



ANNUAL REPORT
of Subsidiary Companies

2011-2012

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NHPC Limited

(A Government of India Enterprise)

DIRECTORS' REPORT

TO THE MEMBERS,

NHDC Limited

Your Directors have great pleasure in presenting the 12th Annual Report of your Company together with the Audited Accounts, Auditor's Report and the comments of the Comptroller and Auditor General of India for the financial year ended 31st March 2012.

During the year under review, your Company has achieved an aggregate income of ₹ 145051 lacs representing an increase of 41.41% over the previous year. This income includes earlier year sale of ₹ 16284 lacs (Gross ₹ 18187 lacs including AAD), arisen primarily due to order of final tariff upto period 31.03.2009 in respect of Omkareshwar Project. The highlights of the financial results are as under:-

1. FINANCIAL HIGHLIGHTS:

(₹ in Lacs)

Particulars	2011-12	2010-11
Sale of Power incl. other Income.	145051	102575
Profit before depreciation & amortization, interest (incl. financial charges) and tax.	133658	88487
Depreciation & Amortization	25756	25015
Profit after depreciation & amortization and before interest and tax	107902	63472
Finance Cost	23168	24934
Profit after depreciation amortization and interest but before tax	84734	38538
Tax	20044	8125
Profit after depreciation, & amortization, interest and tax i.e., PAT.	64690	30413
Surplus of Profit and Loss brought forward.	132998	107939
Balance available for appropriations	197688	138352

APPROPRIATIONS:

Self Insurance Reserve	-	792
Proposed Dividend	5888	3925
Tax on proposed dividend	955	637
Balance carried forward (forming part of Note 2 – Reserves & Surplus)	190845	132998

Previous year figures regrouped, as applicable.

2. REVENUE REALISATION:

A record cash revenue realization of ₹ 116055 lacs have been registered during FY 2011-12, which includes an amount of ₹ 13416 lacs through EMIs against old outstanding securitized dues of Indira Sagar Power Project.

3. POWER GENERATION:

The two Power Projects of NHDC viz. ISP and OSP have generated 4664 MUs of energy during FY 2011-12 with an increase of 45.88% over the previous year.

4. DIVIDEND:

Considering the net profit of ₹ 64690 lacs for the F.Y.2011-12, the Board recommended a dividend @ ₹ 30 per equity share of the Company amounting to ₹ 5888 lacs as dividend (excl. dividend tax as applicable) for the financial year 2011-12, subject to approval of the Shareholders in the ensuing Annual General Meeting.

5. CAPITAL STRUCTURE:

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

6. PROGRESS OF WORKS:

Indira Sagar Project (ISP):

Indira Sagar Power Project (8 x 125 MW) is a multipurpose Project and the mother project for the downstream projects on Narmada Basin with largest reservoir in India, having a gross storage capacity 12.22 Bm³. The installed capacity of the Project is 1000 MW, with Annual Design Energy of 1979 MU. The water released from Indira Sagar Power Project is utilized for generation of electricity at Omkareshwar Power Project. Presently, as per Court Orders, the level for filling of Reservoir is up to EL 260.0 M against the FRL of EL 262.13 M.

The generation from Indira Sagar Power Project during the FY 2011-12 was 3287 MU against the target of 2230 MU. The Plant Availability Factor (PAF) of 90.41% has been achieved against the target of 87% under excellent category.

OMKARESHWAR PROJECT (OSP):

Omkareshwar Project (8 x 65 MW), the first downstream project in the cascading series of Indira Sagar Project, with an installed capacity of 520 MW and Annual Design Energy of 1166 MU is under operation and maintenance. As per the orders of Hon'ble Courts, currently the generation of energy from Omkareshwar Project is being done by maintaining the reservoir level at EL 189 M as against the FRL of 196.60 M. Accordingly, 400 MW peaking power is being generated from the Omkareshwar Project corresponding to the installed capacity of 520 MW.

The generation from Omkareshwar Project during the FY 2011-12 was 1377 MU against the target of 970 MU. The Plant Availability Factor (PAF) of 97.58% has been achieved against the target of 93% under excellent category.

7. PERFORMANCE RATING UNDER MOU:

Your Company is a joint venture of NHPC and Govt. of Madhya Pradesh. As per prevailing guidelines of DPE, GOI, Your Company is required to sign MOU to be finalized by DPE, GOI, with its Holding Company i.e. NHPC every year. Based on the performance made by your Company during the year 2010-11, DPE, GOI has evaluated the performance of your Company against MOU as "Excellent" for the year 2010-11.

8. DIVERSIFICATION ACTIVITIES:

REVA THERMAL POWER PROJECT (2 x 660 MW):

Under diversification activities, Your Company had signed MoU on 29th June 2009 with GoMP for establishing of Super Critical Technology based 1320 MW (2X660 MW) Reva Thermal Power Project (RTPP), in District Khandwa in MP.

For this purpose, an application for coal linkage had been submitted to the Ministry of Coal, Gol and further it has got recommended by Ministry of Power, Gol, but coal linkage is still awaited.

WIND & SOLAR ENERGY:

Your Company is also exploring the possibility of potential sites for Non-conventional energy source i.e. Wind & Solar energy for development in the state of Madhya Pradesh.

9. OTHER ACTIVITIES IN HYDRO SECTOR:

Govt. of MP has offered to NHDC the execution of viable power component of medium & minor multipurpose project situated in upper Narmada Basin. The anticipated capacity of each power project shall be ranging between 10 to 25 MW and they are falling under the category of Small & Mini hydro schemes; which shall be entitled for getting benefits under the MNRE's guideline of Govt. of India. The gross capacities of these small/Mini schemes are anticipated to be 100 to 150MW.

The approval of MoP, Gol has already been obtained on the draft of MOU to be signed between NHDC & GoMP, however the final consent of GoMP on draft MOU is awaited.

10. VIGILANCE ACTIVITIES:

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

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

11. OFFICIAL LANGUAGE (RAJBHASHA) IMPLEMENTATION REPORT:

Rajbhasha Vibhag of the Company in Corporate Office, Bhopal made effective efforts to achieve desired targets in the compliance of official language annual programme. Corporation has been awarded with 'Hindi Sevi Samman' by M.P. Rashtrabhasha Prachar Samiti, Bhopal and 'First Prize' by Town Official Language Implementation Committee, (Undertaking), Bhopal for excellent contribution in the field of implementation of official Language. In addition to above, specific works have also been performed

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towards publication of Official Language Annual magazine 'AROHAN', Hindi competitions and conducting of Inter Project Hindi Workshop.

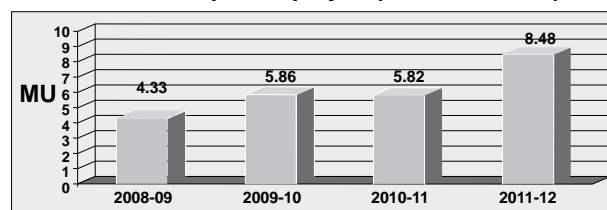
12. RIGHT TO INFORMATION ACT, 2005:

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

13. HUMAN RESOURCE

Your Company believes that human resource is the biggest asset for the organization with whose contribution the company has achieved its milestones and shall continue to take big leap in the future. The Company believes that in fulfillment of its business plan, the potential of employees should be suitably leveraged. As on 31st March, 2012, Company had strong force of 550 employees. The Company has recruited 23 professionals during the financial year 2011-12. Being a learning organization, the company has continuously emphasized on training & development of employees in order to keep them updated and consequently meeting the emerging organizational needs. For overall competency enhancement job enrichment / job enlargement and job rotation is done, thereby creating knowledge asset for the organization.

Generation per Employee (In Million Units)



14. RESERVATION FOR SC/ST/OBC:

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

15. STATUTORY AND OTHER INFORMATION

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

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

16. DIRECTORS' RESPONSIBILITY STATEMENT:

- As required under section 217 (2AA) of the Companies Amendment Act, 2000, the directors hereby confirm the following:
- That in the preparation of the Annual Accounts for the financial year ended 31st March, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- The Company has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the Company for that period;
- The Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- The accounts have been prepared for the financial year ended 31st March, 2012 on a 'going concern' basis.

17. AUDITORS:

M/s Multi Associates, Chartered Accountants, Bhopal were appointed as "Statutory Auditors" for conducting the Audit for the year 2011- 2012.

18. AUDITORS' REPORT:

Report of the Statutory Auditors on the accounts of the Company for the year ended on 31st March, 2012 is given in annex "B" to the Report. The comments on accounts for the year ended 31st March, 2012 by the Comptroller & Auditor General of India under Section 619(4) of the Companies Act, 1956 are enclosed at annex "C" to this report.

19. COST AUDIT:

Pursuant to the Central Government directions to audit cost accounting records as maintained by the Company, Your Company appointed following Cost Accountants as Cost Auditors to conduct the audit of cost accounting records of power projects indicated against each firm for the financial year 2011-12 with the approval of Ministry of Corporate affairs.

Sr. No.	Name of the Firm/auditor	Unit
1.	S.P.S. Dangi, Indore.	Indira Sagar Power Project
2.	Krishnan Singh Berk, Faridabad.	Omkareshwar Power Project.

20. AUDIT COMMITTEE:

The Audit Committee has reviewed the annual financial statements before submission to the Board as required u/s Sec. 292A of the Companies Act, 1956. As on 31st March, 2012, the composition of audit committee consists of Sh. A. Gopalakrishnan, Independent Director as Chairman along with two other Directors i.e. Sh. K. M. Singh, Chief Executive Director and Sh. R. K. Taneja, Director.

21. PARTICULARS OF DIRECTORS:

Presently, the composition of the Board includes Sh. A.B.L.Srivastava as CMD of the Company along with other Directors from MOP, Govt. of India, NHPC and Govt. of Madhya Pradesh.

NHPC has nominated Sh. G. Sai Prasad, Joint Secretary (H), Ministry of Power, Govt. of India on the Board of NHDC w.e.f. 04th January, 2012. Sh. Sudhir Kumar, Joint Secretary (H), Ministry of Power, Govt. of India has now been ceased to be a Director of NHDC.

The Govt. of Madhya Pradesh has nominated Sh. Gajendra Singh Patel on the Board of NHDC w.e.f. 21st October, 2011.

Sh. M. K. Jain, Member (Power), NVDA earlier appointed on the Board of NHDC, has been ceased to be a Director of the Company during the year under review. The GoMP has again appointed him on the Board of NHDC w.e.f. 02nd February, 2012.

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

22. ACKNOWLEDGEMENTS:

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

For and on behalf of the Board of Directors

(K. M. Singh)
Chief Executive Director
DIN NO. - 02223301

(A. B. L. Srivastava)
Managing Director
DIN NO. - 01601682

Dated: 11/07/2012

Place: DELHI



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

The electrical power is a key infrastructure needed for sustained growth of Indian economy. The power sector of India has shown remarkable progress since independence. The total installed capacity has increased from 1362 MW to the present capacity of 199877.03 MW (as on 31st March '2012). Despite this, the sector is facing challenging situations of meeting power demand of peak load and base load both, inadequate hydro-thermal mix, unstable grids, frequency fluctuations, poor distribution networks etc.

The total installed capacity of power in India as on 31st March '2012 was 199877.03 MW. Out of this, thermal power accounted for 131603.18 MW (65.84%), hydro 38990.40 MW (19.51%), nuclear 4780 MW (2.39%) and renewable energy sources 24503.45 MW (12.26%). The Public Sector has taken a major role in development of power sector and has contributed 73% of total installed capacity. The participation of private sector is 27% which is increasing since the liberalization of economy in 1991.

Ministry of Power, Government of India had originally set the capacity addition target of 78,700 MW during the 11th Plan (2007-12), which was subsequently revised to 62,000 MW. However, the actual achievement was 54,964 MW. To fulfill the objectives of the National Electricity Policy, the tentative capacity addition of 79,690 MW (excluding power from Renewable Energy Sources) has been proposed for the 12th Plan (2012-17).

NHDC Ltd. (Joint Venture of NHPC Ltd. & GoMP) was setup in August 2000 and initially entrusted on ownership basis the two mega hydro power projects in Narmada basin namely Indira Sagar (1000 MW) & Omkareshwar (520 MW) and both the power projects have been completed in time. Presently, it is the largest hydro power producer in the State of M.P. During FY 2011-12, the Gross Sales of the company was Rs. 1265.64 Crore and Profit After Tax (PAT) was Rs. 646.90 Crore against previous year of Rs 918.40 Crore and Rs.304.13 Crore respectively.

The installed capacity in Madhya Pradesh inclusive of power allocation from Central sector as on 31st March '2012 was 8779.90 MW. This consist of Thermal 4805.94 MW (54.74%), hydro 3223.66 MW (36.72%), nuclear 273.24 MW (3.11%) and renewable energy sources 477.06 MW (5.43%). The current deficit in energy demand in Madhya Pradesh is 16.90% (8393 MU) whereas the peak demand deficit is 7.10% (646 MW).

Considering this deficit, the limited potential of viable hydro power projects in Madhya Pradesh and the track record of NHDC Ltd. in project execution coupled with its financial position, GoMP had agreed for setting-up Thermal Power Project by the Company. Accordingly, NHDC Ltd. had signed MOU with GoMP on 29th June 2009 for establishing of Super Critical Technology based 1320 MW (2x660 MW) Reva Thermal Power Project (RTPP) in District Khandwa in M.P. All the site activities for preparation of DPR and other required clearances for establishment of Project have been completed.

CAPABILITY

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

STRENGTH

- Largest hydro power producer in the State of M.P.
- Free reserves of more than Rs. 1900 Crores (as on 31st March 2012)
- Full cooperation from GoMP.

WEAKNESSES

- Not succeeding to take the full advantage of power generation due to restrictions imposed by Judicial Authorities to fill the reservoirs up to FRL.
- Lack of potential for viable hydro power projects in Madhya Pradesh.

OPPORTUNITIES

- Huge gap between demand and supply of power.
- Potential for developing Projects.
- To develop projects already initiated i.e., Thermal Power Projects.
- Exploring the potential for wind power generation.
- Exploring the possibilities of installation of Solar photovoltaic (PV) system in its Projects.
- Offered by Govt of MP the execution of power component of 7 Nos. multipurpose Dams in Upper Narmada Basin, totaling around 150-160 MW.

THREATS

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

POWER GENERATION

During the year, Narmada Basin has good monsoon and therefore record generation of 3287 MU from Indira Sagar HEP and 1377 MU from Omkareshwar HEP has been achieved. The cumulative generation of power up to 31.03.2012 by the Company has been 23440 MU.

RISKS AND CONCERNS

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

OUTLOOK

The Projected power demand in the year 2016-17 and 2021-22 would be 1354 billion units and 1904 billion units respectively as per 18th EPS Draft report whereas the power generated during the year 2011-12 was 876.88 BU. Similarly, the peak demand in 2016-2017 and 2021-2022 has been projected as 199.54 GW and 283.47 GW respectively. The peak demand during the year 2011-12 has been 130 GW. The demand of electrical energy is to increase 7% to 8% annually in accordance with the economic growth of the country.

However, in Madhya Pradesh, the current deficit in energy demand is 16.90% (8393 MU) and in peak demand, the deficit is 7.10% (646 MW). This gap between demand and supply of power may be bridged up through speedy development of power projects in the State of Madhya Pradesh.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Strong and effective internal control systems and processes are in place for smooth and efficient conduct of operations of the Company. The Company complies with relevant laws and regulations. Suitable delegation of power has been made at appropriate level. The guidelines for preparation of accounts have been issued for compliance. Checks and balances are in place and internal control system is in order. Company has its own Internal Audit Department. Regular and exhaustive internal audits are conducted at all the locations. The Company has Audit Committee to the Board to ensure compliance of guidelines for the Corporate Governance of Central Public Sector Enterprise.

HUMAN RESOURCE DEVELOPMENT

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

A systematic training plan has been formulated for ensuring post deployment training and development. This has been designed to groom employee for assuming position of higher responsibility. The Company has been organizing annual inter and intra project / office sports competition to inculcate team building. The company also continues to focus on building leadership capability and strategic orientation through a series of training programme and workshops. Demonstrating its high concern for people, the company has developed employee welfare, health and social security system leading to high level of commitment. The Employee attrition rate (1.08%) has been lowest in the industry. The company has developed Modern Township with best quality of life, containing amenities like, educational, medical and recreational facility for employees and their family Members. The Company has also empanelled hospitals at various locations to meet employee health needs. The company has the best record in the industry for accident free man hours. The Company emphasizes aligning people capability and competency with current and emerging job responsibility and business challenges.

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

INDUSTRIAL RELATIONS

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

CORPORATE SOCIAL RESPONSIBILITY

The Company has a longstanding commitment to address the needs of the society. It believes that the benefits from the business must trickle down to the society at large to have a meaningful economic development. The Company is of the firm view that the goals must be aligned with the longer society goals. The Company is aware of the need to work beyond financial consideration and put in extra effort. The Company is perceived not only for power generation but an entity working for the good of the society and for improving the quality of life of the communities we serve.

As a constructive partner in the Society in which it operates your Company has been taking concrete action to realize its social responsibility objectives, thereby building value for its customers, Society and all Stakeholders.

The Company has framed a comprehensive Corporate Social Responsibility Policy as per which a certain percentage of profit (0.5 – 2%) is being spent every year on the community welfare and development programmes. The Social Responsibility Programme in M.P. entails partnering communities in health, family welfare, education, environment protection, providing potable water, sanitation and empowerment of women and others marginalized groups.

The Company is committed for "Inclusive Growth" to ensure sustainable development and enhancement of quality of life of the community where it operates. It is our firm endeavor to go beyond business and touch every heart in order to realize their dreams.

ENVIRONMENT PROTECTION & CONSERVATION

The Company acknowledges the corporate environmental responsibilities towards society, environmental protection & conservation has commanded due attention beyond statutory obligations. Both the hydropower projects i.e. Indira Sagar Project (ISP) and Omkareshwar Project (OSP) have developed Environment Management System (ISO 14001: 2004) as an integral part of project activities. This helped in resource conservation and waste minimization. Hydropower projects are the most environment friendly means of large scale generation of electricity. Suitable remedies for adequate environmental safeguards undertaken are – Compensatory Afforestation, Catchment Area Treatment, seismic studies, creation of National Park & Sanctuaries, relocation/restoration of monuments of archeological significance etc.

The Company has meticulously chosen Super-Critical technology for Reva Thermal Power Project, which is more efficient and environment friendly with lesser emissions. The Company is committed to strive for such policies, implementation modules and monitoring formats in its business activities which are environment friendly and provides ample benefits to society at large leading to Sustainable Development and inclusive growth.

RENEWABLE ENERGY DEVELOPMENT

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

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

Similarly Company is also exploring the possibilities of Installation of Solar Photo-Voltaic (PV) system over spare land available in and around Omkareshwar Project in addition to Indira Sagar Power Station.

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

FINANCIAL PERFORMANCE

Results of Operations

The financial accounts of the Company has been prepared based upon applicable accounting standards as notified by National Advisory Committee on Accounting Standards (NACAS) and following the provisions of revised schedule VI as applicable. Accordingly, the figures for previous year have been regrouped/rearranged as and where applicable.

A detailed financial discussion and analysis on the audited financial results of the Corporation for the F.Y. 2011-12 vis-à-vis F.Y. 2010-11 is as under:-

INCOME

	F.Y. 2011-12	F.Y. 2010-11
Sale of Power (in MU)	4640.57	3188.53
Income (Rupees in Lacs)		
Sale of Energy (Net of Advance Against Depreciation)	126564	91840
Other Income	18487	10735
Total	145051	102575

The income of the Company comprises of income from sales of electricity and other income such as interest earned on investment of surplus funds, interest on Securitised Debtors/Long Term Advances. Our total income increased by 41.41% to Rs.145051 Lacs in F.Y. 2011-12 from Rs.102575 Lacs in F.Y. 2010-11.

Tariff

The Central Electricity Regulatory Commission (CERC) fixes the charges for electricity generated from the power stations of the CPSE/Corporation. A new tariff regulation was issued by CERC through notification no. L-7/145(160)/2008-CERC dated January 19, 2009, and relates to the tariff period 2009-14. Tariffs are determined with reference to Annual fixed charges (AFC), which comprises of Return on equity (ROE), depreciation, interest on loan, interest on working capital and operation and maintenance expenses. ROE is grossed up with reference to applicable income tax rate so as to recover income tax incidence. The AFC is recovered on monthly basis in the form of capacity charge (inclusive of incentive) and energy charge. Recovery of capacity charges is dependent on the actual utilization of the machines for generating power. Capacity charges are determined with reference to the normative annual plant availability factor (NAPAF), which has been prescribed for each project by CERC based on the type of the project.

The Company is entitled to receive incentives 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. As regards energy charge, same is recovered with reference to saleable design energy (SDE) of the respective power station. Any excess over SDE termed as secondary energy, is recoverable at energy charge rate, subject to a maximum of 80 paise per kwh.

Sales of Energy

Govt. of Madhya Pradesh (GOMP) is the sole beneficiary of the electricity generated by both the power stations of the Company. Sales of electricity are based on long-term power purchase agreements. The Company has filed tariff petition with CERC for determination of tariff for the period 2009-14 for both projects namely Indira Sagar Project (ISP) and Omkareshwar Project (OSP). Pending determination of station-wise tariff by CERC for the tariff period 2009-14 as per aforesaid notification, sales for F.Y. 2011-12 have been provisionally recognized on the basis of the principles enunciated in the said notification. The Principle of conservatism has also been kept in view, as the tariff petitions are subject to prudence check by CERC. However, billing during the year has been made at the tariff approved by the CERC as applicable on 31st March 2009 with tax adjustments. Accordingly, the unbilled sales for the year include Rs.1884 lacs (previous year Rs.2614 lacs), being the difference between sales worked out as per new tariff norms applicable for 2009-14 and those billed on provisional basis in respect of OSP. However, unbilled sales are not arising in respect of ISP considering overall volume of sales already billed and likely to be billed as per extant tariff notifications.

Unbilled sales also include Rs.3825 lacs (Rs.1600 lacs on account of current year sale & Rs.2225 lacs on account of prior period) on account of deferred tax materialized and accounted for during the year recoverable from the beneficiary as per CERC tariff regulations 2009.

In F.Y. 2011-12, the Company sold 4640.57 MUs of electricity from commercial installed capacity of 1520MW as against 3188.53 MUs in F.Y. 2010-11. The company has achieved an increase of 45.54% in the number of units sold.

Revenue from Sales of energy increased by 37.81 % to Rs.126564 Lacs in F.Y. 2011-12 as against Rs.91840 Lacs in F.Y.2010-11. Sales realization in F.Y. 2011-12 was to the tune of Rs.116055 lacs as against Rs.101256 lacs in F.Y.2010-11.

Adjusted Sales of Energy

During the F.Y. 2011-12, CERC has notified the final tariff vide its tariff order dated 16-01-12 and 14-03-12 in respect of Omkareshwar Project for the period from August 2007 till 31st March 2009. Accordingly, the revenue from sales of energy also includes sales pertaining to earlier years. It also includes unscheduled interchange (UI) charges as prescribed in the regulation to bring grid discipline, besides Advance Against Depreciation (AAD) and Deferred Tax materialized.

The year to year comparison is furnished in the following table:-

Rupees in lacs

Particulars	F.Y. 2011-12	F.Y.2010-11
Gross Sales	128467	91703
Less: Advance against Depreciation (AAD)	1903	(137)
Net Sales	126564	91840
Less:		
(a) Earlier year sales (net of AAD)	16284	1082
(b) UI Charges	617	333
Adjusted Sales of Energy	109663	90425
Increase in sales over previous year (%)	21.28	



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Other Income

Rupees in lacs

Particulars	F.Y. 2011-12	F.Y.2010-11
Other income	18487	10735

Other income mainly consists of income from securitized debt/long term advances, income from investment of surplus cash, interest from beneficiary and miscellaneous income.

Company's other income stood at Rs.18487 Lac in F.Y. 2011-12, an increase of 72.21% over other income of Rs.10735 Lac in F.Y.2010-11, which is mainly because of increase in interest on term deposits and interest from beneficiaries on tariff revision.

EXPENDITURE: A COMPARATIVE POSITION

Rupees in lacs

Particulars	F.Y. 2011-12	F.Y.2010-11
Generation, Administration and Other Expenses	7481	7055
Employees' Remuneration and Benefits	5925	6984
Depreciation	25756	25015
Finance Cost	23168	24934
Provisions & Prior Period Items	(2013)	49
Total	60317	64037

Total expenditure decreased by 5.81% to Rs.60317 Lacs in F.Y. 2011-12 from Rs.64037 Lacs in F.Y.2010-11. Total expenditure as a percentage of total income was 41.58% in F.Y. 2011-12 compared to 62.43% in F.Y.2010-11.

Head-wise reasons are analysed as under:-

Generation, Administration and Other Expenses

Rupees in lacs

PARTICULARS	F.Y. 2011-12	F.Y.2010-11	Variation
Generation, Administration and Other Expenses	7481	7055	426

The increase is mainly attributable to induction of Central Industrial Security Force (CISF) personnel at Omkareshwar Project and provision for increase in Corporate Social Responsibility (CSR).

Employees' Remuneration and Benefits

Rupees in lacs

PARTICULARS	F.Y. 2011-12	F.Y.2010-11	Variation
Employees' Remuneration and Benefits	5925	6984	(1059)

The savings in employee cost is mainly due to additional provision for Performance Related Pay (PRP) for a period of 3 years and settlement of wage revisions arrear of workmen and supervisors during 10-11.

Depreciation & Amortization Expenses.

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

Depreciation and Amortization expenses increased marginally on account of few additions in fixed assets during the year.

Finance Cost

Finance Cost consist primarily of interest expenses on term loans & rebate allowed to beneficiary for timely payment. Interest and finance charges decreased by 7.08% to Rs.23168 Lacs in F.Y. 2011-12 from Rs.24934 Lacs in F.Y.2010-11 due to repayment of loans.

Provision for Tax

In FY 2011-12, the provision for income tax calculated at Rs.16992 Lacs as compared to Rs.7685 Lacs in previous financial year 2010-11. Increase in Tax provision is due to increase in Profit Before Tax (PBT) by Rs 46196 lacs and basic rate of MAT from 18% to 18.5%.

CASH FLOW

Rupees in lacs

Particulars	F.Y. 2011-12	F.Y.2010-11
Net Cash inflow from operating activities	142045	85577
Net cash outflow from investing activities	(49627)	(3053)
Net cash outflow from financing activities	(54744)	(52582)
Net increase in cash/cash equivalents	37674	29942

ANALYSIS OF BALANCE SHEET ITEMS

Equities & Liabilities

Rupees in lacs

PARTICULARS	As at 31 st March 2012	As at 31 st March 2011	Variation
Long Term Borrowings	163982	192109	(28127)
Deferred Tax (Net)	14632	11604	3028
Other Long Term Liabilities	12110	10188	1922
Long Term Provisions	1305	1224	81
Trade Payables	843	846	(3)
Other Current Liabilities	33075	33890	(815)
Short Term Provisions	74297	26932	47365

The decrease in long term borrowings is on account of repayment of principal. The short term provisions have increased mainly due to provisions on account of Net Present Value (NPV) payable to Catchment Area Monitoring and Planning Authority (CAMP) against demand for forest land acquisition in case of OSP. The variations on other items are not significant.

