 (8.54% 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹1000/- each).(Date of redemption 02.11.2028)	213.12	-
iv) TAX FREE BONDS- 2B SERIES *5&10 (8.79% 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹1000/- each).(Date of redemption 02.11.2028)	85.61	-



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(₹ in Crore)

	As at 31st March, 2014	As at 31st March, 2013
v) BONDS-R-3 SERIES *5 (8.78% 15 year Secured Redeemable Non-Convertible Bonds of ₹ 10,00,000/- each with 10 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/10th of face value of Bond) (Yearly redemption of ₹ 89.20 Crore w.e.f. 11.02.2019 to 11.02.2028)	892.00	892.00
vi) BONDS-Q SERIES *6 (9.25% 15 year Secured Redeemable Non-Convertible Bonds of ₹ 12,00,000/- each with 12 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/12th of face value of Bond) (Yearly redemption of ₹ 105.50 Crore w.e.f. 12.03.2016 to 12.03.2027)	1,266.00	1,266.00
vii) BONDS-R-2 SERIES *5 (8.85% 14 year Secured Redeemable Non-Convertible Bonds of ₹ 12,00,000/- each with 12 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/12th of face value of Bond) (Yearly redemption of ₹ 31.84 Crore w.e.f. 11.02.2016 to 11.02.2027)	382.08	382.08
viii) BONDS-R-1 SERIES *5 (8.70% 13 year Secured Redeemable Non-Convertible Bonds of ₹ 12,00,000/- each with 12 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/12th of face value of Bond) (Yearly redemption of ₹ 6.85 Crore w.e.f. 11.02.2015 to 11.02.2026)	82.20	82.20
ix) BONDS-P SERIES *5,7 & 10 (9.00% 15Year Secured Redeemable Non-Convertible Bonds of ₹ 10,00,000/- each redeemable in 10 equal yearly installments. Yearly redemption of ₹ 200 Crore w.e.f. 01.02.2016 to 01.02.2025)	2,000.00	2,000.00
x) TAX FREE BONDS- 1A SERIES *5&10 (8.18% 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹1000/- each).(Date of redemption 02.11.2023)	50.81	-
xi) TAX FREE BONDS- 1B SERIES *5&10 (8.43% 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹1000/- each).(Date of redemption 02.11.2023)	60.77	-
xii) BONDS-O SERIES *2 (7.70% 15 year Secured Redeemable Non-Convertible Bonds of ₹100,000,000/- each with 10 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/10th of face value of Bond) (Yearly redemption of ₹ 57 Crore w.e.f. 31.03.2014 to 31.03.2018)	228.00	285.00
TOTAL BONDS (A)	5850.28	4907.28

(₹ in Crore)

	As at 31st March, 2014	As at 31st March, 2013
(B). TERM LOANS - Secured (Banks)		
i) STATE BANK OF PATIALA *1 (Repayable in 6 half yearly instalments of ₹ 2 Crore each upto 09.01.2017 at floating interest rate of 9.40 % as on 31.03.2014)	12.00	16.00
ii) CANARA BANK *2 (Repayable in 3 equal yearly instalments of ₹ 20 Crore each upto 09.11.2016 at floating rate of interest with upper cap of 6.86% as on 31.03.2014)	60.00	80.00
iii) SYNDICATE BANK *2 (Repayable in 3 equal yearly instalments of ₹ 18.30 Crore each upto 23.02.2017 at floating rate of interest with upper cap of 7.207% as on 31.03.2014)	54.90	73.20
iv) ORIENTAL BANK OF COMMERCE *2 (Repayable in 3 equal yearly instalments of ₹ 20 Crore each upto 31.03.2017 at floating rate of interest with upper cap of 7.207% as on 31.03.2014)	60.00	80.00
v) ORIENTAL BANK OF COMMERCE *2 (Repayable in 7 equal yearly instalments of ₹ 10 Crore each upto 27.12.2020 at floating rate of interest with upper cap of 7.207% as on 31.03.2014)	70.00	80.00
vi) INDIAN BANK *1 (Repaid on 27.02.2014)	-	33.34
vii) INDIAN BANK *4&9 (Bullet Repayment of ₹ 75 Crore on 29.09.2014 at floating interest rate of 11.25% as on 31.03.2014)	75.00	75.00
viii) UCO BANK *8 (Repayable in 21 half yearly instalments of ₹ 41.67 Crore each upto 30.06.2024 at floating interest rate of 10.20% as on 31.03.2014)	875.00	958.33
ix) CORPORATION BANK *11 (Repayable in 48 equal quarterly instalments of ₹ 10.42 Crore each upto 06.10.2026 at floating interest rate of 10.25% as on 31.03.2014)	500.00	500.00
x) CANARA BANK *11 (Repayable in 47 equal quarterly instalments of ₹ 4.16 Crore upto 16.07.2026 plus last installment of ₹ 4.48 on 16.10.2026 Crore at floating interest rate of 10.20 % as on 31.03.2014)	200.00	200.00
xi) INDIAN OVERSEAS BANK *11 (Repayable in 48 equal quarterly instalments of ₹ 4.17 Crore each upto 16.10.2026 at floating interest rate of 10.25% as on 31.03.2014)	200.00	200.00
xii) PUNJAB & SIND BANK *11 (Repayable in 48 equal quarterly instalments of ₹ 4.17 Crore each upto 17.10.2026 at floating interest rate of 10.25% as on 31.03.2014)	200.00	200.00
xiii) INDUSIND BANK *11 (Repaid on 09.10.2013)	-	100.00



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(₹ in Crore)

	As at 31st March, 2014	As at 31st March, 2013
xiv) SYNDICATE BANK *11	300.00	300.00
(Repayable in 48 equal quarterly instalments of ₹ 6.25 Crore each upto 02.11.2026 at floating interest rate of 10.25% as on 31.03.2014)		
xv) UNION BANK OF INDIA *11	150.00	150.00
(Repayable in 48 equal quarterly instalments of ₹ 3.13 Crore each upto 03.11.2026 at floating interest rate of 10.25% as on 31.03.2014)		
xvi) STATE BANK OF INDIA *3&6	1,000.00	500.00
(Repayable in 48 equal quarterly instalments of ₹ 20.83 Crore each upto 27.03.2028 at floating interest rate of 10.49% as on 31.03.2014)		
xvii) STATE BANK OF HYDERABAD *1 & 6	500.00	100.00
(Repayable in 48 equal quarterly instalments of ₹ 10.42 Crore each upto 28.12.2027 at floating interest rate of 10.20% as on 31.03.2014)		
Total Term Loan - Banks (Secured)	4,256.90	3,645.87
(C). TERM LOANS - Un-secured (Banks)- Foreign Currency		
i) Japan Bank of International Cooperation Tranche-I *12	171.80	184.36
(Repayable in 24 equal half yearly instalments of ₹ 7.16 Crore each upto 20.01.2026 at fixed interest rate of 2.3% as on 31.03.2014)		
ii) Japan Bank of International Cooperation Tranche-II *12	657.55	697.83
(Repayable in 28 equal half yearly instalments of ₹ 23.48 Crore each upto 20.12.2027 at fixed interest rate of 2.3% as on 31.03.2014)		
iii) Japan Bank of International Cooperation Tranche-III *12	693.86	704.46
(Repayable in 40 equal half yearly instalments of ₹ 17.35 Crore each starting from 20.03.2014 and upto 20.03.2034 at fixed interest rate of 1.3% as on 31.03.2014)		
iv) Deutsche Bank & Others *12	538.35	639.89
(Repayable in 10 equal half yearly instalments of ₹ 53.84 Crore each upto 18.10.2018 at floating interest rate 6 Month JPY LIBOR + 0.57% Margin)		
Total Term Loan - Banks (Unsecured)	2,061.56	2,226.54
(D). Term Loan-From other parties (Secured)		
i) LIFE INSURANCE CORPORATION OF INDIA *5 & 7	1,458.33	1,666.67
(Repayable in 14 half yearly instalments of ₹ 104.17 Crore each upto 15.10.2020 at interest rate of 9.25% on ₹ 58.33 Crore and 8% on ₹ 1400 Crore)		
ii) LIFE INSURANCE CORPORATION OF INDIA *6	1,580.00	1,738.00
(Repayable in 20 equal half yearly instalments of ₹ 79 Crore each upto 31.10.2023 w.e.f. 30.04.2012 at wt. average rate of 9.118% as on 31.03.2014)		
iii) POWER FINANCE CORPORATION LIMITED *8	562.50	637.50
(Repayable in 30 equal quarterly instalments of ₹ 18.75 Crore upto 15.07.2021 at floating interest rate of 9.91% as on 31.03.2014)		

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(₹ in Crore)

	As at 31st March, 2014	As at 31st March, 2013
iv) POWER FINANCE CORPORATION LIMITED *8	83.70	102.30
(Repayable in 18 equal quarterly instalments of ₹ 4.65 Crore each upto 15.07.2018 at floating interest rate of 9.91% as on 31.03.2014)		
v) POWER FINANCE CORPORATION LIMITED *8	52.50	59.50
(Repayable in 30 equal quarterly instalments of ₹ 1.75 Crore each upto 15.07.2021 at floating interest rate of 9.90% as on 31.03.2014)		
vi) POWER FINANCE CORPORATION LIMITED *2&3	1,056.33	1,202.03
(Repayable in 29 equal quarterly instalments of ₹ 36.425 Crore each upto 15.04.2021 at floating interest rate of 10.54% as on 31.03.2014)		
vii) POWER FINANCE CORPORATION LIMITED *1	216.82	258.12
(Repayable in 21 equal quarterly instalments of ₹ 10.325 Crore each upto 15.04.2019 at floating interest rate of 10.54% as on 31.03.2014)		
viii) POWER FINANCE CORPORATION LIMITED *1	287.50	337.50
(Repayable in 23 equal quarterly instalments of ₹ 12.50 Crore each upto 15.10.2019 at floating interest rate of 10.54% as on 31.03.2014)		
Total Term Loan - Other Parties (Secured)	5,297.68	6,001.62
(E). Term Loan-From other parties (Unsecured)		
Foreign Currency		
i) Export Development Canada *12	103.25	177.18
(Repayable in 4 equal half yearly instalments of ₹ 25.81 Crore each upto 15.03.2016 at fixed interest rate of 6.01% as on 31.03.2014)		
Loans from Central Government		
ii) Subordinate Debt from Govt. of India for Nimmo-Bazgo Power Station	270.00	270.00
(Repayable in 18 equal annual instalments of ₹ 15 Crore from the 12th year after commissioning of the project i.e. from 10.10.2025 at fixed interest rate of 4% per annum. Interest accrues and is payable annually after commissioning of the project.)		
iii) Subordinate Debt from Govt. of India for CHUTAK Power Station	364.00	364.00
(Repayable in 24 equal annual instalments of ₹ 15.17 Crore from the 6th year after commissioning of the project i.e. from 01.02.2019 at fixed interest rate of 2.50% per annum. Interest accrues and is payable annually after commissioning of the project.)		
iv) Subordinate Debt from Govt. of India for Kishanganga HE Project	1,662.82	1,034.81
(Repayable in 10 equal annual instalments from the 11th year after commissioning of the project at fixed interest rate of 1% per annum. Interest accrues and is payable annually after commissioning of the project.)		
Total Term Loan - Other Parties (Unsecured)	2,400.07	1,845.99
Grand Total (A+B+C+D+E)	19,866.49	18,627.30



*** Particulars of security**

1. Secured by pari-passu charge by way of Equitable mortgage/hypothecation against Immovable/Moveable assets of Company's Chamera Power Station-I situated in the state of Himachal Pradesh except for Book Debts and Stores.
2. Secured by pari-passu charge by way of Equitable mortgage/hypothecation against Immovable/Moveable assets of Company's Uri Power Station situated in the state of Jammu & Kashmir except for book debts and stores.
3. Secured by pari-passu charge by way of Equitable mortgage/ hypothecation against Immovable/ Moveable assets of Company's Chamera Power Station-II situated in the state of Himachal Pradesh except book debts & stores.
4. Secured by pari-passu charge by way of equitable mortgage/hypothecation against the assets of Company's Loktak Power Station situated in the state of Manipur except for book debts and stores.
5. Secured by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets of the Company's Parbati HE Project-II situated in the state of Himachal Pradesh.
6. Secured by pari-passu charge by way of equitable mortgage/hypothecation against immovable/movable assets of Company's Teesta Low Dam-III Power Station situated in the state of West Bengal & Teesta-V Power Station situated in the state of Sikkim.
7. Secured by pari-passu charge by way of equitable mortgage and charge over all the immovable and moveable assets of the Company's Dhauliganga Power Station situated in the state of Uttarakhand except for book debts & stores.
8. Secured by way of first charge on pari-passu basis by way of hypothecation on whole of the Company's movable assets, both present and future, of Dulhasti Power Station situated in the state of Jammu & Kashmir except for book debts & stores.
9. Secured by exclusive charge by way of equitable mortgage against the assets of Company's Bairasiul Power Station situated in the state of Himachal Pradesh except for book debts and stores.
10. Secured by a first charge on pari-passu basis by way of equitable mortgage and hypothecation against the immovable and moveable assets of the Company's Chamera-III Power Station situated in the state of Himachal Pradesh.
11. Secured by way of first charge on pari-passu basis by way of hypothecation on whole of the Company's movable assets, both present and future, of Salal Power Station situated in the state of Jammu & Kashmir, Sewa-II Power Station situated in the state of Jammu & Kashmir, CHUTAK Power Station situated in the state of Jammu & Kashmir, Nimmo-Bazgo Power Station situated in the state of Jammu & Kashmir, Uri-II Power Station situated in the state of Jammu & Kashmir & TLDP-IV HE Project situated in the state of West Bengal except for book debts & stores.
12. Loans mentioned at sl. nos. C(i),C(ii),C(iii),C(iv) and E(i) above are guaranteed by Government of India.

NOTE NO. 5 DEFERRED TAX LIABILITIES / ASSETS

(₹ in Crore)

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
Deferred Tax Liability		
i) Depreciation	3256.62	2,992.08
Less: Deferred Tax Assets		
i) Provision for doubtful debts, Inventory and others	123.25	102.24
ii) Provision for employee benefit schemes	128.56	115.72
Deferred Tax Liability	3,004.81	2,774.12
Less: Recoverable	2,238.14	2,313.43
Deferred Tax Liability (Net)	766.67	460.69

Explanatory Note: -

In compliance to the Accounting Standard 22 on "Accounting for Taxes on Income" notified under The Companies Accounting Standard Rules, 2006, ₹ 230.69 Crore (Previous Year ₹ 326.56 Crore) has been created as deferred tax liability for the year ended 31.03.2014.

NOTE NO. 6 OTHER LONG TERM LIABILITIES

(₹ in Crore)

PARTICULARS	As at 31st March, 2014			As at 31st March, 2013		
	Total Liability	Less: - Current Liability	Long Term Liability	Total Liability	Less: - Current Liability	Long Term Liability
Deposits/ retention money	398.24	141.00	257.24	428.84	132.99	295.85
Income received in advance (Advance against depreciation)	1,259.88	50.17	1,209.71	1,310.05	50.17	1,259.88
Deferred Income from Foreign Currency Fluctuation Account	138.86	-	138.86	149.96	-	149.96
TOTAL	1,796.98	191.17	1,605.81	1,888.85	183.16	1,705.69

NOTE NO. 7 PROVISIONS

(₹ in Crore)

PARTICULARS	As at 31st March, 2014			As at 31st March, 2013		
	Long Term	Short Term	Total	Long Term	Short Term	Total
a) Provision for Employee Benefits (provided for on basis of actuarial valuation)						
As per last Balance Sheet	708.27	44.60	752.87	1,177.59	107.67	1,285.26
Additions during the year	77.18	91.36	168.54	44.44	117.58	162.02
Amount used during the year	-	64.52	64.52	513.76	180.65	694.41
Closing Balance	785.45	71.44	856.89	708.27	44.60	752.87
b) Provision for Wage Revision						
As per last Balance Sheet		27.11	27.11		23.93	23.93
Additions during the year		2.90	2.90		3.27	3.27
Amount used during the year		-	-		-	-
Amount reversed during the year		-	-		0.09	0.09
Closing Balance		30.01	30.01		27.11	27.11
Less: Advance paid		30.01	30.01		27.11	27.11
Closing Balance (Net of advance)		-	-		-	-
c) Provision for Performance Related Pay/Incentive						
As per last Balance Sheet		67.71	67.71		130.56	130.56
Additions during the year		61.76	61.76		71.47	71.47
Amount used during the year		60.81	60.81		127.59	127.59
Amount reversed during the year		5.32	5.32		6.73	6.73
Closing Balance		63.34	63.34		67.71	67.71
d) Provision for Superannuation/Pension Fund						
As per last Balance Sheet		8.88	8.88		213.49	213.49
Additions during the year		40.14	40.14		8.88	8.88
Amount used during the year		8.88	8.88		166.71	166.71
Amount reversed during the year		-	-		46.78	46.78
Closing Balance		40.14	40.14		8.88	8.88



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(₹ in Crore)

PARTICULARS	As at 31st March, 2014			As at 31st March, 2013		
	Long Term	Short Term	Total	Long Term	Short Term	Total
e) Others						
i) Provision for Taxation						
As per last Balance Sheet		1,860.71	1,860.71		1,664.24	1,664.24
Additions during the year		316.39	316.39		587.41	587.41
Amount used during the year		571.46	571.46		390.94	390.94
Closing Balance		1,605.64	1,605.64		1,860.71	1,860.71
ii) Provision for Proposed Dividend						
As per last Balance Sheet		738.04	738.04		861.05	861.05
Additions during the year		332.12	332.12		738.04	738.04
Amount used during the year		738.04	738.04		861.05	861.05
Closing Balance		332.12	332.12		738.04	738.04
iii) Tax on Proposed Dividend						
As per last Balance Sheet		125.43	125.43		139.68	139.68
Additions during the year		56.44	56.44		125.43	125.43
Amount used during the year		120.32	120.32		134.80	134.80
Amount reversed during the year		5.11	5.11		4.88	4.88
Closing Balance		56.44	56.44		125.43	125.43
iv) Provision - Others						
As per last Balance Sheet		365.92	365.92		367.53	367.53
Additions during the year		392.32	392.32		36.22	36.22
Amount used during the year		20.10	20.10		13.24	13.24
Amount reversed during the year		8.06	8.06		24.59	24.59
Closing Balance		730.08	730.08		365.92	365.92
v) Provision For Tariff Adjustment						
As per last Balance Sheet		91.20	91.20		34.60	34.60
Additions during the year		1.13	1.13		56.60	56.60
Amount used during the year		42.52	42.52		-	-
Closing Balance		49.81	49.81		91.20	91.20
vi) Provision For Sustainable Development Expenses						
As per last Balance Sheet		2.30	2.30		-	-
Additions during the year		-	-		2.30	2.30
Amount reversed during the year		2.30	2.30		-	-
Closing Balance		-	-		2.30	2.30
vii) Provision For Research & Development Expenses						
As per last Balance Sheet		13.86	13.86		-	-
Additions during the year		-	-		13.86	13.86
Amount reversed during the year		13.86	13.86		-	-
Closing Balance		-	-		13.86	13.86
viii) Provision For Committed Capital Expenditure						
As per last Balance Sheet	13.65	94.02	107.67	9.86	78.15	88.01
Additions during the year	17.98	-	17.98	4.59	30.55	35.14
Amount used during the year	2.38	41.03	43.41	0.80	14.68	15.48
Closing Balance	29.25	52.99	82.24	13.65	94.02	107.67
TOTAL	814.70	3,002.00	3,816.70	721.92	3,412.67	4,134.59

Explanatory Note: -

- 1) The Board has resolved to implement the directions of the Ministry of Power(MOP) vide its letter no. 11/17/2009-NHPC/Vol. III dated 27th December 2013 conveying the approval of Competent Authority about pay scales in respect of below Board level Executives that the pay scales shall be fixed w.e.f. 01.01.2007 after correcting the aberrations in pay scales fixed w.e.f. 01.01.1997 and the deviant pay scales fixed w.e.f. 01.01.1997 shall not be regularized. Giving effect to the directions of Competent Authority, excess pay drawn for the months of February & March 2014 has been reversed and is to be recovered from employees. The MoP has been intimated vide letter no.PWA-504-Vol-IV/62 dated 14.05.2014 to confirm that the recovery of personal adjustment w.e.f 01.02.2014 is in conformity with the said directive of the Competent Authority.Pending confirmation, cumulative amount provided towards the Personal Adjustment Pay (fitment benefits) under the head "Provision for Wage Revision" is ₹ 30.01 crore (including current year provision upto 31.01.2014 ₹ 2.90 Crore) with corresponding amount shown as "Advance paid" towards this.
- 2) Out of provisions under group 'Provision - Others', an amount of ₹ 65.54 Crore (Previous Year ₹ 38.47 Crore) stands deposited under protest and is appearing under the head "Deposits" in Note No. 13 - Loans and Advances.

NOTE NO. 8 TRADE PAYABLE

(₹ in Crore)

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
For Goods and Services	200.71	179.41
	200.71	179.41

Explanatory Note: -

Disclosure requirement under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 is given in Note No. 30 - Other Explanatory Notes to Accounts.

NOTE NO. 9 OTHER CURRENT LIABILITIES

(₹ in Crore)

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
Current Maturities of Long Term Debt (Refer Note no. 4)	1,285.97	1,209.78
Interest accrued but not due on Borrowings	242.62	203.85
Income received in advance (Advance against depreciation)	50.17	50.17
Unpaid Dividend	4.83	3.92
Liability against Capital Works/Supplies	480.80	532.79
Deposits/ Retention Money	141.00	132.99
Unspent amount of Deposit/Agency basis works	0.04	0.04
Statutory Dues Payables	276.55	236.47
Other Liabilities	252.46	174.96
Advances against the Deposit Works	227.36	285.66
Less: Amount Spent on Deposit Works	222.29	276.04
Advances against cost of Project Mgt./ Consultancy Works	4417.35	4262.40
Less: Amount Spent in respect of Project Mgt./ Consultancy Works	4222.62	4054.36
Provision Toward Amt Recoverable in respect of Project Mgt / Consultancy Works	(3.97)	(3.97)
	2,938.21	2,766.60

Explanatory Note: -

* Details in respect of redemption, rate of interest, terms of repayment and security of secured and unsecured current maturities of long term debts indicated above are disclosed in Note no. 4.

NOTE NO. 10.1: - TANGIBLE ASSETS

(₹ in crore)

CLASS OF ASSETS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	01.04.2013	Addition	Deduction	Adjustments	31.03.2014	For the Year	Adjust-ment	31.03.2014	31.03.2013
Land – Freehold	229.69	30.59	-	-	260.28	-	-	-	229.69
Land – Leasehold	333.05	46.30	4.17	(9.07)	366.11	30.44	10.73	31.88	302.61
Roads and Bridges	363.17	7.61	7.17	(53.14)	310.47	92.32	11.10	87.44	270.85
Buildings	2,036.65	718.00	16.02	(24.05)	2,714.58	619.86	74.88	669.71	1,416.79
Railway Sidings	40.30	-	-	(1.34)	38.96	17.51	2.67	18.84	22.79
Hydraulic Works(Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels)	14,618.18	3,898.54	-	(4.16)	18,512.56	4,296.01	754.96	5,053.12	10,322.17
Generating Plant and Machinery	6,684.50	2,621.64	11.58	(0.22)	9,294.34	2,260.62	355.87	2,616.74	4,423.88
Plant and machinery - Sub-Station	89.87	4.97	0.16	(0.52)	94.16	46.63	3.03	49.20	43.24
Plant and machinery - Transmission Lines	67.70	2.24	-	(1.34)	68.60	21.81	3.50	24.02	45.89
Plant and machinery - Others	35.31	2.34	0.02	(0.65)	36.98	13.16	2.03	14.53	22.15
Construction Equipment	91.06	10.35	1.32	0.33	100.42	56.81	5.36	61.27	34.25
Water Supply System/Drainage and Sewerage	37.55	3.45	0.05	(0.30)	40.65	6.66	1.58	7.92	30.89
Electrical Installations	3.94	0.62	0.02	(0.39)	4.15	1.50	0.21	1.31	2.44
Vehicles	27.32	3.73	2.05	(1.92)	27.08	18.40	1.06	15.84	8.92
Aircraft/ Boats	0.62	0.24	0.07	(0.01)	0.78	0.27	0.04	0.24	0.35
Furniture and Fixture	46.21	4.00	0.55	(1.95)	47.71	23.93	3.08	24.81	22.28
Computers	57.31	4.89	2.17	(3.57)	56.46	45.95	4.64	45.61	11.36
Communication Equipment	13.90	1.04	0.17	(0.41)	14.36	6.38	0.80	6.69	7.52
Office Equipments	43.24	3.40	1.52	(1.15)	43.97	19.47	2.70	20.10	23.77
Research and Development	1.36	-	-	(0.01)	1.35	0.47	0.09	0.55	0.89
Other Assets	50.43	3.77	1.24	(1.75)	51.21	21.62	2.94	22.57	28.81
Capital Expenditure on Assets Not Owned by Company	42.02	0.55	9.18	(33.39)	-	4.59	-	-	37.43
Tangible Assets of Minor Value >750 and < Rs.5000	17.08	1.47	0.60	(1.92)	16.03	17.07	1.42	16.01	0.01
Obsolete / Surplus Assets	2.76	0.65	0.26	(0.75)	2.40	-	-	-	2.76
TOTAL	24,933.22	7,370.39	58.32	(141.68)	32,103.61	7,621.48	1,242.69	8,788.40	17,311.74
Previous Year	22,291.73	2,874.71	38.51	(194.71)	24,933.22	6,637.59	1,021.33	7,621.48	15,654.14

NOTE NO. 10.2:- INTANGIBLE ASSETS

CLASS OF ASSETS	GROSS BLOCK					AMORTISATION			NET BLOCK	
	01.04.2013	Addition	Deduction	Adjustments	31.03.2014	01.04.2013	For the Year	Adjust-ment	31.03.2014	31.03.2013
Land – Right to Use	748.70	42.74	-	(2.00)	789.44	21.21	4.38	-	25.59	763.85
Computer Software	38.12	0.37	0.06	(0.46)	37.97	37.39	0.60	(0.50)	37.49	0.73
TOTAL	786.82	43.11	0.06	(2.46)	827.41	58.60	4.98	(0.50)	63.08	728.22
Previous Year	769.20	18.45	0.31	(0.52)	786.82	55.02	3.85	(0.27)	58.60	728.22

(₹ in crore)

Explanatory Note:-

- 1) Title deeds/ Lease deeds/ title in respect of Land amounting to ₹ 296.77 Crore (Previous Year ₹ 278.23 Crore), covering an area of 978.95 hectare (Previous Year 2356.79 hectare), are yet to be executed/passed. Expenses on stamp duty etc. relating to registration thereof will be accounted for as and when incurred.
- 2) Land does not include 7.83 hectare taken from Sasatara Seema Bal (SSB) for Subansiri Upper Project on lease for a period of 99 years @ notional rent of ₹ 1/- per annum.
- 3) Underground works amounting to ₹ 6267.10 Crore (Previous Year ₹ 5408.20 Crore), created on Land - Right to use, are included under the relevant heads of Tangible Assets.
- 4) Adjustments to Gross Block include adjustment for Foreign Exchange Rate Variation, adjustment in gross block at the time of capitalisation of a project for depreciation charged during construction of project, inter-head reclassification of assets & misclassification correction.
- 5) Pending approval of revised cost estimates (RCE) of Sewa II, Chutak, Chamera III, Teesta Low Dam III, Nimmo Bazgoo, Uri II & Parbati III Power Stations, capital expenditure actually incurred on these power stations has been considered for capitalisation.
- 6) Foreign Exchange Rate Variation included in Adjustments to assets are as follows: -

