



## 37<sup>th</sup> Annual Report 2012-13

Annual General Meeting on Monday 16<sup>th</sup> September, 2013 at 12 Noon, MCF Auditorium, Faridabad, Haryana



## CORPORATE VISION

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

## CORPORATE MISSION

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

## CONTENTS

### NHPC

Corporate Profile .....	2
Digest of Important Financial Data (Ten Years) .....	4
Letter to Shareholders .....	7
Notice.....	10
NHPC's Performance .....	16
Directors' Profile.....	17
Directors' Report .....	21
Corporate Governance Report .....	30
Compliance Certificate on Corporate Governance .....	60
Management Discussion and Analysis Report.....	61
Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.....	74
Particulars of Employees .....	77
Business Responsibility Report .....	79
Sustainable Development at NHPC .....	88
Auditors' Report and Management Comments.....	91
Financial Statements .....	96
Comments of Comptroller and Auditor General of India .....	139

### CONSOLIDATED

Auditors' Report.....	140
Financial Statements .....	142
Attendance Slip.....	183



## CORPORATE PROFILE

<b>FINANCIAL</b>	<b>2012-13</b>	<b>2011-12</b>
Sales**	5049.13	5509.65
Other Operating Revenue & Other Incomes	1490.30	1274.62
Profit before Interest, Depreciation & Tax <sup>§</sup>	4556.80	4752.02
Profit After Interest & Depreciation	3202.13	3517.04
Profit After Interest, Depreciation & Tax	2348.22	2771.77
DIVIDEND PROPOSED/PAID	<b>738.04</b>	<b>861.05</b>
<b>WHAT COMPANY OWENS</b>		
Net Fixed Assets including CWIP	37749.00	35718.06
Investments (Non Current)	2400.61	2499.14
Other Long Term Loans & Advances and Other Non-Current Asset	2183.11	2610.55
Net Current Assets	5813.60	5141.87
	<b>48146.32</b>	<b>45969.62</b>
<b>WHAT COMPANY OWNS</b>		
Net Worth	27840.50	26353.53
Long Term Borrowings	17417.52	16272.8
Other Long Term Liability & Long Term Provisions	2427.61	3139.25
Deferred Tax Liability	460.69	204.04
	<b>48146.32</b>	<b>45969.62</b>
<b>OPERATING PERFORMANCE</b>		
GENERATION (M.U.)	18923	18683
PLAT AVAILABILITY FACTOR (%)	85.30	83.30
TURNOVER (₹ in crore)	5306.64	5919.48
MAN POWER (Nos.)	10410	11036

\*\* Sales are net after tariff adjustment and Advance Against Depreciation

§ After prior period adjustments

# Annual Report 2012-13

(₹ in crore)

2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
4046.59	4218.9	2671.85	2243.73	1754.12	1614.11	1449.98	1276.09
885.52	673.19	589.64	911.77	433.38	359.55	395.96	551.69
4160.75	3892.41	2201.76	2201.93	1610.04	1454.71	1438.77	1477.37
2877.41	2402.08	1178.34	1146.65	1087.74	812.16	777.53	643.48
2166.67	2090.50	1075.22	1004.09	924.80	742.75	684.58	621.38
<b>738.04</b>	<b>676.54</b>	<b>325.00</b>	<b>300.00</b>	<b>278.00</b>	<b>223.00</b>	<b>140.00</b>	<b>120.00</b>
33063.66	29316.05	27165.66	23884.66	21636.29	19183.08	17608.84	15612.70
2659.96	4394.05	2793.60	3049.22	3322.75	3832.81	3769.43	3660.87
2491.93	1103.90	976.77	888.17	712.78	667.75	676.57	628.44
3219.44	3903.95	605.76	713.03	-345.60	-225.34	138.69	107.76
<b>41434.99</b>	<b>38717.95</b>	<b>31541.79</b>	<b>28535.08</b>	<b>25326.22</b>	<b>23458.30</b>	<b>22193.53</b>	<b>20009.77</b>
24580.68	23273.19	17978.29	17275.49	16548.29	15261.43	14100.58	12222.59
13702.53	13868.22	12234.03	9956.33	7531.95	7166.69	7021.8	6847.78
2990.45	1437.44	1329.47	1303.26	1245.98	1030.18	1071.15	939.4
161.33	139.1	0	0	0	0	0	0
<b>41434.99</b>	<b>38717.95</b>	<b>31541.79</b>	<b>28535.08</b>	<b>25326.22</b>	<b>23458.30</b>	<b>22193.53</b>	<b>20009.77</b>
18604	16960	16689	14813	13049	12567	11286	11046
85.20	84.10	93.61	96.13	94.11	98.16	95.30	96.82
4225.25	4331.98	2720.82	2570.36	1882.93	1662.92	1475.56	1314.38
11420	11712	12028	12341	12768	13118	13470	13648



## DIGEST OF IMPORTANT FINANCIAL DATA (TEN YEARS)

FINANCIAL		2012-13	2011-12
A	SALE OF ENERGY	5049.13	5509.65
B	OTHER OPERATING INCOME & REVENUE FROM CONTRACTS, PROJECT MANAGEMENT AND CONSULTANCY WORKS	257.51	409.83
C	OTHER INCOME ( INCLUDES EXCEPTIONAL ITEM)	1232.79	864.79
<b>D</b>	<b>TOTAL INCOME (A)+(B)+(C )</b>	<b>6539.43</b>	<b>6784.27</b>
E	GENERATION & OTHER EXPENSES	1982.63	2032.25
<b>F</b>	<b>GROSS MARGIN (D) - (E)</b>	<b>4556.80</b>	<b>4752.02</b>
G	DEPRECIATION & AMORTIZATION EXPENSES	969.29	892.74
<b>H</b>	<b>GROSS PROFIT (F) - (G)</b>	<b>3587.51</b>	<b>3859.28</b>
I	FINANCE COST	385.38	342.24
<b>J</b>	<b>NET PROFIT BEFORE TAX(H) - (I)</b>	<b>3202.13</b>	<b>3517.04</b>
K	TAX	853.91	745.27
<b>L</b>	<b>NET PROFIT AFTER TAX (J) - (K)</b>	<b>2348.22</b>	<b>2771.77</b>
M	AUTHORISED CAPITAL	15000.00	15000.00
N	EQUITY PAID UP CAPITAL	12300.74	12300.74
O	RESERVE AND SURPLUS	15539.76	14052.79
P	LONG TERM BORROWINGS	17417.52	16272.8
Q	OTHER LONG TERM LIABILITY & LONG TERM PROVISIONS	2427.61	3139.25
R	GROSS TANGIBLE & INTANGIBLE ASSETS	25720.04	23060.93
S	DEPRECIATION	7680.08	6692.61
<b>T</b>	<b>NET TANGIBLE &amp; INTANGIBLE ASSETS (R) - (S)</b>	<b>18039.96</b>	<b>16368.32</b>
U	CAPITAL WORK-IN-PROGRESS	19709.04	19349.74
V	INVESTMENTS (NON CURRENT)	2400.61	2499.14
W	OTHER LONG TERM LOANS & ADVANCES AND OTHER NON-CURRENT ASSET	2183.11	2610.55
X	WORKING CAPITAL	5813.60	5141.87
Y	MISC. EXPENDITURE TO THE EXTENT NOT WRITTEN OFF	-	-
<b>Z</b>	<b>GROSS CAPITAL EMPLOYED (T)+(U)+(V)+(W)+(X)</b>	<b>48146.32</b>	<b>45969.62</b>
<b>AA</b>	<b>NET WORTH (N)+(O)-(Y)</b>	<b>27840.50</b>	<b>26353.53</b>
AB	INVENTORY CONSUMPTION IN POWER STATION	27.01	10.14
<b>AC</b>	<b>VALUE ADDED (A)-(AB)</b>	<b>5022.12</b>	<b>5499.51</b>
<b>RATIOS</b>		<b>2012-13</b>	<b>2011-12</b>
GROSS RETURN ON CAPITAL EMPLOYED (H) / (Z)		7.45%	8.40%
RETURN ON NET WORTH (L) / (AA)		8.43%	10.52%
SALES TO GROSS CAPITAL EMPLOYED (A) / (Z)		10.49%	11.99%
VALUE ADDED TO SALES (AC) / (A)		99.47%	99.82%
NET PROFIT TO NET SALES (L) / (A)		46.51%	50.31%
BOOK VALUE PER SHARE		22.63	21.42
EARNING PER SHARE		1.91	2.25
DIVIDEND PER SHARE		0.60	0.70
DEBT TO EQUITY RATIO (P) / ((N)+(O))		0.63	0.62
CURRENT RATIO		1.91	1.76

# Annual Report 2012-13

(₹ in crore)

2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
4046.59	4218.90	2671.85	2243.73	1754.12	1614.11	1449.98	1276.09
178.66	113.08	48.97	326.63	128.81	48.81	25.58	38.29
706.86	560.11	540.67	585.14	304.57	310.74	370.38	513.40
<b>4932.11</b>	<b>4892.09</b>	<b>3261.49</b>	<b>3155.50</b>	<b>2187.50</b>	<b>1973.66</b>	<b>1845.94</b>	<b>1827.78</b>
771.36	999.68	1059.73	953.57	577.46	518.95	407.17	350.41
<b>4160.75</b>	<b>3892.41</b>	<b>2201.76</b>	<b>2201.93</b>	<b>1610.04</b>	<b>1454.71</b>	<b>1438.77</b>	<b>1477.37</b>
916.74	1033.25	518.24	443.74	290.55	269.57	248.97	208.14
<b>3244.01</b>	<b>2859.16</b>	<b>1683.52</b>	<b>1758.19</b>	<b>1319.49</b>	<b>1185.14</b>	<b>1189.80</b>	<b>1269.23</b>
366.60	457.08	505.18	611.54	231.75	372.98	412.27	625.75
<b>2877.41</b>	<b>2402.08</b>	<b>1178.34</b>	<b>1146.65</b>	<b>1087.74</b>	<b>812.16</b>	<b>777.53</b>	<b>643.48</b>
710.74	311.58	103.12	142.56	162.94	69.41	92.95	22.10
<b>2166.67</b>	<b>2090.50</b>	<b>1075.22</b>	<b>1004.09</b>	<b>924.80</b>	<b>742.75</b>	<b>684.58</b>	<b>621.38</b>
15000.00	15000.00	15000.00	15000.00	15000.00	15000.00	15000.00	15000.00
12300.74	12300.74	11182.49	11182.49	11207.04	10576.09	9933.27	8629.03
12279.94	10972.45	6798.13	6093.34	5367.05	4709.89	4168.49	3594.27
13702.53	13868.22	12234.03	9956.33	7531.95	7166.69	7021.80	6847.78
2990.45	1437.44	1329.47	1303.26	1245.98	1030.18	1071.15	939.40
22874.93	21302.37	21460.08	20639.51	12943.64	12755.52	10876.28	10342.71
5774.04	4907.44	3816.27	3262.66	2850.92	2527.83	2148.20	1882.95
<b>17100.89</b>	<b>16394.93</b>	<b>17643.81</b>	<b>17376.85</b>	<b>10092.72</b>	<b>10227.69</b>	<b>8728.08</b>	<b>8459.76</b>
15962.77	12921.12	9521.85	6507.81	11543.57	8955.39	8880.76	7152.94
2659.96	4394.05	2793.60	3049.22	3322.75	3832.81	3769.43	3660.87
2491.93	1103.90	976.77	888.17	712.78	667.75	676.57	628.44
3219.44	3903.95	605.76	713.03	-345.60	-225.34	138.69	107.76
-	-	2.33	0.34	25.80	24.55	1.18	0.71
<b>41434.99</b>	<b>38717.95</b>	<b>31541.79</b>	<b>28535.08</b>	<b>25326.22</b>	<b>23458.30</b>	<b>22193.53</b>	<b>20009.77</b>
<b>24580.68</b>	<b>23273.19</b>	<b>17978.29</b>	<b>17275.49</b>	<b>16548.29</b>	<b>15261.43</b>	<b>14100.58</b>	<b>12222.59</b>
3.94	4.28	8.92	6.15	6.56	12.02	7.73	2.67
4042.65	4214.62	2662.93	2237.58	1747.56	1602.09	1442.25	1273.42

2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
7.83%	7.38%	5.34%	6.16%	5.21%	5.05%	5.36%	6.34%
8.81%	8.98%	5.98%	5.81%	5.59%	4.87%	4.85%	5.08%
9.77%	10.90%	8.47%	7.86%	6.93%	6.88%	6.53%	6.38%
99.90%	99.90%	99.67%	99.73%	99.63%	99.26%	99.47%	99.79%
53.54%	49.55%	40.24%	44.75%	52.72%	46.02%	47.21%	48.69%
19.98	18.92	16.08	15.45	14.78	14.94	14.96	15.72
1.76	1.76	0.96	0.90	0.83	0.73	0.73	0.80
0.60	0.55	0.29	0.27	0.25	0.22	0.15	0.15
0.56	0.60	0.68	0.58	0.45	0.47	0.50	0.56
1.52	1.88	1.16	1.21	0.86	1.02	1.04	1.08



## REFERENCE INFORMATION

---

### Registered Office

---

NHPC Office Complex,  
Sector-33, Faridabad-121003  
Haryana

---

### Corporate Office

---

NHPC Office Complex,  
Sector-33, Faridabad-121003  
Haryana

---

### Company Secretary

---

Shri Vijay Gupta

---

### Registrar & Share Transfer Agent

---

#### For Equity Shares:

M/s Karvy Computershare Private Limited  
Plot No. 17 to 24, Vittal Rao Nagar,  
Madhapur, Hyderabad-500081  
Ph: +91 40 4465 5000  
Email: einward.ris@karvy.com  
Website: www.karvycomputershare.com

#### For Bonds:

M/s RCMC Share Registry Private Limited  
B-106, Sector-2,  
Noida-201301 (Uttar Pradesh)  
Ph: 0120-4015880  
Email: info@rcmcdelhi.com

---

### Shares Listed at:

---

Bombay Stock Exchange Limited  
National Stock Exchange of India Limited

---

### Depositories

---

National Securities Depository Limited  
Central Depository Services (India) Limited

---

### Public Spokesperson

---

Shri Jayant Kumar

ED(Finance)

---

### Statutory Auditors

---

#### M/s S.N. Nanda & Co.

Chartered Accountants,  
C-43, Pamposh Enclave,  
Greater Kailash-1,  
New Delhi-110048

#### M/s Singhi & Co.

Chartered Accountants,  
Emerald House, 4th Floor,  
1-B, Old Post Office Street,  
Kolkata-700001  
West Bengal

#### M/s Baweja & Kaul

Chartered Accountants,  
House No.32, Sector-8,  
Triakuta Nagar, Jammu,  
Jammu & Kashmir-180012

#### M/s Tiwari & Associates

Chartered Accountants,  
T-8, Green Park Extension,  
New Delhi-110016

---

### Bankers

---

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

## LETTER TO SHAREHOLDERS



Dear Shareholders,

I am pleased to present 37<sup>th</sup> Annual Report of your Company for the financial year 2012-13. Your Company is successfully moving on the path of excellence that it has carved out for itself. During the financial year 2012-13, sales realization of NHPC has increased to ₹ 5,369 crore from ₹ 4,415 crore as compared to the previous year. Likewise your Company had raised bills amounting to ₹ 5,184 crore and generated a profit of ₹ 2,348.22 crore during the financial year 2012-13.

Considering the progress made by your Company, Directors have recommended a dividend of Re. 0.60 per share (excluding dividend tax) for the year 2012-13. The total dividend payout will be ₹ 738.04 crore which is 31.43 per cent of the profit after tax. It will be paid after the approval of shareholders at the ensuing Annual General Meeting.

You will be glad to know that during 2012-13 your Company has commissioned Chamera-III H.E. Project (231 MW) in Himachal Pradesh in July, 2012, Chutak (44 MW) in Jammu & Kashmir in January, 2013 and Teesta Low Dam III HEP (132 MW) in West Bengal in May, 2013. Further, all the three units (45 MW) of Nimmo Bazgo Project are commissioned at partial load.

Thus, at present the total installed capacity of your Company is 5,747 MW consisting of 16 operating Power Stations of NHPC Limited with an installed capacity of 4,227 MW and 2 Power Stations of its subsidiary i.e. NHDC Limited with an installed capacity of 1,520 MW.

Presently, construction activities in respect of 6 hydroelectric projects with an installed capacity of 4,050 MW are in progress out of which two projects of 760 MW viz. - Uri-II and Parbati-III are in advanced stages of completion.

Construction activities at Subansiri Lower H.E. Project (2000 MW) in Arunachal Pradesh have suffered a setback due to local agitations since 16<sup>th</sup> December, 2011 and currently the works of the project are standstill. The matter is under consideration of Government to resolve the issue at the earliest. In respect of Parbati II H.E Project, the contract for excavation of headrace tunnel was terminated and fresh tender has already been floated to engage a new contractor.

It gives me great pleasure to share with you that as a part of its future expansion programme, five projects with an installed capacity of 5,115 MW are under various stages of approval. In addition to above, three projects with an installed capacity of 3,686 MW are to be executed through Joint Venture Companies (JVCs) with State/ Government PSUs. The joint ventures include the projects at Loktak Downstream Project (66 MW), Tipaimukh (1500 MW) in Manipur and Pakal Dul, Kiru & Kwar (2120 MW) in Jammu & Kashmir.

A Memorandum of Understanding (MoU) and a promoter's agreement among NHPC Limited, SJVN Limited and the Government of Manipur was signed for forming Joint Venture Company to execute Tipaimukh Hydroelectric Project in Manipur. However, presently the Government of India has approved to induct NEEPCO in place of SJVN in the proposed Joint Venture, as a joint venture partner. Accordingly, formation of Joint Venture Company amongst NHPC, NEEPCO and Government of Manipur is under process.



Out of the total 16 operating power stations located in different parts of the country, 12 power stations have generated 18,162 MUs of power during the year 2012-13 which was the highest ever generation of power since its incorporation and had exceeded the annual MoU Target. New power stations commissioned during the year 2012-13 have generated 761 MUs during the said period.

I also wish to inform that our long pending dues have reduced considerably during the year. The outstanding dues pending for more than 60 days as on 31<sup>st</sup> March, 2013 have been brought down to ₹ 830 crore from ₹ 1,176 crore in previous year. Your Company deserves a special mention for having succeeded in receiving an approval from Ministry of Power, Government of India for clearance of outstanding receivables of ₹ 120.81 crore pertaining to M/s Delhi Transco Limited (erstwhile DESU) along with an interest of ₹ 240.01 crore.

Your Company has been playing an active role in implementing Rural Electrification projects under the Rajiv Gandhi Gramin Vidyutikaran Yojana (RGGVY) in 27 districts spread over five states of West Bengal, Bihar, Jammu & Kashmir, Chhattisgarh and Odisha at an estimated cost of ₹ 2,837 crore approximately. To give effect to the scheme, NHPC undertook electrification of Un-electrified/De-electrified (UE/DE) villages, Partially Electrified (PE) villages and service connections to Below Poverty Line (BPL) households. The achievements for UE/DE villages were 9,119, PE villages 18,076 and BPL connection 18.33 Lakh till 31st March, 2013.

NHPC's varied expertise and experience acquired over the years has been recognized at national and international levels. The Company has received consultancy assignments from central and state government agencies in India and others in neighboring countries like Bhutan, Myanmar and Tajikistan. So far NHPC has successfully completed 84 consultancy assignments while another 17 are under progress.

Your Company has also expanded its operations globally by providing consultancy services in various fields related to hydropower.

Major Foreign assignments during the year 2012-13 include:

- Pre-feasibility Report (PFR) for Kuri Gongri Basin Project was submitted to Royal Government of Bhutan (RGoB)/Government of India (GoI) in July 2012.
- Design and Engineering consultancy is being offered by NHPC Limited for implementation of Mangdechhu HE Project (720 MW) in Bhutan to Mangdechhu Hydroelectric Project Authority (MHPA).
- The work related to Renovation, Modernisation and uprating (RMU) of the Varzob-I HE Project in Tajikistan have been completed within scheduled time frame. The project was executed under a Tripartite Agreement signed amongst MEA, BHEL and NHPC.
- Technical Due Diligence Study of Shiroro Hydroelectric Power Station in Nigeria for M/s Dangote Industries Limited was carried out by NHPC Limited.
- In association with PGCIL and BSES Rajdhani an agreement has been signed for providing management consultancy to Ethiopia Electric Power Company (EEPCO).

A policy framework has been created to manage the Information Technology (IT) systems to ensure optimum and secure utilization of the assets owned by NHPC and to integrate with major focus on the management of projects under construction and also the operation and maintenance of power stations. An Online Project Monitoring Centre has been established for tracking the progress of various projects located at different locations.

Around 50 locations have been upgraded with IT and communication infrastructure and all the sites are connected to the corporate office through multi-mode, fail-safe communication links using MPLS-VPN (OFC)/SAT-KuBand/Broadband technologies. Applications such as Intranet, Internet, e-mail and ERP are being run to leverage this network.

In view of dynamic economic and competitive market environment, there is absolute need for staying abreast with innovative technological advancements. In order to maintain high productivity standards and employee morals, your Company provides training to its employees through various agencies like IIMs/XLRIs/IITs etc. in addition to in-house training programmes. Special training programmes were organized for creating awareness about the features of the reservation policy and other essential provisions for employees in the SC/ST/OBC categories.

# Annual Report 2012-13

Your Company is committed to take care of the life of people living around its projects. NHPC has its own Rehabilitation and Resettlement (R&R) Policy, CSR and Sustainable Development Policy which are in line with the National Rehabilitation and Resettlement Policy (NRRP), 2007 and Department of Public Enterprises Guidelines respectively. The R&R policy offers certain benefits over and above those proposed in NRRP, 2007. During financial year 2012-13, a budget of 0.5 per cent of PAT was allocated to CSR activities and total spending on CSR is ₹ 1,573.16 Lacs which is 0.67 percent of PAT.

The CSR activities includes the development initiatives taken for various Skill Development and Vocational Training Programmes, Scholarships to deserving students, establishment of schools, maternity centers, organizing medical camps in project surrounding areas, promoting rural sports by providing sports equipments and other related facilities. A total of 11 ITI's have been adopted through Public Private Partnerships (PPP)/Vocational Training Improvement Program/Centre of Excellence Scheme (COE). The basic amenities were also provided, constant support and cooperation was assured to all. These activities have greatly enhanced the life of these people in a positive way.

It has been another year of excellent performance for your Company. It is making progress on all fronts and its activities have been appreciated by many. These include 'IPE Corporate Governance Award' by Institute of Public Enterprises (IPE), Award for promoting Rajbhasha under NTPC Rajbhasha Shield Programme for two consecutive years viz. 2011-12 and 2012-13, 'Best Power Producer (Hydro) Award' at 13<sup>th</sup> Regulators and Policymakers Retreat 2012, 'Sliver Award' in Training Excellence instituted by Greentech Foundation in Association with Indian Institute of Corporate Affairs, Ministry of Corporate Affairs, Government of India.

Due to recent cloud burst and high flood in Uttrakhand, the Dhauliganga Power Station (280 MW) got flooded resulting in submergence of all the systems in the early hours of 17<sup>th</sup> June, 2013. As a consequence, the power generation from the plant has been affected and rehabilitation works have been put into operation to restore the power generation at the earliest. The power station is covered under Mega All Risk Insurance Policy for Hydro power station.

Your Company is thankful for the continued support from the Government of India, particularly from the Ministry of Power, the Ministry of Finance, the Planning Commission, Ministry of Environment and Forests, Department of Public Enterprises, Ministry of Corporate Affairs, the CEA and CWC as well as State Governments, the Regional and State Electricity Board, beneficiaries drawing power from our power stations as also our other valuable clients for consultancy assignments. My sincere thanks for the faith imposed in the Company by the bankers and lenders including foreign institutions. I would like to express gratitude to all for their intense support and guidance at every step.

I also take this opportunity to thank all my shareholders for their continued involvement and their encouragement which was vital for the prosperity of your company.

All the achievements have been primarily possible with appreciable and continuous efforts and support of employees of the company. I appreciate each and every employee of NHPC for their trust, constant support and commitment which has added on to the company's performance.

I am thankful to the Board Members for their valuable support in taking NHPC to greater height of achievements.

With best wishes,

Yours sincerely,



**(G. Sai Prasad)**

Chairman and Managing Director



## NOTICE

NOTICE is hereby given that the 37<sup>th</sup> Annual General Meeting of the members of NHPC Limited will be held at 12 Noon on Monday, the 16<sup>th</sup> September, 2013 at Municipal Corporation Auditorium, NIT, Near B K Chowk, Faridabad - 121001 to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2013 and Statement of Profit & Loss for the financial year ended on that date together with Report of the Board of Directors and Auditors thereon.
2. To declare dividend for the financial year 2012 - 2013.
3. To appoint a Director in place of Shri G. S. VEDI, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri A. K. Mago, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri R. Jeyaseelan, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Shri Atul Kumar Garg, who retires by rotation and being eligible, offers himself for re-appointment.
7. To fix the remuneration of the Auditors for the year 2013 – 14.

### SPECIAL BUSINESS:

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

Resolved that pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 or any amendment, modification or supersession thereof, the Articles of Association of the Company be and is hereby amended by appending new Article 16A after Article 16 of the existing Articles as per details given below:

Article 16A	Notwithstanding anything contained in these Articles and in pursuance of Section 77A, 77AA and 77B of the Act, the Company, may buy-back its own shares or other specified securities as the Board of Directors may consider appropriate subject to such approvals and sanctions as may be necessary and subject to such limits, restrictions, terms and conditions, etc. as may be required under the provisions of the Act/Regulations/Rules applicable from time to time including the amendment(s), if any, thereto.	<b>Buy-Back of Shares</b>
-------------	--	---------------------------

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

Resolved that pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 or any amendment, modification or supersession thereof, the Articles of Association of the Company be and is hereby amended by appending new Article 35A after Article 35 of the existing Articles as per details given below:

Article 35A	Subject to the provisions of Section 260 and 264 of the Act, the Board shall have power, at any time and from time to time to appoint a person appointed by the President of India as an additional director on the Board, but such that the total number of directors shall not at any time exceed the maximum number fixed by the Articles. Any director so appointed shall hold office only upto the date of the next Annual General Meeting of the Company but shall be eligible for re-appointment.	<b>Additional Directors</b>
-------------	--	-----------------------------

By order of the Board of Directors

**(Vijay Gupta)**

Company Secretary

### Regd Office:

NHPC Office Complex,  
Sector-33, Faridabad-121003,  
Haryana.

Date : 23.7.2013

## NOTES:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the scheduled time of the annual general meeting. Blank proxy form is enclosed.**
2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. In terms of Article 34 of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Shri G. S. Vedi, Shri A. K. Mago, Shri R. Jeyaseelan and Shri Atul Kumar Garg, Directors retire by rotation at the ensuing meeting and being eligible offer themselves for reappointment. The Board of Directors of the Company commend their respective reappointments.
4. Brief resume of the directors seeking re-appointments mandated under Clause 49 of the Listing Agreement with the Stock Exchanges is annexed hereto and form part of the notice.
5. As per the terms and conditions of appointment issued by Government of India, the tenure of directorship of retiring Directors is 3 years from the date of their respective appointments. Shri G. S. Vedi, Shri A. K. Mago and Shri R. Jeyaseelan were appointed on 1<sup>st</sup> November 2011 and Shri Atul Kumar Garg was appointed on 23<sup>rd</sup> March 2012.
6. The relevant explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of Special Businesses, as set out above is annexed hereto.
7. Members are requested to:
  - a. note that copies of Annual Report will not be distributed at the Annual General Meeting.
  - b. bring their copies of Annual Report, Notice and Attendance Slip duly completed and signed at the meeting.
  - c. quote their Folio/DP ID & Client ID No. in all correspondence.
  - d. Note that the attendance slip/proxy form should be signed as per the specimen signature registered with the Karvy Computershare Private Limited, Registrar & Transfer Agent (RTA)/Depository Participant (DP).
  - e. deliver duly completed and signed attendance slip at the entrance of the meeting venue, as entry to the hall will be strictly on basis of the entry slip available at the counters at the venue to be exchanged with the attendance slip.
  - f. Note that in case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
  - g. Note that due to strict security reasons mobile phones, brief cases, eatables and other belongings are not allowed inside the Auditorium/Venue.**
  - h. Note that no gifts/coupons will be distributed at the Annual General Meeting.
  - i. Note that entry is restricted to members or registered proxy holders. Accordingly, persons other than members are requested to register their proxies before stipulated time.
8. The Register of Members and Share Transfer Books of the company will remain closed from 3<sup>rd</sup> September, 2013 to 16<sup>th</sup> September, 2013 (both days inclusive). The Board of Directors, in its meeting held on 28<sup>th</sup> May, 2013, has recommended a final dividend @ 6% (Re. 0.60 per share) on the paid up equity share capital of the company. The final dividend, subject to the provisions of section 206A of the Companies Act, 1956, if declared at the Annual General Meeting, will be paid on or after 21<sup>st</sup> September, 2013 to the Members or their mandates whose names appear on the Company's Register of Members on 16<sup>th</sup> September, 2013 in respect of physical shares. In respect of dematerialized shares, the dividend will be payable to the "beneficial owners" of the shares whose names appear in the Statement of Beneficial Ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on 2<sup>nd</sup> September, 2013.
9. Members are advised to submit their Electronic Clearing System (ECS) mandates, to enable the Company to make remittance by means of ECS. Those holding shares in physical form may obtain and send the ECS mandate form to Karvy Computershare Private Limited, Registrar & Share Transfer Agent of the Company. Members holding shares in Electronic Form may obtain and send the ECS mandate form directly to their Depository Participant (DP). Those members who have already furnished the ECS Mandate form to the Company/Registrar & Share Transfer Agent/DP with complete details need not send it again.

The shareholders who do not wish to opt for ECS facility may please mail their bankers' name, branch address and account number to Karvy Computershare Private Limited, Registrar & Share Transfer Agent of the Company to enable them to print these details on the dividend warrants.



10. Members holding shares in multiple folios in physical mode are requested to apply for consolidation to the Company or its Registrar & Share Transfer Agent alongwith relevant share certificates.
11. SEBI has made it mandatory for the transferee(s) to furnish copy of PAN card to the Company/ Registrar & Share Transfer Agent for registration of transfers and for securities market transactions and off-market/ private transactions involving transfer of shares of listed companies in physical form. Accordingly, members holding shares in physical form should attach a copy of their PAN card for every transfer request sent to the company/ Registrar & Share Transfer Agent.
12. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956 the dividend amounts which remain unpaid / unclaimed for a period of seven years, are required to be transferred to the Investors Education & Protection Fund of the Central Government. After such transfer, there remains no claim of the members whatsoever on the said amount. Therefore, Members are advised to encash their Dividend warrants immediately on receipt. Pursuant to the provisions of Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts with the Company as on 17<sup>th</sup> September, 2012 on the website of the Company.
13. Members who have not encashed their dividend warrants within its validity period may write to the Company at its Registered Office or to M/s Karvy Computershare Private Limited, Registrar & Share Transfer Agent of the Company, for revalidating the warrants or payment in lieu of such warrants in the form of demand draft.
14. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit to Karvy Computershare Private Limited, Registrar & Share Transfer Agent of the Company the prescribed form (Form 2B in duplicate) of the Companies (Central Government's) General Rules and forms, 1956. In case of shares held in dematerialized form, the nomination has to be lodged with the respective Depository Participant.
15. Annual listing fee for the year 2013-14 has been paid to all Stock Exchanges wherein shares of the Company are listed.
16. Pursuant to Section 619(2) of the Companies Act, 1956, the Auditors of a Government Company are to be appointed or re-appointed by the Comptroller and Auditor General of India (C&AG) and in terms of Clause (aa) of sub-section (8) of Section 224 of the Companies Act, 1956 their remuneration has to be fixed by the Company in Annual General Meeting or in such manner as the Company in General Meeting may determine. The members of the Company in their 36<sup>th</sup> Annual General Meeting held on September 17, 2012 authorized the Board of Directors to fix the remuneration of Statutory Auditors for the year 2012-13. Accordingly, the Board of directors has fixed a sum of ₹ 40,00,000/- as remuneration to the Joint Statutory Auditors for the year 2012-13 in addition to applicable service tax and reimbursement of actual travelling and out-of-pocket expenses. The auditors for the year 2013-14 are yet to be appointed by C&AG. The Members may consider and authorize the Board to fix an appropriate remuneration of Statutory Auditors for the year 2013-14 as may be deemed fit by the Board.
17. Members are requested to notify immediately any change of address:
  - a. to their Depository Participants(DP) in respect of shares held in dematerialized form and
  - b. to the Company at its Registered Office or to its Registrar & Share Transfer Agent, Karvy Computershare Private Limited in respect of their physical shares, if any, quoting their folio number.
18. Members desirous of getting any information on any items of business of this Meeting are requested to address their queries to Shri A.B.L. Srivastava, Director (Finance) and public spokesperson Shri Jayant Kumar, ED(Finance) of the Company at the registered office of the company at least ten days prior to the date of the meeting, so that the information required can be made readily available at the meeting.
19. None of the Directors of the Company is in any way related to each other.
20. All documents referred to in the accompanying notice are open for inspection by the members at the registered office of the company on all working days (barring Saturdays and Sundays) between 11.00 a.m. to 1.00 p.m. upto the date of the meeting.
21. Members may write to the Company Secretary of the Company for the annual report of the subsidiary companies. The annual accounts of the subsidiary companies shall also be available for inspection by any shareholders at the Registered office of the Company.
22. Non-Resident Indian Members are requested to inform Karvy, immediately of:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

23. Share transfer documents and all correspondence relating thereto, should be addressed to the Registrar and Share Transfer Agent of the Company – Shri S. Balaji Reddy, Manager (Corporate Registry), M/s. Karvy Computershare Private Ltd., Plot No. 17-24, Vittal Rao Nagar, Madhapur, HYDERABAD – 500 081, Phone Nos. 040-23420815-19; e-mail: sbreddy@karvy.com. Karvy is also the depository interface of the Company with both NSDL and CDSL.
24. The Company is not providing video conferencing facility for this meeting.
25. The members can also access the annual report electronically at NHPC website: [www.nphcindia.com](http://www.nphcindia.com) or using the link: [http://nhpc-reports.nic.in/annual\\_report/NHPC\\_full\\_annual\\_report\\_1213.pdf](http://nhpc-reports.nic.in/annual_report/NHPC_full_annual_report_1213.pdf)
26. Securities and Exchange Board of India (SEBI) vide Circular Number CIR/MRD/DP/10/2013 dated 21<sup>st</sup> March 2013 has directed to use approved electronic mode of payment viz., ECS, NEFT, etc. for making cash payments to the investors. On verification of shareholding records, it is noticed that in some of the cases, Bank Account No. with 9 digits MICR code (either Bank Account No. or 9 digit MICR No. or both) have not been updated. Members are requested to update the following to comply with the aforesaid SEBI Circular:
  - a. For shares held in electronic mode, members may approach their Depository Participant (DP) and update details regarding Bank Account No. and 9 digit MICR code No. to facilitate payments, if any, in electronic mode.
  - b. For shares held in physical mode, members may send a request to our Registrar and Share Transfer Agent viz., Karvy Computershare Pvt. Limited, Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad-500081 with following documents:
    - i. A request letter for updating Bank Account No. with 9 digit MICR No.
    - ii. Attested copy of your PAN Card.
    - iii. Photocopy of your cheque leaf (to capture correct bank account no., IFSC Code and 9 digit MICR Code).

## EXPLANATORY STATEMENT

### Item No. 8

Department of Public Enterprises (DPE), Ministry of Heavy Industries & Public Enterprises, Government of India through its Office Memorandum No. DPE/14(24)/2011-Fin dated 26.03.2012 has directed that CPSEs to provide an option to buy back their shares for sustained investor interest in the company and protect their market capitalization in the long term interest of the company's ability to raise funds from the market. Further, in order to provide a level playing field to CPSEs vis-a-vis private companies, CPSEs were asked to amend their Articles of Association to provide for buy-back of shares, if such provision does not exist in their articles.

In order to comply with the above Office Memorandum of DPE, the Company proposes to amend its Articles of Association by appending new Article 16A providing for buy-back of shares after existing Article 16.

Board of Directors of the Company, in its 352<sup>nd</sup> Meeting held on 20<sup>th</sup> October, 2012 has approved the above amendment to the Articles of Association, subject to the approval of the members.

None of the Directors is concerned or interested in the resolution except to the extent that he is a Director of the Company.

### Item No. 9

Pursuant to Section 260 of the Companies Act, 1956, the Board has the powers to appoint the additional directors.

Existing Articles of Association (AOA) of NHPC Limited does not contain any provision relating to appointment of additional directors as provided under Section 260 of the Companies Act, 1956. Accordingly, it is proposed to amend Articles of Association by appending new Article 35A providing for appointment of additional directors after Article 35.

The Board of Directors of your Company, in its 350<sup>th</sup> Meeting held on 31<sup>st</sup> August, 2012 has approved the above amendment to the Articles of Association, subject to the approval of the members.

None of the Directors is concerned or interested in the resolution except to the extent that he is a Director of the Company.

The Directors commend the Special Resolutions at Item Nos. 8 and 9 for approval of the Members.

### Important communication to members

The Ministry of Corporate Affairs under "Green Initiative in the Corporate Governance" allowed paperless compliances by the companies. MCA had issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. Members who have not registered their e-mail addresses, so far, are requested to register their e-mail address in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the Form in the enclosed format and hand over the same along with Attendance Form at the Counter of venue of Annual General Meeting for registration of E-mail address for receiving notice/documents including Annual Report.



**NHPC Limited**

(A Government of India Enterprise)

**NHPC LIMITED**

(A Government of India Enterprise)

**Corporate Office:** NHPC Office Complex, Sector-33, Faridabad, Haryana-121003

**GREEN INITIATIVE IN CORPORATE GOVERNANCE**

**E-COMMUNICATION REGISTRATION FORM**

**(In terms of Circular no.17/2011 dated 21.04.2011 issued by the Ministry of Corporate Affairs)**

Folio No. / DP ID & Client ID : \_\_\_\_\_

Name of 1<sup>st</sup> Registered Holder : \_\_\_\_\_

Name of Joint Holder(s) : \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Registered Address : \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

E-mail ID (to be registered) : \_\_\_\_\_

I/We Shareholder(s) of NHPC Limited agree to receive communication from the Company in electronic mode. Please register my above e-mail in your records for sending communication through email.

Signature: \_\_\_\_\_

(First Holder)

Date: \_\_\_\_\_

**Note: Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.**

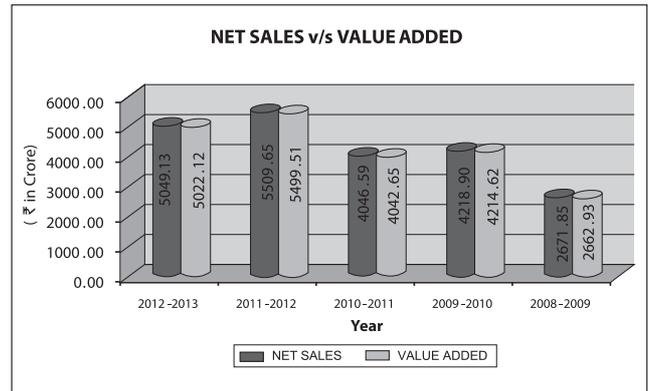
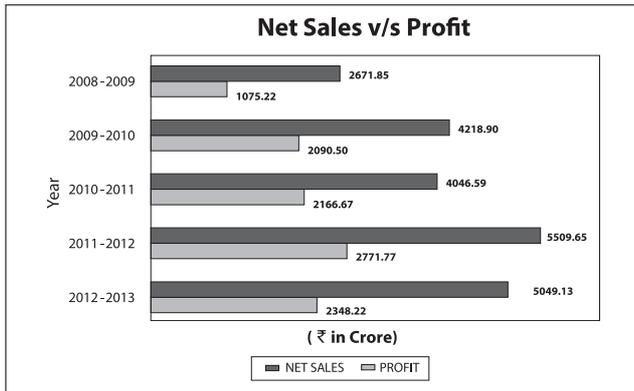
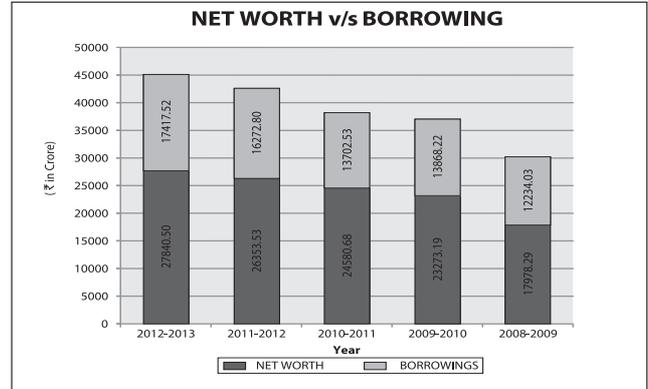
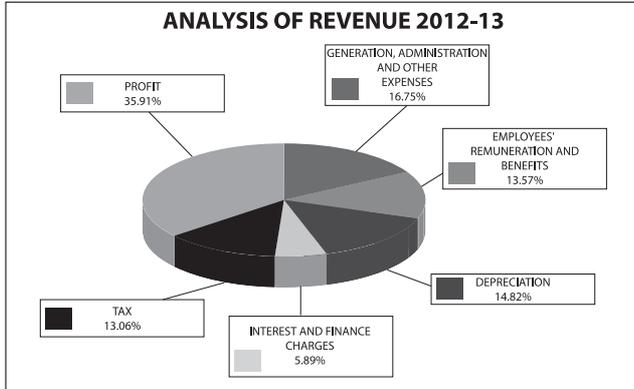
## BRIEF RESUME OF THE DIRECTORS SEEKING RE-ELECTION AT THE ANNUAL GENERAL MEETING

### Directors seeking re-election at the 37<sup>th</sup> Annual General Meeting

Name	Shri G. S. Vedi	Shri A. K. Mago	Shri R. Jeyaseelan	Shri Atul Kumar Garg
Date of Birth & Age	28.06.1950 (63 years)	27.09.1944 (68 years)	17.11.1946 (66 years)	02.03.1950 (63 years)
Date of notification of Appointment	01.11.2011	01.11.2011	01.11.2011	23.3.2012
Qualification	He holds a Bachelor degree in Science and Master degree in Arts.	He holds a Master's degree in physics and M. Phil. degree in social sciences. He also holds diplomas in Management and Public Finance from Paris and in Public Administration from Delhi.	He has a B.E. (Civil Engineering) degree from the University of Madras, M.Tech (Structural Engineering) degree from IIT (Madras) and a P.G. diploma (Hydro Power Development) from the Norwegian Technical Institute.	He holds a Post Graduate degrees in Political Science and Modern History. He is a MBA from the University of Hull, UK.
Expertise in specific functional area	He has more than 40 years of experience in the banking industry in various capacities both in administrative offices and operations across the country. He has headed various zonal offices of Punjab & Sind Bank located at Mumbai, Chandigarh, Jaipur and Guwahati. He has also handled various assignments in the fields of foreign exchange, personnel, inspection and merchant banking in different capacities. He was appointed Executive Director of Canara Bank by the Government of India on 7 November 2007. He had been re-appointed as Executive Director of Punjab & Sind Bank and subsequently appointed as its Chairman and Managing Director on 26 August 2009 by the Government of India. He has joined NHPC board on 08.11.2011.	He has over 37 years of administrative and management experience. Shri Mago has worked in different capacities both in the Central and State Governments in various sectors including energy, power, ports, urban infrastructure, industries, environment and forests. He has expertise in the fields of policy, planning and implementation in power, ports and urban infrastructure. He is a former Chairman of the Maharashtra State Electricity Board and the Mumbai Port Trust. He was the Managing Director of Maharashtra Petro Chemicals Corporation and the Commissioner of Food and Drug Administration. Shri Mago retired as the Chief Secretary, Government of Maharashtra in 2004. He was an independent director on the Board of NHPC from 03.04.2008 to 02.04.2011 and was re-appointed on 9.11.2011.	Shri. Jeyaseelan joined the Central Water Engineering Services as Assistant Director in December 1969 and has worked in various capacities for over 37 years. He served as Chairman, Central Water Commission, Government of India for four years. He has handled several consultancy assignments for water resources development projects in India and in Laos, Myanmar, Afghanistan, Mozambique, the Sultanate of Oman and Rwanda. He was an independent director on the Board of NHPC from 23.04.2008 to 22.04.2011. He joined the NHPC board on 12.11.2011 on re-appointment.	Shri Garg joined the Indian Administrative Service in 1976 and was allotted the Rajasthan cadre. He was associated with the Government of Rajasthan in various capacities including as the Chairman and Managing Director of Rajasthan Financial Corporation, Secretary to the Governor of Rajasthan and Secretary/Special Secretary to the Department of Agriculture, Government of Rajasthan. He joined the NHPC board on 30.3.2012.
Directorship held in other companies	MMTC Limited NHDC Limited	Yes Securities Limited	NIL	NIL
Membership/ Chairmanship of Committees across all public companies	<b>NHPC Limited –</b> - Member of Audit Committee - Chairman of Remuneration Committee <b>MMTC Limited–</b> - Member of Audit Committee - Member of Project Review Committee <b>NHDC</b> - Chairman of Audit Committee	<b>NHPC Limited –</b> - Chairman of Audit Committee - Chairman of Committee on CSR & Sustainability - Lead member of Committee of Independent Directors	<b>NHPC Limited –</b> - Member of Committee of Directors on Contracts	<b>NHPC Limited –</b> - Member of Audit Committee - Chairman of Committee of Investment of IPO Proceeds
Number of shares held as on 31 <sup>st</sup> March 2013	NIL	NIL	NIL	NIL



## NHPC's PERFORMANCE



## DIRECTORS' PROFILE



### **Shri G. Sai Prasad, Chairman and Managing Director**

DIN No. 00325308

Shri G. Sai Prasad (47 years), is a Government Nominee on the Board of NHPC since 20.12.2011. He is a graduate from Andhra University and has Post Graduate degrees from the Indian Institute of Technology, (IIT) Delhi and Duke University, USA.

Shri Prasad is an IAS officer of the 1991 batch. He has worked in several capacities in the state of Andhra Pradesh, including stints as Sub-Collector (Paderu), Project Officer (ITDA Paderu), Municipal Commissioner (Guntur), Joint Collector (Kadapa) and Collector and District Magistrate in Kurnool and Chittoor Districts. Before joining the Ministry of Power, Shri Prasad was also the CMD of Central Power Distribution Company Andhra Pradesh Limited and the Eastern Power Distribution Company of AP Limited.

He is holding additional charge of the position of Chairman and Managing Director of NHPC with effect from 24.07.2012.

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

DIN No. 01601682

Shri A.B.L. Srivastava (58 years), holds a Master's degree in Business Finance and Commerce. He is also a fellow member of the Institute of Chartered Accountants of India (ICAI). Shri Srivastava has made significant contributions to the growth and success of NHPC. He has been responsible for project finance, including resource mobilization, financial restructuring and fund raising and also its optimum utilization. He has been instrumental in designing adequate internal control systems to enable NHPC to adopt corporate governance practices. Prior to joining NHPC he was associated with REC Ltd. in various capacities such as project finance, resource raising both from domestic and international sources. He was also on the board of the REC Power Distribution Company, a wholly owned subsidiary of REC Ltd. Shri Srivastava was on the board of PTC India Limited & NHDC Limited as a Nominee Director of NHPC. He was actively involved in the disinvestment programme of both REC as well as NHPC Limited.



Shri Srivastava was conferred by "International Project Management Association" (IPMA) as 'Certified Project Director' (CPD), IPMA Level A. The "Institute of Project Management Certification" (IPMC) is the Certification body of Project Management Associates under the regulations of IPMC and the National Competence Baseline. Shri Srivastava is the first person with the background of Finance to get CPD in India. He is one of the recipients of the prestigious Special Achiever Award-2010 given by Institute of Chartered Accountants of India in recognition of his professional achievements. Shri Srivastava was given the additional charge of Chairman and Managing Director, NHPC from 01.01.2011 till 23.07.12. Shri Srivastava joined the NHPC board on 11.02.2008.



### **Shri D.P. Bhargava, Director (Technical)**

DIN No.01277269

Shri D. P. Bhargava (57 years), holds a bachelor's degree in Electrical Engineering from the University of Roorkee and has 34 years of experience in the hydro power sector. Shri Bhargava is in charge of various activities, including Design and Engineering of projects, Operation and Maintenance of power stations, Contract & Procurement, Rural Electrification Works, Commercial Issues, Research and Development, Quality Assurance and Inspection, Corporate Social Responsibility (CSR).

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

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

### **Shri J.K. Sharma, Director (Projects)**

DIN: 00387785

Shri J.K. Sharma (55 years), has a Bachelor's degree in Civil Engineering from the University of Indore and is a member of the American Society of Civil Engineers. He is also a fellow of the Institution of Engineers (India) and Chartered Engineer. He is currently in charge of Construction Projects, Information and Technology (IT), Construction Equipment Planning (CEP), Corporate Planning and Project Monitoring Service Group (PMSG)

He has over 33 years of experience mainly in the hydro sector both in India and abroad.

Prior to joining NHPC, Shri Sharma served as the Director (Civil) in the Satluj Jal Vidyut Nigam Limited. He is a recipient of the Rashtriya Gaurav Award and of the Mother Teresa Excellence Award. He is Certified Projects Director, IPMA Level- A w.e.f. 27<sup>th</sup> September, 2011. He joined the NHPC Board on 10.04.2009.





## DIRECTORS' PROFILE



### **Shri Radheshyam Mina, Director (Personnel)**

DIN: 00149956

Shri Radheshyam Mina (56 years), holds a bachelor's degree in Electrical Engineering from Maulana Azad College of Technology, (now known as MANIT), Bhopal and an MBA degree with specialization in financial and human resource management from the Indira Gandhi National Open University (IGNOU).

In his over 30 years of experience in the power sector at technical & governance level, he has handled diverse assignments like Design, Engineering, Construction, Execution, Testing and Commissioning of Transmission lines and Hydroelectric Projects. He has also headed several other Divisions of NHPC Limited.

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

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

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

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

### **Shri A.S.Bakshi, Chairperson, CEA, Government Nominee**

DIN No. 05175439

Shri A.S.Bakshi (59 years), assumed the charge of Member (Planning) CEA on 28<sup>th</sup> October 2010. An engineering graduate, Shri Bakshi also has a MBA degree. He has versatile experience of more than 38 years in the power sector and specializes in the fields of thermal power engineering and electricity generation planning. Shri Bakshi underwent training at CEGB, UK (1987) and NIE, Ireland, UK (1981) in thermal plant operation & energy audits.

Shri Bakshi has worked in the fields of energy conservation/energy audit for various thermal power plants. He assumed the charge of Director (A-1) and looked after the administrative work of the organization. He was promoted as the Chief Engineer in 2004 and was associated with the country's generation planning (both short and long term) and likely power supply position. Shri Bakshi was instrumental in the preparation of the National Electricity Plan 2007. He joined the NHPC board on 17.01.2012.



### **Shri Gurdev Singh Vedi, Independent Director**

DIN No. 02286126

Shri Gurdev Singh Vedi (63 years), holds B.Sc. and M.A. degrees and joined the Punjab & Sind Bank in November 1969 and rose steadily to become the bank's General Manager in 2004.

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

Shri Vedi was appointed as an Executive Director of Canara Bank by the Government of India on 7 November 2007. While working with Canara Bank he was in charge of almost all the major departments of the bank including treasury and international operations, information technology, recovery, accounts, planning and development, general administration, inspection and personnel.

In October 2008, Shri Vedi was re-appointed as Executive Director of Punjab & Sind Bank and subsequently appointed as its Chairman and Managing Director on 26<sup>th</sup> August 2009 by the Government of India. During his tenure the bank achieved an unprecedented year on year growth of more than 35 per cent in its business levels against the industry average of around 20 per cent.

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

He joined the NHPC board on 08.11.2011.

## DIRECTORS' PROFILE



### **Shri Arun Kumar Mago, Independent Director**

DIN No. 01624833

Shri Arun Kumar Mago (68 years), holds a Master's degree in Physics and an M. Phil. degree in Social Sciences. He also holds diplomas in Management and Public Finance from Paris and in Public Administration from Delhi.

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

A former Chairman of the Maharashtra State Electricity Board and the Mumbai Port Trust, Shri Mago has also been the Managing Director of Maharashtra Petro Chemicals Corporation and the Commissioner of Food and Drug Administration. He was also on the Board in M/s Yes Bank as independent director and a public Representative Director at the Inter-Connected Stock Exchange of India. He is a part time director in Yes Securities limited.

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

### **Shri R. Jeyaseelan, Independent Director**

DIN No. 02143850

Shri R. Jeyaseelan (67 years), has a B.E. (Civil Engineering) degree from the University of Madras, a M.Tech (Structural Engineering) degree from IIT (Madras) and a P.G. diploma (hydro power development) from the Norwegian Technical Institute, Trondheim, Norway. He has over 43 years of experience in various facets of Water Resources Development and Management.

Shri Jeyaseelan joined the Central Water Engineering Services as Assistant Director in December 1969 after serving in various capacities for over 37 years, he served as Chairman, Central Water Commission Government of India for four years. He has handled several consultancy assignments for water resources development projects in India and abroad including Laos, Myanmar, Afghanistan, Mozambique, the Sultanate of Oman, Indonesia and Rwanda. Shri Jeyaseelan was Vice-President, International Commission on Irrigation and Drainage (ICID), Chairman, Water Resources Division Council, BIS, visiting faculty at the United Nations University in Tokyo, Japan and member of Task Force on Infrastructure Development of National Commission on Centre State Relationship. He has contributed about 25 technical papers and delivered several lectures in various fora.

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

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



### **Shri Ashoke Kumar Dutta, Independent Director**

DIN No. 00045170

Shri Ashoke Kumar Dutta (66 years), was the founding Dean of the Business School at IIT Kharagpur. Shri Dutta after successfully leading the oldest business school in India, the Indian Institute for Social Welfare & Business Management retired as Director, Indian Institute of Management (IIM), Shillong in Meghalaya. Presently, Shri Dutta is an Advisor to the Institute of Health Management and Research and Consulting Professor at Ocean University of China.

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

Currently a member of the Central Direct Tax Advisory Council, Professor Dutta has been an advisor to a large number of business groups like the Mittals of Ispat, Jwahars of the Usha Martin Group, S. K. Bajoria of the McLeod's Group, Peerless and Selvel. He is currently serving on the boards of Khadims India Ltd. and ABC India Ltd. and is the Chairman of All Indian Technologies Ltd. He serves on many expert committees of the University Grants Commission, All India Council of Technical Education and the Government of India. Professor Dutta is a trustee for the third term in DeSales University, USA. He is also a member of the Executive Council, Assam University and Board of Governors of the Institute of Engineering and Management (IEM), a member of the society at IIM Lucknow and a member of the Central Direct Taxes Advisory Council chaired by the Finance Minister.

He joined NHPC board on 30.03.2012.



