



ANNUAL REPORT
of Subsidiary Companies

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NHPC Limited

(A Government of India Enterprise) **NHDC LIMITED**

DIRECTORS' REPORT

To The Members, NHDC Limited

Your Directors have great pleasure in presenting the 11th 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 2011.

During the year under review, your Corporation has achieved an aggregate income of ₹ 1025.75 crore representing an increase of 1.97% over the previous year. The highlights of the financial results are as under :-

1. FINANCIAL HIGHLIGHTS:

₹ in Lakhs

Particulars	2010-11	2009-10*
Sale of Power incl. other Income .	102575	100593
Profit before depreciation, interest (incl. financial charges) and tax.	89285	90927
Depreciation	25015	24963
Profit after depreciation and before interest and tax	64270	65964
Interest and financial charges.	25732	28229
Profit after depreciation and interest but before tax	38538	37735
Tax	8125	16505
Profit after depreciation, interest and tax	30413	21230
Surplus of Profit and Loss account of earlier years	107940	92536
Excess Provision withdrawn - Dividend		1
Profit available for appropriations	138353	113767

*As regrouped.

APPROPRIATIONS:

Self Insurance Reserve	793	3351
Proposed Dividend	3925	2123
Provision for Tax on dividend	637	353
Balance Profit carried to Reserves and Surplus	132998	107940

2. REVENUE REALISATION:

A record cash revenue realization of ₹ 1014.49 cr. has been registered during FY 2010-11, which includes an amount of ₹ 134.16 Cr. through EMIs against old outstanding securitized dues of Indira Sagar Power Project.

3. POWER GENERATION:

Both the Power Projects of NHDC viz. ISP and OSP have generated 3197 MUs of energy during FY 2010-11 with an increase of 4.08% over the previous year.

4. DIVIDEND:

Considering the net profit of ₹ 304.13 Cr. for the FY 2010-11, the Board recommended a dividend @ ₹ 20 per equity share of the company amounting to ₹ 39.25 Cr. as dividend (excl. dividend tax as applicable) for the financial year 2010-11, 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 ₹ 1962.58 Cr.

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 restriction by Court Orders, the permitted 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 2010-11 was 2198 MU and demonstrated Plant Availability Factor (PAF) of 88.40% against Normative Value of 85% as per prevailing CERC norms.

♦ 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. OSP has been completed in record time and ahead of schedule in November 2007. 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 2010-11 was 999 MU and demonstrated Plant Availability Factor (PAF) of 96.40% against Normative Value of 90% as per prevailing CERC norms with reference to the commissioned Installed Capacity of 400 MW at restricted reservoir level of EL 189.0 M.

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 had signed MOU with its Holding Company i.e. NHPC. The performance of your Company has been rated as "Excellent" for the year 2009-10.

8. DIVERSIFICATION ACTIVITIES:

♦ REVA THERMAL POWER PROJECT (2 x 660 MW) :

NHDC Ltd. has signed MoU on 29th June 2009 with GoMP to develop super critical technology based Reva Thermal Power Project (RTPP) -1320 MW (2X660 MW) on ownership basis in District Khandwa of MP. The preparation of DPR, finalization of studies / activities like Environment Impact Assessment, Social Impact Analysis, land acquisition, railway route studies etc. are held up for want of coal related data. The Project has been recommended for coal linkage for 12th plan to Ministry of coal in Aug-2010 and it has been included in the shelf of project under consideration for 12th plan. DPR will be finalized after allocation/ allotment of coal linkage.

♦ WIND POWER PROJECT:

NHDC Ltd. has registered for 100 MW Potential Wind Power site in MP with MPUVN. Three no. wind masts were installed in Kukru region for wind assessment studies. As per wind assessment studies, above sites were not found viable. Now MPUVN has been requested to allot new sites for wind power development in MP. Further, to explore the wind potential sites available with other wind farm developers/ agencies in Madhya Pradesh, Expression of Interest has been invited.

9. VIGILANCE ACTIVITIES:

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

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

10. OFFICIAL LANGUAGE (RAJBHASHA) IMPLEMENTATION REPORT:

Rajbhasha Vibhag of NHDC Corporate Office, Bhopal made effective efforts to achieve desired targets in the compliance of Rajbhasha (OL) Annual programme. Corporation has been awarded with Rajbhasha Prachar Prasara Samman by Parivartan Jankalyan Samiti, Delhi for excellent contribution in the field of implementation of official Language. In addition to above, specific works have also been performed towards Publication of Official Language Annual Magazine 'AROHAN', Specific Hindi workshops and Hindi competitions, Kavi Sammelan and Kavya Samagam etc.

11. RIGHT TO INFORMATION ACT, 2005:

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

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

12. HUMAN RESOURCE

Your Company believes that human resource is the biggest asset to the organization with whose contribution company had walked miles and shall take big leap into future. The Company believes that in fulfillment of its business plan, the employees of the company should be suitably leveraged. As on 31st March, 2011, Company had strong force of 548 employees. The Company has recruited 27 professionals during the financial year 2010-11

13. RESERVATION FOR SC/ST/OBC:

Your Corporation follows the instructions relating to reservation of post for SC/ST/OBCs/Physically disabled 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 / Physically disabled persons. Special arrangements have been made at Projects / Offices for smooth access of physically disabled persons.

14. STATUTORY AND OTHER INFORMATION

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

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

15. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- That in the preparation of the Annual Accounts for the financial year ended 31st March, 2011, 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 judgements 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, 2011 on a 'going concern' basis.

16. AUDITORS:

M/s Multi Associates, Chartered Accountants, Bhopal were appointed as "Statutory Auditors" for conducting the Audit for the year 2010- 2011.

17. AUDITORS' REPORT:

The Auditors' Report refers to various notes incorporated by the Corporation in schedule 24, which are self-explanatory. The comments of the auditors

and management's replies thereto, if any, are given in **annex "B"**. The comment of the Comptroller and Auditor General of India is enclosed at **annex "C"** to the report.

18. 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 2010-11 with the approval of Ministry of Corporate affairs.

Sr. No.	Name of the Firm/auditor	Unit
1.	Prabha Sharma, Bhopal.	Indira Sagar Power Project
2.	M.Goyal & Co., Indore.	Omkareshwar Power Project.

19. AUDIT COMMITTEE:

The Audit Committee has reviewed the annual financial statements before submission to the Board as required u/s Sec. 292A of the Companies Act, 1956. As on 31st March, 2011, the composition of audit committee consists of Sh. R. Jeyaseelan, Independent Director as Chairman along with two other Directors i.e. Sh. K. M. Singh, Chief Executive Director and Sh. R. K. Taneja, Director.

20. 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.

Sh. S.K.Garg ceased to be CMD of NHDC consequent upon attaining the age of superannuation effective from 31st Dec. 2010.

Further since last report Sh. Rajesh Dongre and Sh. R.Jeyaseelan have also ceased to be directors of NHDC. Sh. A.Gopalakrishnan, an independent director has joined the Board of NHDC in place of Sh. R.Jeyaseelan w.e.f. 23/06/11.

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

21. ACKNOWLEDGEMENTS:

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

For and on behalf of the Board of Directors

Sd/-
Chairman-NHDC
Din no.01601682

Dated: 04.07.11
Place: New Delhi.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian economy is growing at a rapid pace and electric power is a key infrastructure needed for its sustained growth. The power sector of India has shown remarkable progress since its independence. The total installed capacity has increased from 1362 MW to the present capacity of 173626.40 MW as on 31st March '2011. Despite this, the sector is facing challenging situations of meeting peak power demand, an inadequate hydro-thermal mix, unstable grids, frequency fluctuations, poor distribution networks etc.

The total installed capacity of power in India as on 31st March '2011 was 173626.40 MW. Out of this, thermal power accounted for 112824.48 MW (64.98%), hydro 37567.40 MW (21.64%), nuclear 4780 MW (2.75%) and renewable energy sources 18454.52 MW (10.63%). The public sector has taken a lead role in power generation in India with the State and Union Governments generating about 80% of total installed capacity. The participation of private sector is 20% which is increasing since the liberalization of economy in 1991. To fulfill the objectives of the National Electricity Policy, a capacity addition of 78,700 MW had been proposed for the 11th Plan (2007-12). This capacity addition is expected to provide a growth of 9.5% to the power sector.

As on 31st March '2011, the total installed capacity of power allocated to Madhya Pradesh was 8358.54 MW from State / Central / Private sector. Out of this, thermal power accounted for 4617.28 MW (55.24%), hydro 3223.66 MW (38.57%), nuclear 273.24 MW (3.27%) and renewable energy sources 244.36 MW (2.92%).

NHDC Ltd. as a Joint Venture of NHPC Ltd. & GoMP was setup in August '2000 to complete the two languish mega hydro power projects in Narmada basin namely Indira Sagar (1000 MW) & Omkareshwar (520 MW). Both these hydro power projects have been completed by NHDC Ltd. ahead of schedule in the year 2005 & 2007 respectively and presently, NHDC Ltd. is the largest hydro power producer in the State of M.P.

Owing to limited scope of Hydro Power potential in the State of M.P., the Company has recently ventured into development of power projects from all conventional / non-conventional sources of energy viz. thermal, wind etc. Presently the preparation of DPR for 2 x 660 MW capacity super critical technology based Reva Thermal Power Project (RTPP) in the periphery of Indira Sagar reservoir is under process and the same shall be finalized on receiving the Coal linkage for which Ministry of Power, GOI has recommended to Ministry of Coal. The Power Purchase Agreement (PPA) of RTPP has also been signed with MPTradeco on 03.01.2011. NHDC will deploy its internal resources to meet the equity requirement of the project.

CAPABILITY

NHDC is a strong, efficient and versatile organization with the proven track record for completing the hydro power projects ahead of schedule with very limited manpower. To establish the capabilities of NHDC's ability to reach to heights, an exercise of SWOT analysis was done internally.

Briefly NHDC's strength lies in its presence as largest hydro power producer in the State of M.P. with free cash reserves of ₹ 1330 Crores (approx) as on 31st March 2011 and full cooperation from GoMP being their 49% stake-holding in the Joint Venture Company. The main weakness of NHDC is that despite completing both the projects ahead of schedule, it has so far not reaped the full advantage of power generation due to restriction imposed by Hon'ble Courts to fill both the reservoirs up to FRL. The huge gap between demand & supply in the Western Grid, is the biggest opportunity for NHDC to develop power projects from all conventional and non-conventional sources. However, the presence of private players and projected scarcity in coal availability is posing the great threat in hampering strategic initiative of NHDC.

POWER GENERATION FROM PROJECTS

The generation from Indira Sagar Power Project was started since January, 2004 and till 31st March, 2011, 15322 Million Units has been generated. Similarly, Omkareshwar Project (OSP) started its generation since August, 2007 and till 31st March, 2011, 3454 Million Units has been generated.

RISKS AND CONCERNS

Hydro power schemes are capital intensive, besides development of hydro power schemes in Madhya Pradesh involves submergence of cultivated area resulting very high cost towards mammoth Rehabilitation & Resettlement works having direct impact on tariff.

OUTLOOK

The Indian economy is one of the fastest growing economies in the world resulting in high demand for energy, in particular, electrical energy which is increasing annually at the rate of 8% to 10% approximately. The 17th Energy Power Report published by CEA in March '2007 has projected an energy demand of about 969 billion units in the Year 2011-2012 and 1392 billion units in the Year 2016-2017. The peak demand has been projected as 153 GW in 2011-2012 and 218 GW in 2016-2017.

However, in the context of Madhya Pradesh, the current deficit in energy demand is approximately 19.70% and in peak demand, the deficit is 12.00% approximately. Huge gap between peak demand and supply of power in the Madhya Pradesh is encouraging speedy development of Power Projects.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has robust internal systems and processes in place for smooth and efficient conduct of business. Your Company complies with relevant laws and regulations. Suitable delegation of power and also the guidelines for preparation of accounts have been issued for uniform compliance. In order to ensure that all checks and balances are in place and all internal control systems are in order, Company has its own Internal Audit Department which conducts regular and exhaustive internal audits at all the locations. Besides, the Company has Board level Audit Committee to keep a close watch on compliance with Internal Control System. A summary of important internal audit observations is placed before the Audit Committee and recommendations/ directions of Audit Committee are followed and corrective action taken for continuous improvement.

HUMAN RESOURCE DEVELOPMENT

People are the main assets of the Corporation and accordingly conscious effort has been made to provide the environment for continuous development in line with organizational goals, priorities and individual aspirations of employees. HR initiative undertaken to improve employee's performance level include KRA based appraisal system for all Executives and training for multiskilling and re-deployment. Your Corporation'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 who will make the difference. Periodical job rotation and inter location transfer are undertaken to facilitate development and broaden outlook. The Human Resources function follows integrated approach to actualize the HR goals. As a learning organization the new recruits are attached with Senior Executive under a systematic and formal training to integrate them into the culture of the company. Rich library have been established at Project/ Offices and executives are encouraged to take professional bodies membership for knowledge enhancement.

As a part of post employment training and development opportunity, a systematic training plan has been formulated for ensuring minimum seven man-days training per employee per year through training need analysis. This has been designed to groom employee for assuming position of higher responsibility. The Corporation has been organizing annual inter and intra projects / offices sports competition to inculcate team building. The company also continues to focus on building leadership capability and strategic orientation through a series of training programmes and workshops. Demonstrating its high concern for people, we have developed employee welfare, health and social security system leading to high level of commitment. The Employee attrition rate has been lowest in the industry. We have developed Modern Township with best quality of life, containing amenities like, educational, medical and recreational facility for employees and their family Members. Corporation also has empanelled hospitals at various locations to meet employee health needs. We have the best record in the industry for accident free man-hours. The Corporation emphasises aligning people capability and competency with current and emerging business challenges.

INDUSTRIAL RELATIONS

The Industrial Relation climate in your Corporation during the year continued to be harmonious. The company takes proactive measures and follows open door policy to redress the human values. Due to this cordial atmosphere, there was no loss of any man-days during the year.

CORPORATE SOCIAL RESPONSIBILITY

NHDC Ltd. has a longstanding commitment to addressing the needs of the society, in view of its beliefs that for any economic development to be meaningful, the benefits from the business must trickle down to the society at large. We are of the firm view that the Corporate goals must be aligned with the longer society goals. NHDC is aware of the need to work beyond financial consideration and put in that little extra effort to ensure that we are perceived not just as Corporate entity that exist for power generation but as wholesome entity created 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 Corporation has been taking concrete action to realize its social responsibility objectives, thereby building value for its shareholders and customers.

Your Corporation has framed a comprehensive Corporate Social Responsibility Policy as per which, Corporation sets aside a certain budget every year for the purpose through a comprehensive community welfare and development programme. The Social Responsibility Programme entails partnering communities in health, family welfare, education, environment protection, providing potable

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water, sanitation and empowerment of women and others marginalized groups. With these programmes, your Corporation has undertaken many social and community initiatives in the State of Madhya Pradesh, touching the lives of thousands of people by supporting them, only to make sure that fellow humans are benefited.

With Corporate Social Responsibility high on its corporate agenda, Your Corporation is committed for conducting business in such a way so as to ensure sustainable development and enhancement of quality of life of the community where it operates. It is our firm endeavor to move beyond business and touch every hearts in order to realize their dreams.

ENVIRONMENT

While fully acknowledging the corporate Environmental responsibilities towards society, environment protection & conservation has commanded due attention beyond statutory obligation in NHDC. As a result both the projects i.e. ISP & OSP have developed Environment Management System as an integral part of projects activities. This has helped in Resource Conservation and Waste Minimization. Hydro projects are the most environment friendly way of generating electricity in large scale. However, while executing the projects there are certain environmental fallouts and for this adequate environmental safeguards are in place, important among them are-Compensatory Afforestation, Catchments Area Treatment, seismic studies, creation of National Park & sanctuaries, relocation/ restoration of monuments of archeological significance etc. NHDC has also forayed into thermal, solar & wind projects. While adopting technology for thermal, NHDC has meticulously chosen super- critical technology which is more efficient and environment friendly as there are less emissions. The Corporation is committed to strive for such policies, implementation modules and monitoring formats in its business activities which are environment friendly and provides ample benefit to society at large.

RENEWABLE ENERGY DEVELOPMENTS

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

The Company in its endeavor to diversify into the field of Non Conventional Energy sources i.e. wind power, has registered with Madhya Pradesh Urja Vikas Nigam (MPUVN) for development of 100MW wind energy project in M.P. In addition to conducting wind assessment studies on the allocated sites from MPUVN, the company has also invited expression of interest from wind farm developers having wind potential sites with them for development of wind power project (100 MW).

Similarly Company is exploring the possibilities of installation of Solar photo voltaic (PV) system in spare land available at Indira Sagar Power Project.

Financial Performance

Results of Operations

A detailed financial discussion and analysis is furnished below on the audited financial results of the Corporation for the Fiscal 2011 vis-a-vis Fiscal 2010:-

Income

	Fiscal 2011	Fiscal 2010
Sale of Power (in MU)	3188.70	3051.43
Income (₹ in Lacs)		
Sale of Energy	91840	89535
Other Income	10735	11058
Total	102575	100593

The income of the Company comprises income from sales of electricity and other income such as interest earned on investment of surplus funds, interest on Securitized Debtors/Long Term Advances, etc. Our total income increased by 1.97% to ₹ 102575 Lacs in Fiscal 2011 from ₹ 100593 Lacs in Fiscal 2010.

Tariff

The Central Electricity Regulatory Commission (CERC) fixes the charges for electricity generated from the power stations of the CPSE. A new tariff regulation for the period 2009-14 was issued by CERC through notification no. L-7/145(160)/2008-CERC dated January 19, 2009. Tariffs are determined based on 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 form of capacity charge (inclusive of incentive) and energy charge. Recovery of capacity charges is dependent on the actual utilization of machines for generating power. For determination of capacity charges the normative annual plant availability factor (NAPAF), which has been prescribed for each project by CERC based on the type of the project also play an important role. We are 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.

Sales of Energy

GOMP is the sole beneficiary of the electricity generated by both the power stations of Corporation. Sale of electricity is governed by long-term power purchase agreements made with MPTradeco. Pending determination of station-wise tariff by CERC for the tariff period 2009-14, sales for Fiscal 2011 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.

In Fiscal 2011, we sold 3,188.70 MUs of electricity from a commercial installed capacity of 1520 MW against 3051.43 MUs in Fiscal 2010, which represents an increase of 4.50% in the number of units sold.

Sales of energy increased by 2.57% to ₹ 91840 Lacs in Fiscal 2011 against ₹ 89535 Lacs in Fiscal 2010.

Adjusted Sales of Energy

The revenue from sales of energy includes sales pertaining to earlier years but recognized in the current year. It also includes unscheduled interchange (UI) charges for the generation beyond schedule at rates linked to frequency prescribed in the regulation to bring grid discipline.

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

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

₹ In Lacs

	Fiscal 2011	Fiscal 2010
Gross Sales	91703	90268
Less: Advance against Depreciation (AAD)	(137)	733
Net Sales	91840	89535
Less:		
(a) Earlier year sales (net of AAD)	1082	3023
(b) UI Charges	333	227
Adjusted Sales of Energy	90425	86285

Earlier year sales (net of AAD) of ₹ 1082 Lacs [Gross ₹ 945 Lacs] in Fiscal 2011 has arisen primarily due to revision of tariff for the period upto 31/03/2009 in respect of Indira Sagar Power Project.

Increase in Adjusted Sales by 4.80% is primarily attributable to revision of tariff of Indira Sagar Power Project, billing of tax (difference in grossing up due to change in tax rate of MAT) besides the impact of AAD.

Other Income

Other income mainly comprises of income from securitized debt/long term advances, income from investment of surplus cash, and miscellaneous income. Our Other Income was ₹ 10735 Lacs in Fiscal 2011 as against other income of ₹ 11058 Lacs in Fiscal 2010.

Major components of Other Income and reasons for variation are discussed below:

₹ In Lacs

	Fiscal 2011	Fiscal 2010
Interest on securitized debt	1930	3014
Interest on Term Deposit	8455	7599
Surcharge from beneficiary state	11	163
Interest on Long term advances to employees	55	58
Other Misc Income	284	224
Total	10735	11058

Reasons for variation:

- 1) Reduction of interest received on securitized debts by ₹ 1084 Lacs in current year because of recovery of dues.
- 2) Bank interest on FDR's increased by ₹ 856 Lacs due to increase in FDRs.
- 3) Reduction in late payment surcharge by ₹ 152 Lacs due to regular payment by beneficiary.
- 4) Other miscellaneous income increased by ₹ 60 Lacs mainly due to write-back of liabilities and reversal of certain provisions.

Expenditure

₹ In Lacs

	Fiscal 2011	Fiscal 2010
Generation, Administration and Other Expenses	6257	5147
Employees' Remuneration and Benefits	6984	4618
Depreciation	25015	24963
Interest and Finance Charges	25732	28229
Provisions & Prior Period Items	49	(99)
Total	64037	62858



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Our total expenditure increased by 1.87% to ₹ 64037 Lacs in Fiscal 2011 from ₹ 62858 Lacs in Fiscal 2010. The increase in Generation, Administration and Other Expenses & Employees' Remuneration and Benefits is mostly compensated by decrease in Interest and Finance Charges. Our total expenditure as a percentage of our total income was 62.43% in Fiscal 2011 compared to 62.49% in Fiscal 2010. The head-wise major reasons for increase/ decrease in expenditure is analysed as under:-

Generation, Administration and Other Expenses

₹ In Lacs

PARTICULARS	Fiscal 2011	Fiscal 2010	Variation
Generation, Administration and Other Expenses	6257	5147	1110
Major reasons for variation: -			
Industrial All Risk Insurance Policy taken for assets of the Power Station for 1 st time			662
Additional Provision under Corporate Social Responsibility (CSR)			298
R&R expenses pertaining to Omkareshwar Project charged to P&L account			110
Survey & Investigation exp. on Wind Power written off			29
Other Expenses			11

Employees' Remuneration and Benefits

₹ In Lacs

PARTICULARS	Fiscal 2011	Fiscal 2010	Variation
Employees' Remuneration and Benefits	6984	4618	2366
Major reasons for variation: -			
1) Additional provision for PRP in lieu of PLI/PLGI for executive category employee			836
2) Additional provision for superannuation benefit (under DPE guideline) for executive category employee			582
3) Additional provision on the basis of actuarial valuation for employees benefits (due to revised salary & change in rate of salary increase) for NHDC Employees			394
4) Additional debit by NHPC for employees benefits in case of NHPC employees working in NHDC			144
5) At OSPS, R&R expenditure Charged to P&L Account during the year (last year capitalized)			149
6) Increase in self lease due to payment of arrear & increase in rate			95
7) Increase in regular salary for five months from (Nov 10 to Mar'11) due to implementation of pay revision in Nov.' 10			166

Depreciation

As per the accounting policy of the Company, depreciation is charged on straight line method to the extent of 90% of the Cost of Asset following the rates 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. By virtue of provision of Section 616 of the Companies Act, 1956, companies engaged in generation or supply of electricity can adopt rates of depreciation for the purpose of preparation of accounts other than those prescribed vide schedule XIV of the said Act. Tariff Policy 2006, which has been issued under Electricity Act, 2003, a successor Act of Electricity (Supply) Act, 1948, vide Resolution No. 23/2/2005-R&R(Vol. III) dated 6th January, 2006, inter-alia, provides that rates & methodology of depreciation notified by CERC would be applicable for the purpose of tariff as well as accounting. Accordingly, NHDC is following the rates & methodology both for power stations (rates only for other than power station) notified by CERC for the purpose of tariff fixation, for charging of depreciation in accounts.