Class of Assets	As on 31.03.2014 (₹ in crore)	As on 31.03.2013 (₹ in crore)
Roads and Bridges	-	(1.52)
Buildings	-	(13.71)
Hydraulic Works	-	(125.92)
Generating Plant and machinery	-	(28.99)
Plant and machinery Sub station	-	(0.15)
Plant and machinery Transmission lines	-	-
"Plant and machinery- Others"	-	0.02
Water Supply System/Drainage and Sewerage	-	(0.06)
Total	-	(170.33)

NOTE NO. 11 CAPITAL WORK IN PROGRESS

(₹ in crore)

Particulars	01.04.2013	Addition	Adjustment	Capitalised	31.03.2014
Roads and Bridges	66.23	12.81	(18.00)	7.62	53.42
Buildings	1,299.34	197.00	144.89	704.90	936.33
Hydraulic Works (Dams, Water Conductor System, Hydro mechanical Gates, Tunnels)	6,707.18	1,171.98	1,417.95	3,839.65	5,457.46
Generating Plant and Machinery	3,945.61	317.10	1,094.07	2,556.75	2,800.03
Plant and Machinery - Sub-Station	9.15	0.37	0.81	2.69	7.64
Plant and Machinery - Transmission Lines	3.92	1.38	(0.39)	3.31	1.60
Plant and Machinery - Others	2.27	0.41	(0.85)	1.34	0.49
Water Supply System/Drainage and Sewerage	2.14	2.26	0.11	3.27	1.24
Other Assets awaiting Installation	2.45	41.51	(2.13)	29.40	12.43
Capital Expenditure on Assets Not Owned by the Company	103.58	0.15	(103.73)	-	0.00
Survey, Investigation, Consultancy and Supervision Charges	241.50	27.68	(31.10)	-	238.08
Expenditure on Compensatory Afforestation	0.64	-	-	-	0.64
Expenditure during Construction*	7,256.21	988.65	(3,101.55)	-	5,143.31
Less: Provided for	119.61	55.91	(5.88)	-	169.64
Sub total (a)	19,520.61	2,705.39	(594.04)	7,148.93	14,483.03
* For addition during the period refer Note No. 28					
	01.04.2013		Adjustment		31.03.2014
Construction Stores	190.08	-	(14.46)	-	175.62
Less : Provisions for construction stores	1.65	-	(0.13)	-	1.52
Sub total (b)	188.43	-	(14.33)	-	174.10
TOTAL	19,709.04	2,705.39	(608.37)	7,148.93	14,657.13
Previous Year	19349.74	3329.71	(173.03)	2797.38	19709.04

Explanatory Note: -

- Expenditure during Construction (EDC) includes ₹ 472.52 Crore (Previous Year ₹ 925.06 Crore) towards borrowing cost capitalised during the year.
- CWIP includes a cumulative expenditure of ₹ 799.25 Crore (Previous Year ₹ 781.26 Crore) on projects under Survey & Investigation stage. Of this, a sum of ₹ 43.79 Crore pertains to Subansiri Upper Project, which had been decided by Govt. of Arunachal Pradesh to be handed over to a Private Developer, however pending handing over of the project & recovery of expenditure incurred on it, an amount ₹ 43.56 Crore has been provided for in the books as an abundant precaution. Out of the balance of ₹ 755.46 Crore pertaining to projects with the company, a sum of ₹ 114.34 Crore (Previous Year ₹ 84.16 Crore) has been provided as an abundant precaution in respect of projects, where uncertainties are attached and ₹ 641.12 Crore (Previous Year ₹ 553.53 Crore), pertaining to other projects having reasonable certainty of getting clearance, is carried over.
- Siang Basin, Subansiri Basin & Dibang Multipurpose Projects were taken over from Brahmaputra Board. Pending settlement of accounts with Brahmaputra Board, assets and liabilities have been accounted for to the extent of amounts incurred by the Company on these projects. Siang Lower & Siyom HE Projects (in Siang Basin) & Subansiri Middle (in Subansiri Basin) have since been handed over to Private Developer and liability arising out of settlement of accounts with Brahmaputra Board towards these projects is recoverable from respective Private Developers.
- Kiru & Kwar HE Projects are to be executed by M/s Chenab Valley Power Projects Private Limited (A Joint venture company of NHPC Limited, JKSPDC and PTC Limited). These projects are handed over to the JV company on 30.06.2013. Accordingly during the current year, the expenditure amounting to ₹ 103.03 Crore incurred by NHPC Limited on these projects up to 30.06.2013 has also been transferred to the JV Company.
- Expenditure during Construction includes ₹ 2.38 Crore incurred on Tipaimukh HE Project, which is to be executed through a proposed joint venture company with participation from State of Manipur and SJVN Limited. The said amount has been provided for in the books during the current period, in view of denial of forest clearance of the project by Ministry of Environment & Forest (MoEF).
- Underground Works amounting to ₹ 3774.90 Crore (Previous Year ₹ 3459.57 Crore) created on Land - Right to use, are included under respective heads of CWIP.
- Capital Expenditure on projects approved by the competent authority undergoes revision over period of time as hydroelectric projects are time intensive and some takes longer period than envisaged. As a consequence the cost escalation occur, which requires approval of competent authority. Pending such approval the expenditure incurred during the period is carried forward in capital work in progress.

NOTE NO. 12 NON CURRENT INVESTMENTS

Particulars	As at 31st March, 2014			As at 31st March, 2013		
	Number of shares/ bonds/ securities	Face value per share/ bond/ security (In ₹)	Amount (₹ in Crore)	Number of shares/ bonds/ securities	Face value per share/ bond/ security (in ₹)	Amount (₹ in Crore)
A. Trade - Quoted						
(a) Investment in Equity Instrument						
PTC India Ltd. (Fully Paid Up)	12000000	10	12.00	12000000	10.00	12.00
Trade - Unquoted						
(a) Investment In Equity Instruments						
(i) Subsidiary Companies (Fully Paid Up)						
- NHDC Limited	10024200	1000	1002.42	10024200	1000	1002.42
- Loktak Downstream Hydroelectric Corporation Limited	87092309	10	87.09	87092309	10	87.09
- Chenab Valley Power Projects Private Limited	-	-	-	100000000	10	100.00
(ii) Joint Venture Companies (Fully Paid Up)						
- Chenab Valley Power Projects Private Limited	100000000	10	100.00	-	-	-
- National Power Exchange Limited			-	2188325	10	2.19
(Provision for diminution in value)			-			(0.77)
- National High Power Test Laboratory (P) Limited	14875000	10	14.88	11060000	10	11.06
(b) Investment In Bonds						
8.50 % Tax-Free State Government Special Bonds of the Government of :						
Arunachal Pradesh	972	1000	0.10	1944	1000	0.19
Bihar	19070	1000	1.91	38140	1000	3.81
Haryana	565000	1000	56.50	1130000	1000	113.00
Himachal Pradesh	17868	1000	1.79	35736	1000	3.57
Jammu and Kashmir	770696	1000	77.07	1541392	1000	154.14
Jharkhand	14310	1000	1.43	28620	1000	2.86
Meghalaya	532	1000	0.05	1064	1000	0.11
Mizoram	3210	1000	0.32	6420	1000	0.64
Nagaland	6920	1000	0.69	13840	1000	1.38
Punjab	222810	1000	22.28	445620	1000	44.56
Rajasthan	85473	1000	8.55	85473	1000	8.55
Sikkim	2336	1000	0.23	4672	1000	0.47
Tripura	2668	1000	0.27	5336	1000	0.53
Uttar Pradesh	786890	1000	78.69	1573780	1000	157.38
Uttaranchal	87430	1000	8.74	174860	1000	17.49
West Bengal	6722	1000	0.67	13444	1000	1.34
(c) Share Application Money						
Joint Venture Companies						
- National High Power Test Laboratory (P)Limited			-			3.82
Sub Total (A)			1475.68			1727.83



NHPC Limited

(A Government of India Enterprise)

Particulars	As at 31st March, 2014			As at 31st March, 2013		
	Number of shares/ bonds/ securities	Face value per share/ bond/ security (In ₹)	Amount (₹ in Crore)	Number of shares/ bonds/ securities	Face value per share/ bond/ security (in ₹)	Amount (₹ in Crore)
B. Non Trade - Quoted						
(a) Investment in Equity Instrument						
Indian Overseas Bank (Fully Paid Up)	360800	10	0.36	360800	10	0.36
(b) Investment In Government Securities #						
8.35% SBI Right Issue GOI Special Bonds 2024	150000	10000	150.77	150000	10000	150.77
8.20% Oil Marketing Companies GOI Special Bonds 2024	12380	10000	12.26	12380	10000	12.26
8.28% GOI 2027	57000	10000	52.94	57000	10000	52.94
8.26% GOI 2027	17940	10000	17.83	17940	10000	17.83
8.28% GOI 2032	35000	10000	34.62	35000	10000	34.62
8.32% GOI 2032	34000	10000	31.28			
(c) Investment In Public Sector Undertaking/Public Financial Institution & Corporate Bonds #						
8.95% Indian Railways Finance Corporation Bonds 2025	688	1000000	69.63	688	1000000	69.63
8.65% Indian Railways Finance Corporation Bonds 2025	30	1000000	2.99	30	1000000	2.99
8.83% Indian Railways Finance Corporation Bonds 2035	120	1000000	12.09	120	1000000	12.09
8.80% Indian Railways Finance Corporation Bonds 2030	150	1000000	15.13	150	1000000	15.13
8.90% Power Grid Corporation of India Bonds 2021	80	1250000	10.00	80	1250000	10.00
8.90% Power Grid Corporation of India Bonds 2022	80	1250000	10.00	80	1250000	10.00
8.90% Power Grid Corporation of India Bonds 2023	80	1250000	10.00	80	1250000	10.00
8.90% Power Grid Corporation of India Bonds 2025	40	1250000	5.04	40	1250000	5.04
8.84% Power Grid Corporation of India Bonds 2024	156	1250000	19.51	156	1250000	19.51
8.84% Power Grid Corporation of India Bonds 2025	364	1250000	45.52	364	1250000	45.52
8.95% Power Finance Corporation Bonds 2025	51	1000000	5.16	51	1000000	5.16
8.80% Power Finance Corporation Bonds 2025	467	1000000	45.97	467	1000000	45.97
8.70% Power Finance Corporation Bonds 2025	477	1000000	47.37	477	1000000	47.37
8.80% Rural Electrification Corporation Bonds 2020	600	1000000	59.93	600	1000000	59.93
9.75% Rural Electrification Corporation Bonds 2021	230	1000000	23.05	230	1000000	23.05
7.41% IIFCL Tax Free Bonds 15.11.2032	120	1000000	12.00	120	1000000	12.00

Particulars	As at 31st March, 2014			As at 31st March, 2013		
	Number of shares/ bonds/ securities	Face value per share/ bond/ security (In ₹)	Amount (₹ in Crore)	Number of shares/ bonds/ securities	Face value per share/ bond/ security (in ₹)	Amount (₹ in Crore)
8.12% REC Tax Free Bonds 27.03.2027	100000	1000	10.61	100000	1000	10.61
8.48% NHAI TAX FREE	473	100000	47.28			-
Sub Total (B)			751.34			672.78
Total (A+B)			2227.02			2400.61
# Earmarked Investment for Self Insurance Fund						
Quoted Investments						
(i) Aggregate Cost			763.34			684.78
(ii) Aggregate Market Value			815.75			755.22
Unquoted Investments						
(i) Aggregate Cost			1463.68			1716.60
(ii) Aggregate provision for diminution in value			0.00			0.77
Valuation as per Accounting Policy no. 6						

NOTE NO. 13 LOANS AND ADVANCES

(₹ in Crore)

PARTICULARS	As at 31st March, 2014			As at 31st March, 2013		
	Long Term	Short Term	Total	Long Term	Short Term	Total
a) CAPITAL ADVANCES						
- Secured (considered good)	0.39		0.39	3.87		3.87
- Unsecured (considered good)						
- Against Bank Guarantee	460.27		460.27	613.08		613.08
- Others	139.20		139.20	154.82		154.82
Less : Provision for expenditure awaiting utilisation Certificate	10.71		10.71	6.38		6.38
- Unsecured (considered doubtful)	47.80		47.80	45.55		45.55
Less : Provisions for Doubtful Advances	47.80		47.80	45.55		45.55
b) DEPOSITS						
- Unsecured (considered good)	85.34	50.86	136.20	45.74	37.01	82.75
- Unsecured (considered doubtful)	-	0.01	0.01		0.01	0.01
Less : Provision for Doubtful Deposits	-	0.01	0.01	-	0.01	0.01
c) OTHER LOANS & ADVANCES						
i) Employees (including accrued interest)						
- Secured (considered good)	130.08	21.11	151.19	107.59	19.03	126.62
- Unsecured (considered good)	21.94	35.55	57.49	31.61	31.56	63.17
- Unsecured (considered doubtful)		0.02	0.02		0.01	0.01
ii) Advance to contractor / supplier / service provider						
- Secured (considered good)		0.30	0.30		0.71	0.71
- Unsecured (considered good)						
- Against Bank Guarantee		10.09	10.09		15.17	15.17
- Others		18.90	18.90		8.15	8.15
- Unsecured (considered doubtful)		0.47	0.47		0.49	0.49

PARTICULARS	As at 31st March, 2014			As at 31st March, 2013		
	Number of shares/ bonds/ securities	Face value per share/ bond/ security (in ₹)	Amount (₹ in Crore)	Number of shares/ bonds/ securities	Face value per share/ bond/ security (in ₹)	Amount (₹ in Crore)
(b) Investment In Bonds (Current maturity of long-term investments)						
8.50 % Tax-Free State Government Special Bonds of the Government of :						
Arunachal Pradesh	972	1000	0.10	972	1000	0.10
Bihar	19070	1000	1.91	19070	1000	1.91
Haryana	565000	1000	56.50	565000	1000	56.50
Himachal Pradesh	17868	1000	1.79	17868	1000	1.79
Jammu and Kashmir	770696	1000	77.07	770696	1000	77.07
Jharkhand	14310	1000	1.43	14310	1000	1.43
Meghalaya	532	1000	0.05	532	1000	0.05
Mizoram	3210	1000	0.32	3210	1000	0.32
Nagaland	6920	1000	0.69	6920	1000	0.69
Punjab	222810	1000	22.28	222810	1000	22.28
Sikkim	2336	1000	0.23	2336	1000	0.23
Tripura	2668	1000	0.27	2668	1000	0.27
Uttar Pradesh	786890	1000	78.69	786890	1000	78.69
Uttaranchal	87430	1000	8.74	87430	1000	8.74
West Bengal	6722	1000	0.67	6722	1000	0.67
Total			251.87			250.74
Unquoted Investments						
Aggregate Cost			252.93			250.74
Aggregate provision for diminution in value			1.06			-
Valuation as per Accounting Policy no. 6						

Explanatory Note: -

The Company has decided to withdraw from National Power Exchange Ltd (A joint Venture of the Company). Pending withdrawal, upto date provision of ₹ 1.06 Crore towards the diminution in the value of Investment in the said joint venture has been made.

NOTE NO. 16 INVENTORIES

(₹ in Crore)

PARTICULARS	As at 31st March, 2014		As at 31st March, 2013	
(Valuation as per Accounting Policy No. 7)				
Stores and Spares	93.28		77.69	
Stores in Transit / Pending Inspection	1.31	94.59	1.16	78.85
Loose Tools		2.09		1.80
Scrap Inventory		0.92		1.24
Material issued to Contractors / Fabricators		0.60		0.38
Less: Provision for Obsolescence & Diminution in Value		25.91		25.20
		72.29		57.07



NOTE NO. 17 TRADE RECEIVABLES

(₹ in Crore)

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
Trade Receivables outstanding for a period exceeding six months from the date they become due for payment		
- Unsecured - Considered Good	515.17	365.74
- Unsecured - Considered Doubtful	34.77	43.70
Other Trade Receivables		
- Unsecured - Considered Good	1,348.60	1,683.31
Less: Provision for Doubtful Debts	34.77	43.70
	<u>1,863.77</u>	<u>2,049.05</u>

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. 18 CASH AND BANK BALANCES

(₹ in Crore)

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
A Cash and Cash Equivalents		
Cash on hand	0.19	0.31
(includes stamps on hand of ₹ 0.01 Crore, Previous Year ₹ 0.01 Crore)		
Cheques, drafts on hand	15.93	0.08
Balances with Banks		
• With Scheduled Banks		
- In current account		
- Self Insurance Fund	0.46	0.46
- Others	235.02	257.98
-In deposits account (Deposits with maturity of three months or less)		
- Others	334.63	409.49
• With other Banks		
- In current account		
- Bank of Bhutan	0.01	0.07
B Other Bank Balances		
Deposits with maturity of more three months but less than/up to 12 months		
• With Scheduled Banks		
- Self Insurance Fund	22.67	45.80
- IPO Proceeds	509.09	1,089.34
- Others	4,181.00	3,808.56
Deposit account-Unpaid Dividend	4.83	3.92
	<u>5,303.83</u>	<u>5,616.01</u>

Explanatory Note: -

- 1) Out of the Initial Public Offering (IPO) proceeds of ₹ 6038.55 Crore made during financial year 2009-10, sale proceeds of ₹ 2012.85 Crore was paid to Ministry of Power, Govt. of India and ₹ 4025.70 Crore was retained by the company. Out of ₹ 4025.70 Crore, a sum of ₹ 3477.90 Crore has been utilised up to 31.03.2014 for re-coupmnt of capital expenditure already incurred from internal accruals on the projects specified for utilisation, the unutilised amount of ₹ 509.09 Crore has been invested in bank deposits as per extant investment policy of the company and ₹ 38.71 Crore recouped for meeting IPO expenditure.
- 2) Cash and Bank Balances include ₹ 320.63 Crore (Previous Year ₹ 361.37 Crore), held for Rural Road and Rural Electrification works being executed by Company on behalf of other agencies and are not freely available for the business of the Company.

NOTE NO. 19 OTHER CURRENT ASSETS

(₹ in Crore)

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
a) Interest accrued on:		
Loan to State Government in settlement of dues from Customers	32.97	37.28
Deposits		
- IPO	8.16	70.68
- Self Insurance	16.83	20.14
- Other Deposits	206.55	118.66
Others		
- Considered Good	2.20	35.73
- Considered Doubtful	67.94	-
Sub-total	334.65	282.49
Less: Provision for Doubtful Interest	67.94	-
b) Receivable on account of Unbilled Revenue	426.04	1,203.55
c) Receivable from Subsidiaries / JV's	282.59	174.18
d) Interest Receivable from Beneficiary	108.04	333.97
e) Claims Recoverable	665.67	327.37
Less: Provisions for Doubtful Claims	328.81	259.75
f) Construction Work in Progress (on behalf of client)	20.75	20.75
g) Expenditure awaiting adjustment	37.06	37.06
Less: Provision for project expenses awaiting write off sanction	37.06	-
h) Losses awaiting write off sanction/pending investigation	11.17	9.03
Less: Provision for losses pending investigation/awaiting write off / sanction	11.17	-
i) Others	0.22	17.29
	1,441.21	2,099.85

Explanatory Note: -

- Interest accrued on Loan to State Government in settlement of dues from customers includes ₹ 32.97 Crore (Previous Year ₹ 32.97 Crore) on account of payment of incentive to M/s Delhi Transco Limited. The equivalent amount is appearing as liability under other liabilities in Note-9 (Other Current Liabilities) since the issue of payment of incentive to M/s Delhi Transco has not been resolved yet.
- Receivable on account of Unbilled Revenue represents i) J&K water cess ₹ 210.27 Crore (Previous Year ₹ 908.81 Crore) ii) Tax Adjustment ₹ (-) 10.34 Crore (Previous Year ₹ (-) 22.10 Crore) iii) MEA sales ₹ 1.72 Crore (Previous Year ₹ 5.84 Crore) iv) Other ₹ 224.39 Crore (Previous Year ₹ 311.00 Crore)
- Receivable from Subsidiaries / JV's includes claim of the company towards capital expenditure incurred on Pakaldul, Kiru & Kavar HE Projects which has been transferred to M/s CVPPPL (a joint venture company of NHPC, JKSPDC and PTC).

NOTE NO. 20 REVENUE FROM OPERATIONS

(₹ in Crore)

PARTICULARS	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
A SALES		
SALE OF POWER	5,405.60	5,407.06
Less:		
Adjustment for Foreign Exchange Rate Variation	105.35	118.10
Tariff Adjustments	1.13	56.60
Regulated Sales Adjustment	5.83	195.82
Income from generation of electricity – precommissioning (Transferred to EDC Note no. 28 I (a))	8.35	37.58
Sub total (A)	5,284.94	4,998.96
B ADVANCE AGAINST DEPRECIATION - Written back during the year	50.17	50.17
Sub total (B)	50.17	50.17
C OTHER OPERATING INCOME		
Interest from Beneficiary States (Revision of Tariff)	115.54	141.24
Sub total (C)	115.54	141.24
D REVENUE FROM CONTRACTS, PROJECT MANAGEMENT AND CONSULTANCY WORKS		
Contract Income	41.32	65.05
Revenue from Project Management / Consultancy works	45.07	55.31
TOTAL (A+B+C+D)	5,537.04	5,310.73

Explanatory Note: -

- Sales have been recognized as per final tariff notified by Central Electricity Regulatory Commission (CERC), except in respect of Chamera III, Chutak, Teesta Low Dam III, Nimmo Bazgoo, Uri II & Parbati III Power Stations. Sales at Chamera III, Chutak, Nimmo Bazgoo & Uri II Power Stations have been recognised on the basis of provisional tariff given by CERC for these power stations, Sales at Teesta Low Dam III Power Station has been recognised provisionally on the basis of 85% of capital cost filed with CERC and Sales at Parbati III Power Station has been recognised provisionally on basis of sanctioned capital cost of the project.
- Sales includes ₹ 60.50 Crore (Previous year ₹ 80.66 Crore) on account of earlier year sales arising out of finalisation of tariff in current year.
- Due to non payment of dues by some of the beneficiaries, share of power allocated to them has been regulated in terms of CERC Regulation No.L-1/42/2010-CERC Dated 28th September, 2010 and accordingly sales includes an amount of ₹ 11.01 Crore (Previous year ₹ 339.38 Crore) towards regulated power, which has been sold through bidding at Power Exchange. Ibid regulation further provides that margin earned on such sale after adjusting expenditure for effecting sale of regulated power should be passed on to beneficiaries, whose power has been regulated. Accordingly an amount of ₹ 5.83 Crore (Previous year ₹ 195.82 Crore) has been adjusted against the outstanding dues of those beneficiaries.
- Sales includes ₹ 502.80 Crore (Previous year ₹ 801.54 Crore) which is yet to be billed.
- Tariff regulation notified by CERC vide notification dated 19.01.2009 inter-alia provides that capital cost considered for fixation of tariff for current tariff period shall be subject to truing up at the end of the tariff period, which may result in increase or decrease in tariff. Accordingly, an amount of ₹ 1.13 Crore (Previous year ₹ 56.60 Crore) has been provided in the books during the year as an abundant precaution.
- In terms of regulation No. 39 of tariff regulation issued vide Central Electricity Regulatory Commission (CERC) notification No. L-7/145(160)/2000-CERC dated 19.01.2009, deferred tax liabilities for the period upto 31st March 2009, whenever it materializes is recoverable directly from the beneficiaries and are accounted for on yearly basis. Accordingly current year sale includes ₹ 114.05 Crore (Previous Year ₹ 54.66 Crore) on account of deferred tax materialized during the year.

NOTE NO. 21 OTHER INCOME

(₹ in Crore)

PARTICULARS	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
A Income from Non-Current Investments		
Trade		
- Dividend from Subsidiaries	375.91	30.07
- Dividend -Others	1.92	1.80
- Interest - Government Securities (8.5% tax free bonds issued by the State Governments)	59.34	80.65
Non-Trade		
- Dividend income -Others	0.10	0.16
- Interest - (Self Insurance Fund)	60.66	56.05
B Other		
Interest on		
- Loan to State Government in settlement of dues from Customers	7.01	9.16
- Loan to Government of Arunachal Pradesh	33.27	30.54
- Deposit Account -Self Insurance Fund	3.97	4.86
- Deposit Account -Other then self insurance fund	579.20	507.93
- Employee's Loans and Advances	10.38	8.74
- Others	75.42	90.43
Late payment Surcharge	121.57	75.12
Income from sale of Self Generated VERs	0.05	3.03
Realization of Loss Due To Business Interruption	99.99	-
Profit on Sale of Assets	1.05	0.51
Liability/ Provisions not Required Written Back	40.32	211.60
Others	43.04	34.12
Exchange Rate Variation	32.54	18.45
TOTAL	1,545.74	1,163.22
Less: Income transferred to EDC	63.91	135.57
Less: Income transferred to Advance Deposit from Client / Contractees and against Deposit Works	24.88	34.87
Total carried forward to Statement of Profit & Loss	1,456.95	992.78
Explanatory Note: -		
1) Detail of Liability/Provisions not required written back		
Provision for Bad and Doubtful Advances / Deposits	-	0.02
Provision for Diminution in value of Stores and Spares	0.99	0.21
Provision for Bad and Doubtful Debts	14.64	148.69
Provision for Bad and Doubtful Claims	5.77	0.78
Provision for Losses Pending Investigation / Losses awaiting write off sanction	-	5.50
Provision for Wage Revision	-	0.09
Provision for PRP/ Incentive	5.31	6.73
Provision for Superannuation/Pension Fund	-	46.78
Others	13.61	2.80
Total	40.32	211.60

- 2) Total carried forward to Statement of Profit & Loss includes ₹ 58.72 Crore relating to Subansiri Lower Project & Teesta Low Dam IV Project as explained in Explanatory Note no 29, para 10 & 11 respectively.



NHPC Limited

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NOTE NO. 22 GENERATION, ADMINISTRATION AND OTHER EXPENSES

(₹ in Crore)

PARTICULARS	For the Year ended 31st March, 2014		For the Year ended 31st March, 2013	
A GENERATION EXPENSES				
Water Usage Charges		630.04		592.44
B Consumption of Stores and Spare parts		26.90		27.01
C Direct Expenditure on Contract, Project Management and Consultancy Works		23.09		32.59
D REPAIRS & MAINTENANCE				
- Building		45.18		34.29
- Machinery		31.01		47.09
- Others		96.46	172.65	45.85
E ADMINISTRATION EXPENSES				
Rent		46.74		37.87
Rates and Taxes		4.23		8.17
Insurance		64.28		44.19
Utilization of Self Insurance Fund		3.97		0.92
Security Expenses		146.17		126.24
Electricity Charges		106.48		37.75
Travelling and Conveyance		20.55		19.48
Expenses on Vehicles		10.27		9.41
Telephone, Telex and Postage		13.18		10.34
Advertisement and Publicity		9.22		7.59
Entertainment and Hospitality Expenses		0.37		0.33
Donation		-		2.50
Printing and Stationery		5.43		5.79
Books & Periodicals		0.32		0.35
Consultancy Charges - Indigenous		9.01		4.80
Consultancy Charges - Foreign		-		0.05
Expenses on Compensatory Afforestation/ Catchment Area Treatment/ Environmental Expenses		48.04		29.04
Expenditure Incurred on Maintenance / Creation of Facilities not Controlled by Company		30.19		6.49
Loss on Sale of Assets		0.74		0.91
Assets / Claims written off		0.16		0.36
Interest on Arbitration/ Court Cases		13.16		0.65
Interest to Beneficiary States		9.29		14.34
Rebate to Customers		14.69		15.60
CSR/ Sustainable Development/ Community Development Expenses		31.88		14.78
Expenditure on Self Generated VERS		0.01		1.25
Other General Expenses		98.39		82.11
Exchange Rate Variation		47.33		20.02
Audit Expenses (Refer detail below)		2.29		1.67
Directors' expenses		0.24		0.28
Expenses for Regulated Power	0.89		20.20	
Less: - Expenditure Recoverable on Regulated Power	0.89	-	20.20	-
TOTAL		736.63		503.28

NOTE NO. 22 GENERATION, ADMINISTRATION AND OTHER EXPENSES (Contd.)