## DIRECTORS' PROFILE



### **Shri Atul Kumar Garg, Independent Director**

DIN No. 02281287

Shri Atul Kumar Garg (63 years), holds a Post Graduate degree in Political science, Modern history and has also done his MBA from the University of Hull, UK. Shri Garg joined the Indian Administrative Service in 1976 and was allotted the Rajasthan cadre. He was associated with the Government of Rajasthan in various capacities including as the Chairman and Managing Director of Rajasthan Financial Corporation, Secretary to the Governor of Rajasthan and Secretary/Special Secretary to the Department of Agriculture, Government of Rajasthan.

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

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

### **Shri Shantikam Hazarika, Independent Director**

DIN No. 00523656

Shri Shantikam Hazarika (65 years), is graduate from BITS, Pilani and holds a post graduate diploma from IIM Ahmedabad and is currently the Chairman of the Board of Secondary Education, Assam. Shri Hazarika is also serving in various other organizations. Among his present diverse responsibilities are being a Member of the Management Council of Dr. B. Barooah Cancer Institute and a Member of the Assam State Council/NE Council, CII and the Director, Federation of Industries and Commerce of the North East region (FINER) and Director, Assam State Electronics Development Corporation.



Shri Hazarika is the Founder Director of the Assam Institute of Management, Guwahati and a post that he has served for 22 years. He was also the Senior Executive of Oil India Limited, Duliajan, Assam and a Member (Finance) of the Assam State Electricity Board. Before joining the NHPC Board, Shri Hazarika was also a Member of the Assam State Pay Commission, and Chairman of the Guwahati Stock Exchange Ltd. He was an Independent Director with Hindustan Copper Ltd. Shri Hazarika's other experience includes being the Director of the Assam Power Distribution Company Ltd., Premier Cryogenics Ltd. and independent director in the North Eastern Electrical Power Corporation Ltd. He joined NHPC Board on 24.05.12.



### **Shri A. Gopalakrishnan, Independent Director**

DIN No. 02880344

Shri A. Gopalakrishnan (61 years), is a Chartered Accountant and a Senior Partner in one of the oldest and most reputed firms of chartered accountants, M/s K. Ventkatachalam Aiyer and Co. headquartered in Thiruvananthapuram. Shri Gopalakrishnan secured 13<sup>th</sup> rank at the all-India level in the CA final examination held in May 1974 and 36<sup>th</sup> rank in the CA intermediate examination held in May 1973.

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

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

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

## DIRECTORS' REPORT

To the Members,  
NHPC Limited,

As Directors, we take immense pleasure in presenting the 37<sup>th</sup> Annual Report of your Company for the financial year ended on 31<sup>st</sup> March, 2013. The report includes highlights of company's key performance areas pertaining to 2012-2013, along with the Audited Statement of Accounts, Auditors' Report, and Review of Accounts by the Comptroller & Auditor General of India.

### 1. FINANCIAL RESULTS

The financial results for the year ended 31<sup>st</sup> March, 2013 are summarized in Table 1.

**Table 1 Financial Highlights**

(₹ in crore)

Particulars	2012-13	2011-12
Sales	5049.13	5509.65
Profit before Depreciation, Interest and Tax	4556.80	4749.00
Depreciation	969.29	893.86
Profit after Depreciation but before Interest and Tax	3587.51	3855.14
Interest and Finance charges	385.38	338.10
Profit after Depreciation and Interest but before Tax	3202.13	3517.04
Tax	853.91	745.27
Profit after Depreciation, Interest and Tax	2348.22	2771.77
Surplus of Statement of Profit and Loss of earlier years	5963.10	4336.18
Amount written back from Bond Redemption Reserve	14.25	14.25
Amount written back from Self-Insurance Reserve	0.92	-
Tax on Dividend—written back	4.88	3.25
Balance available for appropriation	8331.37	7125.45
<b>APPROPRIATIONS</b>		
Transfer to Bond Redemption Reserve	249.17	129.13
Transfer to Self-Insurance Fund	48.84	32.48
Transfer to CSR Reserve	23.50	-
Proposed Final Dividend	738.05	861.06*
Tax on Proposed Dividend	125.43	139.68
<b>Balance carried over to Reserves and Surplus</b>	<b>7146.38</b>	<b>5963.10</b>

\* including rounding off difference of ₹ 0.01 crore of last year.

### 2. POWER GENERATION

During the year 2012-13, NHPC achieved "Excellent" rating for exceeding its annual Memorandum of Understanding (MoU) target by generating 18,162 MUs of power as against the target of 18,107 MUs through 12 existing operating Power Stations located in different parts of the country. Apart from the above, 761 MUs were also generated from new projects commissioned during 2012-13.

Chutak Power Station and Chamera-III Power Station were declared commercially operational during the year 2012-13. Three units of TLDP III (West Bengal) each 33 MW have been commissioned in 2012-13. Further, two units of Nimmo Bazgo HE project (Jammu and Kashmir) have been commissioned at partial load.

### 3. PROPOSED DIVIDEND

Your Directors have recommended a dividend of Re. 0.60 per share (excluding dividend tax) for the year 2012-13. The dividend will be paid after your approval at the forthcoming Annual General Meeting. On approval, the total dividend payout for the year will amount to ₹ 738.04 crore.

### 4. CAPITAL STRUCTURE AND NET WORTH

Your Company's paid-up capital remained at ₹12,300.74 crore during the year. The net-worth of the Company increased to ₹ 27,840.50 crore as on 31<sup>st</sup> March, 2013 as against ₹ 26,353.53 crore at the end of previous year.

### 5. STATUS OF ONGOING PROJECTS

During the year 2012-13, your Company had to face many challenges like geological obstacles, natural calamities and local problems. Despite these challenges, the construction activities are progressing satisfactorily and projects are at various stages of completion. During the year 2012-13, your Company was engaged in the construction of 10 hydroelectric projects with an installed capacity of 4,502 MW as per the details given in Table 2.



**Table 2: Details of hydroelectric projects under construction during 2012-13.**

Name of the Hydroelectric Project	State	Proposed Installed Capacity (MW)
Chamera-III*	Himachal Pradesh	231
Chutak**	Jammu and Kashmir	44
Teesta Low Dam III***	West Bengal	132
Uri II	Jammu and Kashmir	240
Teesta Low Dam IV	West Bengal	160
Nimmo Bazgo****	Jammu and Kashmir	45
Parbati III	Himachal Pradesh	520
Parbati II	Himachal Pradesh	800
Subansiri Lower	Assam/ Arunachal Pradesh	2,000
Kishanganga	Jammu and Kashmir	330
<b>Total</b>		<b>4,502</b>

\* Chamera-III (231MW) in Himachal Pradesh has been commissioned in July, 2012.

\*\* Chutak (44MW) in Jammu and Kashmir has been commissioned in January, 2013.

\*\*\* Out of four units of Teesta Low Dam III HEP (132 MW) in West Bengal, three units (99 MW) have been commissioned in March, 2013 and fourth unit also put on commercial operation in May, 2013

\*\*\*\*Out of total three units of Nimmo Bazgo HEP (3X15MW) in Jammu and Kashmir, two units have been commissioned at partial load during the Financial Year 2012-13.

The works at Subansiri Lower H.E Project (2000MW) in Arunachal Pradesh have suffered a temporary setback due to local agitation since 16<sup>th</sup> Dec, 2011 and at present the works of the project are unable to be continued. Since Dec'11 at Parbati II H.E Project, the contract for excavation of headrace tunnel was terminated and fresh tender has already been floated to engage a new contractor.

## 6. COMMERCIAL PERFORMANCE

Your Company's commercial performance during the year 2012-13 was satisfactory. The sales realization during the year was ₹ 5,369 crore as against ₹ 4,415 crore in the previous year. The bills amounting to ₹ 5,184 crore (including arrear bills of ₹ 1,055 crore against revision of tariff, water usage charges, tax etc. for the previous years) were raised as against the bills of ₹ 6,101 crore in the previous year. Revised tariff order against review petitions for the period 2009-14 have been issued by Central Electricity Regulatory Commission (CERC) in respect of eight operating power stations.

The outstanding dues pending for more than sixty days as on 31.03.2013 were ₹ 830 crores as against ₹ 1,176 crores on 31.03.2012. Your company has made all out efforts, including regulation of power supply to the defaulting utilities, to recover the outstanding dues. As a result, most of the Beneficiary States are liquidating their dues regularly as per liquidation plan.

During the year 2012-13, the Ministry of Power, Government of India has conveyed its approval to NHPC for payment of outstanding receivable of ₹ 120.81 crore pertaining to M/s Delhi Transco Limited (erstwhile DESU) alongwith an interest of ₹ 240.01 crore, which is likely to be received shortly.

CERC has amended its regulation to enhance the base rate for Return on Equity (ROE) (pre-tax) from 15.5 % to 16.5% in case of storage type generating stations including pumped storage hydro generating stations and run of river generating station with pondage.

These regulations came into effect from the date of their publication in the Official Gazette i.e 31.12.2012.

## 7. PROJECT MANAGEMENT

Technology is extensively used to monitor the progress of different ongoing projects. Online Project Monitoring Centre has been set up at Corporate Office to facilitate video conferencing and provide live video feeds from cameras installed at strategic locations at sites of projects under construction.

## 8. NEW SCHEMES

Electricity plays an important role in the growth of an economy. Shortage of coal and other fossil fuel has tilted its focus on the environment friendly Hydro Power. Your Company is currently implementing the growth plan to enhance its power generation capacity. Details of projects awaiting clearance and approval are given in Table 3.

**Table 3: Projects in the Clearance/Approval Stage:**

**UNDER NHPC STAND ALONE**

S. No.	Name of the project	Capacity ( MW )
1	Kotli Bhel I-A, Uttarakhand	195
2	Teesta-IV, Sikkim	520
3	Dibang, Arunachal Pradesh	3,000
4	Tawang-I, Arunachal Pradesh	600
5	Tawang-II, Arunachal Pradesh	800
	<b>Total</b>	<b>5,115 MW</b>

**PROJECT TO BE EXECUTED THROUGH JOINT VENTURES**

6	Loktak Downstream, Manipur	66
7	Pakal Dul and others, Jammu and Kashmir	2,120
8	Tipaimukh, Manipur	1,500
	<b>Total</b>	<b>3,686 MW</b>
	<b>Grand Total</b>	<b>8,801 MW</b>

Detailed Project Reports (DPRs) for all these projects have already been prepared and a majority has been approved by the competent authority. Environmental and Forest Clearances are awaited for some of these projects. Construction activities will start on getting the necessary approvals.

Loktak Downstream Hydroelectric Project in Manipur, Joint Venture Company (JVC) has already been incorporated with State Government for execution of Loktak Downstream Project . In respect of projects for execution in Jammu and Kashmir, the JVC namely M/s Chenab Valley Power Projects (Private) Limited has also been incorporated.

Further, a Memorandum of Understanding (MoU) and Promoter's Agreement for setting up a Joint Venture Company amongst NHPC Limited, SJVN Limited and Government of Manipur for implementation of Tipaimukh Project was also signed in 2011. However, the Competent Authority has now approved to induct NEEPCO in place of SJVN in the proposed Joint Venture, as JV partner. Accordingly formation of JVC amongst NHPC, NEEPCO and Government of Manipur is in progress.

Status of various activities in NHDC in Madhya Pradesh, Loktak Downstream Hydroelectric Corporation Limited in Manipur and Chenab Valley Power Projects (Private) Limited in Jammu & Kashmir have been discussed in the Management Discussion and Analysis Report and Corporate Governance Report.

In addition to above, Ministry of Environment and Forests (MOEF) has declined permission for diversion of forest land to two projects namely Kotli Bhel Stage-IB (320 MW) and Kotli Bhel Stage-II (530 MW) in Uttarakhand (not in table). Further, environment clearance accorded to Kotli Bhel-IB was also withdrawn by MOEF subsequent to which NHPC has filed a civil appeal before the Hon'ble Supreme Court of India.

## 9. PROJECTS UNDER (DPR / FR) PREPARATION

Preparation of Detailed Project Reports (DPRs), Feasibility Reports (FRs) and Survey & Investigation for the projects are in process, and are mentioned in Table 4.

**Table 4: DPRs, FRs and Survey and Investigation**

S. No.	Projects	Capacity (MW)
1	Bursar, J&K	1,020
2	Dhauliganga Intermediate, Uttrakhand*	210
3	Goriganga IIIA, Uttrakhand*	120
	<b>Total</b>	<b>1,350 MW</b>

\* Implementation Agreement has been signed on 23.01.2013 between NHPC & Govt. of Uttrakhand.

In addition to above, attempts are being made to develop Dulhasti Stage –II (350MW) in Jammu and Kashmir.

## 10. CONSULTANCY AND BUSINESS DEVELOPMENT SERVICES

Based on Company's varied expertise and experience acquired over the years, NHPC offers consultancy services in various fields of Hydropower worldwide, such as river basin studies, survey works, design and engineering, geological studies, geo-technical studies, hydraulic transient studies, hydrological studies, contract management, construction management, equipment planning, underground construction, testing, commissioning, operation and maintenance etc. to the leading organizations globally.

Major assignments include, consultancy services to Central and State Government agencies in India and neighbouring countries like Bhutan, Myanmar and Tajikistan.

NHPC has successfully completed eighty four assignments and seventeen are in progress.



## 11. GLOBAL INITIATIVES

During the Year 2012-13, your Company has made continued efforts towards new global initiatives to achieve its long term strategic objectives. Major foreign assignments completed / in progress during the year 2012-13 are as under:

- Pre-feasibility Report (PFR) for Kuri Gongri Basin Project was submitted to Royal Government of Bhutan/ Govt. of India in July, 2012.
- Design and Engineering Consultancy is being offered by NHPC Limited for implementation of Mangdechhu HE Project (720 MW) in Bhutan to Mangdechhu Hydroelectric Project Authority (MHPA)
- The work related to Renovation, Modernisation and Uprating (RMU) of the Varzob-I HE Project in Tajikistan have been completed within scheduled time frame. The project was executed under a Tripartite Agreement signed amongst MEA, BHEL and NHPC.
- Technical Due Diligence Study of Shiroro Hydroelectric Power Station in Nigeria for M/s Dangote Industries Limited was carried out by NHPC Limited.
- In association with PGCIL and BSES Rajdhani an agreement has been signed for providing management consultancy to Ethiopia Electric Power Company (EEPCO).

## 12. RGGVY - RURAL ELECTRIFICATION (RE) PROJECTS

Your Company is implementing rural electrification projects under the Rajiv Gandhi Gramin Vidyutikaran Yojana (RGGVY) in twenty seven districts of five states, namely West Bengal, Bihar, Jammu and Kashmir, Chhattisgarh and Odisha. The estimated cost of the projects is approximately ₹ 2,837 crore.

Under the scheme, NHPC will undertake electrification of 9,310 Un-electrified and De-electrified (UE/DE) villages, 19,939 Partially Electrified (PE) villages along with providing service connections to 20.74 lac Below Poverty Line (BPL) households.

Your Company has provided electricity to 9,119 Un-electrified/De-electrified villages, 18,076 partially electrified villages and connections to 18.33 Lac BPL households till 31<sup>st</sup> March, 2013.

## 13. RURAL ROADS PROJECT

Your Company has signed a Memorandum of Understanding (MoU) with the Ministry of Rural Development, Government of India and Government of Bihar for construction of rural roads in six districts of Bihar under the Pradhan Mantri Gram Sadak Yojana (PMGSY). As per the MoU, NHPC will have responsibility to maintain these roads for five years.

Work on 692 roads covering 2990.14 km have been completed till 31<sup>st</sup> March, 2013 against the contracts awarded for 758 roads covering 3,228.82 km at a cost of ₹ 1,728.61 crore.

## 14. INFORMATION TECHNOLOGY AND COMMUNICATION

The Information Technology and Communication infrastructure was upgraded in over fifty four locations. All the sites are now connected with the Corporate Office through multi-mode, fail-safe communication links using MPLS-VPN/VSAT- KuBand / Broadband technologies.

NHPC has presently co-located key servers at TIER-III Data Centre of NICS (A Government of India Enterprise) at Delhi. Disaster Recovery (DR) site has also commenced its operations through its Regional Office at Kolkata.

A policy framework has been created to manage the Information Technology (IT) systems to ensure optimum and secure utilization of the assets owned by NHPC.

A host of software applications has been implemented covering key business functions and providing services like Internet, Intranet, Email, Voice, Video Conferencing, Web-casting, Desktop virtualization etc. leveraging the IT and Communication Infrastructure.

Your Company has successfully reduced paper consumption, achieved standardization of data and accuracy of information to a large extent with well planned Information Technology facilities.

SAHAJ SEWA portal has been upgraded and improved to make it employee friendly so that users can have easy access to their personal information etc.

During the year, as per Government directives, the procurement process through Electronic Tender System has been successfully implemented.

## 15. TRAINING AND HUMAN RESOURCE DEVELOPMENT

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

The training programs are initiated to develop and groom internal talent through multidisciplinary programmes internally and externally.

Besides conducting in-house training workshops, the company also organizes training programs in collaboration with the leading and reputed educational Institutes like, IIMs/XLRIs/IITs etc. by way of strategic alliance to facilitate advance management and leadership development programmes for its employees.

## 16. EMPLOYEE RELATIONS

During the year, industrial relations remained cordial and harmonious at all NHPC projects/stations/units .

## 17. RESEARCH & DEVELOPMENT

Your Company attaches special attention to Research and Development (R&D) activities to introduce innovations and improvements in its areas of operations. Specific areas in which Research and Development was carried out include:

- Research and Development (R&D) techniques developed in-house to overcome the problem of seepage in reservoirs and structures.
- Development of a Hard Coating Facility for which DPR has been prepared.
- Computational fluid dynamics of water flowing through the penstocks to implement and suggest remedial measures to stop seepage in existing dams and preventive measures in dams under construction.
- A National Perspective Plan (NPP) prepared for Research and Development projects-‘Development of Silt Erosion Resistant Material for Turbine of Hydro Generators’.
- Undertaking National Perspective Plan (NPP) projects sponsored by CPRI for carrying out Research and Development (R&D) in ‘Tunneling in water charged zones under high hydrostatic pressure’.

## 18. REHABILITATION AND RESETTLEMENT

NHPC has formulated its own Rehabilitation and Resettlement (R&R) policy in line with the National Rehabilitation and Resettlement Policy (NRRP), 2007 after consultation with various stakeholders.

The policy offers benefits in addition to those proposed in NRRP, 2007. Your Company’s policy aims to address the issues like loss of land, houses, other resources, and means of livelihood or social support systems, that the Project Affected Families (PAFs) may suffer as a result of construction of projects.

Economic sustenance of Project Affected Families (PAFs) is treated with a great level of concern. As provided in the NHPC’s Rehabilitation and Resettlement (R&R) Policy, up to 0.75 percent of the hard cost of a project is kept aside for Community and Social Development Plan (CSDP) towards implementation in the resettlement zone and affected areas.

Further, to implement NHPC’s Rehabilitation and Resettlement (R&R) Policy in its true spirit, an Operational Manual for effective implementation of various Rehabilitation and Resettlement activities has been formulated.

## 19. FINANCING OF NEW PROJECTS

As per the Central Electricity Regulatory Commission’s guidelines, for the purposes of tariff fixation, the financing of the project is to be considered of in 70:30 Debt Equity Ratio.

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

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

## 20. VIGILANCE ACTIVITIES

NHPC’s Vigilance Division at the Corporate Office has been granted ISO 9001:2008 Certification for implementing Quality Management System by M/s BIS (Bureau of Indian Standard). The entire process has been documented and system of monitoring of vigilance complaints and disciplinary cases have been implemented to avoid delays.

Routine and surprise inspections are conducted by the Vigilance department from time to time. Actionable points identified by Project Vigilance Officers are intimated to Project Head to take necessary steps for corrections.

Intensive examinations of works are also carried out by Chief Technical Examiner (CTE) of the Central Vigilance Commission (CVC) from time to time.

Integrity Pact has been implemented in the company successfully for works of the value of ₹ 15 crores and more and for procurement of goods and services of the value of ₹ 25 lacs and more based on the CVC guidelines.

As a part of a transparent procurement system and in compliance with guidelines issued from MOP and CVC, NHPC has opted for E-procurement solutions in the organization for major procurements. Emphasis has been laid for preventive vigilance by issuing circulars and guidelines based upon inspection/intensive examinations.

Various Vigilance Awareness Programmes were organized to promote transparency, work culture and ethics in the prevailing system. Your Company also conducted a workshop for Vigilance Officers.

## 21. IMPLEMENTATION OF THE FRAUD PREVENTION POLICY

NHPC has formulated a Fraud Prevention Policy in order to carry out its operations with honesty and drive the country towards growth.

## 22. OFFICIAL LANGUAGE IMPLEMENTATION

Your Company complied with the provisions and rules of the Official Language Act during the year. Efforts were made to improve the progressive use of official language in accordance with the policy of the Government of India.



The Parliament sub-committee on official language carried out inspections in Teesta Low Dam-IV and Parbati – II H.E Project and appreciated its implementation. Rajbhasha inspections were conducted in the departments of the Corporate Office and at power stations/projects/regional offices.

Regular quarterly meetings of the Official Language Implementation Committee were organized in the Corporate Office where progress of use of Hindi was reviewed in the presence of Directors. Many initiatives were taken to promote official language like organizing Official language Conference, Hindi Fortnight, Regional Rajbhasha Sammelan, All India Kavi Sammelan, Hindi Kavya Path and Bhashan Pratiyogita, Hindi 'Pustak Pathan Saptah, Hindi Kavya Goshthi etc. Rajbhasha magazine titled '**Rajbhasha Jyoti**' was also released by the Directors.

During this period thirty one workshops were organized in the Corporate Office and employees were given training of Hindi Language and computer typing. Various incentive schemes were introduced to encourage the use of Hindi within the Company.

NHPC has also received the Rajbhasha Shield and Citation as First Prize for two consecutive years i.e. 2011-12 and 2012-13 under the **NTPC Rajbhasha Shield Yojna** for carrying out outstanding work towards implementation of Rajbhasha among Power Sectors. NHPC has been conferred with Second Prize under the "**Indira Gandhi Rajbhasha Shield Yojna**" by the Government of India for the year 2010-11 and the award was received from the Hon'ble President of India, **Shri Pranab Mukherjee**. This is the highest award of Government of India for Rajbhasha.

### 23. PR INITIATIVES/AWARENESS ACTIVITIES

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

Image building efforts initiated by NHPC include participation in exhibitions organized by different agencies at different levels and screening of films created to showcase developmental activities of the Company to a varied sections of audience. NHPC also conducted and participated in sports activities under the aegis of the Power Sports Control Board, Ministry of Power from time to time.

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

### 24. AWARDS AND RECOGNITION

The excellent initiatives taken by the Company and employees has won laurels and appreciation from several quarters during the year 2012-2013. Some of these awards are mentioned herewith:

- **IPE Corporate Governance Award:** NHPC has been conferred with the 'IPE Corporate Governance Award' for exemplary initiatives in the area of Corporate Social Responsibility (CSR) by Institute of Public Enterprise (IPE) on 28<sup>th</sup> Nov, 2012.
- **First Prize for Promoting Rajbhasha:** Amongst all PSUs, NHPC was awarded First Prize for its outstanding work to promote the use of Rajbhasha, in a function at Srinagar on 24<sup>th</sup> September, 2012.
- **Winner of IPPAI Power Awards "Best Power Producer (Hydro)":** NHPC was awarded the "Best Power Producer (Hydro)" at the 13<sup>th</sup> Regulators and Policymakers Retreat 2012' function held in Goa on 24<sup>th</sup> August, 2012.
- **Performance Excellence Award:** Instituted by the Indian Institution of Industrial Engineering (IIIE), NHPC was given the award for the financial year 2010-11 in June, 2012.
- NHPC was conferred with Silver Award in Training Excellence instituted by Greentech Foundation in Association with Indian Institute of Corporate Affairs, Ministry of Corporate Affairs, Government of India.

### 25. CORPORATE GOVERNANCE

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

### 26. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

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

## 28. PARTICULARS OF EMPLOYEES

In compliance with Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended from time to time, the prescribed information is set out in **Annexure – V** and forms part of the Directors' Report. This information is also available on NHPC's website at www.nhpcindia.com. The Company (excluding Joint Ventures and Subsidiaries) had 10,418 employees as on 31<sup>st</sup> March 2013. 2 employees employed throughout the year were in receipt of remuneration of more than ₹ 60 lakh per annum and 55 employees employed for a part of the year were in receipt of remuneration of more than ₹ 5 lakh per month.

## 29. BUSINESS RESPONSIBILITY REPORT

In compliance with Clause 55 of Listing Agreement, a separate section on Business Responsibility Report has been included and is given in **Annexure – VI**.

## 30. SUSTAINABLE DEVELOPMENT AT NHPC

As stipulated under DPE Guidelines on Sustainable Development, a separate chapter on Sustainable Development at NHPC has been given in **Annexure – VII**.

## 31. CORPORATE SOCIAL RESPONSIBILITY

Ethically and socially motivated NHPC has contributed towards the economic development of the society at large and towards improving the quality of life of internal as well as external stakeholders. NHPC has well defined CSR and Sustainable Development policy in line with Department of Public Enterprises Guidelines. A number of community development initiatives in the following areas have been undertaken:

### **Education:**

NHPC leads in front when it comes to imparting education, especially to the poor and underprivileged women.

Various Skill Development and Vocational Training Programmes have been initiated to improve quality of life of people living in the surrounding areas of various Project/Power Stations.

A total of 11 (Eleven) ITI's have been adopted (five in Jammu and Kashmir, four in Uttarakhand and two in Arunachal Pradesh) through Public Private Partnership (PPP) /Vocational Training Improvement Program/Centre of Excellence Scheme (COE).

**Women empowerment:** NHPC has done a commendable job of empowering women in many ways. It grants scholarships to bright, deserving girl students belonging to economically and socially backward strata of society pursuing education in nearby government school. Your Company has started Vocational Training Centers for women to promote self employment.

Schools have been opened in the areas surrounding Project/Power Stations/Townships to ensure that students are able to pursue their academic ambitions and dreams without economic hindrances.

### **Health:**

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

Keeping women folks and children in mind, NHPC has created an infrastructure that takes care of basic amenities and facilities extended to women, from providing schools, sanitation, maternity centers around NHPC Projects, Power Stations and Townships. Your Company has taken all possible steps within its reach. These steps have brought a remarkable change in the quality of life of these people.

**Rural Sports:** Rural sports are being promoted by providing sponsorship/equipments and other facilities.

## 32. RIGHT TO INFORMATION ACT, 2005

In compliance with the provisions of the Right to Information Act, 2005, NHPC published various documents/records on its website during the year under review.

Assistant Public Information Officers were appointed at each of the power stations/projects/regional offices/units to facilitate nationwide access to this information.

## 33. STATUTORY AUDITORS

The Statutory Auditors of NHPC are appointed by the Comptroller and Auditor General of India. M/s S. N. Nanda and Co., Delhi, M/s Singhi and Co., Kolkata, M/s Baweja and Kaul, Jammu and M/s Tiwari and Associates, Delhi were appointed as Joint Statutory Auditors for the financial year 2012-13.

## 34. AUDITORS' REPORT

The Auditors' Report refers to various notes incorporated by the Company in Note no. 30, which are self-explanatory. The report of the Statutory Auditors along with management reply is given in **Annexure – VIII**. The comments of the Comptroller and Auditor General of India is given in **Annexure - IX**. The Consolidated Financial Statement of the Company along with the Statutory Auditors' Report is given in **Annexure - X**.

**35. COST AUDITORS**

In accordance with the Cost Accounting Records (Electricity Industry) Rules, 2001, cost accounts are being maintained by all Power Stations of the Company since 2002-03. The cost audit of records for 2012-13 is under process. The following firms of Cost Auditors were appointed to conduct an audit of Cost Accounting Records as indicated against the name of respective Power Station for the financial year 2012-13 under Section 233-B of the Companies Act, 1956:

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

The Cost Audit Report for the financial year 2011-12 was filed as consolidated one by M/s Krishan Singh Berk, Lead Cost Auditor on 28<sup>th</sup> December, 2012. The due date for filing the same was 31<sup>st</sup> December, 2012. The details of Cost Audit Firms for which Cost Audit Report for the financial year 2011-12 was filed are given below:

S. No.	Power Station	Name of Cost Auditor	Membership No.	Address
1.	Uri-I	M/s Ramanath Iyer and Co.	13848	BL-4, Paschmi, Shalimar Bagh – 110 088, New Delhi
2.	Dulhasti	M/s Ramanath Iyer and Co.	13848	BL-4, Paschmi, Shalimar Bagh – 110 088, New Delhi
3.	Salal	M/s R.J. Goel and Co.	56	31, Community Centre, Ashok Vihar, Phase – 1, New Delhi – 110 052
4.	Chamera-I	M/s R.M. Bansal and Co.	3323	A-201, Twin Towers, Lakhn Pur, Kanpur, Uttar Pradesh - 208024
5.	Bairasiul	M/s Krishan Singh Berk	2724	365, Sector-15, Faridabad – 121 007 (Haryana)
6.	Chamera-II	M/s Krishan Singh Berk	2724	365, Sector-15, Faridabad – 121 007 (Haryana)
7.	Loktak	M/s R.J. Goel and Co.	56	31, Community Centre, Ashok Vihar, Phase – 1, New Delhi – 110 052
8.	Rangit	M/s D. Dutt and Associates	11633	58, Creek Row, Kolkata – 700014
9.	Teesta-V	M/s D. Dutt and Associates	11633	58, Creek Row, Kolkata – 700014
10.	Dhauliganga	M/s Chandra Wadhwa and Co.	6797	204, Krishna House, 4805/24, Bharat Ram Road, Daryaganj – 110 002, New Delhi
11.	Tanakpur	M/s Chandra Wadhwa and Co.	6797	204, Krishna House, 4805/24, Bharat Ram Road, Daryaganj – 110 002, New Delhi
12.	Sewa-II	M/s R.M. Bansal and Co.	3323	A-201, Twin Towers, Lakhn Pur, Kanpur, Uttar Pradesh - 208024

**36. CONSOLIDATED FINANCIAL STATEMENTS**

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

**37. SUBSIDIARY COMPANIES**

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

M/s Chenab Valley Power Projects Private Limited became a subsidiary by virtue of NHPC holding more than 50% of its Paid-up Equity Share Capital as on 31.3.2013. The details are also stated in Management Discussion Analysis Report.

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

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

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

### 38. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

### 39. RECENT HAPPENINGS

Due to cloud burst and unprecedented high flood in Uttarakhand, water has entered into the Dhauliganga Power Station (280 MW) and submerged all the system on the early hours of 17<sup>th</sup> June 2013. The generation from the plant has been stopped and efforts are being made to restore the generation at the earliest. In addition to this the water has caused damage to various ancillary structures of the project like roads, residential and non-residential buildings. The Power Station is covered under Mega All Risk Insurance Policy for Hydro power station.

### 40. BOARD OF DIRECTORS

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

Since the last report, Shri A. Gopalakrishnan has been re-appointed as Director on 10<sup>th</sup> March, 2013 subsequent to completion of his earlier tenure on 3<sup>rd</sup> December, 2012.

### 41. ACKNOWLEDGEMENTS

Your Directors would like to express their gratitude for the continued support and guidance received from different wings of the Government of India, particularly from the Ministry of Power, the Ministry of Finance, Planning Commission, Ministry of Environment and Forests, Department of Public Enterprises, Ministry of Corporate Affairs, the Central Electricity Authority and Central Water Commission as well as State Governments, the Regional and State Electricity Boards, the beneficiaries drawing power from our power stations as also our other valuable clients for consultancy assignments. Appreciations are also due to various International Financing Institutions as well as Indian Financial Institutions, Bankers, SEBI, Stock Exchanges, Lenders and Investors at large for the confidence reposed in NHPC. The Board also acknowledges and appreciates the contributions made by contactors, vendors, consultants and others for achievement of the desired goals.

Your Directors acknowledge the suggestions received from Statutory Auditors, Cost Auditors and the office of the Comptroller and Auditor General of India and are grateful for their consistent support and cooperation.

Your Directors would also like to place on record their deep and sincere appreciation for the hard work, dedication and unstinting efforts of your Company's employees to ensure that your Company reaches the pinnacle of success.

For and On behalf of the Board of Directors



**(G. Sai Prasad)**

Chairman and Managing Director  
DIN No.: 00325308

Date: 23.07.2013

Place: New Delhi

**REPORT ON CORPORATE GOVERNANCE****1. Company's Philosophy on Code of Governance**

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

As a listed entity, your Company has been complying with the requirements of Corporate Governance as stipulated in Listing Agreement and also the Guidelines on Corporate Governance issued by Department of Public Enterprises (DPE), Government of India from time to time.

**2. Board of Directors**

(i) **Size of the Board:** NHPC is a Government Company as defined under Section 617 of the Companies Act, 1956. As per Articles of Association of the Company, the strength of the Board shall not be less than four and not more than fifteen Directors, provided that the number of Independent Directors in any case shall not be less than half of the actual strength of the Board.

(ii) **Composition of the Board:** Presently, the Board comprises of the Chairman and Managing Director (CMD), Functional Directors, Government Nominee Directors and Independent Directors. As on 31<sup>st</sup> March, 2013, there were thirteen directors, of which four were whole-time Directors; two Government Nominee Directors; and seven Independent Directors. Shri G Sai Prasad, a Government Nominee Director, is holding additional charge of Chairman and Managing Director of NHPC Limited since 24<sup>th</sup> July, 2012 in addition to his duties as Joint Secretary (Hydro), Ministry of Power.

The names and categories of Directors, their attendance in Board meetings held during the year and at the last Annual General Meeting, as well as the number of Directorships and Committee (Audit Committee and Shareholders' Grievance Committee) positions as per the Listing Agreement held by them across all companies are given in Table 1.

**Table 1: Categories of Directors and the Directorships and Committee positions held by them**

Name of the Director	Board Meetings held during respective tenure of Directors	No. of Board Meetings attended	Attendance at the last AGM (held on 17.09.2012)	No. of other directorships held on 31.03.13 <sup>#</sup>		No. of Committee memberships held on 31.03.13 <sup>##</sup>	
				Public	Private	Chairman	Member
<b>Functional Directors</b>							
Shri A. B. L. Srivastava, Director (Finance)*	12	12	Yes	NIL	NIL	NIL	1
Shri D. P. Bhargava, Director (Technical)	12	11	Yes	NIL	1	NIL	NIL
Shri J. K. Sharma, Director (Projects)	12	12	Yes	NIL	1	NIL	NIL
Shri R. S. Mina, Director (Personnel)	12	12	Yes	1	NIL	NIL	NIL
<b>Government Nominee Directors</b>							
Shri G. Sai Prasad, CMD and JS (Hydro), MoP	12	12	-	5	NIL	NIL	NIL
Shri A. S. Bakshi, Chairperson, CEA	12	04	-	-	-	-	-

Name of the Director	Board Meetings held during respective tenure of Directors	No. of Board Meetings attended	Attendance at the last AGM (held on 17.09.2012)	No. of other directorships held on 31.03.13 <sup>#</sup>		No. of Committee memberships held on 31.03.13 <sup>##</sup>	
				Public	Private	Chairman	Member
<b>Independent Directors</b>							
Shri G. S. Vedi	12	12	-	2	NIL	1	2
Shri A. K. Mago	12	12	Yes	1	NIL	1	NIL
Shri R. Jeyaseelan	12	11	Yes	NIL	NIL	NIL	NIL
Shri Ashoke Kumar Dutta	12	07	-	3	1	NIL	2
Shri Atul Kumar Garg	12	12	-	NIL	NIL	NIL	1
Shri Shantikam Hazarika	10	08	Yes	1	2	1	NIL
Shri A. Gopalakrishnan**	09	08	Yes	1	NIL	NIL	1

**Note:**

\* Shri A. B. L. Srivastava held additional charge of Chairman and Managing Director in addition to his charge as Director(Finance) till 23<sup>rd</sup> July, 2012.

\*\* Shri A. Gopalakrishnan ceased to be a Director on the Board w.e.f. 3<sup>rd</sup> December, 2012 and was re-appointed on the Board w.e.f. 10<sup>th</sup> March, 2013.

# The other directorships held by the Directors as mentioned in this table exclude alternate directorships, directorships in Foreign Companies and Companies registered under Section 25 of the Companies Act, 1956.

## In line with Clause 49 of the Listing Agreement, Chairmanship/Membership of Committees include Chairmanship/ Membership of Audit Committee and Shareholders' Grievance Committee only.

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

**(iii) Age Limit and Tenure of Directors:** The age limit for the whole-time Functional Directors is sixty years. The whole-time Functional Directors are appointed for a period of five years from the date of taking charge till the date of superannuation of the incumbent, or till further instructions from the Government of India, whichever occurs earlier. Government Nominee Directors representing the Ministry of Power, Government of India, retire from the Board at the discretion of the nominating authority or on their ceasing to be officials of the Ministry of Power. Independent Directors are appointed by Government of India usually for a tenure of three years.

**(iv) Resume of Directors:** The brief resume of Directors retiring by rotation including their nature of experience in specific functional areas, names of Companies in which they hold directorship and membership/chairmanship of Committees of the Board is appended to the Notice calling the Annual General Meeting. In addition to above, brief profiles of all the Directors are provided elsewhere in this Annual Report.

**(v) Non-Executive Directors' compensation and disclosures:** The Company did not pay Sitting Fees to Government Nominee Directors. However, Independent Directors were paid Sitting Fees at the rate of Rupees fifteen thousand per meeting for attending the meetings of the Board of Directors and Committees thereof during the financial year 2012-13.



Details of payments made towards sitting fees to Independent Directors for attending meetings of the Board and different Board level Committees held during 2012-13 are given in Table 2.

**Table 2: Details of payments made as Sitting Fees to Independent Directors.**

Name of Independent Director	Sitting Fees (in ₹)*		Total (in ₹)
	Board Meeting	Committee Meetings	
Shri G. S. Vedi	1,80,000	2,85,000	4,65,000
Shri A. K. Mago	1,80,000	3,30,000	5,10,000
Shri R. Jeyaseelan	1,65,000	2,10,000	3,75,000
Shri Ashoke K. Dutta	1,05,000	75,000	1,80,000
Shri Atul Kumar Garg	1,80,000	1,50,000	3,30,000
Shri Shantikam Hazarika	1,20,000	1,50,000	2,70,000
Shri A. Gopalakrishnan	1,20,000	2,10,000	3,30,000

Note: \* The Sitting Fees include fees for all committees constituted by the Board of Directors.

Details of shares held by the Directors as on 31<sup>st</sup> March, 2013 are given in Table 3.

**Table 3: Details of shares held by Directors (as on 31<sup>st</sup> March, 2013)**

Name of Director	No. of shares held
Shri G. Sai Prasad	NIL
Shri A.B.L. Srivastava	49,875
Shri D. P. Bhargava	20,000
Shri J. K. Sharma	4,550
Shri R. S. Mina	42,000
Shri A S Bakshi	NIL
Shri G. S. Vedi	NIL
Shri A. K. Mago	NIL
Shri R. Jeyaseelan	NIL
Shri Ashoke Kumar Dutta	NIL
Shri Atul Kumar Garg	NIL
Shri Shantikam Hazarika	NIL
Shri A. Gopalakrishnan	NIL

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

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

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

- Meetings are convened by giving appropriate notice after approval of the Chairman of the Board/Committee. Detailed agenda notes, management reports and other explanatory statements are circulated in advance among the members to facilitate meaningful, informed and focused decision making during the meeting. Whenever urgent issues need to be addressed, meetings are called at a shorter notice or resolutions are passed by circulation.
- Whenever it is not possible to attach a document to the agenda notes due to its confidential nature, or in special and exceptional circumstances, or in case of additional or supplemental items, such documents are placed on the table during the meeting.
- Agenda papers are circulated after obtaining approval of the concerned Functional Directors/CMD.
- The meetings are held at the Company Offices in Faridabad or in New Delhi.
- As and when required, presentations are made in the Board/Committee meetings on matters related to Finance, Operations, Human Resources, etc. to enable the members to take informed decisions.

- Members of the Board have complete access to the information pertaining to the Company. Board/Committee members are also free to recommend any issue that they may consider important for inclusion in the agenda. Senior management officials are called during the meeting to provide additional inputs on the matters being discussed by the Board/Committee as and when necessary.
- (C) Recording of the Minutes of the Board/Committee Meetings:** Minutes of the proceedings of each Board/Committee Meeting are duly recorded in the Minutes Book. The minutes of each Board Meeting are circulated amongst the Members for their confirmation in the next meeting of Board of Directors.
- (D) Follow-up Mechanism:** Based on the guidelines laid down by the Board/Committee, an Action-Taken Report on the decisions of the Board/Committee is presented in subsequent meetings of respective Board/Committee which helps in effective follow-up, review and reporting on decisions.
- (E) Compliance:** It is our endeavor to ensure that all applicable provisions of the law, rules and guidelines are adhered to while preparation of the agenda notes. The Company ensures compliance of all applicable provisions of the Companies Act, 1956, SEBI Guidelines, Listing Agreement and other statutory requirements under different laws. The Board of Directors review the Legal Compliance Report placed before it from time to time.

The following information is regularly provided to the Board:

- Annual Operating Plans, Budgets and related updates.
- Capital Budgets and related updates.
- Quarterly Financial Results of the Company.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Fatal or serious accidents, dangerous occurrences at different locations/units.
- Major Investment, Formation of Subsidiaries, Joint Ventures and Strategic Alliances.
- Disclosure of interest by the Directors about their Directorships and committee positions held by them in other Companies/Firms, etc.
- Details of Joint Ventures/collaboration agreements, etc.
- Awarding of large contracts.
- Quarterly information with respect to purchases/works/contracts awarded on nomination basis.
- Other items in accordance with the law and Department of Public Enterprises Guidelines.

Twelve meetings of the Board of Directors were held during the year 2012-13. At least one Board meeting was held every three months and the maximum time interval between two meetings did not exceed three months. Details of the Board meetings held during 2012-13 are given in Table 4.

**Table 4: Board meetings held during the year 2012-13**

S. No.	Board Meeting Number	Board Meeting Date	Board Strength	No. of Directors Present
1.	345	10 <sup>th</sup> April, 2012	12	11
2.	346	4 <sup>th</sup> May, 2012	12	12
3.	347	25 <sup>th</sup> May, 2012	13	12
4.	348	6 <sup>th</sup> July, 2012	13	10
5.	349	7 <sup>th</sup> August, 2012	13	11
6.	350	31 <sup>st</sup> August, 2012	13	11
7.	351	26 <sup>th</sup> September, 2012	13	10
8.	352	20 <sup>th</sup> October, 2012	13	12
9.	353	31 <sup>st</sup> October, 2012	13	11
10.	354	12 <sup>th</sup> December, 2012	12	11
11.	355	5 <sup>th</sup> January, 2013	12	11
12.	356	5 <sup>th</sup> February, 2013	12	11



**(vii) Code of Conduct:** The Company is committed to conduct its business in accordance with the highest standards of business ethics and comply with all applicable laws, rules and regulations. It is hereby confirmed that the Code of Business Conduct and Ethics for Board Members and Senior Management Personnel was circulated amongst all concerned and complied with during the year 2012-13.

**Declaration as required under Clause 49 of Listing Agreement and DPE Guidelines on Corporate Governance**

All the members of the Board and Senior Management Personnel have affirmed compliance to the Code of Conduct for the financial year ending 31<sup>st</sup> March, 2013.

**(G. Sai Prasad)**

Chairman & Managing Director

DIN No: 00325308

Date: 4<sup>th</sup> June, 2013

Place: New Delhi

**(viii) Policies for Preventing Fraud and Risk Management:** The Risk Management System is integrated and aligned with Corporate and Operational objectives. Risk Management is undertaken as part of normal business practice and not as a separate task at set times. The Company has separate policies for Fraud Prevention and Risk Management.

**(ix) Training of Board Members:** Whenever new Directors are appointed on the Board, they are given formal induction and orientation with respect to the Company's Vision, Strategic Direction and Core Values, including financial matters and business operations through necessary documents/brochures, reports and internal policies, to familiarize them with Company procedures and practices. A policy on training for Board Members has been formulated by NHPC Limited. The objective of this policy is to provide an opportunity to Board Level functionaries to enhance their skills in the business model of the Company including risk profile, to enable them to discharge their responsibilities more effectively. The policy is also an attempt to enrich their exposure to the best practices on Corporate Governance and Code of Business Conduct and Ethics as applicable to the Board Members.

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

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

### 3. Committees Constituted by the Board of Directors

The Board has constituted different Committees of Directors to look after various aspects of the business. The following Standing Committees were constituted by the Board:

1. Audit Committee.
2. Shareholders' Grievance Committee.
3. Committee of Directors on Contracts.
4. Remuneration Committee.
5. Committee of Directors for Allotment and Post-allotment Activities of NHPC Securities.
6. Committee of Directors for Investment of IPO Proceeds.
7. Committee of Directors for Self-Insurance Fund.
8. Committee on Corporate Social Responsibility (CSR) and Sustainability
9. Projects and Performance Review Committee

**(i) Audit Committee:**

The composition, quorum, scope, etc. of the Audit Committee is in line with the Companies Act, 1956, provisions of the Listing Agreement and Guidelines on Corporate Governance issued by Department of Public Enterprises, Govt. of India. The Committee comprised of the following members as on 31<sup>st</sup> March, 2013:

- |      |                        |                                 |
|------|------------------------|---------------------------------|
| i)   | Shri A. K. Mago        | Independent Director - Chairman |
| ii)  | Shri G. S. Vedi        | Independent Director            |
| iii) | Shri Atul Kr. Garg     | Independent Director            |
| iv)  | Shri A. Gopalakrishnan | Independent Director            |

**Meetings and Attendance:** The Committee met eleven times during the year on 2<sup>nd</sup> April 2012, 24<sup>th</sup> May 2012, 5<sup>th</sup> July 2012, 6<sup>th</sup> August 2012, 17<sup>th</sup> September 2012, 19<sup>th</sup> October 2012, 30<sup>th</sup> October 2012, 27<sup>th</sup> November 2012, 4<sup>th</sup> January 2013, 5<sup>th</sup> February 2013 and 25<sup>th</sup> March 2013 respectively. Details of the Audit Committee Meetings attended by members are given in Table 5.

**Table 5: Audit Committee meetings**

S. No.	Members of the Committee during 2012-13	Meetings held during respective tenure of members	Meetings attended
1	Shri A. Gopalakrishnan	9*	8
2	Shri A. K. Mago	11	11
3	Shri G. S. Vedi	11	11
4	Shri Atul Kr. Garg	9**	7

\*Shri A. Gopalakrishnan ceased to be member of Audit Committee on completion of his tenure as a Director w.e.f. 3<sup>rd</sup> December, 2012 and was subsequently appointed on the Audit Committee by the Board by passing Circular Resolution dated 20<sup>th</sup> March, 2013.

\*\*Shri Atul Kumar Garg was appointed on the Audit Committee by the Board in its 347<sup>th</sup> meeting held on 25<sup>th</sup> May, 2012

The Audit Committee meetings were also attended by Director (Finance), head/representatives of Internal Audit and Statutory Auditors as special invitees. The time interval between any two Audit Committee meetings has not exceeded four months during financial year 2012-13. The Company Secretary acted as the Secretary to the Committee.

**Terms of Reference of Audit Committee:** The terms of reference of the Audit Committee are as per the Companies Act, 1956, Listing Agreement as amended from time to time, and the Guidelines on Corporate Governance issued by Department of Public Enterprises, which inter-alia includes:

- 1 Oversight of the Company's Financial Reporting Process and the disclosure of its financial information to ensure that the Financial Statement is correct, sufficient and credible.
- 2 Recommending fixation of Audit Fees to the Board.
- 3 Approval for payment to Statutory Auditors towards any other services rendered by them.
- 4 Reviewing, with the management, the Annual Financial Statements before submission to the Board for approval, in particular reference to:
  - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956;
  - b) Changes, if any, in Accounting Policies and Practices and reasons for the same;
  - c) Major accounting entries involving estimates based on the exercise of judgment by the management;
  - d) Significant adjustments made in the Financial Statements arising out of audit findings;
  - e) Compliance with legal requirements related to Financial Statements;
  - f) Disclosure of any related party transactions; and
  - g) Qualifications in the Draft Audit Report.
- 5 Reviewing, Quarterly Financial Statements with the management before submission to the Board for approval.
- 6 Reviewing, with the management, performance of Internal Auditors and adequacy of the Internal Control Systems.



- 7 Reviewing the adequacy of the 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 the internal audit.
- 8 Discussion with Internal Auditors and/or Auditors on any significant findings and follow-ups thereon.
- 9 Reviewing the findings of any internal investigations by Internal Auditors/auditors/agencies where there is suspected fraud or irregularity or failure of Internal Control Systems of a material nature, and reporting the matter to the Board.
- 10 Discussions with Statutory Auditors before the Audit Commences, about the nature and scope of the audit as well as post-audit discussion to ascertain areas of concern.
- 11 To look into the reasons for substantial defaults in the payment to the Depositors, Debenture Holders, Shareholders and Creditors.
- 12 To review functioning of the Whistle Blower Mechanism.
- 13 Carrying out any other function as mentioned in the terms of reference of the Audit Committee.
- 14 To review the follow-up action on audit observations of the Comptroller & Auditor General of India (C&AG) audit.
- 15 To review the follow-up action taken on the recommendations of the Parliament's Committee on Public Undertakings (COPU).
- 16 Provide an open avenue for communication between the Independent Auditors, Internal Auditor and the Board of Directors.
- 17 Review and pre-approve all related party transactions in the company. For this purpose, the Audit Committee may designate a member who shall be responsible for pre-approving related party transactions.
- 18 Review with the Independent Auditor the coordination of audit efforts to assure completeness of coverage, reduction of redundant efforts and the effective use of all audit resources.
- 19 Consider and review the following with Independent Auditor and management:
  - The adequacy of internal controls, including Computerized Information System Controls and Security, and
  - Related findings and recommendations of the Independent Auditors and Internal Auditor, together with management responses.
- 20 Consider and review the following with management, Internal Auditor and Independent Auditors:
  - Significant findings during the year, including the status of previous audit recommendations, and
  - Any difficulties encountered during audit work, including any restrictions on the scope of activities or access to required information.

**(ii) Shareholders' Grievance Committee:**

**Composition:** The Shareholders' Grievance Committee comprised of the following members as on 31<sup>st</sup> March, 2013:

- |      |                          |                                |
|------|--------------------------|--------------------------------|
| i)   | Shri Shantikam Hazarika  | Independent Director- Chairman |
| ii)  | Shri A. B. L. Srivastava | Director (Finance)             |
| iii) | Shri Ashoke Kr. Dutta    | Independent Director           |

**Meetings and Attendance:** During the year, the committee met thrice on 20<sup>th</sup> October 2012, 5<sup>th</sup> February 2013 and 21<sup>st</sup> March 2013 respectively. Details of Shareholders' Grievance Committee Meetings attended by members are given in Table 6.

**Table 6: Shareholders' Grievance Committee meetings**

S. No.	Members of the Committee during 2012-13	Meetings held during respective tenure of members	Meetings attended
1	Shri Shantikam Hazarika	3	3
2	Shri A. B. L. Srivastava	3	3
3	Shri Ashoke Kr. Dutta	3	2

**Terms of Reference of the Committee:** The Shareholders' Grievance Committee shall have the powers to decide/ oversee the redressal of shareholders' and/or investors' complaints and/or grievances pertaining to share transfers, non-receipt of Annual Reports, dividend payments, issue of duplicate certificates, transmission (with or without legal representation) of share and miscellaneous complaints.

**Name and Designation of Compliance Officer:**

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

**Shareholders' Complaints:** During the financial year ended 31<sup>st</sup> March, 2013, the Company has attended to its shareholders' grievances expeditiously except in the cases constrained by disputes or legal impediments. The details of complaints received and resolved during the year are given in Table 7.

**Table 7: Shareholders' complaints**

Description	Opening Balance as on 1 <sup>st</sup> April, 2012	Received during the year ended on 31 <sup>st</sup> March, 2013	Resolved during the year ended on 31 <sup>st</sup> March, 2013	Pending as on 31 <sup>st</sup> March, 2013
Non-receipt of refund orders	NIL	177	177	NIL
Non-receipt of dividend warrants	NIL	2986	2986	NIL
SEBI complaints	1	132	126	7
Stock exchange complaints	NIL	17	17	NIL
Consumer forum/court cases	3	NIL	1	2
Advocate notices	NIL	NIL	NIL	NIL
<b>TOTAL</b>	<b>4</b>	<b>3312</b>	<b>3307</b>	<b>9</b>

Investor complaints shown pending as on 31<sup>st</sup> March, 2013 have been attended subsequently.

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

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

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

During the year 2012-13, Shareholders' Complaints received through SCORES have been attended to, promptly. Action Taken Reports (ATRs) on these complaints as received from Registrar and Transfer Agent have been submitted to the SEBI through SCORES in compliance with SEBI Circular No. CIR/OIAE/2/2011 dated 3<sup>rd</sup> June, 2011 and Circular No. CIR/OIAE/1/2012 dated 13<sup>th</sup> August, 2012 respectively.

**Transfer of unpaid/unclaimed amounts to Investor Education and Protection Fund:** Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 17<sup>th</sup> September, 2012 (date of Last Annual General Meeting) on the website of the Company (www.nhpcindia.com), as also on the Ministry of Corporate Affairs website.

**Number of Pending Cases for Share Transfers:** There was no share transfer request pending as on 31<sup>st</sup> March, 2013. All share transfers were complied within the time prescribed by the Stock Exchanges and certificates signed by a Practicing Company Secretary have been furnished to Stock Exchanges to this effect.

**Details of Shares Lying in the Suspense Account:**

The details of shares lying in the suspense account are given in Table 8.

**Table 8: Shares in the suspense account**

Description	No. of cases	No. of shares
Aggregate number of shareholders and outstanding shares in the Suspense Account at the beginning of the year	511	211125
Number of shareholders who approached the Company for transfer of shares from the Suspense Account during the year	50	29173
Number of shareholders to whom shares were transferred from the Suspense Account during the year	50	29173
Aggregate number of shareholders and outstanding shares in the Suspense Account at the end of the year	461	181952

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



### (iii) Committee of Directors on Contracts:

**Composition:** The Committee of Directors on Contracts comprised of the following members as on 31<sup>st</sup> March, 2013:

- |      |                          |                               |
|------|--------------------------|-------------------------------|
| i)   | Shri A. B. L. Srivastava | Director (Finance) - Chairman |
| ii)  | Shri D. P. Bhargava      | Director (Technical)          |
| iii) | Shri J. K. Sharma        | Director (Projects)           |
| iv)  | Shri R. Jeyaseelan       | Independent Director          |
| v)   | Shri Shantikam Hazarika* | Independent Director          |

\* The Board, in its 348<sup>th</sup> Meeting held on 6<sup>th</sup> July, 2012 appointed Shri Shantikam Hazarika on the above Committee.

**Meetings and Attendance:** The committee met once during the year on 17<sup>th</sup> May 2012. All the members on the date of meeting were present.