Our depreciation costs increased by 0.21% to ₹ 25015 Lacs in Fiscal 2011 from ₹ 24963 Lacs in Fiscal 2010 mainly due to addition in assets during the year.

Interest and Finance Charges

Our interest and finance charges consist primarily of interest expenses on term loans & rebate allowed to beneficiary. Interest and finance charges decreased by 8.85% to ₹ 25732 Lacs in Fiscal 2011 from ₹ 28229 Lacs in Fiscal 2010, primarily due to repayment of loans.

Provisions

We maintain provisions mainly on account of doubtful debts, claims and advances and obsolescence of stores and spares. Such provisions are estimated on a year to year basis and are based upon management assessment. This year, composite

provision of ₹ 5 lacs is mainly on account of non recovery of excess supervision charges paid to MPSEB as against composite provision of ₹ 48 lacs last year mainly on account of non recovery of electricity dues.

Provision for Tax

In Fiscal 2011, we provided for ₹ 7685 Lacs for tax as compared to ₹ 6418 Lacs in Fiscal 2010. The increase in Tax in Fiscal 2011 is attributable to increased Profit before Tax & increase in basic rate of MAT.

CASH FLOW

₹ In Lacs

	Fiscal 2011	Fiscal 2010
Net Cash inflow from operating activities	85577	86108
Net cash outflow from investing activities	(3053)	(1761)
Net cash outflow from financing activities	(52582)	(51893)
Net increase in cash/cash equivalents	29942	32454

ANALYSIS OF BALANCE SHEET ITEMS

SOURCE OF FUND SIDE

₹ In Lacs

PARTICULARS	As at 31 st March'11	As at 31 st March'10	Variation	Major Reasons
Loan Funds	220235	248331	(28096)	Repayment of loans
AAD	10101	10238	(137)	AAD reversed as per revised tariff order of Indira Sagar Power Project.
Deferred Tax (Net)	11604	11301	303	After applicability of new tariff regulation Fiscal 2009-14, taxes are now not recoverable on actual basis from beneficiary, hence charged to P&L account during the year with corresponding liability.

APPLICATION OF FUND SIDE

₹ In Lacs

PARTICULARS	As at 31 st March'11	As at 31 st March'10	Variation	Major Reasons
Fixed Assets	673806	671364	2442	Increase in Land Unclassified ₹ 1564 Lacs (net), Procurement of Step Up transformer ₹ 454 Lacs, construction/ Purchase of DG set & other capital items for ₹ 279 Lacs and other misc. purchases.
Capital Work-in-Progress	573	434	139	Increase in CWIP of Road & Bridges ₹ 134 Lac
Construction Stores and Advances	0	3	(3)	Recovery /adjustment of advance.
Inventories	550	402	148	Increase in spares due to enhanced O&M activities.
Sundry Debtors	30801	39357	(8556)	Increased realization during the year.
Cash and Bank Balances	133009	103067	29942	Additional revenue realization.
Other Current Assets	6636	5459	1177	Increase is mainly on account of interest accrued on fixed deposits.
Loans and Advances	4268	3676	592	Advance tax (net) increased by ₹ 753 Lacs reduced by recovery of loans/ advance to employees & advance to contractor's (-) ₹ 161 Lacs.
Current Liabilities & Provisions	34853	33979	874	Reduction in provision for Committed Capital Expenditure (-) ₹ 1551 Lacs Dividend & Dividend Tax Payment (-) ₹ 2476 Lacs, Payment of Sr. Creditors & other liabilities (-) ₹ 1611 Lacs further adjusted by Increase in provision for wage revision (+) ₹ 286 Lacs, Provision for PRP (+) ₹ 875 Lacs, Provision for Employees Benefits on basis of actuarial valuation (+) ₹ 555 Lacs, Provision for Proposed dividend & dividend tax (+) ₹ 4562 Lacs, Provision for CSR (+) ₹ 275 Lacs.

NHDC LIMITED

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

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

REPORT ON CORPORATE GOVERNANCE

1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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, 2011, the Board comprises of 8 members, consisting of Chairman cum Managing Director, 1 whole time Director, 2 Part time Directors appointed by NHPC, 1 Independent Director appointed by NHPC and 3 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 matter has been referred to DPE for their clarification by our holding company i.e. NHPC.

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 2010-2011, 4 Board meetings were held on 19th May, 2010, 28th Sept. 2010, 23rd Dec. 2010 & 10th March 2011.

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 05 th July, 2010	No. of other Directorship held on 31/03/ 2011	No of Committee memberships in other Companies on 31/03/11
Executive Directors					
Shri A.B.L.Srivastava CMD	1	1	N.A	3	2
Shri K. M. Singh. Chief Executive Director	4	4	Yes	Nil	Nil
Shri S. K. Garg*	3	3	Yes	2	0
Non-Executive Directors					
Shri R. K. Taneja E.D.(F),NHPC.	4	4	Yes	Nil	Nil
Shri Sudhir Kumar JS(H), Ministry of Power.	4	Nil	Nil	6	Nil
Shri O. P. Rawat, IAS. Addl. Chief Secy. NVDD, Govt of Madhya Pradesh.	4	3	Yes	1	Nil

Name of the Director	Meetings held during respective tenure of Directors	No. of Board meetings attended	Attendance at last AGM held on 05 th July, 2010	No. of other Directorship held on 31/03/ 2011	No of Committee memberships in other Companies on 31/03/11
Shri Rajneesh Vaish, IAS. Member (R), NVDA. Govt. of Madhya Pradesh.	3	NIL	No	NIL	Nil
Shri M. K. Jain. Member (Power) NVDA, Govt. of Madhya Pradesh.	4	4	Yes	Nil	Nil
Shri R.S.Julania @ IAS. Nominee of Govt. of Madhya Pradesh.	1	Nil	N.A	Nil	Nil
Independent Director (ID)/ Non-Official Part time Director					
Shri R. Jeyaseelan. \$ Ex. Chairman- CWC, Govt. of India.	4	4	No	1	1
Shri Rajesh Dongre. # Nominee of Govt. of Madhya Pradesh.	1	1	No	Nil	Nil

* Sh. S.K.Garg, CMD NHDC ceased to be director of the company w.e.f. 31st Dec. 2010 consequent upon his superannuation.

@ Sh. R.S.Julania ceased to be director of the company w.e.f. 26th May, 2010.

Sh.Rajesh Dongre ceased to be director of the company w.e.f. 05th July, 2010.

\$ Sh. R.Jeyaseelan was appointed as independent director on the Board of NHDC w.e.f. 24/07/09.

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 will also be sponsored for the seminars/conferences to be organized in this respect.

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, 2011, the audit committee comprises the following members:

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

During the F.Y. 2010-11, Sh Rajesh Dongre, Non-official Part time director was replaced by Sh. R.Jeyaseelan. Further during the said financial year i.e. 2010-11, 4 (Four) Audit Committee Meetings were held on 19th May, 2010, 27th Sept. 2010, 24th Dec., 2010 & 10th March, 2011. The details of attendance in the audit committee are as under.



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Sr. No.	Name	No. of meetings held during tenure	No. of meetings attended.
1	Sh. R.Jeyaseelan	3	3
2	Sh.K.M.Singh	4	4
3	Sh.R.K.Taneja	4	4
4#	Sh. Rajesh Dongre	1	1

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

Sh.Rajesh Dongre ceased to be director of the company w.e.f. 05th July, 2010.

4. REMUNERATION COMMITTEE

As on 31st march, 2011, the Remuneration Committee consists of following members:

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

During the year 2010-11, 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 2010-11, 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-cum-Managing Director	-	-	-
Sh. K. M. Singh Chief Executive Director	28	1	29
Sh. S.K.Garg@	-	-	-

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

@ Remuneration was paid by NHPC Ltd. as CMD NHPC. Ceased as CMD-NHDC w.e.f. 31/12/2010 Consequent upon his superannuation from service.

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

(In ₹)

Name of the Director	Sitting Fees
Shri R. Jeyaseelan	40,000
Shri Rajesh Dongre#	5,000

#Ceased to be director of the company w.e.f. 05th July,2010.

5. GENERAL BODY MEETINGS

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

- 08th Annual General Meeting was held on 01st Aug 2008 at 12.30 afternoon in Hotel Jehannuma Palace, Shymala Hills, Bhopal.

- 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.

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-CUM-MANAGING DIRECTOR REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT DURING THE FINANCIAL YEAR 2010-11.

I, A. B. L. Srivastava, Chairman, 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 2010- 11.

Sd/-
(A.B.L. Srivastava)
Chairman & Managing Director
DIN: 01601682

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, 2011 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 annexures mentioned there under (hereinafter referred as 'Guidelines').

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance as stipulated in abovementioned 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 abovementioned Guidelines.

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

Place : Bhopal.
Date : 04.07.2011

For DPA & Associates
Company Secretaries

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



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Annexure-A [ref:para-14(c)]

CONSERVATION OF ENERGY

Sr. No.	Information Sought	Reply
(a)	Energy conservation measures taken	<p>(1) CFLs have been installed in the NHDC office building & VIP guesthouse. CFLs have also been proposed for outdoor lighting of NHDC Parisar as an alternate to the conventional lamps.</p> <p>(2) Split type AC's are installed in the office complex, which can be switched on/off depending upon the requirements.</p> <p>(3) Directions for use along with requests to switch off the equipments after use are displayed at different locations.</p> <p>(4) APFC system has been installed at NHDC Parisar, for power factor improvement.</p>
(b)	Additional investments and proposals, if any, being implemented for reduction of consumption of energy;	<p>(1) Power Factor correction equipment is being installed at Indira Sagar Power Station to improve the power factor of electrical distribution system.</p> <p>(2) Implementation of Solar Street Light System in and around the Project(s) area/ Resettlement site as Energy Conservation measures.</p>
(c)	Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods;	The power consumption is reduced in consequence to above measures. NHDC is not in the Category of Industries mentioned in the schedule.
(d)	Total energy consumption and energy consumption per unit of production as per Form -A of the annexure thereto in respect of industries specified in the schedule thereto.	NHDC is not in the Category of Industries mentioned in the schedule.

FORM-B

Sr. No.	Information sought	Reply
(a)	Specific areas in which R&D carried out by the Company.	No specific R&D work carried out during this year.
(b)	Benefit derived as a result of the above R&D;	NIL
(c)	Future Plan of action;	<p>The R&D work will be carried out in consultation with various suppliers during the operations of ISP/OSP and identifying the specific problem areas.</p> <p>Study of "Effect on Performance of Generating Plant of ISPS due to loss of Head During Lean/ Summer Season".</p>
(d)	Expenditure on R&D (a) Capital (b) Recurring (c) Total (d) Total R&D expenditure as a percentage of total turnover	Presently no specific expenditure has been incurred on R&D.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Sr. No.	Information sought	Reply
(a)	Efforts in brief made towards technology absorption, adaptation and innovation;	NIL
(b)	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
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FOREIGN EXCHANGE EARNINGS AND OUTGO

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

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

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 2011, the Profit and Loss Account 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, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;

In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in 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 and Notes 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, 2011;
 - b) In the case of Profit & Loss Account, 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 Accounts**

**Sd/-
(A. K. Garg)
Partner**

**Membership No. 84003
FRN - 509955C**

Place: New Delhi
Date: 14.05.2011

ANNEXURE TO THE AUDITORS' REPORT FOR THE YEAR ENDED ON 31st MARCH, 2011 (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 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 explanation given to us, there were no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need be entered in 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 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 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, 2011 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, Wealth Tax, Service Tax, Customs Duty, Excise Duty, is ₹ 6 Lacs (For income Tax).



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- (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 shares, debentures and other securities.
- (xiii) The company is not 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 respect thereof does not arise.
- (xx) The Company has not made any public issue of any securities during the year 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 the management, no fraud on or by the company has been noticed or reported during the year.

**For Multi Associates
Chartered Accounts**

**Sd/-
(A. K. Garg)
Partner**

**Membership No. 84003
FRN - 509955C**

Place: New Delhi
Date: 14.05.2011

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 31 MARCH 2011

The preparation of financial statements of NHDC Limited, for the year ended 31 March 2011 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 14 May 2011.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of NHDC Limited, Bhopal, for the year ended 31 March 2011. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act, 1956.

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

**(M. K. Biswas)
Principal Director of Commercial Audit &
Ex-officio Member Audit Board - III
New Delhi**

Place: New Delhi
Dated : 28th June 2011

NHDC LIMITED

Annual Report 2010-11

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

BALANCE SHEET AS AT 31ST MARCH 2011

(Amount in Lacs)

Particulars	Schedule No.	As at 31st March 2011		As at 31st March 2010	
(Amount in Lacs)					
SOURCES OF FUNDS					
A. SHAREHOLDERS' FUNDS					
i) Share Capital	1	196258		196258	
ii) Reserves and Surplus	2	<u>266265</u>	462523	<u>243493</u>	439751
B. LOAN FUNDS					
i) Secured Loans	3	220235		248331	
ii) Unsecured Loans	4	<u>-</u>	220235	<u>-</u>	248331
C. INCOME RECEIVED IN ADVANCE ON ACCOUNT OF ADVANCE AGAINST DEPRECIATION			10101		10238
D. DEFERRED TAX (NET)					
Deferred Tax Liabilities		66217		65136	
Less: Deferred Tax Recoverable		<u>54613</u>	11604	<u>53835</u>	11301
TOTAL			<u>704463</u>		<u>709621</u>
APPLICATION OF FUNDS					
A. FIXED CAPITAL EXPENDITURE					
i) Fixed Assets	5				
a) Gross Block		673806		671364	
Less: Depreciation		<u>110327</u>		<u>80162</u>	
b) Net Block		563479		591202	
ii) Capital Work-in-Progress	6	573		434	
iii) Construction Stores and Advances	7	<u>-</u>	564052	<u>3</u>	591639
B. INVESTMENTS		8	-		-
C. CURRENT ASSETS, LOANS & ADVANCES		9			
i) Interest Accrued on Investments		-		-	
ii) Inventories		550		402	
iii) Contract Work in Progress		-		-	
iv) Sundry Debtors		30801		39357	
v) Cash and Bank Balances		133009		103067	
vi) Other Current Assets		6636		5459	
vii) Loans and Advances		<u>4268</u>		<u>3676</u>	
		<u>175264</u>		<u>151961</u>	
Less: CURRENT LIABILITIES AND PROVISIONS		10			
i) Liabilities		6697		8308	
ii) Provisions		<u>28156</u>		<u>25671</u>	
		<u>34853</u>		<u>33979</u>	
NET CURRENT ASSETS			140411		117982
D. MISCELLANEOUS EXPENDITURE		11	-		-
(To the extent not written off or adjusted)					
TOTAL			<u>704463</u>		<u>709621</u>
SIGNIFICANT ACCOUNTING POLICIES		23			
NOTES TO THE ACCOUNTS		24			

Schedule 1 to 24 form an 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

Sd/-
R. K. TANEJA
Director
DIN 00077493

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

Sd/-
A. B. L. SRIVASTAVA
Chairman & Managing Director
DIN 01601682

Sd/-
A. K. GARG
(Partner)
Membership No. 84003
FRN - 509955C

Sd/-
V. K. TRIPATHI
Co. Secretary

Sd/-
VIJAY KUMAR
General Manager (Finance)

Place: New Delhi
Date : 14.05.2011



NHPC Limited

(A Government of India Enterprise)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

(Amount in Lacs)

Particulars	Schedule No.	For the year ended 31st March 2011	For the year ended 31st March 2010
INCOME			
i) Sales	12	91703	90268
Less: Tariff Adjustments		-	-
Less: Advance Against Depreciation	12A	(137)	733
ii) Revenue from Contract, Project Management and Consultancy Works	13	-	-
iii) Other Income	14	10735	11058
TOTAL INCOME		102575	100593
EXPENDITURE			
i) Generation, Administration and Other Expenses	15	6257	5147
ii) Employees' Remuneration and Benefits	16	6984	4618
iii) Depreciation	17	25015	24963
iv) Interest and Finance Charges	18	25732	28229
v) Provisions	19	5	48
vi) Expenditure on Contract, Project Management and Consultancy Works	20	-	-
TOTAL EXPENDITURE		63993	63005
Profit Before Tax and Prior Period Adjustments		38582	37588
Prior Period Adjustments (Net)	21	44	(147)
PROFIT BEFORE TAX		38538	37735
Provision for Taxation			
i) Current Tax		7685	6418
ii) Fringe Benefit Tax		-	-
iii) Adjustments Relating to Earlier Years		138	(1214)
iv) Deferred Tax		1081	11301
Less: Deferred Tax Recoverable Adjustment		(779)	-
PROFIT AFTER TAX		30413	21230
Balance brought forward from last year account		107940	92536
Amount write back from Bond Redemption Reserve		-	-
Amount write back from Capital Reserve		-	-
Amount write back from Other Reserve (excess provision withdrawn- Dividend)		-	1
Amount write back from Self Insurance Reserve		-	-
BALANCE AVAILABLE FOR APPROPRIATION		138353	113767
i) Transfer to Capital Reserve		-	-
ii) Transfer to Bond Redemption Reserve		-	-
iii) Transfer to Self Insurance Reserve		793	3351
iv) Transfer to General Reserve		-	-
v) - Dividend		-	-
- Interim		-	-
- Proposed		3925	2123
vi) Tax on Dividend		-	-
- Interim		-	-
- Proposed		637	353
BALANCE CARRIED TO BALANCE SHEET		5355	5827
Earning per share (Equity shares, face value of ₹1000/- each)		132998	107940
Basic EPS (₹ per share)		154.96	108.17
Diluted EPS (₹ per share)		154.96	108.17
Expenditure during Construction	22		
Significant Accounting Policies	23		
Notes to the Accounts	24		

Schedule 1 to 24 form an 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

Sd/-
R. K. TANEJA
Director
DIN 00077493

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

Sd/-
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Chairman & Managing Director
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Sd/-
A. K. GARG
(Partner)
Membership No. 84003
FRN - 509955C

Sd/-
V. K. TRIPATHI
Co. Secretary

Sd/-
VIJAY KUMAR
General Manager (Finance)

Place: New Delhi
Date : 14.05.2011

NHDC LIMITED

Annual Report 2010-11

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

SCHEDULE 1 – SHARE CAPITAL

(Amount in Lacs)

Particulars	As at 31st March 2011	As at 31st March 2010
AUTHORISED		
Authorised Capital: 30000000 Equity Shares (Previous Year 30000000) of ₹ 1000/- each.	300000	300000
ISSUED SUBSCRIBED AND PAID-UP	196258	196258
196,25,800 (Previous Year 196,25,800) Equity Shares of ₹1,000 each fully paid. Out of above 100,24,200 (Previous Year 100,24,200) shares have been allotted to the holding company, NHPC Ltd., Faridabad. & 96,01,600 (Previous Year 96,01,600) Shares allotted to Govt of Madhya Pradesh.		
NOTE:		
Out of the above Equity shares 74,83,528 (Previous Year 74,83,528) equity shares were allotted (included in GOMP share) as fully paid up pursuant to a MOU without payment being received in cash.		
TOTAL	196258	196258

SCHEDULE 2 – RESERVES AND SURPLUS

(Amount in Lacs)

Particulars	As at 31st March, 2011					As at 31st March, 2010				
	01.04.2010	Additions	Deductions	Adjustments	31.03.2011	01.04.2009	Additions	Deductions	Adjustments	31.03.2010
A Bond Redemption Reserve	-	-	-	-	-	-	-	-	-	-
B General Reserve	-	-	-	-	-	-	-	-	-	-
C Profit and Loss Account	107940	30413	5355	-	132998	92536	21230	5827	1	107940
D Self Insurance Reserve	15258	793	-	-	16051	11907	3351	-	-	15258
E Grant In Aid - Reserve										
i Proportionate contribution by Govt. of Madhya Pradesh towards Irrigation Component in ISPS as a Grant-in-Aid.	33413	-	1540	(209)	31664	34917	53	1557	-	33413
ii Proportionate Sub-vention towards Sardar Sarovar project transferred from NVDA Account for ISPS.	42703	-	1968	(267)	40468	44626	67	1990	-	42703
iii Contribution by Govt of Madhya Pradesh towards R&R of ISPS.	22565	3393	1021	-	24937	22953	500	888	-	22565
iv Proportionate contribution by Govt. of Madhya Pradesh towards Irrigation Component in OSPS as Grant-in-Aid.	16453	-	883	(41)	15529	17516	-	882	(181)	16453
v Contribution by Govt of Madhya Pradesh towards R&R of OSPS.	5161	-	169	(374)	4618	3745	1598	182	-	5161
TOTAL	243493	34599	10936	(891)	266265	228200	26799	11326	(180)	243493

SCHEDULE 3 – LOAN FUNDS - SECURED

(Amount in Lacs)

Particulars	As At 31st March 2011	As At 31st March 2010
TERM LOANS		
i) Term Loan from Banks/FIs - Indian Currency - Secured	220235	248331
ii) Short Term Loans From Banks /FIs - Indian Currency – secured	-	-
iii) Interest accrued and due on Long Term Loans From Banks /FIs – INR - secured	-	-
iv) Interest accrued and due on Short Term Loans From Banks /FIs – INR - secured (Refer Annexure to Schedule -3)	-	-
Total	220235	248331

NOTE :

Above Term Loans outstanding 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 the respective power station.