Assets:

PARTICULARS	As at 31 st March 2012	As at 31 st March 2011	Variation
Tangible Fixed Assets (Gross Block)	400199	447944	(47745)*
Intangible Fixed Assets (Right to Use) (Gross Block)	323333	225862	97471
Capital Work-in-Progress	275	573	(298)
Long Term Loans & Advances	2690	1637	1053
Other non-current Assets	19914	895	19019
Inventories	579	550	29
Trade Receivables	27416	29906	(2490)
Cash and Bank Balances	170683	133009	37674
Short - Term Loans & Advances	1525	3482	(1957)
Other Current Assets	19235	5785	13450

- *The reduction in gross block of tangible fixed assets is because of transfer of Land-Unclassified (Rs. 48527) to Intangible Fixed Assets(right to use).
- The increase in intangible fixed assets is due to inter head transfer as said above and capitalization against net present value (NPV) payable in case of OSP to Catchment Area Monitoring and Planning Authority (CAMP) against demand.
- Increase in non-current assets is attributable to trade receivables to be securitized for which in-principle agreement has already been reached.
- Increase in other current assets is due to increase in accrued interest on bank deposits and increase in recoverable amount.
- The variations on other items are not significant.

NHDC LIMITED

Annual Report 2011-12

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

Annexure-A (Ref: Para- 15(b))

REPORT ON CORPORATE GOVERNANCE

1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company is committed to following sound corporate practices that are based on conscience, openness, fairness, professionalism and accountability. It has been our Endeavour to build confidence among various stakeholders thus paving the way for long term success. We believe that Corporate Governance enhances our management practices. At NHDC, the Corporate Governance system is participatory, transparent, responsive, consensus-oriented and equitable. The Company makes all efforts to follow the guidelines on Corporate Governance issued by DPE, GOI to the extent possible.

2. BOARD OF DIRECTORS

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

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

2.1 Composition & Tenure of the Board.

As on 31st March, 2012, the Board comprises of 9 members, consisting of Chairman & Managing Director, 1 whole time Director, 2 Part time Directors appointed by NHPC, 1 Independent Director appointed by NHPC and 4 Part time Directors appointed by Govt. of Madhya Pradesh. Presently, the Composition of the Board and sub-committee is not exactly as per Corporate Governance Guidelines-2010. The same is being referred to DPE for getting exemption in the matter.

2.2 Board Meetings

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

During the Financial Year 2011-2012, 5 (Five) Board meetings were held on 13th May, 2011, 09th August, 2011, 16th September, 2011, 14th November, 2011 & 12th January, 2012.

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

Name of the Director	Meetings held during respective tenure of Directors	No. of Board meetings attended	Attendance at last AGM held on 01 st Aug., 2011	No. of other Directorship held on 31/03/2012	No. of Committee memberships in other Companies on 31/03/12
Executive Directors					
Shri A.B.L.Srivastava CMD	5	5	Yes	3	1
Shri K. M.Singh Chief Executive Director	5	5	Yes	Nil	Nil
Non-Executive Directors					
Shri R.K. Taneja E.D. (F), NHPC.	5	5	Yes	Nil	Nil
Shri Sudhir Kumar, IAS JS (H), Ministry of Power*.	4	Nil	Nil	6	Nil
Shri G. Sai Prasad, IAS J.S (H), Ministry of Power**.	1	1	N.A	5	Nil

Name of the Director	Meetings held during respective tenure of Directors	No. of Board meetings attended	Attendance at last AGM held on 01 st Aug., 2011	No. of other Directorship held on 31/03/2012	No. of Committee memberships in other Companies on 31/03/12
Shri O. P. Rawat, IAS. Addl. Chief Secy. NVDD, Govt of Madhya Pradesh.	5	4	Yes	1	Nil
Shri Rajneesh Vaish, IAS. Member (R), NVDA. Govt. of Madhya Pradesh.	5	1	No	1	Nil
Shri M. K. Jain. Member (Power) NVDA, Govt. of Madhya Pradesh***.	3	2	Yes	Nil	Nil
Independent Director (ID)/ Non-Official Part time Director					
Shri R. Jeyaseelan Ex. Chairman-CWC, Govt of India****.	0	0	No	1	1
Shri A. Gopalakrishnan (C.A) Nominee of NHPC*****.	4	3	Yes	1	2
Shri Gajendra Singh Patel Nominee of Govt. of Madhya Pradesh *****.	1	1	N.A	Nil	Nil

*Sh. Sudhir Kumar ceased to be director of the company on his reliving duties in the MOP, GOI w.e.f. 30th November, 2011.

**Sh. G. Sai Prasad was appointed as director on the Board of NHDC w.e.f. 04th January, 2012.

***Sh. M. K. Jain, Member (Power), NVDA has been ceased to be a Director of the Company during the year under review. GoMP has again appointed him on the Board of NHDC w.e.f. 02nd February, 2012.

****Sh. R.Jeyaseelan ceased to be director of the company w.e.f. 22nd April, 2011.

*****Sh. A. Gopalakrishnan was appointed as independent director on the Board of NHDC w.e.f. 23rd June, 2011.

*****Sh. Gajendra Singh Patel was appointed as director on the Board of NHDC w.e.f. 21st October, 2011.

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

2.3 Training of Board of Directors.

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

2.4 Fraud and Risk Management Policy.

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

3. AUDIT COMMITTEE

As on 31st March, 2012, the audit committee comprises the following members:

Sr. No.	Name	Designation	Category
01	Shri A. Gopalakrishnan	Chairman	Independent Director
02	Shri K. M. Singh	Member	Whole time Director
03	Shri R. K. Taneja	Member	Part Time Director.



NHPC Limited

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During the financial year i.e. 2011-12, 5 (Five) Audit Committee Meetings were held on 13th May, 2011, 08th June, 2011, 15th September, 2011, 12th January, 2012 & 21st March, 2012. After the cessation of Sh. R. Jeyaseelan during the F.Y. 2011-12, Sh. R. K. Taneja Chaired the Audit Committee in two meetings, thereafter, Sh. A. Gopalakrishnan appointed as Chairman, Audit Committee of NHDC. The details of attendance in the audit committee are as under.

Sr. No.	Name	No. of meetings held during tenure	No. of meetings attended
1	Sh. A. Gopalakrishnan	3	3
2	Sh.K. M. Singh	5	5
3	Sh. R. K. Taneja	5	5

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

4. REMUNERATION COMMITTEE

As on 31st March, 2012, the Remuneration Committee consists of following members:

Sr. No.	Name	Designation	Category
01	Shri A. Gopalakrishnan	Chairman	Independent Director
02	Shri R. K. Taneja	Member	Part Time Director.
03	Shri M. K. Jain	Member	Part Time Director.

During the financial year 2011-12, one meeting of the "Remuneration Committee" was held. The scope of work for the "Remuneration Committee" is Performance Related pay for executives and non-unionized supervisors as per DPE guidelines.

During the Financial Year 2011-12, the remuneration details of Executive Directors and sitting fees paid to Independent Director(s)/Non- official part time director(s) are as under:

A: Executives Directors

(In `) Lacs

Name of the Director	Salary	Perquisites	Total
Sh. A. B.L. Srivastava* Chairman & Managing Director*	-	-	-
Sh. K. M. Singh Chief Executive Director**	23	1	24

*MOP, Govt of India has given additional charge of Managing Director of NHDC, hence remuneration is paid by NHPC Ltd. only as CMD, NHPC.

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

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

(In `)

Name of the Director	Sitting Fees
Shri A. Gopalakrishnan	35,000
Shri Gajendra Singh Patel	5,000

5. GENERAL BODY MEETINGS

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

- 09th annual general meeting was held on 23rd July, 2009 at 12.30 afternoon in Hotel Lake View Ashoka, Shymala Hills, Bhopal.
- 10th annual general meeting was held on 05th July, 2010 at 11.15 a.m. in Hotel Lake View Ashoka, Shymala Hills, Bhopal.
- 11th annual general meeting was held on 01st August, 2011 at 11.00 a.m. in Hotel Jehan Numa Palace, Shymala Hills, Bhopal.

Details of Special Resolutions passed during the last three years.

Sr. No.	Date of meeting	Special Resolution(s) Passed.
1.	Extra ordinary General Meeting held on 22 nd April, 2009.	Amendment to Object Clause of the Memorandum of Association of the Company.
2.	Extra ordinary General Meeting held on 17 th June, 2009.	Changes in the name of the Company.
3.	Extra ordinary General Meeting held on 22 nd April, 2009.	Amendment to Articles of Association of the Company.

6. DISCLOSURES:

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

7. MEANS OF COMMUNICATION

The entire paid up capital of the Company is being held by NHPC Ltd. (Govt. of India Enterprise) and Govt. of Madhya Pradesh in the ratio of 51:49. The Company communicates with its Shareholders through its annual report, general meetings and disclosure through website.

8. CODE OF CONDUCT

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

9. COMPLIANCE CERTIFICATE

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

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DECLARATION BY CHAIRMAN & MANAGING DIRECTOR REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT DURING THE FINANCIAL YEAR 2011-12.

I, A.B.L. Srivastava, Chairman & Managing Director, NHDC Limited, do hereby declare that all the Members of the Board of Directors and the Senior Management Team of the Company have affirmed their compliance of the Code of Business Conduct and Ethics of the Company during 2011-12.

sd/
(A.B.L. Srivastava)
Chairman & Managing Director
DIN: 01601682
DATE: 07/05/2012

CORPORATE GOVERNANCE CERTIFICATE

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

We have examined the compliance of the conditions of Corporate Governance by NHDC Limited, (hereinafter referred as 'the Company') for the year ended on 31st March, 2012 as stipulated in 'Guidelines on Corporate Governance-2010 dt. 14th May, 2010 by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India and annexure mentioned there under (hereafter referred as 'Guidelines').

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

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

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

Place : Bhopal.
Date : 11.07.2012

For DPA & Associates
Company Secretaries

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



**Conservation of Energy and Technology Absorption
FOR Conservation of Energy**

Sr. No.	Information Sought	Reply
(a)	Energy conservation measures taken	1. 15 KW Solar PV Power Plant installed for Administrative building and is functioning since Feb. 2012 at Omkareshwar Power Station. 2. Two nos. 10 KW solar PV Power Plant installed at Power House and GM office of Indirasagar Power Station respectively.
(b)	Additional investments and proposals, if any, being implemented for reduction of consumption of energy;	1. PFR of Solar PV Power Plant of 2.98 MW capacity at OSP prepared. 2. PFR for Solar PV Power Plant of 40 KW capacity at OSP Power House roof under preparation.
(c)	Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods;	Energy Bill reduced by 1940Kwh for OSP and 15095 Kwh for ISP. Total energy bill reduction is 17035 units
(d)	Total energy consumption and energy consumption per unit of production as per Form -A of the annexure thereto in respect of industries specified in the schedule thereto.	Not Applicable

FORM-B

Sr. No.	Information Sought	Reply
1)	Specific areas in which R&D carried out by the Company.	Bearing temperature of generating units of Indira Sagar HE Project.
2)	Benefit derived as a result of the above R&D;	Bearing temperature of generating units of ISP were going high during summer season which causes reduction in generating capacity of units. The causes were investigated and remedial measures were taken. Under remedial measures cooling arrangements in the incoming line of cooling water to bearing was added and found that bearing temperature gone down by 5°C.
3)	Future Plan of action;	1. Development of Online 2 Dimensional vibration monitoring system for TG sets at ISP Power House. 2. Load study and Power factor improvement at ISP. 3. Online DGA Equipment for Generator Transformer at Omkareshwar Power Station (OSP). 4. Preparation of PFR for setting up of Geothermal production plant
4)	Expenditure on R&D	
(a)	Capital	
(b)	Recurring	` 5.5 Lakhs
(c)	Total	` 5.5 Lakhs
(d)	Total R&D expenditure as a percentage of total turnover	Negligible in terms of percentage of turnover.

Technology absorption, adaptation and innovation

Sr. No.	Information Sought	Reply
1	Efforts in brief made towards technology absorption, adaptation and innovation;	NIL
2	Benefits derived as result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.	NIL
Technology imported during last five years		NIL

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

PARTICULARS OF EMPLOYEES:

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

AUDITORS' REPORT

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

We have audited the attached Balance Sheet of NHDC LIMITED, BHOPAL as at 31st March 2012, Statement of Profit and Loss and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;
 - iii) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow

Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956:

- iv) As per the circular issued by the Department of Companies Affairs vide their General Circular No. 829 (E) dt. 21.10.03 it has been directed that the clause (g) of sub section (1) of section 274 of the said Act about disqualification of Directors shall not apply to a Govt. company, hence in our opinion the requirement of this clause does not apply to this company also;
- v) In our opinion and according to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies, Explanatory Statement to Accounts thereon and attached thereto, give in the prescribed manner, the information required by the Companies Act, 1956, and give a true & fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2012;
 - b) In the case of Statement of Profit & Loss, of the profit for the year ended on that date.
 - c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For Multi Associates
Chartered Accountants**

**(R. K. Agrawal)
Partner**

**Membership No. 71755
FRN - 509955C**

Place: New Delhi
Date: 18.05.2012

ANNEXURE TO THE AUDITORS' REPORT FOR THE YEAR ENDED ON 31st MARCH, 2012 (Referred to in paragraph 3 of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, all the fixed assets have been physically verified by the outside Chartered Accountant firm during the year. In our opinion, the frequency of verification is reasonable. According to the information and explanations given to us and the records produced to us for our verification, discrepancies noticed on such physical verification were not material in our opinion, and the same have been properly dealt with in the Books of Accounts.
- (c) Since there is no disposal of a substantial part of fixed assets during the year, the preparation of financial statements on a going concern basis is not affected on this account.
- (ii) (a) The outside Chartered Accountant firm has physically verified the inventory of the company other than items in transit. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) Based on the audit procedures applied by us and according to the information and explanations given to us, the Company has not granted or taken any loans, secured or unsecured, to / from companies, firms or the other parties covered in the register maintained under section 301 of the Companies Act, 1956. In view of this, sub clauses (b), (c) and (d) of clause (iii) are not applicable.
- (b) As per the information and explanations, the Company has not taken any loans, from the parties covered in the register maintained u/s 301 of the Companies Act, 1956. In view of this, sub clauses (e), (f) & (g) of clause (iii) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventories, fixed assets and for the sale of power and services. During the course of our audit no major weakness has been noticed on the internal control system.
- (v) Based on the audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, there were no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need be entered in the register required to be maintained under that Section. The question of reasonableness of transactions exceeding Rs. 5 lakhs during the year does not arise.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the Section 58 A and 58 AA and any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
- (vii) In our opinion, the company has an internal audit system commensurate with size and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of these records with a view to determining whether they are accurate or complete.
- (ix) (a) According to the records provided to us by the Company, undisputed statutory dues including provident fund, investor education and protection fund, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues, that are required to be deposited regularly with authorities, have generally been regularly deposited with the appropriate authorities. We are informed that the Employee's State Insurance Scheme is not applicable to the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were in arrears, as at 31st March, 2012 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the cases of non-deposit with the appropriate authorities of disputed dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, is Rs. 9 Lacs (For Income Tax) and Rs. 3Lacs (For Entry Tax).



NHPC Limited

(A Government of India Enterprise)

- (x) The company neither has any accumulated losses at the end of the period nor has incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) On the basis of verification of records and according to the information and explanations given to us, the company has not defaulted in repayment of dues to Financial Institutions/Banks or Debenture holders.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a Chit/Nidhi/Mutual Benefit Fund/Society and as such the clause of the order is not applicable.
- (xiv) The company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) The company has not given any guarantee for loan taken by others from banks/Financial Institutions.
- (xvi) On the basis of review of utilization of funds pertaining to Term Loans on overall basis and related information as made available to us, the company has applied term loans for the purposes for which they were obtained.
- (xvii) According to the information and explanations given to us, based on an overall examination of the Balance Sheet of the company, related information

made available to us and as represented to us by the Management, the funds raised on short term basis has not been utilized for long term investments.

- (xviii) The Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year and therefore the question of creating security or charge in respect thereof does not arise.
- (xx) The Company has not made any public issue of any securities during the year and therefore the question of disclosing the end use of money raised by any public issue does not arise.
- (xxi) Based on the audit procedures adopted and information and explanation given to us by the management, no fraud on or by the company has been noticed or reported during the year.

**For Multi Associates
Chartered Accountants**

**(R. K. Agrawal)
Partner**

**Membership No. 71755
FRN - 509955C**

Place: New Delhi
Date: 18.05.2012

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF NHDC LIMITED, BHOPAL, FOR THE YEAR ENDED 31ST MARCH, 2012

The preparation of financial statements of NHDC Limited, Bhopal, for the year ended 31st March, 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 18th May, 2012.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of the statutory auditors on the accounts of NHDC Limited, Bhopal, for the year ended 31st March, 2012. This supplementary audit has been carried out independently without access to the work papers of the statutory auditors and limited primarily to inquiries of the statutory auditors and company personnel and selective examination of the 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 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**

Place : New Delhi
Date : 13.06.2012

**sd/-
(Praveen Kumar Singh)
Principal Director of Commercial Audit &
Ex-officio Member Audit Board - III,
New Delhi**

NHDC LIMITED

Annual Report 2011-12

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

BALANCE SHEET AS AT 31ST MARCH 2012

(Amount in Lacs)

Particulars	Note No.	As at 31 st March, 2012	As at 31 st March, 2011
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	1	196258	196258
(b) Reserves and Surplus	2	327607	266265
(2) SHARE APPLICATION MONEY PENDING ALLOTMENT	3	0	0
(3) NON-CURRENT LIABILITIES			
(a) Long Term Borrowings	4	163982	192109
(b) Deferred Tax Liabilities (Net)	5	14632	11604
(c) Other Long Term Liabilities	6	12110	10188
(d) Long Term Provisions	7	1305	1224
(4) CURRENT LIABILITIES			
(a) Short Term Borrowings	8	0	0
(b) Trade Payables	9	843	846
(c) Other Current Liabilities	10	33075	33890
(d) Short Term Provisions	11	74297	26932
TOTAL		824109	739316
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible Assets	12.1	309956	369649
(ii) Intangible Assets	12.2	271836	193830
(iii) Capital Work In Progress	13.1	275	573
(iv) Intangible Assets under development	13.2	0	0
(b) Non Current Investments	14	0	0
(c) Deferred tax assets (net)	5	0	0
(d) Long-term loans and advances	15	2690	1637
(e) Other non-current assets	16	19914	895
(2) CURRENT ASSETS			
(a) Current Investments	17	0	0
(b) Inventories	18	579	550
(c) Trade Receivables	19	27416	29906
(d) Cash & Bank Balances	20	170683	133009
(e) Short-term Loans and Advances	21	1525	3482
(f) Other Current Assets	22	19235	5785
TOTAL		824109	739316
Expenditure During Construction	32		
Significant Accounting Policies	34		
Explanatory statements to Accounts	35		
Note 1 to 35 form integral part of the Accounts			-

For and on behalf of Board of Directors

As per our report of even date attached

For Multi Associates
Chartered Accountants

R. K. TANEJA
Director
DIN 00077493

K. M. SINGH
Chief Executive Director
DIN 02223301

A. B. L. SRIVASTAVA
Chairman & Managing Director
DIN 01601682

R. K. AGRAWAL
(Partner)
Membership No. 71755
FRN - 509955C

V. K. TRIPATHI
Co. Secretary

R. S. BATRA
General Manager (Finance)

Place: New Delhi
Date : 18.05.2012



NHPC Limited

(A Government of India Enterprise)

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012

(Amount in Lacs)

Particulars	Note No.	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
INCOME			
i) Revenue from Operations	23	126564	91840
ii) Other Income	24	18487	10735
TOTAL INCOME		145051	102575
EXPENDITURE			
i) Employees' Benefits Expense	25	5925	6984
ii) Finance Cost	26	23168	24934
iii) Depreciation & Amortization Expense	27	25756	25015
iv) Generation, Administration and Other Expenses	28	7481	7055
v) Provisions	29	80	5
vi) Expenditure on Contract, Project Management and Consultancy Works	30	0	0
TOTAL EXPENDITURE		62410	63993
Profit before Prior Period items, Exceptional and Extraordinary items and Tax		82641	38582
Prior Period Adjustments (net)	31	(2093)	44
Profit before Exceptional and Extraordinary items and Tax		84734	38538
Exceptional items		0	0
Profit before extraordinary items and Tax		84734	38538
Extraordinary items		0	0
PROFIT BEFORE TAX		84734	38538
Tax Expenses	33		
i) Current Tax		16992	7685
ii) Adjustments relating to earlier years		24	138
iii) Deferred Tax		(203)	389
Less: Deferred tax recoverable adjustment		(3231)	87
Total Tax Expenses		20044	8125
Profit for the year from continuing operations		64690	30413
Profit from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit from discontinuing operations after tax		-	-
Profit for the year		64690	30413
Earning per share (Equity shares, face value of ₹ 1000/- each)			
Basic (In ₹ per share)		329.61	154.96
Diluted (In ₹ per share)		329.61	154.96
Expenditure During Construction	32		
Significant Accounting Policies	34		
Explanatory statements to Accounts	35		
Note 1 to 35 form integral part of the Accounts			

For and on behalf of Board of Directors

As per our report of even date attached

For Multi Associates
Chartered Accountants

R. K. TANEJA
Director
DIN 00077493

K. M. SINGH
Chief Executive Director
DIN 02223301

A. B. L. SRIVASTAVA
Chairman & Managing Director
DIN 01601682

R. K. AGRAWAL
(Partner)
Membership No. 71755
FRN - 509955C

V. K. TRIPATHI
Co. Secretary

R. S. BATRA
General Manager (Finance)

Place: New Delhi
Date : 18.05.2012

NHDC LIMITED

Annual Report 2011-12

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

NOTE NO. 1 – SHARE CAPITAL

(Amount in Lacs)

Particulars	As at 31 st March, 2012		As at 31 st March, 2011	
	In No.	(Amount)	In No.	(Amount)
a) Authorized Equity Share Capital	30000000	300000	30000000	300000
b) No. of shares issued, subscribed and fully paid (Par value per share ₹ 1000/-)	19625800	196258	19625800	196258
c) Reconciliation of no. of shares & share capital outstanding:	No. of Shares	Share Capital	No. of Shares	Share Capital
Outstanding as on 31.03.2011	19625800	196258	19625800	196258
Add: No. of shares/Share Capital issued/ subscribed during the year	0	0	0	0
Less: Reduction in no. of shares/Share Capital	0	0	0	0
Outstanding as on 31.03.2012	19625800	196258	19625800	196258
d) Shares in the company held by each shareholder holding more than 5 percent specifying the number of shares held				
NHPC LTD. (Holding Company)	51%	10024200	10024200	
Govt. of Madhya Pradesh	49%	9601600	9601600	
e) Aggregate no. of shares allotted for consideration other than cash		Nil		Nil

NOTE NO. 2 – RESERVE AND SURPLUS

(Amount in Lacs)

Particulars	As at 31 st March, 2012		As at 31 st March, 2011	
a) Capital Reserve				
As per last Balance Sheet	0		0	
Add: Transfer from Surplus	0		0	
Add: Grants received during the year	0		0	
Less: Write back during the year	0		0	
Less: Adjustments during the year	0		0	
As at Balance Sheet date		0		0
b) Statutory Reserve				
As per last Balance Sheet	0		0	
Add: Transfer from Surplus	0		0	
Less: Write back during the year	0		0	
Less: Adjustments during the year	0		0	
As at Balance Sheet date		0		0
c) Securities Premium Account				
As per last Balance Sheet	0		0	
Add: Addition during the year	0		0	
Less: Adjustments during the year	0		0	
As at Balance Sheet date		0		0
d) Bond Redemption Reserve				
As per last Balance Sheet	0		0	
Add: Transfer from Surplus	0		0	
Less: Write back during the year	0		0	
Less: Adjustments during the year	0		0	
As at Balance Sheet date		0		0
e) Self Insurance Fund				
As per last Balance Sheet	16051		15259	
Add: Transfer from Surplus	0		792	
Less: Write back during the year	0		0	
Less: Adjustments during the year	0		0	
As at Balance Sheet date		16051		16051
f) General Reserve				
As per last Balance Sheet	0		0	
Add: Transfer from Surplus	0		0	
Less: Write back during the year	0		0	
Less: Adjustments during the year	0		0	
As at Balance Sheet date		0		0
g) Grant in aid Reserve				
As per last Balance Sheet	117216		120295	
Add: Grants received during the year/period	9096		3393	
Less: Write back during the year/period	5773		5581	
Less: Adjustments during the year	(172)		891	
As at Balance Sheet date		120711		117216



NHPC Limited

(A Government of India Enterprise)

NOTE NO. 2 – RESERVE AND SURPLUS

(Amount in Lacs)

Particulars	As at 31 st March, 2012	As at 31 st March, 2011
h) Surplus *	190845	132998
Total	327607	266265
* Surplus		
Profit for the year as per Statement of Profit and Loss	64690	30413
Balance brought forward	132998	107939
Add:		
i) Amount written back from Bond Redemption Reserve	0	0
ii) Write Back From Capital Reserve	0	
iii) Write Back From Other Reserve	0	0
iv) Amount written back from Self Insurance Fund	0	0
v) Tax on Dividend write back	0	0
Balance available for Appropriation		
i) Transfer to Capital Reserve	0	0
ii) Transfer to Bond Redemption Reserve	0	0
iii) Transfer to Self Insurance Fund	0	792
iv) Transfer to General Reserve	0	0
v) Dividend :		
- Interim	0	0
- Proposed	5888	3925
- Final	0	0
vi) Tax on Dividend		
- Interim	0	0
- Proposed	955	637
Balance carried forward	190845	132998

Figures within parenthesis represent deductions.

Explanatory Note: -

(Amount in Lacs)

1 Grant in Aid Reserves	01.04.2011	ADDITIONS	DEDUCTIONS	ADJUSTMENTS	31.03.2012
i) Proportionate contribution by Govt. of Madhya Pradesh towards Irrigation Component in ISPS as a Grant-in-Aid.	31664	124	1522	153	30419
ii) Proportionate Sub-vention towards Sardar Sarovar project transferred from NVDA Account for ISPS.	40468	158	1945	195	38876
iii) Contribution by Govt of Madhya Pradesh towards R&R of ISPS.	24937	848	1098	0	24687
iv) Proportionate contribution by Govt. of Madhya Pradesh towards Irrigation Component in OSPS as Grant-in-Aid.	15529	7899	936	(176)	22316
v) Contribution by Govt of Madhya Pradesh towards R&R of OSPS.	4618	67	272	0	4413
	117216	9096	5773	172	120711

Figures within parenthesis represent deductions.