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

- Award of Letter of Intent/contracts or making commitments referred to at 5 (a) (i), (ii) and (iii) of Annexure-A of Delegation of Powers (Powers Excluded/Excepted from the Delegation of Powers to the CMD, NHPC Limited) for contract amounts exceeding Rupees hundred crore but not exceeding Rupees two hundred crore.
- Variations in quantities with respect to quantities indicated in the Bill of Quantity (BOQ) of the Contract Agreement, introduction of new item(s), substitution of one item in the BOQ by another, and deviations from the Terms of the Contract resulting cumulatively in an increase in the contract value approved by the Board by more than 25 per cent or more than ₹ 75 crore but within ₹ 200 crore, whichever is less excluding increases already built in the contract agreement due to price variation, provision for contingencies, etc. and also due to new statutory requirement or changes in existing statutory requirements.
- Payments of idle charges, hire charges and interest to contractor for delay not attributable to contractor and not covered by force majeure of value not exceeding Rupees ten crore.
- Acceptance of disputed claims of the value not exceeding Rupees ten crore.

### (iv) Remuneration Committee:

NHPC being a Central Public Sector Undertaking, the appointment, tenure and remuneration of its Directors are decided by the President of India. However, as per the provisions of DPE Guidelines on Corporate Governance, a Remuneration Committee was constituted to decide the annual bonus/variable pay pool and policy for its distribution across the Executives and Non-unionized Supervisors, within the prescribed limits. The Remuneration Committee comprised of the following members as on 31<sup>st</sup> March, 2013:

- |      |                         |                                 |
|------|-------------------------|---------------------------------|
| i)   | Shri G. S. Vedi         | Independent Director - Chairman |
| ii)  | Shri Shantikam Hazarika | Independent Director            |
| iii) | Shri Ashoke Kr. Dutta   | Independent Director            |

**Meetings and Attendance:** The Committee met five times during the year on 17<sup>th</sup> May 2012, 22<sup>nd</sup> June 2012, 6<sup>th</sup> August 2012, 17<sup>th</sup> September 2012 and 4<sup>th</sup> January 2013. Details of the meetings of the Remuneration Committee attended by the members are given in Table 9.

**Table 9: Meetings of the Remuneration Committee**

S. No.	Members of the Committee during 2012-13	Meetings held during respective tenure of members	Meetings attended
1	Shri A. Gopalakrishnan	1*	1
2	Shri R. Jeyaseelan	1*	1
3	Shri G. S. Vedi	5	5
4	Shri Shantikam Hazarika	4	4
5	Shri Ashoke Kr. Dutta	4	2

\*Shri A. Gopalakrishnan and Shri R. Jeyaseelan ceased to be members of the Remuneration Committee w.e.f. 25<sup>th</sup> May, 2012.

**Terms of reference of the Committee:**

- To recommend distribution of the Annual Bonus/Performance Related Pay (PRP) and policy for its distribution across the Board and below Board level employees.
- To examine and recommend other allowances and perks, etc. to the Board of Directors for approval.

**(v) Committee of Directors for Allotment and Post-Allotment activities of NHPC Securities:**

**Composition:** The Committee of Directors for Allotment and Post-Allotment Activities of NHPC Securities comprised of the following members as on 31<sup>st</sup> March, 2013:

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

**Meetings and Attendance:** The Committee met eighteen times during the year, on 27<sup>th</sup> April 2012, 17<sup>th</sup> May 2012, 13<sup>th</sup> June 2012, 26<sup>th</sup> June 2012, 10<sup>th</sup> July 2012, 17<sup>th</sup> July, 2012, 26<sup>th</sup> July, 2012, 8<sup>th</sup> August 2012, 28<sup>th</sup> August 2012, 11<sup>th</sup> September 2012, 5<sup>th</sup> October 2012, 22<sup>nd</sup> October 2012, 9<sup>th</sup> November 2012, 20<sup>th</sup> November 2012, 10<sup>th</sup> December, 2012, 8<sup>th</sup> January 2013, 1<sup>st</sup> March 2013 and 15<sup>th</sup> March 2013. Details of the meetings of the Committee of Directors for Allotment and Post-Allotment Activities of NHPC Securities attended by members are given in Table 10.

**Table 10: Meetings of the Committee of Directors for Allotment and Post-Allotment Activities of NHPC Securities**

S. No.	Members of the Committee during 2012-13	Meetings held during respective tenure of members	Meetings attended
1	Shri A. B. L. Srivastava	18	18
2	Shri D. P. Bhargava	18	13
3	Shri R. S. Mina	18	18

**Terms of Reference of the Committee:** The terms of reference of the Committee are as under:

1. Issue of Share Certificates;
2. Transfer and transmission of shares;
3. Re-materialization of Share Certificates;
4. Issue of Duplicate Share Certificates; and
5. Consolidation/splitting of NHPC's shares.

**(vi) Committee of Directors for Investment of IPO Proceeds:**

**Composition:** The Committee of Directors for investment of IPO proceeds comprised of the following members as on 31<sup>st</sup> March, 2013:

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

**Meetings and Attendance:** The committee met twice during the year on 11<sup>th</sup> July 2012 and 11<sup>th</sup> March 2013. Details of the meetings of the Committee of Directors for Investment of IPO Proceeds attended by members are given in Table 11.

**Table 11: Meetings of the Committee of Directors for Investment of IPO Proceeds**

S. No.	Members of the Committee during 2012-13	Meetings held during respective tenure of members	Meetings attended
1.	Shri Atul Kr. Garg	2	2
2.	Shri A. B. L. Srivastava	2	2
3.	Shri D. P. Bhargava	2	1

**(vii) Committee of Directors for Investment of Self-Insurance Fund:**

**Composition:** The Committee comprised of the following members as on 31<sup>st</sup> March, 2013:

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



**Meetings and Attendance:** The committee met once during the year on 27<sup>th</sup> November 2012. The meeting was attended by all the members except Shri J. K. Sharma.

**Terms of reference of the committee:** The Committee has been authorized to invest the amount available with the Self Insurance Fund in Government Securities, Public Sector Bonds, and time deposits with Nationalized Banks. It is also authorized to sell/realize the proceeds of such investments as deemed fit, considering the requirement of funds to compensate the losses occurred.

**(viii) Committee on Corporate Social Responsibility (CSR) and Sustainability**

In line with DPE Guidelines on CSR and Sustainability for CPSEs which stipulates for constitution of Board Level Committee headed by Chairman and/or Managing Director or an Independent Director, the Board in its 359<sup>th</sup> Meeting held on 29<sup>th</sup> June, 2013 has constituted Committee on Corporate Social Responsibility (CSR) and Sustainability headed by an Independent Director in place of existing Committee of Directors on Sustainable Development.

**Composition:** The committee was constituted with the following members:

- |      |                      |                                 |
|------|----------------------|---------------------------------|
| i)   | Shri A. K. Mago      | Independent Director – Chairman |
| ii)  | Shri D. P. Bhargava  | Director (Technical)            |
| iii) | Shri Atul Kumar Garg | Independent Director            |

The composition of committee of Directors on sustainable development at the time of its dissolution was as under:

- |      |                     |                                 |
|------|---------------------|---------------------------------|
| i)   | Shri A. K. Mago     | Independent Director - Chairman |
| ii)  | Shri D. P. Bhargava | Director (Technical)            |
| iii) | Shri J. K. Sharma   | Director (Projects)             |

**Meetings and Attendance:** The committee met thrice till its dissolution on 30<sup>th</sup> August 2012, 9<sup>th</sup> November 2012 and 25<sup>th</sup> March 2013. Details of the meeting of the Committee of Directors on Sustainable Development attended by members are given in Table 12.

**Table 12: Meetings of the Committee of Directors on Sustainable Development:**

S. No.	Members of the Committee during 2012-13	Meetings held during respective tenure of members	Meetings attended
1.	Shri A. K. Mago	3	3
2.	Shri D. P. Bhargava	3	2
3.	Shri J. K. Sharma	3	3

**(ix) Projects and Performance Review Committee:**

The Board in its 352<sup>nd</sup> meeting held on 20<sup>th</sup> October, 2012 discontinued Projects and Performance Review Committee because the progress of Projects is anyway reviewed in the Board Meeting. At the time of dissolution, the Projects and Performance Review Committee comprised of the following members:

- |      |                          |                                   |
|------|--------------------------|-----------------------------------|
| i)   | Shri R. Jeyaseelan       | Independent Director- Chairman    |
| ii)  | Shri G. Sai Prasad       | Government Nominee Director & CMD |
| iii) | Shri A. S. Bakshi        | Government Nominee Director       |
| iv)  | Shri A. B. L. Srivastava | Director (Finance)                |
| v)   | Shri. D. P. Bhargava     | Director (Technical)              |
| vi)  | Shri J. K. Sharma        | Director (Projects)               |
| vii) | Shri A. K. Mago          | Independent Director              |

**Meetings and Attendance:** The Projects and Performance Review Committee met once during the financial year 2012-13 till its discontinuation, on 22<sup>nd</sup> June, 2012. The meeting was attended by all the members except Shri G. Sai Prasad and Shri A. S. Bakshi.

**(x) Meeting of Independent Directors:** A separate meeting of Independent Directors without the presence of any Functional Directors, Government Nominee Directors and management personnel of NHPC Limited, was held on 22<sup>nd</sup> March, 2013 under the Chairmanship of Shri A. K. Mago. All the Independent Directors were present in that meeting except Shri A. Gopalakrishnan.

In addition to the above, following issue based Board Level Committees were also constituted by the Board during the Financial Year 2012-13. These Committees were subsequently dissolved on submission of their report/recommendation(s):

**(i) Committee of Directors to examine the proposed guidelines for the settlement of claims in respect of Civil Works, Electro-Mechanical Works and Hydro-Mechanical Works:**

**Composition:** This Committee was constituted by the Board in its 346<sup>th</sup> Meeting held on 4<sup>th</sup> May, 2012 comprising following members:

- |       |                     |                                 |
|-------|---------------------|---------------------------------|
| (i)   | Shri R. Jeyaseelan  | Independent Director - Chairman |
| (ii)  | Shri G. S. Vedi     | Independent Director            |
| (iii) | Shri D. P. Bhargava | Director (Technical)            |
| (iv)  | Shri J. K. Sharma   | Director (Projects)             |

In its 348<sup>th</sup> Meeting held on 6<sup>th</sup> July, 2012, the Board reconstituted the above Committee by appointing Shri A. K. Mago, Independent Director in place of Shri G. S. Vedi.

**Meetings and Attendance:** The Committee met five times during the year on 17<sup>th</sup> May, 2012, 17<sup>th</sup> July, 2012, 17<sup>th</sup> August, 2012, 30<sup>th</sup> August, 2012 and 19<sup>th</sup> October, 2012 respectively. Details of meetings of the Committee attended by members are given in Table 13.

**Table 13: Meetings of the Committee**

S. No.	Members of the Committee during its tenure	Meetings held during respective tenure of Members	Meetings attended
1	Shri R. Jeyaseelan	5	5
2	Shri G. S. Vedi	1	1
3	Shri A. K. Mago	4	4
4	Shri D. P. Bhargava	5	5
5	Shri J. K. Sharma	5	5

The Committee was dissolved subsequent to submission of its report to the Board in its 354<sup>th</sup> Meeting held on 12<sup>th</sup> December, 2012.

**(ii) Committee of Directors for review of System and Procedure in working of the Company and suggest measures for improvement:**

**Composition:** This Committee was constituted by the Board in its 347<sup>th</sup> Meeting held on 25<sup>th</sup> May, 2012 comprising following members:

- |       |                        |                                   |
|-------|------------------------|-----------------------------------|
| (i)   | Shri G. Sai Prasad     | Government Nominee Director & CMD |
| (ii)  | Shri A. Gopalakrishnan | Independent Director              |
| (iii) | Shri R. Jeyaseelan     | Independent Director              |
| (iv)  | Shri J. K. Sharma      | Director (Projects)               |
| (v)   | Shri D. P. Bhargava    | Director (Technical)              |

**Meetings and Attendance:** The Committee met thrice during the year on 8<sup>th</sup> June, 2012, 6<sup>th</sup> August, 2012 and 31<sup>st</sup> August, 2012 respectively. Details of meetings of the Committee attended by members are given in Table 14.

**Table 14: Meetings of the Committee**

S. No.	Members of the Committee during its tenure	Meetings held during respective tenure of Members	Meetings attended
1	Shri G. Sai Prasad	3	1
2	Shri A. Gopalakrishnan	3	3
3	Shri R. Jeyaseelan	3	3
4	Shri J. K. Sharma	3	2
5	Shri D. P. Bhargava	3	1

The Committee was dissolved subsequent to submission of its report to the Board in its 351<sup>st</sup> Meeting held on 26<sup>th</sup> September, 2012.



### (iii) Committee of Directors on Vigilance Matters:

**Composition:** The Committee of Directors on Vigilance Matters was constituted by the Board in its 349<sup>th</sup> meeting held on 7<sup>th</sup> August, 2012 comprising following members:

(i)	Shri R. Jeyaseelan	Independent Director
(ii)	Shri Shantikam Hazarika	Independent Director
(iii)	Shri A. K. Mago	Independent Director

Further, the Board in its 350<sup>th</sup> Meeting held on 31<sup>st</sup> August, 2012 nominated Shri R S Mina, Director (Personnel) as Member Secretary of the Committee.

**Meetings and Attendance:** The Committee met twice during the year on 12<sup>th</sup> December, 2012 and 5<sup>th</sup> February, 2013 respectively. Details of the meetings of the Committee attended by members are given in Table 15.

**Table 15: Meetings of the Committee of Directors on Vigilance Matters**

S. No.	Members of the Committee during its tenure	Meetings held during respective tenure of Members	Meetings attended
1	Shri R. Jeyaseelan	2	2
2	Shri Shantikam Hazarika	2	2
3	Shri A. K. Mago	2	2
4	Shri R. S. Mina	2	2

The Board dissolved the Committee of Directors on Vigilance Matters in its 357<sup>th</sup> meeting held on 22<sup>nd</sup> April, 2013.

### (iv) Committee of Directors on Capital Restructuring

**Composition:** This committee was constituted by the Board in its 349<sup>th</sup> meeting held on 7<sup>th</sup> August, 2012 comprising following members:

(i)	Shri A. Gopalakrishnan	Independent Director
(ii)	Shri A. B. L. Srivastava	Director (Finance)
(iii)	Shri G. S. Vedi	Independent Director

**Meetings and Attendance:** The Committee met once during the year on 31<sup>st</sup> August, 2012 which was attended by all its members.

The Committee submitted its recommendations before 352<sup>nd</sup> Board Meeting held on 20<sup>th</sup> October, 2012 and thereafter it was dissolved.

## 4. Remuneration of Directors

As already stated under the heading Remuneration Committee above, the remuneration of Functional Directors and Sitting Fees payable to Independent Directors is decided by Government of India. The Ministry of Power, Government of India has authorized the Board of Directors of the Company to determine the Sitting Fees payable to Independent Directors within the ceiling prescribed under the Companies Act, 1956. Accordingly, as per decision of the Board of Directors Sitting Fees of ₹ 15,000/- for each meeting of the Board or the Committees of the Board is being paid to Independent Directors.

Remuneration paid to Functional Directors of the company during 2012-13 is given in Table 16.

**Table 16: Remuneration of Functional Directors during 2012-13**

(In ₹)

Directors	Designation	Salary / Allowances	Benefits*	Performance Related Pay (PRP) including arrears**	Gross Total
Shri A. B. L. Srivastava	Director (Finance)	24,56,350	16,51,405	25,92,567	67,00,322
Shri D. P. Bhargava	Director (Technical)	21,56,280	24,28,139	18,13,750	63,98,169
Shri J. K. Sharma	Director (Projects)	21,05,820	12,62,172	16,99,699	50,67,691
Shri R. S. Mina	Director (Personnel)	23,77,836	10,27,647	16,49,941	50,55,424

The Performance Related Pay (PRP) paid to Functional Directors is based on the Incentive Scheme of the Company. The Company did not issue any Stock Options during the year 2012-13.

**Note:** \* Benefits include Medical Reimbursement, Leave Encashment, Perquisites, Lease Rent, EPF (MC), Pension Fund.

\*\* PRP including arrears pertains to Financial Year 2007-08, 2008-09, 2009-10 and 2010-11

Details of payments towards Sitting Fee to Independent Directors during the year 2012-13 are given in point no. 2(v) of the report.

## 5. Subsidiary Companies

- (i) **NHDC LIMITED:** NHDC Limited is a Subsidiary Company of NHPC Limited as NHPC holds 51 per cent share of the total Paid-up Equity Share Capital in it. During the year, the Minutes of the Meetings of the Board of Directors of NHDC Limited were placed before the Board of Directors of NHPC Limited. NHPC Board was apprised of the significant transactions and arrangements entered into by the Subsidiary Company at periodical intervals.

NHDC is also covered under the definition of "Material Subsidiary" as stipulated under DPE Guidelines on Corporate Governance. Shri G S VEDI, an Independent Director on the Board of NHPC Limited was appointed on the Board of NHDC Limited with effect from 16<sup>th</sup> January, 2013. Prior to his appointment, Shri A. Gopalakrishnan had been the Director on the Board of NHDC Limited up to 3<sup>rd</sup> December, 2012.

### Material Progress of NHDC Limited during Financial Year 2012-13:

- (a) **Diversification:** NHDC Limited had signed Memorandum of Understanding on 29<sup>th</sup> June, 2009 with Government of Madhya Pradesh for establishing Super Critical technology based 1320 MW (2X660 MW) Rewa Thermal Power Project (RTPP), in Khandwa district of Madhya Pradesh. Proposal for Coal Linkage is already under consideration of the Government of India. NHDC has also applied for allotment of Coal Block in its endeavor to arrange coal for Rewa Thermal Power Project. The Company is also exploring the possibility of potential sites for Wind & Solar Energy development in Madhya Pradesh.
- (b) **Other Activities:** Government of Madhya Pradesh (GoMP) has offered NHDC to execute Small & Mini Hydro power schemes in upper Narmada Basin ranging between 10 to 25 MW. The gross capacities of these schemes are anticipated to be 100 to 150 MW. The Ministry of Power, Government of India has already accorded its approval for the draft Memorandum of Understanding between NHDC & GoMP, however the final consent from GoMP is awaited.
- (ii) **LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED:** Loktak Downstream Hydroelectric Corporation Limited (LDHCL) was incorporated on 23<sup>rd</sup> October, 2009. The Company was promoted as a Joint Venture between NHPC Limited and the Government of Manipur with Equity Shareholding of 74% and 26% respectively. The Company is not a Material Subsidiary as per the Guidelines on Corporate Governance for CPSEs issued by DPE. The minutes of meetings of the Board of LDHCL were placed before the Board of NHPC Limited. Survey and confirmatory investigation work at the project is under progress. Further, the project has received Environment Clearance from Ministry of Environment and Forests (MoEF) in January, 2013.
- (iii) **CHENAB VALLEY POWER PROJECTS PRIVATE LIMITED:** Chenab Valley Power Projects Private Limited (CVPPP) was incorporated on 13<sup>th</sup> June, 2011 as a Joint Venture of NHPC Limited (49%), Jammu and Kashmir State Power Development Corporation Limited (JKSPDC) (49%) & PTC India Limited (2%) with an Authorized Share Capital of ₹ 5 crores for execution of Pakal Dul, Kiru and Kwar H.E. Projects having cumulative installed capacity of 2120 MW in Chenab River Basin. During the year 2012-13, NHPC contributed ₹ 77.55 crore towards its proportionate share in CVPPP, whereas other Joint Venture partners are yet to contribute their share which has resulted in increase in holding of NHPC Limited in CVPPP from 49% to 81.60%. As such, CVPPP has been considered as Subsidiary of NHPC Limited instead of Joint Venture as on 31<sup>st</sup> March, 2013.



## 6. GENERAL BODY MEETINGS:

The dates, times and locations of the previous three Annual General Meetings are given in Table 17.

**Table 17: Annual General Meetings**

Financial Year	Date	Time	Location
2009-10	22.09.2010	11:00 a.m.	MCF Auditorium, Faridabad, Haryana
2010-11	19.09.2011	3:30 p.m.	Magpie Tourist Resort, Sector-16A, Mathura Road, Faridabad
2011-12	17.09.2012	11:00 a.m.	MCF Auditorium, Faridabad, Haryana

No Special Resolution was passed in the previous three AGMs of NHPC Limited.

**Details of Special Resolution passed through Postal Ballot:** NHPC limited had amended its Objects Clause of Memorandum of Association by passing Special Resolution through Postal Ballot Process in the Financial Year 2012-13. The details of the Special Resolution passed through Postal Ballot Process along with voting pattern has already been incorporated and reported to Shareholders as a part of previous year's Annual Report.

## 7. Disclosures

(i) **Related Party Transactions:** There were no materially significant related party transactions having potential conflict with the interests of the Company at large during the Financial Year 2012-13. Related Party Disclosures are included in the notes forming part of the accounts as per Accounting Standard - 18 notified by the Companies (Accounting Standards) Rules, 2006.

(ii) **Disclosure Requirements as per Listing Agreement and DPE Guidelines on Corporate Governance:** The Company has adhered to the provisions of law and guidelines of Regulatory Authorities, including those of Securities and Exchange Board of India and Department of Public Enterprises.

The Company has complied with statutory requirements and no penalty was imposed and/or stricture was made on it by the Stock Exchanges or SEBI or any other Statutory Authority, on any matter related to the capital markets or any guidelines issued by Government during the preceding three years.

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

Schedule of Compliances with Presidential Directives issued during Financial Year 2012-13 and preceding three financial years is enclosed as **Annexure – B**.

(iii) **Accounting Treatment:** In the view of Management, all applicable accounting standards are being followed in the preparation of Financial Statements and no treatment different from that prescribed in the Accounting Standard has been followed.

## 8. CEO/CFO Certification

As required by Clause 49 of the Listing Agreement, the certificate duly signed by Shri G. Sai Prasad, Chairman and Managing Director and Shri A B L Srivastava, Director (Finance), was placed before the Board of Directors at the meeting held on 28<sup>th</sup> May, 2013 and is annexed to the Corporate Governance Report as **Annexure - C**.

## 9. Means of Communication

Periodical financial results of the Company are announced within the time specified in Listing Agreement. These results are published in the National and Local Dailies. While the Company did not send periodical results/records to every shareholder, these were hosted on the Company's official website ([www.nhpcindia.com](http://www.nhpcindia.com)).

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

Details of the Audited/Unaudited Financial Results as published by the Company are given in Table 18.

**Table 18: Audited/Unaudited financial results**

Newspapers	Date of publication of results for the period ended			
	30.06.2012	30.09.2012	31.12.2012	31.03.2013
The Financial Express (all editions / English)	-	01.11.2012	06.02.2013	-
The Times of India (English)	08.08.2012	-	-	30.05.2013
Navbharat Times (Hindi)	08.08.2012	-	-	-
The Economics Times (all editions/ English)	08.08.2012	-	-	-
Mail Today (English)	-	01.11.2012	06.02.2013	-
Jansatta (Hindi)	-	01.11.2012	07.02.2013	-
Hindustan Times (English)	-	-	-	30.05.2013
Mint (all editions/ English)	-	-	-	30.05.2013
Business Line (all editions/ English)	-	-	-	30.05.2013
Dainik Jagran (Hindi)	-	-	-	30.05.2013
Amar Ujala (Hindi)	-	-	-	30.05.2013

Presentations to Institutional Investors or Analysts are being made regularly and the same are also available on the Company's website.

## 10. Information for Shareholders

### (i) Annual General Meeting:

Date: 16<sup>th</sup> September, 2013

Time: 12 Noon

Venue: Municipal Corporation Auditorium, NIT, Near B K Chowk, Faridabad – 121 001

### (ii) Financial Calendar for the Year 2013-14:

Particulars	Date
Accounting period	1 <sup>st</sup> April, 2013 to 31 <sup>st</sup> March, 2014
Unaudited Financial Results for the first three quarters	Intimation to Stock Exchanges within fifteen minutes of conclusion of the Board meeting. Board Meeting to be held within forty five days from the end of each quarter.
Fourth Quarter Results/ Annual Audited Financial Results for the year ending on 31 <sup>st</sup> March, 2014	Intimation to Stock Exchanges within fifteen minutes of conclusion of the Board Meeting. Board Meeting to be held on or before 30 <sup>th</sup> May, 2014.
AGM – 2014	September, 2014 (Tentative)

### (iii) Book Closure/Record Date:

a) **For Payment of Dividends:** The Register of Members and Share Transfer Books of the Company will remain closed from 03.09.2013 to 16.09.2013 (both days inclusive).

### b) For Payment of Interest on Bonds:

BOND SERIES	DUE DATE OF INTEREST PAYMENT	RECORD DATE
NHPC 7.70% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'O' SERIES BONDS (STRPP-E TO STRPP-J)	30.06.2012	14.06.2012
NHPC 9% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'P' SERIES BONDS	28.02.2013	12.02.2013
NHPC 9.25% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'Q' SERIES BONDS	12.03.2013	25.02.2013



c) **Redemption of Bonds:** Details of bonds redeemed during the Financial Year 2012-13 are:

BOND SERIES	ISIN	SCRIP CODE	DUE DATE OF REDEMPTION	RECORD DATE
NHPC 7.70% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'O' SERIES BONDS (STRPP-E)	INE848E08078	NHPC13	31.03.2013	15.03.2013

(iv) **Dividend History:**

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

(v) **Listing on Stock Exchanges:**

a) **Equity Shares:**

The Equity Shares of the Company are listed on the following Stock Exchanges:

Bombay Stock Exchange Limited	National Stock Exchange of India Limited
Scrip Code: 533098	Scrip Code: NHPCEQ
ISIN : INE848E01016	ISIN : INE848E01016

b) **Bonds:**

**Particulars of Bonds issued by NHPC Limited are given as under:**

S. No.	Particulars of Bonds
1.	NHPC 7.70 per cent Secured Redeemable Non- Cumulative Taxable 'O' Series Bonds
2.	NHPC 9 per cent Secured Redeemable Non- Cumulative Taxable 'P' Series bonds
3.	NHPC 9.25 per cent Secured Redeemable Non- Cumulative Taxable 'Q' Series bonds
4.	NHPC 8.70 per cent Secured Redeemable Non- Cumulative Taxable 'R1' Series Bonds
5.	NHPC 8.85 per cent Secured Redeemable Non-Cumulative Taxable 'R2' Series Bonds
6.	NHPC 8.78 per cent Secured Redeemable Non-Cumulative Taxable 'R3' Series Bonds

All the Bonds mentioned in the above table are listed on:

**The National Stock Exchange India Limited**

WDM Segment, Exchange Plaza, Ground Floor,  
Bandra-Kurla Complex, Bandra (E), Mumbai.

**Stock Code:**

Securities Name	NSE Scrip Code	ISIN
NHPC 7.70% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'O' SERIES BONDS (STRPP-F)	NHPC14	INE848E08086
NHPC 7.70% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'O' SERIES BONDS (STRPP-G)	NHPC15	INE848E08094
NHPC 7.70% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'O' SERIES BONDS (STRPP-H)	NHPC16	INE848E08102
NHPC 7.70% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'O' SERIES BONDS (STRPP-I)	NHPC17	INE848E08110

Securities Name	NSE Scrip Code	ISIN
NHPC 7.70% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'O' SERIES BONDS (STRPP-J)	NHPC18	INE848E08128
NHPC 9% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'P' SERIES BONDS	NHPC25	INE848E07047
NHPC 9.25% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'Q' SERIES BONDS (STRPP-A)	NHPC16	INE848E07054
NHPC 9.25% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'Q' SERIES BONDS (STRPP-B)	NHPC17	INE848E07062
NHPC 9.25% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'Q' SERIES BONDS (STRPP-C)	NHPC18	INE848E07070
NHPC 9.25% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'Q' SERIES BONDS (STRPP-D)	NHPC19	INE848E07088
NHPC 9.25% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'Q' SERIES BONDS (STRPP-E)	NHPC20	INE848E07096
NHPC 9.25% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'Q' SERIES BONDS (STRPP-F)	NHPC21	INE848E07104
NHPC 9.25% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'Q' SERIES BONDS (STRPP-G)	NHPC22	INE848E07112
NHPC 9.25% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'Q' SERIES BONDS (STRPP-H)	NHPC23	INE848E07120
NHPC 9.25% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'Q' SERIES BONDS (STRPP-I)	NHPC24	INE848E07138
NHPC 9.25% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'Q' SERIES BONDS (STRPP-J)	NHPC25	INE848E07146
NHPC 9.25% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'Q' SERIES BONDS (STRPP-K)	NHPC26	INE848E07153
NHPC 9.25% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'Q' SERIES BONDS (STRPP-L)	NHPC27	INE848E07161
NHPC 8.70% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R1' SERIES BONDS (STRPP-A)	NHPC15	INE848E07179
NHPC 8.70% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R1' SERIES BONDS (STRPP-B)	NHPC16	INE848E07187
NHPC 8.70% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R1' SERIES BONDS (STRPP-C)	NHPC17	INE848E07195
NHPC 8.70% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R1' SERIES BONDS (STRPP-D)	NHPC18	INE848E07203
NHPC 8.70% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R1' SERIES BONDS (STRPP-E)	NHPC19	INE848E07211
NHPC 8.70% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R1' SERIES BONDS (STRPP-F)	NHPC20	INE848E07229
NHPC 8.70% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R1' SERIES BONDS (STRPP-G)	NHPC21	INE848E07237
NHPC 8.70% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R1' SERIES BONDS (STRPP-H)	NHPC22	INE848E07245
NHPC 8.70% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R1' SERIES BONDS (STRPP-I)	NHPC23	INE848E07252
NHPC 8.70% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R1' SERIES BONDS (STRPP-J)	NHPC24	INE848E07260



Securities Name	NSE Scrip Code	ISIN
NHPC 8.70% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R1' SERIES BONDS (STRPP-K)	NHPC25	INE848E07492
NHPC 8.70% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R1' SERIES BONDS (STRPP-L)	NHPC26	INE848E07500
NHPC 8.85% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R2' SERIES BONDS (STRPP-A)	NHPC16	INE848E07278
NHPC 8.85% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R2' SERIES BONDS (STRPP-B)	NHPC17	INE848E07286
NHPC 8.85% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R2' SERIES BONDS (STRPP-C)	NHPC18	INE848E07294
NHPC 8.85% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R2' SERIES BONDS (STRPP-D)	NHPC19	INE848E07302
NHPC 8.85% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R2' SERIES BONDS (STRPP-E)	NHPC20	INE848E07310
NHPC 8.85% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R2' SERIES BONDS (STRPP-F)	NHPC21	INE848E07328
NHPC 8.85% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R2' SERIES BONDS (STRPP-G)	NHPC22	INE848E07336
NHPC 8.85% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R2' SERIES BONDS (STRPP-H)	NHPC23	INE848E07344
NHPC 8.85% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R2' SERIES BONDS (STRPP-I)	NHPC24	INE848E07351
NHPC 8.85% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R2' SERIES BONDS (STRPP-J)	NHPC25	INE848E07369
NHPC 8.85% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R2' SERIES BONDS (STRPP-K)	NHPC26	INE848E07377
NHPC 8.85% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R2' SERIES BONDS (STRPP-L)	NHPC27	INE848E07385
NHPC 8.78% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R3' SERIES BONDS (STRPP-A)	NHPC19	INE848E07393
NHPC 8.78% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R3' SERIES BONDS (STRPP-B)	NHPC20	INE848E07401
NHPC 8.78% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R3' SERIES BONDS (STRPP-C)	NHPC21	INE848E07419
NHPC 8.78% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R3' SERIES BONDS (STRPP-D)	NHPC22	INE848E07427
NHPC 8.78% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R3' SERIES BONDS (STRPP-E)	NHPC23	INE848E07435
NHPC 8.78% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R3' SERIES BONDS (STRPP-F)	NHPC24	INE848E07443
NHPC 8.78% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R3' SERIES BONDS (STRPP-G)	NHPC25	INE848E07450
NHPC 8.78% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R3' SERIES BONDS (STRPP-H)	NHPC26	INE848E07468
NHPC 8.78% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R3' SERIES BONDS (STRPP-I)	NHPC27	INE848E07476
NHPC 8.78% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'R3' SERIES BONDS (STRPP-J)	NHPC28	INE848E07484

(vi) Market Price data:

a) Equity Shares:

NHPC AT NSE				NHPC AT BSE			
Month	High (₹)	Low (₹)	Closing (₹)	Month	High (₹)	Low (₹)	Closing (₹)
Apr-12	20.75	18.20	18.90	Apr-12	20.80	18.55	18.90
May-12	19.85	17.15	18.30	May-12	19.85	17.45	18.35
Jun-12	19.00	17.65	18.25	Jun-12	18.80	17.70	18.25
Jul-12	19.25	17.80	18.25	Jul-12	19.35	17.75	18.25
Aug-12	18.70	17.45	17.90	Aug-12	18.70	17.50	17.75
Sep-12	19.75	17.30	19.30	Sep-12	19.75	14.65	19.35
Oct-12	23.00	19.30	21.55	Oct-12	22.25	19.25	21.55
Nov-12	23.80	18.75	23.25	Nov-12	23.80	21.30	23.25
Dec-12	26.05	23.00	25.45	Dec-12	26.05	23.10	25.45
Jan-13	29.05	24.80	29.00	Jan-13	29.00	24.85	28.90
Feb-13	29.40	25.55	27.05	Feb-13	29.40	25.60	27.00
Mar-13	27.90	18.15	19.85	Mar-13	27.85	17.90	19.90

b) **Bonds (O SERIES):** There was no trade held during the Financial Year 2012-13

c) **Bonds (P SERIES):** There was no trade held during the Financial Year 2012-13

d) **Bonds: (Q SERIES)**

NSE			
Month	High (₹)	Low (₹)	Closing (₹)
Apr-12	100	100	100
May-12 to Mar-13	NIL	NIL	NIL

e) **Bonds: (R1 SERIES)**

NSE			
Month	High (₹)	Low (₹)	Closing (₹)
Apr-12 to Jan-13	NA	NA	NA
Feb-13	100.22	100	100.22
Mar-13	100.20	100.07	100.20

Note: R1 series was listed during February, 2013.

f) **Bonds: (R2 SERIES)**

NSE			
Month	High (₹)	Low (₹)	Closing (₹)
Apr-12 to Jan-13	NA	NA	NA
Feb-13	100.24	100	100.24
Mar-13	100.19	100.19	100.19

Note: R2 series was listed during February, 2013.

g) **Bonds: (R3 SERIES)**

NSE			
Month	High (₹)	Low (₹)	Closing (₹)
Apr-12 to Jan-13	NA	NA	NA
Feb-13	100.20	100.18	100.20
Mar-13	100.18	99.93	99.93

Note: R3 series was listed during February, 2013.



## (vii) Performance in comparison to Indices

### Equity Shares

#### BSE Sensex and NHPC Price:

SENSEX			
Month	High	Low	Closing
Apr-12	17,664.10	17,010.16	17,318.81
May-12	17,432.33	15,809.71	16,218.53
Jun-12	17,448.48	15,748.98	17,429.98
Jul-12	17,631.19	16,598.48	17,236.18
Aug-12	17,972.54	17,026.97	17,429.56
Sep-12	18,869.94	17,250.80	18,762.74
Oct-12	19,137.29	18,393.42	18,505.38
Nov-12	19,372.70	18,255.69	19,339.90
Dec-12	19,612.18	19,149.03	19,426.71
Jan-13	20,203.66	19,508.93	19,894.98
Feb-13	19,966.69	18,793.97	18,861.54
Mar-13	19,754.66	18,568.43	18,835.77

NHPC AT BSE			
Month	High (₹)	Low (₹)	Closing (₹)
Apr-12	20.80	18.55	18.90
May-12	19.85	17.45	18.35
Jun-12	18.80	17.70	18.25
Jul-12	19.35	17.75	18.25
Aug-12	18.70	17.50	17.75
Sep-12	19.75	14.65	19.35
Oct-12	22.25	19.25	21.55
Nov-12	23.80	21.30	23.25
Dec-12	26.05	23.10	25.45
Jan-13	29.00	24.85	28.90
Feb-13	29.40	25.60	27.00
Mar-13	27.85	17.90	19.90

#### NIFTY and NHPC Price:

NIFTY			
Month	High	Low	Closing
Apr-12	5,378.75	5,154.30	5,248.15
May-12	5,279.60	4,788.95	4,924.25
Jun-12	5,286.25	4,770.35	5,278.90
Jul-12	5,348.55	5,032.40	5,229.00
Aug-12	5,448.60	5,164.65	5,258.50
Sep-12	5,735.15	5,215.70	5,703.30
Oct-12	5,815.35	4,888.20	5,619.70
Nov-12	5,885.25	5,548.35	5,879.85
Dec-12	5,965.15	5,823.15	5,905.10
Jan-13	6,111.80	5,935.20	6,034.75
Feb-13	6,052.95	5,671.90	5,693.05
Mar-13	5,971.20	5,604.85	5,682.55

NHPC AT NSE			
Month	High (₹)	Low (₹)	Closing (₹)
Apr-12	20.75	18.20	18.90
May-12	19.85	17.15	18.30
Jun-12	19.00	17.65	18.25
Jul-12	19.25	17.80	18.25
Aug-12	18.70	17.45	17.90
Sep-12	19.75	17.30	19.30
Oct-12	23.00	19.30	21.55
Nov-12	23.80	18.75	23.25
Dec-12	26.05	23.00	25.45
Jan-13	29.05	24.80	29.00
Feb-13	29.40	25.55	27.05
Mar-13	27.90	18.15	19.85

**Bonds** Since there was either no trade in some of the NHPC's Debt Securities or only few trades in other NHPC's Debt Securities between 01.04.2012 and 31.03.2013; the performance in comparison to the Bond Index is not relevant.

## (viii) Registrar & Transfer Agents:

### a) For Equity Shares:

#### M/s Karvy Computershare Private Limited,

Plot No. 17-24, Vittal Rao Nagar,  
Madhapur, Hyderabad – 500 081  
Tel No.: +91 40 4465 5000  
Fax No.: +91 40 2343 1551  
E-mail ID: einward.ris@karvy.com  
Toll Free No. : 1-800-3454001

### b) For Non-Redeemable Cumulative Bonds:

#### M/s RCMC Share Registry (P) Ltd.

B-106, Sector-2  
Noida-201301 (Uttar Pradesh)  
Ph.0120-4015880  
E-mail: info@rcmcdelhi.com

(ix) **Share/Bond Transfer System:** It is the responsibility of respective Registrar and Transfer Agents to look into the routine matters related to transfer of shares/bonds, subject to the supervision, control, and approval of the Board/Committee of Directors.

(x) **Distribution Pattern of Holdings:**

a) **Equity Shares:** Shares held by different categories of shareholders and according to the size of holdings as on 31<sup>st</sup> March, 2013 are:

i) **According to size:** Distribution of shareholding according to size and percentage of holdings as on 31<sup>st</sup> March, 2013 is as under:

Category (Amount)	Number of shareholders	%age of share holders	Total shares	%age of shares
1-5,000	660914	61.11	148104876	1.20
5,001-10,000	308566	28.53	230473963	1.87
10,001-20,000	62089	5.74	92863352	0.76
20,001-30,000	19210	1.78	49228645	0.40
30,001-40,000	7952	0.74	28489572	0.23
40,001-50,000	6454	0.60	30515476	0.25
50,001-1,00,000	9404	0.87	68261662	0.56
1,00,001- 5,00,000	5565	0.51	109300830	0.89
5,00,001 – 10,00,000	613	0.06	44288234	0.36
10,00,001 and above	637	0.06	11499216163	93.48
<b>Total</b>	<b>1081404</b>	<b>100</b>	<b>12300742773</b>	<b>100</b>

(ii) **Shareholding Pattern as on 31<sup>st</sup> March, 2013:**

Category	Total shares	%age to equity
Central Govt./State Govt.	10623368758	86.36
FIs	265141997	2.16
Resident Individual and HUF	805093672	6.55
Bank, FIs and Insurance Companies	334463517	2.73
Corporate bodies	186115830	1.51
Mutual Funds	59479934	0.48
NRIs and OCBs	16238712	0.13
Foreign Nationals	2800	0.00
Others:		
Trusts	2540926	0.02
Clearing members	8296627	0.06
<b>Total</b>	<b>12300742773</b>	<b>100</b>

iii) **Major Shareholding as on 31<sup>st</sup> March, 2013:** Details of shareholders holding more than one per cent of the Paid-up Capital of the Company as on 31<sup>st</sup> March, 2013 are as under:

Name of shareholder	No. of shares	%age of paid-up capital	Category
Government of India through the President of India	10,62,33,68,758	86.36	Central Govt./State Govt.
Life Insurance Corporation of India	18,87,48,880	1.53	Insurance Company



- iv) **Top Ten Shareholders as on 31<sup>st</sup> March, 2013:** Details of Top Ten Shareholders of NHPC Limited as on 31<sup>st</sup> March, 2013 are as under:

S. No.	Name of Shareholder	Total Shares	% to Equity
1.	President of India	10623368758	86.36
2.	Life Insurance Corporation of India	188748880	1.53
3.	ICICI Prudential Life Insurance Company Ltd.	35942981	0.29
4.	Vanguard Emerging Markets Stock Index Fund, Aserie	35053695	0.28
5.	UCO Bank	33154836	0.27
6.	Fidelity Investment Trust Fidelity Series Emerging	31344270	0.25
7.	J P Morgan Funds – J F Pacific Balanced Fund	29000000	0.24
8.	Corporation Bank	16822014	0.14
9.	Swiss Finance Corporation (Mauritius) Limited	15688257	0.13
10.	Small Industries Development Bank of India	13907798	0.11
	<b>Total</b>	<b>11023031489</b>	<b>89.60</b>

b) **Bonds: (O SERIES)**

- i) **According to Size:** Distribution of bondholding according to size and percentage of holdings as on 31<sup>st</sup> March, 2013 is as under:

Number of bonds	Number of bondholders	%age of bondholders	Total number of bonds	%age of bonds
1-5,000	65	100	285	100
5,001-10,000	NIL	NIL	NIL	NIL
10,001-20,000	NIL	NIL	NIL	NIL
20,001-30,000	NIL	NIL	NIL	NIL
30,001-40,000	NIL	NIL	NIL	NIL
40,001-50,000	NIL	NIL	NIL	NIL
50,001-1,00,000	NIL	NIL	NIL	NIL
1,00,001 and above	NIL	NIL	NIL	NIL
<b>Total</b>	<b>65</b>	<b>100</b>	<b>285</b>	<b>100</b>

- ii) **Bondholding Pattern as on 31<sup>st</sup> March, 2013:**

Category	Total number of bonds	%age of bonds
Central Govt./State Govt.	NIL	NIL
FIs	NIL	NIL
Indian public	NIL	NIL
Bank & FIs	16	5.60
Private Corporate Bodies	NIL	NIL
Mutual Funds/UTI	NIL	NIL
NRIs/OCBs	NIL	NIL
Others		
(i) Insurance Companies	112	39.29
(ii) PF Fund/Trust etc.	157	55.11
<b>Total</b>	<b>285</b>	<b>100</b>

- iii) **Major Bondholding as on 31<sup>st</sup> March, 2013:** Details of bondholders holding more than one per cent of Company's total bonds value as on 31<sup>st</sup> March, 2013 are as under:

Sl. No.	Name of bondholder	No. of bonds	% of total bonds value of all series	Category
1	GENERAL INSURANCE CORPORATION OF INDIA, SURAKSHA, 170, J. TATA ROAD, CHURCH GATE, MUMBAI, PIN-400020	65	1.32	INSURANCE COMPANY

**C) Bonds: (P SERIES)**

- i) **According to size:** Distribution of bondholdings according to size and percentage of holdings as on 31<sup>st</sup> March, 2013 is as under:

Number of bonds	Number of bondholders	%age of bondholders	Total number of bonds	%age of bonds
1-5,000	NIL	NIL	NIL	NIL
5,001-10,000	NIL	NIL	NIL	NIL
10,001-20,000	1	100	20000	100
20,001-30,000	NIL	NIL	NIL	NIL
30,001-40,000	NIL	NIL	NIL	NIL
40,001-50,000	NIL	NIL	NIL	NIL
50,001-1,00,000	NIL	NIL	NIL	NIL
1,00,001 and above	NIL	NIL	NIL	NIL
<b>Total</b>	<b>1</b>	<b>100</b>	<b>20000</b>	<b>100</b>

- ii) **Bondholding Pattern as on 31<sup>st</sup> March, 2013:**

Category	Total number of bonds	%age of bonds
Central Govt./State Govt.	NIL	NIL
FIs	NIL	NIL
Indian public	NIL	NIL
Bank & FIs	NIL	NIL
Private corporate bodies	NIL	NIL
Mutual funds	NIL	NIL
NRIs/OCBs	NIL	NIL
Others		
(i) Insurance Companies	20000	100
(ii) PF fund/Trust etc.	NIL	NIL
<b>Total</b>	<b>20000</b>	<b>100</b>

- iii) **Major bondholding as on 31<sup>st</sup> March, 2013:** Details of bondholders holding more than one per cent of the Company's total bonds value as on 31<sup>st</sup> March, 2013 are as under:

Name of bondholder	Number of bonds	%age of total bonds value of all series	Category
LIC of India Ltd	20000	40.76	INSURANCE COMPANY

**d) Bonds: (Q SERIES)**

- i) **According to size:** Distribution of bond holdings according to size and percentage of holdings as on 31<sup>st</sup> March 2013 is as under:

Number of Bonds	Number of bondholders	%age of bondholders	Total No. of Bonds	%age of Bonds
1-5000	10	58.82	20032	15.82
5001-10000	2	11.77	12864	10.16
10001-20000	4	23.53	70664	55.82
20001-30000	1	5.88	23040	18.20
30001-40000	NIL	NIL	NIL	NIL
40001-50000	NIL	NIL	NIL	NIL
50001-100000	NIL	NIL	NIL	NIL
100001 and above	NIL	NIL	NIL	NIL
<b>Total</b>	<b>17</b>	<b>100</b>	<b>126600</b>	<b>100</b>

- ii) **Bondholding Pattern as on 31<sup>st</sup> March 2013:**

Category	Total No. of Bonds	%age of Bonds
Central Govt./State Govt.	NIL	NIL
FIs	NIL	NIL
Indian Public	NIL	NIL
Bank & FIs	3564	2.82
Private Corporate Bodies	1800	1.42
Mutual Funds	1440	1.14
NRIs/OCBs	NIL	NIL
Others		
(i) Insurance Companies	720	0.57
(ii) PF fund/Trust etc.	119076	94.05
<b>Total</b>	<b>126600</b>	<b>100</b>

- iii) **Major Bondholding as on 31<sup>st</sup> March 2013:** Details of bondholders holding more than one per cent of the Company's total bonds value as on 31<sup>st</sup> March 2013 are given as under:

Name of Bondholder	No. of Bonds	%age of Total Bonds Value of all series	Category
State Bank of India Employees Provident Fund	7056	1.44	PF FUND / TRUST
CBT EPF-11-D-DM	5808	1.18	PF FUND / TRUST
CBT EPF-05-D-DM	15972	3.75	PF FUND / TRUST
CBT EPF-11-A-DM	23040	4.70	PF FUND / TRUST
CBT EPF-05-B-DM	18816	3.83	PF FUND / TRUST
CBT EPF-11-C-DM	16078	3.28	PF FUND / TRUST
CBT EPF-05-C-DM	19808	4.04	PF FUND / TRUST

**e) Bonds: (R1 SERIES)**

- i) **According to size:** Distribution of bond holdings according to size and percentage of holdings as on 31<sup>st</sup> March 2013 is as under:

Number of Bonds	Number of bondholders	%age of bondholders	Total No. of Bonds	%age of Bonds
1-5000	5	100	8220	100
5001-10000	NIL	NIL	NIL	NIL
10001-20000	NIL	NIL	NIL	NIL
20001-30000	NIL	NIL	NIL	NIL
30001-40000	NIL	NIL	NIL	NIL
40001-50000	NIL	NIL	NIL	NIL
50001-100000	NIL	NIL	NIL	NIL
100001 and above	NIL	NIL	NIL	NIL
<b>Total</b>	<b>5</b>	<b>100</b>	<b>8220</b>	<b>100</b>

- ii) **Bondholding Pattern as on 31<sup>st</sup> March 2013:**

Category	Total No. of Bonds	%age of Bonds
Central Govt./State Govt.	NIL	NIL
FIs	NIL	NIL
Indian Public	NIL	NIL
Bank & FIs	NIL	NIL
Private Corporate Bodies	1100	13.38
Mutual Funds	6000	72.99
NRIs/OCBs	NIL	NIL
Others		
(i) Insurance Companies	NIL	NIL
(ii) PF fund/Trust etc.	1120	13.63
<b>Total</b>	<b>8220</b>	<b>100</b>

- iii) **Major Bondholding as on 31<sup>st</sup> March 2013:** There was no bondholder holding more than one per cent of the Company's total bonds value as on 31<sup>st</sup> March 2013.

**f) Bonds: (R2 SERIES)**

- i) **According to size:** Distribution of bond holdings according to size and percentage of holdings as on 31<sup>st</sup> March 2013 is as under:

Number of Bonds	Number of bondholders	%age of bondholders	Total No. of Bonds	%age of Bonds
1-5000	14	82.35	12904	33.77
5001-10000	2	11.77	12000	31.40
10001-20000	1	5.88	13304	34.83
20001-30000	NIL	NIL	NIL	NIL
30001-40000	NIL	NIL	NIL	NIL
40001-50000	NIL	NIL	NIL	NIL
50001-100000	NIL	NIL	NIL	NIL
100001 and above	NIL	NIL	NIL	NIL
<b>Total</b>	<b>17</b>	<b>100</b>	<b>38208</b>	<b>100</b>



ii) **Bondholding Pattern as on 31<sup>st</sup> March 2013:**

Category	Total No. of Bonds	%age of Bonds
Central Govt./State Govt.	NIL	NIL
FIIs	NIL	NIL
Indian Public	NIL	NIL
Bank & FIs	19308	50.51
Private Corporate Bodies	4610	12.07
Mutual Funds	6000	15.70
NRIs/OCBs	NIL	NIL
Others		
(i) Insurance Companies	7500	19.63
(ii) PF fund/Trust etc.	790	2.09
<b>Total</b>	<b>38208</b>	<b>100</b>

iii) **Major Bondholding as on 31<sup>st</sup> March 2013:** Details of bondholders holding more than one per cent of the Company's total bonds value as on 31<sup>st</sup> March 2013 are given as under:

Name of Bondholder	No. of Bonds	%age of Total Bonds Value of all series	Category
AXIS BANK LIMITED	13380	2.71	BANK & FI's
ICICI BANK	6000	1.22	BANK & FI's
KOTAK MAHINDRA OLD MUTUAL LIFE INSURANCE LIMITED	6000	1.22	INSURANCE COMPANY

g) **Bonds: (R3 SERIES)**

i) **According to size:** Distribution of bond holdings according to size and percentage of holdings as on 31<sup>st</sup> March 2013 is as under:

Number of Bonds	Number of bondholders	%age of bondholders	Total No. of Bonds	%age of Bonds
1-5000	10	66.67	17600	19.73
5001-10000	2	13.33	20000	22.42
10001-20000	2	13.33	28000	31.39
20001-30000	1	6.67	23600	26.46
30001-40000	NIL	NIL	NIL	NIL
40001-50000	NIL	NIL	NIL	NIL
50001-100000	NIL	NIL	NIL	NIL
100001 and above	NIL	NIL	NIL	NIL
<b>Total</b>	<b>15</b>	<b>100</b>	<b>89200</b>	<b>100</b>

ii) **Bondholding Pattern as on 31<sup>st</sup> March 2013:**

Category	Total No. of Bonds	%age of Bonds
Central Govt./State Govt.	NIL	NIL
FIIs	NIL	NIL
Indian Public	NIL	NIL
Bank & FIs	36600	41.03
Private Corporate Bodies	NIL	NIL
Mutual Funds	39000	43.74
NRIs/OCBs	NIL	NIL
Others		
(i) Insurance Companies	7000	7.84
(ii) PF fund/Trust etc.	6600	7.39
<b>Total</b>	<b>89200</b>	<b>100</b>

- iii) **Major Bondholding as on 31<sup>st</sup> March 2013:** Details of bondholders holding more than one per cent of the Company's total bonds value as on 31<sup>st</sup> March 2013 are given as under:

Name of Bondholder	No. of Bonds	%age of Total Bonds Value of all series	Category
RELIANCE CAPITAL TRUSTEE CO LTD -A/C RELIANCEDYNAMIC BOND FUND	15000	3.06	MUTUAL FUNDS / UTI
RELIANCE CAPITAL TRUSTEE CO LTD A/C RELIANCE INCOME FUND	10000	2.04	MUTUAL FUNDS / UTI
AXIS BANK LIMITED	23600	4.81	BANK & FI's
ICICI PRUDENTIAL INCOME PLAN	10000	2.04	MUTUAL FUNDS / UTI
ICICI BANK LTD,	13000	2.65	BANK & FI's

- (xi) **Dematerialization of Share and Liquidity:** The shares of the Company are in the Compulsory Dematerialized Segment and are available for trading with both the depositories, that is, the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL).

Reconciliation of Share Capital Audit Report for reconciliation of the Total Issued Capital, Listed Capital and Capital held by depositories in a dematerialized form with respect to the Share Capital of the Company with the depositories was obtained from the practicing Company Secretary and was submitted to the Stock Exchanges within the stipulated time.

The Company's Bonds are also in the Compulsory Dematerialized Segment and are available for trading with both the depositories, i.e., the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). Reconciliation of Share Capital Audit for Listed Bonds for the purpose of reconciliation of total admitted bonds listed at NSDL/ CDSL and the total issued and listed bonds were obtained from the practicing Company Secretaries.

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

NHPC has not issued GDRs/ADRs/warrants or any Convertible Instruments.

- (xiii) **Plant Locations:**

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



# NHPC Limited

(A Government of India Enterprise)

(xiv) **Address for Correspondence:**

Shri Vijay Gupta, Compliance Officer,

1<sup>st</sup> Floor, NHPC Office Complex,

Sector – 33, Faridabad,

Haryana – 121 003

E-mail: companysecretary@nhpc.nic.in

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

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

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

## 11. COMPLIANCE CERTIFICATE:

Certificate from M/s P. C. Jain and Company, Company Secretaries in Whole Time Practice confirming compliance with the conditions of Corporate Governance as stipulated under the Listing Agreement along with DPE Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010, as amended from time to time is annexed to the Directors' Report. (Please refer paragraph no. 25 of the Directors' Report)

For and on behalf of the Board of Directors

(G. Sai Prasad)

Chairman and Managing Director

DIN: 00325308

Place: New Delhi

Date: 23.07.2013

## ANNEXURE-A

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

- The Board:** The Company is headed by Shri G. Sai Prasad who is holding additional charge of the Chairman and Managing Director in addition to his duties as Joint Secretary (Hydro), Ministry of Power. He is a Government Nominee Director on the Board of NHPC Limited. No Independent Director has been appointed for the period exceeding, in aggregate of 9 years, on the Board of the Company.
- Remuneration Committee:** Please refer to paragraph 3 (iv) of this Report.
- Shareholders' Rights:** A half-yearly declaration of financial performance, including a summary of significant events in the last six months is not sent individually to every shareholder. However, this information is made available on the Company's official website. Periodic Financial Results are published in the leading newspapers as mentioned under 'means of communication' in this Report.
- Audit Qualification:** Joint Statutory Auditors of NHPC Limited have given qualified Audit Report on the Annual Financial Statements of NHPC Limited for the year ended 31<sup>st</sup> March, 2013. Please refer to paragraph 34 of the Directors' Report.
- Training of Board Members:** Please refer to paragraph 2 (ix) of this Report.
- Mechanism for Evaluating Performance of Non-executive Board Members:** Presently, the Board of the Company comprises of nine Non-executive Directors, including two Government Nominees. However, one of the Government Nominee Directors, i.e. Shri G Sai Prasad is holding additional charge of Chairman and Managing Director of NHPC Limited. All of them have been appointed by the President of India through the Ministry of Power and therefore, their performance evaluation is not done by the Board of the Company.
- Whistle Blower Policy:** NHPC has defined and established a Whistle Blower Policy for reporting the instances of unethical/improper conduct and taking suitable steps to investigate and correct the same. No personnel have been denied access to the Audit Committee. In addition to this, a policy to prevent frauds has also been adopted by the company for reporting on frauds or suspected frauds involving employees as well as representatives of vendors, suppliers, contractors, consultants, service providers or any other party doing any type of business with NHPC. All reports on frauds or suspected frauds are investigated with utmost speed. The mechanism for prevention of frauds is also included in the policy.