ANNEXURE TO SCHEDULE 3

(Amount in Lacs)

LOAN FUNDS - SECURED

Particulars	As At 31st March 2011	As At 31st March 2010
LONG TERM LOANS		
A INDIRA SAGAR POWER STATION		
i CENTRAL BANK OF INDIA (Due for repayment within one year ₹ 3120 Lacs) (Repayable in 20 half yearly equal installments commencing from 30.09.2009)	24960	28080
ii DENA BANK (Due for repayment within one year ₹ 2642 Lacs) (Repayable in 20 half yearly equal installments commencing from 30.09.2009)	21135	23777
iii DENA BANK (Due for repayment within one year ₹ 2250 Lacs) (Repayable in 20 half yearly equal installments commencing from 31.03.2010)	18854	18667
iv HDFC BANK LIMITED (Due for repayment within one year ₹ 3726 Lacs) (Repayable in 20 half yearly equal installments commencing from 30.09.2009)	29804	33530
v HDFC BANK LIMITED (Due for repayment within one year ₹ 2239 Lacs) (Repayable in 20 half yearly equal installments commencing from 31.03.2010)	19032	18802



NHPC Limited

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vi	UNITED BANK OF INDIA (Due for repayment within one year ₹ 650 Lacs) (Repayable in 20 half yearly equal installments commencing from 30.09.2009)	5200	5850
vii	INDIAN OVERSEAS BANK	-	3750
viii	BANK OF BARODA	-	1125
	Sub Total (A)	118985	133581

(Repayable in 20 Half yearly equal installments commencing from 15.01.2009)
Sub Total (B)
Total (A+B)

101250	114750
220235	248331

B- OMKARESHWAR POWER STATION
 i POWER FINANCE CORPORATION LTD.
 (Due for repayment within one year ₹ 13500/-)

101250	114750
--------	--------

SCHEDULE - 4 LOAN FUNDS - UNSECURED

(Amount in Lacs)

Particulars	As At 31st March 2011	As At 31st March 2010
TOTAL	-	-

SCHEDULE - 5 FIXED ASSETS

(Amount in Lacs)

SL. NO.	Particulars	GROSS BLOCK						DEPRECIATION				NET BLOCK	
		As at 01.04.2010	Additions/ Adjust- ments on a/c of inter-unit transfer	Additions/ Adjust- ments on a/c of others	Deductions/ Adjustments on a/c of inter-unit transfer	Deductions/ Adjust- ments on a/c of others	As at 31.03.2011	As at 01.04.2010	For the period	Adjust- ments *	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
		1	2A	2B	3A	3B	4	5	6	7	8	9	10
1	Land – Freehold	-	-	-	-	-	-	-	-	-	-	-	-
2	Land – Leasehold	176	-	-	-	-	176	26	6	-	32	144	150
3	Land – Unclassified/ right of use	224217	-	2313	-	(749)	225781	24126	7875	-	32001	193780	200091
4	Buildings	65662	-	306	-	(263)	65705	8525	2211	(242)	10494	55211	57137
5	Roads and bridges	1172	-	10	-	(123)	1059	231	40	(123)	148	911	941
6	Railway sidings	-	-	-	-	-	-	-	-	-	-	-	-
7	Dams, water conductor system, hydro mechanical gates, tunnels etc.	216612	-	70	-	(3)	216679	23911	11446	-	35357	181322	192701
8	Generating plant and machinery	156435	-	523	-	(2)	156956	20902	8275	(3)	29174	127782	135533
9	Plant and machinery sub station	2412	-	1	-	(1)	2412	298	128	-	426	1986	2114
10	Plant and machinery transmission lines	295	-	73	-	(1)	367	36	17	(1)	52	315	259
11	Plant and machinery others	321	-	92	-	(1)	412	86	18	(1)	103	309	235
12	Construction equipment	572	-	14	-	(2)	584	206	64	1	271	313	366
13	Water supply system/drainage and sewerage	237	-	-	-	-	237	20	8	-	28	209	217
14	Electrical installations	9	-	-	-	-	9	5	-	-	5	4	4
15	Vehicles	123	-	7	-	(12)	118	88	5	(10)	83	35	35
16	Aircraft/ boats	15	-	-	-	(2)	13	13	1	(2)	12	1	2
17	Furniture and fixture	462	-	21	-	(14)	469	171	32	(11)	192	277	291
18	Computers	231	-	11	-	(21)	221	181	19	(20)	180	41	50
19	Communication equipment	50	-	1	-	(4)	47	14	3	(2)	15	32	36
20	Office equipments	234	-	32	-	(8)	258	90	18	(7)	101	157	144
21	Research and development	-	-	6	-	-	6	-	1	-	1	5	-
22	Intangible assets	6	-	75	-	-	81	6	25	-	31	50	0
23	Other assets	207	-	21	-	(5)	223	58	13	(4)	67	156	149
24	Capital expenditure on assets not owned by NHDC **	1792	-	112	-	-	1904	1059	381	41	1481	423	733
25	Fixed assets of minor value >750 and < Rs.5000	110	-	11	-	(48)	73	110	10	(47)	73	0	0
26	Obsolete / surplus assets	14	-	2	-	-	16	-	-	-	-	16	14
TOTAL		671364	0	3701	0	(1259)	673806	80162	30596	(431)	110327	563479	591202
Previous Year Figures		669404	3	5973	(3)	(4013)	671364	49903	30462	(203)	80162	591202	619501

* Fixed Assets including underground works of ₹ 443010 Lacs (Previous period ₹ 442341 Lacs created on Land unclassified/ Right to use are included under the relevant head

NOTE

Depreciation for the period	30596
Charged to P&L	25015
Charged to EDC	-
Charged to Grant In Aid Reserve	5581

* Show prior period items and any other adjustment during the year

** Expenditure under this head shall be booked strictly as per Accounting Policy no. 2.3 and depreciation shall be charged as per Accounting Policy no. 5.8.

Figures within parenthesis represent deductions.

NHDC LIMITED

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

SCHEDULE - 6 CAPITAL WORK-IN-PROGRESS

(Amount in Lacs)

Particulars	As At 01.04.2010	ADDITIONS	ADJUST- MENTS	CAPITALISED	As At 31.03.2011
i) Buildings	213	326	-	(316)	223
ii) Roads and Bridges	-	145	-	(10)	135
iii) Railway Sidings	-	-	-	-	-
iv) Dams, Water Conductor System, Hydromechanical Gates, Tunnels etc.	-	72	-	(70)	2
v) Generating Plant and Machinery	-	469	-	(469)	-
vi) Plant and Machinery Sub Station	47	2	(47)	(2)	-
vii) Plant and Machinery- Transmission Lines	-	16	-	(16)	-
viii) Plant and Machinery - Others	-	92	-	(92)	-
ix) Construction Equipment	-	10	-	(10)	-
x) Water Supply System/Drainage and Sewerage	-	-	-	-	-
xi) Other Assets Awaiting Installation	3	-	-	(3)	-
xii) Intangible Assets	-	-	-	-	-
xiii) Capital Expenditure On Assets Not Owned by NHDC	58	54	-	(112)	-
xiv) Survey, Investigation, Consultancy and Supervision Charges	113	129	(29)	-	213
xv) Expenditure on R&R and Compensatory Afforestation	-	-	-	-	-
xvi) Expenditure During Construction (EDC)	-	-	-	-	-
TOTAL	434	1315	(76)	(1100)	573
Previous Year Figures	684	856	(93)	(1013)	434

Figures within parenthesis represent deductions.

SCHEDULE-7 CONSTRUCTION STORES AND ADVANCES

(Amount in Lacs)

Particulars	As At 31st March 2011	As At 31st March 2010
A. CONSTRUCTION STORES (At cost as valued and certified by management)		
1. Stores and spares	-	-
2. Loose tools	-	-
3. Scrap inventory	-	-
4. Stores in transit/ pending inspection	-	-
5. Material issued to contractors/ fabricators	-	-
Less : Provisions for construction stores *1	-	-
Sub-Total	-	-
B. ADVANCES FOR CAPITAL EXPENDITURES		
1. Secured (considered good)	-	-
2. Unsecured – against bank guarantees (considered good)	-	-
3. Unsecured – others (considered good)	-	3
4. Unsecured – considered doubtful	-	-
Less : Provisions for doubtful advances *2	-	-
Sub-Total	-	3
TOTAL	-	3
* DETAIL OF PROVISIONS		
1 Provision for construction stores		
As per last Balance Sheet	-	-
Additions during the year - As per Sch 19 (iv)	-	-
Amount used during the year	-	-
Amount reversed during the year - As per Sch 14 e(d)	-	-
Closing Balance	-	-
2 Provision for doubtful advances		
As per last Balance Sheet	-	-
Additions during the year - As per Sch 19 (ii)	-	-
Amount used during the year	-	-
Amount reversed during the year - As per Sch 14 e(b)	-	-
Closing Balance	-	-

SCHEDULE 8 - INVESTMENTS

(Amount in Lacs)

Particulars	Number of shares/ bonds/se- curities Current year/ (Previous year)	Face value per share/ bond/ security (in ₹)	As At 31st March 2011	As At 31st March 2010
LONG TERM (Trade- unless otherwise specified)				
A. Quoted			-	-
Equity shares \$				
Sub Total (A)			-	-
B. Un-Quoted			-	-
a) Equity shares in Subsidiary Companies				
b) Bonds			-	-
Bonds \$				
8.50% Tax-Free State Government Special Bonds of the Governments				
Sub Total (B)				
\$ in DEMAT form				
Quoted Investments				
(i) Aggregate Cost				
(ii) Aggregate Market Value				
- NSE quotes			-	-
- BSE quotes				
Un-Quoted Investments				
Aggregate Cost			-	-
Total			-	-



NHPC Limited

(A Government of India Enterprise)

SCHEDULE- 9 CURRENT ASSETS, LOANS AND ADVANCES

(Amount in Lacs)

Particulars	As At 31st March 2011		As At 31st March 2010	
A. INTEREST ACCRUED ON INVESTMENTS	-	-	-	-
B. INVENTORIES (At cost as valued and certified by management)				
i) Stores and spares	376		305	
ii) Loose tools	8		1	
iii) Scrap inventory	17		24	
iv) Stores in transit/ pending inspection	62		19	
v) Material at site	97		63	
vi) Material issued to contractors/ fabricators	-		-	
Less : Provisions for obsolete stores & spares *1	(10)	550	(10)	402
C. WORK IN PROGRESS				
i) Construction work in progress (on behalf of client)	-		-	
ii) Consultancy work in progress (on behalf of client)	-	-	-	-
D. SUNDRY DEBTORS				
i) Debts outstanding for a period exceeding six months				
- Considered good ((Recoverable through EMI as per tripatriate agreement between NHDC, MPTRADECO & MPSEB)	13523		24963	
- Considered doubtful and provided	-		-	
ii) Other debts	-		-	
- Considered good	14420		8363	
- Considered doubtful and provided	-		-	
- Less: Provision for doubtful debts *2	-		-	
- Debtors for sale of power - Not Billed	2858	30801	6031	39357
E. CASH & BANK BALANCES				
i) Cash on hand (includes cheques & stamps in hand /transit of ₹ 0.02 Lacs, Previous Year ₹ 5 Lacs)	3		11	
ii) Bank balances				
with scheduled banks				
In current account	5261		2398	
In deposits account (including deposits earmarked towards Self insurance contingencies)	127745		100658	
with other banks				
In current account	-		-	
In deposits account	-	133009	-	103067
F. OTHER CURRENT ASSETS				
i) Interest accrued on deposits	4673		3374	
ii) Others	1144		871	
iii) Claims recoverable from other agencies	892		1282	
Less : Provisions for doubtful claims *3	(73)		(68)	
iv) Claims reimbursable from self insurance reserve	-	6636	-	5459
G. LOANS AND ADVANCES				
A) LOANS				
(i) Employees (including accrued interest)				
Secured	863		819	
Unsecured (considered good)	55		107	
Unsecured (considered doubtful)	-		-	
(ii) Loan to State Government in settlement of dues from customer	-	918	-	926
B) ADVANCES (recoverable in cash or Kind or for value to be received)				
i) Holding Company				
Secured	-		-	
Unsecured (considered good)	-		-	
Unsecured (considered doubtful)	-		-	
ii) Contractors & suppliers				
Secured	-		-	
Unsecured (considered good)				
- Covered by bank guarantees	8		14	
- Others	44		132	
Unsecured (considered doubtful)	-		-	
iii) Employees				
Unsecured (considered good)	-		59	
Unsecured (considered doubtful)	-		-	
iv) Other Advances				
Unsecured (considered good)	-		-	
Unsecured (considered doubtful)	-		-	
Less: Provisions for doubtful loans and advances *4	-		-	
v) Other recoverable	-	52	-	205
C) DEPOSITS				
Advance Income tax and tax deducted at source	21520		17649	
Less: Provision for Taxation*5	18222	3298	15104	2545
TOTAL		175264		151961

Figures within parenthesis represent deductions.

NHDC LIMITED

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

(Amount in Lacs)

	31.03.2011	31.03.2010
PARTICULARS OF MAXIMUM BALANCE DURING THE YEAR WITH NON-SCHEDULED BANKS	Nil	Nil
PARTICULARS OF LOANS AND ADVANCES DUE FROM DIRECTORS		
Amount due at the end of the year	3	7
Maximum balance at any time during the year	7	7

Advance due by Companies in which any director of the corporation is a Director or member amounts to ₹ Nil (Previous Year ₹ Nil)

PARTICULARS OF MAXIMUM BALANCE DURING THE YEAR WITH HOLDING COMPANY

	31.03.2011	31.03.2010
NHPC LTD.	(208)	(270)
DETAILS OF PROVISIONS		
Provision for obsolete stores & spares *1		
As per last Balance Sheet	10	10
Additions during the year - As per Sch 19	-	-
Amount used during the year	-	-
Amount reversed during the year - As per Sch 14 e(d)	-	-
Closing Balance	10	10
Provision for Doubtful Debts *2		
As per last Balance Sheet	-	-
Additions during the year - As per Sch 19	-	-
Amount used during the year	-	-
Amount reversed during the year - As per Sch 14 e(a)	-	-
Closing Balance	-	-
Provision for bad & doubtful claims *3		
As per last Balance Sheet	68	22
Additions during the year - As per Sch 19	5	47
Amount used during the year	-	1
Amount reversed during the year - As per Sch 14 e(c)	-	-
Closing Balance	73	68
Provisions for Doubtful Loans and Advances *4		
As per last Balance Sheet	-	-
Additions during the year - As per Sch 19	-	-
Amount used during the year	-	-
Amount reversed during the year - As per Sch 14 e(b)	-	-
Closing Balance	-	-
Provision for Taxation*5		
As per last Balance Sheet	15104	16067
Additions during the year	7823	6418
Amount used during the year	4705	6167
Amount reversed during the year	-	1214
Closing Balance	18222	15104

SCHEDULE-10 CURRENT LIABILITIES AND PROVISIONS

(Amount in Lacs)

Particulars	As At 31st March 2011	As At 31st March 2010
A. LIABILITIES		
1. Sundry creditors		
a) Total outstanding dues of Micro and Small scale Industrial Undertaking(s). (Due over 30 days ₹ NIL)	-	-
b) Total outstanding dues of Medium scale Industrial Undertaking(s). (Due over 30 days ₹ NIL)	-	-
c) Others	4976	6442
2. Unspent amount of deposit/agency	-	-
3. Deposits/retention money	749	750
4. Advances against the deposit works	-	-
Less : Amount recoverable on deposit works	-	-
5. Interest accrued but not due on loans	561	636
6. Advances/Deposits from clients/contractees	-	-
Less: Amount Recoverable in respect of project	-	-
Management/Consultancy works	-	-
7. Grant in aid - pending utilisation	-	-
8. Due to subsidiaries/ holdings	208	270
9. Deferred Income from Foreign Currency	-	-
Fluctuation Account	-	-
10. Other liabilities	203	210
TOTAL LIABILITIES (A)	6697	8308
B. PROVISIONS		
1. Provision for Proposed Dividend		
As per last Balance Sheet	2123	4592
Additions during the year	3925	2123
Amount used during the year	2123	4592
Amount reversed during the year	-	-
Closing Balance	3925	2123
2. Tax on proposed dividend		
As per last Balance Sheet	353	781
Additions during the year	637	353
Amount used during the year	353	781
Amount reversed during the year	-	-
Closing Balance	637	353



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3. Provision for Wage revision				
As per last Balance Sheet	3522		2355	
Additions during the year	1199		1175	
Amount used during the year	1389		8	
Amount reversed during the year	-		-	
Less: Advance Paid	561		1037	
Closing Balance		2771		2485
4. Provision for Incentive/PRP				
As per last Balance Sheet	225		234	
Additions during the year	1083		247	
Amount used during the year	197		204	
Amount reversed during the year	11		52	
Closing Balance		1100		225
5. Provision for leave encashment				
As per last Balance Sheet	331		403	
Additions during the year	284		164	
Amount used during the year	46		236	
Amount reversed during the year	-		-	
Closing Balance		569		331
6. Provision for Gratuity				
As per last Balance Sheet	232		206	
Additions during the year	245		32	
Amount used during the year	16		6	
Amount reversed during the year	-		-	
Closing Balance		461		232
7. Provision for REHS				
As per last Balance Sheet	107		82	
Additions during the year	53		25	
Amount used during the year	-		-	
Amount reversed during the year	-		-	
Closing Balance		160		107
8. Provision for LTC				
As per last Balance Sheet	36		37	
Additions during the year	29		44	
Amount used during the year	25		45	
Amount reversed during the year	11		-	
Closing Balance		29		36
9. Provision for M.C.on Leave Encashment				
As per last Balance Sheet	38		47	
Additions during the year	34		19	
Amount used during the year	4		28	
Amount reversed during the year	-		-	
Closing Balance		68		38
10. Provision for TTA(Baggage Allowance on Retirement)				
As per last Balance Sheet	20		25	
Additions during the year	12		-	
Amount used during the year	-		-	
Amount reversed during the year	-		5	
Closing Balance		32		20
11. Provision - Others				
As per last Balance Sheet	3600		3692	
Additions during the year	-		-	
Amount used during the year	41		92	
Amount reversed during the year	-		-	
Closing Balance		3559		3600
12. Provision for CSR Expenses				
As per last Balance Sheet	-		-	
Additions during the year	275		-	
Amount used during the year	-		-	
Amount reversed during the year	-		-	
Closing Balance		275		-
13. Provision for Committed Capital Expenditure				
As per last Balance Sheet	16121		21298	
Additions during the year	-		-	
Amount used during the year	1551		1509	
Amount reversed during the year	-		3668	
Closing Balance		14570		16121
TOTAL PROVISIONS (B)				
TOTAL (A+B)			28156	25671
			34853	33979

SCHEDULE-11 MISCELLANEOUS EXPENDITURE

(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)

(Amount in Lacs)

Particulars	As At 31st March 2011	As At 31st March 2010
Preliminary expenses	-	-
Other deferred revenue expenditure	-	-
Share Issue Expenses (IPO)	-	-
Expenditure awaiting adjustment	-	-
Less : Provision for project expenses write off sanction	-	-
Losses awaiting write off sanction	1	1
Less : Provision for losses pending investigation	(1)	(1)
TOTAL	-	-

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SCHEDULE-12 SALES

(Amount in Lacs)

Particulars	For The Year Ended 31st March 2011	For The Year Ended 31st March 2010
Sale of power	88144	80205
Sale of Power - Not Billed	2614	6031
Earlier Year Sales	945	4032
Sale of power (MAT)	-	-
Sale of power (FBT)	-	-
Less: Income from generation of electricity-precommissioning (Transferred to Schedule 22 I(ii))	-	-
Total taken to Profit & Loss Account	91703	90268

SCHEDULE 12 A - ADVANCE AGAINST DEPRECIATION

(Amount in Lacs)

Particulars	For The Year Ended 31st March 2011	For The Year Ended 31st March 2010
During the year	-	733
Less: Written back during the year	137	-
Total taken to Profit & Loss Account	(137)	733

SCHEDULE 13 - REVENUE FROM CONTRACTS, PROJECT MANAGEMENT AND CONSULTANCY WORKS

(Amount in Lacs)

PARTICULARS	For The Year Ended 31st March 2011	For The Year Ended 31st March 2010
Contract Income	-	-
Revenue from Project management/ Consultancy Work	-	-
Total taken to Profit & Loss Account	-	-

SCHEDULE 14 - OTHER INCOME

(Amount in Lacs)

Particulars	For The Year Ended 31st March 2011	For The Year Ended 31st March 2010
i) Income from Long Term Investments	-	-
a) Trade	-	-
Dividend from subsidiaries	-	-
Dividend - others	-	-
Interest - Govt. Securities	-	-
b) Non-Trade	-	-
Dividend - others	-	-
ii) Other Income	-	-
a) Interest	-	-
- Loan to State Government in settlement of dues from customers	-	-
- Indian Banks (Gross)	8455	7307
(Tax deducted at source ₹ 867 Lacs, Previous Year ₹ 1010 Lacs)		
- Employee's Loans and Advances	55	58
- Interest from Beneficiary States (Tax deducted at source ₹ 193 Lacs, Previous Year ₹ 178 Lacs)	1930	3014
- Others (Tax deducted at source ₹ Nil, Previous Year ₹ 33 Lacs)	-	292
b) Late payment surcharge	11	163
c) Profit on sale of Project	-	-
d) Profit on sale of assets	-	2
e) Liability/ Provisions not required written back #	78	76
f) Exchange rate variation	-	-
g) Foreign Currency Fluctuation adjustment (Credit)	-	-
h) Others (Tax deducted at source ₹ 0.15 Lacs, Previous Year ₹ 0.48 Lacs)	206	146
Total	10735	11058

Less: Income transferred to EDC {Refer Schedule 22 E (ii), 22 I (ii) to (vi) and 22 J(i)}	-	-
Less: Income transferred to contract and consultancy expenses (Refer Schedule 20)	-	-
Total taken to Profit & Loss Account	10735	11058
# Detail of Liability/ Provisions not required written back		
a) Bad and doubtful debts	-	-
b) Bad and doubtful advances / deposits	-	-
c) Bad and doubtful claims	-	-
d) Diminution in value of stores and spares	-	-
e) Shortage in store & spares	-	-
f) Provision for contingencies	-	-
g) Provision against diminution in the value of investment	-	-
h) Provision for wage revision	-	-
i) Provision for loss pending investigation	-	-
j) Provision for incentive/PRP	11	52
k) Provision for Tariff Adjustment	-	-
l) Other Provisions/Liability not required written back	67	24
Total	78	76

SCHEDULE 15 - GENERATION, ADMINISTRATION AND OTHER EXPENSES

(Amount in Lacs)