(₹ in Crore)

PARTICULARS	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
F PROVISIONS		
Bad and Doubtful Debts provided	5.72	-
Bad and Doubtful Advances / Deposits provided	2.25	45.79
Bad and Doubtful Claims / Interest provided	139.61	60.27
Diminution in value of Stores and Spares	0.63	1.42
Provision against Diminution in the value of Investment	0.30	-
Project expenses provided for	55.91	3.00
Provision for Fixed Assets/ Stores provided for Others	2.40	0.77
	0.01	-
	<u>206.83</u>	<u>111.25</u>
Total (A to F)	<u>1,796.14</u>	<u>1,393.80</u>
Less: Amount transferred to EDC	180.15	294.37
Less: Recoverable from Deposit Works	0.08	0.01
Total carried forward to Statement of Profit & Loss	<u>1,615.91</u>	<u>1,099.42</u>

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) Pending notification of revision order by CERC in respect of truing up application filed by the company under CERC notification dated 19.01.2009, an amount of ₹ 9.29 Crore (Previous year ₹ 14.34 Crore) has been provided in the books during the year ended 31.03.2014 towards Interest to Beneficiary States, which may have to be paid in case of reduction in tariff as a result of said revision order.

- 3) Detail of Audit Expenses are as under: -

i) Statutory Auditors			
As Auditor			
- Audit Fees	0.45		0.45
- Tax Audit Fees	0.14	0.59	0.14
In other Capacity			
Taxation Matters	0.01		-
Other Matters/services	0.80	0.81	0.45
Reimbursement of expenses		0.74	0.52
ii) Cost Auditors			
- Audit Fees		0.14	0.10
- Reimbursement of expenses		0.01	0.01
		<u>2.29</u>	<u>1.67</u>

- 4) Total carried forward to Statement of Profit & Loss includes ₹ 220.70 Crore relating to Subansiri Lower Project & Teesta Low Dam IV Project as explained in Explanatory Note no 29, para 10 & 11 respectively.



NOTE NO. 23 EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

PARTICULARS	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Salaries, Wages, Allowances	1,124.70	1,148.59
Gratuity, Contribution to Provident Fund & Pension Scheme (incl. administration fees)	183.52	185.66
Staff Welfare Expenses	124.67	113.27
Leave Salary & Pension Contribution	0.11	0.01
TOTAL	1,433.00	1,447.53
Less: Employee Cost transferred to EDC	373.66	559.41
Less: Recoverable from Deposit Works	0.67	0.71
Total carried forward to Statement of Profit & Loss	1,058.67	887.41

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 ₹ 38.37 Crore (Previous year ₹ 36.37 Crore) towards lease payments in respect of premises for residential use of employees.

2) Gratuity, Contribution to Provident Fund & Pension Scheme include contributions:

i) towards Employees Provident Fund	74.19	68.57
ii) towards Employees Defined Contribution Superannuation Scheme	95.22	67.00
	169.41	135.57

3) Total carried forward to Statement of Profit & Loss includes ₹ 107.17 Crore relating to Subansiri Lower Project & Teesta Low Dam IV Project as explained in Explanatory Note no 29, para 10 & 11 respectively.

NOTE NO. 24 FINANCE COST

(₹ in Crore)

PARTICULARS	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
A Interest on :		
Government of India loan	14.22	-
Bonds	473.97	339.93
Foreign Currency Loan	45.17	54.22
Term Loan	923.45	877.04
Other Interest Charges	7.40	1.96
Sub total	1,464.21	1,273.15
B Other Borrowing Cost		
Bond issue/ service expenses	2.84	0.86
Commitment fee	0.07	2.56
Guarantee fee on foreign loan	28.84	33.95
Other finance charges	4.52	6.71
Sub-total	36.27	44.08

NOTE NO. 24 FINANCE COST (Contd.)

(₹ in Crore)

PARTICULARS	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
C Applicable net gain/ loss on Foreign currency transactions and translation		
Exchange differences regarded as adjustment to interest cost	29.66	10.52
Less: Adjustment on account of Foreign Exchange Rate Variation	<u>29.66</u>	<u>10.52</u>
Sub-total	-	-
Total (A to C)	1,500.48	1,317.23
Less: Finance Cost transferred to EDC	<u>478.08</u>	<u>931.85</u>
Total carried forward to Statement of Profit & Loss	<u>1,022.40</u>	<u>385.38</u>

Explanatory Note: -

Total carried forward to Statement of Profit & Loss includes ₹ 483.73 Crore relating to Subansiri Lower Project & Teesta Low Dam IV Project as explained in Explanatory Note no 29, para 10 & 11 respectively.

NOTE NO. 25 DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in Crore)

PARTICULARS	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Depreciation & Amortization Expenses	1,247.67	1,025.18
Adjustment on account of Foreign Exchange Rate Variation	(12.27)	(15.24)
TOTAL	<u>1,235.40</u>	<u>1,009.94</u>
Less: Depreciation & Amortisation Expenses transferred to EDC	<u>24.64</u>	<u>40.65</u>
Total carried forward to Statement of Profit & Loss	<u>1,210.76</u>	<u>969.29</u>

Explanatory Note: -

Total carried forward to Statement of Profit & Loss includes ₹ 8.08 Crore relating to Subansiri Lower Project & Teesta Low Dam IV Project as explained in Explanatory Note no 29, para 10 & 11 respectively.

NOTE NO. 26 PRIOR PERIOD ITEMS (NET)

(₹ in Crore)

PARTICULARS	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
INCOME		
Advance Against Depreciation written back	-	(0.83)
Interest/Surcharge from Debtors	(12.79)	-
Others	4.52	17.04
Sub-total (A)	<u>(8.27)</u>	<u>16.21</u>
EXPENDITURE		
Salary & Wages	0.23	2.16
Repair & Maintenance	0.92	(0.51)
Finance Cost	(0.22)	-
Depreciation & Amortization	1.92	0.65
Others	496.45	16.01
Sub-total (B)	<u>499.30</u>	<u>18.31</u>
Total Prior Period Expenditure (C) = (B) - (A)	<u>507.57</u>	<u>2.10</u>
Less: Prior Period Items transferred to EDC		
Prior period expenses	3.79	2.17
Less Prior period income	(0.59)	(0.04)
Sub-total (D)	<u>4.38</u>	<u>2.21</u>
Total carried forward to Statement of Profit & Loss (C - D)	<u>503.19</u>	<u>(0.11)</u>

Explanatory Note: -

Total carried forward to Statement of Profit & Loss includes ₹ 506.73 Crore relating to Subansiri Lower Project & Teesta Low Dam IV Project as explained in Explanatory Note no 29, para 10 & 11 respectively.

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NOTE NO. 27 TAX EXPENSES

(₹ in Crore)

PARTICULARS	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
CURRENT TAX		
Income Tax Provision	251.62	587.41
Adjustment Relating To Earlier Years	46.68	9.85
Deferred Tax Liability/(Asset)	230.69	326.56
Less: Recoverable	(75.28)	69.91
Total carried forward to Statement of Profit & Loss	604.27	853.91

NOTE NO. 28 EXPENDITURE DURING CONSTRUCTION FOR THE YEAR

(₹ in Crore)

PARTICULARS	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
A EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages, Allowances	153.93	258.82
Gratuity and Contribution to Provident Fund	24.77	42.83
Staff Welfare Expenses	10.64	15.65
Leave Salary & Pension Contribution	0.11	0.11
Sub-total	189.45	317.41
B REPAIRS & MAINTENANCE		
Building	3.91	6.45
Machinery	0.33	1.14
Others	5.21	13.11
Sub-total	9.45	20.70
C ADMINISTRATION & OTHER EXPENSES		
Rent	12.45	16.70
Rates and Taxes	10.35	8.39
Insurance	1.16	0.31
Security Expenses	19.13	29.40
Electricity Charges	5.36	6.29
Travelling and Conveyance	2.57	4.90
Expenses on Vehicles	1.54	3.40
Telephone, Telex and Postage	2.69	2.93
Advertisement and Publicity	0.57	0.82
Printing and Stationery	0.74	1.02
Design and Consultancy charges - Indigenous	1.33	1.62
Expenses on Compensatory Afforestation / Catchment Area Treatment / Environmental Expenses	13.60	31.23
Expenditure Incurred on Maintenance / Creation of Facilities not Controlled by Company	26.85	5.44
Losses on Sale of Assets	0.01	0.03
Assets/ Claims written off	-	-
Other General Expenses	7.96	15.01
Remuneration to Auditors	0.02	0.03
Exchange Rate Variation (Debit)	15.46	16.26
Sub-total	121.79	143.78

NOTE NO. 28 EXPENDITURE DURING CONSTRUCTION FOR THE YEAR (Contd.)

(₹ in Crore)

PARTICULARS	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
D FINANCE COST		
Interest on :		
Bonds	90.22	275.22
Term Loan	382.30	649.84
Bond Issue/ Service Expenses	3.32	0.68
Commitment Fee	-	2.48
Other Finance Charges	2.21	3.60
Sub-total	478.05	931.82
E PROVISIONS	27.06	105.72
Sub-total	27.06	105.72
F DEPRECIATION AND AMORTISATION EXPENSES	20.72	34.99
Sub-total	20.72	34.99
G PRIOR PERIOD ITEMS		
Prior Period Expenses	3.69	2.16
Less: Prior Period Income	(0.59)	(0.04)
Sub-total	4.28	2.20
H Corporate Office/Regional Office Expenses:		
Other Income	(2.68)	(10.79)
Generation, Administration and Other Expenses	21.85	24.02
Employee Benefits Expense	184.21	242.00
Depreciation & Amortisation Expenses	3.92	5.66
Finance Cost	0.03	0.03
Provisions	-	0.15
Prior Period Items (Net)	0.10	0.01
Sub-total	207.43	261.08
I LESS: RECEIPTS AND RECOVERIES		
a) Income from generation of electricity – Precommissioning	8.35	37.58
b) Others		
Interest on Loans and Advances	38.09	88.23
Miscellaneous Receipts	7.70	4.60
Exchange Rate Variation (Credit)	12.86	12.71
Provision/Liability not Required Written Back	2.23	18.73
Hire Charges -Plant and Machinery	0.35	0.51
Sub-total	69.58	162.36
GRAND TOTAL (A+B+C+D+E+F+G+H-I)	988.65	1,655.34

NOTE NO. 29 OTHER EXPLANATORY NOTES TO ACCOUNTS**1. Disclosure relating to Contingent Liabilities:-**

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

(i) Capital works

Contractors have lodged claims aggregating to ₹ 8,752.57 crore (previous year ₹ 10,106.82 crore) against the Company on account of rate & quantity deviation, cost relating to extension of time and idling charges due to stoppage of work/delays in handing over the site etc. These claims are being contested by the company as being not admissible in terms of provisions of the respective contracts or are lying at arbitration tribunal/other forums/under examination with the Company. It includes ₹ 761.66 crore (previous year ₹ 323.70 crore) towards arbitration awards including updated interest thereon against the Company, which has been challenged in the Court of Law. However, out of these claims, the management has assessed and has made consequential provision of ₹ 154.56 crore being probable outflow and ₹ 8,598.01 crore has been considered as contingent liability in respect of which either the possibility of outflow is not there or a reliable estimate of probable outflow cannot be made.

(ii) Land Compensation cases

In respect of land acquired for the projects, some of the land losers have filed claims for higher compensation amounting to ₹ 40.28 crore (previous year ₹ 38.37 crore) before various authorities/courts. Pending settlement, the Company has assessed and provided an amount of ₹ 28.63 crore being probable outflow. In respect of rest of the claims, outflow of resources is considered as not probable.

(iii) Disputed Tax Demands

Disputed Income Tax/Sales Tax/Service Tax matters pending before various appellate authorities amount to ₹ 337.51 crore (previous year ₹ 331.42 crore), in respect of which no outflow of resources is considered probable. Pending their settlement, Company has assessed and provided an amount of ₹ 7.78 crore being probable outflow. In respect of rest of the claims, outflow of resources is considered as not probable.

(iv) Others

Other contingent liabilities amount to ₹ 417.47 crore (previous year ₹ 128.53 crore). These claims are pending before various forums, in respect of which no outflow of resources is considered probable.

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

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

(d) There is possibility of reimbursement to the company of ₹ 52.24 Crore (previous year ₹ 40.71 crore) towards above contingent liabilities.

(e) An amount of ₹ 10.86 crore (previous year ₹ 22.31 crore) stands paid towards above contingent liabilities to contest the cases and is being shown as Current Assets.

2. Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 3,473.95 Crore (Previous year ₹ 3,958.36 Crore).

3. Consequent upon commissioning of Chamera-III Power Station, some seepage was noticed during the year 2012-13 in hill slopes thereby affecting the houses & fields of local habitats of nearby village. A proposal to acquire the affected land is under consideration of management for which compensation is estimated at ₹ 13.76 crore. Further the cost of rectification of seepage is yet to be ascertained.

4. Pending approval of competent authority, provisional payments / provisions made towards executed quantities of works of some of the items beyond the approved quantities as also for extra items totalling to ₹ 38.61 Crore (Previous year ₹ 177.81 Crore) 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. Company issued Secured, Redeemable, Non-Convertible Tax Free Bonds amounting to ₹ 1,000 Crore during the year with varying tenors. The issue opened on 18.10.2013 and closed on 23.10.2013. The allotment was completed on 02.11.2013 and the security got listed on the stock exchanges on 07.11.2013. Issue proceeds have been utilized for the purpose mentioned in the offer document.
 7. Buy-back of 1,230,074,277 equity shares of ₹10/- each (being 10% of the pre buy-back paid up equity shares) at a price of ₹19.25 per share from the existing shareholders/ beneficial owners on proportionate basis has been done through Tender Offer Process. Post buy-back, the number of equity share of the company has been reduced to 1,107,06,68,496 from 1,230,07,42,773 and an amount of ₹1,230.07 Crore equal to face value of the shares bought back has been transferred to Capital Redemption Reserve Account.
 8. Tawang HE Project has given capital advance of ₹1.24 Crore to State Compensatory Afforestation Fund Management & Planning Authority towards bio-diversity study to be conducted through North Eastern Hill University (NEHU) for all proposed hydroelectric projects in Tawang Basin. On receipt of expenditure statement, the above advance shall be adjusted and recoverability from Government of Arunachal Pradesh (GoAP) towards expenditure pertaining to projects other than those undertaken by NHPC would be known. Further, the reimbursement towards expenditure pertaining to projects other than those undertaken by NHPC is receivable as and when other projects come-up for construction.
 9. The Forest Advisory Committee (FAC) of the Ministry of Environment & Forest (MoEF) in its meeting held on 12.07.2013 has recommended for rejection of forest clearance in respect of Dibang Multipurpose Project. However on a review request, the Cabinet Committee on Investment (CCI) in its meeting held on 09.12.2013 has decided that MoEF, the competent authority, may grant the requisite clearance for diversion of forest land expeditiously. Accordingly, revised proposal was submitted to MoEF. Although FAC in its meeting held on 29/30.04.2014 has reiterated and recommended rejection of proposal yet MoEF has asked for additional information from the Company for reconsideration of the Project. Pending final clearance, a sum of ₹149.04 Crore incurred on the Project is being carried forward as Capital Work in Progress.
 10. Construction activities at site of Subansiri Lower Project have been interrupted w.e.f. 16.12.2011 due to protest of anti dam activists, however substantial technical and administrative work is continuing. Although construction activities at site are expected to be resumed shortly since the matter is being pursued at the level of Government of India, yet in line with the opinion of Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), the borrowing cost of ₹766.90 crore (including previous year amount of ₹ 386.88 crore) and administration and other cost of ₹ 341.54 crore (including previous year figure of ₹139.69 crores) have been charged to the Statement of Profit & Loss during the year.
 11. Construction activities at Teesta Low Dam-IV Project are progressing at a slow pace w.e.f. 20.03.2013 due to stoppage of work by one of the contractors to whom notice for recovery of the possession of site at risk & cost of contractor have been issued. Under such facts and circumstances, borrowing costs of ₹ 91.35 crore and administration and other cost of ₹ 67.91 crores have been charged to Statement of Profit & Loss during the year.
 12. Due to cloud burst and unprecedented high flood in Uttarakhand in the early hours of June 17, 2013, water entered into Dhauliganga Power Station (280 MW) and submerged all the system resulting into stoppage of generation from the plant and damage to Generating Plant and Machinery and various ancillary structures of the power station. The Assets of the power station and Loss of Generation are covered under Mega Insurance Policy. However, loss beyond excess clause, if any, to be borne by the Company shall be determined after receipt of the Final Survey Report and impact thereof shall be accounted for accordingly. Further, Unit No. 4 & 3 of the power station has been test synchronised with the grid on 30.04.2014 and 01.05.2014 respectively. Northern Region Load Despatch Centre (NRLDC) has approved the Injection Schedule for Unit No. 4 & 3 w.e.f. 03.05.2014 & 06.05.2014 respectively. Pending final settlement, on-account payments of ₹ 35 Crore and ₹ 99.99 Crore have been received from the Insurance Company till date against claim for material damage and business interruption respectively.
 13. Kotlibhel-1A project is one of the 24 hydro-electric projects located in the State of Uttarakhand which is covered by the order dated 13.08.2013 of Hon'ble Supreme Court of India directing MoEF not to grant these projects environmental/forest clearance until further order and to examine the significant impact on the bio-diversity of Alaknanda & Bhagirathi river basin. Pending adjudication about the fate of this project, the expenditure incurred upto the date of the above order amounting to ₹126.37 Crore has been kept under capital work in progress. However, subsequent expenditure incurred on this project has been provided for.
 14. Board of Directors in its meeting held on 20.03.2014 discussed that the viability of Bursar HE Project is dependent upon financial support from Govt. of India and Govt. of Jammu & Kashmir. It was accordingly decided to approach Ministry of Power (MoP) for seeking commitment from Govt. of India and Govt. of J&K for financial assistance to make the project viable. It was confirmed by the

Board that if the project is not found viable, the expenses incurred on the project will have to be written off. Subsequently, a meeting was held in MoP on 23.05.2014 in which representative of Ministry of Water Resources (MoWR) and Govt of Jammu & Kashmir were also present and decided to re-submit the proposal to MoP for further taking up the matter with MoWR. It has also been indicated that MoWR would reconsider the proposal for providing funds for preparation of DPR of Bursar HE Project considering it as a National Project. In line with the resolution of the Board, the preliminary investigations of the project are continued and the expenses of ₹154.64 crore incurred thereon are being carried forward as Capital Work in Progress.

15. Capital expenditure on assets where neither the land nor the asset is owned by the company was being reflected as a distinct item in capital work-in-progress till the period of completion and thereafter in the fixed assets to be amortised over a period of five years from the year in which the first unit of project concerned comes into commercial operation, in accordance with erstwhile accounting policy nos. 2.3 & 5.8 on the issue upto financial year 2012-13. However, during current financial year, the Company has introduced a new accounting policy no. 4.4 on the issue, by virtue of which capital expenditure incurred during construction of project 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'. Accordingly, the following accounting policies have been introduced/ modified/ deleted during the year ended 31.03.2014:

Policy No.	Description	Impact on Profit for the year
Erstwhile Policy No. 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.	Increase in profit before tax by ₹1.28 Crore
Erstwhile Policy No. 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.	
Policy No. 4.4	New Policy on Capital expenditure on facilities over which Company does not have control has been introduced.	

16. During the current year, Company has received opinion from EAC of ICAI on applicability & disclosure under Accounting Standard – 7 on Construction Contracts in respect of Rural Electrification and Rural Road Projects. As per said opinion, disclosure in respect of such works may be given in respect of agency fee/service charges only as that is considered as the revenue of the Company. In view of above, disclosure in respect of previous year has also been revised. The relevant disclosure are as follows:

(₹ in Crore)

Sl.	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.	415.65	342.69
2.	Amount of advances received.	422.01	375.09
3.	Amount of retention.	Nil	Nil
4.	The gross amount due from customers for contract works as an asset.	8.82	17.52
5.	The gross amount due to customers for contract works as a liability.	6.30	7.27

17. 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)	0.60	(1.98)
(ii)	Amount charged to Statement of Profit & Loss excluding depreciation (as Borrowing Cost)*	29.65	10.52
(iii)	Amount charged to Expenditure During Construction (as FERV)	14.19	3.55
(iv)	Amount charged to Capital work-in-progress (as FERV)	(0.02)	(0.09)
(v)	Amount adjusted by addition to the carrying amount of fixed assets	-	(170.33)

* There is however no impact on profitability of the Company, as the impact of change in foreign exchange rates is recoverable from beneficiaries in terms of prevailing CERC (terms & 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.

18. Disclosure as required by Accounting Standard-15 on 'Employee Benefits':

- a) General description of various employee benefit schemes are as under:

Defined Contribution Schemes

A. Provident Fund

The Company pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the period is recognised as expense and is charged to the Statement of Profit & Loss/expenditure during construction. The obligation of the Company is to make fixed contribution and to ensure a minimum rate of return to the members as specified by Gol.

B. Social Security Scheme

The Company has a Social Security Scheme in lieu of compassionate appointment. The Company also makes a matching contribution per month per employee and such contribution is to be made for 8 years to build up corpus from the date the scheme is in operation i.e. 01.06.2007. The scheme has been created to take care of and helping bereaved families in the event of death or permanent total disability of its employee.

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 employers' contribution to Provident Fund, contribution to Gratuity trust and REHS, from the amount worked out @ 30% of the Basic Pay & DA. The Scheme is managed by Life Insurance Corporation of India.

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 plus dearness allowance) for each completed year of service subject to a maximum of ₹ 0.10 Crore, 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 recognised on the basis of actuarial valuation.

F. Retired Employee Health Scheme (REHS)

The Company has a Retired Employee Health Scheme, under which retired employee and 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. The liability for the same is recognised on the basis of actuarial valuation.

G. 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. The liability for the same is recognised on the basis of actuarial valuation.

H. Memento to employees on attaining the age of superannuation.

The Company has a policy of providing Memento valuing ₹ 5000/- to employee on superannuation. The liability for the same is recognised on the basis of actuarial valuation.

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

Summary of various defined benefits as on 31.03.2014 is as under:-

Table 1:-Key Actuarial assumption for Actuarial Valuation as at:

Particular	31.03.2014	31.03.2013
Mortality Table	IALM(2006-08)	IALM (1994-96)
Discount rate	8.50%	8.00%
Future Salary Increase	6.50%	6.0%

Table 2:-Change in Present Value of Obligations (PVO)

(₹ in Crore)

Particular	Gratuity	Leave Encashment	Retired Employee Health Scheme
	Funded	Unfunded	
PVO at beginning of year	604.44 {568.40}	361.00 {383.82}	383.82 {325.28}
Interest cost	48.35 {45.48}	28.88 {30.71}	30.71 {26.02}
Current service cost	25.31 {24.47}	18.09 {16.65}	9.50 {8.90}
Benefit paid	(50.37) {(49.46)}	(57.19) {(140.18)}	(7.00) {(4.69)}
Actuarial (Gain)/loss	(5.08) {15.55}	50.57 {70.00}	30.48 {28.31}
PVO at end of year	622.65 {604.44}	401.35 {361.00}	447.51 {383.82}

Table 3:- Change in the fair value of plan assets

(₹ in Crore)

Particular	Gratuity (Funded)
Fair value of plan assets at the beginning of the year	618.41 {-}
Expected return on plan assets	49.47 {-}
Contribution	- {581.42}
Withdrawal from fund	(38.00) {(-)}
Actuarial gain/(loss) on plan assets	6.70 {36.99}
Fair value of plan assets at the end of the year	636.58 {618.41}

Table 4:-Amount recognised in Balance Sheet

(₹ in Crore)

Particular	Gratuity	Leave Encashment	Retired Employee Health Scheme
	Funded	Unfunded	
PVO at end of year	622.65 {604.44}	401.35 {361.00}	447.51 {383.82}
Fair Value of plan assets at the end of year	636.58 {618.41}	- {-}	- {-}
Funded Status	(13.92) {(13.97)}	(401.35) {(361.00)}	(447.51) {(383.82)}
Unrecognized actuarial gain/loss	- {-}	- {-}	- {-}
Net Liability/ Asset(-) recognized in Balance Sheet	(-)13.92 {(-)13.97}	401.35 {361.00}	447.51 {383.82}

Table 5:-Amount recognised in Statement of Profit & Loss /EDC Account

(₹ in Crore)

Particular	Gratuity	Leave Encashment	Retired Employee Health Scheme
Current Service Cost	25.31 {24.47}	18.09 {16.65}	9.50 {8.90}
Interest Cost	48.35 {45.48}	28.88 {30.71}	30.71 {26.02}
Expected return on Plan Assets	(49.47) {-}	- {-}	- {-}
Net Actuarial (gain) / loss recognized for the year	(11.78) {(21.44)}	50.57 {70.00}	30.48 {28.31}
Expense recognized in Profit & Loss/EDC for the year	12.41 {48.51}	97.54 {117.36}	70.69 {63.23}

Note: { } contains previous year's figures.

Liabilities as on 31.03.2014 on account of Baggage Allowance on retirement & Memento are ₹ 5.04 Crore & ₹ 2.96 Crore (Previous year ₹ 4.94 Crore & ₹ 3.08 Crore) respectively.

19. a) Electricity generation is the principal business activity of the Company. Other operations viz., Contracts, Project Management and Consultancy works do not form a reportable segment as per the Accounting Standard-17 on 'Segment Reporting'.

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

20. In compliance of Accounting Standard-18 on 'Related Party Disclosures', the required information is as under: -

a) Related Parties

(i) Joint Venture Companies

National Power Exchange Ltd.

(ii) Key Management Personnel

Shri G. Sai Prasad	Joint Secretary, Ministry of Power, Government of India. Assigned additional charge of CMD of the Company w.e.f. 24.07.2012.
Shri A. B. L. Srivastava	Director (Finance).
Shri D. P. Bhargava	Director (Technical)
Shri J. K. Sharma	Director (Projects)
Shri R. S. Mina	Director (Personnel)

Remuneration to key management personnel (excluding CMD) for the current year is ₹ 2.08 Crore (Previous year ₹ 3.01 Crore).

- b) Transaction carried out with the related parties at a(i) above - Nil.**



21. Earnings Per Share:

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

	For the year ended 31.03.2014	For the year ended 31.03.2013
Net Profit after Tax used as numerator (₹ in Crore)	978.79	2,348.22
Weighted Average number of equity shares used as denominator	11980586454	12300742773
Earnings per Share (₹) – Basic & Diluted	0.82	1.91
Face value per share (₹)	10	10

22. a) Interest in Joint Ventures:

Name of Companies	Proportion of Ownership interest as at	
	31.03.2014	31.03.2013
National High Power Test Laboratory (P) Ltd.	20%	20%
National Power Exchange Ltd.*	16.67%	16.67%
Chenab Valley Power Projects Private Ltd.**	49.98%	49%

* The Company has decided to come out of this joint venture.

** Company is joint venture entity of NHPC, Jammu & Kashmir State Power Development Corporation (JKSPDC) and PTC India Ltd. with equity participation of 49:49:02. During last year, due to less than proportionate contribution by other joint venture partners, proportionate holding of NHPC in the said entity had increased from 49% to 82%. As such, said entity was considered as subsidiary instead of joint venture as at 31.03.2013. However during current year, other partners have also brought in their proportionate share and the said entity has been considered as joint venture of NHPC.

- b) The above joint venture entities are incorporated in India. The Company's share of the assets and liabilities as on 31st March 2014 and income and expenses for the financial year ended 31.03.2014 in respect of joint venture entities are based on audited accounts which are given below:

(₹ in Crore)

		31.03.2014 *	31.03.2013
A	Assets	278.53	170.33
B	Liabilities	155.71	91.50
C	Contingent Liabilities	1.62	0.01
D	Capital Commitments	43.18	49.97
E	Expenditure in Foreign Currency	-	0.14

		For the Year 2013-14 *	For the year 2012-13
A	Income	5.74	1.51
B	Expenditure	0.12	0.41

* Including figures based on un-audited financial statements in respect of one of M/s. National Power Exchange Ltd.