## ANNEXURE-B

Schedule of Compliances with Presidential Directives issued during the Financial Year 2012-13 and preceding three financial years is given as under:

Year	Content of Presidential Directives	Compliance
2012-13	NIL	NIL
2011-12	NIL	NIL
2010-11	NIL	NIL
2009-10	Vide Presidential Directive No. 11/17/2009-NHPC dated 30 <sup>th</sup> April, 2009, Government of India had directed NHPC Limited to implement revision of pay and allowances of Board Level and below Board Level Executives in NHPC Limited strictly as per the guidelines contained in Department of Public Enterprises OM No. 2(70)/08-DPE (WC)-GLXVI/08 dated 26.11.2008, No. 2(70)/08-DPE (WC)-GL-IV/09 dated 09.02.2009, No. 2(70)/08-DPE (WC)-GL-VII/09 dated 02.04.2009 and No. 2(76)/08-DPE-(WC) GL- VIII/09 dated 02.04.2009.	In line with the Presidential Directive, the revised pay scales and allowances have been implemented vide Part – I Office Order no. 46/2010 dated 02.11.2010.

## ANNEXURE-C

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

**To,**  
**The Board of Directors,**  
**NHPC Limited,**  
**Faridabad**

- a. We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2013 and that to the best of our knowledge and belief :
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2012-13 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee
  - i. significant changes in internal control over financial reporting during the year 2012-13;
  - ii. significant changes in accounting policies during the year 2012-13 and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-  
**(A B L Srivastava)**  
 Director (Finance)

Sd/-  
**(G Sai Prasad)**  
 Chairman and Managing Director

Place: Faridabad  
 Date: 21<sup>st</sup> May, 2013



**NHPC Limited**

(A Government of India Enterprise)

**Annexure - II**

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of  
NHPC Ltd.

1. We have examined the compliance of conditions of Corporate Governance by NHPC Limited, for the year ended on 31.03.2013, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges(s).
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned listing agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or the effectiveness with which the management has conducted the affairs of the company.

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

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

**Place: Faridabad  
Date: 24.07.2013**

### Management Discussion and Analysis Report

#### Industry Structure and Development:

Power is the most used energy, source a major prerequisite in a country's sustained industrial and economic growth. To sustain growth self reliance in power is very crucial.

India has witnessed a robust growth in power sector since independence. The total installed capacity as on 31<sup>st</sup> March 2013 was 2,23,626 MW consisting of 1,51,681 MW, 39,623 MW, 4,780 MW and 27,542 MW for Thermal, Hydro, Nuclear and Renewable power respectively. Public Sectors with the State and Central Government produce a major share of power from sources as varied as coal, water, nuclear fuel, sun, solar and wind.

During the past two decades, Hydropower has gained much momentum across the globe.

India ranks amongst top countries worldwide for possessing feasible hydropower capacity, much of which remains unutilized. Considering the above, India's hydropower generation future looks promising and role of NHPC Limited, prominent.

NHPC, is a Miniratna Schedule – 'A' Enterprise, having an authorized share capital of ₹15,000 crore and investment base of about ₹50,000 crore. The Company generates hydropower and develops power plants across the country. During 2012-13, your Company generated 18,923 MUs which is the highest ever generation since inception of the Company.

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

#### Strategic Diversification

NHPC Limited India's leading company in hydro power generation, having 14% of the total installed capacity. It is also at the initial stages of adding development of thermal and renewable energy to its operation.

#### SWOT ANALYSIS

**A) STRENGTHS:** NHPC has achieved several new milestones during the financial year 2012-13 and emerged stronger. Its primary competitive strengths include:

- **Expertise in Project Design Management & Implementing Hydroelectric Projects:** NHPC has experience and expertise in implementation of hydro-electric projects which give the Company a significant competitive edge. It has a strong design and engineering base with in-house technical and non-technical expertise in Geology, Geophysics, Geo-technics, Construction and Material Surveys.

NHPC's engineering capabilities range right from the stage of conceptualization till the commissioning of projects, i.e. from site identification, pre-feasibility & feasibility studies, project design & implementation, to environmental permission, project formulation and appraisal training on hydro technology & economics. The NHPC's team is supported by international & domestic project consultants .

- **Exposure & Management of Construction & Operation of Hydro Projects in Remote Non-Penetrative & Geotechnically Sensitive Areas, like the Himalayan Terrain:** Almost all NHPC projects are in remote areas that bring a range of unique logistical, climatic and technological challenges. However, with the help of the right management approach and principles of System Engineering and Information Technology, NHPC has successfully managed to develop and commission 17 Hydropower Stations till March-13 (including two through its subsidiary, NHDC).

Projects like Chamera-II in H.P and Indira Sagar & Omkareshwar in MP were commissioned ahead of schedule. Your Company has successfully worked with Central, States, Foreign Governments and International Companies to complete its projects.

- **Long-term Power Purchase Agreements with Customers:** NHPC generates most of its revenue from the sale of energy to SEBs/Power Departments and their successor entities. Allocation of power from different power stations to various beneficiaries is done by Ministry of Power, Government of India. The billings made to the state entities are currently secured through Letters of Credit pursuant to the Tripartite Agreements entered into between the Government of India, the Reserve Bank of India and the respective State Governments.

Further, at the time of investment decisions, your Company obtains commitments from SEBs / Power Departments and their successor entities as the case may be, with agreements to purchase power from the new projects. Thus, return on investment is fully secured over the total life of the project.



- **Strong Operating Performance:** Over the years, various Hydropower Stations of NHPC have shown a consistent progress in their operations. In the year 2012-13, all operating power stations put together have generated total 18,923 MUs of power; an all time high.
- **Competent & Qualified Workforce:** NHPC has a competent and committed workforce backing and tracking its progress at every step. The executives have varied and extensive experience and exposure of the industry. Their skills, industry knowledge, intelligence and operational experience puts NHPC in a league of its own.

## B) OPPORTUNITIES

The deteriorating hydro-thermal mix, increase in peaking shortages and frequency variations have forced policy-makers to consider alternate options like hydropower. India has vast untapped hydro potential (more than 74% of total potential) especially in the North Eastern region which would provide ample opportunity for NHPC to expand generation in its core sector or otherwise.

Further, with the approval to invest in Thermal Power, NHPC has widened its business prospects to ensure optimum utilization of its resources.

## C) THREATS / WEAKNESSES - The management perceives the following as threats/risks/weaknesses in the construction of Hydropower Projects:

**Environment & Forest Clearances** - Stringent government policies and norms to get Environment and Forest Clearance and Clearance from National Board for Wild Life (where ever applicable) leads to delay in obtaining clearance on projects which adversely affect capacity addition programmes.

**Land Acquisition** - The process of land acquisition for infrastructure works, as well as for project's component including submergence, is quite cumbersome and time consuming.

**Geological Uncertainties** - Geological surprises are the biggest and most unpredictable of all obstacles encountered during/after execution of projects. Even after in-depth and extensive Survey and Investigations, done before the start of the project, various components of hydro projects like head race tunnel, underground powerhouse, pressure shaft and surge shaft often face adverse situations.

NHPC with its experience & state-of-the art technological expertise has successfully conquered such adversities many times in the past. However, its frequent occurrence results in delays and cost over-runs in the project.

**Interstate and International River Disputes** - In India, water being a state subject, rivers are always embroiled under some or the other inter-state river dispute; as a result of which many hydro projects get delayed and sometimes even abandoned. Some projects that are in progress in border areas get affected due to the international issues involved.

**Natural Calamities** - Most of hydro projects are being executed in hilly terrains. As such landslides, hill slope collapses, road blocks, flood and cloud bursts etc cause severe setbacks in construction schedules.

**Unexpected complexities** - Unexpected complexities and delays in clearances/execution due to reasons beyond one's control result in cost escalation. Besides, changes in CERC's tariff regulations also affect cash flows.

## D) RISKS AND CONCERNS

Hydropower projects are capital-intensive with long gestation period. Also, availability of funds has been viewed as a major constraint for exploitation of vast hydro power potential available in the country. Since water and rivers are state subject under the Constitution of India, State Governments are demanding higher share of free power & other incentives, which leads to higher tariff.

Further, there has been an increased tendency in the past few years to obstruct work on construction projects, which are nearing completion, by various vested interest groups, local people over downstream issues, employment demands etc.

## OUTLOOK

To successfully streamline and consistently sustain the annual demand for power and growth, NHPC has taken some very effectual initiatives. It has adopted new technologies in the areas of electrical and civil engineering technology for improving planning and investigation; reducing construction delays and silting problems.

Optimizing use of information technology to streamline construction, monitor activities at the time of initiating the project and ensuring hurdle-free operations and supervision post commissioning.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

NHPC's independent full fledged Internal Audit Department, reporting to the Director (Finance) at Corporate Office has units at its Regional Offices. The department has qualified and experienced workforce to carry out audits from time to time and present a summary of audit observations and action taken reports before the Audit Committee. The recommendations by the Audit Committee are duly complied.

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

### FINANCIAL DISCUSSION AND ANALYSIS

#### RESULTS OF OPERATIONS

A detailed financial discussion and analysis is furnished below on the Audited Financial Results of the Company for the Fiscal 2013 vis-à-vis Fiscal 2012.

#### Income

(₹ in crore)

	Fiscal 2013	Fiscal 2012
Units of electricity sold (million units)	16,397	16,357
Income		
Sales of Energy	5,049.13	5,509.65
Other operating income	141.24	264.79
Revenue from Contracts, Project Management and Consultancy Works	116.27	145.04
Other Income	992.78	802.40
<b>Total (excluding income from exceptional items)</b>	<b>6,299.42</b>	<b>6,721.88</b>

The income of the Company comprises of income from sales of electricity, other operating income, Contracts, Project Management & Consultancy services and Other Income. Other Operating Income includes interest from beneficiaries; Other Income mainly includes interest earned on investments of surplus funds, interest on securitized bonds/long term advances, dividend income etc. Total income decreased by 6.28% to ₹ 6,299.42 crore in Fiscal 2013 from ₹ 6,721.88 crore in Fiscal 2012, primarily due to account of Sale of Energy in Fiscal 2012 by grossing up of Return on Equity (ROE) at normal corporate tax rate, arrears due to finalization of tariff of most of the Power Stations, reimbursement of arrear of Water cess & RLDC fees, interest from beneficiary states partially offset by increase in Fiscal 2013 in interest income from investment of surplus cash, late payment surcharge from beneficiaries, reversal of provision against old outstanding dues of M/s Delhi Transco Limited (erstwhile DESU) and commissioning of Chamera-III & Chutak Power Stations.

#### Tariff

The charges for electricity are determined power station wise by the Central Electricity Regulatory Commission (CERC). A new order/regulation was issued by CERC pursuant to notification no. L-7/145(160)/2008-CERC dated January 19, 2009 and relates to the tariff period 2009-14.

Tariff is determined by reference to annual fixed charges (AFC), which comprises ROE, depreciation, interest on loan, interest on working capital and operation & maintenance expenses. ROE is grossed-up with reference to applicable income tax rate (Normal Corporate Tax Rate or Minimum Alternate Tax Rate) so as to recover income tax incidence. Recovery of capacity charges is dependent on the actual utilisation of machines for generating power. Capacity is determined by reference to the normative annual plant availability factor (NAPAF), which has been prescribed for each power station based on the nature of the power station.

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

#### Sale of Energy

Electricity is sold to bulk customers comprising, mainly of electricity utilities owned by State Governments. Sale of electricity is made pursuant to long-term power purchase agreements. Sales have been recognized as per tariff notified by Central Electricity Regulatory Commission (CERC). Tariff for the tariff period 2009-14 has since been fixed in respect of all the 14 Power Stations. However, sales in respect of Teesta V, Chamera- III and Chutak Power Station have been recognised based on provisional tariff.

The said regulations *inter-alia* provides that for the purpose of filing tariff petitions, ROE is to be grossed-up using applicable Minimum Alternate Tax / Corporate Income Tax Rate for the financial year 2008-09 as per Income Tax Act 1961. Further, CERC vide notification no. L-7/145/(160)/2008-CERC dated 21.06.2012 provides that the generating company shall recover the shortfall or refund of excess Annual Fixed Charge on account of Return on Equity due to change in tax rate (as amended from time to time) of the respective year directly without making any application before the Commission.



In Fiscal 2013, 16,397 MUs of electricity was sold from installed capacity of 4,024.20 MW and in Fiscal 2012, 16,357 MUs was sold from installed capacity of 3,749.20 MW. This represents an increase of 0.24 % in the number of units sold out. The average selling price (after adjustment of components of earlier year sales) was ₹ 3.06 per unit in Fiscal 2013, compared to ₹ 2.95 per unit in Fiscal 2012.

Sale of energy decreased by 8.36% to ₹ 5,049.13 crore in Fiscal 2013 from ₹ 5,509.65 crore in Fiscal 2012 primarily due to account of Sale of Energy in Fiscal 2012 due to grossing up of Return on Equity (ROE) at normal corporate tax rate, arrears due to finalization of tariff of most of the Power Stations, reimbursement of arrear of Water cess & RLDC fees. Company's plant availability factor (PAF) in Fiscal 2013 was 85.30% as compared to 83.30% in Fiscal 2012.

### Adjusted Sales of Energy

The revenue from sales of energy includes sales pertaining to earlier years but recognised in current year. It also includes un-scheduled interchange (UI) charges for the deviation in generation with respect to schedule (payable or receivable) at rates linked to frequency prescribed in the regulation to bring grid discipline and reimbursement on account of foreign exchange rate variation (FERV).

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

For the purpose of year to year comparison, the impact of earlier year sales, water cess and RLDC Charges of earlier years have been excluded from sales of energy in order to arrive at the adjusted sales of energy.

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

(₹ in crore)

	Fiscal 2013	Fiscal 2012
Gross Sales	5,407.06	5,462.49
Add: Write back of Advance Against Depreciation (AAD)	50.17	47.16
Less: Regulated Sales Adjustment	195.82	57.38
Net Sales	5,261.41	5,452.27
Less:		
(a) Earlier year sales (net of AAD)	80.66	467.28
(b) Wage revision of CISF/KV staff etc pertaining to the period 01.01.2007-31.03.2009 accounted for in Fiscal 2013.	161.66	-
(c) Water Cess for the year 2010-11 accounted for in Fiscal 2012.	-	138.99
(d) RLDC charges pertaining to Previous years		23.34
<b>Adjusted Sales of Energy</b>	<b>5,019.09</b>	<b>4,822.66</b>

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

Increase in Adjusted Sales by 4.07% is primarily attributable to commissioning of Chamera -III & Chutak power stations.

### Revenue from Contracts, Project Management and Consultancy Works

The revenue under this head includes revenue from entering into projects for construction contracts, project management & consultancy assignments. These assignments primarily include works pursuant to the Pradhan Mantri Gram Sadak Yojna scheme in connection with the development of rural roads and the Rajiv Gandhi Grameen Vidyutikaran Yojna scheme relating to the establishment of rural electrification infrastructure, primarily distribution lines. These two schemes are overseen by different agencies of the Government of India (GOI) and executed by PSUs and government departments. We are responsible for executing the projects allocated to us in certain specified areas throughout India.

The income from contracts, project management and consultancy works decreased by 18.82% from ₹145.04 crore in Fiscal 2012 to ₹ 116.27 crore in Fiscal 2013 due to reduced activities in Fiscal 2013.

## Other Income

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

Other income was ₹992.78 crore in Fiscal 2013, an increase of 23.73 % over other income of ₹ 802.40 crore in Fiscal 2012. Major components of Other Income are placed and discussed hereunder:

(₹ in crore)

Other Income	Fiscal 2013	Fiscal 2012
Interest on securitised power bonds/long term advances	120.35	141.50
Interest on Term Deposit	536.17	436.27
Dividend	32.03	22.03
Write back of depreciation due to reversal of provision in respect of Teesta-V Power Station	0	42.97
Late Payment Surcharge	75.12	21.67
Liability/ Provisions not required written back	192.87	68.04
Other miscellaneous income	36.24	69.92
<b>Total</b>	<b>992.78</b>	<b>802.40</b>

The decrease in interest income from securitised power bonds/long term advances to the extent of ₹21.15 crore is due to redemption of these bonds/long term advances amounting to ₹ 263.43 crore.

Interest on Term Deposit has increased to ₹536.17 crore during Fiscal 2013 as against ₹436.27 crore during Fiscal 2012 due to investments of surplus cash during the year invested with maturity less than one year.

Out of the Initial Public Offer (IPO) proceeds of ₹ 6,038.55 crore made during financial year 2009-10, sale proceeds of ₹ 2,012.85 crore was paid to Ministry of Power, Govt. of India and ₹ 4,025.70 crore was retained by the company. Out of ₹ 4,025.70 crore, a sum of ₹ 2897.65 Crore has been utilised up to 31.03.2013 for re-coupmnt of capital expenditure already incurred from internal accruals on the projects specified for utilisation, the unutilised amount of ₹ 1,089.34 crore has been invested in bank deposits as per extant investment policy of the company and ₹ 38.71 Crore recouped for meeting IPO expenditure.

During Fiscal 2013, ₹32.03 crore was earned as dividend from investments mainly in subsidiary company as against ₹22.03 crore during Fiscal 2012.

During Fiscal 2013, provision made in earlier years, against old outstanding receivables pertaining to M/s Delhi Transco Limited(erstwhile DESU) for ₹120.01 crore has been reversed in view of the approval dated 05.02.2013 of the Ministry of Power, Govt. of India for payment of the said old dues.

## Expenditure

(₹ in crore)

Expenditure	Fiscal 2013	Fiscal 2012
Generation, Administration and Other Expenses	505.05	514.99
Water Cess	590.28	552.70
Employees ' Benefits Expense	887.41	915.76
Finance Cost	385.38	338.10
Depreciation & Amortization	969.29	893.86
<b>Total Expenditure</b>	<b>3,337.41</b>	<b>3,215.41</b>

Total expenditure increased by 3.80% to ₹ 3,337.41 crore in Fiscal 2013 from ₹ 3,215.41 crore in Fiscal 2012 mainly due to increase in Water Cess (₹590.28 crore in Fiscal 2013 & ₹552.70 crore in Fiscal 2012) in respect of power stations situated in the state of J&K and depreciation & amortisation (₹969.29 crore in Fiscal 2013 & ₹893.86 crore in Fiscal 2012) due to commissioning of Chamera-III and Chutak Power Stations. Our total expenditure as a percentage of our total income was 52.98% in Fiscal 2013 compared to 47.83% in Fiscal 2012.



## Generation, Administration and Other Expenses (excluding Water Cess)

'Generation, administration and other expenses' consist primarily of repair and maintenance of buildings and plant & machinery, security expenses, insurance expenses, provisions etc. These expenses represent approximately 15.13% of the total expenditure in Fiscal 2013 as against 16.02% in Fiscal 2012. In absolute terms, these expenses decreased approximately by 1.93% to ₹505.05 crore in Fiscal 2013 from ₹514.99 crore in Fiscal 2012. The decrease in Generation, Administration and Other Expenses is the net impact of decrease in provision by ₹85.30 crore on account of expenditure incurred on Survey & Investigation of Kotli Bhel-IB & Kotli Bhel-II projects in Fiscal 2012, partially offset by increase by ₹ 75.35 crore during the Fiscal 2013 in Generation, administration expenses, which includes ₹15.45 crore on account of commissioning of Chamera-III & Chutak Power Stations.

In terms of expenses per unit of saleable energy, it was same at ₹ 0.31 in Fiscal 2013 as well as in Fiscal 2012.

## Water Cess

Water Cess has increased to ₹ 590.28 crore during Fiscal 2013 from ₹ 552.70 crore during Fiscal 2012 mainly on account of water usage and commissioning of Chutak Power Station in J&K.

## Employees' Benefits Expenses

Employee benefit expenses include salaries and wages, allowances, incentives, contribution to Provident Fund and Employees Defined Contribution Superannuation Scheme and other funds and welfare expenses. These expenses account for 26.59% of our total expenditure in Fiscal 2013 as compared to 28.48% in Fiscal 2012. In absolute terms, the employee costs have decreased by ₹ 28.35 crores in Fiscal 2013 mainly due to decrease on account of actuarial valuation partially off-set by increase in employee cost due to commissioning of Chamera-III & Chutak Power Stations. This resulted in a decrease in the employee cost per unit of saleable energy from ₹ 0.56 in the Fiscal 2012 to ₹ 0.54 in the Fiscal 2013.

There were 10,410 employees on the payroll as of March 31, 2013, compared to 11,036 employees as of March 31, 2012. Of this, 5,123 and 4,974 employees were engaged in operation and maintenance areas of our business during Fiscal 2013 & 2012 respectively. Employee Benefit expenses decreased by 3.10% to ₹ 887.41 crore in Fiscal 2013 from ₹ 915.76 crore in Fiscal 2012.

As a percentage of total income, employees' benefits expenses increased to 14.09% in Fiscal 2013 from 13.62% in Fiscal 2012.

## Depreciation & Amortization

As per accounting policy of the Company, depreciation is charged on straight line method to the extent of 90% of the Cost of Assets following the rates and methodology notified by CERC vide notification dated 19.01.2009, except for some items for which depreciation at the rates assessed by the Company is charged.

Depreciation cost increased by 8.44 % to ₹969.29 crore in Fiscal 2013 from ₹893.86 crore in Fiscal 2012. The reasons for net increase in Depreciation Expenses is on account of higher depreciation charge due to commissioning of Chamera-III & Chutak Power Stations during the Fiscal 2013 by ₹ 90.71 crore, partially offset by decrease in depreciation charge in respect of Rangit Power Station, having completed 12 years of its commissioning.

As a percentage of total income, depreciation increased from 13.30% in Fiscal 2012 to 15.39% in Fiscal 2013.

## Finance Costs

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

Finance Cost increased by 13.98 % to ₹ 385.38 crore in Fiscal 2013 from ₹338.10 crore in Fiscal 2012. The increase in Finance Cost is the net impact of increase on account of commissioning of Chamera-III & Chutak Power Stations by ₹ 81.30 crore partially offset by decrease in interest expenditure by ₹ 34.02 crore due to repayment of borrowings.

## Prior Period Items(Net)

Prior Period Items (Net) has decreased by ₹58.40 crore in Fiscal 2013 mainly on account of reversal in Fiscal 2012 of revenue of Baglihar Project recognized in earlier years and provision created towards Employees Defined Contribution Superannuation Scheme pertaining to earlier years partially off-set by other prior period income.

## Exceptional Items

The income from exceptional items amounting to ₹ 240.01 crore in Fiscal 2013 and ₹68.86 crore in Fiscal 2012 is on account of recognition of interest on old outstanding receivables pertaining to M/s Delhi Transco Limited (erstwhile DESU), approved by Ministry of Power, Govt. of India for payment and profit on sale of Subansiri Middle Project in Fiscal 2013 and Fiscal 2012 respectively.

## Profit Before Tax

Due to the reasons outlined above, our profit before tax decreased by 8.95% to ₹3,202.13 crore in Fiscal 2013 from ₹3,517.04 crore in Fiscal 2012.

## Tax Expenses

In Fiscal 2013, we provided for ₹853.91 crore for tax as compared to ₹745.27 crore in Fiscal 2012. The increase in tax in Fiscal 2013 is on account of increase in deferred tax liability of ₹ 213.94 crores, primarily attributable to increase in Depreciation as per Income Tax Act (including additional depreciation) on account of commissioning of Chamera-III and Chutak projects and investment of Gratuity & Pension Fund in Approved Trust, partially offset by decrease in current year tax by ₹ 105.30 crores due to decrease in Profit Before Tax.

## LIQUIDITY AND CAPITAL RESOURCES

### Liquidity

Both internal and external sources of liquidity are utilized for working capital requirement and funding of capital expenditure requirements. Generally long term borrowings are entered into in the form of term loans or issue of bonds, which may be in Indian Rupees or foreign currencies. Cash and cash equivalents was ₹5,616.01 crore and ₹6,003.97 crore as of March 31, 2013 and 2012 respectively, out of which ₹ 361.37 crore and ₹ 466.87 crore as of March 31, 2013 and 2012 respectively were held for Rural Road and Rural Electrification works being executed by Company on behalf of other agencies and also includes unpaid dividend ₹ 3.92 crore and ₹ 2.43 crore as of March 31, 2013 and 2012 which were not freely available for the business of the Company.

### Cash Flows

(₹ in crore)

	Fiscal 2013	Fiscal 2012
Net cash inflow/(outflow) from operating activities	1,897.59	2,080.34
Net cash inflow/(outflow) from investment activities	(1,294.53)	(1,975.69)
Net cash inflow/(outflow) from financing activities	(991.02)	549.24

### Net Cash from Operations

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

The net cash from operating activities was ₹2,080.34 crore in Fiscal 2012. We had net profit before tax and after extraordinary items of ₹3,517.04 crore. Our net cash from operating activities has been arrived at after adjusting non-cash items of depreciation (including prior period) of ₹918.22 crore, interest expense of ₹338.09 crore, ₹ 93.41 crore on account of provisions, ₹34.60 crore on account of tariff adjustment, ₹264.42 crore on account of Exchange Rate Variation, ₹77.24 crore on account of profit on sales of project/assets, ₹47.16 crore for deferred revenue on account of advance against depreciation and ₹627.55 crore towards interest earned on Deposits/Investments and other non-operating items. Changes in current assets and current liabilities had impact of cash outflow by ₹1294.03 crore, which was due to the net effect of change in inventories, receivables and trade & other payables.

### Net Cash from Investing Activities

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

Our net cash used in investing activities was ₹1,975.69 crore in Fiscal 2012. This mainly reflected expenditure on fixed assets of ₹2,788.17 crore offset by decrease in Investments by ₹162.90 crore, interest income on Deposits/Investments by ₹627.55 crore and a small amount of ₹22.03 crore towards dividend income.

### Net Cash from Financing Activities

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



In Fiscal 2012, our net cash inflow on account of financing activities was ₹549.24 crore. We raised ₹3418.44 crore from new borrowings, consisting of domestic term loans and issue of bonds. We repaid borrowings to the tune of ₹909.89 crore and paid interest and finance charges of ₹1,104.78 crore. In Fiscal 2012, we paid final dividend (including dividend tax) of ₹854.53 crore for Fiscal 2011.

**DISCUSSION OF BALANCE SHEET ITEMS****Balance Sheet Highlights**

(₹ in crore)

	As of March 31,	
	2013	2012
<b>Non-Current Assets</b>		
Net Fixed assets	37,749.00	35,718.06
Non Current Investments	2,400.61	2,499.14
Long-term loans and advances	1,238.74	1,428.62
Other non-current assets	944.37	1,181.93
<b>Current Assets</b>		
Current Investments	250.74	250.74
Inventories	57.07	43.81
Trade Receivables	2,049.05	2,052.18
Cash & Bank Balances	5,616.01	6,003.97
Short-term Loans and Advances	2,099.56	1,890.06
Other Current Assets	2,099.85	1,691.25

**Financial Condition****Net worth**

The net worth of the Company at the end of Fiscal 2013 increased to ₹ 27,840.50 crore from ₹ 26,353.53 crore in the previous Fiscal registering an increase of 5.64 % mainly due to profit after tax for the year and proposed dividend including dividend tax.

**Net Fixed Assets**

Our fixed assets after depreciation, defined as net fixed assets, were ₹37,749.00 crore and ₹ 35,718.06 crore as of March 31, 2013 and 2012, respectively. Our fixed assets consist of land, dams, tunnels, buildings, including power house buildings, plant and machinery, office equipment, computers and intangible assets etc.

Net fixed asset value increased by 5.69% in Fiscal 2013 as compared to Fiscal 2012 mainly due to increase in capital work in progress.

**Investments (Current & Non-Current)**

Investments are intended for long term and carried at cost. Current maturities of long term investments are depicted separately under Current Assets. Our total investment was ₹ 2651.35 crore and ₹ 2749.88 crore respectively as of 31<sup>st</sup> March 2013 and 2012 which includes current investments (8.50% tax free state govt. special bonds) to the tune of ₹250.74 crore and ₹ 250.74 crore as of 31<sup>st</sup> March 2013 and 2012 respectively.

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

Power Bonds received pursuant to the one time settlement scheme are also accounted for as investments. As of March 31, 2013 and 2012, these investments amounted to ₹ 760.56 crore and ₹ 1,011.52 crore respectively. The decrease in power bonds is due to its redemption.

**Loans and Advances (Current & Non-Current)**

Loans and advances as of March 31, 2013 and 2012 respectively were ₹3,338.30 crore and ₹3,318.68 crore, a nominal increase of 0.59 % over figures of previous Fiscal. Loans and advances include advance income tax, advances to our employees, contractors and suppliers.

**Other Non-Current Assets**

Our other non-current assets as of March 31, 2013 and 2012 respectively were ₹944.37 crore and ₹1,181.93 crore. The decrease of 20.10 % in Fiscal 2013 as compared to the figures in Fiscal 2012 is mainly due to decrease in deferred foreign currency fluctuation assets.

## Inventories

Inventories are valued at cost or Net Realisable Value whichever is lower. Our inventories were valued at ₹57.07 crore and ₹43.81 crore as of March 31, 2013 and 2012 respectively.

## Trade receivables

These consist primarily of receivables relating to sale of electricity. It excludes receivable on account of unbilled revenue. The Trade receivables (net of provision for doubtful debts) as of March 31, 2013 and 2012 were ₹2,049.05 crore and ₹2,052.18 crore respectively excluding receivables on account of unbilled revenue to the tune of ₹1,203.55 crore and ₹1,161.32 crore as of March 31, 2013 and 2012 respectively. There is a nominal decrease of 0.15 % in trade receivables between Fiscal 2012 and Fiscal 2013.

## Cash and Bank Balances

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

Our cash and bank balances as of March 31, 2013 and 2012, respectively, were ₹5616.01 crore and ₹6,003.97 crore. The decrease of ₹387.96 crore during Fiscal 2013 is on account of increase in cash flow from investing & financing activities by ₹1,294.53 crore & ₹991.04 crore respectively as offset by cash flow of ₹1897.59 crore on account of operating activities. Our cash and bank balances included ₹361.37 crore (Previous Year ₹ 466.87 crore), held for Rural Road and Rural Electrification works being executed by Company on behalf of other agencies and also included unpaid dividend of ₹3.92 crore (Previous Year ₹ 2.43 crore) which were not freely available for the business of the Company.

## Other Current Assets

Our other current assets as of March 31, 2013 and 2012, respectively, were ₹2099.85 crore and ₹1,691.25 crore, an increase of 24.16% in Fiscal 2013 as compared to the figures in Fiscal 2012.

## Liabilities and Provisions

(₹ in crore)

	As of March 31,	
	2013	2012
<b>Non-Current Liabilities</b>		
Long Term Borrowings	17,417.52	16,272.80
Deferred Tax Liabilities	460.69	204.04
Other Long Term Liabilities	1,705.69	1,951.80
Long Term Provisions	721.92	1,187.45
<b>Current Liabilities</b>		
Short Term Borrowings	-	180.00
Trade Payables	179.41	218.95
Other Current Liabilities	2,766.60	2,801.26
Short Term Provisions	3,412.67	3,589.93

## Long Term Borrowings

Long Term Borrowings comprised of Bonds, Secured Loans & Unsecured Loans amounting to ₹4,850.28 crore, ₹8,754.59 crore and ₹3812.65 crore respectively as of March 31, 2013. For the Fiscal 2012, the Bonds, Secured loans & Unsecured loans stood at ₹3,551.00 crore, ₹8,747.49 crore and ₹ 3,974.31 crore respectively.

The Secured loans include borrowings from domestic banks and financial institutions along with corporate bonds raised in the capital markets that are secured against assets of the company.

The increase in Long Term Borrowing to the extent of 7.03% over previous fiscal is mainly on account of fresh issue of R series Bonds to meet out the capital expenditure of on-going projects and for recoupment of expenditure already incurred from internal accruals.

## Long Term Liabilities

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



# NHPC Limited

(A Government of India Enterprise)

The long term liabilities stood at ₹1,705.69 crore against ₹1,951.80 crore for the previous fiscal. Out of above, AAD as of March 31, 2013 and 2012, respectively was ₹1,259.88 crore and ₹1,312.67 crore. AAD standing in the books is being written-back in a systematic manner consequent upon the removal of its concept by CERC w.e.f. 01.04.2009.

## Other Current Liabilities

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

The current liabilities stood at ₹ 2,766.60 crore against ₹ 2,801.26 crore for the previous fiscal. The minor decrease of 1.24 % was mainly due to decrease in advance against project/management consultancy work partially offset by increase in liability against capital works/ supplies and current maturity of long term debts.

## Provisions

Our provisions include provision for performance related pay, superannuation/pension fund, Provision towards employee benefits (actuarial valuation), taxation, dividend & dividend tax etc. The provisions (short term as well as long term) decreased from ₹4,777.38 crore in Fiscal 2012 to ₹4,134.59 crore in Fiscal 2013 resulting in decrease by 13.45 %. The main reasons for decrease in provisions is decrease in provision towards employee benefits by ₹737 crore which is mainly due to investment of Gratuity & Pension Fund in Approved Trusts.

## Off-Balance Sheet Items

### Contingent Liabilities

The following table sets forth the components of our contingent liabilities as of Fiscal 2013 and 2012.

(₹ in crore)

Particulars	Fiscal 2013	Fiscal 2012
Claims against the Company not acknowledged as debts in respect of:		
Capital Works	10,322.99	7,615.68
Land Compensation Cases	38.37	28.18
Disputed Income Tax, Sales Tax, Other Items	459.95	420.09
<b>Total</b>	<b>10,821.31</b>	<b>8,063.95</b>

Contingent liabilities increased by 34.19% from ₹8,063.95 crore as of March 31, 2012 to ₹10,821.31 crore as at March 31, 2013 mainly on account of increase in contingent liabilities relating to Capital Works.

## BUSINESS AND FINANCIAL REVIEW OF SUBSIDIARIES/JOINT VENTURE COMPANIES

Highlights of the subsidiaries and joint venture companies of NHPC are as under:-

### NHDC Ltd.

NHDC Ltd. was incorporated on 01.08.2000 as a Joint Venture of NHPC Ltd. (51%) and Government of Madhya Pradesh (49%) having authorised share capital of ₹ 3,000 crore. NHDC has commissioned Indira Sagar Power Project (1,000 MW) and Omkareshwar Power Project (520 MW). The Total Income of the Company as of March 31, 2013 and 2012, respectively was ₹ 1,338.19 crore and ₹1,450.51 crore. The Profit After Tax of the Company as of March 31, 2013 and 2012, respectively was ₹575.64 crore and ₹646.90 crore.

### Loktak Downstream Hydroelectric Corporation Limited

Loktak Downstream Hydroelectric Corporation Limited was incorporated on 23.10.2009 as a Joint Venture of NHPC Ltd. (74%) and Government of Manipur (26%) having authorized share capital of ₹230 crore. Subsequent to its incorporation, all the Assets and Liabilities of erstwhile Loktak Downstream H.E. Project of NHPC Ltd. have been handed over to the said company.

### Chenab Valley Power Projects Pvt. Limited

Chenab Valley Power Projects Pvt. Limited was incorporated on 13.06.2012 as a Joint Venture of NHPC Ltd. (49%), Jammu & Kashmir State Power Development Corporation (JKSPDC) (49%) & PTC India Ltd. (2%) having authorized share capital of ₹ 500 crore for execution of Pakal Dul, Kiru & Kawar H.E. Projects with installed capacity of 2,120 MW in Chenab River Basin.

### National Power Exchange Limited (NPX)

NPX was incorporated on 11.12.2008 as a Joint Venture Company of NHPC Ltd., NTPC Ltd., Power Finance Corporation Ltd. and Tata Consultancy Services Ltd. under the name "National Power Exchange Limited" to operate a Power Exchange at National level. NHPC is

having 16.67% of equity participation in said Joint Venture Company. This Power Exchange would provide a neutral and transparent electronic platform for trading of power on “day ahead basis” and ensure clearing of all trades in a transparent, fair and open manner with access to all players in the power market.

### National High Power Test Laboratory Private Limited (NHPTL)

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

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

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

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

(₹ in crore)

Particulars	Fiscal 2013	Fiscal 2012
Total Income (excluding Exceptional Items)	7,617.23	8158.72
Profit before Tax	3,922.88	4,351.26
Profit after Tax ( After adjustment of Minority Interest)	2,617.41	3,085.58

### PERFORMANCE OF POWER STATIONS & PROJECTS:

Name of Power Stations /Projects	Generation Target (MU) 2012-13 for “Very Good” MoU rating	Actual Generation (MUs) 2012-13	Actual Generation (MUs) 2011-12	PAF Target (%) 2012-13 for “Very Good” MoU rating	Actual PAF (%) 2012-13	Actual PAF (%) 2011-12
BAIRASIUL	772	722	731	92	98.3	94.9
LOKTAK	500	581	523	92	92.7	80.1
SALAL	3082	3277	3219	62	65.8	63.7
TANAKPUR	452	481	488	60	64.6	64.8
CHAMERA -I	2276	2442	2660	95	97.8	87.3
URI	2587	2967	2704	72	80.7	75.9
RANGIT	339	328	353	92	94.0	93.1
CHAMERA-II	1485	1434	1522	95	96.7	96.7
DHAULIGANGA	1135	1136	1157	92	93.8	93.8
DULHASTI	2200	2043	2199	91	85.4	96.2
TEESTA-V	2573	2268	2568	92	86.7	87.6
SEWA-II	529	484	562	85	81.9	85.3
<b>Existing Stations</b>	<b>17930</b>	<b>18162</b>	<b>18683</b>	<b>79.0</b>	<b>85.3</b>	<b>83.3</b>
<b>New projects*</b>	<b>2420</b>	<b>761</b>	<b>..</b>			
<b>OVERALL</b>	<b>20350</b>	<b>18923</b>	<b>18683</b>			

\* AS PER MoU 2012-13 GENERATION TARGETS WERE SEPARATE FOR EXISTING & NEW PROJECTS. HOWEVER, PAF TARGETS REPRESENT OVERALL TARGETS FOR ALL THE PROJECTS OF NHPC.

**NOTE:** PAF figures 2012-13 are provisional subject to certification by respective RPCs



# NHPC Limited

(A Government of India Enterprise)

## MATERIAL DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATIONS

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

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

### TRAINING

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

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

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

NHPC has sponsored executives to acquire higher qualifications & specialization in M. Tech in Structural Engineering, Water Resource Development and power systems from IIT's to encourage employees to improve their efficiency and productivity via higher qualifications.

### WOMEN EMPLOYEES

The number and percentage of women employees in NHPC as on 31.03.2013 is:

	Total No. of Employees as of 31.03.2013	No. of female employees	% of overall staff strength
Total	10,418	967	9.28%

#### Steps taken for the welfare of women employees:

- Special care is taken to nominate women employees to attend training programmes/seminars on women empowerment and other issues related to women.
- Creche facility is provided in Corporate Office for employees with infants.
- Special committees with third party association have been set up to look into grievances/complaints of sexual harassment lodged by women employees.
- Child care leave for women employees to take care of their newborn/infant children.
- Child care leave when a woman employee adopts a child.
- Maternity leave as per the rules.
- Option to declare parents/parents-in-law as dependents under medical rules.
- Relaxation in attendance timings for female employees at the Corporate Office.

### RESERVATIONS FOR SCs/STs/OBCs

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

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

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

	Total Employees as on 31/03/2013	Representation					
		SCs	% age	STs	% age	OBCs	% age
Total	10,418	1,367	13.1	560	5.4	960	9.2

## WELFARE OF PERSONS WITH DISABILITIES:

### Representation of persons with disabilities:

	Total Employees as on 31/03/2013	Physically Challenged employees			% of Physically Challenged employees	
		VH	HH	OH	Total	% age
<b>Total</b>	10,418	9	3	73	85	0.8

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

### Steps taken for the welfare of physically challenged employees:

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

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

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

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

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

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

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

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

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

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

### CAUTIONARY STATEMENT

The views and forward-looking statements contained in this report are based on reasonable assumptions and subject to certain risks and uncertainties that could cause actual results to differ from those reflected in such statements.

Readers are requested to review and confirm with the other information in this report and in the Company's periodic reports. The Company undertakes no obligation to publicly update or revise any of these forward-looking statements whether as a result of new information, future events or otherwise. The financial figures shown above are based on the Audited Results of the Company.



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

**A. Conservation of Energy**

**(a) Energy conservation measures taken**

Energy Audit of NHPC Power Stations was conducted to assess and optimize the performance of power stations through CPRI. Necessary steps for the implementation of recommendations on energy saving measures are being taken.

**(b) Additional investment and proposals, if any, being implemented for reducing energy consumption.**

Power stations are being pursued to implement Energy Audit Measures as recommended by CPRI in their energy audit report.

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

The anticipated energy saving is 13,431,185 MWh/year after implementation of energy saving measures phase-wise at Bairasiul, Salal, Loktak, Tanakpur, Chamera-I, Rangit, Uri-I, Chamera-II, Dhauliganga, Dulhasti, Teesta-V and Sewa-II Power Stations as recommended by CPRI in the Energy Audit Report which will help to reduce the cost of electricity production.

**B. TECHNOLOGY ABSORPTION**

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

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

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

(₹ in crore)

S. No.	Particulars	2012-13	2011-12
<b>1.*</b>	<b>Value of Imports calculated on CIF basis :</b>		
	i) Capital Goods	17.43	53.65
	ii) Spare parts	1.74	0.21
<b>2.*</b>	<b>Expenditure in Foreign currency</b>		
	i) know how	(0.57)	4.84
	ii) interest	53.36	58.49
	iii) Other Misc.	108.64	47.37
<b>3.*</b>	<b>Value of spare parts and components consumed in Operating units</b>		
	i) imported	2.51 (9.29%)	0.18 (1.78%)
	ii) indigenous	24.50 (90.71%)	9.96 (98.22%)
<b>4.*</b>	<b>EARNINGS IN FOREIGN CURRENCY</b>		
	i) interest Income	---	---
	ii) Others	3.03	---

\* Accrual basis

## FORM B

### Research and Development (R & D)

#### 1. Specific areas in which Research and Development was carried out by the Company during 2012-13:

##### a. MoU target entrusted by MOP during 2012-13

- Development of Wind Power Project in Bidda, Jammu and Kashmir – Received Award for the work.
- CFD Analysis of Penstock / Pressure Shaft, Surge Shaft and part of HRT of one Hydro Power Project.
- Development of Hard Coating Facility at Salal Power Station - Awarded for the work.
- Sustainable development activities : - Sale of 1/3rd VERs issued for generation period Apr-08 to Sept-09 of Teesta-V Power Station.

##### b. National Perspective Plan for Research and Development Projects :-

- Development of Silt Resistant Material for Turbines of Hydro Generator.
- Tunneling in water charged zone area under high hydrostatic pressure.

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

- **Development of Wind Power Project in Bidda, Jammu and Kashmir - Award of work:-** This project is a step forward in the direction of renewable business by NHPC, plans of identifying scope and scenario for renewable business to be set by NHPC around existing project / power stations.
- **CFD analysis of Penstock / Pressure Shaft, Surge Shaft and part of HRT of one Hydro Power Project:-** CFD Analysis is conducted to validate the design of hydropower components and design assumptions. It is a quicker tool to validate the proposed layout as against physical model studies which are generally performed to validate the layout.
- **Development of Hard Coating Facility at Salal Power Station – (Awarded for this initiative):-** This project will lead to establishment of in-house facility of Hard Coating on Turbine Components that would help the company in tackling the erosion problem that erupts due to silt laden water, a problem affecting number of power stations of NHPC, the effort will result in improving turbine availability.
- **Sustainable development activities:- Sale of 1/3rd VERs issued for generation period Apr-08 to Sept-09 of Teesta-V Power Station:** - The Company has received excellent rating for achieving this MoU target in August'2012 against the target of Mar'2013 by selling 10.20 Lakh VER.
- **NPP Project: - Development of Silt Erosion Resistant Material for Turbines of Hydro-generators:-**

National Metallurgical Laboratory (NML) Jamshedpur has developed an alloy which shows improved erosion and cavitations resistance, strain hardening coefficient and impact roughness. NML has submitted application for Patent Registration of this newly developed alloy . The testing of the material on miniature components is underway. Once the properties of this alloy are proven, it can help us in the manufacture of underwater turbine components in our future hydro projects. Field trial of this newly developed alloy is under progress at at Bairasiul power station.

National Metallurgical Laboratory (NML), Jamshedpur is the lead agency and NHPC is the participating agency in conjunction with SJVNL and CPRI, is under execution. An MoU (Memorandum of Understanding) has been signed between participating agencies in this connection. Research and Development activities are focused on studies to increase the Operating Life of underwater components.

- **Tunneling in Water Charged Zone Area Under High Hydrostatic Pressure:-** The major benefits will result in establishing of a methodology for speedy and safe tunneling in water charged areas under high hydrostatic pressure.

#### 3. Future Plan of Action 2013-14

- a. Development of material having High Abrasive Strength for Spillway, Glacis etc.
- b. Development of procedure for on-site repair of EHV Transformer (up to 400kv) at power stations.
- c. Application of GIS/GPS in river inflow/ discharge measurements for Subansiri River.
- d. Development of Shaft Seal for Silt Water for machines under operations on experimental basis through Vendors and by back engineering.
- e. Sale of VER of Teesta –V Power Station.



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

Total Expenditure on Research and Development during the Financial Year 2012-13 was ₹ 3,65,55,379.

#### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

In the past, various experimental studies and trials have been carried out in association with specialized organization in the field of Hard Coatings for the Underwater Turbine Components to improve their performance against soil erosion, have succeeded in identifying Thermal Spray Techniques as a possible solution.

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

Hard coating is an ongoing process and its benefits will be derived after finalizing the final coating material beneficial for under water components of Hydro turbine. Tungsten Carbide Cobalt Coating with HVOF process has been showing encouraging results.

##### 3. Technologies imported during last 5 years: Particulars of some of the important technologies imported during last five years-

S. No	Technology Imported	Year of import	Has technology been fully absorbed	If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action
1.	Bidda Wind Power Project, Jammu and Kashmir	2011	No	DPR of Bidda wind power project, Jammu and Kashmir has been prepared, technology absorption is expected after the execution of the project.
2.	Development of 3.75 MW wind power project in Sunder bans, West Bengal	2008	No	DPR was prepared by NHPC in 2007, with the help of foreign consultant M/s Hydro-Tasmania
3.	Development of Silt Resistant Material for Turbines of Hydro Generator	2008	No	Technology absorption is expected after successful completion of Field trial of alloy developed by NML at Bairasiul power station.

## Annexure-V

**A) Particulars of employees employed during the year who were in receipt of remuneration of not less than ₹ 60 Lac per annum including arrear paid to employees retired/resigned during the financial year 2012-13 are given as under:**

S. No.	Name of Employee S/Shri	Designation	Date of Joining	Date of Leaving	Total Remuneration (In ₹)	D-Deputation R- Regular	Qualification	Age (In years)	Experience (In years)	Last employment held
1.	A B L SRIVASTAVA	DIRECTOR (FINANCE)	11-Feb-2008	-	67,00,322	R	M COM, FCA, MASTER IN BUSINESS FINANCE, CS (INTER)	57	36	REC
2.	D P BHARGAVA	DIRECTOR (TECHNICAL)	20-Feb-1979	-	63,98,169	R	B.E. ELECTRICAL	57	34	NA

**B) Particulars of employees employed during part of the year who were in receipt of remuneration of not less than ₹5 Lac per month including arrear paid to employees retired/resigned during the financial year 2012-13 are given as under:**

S. No.	Name of Employee S/Shri/Smt.	Designation	Date of Joining	Date of Leaving	Total Remuneration (In ₹)	D-Deputation R- Regular	Qualification	Age (In years)	Experience (In years)	Last employment held
1.	OPINDER RAY	BELDAR SPL GR I	16-Jan-1984	8-Apr-2012	8,83,845	R	ILLITERATE	53	28	NA
2.	DHARAM SINGH	SR.F/MAN(M)-SPL	14-Jun-1978	12-May-2012	15,78,455	R	ITI ,MATRIC/SSLC	59	34	NA
3.	PURAN SINGH	MASTER TECHNICIAN (DRILLER) GR-II	20-May-1977	12-Apr-2012	11,78,854	R	ILLITERATE	59	35	NA
4.	CHANDRA KANT PANDEY	ELECTRICIAN GR II	1-Jan-1987	8-Apr-2012	8,30,850	R	BELOW MATRIC	59	25	NA
5.	V M GOVINDAN	SPS (E02)	10-Feb-1986	24-Sep-2012	46,47,318	R	DIPLOMA IN SECRETARIAL PRACTICE, SR. SECONDARY/12TH	51	27	NA
6.	DEV RAJ	BELDAR SPL GR I	15-Jan-1986	6-Sep-2012	31,63,863	R	5TH	51	27	NA
7.	VIJAY SINGH YADAV	MACHINE OPT GR II	1-Jul-1987	15-Sep-2012	35,24,901	R	SR.SECONDARY/12TH ,ITI	51	25	NA
8.	HANS RAJ	BELDAR SPL GR I	16-Jan-1986	14-Aug-2012	30,60,233	R	2ND	51	27	NA
9.	N SHANTI SINGH	CLEANER GRADE I	16-Feb-1982	19-Aug-2012	40,03,276	R	6TH	52	31	NA
10.	MD ZAKIR	OPT(UTL)GR-III	19-Aug-1980	9-Sep-2012	41,81,245	R	7TH	52	32	NA
11.	RAVINDER SINGH	SR. H.E.M OPERATOR GRADE II	16-Aug-1980	31-Jul-2012	48,73,241	R	8TH	52	32	NA
12.	VIJAY KUMAR	OPTR(NOZ) SPL GR II	15-Sep-1982	7-Nov-2012	49,00,785	R	ILLITERATE	53	30	NA
13.	R K BINOY SINGH	MASTER TECHNICIAN (SBT) GR-II	1-Jun-1979	18-Dec-2012	51,87,588	R	HIGHER SECONDARY	53	34	NA
14.	MEKU LAL	BELDAR SPL	1-Jul-1987	26-Jul-2012	29,74,738	R	BELOW MATRIC	53	25	NA
15.	R RANGA RAO	WELDER SPL GR I	21-Sep-1979	17-Aug-2012	43,08,550	R	3RD	54	33	NA
16.	T MANGPU KOM	DAFRY GRADE I	1-Mar-1979	19-Aug-2012	40,84,350	R	MATRIC/SSLC	54	33	NA
17.	KAILASH SAH	BELDAR SPL GR I	2-Apr-1983	18-Aug-2012	33,05,429	R	BELOW MATRIC	54	29	NA
18.	BHUPINER BAHADUR	HLP. SPL. GR I	23-Aug-1980	31-Jul-2012	31,02,077	R	BELOW MATRIC	55	32	NA
19.	MULKH RAJ	WORK ASSTT SPL GR-I	1-Mar-1975	31-Aug-2012	41,26,474	R	MATRIC/SSLC	55	38	NA
20.	MOHINDER SINGH	SR. H.E.M OPERATOR GRADE I	24-Feb-1981	31-Jul-2012	42,59,020	R	BELOW MATRIC	55	31	NA
21.	KRIPESH PAUL	CLEANER SPL	21-Aug-1980	31-Jul-2012	33,12,873	R	BELOW MATRIC	55	32	NA
22.	KARAN SINGH	OPT(HEM)SPL GR I	3-Nov-1978	31-Jul-2012	44,50,377	R	8TH	55	34	NA
23.	VIJAY KUMAR	DRIVER SPL GR I	24-Apr-1981	31-Jul-2012	37,09,993	R	8TH	55	31	NA
24.	SHANKAR KAPRI	BELDAR SPL GR I	16-Jan-1980	25-Aug-2012	36,14,898	R	ILLITERATE	55	33	NA
25.	RAM GOPAL KHICHER	SR. SUP (H.K.) GR I	7-Sep-1981	3-Aug-2012	36,84,837	R	MATRIC/SSLC	56	31	NA
26.	PAOKHOLAL HMAR	SECURITY GUARD SPL	1-Apr-1983	19-Aug-2012	27,90,871	R	7TH	56	29	NA
27.	DHARAM CHAND	DRIVER GRADE I	22-Sep-1982	11-Aug-2012	32,30,477	R	ILLITERATE	56	30	NA
28.	S T NAIR	SR. H.E.M OPERATOR GRADE II	18-Nov-1977	30-Nov-2012	53,54,420	R	MATRIC/SSLC	56	35	NA
29.	BALBIR SINGH	OPT(HEM)SPL GR I	31-Jul-1984	31-Aug-2012	35,38,277	R	8TH	56	28	NA
30.	P INGO SINGH	S KEEPER SPL	1-Dec-1979	19-Aug-2012	28,14,797	R	HIGHER SECONDARY	57	33	NA



# NHPC Limited

(A Government of India Enterprise)

S. No.	Name of Employee S/Shri/Smt.	Designation	Date of Joining	Date of Leaving	Total Remuneration (In ₹)	D-Deputation R- Regular	Qualification	Age (In years)	Experience (In years)	Last employment held
31.	HARISH CHANDER	MASTER TECHNICIAN (DRILLER)GR-II	25-Apr-1977	30-Sep-2012	39,34,314	R	BELOW MATRIC	57	35	NA
32.	G S THAKUR	SR. ASSTT. GR-I	27-Jul-1979	30-Apr-2012	17,54,246	R	GRADUATE	60	33	NA
33.	FAKIR CHAND	FITTER SPL	19-Jun-1979	30-Apr-2012	15,58,023	R	BELOW MATRIC	60	33	NA
34.	SHYAMA PRASAD DUTTA	MGR(M)	6-Jul-1978	31-May-2012	22,07,609	R	B.SC., DIPLOMA MECH. ENGG.	60	34	Duckback (WB)
35.	JAGDISH RAJ	MASTER TECHNICIAN (LINEMAN)GR-II	14-Jul-1981	31-May-2012	15,10,151	R	BELOW MATRIC	60	31	NA
36.	GHANSHIAM SHARMA	SR.SUP(COMM.)	5-Jul-1975	30-Apr-2012	12,34,649	R	MATRIC/SSLC ,ITI	60	37	NA
37.	JASBIR SINGH	MASTER TECHNICIAN (MECHANIC) GR-I	2-Jun-1980	30-Apr-2012	20,65,611	R	MATRIC/SSLC ,ITI	60	32	NA
38.	GUR PARSHAD	MASTER TECHNICIAN (MECHANIC) GR.II	30-Nov-1981	30-Apr-2012	11,75,065	R	HIGHER SECONDARY	60	30	NA
39.	JAY PRAKASH SINGH	OPTR(NOZ) SPL GR II	19-Jun-1978	31-May-2012	15,29,892	R	MATRIC/SSLC ,ILLITERATE	60	34	NA
40.	UTTAM CHAND	MASTER TECHNICIAN (MECHANIC) GR-I	2-Jan-1975	30-Apr-2012	19,52,690	R	9TH	60	37	NA
41.	ENEM GURIA	SR. ASSTT. GR-I	30-May-1981	31-May-2012	19,45,570	R	SR.SECONDARY/12TH	60	31	NA
42.	GHULAM NABI WANI	AG-I	4-Jul-1977	30-Apr-2012	12,99,374	R	MATRIC/SSLC	60	35	NA
43.	SURINDER KUMAR	SR. H.E.M OPERATOR GRADE I	21-Aug-1977	31-May-2012	20,44,893	R	8TH	60	35	NA
44.	RAMESH CHANDRA	WORK ASSTT SPL GR-I	28-Feb-1979	30-Apr-2012	16,13,277	R	MATRIC/SSLC	60	33	NA
45.	G B THAPA	MASTER TECHNICIAN (DRILLER)GR-II	1-Jul-1985	30-Apr-2012	11,36,971	R	ILLITERATE	60	27	NA
46.	BELI RAM	MASTER TECHNICIAN (LINEMAN)GR-II	10-Mar-1975	30-Apr-2012	15,34,180	R	ILLITERATE	60	37	NA
47.	KASHMIR SINGH	MASTER TECHNICIAN (FITTER) - II	21-Aug-1980	30-Apr-2012	16,83,521	R	MATRIC/SSLC ,ITI	60	32	NA
48.	KARAMJEET SINGH	SR.F/MAN(M)	16-May-1974	31-May-2012	17,80,533	R	BELOW MATRIC	60	38	NA
49.	BISHAMBER NATH	MASTER TECHNICIAN (FITTER) GR-I	1-Jul-1978	30-Apr-2012	20,18,691	R	ITI ,8TH	60	34	NA
50.	PARAS RAM	MASTER ELECTRICIAN. GR-II	31-Mar-1979	30-Apr-2012	16,77,271	R	BELOW MATRIC	60	33	NA
51.	BAWA SINGH	SM(E)	24-Feb-1976	31-May-2012	24,95,749	R	DIPLOMA ELECT. ENGG.	60	36	NA
52.	O MANIHAR SINGH	MGR(C)	3-Jul-1978	31-Jul-2012	31,69,438	R	DIPLOMA CIVIL ENGG.	60	34	IFC Deptt. (Manipur)
53.	SOM RAJ	SR SUP (C) -I	30-Nov-1981	31-May-2012	15,46,633	R	MATRIC/SSLC	60	31	NA
54.	GURCHARAN SINGH	E D/MAN -GR.'A'	12-Jun-1978	30-Apr-2012	16,98,895	R	ITI DRAFTSMAN(CIVIL), MATRIC/SSLC	60	34	NA
55.	M L SHARMA	SR.SUP(SURVEY)S-3	6-Jan-1975	31-May-2012	20,19,591	R	ITI SURVEY,SR. SECONDARY/12TH	60	37	NA

## Notes:

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

### BUSINESS RESPONSIBILITY REPORT

#### Section A: General Information about the Company

**1. Corporate Identity Number (CIN) of the Company**

L40101HR1975GOI032564

**2. Name of the Company**

NHPC Limited

**3. Registered Address**

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

**4. Website**

www.nhpcindia.com

**5. E-mail id**

brr@nhpc.nic.in

**6. Financial Year Reported**

2012-13

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

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

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

**8. List three key products/services that the Company manufactures/ provides (as in Balance Sheet FY 2012-13).**

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

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

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

NHPC has business presence in Bhutan where it is engaged in preparation of Pre-Feasibility Report (PFR) and Detailed Project Report (DPR) of hydroelectric projects. NHPC is also providing Consultancy Services to one ongoing Hydroelectric Project in Bhutan (as on 31.03.2013).