Particulars	For The Year Ended 31st March 2011	For The Year Ended 31st March 2010
i) Consumption of stores and spare parts	256	255
ii) Repair and maintenance of:		
- Building	493	424
- Machinery	562	484
- Others	946	651
iii) Rent / Hiring Charges	369	295
iv) Rates and taxes	36	12
v) Insurance	672	11
vi) Reimbursement from Self insurance reserve	-	-
vii) Security expenses	390	414
viii) Electricity charges	1078	1053
ix) Traveling and conveyance	107	112
x) Expenses on staff car	21	34
xi) Telephone, telex and postage	48	48
xii) Advertisement and publicity	58	65
xiii) Entertainment and hospitality expenses	15	19
xiv) Donation	-	-
xv) Printing and stationery	63	51
xvi) Books and periodicals	6	2
xvii) Consultancy charges - Indigenous	164	72
xviii) Consultancy charges - Foreign	-	-
xix) Expenditure on compensatory afforestation/ catchments area treatment/Environment expenses	-	-
xx) Expenditure on land not belonging to corporation	-	600
xxi) Project expenses written off	-	-
xxii) Loss on sale of assets	1	2
xxiii) Deferred revenue expenditure written off	-	-
xxiv) Preliminary expenses written off	-	-
xxv) Survey and investigation expenses written off	29	-
xxvi) Bad debts / advances/ claims written off	-	-
xxvii) Stores written off	-	-
xxviii) Fixed assets written off	-	1
xxix) Interest on arbitration/court cases	1	-
xxx) CSR/Sustainable development expenses	425	127
xxxi) Other general expenses	509	407
xxxii) Exchange rate variation	-	-
xxxiii) Foreign Currency Fluctuation adjustment (Debit)	-	-
xxxiv) Audit expenses	8	8
xxxv) Directors' expenses	-	-
xxxvi) Research and development expenses	-	-
Total	6257	5147
Less: Expenses transferred to EDC {Refer Schedule 22 B, 22 C, 22 E(i) and 22 J(ii)}	-	-
Less: Expense transferred to contract and consultancy expenses (Refer Schedule 20)	-	-
Total taken to Profit & Loss Account	6257	5147



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SCHEDULE 16 - EMPLOYEES REMUNERATION AND BENEFITS

Particulars	(Amount in Lacs)	
	For The Year Ended 31st March 2011	For The Year Ended 31st March 2010
i) Salaries, wages, allowances	5789	3838
ii) Gratuity, contribution to provident fund & pension scheme (including administration fees)	772	430
iii) Staff welfare expenses	423	350
iv) Leave salary & pension contribution	-	-
Total	6984	4618
Less: Employee cost transferred to EDC {Refer Schedule 22 A and 22 J(iii)}	-	-
Less: Employee cost transferred to contract and consultancy expenses (Refer Schedule 20)	-	-
Total taken to Profit & Loss Account	6984	4618

SCHEDULE 17 - DEPRECIATION

Particulars	(Amount in Lacs)	
	For The Year Ended 31st March 2011	For The Year Ended 31st March 2010
Depreciation during the year	30596	30462
Total	30596	30462
Less: Depreciation transferred to EDC {Refer Schedule 22 G and 22 J(iv)}	-	-
Less: Depreciation transferred to Contract & Consultancy (Refer Schedule 20)	-	-
Less: Transfer from Grant In Aid - Reserve (Grants written off) (Refer Schedule 2)	5581	5499
Total taken to Profit & Loss Account	25015	24963

SCHEDULE 18 - INTEREST AND FINANCE CHARGES

Particulars	(Amount in Lacs)	
	For The Year Ended 31st March 2011	For The Year Ended 31st March 2010
i) Interest on :		
a) Government of India loan	-	-
b) Bonds	-	-
c) Foreign loan	-	-
d) Term loan	24923	27407
e) Cash credit facilities /WCDL	-	-
f) Other interest charges	-	-
ii) Exchange differences regarded as adjustment to interest cost	-	-
iii) Loss on hedging transaction	-	-
iv) Bond issue/ service expenses	-	-
v) Share issue expenses written off	-	-
vi) Rebate to customers	798	789
vii) Commitment fee	-	-
viii) Guarantee fee on loan	-	-
ix) Royalty	-	-
x) Interest to Beneficiary States	-	-
xi) Bank charges	3	3
xii) Other finance charges	8	30
Total	25732	28229
Less: Interest & Finance charges capitalised by transfer to EDC {Refer Schedule 22 D and 22 J(v)}	-	-
Less: Interest & Finance charges transferred to contract and consultancy expenses (Refer Schedule 20)	-	-
Total taken to Profit & Loss Account	25732	28229

SCHEDULE 19 - PROVISIONS

Particulars	(Amount in Lacs)	
	For The Year Ended 31st March 2011	For The Year Ended 31st March 2010
i) Bad and doubtful debts provided	-	-
ii) Bad and doubtful advances / deposits provided	-	-
iii) Bad and doubtful claims provided	5	47
iv) Diminution in value of stores and spares	-	-
v) Shortage in store & spares provided	-	-
vi) Provision against diminution in the value of investment	-	-
vii) Project expenses provided for	-	-
viii) Provision for fixed assets/stores	-	1
ix) Provision for other expenses	-	-
Total	5	48
Less: Provisions transferred to EDC {Refer Schedule 22 F and 22 J(vi)}	-	-
Less: Provisions transferred to contract and consultancy expenses (Refer Sch.20)	-	-
Total taken to Profit & Loss Account	5	48

SCHEDULE 20 - EXPENDITURE ON CONTRACT, PROJECT MANAGEMENT AND CONSULTANCY WORKS

Particulars	(Amount in Lacs)	
	For The Year Ended 31st March 2011	For The Year Ended 31st March 2010
i) Direct expenses	-	-
ii) Employees' remuneration and benefits	-	-
- Salaries, wages, allowances and benefits	-	-
- Gratuity, contribution to provident fund & pension scheme	-	-
- Staff welfare expenses	-	-
iii) Repairs and maintenance	-	-
- Buildings	-	-
- Machinery and construction equipments	-	-
- Others	-	-
iv) Administration and other expenses	-	-
- Rent/ Hiring Charges	-	-
- Traveling and conveyance	-	-
- Expenses on staff cars and inspection vehicle	-	-
- Insurance	-	-
- Telephone, telex, and postage	-	-
- Advertisement and publicity	-	-
- Printing and stationery	-	-
- Remuneration to auditors	-	-
- Other expenses	-	-
- Rates and taxes	-	-
- Security	-	-
- Electricity	-	-
- Contingencies	-	-
- Consultancy charges	-	-
- ERV	-	-
v) Depreciation	-	-
vi) Interest and finance charges	-	-
vii) Loss on construction contracts	-	-
viii) Provisions	-	-
ix) Work in progress :	-	-
- Construction contract	-	-
- Consultancy contract	-	-
x) Corporate Office Expenses (Net)	-	-
Total Expenditure	-	-
Less: Receipts and recoveries	-	-
Net expenditure during the year	-	-
Prior period adjustments	-	-
Total taken to Profit & Loss Account	-	-

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SCHEDULE 21- PRIOR PERIOD ADJUSTMENT (NET)

(Amount in Lacs)

Particulars	For The Year Ended 31st March 2011	For The Year Ended 31st March 2010
Income		
i) Sale of Electricity	-	-
ii) Advance against depreciation written back	-	-
iii) Interest/ surcharge received from debtors	-	-
iv) Others	-	5
Expenditure		
i) Salaries and wages	2	1
ii) Repair and maintenance	-	-
iii) Interest	-	-
iv) Others	-	1
v) Depreciation	42	(144)
Total	44	(147)
Less: Expenses transferred to EDC {Refer Schedule 22 H and 22 J(vii)}		
Prior period expenses	-	-
Less : Prior period income	-	-
Total	-	-
Less: Expense transferred to contract and consultancy expenses (Refer Sch.20)	-	-
Total taken to Profit & Loss Account	44	(147)

SCHEDULE 22 - EXPENDITURE DURING CONSTRUCTION

(Amount in
Lacs)

Particulars	For The Year Ended 31st March 2011	For The Year Ended 31st March 2010
A. EMPLOYEES REMUNERATION AND BENEFITS		
i) Salaries, wages, allowances	-	-
ii) Gratuity and contribution to provident fund (including administration fees)	-	-
iii) Staff welfare expenses	-	-
iv) Leave salary & pension contribution	-	-
Sub-total	-	-
B. REPAIRS AND MAINTENANCE		
i) Building	-	-
ii) Machinery	-	-
iii) Others	-	-
Sub-total	-	-
C. ADMINISTRATION AND OTHER EXPENSES		
i) Rent /Hiring Charges	-	-
ii) Rates and taxes	-	-
iii) Insurance	-	-
iv) Security expenses	-	-
v) Electricity charges	-	-
vi) Traveling and conveyance	-	-
vii) Expenses on staff car	-	-
viii) Telephone, telex and postage	-	-
ix) Advertisement and publicity	-	-
x) Entertainment and hospitality expenses	-	-
xi) Printing and stationery	-	-
xii) Audit expenses	-	-
xiii) Design and consultancy charges:	-	-
- Indigenous	-	-
- Foreign	-	-
xiv) Expenditure on compensatory afforestation/ catchments area treatment/ environment expenses	-	-
xv) Expenditure on land not belonging to corporation	-	-
xvi) Land acquisition and rehabilitation	-	-
xvii) Loss on assets/ materials written off	-	-
xviii) Losses on sale of assets	-	-
xix) Other general expenses	-	-
Sub-total	-	-
D. INTEREST AND FINANCE CHARGES		
i) Interest on :	-	-
a) Government of India loan	-	-

b) Bonds	-	-
c) Foreign loan	-	-
d) Term loan	-	-
e) Cash credit facilities /WCDL	-	-
f) Exchange differences regarded as adjustment to interest cost	-	-
ii) Loss on hedging transaction	-	-
iii) Bond issue/ service expenses	-	-
iv) Commitment fee	-	-
v) Guarantee fee on loan	-	-
vi) Other finance charges	-	-
Sub-total	-	-
E. EXCHANGE RATE VARIATION (NET)		
i) Exchange rate variation (Debit balance)	-	-
ii) Less : Exchange rate variation (Credit balance)	-	-
Sub-total	-	-
F. PROVISIONS	-	-
Sub-total	-	-
G. DEPRECIATION	-	-
Sub-total	-	-
H. PRIOR PERIOD EXPENSES (NET)		
i) Prior period expenses	-	-
ii) Less: Prior period income	-	-
Sub-total	-	-
I. LESS : RECEIPTS AND RECOVERIES		
i) Income from generation of electricity – precommissioning	-	-
ii) Interest on loans and advances	-	-
iii) Miscellaneous receipts	-	-
iv) Profit on sale of assets	-	-
v) Liability/ Provision not required written back	-	-
vi) Hire charges/ outturn on plant and machinery	-	-
Sub-total	-	-
J. ADD: CORPORATE OFFICE MANAGEMENT EXPENSES		
i) Other Income	-	-
ii) Generation, administration and other expenses	-	-
iii) Employee remuneration and benefits	-	-
iv) Depreciation	-	-
v) Interest and finance charges	-	-
vi) Provisions	-	-
vii) Prior period adjustment (Net)	-	-
Sub-total	-	-
AMOUNT TRANSFERRED TO CAPITAL WORK- IN- PROGRESS (-	-
A+B+C+D+E+F+G+H+J - I)	-	-



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Schedules to the Accounts (Contd.)

SCHEDULE – 23 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 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 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 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.
- 2.7 Construction equipments declared surplus are shown at lower of book value and net realizable value.

3. MACHINERY SPARES

- 3.1 (a) Machinery spares procured along with the Plant & Machinery or subsequently and whose use is expected to be irregular are capitalized separately, if cost of such spares is known and depreciated fully over the residual useful life of the related plant and machinery at the rates of depreciation and methodology as notified by CERC for such Plant & Machinery. If cost of such spares is not known particularly when procured along with mother plant, these are capitalized & depreciated along with mother plant at the rates of depreciation and methodology as notified by CERC for such Plant & Machinery.
- (b) 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 is provided on pro rata basis in the year in which the asset becomes available for use.
- 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 shall be 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 for control purpose.
- 5.3 Assets valuing ₹ 5000/- or less but more than ₹ 750/- and such items (excluding immovable assets) with written down value of ₹ 5000/- or less at the beginning of the year are fully depreciated during the year with ₹ 1 as a balance value.
- 5.4 Low value items, which are in the nature of assets (excluding immovable assets) and valuing 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 or 35 years whichever is earlier.
- 5.6 Leasehold Land is amortized over the period of lease or 30 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.

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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.

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.

7.4 Stores issued for operation and maintenance at Power Stations but lying unused at site at the year-end are evaluated at engineering estimates and taken as stores.

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. SELF INSURANCE

0.5% p.a. of Gross Block of Power Stations as on the date of Balance Sheet is transferred to 'Self Insurance Reserve' on year to year basis through Profit & Loss Appropriation Account, to be utilized for losses of Assets for specified contingencies. The fund shall be earmarked. (Non-operative since .26.06.2010 also refer note to accounts no. 11 & 12)

12. MISCELLANEOUS

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

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

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

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

13. 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.

14. 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.

15. 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.

SCHEDULE – 24: NOTES TO THE ACCOUNTS

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

(Amount in Lacs)

Particulars	As at 31.03.2011	As at 31.03.2010
a) Claims against the Corporation not acknowledged as debts in respect of -		
- Capital Works	26590	20367
- Land Compensation Cases	146660	187185
- Others	3	228
Disputed Income Tax Demand	6	NIL
Disputed Excise Demand	NIL	NIL
Disputed Sales Tax Demand	NIL	NIL
Others	NIL	NIL
Total	173259	207780

- 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 ₹ 3918 Lacs (Previous Year ₹ 5310 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 is for ₹ 6993 Lacs (Previous Year ₹ 8578 Lacs).
3. Government of Madhya Pradesh (GoMP), being a joint venture partner, contributed on various accounts as per CCEA approval, details given below:

A. Indira Sagar Power Station: -

(Amount in Lacs)

Sources of Fund	As at 01.04.2010	During April 10 to March 11	As at 31.03.2011
1. Expenditure incurred by NVDA Adjusted	125782	1831	127613
2. Cash Received	54720	1077	55797
3. Amount transferred from OSPS	856	NIL	856
Total	181358	2908	184266
Usage of Fund			
1. Equity Capital	66000	NIL	66000
2. Irrigation Component	38065	(209)	37856
3. SSP Component	48640	(267)	48373
4. Sub-vention towards excess R&R Expenses	25066	3393	28459
5. Electricity Charges adjusted	279	NIL	279
6. Advance against Irrigation/Equity of OSPS	3308	NIL	3308
7. Amount pending adjustment /payable to NVDA	NIL	(9)	(9)
Total	181358	2908	184266

B. Omkareshwar Power Station: -

(Amount in Lacs)

Sources of Fund	As at 01.04.2010	During April 10 to March 11	As at 31.03.2011
1. Expenditure incurred by NVDA Adjusted	8233	15	8248
2. Cash Received	41476	NIL	41476
3. Advance against Irrigation/Equity of OSPS	3308	NIL	3308
Total	53017	15	53032
Usage of Fund:			
1. Equity Capital	30016	NIL	30016
2. Irrigation Component	17837	(41)	17796
3. Sub-vention towards excess R&R Expenses	5445	(374)	5071
4. Amount Transferred to ISPS	856	NIL	856
5. Amount pending adjustment/payable to NVDA	(1137)	430	(707)
Total	53017	15	53032

4. The company has filed tariff petition with CERC for determination of tariff for the period 2009-14 in respect of Indira Sagar Power Station (ISPS) whereas it is yet to be filed in case of Omkareshwar Power Station (OSPS). The sales in respect of both the power station have been accounted for provisionally, following the principle of conservatism, as the tariff petitions are subject to prudence check by CERC. However, billing during the year has been done at the tariff approved by the CERC (provisional in case of OSPS) as applicable on 31st March 2009. As such sales for the year include ₹ 2614 Lacs (Previous Year ₹ 6031 Lacs), being the difference between sales worked out as per new tariff norms applicable for 2009-14 and those billed.
5. CERC while notifying tariff regulation for the period 2009-14 vide notification dated 19.01.2009 has revised the rates of depreciation and has also provided the methodology for computing the depreciation. As per ibid tariff regulation, depreciation is to be calculated at specified depreciation rates till 31st March of the year closing after a period of 12 years from the date of commercial operation of an operating unit and thereafter amortization of residual depreciable value of the assets over the remaining useful life of operating unit, life of the unit being considered 35 years from the date of commercial operation.

During the year, Corporation has modified the practice of charging depreciation in line with CERC notification 2009-14 for its power stations w.e.f. 01.04.2009. However as both the power station of the Corporation is yet to complete 12 years from respective date of its commercial operation hence there is no impact on P&L of the Corporation. Further, the Significant Accounting Policies on 'Depreciation and Amortization' and "Machinery Spares" have been suitably reworded to disclose the fact of "rate of depreciation as well as methodology" wherever required.

6. (a) Pending approval of the competent authority, provisional payments made towards executed quantities of some of the items beyond approved quantities as also for extra items & expenditure incurred by NVDA on behalf of the corporation, are included in Capital Work-in-Progress/Fixed Assets/P&L account.
- (b) Balances shown under Material issued to contractors, claims recoverable, advance for Capital Expenditure, Sundry Debtors, Advances to Contractors, Sundry Creditors, and Deposits/Earnest Money from contractors are subject to reconciliation/confirmation and consequential adjustments.
- (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.

NHDC LIMITED

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

(d) Other Current Assets includes a sum of ₹ 9 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.

7. Corporation has decided to close down the potential wind power site at Kukru region Distt. Betul M.P. and accordingly an amount of ₹ 29 Lacs incurred on survey & investigation work has been charged to P&L account this year, as per extant accounting policy in this regard.

8. The Department of Public Enterprise vide letter no F No. 15(3)/2007-DPE (GM) –GL-99 dated 09/04/2010 has issued the guidelines on Corporate Social Responsibility (CSR) for Central Public Sector Enterprises. As per the guidelines the CSR budget is to be created as a percentage of net profit of previous year.

Accordingly, Board of directors of NHDC has approved 2% of profit after tax (PAT) of F.Y. 2009-10 as a budget for CSR expenditure in F.Y. 2010-11. As against the budgeted amount of ₹ 425 Lacs, the corporation has spent ₹ 150 Lacs during the year and thus, created provision for unspent amount of ₹ 275 Lacs to be utilized in future years.

9. During the year the revised pay scales in respect of executive category employees has been provisionally implemented w.e.f. 01.01.2007. Further MOU for implementation of revised pay scales w.e.f. 01.01.2007 in respect of supervisor & workmen category employees has also been signed between both management & union however its implementation is under progress. Pending final implementation of pay revision a further provision of ₹ 1199/- (Previous year ₹ 1175 Lacs) has been made in the books for the year on reasonable estimate basis. In addition provision for an amount of ₹ 987 Lacs is also made towards Performance Related Pay Scheme, pending finalization, payable to executives in term of DPE guidelines.

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

(Amount in Lacs)

	For 2010-11	For 2009-10
(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	8	(20)

11. Following Accounting Policies have been introduced / modified / reworded during the financial year 2010-11, the impact of which on profit for the year is given below: -

Sl. No.	Particulars	Impact on Profit for the financial year 2010-11
1	Rewording of accounting policy no. 3.1(a), 5.2.1, 5.2.2, 5.2.3, 5.2.4, 5.5, 5.7 & 5.9:- These accounting policies has been suitably reworded in view of adopting both rate & methodology for computing the depreciation in respect of power station. As per ibid tariff regulation, depreciation is to be calculated at specified depreciation rates till 31st March of the year closing after a period of 12 years from the date of commercial operation of an operating unit and thereafter amortization of residual depreciable value of the assets over the remaining useful life of operating unit, life of the unit being considered 35 years from the date of commercial operation.	No impacts as both the power stations of the Corporation are yet to complete 12 year from its commercial operation.

2	New accounting policy no. 5.10:- Introduction of new policy for capitalisation of expenditure incurred on renovation / modernisation of asset, thereby increasing life and/or efficiency of the asset – in order to have better disclosure.	No Impact as practice has been translated into policy.
3	Modification accounting policy no. 7.2:- Provision on systematic basis has been made in accounts for unserviceable and obsolete stores & spares.	Nil Impact
4	Rewording of accounting policy no. 9.2:- Policy reworded after exclusion of LTC from long term employee benefits.	PBT increased by ₹ 36 Lacs
5	Rewording of accounting policy no. 10.1(d):- Accounting Policy on Advance against Depreciation has been modified in line with methodology for depreciation as notified by CERC vide tariff regulation 2009.	No Impact
6	Modification in accounting policy no. 11 w.e.f. 26.06.2010:- Subsequent to obtaining of Industrial All Risk Insurance Policy w.e.f. 26.06.2010, Corporation has discontinued its Accounting Policy on creation of Self Insurance Reserve @ 0.5% p.a. of Gross Block as on the date of balance sheet of Power Stations through Profit & Loss Appropriation Account.	PBT reduced by ₹ 662 Lacs.
7	Rewording of accounting policy no. 14:- Deferred tax assets are recognized and carried forward to the extent there is a reasonable certainty instead of virtual certainty.	No Impact.

12. Consequent upon purchase of Industrial All Risk (IAR) Insurance policy for assets of power stations w.e.f. 26.06.2010, self insurance reserve @ 0.5% p.a. of gross block as on the date of balance sheet of power stations has been made proportionately.