23. 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 at 31st March 2014.

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24. Other disclosures as per revised Schedule-VI of the Companies Act, 1956:

(₹ 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	5.73	17.43
	ii) Spare parts	3.59	1.74
b)*	Expenditure in Foreign Currency		
	i) Know - How	-	(0.57)
	ii) Interest	45.17	53.36
	iii) Other Misc. Matters	216.18	108.64
c)*	Value of spare parts and Components consumed in operating units.		
	i) Imported	-	2.51(9.29%)
	ii) Indigenous	26.90	24.50(90.71%)
d)*	Earnings in foreign currency		
	i) Interest	-	-
	ii) Others	0.05	3.03

* Accrual basis.

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

Sr. No.	Description	Remarks
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 period (₹ in Crore)	Nil
4.	No. of VERs sold during the year ended 31.03.2014 with the value thereof.	16000 units sold for ₹ 5,31,480/-.

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

(₹ in Crore)

(i)	Principal amount remaining unpaid to Micro, small & medium enterprise.	0.17
(ii)	Interest accrued on principal amount remaining unpaid as (i) above	0.10 *
(iii)	Amount of Interest paid during the period 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 period	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

* Interest not accounted for in the books of account.

27. Opening balances/corresponding figures for previous year have been re-grouped/re-arranged/re-cast, wherever necessary.

28. Subsequent to the approval of accounts for the year ended 31st March 2014 by the Board of Directors on 30th May, 2014, the board of Directors have recommended a dividend @ ₹ 0.30 per share (subject to rounding off to nearest Rupee in terms of Rule 23 of Companies (Central Government's) General Rules & Forms, 1956) in the meeting held on 07.07.2014. Accordingly the company has made a provision for dividend and dividend distribution tax thereon amounting to ₹ 332.12 Crore and ₹ 56.44 crore respectively. The accounts approved earlier by the Board of Directors have been revised to that extent.

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

A.B.L. SRIVASTAVA
Director (Finance)
DIN 01601682

R. S. T. SAI
Chairman & Managing Director
DIN 00171920

As per report of even date

For S. N. Nanda & Co.
(Chartered Accountants)
FR No. 000685N

For Singhi & Co,
(Chartered Accountants)
FR No. 302049E

For Gupta Gupta & Associates
(Chartered Accountants)
FR No. 001728N

For Tiwari & Associates
(Chartered Accountants)
FR No. 002870N

(CA. BHAVNA NANDA)
Partner
M. No. 095275

(CA. B.L.CHORARIA)
Partner
M. No. 022973

(CA. RAM KUMAR GUPTA)
Partner
M. No. 097382

(CA DEVENDER MAGOO)
Partner
M. No. 085739

Place : New Delhi
Date : 07/07/2014



NHPC Limited

(A Government of India Enterprise)

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Crore)

	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and extraordinary items		1,583.06		3,202.13
ADD :				
Depreciation (including Prior Period & ERV impact)	1,225.25		984.67	
Finance Cost (Net of EDC)	1,022.40		385.38	
Provisions (Net loss)	179.77		5.38	
Tariff Adjustment (loss)	1.13		56.60	
Loss on sale of assets/Claims written off	0.90		1.26	
Exchange rate variation	41.59		8.54	
Net Deferred ERV	63.68	2,534.72	92.34	1,534.17
		4,117.78		4,736.30
LESS :				
Advance against Depreciation written back	50.17		49.34	
Provisions (Net gain)	38.09		192.87	
Profit on Sale of Assets \ Realization of Loss	1.06		0.51	
Dividend Income	377.92		32.03	
Interest Income	766.28	1,233.52	658.66	933.41
Cash flow from operating activities before working capital adjustments		2,884.26		3,802.89
Decrease (Increase) in Working Capital:				
Inventories	(15.92)		(14.46)	
Trade Receivables	194.21		(53.51)	
Other Assets, Loans and Advances	684.73		(425.36)	
Other Liabilities & Provisions	408.45		(795.70)	
		1271.47		(1289.03)
Cash flow from operating activities before taxes		4,155.73		2,513.86
Less : Taxes		509.70		616.27
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		3,646.03		1,897.59
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets & expenditure on construction projects (including expenditure during construction)		(1796.47)		(2083.75)
Realization from Investments / Bonds		172.47		98.53
Interest Income		766.28		658.66
Dividend Received		377.92		32.03
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		(479.80)		(1294.53)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
C. CASH FLOW FROM FINANCING ACTIVITIES		
Buy-back of Shares (Including Premium Payment)	(2367.89)	0.00
Dividend and Dividend Tax Paid	(858.37)	(995.87)
Borrowings	2,528.01	2,526.65
Repayment of Borrowings	- (1318.46)	(1200.66)
Interest & Financial Charges	(1461.70)	(1321.14)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(3478.41)	(991.02)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(312.18)	(387.96)
Cash & Cash Equivalents at the beginning of the period	5,616.01	6,003.97
Cash & Cash Equivalents at the close of the period	5,303.83	5,616.01
	-	-

EXPLANATORY NOTES TO CASH FLOW STATEMENT

- 1 Cash and Cash equivalents consists of Cash in hand, cheques/drafts in hands and Bank Balances including Short Term Deposits of varying periods. The details of Cash & Cash equivalents as per Note 18 of the Balance Sheet is as under:

Cash and Cash equivalents	586.24	668.39
Other Bank Balances *	4,717.59	4,947.62
	5,303.83	5,616.01

* Other Bank Balances includes ₹ 320.63 Crore (Corresponding Previous year ₹ 361.37 Crore), held for Rural Road and Rural Electrification works being executed by Company on behalf of other agencies and unpaid dividend ₹ 4.83 Crore (Corresponding Previous year ₹ 3.92 Crore) which are not freely available for the business of the Company.

- 2 Expenditure during construction (EDC) includes ₹ 472.52 Crore (Corresponding Previous year ₹ 925.06 Crore) towards borrowing cost capitalised during the period.
- 3 Amount of undrawn loan as on 31.03.2014 : ₹ 717.62 Crore (Subordinate Debt).
- 4 Out of the Initial Public Offering (IPO) proceeds of ₹6038.55 Crore made during financial year 2009-10, sale proceeds of ₹ 2012.85 Crore was paid to Ministry of Power, Govt. of India and ₹4025.70 Crore was retained by company. Out of ₹ 4025.70 Crore, a sum of ₹ 3477.90 Crore has been utilised up to 31.03.2014 for re-coupmnt of capital expenditure already incurred from internal accruals on the projects specified for utilisation, the unutilised amount of ₹ 509.09 Crore has been invested in bank deposits as per extant investment policy of the company and ₹ 38.71 Crore recouped for meeting IPO expenditure.
- 5 Figures for the previous year have been re-grouped/re-arranged/re-cast wherever necessary.

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

A.B.L. SRIVASTAVA
Director (Finance)
DIN 01601682

R. S. T. SAI
Chairman & Managing Director
DIN 00171920

As per report of even date

For S. N. Nanda & Co.
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Partner
M. No. 097382

(CA DEVENDER MAGOO)
Partner
M. No. 085739

Place : New Delhi
Date : 07/07/2014

**NHPC Limited**

(A Government of India Enterprise)

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES.

1.	Name and address of the Company	NHDC Limited, NHDC Parisar, Near Hotel Lake View Ashoka, Shyamla Hills, Bhopal (M.P.).	Loktak Downstream Hydroelectric Corporation Limited,
2.	Financial Year of the Subsidiary Company ended on	31st March 2014.	31st March 2014.
3.	(a) Number of Shares and Face Value (b) Extent of Holding	(a) 1,00,24,200 Equity Shares of ₹ 1000/-each fully paid (b) Out of 1,96,25,800 shares issued, 1,00,24,200 shares are held by NHPC Limited.	(a) 8,70,92,309 Equity Shares of ₹10/- each fully paid. (b) Out of 11,76,92,309 shares issued, 8,70,92,309 share are held by NHPC Limited.
4.	Net Aggregate amount of profits(losses) of the Subsidiary Company so far as it concerns the members of NHPC Ltd. and is not dealt within the accounts of NHPC Ltd.		
	(i) For Subsidiary Company Financial Year ended 31st March 2014	(a) 51% of ₹ 270.75 Crore being the profit carried to Balance Sheet i. e. ₹ 138.08 Crore. (b) Dividend of ₹ 59.05 Crore being 51% share of the recommended dividend amount of ₹ 115.79 Crore.	(a) 74% of ₹ 2.80 Crore being the profit carried to Balance Sheet i. e. ₹ 2.07 Crore. (b) NIL
	(ii) For previous Financial years of the Subsidiary company since it became Subsidiary	51% of ₹ 2,415.21 Crore being the profit carried to Balance Sheet i.e. ₹ 1,231.76 Crore.	74% of ₹ 10.19 Crore being the profit carried to Balance Sheet i.e. ₹ 7.54 Crore.
5.	Net Aggregate amount of profits(losses) of the Subsidiary Company so far as it concerns the members of NHPC Ltd. and is dealt within the accounts of NHPC Ltd.		
	(i) For Subsidiary Company financial year ended 31st March 2014.	(i) Interim dividend of ₹ 345.84 Crore being 51% share of the interim dividend amount of ₹ 677.09 Crore.	NIL
	(ii) For previous Financial years of the Subsidiary company since it became Subsidiary.	(ii) Dividend of ₹ 215.06 Crore being 51% share of the dividend amount of ₹ 421.61 crore.	NIL
6.	Change in the interest of NHPC Limited in the Subsidiary company between the end of the financial year of the Subsidiary Company and that of NHPC Limited.	NIL	NIL
7.	Material changes between the end of the financial year of the Subsidiary Company and end of the financial year of NHPC Limited in respect of Subsidiary Company's fixed assets, investments, lending and borrowing for the purpose other than meeting their current liabilities.	NIL	NIL

For and on behalf of the Board of Directors
VIJAY GUPTA
 Company Secretary

A. B. L. SRIVASTAVA
 Director (Finance)
 DIN 01601682

R. S. T. SAI
 Chairman & Managing Director
 DIN 00171920

 Place : New Delhi
 Date : 07/07/2014

Annexure - IX

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF NHPC LIMITED, FARIDABAD FOR THE YEAR ENDED 31 MARCH 2014.

The preparation of financial statements of NHPC Limited, Faridabad for the year ended 31 March 2014 in accordance with the financial reporting frame work 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 (Revised) dated 07 July 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 NHPC Limited for the year ended 31 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

Dated: 13 August, 2014



INDEPENDENT AUDITORS' REPORT

To the Board of Directors

NHPC Limited

Report on the Consolidated Financial Statements

We issued our audit report dated 30th May 2014 on the Consolidated Financial Statements of NHPC Limited ("the Company") and its subsidiaries (The Group) which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. These financial statements were revised by the Board of Directors on 7th July 2014 before circulation to members. We draw attention to note no. 29 para 31 to the financial statements which results in amendment of financial statements due to declaration of proposed dividend amounting to ₹ 388.56 Crore, inclusive of dividend distribution tax thereon. Our audit procedure on subsequent events are restricted solely to the amendment of the financial statements as referred in note no. 29 para 31 to the financial statements. We report on revised consolidated financial statements as under: -

We have audited the accompanying consolidated financial statements of NHPC Limited ("the Company") and its subsidiaries (The Group), which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 presentation of the consolidated financial statements that give a true and fair view 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 consolidated 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:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) In the case of the consolidated Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matter

We draw attention to:

- Note No. 7 para 1 to financial statements, which describes about the reversal of excess pay drawn from the month of February and March 2014 to be recovered from below Board level Executives giving effect to the approval of Competent Authority that the pay scales shall be fitted w.e.f. 01.01.2007 after correcting the aberrations in pay scales fixed w.e.f. 01.01.1997. The confirmation of action of having implemented the directions of Competent Authority effecting recoveries w.e.f. 01.02.2014 is pending with the Ministry of Power (MoP).
- Note No. 11 para 2 financial statements read with Note No. 29 paras 12 and 17, which describes uncertainty about the outcome of the projects under survey and investigation stage. Expenditure incurred for conducting Survey & Investigation on such projects are being carried forward as these projects are under investigation/ pending clearance/ financial assistance with various authorities.
- Note No. 29 para 4 to the financial statements, which describes the uncertainty related to the outcome of the claims/ arbitration proceedings and lawsuit filed by/ against the Company on/ by contractors and others. In some of the cases the arbitration award has been decided against the company/ lost in lower courts and the company is pursuing the matter in higher courts. Management does not envisage any possible outflow in respect of decisions against the company other than those already provided for in the books of account.

Our opinion is not qualified in respect of these matters.

Other Matter

We did not audit the financial statements of the following Subsidiaries and Joint Ventures of the Company and the details of the assets, revenues and net cash flows in respect of these subsidiaries and Joint Ventures to the extent to which they are reflected in the consolidated financial statements are given below:

(₹ in Crore)

Name	Total Assets	Total Revenue	Net Cash Flows
Subsidiaries			
NHDC Ltd.	7,762.53	2,115.43	(1,434.36)
Loktak Downstream Hydroelectric Power Corporation Limited	142.92	4.31	(56.81)
Joint Ventures			
National High Power Test Laboratory (P) Ltd.	107.17	0.00	(24.40)
National Power Exchange Ltd.	6.91	0.67	(0.86)
Chenab Valley Power Projects (P) Ltd.	512.09	11.25	42.25

These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, except for National Power Exchange Ltd. whose unaudited financial statements (as certified by the Management of NHPC Ltd.) have been consolidated. Our opinion, in so far as it relates to the amounts included in respect of the Subsidiaries and Joint Ventures, is based solely on the reports of the other auditors and certification by Management in respect of National Power Exchange Ltd. Our opinion is not qualified in respect of this matter.

For S. N. Nanda & Co.
Chartered Accountants
(FR No: 000685N)

For Singhi & Co.
Chartered Accountants
(FR No: 302049E)

For Gupta Gupta & Associates
Chartered Accountants
(FR No: 001728N)

For Tiwari & Associates
Chartered Accountants
(FR No: 002870N)

(CA Bhavna Nanda)
Partner
M. No. 095275

(CA B. L. Choraria)
Partner
M. No. 0022973

(CA Ram Kumar Gupta)
Partner
M. No. 097382

(CA Devender Magoo)
Partner
M. No. 085739

Place :- New Delhi

Date :- 7th day of July, 2014

**NHPC Limited**

(A Government of India Enterprise)

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2014

(₹ in Crore)

PARTICULARS	Note No.	As at 31st March, 2014	As at 31st March, 2013
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	2	11,070.67	12,300.74
(b) Reserves and Surplus	3	17,175.30	17,494.33
(2) MINORITY INTEREST		3,065.68	2,890.12
(3) NON-CURRENT LIABILITIES			
(a) Long Term Borrowings	4	19,309.04	18,805.90
(b) Deferred Tax Liabilities	5	934.39	624.09
(c) Other Long Term Liabilities	6	1,728.18	1,827.10
(d) Long Term Provisions	7	825.10	729.95
(4) CURRENT LIABILITIES			
(a) Trade Payables	8	223.41	189.14
(b) Other Current Liabilities	9	3,263.70	3,198.26
(c) Short Term Provisions	7	3,805.66	4,276.47
TOTAL		61,401.13	62,336.10
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible Assets	10.1	26,035.41	20,228.86
(ii) Intangible Assets	10.2	3,553.82	3,308.45
(iii) Capital Work In Progress	11	14,923.98	19,961.84
(b) Non Current Investments	12	1,022.63	1,196.33
(c) Long Term Loans and Advances	13	1,135.85	1,276.22
(d) Other Non-Current Assets	14	1,324.32	1,132.38
(2) CURRENT ASSETS			
(a) Current Investments	15	250.74	250.74
(b) Inventories	16	79.84	64.22
(c) Trade Receivables	17	2,422.43	2,240.05
(d) Cash & Bank Balances	18	6,142.78	7,976.46
(e) Short Term Loans and Advances	13	2,732.55	2,452.84
(f) Other Current Assets	19	1,776.78	2,247.71
TOTAL		61,401.13	62,336.10
Significant Accounting Policies	1		
Expenditure During Construction For The Year	28		
Other Explanatory Notes to Accounts	29		
Note 1 to 29 form integral part of the Accounts			

For and on behalf of the Board of Directors

VIJAY GUPTA
 Company Secretary

A. B. L. SRIVASTAVA
 Director (Finance)
 DIN 01601682

R. S. T. SAI
 Chairman & Managing Director
 DIN 00171920

As per report of even date

For S. N. Nanda & Co.
 (Chartered Accountants)
 FR No. 000685N

For Singhi & Co.,
 (Chartered Accountants)
 FR No. 302049E

For Gupta Gupta & Associates
 (Chartered Accountants)
 FR No. 001728N

For Tiwari & Associates
 (Chartered Accountants)
 FR No. 002870N

(CA BHAVNA NANDA)
 Partner
 M. No. 095275
 Place :- New Delhi
 Date :- 07/07/2014

(CA B.L.CHORARIA)
 Partner
 M. No. 022973

(CA RAM KUMAR GUPTA)
 Partner
 M. No. 097382

(CA DEVENDER MAGOO)
 Partner
 M. No. 085739

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2014

(₹ in Crore)

	Note No.	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
INCOME					
i) Revenue from Operations	20	7465.92		6406.17	
Less: Electricity Duty		49.98	7,415.94	-	6,406.17
ii) Other Income	21		1,322.09		1,215.15
TOTAL REVENUE			8,738.03		7,621.32
EXPENDITURE					
i) Generation, Administration and Other Expenses	22		1,900.07		1,181.70
ii) Employee Benefits Expense	23		1,132.59		951.52
iii) Finance Cost	24		1,180.21		596.21
iv) Depreciation & Amortization Expenses	25		1,499.37		1,241.07
TOTAL EXPENDITURE			5,712.24		3,970.50
Profit before Prior Period items, Exceptional and Extraordinary items and Tax from Continuing Operation			3,025.79		3,650.82
Prior Period Items (net)	26		497.24		(4.09)
Profit before Exceptional and Extraordinary items and Tax			2,528.55		3,654.91
Exceptional Items			-		(240.01)
Profit before extraordinary items and Tax			2,528.55		3,894.92
Extraordinary Items			-		-
PROFIT BEFORE TAX			2,528.55		3,894.92
Tax Expenses	27				
i) Current Tax		538.42		738.75	
ii) Adjustments relating to earlier years		46.68		9.80	
iii) Deferred Tax		310.30		273.73	
Total Tax Expenses			895.40		1,022.28
PROFIT FOR THE YEAR (Before adjustment of Minority Interest)			1,633.15		2,872.64
Share of Profit/Loss transferred to Minority Interest			414.40		255.23
PROFIT FOR THE YEAR (After adjustment of Minority Interest)			1,218.75		2,617.41
Earning per share (Equity shares, face value of ₹ 10/- each)					
Basic & Diluted			1.02		2.13
Diluted			1.02		2.13
Significant Accounting Policies		1			
Expenditure During Construction For The Year		28			
Other Explanatory Notes to Accounts		29			
Note 1 to 29 form integral part of the Accounts					

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

A. B. L. SRIVASTAVA
Director (Finance)
DIN 01601682

R. S. T. SAI
Chairman & Managing Director
DIN 00171920

As per report of even date

For S. N. Nanda & Co.
(Chartered Accountants)
FR No. 000685N

For Singhi & Co,
(Chartered Accountants)
FR No. 302049E

For Gupta Gupta & Associates
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For Tiwari & Associates
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FR No. 002870N

(CA BHAVNA NANDA)
Partner
M. No. 095275
Place :- New Delhi
Date :- 07/07/2014

(CA B.L.CHORARIA)
Partner
M. No. 022973

(CA RAM KUMAR GUPTA)
Partner
M. No. 097382

(CA DEVENDER MAGOO)
Partner
M. No. 085739

Note No. 1 – SIGNIFICANT ACCOUNTING POLICIES-CONSOLIDATED

1. BASIS OF PREPARATION

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India, the relevant provisions of the Companies Act, 1956 read with general circular 15/2013 dated 13 September, 2013 of Ministry of Corporate Affairs including accounting standards notified there under and the provisions of the Electricity Act, 2003 to the extent applicable.

2. FIXED ASSETS

- 2.1 Fixed assets are stated at cost of acquisition/construction. In cases where final settlement of bills with contractors is pending, but the asset is complete and ready for use, capitalisation is done on estimated basis subject to necessary adjustment, including those arising out of settlement of arbitration/court cases, in the year(s) of final settlement.
- 2.2 Fixed Assets created on land not belonging to the Company are included under fixed assets.
- 2.3 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 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 amortized 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 realizable 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) Written Down Value (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 Capital work-in-progress is carried at cost. Administrative & 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 against each asset:

- | | | |
|------|--------------------------------|--------|
| (i) | Construction Plant & Machinery | 11.25% |
| (ii) | Computer & Peripherals | 30% |

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

5.3 Assets valuing Rs.5000/- or less but more than Rs.750/- and such items (excluding immovable assets) with written down value of Rs.5000/- or less at the beginning of the year are fully depreciated during the year with Re.1/- as WDV.

5.4 Low value items, which are in the nature of assets (excluding immovable assets) and valuing upto Rs.750/- are not capitalized and charged off to revenue 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 amortized 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 amortized over the period of lease or 35 years whichever is lower.

5.7 Fixed Assets created on leasehold land are depreciated to the extent of 90% of original cost over the balance available lease period of respective land 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, settlement of arbitration/court cases, change in duties or similar factors, the unamortized balance of such assets is depreciated prospectively over the residual life of such assets at the rate of depreciation and methodology notified by CERC 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 Rs. 5,000/- or less and in other cases written off in 5 yearly equated installments.

8. FOREIGN CURRENCY TRANSACTIONS

8.1 Transactions in foreign currency are initially recorded at exchange rates prevailing on the date of transaction. At each Balance Sheet date, monetary items denominated in foreign currency are translated at the exchange rate prevailing on the Balance Sheet date.

8.2 Exchange differences are recognised as income & expenses in the period in which they arise in 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 Company's liability towards defined contribution plans as defined in Accounting Standard-15 (2005) on 'Employee Benefits' is accounted for and paid to respective funds, which are administered through separate trusts.

9.2 Company's liability towards defined benefit plans as defined in Accounting Standard-15 (2005) on 'Employee Benefits' is determined on the basis of actuarial valuation. Gratuity fund is administered through a separate trust.

9.3 Expenses on Ex-gratia payments & Notice Pay under Voluntary Retirement Scheme are charged to revenue in the year of incurrence.



NHPC Limited

(A Government of India Enterprise)

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. Dividend income is recognized when right to receive the same is established.
- 10.4 Interest / Surcharge charged from customers are recognized as income on receipt or when there is reasonable certainty of collection.

11. MISCELLANEOUS

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

12. BORROWING COST

Borrowing costs attributable to the 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. PROVISION & CONTINGENT LIABILITIES

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date and are not discounted to present value. Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

16. 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.

NOTE NO. 2 SHARE CAPITAL

PARTICULARS	As at 31st March, 2014		As at 31st March, 2013	
	In Nos.	(₹ in Crore)	In Nos.	(₹ in Crore)
a) Authorized Equity Share Capital (Par value per share ₹ 10)	15000000000	15,000.00	15000000000	15,000.00
b) No. of Equity shares issued, subscribed and fully paid (Par value per share ₹ 10)	11070668496	11,070.67	12300742773	12,300.74
c) Reconciliation of no. of equity shares & share capital outstanding:	No. of Shares	Share Capital (₹ in Crore)	No. of Shares	Share Capital (₹ in Crore)
Opening number of shares outstanding	12300742773	12,300.74	12300742773	12,300.74
Add: No. of shares/Share Capital issued/ subscribed during the year	-	-	-	-
Less: Reduction in no. of shares/Share Capital on account of buy back of shares	1230074277	1,230.07	-	-
Closing number of shares outstanding	11070668496	11,070.67	12300742773	12,300.74
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 dividend 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 (%)
- President of India	9516209722	85.96	10623368758	86.36
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).				
g) During the financial year 2013-14, Company has bought back of 1230074277 no. of equity shares at ₹ 19.25 per share (face value ₹ 10 per share).				

NOTE NO. 3 RESERVE AND SURPLUS

(₹ in Crore)

PARTICULARS	As at 31st March, 2014		As at 31st March, 2013	
Capital Redemption Reserve				
As per last Balance Sheet	-		-	
Add: Transfer from Surplus	1230.07		-	
As at Balance Sheet date		1,230.07		-
Grant In Aid - Reserve				
As per last Balance Sheet	605.52		616.59	
Add: Addition during the year	155.76		29.78	
Less: Deduction during the year	36.55		29.20	
Less: Adjustments during the year	-		11.65	
As at Balance Sheet date		724.73		605.52
Securities Premium Account		2,868.74		2,868.74
Bond Redemption Reserve				
As per last Balance Sheet	649.55		414.63	
Add: Transfer from Surplus	249.45		249.17	
Less: Write back during the year	14.25		14.25	
As at Balance Sheet date		884.75		649.55



NHPC Limited

(A Government of India Enterprise)

NOTE NO. 3 RESERVE AND SURPLUS (Contd.)

(₹ in Crore)

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
Self Insurance Fund		
As per last Balance Sheet	820.82	772.77
Add: Transfer from Surplus	51.74	48.84
Less: Adjustment during the year		(0.13)
Less: Utilisation during the year	2.73	0.92
	869.83	820.82
Less:- Adjustment on account of claims	8.82	7.29
As at Balance Sheet date	861.01	813.53
Corporate Social Responsibility Fund		
As per last Balance Sheet	23.50	
Add: Transfer from Surplus	9.35	23.50
Less: Write back during the year	7.88	
As at Balance Sheet date	24.97	23.50
Research & Development Fund		
As per last Balance Sheet	-	-
Add: Transfer from Surplus	21.90	-
As at Balance Sheet date	21.90	-
General Reserve		
As per last Balance Sheet	4120.06	4120.06
Add: Transfer from Surplus	54.33	-
Less: Utilised for buy back during the year	1,137.82	-
Less: Transfer to Capital Redemption Reserve	1,230.07	
As at Balance Sheet date	1,806.50	4,120.06
Surplus *	8,752.63	8,413.43
Total	17,175.30	17,494.33
* Surplus		
Profit for the year as per Statement of Profit and Loss	1,218.75	2,617.41
Balance brought forward	8,413.43	6,964.38
Adjustment in Opening Balance due to change in proportion of holding/ non consolidation of JV	(0.67)	1.69
Add:		
Amount written back from Bond Redemption Reserve	14.25	14.25
Amount written back from Corporate Social Responsibility Fund	7.88	-
Amount utilised from Self Insurance Fund	3.97	0.92
Tax on Dividend - Write back	5.11	4.88
Balance available for Appropriation	9,662.72	9,603.53
Transfer to Bond Redemption Reserve	249.45	249.17
Transfer to Self Insurance Fund	51.74	48.84
Transfer to General Reserve	54.33	-
Transfer to Corporate Social Responsibility Fund	9.35	23.50
Transfer to Research & Development Fund	21.90	-
Dividend :		
- Proposed	332.13	738.05
Tax on Dividend		
- Interim	115.07	-
- Proposed	76.12	130.54
Balance carried forward #	8,752.63	8,413.43

Includes ₹ 3.25 Crore (previous year ₹ (-) 1.52 Crore) share of jointly controlled entities.