**9.2. Number of National Locations**

We have 15 power stations and 7 construction projects in 7 states across the country.

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



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

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

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

### Section B: Financial Details of the Company

#### 1. Paid up Capital (INR)

INR 12,300.74 Crores (as on 31.03.2013)

#### 2. Total Turnover (INR)

INR 5,306.64 Crores (as on 31.03.2013)

#### 3. Total Profit After Taxes (INR)

INR 2,348.22 Crores (as on 31.03.2013)

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

Our total spending on CSR is INR 1573.16 lac which is 0.67% of our PAT.

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

- Education / Vocational Training
- Healthcare
- Social and Physical Infrastructure
- Community Development and Livelihood Support

### Section C: Other Details

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

Yes. NHPC Limited has three Subsidiary Companies as on 31<sup>st</sup> March, 2013, namely:

- NHDC Limited
- Loktak Downstream Hydroelectric Corporation Limited
- Chenab Valley Power Projects Private Limited (CVPPP)

#### 2. Do the Subsidiary Company/Companies participate in the Business Responsibility Initiatives of the Parent Company? If yes, then indicate the number of such Subsidiary Company(s)

No. The Subsidiary Companies do not participate in any of the Business Responsibility initiatives of the Parent Company.

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

None of the entities that the Company does business with participate in its Business Responsibility initiatives.

## Section D: BR Information

### 1. Details of Director/Directors responsible for Business Responsibility

#### 1.1. Details of the Director/Directors responsible for implementation of the Business Responsibility policy/policies

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

#### 1.2. Details of the Business Responsibility Head

- DIN Number: Not Applicable
- Name: Shri Vijay Gupta
- Designation: Company Secretary and Compliance Officer
- Telephone Number: (0129) 2278421
- Email Id: companysecretary@nhpc.nic.in

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

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

\* CSR policy is available at: [www.nhpcindia.com/csr-policy.htm](http://www.nhpcindia.com/csr-policy.htm). Resettlement and Rehabilitation policy is available at: [www.nhpcindia.com/r-and-r-policy.htm](http://www.nhpcindia.com/r-and-r-policy.htm). Sustainable Development Policy is available at: [www.nhpcindia.com/sustainable-development.htm](http://www.nhpcindia.com/sustainable-development.htm). Fraud policy, Corporate Governance compliance and Policy for Banning Business Dealing are available at: [www.nhpcindia.com/corporate-governance.htm](http://www.nhpcindia.com/corporate-governance.htm). Code of Business Conduct and Ethics, Whistle Blower policy, Integrity Pact, Integrated Management System Certificate and NHPC Conduct, Discipline and Appeal Rules are available over the company intranet.

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

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



### 3. Governance related to Business Responsibility

- **Indicate the frequency with which the Board of Directors, Committee of the Board or Chief Executive Officer is to assess the Business Responsibility Performance of the Company.**

The Business Responsibility performance of the company will be assessed annually at the end of financial year.

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

This is the first Business Responsibility Report. Henceforth, this would be published annually and will be part of the Annual Report. This report can be accessed at NHPC website: [www.nhpcindia.com](http://www.nhpcindia.com) or using the link: [http://nhpc-reports.nic.in/annual\\_report/NHPC\\_full\\_annual\\_report\\_1213.pdf](http://nhpc-reports.nic.in/annual_report/NHPC_full_annual_report_1213.pdf)

### Section E: Principle-wise performance

#### Principle 1

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

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

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

We have not received any complaints with regard to violation of the Corporate Governance norms and Code of Business Conduct and Ethics. The Company has observed no complaints under its Whistle Blower Policy and Policy for Banning Business Dealing with Bidders in 2012-13.

The Company has received 1 complaint under its Fraud Policy in FY 2012-13 against a supplier. An investigation is under progress and suitable action will be taken after investigation.

#### Principle 2

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

Hydropower generation.

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

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

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

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

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

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

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

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

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

**Principle 3**

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

1.	Total number of employees	10,418
2.	Total number of employees hired on temporary/ contractual/ casual basis	NHPC does not directly employ contract employees.
3.	Total number of permanent women employees	967
4.	Total number of permanent employees with disabilities	85
5.	Employee Associations	No formal recognition has been extended to any Association or union from the Corporate.
6.	Percentage Membership of permanent employees in employee association	Not Applicable
7.	Number of complaints relating to child labour, forced labour, involuntary labour in 2012-13 and pending, as of end 2012-13.	None received in this category and none pending.
	Number of complaints relating to sexual harassment in 2012-13 and pending, as of end 2012-13.	Complaint Filed: 1 Complaint Pending: 0
	Number of complaints relating to discriminatory employment in 2012-13 and pending, as of end 2012-13.	None received in this category and none pending.
8.	Percentage of employees who underwent safety and skill up-gradation training (as a percentage of respective total of each category) (2012-13)	
	Permanent employees	84%
	Permanent women employees	89%
	Temporary/contractual/casual	Not Applicable
	Employees with disabilities	92%



## Principle 4

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

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

### 2. Out of the above, has the company identified the disadvantaged, vulnerable and marginalized stakeholders?

Our disadvantaged and vulnerable stakeholders include differently-abled employees, girl / women, SC/ST communities and rural / project displaced communities in and around our projects.

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

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

## Principle 5

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

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

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

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

Opening Balance FY'12	Received During the Year 2012	Resolved During the Year 2012	Closing Balance FY 2012-13
8	13	18	3

## Principle 6

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

NHPC possesses Integrated Management System Certificate, which covers quality, environment and occupational Health and Safety Management System for its Corporate Office and projects/ power stations.

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

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

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

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

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

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

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

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

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

Yes. Two NHPC hydroelectric projects namely Nimmo Bazgo and Chutak located in Jammu and Kashmir State have been registered by Clean Development Mechanism Executive Board of United Nations Framework Convention on Climate Change (UNFCCC) during March, 2009.

Methodology selected for the registration of these projects was ACM0002: Consolidated methodology for grid connected electricity generation from renewable sources. Earlier this methodology was selected based on the information mentioned in DPR of the Project. Now, various changes have been made during execution of the project such as change in the connectivity of the project from National Grid to Local Isolated Grid, change in power evacuation voltage level from 33 kV to 66kV, change in transmission agency from PGCIL to Jammu and Kashmir PDD. To incorporate the above changes efforts are currently in progress to the projects re-registered under the methodology AM0103: Renewable energy power generation in isolation grids.

No Environmental compliance report has been filed till date.

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

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

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

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

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

No such notices were received in the FY 2012-13.



## Principle 7

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

NHPC is a member of Standing Conference of Public Enterprises (SCOPE). SCOPE has basic objective of promoting “better understanding among the public about the individual and collective contribution of Public Sector”.

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

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

## Principle 8

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

Yes. As per revised Department of Public Enterprises guidelines on Corporate Social Responsibility and Sustainability w.e.f. 1<sup>st</sup> April'2013 NHPC is required to spend 1% of PAT on CSR and Sustainable Development Projects. NHPC has adopted a structured scheme on CSR in line with DPE guidelines w.e.f. 2010-11. During FY 2012-13 an amount of ₹ 1431.62 Lakhs has been incurred on CSR activities.

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

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

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

The Company’s CSR projects are implemented by internal teams, Partnerships with Non-Government organizations (NGOs) and involvement with Government Institutions / local bodies.

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

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

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

Project	Amount (INR) for 2012-13
Education / Vocational Training	443.97 Lakhs
Healthcare	179.27 Lakhs
Social and Physical Infrastructure development	686.58 Lakhs
Community Development and Livelihood Support	263.34 Lakhs
<b>Total expenditure</b>	<b>1573.16 Lakhs</b>

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

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

2. Healthcare
  - a. Assisted improvement of overall health conditions of the communities through establishing new dispensaries / up gradation of the existing ones at remote locations.
  - b. Establishment / upgradation of maternity centres to take care of health of rural women and children at remote locations of NHPC.
  - c. Conducted health education programme for citizens in villages.
  - d. Awareness programme for parents on malnutrition and poor health of children and free distribution of vitamins and tablets for children suffering from malnutrition.
3. Social and Physical Infrastructure development
  - a. Undertook infrastructural & community development works to improve infrastructural facilities at villages.
  - b. Improvement of sanitation facilities in villages through setting up of public toilets with special focus on provision for women.
  - c. To initiate action/association with the Government/ PSU initiatives for establishment of cold storages for keeping and securing agricultural products e.g. fruits, vegetables etc.
4. Community Development and Livelihood Support
  - a. Provided Technical Training assistance to farmers in order to improve agricultural productivity etc.
  - b. Organized programmes for promoting Rural Sports/local culture through sponsoring local festivals etc.
  - c. Established training centre for awareness and training programme for farmers in organic farming in association with agriculture scientists.
  - d. Assisted State Government(s) / other local bodies for marketing of agricultural products/food processing units.

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

Yes, the company has taken various steps to ensure that our community initiatives are successfully adopted by the community. Proper need assessment of the local requirements in and around power stations/projects is done by company's experienced in-house team. Proper analysis of our need assessment surveys is conducted before carrying out community development initiatives. The monitoring and evaluation of our community initiatives is carried out by the independent agencies / experts / local bodies / local administration. Further feedback on our initiatives is also collected from media sources for future planning purposes.

**Principle 9**

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

No customer / consumer complaint cases are pending as on the end of FY 2012-13.

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

Not Applicable.

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

No such case has been filed by any stakeholder.

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

NHPC arranges Annual Customer Meet to get customer feedback. Last customer meet was organized from 25<sup>th</sup> September to 27<sup>th</sup> September 2012 with participants from WBSEDCL (West Bengal), HPSEB (Himachal Pradesh), APDCL (Assam), PDD (J&K), BYPL (Delhi), AVVNL (Rajasthan), RDPPC (Rajasthan), MEECL (Meghalaya), Sikkim, GUVNL (Gujarat).



## SUSTAINABLE DEVELOPMENT AT NHPC

### **Introduction**

Hydropower is world's one of the most widely used renewable, low-carbon energy resource. It plays an important role in enabling communities around the world to meet their power needs. In India, NHPC Limited is counted amongst the largest organizations for generating hydropower; with capabilities to undertake all the activities, from conceptualization to commissioning of hydro projects.

NHPC is committed to Sustainable Development (SD) through a balanced approach to achieve economic development, social progress and responsible environment management. NHPC's commitment is reflected in various activities it has adopted throughout the organization to promote Environment Management, Corporate Social Responsibility, IMS-ISO Certifications, Energy Audit for power stations, and Clean Development Mechanism.

### **Initiatives by NHPC - Inclusive Growth for Development**

#### **1) Green Energy**

Under Sustainable Development, the main thrust worldwide is on renewable sources of energy or green energy. It is a well known fact that hydropower projects per se do not produce any pollutants/Greenhouse Gases (GHGs) while generating electricity, like the other sources of electricity dependent primarily on fossil fuel. Green energy protects the earth against global warming which occurs due to climatic changes. During the year 2012-13, NHPC has produced 18,878 MU energy from its thirteen power stations connected to the grid. This is a big contribution towards abating climate change in terms of avoided emission.

#### **2) Environment Management**

The concept of Sustainable Development has been inculcated by NHPC in various stages of hydro project design, implementation, and post construction phases. The Company has its own multi-disciplinary group for dealing with environmental aspects and monitoring implementation of various environmental safeguards / measures at various projects.

The Company complies with all the conditions stipulated by MoEF while according Environment Clearance to its projects in true spirit and has always shown its commitment to comply with all the legal requirements as per Environment (Protection) Act, 1986, Forest (Conservation) Act, 1980 and other related Acts/Policies.

As most of the projects of NHPC are located at remote location of the country that have not seen development on such a large scale earlier, meeting environmental challenges becomes a crucial issue. NHPC aims for minimum destruction and exploitation and adopts various conservation measures to restore the resiliency of nature. NHPC's compensatory afforestation and biodiversity conservation measures have helped in restoring the ecological balance of nature. Catchment Area and Reservoir Rim Treatments are aimed at increasing the life of reservoirs. Green belts around the company facilities act as carbon sinks, purifying the ambient air. Restoration of quarry sites and landscaping has added aesthetics to the surrounding area.

NHPC has initiated afforestation on a large scale, which is an effective tool for arresting soil erosion and enriching environment. While carrying out plantation activities, NHPC has given special attention to the choice of plant species. The Company is also developing Orchidarium at its project to conserve Orchid species.

#### **3) Corporate Social Responsibility**

NHPC's commitment to Corporate Social Responsibility (CSR) echoes in its Corporate Mission statement that states to "execute and operate projects in a cost effective, environment friendly and socio-economically responsive manner." Corporate Social Responsibility is NHPC's commitment to recognize the interests of its stakeholders. Company has formulated its CSR Policy and implementing the same with best intentions and motives.

#### **4) IMS – ISO Certification**

Certifications Matrix of NHPC reveals that the Company has so far achieved certification ISO: 9001, ISO: 14001 and OHSAS: 18001 for all its thirteen O&M projects and Corporate Office. The Company has taken a step further and succeeded in acquiring the Integrated Management System (IMS) for all its thirteen units. Besides the above, NHPC Corporate Office Faridabad & Chamera II Power Station, have also acquired Social Accountability (SA8000) Certification and Chamera I Power Station is in the process of acquiring SA8000 Certification.

## 5) **Energy Audit of Power Stations**

With a view to assess & optimize NHPC's existing power station's performance, Energy Audit of its Power Stations is being conducted. Energy Audit of Bairasiul, Salal, Loktak, Tanakpur, Chamera-I, Rangit, Uri-I, Chamera-II, Dhauliganga, Dulhasti & Teesta-V Power Stations have already been completed, and energy saving measures are being implemented in a phased manner.

## 6) **Clean Development Mechanism**

NHPC's two projects, namely Nimoo-Bazgo (3X15 MW) and Chutak (4X11 MW), located in Jammu and Kashmir State have been registered by CDM Executive Board of United Nations Framework Convention on Climate Change (UNFCCC).

NHPC is also pursuing validation of projects that are in the advance stages of construction or have recently been commissioned under other Carbon Trading initiatives such as Verified Emission Reduction (VERs). Teesta-V Power Station has been validated under VER Scheme and verification for the period of April'08 to September'09 has been completed.

## 7) **Sustainable Development Initiatives - Guidelines of Department of Public Enterprises( DPE)**

Department of Public Enterprises (DPE), Government of India has issued Guidelines on Sustainable Development for CPSEs. These guidelines provide for policy and projects for sustainable development.

NHPC's Policy on Sustainable Development has been formulated in line with DPE's guidelines dated 23.09.2011. The prime objective is to implement Sustainable Development projects / activities covering Waste Management/Water Management/Energy Management, Biodiversity & Conservation, etc. NHPC's Sustainable Development Policy aims to create long term Economic, Social and Financial growth for the Corporation and its stakeholders.

As per MoU signed between NHPC and the Ministry of Power, following Sustainable Development activities were to be implemented by NHPC during Financial Year 2012-13:

- **Schedule A: Biodiversity Conservation:** Voluntary afforestation of 25,000 saplings at NHPC's power stations.
- **Schedule A: Water Management:** Implementation of one Rainwater Harvesting Scheme by 15<sup>th</sup> March 2013.
- **Schedule A: Energy Management:** Installation of fifty solar powered lamps at NHPC's Corporate Office and the Residential Colony at Faridabad.
- **Schedule B: Carbon Management:** Sale of 80% of 1/3<sup>rd</sup> Voluntary Emission Reduction (VER) from Teesta V Power Station issued for generation period Apr-08 to Sep-09.
- **Schedule B: SD Training:** Sustainable Development training to be imparted to employees for total 400 man-hours.

### 7.1) **SD Committee**

Effective governance is required by an organization to implement the Sustainable Development Guidelines and pursue its endeavors towards sustainable future for all stakeholders. Therefore, to implement and oversee SD activities in NHPC, an independent Board level committee on Sustainable Development was constituted by the Board of Directors of the Company. The committee was headed by an Independent Director along with Director (Technical) and Director (Projects). ED (Planning) was the Secretary and Nodal Officer of the committee.

#### **Steps of Activities for implementing SD Policy:**

- 1 Preparation of Sustainable Development Policy of NHPC in line with DPE's Guidelines.
- 2 Approval of Sustainable Development Policy by the Board.
- 3 Develop SD Plan as per MoU with MoP. (Ministry of Power).
- 4 Approval of Board Level Committee on SD.
- 5 Approval of SD Budget by the Board.
- 6 Invitation of the SD plans from various Power Stations/Projects/ Units/Departments.
- 7 Submission of SD Project Proposals to the Board Level Committee for approval and budgetary allocation.
- 8 Monitoring of SD works by internal evaluators based on predefined parameters.
- 9 Monitoring of SD works by external evaluators based on predefined parameters.
- 10 Publication of SD report as a part of Annual Report.
- 11 Submission of Evaluation Report to the DPE.



Meetings of the Board level Committee on Sustainable Development were held during Financial Year 2012-13. During the meetings, the Committee approved various schemes for implementation under Sustainable Development and also approved a budget of ₹ 178.08 lacs for implementation of the same. The Committee acted as a guiding force in implementing various schemes under Sustainable Development.

## 7.2) Activities under Schedule A

**Biodiversity Conservation - Voluntary Afforestation:** As per MoU target, 25,000 saplings were required to be planted at various power stations. Voluntary afforestation of saplings was taken up at nine power stations viz: Dulhasti, Salal, Chamera I, Chamera II, Bairasiul, Teesta V, Tanakpur, Sewa II and Rangit. About 29,127 saplings were planted by 31<sup>st</sup> March 2013 against the MoU target of 25,000 saplings. Species like Pine, Kikar, Chinar, Silver Oak, Willow, English Willow, Walnut, Apple, etc were planted. For protection of plants, watering and fencing arrangements have been made.

**Water Management - Rainwater Harvesting/Water Conservation:** As per MoU target for Sustainable Development, NHPC was to implement Rain Water Harvesting Scheme (RWHS) at one location. However, NHPC implemented four Rainwater Harvesting Schemes at following locations:

- i) One RWHS at Project Investigation Division (PID) Field Unit Pathankot, Punjab
- ii) Two RWHS at Tanakpur Power Station, Banbassa, Uttarakhand.
- iii) One RWHS near Parbati II H. E. Project, Himachal Pradesh.

All four RWHS, except the one near Parbati II H. E. Project, are based on Ground Water Recharge System. The scheme taken up by Parbati II H. E. Project is a Storage and Reuse Scheme, implemented at Garsa Senior Secondary High School. PID Field Unit Pathankot and Parbati II H. E. Project completed implementation of RWHS by 15<sup>th</sup> March 2013, as per target given in the MoU for excellent rating.

**Energy Management - Installation of Solar Lamps:** As a part of MoU target, the Company proposed to install total fifty solar power lamps at NHPC's Corporate Office and Residential Colony at Faridabad. NHPC has installed 25 LED based solar lights of 21 watt each in the Residential colony and another 25 solar lights at Corporate Office, Faridabad, replacing the existing 250 watt conventional street lights.

## 7.3) Activities under Schedule B

**Sustainable Development Training for Employees:** NHPC organized two Sustainable Development trainings for NHPC's employees. The first one was conducted by Tara Livelihood Academy at Orchha, Madhya Pradesh between 18<sup>th</sup> and 20<sup>th</sup> November 2012 for Executives of NHPC. It was a three day Residential Training Programme on Sustainable Development titled as "Sustainable Business Growth – Co-creating Value with People and Nature".

The second training was organized at Faridabad on 28<sup>th</sup> January, 2013 wherein forty six executives, including officers from very senior level, attended the programme. A total of 616 man hours of training was imparted against the MoU target of 400 man-hours.

**Carbon Management: Sale of Voluntary Emission Reduction (VER):** NHPC has voluntarily initiated to register Teesta V Power Station under Verified Carbon Standard (VCS) and was able to validate Teesta V Power Station under clause VCS 2007.1 in March 2010. NHPC was given a MoU target under SD for sale of 80% of 1/3 VERs issued for generation period Apr-08 to Sep-09 for Teesta V Power Station. Thus, the target for receiving Excellent Rating was to sell 7, 92,163 VERs by March, 2013. MoU target has been achieved with excellent rating on 8<sup>th</sup> August, 2012 after selling 8.20 Lac VERs Later NHPC sold additional VERs Hence a total 10.90 Lac VERs were sold by NHPC during Financial Year 2012-13 which accounts for 110.10% against MoU target of 80%.

## 8) Conclusion:

Hydro projects are the testimony of producing green energy, which promises a cleaner and a more independent future. NHPC commits itself to producing hydropower and implement various Sustainable Development Schemes which will leave its mark in the society for future generations to enjoy.

**INDEPENDENT AUDITORS' REPORT**

To the Members of NHPC Limited

Auditors' Comment	Management Reply
<p><b>Report on the Financial Statements</b></p> <p>We have audited the accompanying financial statements of NHPC LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.</p> <p><b>Management's Responsibility for the Financial Statements</b></p> <p>Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("The Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.</p> <p><b>Auditor's Responsibility</b></p> <p>Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.</p> <p>An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making, those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.</p> <p>We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.</p>	

## Basis for Qualified Opinion

Capital Work in Progress carried in the Balance Sheet amounting to ₹ 19,709.04 crores. Management has included Borrowing Cost of ₹ 386.88 crores and Administrative & Other Cost of ₹ 139.69 crores incurred on Subansiri Lower H.E. Project, wherein active development of project is interrupted. Accounting Standards require these expenditure incurred during interruption period be charged to Statement of Profit & Loss. This constitutes departure from the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

Accordingly, 'Finance Cost' would have increased by ₹ 386.88 crores and 'Generation, Administration and Other Expenses' would have increased by ₹ 139.69 crores and 'Net Profit before Tax', 'Capital Work in Progress' would have reduced by ₹ 526.57 crores and Shareholders' Fund (Net of Taxes) would have reduced by ₹ 421.22 crores.

## Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- in the case of the Statement of Profit & Loss, of the profit for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Emphasis of Matter

We draw attention to:

- Note No. 12 para 3 to financial statement, which describes uncertainty about the outcome of the project under survey and investigation stage. Expenditure incurred for conducting Survey & Investigation on such projects are being carried forward as these projects are under investigation/ pending clearance with various authorities.
- Note No. 30 para 1 to the financial statement, which describes uncertainty related to the outcome of the claims/ arbitration proceedings and lawsuit filed by/ against the Company on/ by contractors and others.
- Note No. 30 para 6 in the financial statement, which describes treatment of expenditure incurred on creation of assets not within the control of the company (Enabling Assets) which has been referred to the Expert Advisory Committee (EAC) of Institute of Chartered Accountants of India (ICAI).

Our opinion is not qualified in respect of these matters.

In the opinion of Management, since technical and administrative work is continued, administration and other general overheads including borrowing cost have been capitalized with adequate disclosure in the financial statements. Management is reasonably confident that based on past experience, administration and other general overheads including borrowing cost, which have been capitalized, will be allowed to be included in the capital cost of the Project and consequently recoverable through tariff.

Further in terms of advice letter no. MAB-III/Rep/01-22/Acs-NHPC/2013-14/461 dated 17.07.2013 of CAG, the matter is going to be referred to EAC of ICAI for their opinion in the matter.

In the opinion of management, the projects on which survey & investigation expenditure is incurred are still active, therefore the cost incurred on survey & investigation is being carried forward.

Company is required to disclose the uncertainty relating to any outflow in respect of contingent liability in terms of Para 68 of the Accounting Standard 29, as such the same has been disclosed.

The opinion of EAC is awaited, pending which the same accounting treatment as was followed during the financial year 2011-12 is continued.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
  2. As required under provisions of section 227(3) of the Companies Act, 1956, 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 account as required by law have been kept by the Company so far as appears from our examination of those books;
    - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
    - d. except for the matter described in the Basis for Qualified Opinion paragraph, in our opinion the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
    - e. The Department of Company Affairs, Ministry of Finance vide Notification No. F.No.8/5/2001-CL.V dated 21st October, 2003 have notified that the provisions of clause (g) of sub-section (1) of section 274 of Companies Act, 1956, shall not apply to a Government Company.
    - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.
    - g. This report supersedes our report dated May 28, 2013 given by us on the financial statements of the company for the financial year ending on March 31, 2013.
- As above.

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

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

**For Baweja & Kaul**  
Chartered Accountants  
(FR No: 005834N)

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

**(CA S. N. Nanda)**  
Partner  
M. No. 005909

**(CA P. K. Singhi)**  
Partner  
M. No. 050773

**(CA Dalip K. Kaul)**  
Partner  
M. No. 083066

**(CA Krishan Kumar)**  
Partner  
M. No. 085415

Date : -01/07/2013  
Place : - New Delhi

Date : -27/06/2013  
Place : - Kolkata

Date : -02/07/2013  
Place : - Jammu

Date : -01/07/2013  
Place : - New Delhi

## **Annexure referred to in paragraph 1 under the heading “Report on the other legal and regulatory requirements of our report of even date**

1. In respect of its fixed assets:
  - a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) All the fixed assets have been physically verified by the management/outside agencies during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the company and nature of the assets. As per the information given to us by the management, no material discrepancies as compared to book records were noticed in respect of fixed assets physically verified during the year.
  - c) The Company has not disposed off substantial part of fixed assets during the year.
2. In respect of its inventories:
  - a) The inventory has been physically verified during the year by the management/outside agencies. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion and according to the information and explanation given to us, the procedures of verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c) The company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories have been properly dealt with in the books of account.
3. In respect of loans granted/taken to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
  - a) The company has not granted any loans, secured or unsecured, to/from companies, firms or other parties during the year covered in the register maintained under section 301 of the Companies Act, 1956. In view of this, sub clauses (b), (c) and (d) of clause (iii) are not applicable.
  - b) As per explanations & information, the Company has not taken any loans from the parties covered under the register maintained u/s 301 of the Companies Act, 1956. In view of this sub clause (e), (f) & (g) of clause (iii) are not applicable.
4. In our opinion 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 with regard to the purchase of the inventory, fixed assets and sale of power & services.
5. In respect of transactions with companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
  - a) According to the information and explanations given to us, during the year under audit there have been no contracts & arrangements entered by the company which needs to be entered in the register maintained under section 301 of the Companies Act.
  - b) In view of sub clause (a) above, the sub-clause (4) (iii) (b) is not applicable.
6. The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act 1956 and the rules framed there under.
7. Company is having internal audit department/Outside agencies responsible for carrying out the Internal Audit of various sections at head office and at project offices at periodical intervals as per the approved audit plan. The internal audit system adopted by the internal audit department and the outside agency commensurate with the size and nature of the business of the company.
8. The Company has maintained proper books of account relating to material, labour and items of cost incurred by it pursuant to the rule made by the Central Government for maintenance of cost records under section 209(1) (d) of the Companies Act, 1956. However, we have not made a detailed examination of these accounts with a view to determine whether they are accurate or complete.
9. In respect of statutory dues:
  - (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess & other material statutory dues, have generally been regularly deposited with the appropriate authorities. We are informed that the Employee’s State Insurance Scheme is not applicable to the Company. According to the information and explanations given to us, no undisputed payable in respect of the aforesaid statutory dues were in arrears, as at 31st March 2013 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and as per the records of the company, the dues of Sales Tax, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess which have not been deposited on account of any dispute.

(₹ in Crores)

Name of the Statute	Nature of the Dues	Amount	Year to which it pertains	Forum
Income Tax Act, 1961	Income tax	24.08	A.Y. 2010-11	ACIT, Faridabad
		0.24	A.Y. 2009-10	ITO(TDS), Srinagar
		0.03	A.Y. 2008-09	
		0.06	A.Y. 2008-09	Income Tax Office, Guwahati
	<b>Total</b>	<b>24.41</b>		
Sales Tax Act of various states	Sales Tax	224.44	1994-95	Sales Tax Tribunal, Srinagar
		46.42	1995-96	Sales Tax Tribunal, Srinagar
		2.84	1996-97	Sales Tax Tribunal, Srinagar
		0.54	2008-09	AETC, Kullu
		0.29	2009-10	AETC, Kullu
		0.19	2007-08	Commercial Tax Officer, Baramulla
	<b>Total</b>	<b>274.72</b>		
Customs Act, 1962	Custom Duty	0.06	1999-00	Custom Department, Mumbai
Finance Act, 1994	Service tax	29.22	2010-11	Commercial Taxes Officer, Faridabad
	<b>Grand Total</b>	<b>328.41</b>		

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

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

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

**For Baweja & Kaul**  
Chartered Accountants  
(FR No: 005834N)

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

**(CA S. N. Nanda)**  
Partner  
M. No. 005909

**(CA P. K. Singhi)**  
Partner  
M. No. 050773

**(CA Dalip K. Kaul)**  
Partner  
M. No. 083066

**(CA Krishan Kumar)**  
Partner  
M. No. 085415

**BALANCE SHEET AS AT 31ST MARCH 2013**

(₹ in Crore)

PARTICULARS	Note No.	As at 31st March, 2013	As at 31st March, 2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	2	12,300.74	12,300.74
(b) Reserves and Surplus	3	15,539.76	14,052.79
<b>(2) NON-CURRENT LIABILITIES</b>			
(a) Long Term Borrowings	4	17,417.52	16,272.80
(b) Deferred Tax Liabilities	5	460.69	204.04
(c) Other Long Term Liabilities	6	1,705.69	1,951.80
(d) Long Term Provisions	7	721.92	1,187.45
<b>(3) CURRENT LIABILITIES</b>			
(a) Short Term Borrowings	8	-	180.00
(b) Trade Payables	9	179.41	218.95
(c) Other Current Liabilities	10	2,766.60	2,801.26
(d) Short Term Provisions	7	3,412.67	3,589.93
<b>TOTAL</b>		<b>54,505.00</b>	<b>52,759.76</b>
<b>II. ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
(a) Fixed Assets			
(i) Tangible Assets	11.1	17,311.74	15,654.14
(ii) Intangible Assets	11.2	728.22	714.18
(iii) Capital Work In Progress	12	19,709.04	19,349.74
(b) Non Current Investments	13	2,400.61	2,499.14
(c) Long Term Loans and Advances	14	1,238.74	1,428.62
(d) Other Non-Current Assets	15	944.37	1,181.93
<b>(2) CURRENT ASSETS</b>			
(a) Current Investments	16	250.74	250.74
(b) Inventories	17	57.07	43.81
(c) Trade Receivables	18	2,049.05	2,052.18
(d) Cash & Bank Balances	19	5,616.01	6,003.97
(e) Short Term Loans and Advances	14	2,099.56	1,890.06
(f) Other Current Assets	20	2,099.85	1,691.25
<b>TOTAL</b>		<b>54,505.00</b>	<b>52,759.76</b>
<b>Significant Accounting Policies</b>	1		
<b>Other Explanatory Notes to Accounts</b>	30		

Note 1 to 30 form integral part of the Accounts

**For and on behalf of the Board of Directors****VIJAY GUPTA**  
Company Secretary**D. P. BHARGAVA**  
Director (Technical)  
DIN 0127269**A. B. L. SRIVASTAVA**  
Director (Finance)  
DIN 01601682**As per report of even date****For S. N. Nanda & Co.**  
(Chartered Accountants)  
FR No. 000685N**For Singhi & Co,**  
(Chartered Accountants)  
FR No. 302049E**For Baweja & Kaul**  
(Chartered Accountants)  
FR No. 005834N**For Tiwari & Associates**  
(Chartered Accountants)  
FR No. 002870N**(CA S N NANDA)**  
Partner  
M. No. 005909**(CA PRADEEP KR SINGHI)**  
Partner  
M. No. 050773**(CA DALIP K KAUL)**  
Partner  
M. No. 083066**(CA KRISHAN KUMAR)**  
Partner  
M. No. 085415

Place :- New Delhi

Date: - 28/05/2013

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

(₹ in Crore)			
	Note No.	For the year ended on 31st March, 2013	For the year ended on 31st March, 2012
<b>INCOME</b>			
i)	21	5,306.64	5,919.48
ii)	22	992.78	802.40
<b>TOTAL REVENUE</b>		<b>6,299.42</b>	<b>6,721.88</b>
<b>EXPENDITURE</b>			
i)	23	1,095.33	1,067.69
ii)	24	887.41	915.76
iii)	25	385.38	338.10
iv)	26	969.29	893.86
<b>TOTAL EXPENDITURE</b>		<b>3,337.41</b>	<b>3,215.41</b>
<b>Profit before Prior Period Items, Exceptional and Extraordinary items and Tax from Continuing Operation</b>		2,962.01	3,506.47
	27	(0.11)	58.29
<b>Profit before Exceptional and Extraordinary Items and Tax</b>		2,962.12	3,448.18
		(240.01)	(68.86)
<b>Profit before Extraordinary Items and Tax</b>		3,202.13	3,517.04
		-	-
<b>PROFIT BEFORE TAX</b>		3,202.13	3,517.04
	28		
<b>Tax Expenses</b>			
i)		587.41	694.19
ii)		9.85	8.37
iii)		256.65	42.71
<b>Total Tax Expenses</b>		853.91	745.27
<b>PROFIT FOR THE YEAR</b>		<b>2,348.22</b>	<b>2,771.77</b>
Earning per share (Equity shares, face value of ₹ 10/- each)			
<b>Basic &amp; Diluted</b>		1.91	2.25
<b>Other Explanatory Notes to Accounts</b>		30	
<b>Note 1 to 30 form integral part of the Accounts</b>			

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

**VIJAY GUPTA**  
Company Secretary

**D. P. BHARGAVA**  
Director (Technical)  
DIN 01277269

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

**As per report of even date**

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

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

**For Baweja & Kaul**  
(Chartered Accountants)  
FR No. 005834N

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

**(CA S N NANDA)**  
Partner  
M. No. 005909

**(CA PRADEEP KR SINGHI)**  
Partner  
M. No. 050773

**(CA DALIP K KAUL)**  
Partner  
M. No. 083066

**(CA KRISHAN KUMAR)**  
Partner  
M. No. 085415

Place :- New Delhi  
Date: - 28/05/2013

**NOTE NO. 1 – SIGNIFICANT ACCOUNTING POLICIES****1. ACCOUNTING CONVENTIONS**

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

**2. FIXED ASSETS**

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

**3. MACHINERY SPARES**

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

**4. CAPITAL WORK IN PROGRESS**

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

**5. DEPRECIATION & AMORTISATION**

- 5.1 Depreciation on additions to /deductions from tangible assets during the year is charged on pro-rata basis from / up to the date in which the asset is available for use / disposal.
  - 5.1.1 Depreciation on tangible assets of Operating Units of the company is charged on straight-line method following the rates and methodology as notified by the Central Electricity Regulatory Commission (CERC) for the fixation of tariff except for assets specified in 5.2.3 below, in respect of which depreciation is charged at the rates mentioned in that policy.

- 5.2.2 Depreciation on tangible assets of other than Operating Units of the company is charged on straight-line method to extent of 90% of the cost of asset following the rates as notified by the Central Electricity Regulatory Commission (CERC) for the fixation of tariff except for assets specified in 5.2.3 below, in respect of which depreciation is charged at the rates mentioned in that policy.
- 5.2.3 Depreciation in respect of following assets is charged on straight line method to the extent of 90% of the cost of asset following the rates of depreciation indicated as against each asset
- |                                    |        |
|------------------------------------|--------|
| (i) Construction Plant & Machinery | 11.25% |
| (ii) Computer & Peripherals        | 30%    |
- 5.2.4 Temporary erections are depreciated fully (100%) in the year of acquisition / capitalization by retaining ₹1/- as a WDV.
- 5.3 Assets valuing ₹ 5000/- or less but more than ₹ 750/- and such items (excluding immovable assets) with written down value of ₹ 5000/- or less at the beginning of the year are fully depreciated during the year with ₹ 1 as WDV.
- 5.4 Low value items, which are in the nature of assets (excluding immovable assets) and valuing upto ₹750/- are not capitalized and charged off to revenue in the year of use.
- 5.5 Cost of software is recognized as 'Intangible Assets' and is amortized on straight line method over a period of legal right to use or three financial years, whichever is earlier. Other intangible assets are amortized on straight line method over the period of legal right to use.
- 5.6.1 Leasehold Land, in case of operating units, is amortised over the period of lease or 35 years whichever is lower, following the rates and methodology notified by CERC, vide tariff regulation 2009.
- 5.6.2 Leasehold Land, in case of units other than operating units, is amortised over the period of lease or 35 years whichever is lower.
- 5.7 Fixed Assets created on leasehold land are depreciated to the extent of 90% of original cost over the balance available lease period of respective land from the date such asset is available for use or at the applicable depreciation rates & methodology notified by CERC regulations for such assets, whichever is higher.
- 5.8 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.

## 8. FOREIGN CURRENCY TRANSACTIONS

- 8.1 Transactions in foreign currency are initially recorded at exchange rates prevailing on the date of transaction. At each Balance Sheet date monetary items denominated in foreign currency are translated at the exchange rate prevailing on the Balance Sheet date.
- 8.2 Exchange differences are recognised as income & expenses in the period in which they arise in Statement of Profit & Loss in case of operational stations and to EDC in case of projects under construction. However, exchange differences in respect of liabilities



relating to fixed assets/capital work-in-progress arising out of transaction entered into prior to 01/04/2004 are adjusted to the carrying cost of respective fixed asset/Capital Work-in-Progress.

## 9. EMPLOYEE BENEFITS

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

## 10. REVENUE

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

## 11. MISCELLANEOUS

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

## 12. BORROWING COST

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

## 13. TAXES ON INCOME

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

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

## 14. IMPAIRMENT OF ASSETS

The company assesses at each balance sheet date whether there is any indication that cash generating unit (CGU) is impaired based on internal/external indicators. If any such indication exists, company estimates the recoverable amount of the CGU. An impairment loss is recognized in the statement of profit and loss where the carrying amount exceeds the recoverable amount of the cash generating units. An impairment loss is reversed if there is a change in the recoverable amount and such loss either no longer exists or has decreased.

## NOTE NO.2 SHARE CAPITAL

PARTICULARS	As at 31st March,2013		As at 31st March,2012	
	In Nos.	(₹in Crore)	In Nos.	(₹in Crore)
a) <b>Authorized Equity Share Capital (Par value per share ₹10)</b>	15000000000	15000.00	15000000000	15000.00
b) <b>No. of Equity shares issued, subscribed and fully paid (Par value per share ₹10)</b>	12300742773	12300.74	12300742773	12300.74
c) During the Financial Year 2012-13, the company has neither issued/ nor reduced any share capital. Hence reconciliation of equity shares is not required.				
d) The Company has issued only one kind of equity shares with voting rights proportionate to the share holding of the shareholders. These voting rights are exercisable at meeting of shareholders. The holders of the equity shares are also entitled to receive dividend as declared from time to time for them.				
e) <b>Shares in the company held by each shareholder holding more than 5 percent specifying the number of shares held :-</b>	<b>In No.</b>	<b>In (%)</b>	<b>In No.</b>	<b>In (%)</b>
- President of India	<b>10623368758</b>	<b>86.36</b>	<b>10623368758</b>	<b>86.36</b>
f) In preceding five financial years immediately preceding 31.03.2013, Company has not allotted any equity share as fully paid up pursuant to contract(s) without payment being received in cash/ not allotted any equity share as fully paid up by way of bonus share(s) / not bought back any equity shares.				

## NOTE NO. 3 RESERVE AND SURPLUS

(₹in Crore)

PARTICULARS	As at 31st March,2013	As at 31st March,2012
<b>Securities Premium Account</b>	2,868.74	2,868.74
<b>Bond Redemption Reserve</b>		
As per last Balance Sheet	414.63	299.75
Add: Transfer from Surplus	249.17	129.13
Less: Write back during the year	14.25	14.25
As at Balance Sheet date	649.55	414.63
<b>Self Insurance Fund</b>		
As per last Balance Sheet	690.90	658.42
Add: Transfer from Surplus	48.84	32.48
Less: Utilisation during the year	0.92	-
	738.82	690.90
Less: - Adjustment on account of claims	7.29	4.64
As at Balance Sheet date	731.53	686.26
<b>Corporate Social Responsibility (CSR) Reserve</b>		
As per last Balance Sheet	-	

## NOTE NO. 3 RESERVE AND SURPLUS (CONTD.)

(₹in Crore)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
Add: Transfer from Surplus	23.50	-
Less: Utilisation during the year		
As at Balance Sheet date	23.50	-
<b>General Reserve</b>	4,120.06	4,120.06
<b>Surplus *</b>	7,146.38	5,963.10
<b>TOTAL</b>	<b>15,539.76</b>	<b>14,052.79</b>
* Surplus		
Profit for the year as per Statement of Profit and Loss	2,348.22	2,771.77
Balance brought forward	5,963.10	4,336.18
Add:		
Amount written back from Bond Redemption Reserve	14.25	14.25
Amount utilised from Self Insurance Fund	0.92	-
Tax on Dividend - Write back	4.88	3.25
<b>Balance available for Appropriation</b>	<b>8,331.37</b>	<b>7,125.45</b>
Transfer to Bond Redemption Reserve	249.17	129.13
Transfer to Self Insurance Fund	48.84	32.48
Transfer to CSR Reserve	23.50	-
Dividend :		
- Proposed	738.04	861.05
- Final	0.01	0.01
Tax on Dividend		
- Proposed	125.43	139.68
<b>Balance carried forward</b>	<b>7,146.38</b>	<b>5,963.10</b>

## NOTE NO. 4 LONG TERM BORROWINGS

(₹in Crore)

PARTICULARS	As at 31st March, 2013			As at 31st March, 2012		
	Total Borrowings	Less: - Current Maturities	Long Term Borrowings	Total Borrowings	Less: - Current Maturities	Long Term Borrowings
<b>Bonds</b>						
- Secured (Refer A below)	4,907.28	57.00	4,850.28	3,608.00	57.00	3,551.00
<b>Term Loans</b>						
• From Banks						
- Secured (Refer B below)	3,645.87	188.97	3,456.90	2,920.17	174.30	2,745.87
- Unsecured (Refer C below)	2,226.54	184.54	2,042.00	2,586.73	180.83	2,405.90
• From Other Parties						
- Secured (Refer D below)	6,001.62	703.93	5,297.69	6,705.55	703.93	6,001.62
- Unsecured (Refer E below)	1,845.99	75.34	1,770.65	1,640.69	72.28	1,568.41
	18,627.30	1,209.78	17,417.52	17,461.14	1,188.34	16,272.80

PARTICULARS	As at 31st March, 2013			As at 31st March, 2012		
	Total Borrowings	Less: - Current Maturities	Long Term Borrowings	Total Borrowings	Less: - Current Maturities	Long Term Borrowings
Aggregate amount of loans guaranteed by Directors	-	-	-	-	-	-
Aggregate amount of loans guaranteed by Govt. of India	2,403.72	259.88	2,143.84	2,828.98	253.11	2,575.87
Amount of default in repayment of loans and interest as at 31.03.2013	-	-	-	-	-	-
Period of default in repayment of loans and interest as at 31.03.2013	-	-	-	-	-	-

	As at 31st March, 2013	As at 31st March, 2012
<b>Particulars of redemption &amp; repayment (Disclosure given below for Total Borrowings)</b>		
<b>(A). BONDS (Non-convertible and Non-cumulative)-Secured</b>		
<b>i) BONDS-R-3 SERIES *5</b> (8.78 % 15Year Bonds of ₹10,00,000/- each with 10 separately transferable redeemable principal part and each separately transferable redeemable principal part comprising 1/10th of face value of Bond.) (Yearly redemption of ₹89.20 Crore w.e.f. 11.02.2019 to 11.02.2028)	892.00	-
<b>ii) BONDS-Q SERIES *6</b> (9.25% 15Year Bonds of ₹12,00,000/- each with 12 separately transferable redeemable principal part and each separately transferable redeemable principal part comprising 1/12th of face value of Bond.) (Yearly redemption of ₹105.50 Crore w.e.f. 12.03.2016 to 12.03.2027)	1,266.00	1,266.00
<b>iii) BONDS-R-2 SERIES *5</b> (8.85 % 14 Year Bonds of ₹12,00,000/- each with 12 separately transferable redeemable principal part and each separately transferable redeemable principal part comprising 1/12th of face value of Bond.) (Yearly redemption of ₹31.84 Crore w.e.f. 11.02.2016 to 11.02.2027)	382.08	-
<b>iv) BONDS-R-1 SERIES *5</b> (8.70 % 13 Year Bonds of ₹12,00,000/- each with 12 separately transferable redeemable principal part and each separately transferable redeemable principal part comprising 1/12th of face value of Bond.) (Yearly redemption of ₹6.85 Crore w.e.f. 11.02.2015 to 11.02.2026)	82.20	-
<b>v) BONDS-P SERIES *5 , 7 &amp; 10</b> (9.00% 15Year Secured Redeemable Non-Convertible Bonds of ₹10,00,000/- each. Yearly redemption of ₹200 Crore w.e.f. 01.02.2016 to 01.02.2025)	2,000.00	2,000.00
<b>vi) BONDS-O SERIES *2</b> (7.70% 15 year Bonds of ₹100,000,000/- each with 10 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/10th of face value of Bond) (Yearly redemption of ₹57 Crore w.e.f. 31.03.2009 to 31.03.2018)	285.00	342.00
<b>TOTAL BONDS (A)</b>	<b>4907.28</b>	<b>3608.00</b>

	As at 31st March,2013	As at 31st March,2012
<b>(B). TERM LOANS - Secured (Banks)</b>		
<b>i) STATE BANK OF PATIALA *1</b> (Repayable in 8 half yearly instalments of ₹2 Crore each upto 09.01.2017 at floating interest rate of 8.36% as on 31.03.2013)	16.00	20.00
<b>ii) CANARA BANK *4</b>	-	10.00
<b>iii) CANARA BANK *2</b>	-	17.00
<b>iv) CANARA BANK *2</b> (Repayable in 4 equal yearly instalments of ₹20 Crore each upto 09.11.2016 at fixed interest rate of 6.86%)	80.00	100.00
<b>v) SYNDICATE BANK *2</b> (Repayable in 4 equal yearly instalments of ₹18.30 Crore each upto 23.02.2017 at fixed interest rate of 7.207%)	73.20	91.50
<b>vi) ORIENTAL BANK OF COMMERCE *2</b> (Repayable in 4 equal yearly instalments of ₹20 Crore each upto 31.03.2017 at fixed interest rate of 7.207%)	80.00	100.00
<b>vii) ORIENTAL BANK OF COMMERCE *2</b> (Repayable in 8 equal yearly instalments of ₹10 Crore each upto 27.12.2020 at fixed interest rate of 7.207%)	80.00	90.00
<b>viii) INDIAN BANK *1</b> (Repayable in 1 instalment of ₹33.33 Crore at floating interest rate of 9.67 % as on 31.03.2013)	33.34	66.67
<b>ix) INDIAN BANK *4&amp;9</b> (Bullet Repayment of ₹75 Crore after 5th year as on 29.09.2014 at floating interest rate of 11.25% as on 31.03.2013)	75.00	75.00
<b>x) UCO BANK *8</b> (Repayable in 23 half yearly instalments of ₹41.67 Crore each upto 30.06.2024 at floating interest rate of 10.20% as on 31.03.2013)	958.33	1,000.00
<b>xi) CORPORATION BANK *11</b> (Repayable in 48 equal quarterly instalments of ₹10.42 Crore each upto 06.10.2026 at floating interest rate of 10.25% as on 31.03.2013)	500.00	500.00
<b>xii) CANARA BANK *11</b> (Repayable in 48 equal quarterly instalments of ₹4.17 Crore upto 16.10.2026 at floating interest rate of 10.25% as on 31.03.2013)	200.00	150.00
<b>xiii) INDIAN OVERSEAS BANK *11</b> (Repayable in 48 equal quarterly instalments of ₹4.17 Crore each upto 16.10.2026 at floating interest rate of 10.25% as on 31.03.2013)	200.00	150.00
<b>xiv) PUNJAB &amp; SIND BANK *11</b> (Repayable in 48 equal quarterly instalments of ₹4.17 Crore each upto 17.10.2026 at floating interest rate of 10.25% as on 31.03.2013)	200.00	150.00
<b>xv) INDUSIND BANK *11</b> (Repayable in 48 equal quarterly instalments of ₹2.08 Crore each upto 24.10.2026 at floating interest rate of 10.75% as on 31.03.2013)	100.00	100.00
<b>xvi) SYNDICATE BANK *11</b> (Repayable in 48 equal quarterly instalments of ₹6.25 Crore each upto 02.11.2026 at floating interest rate of 10.25% as on 31.03.2013)	300.00	150.00
<b>xvii) UNION BANK OF INDIA *11</b> (Repayable in 48 equal quarterly instalments of ₹3.13 Crore each upto 03.11.2026 at floating interest rate of 10.25% as on 31.03.2013)	150.00	150.00
<b>xviii) STATE BANK OF INDIA *3&amp;6</b> (Repayable in 48 equal quarterly instalments of ₹10.42 Crore each upto 28.12.2027 at floating interest rate of 10.19% as on 31.03.2013)	500.00	-

	As at 31st March,2013	As at 31st March,2012
<b>xix) STATE BANK OF HYDERABAD *2</b> (Repayable in 48 equal quarterly instalments of ₹2.08 Crore each upto 28.12.2027 at floating interest rate of 10.20% as on 31.03.2013)	100.00	-
<b>Total Term Loan - Banks (Secured)</b>	<b>3,645.87</b>	<b>2,920.17</b>
<b>(C). TERM LOANS - Un-secured (Banks)- Foreign Currency</b>		
<b>i) Japan Bank of International Cooperation Tranche-I *12</b> (Repayable in 26 equal half yearly instalments of ₹7.09 Crore each upto 20.01.2026 at fixed interest rate of 2.3% as on 31.03.2013)	184.36	214.53
<b>ii) Japan Bank of International Cooperation Tranche-II *12</b> (Repayable in 30 equal half yearly instalments of ₹23.26 Crore each upto 20.12.2027 at fixed interest rate of 2.3% as on 31.03.2013)	697.83	804.32
<b>iii) Japan Bank of International Cooperation Tranche-III *12</b> (Repayable in 41 equal half yearly instalments of ₹18.95 Crore each starting from 20.03.2014 and upto 20.03.2034 at fixed interest rate of 1.3% as on 31.03.2013)	704.46	761.20
<b>iv) Deutsche Bank &amp; Others *12</b> (Repayable in 12 equal half yearly instalments of ₹53.32 Crore each upto 18.04.2019 at floating interest rate 6 Month JPY LIBOR + 0.57% Margin)	639.89	806.68
<b>Total Term Loan - Banks (Unsecured)</b>	<b>2,226.54</b>	<b>2,586.73</b>
<b>(D). Term Loan-From other parties (Secured)</b>		
<b>i) LIFE INSURANCE CORPORATION OF INDIA *5 &amp; 7</b> (Repayable in 16 half yearly instalments of ₹104.17 Crore each upto 15.10.2020 at interest rate of 9.25% on ₹100 Crore & 8% on ₹2400 Crore)	1,666.67	1,875.00
<b>ii) LIFE INSURANCE CORPORATION OF INDIA *6</b> (Repayable in 22 equal half yearly instalments of ₹79 Crore each upto 31.10.2023 w.e.f. 30.04.2012 at wt. average rate of 9.118%)	1,738.00	1,896.00
<b>iii) POWER FINANCE CORPORATION LIMITED *8</b> (Repayable in 34 equal quarterly instalments of ₹18.75 Crore upto 15.07.2021 at floating interest rate of 9.91% as on 31.03.2013)	637.50	712.50
<b>iv) POWER FINANCE CORPORATION LIMITED *8</b> (Repayable in 22 equal quarterly instalments of ₹4.65 Crore each upto 15.07.2018 at floating interest rate of 9.91% as on 31.03.2013)	102.30	120.90
<b>v) POWER FINANCE CORPORATION LIMITED *8</b> (Repayable in 34 equal quarterly instalments of ₹1.75 Crore each upto 15.07.2021 at floating interest rate of 9.90% as on 31.03.2013)	59.50	66.50
<b>vi) POWER FINANCE CORPORATION LIMITED *2&amp;3</b> (Repayable in 33 equal quarterly instalments of ₹36.425 Crore each upto 15.04.2021 at floating interest rate of 8.79% as on 31.03.2013)	1,202.03	1,347.72
<b>vii) POWER FINANCE CORPORATION LIMITED *1</b> (Repayable in 25 equal quarterly instalments of ₹10.325 Crore each upto 15.04.2019 at floating interest rate of 8.62% as on 31.03.2013)	258.12	299.43
<b>viii) POWER FINANCE CORPORATION LIMITED *1</b> (Repayable in 27 equal quarterly instalments of ₹12.50 Crore each upto 15.10.2019 at floating interest rate of 8.62% as on 31.03.2013)	337.50	387.50
<b>Total Term Loan - Other Parties (Secured)</b>	<b>6,001.62</b>	<b>6,705.55</b>
<b>(E). Term Loan-From other parties (Unsecured)</b>		
<b>Foreign Currency</b>		
<b>i) Export Development Canada *12</b> (Repayable in 2 equal half yearly instalments of ₹37.67 Crore each upto 15.03.2014 and 4 equal half yearly instalment of ₹25.46 Crore each upto 15.03.2016 at fixed interest rate of 6.01% as on 31.03.2013)	177.18	242.25

	As at 31st March,2013	As at 31st March,2012
<b>Loans from Central Government</b>		
<b>ii) Subordinate Debt from Govt. of India for Nimmo-Bazgo HE Project</b> (Repayable in 18 equal annual instalments from the 12th year after commissioning of the project at fixed interest rate of 4% per annum. Interest accrues and is payable annually after commissioning of the project.)	270.00	270.00
<b>iii) Subordinate Debt from Govt. of India for Chutak HE Project</b> (Repayable in 24 equal annual instalments of ₹15.17 Crore from the 6th year after commissioning of the project i.e. 01.02.2019 at fixed interest rate of 2.50% per annum. Interest accrues and is payable annually after commissioning of the project.)	364.00	364.00
<b>iv) Subordinate Debt from Govt. of India for Kishanganga HE Project</b> (Repayable in 10 equal annual instalments from the 11th year after commissioning of the project at fixed interest rate of 1% per annum. Interest accrues and is payable annually after commissioning of the project.)	1,034.81	764.44
<b>Total Term Loan - Other Parties (Unsecured)</b>	1,845.99	1,640.69
<b>Grand Total (A+B+C+D+E)</b>	18,627.30	17,461.14

**\* Particulars of security**

- Secured by pari-passu charge by way of Equitable mortgage/hypothecation against Immovable/Moveable assets of Company's Chamera Power Station-I situated in the state of Himachal Pradesh except for Book Debts and Stores.
- Secured by pari-passu charge by way of Equitable mortgage/hypothecation against Immovable/Moveable assets of Company's Uri Power Station situated in the state of Jammu & Kashmir except for book debts and stores. Security creation of State Bank of Hyderabad loan is under process and charge is yet to filed with Registrar of Companies, NCT & Haryana.
- Secured by pari-passu charge by way of Equitable mortgage/ hypothecation against Immovable / Moveable assets of Company's Chamera Power Station-II situated in the state of Himachal Pradesh except book debts & stores. Security creation of State Bank of India loan is under process and charge is yet to filed with Registrar of Companies, NCT & Haryana.
- Secured by pari-passu charge by way of equitable mortgage/hypothecation against the assets of Company's Loktak Power Station situated in the state of Manipur except for book debts and stores.
- Secured by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets of the Company's Parbati HE Project-II situated in the state of Himachal Pradesh. Security creation of R-1, R-2, R-3 series bonds is under process and charge is yet to filed with Registrar of Companies, NCT & Haryana.
- Secured by pari-passu charge by way of equitable mortgage/hypothecation against immovable/movable assets of Company's Teesta Low Dam-III Project situated in the state of West Bengal & Teesta-V project situated in the state of Sikkim. Security creation of State Bank of India loan is under process and charge is yet to filed with Registrar of Companies, NCT & Haryana.
- Secured by pari-passu charge by way of equitable mortgage and charge over all the immoveable and moveable assets of the Company's Dhauliganga Power Station situated in the state of Uttrakhand except for book debts & stores.
- Secured by way of first charge on pari-passu basis by way of hypothecation on whole of the Company's movable assets, both present and future, of Dulhasti Power Station situated in the state of Jammu & Kashmir except for book debts & stores.
- Secured by exclusive charge by way of equitable mortgage against the assets of Company's Bairasiul Power Station situated in the state of Himachal Pradesh except for book debts and stores.
- Secured by a first charge on pari-passu basis by way of equitable mortgage and hypothecation against the immovable and moveable assets of the Company's Chamera-III HE Project-situated in the state of Himachal Pradesh.
- Secured by way of first charge on pari-passu basis by way of hypothecation on whole of the Company's movable assets, both present and future, of Salal Power Station situated in the state of Jammu & Kashmir, Sewa-II Power Station situated in the state of Jammu & Kashmir, Chutak HE Project situated in the state of Jammu & Kashmir, Nimmo-Bazgo HE Project situated in the state of Jammu & Kashmir, Uri-II HE Project situated in the state of Jammu & Kashmir & TLDP-IV HE Project situated in the state of West Bengal except for book debts & stores.
- Loans mentioned at sl. nos. C(i),C(ii),C(iii),C(iv) and E(i) above are guaranteed by Government of India.