13. (a) The Provisions for employee's benefits in respect of NHDC's employees have been made for the year on the basis of actuarial valuation done as at 31.03.2011. In respect of NHPC employees who are presently posted at NHDC, no provision has been created and only the share of expenditure debited to P&L account 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 31.03.2011 is given below:-

Table 1 :- Key Assumptions

	As at 31.03.2011	As at 31.03.2010
Mortality Table	Indian Assured Lives Mortality (1994-96) (modified) ultimate table.	Standard table LIC (1994-96) ultimate table.
Attrition Rate	2%	2%
Discount rate	8.20%	8.10% (market yield on government bond as at same date)
Rate of increase in compensation level	7.5%	5%
Rate of return on plan assets	N.A.	N.A.
Expected average remaining working lives of employees (year)	22	23

Table 2 :- Change in present value of obligations

(Amount in Lacs)

	As at 31.03.2011			As at 31.03.2010		
	Gratuity	Leave encashment	REHS	Gratuity	Leave encashment	REHS
PVO at beginning of year	232	331	107	206	403	82
Interest Cost	19	26	9	16	31	6
Past Service Cost	NIL	NIL	NIL	NIL	NIL	NIL
Current Service Cost	70	118	20	40	40	18
Benefit paid	(16)	(46)	NIL	(6)	(236)	NIL
Actuarial gain/ loss	156	140	24	(24)	90	1
Balance received from NHPC	NIL	NIL	NIL	NIL	3	NIL
PVO at end of year	461	569	160	232	331	107

Table 3 & 4 :- Not Applicable

Table 5 :- Actuarial gain/loss recognized

(Amount in Lacs)

	As at 31.03.2011			As at 31.03.2010		
	Gratuity	Leave encashment	REHS	Gratuity	Leave encashment	REHS
Actuarial gain/loss for the year-obligation	156	140	24	(24)	90	1
Actuarial gain/loss for the year- Plan assets	NIL	NIL	NIL	NIL	NIL	NIL
Total gain/loss	156	140	24	(24)	90	1
Actuarial gain/loss recognized for the year	156	140	24	(24)	90	1
Unrecognized Actuarial gain/loss at the year end	NIL	NIL	NIL	NIL	NIL	NIL

Table 6 :- Amount recognized in Balance Sheet

(Amount in Lacs)

	As at 31.03.2011			As at 31.03.2010		
	Gratuity	Leave encashment	REHS	Gratuity	Leave encashment	REHS
PVO at the end of year	461	569	160	232	331	107
Fair value of plan assets at the end of year	NIL	NIL	NIL	NIL	NIL	NIL
Funded status	(461)	(569)	(160)	(232)	(331)	(107)
Unrecognized Actuarial gain/loss	NIL	NIL	NIL	NIL	NIL	NIL
Net liability recognized in balance sheet	461	569	160	232	331	107

Table 7 :- Amount recognized in Profit & Loss Account

(Amount in Lacs)

	As at 31.03.2011			As at 31.03.2010		
	Gratuity	Leave encashment	REHS	Gratuity	Leave encashment	REHS
Current Service cost	70	118	20	40	40	18
Past service cost	NIL	NIL	NIL	NIL	NIL	NIL
Interest Cost	19	26	9	16	31	6
Expected return on plan assets	NIL	NIL	NIL	NIL	NIL	NIL
Net Actuarial gain/ loss recognized for the year	156	140	24	(24)	90	1
Expenses recognized in P&L A/c for the year	245	284	53	32	161	25

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

(Amount in Lacs)

	As at 31.03.2011			As at 31.03.2010		
	Gratuity	Leave encashment	REHS	Gratuity	Leave encashment	REHS
Opening net liability	232	331	107	206	403	82
Expenses as above	245	284	53	32	161	25
Balance received from NHPC	NIL	NIL	NIL	NIL	3	NIL
Benefit paid	(16)	(46)	NIL	(6)	(236)	NIL
Closing net liability	461	569	160	232	331	107

- (b) Liabilities as on 31.03.2011 on account of Matching Contribution on Leave Encashment & Baggage Allowance on retirement are ₹ 68 Lacs & ₹ 32 Lacs (Previous year ₹ 38 Lacs & ₹ 20 Lacs) respectively.
- (c) Consequent upon pay revision w.e.f 01.01.2007, Leave Travel Concession stands excluded from category of long term benefits, the opening provision of ₹ 36 Lacs as provided on basis of actuarial valuation has been adjusted against the amount paid/reversed as it is no longer required. Further as LTC for block 2008-09 can be claimed up-to 31.12.2011 a fresh provision of ₹ 29 Lacs payable for period from 01.01.2008 to 25.11.2008 has been created as short term employee benefit.
- (d) The Company's provident fund scheme is governed by RPFC and it is a defined contribution plan. The contribution paid/payable for the year is recognized as expense and charged to the Profit & Loss Account during the year.
14. 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 stations in the State of Madhya Pradesh, therefore, reporting geographical segments are inapplicable.
15. In compliance of Accounting Standard – 18 on related party disclosures the required information is given as under:-

Key Management Personal

Name	Designation
Sh. S K Garg	Chairman & Managing Director (till 31.12.2010)
Sh. A B L Shrivastava	Chairman & Managing Director (w.e.f 01.01.2011)
Sh. K.M. Singh	Chief Executive Director

Remuneration to key management personal is ₹ 29 Lacs (Previous year ₹ 15 Lacs) and amount of dues outstanding to the company as on 31.03.2011 is ₹ 3 Lacs (Previous year ₹ 7 Lacs)

16. The Company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees, offices, guesthouses and transit camps. These leasing arrangements, which are not non-cancelable, are usually renewable by mutual consent on mutually agreeable terms. The Schedule of Employee's Remuneration and Benefits includes ₹ 170 Lacs (Previous year ₹ 75 Lacs) towards lease payments, net of recoveries, in respect of premises for residential use of employees. Lease payments in r/o premises for offices, guesthouses and transit camps amounting to ₹ 30 Lacs (Previous year ₹ 29 Lacs) are shown as Rent / Hiring charges under Schedule of Generation, Administration and Other Expenses.
17. The elements considered for calculation of Earning per Share (EPS) are as under:-

Particulars	For the year 2010-11		For the year 2009-10	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Net Profit after tax used as numerator (₹)	304,12,92,813	304,12,92,813	212,29,41,683	212,29,41,683
Weighted Average No. of Equity Share used as denominator	19625800	19625800	19625800	19625800
Earning Per share (₹)	154.96	154.96	108.17	108.17
FV Per Share (₹)	1000	1000	1000	1000

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18. In compliance of the Accounting Standard-22 on "Accounting for Taxes on Income" notified under The Companies (Accounting Standards) Rules, 2006, Net Deferred Tax Liability amounting to ₹ 302 Lacs (Previous year ₹ 11301 Lacs) has been provided for during the year. The item-wise details of cumulative Deferred Tax Liability are as under: -

(Amount in Lacs)

Deferred Tax Liability / Asset	As at 31.03.2011	As at 31.03.2010
i) Deferred Tax Liability: -		
Difference of book depreciation and Income Tax depreciation	66496	66611
Less: Deferred Tax Assets		
ii) Accumulated Unabsorbed depreciation (to be carried forward).	NIL	1280
iii) Provision for doubtful debts and other provisions.	NIL	NIL
iv) Provision for employees benefits schemes.	279	195
Deferred Tax Liability (Net)	66217	65136
v) Deferred Tax liability to the extent recoverable from beneficiary	54613	53835

19. 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 31.03.2011.

20. Remuneration paid/ payable to Directors: -

(Amount in Lacs)

Particulars	For the year 2010-11	For the year 2009-10
i) Salaries & Allowances	23	11
ii) Contribution to PF	2	1
iii) Rent for residential accommodation	3	2
iv) Other benefits	1	1
v) Sitting Fees to independent directors	0.45	0.27

The above figures does not include the provision for gratuity, leave encashment, PRMS, Baggage & EPF on leave encashment, since the same is provided on actuarial valuation basis for the corporation as a whole. Further the above figures also not include amount of provision made for other short term employee's benefit as these are provided on lump basis.

21. Remuneration to Statutory/Cost Auditors:

- a) Statutory Auditors: -

(Amount in Lacs)

Particulars	For the year 2010-11	For the year 2009-10
i) Audit Fees	4.26	5
ii) Tax Audit Fees	1.28	1
iii) Certification Fees	0.99	1
iv) Other Matter	NIL	NIL
v) Audit Expenses	0.26	NIL

- b) Cost Auditors: -

(Amount in Lacs)

a) Audit Fees	0.93	1
b) Audit Expenses	0.09	NIL

22. Quantitative details in respect of Energy produced and sold: -

Particulars	For the Year 2010-11	For the Year 2009-10
Licensed Capacity (MW)	Not Applicable	Not Applicable
Installed Capacity (MW)	1520	1520
Actual Generation (MU)	3196.65	3071.22
Actual Sales (MU)	3188.70	3051.43

- 23.

(Amount in Lacs)

Sl. No.	Particulars	For the year 2010-11	For the year 2009-10
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 (a) Capital Works (b) Tours	NIL NIL NIL NIL	NIL NIL NIL NIL
c)*	Value of spare parts and components consumed in operating units. i) Imported ii) Indigenous	NIL 256	NIL 255
d)**	Earning in foreign currency i) Interest ii) Others	NIL NIL	NIL NIL

* Accrual basis ** Cash basis

24. 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

25. Liquidated Damages, if any, are accounted for as and when recovery is affected and the matter is considered settled by the management.
26. C.O. management expenses are allocated to power stations in the ratio of weighted average installed capacity of Power Station.
27. 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

V.K. Tripathi
Co. Secretary

As per our report of even date attached
For Multi Associates
Chartered Accountants

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

Vijay Kumar
General Manager (Finance)

A. K. GARG
Partner
Membership No. 84003
FRN - 509955C

Place: New Delhi
Date: 14 .05.2011



NHPC Limited

(A Government of India Enterprise)

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No

1 0 1 4 3 3 7

State Code

1 0

Balance Sheet Date

3 1

0 3

2 0 1 1

II. Capital raised during the year (in Lacs)

Public Issue

N I L

Bond Issue

N I L

Right Issue

N I L

Private Placement

N I L

III. Position of Mobilisation and Deployment of Funds (in Lacs)

Total Liabilities

7 3 9 3 1 6

Sources of Funds

Paid-up Capital

1 9 6 2 5 8

Secured Loan

2 2 0 2 3 5

Application of Funds

Net Fixed Assets

5 6 4 0 5 2

Net Current Assets

1 4 0 4 1 1

Accumulated Losses

N I L

Total Assets

7 3 9 3 1 6

Reserves and Surplus

2 6 6 2 6 5

Unsecured Loans

N I L

Investments

N I L

Misc. Expenditure

N I L

IV. Performance of Company (in Lacs)

Turnover

9 1 8 4 0 #

Profit Before Tax

3 8 5 3 8

Basic Earning per share in Rupee

1 5 4 . 9 6

Excludes Other Income ₹ 10735 Lacs

Total Expenditure

6 4 0 3 7

Profit After Tax

3 0 4 1 3

Dividend Amount

3 9 2 5

V. Generic Names of Three Principal Products/ Service of Company

I. Product Description

G E N E R A T I O N O F H Y D R O - E L E C T R I C I T Y

Item Code No.

-

II. Product Description

Item Code No.

-

III. Product Description

Item Code No.

-

For and on behalf of **BOARD OF DIRECTORS**

As per our report of even date attached

For Multi Associates
Chartered Accountants

Sd/-

A. K. GARG

(Partner)

Membership No. 84003

FRN - 509955C

Sd/-

R. K. TANEJA

Director

DIN 00077493

Sd/-

K. M. SINGH

Chief Executive Director

DIN 02223301

Sd/-

A. B. L. SRIVASTAVA

Chairman & Managing Director

DIN 01601682

Sd/-

V. K. TRIPATHI

Co. Secretary

Sd/-

VIJAY KUMAR

General Manager (Finance)

Place: New Delhi
Date : 14.05.2011

NHDC LIMITED

Annual Report 2010-11

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

CASH FLOW STATEMENT

(Amount in Lacs)

PARTICULARS	For the year ended 31.03.2011		For the year ended 31.03.2010	
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and extraordinary items	38538		37735	
Add:				
- Depreciation including Prior Period	25057		24819	
- Other Provision/ Adjustment	5		48	
- Advance against depreciation	(137)		733	
- Loss/(Profit) on sale of assets	1		0	
- Interest & financial charges excluding rebate	24934		27440	
Operating profit before working capital changes		88398		90775
Working Capital Changes				
(Increase)/ Decrease in inventories	(147)		(21)	
(Increase)/ Decrease in sundry debtor	8556		7542	
(Increase)/ Decrease in loans & advances	7991		4891	
(Increase)/ Decrease in other current assets	(1603)		(1486)	
Increase/(Decrease) in current liabilities & provisions	(9035)	5762	(8825)	2101
		94160		92876
Taxes Paid	8583		6768	
	-	8583	-	6768
Cash generated from operations (A)		85577		86108
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed assets & capitalisation of CWIP	(1818)		(1011)	
Capital work in progress	(1239)		(764)	
Construction stores & advances	3		9	
Proceeds on sale of assets	1		5	
Net cash used in Investing Activities (B)		(3053)		(1761)
C) CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of Share Capital	-		-	
Receipts of share capital deposit			-	
Proceeds from Borrowings	4875		198853	
Repayments of Borrowings	(32970)		(219605)	
Funds received from GOMP towards SSP & Irrigation component	2923		1672	
Dividend paid	(2123)		(4592)	
Dividend tax paid	(353)		(781)	
Interest and financial charges	(24934)		(27440)	
Cash flow from Financing Activities		(52582)		(51893)
Net increase / decrease in Cash and Cash equivalents (A+B+C)		29942		32454
Cash and cash equivalents (Opening balance)		103067		70613
Cash and cash equivalents (Closing balance)		133009		103067

EXPLANATORY NOTES TO CASH FLOW STATEMENT

- Cash and cash equivalents consist of amount of ₹ 16051 Lacs (Previous Year ₹ 15517 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 31.03.2011 is ₹ 2126 Lacs (Previous Year ₹ 7001 Lacs).
- Cash (excluding taxes) realised on sale /disposal of fixed assets during the year is ₹ 1 Lacs (Previous Year ₹ 5 Lacs).
- The previous year's figures has been regrouped / re-arranged / re-casted wherever necessary.

Schedule 1 to 24 form an 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

Sd/-
R. K. TANEJA
Director
DIN 00077493

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

Sd/-
A. B. L. SRIVASTAVA
Chairman & Managing Director
DIN 01601682

Sd/-
A. K. GARG
(Partner)
Membership No. 84003
FRN - 509955C

Sd/-
V. K. TRIPATHI
Co. Secretary

Sd/-
VIJAY KUMAR
General Manager (Finance)

Place: New Delhi
Date : 14.05.2011



DIRECTORS' REPORT

To the Members,
Loktak Downstream Hydroelectric Corporation Limited

The directors of LDHC Limited are pleased to present the 2nd Annual Report on the performance of the Company along-with Audited Statement of Accounts, Auditors' Report and the Review of Accounts by the Comptroller and Auditor General of India for the year ended on 31st March 2011.

1. STATE OF COMPANY'S AFFAIRS

a. OPERATIONAL REVIEW

Topographical survey of the project was started by Survey of India during the year and has been completed up to Barrage Site. Survey work from Barrage Site to Power House Site is under Progress. CISMHE, Delhi has submitted Draft EIA & EMP reports and executive summary of Loktak Downstream Hydroelectric Project. The draft EIA & EMP reports and Executive Summary in English and Local Dialect, prepared in accordance with Terms of Reference, has been sent to Member Secretary Manipur State Pollution Control Board for arranging Public Hearing. Member Secretary, MSPCB has published notification to conduct Public Hearing at Thangal Village, Tamenglong District on 7th June, 2011 & public hearing was successfully conducted on 7th June 2011 in presence of around 700 villagers. The report of the Public Hearing has been furnished to the Ministry of Environment & Forest, Government of India on 13th June 2011.

Application for transfer of concurrence in favour of LDHC Ltd. has been submitted to CEA.

Ministry of Environment and Forest has conveyed Stage-I approval for diversion of 211.5 ha of Forest Land for the construction of Loktak Downstream Hydroelectric Project during the month of March 2011.

The company is not having any subsidiary. There has not occurred any material changes during the financial year in the nature of company's business or in the class of business in which company has interest.

b. FINANCIAL REVIEW

The financial performance for the year ended as on March 31st 2011 is summarized here under:-

FINANCIAL HIGHLIGHTS

(in ₹)

Particulars	2010-11	2009-2010
Sales	NIL	NIL
Profit before Depreciation, Interest and Tax	41591127	(11627350)
Depreciation	NIL	NIL
Profit after Depreciation but before Interest and Tax	41591127	(11627350)
Interest & Finance Charges	NIL	NIL
Profit after Depreciation and Interest but before Tax	41591127	(11627350)
Tax	14515744	NIL
Profit after Depreciation, Interest and Tax	27075383	(11627350)
Surplus of Profit and Loss Account of earlier years	NIL	NIL
Profit available for appropriations	27075383	(11627350)
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	27075383	(11627350)

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 and earned an interest of ₹ 36471302/-. An amount of ₹ 2,70,75,383/- has been transferred to Reserves and Surplus account. The Board of Directors of the Company has not recommended any dividend during the year.

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

The company has deposited Income Tax dues as shown in the annual financial results ended 31.03.2011 on 29.04.2011. Government of Manipur had deposited ₹ 10 crore towards share application money during the month of December 2010. The Board of the Company has agreed to convert the amount of ₹ 28,46,15,400/- payable to NHPC Limited in proportion to agreed equity sharing ration. Accordingly, the Board allotted shares to Government of Manipur and NHPC Limited.

3. 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 period under review, the company had no earning and outgo in foreign exchange.

4. PARTICULARS OF EMPLOYEES

During the period under review, there was no employee in receipt of remuneration exceeding the limit prescribed under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975.

5. 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 Sharad Jain Associates, Chartered Accountants, New Delhi as the Statutory Auditors of the Company for the year 2010-11.

6. 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-I** and the Management Discussion and Analysis Report as **Annexure-II** to this report.

7. 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, Imphal, for the year ended 31st March 2011, are enclosed as **Annexure-III** and **IV** respectively. The Annexure to the Auditors' Report states that Income Tax for the assessment year 2010-11 was in arrear for more than six months. This is due to an accounting error which came to the notice at the time of closing of accounts. The tax has since been deposited.

8. 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.

9. 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 2010-11 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

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10. 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 S. K. Garg, Chairman & Managing Director, NHPC Limited was the Chairman of the Company till 31st December 2010 who superannuated on that day. Shri A. B. L. Srivastava, Chairman & Managing Director, NHPC Limited was appointed as Chairman of the Company. At present the Board of your company comprises of the following members:

1. Shri A. B. L. Srivastava	Chairman
2. Shri Liangsi Paul Gonmei	Director
3. Shri D. K. Ray	Director
4. Shri P. C. Vaish	Director
5. Smt. Kalyani Mishra	Director

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/-
(A. B. L. Srivastava)
Chairman
DIN No.: 01601682

DATE: 02.08.2011
Place: Faridabad

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;

There are 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

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 2011-2012

There are no R&D activities planned for the year 2011 - 2012

4. Expenditure on R&D

There is no expenditure on R&D during the financial year 2010-11.

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

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

Particulars	₹ In crore 2010-11	₹ In crore 2009-2010
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



NHPC Limited

(A Government of India Enterprise)

Annexure-I

CERTIFICATE OF COMPLIANCE OF CORPORATE GOVERNANCE

To
The Members,
M/s/ Loktak Downstream Hydroelectric Corporation Ltd.

We have examined the compliance of conditions of Corporate Governance by **M/s Loktak Downstream Hydroelectric Corporation Ltd** (the company) as required to be done by the guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises for the financial year ended on 31st March 2011.

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

In our opinions and according to the examinations carried out by us and explanations furnished to us by the Company, its officer and agents, and to the best of our knowledge and belief, we hereby certified that company has complied with all the provisions in respect of the aforesaid financial year except for the points listed below:

1. The Company has no independent directors on its Board.
2. The Company has not placed before the Board the report regarding compliance with all applicable laws during the year under scrutiny.
3. The Company held at least one Board Meeting in every three months. However, there was a gap of more than three months between first and second quarterly meeting of year ended on 31st March, 2011.
4. The Company has not yet laid down the code of conduct for all Board members and senior management personnel of the company.

5. Board of Directors of the company does not have a formal statement of Board Charter which clearly defines the roles and responsibilities of the Board and individual directors.
6. The Company has not framed a formal training programme for its new Board Members. However all its Board Members are nominees of NHPC Limited, Principal Secretary (power), Government of Manipur and Nominee of Ministry of Power hence they are well versed with the Business model, risk profile etc.
7. Since Board does not have any independent Director, hence Company does not have any independent member in its audit committee neither as member nor as chairman.
8. The Company has not yet constituted Remuneration Committee.
9. The Company has not yet adopted any Whistle Blower Policy, however it is not mandatory.
10. The Company has not yet laid down its Risk Management Policy.

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

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

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

Place: Faridabad
Date: 02.08.2011

LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

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

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 employees. The Management of Loktak Downstream Hydroelectric Corporation Limited ("LDHCL") tries to act in the best interest of all its stakeholders at all times and, being a recently incorporated company, is in the process of adopting good Corporate Governance practices to benefit the 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 Directorship and Committee positions (in Audit Committee and Shareholders' Grievance Committee) in other companies held by the Directors as on 31st March, 2011 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	2	Nil	2
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. P. C. Vaish**	Non-Executive Director	Nil	Nil	Nil

* Mr. A. B. L. Srivastava was appointed Chairman w.e.f. 1st January 2011

** Mr. D. K. Ray and Mr. P. C. Vaish joined the Board on 17th February 2011

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 2011 is as under:

Mr. A. B. L. Srivastava (DIN: 01601682) 56 years, is our Chairman. He holds a master's degree in business finance and commerce. He is also a member of the Institute of Chartered Accountants of India. Prior to joining our company he has been 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 recipient of prestigious Special Achiever Award -2010 from Institute of Chartered Accountants of India (ICAI) as a recognition of his professional achievement. He has taken over the additional charge of CMD in NHPC along with our subsidiary companies namely NHDC Ltd. (a J.V. with Govt. of Madhya Pradesh) in January 2011.

Mr. Liangsi Paul Gonmei (DIN NO 02302356), 57 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), 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 project 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. P. C. Vaish (DIN - 03440470), 50 years, is our Director. Mr. Vaish holds a bachelor's degree in commerce from, Lucknow University. He is a Chartered Accountant and a member of the Institute of Chartered Accountants of India. A bright scholar and holder of all India ranks both in CA Intermediate and Final, he has over 28 years professional experience which includes about 13 years on power sector. He has held important positions in State Undertaking including, Co-op Sector. He has held additional charge of World Bank aided project in the State of UP. He was also appointed Director on two Joint Venture Companies of State of UP under private partnership projects, which he held till joining NHPC in 1998

(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 four Board Meetings were held during the year under review which were pre-scheduled. 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.	17 th May 2010	5	5
2.	8 th September 2010	5	5
3.	8 th December 2010	5	5
4.	28 th February 2011	5	4

The gap between the first and second Board Meeting of the year under review was more than three months. Attendance of Directors in the Board Meetings during the year under review is as under:

Name of the Directors & Category of Director	Attendance of Meetings during 2010-11	
	Board Meeting	Last AGM
Shri S. K. Garg (NE) ^{\$}	3	Yes
Shri A. B. L. Srivastava (NE) ^{\$}	1	Yes (as shareholder)
Mr. Vijay Kumar (NE) [*]	3	Yes
Mr. K. K. Joshi (NE) [*]	3	Yes
Mr. D. K. Ray (NE) ^{**}	1	Yes (as CEO)
Mr. P. C. Vaish (NE) ^{**}	1	N.A.
Mr. Liangsi Paul Gonmei (NE)	4	No
Mrs. Kalyani Mishra (NE)	3	Yes

^{\$} Shri A. B. L. Srivastava was appointed Chairman of the Company by NHPC Limited w.e.f. 1st January 2011 subsequent to superannuation of Shri S. K. Garg.