NOTE NO. 4 LONG TERM BORROWINGS

(₹ in Crore)

PARTICULARS	As at 31st March, 2014			As at 31st March, 2013		
	Total Borrowings	Less : - Current Maturities	Long Term Borrowings	Total Borrowings	Less : - Current Maturities	Long Term Borrowings
Bonds						
- Secured (Refer A below)	5850.28	63.85	5786.43	4,907.28	57.00	4850.28
- Unsecured						-
Term Loans						
• From Banks						
- Secured (Refer B below)	4596.15	352.39	4243.76	4,616.32	378.54	4237.78
- Unsecured (Refer C below)	2061.56	203.65	1857.91	2,226.54	184.54	2042.00
• From Other Parties						
- Secured (Refer D below)	5911.42	838.93	5072.49	6,744.12	838.93	5905.19
- Unsecured (Refer E below)	2400.07	51.62	2348.45	1,845.99	75.34	1770.65
Total #	20819.48	1,510.44	19309.04	20340.25	1,534.35	18805.90
# Includes ₹ 6.24 Crore (previous year ₹ Nil Crore) share of jointly controlled entities.						
Aggregate amount of loans guaranteed by Directors	-	-	-	-	-	-
Aggregate amount of loans guaranteed by Govt. of India (Refer Note no 12 of Particulars of security)	2,164.81	255.27	1909.54	2,403.72	259.88	2,143.84
Amount of default in repayment of loans and interest as at 31.03.2014	-	-	-	-	-	-
Period of default in repayment of loans and interest as at 31.03.2014	-	-	-	-	-	-

Particulars of redemption & repayment (Disclosure given below for Total Borrowings)		As at 31st March, 2014	As at 31st March, 2013
(A) BONDS (Non-convertible and Non-cumulative)-Secured			
i) TAX FREE BONDS - 3A SERIES *5&10		336.07	-
(8.67% 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1000/- each).(Date of redemption 02.11.2033)			
ii) TAX FREE BONDS - 3B SERIES *5&10		253.62	-
(8.92% 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1000/- each).(Date of redemption 02.11.2033)			
iii) TAX FREE BONDS - 2A SERIES *5&10		213.12	-
(8.54% 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1000/- each).(Date of redemption 02.11.2028)			
iv) TAX FREE BONDS- 2B SERIES *5&10		85.61	-
(8.79% 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1000/- each).(Date of redemption 02.11.2028)			
v) BONDS-R-3 SERIES *5		892.00	892.00
(8.78% 15 year Secured Redeemable Non-Convertible Bonds of ₹ 10,00,000/- each with 10 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/10th of face value of Bond) (Yearly redemption of ₹ 89.20 Crore w.e.f. 11.02.2019 to 11.02.2028)			



NHPC Limited

(A Government of India Enterprise)

NOTE NO. 4 LONG TERM BORROWINGS (Contd.)

(₹ in Crore)

Particulars of redemption & repayment (Disclosure given below for Total Borrowings)		As at 31st March, 2014	As at 31st March, 2013
vi)	BONDS-Q SERIES *6 (9.25% 15 year Secured Redeemable Non-Convertible Bonds of ₹ 12,00,000/- each with 12 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/12th of face value of Bond) (Yearly redemption of ₹ 105.50 Crore w.e.f. 12.03.2016 to 12.03.2027)	1,266.00	1,266.00
vii)	BONDS-R-2 SERIES *5 (8.85% 14 year Secured Redeemable Non-Convertible Bonds of ₹ 12,00,000/- each with 12 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/12th of face value of Bond) (Yearly redemption of ₹ 31.84 Crore w.e.f. 11.02.2016 to 11.02.2027)	382.08	382.08
viii)	BONDS-R-1 SERIES *5 (8.70% 13 year Secured Redeemable Non-Convertible Bonds of ₹ 12,00,000/- each with 12 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/12th of face value of Bond) (Yearly redemption of ₹ 6.85 Crore w.e.f. 11.02.2015 to 11.02.2026)	82.20	82.20
ix)	BONDS-P SERIES *5,7 &10 (9.00% 15Year Secured Redeemable Non-Convertible Bonds of ₹ 10,00,000/- each redeemable in 10 equal yearly installments. Yearly redemption of ₹ 200 Crore w.e.f. 01.02.2016 to 01.02.2025)	2,000.00	2,000.00
x)	TAX FREE BONDS- 1A SERIES *5&10 (8.18% 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1000/- each).(Date of redemption 02.11.2023)	50.81	-
xi)	TAX FREE BONDS- 1B SERIES *5&10 (8.43% 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1000/- each).(Date of redemption 02.11.2023)	60.77	-
xii)	BONDS-O SERIES *2 (7.70% 15 year Secured Redeemable Non-Convertible Bonds of ₹ 100,000,000/- each with 10 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/10th of face value of Bond) (Yearly redemption of ₹ 57 Crore w.e.f. 31.03.2014 to 31.03.2018)	228.00	285.00
TOTAL BONDS (A)		5850.28	4907.28
(B)	TERM LOANS - Secured (Banks)		
i)	STATE BANK OF PATIALA *1 (Repayable in 6 half yearly instalments of ₹ 2 Crore each upto 09.01.2017 at floating interest rate of 9.40 % as on 31.03.2014)	12.00	16.00
ii)	CANARA BANK *2 (Repayable in 3 equal yearly instalments of ₹ 20 Crore each upto 09.11.2016 at floating rate of interest with upper cap of 6.86% as on 31.03.2014)	60.00	80.00
iii)	SYNDICATE BANK *2 (Repayable in 3 equal yearly instalments of ₹ 18.30 Crore each upto 23.02.2017 at floating rate of interest with upper cap of 7.207% as on 31.03.2014)	54.90	73.20
iv)	ORIENTAL BANK OF COMMERCE *2 (Repayable in 3 equal yearly instalments of ₹ 20 Crore each upto 31.03.2017 at floating rate of interest with upper cap of 7.207% as on 31.03.2014)	60.00	80.00
v)	ORIENTAL BANK OF COMMERCE *2 (Repayable in 7 equal yearly instalments of ₹ 10 Crore each upto 27.12.2020 at floating rate of interest with upper cap of 7.207% as on 31.03.2014)	70.00	80.00

NOTE NO. 4 LONG TERM BORROWINGS (Contd.)

(₹ in Crore)

Particulars of redemption & repayment (Disclosure given below for Total Borrowings)		As at 31st March, 2014	As at 31st March, 2013
vi)	INDIAN BANK *1 (Repaid on 27.02.2014)	-	33.34
vii)	INDIAN BANK *4&9 (Bullet Repayment of ₹ 75 Crore on 29.09.2014 at floating interest rate of 11.25% as on 31.03.2014)	75.00	75.00
viii)	UCO BANK *8 (Repayable in 21 half yearly instalments of ₹ 41.67 Crore each upto 30.06.2024 at floating interest rate of 10.20% as on 31.03.2014)	875.00	958.33
ix)	CORPORATION BANK *11 (Repayable in 48 equal quarterly instalments of ₹ 10.42 Crore each upto 06.10.2026 at floating interest rate of 10.25% as on 31.03.2014)	500.00	500.00
x)	CANARA BANK *11 (Repayable in 47 equal quarterly instalments of ₹ 4.16 Crore upto 16.07.2026 plus last installment of ₹ 4.48 on 16.10.2026 Crore at floating interest rate of 10.20 % as on 31.03.2014)	200.00	200.00
xi)	INDIAN OVERSEAS BANK *11 (Repayable in 48 equal quarterly instalments of ₹ 4.17 Crore each upto 16.10.2026 at floating interest rate of 10.25% as on 31.03.2014)	200.00	200.00
xii)	PUNJAB & SIND BANK *11 (Repayable in 48 equal quarterly instalments of ₹ 4.17 Crore each upto 17.10.2026 at floating interest rate of 10.25% as on 31.03.2014)	200.00	200.00
xiii)	INDUSIND BANK *11 (Repaid on 09.10.2013)	-	100.00
xiv)	SYNDICATE BANK *11 (Repayable in 48 equal quarterly instalments of ₹ 6.25 Crore each upto 02.11.2026 at floating interest rate of 10.25% as on 31.03.2014)	300.00	300.00
xv)	UNION BANK OF INDIA *11 (Repayable in 48 equal quarterly instalments of ₹ 3.13 Crore each upto 03.11.2026 at floating interest rate of 10.25% as on 31.03.2014)	150.00	150.00
xvi)	STATE BANK OF INDIA *3&6 (Repayable in 48 equal quarterly instalments of ₹ 20.83 Crore each upto 27.03.2028 at floating interest rate of 10.49% as on 31.03.2014)	1,000.00	500.00
xvii)	STATE BANK OF HYDERABAD *1 & 6 (Repayable in 48 equal quarterly instalments of ₹ 10.42 Crore each upto 28.12.2027 at floating interest rate of 10.20% as on 31.03.2014)	500.00	100.00
xx)	CENTRAL BANK OF INDIA *13 (Repaid on 03.03.2014)	-	202.80
xxi)	DENA BANK *13 (Repaid on 03.03.2014)	-	171.72
xxii)	DENA BANK *13 (Repaid on 05.03.2014)	-	154.79
xxiii)	HDFC BANK LIMITED *13 (Repayable in 20 half yearly equal instalments of ₹18.63 Crore each upto 31.03.2019 at floating interest rate of 12.50% As on 31.03.2014)	204.91	242.16
xxiv)	HDFC BANK LIMITED *13 (Repayable in 20 half yearly equal instalments of ₹11.20 Crore each upto 30.09.2019 at floating interest rate of 11.75% As on 31.03.2014)	134.34	156.73
xxv)	UNITED BANK OF INDIA *13 (Repaid on 08.10.2013)	-	42.25
Total Term Loan - Banks (Secured)		4,596.15	4,616.32



NOTE NO. 4 LONG TERM BORROWINGS (Contd.)

(₹ in Crore)

Particulars of redemption & repayment (Disclosure given below for Total Borrowings)		As at 31st March, 2014	As at 31st March, 2013
(C) TERM LOANS - Un-secured (Banks)- Foreign Currency			
i)	Japan Bank of International Cooperation Tranche-I *12 (Repayable in 24 equal half yearly instalments of ₹ 7.16 Crore each upto 20.01.2026 at fixed interest rate of 2.3% as on 31.03.2014)	171.80	184.36
ii)	Japan Bank of International Cooperation Tranche-II *12 (Repayable in 28 equal half yearly instalments of ₹ 23.48 Crore each upto 20.12.2027 at fixed interest rate of 2.3% as on 31.03.2014)	657.55	697.83
iii)	Japan Bank of International Cooperation Tranche-III *12 (Repayable in 40 equal half yearly instalments of ₹ 17.35 Crore each starting from 20.03.2014 and upto 20.03.2034 at fixed interest rate of 1.3% as on 31.03.2014)	693.86	704.46
iv)	Deutsche Bank & Others *12 (Repayable in 10 equal half yearly instalments of ₹ 53.84 Crore each upto 18.10.2018 at floating interest rate 6 Month JPY LIBOR + 0.57% Margin)	538.35	639.89
Total Term Loan - Banks (Unsecured)		2,061.56	2,226.54
(D) TERM LOAN-From other parties (Secured)			
i)	LIFE INSURANCE CORPORATION OF INDIA *5 & 7 (Repayable in 14 half yearly instalments of ₹ 104.17 Crore each upto 15.10.2020 at interest rate of 9.25% on ₹ 58.33 Crore and 8% on ₹ 1400 Crore)	1,458.33	1,666.67
ii)	LIFE INSURANCE CORPORATION OF INDIA *6 (Repayable in 20 equal half yearly instalments of ₹ 79 Crore each upto 31.10.2023 w.e.f. 30.04.2012 at wt. average rate of 9.118% as on 31.03.2014)	1,580.00	1,738.00
iii)	POWER FINANCE CORPORATION LIMITED *8 (Repayable in 30 equal quarterly instalments of ₹ 18.75 Crore upto 15.07.2021 at floating interest rate of 9.91% as on 31.03.2014)	562.50	637.50
iv)	POWER FINANCE CORPORATION LIMITED *8 (Repayable in 18 equal quarterly instalments of ₹ 4.65 Crore each upto 15.07.2018 at floating interest rate of 9.91% as on 31.03.2014)	83.70	102.30
v)	POWER FINANCE CORPORATION LIMITED *8 (Repayable in 30 equal quarterly instalments of ₹ 1.75 Crore each upto 15.07.2021 at floating interest rate of 9.90% as on 31.03.2014)	52.50	59.50
vi)	POWER FINANCE CORPORATION LIMITED *2&3 (Repayable in 29 equal quarterly instalments of ₹ 36.425 Crore each upto 15.04.2021 at floating interest rate of 10.54% as on 31.03.2014)	1,056.33	1,202.03
vii)	POWER FINANCE CORPORATION LIMITED *1 (Repayable in 21 equal quarterly instalments of ₹ 10.325 Crore each upto 15.04.2019 at floating interest rate of 10.54% as on 31.03.2014)	216.83	258.12
viii)	POWER FINANCE CORPORATION LIMITED *1 (Repayable in 23 equal quarterly instalments of ₹ 12.50 Crore each upto 15.10.2019 at floating interest rate of 10.54% as on 31.03.2014)	287.50	337.50
ix)	POWER FINANCE CORPORATION LIMITED *14 (Repayable in 20 half yearly equal instalments of ₹ 67.50 Crore each upto 15.07.2018 at floating interest rate of 10.80% As on 31.03.2014)	607.50	742.50
x)	POWER FINANCE CORPORATION LIMITED *15 The Loan shall be repaid in 40 equal quarterly installments. The repayment of principal will start after 2 years from the date of commissioning of the Project, however repayment of interest is due after commissioning. The Company will pay interest on the above loan at the rate of interest prevailing on the date of each disbursement as per PFC's Policy.	6.24	-
Total Term Loan - Other Parties (Secured)		5,911.43	6,744.12

NOTE NO. 4 LONG TERM BORROWINGS (Contd.)

(₹ in Crore)

Particulars of redemption & repayment (Disclosure given below for Total Borrowings)		As at 31st March, 2014	As at 31st March, 2013
(E) TERM LOAN-From other parties (Unsecured)			
Foreign Currency			
i)	Export Development Canada *12 (Repayable in 4 equal half yearly instalments of ₹ 25.81 Crore each upto 15.03.2016 at fixed interest rate of 6.01% as on 31.03.2014)	103.25	177.18
Loans from Central Govt.- Unsecured			
ii)	Subordinate Debt from Govt. of India for Nimmo-Bazgo Power Station (Repayable in 18 equal annual instalments of ₹ 15 Crore from the 12th year after commissioning of the project i.e. from 10.10.2025 at fixed interest rate of 4% per annum. Interest accrues and is payable annually after commissioning of the project.)	270.00	270.00
iii)	Subordinate Debt from Govt. of India for Chutak Power Station (Repayable in 24 equal annual instalments of ₹ 15.17 Crore from the 6th year after commissioning of the project i.e. from 01.02.2019 at fixed interest rate of 2.50% per annum. Interest accrues and is payable annually after commissioning of the project.)	364.00	364.00
iv)	Subordinate Debt from Govt. of India for Kishanganga HE Project (Repayable in 10 equal annual instalments from the 11th year after commissioning of the project at fixed interest rate of 1% per annum. Interest accrues and is payable annually after commissioning of the project.)	1,662.82	1,034.81
Total Term Loan - Other Parties (Unsecured)		2,400.07	1,845.99
Grand Total (A+B+C+D+E)		20,819.49	20,340.25

* Particulars of security

- Secured by pari-passu charge by way of Equitable mortgage/hypothecation against Immovable/Moveable assets of Company's Chamera Power Station-I situated in the state of Himachal Pradesh except for Book Debts and Stores.
- Secured by pari-passu charge by way of Equitable mortgage/hypothecation against Immovable/Moveable assets of Company's Uri Power Station situated in the state of Jammu & Kashmir except for book debts and stores.
- Secured by pari-passu charge by way of Equitable mortgage/ hypothecation against Immovable / Moveable assets of Company's Chamera Power Station-II situated in the state of Himachal Pradesh except book debts & stores.
- Secured by pari-passu charge by way of equitable mortgage/hypothecation against the assets of Company's Loktak Power Station situated in the state of Manipur except for book debts and stores.
- Secured by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets of the Company's Parbati HE Project-II situated in the state of Himachal Pradesh.
- Secured by pari-passu charge by way of equitable mortgage/hypothecation against immovable/movable assets of Company's Teesta Low Dam-III Power Station situated in the state of West Bengal & Teesta-V Power Station situated in the state of Sikkim.
- Secured by pari-passu charge by way of equitable mortgage and charge over all the immovable and moveable assets of the Company's Dhauliganga Power Station situated in the state of Uttarakhand except for book debts & stores.
- Secured by way of first charge on pari-passu basis by way of hypothecation on whole of the Company's movable assets, both present and future, of Dulhasti Power Station situated in the state of Jammu & Kashmir except for book debts & stores.
- Secured by exclusive charge by way of equitable mortgage against the assets of Company's Bairasiul Power Station situated in the state of Himachal Pradesh except for book debts and stores.
- Secured by a first charge on pari-passu basis by way of equitable mortgage and hypothecation against the immovable and moveable assets of the Company's Chamera-III Power Station situated in the state of Himachal Pradesh.
- Secured by way of first charge on pari-passu basis by way of hypothecation on whole of the Company's movable assets, both present and future, of Salal Power Station situated in the state of Jammu & Kashmir, Sewa-II Power Station situated in the state of Jammu & Kashmir, Chutak Power Station situated in the state of Jammu & Kashmir, Nimmo-Bazgo Power Station situated in the state of Jammu & Kashmir, Uri-II Power Station situated in the state of Jammu & Kashmir & TLDP-IV HE Project situated in the state of West Bengal except for book debts & stores.
- Loans mentioned at Sl. nos. C(i), C(ii), C(iii), C(iv) and E(i) above are guaranteed by Government of India.
- Secured by way of first Pari-passu Charge in favour of the lenders by deposit of title deeds of immovable property and also first pari-passu charge on all present and future movable, fixed and current assets of Indira Sagar Project of NHDC Limited.
- 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 of NHDC Limited.
- The loan together with all interest is secured by a first charge by way of hypothecation in favour of the Power Finance Corporation Limited of all the company's movable assets of the Projects (save and except book debts) including movable machinery, machinery spares, tools and accessories, fuel stock, spares and material at project site both present and future.

NOTE NO. 5 DEFERRED TAX LIABILITIES / ASSETS

(₹ in Crore)

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
Deferred Tax Liability		
i) Depreciation	3922.53	3679.78
Less: Deferred Tax Assets		
i) Provision for doubtful debts, Inventory and others	123.25	102.24
ii) Provision for employee benefit schemes	131.47	120.67
Deferred Tax Liability	3,667.81	3,456.87
Less: Recoverable	2,733.42	2,832.78
Deferred Tax Liability (Net) #	934.39	624.09

Includes ₹ Nil Crore (previous year ₹ Nil Crore) share of jointly controlled entities.

Explanatory Note: -

In compliance to the Accounting Standard 22 on "Accounting for Taxes on Income" notified under The Companies Accounting Standard Rules, 2006, ₹ 210.94 Crore (Previous Year ₹ 349.17 Crore) has been created as deferred tax liability during the year ended on 31.03.2014.

NOTE NO. 6 OTHERS LONG TERM LIABILITIES

(₹ in Crore)

	As at 31st March, 2014			As at 31st March, 2013		
	Total Liability	Less: - Current Liabilities	Other Long Term Liabilities	Total Liability	Less: - Current Liabilities	Other Long Term Liabilities
Deposits/ retention money	409.32	149.75	259.57	437.63	140.41	297.22
Income received in advance (Advance against depreciation)	1379.92	50.17	1329.75	1,430.09	50.17	1,379.92
Deferred Income from Foreign Currency Fluctuation Account	138.86	-	138.86	149.96	-	149.96
Total #	1,928.10	199.92	1,728.18	2,017.68	190.58	1,827.10

Includes ₹ 0.22 Crore (previous year ₹ 0.08 Crore) share of jointly controlled entities.

NOTE NO. 7 PROVISIONS

(₹ in Crore)

PARTICULARS	As at 31st March, 2014			As at 31st March, 2013		
	Long Term	Short Term	Total	Long Term	Short Term	Total
a) Provision for Employee Benefits						
As per last Balance Sheet	716.30	44.93	761.23	1190.64	108.53	1,299.17
Additions during the year	79.55	91.86	171.41	44.55	121.22	165.77
Amount used during the year	0.00	64.95	64.95	518.22	184.82	703.04
Amount reversed during the year	-	-	-	0.67	-	0.67
Closing Balance	795.85	71.84	867.69	716.30	44.93	761.23
b) Provision for Wage Revision						
As per last Balance Sheet		28.69	28.69		31.16	31.16
Additions during the year		2.91	2.91		3.62	3.62
Amount used during the year		-	-		-	-
Amount reversed during the year		0.02	0.02		6.09	6.09
Closing Balance		31.58	31.58		28.69	28.69
Less: Advance paid		31.58	31.58		28.69	28.69
Closing Balance (Net of advance)		-	-		-	-

PARTICULARS	As at 31st March, 2014			As at 31st March, 2013		
	Long Term	Short Term	Total	Long Term	Short Term	Total
c) Provision for Performance Related Pay/ Incentive						
As per last Balance Sheet		73.60	73.60		146.69	146.69
Additions during the year		68.28	68.28		76.88	76.88
Amount used during the year		64.90	64.90		142.78	142.78
Amount reversed during the year		6.14	6.14		7.19	7.19
Closing Balance		70.84	70.84		73.60	73.60
Less: Advance paid		0.04	0.04		0.04	0.04
Closing Balance (Net of advance)		70.80	70.80		73.56	73.56
d) Provision for Superannuation / Pension Fund						
As per last Balance Sheet		17.91	17.91		223.21	223.21
Additions during the year		42.52	42.52		10.76	10.76
Amount used during the year		20.11	20.11		169.17	169.17
Amount reversed during the year		0.02	0.02		46.89	46.89
Closing Balance		40.30	40.30		17.91	17.91
e) Others						
i) Provision for Taxation						
As per last Balance Sheet		2185.39	2185.39		1914.38	1,914.38
Additions during the year		602.70	602.70		738.81	738.81
Amount used during the year		571.46	571.46		467.80	467.80
Closing Balance		2,216.63	2216.63		2185.39	2,185.39
ii) Provision for Proposed Dividend						
As per last Balance Sheet		738.04	738.04		861.05	861.05
Additions during the year		332.12	332.12		738.04	738.04
Amount used during the year		738.04	738.04		861.05	861.05
Closing Balance		332.12	332.12		738.04	738.04
iii) Tax on Proposed Dividend						
As per last Balance Sheet		135.44	135.44		149.23	149.23
Additions during the year		76.12	76.12		135.44	135.44
Amount used during the year		130.33	130.33		144.35	144.35
Amount reversed during the year		5.11	5.11		4.88	4.88
Closing Balance		76.12	76.12		135.44	135.44
iv) Provision - Others						
As per last Balance Sheet		404.62	404.62		397.87	397.87
Additions during the year		402.64	402.64		48.81	48.81
Amount used during the year		22.33	22.33		17.47	17.47
Amount reversed during the year		8.07	8.07		24.59	24.59
Closing Balance		776.86	776.86		404.62	404.62

NOTE NO. 7 PROVISIONS (Contd.)

(₹ in Crore)

PARTICULARS	As at 31st March, 2014			As at 31st March, 2013		
	Long Term	Short Term	Total	Long Term	Short Term	Total
v) Provision For Tariff Adjustment						
As per last Balance Sheet		91.63	91.63		34.60	34.60
Additions during the year		1.13	1.13		57.03	57.03
Amount used during the year		42.52	42.52		-	-
Closing Balance		50.24	50.24		91.63	91.63
vi) Provision For Corporate Social Responsibility (CSR) Expenses						
As per last Balance Sheet		2.89	2.89		16.26	16.26
Additions during the year		-	-		3.25	3.25
Amount used during the year		-	-		11.47	11.47
Amount reversed during the year		2.89	2.89		5.15	5.15
Closing Balance		-	-		2.89	2.89
vii) Provision For Sustainable Development/ Research & Development Expenses						
As per last Balance Sheet		20.44	20.44		-	-
Additions during the year		-	-		20.44	20.44
Amount reversed during the year		20.44	20.44		-	-
Closing Balance		-	-		20.44	20.44
viii) Provision For Committed Capital Expenditure						
As per last Balance Sheet	13.65	561.62	575.27	9.86	686.71	696.57
Additions during the year	17.98	-	17.98	4.59	30.55	35.14
Amount used during the year	2.38	390.87	393.25	0.80	24.56	25.36
Amount reversed during the year	-	-	-	-	131.08	131.08
Closing Balance	29.25	170.75	200.00	13.65	561.62	575.27
Total #	825.10	3,805.66	4,630.76	729.95	4,276.47	5,006.42

Includes ₹ 0.04 Crore (previous year ₹ Nil Crore) in Long Term Provisions and ₹ 2.72 Crore (previous year ₹ Nil Crore) in Short Term Provisions share of jointly controlled entities.

Explanatory Note: -

- The Board has resolved to implement the directions of the Ministry of Power(MOP) vide its letter no. 11/17/2009-NHPC/Vol. III dated 27th December 2013 conveying the approval of Competent Authority about pay scales in respect of below Board level Executives that the pay scales shall be fixed w.e.f. 01.01.2007 after correcting the aberrations in pay scales fixed w.e.f. 01.01.1997 and the deviant pay scales fixed w.e.f. 01.01.1997 shall not be regularized. Giving effect to the directions of Competent Authority, excess pay drawn for the months of February & March 2014 has been reversed and is to be recovered from employees. The MoP has been intimated vide letter no.PWA-504-Vol-IV/62 dated 14.05.2014 to confirm that the recovery of personal adjustment w.e.f 01.02.2014 is in conformity with the said directive of the Competent Authority.Pending confirmation, cumulative amount provided towards the Personal Adjustment Pay (fitment benefits) under the head "Provision for Wage Revision" is ₹ 31.58 crore (including current year provision upto 31.01.2014 ₹ 2.91 Crore) with corresponding amount shown as "Advance paid" towards this.
- Out of provisions under group 'Provision - Others', an amount of ₹ 65.54 Crore (Previous Year ₹ 38.47 Crore) stands deposited under protest and is appearing under the head "Deposits" in Note No. 13 - Loans and Advances.

NOTE NO. 8 TRADE PAYABLE

(₹ in Crore)

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
For Goods and Services	223.41	189.14
Total #	223.41	189.14

Includes ₹ 0.79 Crore (previous year ₹ 0.65 Crore) share of jointly controlled entities.

Explanatory Note: -

Disclosure requirement under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 is given in Note No. 30 - Other Explanatory Notes to Accounts.

NOTE NO. 9 OTHER CURRENT LIABILITIES

(₹ in Crore)

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
Current Maturities of Long Term Debt (Refer Note no. 4)	1,510.44	1,534.35
Interest accrued but not due on Borrowings	249.19	217.67
Income received in advance (Advance against depreciation)	50.17	50.17
Unpaid Dividend	4.83	3.92
Liability against Capital Works/Supplies	540.75	561.75
Deposits/ Retention Money	149.75	140.41
Unspent amount of Deposit/Agency basis works	0.04	0.04
Statutory Dues Payables	283.90	243.55
Other Liabilities	270.86	192.41
Advances against the Deposit Works	227.36	318.02
Less: Amount Spent on Deposit Works	222.29	276.04
Advances against cost of Project Mgt./ Consultancy Works	4,417.35	4,262.40
Less: Amount Spent in respect of Project Mgt./ Consultancy Works	4,222.62	4,054.36
Provision Toward Amt Recoverable in respect of Project Mgt/ Consultancy Works	(3.97)	(3.97)
Total #	3,263.70	3,198.26

Includes ₹ 5.96 Crore (previous year ₹ 0.18 Crore) share of jointly controlled entities.

Explanatory Note: -

* Details in respect of redemption, rate of interest, terms of repayment and security of secured and unsecured current maturities of long term debts indicated above are disclosed in Note no. 4.