## NOTE NO. 5 DEFERRED TAX LIABILITIES / ASSETS

(₹in Crore)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
<b>Deferred Tax Liability</b>		
i) Depreciation	2992.08	2,755.34
<b>Less: Deferred Tax Assets</b>		
i) Provision for doubtful debts, Inventory and others	102.24	77.93
ii) Provision for employee benefit schemes	115.72	229.85
<b>Deferred Tax Liability</b>	2,774.12	2,447.56
Less: Recoverable	2,313.43	2,243.52
<b>Deferred Tax Liability (Net)</b>	<b>460.69</b>	<b>204.04</b>

**Explanatory Note: -**

In compliance to the Accounting Standard 22 on "Accounting for Taxes on Income" notified under The Companies Accounting Standard Rules, 2006, ₹326.56 Crore (Previous Year ₹(-) 2.83 Crore) has been created as deferred tax liability during the year ended on 31.03.2013.

## NOTE NO. 6 OTHERS LONG TERM LIABILITIES

(₹in Crore)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
Deposits/ retention money	295.85	307.25
Income received in advance	1,259.88	1,312.67
Deferred Income from Foreign Currency Fluctuation Account	149.96	331.88
<b>TOTAL</b>	<b>1,705.69</b>	<b>1,951.80</b>

## NOTE NO. 7 PROVISIONS

(₹in Crore)

PARTICULARS	As at 31st March, 2013			As at 31st March, 2012		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>a) Provision for Employee Benefits</b>						
As per last Balance Sheet	1,177.59	107.67	1,285.26	1,031.11	83.84	1,114.95
Additions during the year	44.44	117.58	162.02	179.99	150.34	330.33
Amount used during the year	513.76	180.65	694.41	33.51	122.73	156.24
Amount reversed during the year	-	-	-	-	3.78	3.78
Closing Balance	<b>708.27</b>	<b>44.60</b>	<b>752.87</b>	<b>1,177.59</b>	<b>107.67</b>	<b>1,285.26</b>
<b>b) Provision for Wage Revision</b>						
As per last Balance Sheet		23.93	23.93		699.42	699.42
Additions during the year		5.11	5.11		39.03	39.03
Amount used during the year		1.84	1.84		561.30	561.30
Amount reversed during the year		0.09	0.09		41.25	41.25
Amount transferred to Superannuation/ Pension Fund		-	-		111.97	111.97
Closing Balance		27.11	27.11		23.93	23.93
Less: Advance paid		27.11	27.11		23.93	23.93
Closing Balance (Net of advance)		-	-		(0.00)	(0.00)

## NOTE NO. 7 PROVISIONS (Contd.)

(₹ in Crore)

PARTICULARS	As at 31st March, 2013			As at 31st March, 2012		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>c) Provision for Performance Related Pay/Incentive</b>						
As per last Balance Sheet		130.56	130.56	120.11		120.11
Additions during the year		71.47	71.47	88.67		88.67
Amount used during the year		127.59	127.59	74.61		74.61
Amount reversed during the year		6.73	6.73	3.61		3.61
Closing Balance		67.71	67.71	130.56		130.56
<b>Less: Advance against PRP</b>		-	-	18.27		18.27
Closing Balance (Net of advance)		67.71	67.71	112.29		112.29
<b>d) Provision for Superannuation/ Pension Fund</b>						
As per last Balance Sheet		213.49	213.49	-		-
Additions during the year		8.88	8.88	101.52		101.52
Amount transferred from provision for wage revision		-	-	111.97		111.97
Amount used during the year		166.71	166.71			-
Amount reversed during the year		46.78	46.78			-
Closing Balance		8.88	8.88	213.49		213.49
<b>e) Others</b>						
<b>i) Provision for Taxation</b>						
As per last Balance Sheet		1,664.24	1,664.24	1,097.37		1,097.37
Additions during the year		587.41	587.41	706.72		706.72
Amount used during the year		390.94	390.94	135.70		135.70
Amount reversed during the year		-	-	4.15		4.15
Closing Balance		1,860.71	1,860.71	1,664.24		1,664.24
<b>ii) Provision for Proposed Dividend</b>						
As per last Balance Sheet		861.05	861.05	738.04		738.04
Additions during the year		738.04	738.04	861.05		861.05
Amount used during the year		861.05	861.05	738.04		738.04
Closing Balance		738.04	738.04	861.05		861.05
<b>iii) Tax on Proposed Dividend</b>						
As per last Balance Sheet		139.68	139.68	119.73		119.73
Additions during the year		125.43	125.43	139.68		139.68
Amount used during the year		134.80	134.80	116.48		116.48
Amount reversed during the year		4.88	4.88	3.25		3.25
Closing Balance		125.43	125.43	139.68		139.68
<b>iv) Provision - Others</b>						
As per last Balance Sheet		367.53	367.53	654.08		654.08
Additions during the year		36.22	36.22	101.24		101.24
Amount used during the year		13.24	13.24	39.43		39.43
Amount reversed during the year		24.59	24.59	348.36		348.36
Closing Balance		365.92	365.92	367.53		367.53

## NOTE NO. 7 PROVISIONS (Contd.)

(₹ in Crore)

PARTICULARS	As at 31st March, 2013			As at 31st March, 2012		
	Long Term	Short Term	Total	Long Term	Short Term	Total
v) <b>Provision For Tariff Adjustment</b>						
As per last Balance Sheet		34.60	34.60		-	-
Additions during the year		56.60	56.60		34.60	34.60
Closing Balance		<u>91.20</u>	<u>91.20</u>		<u>34.60</u>	<u>34.60</u>
vi) <b>Provision For Corporate Social Responsibility (CSR) Expenses</b>						
As per last Balance Sheet		11.23	11.23		6.05	6.05
Additions during the year		0.00	0.00		10.04	10.04
Amount used during the year		6.08	6.08		4.86	4.86
Amount reversed during the year		5.15	5.15		-	-
Closing Balance		<u>-</u>	<u>-</u>		<u>11.23</u>	<u>11.23</u>
vii) <b>Provision For Sustainable Development/ Research &amp; Development Expenses</b>						
Additions during the year		16.16	16.16		-	-
Closing Balance		<u>16.16</u>	<u>16.16</u>		<u>-</u>	<u>-</u>
viii) <b>Provision For Committed Capital Expenditure</b>						
As per last Balance Sheet	9.86	78.15	88.01	22.79	94.73	117.52
Additions during the year	4.59	30.55	35.14	-	-	-
Amount used during the year	0.80	14.68	15.48	12.93	14.09	27.02
Amount reversed during the year	-	-	-	-	2.49	2.49
Closing Balance	<u>13.65</u>	<u>94.02</u>	<u>107.67</u>	<u>9.86</u>	<u>78.15</u>	<u>88.01</u>
<b>TOTAL</b>	<u>721.92</u>	<u>3,412.67</u>	<u>4,134.59</u>	<u>1,187.45</u>	<u>3,589.93</u>	<u>4,777.38</u>

**Explanatory Note: -**

- 1) Provision of ₹5.11 Crore (Cumulative provision ₹27.11 Crore) has been made under the head "Provision for wage revision" towards the "Personal Adjustment Pay (fitment benefits) pending settlement of the same for want of approval by Competent Authority. An amount of ₹27.11 Crore ( Previous Year ₹23.93 Crore) stands paid towards this and is shown as "Advance Paid".
- 2) The Employees Defined Contribution Superannuation Scheme (EDCSS) for employees has been implemented w.e.f. 13.04.2012 with retrospective effect from 01.01.2007. Accordingly, contribution of the company pertaining to period 01.01.2007 to 31.03.2012 amounting ₹ 166.71 Crore (out of opening balance of ₹ 213.49 Crore) has been paid to the trust created to manage the fund and balance amount of ₹ 46.78 Crore has been reversed during the year, which is included under liabilities/ provision not required written back (Note No 22 - Other Income)
- 3) Out of provisions under group 'Provision - Others', an amount of ₹39.23 Crore (Previous Year ₹14.19 Crore) stands deposited under protest and is appearing under the head "Deposits" in Note No. 14 - Loans and Advances.
- 4) Provision for Sustainable Development/ Research & Development includes provision made towards unspent amount of budget earmarked for these activities, in terms of Department of Public Enterprises (DPE) Guidelines. The closing provision include ₹2.30 Crore towards Sustainable Development Expenses and ₹13.86 Crore towards Research & Development Expenses.

## NOTE NO. 8 SHORT TERM BORROWINGS

(₹in Crore)

	As at 31st March, 2013	As at 31st March, 2012
Short Term Loans		
- From Banks - Secured	-	180.00
	-	<b>180.00</b>

## NOTE NO. 9 TRADE PAYABLE

(₹in Crore)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
For Goods and Services	179.41	218.95
	<b>179.41</b>	<b>218.95</b>

### Explanatory Note: -

Disclosure requirement under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 is given in Note No. 30 - Other Explanatory Notes to Accounts.

## NOTE NO. 10 OTHER CURRENT LIABILITIES

(₹in Crore)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
Current Maturities of Long Term Debt (Refer Note no. 4)	1,209.78	1,188.34
Interest accrued but not due on Borrowings	203.85	207.76
Income received in advance	50.17	46.72
Unpaid Dividend	3.92	2.43
Liability against Capital Works/Supplies	532.79	492.68
Deposits/ Retention Money	132.99	129.65
Unspent amount of Deposit/Agency basis works	0.04	0.04
Statutory Dues Payables	236.47	243.60
Other Liabilities	174.96	160.84
Advances against the Deposit Works	285.66	255.98
Less: Amount Spent on Deposit Work	276.04	252.45
Advances against cost of Project Mgt./ Consultancy Work	4262.40	4090.29
Less: Amount Spent in respect of Project Mgt./ Consultancy Work	4054.36	3768.64
Provision Toward Amt Recoverable in respect of Project Mgt / Consultancy Work	(3.97)	(4.02)
	<b>2,766.60</b>	<b>2,801.26</b>

NOTE NO. 11.1 TANGIBLE ASSETS

(₹ in Crore)

CLASS OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	01.04.2012	Additions	Deductions	Adjustments	31.03.2013	01.04.2012	For the Period	Adjustments	31.03.2013	31.03.2012	
i) Land – Freehold	225.73	4.02	0.06	-	229.69	-	-	-	-	229.69	225.73
ii) Land – Leasehold	332.44	1.33	-	(0.72)	333.05	20.40	10.66	(0.62)	30.44	302.61	312.04
iii) Roads and Bridges	366.03	4.57	0.27	(7.16)	363.17	85.18	13.30	(6.16)	92.32	270.85	280.85
iv) Buildings	1,838.70	227.55	4.86	(24.74)	2,036.65	568.94	63.78	(12.86)	619.86	1,416.79	1,269.76
v) Railway Sidings	40.30	-	-	-	40.30	14.83	2.68	-	17.51	22.79	25.47
vi) Hydraulic Works(Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels)	13,008.51	1,736.27	-	(126.60)	14,618.18	3,671.18	624.83	-	4,296.01	10,322.17	9,337.33
vii) Generating Plant and Machinery	5,900.67	833.88	20.76	(29.29)	6,684.50	1,987.35	275.42	(2.15)	2,260.62	4,423.88	3,913.32
viii) Plant and machinery - Sub-Station	87.48	2.87	0.33	(0.15)	89.87	44.17	2.54	(0.08)	46.63	43.24	43.31
ix) Plant and machinery - Transmission Lines	65.69	2.17	-	(0.16)	67.70	18.51	3.41	(0.11)	21.81	45.89	47.18
x) Plant and machinery - Others	26.86	8.93	0.40	(0.08)	35.31	11.87	1.47	(0.18)	13.16	22.15	14.99
xi) Construction Equipment	75.30	17.66	0.91	(0.99)	91.06	54.65	3.77	(1.61)	56.81	34.25	20.65
xii) Water Supply System/Drainage and Sewerage	36.51	1.19	0.02	(0.13)	37.55	5.53	1.33	(0.20)	6.66	30.89	30.98
xiii) Electrical Installations	3.49	0.47	0.02	-	3.94	1.33	0.18	(0.01)	1.50	2.44	2.16
xiv) Vehicles	26.60	2.12	0.83	(0.57)	27.32	18.91	0.73	(1.24)	18.40	8.92	7.69
xv) Aircraft/ Boats	0.61	0.13	0.12	-	0.62	0.35	0.03	(0.11)	0.27	0.35	0.26
xvi) Furniture and Fixture	44.65	2.62	0.61	(0.45)	46.21	21.60	3.09	(0.76)	23.93	22.28	23.05
xvii) Computers	62.39	3.83	7.01	(1.90)	57.31	49.09	5.11	(8.26)	45.94	11.37	13.30
xviii) Communication Equipment	13.65	0.77	0.42	(0.10)	13.90	5.90	0.72	(0.24)	6.38	7.52	7.75
xix) Office Equipments	40.56	3.45	0.47	(0.30)	43.24	17.43	2.55	(0.51)	19.47	23.77	23.13
xx) Research and Development	1.36	-	-	-	1.36	0.38	0.09	-	0.47	0.89	0.98
xxi) Other Assets	46.77	4.73	0.47	(0.60)	50.43	19.89	2.59	(0.86)	21.62	28.81	26.88
xxii) Capital Expenditure on Assets Not Owned by NHPC	28.21	13.81	-	-	42.02	2.67	1.93	-	4.60	37.42	25.54
xxiii) Tangible Assets of Minor Value > 750 and < ₹5000	17.43	1.14	0.73	(0.76)	17.08	17.43	1.12	(1.48)	17.07	0.01	-
xxiv) Obsolete / Surplus Assets	1.79	1.20	0.22	(0.01)	2.76	-	-	-	-	2.76	1.79
<b>TOTAL</b>	<b>22,291.73</b>	<b>2,874.71</b>	<b>38.51</b>	<b>(194.71)</b>	<b>24,933.22</b>	<b>6,637.59</b>	<b>1,021.33</b>	<b>(37.44)</b>	<b>7,621.48</b>	<b>17,311.74</b>	<b>15,654.14</b>
Previous Year	22,163.19	399.88	377.21	105.87	22,291.73	5,724.40	961.60	(48.41)	6,637.59	15,654.14	16,438.79

## NOTE NO. 11.2 INTANGIBLE ASSETS

CLASS OF ASSETS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	01.04.2012		31.03.2013		01.04.2012		31.03.2013		31.03.2012	
	Additions	Deductions	Adjustments		For the Period	Adjustments				
i) Land – Unclassified / Right to Use	731.59	0.11	-	748.69	18.38	2.75	0.07	21.20	727.49	713.21
ii) Computer Software	37.61	0.20	(0.52)	38.13	36.64	1.10	(0.34)	37.40	0.73	0.97
<b>TOTAL</b>	<b>769.20</b>	<b>18.45</b>	<b>(0.52)</b>	<b>786.82</b>	<b>55.02</b>	<b>3.85</b>	<b>(0.27)</b>	<b>58.60</b>	<b>728.22</b>	<b>714.18</b>
Previous Year	711.74	0.07	-	769.20	49.64	5.39	(0.01)	55.02	714.18	662.10

### Explanatory Note: -

- 1) Title deeds/title in respect of Land amounting to ₹ 273.41 Crore (Previous year ₹ 282.52 Crore), covering an area of 2329.95 hectare (Previous year 2418.31 hectare), are yet to be executed/passed. Expenses on stamp duty etc. relating to registration thereof will be accounted for as and when incurred.
- 2) Land does not include the land taken from Shashtra Seema Bal (SSB) for Subansiri Upper Project on lease for a period of 99 years @ notional rent of ₹ 1/- per annum.
- 3) Underground works amounting to ₹ 5408.20 Crore (Previous year ₹ 3272.05 Crore), created on Land - Right to use, are included under the relevant heads of Tangible Assets.
- 4) Adjustments to Gross Block include adjustment for Foreign Exchange Rate Variation, adjustment in gross block at the time of capitalisation of a project for depreciation charged during construction of project, inter-head reclassification of assets & misclassification correction.
- 5) Pending approval of revised cost estimates (RCE) of Chutak, Chamera III & Teesta V Power Station, capital expenditure actually incurred on these power stations has been considered for capitalisation.
- 6) Foreign Exchange Rate Variation included in Adjustments to assets are as follows: -

Class of Assets	2012-13 (₹ in crore)	2011-12 (₹ in crore)
Roads and Bridges	(1.52)	0.70
Buildings	(13.71)	7.29
Hydraulic Works	(125.92)	72.73
Generating Plant and machinery	(28.99)	24.86
Plant and machinery Sub station	(0.15)	0.15
Plant and machinery Transmission lines	-	0.07
Plant and machinery - Others	0.02	0.04
Water Supply System/Drainage and Sewerage	(0.06)	0.03
<b>Total</b>	<b>(170.33)</b>	<b>105.87</b>

## NOTE NO. 12 CAPITAL WORK IN PROGRESS

		(₹ in crore)				
		01.04.2012	Addition	Adjustment	Capitalised	31.03.2013
i)	Roads and Bridges	78.21	8.02	(15.54)	4.51	66.18
ii)	Buildings	1,329.38	225.14	(27.20)	227.93	1,299.39
iii)	Railway Sidings	-	-	-	-	-
iv)	Hydraulic Works(Dams, Water Conductor System, Hydro mechanical Gates, Tunnels)	6,677.36	992.12	772.92	1,735.22	6,707.18
v)	Generating Plant and Machinery	4,138.71	347.28	205.33	745.71	3,945.61
vi)	Plant and Machinery - Sub-Station	7.38	3.40	-	1.63	9.15
vii)	Plant and Machinery - Transmission Lines	2.65	2.20	(0.23)	0.70	3.92
viii)	Plant and Machinery - Others	6.92	0.75	(0.17)	5.23	2.27
ix)	Construction Equipment	-	-	-	-	-
x)	Water Supply System/Drainage and Sewerage	0.84	2.53	(0.05)	1.18	2.14
xi)	Other Assets awaiting Installation	11.49	54.07	(1.61)	61.50	2.45
xii)	Capital Expenditure on Assets Not Owned by the company	106.66	15.23	(4.54)	13.77	103.58
xiii)	Survey, Investigation, Consultancy and Supervision Charges	232.20	26.62	(17.32)	-	241.50
xiv)	Expenditure on Compensatory Afforestation	0.63	0.01	-	-	0.64
xv)	Expenditure during Construction*	6,714.25	1,655.34 *	(1,113.38)	-	7,256.21
	<b>Less: Provided for</b>	116.61	3.00	-	-	119.61
	<b>Sub total (a)</b>	<b>19,190.07</b>	<b>3,329.71</b>	<b>(201.79)</b>	<b>2,797.38</b>	<b>19,520.61</b>
	* For addition during the period refer Note No. 29					
		<b>01.04.2012</b>		<b>Adjustment</b>		<b>31.03.2013</b>
	Construction Stores	162.86	-	27.22	-	190.08
	Less : Provisions for construction stores	3.19	-	(1.54)	-	1.65
	<b>Sub total (b)</b>	159.67	-	28.76	-	188.43
	<b>TOTAL</b>	<b>19,349.74</b>	<b>3,329.71</b>	<b>(173.03)</b>	<b>2,797.38</b>	<b>19,709.04</b>
	Previous Year	15962.77	3943.27	(200.30)	356.00	19349.74

### Explanatory Note: -

- 1) Expenditure during Construction (EDC) includes ₹ 925.06 Crore (Previous Year ₹ 760.63 Crore) towards borrowing cost capitalised during the year.
- 2) Govt. of Arunachal Pradesh had shown their inclination to hand over Subansiri Upper Project to Independent Power Producer (IPP), on which NHPC had solicited the intervention of Govt. of India (GoI). Decision of GoI is still awaited and pending decision, capital expenditure amounting to ₹ 0.38 Crore (Previous Year ₹ 0.36 Crore) incurred on this project during the year ended 31.03.2013 has been provided as an abundant precaution, which is in addition to the provision of ₹ 20.39 Crore, already existed as at 31.03.2012 towards expenditure incurred on this Project from 20.04.2004 to 31.03.2012, the period in which this project was under suspension. The recoverability of the total expenditure incurred on this Project is certain in lines of the settled formula given by Ministry of Power for reimbursement of expenditure incurred on a project from IPP, in case Project is transferred to them. In view of the same, Management is of the opinion that no further provision is required.
- 3) CWIP includes a cumulative expenditure of ₹ 781.26 Crore (Previous Year ₹ 677.93 Crore) on projects under Survey & Investigation stage. Of this, a sum of ₹ 122.80 Crore net of provision of ₹ 20.77 Crore (Previous Year ₹ 106.02 Crore net of provision of ₹ 20.39 Crore) pertains to Subansiri Upper and Kiru & Kwar HE Projects, which have been decided to be handed over to Joint Venture / Private Developer. Of the balance of ₹ 637.69 Crore (Previous Year ₹ 551.52 Crore) pertaining to projects with the company, a sum of ₹ 84.16 Crore (Previous Year ₹ 81.55) has been provided as an abundant precaution in respect of projects, where uncertainties are attached and ₹ 553.53 Crore (Previous Year ₹ 469.97 Crore) pertaining to other projects having reasonable certainty of getting clearance.
- 4) Siang Basin, Subansiri Basin & Dibang Multipurpose Projects were taken over from Brahmaputra Board. Pending settlement of accounts with Brahmaputra Board, assets and liabilities have been accounted for to the extent of amounts incurred by the Company on these projects. Siang Lower & Siyom HE Projects (in Siang Basin) & Subansiri Middle (in Subansiri Basin) have since been handed over to Private Developer and liability arising out of settlement of accounts with Brahmaputra Board towards these projects is recoverable from respective Private Developers.
- 5) Pakal Dul, Kiru & Kwar HE Projects are to be executed by M/s Chenab Valley Power Projects Private Limited (A Joint venture company of NHPC Limited, JKSPDC and PTC Limited). Assets & Liabilities of the Pakal Dul Project has been transferred to said joint venture company in the current financial year. Pending handing over of the Kiru & Kwar project, expenditure amounting to ₹ 99.87 Crore (Previous Year ₹ 83.06 Crore) incurred by NHPC Limited on these projects up to 31.03.2013 is included in Capital Work-in-Progress.
- 6) Expenditure during Construction includes ₹ 1.75 Crore incurred on Tipaimukh HE Project, which is to be executed through a proposed joint venture company with participation from State of Manipur and SJVN Limited.
- 7) Underground Works amounting to ₹ 3459.57 Crore (Previous Year ₹ 3787.84 Crore) created on Land - Right to use, are included under respective heads of CWIP.
- 8) Capital Expenditure on projects approved by the competent authority undergoes revision over period of time as hydroelectric projects are time intensive and some takes longer period than envisaged. As a consequence the cost escalation occur, which requires approval of competent authority. Pending such approval the expenditure incurred during the period is carried forward in Capital work in progress.

## NOTE NO. 13 - NON CURRENT INVESTMENTS

Particulars	As at 31st March, 2013			As at 31st March, 2012		
	Number of shares/ bonds/ securities	Face value per share/ bond/ security (In ₹)	Amount (₹in Crore)	Number of shares/ bonds/ securities	Face value per share/ bond/ security (in ₹)	Amount (₹in Crore)
<b>A. Trade - Quoted</b>						
<b>(a) Investment in Equity Instrument</b>						
PTC India Ltd. (Fully Paid Up)	12000000	10	12.00	12000000	10.00	12.00
<b>Trade - Unquoted</b>						
<b>(a) Investment In Equity Instruments</b>						
<b>(i) Subsidiary Companies (Fully Paid Up)</b>						
- NHDC Limited	10024200	1000	1002.42	10024200	1000	1002.42
- Loktak Downstream Hydroelectric Corporation Limited	87092309	10	87.09	72861540	10	72.86
- Chenab Valley Power Projects Private Limited *	100000000	10	100.00	2450000	10	2.45
<b>(ii) Joint Venture Companies (Fully Paid Up)</b>						
- National Power Exchange Limited (Provision for diminution in value)	2188325	10	2.19 (0.77)	2188325	10	2.19 (0.77)
- National High Power Test Laboratory (P) Limited	11060000	10	11.06	2625000	10	2.63
<b>(b) Investment In Bonds</b>						
<b>8.50 % Tax-Free State Government Special Bonds of the Government of :</b>						
Arunachal Pradesh	1944	1000	0.19	2916	1000	0.29
Bihar	38140	1000	3.81	57210	1000	5.72
Haryana	1130000	1000	113.00	1695000	1000	169.50
Himachal Pradesh	35736	1000	3.57	53604	1000	5.36
Jammu and Kashmir	1541392	1000	154.14	2312088	1000	231.21
Jharkhand	28620	1000	2.86	42930	1000	4.29
Meghalaya	1064	1000	0.11	1596	1000	0.16
Mizoram	6420	1000	0.64	9630	1000	0.96
Nagaland	13840	1000	1.38	20760	1000	2.08
Punjab	445620	1000	44.56	668430	1000	66.84
Rajasthan	85473	1000	8.55	85473	1000	8.55
Sikkim	4672	1000	0.47	7008	1000	0.70
Tripura	5336	1000	0.53	8004	1000	0.80
Uttar Pradesh	1573780	1000	157.38	2360670	1000	236.07
Uttaranchal	174860	1000	17.49	262290	1000	26.23
West Bengal	13444	1000	1.34	20166	1000	2.01
<b>(c) Share Application Money</b>						
<b>Joint Venture Companies</b>						
- National High Power Test Laboratory (P) Limited			3.82			12.25
<b>Sub Total (A)</b>			<b>1727.83</b>			<b>1866.80</b>

\* Share certificate in respect of investment of ₹77.55 Crore is yet to be received. Further also refer Para 16 of Note no 30 - Other Explanatory Notes to Accounts.

Particulars	As at 31st March, 2013			As at 31st March, 2012		
	Number of shares/ bonds/ securities	Face value/ per share/ bond/ security (In ₹)	Amount (₹ in Crore)	Number of shares/ bonds/ securities	Face value/ per share/ bond/ security (in ₹)	Amount (₹ in Crore)
<b>B. Non Trade - Quoted</b>						
<b>(a) Investment in Equity Instrument</b>						
Indian Overseas Bank (Fully Paid Up)	360800	10	0.36	360800	10	0.36
<b>(b) Investment In Government Securities #</b>						
8.35% SBI Right Issue GOI Special Bonds 2024	150000	10000	150.77	150000	10000	150.77
8.20% Oil Marketing Companies GOI Special Bonds 2024	12380	10000	12.26	12380	10000	12.26
8.28% GOI 2027	57000	10000	52.94	57000	10000	52.94
8.28% GOI 2032	35000	10000	34.62	35000	10000	34.62
8.26% GOI 2027	17940	10000	17.83	-	-	-
<b>(c) Investment In Public Sector Undertaking/Public Financial Institution &amp; Corporate Bonds #</b>						
8.95% Indian Railways Finance Corporation Bonds 2025	688	1000000	69.63	688	1000000	69.63
8.65% Indian Railways Finance Corporation Bonds 2025	30	1000000	2.99	30	1000000	2.99
8.83% Indian Railways Finance Corporation Bonds 2035	120	1000000	12.09	120	1000000	12.09
8.80% Indian Railways Finance Corporation Bonds 2030	150	1000000	15.13	150	1000000	15.13
8.90% Power Grid Corporation of India Bonds 2021	80	1250000	10.00	80	1250000	10.00
8.90% Power Grid Corporation of India Bonds 2022	80	1250000	10.00	80	1250000	10.00
8.90% Power Grid Corporation of India Bonds 2023	80	1250000	10.00	80	1250000	10.00
8.90% Power Grid Corporation of India Bonds 2025	40	1250000	5.04	40	1250000	5.04
8.84% Power Grid Corporation of India Bonds 2024	156	1250000	19.51	156	1250000	19.51
8.84% Power Grid Corporation of India Bonds 2025	364	1250000	45.52	364	1250000	45.52
8.95% Power Finance Corporation Bonds 2025	51	1000000	5.16	51	1000000	5.16
8.80% Power Finance Corporation Bonds 2025	467	1000000	45.97	467	1000000	45.97
8.70% Power Finance Corporation Bonds 2025	477	1000000	47.37	477	1000000	47.37
8.80% Rural Electrification Corporation Bond 2020	600	1000000	59.93	600	1000000	59.93
9.75% Rural Electrification Corporation Bonds 2021	230	1000000	23.05	230	1000000	23.05
7.41% IIFCL Tax Free Bonds 15.11.2032	120	1000000	12.00	-	-	-
8.12% REC Tax Free Bonds 27.03.2027	100000	1000	10.61	-	-	-
<b>Sub Total (B)</b>			<b>672.78</b>			<b>632.34</b>
<b>Total (A+B)</b>			<b>2400.61</b>			<b>2499.14</b>
# Earmarked Investment for Self Insurance Fund						
Quoted Investments						
(i) Aggregate Cost			684.78			644.34
(ii) Aggregate Market Value			755.22			701.01
Unquoted Investments						
(i) Aggregate Cost			1716.60			1855.57
(ii) Aggregate provision for diminution in value			0.77			0.77
Valuation as per Accounting Policy no. 6						



## NOTE NO. 15 OTHER NON-CURRENT ASSETS

(₹ in Crore)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
Interest accrued on:		
- Advance to Government of Arunachal Pradesh	144.83	114.30
- Others	6.35	0.18
Deferred Foreign Currency Fluctuation Assets	789.35	1,067.28
Deferred Expenditure on Foreign Currency Fluctuation Account	3.84	0.17
Fluctuation Account	<u>944.37</u>	<u>1,181.93</u>

## NOTE NO. 16 CURRENT INVESTMENTS

Particulars	As at 31st March, 2013			As at 31st March, 2012		
	Number of shares/ bonds/ securities	Face value per share/ bond/ security (in ₹)	Amount (₹ in Crore)	Number of shares/ bonds/ securities	Face value per share/ bond/ security (in ₹)	Amount (₹ in Crore)
<b>Current Maturities of Long Term Investments</b>						
<b>Trade - Unquoted</b>						
<b>8.50 % Tax-Free State Government Special Bonds of the Government of :</b>						
Arunachal Pradesh	972	1000	0.10	972	1000	0.10
Bihar	19070	1000	1.91	19070	1000	1.91
Haryana	565000	1000	56.50	565000	1000	56.50
Himachal Pradesh	17868	1000	1.79	17868	1000	1.79
Jammu and Kashmir	770696	1000	77.07	770696	1000	77.07
Jharkhand	14310	1000	1.43	14310	1000	1.43
Meghalaya	532	1000	0.05	532	1000	0.05
Mizoram	3210	1000	0.32	3210	1000	0.32
Nagaland	6920	1000	0.69	6920	1000	0.69
Punjab	222810	1000	22.28	222810	1000	22.28
Sikkim	2336	1000	0.23	2336	1000	0.23
Tripura	2668	1000	0.27	2668	1000	0.27
Uttar Pradesh	786890	1000	78.69	786890	1000	78.69
Uttaranchal	87430	1000	8.74	87430	1000	8.74
West Bengal	6722	1000	0.67	6722	1000	0.67
<b>Total</b>			<u>250.74</u>			<u>250.74</u>
Unquoted Investments						
Aggregate Cost			<u>250.74</u>			<u>250.74</u>
Valuation as per Accounting Policy no. 6						

## NOTE NO. 17 INVENTORIES

(₹ in Crore)

PARTICULARS	As at 31st March, 2013		As at 31st March, 2012	
(Valuation as per Accounting Policy No. 7)				
Stores and Spares	77.69		64.38	
Stores in Transit/ Pending Inspection	1.16	78.85	0.42	64.80
Loose Tools		1.80		1.45
Scrap Inventory		1.24		1.75
Material issued to Contractors/ Fabricators		0.38		0.66
Less: Provision for Obsolescence & Diminution in Value		25.20		24.85
		<u>57.07</u>		<u>43.81</u>

## NOTE NO. 18 TRADE RECEIVABLES

(₹ in Crore)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
Trade Receivables outstanding for a period exceeding six months		
- Unsecured - Considered Good	365.74	225.47
- Unsecured - Considered Doubtful	43.70	192.38
Other Trade Receivables		
- Unsecured - Considered Good	1,683.31	1,826.71
Less: Provision for Doubtful Debts	43.70	192.38
	<b>2,049.05</b>	<b>2,052.18</b>

### Explanatory Note: -

Debt due by Directors or other officers of the company or any of them either severally or jointly with any other person or debts due by Firms or Private Companies respectively in which any Director of the Company is a Partner or a Director or a Member amounts to ₹ Nil (Previous Year ₹ Nil).

## NOTE NO. 19 CASH AND BANK BALANCES

(₹ in Crore)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
<b>A Cash and Cash Equivalents</b>		
Cash on hand (includes stamps on hand of ₹ 0.005 Crore, Previous Year ₹ 0.007 Crore)	0.31	0.26
Cheques, drafts on hand	0.08	0.06
Balances with Banks		
• <b>With Scheduled Banks</b>		
- In current account - Self Insurance Fund	0.46	-
- In current account - Others	257.98	121.36
- In deposits account # - Others	409.49	568.95
• <b>With other Banks</b>		
- In current account		
Bank of Bhutan, Phuentsholing	0.07	0.63
# Deposits with maturity of three months or less		
<b>B Other Bank Balances</b>		
Balances with Banks (Deposits with maturity of more than three months but less than/upto 12 months)		
• <b>With Scheduled Banks</b>		
- In Deposits account - Self Insurance Fund	45.80	10.28
- IPO Proceeds	1,089.34	1,522.00
- Others	3,808.56	3,495.00
Deposit account-Unpaid Dividend	3.92	2.43
Bank Deposits with more than 12 months maturity		
- Term Deposit-towards unutilised money out of IPO proceeds	-	250.00
- Term Deposit-Self Insurance Fund	-	33.00
	<b>5,616.01</b>	<b>6,003.97</b>

### Explanatory Note: -

- Out of the Initial Public Offering (IPO) proceeds of ₹ 6038.55 Crore made during financial year 2009-10, sale proceeds of ₹ 2012.85 Crore was paid to Ministry of Power, Govt. of India and ₹ 4025.70 Crore was retained by the company. Out of ₹ 4025.70 Crore, a sum of ₹ 2897.65 Crore has been utilised up to 31.03.2013 for re-coupmnt of capital expenditure already incurred from internal accruals on the projects specified for utilisation, the unutilised amount of ₹ 1089.34 Crore has been invested in bank deposits as per extant investment policy of the company and ₹ 38.71 Crore recouped for meeting IPO expenditure.
- Cash and Bank Balances include ₹ 361.37 Crore (Previous Year ₹ 466.87 Crore), held for Rural Road and Rural Electrification works being executed by Company on behalf of other agencies and are not freely available for the business of the Company.

## NOTE NO. 20 OTHER CURRENT ASSETS

(₹ in Crore)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
a) Interest accrued on:		
Loan to State Government in settlement of dues from Customers	37.28	32.97
Deposits		
- IPO	70.68	152.91
- Self Insurance	20.14	16.04
- Other Deposits	118.66	99.83
Others	35.73	19.58
b) Receivable on account of Unbilled Revenue	1,203.55	1,161.32
c) Receivable from Subsidiaries / JV's	174.18	10.20
d) Interest Receivable from Beneficiary	333.97	62.19
e) Claims Recoverable	327.37	270.42
Less: Provisions for Doubtful Claims	259.75	199.67
f) Construction Work in Progress (on behalf of client)	20.75	50.05
g) Expenditure awaiting adjustment	37.06	37.06
Less: Provision for project expenses awaiting write off sanction	37.06	37.06
h) Losses awaiting write off sanction/pending investigation	9.03	12.30
Less: Provision for losses pending investigation/awaiting write off / sanction	9.03	12.30
i) Others	17.29	15.41
	<b>2,099.85</b>	<b>1,691.25</b>

### Explanatory Note: -

- Interest accrued on Loan to State Government in settlement of dues from customers includes ₹ 32.97 Crore (Previous Year ₹ 32.97 Crore) on account of payment of incentive to M/s Delhi Transco Limited. The equivalent amount is appearing as liability under other liabilities in Note-10 (Other Current Liabilities) since the issue of payment of incentive to M/s Delhi Transco has not been resolved yet.
- Receivable on account of Unbilled Revenue represents i) Difference of grossing up of ROE ₹ NIL Crore (Previous Year ₹ 411.62 Crore) ii) J&K water cess ₹ 908.81 Crore (Previous Year ₹ 691.73 Crore) iii) RLDC Charges ₹ NIL Crore (Previous Year ₹ 33.05 Crore) iv) Tax Adjustment ₹ (-) 22.10 Crore (Previous Year (-) 67.99 Crore) v) MEA sales ₹ 5.84 Crore (Previous Year ₹ 4.65 Crore) vi) Other ₹ 311.00 Crore (Previous Year ₹ 88.26 Crore).
- Receivable from Subsidiaries / JV's includes claim of the company towards capital expenditure incurred on Pakaldul HE Project which has been transferred to M/s CVPPPL (a joint venture company of NHPC, JKSPDC and PTC).

## NOTE NO. 21 REVENUE FROM OPERATIONS

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>A SALES</b>		
<b>SALE OF POWER</b>	5,407.06	5,642.73
Less: Adjustment for Foreign Exchange Rate Variation	118.10	88.26
Less : Tariff Adjustments	56.60	34.60
Less : Regulated Sales Adjustment	195.82	57.38
Less : Income from generation of electricity – precommissioning (Transferred to EDC Note no. 29 H (a))	37.58	-
<b>Sub total (A)</b>	<u>4,998.96</u>	<u>5,462.49</u>
<b>B ADVANCE AGAINST DEPRECIATION -Written back during the year</b>	50.17	47.16
<b>Sub total (B)</b>	<u>50.17</u>	<u>47.16</u>
<b>C OTHER OPERATING INCOME</b>		
Interest from Beneficiary States (Revision of Tariff)	141.24	264.79
<b>Sub total (C)</b>	<u>141.24</u>	<u>264.79</u>
<b>D REVENUE FROM CONTRACTS, PROJECT MANAGEMENT AND CONSULTANCY WORKS</b>		
Contract Income	65.05	73.81
Revenue from Project Management / Consultancy works	51.22	71.23
<b>Sub total (D)</b>	<u>116.27</u>	<u>145.04</u>
<b>TOTAL (A+B+C+D)</b>	<u><u>5,306.64</u></u>	<u><u>5,919.48</u></u>

### Explanatory Note: -

- Sales have been recognized as per final tariff notified by Central Electricity Regulatory Commission (CERC), except for Teesta V, Chamera- III and Chutak Power Station, in respect of which sales have been recognised based on provisional tariff.
- Sales include ₹ 80.66 Crore (Previous Year ₹ 467.28 Crore) on account of earlier year sales arising out of finalisation of tariff during the year.
- Due to non payment of dues by some of the beneficiaries, share of power allocated to them has been regulated in terms of CERC Regulation No.L-1/42/2010-CERC Dated 28th September 2010 and accordingly sales includes an amount of ₹ 339.38 Crore (Previous Year ₹ 84.12 Crore) towards regulated power, which has been sold through bidding at Power Exchange. Ibid regulation further provides that margin earned on such sale after adjusting expenditure for effecting sale of regulated power should be passed on to beneficiaries, whose power has been regulated. Accordingly an amount of ₹ 195.82 Crore (Previous Year ₹ 57.38 Crore) has been adjusted against the outstanding dues of those beneficiaries.
- Sales include ₹ 801.54 Crore (Previous Year ₹ 1249.36 Crore) which is yet to be billed.
- Tariff regulation notified by CERC vide notification dated 19.01.2009 inter-alia provides that capital cost considered for fixation of tariff for current tariff period shall be subject to truing up at the end of the tariff period, which may result in increase or decrease in tariff. Accordingly "Tariff Adjustment" includes an amount of ₹ 52.20 Crore (Previous Year ₹ 34.60 Crore), which have been provided in the books during the year ended 31.03.2013 as an abundant precaution to take care of reduction in tariff.
- In terms of regulation No. 39 of tariff regulation issued vide Central Electricity Regulatory Commission (CERC) notification No. L-7/145(160)/2000-CERC dated 19.01.2009, deferred tax liabilities for the period upto 31st March 2009 whenever it materializes is recoverable directly from the beneficiaries and the long term customers. Accordingly current year sale includes ₹ 54.66 Crore (Previous Year ₹ 67.41 Crore) on account of deferred tax which is materialized.

## NOTE NO. 22 OTHER INCOME

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>A Income from Non-Current Investments</b>		
Trade		
- Dividend from Subsidiaries	30.07	20.05
- Dividend -Others	1.80	1.80
- Interest Government Securities (8.5% tax free bonds issued by the State Governments)	80.65	102.09
Non-Trade		
- Dividend income -Others	0.16	0.18
- Interest- (Self Insurance Fund)	56.05	50.49
<b>B Other</b>		
Interest on		
- Loan to State Government in settlement of dues from Customers	9.16	11.32
- Loan to Government of Arunachal Pradesh	30.54	28.09
-Deposit Account -Self Insurance Fund - Indian Bank	4.86	7.26
-Deposit Account -Other then self insurance fund - Indian Bank	507.93	456.39
- Employee's Loans and Advances	8.74	5.86
- Others	90.43	115.05
Late payment Surcharge	75.12	21.67
Income from sale Of Self Generated VERs	3.03	-
Net Gain/Loss on Sale of Mutual Funds	-	0.02
Profit on Sale of Assets	0.51	8.38
Liability/ Provisions not Required Written Back	211.60	94.57
Others	34.12	79.96
Exchange Rate Variation	18.45	9.97
<b>TOTAL</b>	<u>1,163.22</u>	<u>1,013.15</u>
<b>Less: Income transferred to EDC</b>	135.57	169.75
<b>Less: Income transferred to Advance Deposit from Client/Contractees and against Deposit Works</b>	34.87	41.00
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<u>992.78</u>	<u>802.40</u>

### Explanatory Note: -

1) The Ministry of Power, Govt. of India, has conveyed its approval for payment of old outstanding receivables of ₹ 120.81 Crore pertaining to M/s Delhi Transco Limited (erstwhile DESU) along with an interest of ₹ 240.01 Crore to NHPC vide letter no. 6/1/2007-Fin(Vol. VIII) dated 05/02/2013. Accordingly the provision created in the books during the financial year 2008-09 amounting ₹ 120.81 Crore has been reversed during the year which is included in Liability / Provision not required written back. Further the interest of ₹ 240.01 Crore on said outstanding amount, as approved by Ministry of Power, Govt. of India, is also recognised during the year as an Exceptional Items in the Statement of Profit & Loss. Aforesaid amounts are likely to be received shortly.