NOTE NO. 3 - SHARE APPLICATION MONEY PENDING ALLOTMENT

(Amount in Lacs)

Particulars	As at 31 st March, 2012	As at 31 st March, 2011
Share application money pending allotment	0	0

NHDC LIMITED

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

NOTE NO. 4 – LONG TERM BORROWINGS

(Amount in Lacs)

Particulars	As at 31 st March, 2012	As at 31 st March, 2011
a) Bonds/ Debentures		
- Secured	0	0
- Unsecured	0	0
b) Term Loans		
• From Banks		
- Secured #	89732	104359
- Unsecured	0	0
• From other parties		
- Secured #	74250	87750
- Unsecured	0	0
c) Deferred payment liabilities		
d) Deposits	0	0
e) Loan and advances from related parties		
- Secured	0	0
- Unsecured	0	0
f) Loan and advances from subsidiary		
- Secured	0	0
- Unsecured	0	0
g) Long term maturities of finance lease obligations	0	0
h) Other loans and advances	0	0
	163982	192109
Aggregate amount of loans guaranteed by directors	Nil	Nil
Aggregate amount of loans guaranteed by Others-GOI	Nil	Nil
Amount of default in repayment of loans and interest as at 31.03.2012	Nil	Nil
Period of default in repayment of loans and interest as at 31.03.2012	Nil	Nil

Disclosure on security (Separately in each case) :-

1. Above outstanding Term Loans from banks are secured by way of first Pari-passu Charge in favour of the lenders by deposit of title deeds of immovable property / fixed assets and also first pari-passu charge on all present and future movable, fixed and current assets of Indira Sagar Project.
2. Above outstanding Term Loan from Power Finance Corporation (other parties) is secured by way of first Pari-passu Charge in favour of the lenders by deposit of title deeds of immovable property / fixed assets and also first pari-passu charge on all present and future movable, fixed and current assets of Omkareshwar Project.

APPENDIX TO NOTE NO. 4

Long Term Borrowing (Non-Current)

(Amount in Lacs)

Particulars	As at 31 st March, 2012	As at 31 st March, 2011
(A). BONDS (Non-convertible and Non-cumulative)-Secured	0	0
TOTAL BONDS (A)	0	0
(B). TERM LOANS - Secured		
I- INDIRA SAGAR PROJECT		
CENTRAL BANK OF INDIA	18720	21840
(Repayable in 20 half yearly equal installments commencing from 30.09.2009)		
DENA BANK	15851	18493
(Repayable in 20 half yearly equal installments commencing from 30.09.2009)		
DENA BANK	14354	16604
(Repayable in 20 half yearly equal installments commencing from 31.03.2010)		
HDFC BANK LIMITED	22353	26079
(Repayable in 20 half yearly equal installments commencing from 30.09.2009)		
HDFC BANK LIMITED	14554	16793
(Repayable in 20 half yearly equal installments commencing from 31.03.2010)		
UNITED BANK OF INDIA	3900	4550
(Repayable in 20 half yearly equal installments commencing from 30.09.2009)		
Sub Total	89732	104359
II- OMKARESHWAR PROJECT		
POWER FINANCE CORPORATION LIMITED	74250	87750
(Repayable in 20 Half yearly equal installments commencing from 15.01.2009)		
Sub Total	74250	87750
TOTAL TERM LOANS - Banks/Financial Institutions - INR- SECURED (B)	163982	192109
Term Loan-From other parties (Unsecured)		
(C) TERM LOAN FROM BANKS/FIs - FOREIGN CURRENCY		
Guaranteed by Government of India		
TOTAL TERM LOANS - Banks/Financial Institutions - FC - Unsecured (C)	0	0
(D) Loans from Central Govt.- Unsecured	-	-
TOTAL UNSECURED LOANS (D)	0	0
Grand Total (A+B+C+D)	163982	192109



NHPC Limited

(A Government of India Enterprise)

NOTE NO. 5 – DEFERRED TAX LIABILITIES / ASSETS

(Amount in Lacs)

Particulars	As at 31 st March, 2012	As at 31 st March, 2011
In compliance to the Accounting Standard 22 on "Accounting for Taxes on Income" as notified by company's accounting standard rule 2006, Deferred Tax Liability amounting to ₹ 3028 lacs (Previous year ₹ 302 lacs has been provided during the year ended 31.03.2012. The item-wise details of Cumulative Deferred Tax Liability are as under:		
Deferred Tax Liability		
i) Depreciation	66344	66496
Less: Deferred Tax Assets		
ii) Accumulated unabsorbed depreciation	0	0
iii) Advance against Depreciation to be considered as income in tax computation	0	0
iv) Provision for doubtful debts, self Insurance and other provisions	0	0
v) Provision for employee benefit schemes	330	279
Deferred Tax Liability (Net)		
DEFERRED TAX LIABILITY	66014	66217
DEFERRED TAX RECOVERABLE ADJUSTMENT	51382	54613
Deferred Tax Liability (Net)	14632	11604

NOTE NO. 6 – OTHERS LONG TERM LIABILITIES

(Amount in Lacs)

Particulars	As at 31 st March, 2012	As at 31 st March, 2011
a) Trade Payables		
i) Total outstanding dues of micro and small scale Industrial Undertaking(s). (Due over 30 days ₹ Nil/-)	0	0
ii) Total outstanding dues of Medium scale Industrial Undertaking(s). (Due over 30 days ₹ Nil/-)	0	0
iii) Others	0	0
b) Others		
i) Deposits/ retention money	106	87
ii) Income received in advance	12004	10101
iii) Deferred Foreign Currency Fluctuation Liabilities	0	0
iv) Deferred Income from Foreign Currency Fluctuation Account	0	0
	12110	10188

NOTE NO. 7 – LONG TERM PROVISIONS

(Amount in Lacs)

Particulars	As at 31 st March, 2012	As at 31 st March, 2011
a) Provision for employee benefits		
i) Provision for leave encashment		
As per last Balance Sheet	521	285
Additions during the year	98	236
Amount used during the year	0	0
Amount reversed during the year	0	0
Closing Balance	619	521
ii) Provision for gratuity		
As per last Balance Sheet	450	216
Additions during the year	0	234
Amount used during the year	0	0
Amount reversed during the year	5	0
Closing Balance	445	450
iii) Provision for REHS		
As per last Balance Sheet	153	100
Additions during the year	59	53
Amount used during the year	0	0
Amount reversed during the year	0	0
Closing Balance	212	153
iv) Provision for M.C. on Leave Encashment		
As per last Balance Sheet	68	38
Additions during the year	0	34
Amount used during the year	0	4
Amount reversed during the year	68	0
Closing Balance	0	68

NHDC LIMITED

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

NOTE NO. 7 – LONG TERM PROVISIONS

(Amount in Lacs)

Particulars	As at 31 st March, 2012	As at 31 st March, 2011
v) Provision for TTA (Baggage Allowance on Retirement)		
As per last Balance Sheet	32	20
Additions during the year	0	12
Amount used during the year	0	0
Amount reversed during the year	4	0
Closing Balance	28	32
vi) Provision for Memento (on Retirement)		
As per last Balance Sheet	0	0
Additions during the year	1	0
Amount used during the year	0	0
Amount reversed during the year	0	0
Closing Balance	1	0
b) Others		
i) Provision For Committed Capital Expenditure		
As per last Balance Sheet	0	0
Additions during the year	0	0
Amount used during the year	0	0
Amount reversed during the year	0	0
Closing Balance	0	0
Total	1305	1224

NOTE NO. 8 – SHORT TERM BORROWINGS

(Amount in Lacs)

Particulars	As at 31 st March, 2012	As at 31 st March, 2011
a) Loans repayable on demand		
• From Banks		
- Secured #	0	0
- Unsecured	0	0
• From other parties		
- Secured #	0	0
- Unsecured	0	0
b) Loan and advances from related parties		
- Secured #	0	0
- Unsecured	0	0
c) Loan and advances from subsidiary		
- Secured #	0	0
- Unsecured	0	0
d) Short Term Deposits	0	0
e) Short term loans		
• From Banks/ FIs		
- Secured #	0	0
- Unsecured	0	0
• From other parties		
- Secured #	0	0
- Unsecured	0	0
	0	0
Aggregate amount of loans guaranteed by directors	Nil	Nil
Aggregate amount of loans guaranteed by Others-GOI	Nil	Nil
Amount of default in repayment of loans and interest as at 31.03.2012	Nil	Nil
Period of default in repayment of loans and interest as at 31.03.2012	Nil	Nil
# Nature of security shall be specified separately in each case		



NHPC Limited

(A Government of India Enterprise)

NOTE NO. 9 – TRADE PAYABLE

(Amount in Lacs)

Particulars	As at 31 st March, 2012	As at 31 st March, 2011
a) Total outstanding dues of micro and small scale Industrial Undertaking(s). (Due over 30 days ` Nil/-)	0	0
b) Total outstanding dues of Medium scale Industrial Undertaking(s). (Due over 30 days ` Nil/-)	0	0
c) Others	843	846
Total	843	846

NOTE NO. 10 – OTHER CURRENT LIABILITIES

(Amount in Lacs)

Particulars	As at 31 st March, 2012	As at 31 st March, 2011
a) Current maturities of long term debt		
Bonds/ Debentures		
- Secured	0	0
- Unsecured	0	0
Term Loans		
• From banks		
- Secured #	14626	14626
- Unsecured	0	0
• From other parties		
- Secured #	13500	13500
- Unsecured	0	0
b) Current maturities of finance lease obligations	0	0
c) Deposits	0	0
d) Interest accrued but not due on borrowings	441	561
e) Interest accrued and due on borrowings	0	0
f) Income received in advance	0	0
g) Unpaid dividend	0	0
h) Liability against capital works/supplies	3378	3978
i) Deposits/ retention money	601	661
j) Due to Holding	110	208
k) Unspent amount of deposit/agency	0	0
l) Bond application money	0	0
m) Other liabilities	222	189
n) Statutory dues payable	197	167
o) Other Liabilities - Self Insurance Fund	0	0
p) Advances against the deposit works	0	0
Less: Amount Spent on Deposit Work	0	0
q) Advances against cost of project/ contractees	0	0
Less: Amount Spent in respect of Project Mgt./ Consultancy Work	0	0
Provision Toward Amt Recoverable in r/o Project Mgt / Consultancy Work	0	0
r) Grants in aid - pending utilization	0	0
Total	33075	33890

Disclosure on security (Separately in each case) :-

- Above outstanding Term Loans from banks are secured by way of first Pari-passu Charge in favour of the lenders by deposit of title deeds of immovable property / fixed assets and also first pari-passu charge on all present and future movable, fixed and current assets of Indira Sagar Project.
- Above outstanding Term Loan from Power Finance Corporation (other parties) is secured by way of first Pari-passu Charge in favour of the lenders by deposit of title deeds of immovable property / fixed assets and also first pari-passu charge on all present and future movable, fixed and current assets of Omkareshwar Project.

APPENDIX TO NOTE NO. 10

Current maturities of long term debt

(Amount in Lacs)

Particulars	As at 31 st March, 2012	As at 31 st March, 2011
(A). BONDS (Non-convertible and Non-cumulative)	0	0
TOTAL BONDS (A)	0	0
(B). TERM LOANS - Secured		
I- INDIRA SAGAR PROJECT		
CENTRAL BANK OF INDIA	3120	3120
DENA BANK	2642	2642
DENA BANK	2250	2250
HDFC BANK LIMITED	3725	3725
HDFC BANK LIMITED	2239	2239
UNITED BANK OF INDIA	650	650
Sub Total	14626	14626
II- OMKARESHWAR PROJECT	-	-
POWER FINANCE CORPORATION LIMITED	13500	13500
Sub Total	13500	13500
TOTAL SECURED LOANS (B)	28126	28126
Grand Total (A+B)	28126	28126

NHDC LIMITED

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

NOTE NO. 11 – SHORT TERM PROVISIONS

(Amount in Lacs)

Particulars	As at 31 st March, 2012	As at 31 st March, 2011
a) Provision for employee benefits		
i) Provision for leave encashment		
As per last Balance Sheet	47	46
Additions during the year	54	47
Amount used during the year	35	46
Amount reversed during the year	0	0
Closing Balance	66	47
ii) Provision for gratuity		
As per last Balance Sheet	11	16
Additions during the year	19	11
Amount used during the year	11	16
Amount reversed during the year	0	0
Closing Balance	19	11
iii) Provision for REHS		
As per last Balance Sheet	7	7
Additions during the year	0	0
Amount used during the year	1	0
Amount reversed during the year	5	0
Closing Balance	1	7
iv) Provision for Leave Travel Concession (LTC)		
As per last Balance Sheet	29	36
Additions during the year	0	29
Amount used during the year	19	25
Amount reversed during the year	10	11
Closing Balance	0	29
v) Provision for M.C. on Leave Encashment		
As per last Balance Sheet	0	0
Additions during the year	0	0
Amount used during the year	0	0
Amount reversed during the year	0	0
Closing Balance	0	0
vi) Provision for TTA (Baggage Allowance on Retirement)		
As per last Balance Sheet	0	0
Additions during the year	0	0
Amount used during the year	0	0
Amount reversed during the year	0	0
Closing Balance	0	0
vii) Provision for Memento (on Retirement)		
As per last Balance Sheet	0	0
Additions during the year	0	0
Amount used during the year	0	0
Amount reversed during the year	0	0
Closing Balance	0	0
viii) Provision for Wage Revision		
As per last Balance Sheet	2732	3522
Additions during the year	66	1199
Amount used during the year	1845	1389
Amount reversed during the year	243	0
Amount transferred to superannuation/pension fund	0	600
Closing Balance	710	2732
Less: Advance paid	84	560
Closing Balance (Net of advance)	626	2172
ix) Provision for PRP/Incentive		
As per last Balance Sheet	1100	225
Additions during the year	517	1083
Amount used during the year	56	197
Amount reversed during the year	0	11
Closing Balance	1561	1100
Less: Advance paid	150	0
Closing Balance (Net of advance)	1411	1100



NHPC Limited

(A Government of India Enterprise)

NOTE NO. 11 – SHORT TERM PROVISIONS

(Amount in Lacs)

Particulars	As at 31 st March, 2012	As at 31 st March, 2011
x) Provision for Superannuation /Pension Fund		
As per last Balance Sheet	600	0
Additions during the year	343	600
Amount transferred from wage revision provision	0	0
Amount used during the year	0	0
Amount reversed during the year	0	0
Closing Balance	<u>943</u>	<u>600</u>
b) Others		
i) Provision for Taxation		
As per last Balance Sheet	18222	15104
Additions during the year	16992	7823
Adjustment during the year	0	0
Amount used during the year	10541	4705
Amount reversed during the year	0	0
Closing Balance	<u>24673</u>	<u>18222</u>
Less Advance Tax	24673	18222
Balance Net of Advances	<u>0</u>	<u>0</u>
ii) Provision for Proposed Dividend		
As per last Balance Sheet	3925	2123
Additions during the year	5888	3925
Amount used during the year	3925	2123
Amount reversed during the year	0	0
Closing Balance	<u>5888</u>	<u>3925</u>
iii) Tax on Proposed Dividend		
As per last Balance Sheet	637	353
Additions during the year	955	637
Amount used during the year	637	353
Amount reversed during the year	0	0
Closing Balance	<u>955</u>	<u>637</u>
iv) Provision - Others		
As per last Balance Sheet	3559	3600
Additions during the year	0	0
Amount used during the year	530	41
Amount reversed during the year	0	0
Closing Balance	<u>3029</u>	<u>3559</u>
v) Provision For Corporate Social Responsibility Expenses		
As per last Balance Sheet	275	275
Additions during the year	608	0
Amount used during the year	380	0
Amount reversed during the year	0	0
Closing Balance	<u>503</u>	<u>275</u>
vi) Provision For Committed Capital Expenditure		
As per last Balance Sheet	14570	16122
Additions during the year	47098	0
Amount used during the year	812	1552
Amount reversed during the year	0	0
Closing Balance	<u>60856</u>	<u>14570</u>
Total	<u>74297</u>	<u>26932</u>

Explanatory Note: -

- Pending implementation of Pension Scheme for employees in terms of DPE guidelines, a provision of ₹ 343 lacs has been made during the year ended 31.03.2012. Total provision towards this comes to ₹ 943 lacs as at 31.03.2012.
- The Department of Public Enterprise vide its letter no F No. 15(3)/2007-DPE(GM) –GL-99 dated 09/04/2010 had issued the detailed guidelines on Corporate Social Responsibility (CSR) scheme to be followed by the Public Sector Enterprises on and from 01-04-2010. Following this, Board of Directors in its meeting held on 10-03-2011 had approved a detailed CSR Scheme to be followed in the Corporation. As per this scheme, a sum of ₹ 608 lacs is provided for during the year as CSR expenditure based on profit after tax (PAT) for previous financial year i.e. 2010-11. As per scheme, any unspent amount including those of previous year i.e. ₹ 503 lacs is being carried forward for utilization in next year. No separate fund has however been created.
- Provision for Committed Capital Expenditure includes an amount of ₹ 47098 lacs towards CAMPA fund (Compensatory Afforestation Management and Planning Authority) obligation in respect of Omkareshwar project, towards use of forest land for non forest purposes.

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NOTE NO. 12.1 TANGIBLE ASSETS

(Amount in Lacs)

		GROSS BLOCK						DEPRECIATION				NET BLOCK	
Sl. No.	PARTICULARS	01.04.2011	Additions		Deductions		31.03.2012	01.04.2011	For the Period	Adjust-ments	31.03.2012	31.03.2012	31.03.2011
			on account of transfer	on account of others	on account of transfer	on account of others							
i)	Land – Freehold	0	0	0	0	0	0	0	0	0	0	0	0
ii)	Land – Leasehold	176	0	0	0	0	176	32	6	0	38	138	144
iii)	Roads and Bridges	1059	0	207	0	0	1266	148	46	0	194	1072	911
iv)	Buildings	65705	0	353	0	0	66058	10494	2226	1	12721	53337	55211
v)	Railway sidings	0	0	0	0	0	0	0	0	0	0	0	0
vi)	Hydraulic Works(Dams, Water Conductor system, Hydro mechanical gates, tunnels)	216679	0	37	0	48527	168189	35357	8882	(8153)	36086	132103	181322
vii)	Generating Plant and machinery	156956	0	119	0	35	157040	29174	8292	(11)	37455	119585	127782
viii)	Plant and machinery Sub station	2412	0	0	0	0	2412	426	128	0	554	1858	1986
ix)	Plant and machinery Transmission lines	367	0	9	0	0	376	52	20	0	72	304	315
x)	Plant and machinery Others	412	0	12	0	0	424	103	22	0	125	299	309
xi)	Construction Equipment	584	0	0	0	6	578	271	62	(5)	328	250	313
xii)	Water Supply System/Drainage and Sewerage	237	0	20	0	0	257	28	8	0	36	221	209
xiii)	Electrical installations	9	0	32	0	0	41	5	2	0	7	34	4
xiv)	Vehicles	118	0	2	0	0	120	83	5	0	88	32	35
xv)	Aircraft/ Boats	13	0	0	0	13	0	12	0	(12)	0	0	1
xvi)	Furniture and fixture	469	0	44	0	13	500	192	29	(6)	215	285	277
xvii)	Computers	221	0	15	0	3	233	180	18	(2)	196	37	41
xviii)	Communication Equipment	47	0	2	0	1	48	15	3	0	18	30	32
xix)	Office Equipments	258	0	17	0	13	262	101	18	(10)	109	153	157
xx)	Research and Development	6	0	0	0	0	6	1	0	0	1	5	5
xxi)	Other assets	223	0	26	0	7	242	67	15	(2)	80	162	156
xxii)	Capital Expenditure on assets Not Owned by NHPC	1904	0	0	0	0	1904	1481	372	0	1853	51	423
xxiii)	Tangible Assets of minor value between ` 750 and ` 5000	73	0	9	0	15	67	73	9	(15)	67	0	0
xxiv)	Obsolete / surplus assets	16	0	1	0	17	0	0	0	0	0	0	16
	Total	447944	0	905	0	48650	400199	78295	20163	(8215)	90243	309956	369649
	Previous period	447141	0	1313	0	510	447944	56030	22696	(431)	78295	369649	391111

Figures within parenthesis represent deductions

NOTE NO. 12.2 INTANGIBLE ASSETS

(Amount in Lacs)

			GROSS BLOCK					AMORTISATION				NET BLOCK	
			01.04.2011	Additions		Deductions		31.03.2012	01.04.2011	For the Period	Adjust-ments	31.03.2012	31.03.2012
Sl. No.	PARTICULARS		on account of transfer	on account of others	on account of transfer	on account of others							
i)	Land – Unclassified/ Right of Use	225781	0	97465	0	0	323246	32001	11339	8099	51439	271807	193780
ii)	Intangible Assets	81	0	6	0	0	87	31	27	0	58	29	50
	Total	225862	0	97471	0	0	323333	32032	11366	8099	51497	271836	193830
	Previous period	224223	0	2388	0	749	225862	24132	7900	0	32032	193830	200091

Explanatory Note: -

- Tangible Assets, including underground works, ` 394963 lacs (Previous year ` 443010 lacs) created on Land unclassified/ Right of use are included under the relevant head.
- Land- unclassified / right of use includes ` 48527 lacs being transferred from gross block of dam, tunnels etc, alongwith corresponding depreciation . The Accounting treatment for Land- unclassified / right of use is as per Accounting Policy No. 2.5.

(Amount in Lacs)

Depreciation for the year

12.1 Tangible Assets	20163
12.2 Intangible Assets	11366
Total	31529
Charged to P&L A/c	25756
Charged to Grant In Aid Reserve	5773



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NOTE NO. 13.1 – CAPITAL WORK IN PROGRESS

(Amount in Lacs)

Particulars	01.04.2011	Addition	Adjustment	Capitalised	31.03.2012
i) Roads and Bridges	133	73	0	(206)	0
ii) Buildings	223	163	(16)	(322)	48
iii) Railway sidings	0	0	0	0	0
iv) Hydraulic Works (Dams, Water Conductor system, Hydromechanical gates, tunnels)	2	26	0	(21)	7
v) Generating Plant and Machinery	0	42	0	(42)	0
vi) Plant and Machinery - Sub station	0	1	0	(1)	0
vii) Plant and Machinery - Transmission lines	0	8	0	(8)	0
viii) Plant and Machinery - Others	0	12	0	(12)	0
ix) Construction Equipment	0	0	0	0	0
x) Water Supply System/Drainage and Sewerage	0	35	0	(21)	14
xi) Other assets awaiting installation	0	12	0	0	12
xii) Capital Expenditure On assets Not Owned by NHDC	1	18	0	0	19
xiii) Survey, investigation, consultancy and supervision charges- New Projects	214	11	(50)	0	175
xiv) Expenditure on compensatory Afforestation	0	0	0	0	0
xv) Expenditure during construction*	0	0	0	0	0
Less: Provided for	0	0	0	0	0
Sub total (a)	573	401	(66)	(633)	275
*For addition during the period refer Note No. 32					
Construction Stores	01.04.2011	Addition	Adjustment	Used	31.03.2012
i) Stores and spares	0	0	0	0	0
ii) Loose tools	0	0	0	0	0
iii) Scrap inventory	0	0	0	0	0
iv) Stores in transit/ pending inspection	0	0	0	0	0
v) Material issued to contractors/ fabricators	0	0	0	0	0
Less : Provisions for construction stores	0	0	0	0	0
Sub total (b)	0	0	0	0	0
TOTAL	573	401	(66)	(633)	275
Previous Period	434	1316	(77)	(1100)	573

Figures within parenthesis represent deductions.

Explanatory Note:

- The amount of borrowing cost capitalised by transfer to 'Expenditure during Construction (EDC)' during the year is Nil (previous Year Nil).
- CWIP including underground works of ₹ 68 lacs (Previous year ₹ 185 lacs) created on Land unclassified/Right of use are included under the relevant head.