NOTE NO. 10.1 TANGIBLE ASSETS

CLASS OF ASSETS	GROSS BLOCK						DEPRECIATION			NET BLOCK	
	01.04.2013	Additions	Deductions	Adjustments	31.03.2014	01.04.2013	For the Period	Adjustments	31.03.2014	31.03.2014	31.03.2013
Land – Freehold	229.69	30.59	-	-	260.28	-	-	-	-	260.28	229.69
Land – Leasehold	340.81	46.34	4.17	(12.07)	370.91	30.99	10.87	(9.34)	32.52	338.39	309.82
Roads and Bridges	376.38	7.61	7.17	(53.14)	323.68	94.83	11.59	(15.98)	90.44	233.24	281.55
Buildings	2,703.59	721.94	16.14	(25.49)	3,383.90	770.82	97.45	(23.32)	844.95	2,538.95	1,932.77
Railway sidings	40.31	-	-	(1.34)	38.97	17.51	2.67	(1.34)	18.84	20.13	22.80
Hydraulic Works(Dams, Water Conductor system, Hydro mechanical gates, tunnels)	16,295.46	3,908.49	-	(3.62)	20,200.33	4,744.37	843.61	12.29	5,600.27	14,600.06	11,551.09
Generating Plant and machinery	8,254.45	2,630.22	11.77	(0.08)	10,872.82	2,717.62	438.77	6.52	3,162.91	7,709.91	5,536.83
Plant and machinery - Sub station	114.02	4.97	0.16	(0.57)	118.26	53.43	4.30	(0.45)	57.28	60.98	60.59
Plant and machinery - Transmission lines	71.78	2.48	-	(1.42)	72.84	22.74	3.74	(1.29)	25.19	47.65	49.04
Plant and machinery - Others	39.74	2.34	0.02	(0.73)	41.33	14.68	2.26	(0.68)	16.26	25.07	25.06
Construction Equipment	98.39	10.68	1.32	(0.06)	107.69	62.04	5.89	(1.24)	66.69	41.00	36.35
Water Supply System/Drainage and Sewerage	40.12	3.89	0.04	(0.30)	43.67	7.12	1.68	(0.32)	8.48	35.19	33.00
Electrical installations	4.53	0.82	0.02	(0.39)	4.94	1.58	0.24	(0.40)	1.42	3.52	2.95
Vehicles	29.90	3.73	2.05	(2.40)	29.18	20.02	1.14	(3.78)	17.38	11.80	9.88
Aircraft/ Boats	0.62	0.24	0.07	(0.01)	0.78	0.27	0.04	(0.07)	0.24	0.54	0.35
Furniture and fixture	53.47	4.81	0.60	(2.93)	54.75	26.64	3.53	(2.29)	27.88	26.87	26.83
Computers	60.48	5.36	2.22	(3.81)	59.81	48.25	4.94	(5.09)	48.10	11.71	12.23
Communication Equipment	14.42	1.05	0.17	(0.41)	14.89	6.59	0.84	(0.49)	6.94	7.95	7.83
Office Equipments	46.93	3.96	1.54	(1.63)	47.72	20.83	2.94	(2.08)	21.69	26.03	26.10
Research and Development Equipment	2.55	-	-	(0.01)	2.54	0.47	0.16	(0.01)	0.62	1.92	2.08
Other assets	54.40	4.62	1.24	(1.93)	55.85	22.86	3.21	(2.02)	24.05	31.80	31.54
Capital Expenditure on assets Not Owned by Company	61.05	0.55	27.71	(33.89)	-	23.35	-	(23.35)	-	-	37.70
Tangible Assets of minor value >750 and < ₹ 5000	18.21	1.61	0.61	(2.04)	17.17	18.20	1.55	(2.59)	17.16	0.01	0.01
Obsolete /surplus assets	2.77	0.65	0.26	(0.75)	2.41	-	-	-	-	2.41	2.77
Total #	28,954.07	7,396.95	77.28	(149.02)	36,124.72	8,725.21	1,441.42	(77.32)	10,089.31	26,035.41	20,228.86
Previous Year	26,290.49	2,896.15	38.93	(193.64)	28,954.07	7,540.42	1,219.94	(35.15)	8,725.21	20,228.86	18,750.07

Includes ₹ 6.42 crore (previous year ₹ 0.03 crore) in net block as share of jointly controlled entities.

Includes ₹ Nil Crore (previous year ₹ Nil Crore) in net block as share of jointly controlled entities.

1) Title deeds/ Lease deeds/ title in respect of Land amounting to ₹ 296.77 Crore (Previous Year ₹ 284.23 Crore), covering an area of 978.95 hectare (Previous Year 2356.99 hectare) are yet to be executed/passed. Expenses on stamp duty etc. relating to registration thereof will be accounted for as and when incurred.

Land does not include 7.83 hectare taken from Sashastra Seema Bal (SSB) for Subansiri Upper Project on lease for a period of 99 years @ notional rent of ₹ 1/- per annum.

Underground works amounting to ₹ 10244.93 Crore (Previous Year ₹ 9362.50 Crore), created on Land - Right to use, are included under the relevant heads of Tangible Assets:

4) Adjustments to Gross Block include adjustment for Foreign Exchange Rate Variation, adjustment in gross block at the time of capitalisation of a project for depreciation charged during construction of project, inter-head reclassification of assets & misclassification correction.

5) Pending approval of revised cost estimates (RCE) of Sewa II, Chutak, Chamera III, Teesta Low Dam III, Nimmo Bazgoo, Uri II & Parbati III Power Stations, capital expenditure actually incurred on these power stations has been considered for capitalisation.

(6) Foreign Exchange Rate Variation included in Adjustments to assets are as follows: -

Class of Assets	As on 31.03.2013 (₹ in crore)	As on 31.03.2014 (₹ in crore)
Roads and Bridges	-	(1.52)
Buildings	-	(13.71)
Hydraulic Works	-	(125.89)
Generating Plant and machinery	-	(28.98)
Plant and machinery Sub station	-	(0.15)
Plant and machinery Transmission lines	-	-
Plant and machinery - Others	-	0.02
Water Supply System/Drainage and Sewerage	-	(0.06)
Total	-	(170.29)

NOTE NO. 11 CAPITAL WORK IN PROGRESS

(₹ in Crore)

Particulars	01.04.2013	Addition	Adjustment	Capitalised	31.03.2014
Roads and Bridges	69.54	13.46	(19.74)	7.62	55.64
Buildings	1,300.25	200.62	144.85	706.37	939.35
Hydraulic Works(Dams, Water Conductor system, Hydro mechanical gates, tunnels)	6,707.18	1,171.98	1,417.95	3,839.65	5,457.46
Generating Plant and Machinery	3,945.60	331.45	1,094.07	2,556.75	2,814.37
Plant and Machinery - Sub station	9.16	0.37	0.81	2.69	7.65
Plant and Machinery - Transmission lines	3.94	1.58	(0.39)	3.51	1.62
Plant and Machinery - Others	2.26	0.41	(0.85)	1.33	0.49
Water Supply System/Drainage and Sewerage	2.54	2.29	0.11	3.71	1.23
Other assets awaiting installation	2.67	42.54	(2.13)	30.64	12.44
Capital Expenditure On assets Not Owned by Compnay	103.83	0.16	(103.99)	-	(0.00)
Survey, investigation, consultancy and supervision charges	256.85	37.67	(34.19)	-	260.33
Expenditure on compensatory Afforestation	0.64	15.95	-	-	16.59
Expenditure during construction*	7,488.53	1,011.78	(3,147.98)	-	5,352.33
Less: Provided for	119.60	55.91	(5.88)	-	169.63
Sub total (a)	19,773.39	2,774.35	(645.60)	7,152.27	14,749.87

* For addition during the period refer Note No. 28

	01.04.2013		Adjustment		31.03.2014
Construction Stores	190.11	-	(14.47)	-	175.64
Less : Provisions for construction stores	1.66	-	(0.13)	-	1.53
Sub total (b)	188.45	-	(14.34)	-	174.11
TOTAL #	19,961.84	2,774.35	(659.94)	7,152.27	14,923.98
Previous Year	19,398.67	3,361.27	4.07	2,802.17	19,961.84

Includes ₹ 187.11 Crore (previous year ₹ 2.52 Crore) share of jointly controlled entities.

Explanatory Note: -

- Expenditure during Construction (EDC) includes ₹ 472.66 Crore (Previous Year ₹ 925.06 Crore) towards borrowing cost capitalised during the year.
- CWIP includes a cumulative expenditure of ₹ 799.25 Crore (Previous Year ₹ 781.26 Crore) on projects under Survey & Investigation stage. Of this, a sum of ₹ 43.79 Crore pertains to Subansiri Upper Project, which had been decided by Govt. of Arunachal Pradesh to be handed over to a Private Developer, however pending handing over of the project & recovery of expenditure incurred on it, an amount ₹ 43.56 Crore has been provided for in the books as an abundant precaution. Further out of the balance of ₹ 755.46 Crore pertaining to projects with the company, a sum of ₹ 114.34 Crore (Previous Year ₹ 84.16 Crore) has been provided as an abundant precaution in respect of projects, where uncertainties are attached and ₹ 641.12 Crore (Previous Year ₹ 553.53 Crore), pertaining to other projects having reasonable certainty of getting clearance, is carried over.

- 3) Siang Basin, Subansiri Basin & Dibang Multipurpose Projects were taken over from Brahmaputra Board. Pending settlement of accounts with Brahmaputra Board, assets and liabilities have been accounted for to the extent of amounts incurred by the Company on these projects. Siang Lower & Siyom HE Projects (in Siang Basin) & Subansiri Middle (in Subansiri Basin) have since been handed over to Private Developer and liability arising out of settlement of accounts with Brahmaputra Board towards these projects is recoverable from respective Private Developers.
- 4) Kiru & Kwar HE Projects are to be executed by M/s Chenab Valley Power Projects Private Limited (A Joint venture company of NHPC Limited, JKSPDC and PTC Limited). These projects are handed over to the JV company on 30.06.2013. Accordingly during the current year, the expenditure amounting to ₹ 103.03 Crore incurred by NHPC Limited on these projects up to 30.06.2013 has been also transferred to the JV Company.
- 5) Expenditure during Construction includes ₹ 2.38 Crore incurred on Tipaimukh HE Project, which is to be executed through a proposed joint venture company with participation from State of Manipur and SJVN Limited. The said amount has been provided for in the books during the current period, in view of denial of forest clearance of the project by Ministry of Environment & Forest (MoEF).
- 6) Underground Works amounting to ₹ 3776.61 Crore (Previous Year ₹ 3460.39 Crore) created on Land - Right to use, are included under respective heads of CWIP.
- 7) Capital Expenditure on projects approved by the competent authority undergoes revision over period of time as hydroelectric projects are time intensive and some takes longer period than envisaged. As a consequence the cost escalation occur, which requires approval of competent authority. Pending such approval the expenditure incurred during the period is carried forward in Capital work in progress.

NOTE NO. 12 NON CURRENT INVESTMENTS

(₹ in Crore)

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
Trade - Quoted		
- Equity Instrument	12.00	12.00
Trade - Unquoted		
- 8.50 % Tax-Free State Government Special Bonds	259.29	510.02
- Share Application Money		1.53
Non Trade - Quoted		
- Equity Instrument	0.36	0.36
- Government Securities	299.70	268.42
- Public Sector Undertaking/Public Financial Institution & Corporate Bonds	451.28	404.00
Total #	1,022.63	1,196.33

Includes ₹ NIL Crore (previous year ₹ Nil Crore) share of jointly controlled entities.

Explanatory Note: -

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



NHPC Limited

(A Government of India Enterprise)

NOTE NO.13 LOAN AND ADVANCES

(₹ in Crore)

PARTICULARS	As at 31st March, 2014			As at 31st March, 2013		
	Long Term	Short Term	Total	Long Term	Short Term	Total
a) CAPITAL ADVANCES						
- Secured (considered good)	0.39		0.39	3.87		3.87
- Unsecured (considered good)						
- Against Bank Guarantee	460.27		460.27	613.08		613.08
- Others	146.53		146.53	159.95		159.95
Less : Provision for expenditure awaiting utilisation Certificate	10.72		10.72	6.38		6.38
- Unsecured (considered doubtful)	47.81		47.81	45.56		45.56
Less : Provisions for Doubtful Advances	47.81		47.81	45.56		45.56
b) DEPOSITS						
- Unsecured (considered good)	92.60	54.21	146.81	52.42	39.88	92.30
- Unsecured (considered doubtful)	-	0.51	0.51	-	0.51	0.51
Less : Provision for Doubtful Deposits	-	0.51	0.51	-	0.51	0.51
c) OTHER LOANS & ADVANCES						
i) Employees (including accrued interest)						
- Secured (considered good)	156.38	23.41	179.79	127.68	21.03	148.71
- Unsecured (considered good)	26.83	37.41	64.24	37.19	33.36	70.55
- Unsecured (considered doubtful)	-	0.02	0.02	-	0.02	0.02
ii) Advance to contractor / supplier / service provider						
- Secured (considered good)		0.30	0.30	-	0.71	0.71
- Unsecured (considered good)						
- Against bank guarantee		10.09	10.09	-	15.26	15.26
- Others		20.26	20.26	-	12.39	12.39
- Unsecured (considered doubtful)		0.47	0.47	-	0.48	0.48
iii) Loan to State Government in settlement of dues from customer						
- Unsecured (considered good)	38.04	25.36	63.40	63.41	38.04	101.45
iv) Advance to Government of Arunachal Pradesh						
- Unsecured (considered good)	225.00		225.00	225.00		225.00
v) Other advances						
- Unsecured (considered good)	0.53	30.95	31.48	-	1.64	1.64
Less : Provisions for doubtful Other Loans & Advances	-	0.49	0.49	-	0.50	0.50
vi) Advance income tax & tax deducted at source		2,530.56	2530.56	-	2290.53	2,290.53
Total #	1,135.85	2,732.55	3,868.40	1,276.22	2,452.84	3,729.06

Includes ₹ 6.45 Crore (previous year ₹ 4.33 Crore) in Long Term Loan and Advances and ₹ 3.83 Crore (previous year ₹ 0.25 Crore) in Short Term Loan and Advances share of jointly controlled entities.

	As on 31.03.2014	As on 31.03.2013
Explanatory Note: -	₹ in Crore	₹ in Crore
Loans and Advances due from Directors or other officers at the end of the year	0.02	0.05
Advance due by Firms or Private Companies in which any Director of the Company is a Director or member amounts to ₹ Nil (Previous Year ₹ Nil)		

NOTE NO. 14 OTHER NON-CURRENT ASSETS

(₹ in Crore)

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
a) Long Term Trade Receivable	427.95	188.01
- Unsecured - Considered Good		
b) Others		
Interest accrued on:		
- Advance to Government of Arunachal Pradesh	177.96	144.83
- Others	- 177.96	6.35 151.18
Deferred Foreign Currency Fluctuation Assets	713.64	789.35
Deferred Expenditure on Foreign Currency Fluctuation	4.77	3.84
Total #	1,324.32	1,132.38

Includes ₹ NIL Crore (previous year ₹ Nil Crore) share of jointly controlled entities.

NOTE NO. 15 CURRENT INVESTMENTS

(₹ in Crore)

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
Trade - Unquoted		
- 8.50 % Tax-Free State Government Special Bonds	250.74	250.74
Total #	250.74	250.74

Includes ₹ NIL Crore (previous year ₹ Nil Crore) share of jointly controlled entities.

Explanatory Note: -

Unquoted Investments		
Aggregate Cost	250.74	250.74
Aggregate provision for diminution in value	-	
- Valuation as per Accounting Policy no. 6		

NOTE NO. 16 INVENTORIES

(₹ in Crore)

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
(Valuation as per Accounting Policy No. 7)		
Stores and Spares	96.91	81.81
Stores in Transit/ Pending Inspection	1.91 98.82	2.11 83.92
Loose Tools	2.16	1.88
Scrap Inventory	1.00	1.30
Material at Site	3.16	1.94
Material issued to Contractors/ Fabricators	0.61	0.38
Less: Provision for Obsolescence & Diminution in Value	25.91	25.20
Total #	79.84	64.22

Includes ₹ NIL Crore (previous year ₹ Nil Crore) share of jointly controlled entities.



NOTE NO. 17 TRADE RECEIVABLES

(₹ in Crore)

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
Trade Receivables outstanding for a period exceeding six months from the date they become due for payment		
- Unsecured - Considered Good	727.16	473.72
- Unsecured - Considered Doubtful	34.77	43.70
Other Trade Receivables		
- Unsecured - Considered Good	1,695.27	1,766.33
Less: Provision for Doubtful Debts	34.77	43.70
Total #	2,422.43	2,240.05

Includes ₹ NIL Crore (previous year ₹ Nil Crore) share of jointly controlled entities.

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. 18 CASH AND BANK BALANCES

(₹ in Crore)

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
A Cash and Cash Equivalents		
Cash on hand	0.23	0.36
(includes stamps in hand of ₹ .01 Crore, Previous Year ₹ 0.01 Crore)		
Cheques, drafts on hand	15.93	0.27
Balances with Banks		
• With Scheduled Banks		
- In current account		
- Self Insurance Fund	0.46	0.46
- Others	272.42	291.79
- In deposits account (Deposits with maturity of three months or less)		
- Others	662.61	952.21
• With Other Banks		
- In current account		
- Bank of Bhutan	0.01	0.07
B Other Bank Balances		
Deposits with maturity of more than three months but less than/upto 12 months		
• With Scheduled Banks		
- Self Insurance Fund	22.67	45.80
- IPO Proceeds	509.09	1,089.34
- Others	4,590.03	5,324.08
Deposit account-Unpaid Dividend	4.83	3.92
Deposits with more than 12 months maturity		
- Others	64.50	268.16
Total #	6,142.78	7,976.46

Includes ₹ 70.13 Crore (previous year ₹ 7.64 Crore) share of jointly controlled entities.

Explanatory Note: -

- 1) Out of the Initial Public Offering (IPO) proceeds of ₹ 6038.55 Crore made during financial year 2009-10, sale proceeds of ₹ 2012.85 Crore was paid to Ministry of Power, Govt. of India and ₹ 4025.70 Crore was retained by the company. Out of ₹ 4025.70 Crore, a sum of ₹ 3477.90 Crore has been utilised up to 31.03.2014 for re-coupmnt of capital expenditure already incurred from internal accruals on the projects specified for utilisation, the unutilised amount of ₹ 509.09 Crore has been invested in bank deposits as per extant investment policy of the company and ₹ 38.71 Crore recouped for meeting IPO expenditure.
- 2) Cash and Bank Balances include an amount of ₹ 0.31 Crore (Previous year ₹ 1.47 Crore) towards margin money kept with banks for opening Letter of Credit or similar facility, which is not available for use As on 31.03.2014.
- 3) Cash and Bank Balances include ₹ 320.63 Crore (Previous Year ₹ 361.37 Crore), held for Rural Road and Rural Electrification works being executed by Company on behalf of other agencies and are not freely available for the business of the Company.
- 4) Cash and Bank Balances include an amount of ₹ 5.11 Crore (Previous year ₹ 10.48) representing deposit by oustees towards 'Land for Land' in respect of Omkareshwar Project, which is not available for use As on 31.03.2014.
- 5) Cash and Bank Balances include an amount of ₹ 8.24 Crore (Previous year ₹ 7.80 Crore) kept with banks as per orders of Hon'ble Court of Law, which is not available for use As on 31.03.2014.

NOTE NO. 19 OTHER CURRENT ASSETS

(₹ in Crore)

PARTICULARS	As at 31st March, 2014		As at 31st March, 2013	
a) Interest accrued on:				
Loan to State Government in settlement of dues from Customers	32.97		37.28	
Deposits				
- IPO	8.16		70.68	
- Self Insurance	16.83		20.14	
- Other Deposits	266.79		245.17	
Others				
- Considered Good	2.20		35.73	
- Considered Doubtful	67.94		-	
Sub Total	394.89		409.00	
Less: Provision for Doubtful Interest	67.94	326.95	-	409.00
b) Receivable on account of Unbilled Revenue		480.18		1,269.38
c) Receivable from Joint Ventures		140.09		-
d) Interest Receivable from Beneficiary		111.27		335.72
e) Claims Recoverable	1026.37		453.24	
Less: Provisions for Doubtful Claims	329.06	697.31	260.00	193.24
f) Construction Work in Progress (on behalf of client)		20.75		20.75
g) Expenditure awaiting adjustment	37.06		37.06	
Less: Provision for project expenses awaiting write off sanction	37.06	-	37.06	-
h) Losses awaiting write off sanction/pending investigation	11.35		9.31	
Less: Provision for losses pending investigation/awaiting write off sanction	11.35	-	9.31	-
i) Others		0.23		19.62
Total #		1,776.78		2,247.71

Includes ₹ 0.95 Crore (previous year ₹ 0.17 Crore) share of jointly controlled entities.

Explanatory Note: -

- 1) Interest accrued on Loan to State Government in settlement of dues from customers includes ₹ 32.97 Crore (Previous Year ₹ 32.97 Crore) on account of payment of incentive to M/s Delhi Transco Limited. The equivalent amount is appearing as liability under other liabilities in Note-9 (Other Current Liabilities) since the issue of payment of incentive to M/s Delhi Transco has not been resolved yet.
- 2) Receivable on account of Unbilled Revenue represents i) J&K water cess ₹ 210.27 Crore (Previous Year ₹ 908.81 Crore) ii) Tax Adjustment ₹ 24.41 Crore (Previous Year ₹ 8.48 Crore) iii) MEA sales ₹ 1.72 Crore (Previous Year ₹ 5.84 Crore) iv) Other ₹ 243.78 Crore (Previous Year ₹ 346.25 Crore).



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NOTE NO. 20 REVENUE FROM OPERATIONS

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2014	For the year ended 31st March, 2013
A SALES		
SALE OF POWER	7,243.44	6,487.40
Less:		
Adjustment for Foreign Exchange Rate Variation	105.35	118.10
Tariff Adjustments	1.13	57.03
Regulated Sales Adjustment	5.83	195.82
Income from generation of electricity – precommissioning (refer Note 28 I (a))	8.35	37.58
	120.66	408.53
Sub total A	7,122.78	6,078.87
B ADVANCE AGAINST DEPRECIATION - Written back during the year	50.17	50.17
C OTHER OPERATING INCOME		
Interest from Beneficiary States (Revision of Tariff)	212.10	156.77
	212.10	156.77
D REVENUE FROM CONTRACTS, PROJECT MANAGEMENT AND CONSULTANCY WORKS		
Contract Income	41.32	65.05
Revenue from Project management / Consultancy works	39.55	55.31
Sub total D	80.87	120.36
TOTAL (A+B+C+D) #	7,465.92	6,406.17

Includes ₹ Nil Crore (previous year ₹ Nil Crore) share of jointly controlled entities.

Explanatory Note: -

- Sales have been recognized as per final tariff notified by Central Electricity Regulatory Commission (CERC), except in respect of Chamera III, Chutak, Teesta Low Dam III, Nimmo Bazgoo, Uri II & Parbati III Power Stations. Sales at Chamera III, Chutak, Nimmo Bazgoo & Uri II Power Stations have been recognised on the basis of provisional tariff given by CERC for these power stations, Sales at Teesta Low Dam III Power Station has been recognised provisionally on the basis of 85% of capital cost filed with CERC and Sales at Parbati III Power Station has been recognised provisionally on basis of sanctioned capital cost of the project.
- Sales includes ₹ 371.43 Crore (Previous Year ₹ 92.01 Crore) on account of earlier year sales arising out of finalisation of tariff in current year.
- Due to non payment of dues by some of the beneficiaries, share of power allocated to them has been regulated in terms of CERC Regulation No.L-1/42/2010-CERC Dated 28th September 2010 and accordingly sales includes an amount of ₹ 11.01 Crore (Previous year ₹ 339.38 Crore) towards regulated power, which has been sold through bidding at Power Exchange. Ibid regulation further provides that margin earned on such sale after adjusting expenditure for effecting sale of regulated power should be passed on to beneficiaries, whose power has been regulated. Accordingly an amount of ₹ 5.83 Crore (Previous year ₹ 195.82 Crore) has been adjusted against the outstanding dues of those beneficiaries.
- Sales includes ₹ 553.29 Crore (Previous Year ₹ 848.54 Crore) which is yet to be billed.
- Tariff regulation notified by CERC vide notification dated 19.01.2009 inter-alia provides that capital cost considered for fixation of tariff for current tariff period shall be subject to truing up at the end of the tariff period, which may result in increase or decrease in tariff. Accordingly, an amount of ₹ 1.13 Crore (Previous Year ₹ 57.03 Crore) has been provided in the books during the year as an abundant precaution.
- In terms of regulation No. 39 of tariff regulation issued vide Central Electricity Regulatory Commission (CERC) notification No. L-7/145(160)/2000-CERC dated 19.01.2009, deferred tax liabilities for the period upto 31st March 2009 whenever it materializes is recoverable directly from the beneficiaries and are accounted for on yearly basis. Accordingly current year sale includes ₹ 148.80 Crore (Previous Year ₹ 85.24 Crore) on account of deferred tax materialized during the year.

NOTE NO. 21 OTHER INCOME

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2014	For the year ended 31st March, 2013
A Income from Non-Current Investments		
Trade		
- Dividend -Others	1.92	1.80
- Interest - Government Securities (8.5% tax free bonds issued by the State Governments)	59.34	80.65
Non-Trade		
- Dividend income -Mutual Fund	0.10	0.16
- Interest-(Self Insurance Fund)	60.66	56.05
B Other		
Interest		
- Loan to State Government in settlement of dues from customers	7.01	9.16
- Loan to Government of Arunachal Pradesh	33.27	30.54
- Deposit Account -Self Insurance Fund	3.97	4.86
- Deposit Account - Other than self insurance fund	754.52	713.31
- Employee's Loans and Advances	12.64	10.52
- Others	134.96	121.11
Late payment surcharge	121.57	75.11
Income From Sale of Self Generated VERs	0.05	3.03
Realization of Loss Due To Business Interruption	99.99	-
Profit on sale of assets	1.06	0.51
Liability/ Provisions not required written back	41.21	222.66
Others	46.76	38.90
Exchange rate variation	32.54	18.45
TOTAL (A+B)	1,411.57	1,386.82
Less: Income transferred to EDC	64.60	136.80
Less: Income transferred to Advance Deposit from Client/ Contractees and against Deposit Works	24.88	34.87
Total carried forward to Statement of Profit & Loss #	1,322.09	1,215.15

Includes ₹ 5.74 Crore (previous year ₹ 0.12 Crore) share of jointly controlled entities.

Explanatory Note: -

1) Detail of Liability/Provisions not required written back		
Provision for Bad and doubtful advances / deposits	-	0.02
Provision for Diminution in value of stores and spares	0.99	0.21
Provision for Bad and doubtful debts	14.64	148.69
Provision for Bad and doubtful claims	5.77	1.12
Provision for losses pending investigation / Losses written off	-	5.52
Provision for wage revision	-	6.09
Provision for PRP/Incentive	5.94	7.19
Provision for Superannuation/Pension Fund	0.02	46.89
Others	13.85	6.93
Total	41.21	222.66

- 2) Total carried forward to Statement of Profit & Loss includes ₹ 58.72 Crore relating to Subansiri Lower Project & Teesta Low Dam IV Project as explained in Explanatory Note no 29, para 13 & 14 respectively.