^{*} Nomination of Mr. Vijay Kumar and Mr. K. K. Joshi was withdrawn by NHPC Limited w.e.f. 10th February 2011.

^{**} Mr. D. K. Ray and Mr. P. C. Vaish joined the Board of the company on 17th February 2011.

NE stands for 'Non Executive Director'

The guidelines on corporate governance have been made mandatory during the year under review and hence compliance report of all applicable laws could not be placed before the Board. However, from current financial year onwards a periodical compliance report is being placed before the Board.

(iv) Code of Conduct:

The Company is committed to conduct business in accordance with the highest standard of business ethics and complying with applicable laws, rules and regulations. The Code of Business Conduct and Ethics for Directors and Senior Management Personnel is under preparation.

(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 2011 consisting of Non executive Directors is as under:

- | | | |
|------|--------------------------|--|
| i) | Shri P. C. Vaish | Non-Executive Director and Chairman of the Committee |
| ii) | Shri Liangsi Paul Gonmei | Non-Executive Director |
| iii) | Smt. Kalyani Mishra | Non- Executive Director |
| iv) | Shri D. K. Ray | Non- Executive Director |

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 four 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.	17 th May 2010	3	3
2.	8 th September 2010	3	3
3.	8 th December 2010	3	2
4.	28 th February 2011	4	3

Attendance of members in the Audit Committee Meetings during the year under review is as under:

Name of the member	Meetings attended during 2010-11
Shri Vijay Kumar [*]	3
Mr. D. K. Ray ^{**}	1
Mr. P. C. Vaish ^{**}	1
Mr. Liangsi Paul Gonmei	4
Mrs. Kalyani Mishra	2

^{*} Mr. Vijay Kumar ceased to be member of the Audit Committee w.e.f. 10th February 2011.

^{**} Mr. D. K. Ray and Mr. P. C. Vaish have been made members of the Audit Committee by the Board in its 6th Meeting held on 28th February 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.

LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

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16. Review all related party transactions in the company. For this purpose, the Audit Committee may designate a member who shall be responsible for reviewing related party transactions.

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

17. Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.

18. Consider and review the following with the independent auditor and the management:

- The adequacy of internal controls including computerized information system controls and security, and
- Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.

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

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

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

The powers of the Audit Committee are as per section 292A of the Companies Act, 1956. The Company Secretary acted as secretary to the Audit Committee.

4. The company is not having any subsidiary company.

5. REMUNERATION COMMITTEE

No Remuneration Committee has been yet constituted by the Company.

6. GENERAL BODY MEETINGS:

The company has held its first Annual General Meeting on 8th September 2010 at 2:30 p.m. at New Delhi. 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 2010-11 is expected to be held in the month of July-August 2011.

7. DISCLOSURES:

- (i) **Related Party Transactions:** There were no transactions of material nature with the promoters or Directors or the Management, etc, which have potential conflict with the interest of the Company at large.
- (ii) No penalty or strictures were imposed on the company by any statutory authority, on any matter related to any guidelines issued by Government, since inception.
- (iii) **Whistle Blower Policy:** The Company has not adopted any Whistle Blower Policy. However, no personnel has been denied access to the Audit Committee.

- (iv) The guidelines on Corporate Governance for CPSE's has been made mandatory for unlisted CPSEs during the year under review. Therefore the company is in the process of complying with all the requirement of these guidelines.

- (v) No Presidential Directives were issued to the company since inception.

- (vi) No item of expenditure was debited in books of accounts, which are not for the purpose of business.

- (vii) There were no expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management.

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

Sr. No.	Particulars	% age of total expenses	Reasons for increase
1	Administrative Expense	89%	First time Full Year (2010-11) Audit Figure
2.	Office Expenses	11%	

(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 comments, observations or reservations in the Auditors' Report on the accounts of the company except that the Annexure to the Auditors' Report states that Income Tax for the assessment year 2010-11 was in arrear for more than six months. This is due to an accounting error which came to the notice at the time of closing of accounts. The comments of the Comptroller and Auditor General on the accounts of the company for the year ended 31st March 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. P. C. Jain & Co., Company Secretaries in Whole Time Practice 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/-
(A. B. L. Srivastava)
Chairman
DIN No.: 01601682

DATE: 02.08.2011
Place: Faridabad

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.

Besides shortage of power (especially peak power) and adverse hydro-thermal mix, Indian Power scenario has been plagued with variety of problems over the years such as skewed tariff, poor and substandard distribution networks, high aggregate technical and commercial losses etc. Poor financial health of the SEBs has deterred private investors from making investments besides hindering the capacity of CPSUs to reinvest the profit earned out of sale of power generated.

In the recent years, significant changes have been seen in power sector such as introduction of National Electricity Policy which envisages "Power for all by 2012" and per capita availability of power to be increased to over 1000 units by 2011-12.

II STRENGTH AND WEAKNESS

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

Long-term power purchase agreements with customers

Power Purchase Agreement between the Company and Government of Manipur to sale the entire power from the Project to Government of Manipur is being signed shortly.

Competent and committed workforce

In terms of Agreement between promoters, the manpower required for the implementation of Loktak Downstream Hydroelectric Project shall be deployed by the parent organizations i.e. NHPC Limited and Government of Manipur. At present, whole of the manpower is from NHPC Limited, which is pioneer in Hydro power development. The workforce has extensive experience in the industry. The skill, industry knowledge and operating experience of the senior executives of the company provide it 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

The deteriorating hydro-thermal mix, increase in peaking shortages, erratic frequency variations, problems in water management etc., has resulted in the policy makers turning their attention towards development of hydro power. Hydro power not only generates clean energy but also provides drinking water supply, irrigation, navigation, increased employment opportunities, industrial development, recreation facilities etc. to the region. The Government of India has made special emphasis for its development in the initiative for accelerated hydro power development. North Eastern India is blessed with huge untapped hydro potential of 58,971 MW and the development of hydro power is considered an excellent option to boost the economy for this underdeveloped part of the country.

IV THREATS, RISKS AND CONCERNS

The management perceives the following as Threats. 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 conducting topographical survey of Loktak Downstream Hydroelectric Project with the proposed installed capacity of 66 MW.

VI OUTLOOK

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

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

VII INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The 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

Survey work of the Project: Leveling has been completed up to Barrage Area. Balance work shall be taken up by SOI in next working season.

Forest Clearance: Ministry of Environment and Forest, Govt. of India, has conveyed Stage – approval for diversion of 211.50 ha of Forest Land for construction of Loktak Downstream Hydroelectric Project vide Letter No. 8-35/2010-FC dated 03.03.2011.

Environment Clearance: MSPCB has conducted Public Hearing at Thangal Village, Tamenglong District on 07.06.2011 and sent its report to Secretary MoEF on 13.06.2011.

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Transfer of Concurrence in favour of LDHC Ltd.: Application for transfer of concurrence in favour of LDHC Ltd. has been submitted to CEA.

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.

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. In addition, Children Education Assistance and Hostel Subsidy to children of employees are also 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 31/03/11	Representation					
		SCs	SC%	STs	ST%	OBC	OBC%
Total	23	0	0	3	13	0	0

WELFARE OF PERSONS WITH DISABILITIES

There was no physically challenged employee in the company as on 31.03.2011.

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, Wildlife Conservation, 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/-
(A. B. L. Srivastava)
Chairman
DIN No.: 01601682

DATE: 02.08.2011
Place: Faridabad



AUDITOR'S REPORT

Annexure-III

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, 2011 and the related Profit & Loss Account, Cash Flow Statement and Statement of Expenditure during Construction for the year ended on 31st March, 2011, 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 (I) (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 (Schedule-23) and Notes to the Accounts (Schedule-24), 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, 2011 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 Sharad Jain Associates
Chartered Accountants
(Firm Regn. No. 015201N)

(Sharad Jain)
Partner
M.No.083837

Place : New Delhi
Dated: 09.05.2011

ANNEXURE TO THE BRANCH AUDITORS' REPORT

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

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

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8. The company is under construction stage, so maintenance of cost records is not applicable on the company by Central Government under section 209(1)(d) of the Companies Act, 1956.
9. (a) According to the records of the company, Provident Fund contributions have regularly been intimated to the corporate office of its holding company NHPC Ltd for onward deposit with NHPC Employees Provident Fund during the year under audit and as informed the actual date of deposit was within due dates and as regards administrative charges on PF and EDLI the same is being deposited with appropriate authorities within due dates and as informed there are no dues towards Investors Education and Protection Fund, Employees State Insurance, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other Statutory dues except Income Tax for the Assessment Year 2010-11. Statement of arrears of the Statutory dues outstanding for more than six months are as follows :-
- | Name of the Statute | Nature of Dues | Period | Amount (₹) | Due Date | Date of Payment |
|--------------------------|----------------|--------------------------|---------------------------------|-----------------------------|-----------------|
| The Income Tax Act, 1961 | Income Tax | Assessment Year 2010-11. | ₹11,93,544 (excluding interest) | 31 st March 2010 | 29.04.20. 11 |
- (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 Sharad Jain Associates
Chartered Accountants
(Firm Regn. No. 015201N)

(Sharad Jain)
Partner
M.No.083837

Place : New Delhi
Dated: 09.05.2011

Annexure-IV

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED, MANIPUR, FOR THE YEAR ENDED 31 MARCH 2011

The preparation of financial statements of Loktak Downstream Hydroelectric Corporation Limited, Manipur, for the year ended 31 March 2011 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 09 May 2011.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the financial statements of Loktak Downstream Hydroelectric Corporation Limited, Manipur, for the year ended 31 March 2011. The supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit I would like to highlight the following significant matter under Section 619(4) of the Companies Act, 1956, which has come to my attention and which in my view, is necessary for enabling a better understanding of the financial statements and the related Audit Report:

Balance Sheet
Fixed Capital Expenditure
Fixed Assets (Schedule 5)
Roads and Bridges ₹ 42,28,714

The above includes ₹ 40.01 lakh (Gross Block Value ₹ 44.81 lakh) being the expenditure incurred on Helipad/playground at Thangal Village which are not owned by the Company. Such expenditure not represented by the assets owned by the Company should have been written off. Inclusion of expenditure on such assets under fixed assets has resulted in overstatement of Fixed Assets and Profit of the year by ₹ 40.01 lakh.

The accounting policies No.2.3 and 5.8 of the Company whereby capital expenditure on assets not owned by the Company is classified as Fixed Assets/ Capital work in progress and amortised over a period of 5 years are also not correct.

Current Assets, Loans and Advances (Schedule 9)
Cash and Bank Balances
In deposits account ₹ 68,19,95,991

As required by the Schedule VI of the Companies Act, 1956, the Company did not disclose distinctly the unutilized share capital of ₹ 68.20 crore kept as deposits with the scheduled banks as on 31st March 2011.

Sd/-
(M.K. Biswas)
Principal Director of Commercial Audit &
Ex-officio Member Audit Board - III,
New Delhi

Place: New Delhi
Dated: 12 July 2011



NHPC Limited

(A Government of India Enterprise)

BALANCE SHEET AS AT 31st MARCH 2011

(Amount in ₹)

Particulars	Sch. Ref.	31st March 2011		31st March 2010	
SOURCES OF FUNDS					
A. SHAREHOLDERS' FUNDS					
i) Share Capital	1	600000000		600000000	
ii) Share Application Money	1A	384615400			-
iii) Govt. of India Fund Adjustable to Equity					
iv) Reserves and Surplus	2	<u>15448033</u>	1000063433	<u>-</u>	600,000,000
B. LOAN FUNDS					
i) Secured Loans	3		-		-
ii) Unsecured Loans	4		-		-
C. INCOME RECEIVED IN ADVANCE ON ACCOUNT OF ADVANCE AGAINST DEPRECIATION					
			-		-
D. DEFERRED TAX LIABILITY (NET)					
Deferred tax liabilities			-		-
Less: Deferred tax recoverable			-		-
Total			<u>1000063433</u>		<u>600000000</u>
APPLICATION OF FUNDS					
A. FIXED CAPITAL EXPENDITURE					
i) Fixed Assets	5				
a) Gross Block		29013078		28918580	
Less: Depreciation		<u>19423545</u>		<u>18934536</u>	
b) Net Block		9589533		9984044	
ii) Capital Work In Progress	6	389504010		322008235	
iii) Construction Stores and Advances	7	<u>15611933</u>	414705476	<u>3802921</u>	335795200
B. INVESTMENTS					
	8		-		-
C. CURRENT ASSETS, LOANS AND ADVANCES					
i) Interest accrued on investments		-		-	
ii) Inventories		-		-	
iii) Contract Work-in-Progress		-		-	
iv) Sundry Debtors		-		-	
v) Cash and Bank Balances		682096447		600486366	
vi) Other Current Assets		10350310		4731466	
vii) Loans and Advances		<u>1104752</u>	693551509	<u>5706503</u>	610924335
Less: CURRENT LIABILITIES AND PROVISIONS	10				
i) Liabilities		89410513		353317824	
ii) Provisions		<u>18783039</u>	108193552	<u>5029061</u>	358346885
NET CURRENT ASSETS			585357957		252577450
D. MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	11		-		11627350
Total			<u>1000063433</u>		<u>600000000</u>
ACCOUNTING POLICIES	23				
NOTES TO THE ACCOUNTS	24				
Schedule 1 to 24 form integral part of the Accounts					

In terms of our report of even date attached

FOR SHARAD JAIN ASSOCIATES
CHARTERED ACCOUNTANTS
(F.Reg. No-015201N)

(SHARAD JAIN)
PARTNER
MEMBERSHIP NO-083837

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

(A.B.L.SRIVASTAVA)
CHAIRMAN
LDHCL
DIN-01601682

(V.K.KARN)
CHIEF EXECUTIVE OFFICER
LDHCL

(P.C.VAISH)
DIRECTOR
LDHCL
DIN-03440470

(VIPAN JAIN)
COMPANY SECRETARY
LDHCL

Place : NEW DELHI
Dated : 09.05.2011

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PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011

(Amount in ₹)

Particulars	Sch. Ref.	31st March 2011	31st March 2010
INCOME			
i) Sales	12	-	-
Less: Tariff Adjustment		-	-
Less: Advances against depreciation	12A	-	-
ii) Revenue from Contract, Project Management and Consultancy Works	13	-	-
iii) Other Income	14	36471302	-
TOTAL INCOME		36471302	-
EXPENDITURE			
i) Generation, Administration and other Expenses	15	-	11627350
ii) Employees' Remuneration and Benefits	16	-	-
iii) Depreciation	17	-	-
iv) Interest and Finance charges	18	-	-
v) Provisions	19	-	-
vi) Expenditure on Contract, Project Management and Consultancy Works	20	-	-
TOTAL EXPENDITURE		-	11627350
Profit before Tax and Prior Period Adjustments		36471302	(11627350)
Prior Period Adjustments (net)	21	5119825	-
PROFIT BEFORE TAX		41591127	(11627350)
Provision for Taxation			
i) Current Tax		12634751	-
ii) Fringe Benefit Tax		-	-
iii) Adjustments relating to earlier years		1880993	-
iv) Deferred Tax		-	-
Less: Deferred tax recoverable adjustment		- 14515744	-
PROFIT AFTER TAX		27075383	(11627350)
Balance brought forward from last year's account			
Write Back From Bond Redemption Reserve			
Write Back From Capital Reserve			
Write Back From Other Reserve			
Amount written back from Self Insurance Reserve			
BALANCE AVAILABLE FOR APPROPRIATION		27075383	(11627350)
i) Transfer to Capital Reserve		-	-
ii) Transfer to Bond Redemption Reserve		-	-
iii) Transfer to Self Insurance Reserve		-	-
iv) Transfer to General Reserve		-	-
v) Dividend :		-	-
- Interim		-	-
- Proposed		-	-
vi) Tax on Dividend :		-	-
- Interim		-	-
- Proposed		-	-
BALANCE CARRIED TO BALANCE SHEET		27075383	(11627350)
Earning per share(Equity shares,face value of ₹.10/- each)			
Basic		0.45	(0.19)
Diluted		0.43	(0.19)
(Refer Note 16, Schedule '24')			
Expenditure During Construction	22		
Accounting Policies	23		
Notes to the accounts	24		
Schedule 1 to 24 form integral part of the Accounts			

In terms of our report of even date attached

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

FOR SHARAD JAIN ASSOCIATES
CHARTERED ACCOUNTANTS
(F.Reg. No-015201N)

(A.B.L.SRIVASTAVA)
CHAIRMAN
LDHCL
DIN-01601682

(P.C.VAISH)
DIRECTOR
LDHCL
DIN-03440470

(SHARAD JAIN)
PARTNER
MEMBERSHIP NO-083837

(V.K.KARN)
CHIEF EXECUTIVE OFFICER
LDHCL

(VIPAN JAIN)
COMPANY SECRETARY
LDHCL

Place : NEW DELHI

Dated : 09.05.2011



NHPC Limited

(A Government of India Enterprise)

SCHEDULE 1 - SHARE CAPITAL

Particulars	Amount in ₹	
	As at 31.03.2011	As at 31.03.2010
AUTHORISED:-		
23,00,00,000 (23,00,00,000) Equity Shares of ₹ 10/- each	2300000000	2300000000
ISSUED, SUBSCRIBED AND PAID-UP:-		
i) 4,44,00,000 (4,44,00,000) fully paid up Equity Shares of ₹ 10/- each held by NHPC Ltd (Including 500 (500) Nos Equity Shares through 5 nominees)	444000000	444000000
ii) 1,56,00,000 (1,56,00,000) fully paid up Equity Shares of ₹ 10/- each held by Govt. of Manipur (Including 100(100) Nos Equity Shares through 1 nominees)	156000000	156000000
Total	600000000	600000000

SCHEDULE 1A - SHARE APPLICATION MONEY

Particulars	As at 31.03.2011	As at 31.03.2010
Share Application Money- NHPC Ltd	284615400	Nil
Share Application Money- Govt. of Manipur	100000000	Nil
Total	384615400	Nil

SCHEDULE 2- RESERVE AND SURPLUS

Particulars	As at 31st March 2011				As at 31st March 2010			
	As on 01.04.2010	Additions	Deduction/ adjustments	As on 31.03.2011	As on 23.10.2009	Additions	Deduction/ adjustments	As on 31.03.2010
Share Premium Account	-	-	-	-	-	-	-	-
Capital Reserve	-	-	-	-	-	-	-	-
Bond Redemption reserve	-	-	-	-	-	-	-	-
General Reserve	-	-	-	-	-	-	-	-
Profit and loss account	(11627350)	27075383	-	15448033	-	(11627350)	-	(11627350)
Self Insurance Reserve	-	-	-	-	-	-	-	-
Total	(11627350)	27075383	-	15448033	-	(11627350)	-	(11627350)

SCHEDULE 3 - LOAN FUNDS- SECURED

Particulars	Amount in ₹	
	31st March 2011	31st March 2010
A. BONDS	-	-
B. TERM LOANS	-	-
Total	-	-

SCHEDULE 4 - LOAN FUNDS- UNSECURED

Particulars	31st March 2011	31st March 2010
A. TERM LOANS	-	-
B. LOANS FROM GOVERNMENT OF INDIA	-	-
C. BONDS/ DEBENTURES	-	-
D. SHORT TERM LOANS	-	-
E. OTHER LOANS	-	-
Total	-	-

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SCHEDULE 5 - FIXED ASSETS

Particulars	(Amount in ₹)												
	Gross Block					Depreciation			Net Block				
	As at 01.04.2010	Additions/ adj on a/c of inter unit transfers	Additions/ adj on a/c of others	Deletions/ adj on a/c of inter unit transfers	Deletions/ adj on a/c of others	As at 31.03.2011	As at 01.04.2010	For the year	Adjust- ments *	As at 31.03.2011	As at 31.03.2010		
LAND – FREEHOLD LAND – LEASEHOLD LAND – UNCLASSIFIED/ RIGHT OF USE BUILDINGS ROADS AND BRIDGES RAILWAY SIDINGS HYDRAULIC WORKS(DAMS, WATER CONDUCTOR SYSTEM, HYDRO MECHANICAL GATES, TUNNELS) GENERATING PLANT AND MACHINERY PLANT AND MACHINERY SUB STATION PLANT AND MACHINERY TRANSMISSION LINES PLANT AND MACHINERY OTHERS CONSTRUCTION EQUIPMENT WATER SUPPLY SYSTEM/DRAINAGE AND SEWERAGE ELECTRICAL INSTALLATIONS VEHICLES AIRCRAFT/ BOATS FURNITURE AND FIXTURE COMPUTERS COMMUNICATION EQUIPMENT OFFICE EQUIPMENTS RESEARCH AND DEVELOPMENT INTANGIBLE ASSETS OTHER ASSETS CAPITAL EXPENDITURE ON ASSETS NOT OWNED BY LDHCL ** FIXED ASSETS OF MINOR VALUE > 750 AND < ₹5000 OBSOLETE / SURPLUS ASSETS	-	-	-	-	-	-	-	-	-	-	-		
	-	-	-	-	-	-	-	-	-	-	-		
	-	-	-	-	-	-	-	-	-	-	-		
	5336923	-	-	-	-	5336923	1904008	130052	-	2034060	3302863	3432915	
	4763741	-	-	-	-	4763741	375918	159109	-	535027	4228714	4387823	
	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	-	
	94554	-	-	-	-	-	94554	59198	4992	-	64190	30364	35356
	7472225	-	-	-	-	-	7472225	6,763,183	-	-	6763183	709042	709042
	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
	5630248	-	-	-	-	-	5630248	5067223	-	-	5067223	563025	563025
	-	-	-	-	-	-	-	-	-	-	-	-	-
	895154	-	-	-	-	-	895154	800527	26784	-	827311	67843	94627
	1198916	-	67964	-	-	-	1266880	1081571	28023	-	1109594	157286	117345
108455	-	-	-	-	-	108455	87600	3897	-	91497	16958	20855	
689432	-	-	-	-	-	689432	478294	39833	-	518127	171305	211138	
-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	7850	-	-	7850	-	2616	-	2616	5234	-	
1240102	-	-	8890	-	-	1248992	828924	83914	-	912838	336154	411178	
-	-	-	-	-	-	-	-	-	-	-	-	-	
1488830	-	-	9794	-	-	1498624	1488090	9789	-	1497879	745	740	
-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL	28918580	28707261	94498	-	-	29013078	18934536	489009	-	19423545	9589533	9984044	
PREVIOUS YEAR FIGURE	-	-	211319	-	-	28918580	-	715888	18218648	18934536	9984044	-	

** Fixed Assets including underground works of ₹NIL (Previous period ₹ NIL created on Land unclassified/ Right to use are included under the relevant head



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Note :

*Show prior period items and any other adjustment during the year

** Expenditure under this head shall be booked strictly as per Accounting Policy no. 2.3 and depreciation shall be charged as per Accounting Policy no. 5.7.