NOTE NO. 13.2 – INTANGIBLE ASSETS UNDER DEVELOPMENT

(Amount in Lacs)

Particulars	01.04.2011	Addition	Adjustment	Capitalised	31.03.2012
i) Intangible assets under development	0	0	0	0	0
TOTAL	0	0	0	0	0
Previous Period	0	0	0	0	0

NOTE NO. 14 - NON CURRENT INVESTMENTS

(Amount in Lacs)

Particulars	Number of shares/ bonds/ securities	Face value per share/ bond/ security	As at 31 st March, 2012	As at 31 st March, 2011
A. Trade - Quoted				
(a) Investment in Equity Instrument			0	0
Trade - Unquoted				
(b) Investment In Equity Instruments			0	0
Subsidiary Companies (Fully Paid Up)			0	0
Joint Ventures (Fully Paid Up)			0	0
(c) Investment In Bonds			0	0
(d) Share Application Money				
Subsidiary Companies			0	0
Joint Venture Companies			0	0
Sub Total (A)			0	0
B. Non Trade - Quoted				
(a) Investment in Equity Instrument			0	0
(b) Investment In Government Securities			0	0
(c) Investment In Public Sector Undertaking/Public			0	0
Financial Institution & Corporate Bonds				
Sub Total (B)			0	0
Total (A + B)			0	0
Shares yet to be received				
Quoted Investments				
(i) Aggregate Cost			0	0
(ii) Aggregate Market Value			0	0
Unquoted Investments				
Aggregate Cost			0	0

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NOTE NO. 15 - LONG TERM LOANS AND ADVANCES

(Amount in Lacs)

Particulars	As at 31 st March, 2012	As at 31 st March, 2011
a) CAPITAL ADVANCES		
i) Secured (considered good)	0	0
ii) Unsecured (considered good)		
- Against bank guarantee	0	0
- Others	0	0
iii) Unsecured (considered doubtful)		
b) DEPOSITS	953	842
c) LOANS & ADVANCES TO RELATED PARTIES		
- Secured (considered good)	0	0
- Unsecured (considered good)	0	0
- Unsecured (considered doubtful)	0	0
d) OTHER LOANS & ADVANCES		
i) Employees (including accrued interest)		
- Secured (considered good)	1352	768
- Unsecured (considered good)	385	27
- Unsecured (considered doubtful)	0	0
ii) Loan to State Government in settlement of dues from customer		
- Secured (considered good)	0	0
- Unsecured (considered good)	0	0
- Unsecured (considered doubtful)	0	0
iii) Advance to Government of Arunachal Pradesh		
- Secured (considered good)	0	0
- Unsecured (considered good)	0	0
- Unsecured (considered doubtful)	0	0
Less : Provisions for doubtful loan & advances *1	<u>0</u>	<u>0</u>
	2690	1637
Provisions for doubtful loan & advances *1		
Opening Balance	0	0
Additions during the year	0	0
Amount used during the year	0	0
Amount reversed during the year	0	0
Closing balance	<u>0</u>	<u>0</u>
PARTICULARS OF LOANS AND ADVANCES DUE FROM DIRECTORS		
Amount due at the end of the year	1	2
Advance due by firms or private companies in which any Director of the Company is a Director or member amounts to ` Nil (Previous year ` Nil)		

Note No. 16 – OTHER NON-CURRENT ASSETS

Particulars	As at 31 st March, 2012	As at 31 st March, 2011
a) Long term trade receivable		
- Secured - Considered good	0	0
- Unsecured - Considered good	19914	895
- Considered doubtful and provided	0	0
b) Others		
i) Interest accrued :	0	0
ii) Deferred Foreign Currency Fluctuation Assets	0	0
iii) Deferred Expenditure on Foreign Currency Fluctuation Account	0	0
Total	<u>19914</u>	<u>895</u>

NOTE NO. 17 – CURRENT INVESTMENTS

(Amount in Lacs)

Particulars	Number of shares/ bonds/ securities	Face value per share/ bond/ security	As at 31 st March, 2012	As at 31 st March, 2011
Current maturities of long term investments			<u>0</u>	<u>0</u>
Total			<u>0</u>	<u>0</u>
Quoted Investments				
(i) Aggregate Cost			0	0
(ii) Aggregate Market Value			0	0
Unquoted Investments				
Aggregate Cost			0	0
Valuation as per accounting policy no. 6			0	0



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NOTE NO. 18 - INVENTORIES

(Amount in Lacs)

Particulars	As at 31 st March, 2012	As at 31 st March, 2011
(Valuation as per Accounting Policy No. 7)		
i) Stores and spares	399	376
Stores in transit/ pending inspection	8	62
ii) Loose tools	407	438
iii) Scrap inventory	11	8
iv) Material at site	2	17
v) Material issued to contractors/ fabricators	159	97
vi) Less: Provision for obsolete store & spares *1	0	0
	0	10
	579	550
Provisions for obsolete store & spares *1		
Opening Balance	10	10
Additions during the year	0	0
Amount used during the year	10	0
Amount reversed during the year	0	0
Closing balance	0	10

NOTE NO. 19 – TRADE RECEIVABLES (DEBTORS)

(Amount in Lacs)

Particulars	As at 31 st March, 2012	As at 31 st March, 2011
a) Debts outstanding for a period exceeding six months (from the date they become due for payment)		
- Secured - Considered good	3155	12629
- Unsecured - Considered good	0	0
- Considered doubtful and provided	-	-
b) Other debts		
- Secured - Considered good	0	0
- Unsecured - Considered good	18552	14420
- Considered doubtful and provided	0	0
Debtors not billed	5709	2857
Less: Provision for doubtful debts *1	0	0
	27416	29906
Provisions for doubtful debts *1		
Opening Balance	0	0
Additions during the year	0	0
Amount used during the year	0	0
Amount reversed during the year	0	0
Closing balance	0	0

Explanatory Note: -

- 1) 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. 20 – CASH AND BANK BALANCES

(Amount in Lacs)

Particulars	As at 31 st March, 2012	As at 31 st March, 2011
A Cash and Cash Equivalents		
i) Cash on hand (includes stamps in hand of Nil Previous Year Nil)	4	3
ii) Cheques, drafts on hand	0	0
iii) Balances with banks		
• With scheduled banks		
- In current account - Self Insurance Fund	0	0
- Others	1352	5261
- In deposits account* - Self Insurance Fund	0	0
- IPO Proceeds	0	0
- Others	0	0
• With other banks		
- In current account	0	0
- In deposits account*	31605	6749
* Deposits with original maturity of three months or less		
B Other Bank Balances		
i) Balances with banks (Deposits with original maturity of more than three months but less than/upto 12 months)		
• With scheduled banks		
- In deposits account - Self Insurance Fund	0	0
- IPO Proceeds	0	0
- Others	110574	83946
ii) Deposit account-Unpaid Dividend	0	0
iii) Bank deposits with more than 12 months maturity		
- Term Deposit-towards unutilised money out of IPO proceeds	0	0
- Term Deposit - Others	27148	37050
- Term Deposit-Self Insurance Fund Deposits with Banks	0	0
Total	170683	133009

Explanatory Note: -

- 1) Cash and Bank Balances include an amount of ` 248 lacs (Previous year ` Nil) kept with banks as per orders of Hon'ble Court of Law, which is not available for use as on 31.03.2012.

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Note No. 21 – SHORT TERM LOANS AND ADVANCES

(Amount in Lacs)

Particulars	As at 31 st March, 2012	As at 31 st March, 2011
A) LOANS		
i) To Related Parties		
Due from Subsidiaries/ Holding	0	0
- Others	0	0
ii) To Others		
Employees (including accrued interest)		
- Secured (considered good)	151	0
- Unsecured (considered good)	14	6
- Unsecured (considered doubtful)	0	0
Loan to State Government in settlement of dues from customer	0	0
B) ADVANCES		
i) To Related Parties		
ii) To Others		
Employees		
- Unsecured (considered good)	122	23
- Unsecured (considered doubtful)	0	0
Advance to contractor / supplier		
- Secured (considered good)	0	0
- Unsecured (considered good)		
- Against bank guarantee	8	8
- Others	126	44
- Unsecured (considered doubtful)	0	0
Other advances		
- Unsecured (considered good)	1	0
- Unsecured (considered doubtful)	0	0
Less : Provisions for doubtful loans and advances *1	0	0
Advance Income tax	25776	21520
Less: Provision for Income Tax	<u>24673</u>	<u>18222</u>
Net Advance Tax	1103	3298
C) DEPOSITS	50	9
Less : Provision for Doubtful Deposits *2	<u>50</u>	<u>0</u>
	1525	3482
Detail of Provisions		
Provisions for doubtful loans and advances *1		
Opening Balance	0	0
Additions during the year	0	0
Amount used during the year	0	0
Amount reversed during the year	0	0
Closing balance	<u>0</u>	<u>0</u>
Provisions for doubtful deposits *2		
Opening Balance	0	0
Additions during the year	50	0
Amount used during the year	0	0
Amount reversed during the year	0	0
Closing balance	<u>50</u>	<u>0</u>

Explanatory Note: -

Particulars of Loan and Advances Due From Directors

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



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NOTE NO. 22 – OTHER CURRENT ASSETS

(Amount in Lacs)

Particulars	As at 31 st March, 2012	As at 31 st March, 2011
a) Interest accrued on:		
i) Loan to State Government in settlement of dues from customers	0	0
ii) Deposits		
- IPO	0	0
- Self Insurance	0	0
- Others	10062	4673
iii) Others	2	0
b) Other Current Assets	246	293
c) Claims recoverable from different agencies	8926	889
Less: Provisions for doubtful claims *1	72	73
d) Other Recoverable	71	3
e) Work In Progress		
Construction work in progress(on behalf of client)	0	0
Consultancy work in progress(on behalf of client)	0	0
f) Expenditure awaiting adjustment	0	0
Less: Provision for project expenses write off sanction	0	0
g) Losses awaiting write off sanction/pending investigation	32	1
Less: Provision for losses pending investigation/awaiting write off sanction	32	1
h) Amount Spent on Deposit Work	0	0
Less: Advances against the deposit works	0	0
i) Amount Spent in respect of Project Mgt./ Consultancy Work	0	0
Less: Advances against cost of project/ contractees	0	0
j) Claims reimbursable from self insurance fund	0	0
	19235	5785
Detail of Provisions		
Provisions for doubtful claims *1		
Opening Balance	73	73
Additions during the year	0	0
Amount used during the year	0	0
Amount reversed during the year	1	0
Closing balance	72	73

Explanatory Note: -

- Other claims recoverable from different agencies includes a sum of ` 8 lacs (Previous year ` 9 lacs) recoverable from Land Oustees towards TDS not deducted u/s 194 LA of the Income Tax Act 1961 against payment of Compensation and a sum of ` 12 lacs (Previous year ` 12 lacs) towards duplicate payments to oustees, already provided for.

NOTE NO. 23 – REVENUE FROM OPERATIONS

(Amount in Lacs)

Particulars	As at 31 st March, 2012	As at 31 st March, 2011
A SALES		
SALE OF POWER	128467	91703
Sales adjustment of a/c of FERV	0	0
Less : Tariff Adjustments	0	0
Less : Income from generation of electricity – precommissioning (refer Note 32 H (a))	0	0
Sub total A	128467	91703
B LESS: ADVANCE AGAINST DEPRECIATION		
During the year	1903	0
Less : Written back during the year	0	(137)
Sub total B	1903	(137)
C REVENUE FROM CONTRACTS, PROJECT MANAGEMENT AND CONSULTANCY WORKS		
Contract Income	0	0
Revenue from Project management/Consultancy works	0	0
Sub total C	0	0
TOTAL (A-B+C)	126564	91840

Explanatory Note: -

- The company has filed tariff petition with CERC for determination of tariff for the period 2009-14 for both projects namely Indira Sagar Project (ISP) and Omkareshwar Project (OSP). Pending tariff notification for period 2009-2014, the sales for the year in respect of both the power projects have been accounted for based on principals enunciated in CERC Tariff Regulation 2009 and following the principle of conservatism, as the tariff petitions are subject to prudence check by CERC. However, billing during the year has been made at the tariff approved by the CERC as applicable on 31st March 2009 with tax adjustments. Accordingly the sales for the year include ` 1884 lacs (Previous Year ` 2614 lacs), being the difference between sales worked out as per new tariff norms applicable for 2009-14 and those billed in respect of OSP.
- Sales also include ` 1600 lacs on account of deferred tax materialised and accounted for during the year which is recoverable from the beneficiary as per CERC Tariff Regulation 2009.

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NOTE NO. 24 – OTHER INCOME

(Amount in Lacs)

Particulars	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
A) Income from Non-Current Investments		
i) Trade		
- Dividend from subsidiaries	0	0
- Dividend -Others	0	0
- Interest Government Securities	0	0
ii) Non-Trade		
- Dividend income -Mutual Fund	0	0
- Dividend income -Others	0	0
- Interest-(Self Insurance Fund)	0	0
- Interest on Deposit Indian Bank	0	0
B) Other Income		
i) Interest		
- Loan to State Government in settlement of dues from customers	0	0
- Deposit Account	0	0
- Deposit Account - Indian Bank	14405	8455
- Employee's Loans and Advances	89	55
- Others	0	0
ii) Interest from Beneficiary States	3297	1930
iii) Late payment surcharge	54	11
iv) Profit on transfer of project	0	0
v) Net Gain/Loss on Sale of Mutual Fund	0	0
vi) Profit on sale of assets	0	0
vii) Liability/ Provisions not required written back #	339	78
viii) Others	303	206
ix) Exchange rate variation	0	0
TOTAL	18487	10735
Add/(Less): C.O./Regional Office Expenses	0	0
TOTAL	18487	10735
Less: Income transferred to EDC (Refer Note no. 32H (b) & 32-I (i))	0	0
Less: Income transferred to contract, and consultancy expenses (Refer Note no. 30)	0	0
Less: Income transferred to Advance Deposit from Client/Contractees and against Deposit Works	0	0
Total carried forward to Statement of Profit & Loss	18487	10735
Explanatory Note: -		
#Detail of Liability/Provisions not required written back		
Bad and doubtful debts	0	0
Bad and doubtful advances / deposits	0	0
Bad and doubtful claims	1	0
Diminution in value of stores and spares	0	0
Shortage in store & spares	0	0
Provision for Guarantee fee	0	0
Provision for Loss on Hedging Transactions	0	0
Provision for wage revision	243	0
Provision for Committed Capital Expenditure	0	0
Provision for losses pending investigation	0	0
Provision for PRP/Incentive	0	11
Provision for Tariff Adjustment	0	0
Others	95	67
Total	339	78



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NOTE NO. 25 – EMPLOYEES BENEFITS EXPENSES

(Amount in Lacs)

Particulars	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
i) Salaries, wages, allowances	4697	5789
ii) Gratuity, Contribution to provident fund & pension scheme (incl. administration fees)	816	766
iii) Staff welfare expenses	412	429
iv) Leave Salary & Pension Contribution	0	0
TOTAL	5925	6984
Add/(Less) : C.O./Regional Office Expenses	0	0
TOTAL	5925	6984
Less : Employee Cost transferred to EDC (Refer Note no. 32-A & 32-I (iii))	0	0
Less : Employee Cost transferred to contract and consultancy expenses (Refer Note no. 30)	0	0
Less : Recoverable from Deposit Works	0	0
Total carried forward to Statement of Profit & Loss	5925	6984

Explanatory Note: -

- 1) The detail of Remuneration paid/payable to Directors as included in above payments are as follows: -

(Amount in Lacs)

Particulars	31.03.2012	31.03.2011
(i) Salaries & Allowances	19	23
(ii) Contribution to Provident Fund	2	2
(iii) Rent for Residential Accommodation	2	3
(iv) Other benefits	1	1

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

- 2) 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. The note on Employees remuneration and benefits includes ₹ 153 lacs (Previous year ₹ 170 lacs) towards lease payments, net of recoveries, in respect of premises for residential use of employees

NOTE NO. 26 – FINANCE COST

(Amount in Lacs)

Particulars	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
a) Interest on :		
i) Government of India loan	0	0
ii) Bonds	0	0
iii) Foreign loan	0	0
iv) Term loan	23053	24923
v) Cash credit facilities /WCCL	0	0
vi) Other interest charges	0	0
vii) Interest to beneficiary states	104	0
sub total	23157	24923
b) Other Borrowing Cost		
Loss on Hedging Transactions	0	0
Bond issue/ service expenses	0	0
Post Share Issue Expenses	0	0
Commitment fee	0	0
Guarantee fee on foreign loan	0	0
Other finance charges	11	11
sub total	11	11
c) Applicable net gain/ loss on Foreign currency transactions and translation		
Exchange differences regarded as adjustment to interest cost	0	0
Less: Interest adjustment on account of FERV	0	0
sub total	0	0
Total	23168	24934
Add/(Less) : C.O./Regional Office Expenses	0	0
TOTAL	23168	24934
Less : Finance Cost transferred to EDC	0	0
Less : Finance Cost transferred to contract and consultancy expenses (Refer Note No. 30)	0	0
Less : Recoverable from Deposit Works	0	0
Total carried forward to Statement of Profit & Loss	23168	24934

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NOTE NO. 27 – DEPRECIATION AND AMORTIZATION EXPENSES

(Amount in Lacs)

Particulars	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
i) Depreciation for the year	31529	30596
ii) Depreciation adjustment on account of FERV	0	0
Add/(Less): C.O./Regional Office Expenses	0	0
TOTAL	31529	30596
Less : Depreciation transferred to EDC	0	0
Less : Depreciation transferred to contract and consultancy expenses (Refer Note No. 30)	0	0
Less : Recoverable from Deposit Works	0	0
Less : Charged to Grant in Aid- Reserve (Grants written off) (refer note No. 2)	5773	5581
Total carried forward to Statement of Profit & Loss	25756	25015

NOTE NO. 28 – GENERATION, ADMINISTRATION AND OTHER EXPENSES

Particulars	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
A. GENERATION EXPENSES		
Consumption of stores and spare parts	300	256
B. REPAIRS & MAINTENANCE		
- Building	505	429
- Machinery	423	562
- Others	988	1010
C. ADMINISTRATION EXPENSES		
i) Rent	391	369
ii) Rates and taxes	16	33
iii) Insurance	890	671
iv) Security expenses	602	390
v) Electricity Charges	888	1078
vi) Travelling and Conveyance	92	106
vii) Expenses on vehicle	31	21
viii) Telephone, telex and Postage	50	48
ix) Advertisement and publicity	48	58
x) Entertainment and hospitality expenses	18	15
xi) Donation	0	0
xii) Printing and stationery	85	63
xiii) Books & Periodicals	3	6
xiv) Consultancy charges - Indigenous	119	164
xv) Consultancy charges - Foreign	0	0
xvi) Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	0	0
xvii) Expenditure on land not belonging to corporation	0	0
xviii) Loss on sale of assets	2	1
xix) Deferred revenue expenditure written off	0	0
xx) Preliminary expenses written off	0	0
xxi) Survey and investigation expenses written off	0	30
xxii) Bad debts / advances/ claims written off	0	0
xxiii) Stores written off	0	0
xxiv) Fixed assets written off	0	0
xxv) Interest on Arbitration/ Court Cases	0	1
xxvi) Rebate to customers	955	798
xxvii) Water Cess & Environment Protection Cess	2	4
xxviii) Corporate Social Responsibility Expenses	665	430
xxix) Other general expenses	400	504
xxx) Exchange rate variation	0	0
xxxi) Audit expenses (Refer detail below)	8	8
xxxii) Director expenses	0	0
xxxiii) Research and development expenses	0	0
TOTAL	7481	7055
Add/(Less): C.O./Regional Office Expenses	0	0
TOTAL	7481	7055



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NOTE NO. 28 – GENERATION, ADMINISTRATION AND OTHER EXPENSES

(Amount in Lacs)

Particulars	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
Less : Generation, Administration and Other Expenses transferred to EDC (Refer Note no. 32-B, 32-C & 32-I (ii))	0	0
Less : Generation, Administration and Other Expenses transferred to contract and consultancy expenses (Refer Note no. 30)	0	0
Less : Recoverable from Deposit Works	0	0
Total carried forward to Statement of Profit & Loss	7481	7055
Explanatory Note: -		
1) Detail of audit expenses are as under: -		
i) Statutory auditors		
As Auditor		
Audit Fees	5	4
Tax Audit Fees	2	2
In other Capacity		
Taxation Matters	0	0
Company Law Matters	0	0
Management Services	0	0
Other Matters/services	0	1
Reimbursement of expenses	0	0
ii) Cost Auditors		
Audit Fees	1	1
Reimbursement of expenses	0	0
Total	8	8
2) Sitting fees to independent directors	0	0

3) The Company's significant leasing arrangements are in respect of operating leases of premises for offices, guesthouses & transit camps. These leasing arrangements, which are not non-cancellable, are usually renewable on mutually agreeable terms. Lease payments in respect of premises for offices, guest house & transit camps amounting to ` 45 lacs (previous year ` 30 lacs) are shown under rent.

NOTE NO. 29 – PROVISIONS

Particulars	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
i) Bad and doubtful debts provided	0	0
ii) Bad and doubtful advances / deposits provided	50	0
iii) Bad and doubtful claims provided	0	5
iv) Diminution in value of stores and spares	0	0
v) Shortage in store & spares provided	0	0
vi) Provision against diminution in the value of investment	0	0
vii) Project expenses provided for	0	0
viii) Provision for fixed assets/ stores provided for	30	0
Total	80	5
Add/(Less): C.O./Regional Office Expenses	0	0
TOTAL	80	5
Less : Provisions transferred to EDC (Refer Note no. 32-E & 32-I (iv))	0	0
Less : Provisions transferred to contract and consultancy expenses (Refer Note no. 30)	0	0
Less : Recoverable from Deposit Works	0	0
Total carried forward to Statement of Profit & Loss	80	5

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

(Amount in Lacs)

Particulars	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
A. DIRECT EXPENSES	0	0
EMPLOYEES' REMUNERATION & BENEFITS		
- Salaries, Wages, Allowances and benefits	0	0
- Gratuity, Contribution to provident fund & pension scheme	0	0
- Staff welfare Expenses	0	0
B. REPAIRS & MAINTENANCE		
- Buildings	0	0
- Machinery and Construction Equipments	0	0
- Others	0	0
C. ADMINISTRATION & OTHER EXPENSES		
- Rent	0	0
- Travelling and Conveyance	0	0
- Expenses on vehicle and Inspection vehicle	0	0
- Insurance	0	0
- Telephone, telex, and postage	0	0
- Advertisement and publicity	0	0
- Printing and Stationery	0	0
- Other Expenses	0	0
- Rates and taxes	0	0
- Security	0	0
- Electricity	0	0
- Contingencies	0	0
- Consultancy charges	0	0
D. Depreciation	0	0
E. Interest and Financial Charges	0	0
Loss on construction contracts	0	0
F. Provisions	0	0
Work-in-Progress		
- Construction Contract	0	0
- Consultancy	0	0
G. C.O./Regional Office Expenses:		
Other Income	0	0
Generation, Administration and Other Expenses	0	0
Employee Remuneration and Benefits	0	0
Depreciation	0	0
Finance Cost	0	0
Provisions	0	0
Prior Period Adjustment (Net)	0	0
TOTAL EXPENDITURE	0	0
H. Less: Receipts and recoveries	0	0
Net expenditure during the year	0	0
I. Prior period Adjustments	0	0
Total carried forward to Statement of Profit & Loss	0	0



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NOTE NO. 31 – PRIOR PERIOD EXPENSES

(Amount in Lacs)

Particulars	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
INCOME		
i) Sale of Electricity	2224	0
ii) Add: Advance Against Depreciation written back	0	0
iii) Interest/Surcharge received from debtors	0	0
iv) Others	0	0
SUB TOTAL	2224	0
EXPENDITURE		
i) Salaries & Wages	0	2
ii) Repair & Maintenance	31	0
iii) Finance Cost	0	0
iv) Depreciation	100	42
v) Others	0	0
SUB TOTAL	131	44
TOTAL	(2093)	44
Add/(Less): C.O./Regional Office Expenses	0	0
TOTAL	(2093)	44
Less : Prior Period Expenses transferred to EDC (Refer Note no. 32-G)		
Prior period expenses	0	0
Less Prior period income	0	0
Total	(2093)	44
Less : Prior Period Expenses transferred to contract and consultancy expenses (Refer Note no. 30)	0	0
Less : Recoverable from Deposit Works	0	0
Total carried forward to Statement of Profit & Loss	(2093)	44

Explanatory Note: -

- 1) Sales of ₹ 2224 lacs (previous year nil) is on account of deferred tax materialised and accounted for during the year which is recoverable from the beneficiary as per CERC Tariff Regulation 2009.

NOTE NO. 32 – EXPENDITURE DURING CONSTRUCTION FOR THE YEAR

Particulars	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
A. EMPLOYEES' REMUNERATION & BENEFITS		
i) Salaries, wages, allowances	0	0
ii) Gratuity and contribution to provident fund (including administration fees)	0	0
iii) Staff welfare expenses	0	0
iv) Leave Salary & Pension Contribution	0	0
Sub-total	0	0
B. REPAIRS & MAINTENANCE		
i) Building	0	0
ii) Machinery	0	0
iii) Others	0	0
Sub-total	0	0
C. ADMINISTRATION & OTHER EXPENSES		
i) Rent	0	0
ii) Rates and taxes	0	0
iii) Insurance	0	0
iv) Security expenses	0	0
v) Electricity Charges	0	0
vi) Travelling and Conveyance	0	0
vii) Expenses on staff car	0	0
viii) Telephone, telex and Postage	0	0
ix) Advertisement and publicity	0	0
x) Entertainment and hospitality expenses	0	0
xi) Printing and stationery	0	0
xii) Remuneration to Auditors	0	0
Design and Consultancy charges:		
xiii) - Indigenous	0	0
xiv) - Foreign	0	0
xv) Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	0	0
xvi) Expenditure on land not belonging to corporation	0	0

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NOTE NO. 32 – EXPENDITURE DURING CONSTRUCTION FOR THE YEAR

(Amount in Lacs)

Particulars	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
xvii) Land acquisition and rehabilitation	0	0
xviii) Loss on assets/ materials written off	0	0
xix) Losses on sale of assets	0	0
xx) Exchange rate variation	0	0
xxi) Other general expenses	0	0
Sub-total	0	0
D. INTEREST AND FINANCE CHARGES		
i) Interest on :		
a) Government of India loan	0	0
b) Bonds	0	0
c) Foreign loan	0	0
d) Term loan	0	0
e) Cash credit facilities /WCDL	0	0
Exchange differences regarded as adjustment to interest cost	0	0
ii) Loss on Hedging Transactions	0	0
iii) Bond issue/ service expenses	0	0
iv) Commitment fee	0	0
v) Guarantee fee on loan	0	0
vi) Other finance charges	0	0
Sub-total	0	0
E. PROVISIONS	0	0
Sub-total	0	0
F. DEPRECIATION	0	0
Sub-total	0	0
G. PRIOR PERIOD EXPENSES		
Prior Period Expenses	0	0
Less: Prior Period Income	0	0
Sub-total	0	0
H. LESS: RECEIPTS AND RECOVERIES		
a) Income from generation of electricity – precommissioning	0	0
b) Others		
i) Interest on loans and advances	0	0
ii) Miscellaneous receipts	0	0
iii) Profit on sale of assets	0	0
iv) Exchange rate variation (Credit)	0	0
v) Provision not required written back	0	0
vi) Hire charges/ outturn on plant and machinery	0	0
Sub-total	0	0
I. C.O./Regional Office Expenses:		
i) Other Income	0	0
ii) Generation, Administration and Other Expenses	0	0
iii) Employee Remuneration and Benefits	0	0
iv) Depreciation	0	0
v) Finance Cost	0	0
vi) Provisions	0	0
vii) Prior Period Adjustment (Net)	0	0
Sub-total	0	0
GRAND TOTAL (A+B+C+D+E+F+G+I-H)	0	0

NOTE NO. 33 – TAX EXPENSES

i) CURRENT TAX				
Income Tax Provision	16987		7681	
Wealth Tax	5	16992	4	7685
ii) Adjustment Relating To Earlier Years		24		138
iii) Deferred Tax Account	(203)		389	
Less: Deferred Tax Recoverable Adjustments	(3231)	3028	87	302
Total		20044		8125

Figures within parenthesis represent deductions.



NOTE – 34 SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTIONS

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

2. FIXED ASSETS

- 2.1 Fixed assets are stated at cost of acquisition/construction. In cases where final settlement of bills with contractors is pending, but the asset is complete and ready for use, capitalization is done on estimated basis subject to necessary adjustment, including those arising out of settlement of arbitration/court cases, in the year(s) of final settlement.
- 2.2 Fixed Assets created on land not belonging to the Corporation are included under fixed assets.
- 2.3 Capital Expenditure on assets where neither the land nor the asset is owned by the Company is reflected as a distinct item in capital work in progress till the period of completion and thereafter in the fixed assets.
- 2.4 Payments made provisionally towards compensation and other expenses relating to land are treated as cost of land.
- 2.5 Land taken for use from State Government (without transfer of title) and expenses on relief and rehabilitation as also on creation of alternate facilities for land evacuees or in lieu of existing facilities coming under submergence and where construction of such alternate facilities is a specific pre condition for the acquisition of the land for the purpose of the project, are accounted for as Land-unclassified/Right of use, to be amortized over a period of 30 years from the date of commercial operation of the project.
- 2.6 Construction equipments declared surpluses 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.
- 3.1 (b) WDV of spares is charged off to Profit & Loss Account in the year in which such spares are replaced in place of retrieved spares, provided the spares so retrieved do not have any useful life. Similarly value of such spares, procured & replaced in place of retrieved spares, is charged off to Profit & Loss Account in that year itself, provided spares so retrieved do not have any useful life.
- 3.1 (c) When the useful life of the related fixed asset expires and asset is retired from active use, such spares are valued at net book value or net realizable value whichever is lower. However, in case retired assets are not replaced, WDV of related spares less disposable value is written off.
- 3.2 Other spares are treated as "stores & spares" forming part of the inventory and expensed when issued.