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NOTE NO. 22 GENERATION, ADMINISTRATION AND OTHER EXPENSES

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
A GENERATION EXPENSES				
Water Usage Charges		630.04		592.44
B Consumption of stores and spare parts		30.05		28.88
C Direct Expenditure on Contract, Project Management and Consultancy Works		23.09		32.59
D REPAIRS & MAINTENANCE				
- Building	49.42		40.38	
- Machinery	31.90		51.78	
- Others	115.00	196.32	58.56	150.72
E ADMINISTRATION EXPENSES				
Rent	52.75		44.06	
Rates and Taxes	203.24		10.47	
Insurance	74.44		53.28	
Utilization of Self Insurance Fund	3.97		0.92	
Security Expenses	155.86		135.30	
Electricity Charges	115.35		47.17	
Travelling and Conveyance	22.30		21.04	
Expenses on Vehicles	10.69		9.72	
Telephone, Telex and Postage	13.84		10.99	
Advertisement and Publicity	11.00		8.49	
Entertainment and Hospitality Expenses	0.60		0.56	
Donation	-		2.50	
Printing and Stationery	6.30		6.65	
Books & Periodicals	0.36		0.38	
Consultancy Charges - Indigenous	10.74		8.04	
Consultancy Charges - Foreign	2.10		0.05	
Expenses on Compensatory Afforestation/ Catchment Area Treatment/ Environmental Expenses	48.04		29.04	
Expenditure Incurred on Maintenance / Creation of Facilities not Controlled by Company	30.64		6.56	
Loss on Sale of Assets	0.75		0.91	
Assets / Claims written off	0.16		0.36	
Interest on Arbitration/ Court Cases	13.16		0.65	
Interest to Beneficiary States	9.29		14.34	
Rebate to Customers	26.67		25.35	
CSR/ Sustainable Development/ Community Development Expenses	36.05		19.14	
Expenditure on Self Generated VERS	0.01		1.25	
Other General Expenses	102.54		88.84	
Exchange Rate Variation	47.33		20.02	
Audit Expenses (Refer detail below)	2.43		1.79	
Directors' expenses	0.27		0.29	
Expenses for Regulated Power	0.89		20.20	
Less: - Expenditure Recoverable on Regulated Power	0.89	- 1,000.88	20.20	- 568.16

NOTE NO. 22 GENERATION, ADMINISTRATION AND OTHER EXPENSES (Contd.) (₹ in Crore)

PARTICULARS	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Sub-total	<u>1,880.38</u>	<u>1,372.79</u>
F PROVISIONS		
Bad and Doubtful Debts provided	5.72	-
Bad and Doubtful Advances / Deposits provided	2.25	45.79
Bad and Doubtful Claims / Interest provided	139.61	60.27
Diminution in value of Stores and Spares	0.63	1.42
Project expenses provided for	55.91	3.00
Provision for Fixed Assets/ Stores provided for	2.40	0.79
Others	0.01	-
	<u>206.53</u>	<u>111.27</u>
Total (A to F)	<u>2,086.91</u>	<u>1,484.06</u>
Less: Amount transferred to EDC	186.76	302.35
Less: Recoverable from Deposit Works	0.08	0.01
Total carried forward to Statement of Profit & Loss #	<u>1,900.07</u>	<u>1,181.70</u>

Includes ₹ .08 Crore (previous year ₹ 0.19 Crore) share of jointly controlled entities.

Explanatory Note: -

- 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.
- Pending notification of revision order by CERC in respect of truing up application filed by the company under CERC notification dated 19.01.2009, an amount of ₹ 9.29 Crore (Previous year ₹ 14.34 Crore) has been provided in the books during the year ended 31.03.2014 towards Interest to Beneficiary States, which may have to be paid in case of reduction in tariff as a result of said revision order.

3) Detail of audit expenses are as under: -

(₹ in Crore)

i) Statutory Auditors	For the period ended 31.03.2014	For the period ended 30.09.2012
As Auditor		
Audit Fees	0.54	0.51
Tax Audit Fees	<u>0.16</u>	<u>0.16</u>
In other Capacity		
Taxation Matters	0.01	-
Other Matters/services	<u>0.81</u>	<u>0.46</u>
Reimbursement of expenses	<u>0.75</u>	<u>0.53</u>
ii) Cost Auditors		
Audit Fees	0.15	0.12
Reimbursement of expenses	<u>0.01</u>	<u>0.01</u>
	<u>2.43</u>	<u>1.79</u>

- Total carried forward to Statement of Profit & Loss includes ₹ 220.70 Crore relating to Subansiri Lower Project & Teesta Low Dam IV Project as explained in Explanatory Note no 29, para 13 & 14 respectively.

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NOTE NO. 23 EMPLOYEES BENEFITS EXPENSE

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Salaries, Wages, Allowances	1,198.15	1,213.37
Gratuity, Contribution to Provident Fund & Pension Scheme (incl. administration fees)	195.53	195.75
Staff Welfare Expenses	129.47	117.69
Leave Salary & Pension Contribution	0.11	0.01
TOTAL	1,523.26	1,526.82
Less: Employee Cost transferred to EDC	390.00	574.59
Less: Recoverable from Deposit Works	0.67	0.71
Total carried forward to Statement of Profit & Loss	1,132.59	951.52

Includes ₹ .08 Crore (previous year ₹ 0.16 Crore) share of jointly controlled entities.

Explanatory Note: -

- The Company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees. These leasing arrangements, which are not non-cancellable, are usually renewable on mutually agreeable terms. Salaries, wages, allowances includes ₹ 41.22 Crore (Previous Year ₹ 38.81 Crore) towards lease payments in respect of premises for residential use of employees.
- | | For the year ended
31st March, 2014 | For the year ended
31st March, 2013 |
|---|--|--|
| 2) Gratuity, Contribution to Provident Fund & Pension Scheme include contributions: | | |
| i) towards Employees Provident Fund | 78.51 | 72.42 |
| ii) towards Employees Defined Contribution Superannuation Scheme | 100.76 | 70.23 |
| | 179.27 | 142.65 |
- Total carried forward to Statement of Profit & Loss includes ₹ 107.17 Crore relating to Subansiri Lower Project & Teesta Low Dam IV Project as explained in Explanatory Note no 29, para 13 & 14 respectively.

NOTE NO. 24 FINANCE COST

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2014	For the year ended 31st March, 2013
a) Interest on :		
Government of India loan	14.22	-
Bonds	473.97	339.93
Foreign currency loan	45.17	54.22
Term loan	1,081.30	1,087.78
Other interest charges	7.40	1.96
Sub-total	1,622.06	1,483.89
b) Other Borrowing Cost		
Bond issue/ service expenses	2.84	0.86
Commitment fee	0.07	2.56
Guarantee fee on foreign loan	28.84	33.95
Other finance charges	4.62	6.81
Sub-total	36.37	44.18

NOTE NO. 24 FINANCE COST (Contd.)

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2014	For the year ended 31st March, 2013
c) Applicable net gain/ loss on Foreign currency transactions and translation		
Exchange differences regarded as adjustment to interest cost	29.66	10.52
Less: Adjustment on account of Foreign Exchange Rate Variation	(29.66)	(10.52)
Sub-total	-	-
Total (A to C)	1,658.43	1,528.07
Less: Finance Cost transferred to EDC	478.22	931.86
Total carried forward to Statement of Profit & Loss #	1,180.21	596.21

Includes ₹ Nil Crore (previous year ₹ Nil Crore) share of jointly controlled entities.

Explanatory Note: -

Total carried forward to Statement of Profit & Loss includes ₹ 483.73 Crore relating to Subansiri Lower Project & Teesta Low Dam IV Project as explained in Explanatory Note no 29, para 13 & 14 respectively.

NOTE NO. 25 DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Depreciation & Amortization Expenses	1,573.48	1,326.85
Adjustment on account of Foreign Exchange Rate Variation	(12.27)	(15.24)
TOTAL	1,561.21	1,311.61
Less: Depreciation & Amortisation Expenses transferred to EDC	25.29	41.34
Less: Adjustament To Grant in Aid - Reserve (Grants written off) (refer note no. 3)	36.55	29.20
Total carried forward to Statement of Profit & Loss #	1,499.37	1,241.07

Includes ₹ Nil Crore (previous year ₹ Nil Crore) share of jointly controlled entities.

Explanatory Note: -

Total carried forward to Statement of Profit & Loss includes ₹ 8.08 Crore relating to Subansiri Lower Project & Teesta Low Dam IV Project as explained in Explanatory Note no 29, para 13 & 14 respectively.

NOTE NO. 26 PRIOR PERIOD ITEMS (NET)

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2014	For the year ended 31st March, 2013
INCOME		
Advance Against Depreciation written back	-	(0.83)
Interest/Surcharge from Debtors	(12.79)	-
Others	4.52	17.04
Sub Total (A)	(8.27)	16.21
EXPENDITURE		
Salary & Wages	0.29	2.16
Repair & Maintenance	0.92	(0.51)
Finance Cost	(0.21)	-
Depreciation & Amortization	1.93	(3.13)
Others	490.50	16.07
Sub Total (B)	493.43	14.59
Total Prior Period Items (Net) (C) = (B)-(A)	501.70	(1.62)

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

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Less: Prior Period Items transferred to EDC		
Prior period expenses	3.87	2.43
Less Prior period income	(0.59)	(0.04)
Sub-total (D)	4.46	2.47
Total carried forward to Statement of Profit & Loss (C - D) #	497.24	(4.09)

Includes ₹ Nil Crore (previous year ₹ .06 Crore) share of jointly controlled entities.

Explanatory Note: -

Total carried forward to Statement of Profit & Loss includes ₹ 506.73 Crore relating to Subansiri Lower Project & Teesta Low Dam IV Project as explained in Explanatory Note no 29, para 13 & 14 respectively.

NOTE NO. 27 TAX EXPENSES

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2014	For the year ended 31st March, 2013
CURRENT TAX		
Income Tax Provision	538.42	738.75
Adjustment Relating To Earlier Years	46.68	9.80
Deferred Tax Liability / (Asset)	210.94	349.17
Less: Recoverable	(99.36)	75.44
Total carried forward to Statement of Profit & Loss #	895.40	1,022.28

Includes ₹ 1.92 Crore (previous year ₹ Nil Crore) share of jointly controlled entities.

NOTE NO. 28 EXPENDITURE DURING CONSTRUCTION FOR THE YEAR

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2014	For the year ended 31st March, 2013
A EMPLOYEES BENEFITS EXPENSE		
Salaries, Wages, Allowances	162.74	265.82
Gratuity and Contribution to Provident Fund	25.99	43.89
Staff Welfare Expenses	11.03	16.01
Leave Salary & Pension Contribution	0.11	0.11
Sub-total	199.87	325.83
B REPAIRS & MAINTENANCE		
Building	4.12	6.61
Machinery	0.33	1.14
Others	5.42	13.22
Sub-total	9.87	20.97
C ADMINISTRATION & OTHER EXPENSES		
Rent	12.73	16.92
Rates and Taxes	10.36	8.40
Insurance	1.18	0.32
Security Expenses	19.13	29.40

NOTE NO. 28 EXPENDITURE DURING CONSTRUCTION FOR THE YEAR (Contd.)

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Electricity Charges	5.38	6.32
Travelling and Conveyance	3.04	5.09
Expenses on Vehicles	1.64	3.49
Telephone, Telex and Postage	2.74	2.95
Advertisement and Publicity	0.61	0.91
Entertainment and hospitality expenses	0.01	0.01
Printing and Stationery	0.83	1.06
Design and Consultancy charges - Indigenous	1.47	3.34
Design and Consultancy charges - Foreign	2.10	0.00
Expenses on Compensatory Afforestation / Catchment Area Treatment / Environmental Expenses	13.60	31.23
Expenditure Incurred on Maintenance / Creation of Facilities not Controlled by Company	26.85	5.44
Losses on sale of assets	0.01	0.03
Assets/ Claims written off	-	0.00
Other General Expenses	8.25	15.21
Remuneration to Auditors	0.02	0.03
Exchange Rate Variation (Debit)	15.46	16.26
Sub-total	125.41	146.41
D FINANCE COST		
Interest on :		
Bonds	90.22	275.22
Term loan	382.44	649.84
Bond issue/ service expenses	3.32	0.69
Commitment fee	-	2.48
Other finance charges	2.21	3.60
Sub-total	478.19	931.83
E PROVISIONS	27.06	105.72
Sub-total	27.06	105.72
F DEPRECIATION AND AMORTISATION EXPENSES	20.99	35.21
Sub-total	20.99	35.21
G PRIOR PERIOD ITEMS		
Prior Period Expenses	3.75	2.16
Less: Prior Period Income	(0.59)	(0.04)
Sub-total	4.34	2.20
H Corporate Office/Regional Office Expenses:		
Other Income	(2.93)	(10.94)
Generation, Administration and Other Expenses	24.42	29.10
Employees Benefits Expenses	190.13	248.76
Depreciation & Amortisation Expenses	4.30	6.13



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NOTE NO. 28 EXPENDITURE DURING CONSTRUCTION FOR THE YEAR (Contd.)

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Finance Cost	0.03	0.03
Provisions	-	0.15
Prior Period Items (Net)	0.12	0.27
Sub-total	216.07	273.50
I LESS: RECEIPTS AND RECOVERIES		
a) Income from generation of electricity – precommissioning	8.35	37.58
b) Others		
Interest on loans and advances	38.09	88.23
Miscellaneous receipts	7.97	5.56
Exchange rate variation (Credit)	12.86	12.71
Provision/Liability not required written back	2.38	18.85
Hire Charges -Plant and Machinery	0.37	0.51
Sub-total	70.02	163.44
GRAND TOTAL (A+B+C+D+E+F+G+I-H) #	1,011.78	1,678.23

Includes ₹ 0.29 Crore (previous year ₹ (-).15 Crore) share of jointly controlled entities

NOTE NO. 29 OTHER EXPLANATORY NOTES TO ACCOUNTS - CONSOLIDATED

- The Consolidated Financial Statements (CFS) comprises of the financial statements of NHPC Limited, its subsidiary companies and its interest in Joint Ventures.
- Basis of Accounting:
 - The Financial Statements of the subsidiary companies in the consolidation are drawn up to the same reporting date as of the Company.
 - The Consolidated Financial Statements has been prepared in accordance with Accounting Standard-21 Consolidated Financial Statements notified under the Companies Accounting Standard Rules, 2006 and generally accepted accounting principles.
 - The interest in Joint Venture has been reported in Consolidated Financial Statements in accordance with the Accounting Standard -27 'Financial Reporting of interest in Joint Ventures' notified under the Companies Accounting Standard Rules, 2006.
 - Principle of Consolidation:
 - The Financial Statements of the Company and its subsidiaries are combined on line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and unrealised profits or losses.
 - The consolidated financial statements include the interest of the Company in joint ventures, which has been accounted for using the proportionate consolidation method of accounting and reporting whereby the Company's share of each of assets, liabilities, income and expenses of a jointly controlled entity is considered as separate line item.
 - The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances barring a few items, the impact of which is not material.

3. The subsidiary companies & Joint Ventures companies considered in the Consolidated Financial Statement are:

Name of the Company	Country of Incorporation	Proportion of Ownership Interest
NHDC Ltd.	India	51.08%
Loktak Downstream Hydroelectric Corporation Ltd. (LDHC Ltd.)	India	74%
National High Power Test Laboratory (P) Ltd.	India	20%
National Power Exchange Ltd.	India	16.67%
Chenab Valley Power Projects Pvt. Ltd. (CVPPPL)	India	49.98%

4. Disclosure relating to Contingent Liabilities:-

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

- (i) Capital works

Contractors have lodged claims aggregating to ₹ 9,025.51 crore (previous year ₹ 10,575.38 crore) against the Company on account of rate & quantity deviation, cost relating to extension of time and idling charges due to stoppage of work/delays in handing over the site etc. These claims are being contested by the company as being not admissible in terms of provisions of the respective contracts or are lying at arbitration tribunal/other forums/under examination with the Company. It includes ₹ 892.61 crore (previous year ₹ 444.39 crore) towards arbitration awards including updated interest thereon against the Company, which has been challenged in the Court of Law. However, out of these claims, the management has assessed and has made consequential provision of ₹ 154.56 crore being probable outflow and ₹ 8,870.95 crore has been considered as contingent liability in respect of which either the possibility of outflow is not there or a reliable estimate of probable outflow cannot be made.

- (ii) Land Compensation cases

In respect of land acquired for the projects, some of the land losers have filed claims for higher compensation amounting to ₹ 1,235.42 crore (previous year ₹ 1,248.39 crore) before various authorities/courts. Pending their settlement, Company has assessed and provided an amount of ₹ 28.63 being probable outflow. In respect of rest of the claims, outflow of resources is considered as not probable.

- (iii) Disputed Tax Demands

Disputed Income Tax/Sales Tax/Service Tax matters pending before various appellate authorities amount to ₹ 337.51 crore (previous year ₹ 331.42 crore), in respect of which no outflow of resources is considered probable. Pending their settlement, Company has assessed and provided an amount of ₹ 7.78 being probable outflow. In respect of rest of the claims, outflow of resources is considered as not probable.

- (iv) Others

Other contingent liabilities amount to ₹ 418.53 crore (previous year ₹ 128.56 crore). These claims are pending before various forums, in respect of which no outflow of resources is considered probable.

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

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

- (d) There is possibility of reimbursement to the company of ₹ 52.24 Crore (previous year ₹ 40.71 crore) towards above contingent liabilities.

- (e) An amount of ₹ 10.86 crore (previous year 22.31 crore) stands paid towards above contingent liabilities to contest the cases and is being shown as Current Assets.

5. Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹3,582.42 Crore (Previous year ₹ 4,138.35 Crore).

6. Consequent upon commissioning of Chamera-III Power Station, some seepage was noticed during the year 2012-13 in hill slopes thereby affecting the houses & fields of local habitats of nearby village. A proposal to acquire the affected land is under consideration of management for which compensation is estimated at ₹13.76 crore. Further the cost of rectification of seepage is yet to be ascertained.



7. Pending approval of competent authority, provisional payments / provisions made towards executed quantities of works of some of the items beyond the approved quantities as also for extra items totalling to ₹ 38.61 Crore (Previous year ₹ 177.81 Crore) are included in Capital Work-in-Progress/Fixed Asset.
8. 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.
9. Company issued Secured, Redeemable, Non-Convertible Tax Free Bonds amounting to ₹ 1,000 Crore during the year with varying tenors. The issue opened on 18.10.2013 and closed on 23.10.2013. The allotment was completed on 02.11.2013 and the security got listed on the stock exchanges on 07.11.2013. Issue proceeds have been utilized for the purpose mentioned in the offer document.
10. Buy-back of 1,230,074,277 equity shares of ₹ 10/- each (being 10% of the pre buy-back paid up equity shares) at a price of ₹ 19.25 per share from the existing shareholders / beneficial owners on proportionate basis has been done through Tender Offer Process. Post buy-back, the number of equity share of the company has been reduced to 1,107,06,68,496 from 1,230,07,42,773 and an amount of ₹ 1,230.07 Crore equal to face value of the shares bought back has been transferred to Capital Redemption Reserve Account.
11. Tawang HE Project has given capital advance of ₹ 1.24 Crore to State Compensatory Afforestation Fund Management & Planning Authority towards bio-diversity study to be conducted through North Eastern Hill University (NEHU) for all proposed hydroelectric projects in Tawang Basin. On receipt of expenditure statement, the above advance shall be adjusted and recoverability from Government of Arunachal Pradesh (GoAP) towards expenditure pertaining to projects other than those undertaken by NHPC would be known. Further, the reimbursement towards expenditure pertaining to projects other than those undertaken by NHPC is receivable as and when other projects come-up for construction.
12. The Forest Advisory Committee (FAC) of the Ministry of Environment & Forest (MoEF) in its meeting held on 12.07.2013 has recommended for rejection of forest clearance in respect of Dibang Multipurpose Project. However on a review request, the Cabinet Committee on Investment (CCI) in its meeting held on 09.12.2013 has decided that MoEF, the competent authority, may grant the requisite clearance for diversion of forest land expeditiously. Accordingly, revised proposal was submitted to MoEF. Although FAC in its meeting held on 29/30.04.2014 has reiterated and recommended rejection of proposal yet MoEF has asked for additional information from the Company for reconsideration of the Project. Pending final clearance, a sum of ₹ 149.04 Crore incurred on the Project is being carried forward as Capital Work in Progress.
13. Construction activities at site of Subansiri Lower Project have been interrupted w.e.f. 16.12.2011 due to protest of anti dam activists, however substantial technical and administrative work is continuing. Although construction activities at site are expected to be resumed shortly since the matter is being pursued at the level of Government of India, yet in line with the opinion of Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), the borrowing cost of ₹ 766.90 crore (including previous year amount of ₹ 386.88 crore) and administration and other cost of ₹ 341.54 crore (including previous year figure of ₹ 139.69 crores) have been charged to the Statement of Profit & Loss during the year.
14. Construction activities at Teesta Low Dam-IV Project are progressing at a slow pace w.e.f. 20.03.2013 due to stoppage of work by one of the contractors to whom notice for recovery of the possession of site at risk & cost of contractor have been issued. Under such facts and circumstances, borrowing costs of ₹ 91.35 crore and administration and other cost of ₹ 67.91 crores have been charged to Statement of Profit & Loss during the year.
15. Due to cloud burst and unprecedented high flood in Uttarakhand in the early hours of June 17, 2013, water entered into Dhauliganga Power Station (280 MW) and submerged all the system resulting into stoppage of generation from the plant and damage to Generating Plant and Machinery and various ancillary structures of the power station. The Assets of the power station and Loss of Generation are covered under Mega Insurance Policy. However, loss beyond excess clause, if any, to be borne by the Company shall be determined after receipt of the Final Survey Report and impact thereof shall be accounted for accordingly. Further, Unit No. 4 & 3 of the power station has been test synchronised with the grid on 30.04.2014 and 01.05.2014 respectively. Northern Region Load Despatch Centre (NRLDC) has approved the Injection Schedule for Unit No. 4 & 3 w.e.f. 03.05.2014 & 06.05.2014 respectively. Pending final settlement, on-account payments of ₹ 35 Crore and ₹ 99.99 Crore have been received from the Insurance Company till date against claim for material damage and business interruption respectively.

16. Kotlibhel-1A project is one of the 24 hydro-electric projects located in the State of Uttarakhand which is covered by the order dated 13.08.2013 of Hon'ble Supreme Court of India directing MoEF not to grant these projects environmental/forest clearance until further order and to examine the significant impact on the bio-diversity of Alaknanda & Bhagirathi river basin. Pending adjudication about the fate of this project, the expenditure incurred upto the date of the above order amounting to ₹ 126.37 Crore has been kept under capital work in progress. However, subsequent expenditure incurred on this project has been provided for.
17. Board of Directors in its meeting held on 20.03.2014 discussed that the viability of Bursar HE Project is dependent upon financial support from Govt. of India and Govt. of Jammu & Kashmir. It was accordingly decided to approach Ministry of Power (MoP) for seeking commitment from Govt. of India and Govt. of J&K for financial assistance to make the project viable. It was confirmed by the Board that if the project is not found viable, the expenses incurred on the project will have to be written off. Subsequently, a meeting was held in MoP on 23.05.2014 in which representative of Ministry of Water Resources (MoWR) and Govt of Jammu & Kashmir were also present and decided to re-submit the proposal to MoP for further taking up the matter with MoWR. It has also been indicated that MoWR would reconsider the proposal for providing funds for preparation of DPR of Bursar HE Project considering it as a National Project. In line with the resolution of the Board, the preliminary investigations of the project are continued and the expenses of ₹ 154.64 crore incurred thereon are being carried forward as Capital Work in Progress.
18. Capital expenditure on assets where neither the land nor the asset is owned by the company was being reflected as a distinct item in capital work-in-progress till the period of completion and thereafter in the fixed assets to be amortised over a period of five years from the year in which the first unit of project concerned comes into commercial operation, in accordance with erstwhile accounting policy nos. 2.3 & 5.8 on the issue upto financial year 2012-13. However, during current financial year, the Company has introduced a new accounting policy no. 4.4 on the issue, by virtue of which capital expenditure incurred during construction of project 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'. Accordingly, the following accounting policies have been introduced/ modified/ deleted during the year ended 31.03.2014:

Policy No.	Description	Impact on Profit for the year
Erstwhile Policy No. 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.	Increase in profit before tax by ₹ 1.52 Crore
Erstwhile Policy No. 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.	
Policy No. 4.4	New Policy on Capital expenditure on facilities over which Company does not have control has been introduced.	

19. During the current year, Company has received opinion from EAC of ICAI on applicability & disclosure under Accounting Standard – 7 on Construction Contracts in respect of Rural Electrification and Rural Road Projects. As per said opinion, disclosure in respect of such works may be given in respect of agency fee/service charges only as that is considered as the revenue of the Company. In view of above, disclosure in respect of previous year has also been revised. The relevant disclosure are as follows:

(₹ in Crore)

Sl.	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.	415.65	342.69
2.	Amount of advances received.	422.01	375.09
3.	Amount of retention.	Nil	Nil
4.	The gross amount due from customers for contract works as an asset.	8.82	17.52
5.	The gross amount due to customers for contract works as a liability.	6.30	7.27

20. 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)	0.60	(1.98)
(ii)	Amount charged to Statement of Profit & Loss excluding depreciation (as Borrowing Cost)*	29.65	10.52
(iii)	Amount charged to Expenditure During Construction (as FERV)	14.19	3.55
(iv)	Amount charged to Capital work-in-progress (as FERV)	(0.02)	(0.09)
(v)	Amount adjusted by addition to the carrying amount of fixed assets	0.24	(170.29)

* There is however no impact on profitability of the Company, as the impact of change in foreign exchange rates is recoverable from beneficiaries in terms of prevailing CERC (terms & 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.

21. Disclosure as required by Accounting Standard-15 on 'Employee Benefits':

a) General description of various employee benefit schemes are as under:

Defined Contribution Schemes

A. Provident Fund

The Company pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the period is recognised as expense and is charged to the Statement of Profit & Loss/expenditure during construction. The obligation of the Company is to make fixed contribution and to ensure a minimum rate of return to the members as specified by Gol.

B. Social Security Scheme

The Company has a Social Security Scheme in lieu of compassionate appointment. The Company also makes a matching contribution per month per employee and such contribution is to be made for 8 years to build up corpus from the date the scheme is in operation i.e. 01.06.2007. The scheme has been created to take care of and helping bereaved families in the event of death or permanent total disability of its employee.

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 employers' contribution to Provident Fund, contribution to Gratuity trust and REHS, from the amount worked out @ 30% of the Basic Pay & DA. The Scheme is managed by Life Insurance Corporation of India.

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 plus dearness allowance) for each completed year of service subject to a maximum of ₹ 0.10 Crore, 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 recognised on the basis of actuarial valuation.

F. Retired Employee Health Scheme (REHS)

The Company has a Retired Employee Health Scheme, under which retired employee and 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. The liability for the same is recognised on the basis of actuarial valuation.

G. 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. The liability for the same is recognised on the basis of actuarial valuation.

H. Memento to employees on attaining the age of superannuation.

The Company has a policy of providing Memento valuing ₹ 5000/- to employee on superannuation. The liability for the same is recognised on the basis of actuarial valuation.

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

Summary of various defined benefits as on 31.03.2014 is as under:-

Table 1:- Key Actuarial assumption for Actuarial Valuation as at:

Particular	31.03.2014	31.03.2013
Mortality Table	IALM(2006-08)	IALM (1994-96)
Discount rate	8.50%	8.00%
Future Salary Increase	6.50%	6.0%

Table 2:-Change in Present Value of Obligations (PVO)

(₹ in Crore)

Particular	Gratuity	Leave Encashment	Retired Employee Health Scheme
	Funded	Unfunded	
PVO at beginning of year	611.06	366.88	386.06
	{573.04}	{390.67}	{327.41}
Interest cost	48.88	29.36	30.89
	{45.85}	{31.26}	{26.19}
Current service cost	26.23	18.99	9.76
	{25.26}	{17.37}	{9.17}
Benefit paid	(50.48)	(57.61)	(7.01)
	{(49.61)}	{(144.07)}	{(4.70)}
Actuarial (Gain)/loss	(4.61)	51.66	30.35
	{16.52}	{71.65}	{27.99}
PVO at end of year	631.08	409.28	450.05
	{611.06}	{366.88}	{386.06}

Table 3:- Change in the fair value of plan assets

(₹ in Crore)

Particular	Gratuity
	(Funded)
Fair value of plan assets at the beginning of the year	623.22
	{-}
Expected return on plan assets	49.92
	{-}
Contribution	1.81
	{586.12}
Withdrawal from fund	(38.00)
	{(-)}
Actuarial gain/(loss) on plan assets	6.84
	{37.10}
Fair value of plan assets at the end of the year	643.79
	{623.22}

Table 4:-Amount recognised in Balance Sheet

(₹ in Crore)

Particular	Gratuity	Leave Encashment	Retired Employee Health Scheme
	Funded	Unfunded	
PVO at end of year	631.08 {611.06}	409.28 {366.88}	450.05 {386.06}
Fair Value of plan assets at the end of year	643.79 {623.22}	- {-}	- {-}
Funded Status	(12.71) {(12.16)}	(409.28) {(366.88)}	(450.05) {(386.06)}
Unrecognized actuarial gain/loss	- {-}	- {-}	- {-}
Net Liability/ Asset(-) recognized in Balance Sheet	(-)12.71 {(-)12.16}	409.28 {366.88}	450.05 {386.06}

Table 5:-Amount recognised in Statement of Profit & Loss /EDC Account

(₹ in Crore)

Particular	Gratuity	Leave Encashment	Retired Employee Health Scheme
Current Service Cost	26.23 {25.26}	18.99 {17.38}	9.76 {9.17}
Interest Cost	48.88 {45.85}	29.36 {31.26}	30.89 {26.19}
Expected return on Plan Assets	(49.92) {-}	- {-}	- {-}
Net Actuarial (gain) / loss recognized for the year	(11.45) {(20.58)}	51.66 {71.65}	30.35 {27.99}
Expense recognized in Profit & Loss/EDC for the year	13.74 {50.53}	100.01 {120.29}	71.00 {63.35}

Note: { } contains previous year's figures.