Depreciation shall be tallied with the amount in Schedule 17 under 'Depreciation during the year' (9300 except 9-3-99-99)

Annexure to schedules of fixed assets

1. Addition/ adjustments on account of inter unit transfers

Name of the project	Head of account	Advice number	Gross block added/ adjusted
NIL			

2. Addition/ adjustments on account of others

Particular of assets	Head of account	Gross block added/ adjusted
Sony Vaio -Laptop,Model No-VPCEB34EN	41-18-01	40990
Canon LBP 3300 Laser Printer	41-18-03	20374
HP LeserJet 1020Plus	41-18-03	6600
Software Microsoft Office Home and Business 2010	41-22-01	7850
Hair Refrigerator 180Lts.	41-25-05	8890
Emergency Lamp-Philip Uday Mini	41-28-01	1395
Beetel Caller SD Phone Model No-P65	41-28-01	3000
SEAGATE HDD 500GB 6.3cm -Portable Hard Drive	41-28-01	4399
Hot Plate 1000 Watt	41-28-01	1000
TOTAL		94498

3. Deduction/ adjustments on account of inter unit transfers

Name of the project	Head of account	Advice number	Gross block deducted/ adjusted
NIL			

4. Deduction/ Adjustments of Fixed assets on account of others

Particular of assets	Head of account	Gross block deducted/ adjusted
NIL		

5. Details of assets transferred from Power Station other than Salal/ Loktak/ Bairasiul- where gross block is to be taken at original cost less depreciation during construction period

Name of the Power Station	Head of account	Advice no.	Original cost	Dep. During const period	Gross block transferred	WDV transferred
NIL						

6. Details of assets transferred from Salal/ Loktak/ Bairasiul - where gross block is to be taken at original cost

Name of the Power Station	Head of account	Advice no.	Gross block transferred	Provision for Depreciation transferred	WDV transferred
NIL					

SCHEDULE 6 - CAPITAL WORK IN PROGRESS

Amount in ₹

Particulars	Opening Balance	Additions	Adjustments	Capitalised	Closing Balance
i) Buildings	-	-	-	-	-
ii) Roads and Bridges	1948004	-	-	-	1948004
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) Intangible Assets	-	-	-	-	-
xiii) Capital Expenditure On assets Not Owned by LDHCL *	-	-	-	-	-
xiv) Survey, investigation, consultancy and supervision charges	25297123	1117043	-	-	26414166
xv) Expenditure on compensatory Afforestation	-	-	-	-	-
xvi) Expenditure during construction (See Annexure to this schedule)	294763108	61258907	5119825	-	361141840
TOTAL	322008235	62375950	5119825	-	389504010
Less: Provided for	-	-	-	-	-
TOTAL	322008235	62375950	5119825	-	389504010
Previous year figure		5421203	316587032	-	322008235

* Note: Capital expenditure under this head shall be booked strictly as per Accounting Policy no. 2.3

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SCHEDULE 7 - CONSTRUCTION STORES & ADVANCES

		(Amount in ₹)	
Particulars	31st March 2011	31st March 2010	
A. CONSTRUCTION STORES			
(At cost as valued and certified by management)			
i) Stores and spares	257198	274921	
ii) Loose tools	-	-	
iii) Scrap inventory	-	-	
iv) Stores in transit/ pending inspection	-	-	
v) Material issued to contractors/ fabricators	-	-	
Less : Provisions for construction stores *1	129000	-	
SUB TOTAL	128198	274921	
B. ADVANCES FOR CAPITAL EXPENDITURES			
i) Secured (considered good)	-	-	
ii) Unsecured (considered good)			
– Against bank guarantee	-	-	
– Others	15483735	3528000	
iii) Unsecured (considered doubtful)	151747	1531747	
Less : Provisions for doubtful advances *2	151747	1531747	
SUB TOTAL	15483735	3528000	
TOTAL	15611933	3802921	
* DETAIL OF PROVISIONS			
1 Provision for construction stores			
As per last Balance Sheet			
Additions during the year - As per Sch 19 (iv)	129000		
Amount used during the year			
Amount reversed during the year - As per Sch 14 (e)			
Closing Balance		129000	
2 Provision for doubtful advances			
As per last Balance Sheet	1531747		
Additions during the year - As per Sch 19 (ii)		1531747	
Amount used during the year			
Amount reversed during the year - As per Sch 14 (e)	1380000		
Closing Balance		1531747	

SCHEDULE 8 - INVESTMENTS

		(Amount in ₹)	
Particulars	Number of shares/ bonds/ securities	Face value per share/ bond/ security	31st March 2011
	Current year/ (Previous year)	(in ₹)	31st March 2010
LONG TERM (Trade - unless otherwise specified)			
A. Quoted			
Equity shares \$			-
Sub Total (A)			-
B. Unquoted			
Sub Total (B)			-
Total (A+B)			-

SCHEDULE 9 - CURRENT ASSETS, LOANS AND ADVANCES

		(Amount in ₹)	
Particulars	31st March 2011	31st March 2010	
A. INTEREST ACCURED ON INVESTMENTS	-	-	
B. INVENTORIES			
(At cost as valued and certified by management)			
i) Stores and spares	-	-	
ii) Loose tools	-	-	
iii) Scrap inventory	-	-	
iv) Stores in transit/ pending inspection	-	-	



NHPC Limited

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(Amount in ₹)

Particulars	31st March 2011	31st March 2010
v) Material at site	-	-
vi) Material issued to contractors/ fabricators	-	-
Less: Provision for obsolete store & spares *1	-	-
TOTAL	-	-
C. WORK IN PROGRESS		
i) Construction work in progress(on behalf of client)	-	-
ii) Consultancy work in progress(on behalf of client)	-	-
	-	-
D. SUNDRY DEBTORS (UNSECURED)		
i) Debts outstanding for a period exceeding six months	-	-
- Considered good	-	-
- Considered doubtful and provided	-	-
ii) Other debts	-	-
- Considered good	-	-
- Considered doubtful and provided	-	-
Less: Provision for doubtful debts *2	-	-
TOTAL	-	-
E. CASH AND BANK BALANCES		
i) Cash on hand (includes cheques, drafts, stamps in hand of ₹ NIL, Previous year ₹NIL)	40866	40471
ii) Bank balances		
• With scheduled banks		
- In current account	59590	465895
- In deposits account	681995991	599980000
• With other banks		
- In current account	-	-
- In Deposits account	-	-
TOTAL	682096447	600486366
F. OTHER CURRENT ASSETS		
i) Interest accrued on:		
- Deposits	10346916	4731342
ii) Others	-	-
iii) Claims recoverable from different agencies	3394	124
TOTAL	10350310	4731466
G. LOANS AND ADVANCES		
a) LOANS		
i) Employees (including accrued interest)		
- Secured	866655	-
- Unsecured (considered good)	202627	189150
- Unsecured, considered doubtful	-	-
b) ADVANCES (recoverable in cash or kind for value to be received)		
i) Subsidiary companies		
- Secured	-	-
- Unsecured (considered good)	-	-
- Unsecured (considered doubtful)	-	-
ii) Contractors & suppliers		
- Secured	-	-
- Unsecured (considered good):		
- Covered by bank guarantees	-	-
- Others	-	-
- Unsecured (considered doubtful)	-	-
iii) Employees		
- Unsecured (considered good)	35470	5128870
- Unsecured (considered doubtful)	-	-

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(Amount in ₹)

Particulars	31st March 2011	31st March 2010
iv) Other advances		-
- Unsecured (considered good)	-	-
- Unsecured (considered doubtful)	-	-
Less : Provisions for doubtful loans and advances *4	-	-
v) Deferred Foreign Currency Fluctuation Assets		
vi) Deferred Expenditure on Foreign Currency Fluctuation Account		
vii) Other Recoverable	-	
c) DEPOSITS		
Advance income tax	-	388483
Less : Provisions for Taxation		
TOTAL	1104752	5706503
TOTAL	693551509	610924335
PARTICULARS OF LOANS AND ADVANCES DUE FROM DIRECTORS		
i) Amount due at the end of the year	-	-
ii) Maximum balance at any time during the year	-	-
Advance due by Companies in which any Director of the Company is a Director or member amounts to ₹ NIL(Previous year ₹ NIL)		
PARTICULARS OF MAXIMUM BALANCE DURING THE YEAR WITH HOLDING COMPANY		
NHPC Limited	(88797447)	(349038209)
Provision for Obsolete Store & Spares *1		
As per last Balance Sheet	-	-
Additions during the year - As per Sch 19 (iv)	-	-
Amount used during the year	-	-
Amount reversed during the year - As per Sch 14 (e)	-	-
Closing Balance	-	-
Provision for Doubtful Debts *2		
As per last Balance Sheet	-	-
Additions during the year - As per Sch 19 (i)	-	-
Amount used during the year	-	-
Amount reversed during the year - As per Sch 14 (e)	-	-
Closing Balance	-	-
Provision for Bad & Doubtful Claims *3		
As per last Balance Sheet	-	-
Additions during the year - As per Sch 19 (iii)	-	-
Amount used during the year	-	-
Amount reversed during the year - As per Sch 14 (e)	-	-
Closing Balance	-	-
Provisions for Doubtful Loans & Advances *4		
As per last Balance Sheet	-	-
Additions during the year - As per Sch 19 (ii)	-	-
Amount used during the year	-	-
Amount reversed during the year- As per Sch 14 (e)	-	-
Closing Balance	-	-
Provision for Taxation *5		
As per last Balance Sheet	-	-
Additions during the year	-	-
Amount used during the year	-	-
Amount reversed during the year	-	-
Closing Balance	-	-



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SCHEDULE 10 - CURRENT LIABILITIES AND PROVISIONS

(Amount in ₹)

Particulars	31st March 2011	31st March 2010
A. LIABILITIES		
i) Sundry creditors		
a) Total outstanding dues of micro and small scale Industrial Undertaking(s). (Due over 30 days ₹ NIL)	-	-
b) Total outstanding dues of Medium scale Industrial Undertaking(s). (Due over 30 days ₹ NIL)	-	-
c) Others	458,734	3,655,956
ii) Unspent amount of deposit/agency	-	-
iii) Deposits/ retention money	56,599	26,567
iv) Advances against the deposit works	-	-
Less : Amount recoverable on deposit works	-	-
v) Interest accrued but not due on loans	-	-
vi) Advances against cost of project/ contractees	-	-
Less : Amount Recoverable in respect of Project Management/ Consultancy works	-	-
vii) Grants in aid - pending utilization	-	-
viii) Due to (Holding Company - NHPC Ltd)	88,797,447	349,038,209
ix) Deferred Foreign Currency Fluctuation Liabilities	-	-
x) Deferred Income from Foreign Currency Fluctuation Account	-	-
xi) Other liabilities	97,733	597,092
TOTAL LAIBILITIES (A)	89,410,513	353,317,824
B. PROVISIONS		
i) Provision for Taxation		
As per last Balance Sheet	-	-
Additions during the year	10,605,870	-
Adjustment during the year	-	-
Amount used during the year	-	-
Amount reversed during the year	-	-
Closing Balance	10,605,870	-
ii) Provision for Proposed Dividend		
As per last Balance Sheet	-	-
Additions during the year	-	-
Amount used during the year	-	-
Amount reversed during the year	-	-
Closing Balance	-	-
iii) Tax on Proposed Dividend		
As per last Balance Sheet	-	-
Additions during the year	-	-
Amount used during the year	-	-
Amount reversed during the year	-	-
Closing Balance	-	-
iv) Provision for Wage Revision		
As per last Balance Sheet(Transfer from NHPC Ltd 2009-10)	4,577,688	2,731,604
Additions during the year	5,767,808	1,846,084
Amount used during the year	542,717	-
Amount reversed during the year - As per Sch 14 (e)	174,651	-

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(Amount in ₹)

Particulars	31st March 2011	31st March 2010
Closing Balance	9,628,128	
Less: Advance paid	<u>2,807,903</u>	
Closing Provision	<u>6,820,225</u>	<u>4,577,688</u>
v) Provision for Productivity Linked Incentive		
As per last Balance Sheet(Transfer from NHPC Ltd 2009-10)	451,373	206,516
Additions during the year	1,267,304	299,373
Amount used during the year	322,736	26,569
Amount reversed during the year - As per Sch 14 (e)	<u>128,637</u>	<u>27,947</u>
Closing Balance	<u>1,267,304</u>	<u>451,373</u>
vi) Provision for leave encashment		
As per last Balance Sheet	-	-
Additions during the year	-	-
Amount used during the year	-	-
Amount reversed during the year	<u>-</u>	<u>-</u>
Closing Balance	<u>-</u>	<u>-</u>
vii) Provision for gratuity		
As per last Balance Sheet	-	-
Additions during the year	-	-
Amount used during the year	-	-
Amount reversed during the year	<u>-</u>	<u>-</u>
Closing Balance	<u>-</u>	<u>-</u>
viii) Provision for REHS		
As per last Balance Sheet	-	-
Additions during the year	-	-
Amount used during the year	-	-
Amount reversed during the year	<u>-</u>	<u>-</u>
Closing Balance	<u>-</u>	<u>-</u>
ix) Provision for Leave Travel Concession (LTC)		
As per last Balance Sheet	-	-
Additions during the year	89,640	-
Amount used during the year	-	-
Amount reversed during the year	<u>-</u>	<u>-</u>
Closing Balance	<u>89,640</u>	<u>-</u>
x) Provision for M.C. on Leave Encashment		
As per last Balance Sheet	-	-
Additions during the year	-	-
Amount used during the year	-	-
Amount reversed during the year	<u>-</u>	<u>-</u>
Closing Balance	<u>-</u>	<u>-</u>
xi) Provision for TTA (Baggage Allowance on Retirement)		
As per last Balance Sheet	-	-
Additions during the year	-	-
Amount used during the year	-	-
Amount reversed during the year	<u>-</u>	<u>-</u>
Closing Balance	<u>-</u>	<u>-</u>



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(Amount in ₹)

Particulars	31st March 2011	31st March 2010
xii) Provision - Others		
As per last Balance Sheet	-	-
Additions during the year	-	-
Amount used during the year	-	-
Amount reversed during the year	-	-
Closing Balance	-	-
xiii) Provision for Project expenses		
As per last Balance Sheet	-	-
Additions during the year	-	-
Amount used during the year	-	-
Amount reversed during the year	-	-
Closing Balance	-	-
xiv) Provision For Contingencies		
As per last Balance Sheet	-	-
Additions during the year	-	-
Amount used during the year	-	-
Amount reversed during the year	-	-
Closing Balance	-	-
xv) Provision for Loss on Hedging Transaction		
As per last Balance Sheet	-	-
Additions during the year	-	-
Amount used during the year	-	-
Amount reversed during the year	-	-
Closing Balance	-	-
xvi) Provision For Tariff Adjustment		
As per last Balance Sheet	-	-
Additions during the year	-	-
Amount used during the year	-	-
Amount reversed during the year	-	-
Closing Balance	-	-
xvii) Provision For Self Consumption of Power		
As per last Balance Sheet	-	-
Additions during the year	-	-
Amount used during the year	-	-
Amount reversed during the year	-	-
Closing Balance	-	-
xviii) Provision For Committed Capital Expenditure		
As per last Balance Sheet	-	-
Additions during the year	-	-
Amount used during the year	-	-
Amount reversed during the year	-	-
Closing Balance	-	-
TOTAL PROVISIONS (B)	18,783,039	5,029,061
TOTAL (A+B)	108,193,552	358,346,885

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SCHEDULE 11 - MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)

		(Amount in ₹)	
Particulars	31st March 2011	31st March 2010	
i) Preliminary expenses	-	11627350	
Charged to P&L	-	11627350	-
ii) Other deferred revenue expenditure	-	-	-
iii) Share Issue Expenses (IPO)	-	-	-
iv) Expenditure awaiting adjustment	-	-	-
Less: Provision for project expenses write off sanction	-	-	-
v) Losses awaiting write off sanction	-	-	-
Less: Provision for losses pending investigation	-	-	-
Profit & Loss Accounts			
Opening Balance	11627350	-	-
Loss for the period	-	11627350	-
Transfer to Reserve & Surplus	-11627350	-	-
TOTAL		11627350	

SCHEDULE 12 - SALES

Particulars	31st March 2011	31st March 2010	
Sale of Power	-	-	-
Less : Income from generation of electricity – Pre-commissioning (Transferred to Schedule 22 I (i))	-	-	-
Total taken to Profit and Loss Account			

SCHEDULE 12 A - ADVANCE AGAINST DEPRECIATION

Particulars	31st March 2011	31st March 2010	
During the year	-	-	-
Less : Written back during the year	-	-	-
Total taken to Profit and Loss Account			

SCHEDULE 13 - REVENUE FROM CONTRACTS, PROJECT MANAGEMENT AND CONSULTANCY WORKS

Particulars	31st March 2011	31st March 2010	
Contract income	-	-	-
Consultancy Income	-	-	-
Total taken to Profit and Loss Account			

SCHEDULE 14- OTHER INCOME

Particulars	31st March 2011	31st March 2010	
i) Income from Long Term Investments			
a) Trade	-	-	-
b) Non-Trade	-	-	-
ii) Other Income			
a) Interest			
- Indian Banks (Gross)	36471302	5119825	
(Tax deducted at source ₹3521391/-, Previous Year ₹388483/-)			
- Employee's Loans and Advances	29270	-	
- Interest from Beneficiary States	-	-	
- Others	-	-	
b) Late payment surcharge	-	-	
c) Profit on sale of project	-	-	
d) Profit on sale of assets	-	-	
e) Liability/ Provisions not required written back #	4234524	27947	
f) Exchange rate variation	-	-	
g) Foreign Currency Fluctuation adjustment (Credit)	-	-	
h) Others	26278	2080	
Total	40761374	5149852	
Add/ (Less): Share of Corporate/ Regional Office	-	-	
Total	40761374	5149852	
Less Income transferred to EDC (Refer Schedule 22 E (ii), 22 I (ii) to (vi) & 22 J(ii))	4290072	5149852	
Less: Income transferred to contract and consultancy expenses (Refer Schedule 20)	-	-	
Less: Income transferred to Advance Deposit from Client/ Contractee and against Deposit Works (Refer Schedule 10)	-	-	
Total taken to Profit and loss account	36471302		



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(Amount in ₹)

Particulars	31st March 2011	31st March 2010
# Detail of Liability/Provisions not required written back		(Amount in ₹)
a) Bad and doubtful debts		-
b) Bad and doubtful advances / deposits	1380000	-
c) Bad and doubtful claims	-	-
d) Diminution in value of stores and spares	-	-
e) Shortage in store & spares	-	-
f) Provision for contingencies	-	-
g) Provision against diminution in the value of investment	-	-
h) Provision for wage revision	174651	-
i) Provision for losses pending investigation	-	-
j) Provision for productivity linked incentive	128637	27947
k) Provision for tariff adjustment	-	-
l) Other Provisions/Liability not required written back	2551236	-
TOTAL	4234524	27947

SCHEDULE 15 - GENERATION, ADMINISTRATION AND OTHER EXPENSES

Particulars	31st March 2011	31st March 2010
i) Consumption of stores and spares	-	-
ii) Repair and maintenance:		
- Building	635093	235989
- Machinery	18558	0
- Others	391671	103687
iii) Rent / Hiring Charges	-	15000
iv) Rates and taxes	48180	0
v) Insurance	49962	24746
vi) Reimbursement from Self insurance reserve	-	-
vii) Security expenses	-	-
viii) Electricity charges	-	-
ix) Travelling and conveyance	756917	14432
x) Expenses on staff car	217305	-
xi) Telephone, telex and postage	22595	2287
xii) Advertisement and publicity	1660	-
xiii) Entertainment and hospitality expenses	9000	-
xiv) Donation	-	-
xv) Printing and stationery	69489	5954
xvi) Books and periodicals	1699	-
xvii) Consultancy charges - Indigenous	13890	-
xviii) Consultancy charges - Foreign	-	-
xix) Expenditure on compensatory afforestation/ catchment area treatment/ environment expenses	-	-
xx) Expenditure on land not belonging to corporation	-	-
xxi) Project expenses written off	-	-
xxii) Loss on sale of assets	-	-
xxiii) Deferred revenue expenditure written off	-	-
xxiv) Preliminary expenses written off	-	11627350
xxv) Survey and investigation expenses written off	-	-
xxvi) Bad debts / advances/ claims written off	-	-
xxvii) Stores written off	-	-
xxviii) Fixed assets written off	-	-
xxix) Interest on arbitration/ court cases	-	-
xxx) Other general expenses	624742	8325
xxxi) Exchange rate variation	-	-
xxxii) Foreign Currency Fluctuation adjustment (Debit)	-	-
xxxiii) Audit expenses	53238	44739
xxxiv) Directors' expenses	-	-
xxxv) Research and development expenses	-	-
TOTAL	2913999	12082509
Add/(Less): Share of Corporate/ Regional Office		-
TOTAL	2913999	12082509
Less: Expenses transferred to EDC {Refer Schedule 22 B, 22 C, 22 E(i) & 22J (ii)}	2913999	455159
Less: Expense transferred to contract and consultancy expenses (Refer Schedule 20)	-	-
Less: Recoverable from Deposit Works (Refer Schedule 20)	-	-
Total taken to Profit and loss account	-	11627350

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SCHEDULE 16 - EMPLOYEES REMUNERATION AND BENEFITS

(Amount in ₹)

Particulars	31st March 2011	31st March 2010
i) Salaries, wages, allowances	37830657	7149610
ii) Gratuity, contribution to provident fund & pension scheme (including administration fees)	16026916	1520915
iii) Staff welfare expenses	8140967	568502
iv) Leave salary & pension contribution	-	-
TOTAL	61998540	9239027
Add/ (Less): Share of Corporate/ Regional Office	-	-
TOTAL	61998540	9239027
Less: Employee cost transferred to EDC (Refer Schedule 22 A & 22J (iii))	61998540	9239027
Less: Employee cost transferred to Contract and Consultancy expenses (Refer Schedule 20)	-	-
Less: Recoverable from Deposit Works (Refer Schedule 20)	-	-
Total taken to Profit and loss account	-	-