4. CAPITAL WORK IN PROGRESS

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

5. DEPRECIATION & AMORTISATION

- 5.1 Depreciation on additions to /deductions from fixed assets during the year is charged on pro-rata basis from / up to the date in which the asset is available for use / disposal.
- 5.2.1 Depreciation on Fixed Assets of Operating Units of the company is charged on straight-line method following the rates and methodology as notified by the Central Electricity Regulatory Commission (CERC) for the fixation of tariff except for assets specified in 5.2.3 below, in respect of which depreciation is charged at the rates mentioned in that policy.
- 5.2.2 Depreciation on Fixed Assets of other than Operating Units of the company is charged on straight-line method to extent of 90% of the cost of asset following the rates as notified by the Central Electricity Regulatory Commission (CERC) for the fixation of tariff except for assets specified in 5.2.3 below, in respect of which depreciation is charged at the rates mentioned in that policy.
- 5.2.3 Depreciation in respect of following assets is charged on straight line method to the extent of 90% of the cost of asset following the rates of depreciation indicated as against each asset
 - (i) Construction Plant & Machinery 11.25%
 - (ii) Computer & Peripherals 30%
- 5.2.4 Temporary erections are depreciated fully (100%) in the year of acquisition/ capitalization by retaining Re.1/- as a WDV.
- 5.3 Assets valuing ` 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 Re. 1 as a balance value.
- 5.4 Low value items, which are in the nature of assets (excluding immovable assets) and valuing up to ` 750/- are not capitalized and charged off to revenue.
- 5.5 Cost of software is recognized as 'Intangible Assets' and is amortized on straight line method over a period of legal right to use or three years, whichever is earlier. Other intangible assets are amortized on straight line method over the period of legal right to use except for Land - unclassified/ Right of 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 or at the applicable depreciation rates & methodology notified by CERC regulations for such assets, whichever is higher.
- 5.8 Capital Expenditure referred to in Policy 2.3 is amortized over a period of 5 years from the year in which the first unit of project concerned comes into commercial operation and thereafter from the year in which the relevant asset becomes available for use.
- 5.9 Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such assets is depreciated prospectively over the residual life of such assets at the rate of depreciation and methodology notified by CERC regulations.
- 5.10 Where the life and / or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along-with its amortized 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.

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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 recognized as income & expenses in the period in which they arise in Profit & Loss Account in case of operational stations and to EDC in case of projects under construction. However, Exchange Differences in respect of liabilities relating to fixed assets/capital work-in-progress arising out of transaction entered into prior to 01/04/2004 are adjusted to the carrying cost of respective fixed asset/Capital Work-in-Progress.

9. EMPLOYEE BENEFITS

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

10. REVENUE

- 10.1(a) Sale of energy is accounted for as per tariff notified by Central Electricity Regulatory Commission. In case of Power Station where tariff is not notified, sales are billed on provisional rates worked out based on the parameters and method adopted by the appropriate authority. Recovery/refund towards foreign currency variation in respect of foreign currency loans and recovery towards income tax are accounted for on year to year basis.
- (b) Incentives/Disincentives are recognized as per tariff notifications. In case of Power Station where tariffs have not been notified, incentives are recognized provisionally on assessment of the likelihood of acceptance of the same.
- (c) Adjustments arising out of finalization of global accounts, though not material, are effected in the year of respective finalization.

- (d) Advance against depreciation considered as deferred income in earlier years is included in sales on straight line basis over the balance useful life after 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 In respect of Project Management/Consultancy Contracts/Cost plus Contract, revenue is recognized based on the terms of agreement and the quantum of work done under the contract.
- 10.3 Interest on investments is accounted for on accrual basis.
- 10.4 Interest / Surcharge charged from customers are recognized as income on receipt or when there is reasonable certainty of collection.

11. MISCELLANEOUS

- 11.1 Liabilities for Goods in transit/Capital works executed but not certified are not provided for, pending inspection and acceptance by the Corporation.
- 11.2 Power supplied from Power Stations to Projects under construction is charged as per normal tariff.
- 11.3 Prepaid expenses and prior period expenses/income of items of ₹ 50,000/- and below are charged to natural heads of accounts.
- 11.4 Insurance claims are accounted for based on certainty of realization.

12. BORROWING COST

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

13. TAXES ON INCOME

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

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

14. GRANTS-IN-AID

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



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Note No – 35 Explanatory statement to Accounts

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

Particulars	As at 31.03.2012	As at 31.03.2011
i) Claims against the Corporation not acknowledged as debts in respect of -		
- Capital Works	23050	26590
- Land Compensation Cases	128499	146660
- Others	NIL	3
ii) Disputed Income Tax Demand	6	6
iii) Disputed Service Tax Demand	NIL	NIL
iv) Disputed Entry Tax Demand	3	NIL
v) Others	NIL	NIL
TOTAL	151558	173259

- b) The above contingent liabilities do not include contingent liabilities on account of pending cases in respect of service matters and others where the amount cannot be quantified.
- c) The amount of claims where arbitration/court awards have been received but are under examination in the company are continuing as contingent liability and no provision has been created in the books.
- d) It is not practicable to disclose the uncertainties relating to any outflow.
- e) There is a possibility of reimbursement of ` NIL (Previous Year ` NIL) towards above contingent liabilities.
2. a) Estimated amount of contracts (net of advances) remaining to be executed on capital account not provided for ` 3882 Lacs (Previous Year ` 3918 Lacs). This includes estimated unexecuted amount for the railway diversion works ` 3461 Lacs (Previous Year ` 3461 Lacs).
- b) Estimated amount of capital commitment towards compensation for Land and other related expenditure not provided for ` 7127 Lacs (Previous Year ` 6993 Lacs).
3. Government of Madhya Pradesh (GoMP), being a joint venture partner, contributed on various accounts through Narmada Valley Development Authority (NVDA) as per CCEA approval, details given below: -

Indira Sagar Project: -

(Amount in Lacs)

(A) Amount received in Cash or in kind	Cumulative upto 01.04.2011	During F.Y. 2011 - 12	Cumulative upto 31.03.2012
i. Expenditure incurred by NVDA	127613	1045	128659
ii. Cash Received	55797	0	55797
iii. Amount transferred from OSP A/C	856	0	856
Total of (A) above	184266	1045	185312
(B) Due /Adjusted on account of:-			
i. Equity Capital	66000	0	66000
ii. Irrigation Component	37856	124	37981
iii. SSP Component	48373	158	48531
iv. Sub-vention towards excess R&R Expenses	28459	848	29307
v. Electricity Charges	279	0	279
vi. Advance against Irrigation/Equity of OSP	3308	0	3308
Total of (B) above	184275	1130	185406
(C) Amount recoverable from NVDA i.e. (B-A)	9	85	94

Omkareshwar Project: -

(Amount in Lacs)

(D) Amount received in Cash or in kind	Cumulative upto 01.04.2011	During F.Y. 2011 - 12	Cumulative upto 31.03.2012
i. Expenditure incurred by NVDA	8248	14	8262
ii. Cash Received	41476	0	41476
iii. Amount transferred from ISP A/C	3308	0	3308
Total of (D) above	53032	14	53046
(E) Due /Adjusted on account of:-			
i. Equity Capital	30016	0	30016
ii. Irrigation Component	17796	7899	25695
iii. Sub-vention towards excess R&R Expenses	5071	67	5138
iv. Amount Transferred to ISP A/C	856	0	856
Total of (E) above	53739	7966	61705
(F) Amount recoverable from NVDA i.e. (E-D)	707	7952	8659
(G) Total Amount recoverable i.e (C+F)	716	8037	8753

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

(Amount in Lacs)

	For 2011-12	For 2010-11
(i) Amount charged to Profit & Loss Account excluding depreciation (as FERV)	NIL	NIL
(ii) Amount charged to Profit & Loss Account excluding depreciation (as borrowing cost)	NIL	NIL
(iii) Amount charged to Expenditure During Construction (as FERV)	NIL	NIL
(iv) Amount charged to Capital Work-In-Progress (as FERV)	NIL	NIL
(v) Amount adjusted by addition to carrying amount of fixed assets	19	8

6. Following Accounting Policies have been introduced / modified /deleted/ reworded during the financial year 2011-12, the impact of which on profit for the year is given below: -

Sl. No.	Particulars	Impact on Profit for the financial year 2011-12
1	Accounting Policy No. 2.6 (Old) : - Assets procured/created in projects on grants-in-aid/ agency or deposit basis are not included in the assets, as ownership does not vest with the Corporation. Policy deleted being redundant.	No Impact
2	Accounting Policy No. 5.1 on Depreciation. Slight modification has been carried out in the existing policy to disclose the fact of practice of charging depreciation on prorata basis from/up to the date in which the asset is available for use/ disposal.	No Impact

NHDC LIMITED

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

Sl. No.	Particulars	Impact on Profit for the financial year 2011-12
3	Accounting Policy No. 5.2.3 on Depreciation. Policy has been reworded to have better disclosure.	No Impact
4	Accounting Policy No. 5.2.4 on Depreciation on temporary erections. Policy has been reworded to have better disclosure.	No Impact
5	Accounting Policy No. 5.5 on Amortization of Intangible assets. Policy has been reworded & modified to have better disclosure.	No Impact
6	Accounting Policy No. 5.6 Amortization of lease hold land. Policy has been modified & now presented as two sub policies 5.6.1 & 5.6.2 in line with CERC guidelines.	No Impact
7	Accounting Policy No. 7.4 Accounting of Stores at site. Policy deleted being redundant.	No Impact

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

A. Provident Fund

The Company's provident fund scheme was governed/maintained by RPFC till 30.11.2011 and it is a defined contribution plan. The contribution paid/payable for the period 01.04.2011 to 30.11.2011 is recognized as expense and charged to the Statement of Profit & Loss during the year.

Further w.e.f 01.12.11 Company has paid fixed contribution to provident fund at predetermined rates to a separate trust namely NHDC Ltd. Employees Provident Fund Trust, which invests the fund in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to the Statement of Profit & Loss. The obligation of the company is to make such fixed contribution and also to ensure a minimum rate of return to the members as specified by GOI, thus a defined contribution scheme.

B. Gratuity

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

C. Retired Employee Health Scheme (REHS)

The Company has an unfunded Retired Employee Health Scheme, under which retired employee and the spouse are provided medical facilities in the Company hospitals / empanelled hospitals. Both can also avail treatment as in OPD subject to a reimbursement ceiling fixed by the Company. The liability for the same is recognized on the basis of actuarial valuation and unfunded as on date.

D. Allowance on Retirement / Death

Actual cost of shifting from place of duty at which employee is posted at the time of retirement to any other place where he / she may like to settle after retirement is paid as per the rules of the corporation. In case of death, family of deceased employee can also avail this facility and scheme being unfunded. The liability for the same is recognized on the basis of actuarial valuation.

E. Leave

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the Company, which accrue annually @ 30 days and 20 days respectively. 75 % of the earned leave is en-cashable while in service and a maximum of 300 days on superannuation. Half-pay leave is en-cashable only on superannuation up to the maximum of 240 days as per the rules of the Company. The liability for the same is recognized on the basis of actuarial valuation and unfunded as on date.

F. Social Security Scheme

The Company has a Social Security Scheme in lieu of compensate appointment subject to the condition that the scheme will be withdrawn on introduction of pension scheme. Company makes a matching contribution per month per employee and such contribution

is to be made for first 8 years to build up corpus. The scheme is in operation since 01.04.2009. The scheme has been created to take care of and helping grieved families in event of death of its employee or permanent total disability during employment. In case of resignation or retirement of an employee, amount equivalent to his own contribution and applicable interest as credited to his account till such date is refunded back.

The Provisions for employee's benefits in respect of NHDC's employees have been made for the year on the basis of actuarial valuation as and where applicable as at 31.03.2012. In respect of NHPC employees who are presently posted at NHDC, no provision has been created and only the share of expenditure debited to Statement of Profit & Loss on the basis of information/advice received from NHPC. No provision has been made for employees who are on deputation from GoMP. The disclosure under the provisions of Accounting Standard - 15 (Revised) on "Employees Benefits" for the financial year ended 31.03.2012 given below: -

Table 1: - Key Assumptions

	As at 31.03.2012	As at 31.03.2011
Mortality Table	Indian Assured Lives Mortality (1994-96) (modified) ultimate table	Indian Assured Lives Mortality (1994-96) (modified) ultimate table
Attrition Rate	Up to 30 Years - 3% P.A. 31 to 44 Years - 2% P.A. Above 44 Years - 1% P.A.	2% P.A.
Discount rate	8.50%	8.20%
Rate of increase in compensation level	6.00%	7.5%
Rate of return on plan assets	N.A.	N.A.
Expected average remaining working lives of employees (year)	22	22

Table 2: - Change in present value of obligations

(Amount in Lacs)

	As at 31.03.2012			As at 31.03.2011		
	Gratuity	Leave encashment	REHS	Gratuity	Leave encashment	REHS
PVO at beginning of year	461	568	160	232	331	107
Interest Cost	37	47	13	19	26	9
Past Service Cost	NIL	NIL	NIL	NIL	NIL	NIL
Current Service Cost	63	133	26	70	117	20
Benefit paid	(11)	(35)	(1)	(16)	(46)	NIL
Actuarial (gain)/ loss	(86)	(28)	15	156	140	24
Balance received from NHPC	NIL	NIL	NIL	NIL	NIL	NIL
PVO at end of year	464	685	213	461	568	160

Table 3 & 4: - Not Applicable

Table 5: - Actuarial gain/loss recognized

(Amount in Lacs)

	As at 31.03.2012			As at 31.03.2011		
	Gratuity	Leave encashment	REHS	Gratuity	Leave encashment	REHS
Actuarial gain/(loss) for the year- obligation	86	28	(15)	156	140	24
Actuarial (gain)/loss for the year- Plan assets	NIL	NIL	NIL	NIL	NIL	NIL
Total (gain)/loss	(86)	(28)	15	156	140	24
Actuarial (gain)/loss recognized for the year	(86)	(28)	15	156	140	24
Unrecognized Actuarial (gain)/ loss at the year end	NIL	NIL	NIL	NIL	NIL	NIL



NHPC Limited

(A Government of India Enterprise)

Table 6: Amount recognized in Balance Sheet

(Amount in Lacs)

	As at 31.03.2012			As at 31.03.2011		
	Gratuity	Leave encashment	REHS	Gratuity	Leave encashment	REHS
PVO at the end of year	464	685	213	461	569	160
Fair value of plan assets at the end of year	NIL	NIL	NIL	NIL	NIL	NIL
Funded status	(464)	(685)	(213)	(461)	(569)	(160)
Unrecognized Actuarial (gain)/loss	NIL	NIL	NIL	NIL	NIL	NIL
Net liability recognized in balance sheet	464	685	213	461	569	160

Table 7: - Amount recognized in Profit & Loss Account

(Amount in Lacs)

	As at 31.03.2012			As at 31.03.2011		
	Gratuity	Leave encashment	REHS	Gratuity	Leave encashment	REHS
Current Service cost	63	133	26	70	118	20
Past service cost	NIL	NIL	NIL	NIL	NIL	NIL
Interest Cost	37	47	13	19	26	9
Expected return on plan assets	NIL	NIL	NIL	NIL	NIL	NIL
Net Actuarial (gain)/loss recognized for the year	(86)	(28)	15	156	140	24
Expenses recognized in P&L A/c for the year	14	152	54	245	284	53

Table 8: - Movement in liability recognized in the Balance Sheet

(Amount in Lacs)

	As at 31.03.2012			As at 31.03.2011		
	Gratuity	Leave encashment	REHS	Gratuity	Leave encashment	REHS
Opening net liability	461	568	160	232	331	107
Expenses as above	14	152	54	245	283	53
Balance received from NHPC	NIL	NIL	NIL	NIL	NIL	NIL
Benefit paid	(11)	(35)	(1)	(16)	(46)	NIL
Closing net liability	464	685	213	461	568	160

- (b) Liabilities as on 31.03.2012 on account of Baggage Allowance on retirement & Memento are ₹ 28 Lacs & ₹ 1 Lac (Previous year ₹ 32 Lacs & ₹ NIL) respectively.
8. a) Electricity Generation is the principal activity of the Corporation. Other revenue viz, interest income do not form part of segment revenue as per Accounting Standard-17.
- b) The Corporation has at present only two power projects in the State of Madhya Pradesh, therefore, reporting geographical segments are inapplicable.
9. In compliance of Accounting Standard – 18 on related party disclosures the required information is given as under: -

Key Management Personal

Name	Designation
Sh. A B L Shrivastava	Chairman & Managing Director
Sh. K.M. Singh	Chief Executive Director

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

Particulars	For the year 2011-12		For the year 2010-11	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Net Profit after tax used as numerator (₹)	646,90,17,516	646,90,17,516	304,12,92,813	304,12,92,813
Weighted Average No. of Equity Share used as denominator	19625800	19625800	19625800	19625800
Earning Per share (₹)	329.62	329.62	154.96	154.96
FV Per Share (₹)	1000	1000	1000	1000

11. The Management is of the opinion that no case of Impairment of Assets exists as per the provision of the relevant Accounting Standard-28 as on 31.03.2012.

12. Expenditure w.r.t.

(Amount in Lacs)

Sl. No.	Particulars	For the year 2011-12	For the year 2010-11
a)*	Value of imports calculated on CIF basis: i) Capital Goods ii) Spare parts	NIL NIL	NIL NIL
b)*	Expenditure in Foreign Currency i) Know - How ii) Interest iii) Other Misc. Matters	NIL NIL NIL	NIL NIL NIL
c)*	Value of spare parts and Components consumed in operating units. i) Imported ii) Indigenous	NIL 300	NIL 256
d)**	Earnings in foreign currency Interest Others	NIL NIL	NIL NIL

* Accrual basis. **Cash basis

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

Sl. No.	Particulars	(Amount in Lacs)
i)	Principal amount remaining unpaid to Micro, Small & Medium Enterprise	NIL
ii)	Interest accrued on principal amount remaining unpaid as (i) above.	NIL
iii)	Amount of Interest paid during the year along with the payment of principal amount made beyond 15 days or agreed time from the date of delivery/rendering of services.	NIL
iv)	Interest due but yet to be paid on principal amount paid during the year.	NIL
v)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure.	NIL

14. Liquidated Damages, if any, are accounted for as and when recovery is affected and the matter is considered settled by the management.
15. Previous year's figures / opening balances have been regrouped/re-arranged/re-cast wherever necessary.

For and on behalf of BOARD OF DIRECTORS

R. K. Taneja Director DIN 00077493
K.M. Singh Chief Executive Director DIN 02223301
A. B. L. SRIVASTAVA Chairman and Managing Director DIN 01601682

V.K. Tripathi
Co. Secretary

R.S.Batra
G.M. (Finance)

As per our report of even date attached

**For Multi Associates
Chartered Accountants**

R.K. Agrawal
Partner
Membership No. 71755
FRN - 509955C

Place: New Delhi
Date: 18.05.2012

NHDC LIMITED

Annual Report 2011-12

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

CASH FLOW STATEMENT

(Amount in Lacs)

PARTICULARS	For the year ended 31.03.2012	For the year ended 31.03.2011
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	84734	38538
Add:		
- Depreciation including Prior Period	25856	25057
- Other Provision/ Adjustment	80	5
- Advance against depreciation	1903	(137)
- Loss/(Profit) on sale of assets	1	1
- Interest & financial charges excluding rebate	23168	24934
Operating profit before working capital changes	135742	88398
Working Capital Changes		
(Increase)/ Decrease in inventories	(29)	(147)
(Increase)/ Decrease in sundry debtor	(16529)	8556
(Increase)/ Decrease in loans & advances	5160	7991
(Increase)/ Decrease in other current assets	(5494)	(1603)
Increase /(Decrease) in current liabilities & provisions	39736	(9035)
	22844	5762
	158586	94160
Less: Taxes Paid (Including TDS)	16541	8583
	16541	8583
Cash generated from operations (A)	142045	85577
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets & capitalisation of CWIP	(49293)	(1818)
Capital work in progress	(335)	(1239)
Construction stores & advances	-	3
Proceeds on sale of assets	1	1
Net cash used in Investing Activities (B)	(49627)	(3053)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	-	-
Receipts of share capital deposit	-	-
Proceeds from Borrowings	1500	4875
Repayments of Borrowings	(29626)	(32970)
Funds received from GOMP towards SSP & Irrigation component	1232	2923
Dividend paid	(3925)	(2123)
Dividend tax paid	(637)	(353)
Interest and financial charges	(23288)	(24934)
Cash flow from Financing Activities	(54744)	(52582)
Net increase / decrease in Cash and Cash equivalents (A+B+C)	37674	29942
Cash and cash equivalents (Opening balance)	133009	103067
Cash and cash equivalents (Closing balance)	170683	133009

EXPLANATORY NOTES TO CASH FLOW STATEMENT

- Cash and cash equivalents consist of amount of ` 16051 Lacs (as on 31.03.2011 ` 16051 Lacs) held by the corporation towards self insurance reserve, not available for use otherwise.
- Out of total sanctioned loan of ` 148500 Lacs amount of undrawn loan as on 31.03.2012 is ` 2126 Lacs (as on 31.03.2011 is ` 2126 Lacs).
- Cash (excluding taxes) realised on sale /disposal of fixed assets during the year is ` 1 Lacs (as on 31.03.2011 ` 1 lacs).
- Cash and Bank Balances include an amount of ` 248 Lacs (Previous year ` Nil) kept with banks as per orders of Hon'ble Court of Law, which is not available for use as on 31.03.2012.
- The previous year's figures has been regrouped / re-arranged / re-casted wherever necessary.

For and on behalf of Board of Directors

As per our report of even date attached

For Multi Associates
Chartered Accountants

R. K. TANEJA
Director
DIN 00077493

K. M. SINGH
Chief Executive Director
DIN 02223301

A. B. L. SRIVASTAVA
Chairman & Managing Director
DIN 01601682

R. K. AGRAWAL
(Partner)
Membership No. 71755
FRN - 509955C

V. K. TRIPATHI
Co. Secretary

R. S. BATRA
General Manager (Finance)

Place: New Delhi
Date : 18.05.2012



NHPC Limited

(A Government of India Enterprise)

LDHCL LIMITED DIRECTORS' REPORT

To the Members,
Loktak Downstream Hydroelectric Corporation Limited

The directors of Loktak Downstream Hydroelectric Corporation Limited ("LDHCL") are pleased to present the 3rd Annual Report on the performance of the Company along-with Audited Statement of Accounts, Auditor's Report and the comments on the accounts by the Comptroller and Auditor General of India for the year ended on 31st March 2012.

1. STATE OF COMPANY'S AFFAIRS

a. OPERATIONAL REVIEW

As part of the updation of the project DPR in consonance with conditionalities imposed in the Techno Economic Clearance (TEC) accorded by Central Electricity Authority (CEA) for the project, the first and second phase topographical survey work by Survey of India (SOI) has been completed, and the third phase survey work by the SOI shall be resumed soon. The work of project cost Updation to present price level from the earlier cost estimated at 2006 Price level is under process.

Application has already been made to CEA for in-principle transfer of concurrence of the project accorded to NHPC in favour of the company, which is under process.

Environmental Clearance Proposal along with Public Hearing report has been submitted to Ministry of Environment and Forest for accord of Environment Clearance.

The in-principle (stage-I) forest clearance has already been received for 211.50 ha forest land and compliance of conditions stipulated in in-principle forest clearance letter is in progress. The works of depositing cost of Compensatory Afforestation amounting to Rs. 1.3 Crore and Compliance report on Forest Right Act 2006 is under progress. Defence clearance of the project is also under process.

CEA previously accorded concurrence to the project on 15.11.2006. However, the updated proposal for the project would require resubmission for consideration of PIB/CCEA after receipt of all statutory clearances and transfer of TEC in favor of the company.

Ministry of Development of North Eastern Region (DoNER) had sanctioned Rs. 100 Crs for the Barrage component of the project and out of this, Rs. 34.50 Crs are expected to be received soon.

b. FINANCIAL REVIEW

The financial performance for the year ended as on March 31st 2012 is summarized here under:-

FINANCIAL HIGHLIGHTS (Rs. in Crore)		
Particulars	2011-12	2010-11
Sales	-	-
Profit before Depreciation, Interest and Tax	6.00	4.16
Depreciation	-	-
Profit after Depreciation but before Interest and Tax	6.00	4.16
Interest & Finance Charges	-	-
Profit after Depreciation and Interest but before Tax	6.00	4.16
Tax	1.95	1.45
Profit after Depreciation, Interest and Tax	4.05	2.71
Surplus of Profit and Loss Account of earlier years	1.54	(1.16)
Profit available for appropriations	-	-
APPROPRIATIONS		
Transfer from Bond Redemption Reserve	-	-
Transfer to Self Insurance Reserve	-	-
Tax on Dividend written back	-	-
Amount written back from Self Insurance Reserve	-	-
Interim Dividend	-	-
Proposed Final Dividend	-	-
Corporate Dividend Tax	-	-
Transfer to general reserve	-	-
Balance Profit carried to Reserves and Surplus	4.05	2.71

During the period under review, your company had parked its funds received from promoters towards equity contribution in fixed deposits with State Bank of

India/other scheduled banks and earned an interest of Rs. 606.27 lac. An amount of Rs. 405.29 lac has been transferred to Reserves and Surplus account. The Board of Directors of the Company has not recommended any dividend during the year as it has not started its operations.

2. CAPITAL STRUCTURE

The Promoters' Agreement entered into between NHPC Limited and Government of Manipur states that the paid up share capital of the Company shall be in the ratio of 74:26 respectively. The paid-up capital of the company as on the close of financial year was Rupees 98.46 crore. During the year, Government of Manipur has also contributed additional Rs. 5 crore towards their share of equity capital.

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

Government of Manipur has contributed an amount of rupees five crore towards its share of equity contribution in the last week of March 2012. A request to NHPC Limited has been forwarded for contribution of their proportionate share of equity contribution to keep equity mix in agreed proportion.

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

There are no significant particulars, relating to conservation of energy, technology absorption under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988. During the year the company had no earning and outgo in foreign exchange.

5. PARTICULARS OF EMPLOYEES

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

6. STATUTORY AUDITOR

In exercise of powers conferred by section 619 (2) of the Companies Act, 1956 the Comptroller and Auditor General of India had appointed M/s Kunjabi & Co., Imphal as the Statutory Auditors of the Company for the year 2011-12.