Liabilities as on 31.03.2014 on account of Baggage Allowance on retirement & Memento are ₹ 5.34 Crore & ₹ 2.97 Crore (Previous year ₹ 5.20 Crore & ₹ 3.09 Crore) respectively.

22. a) Electricity generation is the principal business activity of the Company. Other operations viz., Contracts, Project Management and Consultancy works do not form a reportable segment as per the Accounting Standard-17 on 'Segment Reporting'.
- b) The Company is having a single geographical segment as all its Power Stations are located within the Country.

23. In compliance of Accounting Standard-18 on 'Related Party Disclosures', the required information is as under: -

a) Related Parties

(i) **Joint Venture Companies**

National Power Exchange Ltd.

(ii) **Key Management Personnel**

Shri G. Sai Prasad	Joint Secretary, Ministry of Power, Government of India. Assigned additional charge of CMD of the Company w.e.f. 24.07.2012.
Shri A. B. L.Srivastava	Director (Finance).
Shri D. P. Bhargava	Director (Technical)
Shri J. K. Sharma	Director (Projects)
Shri R. S. Mina	Director (Personnel)
Shri K. M. Singh	Chief Executive Director

Remuneration to key management personnel (excluding CMD) for the current year is ₹ 2.36 Crore (Previous year ₹ 3.01 Crore).

- b) Transaction carried out with the related parties at a (i) above - Nil.

24. Earnings Per Share:-

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

	For the year ended 31.03.2014	For the year ended 31.03.2013
Net Profit after Tax used as numerator (₹ in Crore)	1218.75	2617.41
Weighted Average number of equity shares used as denominator	11980586454	12300742773
Earnings per Share (₹) – Basic & Diluted	1.02	2.13
Face value per share (₹)	10	10

25. a) Interest in Joint Ventures:

Name of Companies	Proportion of Ownership interest as at	
	31.03.2014	31.03.2013
National High Power Test Laboratory (P) Ltd.	20%	20%
National Power Exchange Ltd.*	16.67%	16.67%
Chenab Valley Power Projects Private Ltd.**	49.98%	49%

* The Company has decided to come out of this joint venture.

** Company is joint venture entity of NHPC, Jammu & Kashmir State Power Development Corporation (JKSPDC) and PTC India Ltd. with equity participation of 49:49:02. During last year, due to less than proportionate contribution by other joint venture partners, proportionate holding of NHPC in the said entity had increased from 49% to 82%. As such, said entity was considered as subsidiary instead of joint venture as at 31.03.2013. However during current year, other partners have also brought in their proportionate share and the said entity has been considered as joint venture of NHPC.

- b) The above joint venture entities are incorporated in India. The Company's share of the assets and liabilities as on 31st March 2014 and income and expenses for the financial year ended 31.03.2014 in respect of joint venture entities are based on audited accounts which are given below:

(₹ in Crore)

	31.03.2014 *	31.03.2013
A Assets	278.53	170.33
B Liabilities	155.71	91.50
C Contingent Liabilities	1.62	0.01
D Capital Commitments	43.18	49.97
E Expenditure in Foreign Currency	-	0.14

	For the Year 2013-14 *	For the year 2012-13
A Income	5.74	1.51
B Expenditure	0.12	0.41

* figures in respect of M/s. National Power Exchange Ltd. are unaudited.

26. 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 at 31st March 2014.

27. Other disclosures as per revised Schedule-VI of the Companies Act, 1956:-

(₹ 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	6.66	17.43
ii)	Spare parts	3.59	1.74
b)*	Expenditure in Foreign Currency		
i)	Know - How	-	(0.57)
ii)	Interest	45.17	53.36
iii)	Other Misc. Matters	216.18	108.64



Particulars		For the year ended 31.03.2014	For the year ended 31.03.2013
c)*	Value of spare parts and Components consumed in operating units.		
	i) Imported	-	2.51(8.69%)
	ii) Indigenous	30.05	26.37(91.31%)
d)*	Earnings in foreign currency		
	i) Interest	-	-
	ii) Others	0.05	3.03

* Accrual basis.

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

Sl.	Description	Remarks
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 period (₹ in Crore)	Nil
4.	No. of VERs sold during the year ended 31.03.2014 with the value thereof.	16000 units sold for ₹ 5,31,480/-.

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

(₹ in Crore)

(i)	Principal amount remaining unpaid to Micro, small & medium enterprise.	0.17
(ii)	Interest accrued on principal amount remaining unpaid as (i) above	0.10 *
(iii)	Amount of Interest paid during the period 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 period	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

* Interest not accounted for in the books of account.

30. Opening balances/corresponding figures for previous year have been re-grouped/re-arranged/re-cast, wherever necessary.

31. Subsequent to the approval of accounts for the year ended 31st March 2014 by the Board of Directors on 30th May 2014, the board of Directors have recommended a dividend @ ₹ 0.30 per share (subject to rounding off to nearest Rupee in terms of Rule 23 of Companies (Central Government's) General Rules & Forms, 1956) in the meeting held on 07.07.2014. Accordingly the company has made a provision for dividend and dividend distribution tax thereon amounting to ₹ 332.12 Crore and ₹ 56.44 crore respectively. The accounts approved earlier by the Board of Directors have been revised to that extent.

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

A. B. L. SRIVASTAVA
Director (Finance)
DIN 01601682

R. S. T. SAI
Chairman & Managing Director
DIN 00171920

As per report of even date

For S. N. Nanda & Co.
(Chartered Accountants)
FR No. 000685N

For Singhi & Co.,
(Chartered Accountants)
FR No. 302049E

For Gupta Gupta & Associates
(Chartered Accountants)
FR No. 001728N

For Tiwari & Associates
(Chartered Accountants)
FR No. 002870N

(CA BHAVNA NANDA)
Partner
M. No. 095275
Place :- New Delhi
Date :- 07/07/2014

(CA B.L.CHORARIA)
Partner
M. No. 022973

(CA RAM KUMAR GUPTA)
Partner
M. No. 097382

(CA DEVENDER MAGOO)
Partner
M. No. 085739

**CONSOLIDATED CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET
FOR THE YEAR ENDED 31ST MARCH, 2014**

(₹ in crore)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	2,528.55	3,922.88
ADD :		
Depreciation (including Prior Period & ERV impact)	1,513.88	1,224.70
Finance Cost (Net of EDC)	1,180.21	596.21
Provisions (Net loss)	188.86	0.18
Tariff Adjustment (loss)	1.13	56.60
Loss on sale of assets/Claims written off	0.90	7.22
Exchange rate variation	41.59	8.54
Net Deferred ERV	63.68	92.34
	2,990.25	1,985.79
LESS :		
Advance against Depreciation written back	50.17	49.34
Provisions (Net gain)	38.08	192.87
Profit on Sale of Assets \ Realization of Loss	1.06	0.51
Dividend Income	2.02	1.96
Interest Income	999.80	894.12
	1,091.13	1,138.80
Cash flow from operating activities before working capital adjustments	4,427.67	4,769.87
Decrease (Increase) in Working Capital:		
Inventories	(16.33)	(15.81)
Trade Receivables	(413.40)	(23.20)
Other Assets, Loans and Advances	506.53	(414.03)
Other Liabilities & Provisions	114.07	(697.63)
	190.87	(1,150.67)
Cash flow from operating activities before taxes	4,618.54	3,619.20
Less : Taxes	794.18	773.55
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	3,824.36	2,845.65
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets & expenditure on construction projects (including expenditure during construction)	(2,249.92)	(2,398.93)
Realization from Investments / Bonds	172.47	172.81
Interest Income	1,000.08	894.58
Dividend Received	2.02	1.97
	(1,075.35)	(1,329.57)
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		
C. CASH FLOW FROM FINANCING ACTIVITIES		
Buy-back of Shares (Including Premium Payment)	(2,367.89)	
Dividend and Dividend Tax Paid	(1,343.51)	(1,034.22)
Issue of Share Capital / Share application money pending allotment	40.29	64.57
Funds from Govt of Madhya Pradesh	304.93	39.28
Proceeds from Borrowings	2,534.11	2,526.65
Repayment of Borrowings	(2,084.68)	(1,408.80)
Interest & Financial Charges	(1,619.51)	(1,531.97)
	(4,536.26)	(1,344.49)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)		
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,787.25)	171.59
Cash & Cash Equivalents at the beginning of the Year	7,976.46	7,795.32
Adjustment to Cash & Cash Equivalents at the beginning of the Year	(46.43)	9.55
Adjusted Cash & Cash Equivalent at the beginning of the Year	7,930.03	7,804.87
Cash & Cash Equivalents at the close of the Year	6,142.78	7,976.46



**CONSOLIDATED CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET
FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)**

(₹ in crore)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
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EXPLANATORY NOTES TO CASH FLOW STATEMENT

- Cash and Cash equivalents consists of Cash in hand, cheques/drafts in hands and Bank Balances including Short Term Deposits of varying periods. The details of Cash & Cash equivalents as per Note 18 of the Balance Sheet is as under:

Cash and Cash equivalents	951.66	1245.16
Other Bank Balances *	5191.12	6731.30
	<u>6142.78</u>	<u>7976.46</u>

* Other Bank Balances includes :

 - ₹ 320.63 Crore (Corresponding Previous year ₹ 361.37 Crore), held for Rural Road and Rural Electrification works being executed by Company on behalf of other agencies.
 - ₹ 4.83 Crore (Corresponding Previous year ₹ 3.92 Crore) Unpaid dividend which are not freely available for the business of the Company.
 - ₹ 8.24 Crore (Previous year ₹ 7.80 Crore) kept with banks as per orders of Hon'ble Court of Law.
 - ₹ 0.31 Crore (Previous year ₹ 1.22 Crore) kept with banks for opening Letter of Credit or similar facility.
 - ₹ 5.11 Crore (Previous year ₹ 10.48 Crore) received as deposit from land oustees against land in respect of Omkareshwar Project.
- Expenditure during construction (EDC) includes ₹ 472.66 Crore (Corresponding Previous year ₹ 925.06 Crore) towards borrowing cost capitalised during the period.
- Amount of undrawn loan as on 31.03.2014 : ₹ 717.62 Crore (Subordinate Debt).
- Out of the Initial Public Offering (IPO) proceeds of ₹ 6038.55 Crore made during financial year 2009-10, sale proceeds of ₹ 2012.85 Crore was paid to Ministry of Power, Govt. of India and ₹ 4025.70 Crore was retained by company. Out of ₹ 4025.70 Crore, a sum of ₹ 3477.90 Crore has been utilised up to 31.03.2014 for re-couplement of capital expenditure already incurred from internal accruals on the projects specified for utilisation, the unutilised amount of ₹ 509.09 Crore has been invested in bank deposits as per extant investment policy of the company and ₹ 38.71 Crore recouped for meeting IPO expenditure.
- Figures for the previous year have been re-grouped/re-arranged/re-cast wherever necessary.

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

A. B. L. SRIVASTAVA
Director (Finance)
DIN 01601682

R. S. T. SAI
Chairman & Managing Director
DIN 00171920

As per report of even date

For S. N. Nanda & Co.
(Chartered Accountants)
FR No. 000685N

For Singhi & Co,
(Chartered Accountants)
FR No. 302049E

For Gupta Gupta & Associates
(Chartered Accountants)
FR No. 001728N

For Tiwari & Associates
(Chartered Accountants)
FR No. 002870N

(CA BHAVNA NANDA)
Partner
M. No. 095275
Place :- New Delhi
Date :- 07/07/2014

(CA B.L.CHORARIA)
Partner
M. No. 022973

(CA RAM KUMAR GUPTA)
Partner
M. No. 097382

(CA DEVENDER MAGOO)
Partner
M. No. 085739



NHPC LIMITED

(A Government of India Enterprise)

Registered Office: NHPC Office Complex, Sector 33, Faridabad, Haryana – 121003

CIN: L40101HR1975GOI032564

Tel No: 0129-2278421

Website: www.nhpcindia.com

Fax No: 0129-2277941

Email ID: webmaster@nhpc.nic.in

ATTENDANCE SLIP

38th ANNUAL GENERAL MEETING to be held on Friday, 26th September, 2014 at 3:00 PM at Municipal Corporation Auditorium, NIT, Near B.K. Chowk, Faridabad – 121001.

NAME OF THE ATTENDING MEMBERS _____

(IN BLOCK LETTERS)

FOLIO No.* _____ Client ID No. _____

DP ID No. _____

No. of shares held _____

NAME OF PROXY

(IN BLOCK LETTERS TO BE FILLED

IN IF THE PROXY ATTENDS INSTEAD

OF THE MEMBERS) _____

I, hereby record my presence at the 38th Annual General Meeting of the Company at Municipal Corporation Auditorium, NIT, Faridabad, on Friday, 26th September, 2014.

Signature of Member/Proxy

*Applicable in case of shares held in physical form.

NOTES:

1. The attendance slip should be signed as per the specimen signature registered with Karvy Computershare Private Limited, Registrar & Transfer Agent (RTA)/ Depository Participant (DP). Such duly completed and signed Attendance Slip(s) should be handed over at the RTA counter(s) at the venue against which RTA will provide admission card. Entry to the hall will be strictly on the basis of admission card as provided by RTA. Members in person and Proxy holders may please carry photo-ID card for identification/verification purposes.
2. Shareholder(s) present in person or through registered proxy shall only be entertained.
3. Due to strict security reasons mobile phones, brief cases, eatables and other belongings are not allowed inside the Auditorium. Shareholder(s)/proxy holder(s) will be required to take care of their belonging(s).
4. No gifts will be distributed at the Annual General Meeting.



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Email ID: webmaster@nhpc.nic.in

GREEN INITIATIVE IN CORPORATE GOVERNANCE

E-COMMUNICATION REGISTRATION FORM

(In terms of Section 20 of the Companies Act, 2013)

Folio No. / DP ID & Client ID : _____

Name of 1st Registered Holder : _____

Name of Joint Holder(s) : _____

Registered Address : _____

E-mail ID (to be registered) : _____

I/we shareholder(s) of NHPC Limited agree to receive communication from the Company in electronic mode under relevant provisions of the Companies Act, 2013. Please register my above e-mail in your records for sending communication through email.

Signature: _____

(First Holder)

Date: _____

Note: Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address



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CIN: L40101HR1975GOI032564

Telephone: 0129-2278421
Website: www.nhpcindia.com

Fax No: 0129-2277941
Email ID: webmaster@nhpc.nic.in

PROXY FORM

Name of the Company : NHPC Limited
Registered office : NHPC Office Complex, Sector – 33, Faridabad, Haryana-121 003

Name of the member(s)	:	
Registered address	:	
E-mail Id	:	
Folio No/ Client Id	:	
DP ID	:	

I/We, being the member (s) of _____, shares of the above named company, hereby appoint:

- Name : _____

Address : _____

E-mail Id : _____

Signature : _____, or failing him
- Name : _____

Address : _____

E-mail Id : _____

Signature : _____, or failing him
- Name : _____

Address : _____

E-mail Id : _____

Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 38th Annual General Meeting of the Company, to be held on Friday, the 26th September, 2014 at 3:00 P.M. at Municipal Corporation Auditorium, NIT, Near B K Chowk, Faridabad – 121 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Resolutions	For	Against
	Ordinary Business		
1.	To receive, consider and adopt the Audited Balance Sheet as at 31 st March, 2014 and Statement of Profit & Loss for the financial year ended on that date together with Report of the Board of Directors and Auditors thereon.		
2.	To declare dividend for the financial year 2013-14.		
3.	To appoint a Director in place of Shri D.P. Bhargava (DIN 01277269), who retires by rotation and being eligible, offers himself for re-appointment for the remaining/extended term at the pleasure of the President of India.		
4.	To appoint a Director in place of Shri J.K. Sharma (DIN 00387785), who retires by rotation and being eligible, offers himself for re-appointment for the remaining/extended term at the pleasure of the President of India.		
5.	To fix remuneration of the Joint Statutory Auditors for the year 2014-15.		
	Special Businesses		
6.	Ordinary resolution for ratification of remuneration of the Cost Auditors appointed by the Board.		
7.	Ordinary resolution for appointment of Shri Shantikam Hazarika as an Independent Director to hold office for a balance term up to 16 th May, 2015.		
8.	Ordinary resolution for appointment of Shri A. Gopalakrishnan as an Independent Director to hold office for a balance term up to 29 th February, 2016.		
9.	Ordinary Resolution for appointment of Shri R.S.T. Sai as the CMD of the Company on the terms and conditions determined by the Government of India.		

Signed this day of 2014

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp of
appropriate
value

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- For the Resolutions, Explanatory Statement and Notes, please refer to the notice of the 38th Annual General Meeting.
- It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all the details including details of member(s) in above box before submission.

Instructions and other information relating to E-voting are as under:

1. (a) **In case a member receives an E-mail from Karvy** [for members whose E-mail ids are registered with the Company/Depository Participant(s)]
 - i. Open your web browser during the voting period and navigate to “<https://evoting.karvy.com>”.
 - ii. Enter the login credentials (i.e., user-id & password/pin) as mentioned in the E-voting Form/E-mail sent through permitted mode. Your folio/DP Client ID will be your User-ID.

User – ID	For Members holding shares in Demat Form:- a) For NSDL:- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL:- 16 digits beneficiary ID For Members holding shares in Physical Form:- • Event no. followed by Folio Number registered with the company
Password	Your Unique password is mentioned in the E-voting Form/E-mail sent through permitted mode.
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

 - iii. Please contact our toll free No. **1800 345 4001** for any further clarifications.
 - iv. After entering these details appropriately, click on “LOGIN”.
 - v. Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character(\$,@,#). Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for E-voting through M/s Karvy Computershare Pvt. Limited E-Voting platform. System will prompt you to change your password and update any contact details like mobile, email ID etc. on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - vi. You need to login again with the new credentials.
 - vii. On successful login, system will prompt to select the ‘Event’ i.e., ‘Company Name’.
 - viii. If you are holding shares in Demat form and had logged on to <https://evoting.karvy.com> and casted your vote earlier for any company, then your exiting login id and password are to be used.
 - ix. On the voting page, you will see Resolution Description and against the same the option ‘FOR/AGAINST/ABSTAIN’ for voting. Enter the number of shares (which represents number of votes) under ‘FOR/AGAINST/ABSTAIN’ or alternatively you may partially enter any number in ‘FOR’ and partially in ‘AGAINST’, but the total number in ‘FOR/AGAINST’ taken together should not exceed your total shareholding. If the shareholder do not wants to cast, select ‘ABSTAIN’.
 - x. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
 - xi. Once you ‘CONFIRM’ your vote on the resolution, you will not be allowed to modify your vote.
 - xii. Corporate / Institutional Members (corporate / Fls / Fls / Trust / Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to savitajyoti@yahoo.com with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format “Corporate Name_ Event no.”
 - (b) **In case a Member receives physical copy of the Annual General Meeting Notice by Post [for members whose email IDs are not registered with the Company/ Depository Participant(s) or requesting physical copy]:**
 - i. Initial password as mentioned in the E-voting Form sent through permitted mode.
 - ii. Please follow all steps from Sl. No. i to xii of (a) above, to cast vote.
 - (c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of <https://evoting.karvy.com> or contact M/s Karvy Computershare Pvt. Limited at the Telephone No.: (Toll Free No.: **1800 345 4001**)
 - (d) If you are already registered with M/s Karvy Computershare Pvt. Limited for e-voting then you can use your existing user ID and password/PIN for casting your vote.
 - (e) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
2. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the Meeting.
 3. The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date (i.e. the record date), being 8th August, 2014.
 4. The Director (Finance) who has been authorized by the Board of Directors at its meeting held on Monday, 7th July, 2014 has appointed Ms. Savita Jyoti (CP No. 1796), M/s Savita Jyoti Associates, Company Secretaries, E-86, Sainikpuri, Secunderabad-500094 at Hyderabad email-id-savitajyoti@yahoo.com as scrutinizer to scrutinize the E-voting process in accordance with the law (including the Ballot Form received from the Members who do not have access to the E-voting process) in a fair and transparent manner.
 5. Members who do not have access to E-voting facility may return the duly completed Ballot Form (enclosed with the Annual Report/Notice) so as to reach the Scrutinizer’s address as stated in Point 4, not later than Monday, 22nd September, 2014 (6.00 p.m. IST). Ballot Forms received after this date will be treated as invalid.
 6. The notice is being sent to all the shareholders whose name appear on the Register of Members/list of beneficial owners as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) on Friday, 8th August, 2014.
 7. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the E-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and will make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the meeting.
 8. The Results on resolutions shall be declared at or after the Annual General Meeting of the Company and the resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favour of the Resolutions.
 9. The Results declared along with the Scrutinizer’s Report(s) will be available on the website of the Company (www.nhpcindia.com) and on Karvy’s website (<https://evoting.karvy.com>) within two (2) days of passing of the resolutions and communication of the same to Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
 10. Instructions for Ballot Form:
 - i. Votes should be cast in case of each resolution, either in favour or against by putting the tick mark in the column provided in the Ballot.
 - ii. Unsigned, incomplete or incorrectly ticked marked Ballot form are liable to be rejected .A form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.The decision of the Scrutinizer on the validity of the forms will be final.
 - iii. The Company will not be responsible, if the envelope containing the Ballot Form is lost in transit.
 - iv. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the Specimen Signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the Registrar and Share Transfer Agent of the Company (i.e. Karvy Computershare Pvt. Ltd). Members are requested to keep the same updated.
 - v. There will be only one Ballot Form for every Folio/DP ID Client ID irrespective of the number of joint members.
 - vi. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot Form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
 - vii. Where the Ballot Form has been signed by an authorized representative of the Body Corporate/Trust/Society, etc., a Certified Copy of the relevant authorization/Board Resolution to vote should accompany the Ballot Form.



NHPC LIMITED

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Website: www.nhpcindia.com

Fax No: 0129-2277941
Email ID: webmaster@nhpc.nic.in

BALLOT FORM (In lieu of e-voting)

1. Name & Registered Address
of the Sole/First named Shareholder :
2. Name(s) of the Joint
Shareholder(s) if any :
3. Registered Folio/DPID & Client ID No :
4. No. of Shares held :

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the Notice of 38th Annual General Meeting of the Company dated Friday, 26th September, 2014, by conveying my/our assent or dissent to the said Resolution(s) by placing the tick (✓) mark at the appropriate box below.

Item No.	Description	No. of Equity Shares	I/We assent to the Resolution (For)	I/We dissent to the Resolution (Against)
	Ordinary Businesses			
1.	To receive, consider and adopt the Audited Balance Sheet as at 31 st March, 2014 and Statement of Profit & Loss for the financial year ended on that date together with Report of the Board of Directors and Auditors thereon.			
2.	To declare dividend for the financial year 2013-14.			
3.	To appoint a Director in place of Shri D.P. Bhargava (DIN 01277269), who retires by rotation and being eligible, offers himself for re-appointment for the remaining/ extended term at the pleasure of the President of India.			
4.	To appoint a Director in place of Shri J.K. Sharma (DIN 00387785), who retires by rotation and being eligible, offers himself for re-appointment for the remaining / extended term at the pleasure of the President of India.			
5.	To fix remuneration of the Joint Statutory Auditors for the year 2014-15.			
	Special Businesses			
6.	Ordinary resolution for ratification of remuneration of the cost auditors appointed by the Board.			
7.	Ordinary resolution for appointment of Shri Shantikam Hazarika as an Independent Director to hold office for a balance term up to 16 th May, 2015.			
8.	Ordinary resolution for appointment of Shri A. Gopalakrishnan as an Independent Director to hold office for a balance term up to 29 th February, 2016.			
9.	Ordinary Resolution for appointment of Shri R.S.T. Sai as the CMD of the Company on the terms and conditions determined by the Government of India.			

Place : _____

Date : _____

Signature of the Shareholder

NOTE: Kindly read the instructions provided overleaf before filling the form. Valid Ballot Forms received by the Scrutinizer by 6.00 P.M. on Monday, 22nd September, 2014 shall only be considered.

INSTRUCTIONS

1. This Ballot Form is provided for the benefit of Members who do not have access to e-voting facility.
2. A Member can opt for only one mode of voting i.e. either through E-voting or by Ballot. If a member casts votes by both modes, then voting done through E-voting shall prevail and Ballot shall be treated as invalid.
3. For detailed instructions on E-voting, please refer to the notes appended to the Notice of the AGM.
4. The Scrutinizer will collate the votes downloaded from the E-voting system and votes received through post to declare the final result for each of the Resolutions forming part of the notice of the AGM.

Process and Manner for Members Opting to Vote by Using the Ballot Form:

1. Please Complete and sign the Ballot Form (no other form or photocopy thereof is permitted) and send it so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Ms. Savita Jyoti (CP No. 1796), M/s Savita Jyoti Associates, Company Secretaries, E-86, Sainikpuri, Secunderabad-500 094 at Hyderabad email-id savitajyoti@yahoo.com.
2. The form should be signed by the Members as per the specimen signature registered with the Company/Depositories. In case of joint holding, the form should be completed and signed by the first named Members and in/her absence, by the next named joint holder. A Power of Attorney (POA) holder may vote on behalf of a Member, mentioning the registration number of the POA registered with the Company or enclosing an attested Copy of POA. Exercise of vote by Ballot is not permitted through Proxy.
3. In case the shares are held by the Companies, Trusts, Societies, etc. the duly completed Ballot Form should be accompanied by the Certified True Copy of the relevant Board Resolution/Authorization.
4. Votes should be cast in case of each resolution, either in favour or against by putting the tick mark in the column provided in the Ballot.
5. The voting rights of shareholders shall be in proportion of the shares held by them in the paid up equity share capital of the Company as on 8th August, 2014 as per the Register of Members of the Company.
6. Duly completed Ballot Form should reach the Scrutinizer not later than Monday, 22nd September, 2014 (6:00 p.m. IST). Ballot Form received after 22nd September, 2014 will be strictly treated as if the reply from the Member has not been received.
7. A Member may request for a duplicate Ballot form, if so required. However, duly filled in and signed duplicate Form should reach the Scrutinizer not later than the date and time specified in Serial no.6 above.
8. Unsigned, incomplete, improperly or incorrectly tick market Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.
9. The decision of the Scrutinizer on the validity of the Ballot Form and any other related matter shall be final.



44 MW Chutak Power Station (Jammu & Kashmir)-Barrage

एनएचपीसी लिमिटेड
(भारत सरकार का उद्यम)



NHPC Limited
(A Government of India Enterprise)

CIN No. 'L40101HR1975GOI032564'

एनएचपीसी कार्यालय परिसर, सेक्टर - 33, फरीदाबाद - 121003, हरियाणा (भारत) वेबसाइट : www.nhpcindia.com
NHPC Office Complex, Sector - 33, Faridabad - 121003, Haryana (India) Website : www.nhpcindia.com
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