2) Detail of Liability/Provisions not required written back

Provision Bad and Doubtful Debts	148.69	1.79
Provision Bad and Doubtful Advances / Deposits	0.02	-
Provision Bad and Doubtful Claims	0.78	1.56
Provision Diminution in value of Stores and Spares	0.21	4.22
Provision for Wage Revision	0.09	41.25
Provision for Committed Capital Expenditure	-	2.49
Provision for Losses Pending Investigation	5.50	0.03
Provision for PRP/ Incentive	6.73	3.61
Provision for Superannuation/Pension Fund	46.78	-
Others	2.80	39.62
<b>Total</b>	<u>211.60</u>	<u>94.57</u>



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

(₹ in Crore)

PARTICULARS	For the year ended on 31st March, 2013	For the year ended on 31st March, 2012
<b>A GENERATION EXPENSES</b>		
Water Usage Charges	592.44	552.70
<b>B Consumption of Stores and Spare parts</b>	27.01	10.14
<b>C Direct Expenditure on Contract, Project Management and Consultancy Works</b>	28.50	15.92
<b>D REPAIRS &amp; MAINTENANCE</b>		
- Building	34.29	26.16
- Machinery	47.09	48.57
- Others	45.85	41.44
	127.23	116.17
<b>E ADMINISTRATION EXPENSES</b>		
Rent	37.87	37.54
Rates and Taxes	8.17	2.75
Insurance	44.19	39.77
Utilization of Self Insurance Fund	0.92	-
Security Expenses	126.24	109.26
Electricity Charges	37.75	32.13
Travelling and Conveyance	19.48	18.97
Expenses on Vehicles	9.41	8.97
Telephone, Telex and Postage	10.34	10.57
Advertisement and Publicity	7.59	7.81
Entertainment and Hospitality Expenses	0.33	0.69
Donation	2.50	7.00
Printing and Stationery	5.79	4.82
Books & Periodicals	0.35	0.32
Consultancy Charges - Indigenous	4.80	4.21
Consultancy Charges - Foreign	0.05	0.04
Expenses on Compensatory Afforestation/ Catchment Area Treatment/ Environmental Expenses	29.04	6.33
Expenditure on Land not belonging to Company	6.49	23.91
Loss on Sale of Assets	0.91	0.78
Assets / Claims written off	0.36	0.38
Interest on Arbitration/ Court Cases	0.65	0.35
Interest to Beneficiary States	14.34	4.15
Rebate to Customers	15.60	31.12
CSR/ Sustainable Development/ Community Development Expenses	14.78	14.39
Expenditure on Self Generated VERS	1.25	-
Other General Expenses	68.23	64.71
Exchange Rate Variation	20.02	22.45
Audit Expenses (Refer detail below)	1.67	1.46
Directors' expenses	0.28	0.12
Research and Development Expenses	13.88	0.05
Expenses for Regulated Power	20.20	4.96
Less: - Expenditure Recoverable on Regulated Power	20.20	4.96
	-	-
<b>Sub-total</b>	1,278.46	1,149.98

## NOTE NO. 23 GENERATION, ADMINISTRATION AND OTHER EXPENSES (Contd.) (₹ in Crore)

PARTICULARS	For the year ended on 31st March, 2013	For the year ended on 31st March, 2012
<b>F PROVISIONS</b>		
Bad and Doubtful Debts provided	-	0.40
Bad and Doubtful Advances / Deposits provided	45.79	-
Bad and Doubtful Claims provided	60.27	147.27
Diminution in value of Stores and Spares	1.42	1.20
Provision against Diminution in the value of Investment	-	0.77
Project expenses provided for	3.00	81.89
Provision for Fixed Assets/ Stores provided for	0.77	3.03
<b>Sub-total</b>	<u>111.25</u>	<u>234.56</u>
<b>Less: Amount transferred to EDC</b>	294.37	316.79
<b>Less: Recoverable from Deposit Works</b>	0.01	0.06
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<u><u>1,095.33</u></u>	<u><u>1,067.69</u></u>

### Explanatory Note: -

- 1) The Company's significant leasing arrangements are in respect of operating leases of premises for offices, guesthouses & transit camps. These leasing arrangements, which are not non-cancellable, are usually renewable on mutually agreeable terms. Lease payments in respect of premises for offices, guest house & transit camps are shown in Rent.
- 2) Pending notification of revision order by CERC in respect of truing up application filed by the company under CERC notification dated 19.01.2009, an amount of ₹ 14.34 Crore (Previous year ₹ 4.15 Crore) has been provided in the books during the year ended 31.03.2013 towards Interest to Beneficiary States, which may have to be paid in case of reduction in tariff as a result of said revision order.
- 3) Detail of Audit Expenses are as under: -

i)	Statutory Auditors			
	As Auditor			
	- Audit Fees	0.45		0.40
	- Tax Audit Fees	0.14	0.59	0.12
	In other Capacity			
	- Other Matters/services	0.45	0.45	0.44
	Reimbursement of expenses		0.52	0.43
ii)	Cost Auditors			
	- Audit Fees		0.10	0.06
	- Reimbursement of expenses		0.01	0.01
			<u>1.67</u>	<u>1.46</u>

## NOTE NO. 24 EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

PARTICULARS	For the year ended on 31st March, 2013	For the year ended on 31st March, 2012
Salaries, Wages, Allowances	1,148.59	1,139.34
Gratuity, Contribution to Provident Fund & Pension Scheme (incl. administration fees)	185.66	298.57
Staff Welfare Expenses	113.27	121.64
Leave Salary & Pension Contribution	0.01	0.12
<b>TOTAL</b>	<b>1,447.53</b>	<b>1,559.67</b>
<b>Less: Employee Cost transferred to EDC</b>	<b>559.41</b>	<b>642.02</b>
<b>Less: Recoverable from Deposit Works</b>	<b>0.71</b>	<b>1.89</b>
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>887.41</b>	<b>915.76</b>

### Explanatory Note: -

1) The Company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees. These leasing arrangements, which are not non-cancellable, are usually renewable on mutually agreeable terms. Salaries, wages, allowances includes ₹ 36.37 Crore (Previous Year ₹ 31.41 Crore) towards lease payments in respect of premises for residential use of employees

2) Gratuity, Contribution to provident fund & pension scheme include contributions:

i) towards Employees Provident Fund

ii) towards Employees Defined Contribution Superannuation Scheme

	As on 31.03.2013	As on 31.03.2012
i) towards Employees Provident Fund	68.57	81.53
ii) towards Employees Defined Contribution Superannuation Scheme	67.00	92.04
	<b>135.57</b>	<b>173.57</b>

## NOTE NO. 25 FINANCE COST

(₹ in Crore)

PARTICULARS	For the year ended on 31st March, 2013	For the year ended on 31st March, 2012
<b>a) Interest on :</b>		
Bonds	339.93	217.23
Foreign Currency Loan	54.22	59.61
Term Loan	877.04	788.90
Other Interest Charges	1.96	-
<b>Sub total</b>	<b>1,273.15</b>	<b>1,065.74</b>
<b>b) Other Borrowing Cost</b>		
Bond issue/ service expenses	0.86	0.93
Commitment fee	2.56	0.06
Guarantee fee on foreign loan	33.95	32.22
Other finance charges	6.71	3.82
<b>Sub-total</b>	<b>44.08</b>	<b>37.03</b>
<b>c) Applicable net gain/ loss on Foreign currency transactions and translation</b>		
Exchange differences regarded as adjustment to interest cost	10.52	277.47
Less: Adjustment on account of Foreign Exchange Rate Variation	(10.52)	(277.47)
<b>Sub-total</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1,317.23</b>	<b>1,102.77</b>
<b>Less: Finance Cost transferred to EDC</b>	<b>931.85</b>	<b>764.67</b>
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>385.38</b>	<b>338.10</b>

## NOTE NO. 26 DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in Crore)

PARTICULARS	For the year ended on 31st March, 2013	For the year ended on 31st March, 2012
Depreciation & Amortization for the year	1,025.18	966.98
Adjustment on account of Foreign Exchange Rate Variation	(15.24)	(23.53)
<b>TOTAL</b>	<u>1,009.94</u>	<u>943.45</u>
<b>Less: Depreciation &amp; Amortisation Expenses transferred to EDC</b>	<u>40.65</u>	<u>49.59</u>
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<u><u>969.29</u></u>	<u><u>893.86</u></u>

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

(₹ in Crore)

PARTICULARS	For the year ended on 31st March, 2013	For the year ended on 31st March, 2012
<b>INCOME</b>		
Advance Against Depreciation written back	(0.83)	-
Interest / Surcharge received from Debtors	-	(0.03)
Others	17.04	(29.81)
<b>Sub-total</b>	<u>16.21</u>	<u>(29.84)</u>
<b>EXPENDITURE</b>		
Salaries & Wages	2.16	49.34
Repair & Maintenance	(0.51)	(0.10)
Depreciation & Amortization	0.65	1.08
Others	16.01	0.63
<b>Sub-total</b>	<u>18.31</u>	<u>50.95</u>
<b>TOTAL</b>	<u>2.10</u>	<u>80.79</u>
Less: Prior Period Items transferred to EDC		
Prior period expenses	2.17	19.81
Less Prior period income	(0.04)	(2.69)
<b>Total</b>	<u>(0.11)</u>	<u>58.29</u>
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<u><u>(0.11)</u></u>	<u><u>58.29</u></u>

## NOTE NO. 28 TAX EXPENSES

(₹ in Crore)

PARTICULARS	For the year ended on 31st March, 2013	For the year ended on 31st March, 2012
<b>CURRENT TAX</b>		
Income Tax Provision	587.41	694.19
Adjustment Relating To Earlier Years	9.85	8.37
Deferred Tax Liability/(Asset)	326.56	(2.83)
Less: Recoverable	69.91	(45.54)
	<u>256.65</u>	<u>42.71</u>
	<u><u>853.91</u></u>	<u><u>745.27</u></u>

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

(₹ in Crore)

PARTICULARS	For the year ended on 31st March, 2013	For the year ended on 31st March, 2012
<b>A EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages, Allowances	258.82	309.83
Gratuity and Contribution to Provident Fund	42.83	76.33
Staff Welfare Expenses	15.65	31.27
Leave Salary & Pension Contribution	0.11	0.12
<b>Sub-total</b>	<b>317.41</b>	<b>417.55</b>
<b>B REPAIRS &amp; MAINTENANCE</b>		
Building	6.45	6.12
Machinery	1.14	0.98
Others	13.11	15.96
<b>Sub-total</b>	<b>20.70</b>	<b>23.06</b>
<b>C ADMINISTRATION &amp; OTHER EXPENSES</b>		
Rent	16.70	17.72
Rates and Taxes	8.39	0.64
Insurance	0.31	0.36
Security Expenses	29.40	28.62
Electricity Charges	6.29	5.78
Travelling and Conveyance	4.90	4.04
Expenses on Vehicles	3.40	3.32
Telephone, Telex and Postage	2.93	3.45
Advertisement and Publicity	0.82	0.57
Printing and Stationery	1.02	0.99
Remuneration to Auditors	0.03	0.03
Design and Consultancy charges:		
- Indigenious	1.62	1.10
Expenses on Compensatory Afforestation / Catchment Area Treatment / Environmental Expenses	31.23	5.98
Expenditure on Land not belonging to Company	5.44	22.17
Losses on Sale of Assets	0.03	0.06
Exchange Rate Variation (Debit)	16.26	17.53
Other General Expenses	15.01	14.05
<b>Sub-total</b>	<b>143.78</b>	<b>126.41</b>
<b>D FINANCE COST</b>		
Interest on :		
Bonds	275.22	186.39
Term Loan	649.84	574.24
Bond Issue/ Service Expenses	0.68	0.77
Commitment Fee	2.48	-
Other Finance Charges	3.60	3.23
<b>Sub-total</b>	<b>931.82</b>	<b>764.63</b>

## NOTE NO. 29 EXPENDITURE DURING CONSTRUCTION FOR THE YEAR (Contd.) (₹ in Crore)

PARTICULARS	For the year ended on 31st March, 2013	For the year ended on 31st March, 2012
<b>E PROVISIONS</b>	105.72	141.16
<b>Sub-total</b>	<u>105.72</u>	<u>141.16</u>
<b>F DEPRECIATION AND AMORTISATION EXPENSES</b>	34.99	42.98
<b>Sub-total</b>	<u>34.99</u>	<u>42.98</u>
<b>G PRIOR PERIOD ITEMS</b>		
Prior Period Expenses	2.16	10.40
Less: Prior Period Income	(0.04)	(2.69)
<b>Sub-total</b>	<u>2.20</u>	<u>13.09</u>
<b>H LESS: RECEIPTS AND RECOVERIES</b>		
a) Income from generation of electricity – Precommissioning	37.58	-
b) Others		
Interest on Loans and Advances	88.23	110.77
Miscellaneous Receipts	4.60	7.87
Exchange Rate Variation (Credit)	12.71	8.00
Provision/Liability not Required Written Back	18.73	26.53
Hire Charges -Plant and Machinery	0.51	1.76
<b>Sub-total</b>	<u>162.36</u>	<u>154.93</u>
<b>I Corporate Office/Regional Office Expenses:</b>		
Other Income	(10.79)	(14.82)
Generation, Administration and Other Expenses	24.02	26.16
Employee Benefits Expense	242.00	224.47
Depreciation & Amortisation Expenses	5.66	6.61
Finance Cost	0.03	0.04
Provisions	0.15	-
Prior Period Items (Net)	0.01	9.41
<b>Sub-total</b>	<u>261.08</u>	<u>251.87</u>
<b>GRAND TOTAL (A+B+C+D+E+F+G+I-H)</b>	<u><u>1,655.34</u></u>	<u><u>1,625.82</u></u>

## NOTE NO. 30 OTHER EXPLANATORY NOTES TO ACCOUNTS

1. a) Contingent Liabilities as on: -

(₹ in Crore)

Description	Opening Balance 01/04/2012	Closing Balance 31/03/2013
Claims against the Company not acknowledged as debts in respect of		
-Capital Works		
-Land Compensation Cases	7615.68	10322.99
-Others	28.18	38.37
-Disputed Income Tax Demand	10.57	24.93
-Disputed Sales Tax Demand	264.01	277.27
-Disputed Service Tax Demand	29.22	29.22
-Others	116.29	128.53
<b>Total</b>	<b>8063.95</b>	<b>10821.31</b>

- b) The above contingent liabilities do not include contingent liabilities on account of pending cases in respect of service matters & others where the amount cannot be quantified.
- c) Contingent liabilities towards capital works include claims of contractors regarding rate & quantity deviation, cost relating to extension of time and idling charges due to stoppage of work / delays in handing over the site etc. These claims are being contested by the company as being not admissible in terms of provisions of the respective contracts or are lying at Arbitration tribunal/other forums. The above also includes claims of contractors which are under scrutiny at various levels of Management but yet to achieve finality.
- d) The Contingent liabilities under the head "Capital Works" includes ₹323.70 Crore (previous year ₹347.85 Crore), towards arbitration awards received against the company as outflow is not considered probable in respect of these awards since the same stands challenged in the court of law.
- e) It is not practicable to disclose the uncertainties relating to any outflow.
- f) There is a possibility of reimbursement to the Company of ₹40.71 Crore (Previous year ₹45.17 Crore) towards above contingent liabilities.
- g) An amount of ₹22.31 Crore (Previous year ₹10.06 Crore) stands paid towards above contingent liabilities to contest the cases and is being shown as Current Assets.
2. Estimated amount of contracts remaining to be executed on capital account and not provided for ₹3958.36 Crore (Previous year ₹5335.27 crore).
3. Consequent upon commissioning of Chamera-III Power Station, some seepage has been noticed in hill slopes thereby affecting the houses & fields of local habitants of the nearby village. A proposal to acquire the affected land is under consideration of management for which compensation is estimated at ₹8.40 crore. Further the cost of rectification of seepage is yet to be ascertained.
4. Pending approval of the competent authority, provisional payments / provisions made towards executed quantities of some of the items beyond the approved quantities as also for extra items totalling to ₹177.81 Crore (Previous year ₹241.16 Crore), are included in Capital Work-in-Progress/Fixed Asset.
5. a) Balances shown under material issued to contractors, claims recoverable including insurance claims, advances for Capital expenditure, Sundry Debtors, Advances to Contractors, Sundry Creditors and Deposits/Earnest money from contractors are subject to reconciliation/ confirmation and respective consequential adjustments. Claims recoverable also include claims in respect of projects handed over or decided to be handed over to other agencies in terms of Government of India directives.
- b) In the opinion of the management, the value of current assets, loans and advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
6. During F.Y. 2010-11 Company had received an opinion from the Expert Advisory Committee of the Institute of Chartered Accountants of India (EAC of ICAI), according to which the expenditure incurred for creation of assets not within the control of company should be charged to Statement of Profit & Loss in the year of incurrance itself, consequent upon withdrawal of Guidance Note on

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

In view of above ₹37.42 Crore (Previous year ₹25.54 Crore) (WDV) and ₹103.58 Crore (Previous year ₹106.66 Crore) are appearing under the Tangible Asset (Note No.11.1) and Capital work in progress (Note No. 12) respectively towards creation/construction of such assets. In addition, a sum of ₹123.25 Crore (Previous year ₹117.81 Crore) incurred after withdrawal of guidance note on capitalisation of EDC is also appearing in Expenditure during Construction under Capital work in progress (Note No. 12).

7. Construction activities at site of Subansiri Lower Project have been interrupted w.e.f 16.12.2011 due to protest of anti dam activists, however substantial technical and administrative work is continuing. As such administration and other general overheads including borrowing cost directly attributable to Project has continued to be capitalised. The construction activities at site are expected to be resumed shortly since the matter is being pursued at the level of Government of India.
8. Following Accounting policies have been introduced/ modified/ deleted during the year ended 31.03.2013:

Policy No.	Description	Impact on Profit for the year
Policy No. 10.2	Policy on revenue from project management/consultancy contracts/cost plus contracts has been reworded to have a better disclosure.	Nil
Erstwhile Policy No. 11.2	Policy has been deleted since it has become redundant in the present scenario as direct consumption of power generated by a power station of company is not allowed.	Nil
Policy No. 14	New policy on impairment of assets has been introduced to convert the practice into policy.	Nil

9. Disclosures as per Accounting Standard – 7 on Construction Contracts notified under the Companies Accounting Standard Rules, 2006 is as follows: -

(₹ in Crore)

Sl. No.	Particulars	31/03/2013	31/03/2012
1.	Aggregate amount of costs incurred and recognised profits (less recognised losses) on contracts in progress upto reporting date.	3685.34	3479.92
2.	Amount of advances received.	3170.01	2947.33
3.	Amount of retention.	Nil	Nil
4.	The gross amount due from customers for contract works as an asset.	3685.34	3479.92
5.	The gross amount due to customers for contract works as a liability.	Nil	Nil

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

(₹ in Crore)

		For the year ended 31.03.2013	For the year ended 31.03.2012
(i)	Amount charged to Statement of Profit & Loss excluding depreciation (as FERV)	(1.98)	2.95
(ii)	Amount charged to Statement of Profit & Loss excluding depreciation (as Borrowing Cost)	10.52	277.47
(iii)	Amount charged to Expenditure During Construction (as FERV)	3.55	9.53
(iv)	Amount charged to Capital work-in-progress (as FERV)	(0.09)	(0.14)
(v)	Amount adjusted by addition to the carrying amount of fixed assets	(170.33)	105.87

11. The status of Self Insurance Fund Investment as at 31.03.2013 is as under:-

Note of Balance Sheet	Description of Investment / Deposit	Amount (₹ in Crore)
Note No. 13	(i) Central Government Securities	268.42
	(ii) Public Sector Bonds	381.39
	(iii) Public Sector Bonds-Tax free	22.61
Note No. 19	(i) Deposit Account- Short term	45.80
	(ii) Current Account	0.46
Note No. 20	Interest Accrued (net of taxes)	20.14
<b>Total</b>		<b>738.82</b>

The total income of Self Insurance Fund for the year ended 31.03.2013 is ₹48.84 Crore (net of taxes), which has been credited to Self Insurance Fund.

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

General description of various employee benefit schemes are as under:

Defined Contribution Schemes

#### A. Provident Fund

The Company pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the period is recognised as expense and is charged to the Statement of Profit & Loss/expenditure during construction. The obligation of the Company is to make fixed contribution and to ensure a minimum rate of return to the members as specified by Gol.

#### B. Social Security Scheme

The Company has a Social Security Scheme in lieu of compassionate appointment, subject to the condition that the scheme will be withdrawn on introduction of pension scheme. However the proposal for continuation of scheme is under consideration of the Management. As per scheme, employees make monthly contribution at prescribed rates. The Company also makes a matching contribution per month per employee and such contribution is to be made for 8 years to build up corpus from the date the scheme is in operation i.e. 01.06.2007. The scheme has been created to take care of and helping bereaved families in the event of death or permanent total disability of its employee.

#### C. Employees Defined Contribution Superannuation Scheme

The Company has an employee defined contribution superannuation scheme for providing pension benefits to employees. As per the scheme, each employee contributes @ 5% of Basic Pay & Dearness Allowance. The company contributes to the extent of balance available after deducting employers' contribution to Provident Fund, contribution to Gratuity trust and REHS, from the amount worked out @ 30% of the Basic Pay & DA. The Scheme is managed by Life Insurance Corporation of India.

Defined Benefits Schemes

#### D. Gratuity

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹0.10 Crore, on superannuation, resignation, termination, disablement or on death. The plan is being managed by a separate Trust created for the purpose and obligation of the company is to make contribution to the Trust based on actuarial valuation.

#### E. Leave

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

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

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

## G. Allowance on Retirement / Death

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

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

The Company has a policy of providing Memento valuing ₹5000/- to employee on superannuation.

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

Summary of various defined benefits as on 31.03.2013 is as under:-

**Table 1:-Key Actuarial assumption for Actuarial Valuation as at:**

Particular	31.03.2013	31.03.2012
Mortality Table	LIC(1994-96)	LIC(1994-96)
Discount rate	8.00%	8.50%
Future Salary Increase	6.0%	6.0%

**Table 2:-Change in Present Value of Obligations (PVO)**

(₹ in Crore)

Particular	Gratuity	Leave Encashment	Retired Employee Health Scheme
PVO at beginning of year	568.40 {512.76}	383.82 {303.22}	325.28 {256.16}
Interest cost	45.48 {43.59}	30.71 {25.77}	26.02 {21.77}
Current service cost	24.47 {22.88}	16.65 {18.02}	8.90 {6.85}
Benefit paid	(49.46) {(73.93)}	(140.18) {(39.04)}	(4.69) {(8.61)}
Actuarial (Gain)/loss	15.55 {63.10}	70.00 {75.85}	28.31 {49.11}
PVO at end of year	604.44 {568.40}	361.00 {383.82}	383.82 {325.28}

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

(₹ in Crore)

Particular	Gratuity	Leave Encashment	Retired Employee Health Scheme
PVO at end of year	604.44 {568.40}	361.00 {303.22}	383.82 {325.28}
Fair Value of Plan Assets at the end of year	618.41 {-}	- {-}	- {-}
Funded Status	13.97 {(568.40)}	(361.00) {(303.22)}	(383.82) {(325.28)}
Unrecognized actuarial gain/loss	- {-}	- {-}	- {-}
Net Liability/Asset (-) recognized in Balance Sheet	(-)13.97 {568.40}	361.00 {303.22}	383.82 {325.28}

**Table 4:-Amount recognised in Statement of Profit & Loss /EDC Account**

(₹ in Crore)

Particular	Gratuity	Leave Encashment	Retired Employee Health Scheme
Current Service Cost	24.47 {22.88}	16.65 {18.02}	6.85 {6.85}
Interest Cost	45.48 {43.59}	30.71 {25.77}	21.77 {21.77}
Expected return on Plan Assets	- {-}	- {-}	- {-}
Net Actuarial (gain) / loss recognized for the year	15.55 {63.10}	70.00 {75.85}	49.11 {49.11}
Expense recognized in Profit & Loss/EDC for the year	85.50 {129.57}	117.36 {119.64}	77.73 {77.73}

Note: { } contains previous year's figures.

Liabilities as on 31.03.2013 on account of Baggage Allowance on retirement & Memento are ₹ 4.94 Crore & ₹ 3.08 Crore (Previous year ₹4.89 Crore & ₹ 3.15 Crore) respectively.

13. a) Electricity generation is the principal business activity of the Company. Other operations viz., Contracts, Project Management and Consultancy works do not form a reportable segment as per the Accounting Standard - 17 on Segment Reporting notified under the Companies Accounting Standard Rules, 2006.
- b) The Company is having a single geographical segment as all its Power Stations are located within the country.
14. In compliance of Accounting Standard – 18 on related party disclosures notified under the Companies Accounting Standard Rules, 2006, the required information is given as under: -

**a) Related Parties**

**(i) Joint Venture Companies**

National Power Exchange Ltd.

**(ii) Key Management Personnel**

Shri G. Sai Prasad	Joint Secretary (Hydro), Ministry of Power, Government of India. Assigned additional charge of CMD of the Company w.e.f. 24.07.2012.
Shri A. B. L.Srivastava	Director (Finance). Additional charge of CMD upto 23.07.2012.
Shri D. P. Bhargava	Director (Technical)
Shri J. K. Sharma	Director (Projects)
Shri R. S. Mina	Director (Personnel)

Remuneration to key management personnel is ₹3.01 Crore (Previous year ₹1.08 Crore), which is inclusive of arrears of ₹1.59 Crore to existing as well as retired directors.

**b) Transaction carried out with the related parties at a(i) above - Nil.**

15. Earnings Per Share:-

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

	For the year ended 31.03.2013	For the year ended 31.03.2012
Net Profit after Tax used as numerator (₹ in Crore)	2348.22	2771.77
Weighted Average number of equity shares used as denominator	12300742773	12300742773
Earnings Per Share (₹) – Basic & diluted	1.91	2.25
Face value per share (₹)	10	10

16. a) Interest in Joint Ventures:

Name of Companies	Proportion of Ownership interest as at	
	31.03.2013	31.03.2012
National High Power Test Laboratory (P) Ltd.	20%	25%
National Power Exchange Ltd.	16.67%	16.67%
Chenab Valley Power Projects Private Ltd.*	49%*	49%

\* Company is joint venture entity of NHPC, Jammu & Kashmir State Power Development Corporation (JKSPDC) and PTC India Ltd. with equity participation of 49:49:02. During the current year, NHPC contributed ₹77.55 Crore towards its proportionate share in said entity, whereas other joint venture partners are yet to contribute their proportionate share as on 31.03.2013. This has resulted in increasing the proportionate holding of NHPC in the said entity from 49% to 82%. As such, said entity has been considered as subsidiary instead of joint venture of NHPC as at 31.03.2013. Accordingly, the disclosures in respect of said entity has not been included in 16(b) below.

- b) The above joint venture entities are incorporated in India. The Company's share of the assets and liabilities as on 31st March 2013 and income and expenses for the financial year ended 31.03.2013 in respect of joint venture entities are based on audited accounts which are given below:

(₹ in Crore)

		As at 31.03.2013	As at 31.03.2012
A	Assets	14.94	15.09
B	Liabilities	0.92	0.15
C	Contingent Liabilities	0.01	0.01
D	Capital Commitments	49.97	7.48
E	Expenditure in Foreign Currency	0.14	-
		<b>For the Year 2012-13</b>	<b>For the year 2011-12</b>
E	Income	0.12	0.12
F	Expenditure	0.41	0.36

17. The Management is of the opinion that no case of impairment of assets exists under the provision of Accounting Standard (AS) – 28 on Impairment of Assets as at 31st March 2013.

(₹ in Crore)

18. Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
a)* Value of imports calculated on CIF basis:		
i) Capital Goods	17.43	53.65
ii) Spare parts	1.74	0.21
b)* Expenditure in Foreign Currency		
i) Know - How	(0.57)	4.84
ii) Interest	53.36	58.49
iii) Other Misc. Matters	108.64	47.37
c)* Value of spare parts and Components consumed in operating units.		
i) Imported	2.51(9.29%)	0.18(1.78%)
ii) Indigenous	24.50(90.71%)	9.96(98.22%)
d)* Earnings in foreign currency		
i) Interest	-	-
ii) Others	3.03	-

\* Accrual basis.



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

Sr. No.	Description	Remarks
1.	No. of VERs held as Investment & the basis of valuation	Nil
2.	No. of VERs under certification	Nil
3.	Depreciation and operating and maintenance cost of Emission Reduction Equipment expensed during the period (₹ in Crore)	Nil
4.	No. of VERs sold during the year ended 31.03.2013 with the value thereof.	10.90 lakhs units sold for ₹3.03 crores.

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

(₹ in Crore)

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

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

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

**VIJAY GUPTA**  
Company Secretary

**D. P. BHARGAVA**  
Director (Technical)  
DIN 01277269

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

Place :- New Delhi  
Date :- 28/05/2013

## CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in crore)

	31ST MARCH, 2013	31ST MARCH, 2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before tax and extraordinary items</b>	<b>3,202.13</b>	<b>3,517.04</b>
<b>ADD :</b>		
Depreciation (including Prior Period)	984.67	918.22
Interest Paid	385.38	338.09
Fixed Assets written off	0.14	0.29
Stores written off	0.18	0.09
Provisions	5.38	93.41
Bad debts/ Claims written off	0.03	-
Loss on Sale of Assets	0.91	0.78
Tariff Adjustment	56.60	34.60
Exchange rate variation	8.54	264.42
	<b>1,441.83</b>	<b>1,649.90</b>
<b>LESS :</b>		
Advance against Depreciation written back(including Prior Period)	49.34	47.16
Profit on sale of assets / project	0.51	77.24
Provisions & Liabilities no longer required written back	192.87	68.04
Deferred ERV	(92.34)	212.73
Dividend Income	32.03	22.03
Interest Income	658.66	627.55
	<b>600.76</b>	<b>595.15</b>
<b>Cash flow from operating activities before working capital adjustments</b>	<b>3,802.89</b>	<b>4,112.19</b>
<b>Working Capital Changes</b>		
(Increase)/Decrease in Inventories	(14.46)	(11.38)
(Increase)/Decrease in Trade Receivables	(53.51)	(1762.50)
(Increase)/Decrease in Other Assets, Loans & Advances	(425.36)	680.50
Increase/(Decrease) in Trade & Other Payables	(795.70)	(200.65)
	<b>(1289.03)</b>	<b>(1294.03)</b>
<b>Cash flow from operating activities before taxes</b>	<b>2,513.86</b>	<b>2,818.16</b>
Less : Taxes	616.27	737.82
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>1,897.59</b>	<b>2,080.34</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets & expenditure on construction projects (including expenditure during construction)	(2083.75)	(2788.17)
Decrease/(Increase) in Investment	98.53	162.90
Interest Income	658.66	627.55
Dividend Received	32.03	22.03
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<b>(1294.53)</b>	<b>(1975.69)</b>

**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED  
31ST MARCH, 2013**

(₹ in crore)

	31ST MARCH, 2013	31ST MARCH, 2012
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend & Dividend Tax Paid	(995.87)	(854.53)
Proceeds on Borrowings	2,526.65	3,418.44
Repayments of Borrowings	(1200.66)	(909.89)
Interest & Financial Charges	(1321.14)	(1104.78)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>(991.02)</b>	<b>549.24</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(387.96)</b>	<b>653.89</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>6,003.97</b>	<b>5,350.08</b>
<b>Cash &amp; Cash Equivalents at the close of the year</b>	<b>5,616.01</b>	<b>6,003.97</b>

**EXPLANATORY NOTES TO CASH FLOW STATEMENT**

- 1 Cash and Cash equivalents consists of Cash in hand, cheques/drafts in hands and Bank Balances including Short Term Deposits of varying periods except Deposits in the nature of Investment. The details of Cash & Cash equivalents as per Note 19 of the Balance Sheet is as under:

Cash and Cash equivalents	668.39	691.26
Other Bank Balances *	4,947.62	5,312.71
	<b>5,616.01</b>	<b>6,003.97</b>

\* Other Bank Balances includes ₹ 361.37 Crore (Previous Year ₹ 466.87 Crore), held for Rural Road and Rural Electrification works being executed by Company on behalf of other agencies and also includes unpaid dividend ₹3.92 Crore (Previous Year ₹ 2.43 Crore) which are not freely available for the business of the Company.

- 2 Expenditure during construction (EDC) includes ₹ 925.06 Crore (Previous Year ₹ 760.63 Crore) towards borrowing cost capitalised during the year.
- 3 Amount of undrawn loan as on 31.03.2013 : ₹ 2245.63 Crore.
- 4 Out of the Initial Public Offering (IPO) proceeds of ₹6038.55 Crore made during financial year 2009-10, sale proceeds of ₹ 2012.85 Crore was paid to Ministry of Power, Govt. of India and ₹4025.70 Crore was retained by company. Out of ₹ 4025.70 Crore, a sum of ₹ 2897.65 Crore has been utilised up to 31.03.2013 for re-couplement of capital expenditure already incurred from internal accruals on the projects specified for utilisation, the unutilised amount of ₹ 1089.34 Crore has been invested in bank deposits as per extant investment policy of the company and ₹ 38.71 Crore recouped for meeting IPO expenditure.
- 5 Figures for the previous year have been re-grouped/re-arranged/re-cast wherever necessary.

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

**VIJAY GUPTA**  
Company Secretary

**D. P. BHARGAVA**  
Director (Technical)  
DIN 0127269

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

**As per report of even date**

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

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

**For Baweja & Kaul**  
(Chartered Accountants)  
FR No. 005834N

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

**(CA S N NANDA)**  
Partner  
M. No. 005909

**(CA PRADEEP KR SINGHI)**  
Partner  
M. No. 050773

**(CA DALIP K KAUL)**  
Partner  
M. No. 083066

**(CA KRISHAN KUMAR)**  
Partner  
M. No. 085415

Place :- New Delhi

Date: - 28/05/2013

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT,  
1956 RELATING TO SUBSIDIARY COMPANIES**

1. Name and address of the Company	NHDC Limited, NHDC Parisar, Near Hotel Lake View Ashoka, Shyamla Hills, Bhopal (M.P.).	Loktak Downstream Hydroelectric Corporation Limited,	Chenab Valley Power Projects Pvt. Ltd.
2. Financial Year of the Subsidiary Company ended on	31st March 2013.	31st March 2013.	31st March 2013.
3. Share of the Subsidiary Company held by NHPC and its nominees on the above date			
(a) Number of Shares and Face Value	(a) 1,00,24,200 Equity Shares of ₹1000/-each fully paid	(a) 8,70,92,309 Equity Shares of ₹10/- each fully paid.	(a) 10,00,00,000 Equity Shares of ₹10/- each fully paid.
(b) Extent of Holding	(b) Out of 1,96,25,800 shares issued, 1,00,24,200 shares are held by NHPC Limited.	(b) Out of 11,76,92,309 shares issued, 8,70,92,309 share are held by NHPC Limited.	(b) Out of 12,25,50,000 shares issued, 10,00,00,000 share are held by NHPC Limited.
4. Net aggregate amount of profits/(losses) of the Subsidiary Company so far as it concerns the members of NHPC Limited and is not dealt within the accounts of NHPC Limited			
(i) For Subsidiary Company Financial Year ended 31st March 2013	(a) 51% of ₹506.75 Crore being the profit carried to Balance Sheet i. e. ₹258.44 Crore.  (b) Dividend of ₹30.03 Crore being 51% share of the recommended dividend amount of ₹58.88 Crore.	(a) 74% of ₹4.59 Crore being the profit carried to Balance Sheet i.e. ₹ 3.40 Crore.  (b) NIL	(a) 81% of ₹2.14 Crore being the profit carried to Balance Sheet i.e. ₹ 1.73 Crore.  (b) NIL
(ii) For previous Financial years of the Subsidiary company since it became Subsidiary	51% of ₹1908.45 Crore being the profit carried to Balance Sheet i.e. ₹973.31 Crore.	74% of ₹5.60 Crore being the profit carried to Balance Sheet i.e. ₹4.14 Crore.	NIL. Company is joint venture entity of NHPC Ltd., JKSPDC and PTC India Ltd. with equity participation of 49:49:02. However during the year it has been considered as subsidiary of NHPC Ltd. since NHPC holding has increased to 81% as other joint venture partners are yet to contribute their proportionate share of equity as on 31.03.2013.
5. Net aggregate amount of profits/(losses) of the Subsidiary Company so far as it concerns the members of NHPC Limited and is dealt within the accounts of NHPC Limited			
(i) For Subsidiary Company financial year ended 31st March 2013.	NIL	NIL	NIL
(ii) For previous Financial years of the Subsidiary company since it became Subsidiary.	Dividend of ₹184.99 Crore being 51% share of the dividend amount of ₹362.73 crore.	NIL	NIL



## STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

6. Change in the interest of NHPC Limited in the Subsidiary company between the end of the financial year of the Subsidiary Company and that of NHPC Limited.	NIL	NIL	NIL
7. Material changes between the end of the financial year of the Subsidiary Company and end of the financial year of NHPC Limited in respect of Subsidiary Company's fixed assets, investments, lending and borrowing for the purpose other than meeting their current liabilities.	NIL	NIL	NIL

For and on behalf of the Board of Directors

**VIJAY GUPTA**  
Company Secretary

**D. P. BHARGAVA**  
Director (Technical)  
DIN 01277269

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

Place : New Delhi  
Date : 28/05/2013

## Annexure - IX

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

The preparation of financial statements of NHPC Limited, Faridabad for the year ended 31 March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide Audit Report dated 28 May 2013 and revised Audit Report dated 02 July 2013.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the financial statements of NHPC Limited, Faridabad for the year ended 31 March 2013. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. 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 behalf of the  
Comptroller & Auditor General of India

Sd/-

**(Naina A. Kumar)**

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

Place: New Delhi

Dated: 15 July, 2013



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

NHPC Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of NHPC Limited ("the Company") and its subsidiaries (The Group), which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making, those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### Basis for Qualified Opinion

Capital Work in Progress carried in the Balance Sheet amounting to ₹ 19,709.04 crores. Management has included Borrowing Cost of ₹ 386.88 crores and Administrative & Other Cost of ₹ 139.69 crores incurred on Subansiri Lower H.E. Project, wherein active development of project is interrupted. Accounting Standards require these expenditure incurred during interruption period be charged to Statement of Profit & Loss. This constitutes departure from the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

Accordingly, 'Finance Cost' would have increased by ₹ 386.88 crores and 'Generation, Administration and Other Expenses' would have increased by ₹ 139.69 crores and 'Net Profit before Tax', 'Capital Work in Progress' would have reduced by ₹ 526.57 crores and Shareholders' Fund (Net of Taxes) would have reduced by ₹ 421.22 crores.

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- in the case of the consolidated Profit and Loss Account, of the profit for the year ended on that date; and
- in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

## Emphasis of Matter

We draw attention to:

- (a) Note No. 12 para 3 to consolidated financial statement, which describes uncertainty about the outcome of the project under survey and investigation stage. Expenditure incurred for conducting Survey & Investigation on such projects are being carried forward as these projects are under investigation/ pending clearance with various authorities.
- (b) Note No. 30 para 4 to the consolidated financial statement, which describes uncertainty related to the outcome of the claims/ arbitration proceedings and lawsuit filed by/ against the Company on/ by contractors and others.
- (c) Note No. 30 para 9 in the consolidated financial statement, which describes treatment of expenditure incurred on creation of assets not within the control of the company (Enabling Assets) which has been referred to the Expert Advisory Committee (EAC) of Institute of Chartered Accountants of India (ICAI).

Our opinion is not qualified in respect of these matters.

## Other Matter

We did not audit the financial statements of the following Subsidiaries and Joint Ventures of the Company and the details of the assets, revenues and net cash flows in respect of these subsidiaries and Joint Ventures to the extent to which they are reflected in the consolidated financial statements are given below:

(₹ in Crores)

Name	Total Assets	Total Revenue	Net Cash Flows
<b>Subsidiaries</b>			
NHDC Ltd.	8,404.00	1338.19	446.70
Loktak Downstream Hydroelectric Power Corporation Limited	167.48	6.81	39.06
Chenab Valley Power Projects (P) Ltd.	310.92	2.77	71.94
<b>Joint Ventures</b>			
National High Power Test Laboratory (P) Ltd.	67.90	0.00	10.09
National Power Exchange Ltd.	8.14	0.74	(8.51)

These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion, insofar as it relates to the amounts included in respect of the Subsidiaries and Joint Ventures, is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

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

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

**For Baweja & Kaul**  
Chartered Accountants  
(FR No: 005834N)

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

**(CA S. N. Nanda)**  
Partner  
M. No. 005909

**(CA P. K. Singhi)**  
Partner  
M. No. 050773

**(CA Dalip K. Kaul)**  
Partner  
M. No. 083066

**(CA Krishan Kumar)**  
Partner  
M. No. 085415

Place :- New Delhi

Date :- 28/05/2013

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2013**

(₹ in Crore)

PARTICULARS	Note No.	As at 31st March, 2013	As at 31st March, 2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	2	12,300.74	12,300.74
(b) Reserves and Surplus	3	18,074.25	16,343.04
<b>(2) MINORITY INTEREST</b>		2,310.20	2,034.86
<b>(3) NON-CURRENT LIABILITIES</b>			
(a) Long Term Borrowings	4	18,805.90	17,912.62
(b) Deferred Tax Liabilities	5	624.09	350.36
(c) Other Long Term Liabilities	6	1,827.10	2,072.98
(d) Long Term Provisions	7	729.95	1,200.50
<b>(4) CURRENT LIABILITIES</b>			
(a) Short Term Borrowings	8	-	180.00
(b) Trade Payables	9	189.14	227.52
(c) Other Current Liabilities	10	3,198.26	3,141.05
(d) Short Term Provisions	7	4,276.47	4,524.99
<b>TOTAL</b>		<b>62,336.10</b>	<b>60,288.66</b>
<b>II. ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
(a) Fixed Assets			
(i) Tangible Assets	11.1	20,228.86	18,750.07
(ii) Intangible Assets	11.2	3,308.45	3,432.55
(iii) Capital Work In Progress	12	19,961.84	19,398.67
(b) Non Current Investments	13	1,196.33	1,405.11
(c) Long Term Loans and Advances	14	1,276.22	1,461.68
(d) Other Non-Current Assets	15	1,132.38	1,381.07
<b>(2) CURRENT ASSETS</b>			
(a) Current Investments	16	250.74	250.74
(b) Inventories	17	64.22	49.60
(c) Trade Receivables	18	2,240.05	2,247.09
(d) Cash & Bank Balances	19	7,976.46	7,795.32
(e) Short Term Loans and Advances	14	2,452.84	2,157.35
(f) Other Current Assets	20	2,247.71	1,959.41
<b>TOTAL</b>		<b>62,336.10</b>	<b>60,288.66</b>
Significant Accounting Policies	1		
Other Explanatory Notes to Accounts	30		
Note 1 to 30 form integral part of the Accounts			

For and on behalf of the Board of Directors

**VIJAY GUPTA**  
Company Secretary

**D. P. BHARGAVA**  
Director (Technical)  
DIN 0127269

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

As per report of even date

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

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

**For Baweja & Kaul**  
(Chartered Accountants)  
FR No. 005834N

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

**(CA S N NANDA)**  
Partner  
M. No. 005909

**(CA PRADEEP KR SINGHI)**  
Partner  
M. No. 050773

**(CA DALIP K KAUL)**  
Partner  
M. No. 083066

**(CA KRISHAN KUMAR)**  
Partner  
M. No. 085415

Place :- New Delhi  
Date :- 28/05/2013

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

(₹ in Crore)

	Note No.	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>INCOME</b>			
i) Revenue from Operations	21	6,402.08	7,218.09
ii) Other Income	22	1,215.15	940.63
<b>TOTAL REVENUE</b>		<b><u>7,617.23</u></b>	<b><u>8,158.72</u></b>
<b>EXPENDITURE</b>			
i) Generation, Administration and Other Expenses	23	1,177.61	1,143.93
ii) Employee Benefits Expense	24	951.52	975.18
iii) Finance Cost	25	596.21	568.73
iv) Depreciation & Amortization Expenses	26	1,213.11	1,151.11
<b>TOTAL EXPENDITURE</b>		<b><u>3,938.45</u></b>	<b><u>3,838.95</u></b>
<b>Profit before Prior Period items, Exceptional and Extraordinary items and Tax from Continuing Operation</b>		<b>3,678.78</b>	<b>4,319.77</b>
Prior Period Items (net)	27	(4.09)	37.37
<b>Profit before Exceptional and Extraordinary items and Tax</b>		<b>3,682.87</b>	<b>4,282.40</b>
Exceptional Items		(240.01)	(68.86)
<b>Profit before extraordinary items and Tax</b>		<b>3,922.88</b>	<b>4,351.26</b>
Extraordinary Items		-	-
<b>PROFIT BEFORE TAX</b>		<b>3,922.88</b>	<b>4,351.26</b>
Tax Expenses	28		
i) Current Tax		738.75	866.07
ii) Adjustments relating to earlier years		9.80	8.60
iii) Deferred Tax		273.73	73.00
Total Tax Expenses		<u>1,022.28</u>	<u>947.67</u>
<b>PROFIT FOR THE YEAR (Before adjustment of Minority Interest)</b>		<b><u>2,900.60</u></b>	<b><u>3,403.59</u></b>
<b>Share of Profit/Loss transferred to Minority Interest</b>		<u>283.19</u>	<u>318.01</u>
<b>PROFIT FOR THE YEAR (After adjustment of Minority Interest)</b>		<b><u>2,617.41</u></b>	<b><u>3,085.58</u></b>
Earning per share (Equity shares, face value of ₹ 10/- each)			
<b>Basic &amp; Diluted</b>		2.13	2.51
<b>Other Explanatory Notes to Accounts</b>	30		
<b>Note 1 to 30 form integral part of the Accounts</b>			

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

**VIJAY GUPTA**  
Company Secretary

**D. P. BHARGAVA**  
Director (Technical)  
DIN 01277269

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

### As per report of even date

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

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

**For Baweja & Kaul**  
(Chartered Accountants)  
FR No. 005834N

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

**(CA S N NANDA)**  
Partner  
M. No. 005909

**(CA PRADEEP KR SINGHI)**  
Partner  
M. No. 050773

**(CA DALIP K KAUL)**  
Partner  
M. No. 083066

**(CA KRISHAN KUMAR)**  
Partner  
M. No. 085415

Place :- New Delhi  
Date :- 28/05/2013

## NOTE NO. 1 – SIGNIFICANT ACCOUNTING POLICIES -CONSOLIDATED

### 1. ACCOUNTING CONVENTIONS

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

### 2. FIXED ASSETS

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

### 3. MACHINERY SPARES

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

### 4. CAPITAL WORK IN PROGRESS

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

### 5. DEPRECIATION & AMORTISATION

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

## 8. FOREIGN CURRENCY TRANSACTIONS

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

## 9. EMPLOYEE BENEFITS

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

## 10. REVENUE

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

## 11. MISCELLANEOUS

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

## 12. BORROWING COST

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

## 13. TAXES ON INCOME

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

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

## 14. IMPAIRMENT OF ASSETS

The company assesses at each balance sheet date whether there is any indication that cash generating unit (CGU) is impaired based on internal/external indicators. If any such indication exists, company estimates the recoverable amount of the CGU. An impairment loss is recognized in the statement of profit and loss where the carrying amount exceeds the recoverable amount of the cash generating units. An impairment loss is reversed if there is a change in the recoverable amount and such loss either no longer exists or has decreased.

## 15. 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.

## NOTE NO. 2 : SHARE CAPITAL

(₹ in Crore)

PARTICULARS	As at 31st March, 2013		As at 31st March, 2012	
	In No.	(₹ in Crore)	In No.	(₹ in Crore)
a) Authorized Equity Share Capital (Par value per share ₹ 10)	15000000000	15,000.00	15000000000	15,000.00
b) No. of Equity shares issued, subscribed and fully paid (Par value per share ₹ 10)	12300742773	12,300.74	12300742773	12,300.74
c) During the Financial Year 2012-13, the company has neither issued/ nor reduced any share capital. Hence reconciliation of equity shares is not required.				
d) The Company has issued only one kind of equity shares with voting rights proportionate to the share holding of the shareholders. These voting rights are exercisable at meeting of shareholders. The holders of the equity shares are also entitled to receive dividend as declared from time to time for them.				
e) Shares in the company held by each shareholder holding more than 5 percent specifying the number of shares held: -	In No.	In (%)	In No.	In (%)
	- President of India	10623368758	86.36	10623368758
f) In preceding five financial years immediately preceding 31.03.2013, Company has not allotted any equity share as fully paid up pursuant to contract(s) without payment being received in cash/ not allotted any equity share as fully paid up by way of bonus share(s) / not bought back any equity shares.				

## NOTE NO. 3 : RESERVE AND SURPLUS

(₹ in Crore)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
<b>Grant In Aid - Reserve</b>		
As per last Balance Sheet	1207.10	1172.16
Add: Transfer from Surplus	58.30	90.96
Less: Write back during the year	57.16	57.73
Less: Adjustments during the year	22.80	(1.71)
<b>As at Balance Sheet date</b>	1,185.44	1,207.10
<b>Securities Premium Account</b>	2,868.74	2,868.74
<b>Bond Redemption Reserve</b>		
As per last Balance Sheet	414.63	299.75
Add: Transfer from Surplus	249.17	129.13
Less: Write back during the year	14.25	14.25
<b>As at Balance Sheet date</b>	649.55	414.63
<b>Self Insurance Fund</b>		
As per last Balance Sheet	772.77	740.29
Add: Transfer from Surplus	48.84	32.48
Less: Adjustment during the year	(0.13)	-
Less: Utilisation during the year	0.92	-
	820.82	772.77
Less:- Adjustment on account of claims	7.29	4.64
<b>As at Balance Sheet date</b>	813.53	768.13

## NOTE NO. 3 : RESERVE AND SURPLUS (Contd.)

(₹ in Crore)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
<b>Corporate Social Responsibility (CSR) Reserve</b>		
As per last Balance Sheet	-	
Add: Transfer from Surplus	23.50	
Less: Utilisation during the year	-	
<b>As at Balance Sheet date</b>	23.50	-
<b>General Reserve</b>	4,120.06	4,120.06
Surplus *	8,413.43	6,964.38
<b>Total</b>	<b>18,074.25</b>	<b>16,343.04</b>
* Surplus		
Profit for the year as per Statement of Profit and Loss	2,617.41	3,085.58
Balance brought forward	6,964.38	5,028.52
Adjustment in Opening Balance due to change in proportion of holding in Sub/ JV	1.69	-
<b>Add:</b>		
Amount written back from Bond Redemption Reserve	14.25	14.25
Amount utilised from Self Insurance Fund	0.92	-
Tax on Dividend - Write back	4.88	3.25
<b>Balance available for Appropriation</b>	9,603.53	8,131.60
Transfer to Bond Redemption Reserve	249.17	129.13
Transfer to Self Insurance Fund	48.84	32.48
Transfer to CSR Reserve	23.50	-
Dividend :		
- Proposed	738.04	861.05
- Final	0.01	0.01
Tax on Dividend		
- Proposed	130.54	144.55
Balance carried forward	8,413.43	6,964.38

## NOTE NO. 4 LONG TERM BORROWINGS

(₹ in Crore)

PARTICULARS	As at 31st March, 2013			As at 31st March, 2012		
	Total Borrowings	Less: - Current Maturities	Long Term Borrowings	Total Borrowings	Less: - Current Maturities	Long Term Borrowings
<b>Bonds</b>						
- Secured (Refer A below)	4,907.28	57.00	4,850.28	3,608.00	57.00	3,551.00
<b>Term Loans</b>						
• From Banks						
- Secured (Refer B below)	4,616.32	378.54	4,237.78	3,963.75	320.56	3,643.19
- Unsecured (Refer C below)	2,226.54	184.54	2,042.00	2,586.73	180.83	2,405.90
• From Other Parties						
- Secured (Refer D below)	6,744.12	838.93	5,905.19	7,583.05	838.93	6,744.12
- Unsecured (Refer E below)	1,845.99	75.34	1,770.65	1,640.69	72.28	1,568.41
	<u>20,340.25</u>	<u>1,534.35</u>	<u>18,805.90</u>	<u>19,382.22</u>	<u>1,469.60</u>	<u>17,912.62</u>
Aggregate amount of loans guaranteed by Directors	-	-	-	-	-	-
Aggregate amount of loans guaranteed by Govt. of India	2,403.72	259.88	2,143.84	2,828.98	253.11	2,575.87
Amount of default in repayment of loans and interest as at 31.03.2013	-	-	-	-	-	-
Period of default in repayment of loans and interest as at 31.03.2013	-	-	-	-	-	-

Particulars of redemption & repayment (Disclosure given below for Total Borrowings)	As at 31st March, 2013	As at 31st March, 2012
<b>(A). BONDS (Non-convertible and Non-cumulative)-Secured</b>		
<b>i) BONDS-R-3 SERIES *5</b>		
(8.78 % 15Year Bonds of ₹10,00,000/- each with 10 separately transferable redeemable principal part and each separately transferable redeemable principal part comprising 1/10th of face value of Bond.)	892.00	-
(Yearly redemption of ₹ 89.20 Crore w.e.f. 11.02.2019 to 11.02.2028)		
<b>ii) BONDS-Q SERIES *6</b>	1,266.00	1,266.00
(9.25% 15Year Bonds of ₹12,00,000/- each with 12 separately transferable redeemable principal part and each separately transferable redeemable principal part comprising 1/12th of face value of Bond.)		
(Yearly redemption of ₹ 105.50 Crore w.e.f. 12.03.2016 to 12.03.2027)		
<b>iii) BONDS-R-2 SERIES *5</b>		
(8.85 % 14 Year Bonds of ₹12,00,000/- each with 12 separately transferable redeemable principal part and each separately transferable redeemable principal part comprising 1/12th of face value of Bond.)	382.08	-
(Yearly redemption of ₹ 31.84 Crore w.e.f. 11.02.2016 to 11.02.2027)		
<b>iv) BONDS-R-1 SERIES *5</b>		
(8.70 % 13 Year Bonds of ₹12,00,000/- each with 12 separately transferable redeemable principal part and each separately transferable redeemable principal part comprising 1/12th of face value of Bond.)	82.20	-
(Yearly redemption of ₹ 6.85 Crore w.e.f. 11.02.2015 to 11.02.2026)		

## NOTE NO. 4 LONG TERM BORROWINGS (Contd.)

(₹ in Crore)

Particulars of redemption & repayment (Disclosure given below for Total Borrowings)	As at 31st March, 2013	As at 31st March, 2012
<b>v) BONDS-P SERIES *5 , 7 &amp;10</b> (9.00% 15Year Secured Redeemable Non-Convertible Bonds of ₹ 10,00,000/- each. Yearly redemption of ₹ 200 Crore w.e.f. 01.02.2016 to 01.02.2025)	2,000.00	2,000.00
<b>vi) BONDS-O SERIES *2</b> (7.70% 15 year Bonds of ₹100,000,000/- each with 10 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/10th of face value of Bond) (Yearly redemption of ₹ 57 Crore w.e.f. 31.03.2009 to 31.03.2018)	285.00	342.00
<b>TOTAL BONDS (A)</b>	<b>4907.28</b>	<b>3608.00</b>
<b>(B). TERM LOANS - Secured (Banks)</b>		
<b>i) STATE BANK OF PATIALA *1</b> (Repayable in 8 half yearly instalments of ₹ 2 Crore each upto 09.01.2017 at floating interest rate of 8.36% as on 31.03.2013)	16.00	20.00
<b>ii) CANARA BANK *4</b>	-	10.00
<b>iii) CANARA BANK *2</b>	-	17.00
<b>iv) CANARA BANK *2</b> (Repayable in 4 equal yearly instalments of ₹ 20 Crore each upto 09.11.2016 at fixed interest rate of 6.86%)	80.00	100.00
<b>v) SYNDICATE BANK *2</b> (Repayable in 4 equal yearly instalments of ₹ 18.30 Crore each upto 23.02.2017 at fixed interest rate of 7.207%)	73.20	91.50
<b>vi) ORIENTAL BANK OF COMMERCE *2</b> (Repayable in 4 equal yearly instalments of ₹ 20 Crore each upto 31.03.2017 at fixed interest rate of 7.207%)	80.00	100.00
<b>vii) ORIENTAL BANK OF COMMERCE *2</b> (Repayable in 8 equal yearly instalments of ₹ 10 Crore each upto 27.12.2020 at fixed interest rate of 7.207%)	80.00	90.00
<b>viii) INDIAN BANK *1</b> (Repayable in 1 instalment of ₹ 33.33 Crore at floating interest rate of 9.67 % as on 31.03.2013)	33.34	66.67
<b>ix) INDIAN BANK *4&amp;9</b> (Bullet Repayment of ₹ 75 Crore after 5th year as on 29.09.2014 at floating interest rate of 11.25% as on 31.03.2013)	75.00	75.00
<b>x) UCO BANK *8</b> (Repayable in 23 half yearly instalments of ₹ 41.67 Crore each upto 30.06.2024 at floating interest rate of 10.20% as on 31.03.2013)	958.33	1,000.00
<b>xi) CORPORATION BANK *11</b> (Repayable in 48 equal quarterly instalments of ₹ 10.42 Crore each upto 06.10.2026 at floating interest rate of 10.25% as on 31.03.2013)	500.00	500.00
<b>xii) CANARA BANK *11</b> (Repayable in 48 equal quarterly instalments of ₹ 4.17 Crore upto 16.10.2026 at floating interest rate of 10.25% as on 31.03.2013)	200.00	150.00

## NOTE NO. 4 LONG TERM BORROWINGS (Contd.)

(₹ in Crore)

Particulars of redemption & repayment (Disclosure given below for Total Borrowings)	As at 31st March, 2013	As at 31st March, 2012
<b>xiii) INDIAN OVERSEAS BANK *11</b> (Repayable in 48 equal quarterly instalments of ₹ 4.17 Crore each upto 16.10.2026 at floating interest rate of 10.25% as on 31.03.2013)	200.00	150.00
<b>xiv) PUNJAB &amp; SIND BANK *11</b> (Repayable in 48 equal quarterly instalments of ₹ 4.17 Crore each upto 17.10.2026 at floating interest rate of 10.25% as on 31.03.2013)	200.00	150.00
<b>xv) INDUSIND BANK *11</b> (Repayable in 48 equal quarterly instalments of ₹ 2.08 Crore each upto 24.10.2026 at floating interest rate of 10.75% as on 31.03.2013)	100.00	100.00
<b>xvi) SYNDICATE BANK *11</b> (Repayable in 48 equal quarterly instalments of ₹ 6.25 Crore each upto 02.11.2026 at floating interest rate of 10.25% as on 31.03.2013)	300.00	150.00
<b>xvii) UNION BANK OF INDIA *11</b> (Repayable in 48 equal quarterly instalments of ₹ 3.13 Crore each upto 03.11.2026 at floating interest rate of 10.25% as on 31.03.2013)	150.00	150.00
<b>xviii) STATE BANK OF INDIA *3&amp;6</b> (Repayable in 48 equal quarterly instalments of ₹ 10.42 Crore each upto 28.12.2027 at floating interest rate of 10.19% as on 31.03.2013)	500.00	-
<b>xix) STATE BANK OF HYDERABAD *2</b> (Repayable in 48 equal quarterly instalments of ₹ 2.08 Crore each upto 28.12.2027 at floating interest rate of 10.20% as on 31.03.2013)	100.00	-
<b>xx) CENTRAL BANK OF INDIA *13</b> (Repayable in 20 half yearly equal instalments of ₹ 15,60,00,000/- each upto 31.03.2019 at floating interest rate of 12.50% as on 31.03.2013)	202.80	218.40
<b>xxi) DENA BANK *13</b> (Repayable in 20 half yearly equal instalments of ₹ 13,20,95,000/- each upto 31.03.2019 at floating interest rate of 12.50% as on 31.03.2013)	171.72	184.93
<b>xxii) DENA BANK *13</b> (Repayable in 20 half yearly equal instalments of ₹ 11,25,00,000/- each upto 30.09.2019 at floating interest rate of 11.75% as on 31.03.2013)	154.79	166.04
<b>xxiii) HDFC BANK LIMITED *13</b> (Repayable in 20 half yearly equal instalments of ₹ 18,62,75,000/- each upto 31.03.2019 at floating interest rate of 12.50% as on 31.03.2013)	242.16	260.78
<b>xxiv) HDFC BANK LIMITED *13</b> (Repayable in 20 half yearly equal instalments of ₹ 11,19,51,754/- each upto 30.09.2019 at floating interest rate of 11.75% as on 31.03.2013)	156.73	167.93
<b>xxv) UNITED BANK OF INDIA *13</b> (Repayable in 20 half yearly equal instalments of ₹ 3,25,00,000/- each upto 31.03.2019 at floating interest rate of 12.50% as on 31.03.2013)	42.25	45.50
<b>Total Term Loan - Banks (Secured)</b>	<b>4,616.32</b>	<b>3,963.75</b>

## NOTE NO. 4 LONG TERM BORROWINGS (Contd.)

(₹ in Crore)

Particulars of redemption & repayment (Disclosure given below for Total Borrowings)	As at 31st March, 2013	As at 31st March, 2012
<b>(C). TERM LOANS - Un-secured (Banks)- Foreign Currency</b>		
<b>i) Japan Bank of International Cooperation Tranche-I *12</b> (Repayable in 26 equal half yearly instalments of ₹ 7.09 Crore each upto 20.01.2026 at fixed interest rate of 2.3% as on 31.03.2013)	184.36	214.53
<b>ii) Japan Bank of International Cooperation Tranche-II *12</b> (Repayable in 30 equal half yearly instalments of ₹ 23.26 Crore each upto 20.12.2027 at fixed interest rate of 2.3% as on 31.03.2013)	697.83	804.32
<b>iii) Japan Bank of International Cooperation Tranche-III *12</b> (Repayable in 41 equal half yearly instalments of ₹ 18.95 Crore each starting from 20.03.2014 and upto 20.03.2034 at fixed interest rate of 1.3% as on 31.03.2013)	704.46	761.20
<b>iv) Deutsche Bank &amp; Others *12</b> (Repayable in 12 equal half yearly instalments of ₹ 53.32 Crore each upto 18.04.2019 at floating interest rate 6 Month JPY LIBOR + 0.57% Margin)	639.89	806.68
<b>Total Term Loan - Banks (Unsecured)</b>	<b>2,226.54</b>	<b>2,586.73</b>
<b>(D). Term Loan-From other parties (Secured)</b>		
<b>i) LIFE INSURANCE CORPORATION OF INDIA *5 &amp; 7</b> (Repayable in 16 half yearly instalments of ₹ 104.17 Crore each upto 15.10.2020 at interest rate of 9.25% on ₹ 100 Crore & 8% on ₹ 2400 Crore)	1,666.67	1,875.00
<b>ii) LIFE INSURANCE CORPORATION OF INDIA *6</b> (Repayable in 22 equal half yearly instalments of ₹ 79 Crore each upto 31.10.2023 w.e.f. 30.04.2012 at wt. average rate of 9.118%)	1,738.00	1,896.00
<b>iii) POWER FINANCE CORPORATION LIMITED *8</b> (Repayable in 34 equal quarterly instalments of ₹ 18.75 Crore upto 15.07.2021 at floating interest rate of 9.91% as on 31.03.2013)	637.50	712.50
<b>iv) POWER FINANCE CORPORATION LIMITED *8</b> (Repayable in 22 equal quarterly instalments of ₹ 4.65 Crore each upto 15.07.2018 at floating interest rate of 9.91% as on 31.03.2013)	102.30	120.90
<b>v) POWER FINANCE CORPORATION LIMITED *8</b> (Repayable in 34 equal quarterly instalments of ₹ 1.75 Crore each upto 15.07.2021 at floating interest rate of 9.90% as on 31.03.2013)	59.50	66.50
<b>vi) POWER FINANCE CORPORATION LIMITED *2&amp;3</b> (Repayable in 33 equal quarterly instalments of ₹ 36.425 Crore each upto 15.04.2021 at floating interest rate of 8.79% as on 31.03.2013)	1,202.03	1,347.72
<b>vii) POWER FINANCE CORPORATION LIMITED *1</b> (Repayable in 25 equal quarterly instalments of ₹ 10.325 Crore each upto 15.04.2019 at floating interest rate of 8.62% as on 31.03.2013)	258.12	299.43
<b>viii) POWER FINANCE CORPORATION LIMITED *1</b> (Repayable in 27 equal quarterly instalments of ₹ 12.50 Crore each upto 15.10.2019 at floating interest rate of 8.62% as on 31.03.2013)	337.50	387.50
<b>ix) POWER FINANCE CORPORATION LIMITED *14</b> (Repayable in 20 half yearly equal instalments of ₹ 67,50,00,000/- each upto 15.07.2018 at floating interest rate of 10.80% as on 31.03.2013)	742.50	877.50
<b>Total Term Loan - Other Parties (Secured)</b>	<b>6,744.12</b>	<b>7,583.05</b>



## NOTE NO. 4 LONG TERM BORROWINGS (Contd.)

(₹ in Crore)

Particulars of redemption & repayment (Disclosure given below for Total Borrowings)	As at 31st March, 2013	As at 31st March, 2012
<b>(E). Term Loan-From other parties (Unsecured)</b>		
<b>Foreign Currency</b>		
<b>i) Export Development Canada *12</b>	177.18	242.25
(Repayable in 2 equal half yearly instalments of ₹ 37.67 Crore each upto 15.03.2014 and 4 equal half yearly instalment of ₹ 25.46 Crore each upto 15.03.2016 at fixed interest rate of 6.01% as on 31.03.2013)		
<b>Loans from Central Govt.- Unsecured</b>		
<b>ii) Subordinate Debt from Govt. of India for Nimmo-Bazgo HE Project</b>	270.00	270.00
(Repayable in 18 equal annual instalments from the 12th year after commissioning of the project at fixed interest rate of 4% per annum. Interest accrues and is payable annually after commissioning of the project.)		
<b>iii) Subordinate Debt from Govt. of India for Chutak HE Project</b>	364.00	364.00
(Repayable in 24 equal annual instalments of ₹ 15.17 Crore from the 6th year after commissioning of the project i.e. 01.02.2019 at fixed interest rate of 2.50% per annum. Interest accrues and is payable annually after commissioning of the project.)		
<b>iv) Subordinate Debt from Govt. of India for Kishanganga HE Project</b>	1,034.81	764.44
(Repayable in 10 equal annual instalments from the 11th year after commissioning of the project at fixed interest rate of 1% per annum. Interest accrues and is payable annually after commissioning of the project.)		
<b>Total Term Loan - Other Parties (Unsecured)</b>	<b>1,845.99</b>	<b>1,640.69</b>
<b>Grand Total (A+B+C+D+E)</b>	<b>20,340.25</b>	<b>19,382.22</b>

### \* Particulars of security

- Secured by pari-passu charge by way of Equitable mortgage/hypothecation against Immovable/Moveable assets of Company's Chamera Power Station-I situated in the state of Himachal Pradesh except for Book Debts and Stores.
- Secured by pari-passu charge by way of Equitable mortgage/hypothecation against Immovable/Moveable assets of Company's Uri Power Station situated in the state of Jammu & Kashmir except for book debts and stores. Security creation of State Bank of Hyderabad loan is under process and charge is yet to filed with Registrar of Companies, NCT & Haryana.
- Secured by pari-passu charge by way of Equitable mortgage/ hypothecation against Immovable / Moveable assets of Company's Chamera Power Station-II situated in the state of Himachal Pradesh except book debts & stores. Security creation of State Bank of India loan is under process and charge is yet to filed with Registrar of Companies, NCT & Haryana.
- Secured by pari-passu charge by way of equitable mortgage/hypothecation against the assets of Company's Loktak Power Station situated in the state of Manipur except for book debts and stores.
- Secured by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets of the Company's Parbati HE Project-II situated in the state of Himachal Pradesh. Security creation of R-1, R-2, R-3 series bonds is under process and charge is yet to filed with Registrar of Companies, NCT & Haryana.
- Secured by pari-passu charge by way of equitable mortgage/hypothecation against immovable/movable assets of Company's Teesta Low Dam-III Project situated in the state of West Bengal & Teesta-V project situated in the state of Sikkim. Security creation of State Bank of India loan is under process and charge is yet to filed with Registrar of Companies, NCT & Haryana.
- Secured by pari-passu charge by way of equitable mortgage and charge over all the immovable and moveable assets of the Company's Dhauliganga Power Station situated in the state of Uttrakhand except for book debts & stores.
- Secured by way of first charge on pari-passu basis by way of hypothecation on whole of the Company's movable assets, both present and future, of Dulhasti Power Station situated in the state of Jammu & Kashmir except for book debts & stores.
- Secured by exclusive charge by way of equitable mortgage against the assets of Company's Bairasiul Power Station situated in the state of Himachal Pradesh except for book debts and stores.
- Secured by a first charge on pari-passu basis by way of equitable mortgage and hypothecation against the immovable and moveable assets of the Company's Chamera-III HE Project-situated in the state of Himachal Pradesh.
- Secured by way of first charge on pari-passu basis by way of hypothecation on whole of the Company's movable assets, both present and future, of Salal Power Station situated in the state of Jammu & Kashmir, Sewa-II Power Station situated in the state of Jammu & Kashmir, Chutak HE Project situated in the state of Jammu & Kashmir, Nimmo-Bazgo HE Project situated in the state of Jammu & Kashmir, Uri-II HE Project situated in the state of Jammu & Kashmir & TLDP-IV HE Project situated in the state of West Bengal except for book debts & stores.
- Loans mentioned at sl. nos. C(i),C(ii),C(iii),C(iv) and E(i) above are guaranteed by Government of India.
- Secured by way of first Pari-passu Charge in favour of the lenders by deposit of title deeds of immovable property and also first pari-passu charge on all present and future movable, fixed and current assets of Indira Sagar Project.
- Secured by way of first charge in favour of the lender by deposit of title deeds of immovable property and also first charge on all present and future movable, fixed and current assets of Omkareshwar Project.