SCHEDULE 17 - DEPRECIATION

Particulars	31st March 2011	31st March 2010
Depreciation during the year	489009	715888
Add/(Less): Share of Corporate Office/ ED Office	-	-
TOTAL	489009	715888
Less: Transferred to EDC (Refer Schedule 22 G & 22J (iv))	489009	715888
Less: Transferred to Contract & Consultancy expenses (Refer Schedule 20)	-	-
Less: Recoverable from Deposit Works (Refer Schedule 20)	-	-
Total taken to Profit and loss account	-	-

SCHEDULE 18 - INTEREST AND FINANCE CHARGES

Particulars	31st March 2011	31st March 2010
i) Interest on :		
a) Government of India loan	-	-
b) Bonds	-	-
c) Foreign loan	-	-
d) Term loan	-	-
e) Cash credit facilities /WCDL	-	-
f) Other interest charges	-	-
ii) Exchange differences regarded as adjustment to interest cost	-	-
iii) Loss on Hedging Transactions	-	-
iv) Bond issue/ service expenses	-	-
v) Share Issue Expenses Written Off	-	-
vi) Rebate to customers	-	-
vii) Commitment fee	-	-
viii) Guarantee fee on loan	-	-
ix) Royalty	-	-
x) Interest to beneficiary states	-	-
xi) Bank charges	18431	2457
xii) Other finance charges	-	-
TOTAL	18431	2457
Add/ (Less): Share of Corporate/ Regional Office	-	-
TOTAL	18431	2457
Less: Interest & Finance charges capitalised by transfer to EDC (Refer Schedule 22 D & 22J (v))	18431	2457
Less: Expense transferred to contract and consultancy expenses (Refer Schedule 20)	-	-
Less: Recoverable from Deposit Works	-	-
Total taken to Profit and loss account	-	-



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SCHEDULE 19 - PROVISIONS

(Amount in ₹)

Particulars	31st March 2011	31st March 2010
i) Bad and doubtful debts provided	-	-
ii) Bad and doubtful advances / deposits provided	-	-
iii) Bad and doubtful claims provided	-	-
iv) Diminution in value of stores and spares	129000	-
v) Shortage in store & spares provided	-	-
vi) Provision against diminution in the value of investment	-	-
vii) Project expenses provided for	-	-
viii) Provision for fixed assets/ stores	-	-
ix) Provision for other expenses	-	-
Total	129000	-
Add/ (Less): Share of Corporate/ Regional Office	-	-
TOTAL	129000	-
Less: Expenses transferred to EDC (Refer Schedule 22 F & 22J (vi))	129000	-
Less: Expenses transferred to Contract and Consultancy expenses (Refer Schedule 20)	-	-
Less: Recoverable from Deposit Works	-	-
Total taken to Profit and loss account	-	-

SCHEDULE 20 - EXPENDITURE ON CONTRACT, PROJECT MANAGEMENT AND CONSULTANCY WORKS

(Amount in ₹)

Particulars	31st March 2011	31st March 2010
i) Direct Expenses		
ii) Employees' Remuneration and benefits		
- Salaries, wages, allowances and benefits		
- Gratuity, contribution to provident fund & pension scheme		
- Staff welfare expenses		
iii) Repairs and Maintenance		
- Buildings		
- Machinery and construction equipments		
- Others		
iv) Administration and Other Expenses		
- Rent/ Hiring Charges		
- Traveling and conveyance		
- Expenses on staff cars and inspection vehicles		
- Insurance		
- Telephone, telex, and postage		
- Advertisement and publicity		
- Printing and stationery		
- Remuneration to auditors		
- Other expenses		
- Rates and taxes		
- Security		
- Electricity		
- Contingencies	NA	NA
- Consultancy charges		
- ERV		
v) Depreciation		
vi) Interest and finance charges		
vii) Loss on construction contracts		
viii) Provisions		
ix) Work-in-Progress		
- Construction contract		
- Consultancy contract		
x) Corporate / Regional office expenses:		
a) Other income		
b) Generation, administration and other expenses		
c) Employee remuneration and benefits		
d) Depreciation		
e) Interest and finance charges		
f) Provisions		
g) Prior period adjustment (Net)		
Total Expenditure		
xi) Less: Receipts and recoveries		
Net expenditure during the year		
xii) Prior period adjustments		
Total taken to Profit and loss account		

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SCHEDULE 21 - PRIOR PERIOD ADJUSTMENT (NET)

(Amount in ₹)

Particulars	31st March 2011	31st March 2010
Income		
i) Sale of electricity	-	-
ii) Advance against depreciation written back	-	-
iii) Interest/ surcharge received from debtors	-	-
iv) Others	5119825	-
Sub-total	5119825	-
Expenditure		
i) Salaries and wages	-	-
ii) Repair and maintenance	-	-
iii) Interest	-	-
iv) Others	-	-
v) Depreciation	-	-
Sub-total	-	-
Total	5119825	-
Add/ (Less): Share of Corporate/ Regional Office	-	-
Total		
Less: Expenses transferred to EDC {Refer Schedule 22H & 22J (vii)}		
Prior period expenses	-	-
Less: Prior period income	-	-
Less: Expense transferred to contract and consultancy expenses (Refer Schedule 20)	-	-
Less: Recoverable from Deposit Works	-	-
Total taken to Profit and loss account	5119825	-

SCHEDULE 22 - EXPENDITURE DURING CONSTRUCTION FOR THE YEAR

(Amount in ₹)

Particulars	31st March 2011	31st March 2010
A. EMPLOYEES REMUNERATION AND BENEFITS		
i) Salaries, wages, allowances	37830657	7149610
ii) Gratuity and contribution to provident fund (including administration fees)	16026916	1520915
iii) Staff welfare expenses	8140967	568502
iv) Leave Salary & Pension Contribution	-	-
Sub-total	61998540	9239027
B. REPAIRS AND MAINTENANCE		
i) Building	635093	235989
ii) Machinery	18558	-
iii) Others	391671	103687
Sub-total	1045322	339676
C. ADMINISTRATION AND OTHER EXPENSES		
i) Rent / Hiring Charges	-	15000
ii) Rates and taxes	48180	0
iii) Insurance	49962	24746
iv) Security expenses	-	-
v) Electricity charges	-	-
vi) Traveling and conveyance	756917	14432
vii) Expenses on staff car	217305	-
viii) Telephone, telex and postage	22595	2287
ix) Advertisement and publicity	1660	-
x) Entertainment and hospitality expenses	9000	-
xi) Printing and stationery	71188	5954
xii) Remuneration to auditors	53238	44739
xiii) Design and Consultancy charges:		
- Indigenous	-	-
- Foreign	-	-
xiv) Expenditure on compensatory afforestation / catchment area treatment/ environment expenses	-	-
xv) Expenditure on land not belonging to corporation	-	-
xvi) Land acquisition and rehabilitation	-	-
xvii) Loss on assets/ materials written off	-	-
xviii) Losses on sale of assets	-	-
xix) Other general expenses	638632	8325
Sub-total	1868677	115483



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(Amount in ₹)

	31st March 2011	31st March 2010
D. INTEREST AND FINANCE CHARGES		
i) Interest on :		
a) Government of India loan	-	-
b) Bonds	-	-
c) Foreign loan	-	-
d) Term loan	-	-
e) Cash credit facilities /WCDL	-	-
ii) Exchange differences regarded as adjustment to interest cost	-	-
iii) Loss on Hedging Transactions	-	-
iv) Bond issue/ service expenses	-	-
v) Commitment fee	-	-
vi) Guarantee fee on loan	-	-
vii) Other finance charges	18431	2457
Sub-total	18431	2457
E. EXCHANGE RATE VARIATION (NET)		
i) Exchange rate variation (Debit balance)	-	-
ii) Less : Exchange rate variation (Credit balance)	-	-
Sub-total	-	-
F. PROVISIONS	129000	
Sub-total	129000	
G. DEPRECIATION	489009	715888
Sub-total	489009	715888
H. PRIOR PERIOD EXPENSES (NET)		
i) Prior period expenses	-	-
ii) Less: Prior period income	-	-
Sub-total	-	-
I. LESS : RECEIPTS AND RECOVERIES		
i) Income from generation of electricity –precommissioning	-	-
ii) Interest on loans and advances	-	5119825
iii) Miscellaneous receipts	55548	2080
iv) Profit on sale of assets	-	-
v) Liability/ Provisions not required written back	4234524	27947
vi) Hire charges/ outturn of plant and machinery	-	-
Sub-total	4290072	5149852
J. ADD: CORPORATE OFFICE/ ED OFFICE MANAGEMENT EXPENSES		
i) Other income	-	-
ii) Generation, administration and other expenses	-	-
iii) Employee remuneration and benefits	-	-
iv) Depreciation	-	-
v) Interest and finance charges	-	-
vi) Provisions	-	-
vii) Prior period adjustment (Net)	-	-
Sub-total	-	-
TOTAL (A+B+C+D+E+F+G+H-I+J) (Transfer to Schedule 6)	61258907	5262679

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SCHEDULE – 23 SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTIONS

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

2. FIXED ASSETS

- 2.1 Fixed assets are stated at cost of acquisition/construction. In cases where final settlement of bills with contractors is pending, but the asset is complete and ready for use, capitalisation is done on estimated basis subject to necessary adjustment, including those arising out of settlement of arbitration/court cases, in the year(s) of final settlement.
- 2.2 Fixed Assets created on land not belonging to the Corporation are included under fixed assets.
- 2.3 Capital Expenditure on assets where neither the land nor the asset is owned by the Company is reflected as a distinct item in capital work in progress till the period of completion and thereafter in the fixed assets.
- 2.4 Payments made provisionally towards compensation and other expenses relating to land are treated as cost of land.
- 2.5 Land taken for use from State Government (without transfer of title) and expenses on relief and rehabilitation as also on creation of alternate facilities for land 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 amortised over a period of 30 years from the date of commercial operation of the project.
- 2.6 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.
- 2.7 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 is provided on pro rata basis in the year in which the asset becomes available for use.
- 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 shall be 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 for control purpose.
- 5.3 Assets valuing Rs 5000/- or less but more than ₹ 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 or 35 years whichever is earlier.
- 5.6 Leasehold Land is amortized over the period of lease or 30 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 ₹ 5,000/- or less and in other cases written off in 5 yearly equated installments.
- 7.4 Stores issued for operation and maintenance at Power Stations but lying unused at site at the year-end are evaluated at engineering estimates and taken as stores.



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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 ₹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.

LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

Annual Report 2010-11

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

SCHEDULE –24: NOTES TO THE ACCOUNTS

(Annexed to and forming part of the accounts for the Year ended 31st March, 2011)

1. Contingent Liabilities

(₹ in Crores)

Description	Closing Balance as on 31.03.2011	Closing Balance as on 31.03.2010
Claims against the Company not acknowledged as debts in respect of	Nil	Nil
-Capital works		
-Land Compensation cases	Nil	Nil
-Others		
Disputed Income tax demand	Nil	Nil
Disputed Excise demand	Nil	Nil
Disputed Sales Tax demand	Nil	Nil
Others	Nil	Nil
Total	Nil	Nil

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, CWIP, 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 upto 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 is ₹ Nil.

4. The rates of depreciation as notified by CERC are to be used for the purpose of tariff as well as accounting in terms of Sub Para (c) of Para 5.3 of resolution No.23/2/2005-R&R (Vol.III) dated 6th January 2006, vide which Government of India notified the tariff policy.

Depreciation for the year as per rates prescribed under Schedule XIV of Companies Act, 1956 works out to Rs 182785 less than that worked out as per CERC rates. (Previous Year Rs 4,84,321)

5. (a) Balances shown under advance for Capital Expenditure, Advances to Contractors, Sundry Creditors and Deposits/Earnest money from contractors are subject to reconciliation/confirmation and respective consequential adjustments.

- (b) In the opinion of the management, the value of current assets, loans and advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

6. Pending implementation of wage revision of Employees w.e.f 01.01.2007, a further provision of ₹ 00.58 Crores (P/Y – ₹0.45 Crores) has been made in the books during period ended 31.03.2011 on reasonable estimate basis.

7. (a) The effect of foreign exchange fluctuation during the Period is as under:

(₹ in Crore)

		For the Year ended 31.03.2011	From 23.10.2009 to 31.03.2010
(i)	Amount charged to Profit and Loss Account excluding depreciation (as FERV)	NIL	NIL
(ii)	Amount charged to Expenditure During Construction (as FERV)	NIL	NIL
(iii)	Amount charged to Capital work-in-progress (as FERV)	NIL	NIL
(iv)	Amount adjusted by addition to carrying amount of fixed assets	NIL	NIL

- (b) The amount of borrowing cost capitalized by transfer to 'Expenditure during Construction (EDC)' during Period is ₹ NIL Crore (Previous Year ₹ NIL Crore).

8. The Company does not have any leasing arrangements in respect of operating leases of premises for residential use of employees, offices, guesthouses & transit camps.

9.

(₹ in Crore)

		For the Year ended 31.03.2011	From 23.10.2009 to 31.03.2010
a)*	Value of imports calculated on CIF basis: i) Capital Goods ii) Spare parts	NIL	NIL
b)*	Expenditure in Foreign Currency i) Know - How ii) Interest iii) Other Misc. Matters	NIL	NIL
c)*	Value of spare parts and Components consumed in operating units. i) Imported ii) Indigenous	NIL	NIL
d)**	Earnings in foreign currency i) Interest ii) Others	NIL	NIL

* Accrual basis.

** Cash basis.

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

Principal amount remaining unpaid to Micro, Small & Medium enterprise.	Nil
Interest accrued & remaining unpaid to Micro, small & medium enterprise for the year.	Nil
Amount of Interest paid during the quarter along with the payment of principal amount made beyond 15 days or agreed time from the date of delivery/rendering of services.	Nil
Amount of interest carried forward from last accounting year with interest for the year on such interest.	Nil

11. The breakup of Auditors remuneration is as follows:

(Amount in ₹)

Sr. No.	Particulars	For the Year ended 31.03.2011	From 23.10.2009 to 31.03.2010
1.	Audit fees (including Service Tax)	22,060	11,030
2.	Audit Expenses	31,178	33,709
	Total	53,238	44,739

12. The breakup of Remuneration Paid/Payable to Directors:

(Amount in ₹)

Sr. No.	Particulars	For the Year ended 31.03.2011	From 23.10.2009 to 31.03.2010
1.	Salaries & Allowances	NIL	NIL
2.	Contribution to Provident Fund	NIL	NIL
3.	Rent to Residential Accommodation	NIL	NIL
4.	Other Benefits	NIL	NIL
5.	Sitting Fees to Independent Directors	NIL	NIL
	TOTAL	NIL	NIL



NHPC Limited

(A Government of India Enterprise)

13. In compliance to the Accounting Standard 22 on "Accounting on Taxes on Income" issued by The Institute of Chartered Accountants of India, Provision for Deferred Tax Liability amounting to Rs NIL has been provided during the current Year as there are no Timing differences occurred during the Year.

14. Following Accounting policies have been introduced/modified/reworded during the year:

Policy No.	Description	Impact on Profit for the Year
5.5	Modification of accounting policy on amortization of Intangible Assets	No Impact
5.10	Addition of accounting policy about renovation and modernization of fixed Assets	No Impact
10.1(d)	Modification of accounting Policy on advance against depreciation	No Impact
	Removal of Accounting Policy on Self Insurance	No Impact

15. In compliance of Accounting Standard – 18 on Related Party Disclosures issue by The Institute of Chartered Accountants of India, The required information is given as under:

a) Related Parties

(i) Joint Venture Parties

NHPC Limited and Government of Manipur

No related party transaction occurred during the Year

16. Earnings Per Share:

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

(Amount in ₹)

Sr. No.	Particulars	For the Year ended 31.03.2011	From 23.10.2009 to 31.03.2010
1.	Net Profit/(Loss) after Tax used as numerator	2,70,75,383	(1,16,27,350)
2.	Weighted Average number of equity shares used as denominator - Basic - Diluted*	6,00,00,000 6,25,75,342	6,00,00,000 6,00,00,000
3.	Earnings Per Share - Basic - Diluted	00.45 00.43	(00.19) (00.19)
4.	Face Value of Shares	10	10

* Including ₹10.00 crore received from Govt. of Manipur as share application money.

17. Prior Period Items:

Rent Payable and other Expenses Payable of Rs 24,21,385 and ₹ 1,25,891 relates to prior period items written back in accounts of current year.

18. Provision for doubtful debt created in previous year of amounting Rs 13,80,000 has been written back in current year.
19. Stores and Spares of the company is mostly economically non serviceable. So, a provision of 50% for its obsolesce has been made.
20. Provision for Income Tax including interest ₹ 18,80,993.00 for the financial year 2009-10 and ₹ 1,26,34,751.00 for the financial year 2010-11 has been provided in Books.
21. Previous year's figures / opening balances have been regrouped/re-arranged/ re cast wherever necessary.

In terms of our report of even date attached

FOR SHARAD JAIN ASSOCIATES

CHARTERED ACCOUNTANTS
(F.Reg. No-015201N)

(SHARAD JAIN)

PARTNER
MEMBERSHIP NO-083837

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

(A.B.L.SRIVASTAVA)

CHAIRMAN
LDHCL
DIN-01601682

(V.K.KARN)

CHIEF EXECUTIVE OFFICER
LDHCL

(P.C.VAISH)

DIRECTOR
LDHCL
DIN-03440470

(VIPAN JAIN)

COMPANY SECRETARY
LDHCL

Place : NEW DELHI

Dated : 09.05.2011

LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

Annual Report 2010-11

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

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS AT 31.03.2011

(Rs. In Lacs)

Registration Details :

Registration No.

U 4 0 1 0 1 M N 2 0 0 9 G O I 0 0 8 2 4 9

State Code

1 2

Balance Sheet Date

3 1 0 3 2 0 1 1

Capital Raised during the year

Public Issue

N I L

Right Issue

N I L

Bonus Issue

N I L

Private Placment

N I L

Govt. Contribution

N I L

Position of Mobilisation and Deployment of Fund

Total Liabilities

1 1 0 8 2 . 5 7

Total Assets

1 1 0 8 2 . 5 7

Source of Funds

Paid-up Capital

6 0 0 0 . 0 0

Reserves & Surplus

1 5 4 . 4 8

Share Application Money

3 8 4 6 . 0 0

Secured Loan

N I L

Unsecured Loan

N I L

Application of Funds

Net Fixed Assets

(Including Capital Work-in-progress & Advance against Capital Works)

4 1 4 7 . 0 5

Investments

0. 0 0

Net Current Assets

5 8 5 3 . 5 8

Misc. Expenditure

0. 0 0

Accumulated Losses

N I L

Performance of the Company

Turnover (Gross Revenue)

4 1 5 . 9 1

Total Expenditure

0. 0 0

Profit (Loss) before Tax

4 1 5 . 9 1

Profit (Loss) after Tax

2 7 0 . 7 5

Earning per Share in Rupee

0. 4 5

Dividend Rate

N I L

Generic Names of Three Principal Products/Services of the Company

i) Product description

N I L

Item Code No.

ii) Product description

N I L

Item Code No.

iii) Product description

N I L

Item Code No.

In terms of our report of even date attached

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

FOR SHARAD JAIN ASSOCIATES

CHARTERED ACCOUNTANTS
(F.Reg. No-015201N)

(SHARAD JAIN)

PARTNER
MEMBERSHIP NO-083837

(A.B.L.SRIVASTAVA)

CHAIRMAN
LDHCL

(V.K.KARN)

CHIEF EXECUTIVE OFFICER
LDHCL

(P.C.VAISH)

DIRECTOR
LDHCL

(VIPAN JAIN)

COMPANY SECRETARY
LDHCL

Place : NEW DELHI

Dated : 09.05.2011



NHPC Limited

(A Government of India Enterprise)

CASH FLOW STATEMENT

(Amount in Rs.)

Particulars	For the Year Ended 31.03.2011		For the Year Ended 31.03.2010	
A) CASH FLOWS FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAXATION	36,471,302		(11,627,350)	
ADJUSTMENTS				
- INTEREST INCOME	(36,471,302)		11,627,350	
- PRELIMINARY EXPENSE WRITTEN OFF				
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	-		-	
CHANGES IN WORKING CAPITAL				
DECREASE IN LOANS & ADVANCES	4,601,751		(5,706,503)	
INCREASE IN OTHER CURRENT ASSETS	(5,618,844)		(4,731,466)	
INCREASE IN CURRENT LIABILITIES	(263,907,311)		353,317,824	
INCREASE IN PROVISIONS	13,753,978		5,029,061	
CASH GENERATED FROM OPERATIONS	(251,170,426)		347,908,916	
INCOME TAX PAID	14,515,744		-	
NET CASH FROM OPERATING ACTIVITIES (A)		(265,686,170)		347,908,916
B) CASH FLOWS FROM INVESTING ACTIVITIES				
PURCHASE OF FIXED ASSETS	(94,498)		(28,918,580)	
INCREASE IN CAPITAL WORK IN PROGRESS	(67,006,766)		(303,073,699)	
INCREASE IN STORES & SPARES	(11,809,012)		(3,802,921)	
INTEREST INCOME	36,471,302		-	
INTEREST INCOME (PRIOR PERIOD)	5,119,825			
NET CASH FROM INVESTING ACTIVITIES (B)		(37,319,149)		(335,795,200)
C) CASH FLOWS FROM FINANCING ACTIVITIES				
MISCELLANEOUS EXPENSES	-		(11,627,350)	
PROCEEDS AGST. SHARE APPLICATION MONEY	384,615,400		600,000,000	
NET CASH FROM FINANCING ACTIVITIES (C)		384,615,400		588,372,650
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		81,610,081		600,486,366
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		600,486,366		-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		682,096,447		600,486,366

In terms of our report of even date attached

FOR SHARAD JAIN ASSOCIATES

CHARTERED ACCOUNTANTS

(F.Regn. No-015201N)

(SHARAD JAIN)

PARTNER

MEMBERSHIP NO-083837

Place : NEW DELHI

Dated : 09.05.2011

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

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CHAIRMAN

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COMPANY SECRETARY

LDHCL

एनएचपीसी लिमिटेड
(भारत सरकार का उद्यम)



NHPC Limited
(A Government of India Enterprise)

एनएचपीसी कार्यालय परिसर, सैक्टर - 33, फरीदाबाद - 121003, हरियाणा (भारत) वेबसाइट : www.nhpcindia.com
NHPC Office Complex, Sector - 33, Faridabad - 121003, Haryana (India) Website : www.nhpcindia.com