7. CORPORATE GOVERNANCE

A separate statement on Corporate Governance is produced as a part of the Directors' Report along with the Certificate for compliance as Annexure-II and the Management Discussion and Analysis Report as Annexure-III to this report.

8. AUDITOR'S REPORT

The reports of the Statutory Auditors along with financial results of the company and comments of the Comptroller and Auditor General of India on the account of LDHCL for the year ended 31st March 2012 are enclosed as Annexure-IV and V respectively.

9. AUDIT COMMITTEE

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

10. DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Corporation at the end of the financial year 2011-12 and of the profit of the Corporation for that period;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Corporation and for preventing and detecting fraud and other irregularities; and
- The Directors have prepared the annual accounts on a going concern basis.

LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

Annual Report 2011-12

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

11. BOARD OF DIRECTORS

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

- | | |
|------------------------|----------|
| 1. Shri G. Sai Prasad | Chairman |
| 2. Shri Rajesh Agrawal | Director |
| 3. Smt. Kalyani Mishra | Director |
| 4. Shri D. K. Ray | Director |
| 5. Shri Vijay Kumar | Director |

12. RIGHT TO INFORMATION

Right to Information has been implemented in the Corporation.

The company is not having any subsidiary. No material change occurred during the financial year in the nature of company's business or in the class of business in which company has interest.

ACKNOWLEDGEMENTS

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

The Board places on record its deep appreciation for the cooperation extended by the Office of Comptroller and Auditor General of India. The Board is also confident that the employees of the company will continue to contribute their best in the coming years.

For and on behalf of the Board of Directors

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

Place : New Delhi
Date : 06.08.2012

Annexure to the Director's Report on Energy Conservation, Technology absorption and Foreign Exchange Earnings and outgo as per Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988

A. Conservation of Energy:

a) Energy Conservation Measures Taken;

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

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

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

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

Not Applicable

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

Not Applicable

B. Technology Absorption:

(e) Efforts made in technology absorption are detailed in the Form B enclosed.

C. Foreign Exchange Earning and Outgo

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

Loktak Downstream Hydroelectric Corporation Limited has no export plans.

(g) Total Foreign Exchange used and earned

NIL

(Amount in Rs.)

Particulars	2011-12	2010-2011
1.* Value of imports calculated on CIF basis:		
i) Capital Goods	NIL	NIL
ii) Spare parts	NIL	NIL
2.* Expenditure in Foreign currency		
i) know how	NIL	NIL
ii) interest	NIL	NIL
iii) Other Misc	NIL	NIL
3.* Value of spare parts and components consumed in Operating units		
- imported	NIL	NIL
- indigenous	NIL	NIL
4.** EARNINGS IN FOREIGN CURRENCY		
(i) Interest Income	NIL	NIL
(ii) Others	NIL	NIL

* Accrual Basis

** Cash basis

FORM – B

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

There are no R&D activities taken up by the company.

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

Not Applicable

3. Future plan of action 2012-13

There are no R&D activities planned for the year 2012-13

4. Expenditure on R&D

There is no expenditure on R&D during the financial year 2011-12.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

There are no significant efforts made towards technology absorption, adaptation and innovation as the construction work is yet to start.

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

Not Applicable

3. Technology imported during last five years:

NIL



NHPC Limited

(A Government of India Enterprise)

ANNEXURE-I

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

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

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

Name & Emp No	Designation of Employee & Nature of Duties	Qualification & Exp. of the employee	Date of commencement of Employment	Age	Remuneration	Last Employment held	Remarks
Ksh Joykumar Singh Emp No-150095W	Manager (Admn.). He was looking after HR functions of the company	BA, 35Years 11 Months	20/03/1976	60	Rs.20,75,844/-	NHPC LTD	Retired

Note:-

- All the employees working in LDHCL are from parent organization i.e. NHPC Ltd
- Remuneration includes gratuity & leave Encashment in accordance to company rule.
- Remuneration mentioned above is inclusive of retirement /separation benefits paid during the year.
- Employee listed above is not related to any director of the company.
- Nature of Employment of Ksh Joykumar Singh was regular before he retired on 29.02.2012 & the terms & conditions of his employment were at par with terms & conditions of employment of other employees.
- Ksh Joykumar Singh was not holding any equity share in the company.

Annexure-I

CERTIFICATE OF COMPLIANCE OF CORPORATE GOVERNANCE

To

The Members,

Ms/ Loktak Downstream Hydroelectric Corporation Ltd.

We have examined the compliance of conditions of Corporate Governance by **M/S LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED** (the company) as required to be done by the guidelines on Corporate Governance for Central Public Sector Enterprises for the financial year ended on 31st March 2012.

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

In our opinion and according to the examinations carried out by us and explanations furnished to us by the Company, its officer & agent and to the best of our knowledge and belief. We hereby certify that Company has complied with all the provisions of in respect of the aforesaid financial year except for the points listed below :

- The Company has no Independent Directors on its Board of Directors.
- The Company has not yet laid down the code of conduct for all Board members and senior management of the Company.
- Board of Directors of the Company does not have a formal statement of Board Charter which clearly defines roles and responsibilities of the Board and individual Directors.
- Company has not framed a format training programme for its new Board

Members However all its present Board Members are nominees of NHPC limited, Principal Secretary (Power). Government of Manipur and Nominee of Ministry of Power hence they are well versed the Business model risk profile etc.

- Since Board does not have an independent director, hence Company does not have any independent member in its audit committee neither as member nor as chairman.
- Company has not yet constituted Remuneration Committee.
- Company has not yet laid down its Risk Management Policy.
- The Company has not yet constituted Remuneration Committee.

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

**For Garima Duggal & Associates
Company Secretaries**

Sd/-

**Garima Duggal
Membership No. 21818
(Proprietor)
CP No. 8413**

Place: Faridabad
Date: 06.08.2012

LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

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

Annexure-II

REPORT ON CORPORATE GOVERNANCE

Corporate Governance deals with laws, practices and implicit rules that determine a company's ability to take informed managerial decisions vis-à-vis its claimants in particular, its shareholders, creditors, customers, the State and its employees. It is about commitment to values, ethical business conduct, and transparency and makes a distinction between personal and corporate funds in the management of a company. The Management of Loktak Downstream Hydroelectric Corporation Limited ("LDHCL") tries to act in the best interest of all its stakeholders.

1. PHILOSOPHY ON CODE OF GOVERNANCE:

- To have adequate control system in operation and provide information to the Board on a timely basis in a transparent manner to enable the Board to monitor the accountability of Management to it.
- To increase the efficiency of Business Enterprise for creation of wealth of the Enterprise and Country as a whole.
- To ensure that Employees and Board subscribe to the corporate values and apply them in their conduct.

2. COMPOSITION AND CATEGORY OF BOARD OF DIRECTORS:

(i) Composition of Board:

The Board of Directors of the Company ("the Board") consists of (5) five directors all of whom are Non-Executive Directors. At present, the company is not having any Independent Director on its Board. The composition of the Board and the number of Directorships and Committee positions (in Audit Committee and Shareholders' Grievance Committee) in other companies held by the Directors as on 31st March, 2012 is as under:

Name	Executive / Non-executive / Independent	Other Directorships held	Other Committee Positions#	
			As Chairman	As Member
Mr. A. B. L. Srivastava	Non-Executive Chairman	3	Nil	1
Mr. Liangsi Paul Gonmei	Non-Executive Director	Nil	Nil	Nil
Mrs. Kalyani Mishra	Non-Executive Director	Nil	Nil	Nil
Mr. D. K. Ray	Non-Executive Director	Nil	Nil	Nil
Mr. VIJAY KUMAR*	Non-Executive Director	Nil	Nil	Nil

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

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

A brief profile of the directors on the Board of the company as on 31st March 2012 is as under:

Mr. A. B. L. Srivastava (DIN: 01601682) 57 years, holds a master's degree in business finance and commerce. He is also a member of the Institute of Chartered Accountants of India. Shri Srivastava is on the Board of NHPC as Director (Finance) since February 2008. Earlier, he had worked with REC in various capacities. He was also on the Board of REC Power Distribution Company, a wholly owned subsidiary of REC. In NHPC, he has made significant contribution to the growth and success of the company. He has been responsible for the entire gamut of project finance including resource mobilization, financial restructuring, fund raising of the company from both domestic and international sources and its optimum utilization. He has been instrumental in designing adequate internal control system to enable LDHCL to adopt corporate governance practices. He is also on the Board of PTC India Ltd. as a nominee Director since May, 2008.

Mr. Srivastava was actively involved in the disinvestment programme of both REC as well as NHPC Limited. He is one of the recipients of prestigious Special Achiever Award -2010 from Institute of Chartered Accountants of India (ICAI) as recognition of his professional achievement.

Mr. Liangsi Paul Gonmei (DIN NO 02302356), 58 years, is our Director. He holds Post Graduate degree in Political Science. He is an IAS of 1983 batch. Presently, he is Principal Secretary (Power / Science & Technology), Government of Manipur. Prior to this, he held

additional charge of Principal Secretary (Tribal Development/ Hills) and various posts viz. Director, Information & Public Relation & Tourism, Commissioner, Sales Tax and Excise, Deputy Commissioner, Chandel, Deputy Commissioner, Tamenglong, Director, Tribal Welfare, Director, Food and Civil Supply, Secretary, Co-operation, Sc & Tech., YAS, Horti & Soil Conservation, Commissioner, Agriculture & Horticulture, Commissioner, Rural Development & Panchayati Raj, Irrigation & Flood Control, Health & Family Welfare, GAD & Tribal Development, Food and Civil Supplies.

Mrs. Kalyani Mishra (DIN - 02695750), 40 Years, is our Director. She holds Post Graduate degree in Analytical and Applied Economics, Utkal University, Bhubaneswar. She joined Indian Economic Service (1999 Batch). Presently, she is Deputy Secretary, Hydro-I / RTI, Ministry of Power, Govt. of India. Prior to this, she held posts of Deputy Director, Industrial Relations (Policy), Ministry of Labour & Employment, Deputy Director, International Labour Affairs, Ministry of Labour & Employment and Assistant Director (Planning), Dept of Industrial Policy and Promotion, Government of India.

Mr. D. K. Ray (DIN - 03435949), 57 years, is our Director. He holds bachelor's degree in mechanical engineering. He has over 30 year of vast experience in hydro sector. Prior to joining the company as Director, he was Chief Executive Officer of the company since inception. He was also the head of Loktak Power Station, one of the oldest projects of NHPC Limited from January 2009 till January 2011. He is well conversant to meet the challenges of hydroelectric projects. He has served various projects of NHPC Limited located in North Eastern region of India and is having varied experience in different capacities in hydro sector from project development to execution.

Mr. Vijay Kumar (DIN - 03021294), 50 years, is our Director. He holds a bachelor's degree in Science. He is a qualified Cost Accountant and a member of the Institute of Cost Accountants of India. He has over 26 years of experience in the Hydro Power Sector Accounting. He is holding the post of General Manager (Finance) in NHPC Limited. He is having vast experience in Finalization of Accounts, Fixation of Tariff and financial vetting of proposals. Shri Vijay Kumar is the chairman of the Audit Committee of the Company.

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

The Company has not paid any sitting fee to any of the Directors during the year under review.

(iii) Board Meetings, Committee Meetings & Procedures:

A total of five Board Meetings were held during the year under review which were pre-scheduled. As per section 285 of companies Act, 1956 the Company has held at-least one Board Meeting every three months. The Chief Executive Officer of the Company has been delegated substantial powers to run the business. However, all major decisions are taken by the Board. The Board is provided with detailed information / progress on various developments.

The details of the Board meetings held during the year under review are as under:

Sr. No.	Date	Board Strength	No. of Directors Present
1.	9th May 2011\$	5	5
2.	9th May 2011\$	5	4
3.	1 st November 2011*	5	4
4.	1 st November 2011	5	4
5.	16th March 2012**	5	5

\$ 7th and 8th Board Meetings were held the same day, i.e. on 9th May 2011.

* 9th Board Meeting which was scheduled to be held on 4th August 2011 was adjourned for want of quorum and was held on 1st November 2011

** 11th Board Meeting which was scheduled to be held on 23rd January 2012 was adjourned for want of quorum and was held on 16th March 2012.



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

Name of the Directors & Category of Director	Attendance of Meetings during 2011-12	
	Board Meeting	Last AGM
Shri A. B. L. Srivastava (NE)	5	Yes
Shri Liangsi Paul Gonmei (NE)	5	No
Mrs. Kalyani Mishra (NE)	2	No
Shri P. C. Vaish (NE)*	4	Yes
Shri D. K. Ray (NE)	5	Yes
Shri Vijay Kumar (NE)**	1	N.A.

* Nomination of Shri P. C. Vaish withdrawn by NHPC Limited w.e.f. 5th December 2011.

** Shri Vijay Kumar joined the Board of the company on 16th January 2012.

NE stands for 'Non Executive Director'

(iv) Code of Conduct:

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

(v) Risk Management:

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

3. AUDIT COMMITTEE:

The Board of Directors of the company had constituted an audit committee. The composition of Audit Committee as on 31st March 2012 was as under:

- i) Shri Vijay Kumar Chairman
- ii) Shri Liangsi Paul Gonmei Member
- iii) Smt. Kalyani Mishra Member
- iv) Shri D. K. Ray Member

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

Meetings and attendance:

A total of five meetings were held during the year under review. The details of the Audit Committee meetings held during the year under review are as under:

Sr. No.	Date	Committee Strength	No. of Members Present
1.	9th May 2011*	4	3
2	9th May 2011*	4	3
3	4th August 2011	4	2
4	17th November 2011	4	4
5	16th March 2012	4	4

* Two meetings were held on the same day.

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

Name of the member	Meetings held during the tenure of member	Meetings attended during 2011-12
Mr. Vijay Kumar*	1	1
Mr. D. K. Ray	5	5
Mr. P. C. Vaish**	4	4
Mr. Liangsi Paul Gonmei	5	4
Mrs. Kalyani Mishra	5	2

* Mr. Vijay Kumar was made members of the Audit Committee by the Board in its 11th Meeting held on 16th March 2012.

** Mr. P. C. Vaish ceased to be member of the Audit Committee w.e.f. 5th December 2011.

The terms of reference of the Committee are as under:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with legal requirements relating to financial statements;
 - Disclosure of any related party transactions; and
 - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, performance of internal auditors and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors and/or auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors/auditors/agencies into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower Mechanism.
- To review the follow up action on the audit observations of the C&AG audit.
- To review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.
- Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors.
- Review all related party transactions in the company. For this purpose, the Audit Committee may designate a member who shall be responsible for reviewing related party transactions.

Explanation: The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, issued by the Institute of Chartered Accountants of India.
- Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
- Consider and review the following with the independent auditor and the management:
 - The adequacy of internal controls including computerized information system controls and security, and
 - Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.

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19. Consider and review the following with the management, internal auditor and the independent auditor:

- Significant findings during the year, including the status of previous audit recommendations
- Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information,

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

4. The company is not having any subsidiary.

5. REMUNERATION COMMITTEE

The Company has not constituted a Remuneration Committee.

6. GENERAL BODY MEETINGS:

The company has held its second Annual General Meeting on 4th August 2011 at 4:30 p.m. at New Delhi with the approval of Central Government. The Chairman of the Audit Committee was present in the Annual General Meeting.

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

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

No resolution was passed through postal ballot during the year under review. Annual General Meeting of the year 2011-12 is expected to be held in the month of August 2012.

7. DISCLOSURES:

- Related Party Transactions: There were no transactions of material nature with the promoters or Directors or the Management, etc, which have potential conflict with the interest of the Company at large.
- No penalty or strictures were imposed on the company by any statutory authority, on any matter related to any guidelines issued by Government, since inception.
- Whistle Blower Policy: The Company has not adopted any Whistle Blower Policy. However, no personnel has been denied access to the Audit Committee.
- No Presidential Directives were issued to the company since inception.
- No item of expenditure was debited in books of accounts, which are not for the purpose of business.
- There were no expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management.

(vii) Details of Administrative and office expenses as a percentage of total expenses vis-à-vis financial expenses and reasons for increase are given below:

Sr. No.	Particulars	% age of total expenses	Reasons for increase
1	Administrative Expense	5%	Increase of Admn and office expense is due to implementation of project pre construction (Survey and Investigation works) activities
2.	Office Expenses	2%	

(ix) Accounting Treatment:

The Company has followed the Accounting Standards as prescribed by the Institute of Chartered Accountants of India. However, deviations, if any, have been reported in the notes forming part of accounts.

(x) Remuneration of Directors:

Directors are not paid any remuneration or sitting fees.

8. Means of Communication

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

9. Audit Qualification

There are no adverse remarks either by Statutory Auditors or by the Comptroller and Auditor General of India. The comments of the Comptroller and Auditor General of India on the accounts of the company for the year ended 31st March 2012 are annexed elsewhere with the Directors' Report.

10. Training of Board Members

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

11. COMPLIANCE CERTIFICATE:

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

For and on behalf of the Board of Directors

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

Place : New Delhi
Date : 06.08.2012



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

I INDUSTRY STRUCTURE AND DEVELOPMENT

Power is one of the most important factors for the growth of an economy, in particular, for a developing country like India where higher and improved standard of living depends upon the availability of adequate and reliable power at an affordable price. Unlike other commodities, the dynamics of supply and demand does not apply to power, as it cannot be stored. Public sector has taken a lead in power generation in India with the State and Union Governments generating about 81% of total installed capacity. The participation of the private sector, which generates about 19% of power, has been increasing since the liberalization of the economy in 1991.

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

II STRENGTH

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

Long-term power purchase agreements with customers

At the time of investment decisions made by the GOI on new projects, the company obtains the commitments from SEBs / Power Departments and their successor entities for purchase of power from the new projects. Same commitments exist in respect of the company. The allocation of power from power station to SEBs / Power Departments and their successor entities are done by the Ministry of Power, Government of India.

Competent and committed workforce

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

Strong design and engineering team of parent organisations

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

III OPPORTUNITIES

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

IV THREATS, WEAKNESSES, RISKS AND CONCERNS

The management perceives the following as Threats, weaknesses, risks and concerns 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 (where ever applicable) leads to delay in obtaining clearance of projects, which may affect the capacity addition programme.

Land Acquisition

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

Geological Surprises

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

Natural Calamities

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

Unexpected complexities

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

Any change to CERC's tariff regulations may adversely affect cash flow and results of operations. Also the generation capacity may vary substantially because of variations in water flow due to climatic conditions, which may cause significant fluctuations in revenue and profits.

V SEGMENT WISE OR PRODUCT WISE PERFORMANCE

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

VI OUTLOOK

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

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

VII INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

VIII DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

A) Financial Performance

The company is engaged in the survey and investigation of Loktak Downstream Hydroelectric Project for which the company has sufficient funds available with it. These funds have been parked in the term deposits with scheduled banks and earning interest for the company.

B) Performance of Project

The survey work of the project is under progress. Second phase Topographical Survey has been completed by Survey of India and 3rd Phase Survey work shall be resumed in the month of October, 2012 after monsoon. Environment Clearance Proposal along with Public Hearing report has been submitted to Ministry of Environment and Forest (MOEF) for accord of Environment Clearance on 18-07-2011. The proposal was discussed on 12-11-2011 by Expert Advisory Committee (EAC) of MOEF. All additional data required by the MOEF has already been submitted.

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

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

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INDUSTRIAL RELATION & STAFF WELFARE

Industrial relations between employee and employer were cordial and harmonious. No man-days were lost on account of strikes / lock-out. Staff welfare activities were given special consideration. Workers were encouraged to participate in the areas concerning their working conditions, welfare etc.

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

RESERVATION FOR SC/ST/OBC

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

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

Group	Total Employees as on 31/03/12	Representation					
		SCs	SC%	STs	ST%	OBC	OBC%
Total	27	1	4%	3	12%	2	8%

WELFARE OF PERSONS WITH DISABILITIES

There was no physically challenged employee in the company as on 31.03.2012.

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

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

XI CORPORATE SOCIAL RESPONSIBILITY

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

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

Cautionary Statement

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

The financial figures are based on the audited results of the company.

For and on behalf of the Board of Directors

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

Place : New Delhi
Date : 06.08.2012



AUDITOR'S REPORT

TO THE MEMBER OF LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

We have audited the attached Balance Sheet of LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED as at 31st March, 2012 and the related Profit & Loss Account, Cash Flow Statement and Statement of Expenditure during Construction for the year ended on 31st March, 2012, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs (4) and (5) of the said Order.
2. Further to our comments in the annexure referred to in paragraph (1) above, we report that: -
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of accounts, as required by law, have been kept by the company so far as it appears from our examination of those books.
- (c) The Balance Sheet, Profit & Loss Account, Cash Flow Statement and the Expenditure during Construction Account dealt with by this report are in agreement with the books of accounts.
- (d) In our opinion, the Balance Sheet, Profit & Loss Account, Cash Flow Statement and the Expenditure during Construction Account dealt with by this report comply with the applicable mandatory accounting standards, referred to in Section 211(3C) of the Companies Act, 1956.
- (e) The Department of Company Affairs vide their Notification No. F. No. 8/5/2001-CL.V dated 21st October 2003 have notified that the provision of section 274(1) (g) of the Companies Act 1956 is not applicable to Government Company.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with the Significant Accounting Policies (Note No-01) and Explanatory Statement to Accounts (Note No-35), give the information, required by the Companies Act, 1956 in the manner so required and give a true and fair view:-
 - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2012 and
 - ii) In the case of Profit & Loss Account, of the net profit for the year ended on that date.
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.
 - iv) In the case of Statement of Expenditure during Construction, of the Expenditure of the Company incurred for the year ended on that date.

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

(Ksh. Kunjabi Singh)
Partner
M.No.016593

Place : New Delhi
Dated : 18.05.2012

ANNEXURE TO THE BRANCH AUDITORS' REPORT

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

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

LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

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

company NHPC Ltd for onward deposit with NHPC Employees Provident Fund during the year under audit and as informed the actual date of deposit was within due dates and as regards administrative charges on PF and EDLI the same is being deposited with appropriate authorities within due dates and as informed there are no dues towards Investors Education and Protection Fund, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other Statutory dues

- (b) According to the information and explanations given to us, there are no dues pending on account of any dispute regarding Income Tax, Sales Tax, Wealth Tax, Service Tax, custom Duty ,excise Duty and Cess which have not been deposited,

10. The clause 4(X) of the order is not applicable on the company.

11. In our opinion and according to the information and explanations given to us, the company has not accepted any loans from any financial institution or bank. Therefore clause 4(XI) of the order is not applicable on the company.

12. According to the information and explanations given to us the company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore clause 4(XIII) of the order is not applicable to the company.

14. In our opinion and as per the explanation given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Therefore clause 4 (XIV) of the order is not applicable to the company.

15. In our opinion and according to the explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions.

16. According to the information and explanations given to us, the Company did not avail any term loan during the year.

17. According to the information and explanations given to us, the Company did not raise any short term funds during the year.

18. During the year the company has not made any preferential allotment of shares to parties and companies covered in register maintained u/s 301 of the Companies Act, 1956.

19. According to information and explanations given to us, the company has not issued any debentures during the year covered by our audit report.

20. The Company has not raised any money by public issue during the year.

21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

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

(Ksh. Kunjabi Singh)
Partner
M.No.016593

Place : New Delhi
Dated : 18.05.2012

ANNEXURE - V

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED, LOKTAK, MANIPUR, FOR THE YEAR ENDED 31ST MARCH, 2012

The preparation of financial statements of Loktak Downstream Hydroelectric Corporation Limited, Loktak, Manipur, for the year ended 31st March, 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 18th May, 2012.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of the statutory auditors on the accounts of Loktak Downstream Hydroelectric Corporation Limited, Loktak, Manipur, for the year ended 31st March, 2012 and as such have no comments to make under Section 619(4) of the Companies Act, 1956.

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

sd/-
(Praveen Kumar Singh)
Principal Director of Commercial Audit &
Ex-officio Member Audit Board - III,
New Delhi

Place : New Delhi
Date : 11.06.2012



NHPC Limited

(A Government of India Enterprise)

BALANCE SHEET AS AT 31st MARCH 2012

(Amount in Rs`)

PARTICULARS	Note No.	As at 31 st March, 2012	As at 31 st March, 2011
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	2	984,615,400	600,000,000
(b) Reserves and Surplus	3	55,977,496	15,448,033
(2) SHARE APPLICATION MONEY PENDING ALLOTMENT	4	50,000,000	384,615,400
(3) NON-CURRENT LIABILITIES			
(a) Long Term Borrowings	5	-	-
(b) Deferred Tax Liabilities (Net)	6	-	-
(c) Other Long Term Liabilities	7	-	-
(d) Long Term Provisions	8	-	-
(4) CURRENT LIABILITIES			
(a) Short Term Borrowings	9	-	-
(b) Trade Payables	10	783,379	433,024
(c) Other Current Liabilities	11	84,048,472	88,977,489
(d) Short Term Provisions	12	40,143,725	18,783,039
EQUITY & LIABILITIES - TOTAL		1,215,568,472	1,108,256,985
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible Assets	13.1	9,330,395	9,584,299
(ii) Intangible Assets	13.2	2,618	5,234
(iii) Capital Work In Progress	14.1	418,015,182	389,632,208
(iv) Intangible Assets under development	14.2	-	-
(b) Non Current Investments	15	-	-
(c) Deferred tax assets (net)	6	-	-
(d) Long-term loans and advances	16	987,089	407,000
(e) Other non-current assets	17	-	-
(2) CURRENT ASSETS			
(a) Current Investments	18	-	-
(b) Inventories	19	-	-
(c) Trade Receivables	20	-	-
(d) Cash & Bank Balances	21	674,033,614	682,096,447
(e) Short-term Loans and Advances	22	50,882,639	16,181,487
(f) Other Current Assets	23	62,316,935	10,350,310
TOTAL		1,215,568,472	1,108,256,985
Note 1 to 35 form integral part of the Accounts			-

In terms of our report of even date attached

FOR KUNJABI&CO
CHARTERED ACCOUNTANTS
(F.Reg. No-309115E)

(KSH.KUNJABI SINGH)
PARTNER
MEMBERSHIP NO-016593

For and on behalf of the Board of Directors

(A.B.L.SRIVASTAVA)
CHAIRMAN
DIN: 01601682

(S.K.CHAUHAN)
CHIEF EXECUTIVE OFFICER

(VIJAY KUMAR)
DIRECTOR
DIN:03021294

(VIPAN JAIN)
COMPANY SECRETARY

Place : NEW DELHI
Dated : 18th May 2012

LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

Annual Report 2011-12

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

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2012

(Amount in Rs`)

PARTICULARS	Note No.	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
INCOME			
i) Revenue from Operations	24	-	-
ii) Other Income	25	60,719,161	36,471,302
TOTAL INCOME		60,719,161	36,471,302
EXPENDITURE			
i) Employees' Benefits Expense	26	-	-
ii) Finance Cost	27	-	-
iii) Depreciation & Amortization Expense	28	-	-
iv) Generation, Administration and Other Expenses	29	724,396	-
v) Provisions	30	-	-
vi) Expenditure on Contract, Project Management and Consultancy Works	31	-	-
TOTAL EXPENDITURE		724,396	-
Profit before Prior Period items, Exceptional and Extraordinary items and Tax		59,994,765	36,471,302
Prior Period Adjustments (net)	32	-	(5,119,825)
Profit before Exceptional and Extraordinary items and Tax		59,994,765	41,591,127
Exceptional items		-	-
Profit before extraordinary items and Tax		59,994,765	41,591,127
Extraordinary items		-	-
PROFIT BEFORE TAX		59,994,765	41,591,127
Tax Expenses	34		
i) Current Tax		19,465,302	12,634,751
ii) Adjustments relating to earlier years		-	1,880,993
iii) Deferred Tax		-	-
Less: Deferred tax recoverable adjustment		-	-
Total Tax Expenses		19,465,302	14,515,744
Profit for the year from continuing operations		40,529,463	27,075,383
Profit from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit from discontinuing operations after tax		-	-
Profit for the year		40,529,463	27,075,383
Earning per share (Equity shares, face value of Rs.10/- each)			
Basic		0.41	0.45
Diluted		0.41	0.43
Note 1 to 35 form integral part of the Accounts			

In terms of our report of even date attached

FOR KUNJABI&CO
CHARTERED ACCOUNTANTS
(F.Regn. No-309115E)

(KSH.KUNJABI SINGH)
PARTNER
MEMBERSHIP NO-016593

For and on behalf of the Board of Directors

(A.B.L.SRIVASTAVA)
CHAIRMAN
DIN: 01601682

(S.K.CHAUHAN)
CHIEF EXECUTIVE OFFICER

(VIJAY KUMAR)
DIRECTOR
DIN:03021294

(VIPAN JAIN)
COMPANY SECRETARY

Place : NEW DELHI
Dated : 18th May 2012



NOTE NO. 1 SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTIONS

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

2. FIXED ASSETS

- 2.1 Fixed assets are stated at cost of acquisition/construction. In cases where final settlement of bills with contractors is pending, but the asset is complete and ready for use, capitalisation is done on estimated basis subject to necessary adjustment, including those arising out of settlement of arbitration/court cases, in the year(s) of final settlement.
- 2.2 Fixed Assets created on land not belonging to the Corporation are included under fixed assets.
- 2.3 Capital Expenditure on assets where neither the land nor the asset is owned by the Company is reflected as a distinct item in capital work in progress till the period of completion and thereafter in the fixed assets.
- 2.4 Payments made provisionally towards compensation and other expenses relatable to land are treated as cost of land.
- 2.5 Land taken for use from State Government (without transfer of title) and expenses on relief and rehabilitation as also on creation of alternate facilities for land evacuates or in lieu of existing facilities coming under submergence and where construction of such alternate facilities is a specific pre condition for the acquisition of the land for the purpose of the project, are accounted for as Land-unclassified/Right of use, to be amortised over a period of 30 years from the date of commercial operation of the project.
- 2.6 Construction equipments declared surplus are shown at lower of book value and net realisable value.

3. MACHINERY SPARES

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

4. CAPITAL WORK IN PROGRESS

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

5. DEPRECIATION & AMORTISATION

- 5.1 Depreciation on additions to /deductions from fixed assets during the year is charged on pro-rata basis from / up to the date in which the asset is available for use / disposal.
- 5.2.1 Depreciation on Fixed Assets of Operating Units of the company is charged on straight-line method following the rates and methodology as notified by the Central Electricity Regulatory Commission (CERC) for the fixation of tariff except for assets specified in 5.2.3 below, in respect of which depreciation is charged at the rates mentioned in that policy.
- 5.2.2 Depreciation on Fixed Assets of other than Operating Units of the company is charged on straight-line method to extent of 90% of the cost of asset following the rates as notified by the Central Electricity Regulatory Commission (CERC) for the fixation of tariff except for assets specified in 5.2.3 below, in respect of which depreciation is charged at the rates mentioned in that policy.
- 5.2.3 Depreciation in respect of following assets is charged on straight line method to the extent of 90% of the cost of asset following the rates of depreciation indicated as against each asset.

(i) Construction Plant & Machinery	11.25%
(ii) Computer & Peripherals	30%
- 5.2.4 Temporary erections are depreciated fully (100%) in the year of acquisition / capitalization by retaining Re.1/- as a WDV.
- 5.3 Assets valuing Rs 5000/- or less but more than Rs. 750/- and such items (excluding immovable assets) with written down value of Rs 5000/- or less at the beginning of the year are fully depreciated during the year with Re. 1 as a balance value.
- 5.4 Low value items, which are in the nature of assets (excluding immovable assets) and valuing upto Rs750/- are not capitalized and charged off to revenue.
- 5.5 Cost of software is recognized as 'Intangible Assets' and is amortized on straight line method over a period of legal right to use or three years, whichever is earlier. Other intangible assets are amortized on straight line method over the period of legal right to use.
- 5.6.1 Leasehold Land, in case of operating units, is amortised over the period of lease or 35 years whichever is lower, following the rates and methodology notified by CERC, vide tariff regulation 2009.
- 5.6.2 Leasehold Land, in case of units other than operating units, is amortised over the period of lease or 35 years whichever is lower.
- 5.7 Fixed Assets created on leasehold land are depreciated to the extent of 90% of original cost over the balance available lease period of respective land or at the applicable depreciation rates & methodology notified by CERC regulations for such assets, whichever is higher.
- 5.8 Capital Expenditure referred to in Policy 2.3 is amortized over a period of 5 years from the year in which the first unit of project concerned comes into commercial operation and thereafter from the year in which the relevant asset becomes available for use.
- 5.9 Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such assets is depreciated prospectively over the residual life of such assets at the rate of depreciation and methodology notified by CERC regulations.
- 5.10 Where the life and / or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along-with its unamortized depreciable amount is charged prospectively over the revised / remaining useful life determined by technical assessment.

6. INVESTMENTS

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

7. INVENTORIES

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

LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

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

8. FOREIGN CURRENCY TRANSACTIONS

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

9. EMPLOYEE BENEFITS

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

10. REVENUE

- 10.1 (a) Sale of energy is accounted for as per tariff notified by Central Electricity Regulatory Commission. In case of Power Station where tariff is not notified, sales are billed on provisional rates worked out based on the parameters and method adopted by the appropriate authority. Recovery/ refund towards foreign currency variation in respect of foreign currency loans and recovery towards income tax are accounted for on year to year basis.
- (b) Incentives/Disincentives are recognised as per tariff notifications. In case of Power Station where tariffs have not been notified, incentives are recognized provisionally on assessment of the likelihood of acceptance of the same.
- (c) Adjustments arising out of finalisation of global accounts, though not material, are effected in the year of respective finalisation.

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

10.2 In respect of Project Management/Consultancy Contracts/Cost plus Contract, revenue is recognized based on the terms of agreement and the quantum of work done under the contract.

10.3 Interest on investments is accounted for on accrual basis.

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

11. MISCELLANEOUS

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

11.2 Power supplied from Power Stations to Projects under construction is charged as per normal tariff.

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

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

12. BORROWING COST

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

13. TAXES ON INCOME

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

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



NHPC Limited

(A Government of India Enterprise)

NOTE NO. 2 - SHARE CAPITAL

(Amount in Rs`)

PARTICULARS	As at 31 st March, 2012		As at 31 st March, 2011	
	In No.	(Amount in Rs.)	In No.	(Amount in Rs.)
a) Authorized Equity Share Capital	230,000,000	2,300,000,000	230,000,000	2,300,000,000
b) No. of shares issued, subscribed and fully paid	98,461,540	984,615,400	60,000,000	600,000,000
c) Par value per share (in Rs `)		10		10
d) Reconciliation of no. of shares & share capital outstanding:	No. of Shares	Share Capital (Amount in Rs.)	No. of Shares	Share Capital (Amount in Rs.)
Outstanding as on 31.03.2011	60,000,000	600,000,000	60,000,000	600,000,000
Add: No. of shares/Share Capital issued/ subscribed during the year	38,461,540	384,615,400	-	-
Less: Reduction in no. of shares/Share Capital	-	-	-	-
Outstanding as at end of the Year	98,461,540	984,615,400	60,000,000	600,000,000
e) Shares in the company held by each shareholder holding more than 5 percent specifying the number of shares held	% of Holding	No. of Shares		
NHPC LTD	74.00%	72,861,540		
GOVT. OF MANIPUR	26.00%	25,600,000		
TOTAL		98,461,540		
(f) Aggregate no. of shares allotted for consideration other than cash	-	-	-	-

Right/restriction of shareholder

Promoter Agreement dated 26.09.2008, which was entered into between NHPC Ltd & GOM, imposes various restriction upon transfer of the shares.No transfer of any share shall be valid unless such transfer is made stictly in accordance with the said Promoters Agreement.

NOTE NO. 3 - RESERVE AND SURPLUS

(Amount in Rs`)

PARTICULARS	As at 31 st March, 2012		As at 31 st March, 2011	
a) Surplus *		55,977,496		15,448,033
Total		55,977,496		15,448,033
* Surplus				
Profit for the year as per Statement of Profit and Loss		40,529,463		27,075,383
Balance brought forward		15,448,033		(11,627,350)
Balance carried forward		<u>55,977,496</u>		<u>15,448,033</u>

NOTE NO. 4 - SHARE APPLICATION MONEY PENDING ALLOTMENT

(Amount in Rs`)

PARTICULARS	As at 31 st March, 2012		As at 31 st March, 2011	
SHARE APPLICATION MONEY PENDING ALLOTMENT		50,000,000		384,615,400
Share Application Money have been received as follows		<u>50,000,000</u>		<u>384,615,400</u>

Govt. of Manipur **5000000**

- Equity Share of Rs.10/- each ranks pari passu with existing shareholders which are to be issued to above shareholders.
- Number of Equity shares of Rs.10/- each proposed to be issued to above parties is 5000000.
- The authorised share capital of the company is Rs 230 Crores which is sufficient to cover the share capital amount on allotment of shares out of above share application money.
- The allotment of above shares out of above share application money is pending due to non-receipt of share application money from NHPC Ltd .

NOTE NO. 5 - LONG TERM BORROWINGS

(Amount in Rs`)

PARTICULARS	As at 31 st March, 2012		As at 31 st March, 2011	

NOTE NO. 6 - DEFERRED TAX LIABILITIES / ASSETS

(Amount in Rs`)

PARTICULARS	As at 31 st March, 2012		As at 31 st March, 2011	
In compliance to the Accounting Standard 22 on "Accounting for Taxes on Income" as notified by companies Accounting Standard Rules,2006, Deferred Tax Liability amounting to Rs. NIL (Previous year Rs.NIL) has been provided during the year ended 31.03.2012.		Nil		Nil

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NOTE NO. 7 - OTHERS LONG TERM LIABILITIES

(Amount in Rs`)

PARTICULARS	As at 31 st March, 2012	As at 31 st March, 2011
	Nil	Nil

NOTE NO. 8 - LONG TERM PROVISIONS

(Amount in Rs`)

PARTICULARS	As at 31 st March, 2012	As at 31 st March, 2011
	Nil	Nil

NOTE NO. 9 - SHORT TERM BORROWINGS

(Amount in Rs`)

PARTICULARS	As at 31 st March, 2012	As at 31 st March, 2011
	Nil	Nil

NOTE NO. 10 - TRADE PAYABLE

(Amount in Rs`)

PARTICULARS	As at 31 st March, 2012	As at 31 st March, 2011
a) Total outstanding dues of micro and small scale Industrial Undertaking(s). (Due over 30 days Rs. Nil/-)	-	-
b) Total outstanding dues of Medium scale Industrial Undertaking(s). (Due over 30 days Rs. Nil/-)	-	-
c) Others	783,379	433,024
	<u>783,379</u>	<u>433,024</u>

NOTE NO. 11 - OTHER CURRENT LIABILITIES

(Amount in Rs`)

PARTICULARS	As at 31 st March, 2012	As at 31 st March, 2011
a) Current maturities of long term debt	-	-
b) Current maturities of finance lease obligations	-	-
c) Deposits	-	-
d) Interest accrued but not due on borrowings	-	-
e) Interest accrued and due on borrowings	-	-
f) Income received in advance	-	-
g) Unpaid dividend	-	-
h) Liability against capital works/supplies	-	-
i) Deposits/ retention money	60,753	56,599
j) Due to Holding Company	80,905,882	88,797,447
k) Unspent amount of deposit/agency	-	-
l) Bond application money	-	-
m) Other liabilities	1,761,581	112,572
n) Other payables	1,320,256	10,871
o) Other Liabilities - Self Insurance Fund	-	-
p) Advances against the deposit works	-	-
Less: Amount Spent on Deposit Work	-	-
q) Advances against cost of project/ contractees	-	-
r) Grants in aid - pending utilization	-	-
	<u>84,048,472</u>	<u>88,977,489</u>

NOTE NO. 12 - SHORT TERM PROVISIONS

(Amount in Rs`)

PARTICULARS	As at 31 st March, 2012	As at 31 st March, 2011
a) Provision for employee benefits	-	-
i) Provision for leave encashment	-	-
ii) Provision for gratuity	-	-
iii) Provision for REHS	-	-
iv) Provision for Leave Travel Concession (LTC)	-	-
As per last Balance Sheet	89,640	-
Additions during the year	-	89,640
Amount used during the year	-	-
Amount reversed during the year	89,640	-
Closing Balance	-	<u>89,640</u>
v) Provision for M.C. on Leave Encashment	-	-



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NOTE NO. 12 - SHORT TERM PROVISIONS

(Amount in Rs`)

PARTICULARS	As at 31 st March, 2012	As at 31 st March, 2011
vi) Provision for TTA (Baggage Allowance on Retirement)	-	-
vii) Provision for Wage Revision		
As per last Balance Sheet	9,628,128	4,577,688
Additions during the year	923,402	5,767,808
Amount used during the year	9,628,128	542,717
Amount reversed during the year	-	174,651
Amount transferred to superannuation/pension fund	-	-
Closing Balance	923,402	9,628,128
Less: Advance paid	923,402	2,807,903
Closing Balance (Net of advance)	-	6,820,225

NOTE NO. 12 - SHORT TERM PROVISIONS

(Amount in Rs`)

PARTICULARS	As at 31 st March, 2012	As at 31 st March, 2011
viii) Provision for PRP/Incentive		
As per last Balance Sheet	1,267,304	451,373
Additions during the year	2,580,606	1,267,304
Amount used during the year	-	322,736
Amount reversed during the year	-	128,637
Closing Balance	3,847,910	1,267,304
Less: Advance paid	198,738	-
Closing Balance (Net of advance)	3,649,172	1,267,304
ix) Provision for Superannuation /Pension Fund		
As per last Balance Sheet	-	-
Additions during the year	2,513,507	-
Amount transferred from wage revision provision	-	-
Amount used during the year	-	-
Amount reversed during the year	-	-
Closing Balance	2,513,507	-
b) Others		
i) Provision for Taxation		
As per last Balance Sheet	10,605,870	-
Additions during the year	19,465,302	10,605,870
Adjustment during the year	3,909,874	-
Amount used during the year	-	-
Amount reversed during the year	-	-
Closing Balance	33,981,046	10,605,870
ii) Provision for Proposed Dividend	-	-
iii) Tax on Proposed Dividend	-	-
iv) Provision - Others	-	-
v) Provision For Corporate Social Responsibility Expenses	-	-
vi) Provision For Committed Capital Expenditure	-	-
	40,143,725	18,783,039

Explanatory Note: -

- 1) Provision on account of wage revision of the employees' w.e.f. 01.01.2007, which was continuing till last quarter has since been settled except an amount of Rs.0.09 Crore, which is continuing due to non settlement of Personal Adjustment Pay (fitment benefits) for want of approval of the Government of India. In respect of Personal Adjustment Pay, an amount of Rs.0.09 stands paid as advance to employees and is shown as "Personal Adjustment Advance".
- 2) Pending implementation of Pension Scheme for employees in terms of DPE guidelines, a provision of Rs.0.13 Crore has been made during the year ended 31.03.2012. Total provision towards this comes to Rs.0.25 Crore as at 31.03.2012.
- 3) Pending approval of the Performance Related Pay Scheme (PRP) by Board in terms of DPE guidelines, Rs.0.165Crore has been provided during the year. Cumulative provision existed as at 31.03.2012 for PRP is Rs.0.2325 Crore, against which an amount of Rs.0.02 Crore stands paid as advance to employees.

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NOTE NO. 13.1 - TANGIBLE ASSETS

Sl. No.	PARTICULARS	01.04.2011	GROSS BLOCK		DEPRECIATION				NET BLOCK	
			Additions on account of transfer	Deductions on account of transfer	31.03.2012	01.04.2011	For the Period	Adjustments	31.03.2012	31.03.2012
i)	Land – Freehold	-	-	-	-	-	-	-	-	-
ii)	Land – Leasehold	-	-	-	-	-	-	-	-	-
iii)	Roads and Bridges	4,763,741	-	-	4,763,741	535,027	159,109	-	694,136	4,069,605
iv)	Buildings	5,336,923	270,608	-	5,607,531	2,034,060	515,303	-	2,549,363	3,058,168
v)	Railway sidings	-	-	-	-	-	-	-	-	-
vi)	Hydraulic Works(Dams, Water Conductor system, Hydro mechanical gates, tunnels)	-	-	-	-	-	-	-	-	-
vii)	Generating Plant and machinery	-	-	-	-	-	-	-	-	-
viii)	Plant and machinery	-	-	-	-	-	-	-	-	-
ix)	Sub station	-	-	-	-	-	-	-	-	-
x)	Transmission lines	-	-	-	-	-	-	-	-	-
xi)	Plant and machinery Others	94,554	-	-	94,554	64,190	4,992	-	69,182	30,364
xii)	Construction Equipment	7,472,225	-	-	7,472,225	6,763,182	-	-	6,763,182	709,043
xiii)	Water Supply System/Drainage and Sewerage	-	-	-	-	-	-	-	-	-
xiv)	Electrical installations	-	-	-	-	-	-	-	-	-
xv)	Vehicles	5,630,248	-	1,399,478	4,230,770	5,067,223	-	(1,259,530)	3,807,693	423,077
xvi)	Aircraft/ Boats	-	-	-	-	-	-	-	-	563,025
xvii)	Furniture and fixture	895,154	250,900	-	1,146,054	827,311	29,549	22,127	878,987	267,067
xviii)	Computers	1,266,880	158,088	-	1,424,968	1,109,594	43,575	-	1,153,169	271,799
xix)	Communication Equipment	108,455	12,199	-	120,654	91,497	4,542	-	96,039	24,615
xx)	Office Equipments	689,432	92,013	-	781,445	518,127	47,423	-	565,550	215,895
xxi)	Research and Development	-	-	-	-	-	-	-	-	-
xxii)	Other assets	1,248,992	13,000	-	1,261,992	912,839	84,154	-	996,993	264,999
xxiii)	Capital Expenditure on assets Not Owned by LDHCL	-	-	-	-	-	-	-	-	-
xxiv)	Tangible Assets of minor value > 750 and < Rs.5000	1,498,624	19,769	-	1,518,393	1,497,879	16,760	2,999	1,517,638	755
xxv)	Obsolete / surplus assets	-	-	-	-	-	-	-	-	-
	Total	29,005,228	816,577	-	28,422,327	19,420,929	905,407	(1,234,404)	19,091,932	9,330,395
	Previous period	28,918,580	86,648	-	29,005,228	18,934,536	486,393	-	19,420,929	9,584,299
										9,984,044

NOTE NO. 13.2 - INTANGIBLE ASSETS

Sl. No.	PARTICULARS	01.04.2011	GROSS BLOCK		AMORTISATION				NET BLOCK	
			Additions on account of transfer	Deductions on account of transfer	31.03.2012	01.04.2011	For the Period	Adjustments	31.03.2012	31.03.2012
i)	Land – Unclassified/ Right of Use	-	-	-	-	-	-	-	-	-
ii)	Intangible Assets	7,850	-	-	7,850	2,616	2,616	-	5,232	2,618
	Total	7,850	-	-	7,850	2,616	2,616	-	5,232	2,618
	Previous period				7,850		2,616		2,616	5,234
										-



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NOTE NO. 14.1 - CAPITAL WORK IN PROGRESS

(Amount in Rs.)

	Particulars	31.03.2011	Addition	Adjustment	Capitalised	31.03.2012
i)	Roads and Bridges	1,948,004				1,948,004
ii)	Buildings	-				-
iii)	Railway sidings	-				-
iv)	Hydraulic Works (Dams, Water Conductor system, Hydromechanical gates, tunnels)	-				-
v)	Generating Plant and Machinery	-				-
vi)	Plant and Machinery - Sub station	-				-
vii)	Plant and Machinery - Transmission lines	-				-
viii)	Plant and Machinery - Others	-				-
ix)	Construction Equipment	-				-
x)	Water Supply System/Drainage and Sewerage	-				-
xi)	Other assets awaiting installation	-				-
xii)	Capital Expenditure On assets Not Owned by LDHCL	-				-
xiii)	Survey, investigation, consultancy and supervision charges	26,414,166	6,302,081			32,716,247
xiv)	Expenditure on compensatory Afforestation	-				-
xv)	Expenditure during construction*	361,141,840	22,183,219	(102,326)		383,222,733
	Less: Provided for	-				-
	Sub total (a)	389,504,010	28,485,300	(102,326)	-	417,886,984
	* For addition during the period refer Note No. 33					
	Construction Stores	31.03.2011	Addition	Adjustment	Used	31.03.2012
i)	Stores and spares	257,198				257,198
ii)	Loose tools	-				-
iii)	Scrap inventory	-				-
iv)	Stores in transit/ pending inspection	-				-
v)	Material issued to contractors/ fabricators	-				-
	Less : Provisions for construction stores	129,000				129,000
	Sub total (b)	128,198	-	-	-	128,198
	TOTAL	389,632,208	28,485,300	(102,326)	-	418,015,182
	Previous Period					

Explanatory Note: -

1) The amount of borrowing cost capitalised by transfer to 'Expenditure during Construction (EDC)' during the year is Rs NIL (Corresponding year Rs. NIL).

NOTE NO. 14.2 - INTANGIBLE ASSETS UNDER DEVELOPMENT

(Amount in Rs.)

		01.04.2011	Addition	Adjustment	Capitalised	31.03.2012
i)	Intangible assets under development					-
	TOTAL	-	-	-	-	-
	Previous Period					

NOTE NO. 15 - NON CURRENT INVESTMENTS

(Amount in `)

Particulars	Number of shares/ bonds/ securities	Face value per share/ bond/ security	As at 31 st March, 2012	As at 31 st March, 2011
	-	-	-	-

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NOTE NO. 16 - LONG TERM LOAN AND ADVANCES

(Amount in Rs`)

PARTICULARS	As at 31 st March, 2012	As at 31 st March, 2011
a) CAPITAL ADVANCES		
i) Secured (considered good)	-	-
ii) Unsecured (considered good)		
- Against bank guarantee	-	-
- Others	-	-
iii) Unsecured (considered doubtful)	151,747	151,747
b) DEPOSITS	-	-
c) LOANS & ADVANCES TO RELATED PARTIES	-	-
d) OTHER LOANS & ADVANCES		
i) Employees (including accrued interest)		
- Secured (considered good)	500,589	407,000
- Unsecured (considered good)	486,500	-
- Unsecured (considered doubtful)		
ii) Loan to state Government in settlement of dues from customer.		
iii) Advance to Government of Arunachal Pradesh		
- Secured (considered good)		
- Unsecured (considered good)		
- Unsecured (considered doubtful)		
Less : Provisions for doubtful loan & advances *1	151,747	151,747
	987,089	407,000
Provisions for doubtful loan & advances *1		
Opening Balance	151,747	1,531,747
Additions during the year	-	-
Amount used during the year	-	-
Amount reversed during the year	-	1,380,000
Closing balance	151,747	151,747

	As on 31.03.2012	As on 31.03.2011
PARTICULARS OF LOANS AND ADVANCES DUE FROM DIRECTORS		
Amount due at the end of the year	Nil	Nil
Advance due by firms or private companies in which any Director of the Company is a Director or member amounts to Rs. Nil (Previous year Rs. Nil)		

NOTE NO. 17 - OTHER NON-CURRENT ASSETS

(Amount in Rs`)

PARTICULARS	As at 31 st March, 2012	As at 31 st March, 2011

NOTE NO. 18 - CURRENT INVESTMENTS

(Amount in Rs`)

Particulars	As on 31.03.2012	As on 31.03.2011
		-

NOTE NO. 19 - INVENTORIES

(Amount in Rs`)

PARTICULARS	As at 31 st March, 2012	As at 31 st March, 2011
	Nil	Nil

NOTE NO. 20 - TRADE RECEIVABLES (DEBTORS)

(Amount in Rs`)

PARTICULARS	As at 31 st March, 2012	As at 31 st March, 2011
	Nil	Nil



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NOTE NO. 21 - CASH AND BANK BALANCES

(Amount in Rs`)

PARTICULARS	As at 31 st March, 2012	As at 31 st March, 2011
A Cash and Cash Equivalents		
i) Cash on hand (includes stamps in hand of Rs. NIL, Previous Year Rs. NIL)	20,727	40,866
ii) Cheques, drafts on hand	-	-
iii) Balances with banks		
• With scheduled banks		
- In current account - Self Insurance Fund	-	-
- Others	2,016,896	59,590
- In deposits account* - Self Insurance Fund	-	-
- IPO Proceeds	-	-
- Others	-	-
• With other banks		
- In current account		
Bank of Bhutan, Phuentsholing	-	-
- In deposits account*	-	-
* Deposits with original maturity of three months or less		
B Other Bank Balances		
i) Balances with banks (Deposits with original maturity of more three months but less than/upto 12 months)		
• With scheduled banks		
- In deposits account - Self Insurance Fund	-	-
- IPO Proceeds	-	-
- Others	671,995,991	681,995,991
ii) Deposit account-Unpaid Dividend	-	-
iii) Bank deposits with more than 12 months maturity		
- Term Deposit-towards unutilised money out of IPO proceeds	-	-
- Term Deposit - Others	-	-
- Term Deposit-Self Insurance Fund Deposits with Banks	-	-
	674,033,614	682,096,447

NOTE NO. 22 - SHORT TERM LOAN AND ADVANCES

(Amount in Rs`)

PARTICULARS	As at 31 st March, 2012	As at 31 st March, 2011
A) LOANS		
i) To Related Parties	-	-
ii) To Others	-	-
Employees (including accrued interest)		
- Secured (considered good)	148,013	459,655
- Unsecured (considered good)	20,460	86,137
- Unsecured (considered doubtful)	-	-
Loan to State Government in settlement of dues from customer	-	-
B) ADVANCES		
i) To Related Parties	-	-
ii) To Others		
Employees		
- Unsecured (considered good)	726,650	151,960
- Unsecured (considered doubtful)	-	-
Advance to contractor / supplier		
- Secured (considered good)	-	-
- Unsecured (considered good)		
- Against bank guarantee	-	-
- Others	15,483,735	15,483,735
- Unsecured (considered doubtful)	-	-
Other advances		
- Unsecured (considered good)	-	-
- Unsecured (considered doubtful)	-	-
Less : Provisions for doubtful loans and advances *1	-	-
Advance income tax	34,503,781	-

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NOTE NO. 22 - SHORT TERM LOAN AND ADVANCES

(Amount in Rs`)

PARTICULARS	As at 31 st March, 2012	As at 31 st March, 2011
C) DEPOSITS	-	-
Less : Provision for Doubtful Deposits *2	-	-
	<u>50,882,639</u>	<u>16,181,487</u>
<u>Detail of Provisions</u>		
Provisions for doubtful loans and advances *1	-	-
Provisions for doubtful deposits *2	-	-
 Explanatory Note: -		
PARTICULARS OF LOANS AND ADVANCES DUE FROM DIRECTORS	As at 31 st March 2012	As at 31 st March 2011
i) Amount due at the end of the year	Nil	Nil
Advance due by firms or private companies in which any Director of the Company is a Director or member amounts to Rs. Nil (Previous year Rs. Nil)		

NOTE NO. 23 - OTHER CURRENT ASSETS

(Amount in Rs`)

PARTICULARS	As at 31 st March, 2012	As at 31 st March, 2011
a) Interest accrued on:		
i) Loan to State Government in settlement of dues from customers	-	-
ii) Deposits		
- IPO	-	-
- Self Insurance	-	-
- Others	62,208,315	10,346,916
iii) Others	-	-

NOTE NO. 23 - OTHER CURRENT ASSETS

(Amount in Rs`)

PARTICULARS	As at 31 st March, 2012	As at 31 st March, 2011
a) Interest accrued on :		
Loan to State Government in settlement of dues from customers	-	-
i) customers	-	-
ii) Deposit		
- IPO	-	-
- Self Insurance	62,208.315	10,346.916
- Others	-	-
iii) Others	-	-
b) Other Current Assets	-	-
c) Deferred Tax Recovery Materialized	-	-
c) Claims recoverable from different agencies	-	-
Less : Provisions for doubtful claims *1	-	-
d) Other Recoverable	108,620	3,394
e) Work in progress	-	-
f) Expenditure awaiting adjustment	-	-
Less : Provision for project expenses write off sanction	-	-
g) Losses awaiting write off sanction/pending investigation	-	-
Less : Provision for losses pending investigation/awaiting write sanction	-	-
h) Amount Spent on Deposit work	-	-
Less : Advances against the deposit works	-	-
i) Amount Spent in respect of project Mgt./ Consultancy work	-	-
Less : Advances against cost of project / contractees	-	-
j) Claims reimbursable from self insurance fund	-	-
	<u>62,316,935</u>	<u>10,350,310</u>
<u>Detail of Provisions</u>		
Provisions for doubtful claims *1	-	-
Explanatory Note :-		

NOTE NO. 24 - REVENUE FROM OPERATIONS

(Amount in Rs`)

PARTICULARS	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
	Nil	Nil



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NOTE NO. 25 - OTHER INCOME

(Amount in Rs`)

PARTICULARS	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
A) Income from Non-Current Investments		
i) Trade	-	-
ii) Non-Trade	-	-
B) Other Income		
i) Interest		
- Loan to State Government in settlement of dues from customers	-	-
- Loan to Government of Arunachal Pradesh	-	-
- Deposit Account -Self Insurance Fund - Indian Bank	-	-
- Deposit Account - Other than self insurance fund- Indian Bank	60,627,878	36,471,302
- Employee's Loans and Advances	91,283	29,270
- Others	-	-
ii) Interest from Beneficiary States	-	-
iii) Late payment surcharge	-	-
iv) Profit on transfer of project	-	-
v) Net Gain/Loss on Sale of Mutual Fund	-	-
vi) Profit on sale of assets	-	-
vii) Liability/ Provisions not required written back #	89,640	4,234,524
viii) Others	112,516	26,278
ix) Exchange rate variation	-	-
TOTAL	60,921,317	40,761,374
Less: Income transferred to EDC	202,156	4,290,072
(Refer Note no. 33H (b)& 33-I (i))		
Total carried forward to Statement of Profit & Loss	60,719,161	36,471,302
Explanatory Note: -		
1) Detail of Liability/Provisions not required written back #		
Bad and doubtful debts	-	-
Bad and doubtful advances / deposits	-	1,380,000
Bad and doubtful claims	-	-
Diminution in value of stores and spares	-	-
Shortage in store & spares	-	-
Provision for Guarantee fee	-	-
Provision for Loss on Hedging Transactions	-	-
Provision for wage revision	-	174,651
Provision for Committed Capital Expenditure	-	-
Provision for losses pending investigation	-	-
Provision for PRP/Incentive	-	128,637
Provision for Tariff Adjustment	-	-
Others	89,640	2,551,236
Total	89,640	4,234,524

NOTE NO. 26 - EMPLOYEES BENEFITS EXPENSES

(Amount in Rs`)

PARTICULARS	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
i) Salaries, wages, allowances	29,720,796	37,830,657
ii) Gratuity, Contribution to provident fund & pension scheme (incl. administration fees)	5,945,877	16,026,916
iii) Staff welfare expenses	2,647,069	8,140,967
iv) Leave Salary & Pension Contribution	-	-
TOTAL	38,313,742	61,998,540
Less: Employee Cost transferred to EDC	38,313,742	61,998,540
(Refer Note no. 33-A & 33-I (iii))		
Total carried forward to Statement of Profit & Loss	-	-
Explanatory Note: -		

1) The detail of Remuneration paid/payable to Directors as included in above payments are as follows: -

(Rs. in Crore)

	31.03.2012	31.03.2011
(i) Salaries & Allowances	NIL	NIL
(ii) Contribution to Provident Fund	NIL	NIL
(iii) Rent for Residential Accommodation	NIL	NIL
(iv) Other benefits	NIL	NIL

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NOTE NO. 27 - FINANCE COST

(Amount in Rs`)		
PARTICULARS	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
a) Interest on :		
Government of India loan	-	-
Bonds	-	-
Foreign loan	-	-
Term loan	-	-
sub total	-	-
b) Other Borrowing Cost		
Other finance charges	2,674	18,431
sub total	2,674	18,431
c) Applicable net gain/ loss on Foreign currency transactions and translation		
sub total	-	-
TOTAL	2,674	18,431
Less: Finance Cost transferred to EDC (Refer Note no. 33-D & 33-I (v))	2,674	18,431
Total carried forward to Statement of Profit & Loss	-	-

NOTE NO. 28 - DEPRECIATION AND AMORTIZATION EXPENSES

(Amount in Rs`)		
PARTICULARS	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
i) Depreciation for the year	908,023	489,009
ii) Depreciation adjustment on account of FERV	-	-
TOTAL	908,023	489,009
Less: Depreciation transferred to EDC (Refer Note no. 33-F & 33-I (v))	908,023	489,009
Total carried forward to Statement of Profit & Loss	-	-

NOTE NO. 29 - GENERATION, ADMINISTRATION AND OTHER EXPENSES

(Amount in Rs`)		
PARTICULARS	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
A. GENERATION EXPENSES		
Consumption of stores and spare parts	-	-
B. REPAIRS & MAINTENANCE		
- Building	586,020	635,093
- Machinery	23,133	18,558
- Others	596,310	391,671
C. ADMINISTRATION EXPENSES		
i) Rent	283,484	-
ii) Rates and taxes	40,060	48,180
iii) Insurance	55,579	49,962
iv) Security expenses	-	-
v) Electricity Charges	11,000	-
vi) Travelling and Conveyance	1,000,213	756,917
vii) Expenses on staff car	358,710	217,305
viii) Telephone, telex and Postage	113,204	22,595
ix) Advertisement and publicity	496,520	1,660
x) Entertainment and hospitality expenses	37,962	9,000
xi) Donation	-	-
xii) Printing and stationery	91,651	69,489
xiii) Books & Periodicals	3,198	1,699
xiv) Consultancy charges - Indigenous	13,450	13,890
xv) Consultancy charges - Foreign	-	-
xvi) Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	-	-
xvii) Expenditure on land not belonging to corporation	-	-
xviii) Loss on sale of assets	-	-
xix) Bad debts / advances/ claims written off	-	-
xx) Stores written off	-	-
xxi) Fixed assets written off	-	-



NHPC Limited

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NOTE NO. 29 - GENERATION, ADMINISTRATION AND OTHER EXPENSES

(Amount in Rs `)

PARTICULARS	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
xxii) Interest on Arbitration/ Court Cases	-	-
xxiii) Rebate to customers	-	-
xxiv) Water Cess & Environment Protection Cess	-	-
xxv) Corporate Social Responsibility Expenses	-	-
xxvi) Other general expenses	968,652	624,742
xxvii) Exchange rate variation	-	-
xxviii) Audit expenses (Refer detail below)	146,015	53,238
xxix) Director expenses	-	-
xxx) Research and development expenses	-	-
TOTAL	4,825,161	2,913,999
Less: Generation, Administration and Other Expenses transferred to EDC (Refer Note no. 33-B, 33-C & 33-I (ii))	4,100,765	2,913,999
Less: Generation, Administration and Other Expenses transferred to contract and consultancy expenses (Refer Note no. 31)	-	-
Less: Recoverable from Deposit Works	-	-
Total carried forward to Statement of Profit & Loss	724,396	-

Explanatory Note : -

1) Detail of audit expenses are as under : -

i) Statutory auditors

As Auditor

	As on 31.03.2012	As on 31.03.2011
Audit Fees	55,562	22,060
Tax Audit Fees	-	-
Total	55,562	22,060

In other Capacity

	As on 31.03.2012	As on 31.03.2011
Taxation Matters	-	-
Company Law Matters	-	-
Management Services	-	-
Other Matters/services	13,170	-
Total	13,170	-
Reimbursement of expenses	77,283	31,178

ii) Cost Auditors

Audit Fees	-	-
Reimbursement of expenses	-	-

2) Sitting fees to independent directors

3) Whole-time Directors also allowed the use of company's car for official journeys and for private journeys upto 12000 kms in a Financial year on payment as under:-

	Non-AC Car	AC Car
Upto 16 HP	NIL	NIL
Above 16 HP	NIL	NIL

NOTE NO. 30 - PROVISIONS

(Amount in Rs `)

PARTICULARS	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
i) Diminution in value of stores and spares	-	129,000
TOTAL	-	129,000
Less: Provisions transferred to EDC (Refer Note no. 33-E & 33-I (iv))	-	129,000
Total carried forward to Statement of Profit & Loss	-	-

NOTE NO. 31 - EXPENDITURE ON CONTRACT, PROJECT MANAGEMENT AND CONSULTANCY WORKS

(Amount in Rs `)

PARTICULARS	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011

LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

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

NOTE NO. 32 - PRIOR PERIOD EXPENSES

(Amount in Rs`)

PARTICULARS	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
INCOME		
i) Sale of Electricity	-	-
ii) Add: Advance Against Depreciation written back	-	-
iii) Interest/Surcharge received from debtors	-	-
iv) Others	-	5,119,825
SUB TOTAL	<u>-</u>	<u>5,119,825</u>
EXPENDITURE		
i) Salaries & Wages	(20,939,829)	-
ii) Repair & Maintenance	-	-
iii) Finance Cost	-	-
iv) Depreciation	-	-
v) Others	-	-
SUB TOTAL	<u>(20,939,829)</u>	<u>-</u>
TOTAL	(20,939,829)	(5,119,825)
Less: Prior Period Expenses transferred to EDC (Refer Note no. 33-G)		
Prior period expenses	(20,939,829)	-
Less Prior period income	<u>-</u>	<u>-</u>
Total	-	(5,119,825)
Less: Prior Period Expenses transferred to contract and consultancy expenses (Refer Note no. 31)	-	-
Less: Recoverable from Deposit Works	-	-
Total carried forward to Statement of Profit & Loss	<u>-</u>	<u>(5,119,825)</u>

NOTE NO. 33 EXPENDITURE DURING CONSTRUCTION FOR THE YEAR

(Amount in Rs)

PARTICULARS	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
A. EMPLOYEES' REMUNERATION & BENEFITS		
i) Salaries, wages, allowances	29,720,796	37,830,657
ii) Gratuity and contribution to provident fund (including administration fees)	5,945,877	16,026,916
iii) Staff welfare expenses	2,647,069	8,140,967
iv) Leave Salary & Pension Contribution	-	-
Sub-total	<u>38,313,742</u>	<u>61,998,540</u>
B. REPAIRS & MAINTENANCE		
i) Building	586,020	635,093
ii) Machinery	23,133	18,558
iii) Others	596,310	391,671
Sub-total	<u>1,205,463</u>	<u>1,045,322</u>
C. ADMINISTRATION & OTHER EXPENSES		
i) Rent	283,484	-
ii) Rates and taxes	13,560	48,180
iii) Insurance	55,579	49,962
iv) Security expenses	-	-
v) Electricity Charges	11,000	-
vi) Travelling and Conveyance	964,900	756,917
vii) Expenses on staff car	358,710	217,305
viii) Telephone, telex and Postage	113,204	22,595
ix) Advertisement and publicity	-	1,660
x) Entertainment and hospitality expenses	-	9,000
xi) Printing and stationery	91,651	71,188
xii) Remuneration to Auditors	32,472	53,238



NHPC Limited

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NOTE NO. 33 EXPENDITURE DURING CONSTRUCTION FOR THE YEAR

(Amount in Rs)

PARTICULARS	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
Design and Consultancy charges:		
xiii) - Indigenous	13,450	-
xiv) - Foreign	-	-
xv) Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	-	-
xvi) Expenditure on land not belonging to corporation	-	-
xvii) Land acquisition and rehabilitation	-	-
xviii) Loss on assets/ materials written off	-	-
xix) Losses on sale of assets	-	-
xx) Exchange rate variation	-	-
xxi) Other general expenses	957,292	638,632
Sub-total	2,895,302	1,868,677
D. INTEREST AND FINANCE CHARGES		
i) Interest on :		
Exchange differences regarded as adjustment to interest cost	-	-
ii) Loss on Hedging Transactions	-	-
iii) Bond issue/ service expenses	-	-
iv) Commitment fee	-	-
v) Guarantee fee on loan	-	-
vi) Other finance charges	2,674	18,431
Sub-total	2,674	18,431
E. PROVISIONS	-	129,000
Sub-total	-	129,000
F. DEPRECIATION	908,023	489,009
Sub-total	908,023	489,009
G. PRIOR PERIOD EXPENSES		
Prior Period Expenses	(20,939,829)	-
Less: Prior Period Income	-	-
Sub-total	(20,939,829)	-
H. LESS: RECEIPTS AND RECOVERIES		
a) Income from generation of electricity – pre commissioning	-	-
b) Others		
i) Interest on loans and advances	-	-
ii) Miscellaneous receipts	112,516	55,548
iii) Profit on sale of assets	-	-
iv) Exchange rate variation (Credit)	-	-
v) Provision not required written back	89,640	4,234,524
vi) Hire charges/ outturn on plant and machinery	-	-
Sub-total	202,516	4,290,072
GRAND TOTAL (A+B+C+D+E+F+G-H)	22,183,219	61,258,907

NOTE NO. 34 - TAX EXPENSES

(Amount in Rs`)

PARTICULARS	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
i) CURRENT TAX		
Income Tax Provision	19,465,302	12,634,751
Wealth Tax	-	-
ii) Adjustment Relating To Earlier Years	-	1,880,993
iii) Deferred Tax Account	-	-
Less: Deferred Tax Recoverable Adjustments	-	-
	19,465,302	14,515,744

LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

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

NOTE NO. 35 EXPLANATORY STATEMENTS TO ACCOUNTS

1. a) Contingent Liabilities as on:-

(In Rs.)

Description	Opening Balance As at 01/04/2011	Closing Balance As at 1/03/2012
Claims against the Company not acknowledged as debts in respect of		
- Capital Works	Nil	Nil
- Land Compensation Cases	Nil	Nil
- Others	Nil	Nil
- Disputed Income Tax Demand	Nil	Nil
- Disputed Sales Tax Demand	Nil	Nil
- Disputed Service Tax Demand	Nil	Nil
- Others	Nil	Nil
Total	Nil	Nil

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

(In Rs.)

		For the year ended 31.03.12	For the year ended 31.03.11
(i)	Amount charged to Profit and Loss Account excluding Depreciation (as FERV)	Nil	Nil
(ii)	Amount charged to Profit and Loss Account excluding Depreciation (as Borrowing Cost)	Nil	Nil

		For the year ended 31.03.12	For the year ended 31.03.11
(iii)	Amount charged to Expenditure During Construction (as FERV)	Nil	Nil
(iv)	Amount charged to Capital Work-In-Progress (as FERV)	Nil	Nil
(v)	Amount adjusted by addition to the carrying amount of Fixed Assets	Nil	Nil

7. During the year ended 31.03.2012, following Accounting Policies have been Reworded/Modified/Deleted:

Accounting Policy	Changes	Impact
Accounting Policy No. 5.1 on depreciation	Slight modification has been carried out in the existing policy to disclose the fact of practice of charging depreciation on addition / deductions of Fixed Assets to / from Gross Block.	No Impact
Accounting Policy No. 5.2.3 on depreciation on construction Plant & Machinery & Computer & Peripherals	Some grammatically error has been corrected.	No Impact
Accounting Policy No. 5.2.4 on Depreciation on temporary erections.	Policy has been reworded to have better disclosure.	No Impact
Accounting Policy No. 5.5 on amortisation of software	Policy has been reworded to have better disclosure.	No Impact
Accounting Policy No. 5.6 Amortisation of lease hold land	Policy has been modified & now presented as two sub policies 5.6.1 & 5.6.2.	No Impact
Accounting Policy No. 2.6 on Grant-in-Aids	Deleted	No Impact
Accounting Policy No. 7.4 on valuation of stores at site on Engineering Estimate basis	Deleted	No Impact

8. All the employees posted in the company are on the roll of NHPC Ltd and all Provisions for Employee Benefits as per Accounting Standard 15 (Revised 2005) for the year ended 31.03.2012 have been kept in the books of NHPC Ltd. However increase in the provision on a/c of Employees benefit for the year ended 31st March-2012 have been debited to Note No-26 'Employees Benefits Expenses'.
9. Electricity generation is the principal business activity of the Corporation. Other operations viz., Contracts, Project Management and Consultancy works do not form a reportable segment as per the Accounting Standard - 17 on Segment Reporting issued by the Institute of Chartered Accountants of India.
10. In compliance of Accounting Standard - 18 on Related Party disclosures issued by the Institute of Chartered Accountants of India, the required information is given as under: -
- a) Related Parties
- (i) Joint Venture Companies
There is no Joint Venture Company
- (ii) Key Management Personnel

Shri A. B. L.Srivastava	Chairman
Shri Liangsi Paul Gonmei	Director
Mrs Kalyani Mishra	Director
Shri Vijay Kumar	Director
Shri D.K.Ray	Director

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

Particular	During the year ended 31.03.2012	During the year ended 31.03.2011
Investment	-	-



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11. Earning Per Share:-

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

Particulars	During the year ended 31.03.2012	During the year ended 31.03.2011
Net Profit after Tax used as numerator (Rs. in Crore)	4.05	2.71
Weighted Average number of equity shares used as denominator		
- Basic	98461540	60000000
- Diluted	98502636	62575342
Earning Per Share (Rs.) - Basic	00.41	00.45
- Diluted	00.41	00.43
Face value per Share (Rs.)	10	10

12. Interest in Joint Venture:-

Name of Companies	Proportion of Ownership interest as at	
	31.03.2012	31.03.2011
	-	-

(In Rs.)

	Particulars	During the year ended 31.03.2012	During the year ended 31.03.2011
13. a)*	Value of Imports calculated on CIF basis:		
	Capital Goods	Nil	Nil
	Spare parts	Nil	Nil
b)*	Expenditure in Foreign Currency		
	Know - How	Nil	Nil
	Interest	Nil	Nil
	Other Misc. Matters	Nil	Nil

Particulars	During the year ended 31.03.2012	During the year ended 31.03.2011
c)* Value of Spare parts and Components consumed in Operating Units.	Nil	Nil
Imported	Nil	Nil
i) Indigenous		
d)* Earnings in Foreign Currency		
Interest	-	-
Others	-	-

* Accrual basis.

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

(In Rs.)

(i)	Principal amount remaining unpaid to Micro, Small & Medium Enterprise.	NIL
(ii)	Interest Accrued on Principal Amount remaining unpaid as (i) above	NIL
(iii)	Amount of Interest paid during the nine months ended 31.03.2012 along with the payment of principal amount made beyond 15 days or agreed time from the date of delivery/rendering of services.	NIL
(iv)	Interest due but yet to be paid on Principal paid during the nine months ended 31.03.2012	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

15. Corresponding figures for the Year / Opening Balances have been Regrouped/ Re-arranged/Re-cast wherever necessary.

In terms of our report of even date attached

FOR KUNJABI&CO
CHARTERED ACCOUNTANTS
(F.Regn. No-309115E)

(KSH.KUNJABI SINGH)
PARTNER
MEMBERSHIP NO-016593

(A.B.L.SRIVASTAVA)
CHAIRMAN
DIN: 01601682

(S.K.CHAUHAN)
CHIEF EXECUTIVE OFFICER

For and on behalf of the Board of Directors

(VIJAY KUMAR)
DIRECTOR
DIN:03021294

(VIPAN JAIN)
COMPANY SECRETARY

Place : NEW DELHI

Dated : 18th May 2012

LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

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

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS AT 31.03.2012

(Rs. In Lacs)

(I) Registration Details :			
Registration No.		State Code	Balance Sheet Date
U40101MN2009GOI008249		12	31.03.2012
(II) Capital Raised during the year			
Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placment	NIL
(III) Position of Mobilisation and Deployment of Fund			
Total Liabilities	12155.68	Total Assets	12155.68
Source of Funds			
Paid-up Capital	9846.15	Reserves & Surplus	559.78
Share Application Money	500.00		
Secured Loan	NIL	Unsecured Loan	NIL
Application of Funds			
Net Fixed Assets			
(Including Capital Work-in-progress & Advance against Capital Works)	4283.35	Investments	0.00
Net Current Assets	6622.58	Misc. Expenditure	0.00
Accumulated Losses	NIL		
(IV) Performance of the Company			
Turnover (Gross Revenue)	607.19	Total Expenditure	7.24
Profit(Loss) before Tax	599.95	Profit(Loss) after Tax	405.29
Earning per Share in Rupee	0.41	Dividend Rate %	NIL
(V) Generic Names of Three Principal Products/Services of the Company			
(I) Product description	NIL		
Item Code No.			
(II) Product description	NIL		
Item Code No.			
(III) Product description	NIL		
Item Code No.			

In terms of our report of even date attached		For and on behalf of the Board of Directors	
FOR KUNJABI&CO		(A.B.L.SRIVASTAVA)	
CHARTERED ACCOUNTANTS		CHAIRMAN	
(F.Reg. No-309115E)		DIN : 01601682	
(KSH.KUNJABI SINGH)		(S.K.CHAUHAN)	
PARTNER		CHIEF EXECUTIVE OFFICER	
MEMBERSHIP NO-016593		(VIPAN JAIN)	
		COMPANY SECRETARY	

Place : NEW DELHI

Dated : 18th May 2012



NHPC Limited

(A Government of India Enterprise)

CASH FLOW STATEMENT

(Amount in Rs.)

PARTICULARS	For the Year Ended 31.03.2012		For the Year Ended 31.03.2011	
A) CASH FLOWS FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAXATION	59,994,765		36,471,302	
ADJUSTMENTS				
- INTEREST/OTHER INCOME	60,719,161		(36,471,302)	
- PRELIMINARY EXPENSE WRITTEN OFF				
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(724,396)		-	
CHANGES IN WORKING CAPITAL				
(INCREASE)/DECREASE IN LOANS & ADVANCES	(35,281,241)		4,601,751	
(INCREASE)/DECREASE IN OTHER CURRENT ASSETS	(38,047,831)		(5,618,844)	
(INCREASE)/DECREASE IN CURRENT LIABILITIES	(4,413,588)		(263,907,311)	
(INCREASE)/DECREASE IN PROVISIONS	1,895,384		13,753,978	
CASH GENERATED FROM OPERATIONS	(76,571,672)		(251,170,426)	
INCOME TAX PAID	(13,918,794)		(14,515,744)	
NET CASH FROM OPERATING ACTIVITIES (A)		(90,490,466)		(265,686,170)
B) CASH FLOWS FROM INVESTING ACTIVITIES				
PURCHASE OF FIXED ASSETS	(816,577)		(94,498)	
INCREASE IN CAPITAL WORK IN PROGRESS	(27,474,951)		(67,006,766)	
INCREASE IN STORES & SPARES			(11,809,012)	
INTEREST INCOME	60,719,161		36,471,302	
INTEREST INCOME (PRIOR PERIOD)			5,119,825	
NET CASH FROM INVESTING ACTIVITIES (B)		32,427,633		(37,319,149)
C) CASH FLOWS FROM FINANCING ACTIVITIES				
MISCELLANEOUS EXPENSES			-	
PROCEEDS AGST. SHARE APPLICATION MONEY	50,000,000		384,615,400	
NET CASH FROM FINANCING ACTIVITIES (C)		50,000,000		384,615,400
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		(8,062,833)		81,610,081
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		682,096,447		600,486,366
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		674,033,614		682,096,447

In terms of our report of even date attached

FOR KUNJABI&CO
CHARTERED ACCOUNTANTS
(F.Reg. No-309115E)

(KSH.KUNJABI SINGH)
PARTNER
MEMBERSHIP NO-016593

For and on behalf of the Board of Directors

(A.B.L.SRIVASTAVA)
CHAIRMAN
DIN: 01601682

(S.K.CHAUHAN)
CHIEF EXECUTIVE OFFICER

(VIJAY KUMAR)
DIRECTOR
DIN:03021294

(VIPAN JAIN)
COMPANY SECRETARY

Place : NEW DELHI
Dated : 18th May 2012

एनएचपीसी लिमिटेड
(Yeej le mej keâj keâ GÅec)



NHPC Limited
(A Government of India Enterprise)

SveSÛheemear keâÙeeÙeeÙee heâj mej, meÙeešj - 33, heâj meÙeeÙee - 121003, neâjÙeeÙee (Yeej le) JeyemeefŠ : www.nhpcindia.com
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