## NOTE NO. 5 DEFERRED TAX LIABILITIES / ASSETS

(₹ in Crore)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
<b>Deferred Tax Liability</b>		
i) Depreciation	3679.78	3418.78
<b>Less: Deferred Tax Assets</b>		
i) Provision for doubtful debts, Inventory and others	102.24	77.93
ii) Provision for employee benefit schemes	120.67	233.15
Deferred Tax Liability	3,456.87	3,107.70
Less: Recoverable	2,832.78	2,757.34
<b>Deferred Tax Liability (Net)</b>	<b>624.09</b>	<b>350.36</b>

### Explanatory Note: -

In compliance to the Accounting Standard 22 on "Accounting for Taxes on Income" notified under The Companies Accounting Standard Rules, 2006, ₹ 349.17 Crore (Previous Year ₹ (-) 4.85 Crore) has been created as deferred tax liability during the year ended on 31.03.2013.

## NOTE NO. 6 OTHERS LONG TERM LIABILITIES

(₹ in Crore)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
Deposits/ retention money	297.22	308.39
Income received in advance	1,379.92	1,432.71
Deferred Income from Foreign Currency Fluctuation Account	149.96	331.88
	<b>1,827.10</b>	<b>2,072.98</b>

## NOTE NO. 7 PROVISIONS

(₹ IN CRORE)

PARTICULARS	As at 31st March, 2013			As at 31st March, 2012		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>a) Provision for Employee Benefits</b>						
As per last Balance Sheet	1190.64	108.53	1299.17	1043.33	84.81	1,128.14
Additions during the year	44.55	121.22	165.77	181.59	151.07	332.66
Amount used during the year	518.22	184.82	703.04	-	123.40	123.40
Amount reversed during the year	0.67	-	0.67	34.28	3.95	38.23
Closing Balance	<b>716.30</b>	<b>44.93</b>	<b>761.23</b>	<b>1190.64</b>	<b>108.53</b>	<b>1,299.17</b>
<b>b) Provision for Wage Revision</b>						
As per last Balance Sheet		31.16	31.16		733.71	733.71
Additions during the year		5.67	5.67		39.83	39.83
Amount used during the year		2.05	2.05		580.74	580.74
Amount reversed during the year		6.09	6.09		43.67	43.67
Amount transferred to superannuation/pension fund		-	-		117.97	117.97
Closing Balance		28.69	28.69		31.16	31.16
Less: Advance paid		28.69	28.69		24.91	24.91
Closing Balance (Net of advance)		-	-		6.25	6.25

## NOTE NO. 7 PROVISIONS (Contd.)

(₹ in Crore)

PARTICULARS	As at 31st March, 2013			As at 31st March, 2012		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>c) Provision for Performance Related Pay/ Incentive</b>						
As per last Balance Sheet		146.69	146.69	131.25		131.25
Additions during the year		76.88	76.88	94.23		94.23
Amount used during the year		142.78	142.78	75.18		75.18
Amount reversed during the year		7.19	7.19	3.61		3.61
Closing Balance		73.60	73.60	146.69		146.69
Less: Advance paid		0.04	0.04	19.79		19.79
Closing Balance (Net of advance)		73.56	73.56	126.90		126.90
<b>d) Provision for Superannuation /Pension Fund</b>						
As per last Balance Sheet		223.21	223.21	-		-
Additions during the year		10.76	10.76	105.24		105.24
Amount transferred from wage revision provision		-	-	117.97		117.97
Amount used during the year		169.17	169.17	-		-
Amount reversed during the year		46.89	46.89	-		-
Closing Balance		17.91	17.91	223.21		223.21
<b>e) Others</b>						
<b>i) Provision for Taxation</b>						
As per last Balance Sheet		1914.38	1914.38	1280.62		1,280.62
Additions during the year		738.81	738.81	878.58		878.58
Adjustment during the year		-	-	0.39		0.39
Amount used during the year		467.80	467.80	241.06		241.06
Amount reversed during the year		-	-	4.15		4.15
Closing Balance		2,185.39	2,185.39	1,914.38		1,914.38
<b>ii) Provision for Proposed Dividend</b>						
As per last Balance Sheet		861.05	861.05	738.04		738.04
Additions during the year		738.04	738.04	861.05		861.05
Amount used during the year		861.05	861.05	738.04		738.04
Closing Balance		738.04	738.04	861.05		861.05
<b>iii) Tax on Proposed Dividend</b>						
As per last Balance Sheet		149.23	149.23	126.10		126.10
Additions during the year		135.44	135.44	149.23		149.23
Amount used during the year		144.35	144.35	122.85		122.85
Amount reversed during the year		4.88	4.88	3.25		3.25
Closing Balance		135.44	135.44	149.23		149.23
<b>iv) Provision - Others</b>						
As per last Balance Sheet		397.87	397.87	689.71		689.71
Additions during the year		48.81	48.81	101.28		101.28
Amount used during the year		17.47	17.47	44.76		44.76
Amount reversed during the year		24.59	24.59	348.36		348.36
Closing Balance		404.62	404.62	397.87		397.87
<b>v) Provision For Tariff Adjustment</b>						
As per last Balance Sheet		34.60	34.60	-		-
Additions during the year		57.03	57.03	34.60		34.60
Closing Balance		91.63	91.63	34.60		34.60

## NOTE NO. 7 PROVISIONS (Contd.)

(₹ in Crore)

PARTICULARS	As at 31st March, 2013			As at 31st March, 2012		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>vi) Provision For Corporate Social Responsibility (CSR) Expenses</b>						
As per last Balance Sheet		16.26	16.26		8.80	8.80
Additions during the year		3.25	3.25		16.13	16.13
Amount used during the year		11.47	11.47		8.67	8.67
Amount reversed during the year		5.15	5.15		-	-
Closing Balance		2.89	2.89		16.26	16.26
<b>vii) Provision For Sustainable Development/ Research &amp; Development Expenses</b>						
Additions during the year		20.44	20.44		-	-
Closing Balance		20.44	20.44		-	-
<b>viii) Provision For Committed Capital Expenditure</b>						
As per last Balance Sheet	9.86	686.71	696.57	22.80	240.42	263.22
Additions during the year	4.59	30.55	35.14	-	470.98	470.98
Amount used during the year	0.80	24.56	25.36	12.94	22.20	35.14
Amount reversed during the year	-	131.08	131.08	-	2.49	2.49
Closing Balance	13.65	561.62	575.27	9.86	686.71	696.57
	<b>729.95</b>	<b>4,276.47</b>	<b>5,006.42</b>	<b>1,200.50</b>	<b>4,524.99</b>	<b>5,725.49</b>

### Explanatory Note: -

- Provision of ₹ 5.67 Crore (Cumulative provision ₹ 28.69 Crore) has been made under the head "Provision for wage revision" towards the "Personal Adjustment Pay (fitment benefits) pending settlement of the same for want of approval by Competent Authority. An amount of ₹ 28.69 Crore ( Previous Year ₹ 24.91 Crore) stands paid towards this and is shown as "Advance Paid".
- The Employees Defined Contribution Superannuation Scheme (EDCSS) for employees has been implemented w.e.f. 13.04.2012 with retrospective effect from 01.01.2007. Accordingly, contribution of the company pertaining to period 01.01.2007 to 31.03.2012 amounting ₹ 169.17 Crore (out of opening balance of ₹ 223.21 Crore) has been paid to the trust created to manage the fund and balance amount of ₹ 46.89 Crore has been reversed during the year, which is included under liabilities/ provision not required written back (Note No 22 - Other Income)
- Out of provisions under group 'Provision - Others', an amount of ₹ 39.23 Crore (Previous Year ₹ 14.19 Crore) stands deposited under protest and is appearing under the head "Deposits" in Note No. 14 - Loans and Advances.
- Provision For Sustainable Development/ Research & Development includes provision made towards unspent amount of budget earmarked for these activities, in terms of Department of Public Enterprises (DPE) Guidelines. The closing provision include ₹ 3.35 Crore towards Sustainable Development Expenses and ₹ 17.09 Crore towards Research & Development Expenses.

## NOTE NO. 8 SHORT TERM BORROWINGS

(₹ in Crore)

	As at 31st March, 2013	As at 31st March, 2012
Short term loans		
- From Banks - Secured	-	180.00
	-	180.00
	-	180.00

## NOTE NO. 9 TRADE PAYABLE

(₹ in Crore)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
For Goods and Services	189.14	227.52
	189.14	227.52
	189.14	227.52

### Explanatory Note: -

Disclosure requirement under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 is given in Note No. 30 - Other Explanatory Notes to Accounts.

## NOTE NO. 10 OTHER CURRENT LIABILITIES

(₹ in Crore)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
Current Maturities of Long Term Debt (Refer Note no. 4)	1,534.35	1,469.60
Interest accrued but not due on Borrowings	217.67	212.17
Income received in advance	50.17	46.72
Unpaid Dividend	3.92	2.43
Liability against Capital Works/Supplies	561.75	526.68
Deposits/ Retention Money	140.41	135.66
Unspent amount of Deposit/Agency basis works	0.04	0.04
Statutory Dues Payables	243.55	245.91
Other Liabilities	192.41	172.63
Advances against the Deposit Works	318.02	255.99
Less: Amount Spent on Deposit Work	276.04	252.45
Advances against cost of Project Mgt./ Consultancy Work	4,262.40	4,090.29
Less: Amount Spent in respect of Project Mgt./ Consultancy Work	4,054.36	3,768.64
Provision Toward Amt Recoverable in respect of Project Mgt / Consultancy Work	(3.97)	(4.02)
	4,050.39	212.01
	<b>3,198.26</b>	<b>3,141.05</b>

**NOTE NO. 11.1 TANGIBLE ASSETS**

(₹ in Crore)

CLASS OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	01.04.2012	Additions	Deductions	Adjustments	31.03.2013	01.04.2012	For the Adjustments Period	31.03.2013	31.03.2012
i) Land – Freehold	225.73	4.02	0.06	-	229.69	-	-	229.69	225.73
ii) Land – Leasehold	334.20	7.33	-	(0.72)	340.81	20.79	(0.62)	309.82	313.41
iii) Roads and Bridges	379.18	4.63	0.27	(7.16)	376.38	87.19	(6.15)	281.55	291.99
iv) Buildings	2,499.06	234.14	4.86	(24.75)	2,703.59	696.30	(11.62)	1,932.77	1,802.76
v) Railway sidings	40.31	-	-	-	40.31	14.83	-	22.80	25.48
vi) Hydraulic Works(Dams, Water Conductor system, Hydro mechanical gates, tunnels)	14,685.61	1,736.43	-	(126.58)	16,295.46	4,030.98	713.39	11,551.09	10,654.63
vii) Generating Plant and machinery	7,469.55	834.94	20.76	(29.28)	8,254.45	2,361.54	(2.16)	5,536.83	5,108.01
viii) Plant and machinery Sub station	111.57	2.88	0.33	(0.10)	114.02	49.69	(0.08)	60.59	61.88
ix) Plant and machinery Transmission lines	69.53	2.33	-	(0.08)	71.78	19.23	(0.11)	49.04	50.30
x) Plant and machinery Others	31.15	9.05	0.40	(0.06)	39.74	13.13	(0.15)	25.06	18.02
xi) Construction Equipment	81.83	18.46	0.91	(0.99)	98.39	58.64	(1.01)	36.35	23.19
xii) Water Supply System/Drainage and Sewerage	39.08	1.19	0.02	(0.13)	40.12	5.89	(0.20)	33.00	33.19
xiii) Electrical installations	3.90	0.65	0.02	-	4.53	1.38	(0.01)	2.95	2.52
xiv) Vehicles	28.38	2.77	0.83	(0.42)	29.90	20.17	(0.97)	9.88	8.21
xv) Aircraft/ Boats	0.61	0.13	0.12	-	0.62	0.35	(0.11)	0.35	0.26
xvi) Furniture and fixture	50.20	3.93	0.67	0.01	53.47	23.83	(0.73)	26.83	26.37
xvii) Computers	64.89	4.69	7.26	(1.84)	60.48	51.18	(8.29)	12.23	13.71
xviii) Communication Equipment	14.16	0.79	0.43	(0.10)	14.42	6.08	(0.24)	7.83	8.08
xix) Office Equipments	43.49	4.06	0.50	(0.12)	46.93	18.57	(0.56)	26.10	24.92
xx) Research and Development	1.41	1.14	-	-	2.55	0.38	0.09	2.08	1.03
xxi) Other assets	49.33	6.13	0.49	(0.57)	54.40	20.79	(0.74)	31.54	28.54
xxii) Capital Expenditure on assets Not Owned by NHPC	47.24	13.81	-	-	61.05	21.20	-	37.70	26.04
xxiii) Tangible Assets of minor value > ₹5000	18.29	1.45	0.78	(0.75)	18.21	18.28	(1.40)	0.01	0.01
xxiv) Obsolete / surplus assets	1.79	1.20	0.22	-	2.77	-	-	2.77	1.79
<b>Total</b>	<b>26,290.49</b>	<b>2,896.15</b>	<b>38.93</b>	<b>(193.64)</b>	<b>28,954.07</b>	<b>7,540.42</b>	<b>(35.15)</b>	<b>20,228.86</b>	<b>18,750.07</b>
Previous Year	26,638.32	409.97	863.86	106.06	26,290.49	6,508.09	(130.67)	18,750.07	20,130.23

## NOTE NO. 11.2 INTANGIBLE ASSETS

(₹ in Crore)

CLASS OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	01.04.2012	Additions	Deductions	31.03.2013	For the Adjustments Period	31.03.2013	31.03.2013	31.03.2012
i) Land – Unclassified/ Right of Use	3,964.06	113.21	131.18	3,946.09	105.61	638.45	3,307.64	3,431.29
ii) Intangible Assets - Computer Software	38.50	1.26	0.20	39.03	1.30	38.22	0.81	1.26
<b>Total</b>	<b>4,002.56</b>	<b>114.47</b>	<b>131.38</b>	<b>3,985.12</b>	<b>106.91</b>	<b>676.67</b>	<b>3,308.45</b>	<b>3,432.55</b>
Previous Year	2,970.39	1,032.24	0.07	4,002.56	119.05	570.01	3,432.55	2,600.41

### Explanatory Note: -

- 1) Title deeds/title in respect of Land amounting to ₹ 279.41 Crore (Previous year ₹ 282.52 Crore), covering an area of 2330.15 hectare (Previous year 2418.31 hectare), are yet to be executed/passed. Expenses on stamp duty etc. relating to registration thereof will be accounted for as and when incurred.
- 2) Land does not include the land taken from Shashitra Seema Bal (SSB) for Subansiri Upper Project on lease for a period of 99 years @ notional rent of ₹ 1/- per annum.
- 3) Underground works amounting to ₹ 9362.50 Crore (Previous year ₹ 7221.68 Crore), created on Land - Right to use, are included under the relevant heads of Tangible Assets.
- 4) Adjustments to Gross Block include adjustment for Foreign Exchange Rate Variation, adjustment in gross block at the time of capitalisation of a project for depreciation charged during construction of project, inter-head reclassification of assets & misclassification correction.
- 5) Pending approval of revised cost estimates (RCE) of Chutak, Chamera III & Teesta V Power Station, capital expenditure actually incurred on these power stations has been considered for capitalisation.
- 6) Foreign Exchange Rate Variation included in Adjustments to assets are as follows: -

Class of Assets	2012-13 (₹ in crore)	2011-12 (₹ in crore)
Roads and Bridges	(1.52)	0.70
Buildings	(13.71)	7.29
Hydraulic Works	(125.89)	72.89
Generating Plant and machinery	(28.98)	24.89
Plant and machinery Sub station	(0.15)	0.15
Plant and machinery Transmission lines	-	0.07
Plant and machinery Others	0.02	0.04
Water Supply System/Drainage and Sewerage	(0.06)	0.03
<b>Total</b>	<b>(170.29)</b>	<b>106.06</b>

## NOTE NO. 12 CAPITAL WORK IN PROGRESS

(₹ in Crore)

Particulars	01.04.2012	Addition	Adjustment	Capitalised	31.03.2013
i) Roads and Bridges	78.50	8.21	(12.72)	4.51	69.48
ii) Buildings	1,329.89	229.08	(27.13)	231.53	1,300.31
iii) Railway sidings	-	-	-	-	-
iv) Hydraulic Works(Dams, Water Conductor system, Hydro mechanical gates, tunnels)	6,677.43	992.21	772.92	1,735.38	6,707.18
v) Generating Plant and Machinery	4,138.70	348.01	205.33	746.44	3,945.60
vi) Plant and Machinery - Sub station	7.39	3.40	-	1.63	9.16
vii) Plant and Machinery - Transmission lines	2.65	2.38	(0.23)	0.86	3.94
viii) Plant and Machinery - Others	6.91	0.77	(0.17)	5.25	2.26
ix) Construction Equipment	-	-	-	-	-
x) Water Supply System/Drainage and Sewerage	0.98	2.79	(0.05)	1.18	2.54
xi) Other assets awaiting installation	11.61	54.29	(1.61)	61.62	2.67
xii) Capital Expenditure On assets Not Owned by NHPC	106.87	15.27	(4.54)	13.77	103.83
xiii) CWIP - Assets Under 5 KM Scheme of the GOI	-	-	-	-	-
xiv) Survey, investigation, consultancy and supervision charges	238.69	29.62	(11.46)	-	256.85
xv) Expenditure on compensatory Afforestation	0.63	0.01	-	-	0.64
xvi) Expenditure during construction*	6,755.31	1,678.23	(945.01)	-	7,488.53
Less: Provided for	116.60	3.00	-	-	119.60
<b>Sub total (a)</b>	<b>19,238.96</b>	<b>3,361.27</b>	<b>(24.67)</b>	<b>2,802.17</b>	<b>19,773.39</b>
<b>* For addition during the period refer Note No. 29</b>					
	<b>01.04.2012</b>		<b>Adjustment</b>		<b>31.03.2013</b>
Construction Stores	162.91		27.20		190.11
Less : Provisions for construction stores	3.20		(1.54)		1.66
<b>Sub total (b)</b>	<b>159.71</b>		<b>28.74</b>		<b>188.45</b>
<b>TOTAL</b>	<b>19,398.67</b>	<b>3,361.27</b>	<b>4.07</b>	<b>2,802.17</b>	<b>19,961.84</b>
Previous Year	16,008.37	3,953.60	(200.98)	362.32	19,398.67

### Explanatory Note: -

- 1) Expenditure during Construction (EDC) includes ₹ 925.06 Crore (Previous Year ₹ 760.63 Crore) towards borrowing cost capitalised during the year.
- 2) Govt. of Arunachal Pradesh had shown their inclination to hand over Subansiri Upper Project to Independent Power Producer (IPP), on which NHPC had solicited the intervention of Govt. of India (Gol). Decision of Gol is still awaited and pending decision, capital expenditure amounting to ₹ 0.38 Crore (Previous Year ₹ 0.36 Crore) incurred on this project during the year ended 31.03.2013 has been provided as an abundant precaution, which is in addition to the provision of ₹ 20.39 Crore, already existed as at 31.03.2012 towards expenditure incurred on this Project from 20.04.2004 to 31.03.2012, the period in which this project was under suspension. The recoverability of the total expenditure incurred on this Project is certain in lines of the settled formula given by Ministry of Power for reimbursement of expenditure incurred on a project from IPP, in case Project is transferred to them. In view of the same, Management is of the opinion that no further provision is required.
- 3) CWIP includes a cumulative expenditure of ₹ 781.26 Crore (Previous Year ₹ 677.93 Crore) on projects under Survey & Investigation stage. Of this, a sum of ₹ 122.80 Crore net of provision of ₹ 20.77 Crore (Previous Year ₹ 106.02 Crore net of provision of ₹ 20.39 Crore ) pertains to Subansiri Upper and Kiru & Kawar HE Projects, which have been decided to be handed over to Joint Venture / Private Developer. Of the balance of ₹ 637.69 Crore (Previous Year ₹ 551.52 Crore) pertaining to projects with the company, a sum

## NOTE NO. 12 CAPITAL WORK IN PROGRESS (Contd.)

of ₹ 84.16 Crore (Previous Year ₹ 81.55) has been provided as an abundant precaution in respect of projects, where uncertainties are attached and ₹ 553.53 Crore (Previous Year ₹ 469.97 Crore) pertaining to other projects having reasonable certainty of getting clearance.

- 4) Siang Basin, Subansiri Basin & Dibang Multipurpose Projects were taken over from Brahmaputra Board. Pending settlement of accounts with Brahmaputra Board, assets and liabilities have been accounted for to the extent of amounts incurred by the Company on these projects. Siang Lower & Siyom HE Projects (in Siang Basin) & Subansiri Middle (in Subansiri Basin) have since been handed over to Private Developer and liability arising out of settlement of accounts with Brahmaputra Board towards these projects is recoverable from respective Private Developers.
- 5) Pakal Dul, Kiru & Kwar HE Projects are to be executed by M/s Chenab Valley Power Projects Private Limited ( A Joint venture company of NHPC Limited, JKSPDC and PTC Limited). Assets & Liabilities of the Pakal Dul Project has been transferred to said joint venture company in the current financial year. Pending handing over of the Kiru & Kawar project, expenditure amounting to ₹ 99.87 Crore (Previous Year ₹ 83.06 Crore) incurred by NHPC Limited on these projects up to 31.03.2013 is included in Capital Work-in-Progress.
- 6) Expenditure during Construction includes ₹ 1.75 Crore incurred on Tipaimukh HE Project, which is to be executed through a proposed joint venture company with participation from State of Manipur and SJVN Limited.
- 7) Underground Works amounting to ₹ 3460.39 Crore (Previous Year ₹ 3788.52 Crore) created on Land - Right to use, are included under respective heads of CWIP.
- 8) Capital Expenditure on projects approved by the competent authority undergoes revision over period of time as hydroelectric projects are time intensive and some takes longer period than envisaged. As a consequence the cost escalation occur, which requires approval of competent authority. Pending such approval the expenditure incurred during the period is carried forward in Capital work in progress.

## Note no. 13 NON CURRENT INVESTMENTS

(₹ in Crore)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
<b>Trade - Quoted</b>		
- Equity Instrument	12.00	12.00
<b>Trade - Unquoted</b>		
- Equity Instrument	1.53	-
- 8.50 % Tax-Free State Government Special Bonds	510.02	760.77
<b>Non Trade - Quoted</b>		
- Equity Instrument	0.36	0.36
- Government Securities	268.42	250.59
- Public Sector Undertaking/Public Financial Institution & Corporate Bonds	404.00	381.39
	1,196.33	1,405.11
<b>Explanatory Note: -</b>		
<b>Quoted Investments</b>		
(i) Aggregate Cost	684.78	644.34
(ii) Aggregate Market Value	755.22	701.01
<b>Unquoted Investments</b>		
(i) Aggregate Cost	511.55	760.77
(ii) Aggregate provision for diminution in value	-	-
Valuation as per Accounting Policy no. 6		

## NOTE NO. 14 LOAN AND ADVANCES

(₹ in Crore)

PARTICULARS	As at 31st March, 2013			As at 31st March, 2012		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>a) CAPITAL ADVANCES</b>						
i) Secured (considered good)	3.87		3.87	89.98		89.98
ii) Unsecured (considered good)						
– Against bank guarantee	613.08		613.08	720.63		720.63
– Others	159.95		159.95	169.01		169.01
Less : Provision for expenditure awaiting utilisation certificate	6.38		6.38	-		-
iii) Unsecured (considered doubtful)	45.56		45.56	0.06		0.06
Less : Provisions for Doubtful Advances	45.56		45.56	0.06		0.06
<b>b) DEPOSITS</b>						
Unsecured (considered good)	52.42	39.88	92.30	34.73	41.85	76.58
Unsecured (considered doubtful)	-	0.51	0.51	-	0.51	0.51
Less : Provision for Doubtful Deposits	-	0.51	0.51	-	0.51	0.51
<b>c) OTHER LOANS &amp; ADVANCES</b>						
i) Employees (including accrued interest)						
- Secured (considered good)	127.68	21.03	148.71	92.73	16.82	109.55
- Unsecured (considered good)	37.19	33.36	70.55	40.83	31.96	72.79
- Unsecured (considered doubtful)	-	0.02	0.02	-	0.03	0.03
ii) Advance to contractor / supplier / service provider						
- Secured (considered good)		0.71	0.71	-	2.78	2.78
- Unsecured (considered good)						
– Against bank guarantee		15.26	15.26	-	23.43	23.43
– Others		12.39	12.39	-	19.23	19.23
- Unsecured (considered doubtful)		0.48	0.48	-	0.32	0.32
iii) Loan to State Government in settlement of dues from customer						
- Unsecured (considered good)	63.41	38.04	101.45	88.77	25.36	114.13
iv) Advance to Government of Arunachal Pradesh						
- Unsecured (considered good)	225.00		225.00	225.00		225.00
v) Other advances						
- Unsecured (considered good)		1.64	1.64	-	1.60	1.60
- Unsecured (considered doubtful)		-	-	-	0.07	0.07
Less : Provisions for doubtful Other Loans & Advances	-	0.50	0.50	-	0.35	0.35
vi) Advance income tax & tax deducted at source		2,290.53	2,290.53	-	1,994.25	1,994.25
	<b>1,276.22</b>	<b>2,452.84</b>	<b>3,729.06</b>	<b>1,461.68</b>	<b>2,157.35</b>	<b>3,619.03</b>

**Explanatory Note: -**

PARTICULARS OF LOANS AND ADVANCES DUE FROM DIRECTORS	As on 31.03.2013 ₹ in Crore	As on 31.03.2012 ₹ in Crore
Amount due at the end of the year	0.05	0.04
Advance due by firms or private companies in which any Director of the Company is a Director or member amounts to ₹ Nil (Previous Year ₹ Nil)		

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

(₹ in Crore)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
Long Term Trade Receivable	188.01	199.14
Others		
Interest accrued on:		
- Advance to Government of Arunachal Pradesh	144.83	114.30
- Others	6.35	0.18
Deferred Foreign Currency Fluctuation Assets	789.35	1,067.28
Deferred Expenditure on Foreign Currency Fluctuation Account	3.84	0.17
	<b>1,132.38</b>	<b>1,381.07</b>

**NOTE NO. 16 CURRENT INVESTMENTS**

(₹ in Crore)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
Trade - Unquoted		
8.50 % Tax-Free State Government Special Bonds	250.74	250.74
	<b>250.74</b>	<b>250.74</b>
<b>Explanatory Note: -</b>		
Aggregate Cost	250.74	250.74
Valuation as per Accounting Policy no. 6		

**NOTE NO. 17 INVENTORIES**

(₹ in Crore)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
(Valuation as per Accounting Policy No. 7)		
Stores and Spares	81.81	68.37
Stores in Transit/ Pending Inspection	2.11	1.56
Loose Tools	1.88	1.77
Scrap Inventory	1.30	0.50
Material at Site	1.94	1.59
Material issued to Contractors/ Fabricators	0.38	0.66
Less: Provision for Obsolescence & Diminution in Value	25.20	24.85
	<b>64.22</b>	<b>49.60</b>

**NOTE NO. 18 TRADE RECEIVABLES**

(₹ in Crore)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
<b>Trade Receivables outstanding for a period exceeding six months</b>		
- Unsecured - Considered Good	473.72	257.02
- Unsecured - Considered Doubtful	43.70	192.38
<b>Other Trade Receivables</b>		
- Unsecured - Considered Good	1,766.33	1,990.07
Less: Provision for Doubtful Debts	43.70	192.38
	<b>2,240.05</b>	<b>2,247.09</b>

**Explanatory Note: -**

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

## NOTE NO. 19 CASH AND BANK BALANCES

( ₹ in Crore)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
<b>A Cash and Cash Equivalents</b>		
Cash on hand (includes stamps in hand of ₹ 0.005 Crore, Previous Year ₹ 0.009 Crore)	0.36	0.31
Cheques, drafts on hand	0.27	0.06
Balances with Banks		
• With Scheduled Banks		
- In current account - Self Insurance Fund	0.46	-
- In current account - Others	291.79	135.48
- In deposits account# - Others	952.21	885.00
• With Other Banks		
- In current account		
Bank of Bhutan, Phuentsholing	0.07	0.63
# Deposits with maturity of three months or less		
<b>B Other Bank Balances</b>		
Balances with banks (Deposits with maturity of more than three months but less than/upto 12 months )		
• With Scheduled Banks		
- In deposits account - Self Insurance Fund	45.80	10.28
- IPO Proceeds	1,089.34	1,522.00
- Others	5,324.08	4,684.65
Deposit account-Unpaid Dividend	3.92	2.43
Bank deposits with more than 12 months maturity		
- Term Deposit-towards unutilised money out of IPO proceeds	-	250.00
- Term Deposit - Others	268.16	271.48
- Term Deposit-Self Insurance Fund	-	33.00
	<b>7,976.46</b>	<b>7,795.32</b>

### Explanatory Note: -

- 1) Out of the Initial Public Offering (IPO) proceeds of ₹ 6038.55 Crore made during financial year 2009-10, sale proceeds of ₹ 2012.85 Crore was paid to Ministry of Power, Govt. of India and ₹ 4025.70 Crore was retained by the company. Out of ₹ 4025.70 Crore, a sum of ₹ 2897.65 Crore has been utilised up to 31.03.2013 for re-coupmnt of capital expenditure already incurred from internal accruals on the projects specified for utilisation, the unutilised amount of ₹ 1089.34 Crore has been invested in bank deposits as per extant investment policy of the company and ₹ 38.71 Crore recouped for meeting IPO expenditure.
- 2) Cash and Bank Balances include an amount of ₹ 1.47 Crore (Previous year ₹ 0.13 Crore) towards margin money kept with banks for opening Letter of Credit or similar facility, which is not available for use as on 31.03.2013.
- 3) Cash and Bank Balances include ₹ 361.37 Crore (Previous Year ₹ 466.87 Crore), held for Rural Road and Rural Electrification works being executed by Company on behalf of other agencies and are not freely available for the business of the Company.
- 4) Cash and Bank Balances include an amount of ₹ 10.48 Crore (Previous year ₹ Nil ) representing deposit by oustees towards Land for Land in respect of Omkareshwar Project, which is not available for use as on 31.03.2013.
- 5) Cash and Bank Balances include an amount of ₹ 7.80 Crore (Previous year ₹ 2.48 Crore) kept with banks as per orders of Hon'ble Court of Law, which is not available for use as on 31.03.2013.

## NOTE NO. 20 OTHER CURRENT ASSETS

(₹ in Crore)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
a) Interest accrued on:		
Loan to State Government in settlement of dues from Customers	37.28	32.97
Deposits		
- IPO	70.68	152.91
- Self Insurance	20.14	16.04
- Other Deposits	245.17	206.90
Others	35.73	19.60
b) Receivable on account of Unbilled Revenue	1,269.38	1,218.41
c) Receivable from JV's	-	-
d) Interest Receivable from Beneficiary	335.72	84.35
e) Claims Recoverable	453.24	360.83
Less: Provisions for Doubtful Claims	260.00	200.39
f) Others	19.62	17.74
g) Construction Work in Progress (on behalf of client)	20.75	50.05
h) Expenditure awaiting adjustment	37.06	37.06
Less: Provision for project expenses awaiting write off sanction	37.06	37.06
i) Losses awaiting write off sanction/pending investigation	9.31	12.62
Less: Provision for losses pending investigation/awaiting write off sanction	9.31	12.62
	<b>2,247.71</b>	<b>1,959.41</b>

### Explanatory Note: -

- Interest accrued on Loan to State Government in settlement of dues from customers includes ₹ 32.97 Crore (Previous Year ₹ 32.97 Crore) on account of payment of incentive to M/s Delhi Transco Limited. The equivalent amount is appearing as liability under other liabilities in Note-10 (Other Current Liabilities) since the issue of payment of incentive to M/s Delhi Transco has not been resolved yet.
- Receivable on account of Unbilled Revenue represents i) Difference of grossing up of ROE ₹ 5.64 Crore (Previous Year ₹ 430.46 Crore) ii) J&K water cess ₹ 908.81 Crore (Previous Year ₹ 691.73 Crore) iii) RLDC Charges ₹ NIL Crore (Previous Year ₹ 33.05 Crore) iv) Tax Adjustment ₹ (-) 22.10 Crore (Previous Year (-) 29.74 Crore) v) MEA sales ₹ 5.84 Crore (Previous Year ₹ 4.65 Crore) vi) Other ₹ 371.19 Crore (Previous Year ₹ 88.26 Crore).

## NOTE NO. 21 REVENUE FROM OPERATIONS

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>A SALES</b>		
SALE OF POWER	6,487.40	6,927.40
Less: Adjustment for Foreign Exchange Rate Variation	118.10	88.26
Less : Tariff Adjustments	57.03	34.60
Less : Regulated Sales Adjustment	195.82	57.38
Less : Income from generation of electricity – precommissioning (refer Note 29 H (a))	37.58	-
<b>Sub total A</b>	<b>6,078.87</b>	<b>6,747.16</b>
<b>B ADVANCE AGAINST DEPRECIATION - Written back during the year</b>	50.17	28.13
<b>C OTHER OPERATING INCOME</b>		
Interest from Beneficiary States (Revision of Tariff)	156.77	297.76
	<b>156.77</b>	<b>297.76</b>
<b>D REVENUE FROM CONTRACTS, PROJECT MANAGEMENT AND CONSULTANCY WORKS</b>		
Contract Income	65.05	73.81
Revenue from Project management/Consultancy works	51.22	71.23
<b>Sub total D</b>	<b>116.27</b>	<b>145.04</b>
<b>TOTAL (A+B+C+D)</b>	<b>6,402.08</b>	<b>7,218.09</b>

### Explanatory Note: -

- 1) Sales have been recognized as per final tariff notified by Central Electricity Regulatory Commission (CERC), except for Teesta V, Chamera- III, Chutak Power Station and Omkareshwar Project, in respect of which sales have been recognised based on provisional tariff.
- 2) Sales includes ₹ 92.01 Crore (Previous Year ₹ 467.28 Crore) on account of earlier year sales arising out of finalisation of tariff in current year.
- 3) Due to non payment of dues by some of the beneficiaries, share of power allocated to them has been regulated in terms of CERC Regulation No.L-1/42/2010-CERC Dated 28th September 2010 and accordingly sales includes an amount of ₹ 339.38 Crore (Previous Year ₹ 84.12 Crore) towards regulated power, which has been sold through bidding at Power Exchange. Ibid regulation further provides that margin earned on such sale after adjusting expenditure for effecting sale of regulated power should be passed on to beneficiaries, whose power has been regulated. Accordingly an amount of ₹ 195.82 Crore (Previous Year ₹ 57.38 Crore) has been adjusted against the outstanding dues of those beneficiaries.
- 4) Sales includes ₹ 848.54 Crore (Previous Year ₹ 1284.20 Crore) which is yet to be billed.
- 5) Tariff regulation notified by CERC vide notification dated 19.01.2009 inter-alia provides that capital cost considered for fixation of tariff for current tariff period shall be subject to truing up at the end of the tariff period, which may result in increase or decrease in tariff. Accordingly "Tariff Adjustment" includes an amount of ₹ 52.63 Crore (Previous Year ₹ 34.60 Crore), which have been provided in the books during the year ended 31.03.2013 as an abundant precaution to take care of reduction in tariff.
- 6) In terms of regulation No. 39 of tariff regulation issued vide Central Electricity Regulatory Commission (CERC) notification No. L-7/145(160)/2000-CERC dated 19.01.2009, deferred tax liabilities for the period upto 31st March 2009 whenever it materializes is recoverable directly from the beneficiaries and the long term customers. Accordingly current year sale includes ₹ 85.24 Crore (Previous Year ₹ 67.41 Crore) on account of deferred tax which is materialized.

## NOTE NO. 22 OTHER INCOME

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>A Income from Non-Current Investments</b>		
<b>Trade</b>		
- Dividend -Others	1.80	1.80
- Interest Government Securities (8.5% tax free bonds issued by the State Governments)	80.65	102.09
<b>Non-Trade</b>		
- Dividend income -Mutual Fund	0.16	0.18
- Interest-(Self Insurance Fund)	56.05	50.49
<b>B Other</b>		
<b>Interest</b>		
- Loan to State Government in settlement of dues from customers	9.16	11.32
- Loan to Government of Arunachal Pradesh	30.54	28.09
-Deposit Account -Self Insurance Fund - Indian Bank	4.86	7.26
-Deposit Account - Other than self insurance fund- Indian Bank	713.31	606.81
- Employee's Loans and Advances	10.52	6.76
- Others	121.11	115.45
Late payment surcharge	75.11	22.21
Income From Sale Of Self Generated VERs	3.03	-
Net Gain/Loss on Sale of Mutual Fund	-	0.02
Profit on sale of assets	0.51	8.38
Liability/ Provisions not required written back	222.66	97.97
Others	38.90	83.16
Exchange rate variation	18.45	9.97
<b>TOTAL</b>	<b>1,386.82</b>	<b>1,151.96</b>
<b>Less: Income transferred to EDC</b>	136.80	170.33
<b>Less: Income transferred to Advance Deposit from Client/Contractees and against Deposit Works</b>	34.87	41.00
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>1,215.15</b>	<b>940.63</b>

### Explanatory Note: -

1) The Ministry of Power, Govt. of India, has conveyed its approval for payment of old outstanding receivables of ₹ 120.81 Crore pertaining to M/s Delhi Transco Limited (erstwhile DESU) along with an interest of ₹ 240.01 Crore to NHPC vide letter no. 6/1/2007-Fin(Vol. VIII) dated 05/02/2013. Accordingly the provision created in the books during the financial year 2008-09 amounting ₹ 120.81 Crore has been reversed during the year which is included in Liability / Provision not required written back. Further the interest of ₹ 240.01 Crore on said outstanding amount, as approved by Ministry of Power, Govt. of India, is also recognised during the year as an Exceptional Items in the Statement of Profit & Loss. Aforesaid amounts are likely to be received shortly.

2) Detail of Liability/Provisions not required written back

Provision for Bad and doubtful debts	148.69	1.79
Provision for Bad and doubtful advances / deposits	0.02	-
Provision for Bad and doubtful claims	1.12	1.56
Provision for Diminution in value of stores and spares	0.21	4.22
Provision for wage revision	6.09	43.67
Provision for Committed Capital Expenditure	-	2.49
Provision for losses pending investigation	5.52	0.03
Provision for PRP/Incentive	7.19	3.61
Provision for Superannuation/Pension Fund	46.89	-
Others	6.93	40.60
<b>Total</b>	<b>222.66</b>	<b>97.97</b>

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

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>A GENERATION EXPENSES</b>		
Water Usage Charges	592.44	552.70
<b>B Consumption of stores and spare parts</b>	28.88	13.14
<b>C Direct Expenditure on Contract, Project Management and Consultancy Works</b>	28.50	15.92
<b>D REPAIRS &amp; MAINTENANCE</b>		
- Building	40.38	31.38
- Machinery	51.78	52.81
- Others	58.56	51.38
	150.72	135.57
<b>E ADMINISTRATION EXPENSES</b>		
Rent	44.06	41.72
Rates and taxes	10.47	2.99
Insurance	53.28	48.69
Utilisation of Self Insurance Fund	0.92	-
Security expenses	135.30	115.27
Electricity Charges	47.17	41.01
Travelling and Conveyance	21.04	20.13
Expenses on vehicles	9.72	9.32
Telephone, telex and Postage	10.99	11.10
Advertisement and publicity	8.49	8.40
Entertainment and hospitality expenses	0.56	0.88
Donation	2.50	7.00
Printing and stationery	6.65	5.70
Books & Periodicals	0.38	0.35
Consultancy charges - Indigenous	8.04	6.00
Consultancy charges - Foreign	0.05	0.04
Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	29.04	6.33
Expenditure on land not belonging to company	6.56	23.91
Loss on sale of assets	0.91	0.79
Assets/ claims written off	0.36	0.44
Interest on Arbitration/ Court Cases	0.65	0.35
Interest to beneficiary states	14.34	5.19
Rebate to customers	25.35	40.67
CSR/ Sustainable Development/ Community Development Expenses	19.14	21.04
Expenditure on Self Generated VERS	1.25	-
Other general expenses	72.87	68.96
Exchange rate variation	20.02	22.45
Audit expenses (Refer detail below)	1.79	1.55
Directors' expenses	0.29	0.12
Research and development expenses	15.97	0.05
Expenses for Regulated Power	20.20	4.96
Less: - Expenditure Recoverable on Regulated Power	20.20	4.96
	-	-
<b>Sub-total</b>	<b>1,368.70</b>	<b>1,227.78</b>

## NOTE NO. 23 GENERATION, ADMINISTRATION AND OTHER EXPENSES (Contd.) (₹ in Crore)

PARTICULARS	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>F PROVISIONS</b>		
Bad and doubtful debts provided	-	0.40
Bad and doubtful advances / deposits provided	45.79	0.50
Bad and doubtful claims provided	60.27	147.27
Diminution in value of stores and spares	1.42	1.20
Project expenses provided for	3.00	81.89
Provision for fixed assets/ stores provided for	0.79	3.33
<b>Sub-total</b>	<u>111.27</u>	<u>234.59</u>
<b>Less: Amount transferred to EDC</b>	302.35	318.38
<b>Less: Recoverable from Deposit Works</b>	0.01	0.06
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<u><u>1,177.61</u></u>	<u><u>1,143.93</u></u>

### Explanatory Note: -

- The Company's significant leasing arrangements are in respect of operating leases of premises for offices, guesthouses & transit camps. These leasing arrangements, which are not non-cancellable, are usually renewable on mutually agreeable terms. Lease payments in respect of premises for offices, guest house & transit camps are shown in Rent.
- Pending notification of revision order by CERC in respect of truing up application filed by the company under CERC notification dated 19.01.2009, an amount of ₹ 14.34 Crore (Previous year ₹ 4.15 Crore) has been provided in the books during the year ended 31.03.2013 towards Interest to Beneficiary States, which may have to be paid in case of reduction in tariff as a result of said revision order.
- Detail of audit expenses are as under: -

#### i) Statutory Auditors

	As on 31.03.2013		As on 31.03.2012	
As Auditor				
Audit Fees	0.51		0.45	
Tax Audit Fees	<u>0.16</u>	0.67	<u>0.13</u>	0.58
In other Capacity				
Other Matters/services	<u>0.46</u>	0.46	<u>0.42</u>	0.42
Reimbursement of expenses		0.53		0.46

#### ii) Cost Auditors

Audit Fees	0.12	0.08
Reimbursement of expenses	<u>0.01</u>	<u>0.01</u>
	<u><u>1.79</u></u>	<u><u>1.55</u></u>

## NOTE NO. 24 EMPLOYEES BENEFITS EXPENSE

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Salaries, wages, allowances	1,213.37	1,191.10
Gratuity, Contribution to provident fund & pension scheme (incl. administration fees)	195.75	307.49
Staff welfare expenses	117.69	126.18
Leave Salary & Pension Contribution	0.01	0.12
<b>TOTAL</b>	<b>1,526.82</b>	<b>1,624.89</b>
<b>Less: Employee Cost transferred to EDC</b>	<b>574.59</b>	<b>647.82</b>
<b>Less: Recoverable from Deposit Works</b>	<b>0.71</b>	<b>1.89</b>
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>951.52</b>	<b>975.18</b>

### Explanatory Note: -

1) The Company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees. These leasing arrangements, which are not non-cancellable, are usually renewable on mutually agreeable terms. Salaries, wages, allowances includes ₹ 38.81 Crore (Previous Year ₹ 33.26 Crore) towards lease payments in respect of premises for residential use of employees.

2) Gratuity, Contribution to provident fund & pension scheme include contributions:

i) towards Employees Provident Fund

ii) towards Employees Defined Contribution Superannuation Scheme

**As on 31.03.2013**

**As on 31.03.2012**

72.42

84.30

70.23

96.43

142.65

180.73

## NOTE NO. 25 FINANCE COST

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>a) Interest on :</b>		
Bonds	339.93	217.23
Foreign currency loan	54.22	59.61
Term loan	1,087.78	1,019.42
Other interest charges	1.96	-
<b>sub total</b>	<b>1,483.89</b>	<b>1,296.26</b>
<b>b) Other Borrowing Cost</b>		
Bond issue/ service expenses	0.86	0.93
Commitment fee	2.56	0.06
Guarantee fee on foreign loan	33.95	32.22
Other finance charges	6.81	3.93
<b>sub total</b>	<b>44.18</b>	<b>37.14</b>
<b>c) Applicable net gain/ loss on Foreign currency transactions and translation</b>		
Exchange differences regarded as adjustment to interest cost	10.52	277.47
Less: Adjustment on account of Foreign Exchange Rate Variation	(10.52)	(277.47)
<b>sub total</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1,528.07</b>	<b>1,333.40</b>
<b>Less: Finance Cost transferred to EDC</b>	<b>931.86</b>	<b>764.67</b>
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>596.21</b>	<b>568.73</b>

## NOTE NO. 26 DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Depreciation & Amortization for the year	1,326.85	1,282.05
Adjustment on account of Foreign Exchange Rate Variation	(15.24)	(23.53)
<b>TOTAL</b>	<b>1,311.61</b>	<b>1,258.52</b>
<b>Less: Depreciation &amp; Amortisation Expenses transferred to EDC</b>	41.34	49.68
<b>Less: Transfer To Grant in Aid- Reserve (Grants written off) (refer note no. 3)</b>	57.16	57.73
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>1,213.11</b>	<b>1,151.11</b>

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

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>INCOME</b>		
Sale of Electricity	-	22.24
Add: Advance Against Depreciation written back	(0.83)	-
Interest/Surcharge received from debtors	-	(0.03)
Others	17.04	(29.81)
<b>SUB TOTAL</b>	<b>16.21</b>	<b>(7.60)</b>
<b>EXPENDITURE</b>		
Salaries & Wages	2.16	47.25
Repair & Maintenance	(0.51)	0.21
Depreciation & Amortization	(3.13)	2.08
Others	16.07	0.63
<b>SUB TOTAL</b>	<b>14.59</b>	<b>50.17</b>
<b>TOTAL</b>	<b>(1.62)</b>	<b>57.77</b>
<b>Less: Prior Period Items transferred to EDC</b>		
Prior period expenses	2.43	17.71
Less Prior period income	(0.04)	(2.69)
<b>Total</b>	<b>(4.09)</b>	<b>37.37</b>
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>(4.09)</b>	<b>37.37</b>

## NOTE NO. 28 TAX EXPENSES

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>CURRENT TAX</b>		
Income Tax Provision	738.75	866.07
Adjustment Relating To Earlier Years	9.80	8.60
Deferred Tax Liability / (Asset)	349.17	(4.85)
Less: Recoverable	75.44	(77.85)
	<b>273.73</b>	<b>73.00</b>
	<b>1,022.28</b>	<b>947.67</b>

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

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>A EMPLOYEES BENEFITS EXPENSE</b>		
Salaries, wages, allowances	265.82	314.44
Gratuity, Contribution to provident fund & pension scheme (incl. administration fees)	43.89	77.10
Staff welfare expenses	16.01	31.69
Leave Salary & Pension Contribution	0.11	0.12
<b>Sub-total</b>	<b>325.83</b>	<b>423.35</b>
<b>B REPAIRS &amp; MAINTENANCE</b>		
Building	6.61	6.29
Machinery	1.14	0.98
Others	13.22	16.02
<b>Sub-total</b>	<b>20.97</b>	<b>23.29</b>
<b>C ADMINISTRATION &amp; OTHER EXPENSES</b>		
Rent	16.92	17.87
Rates and taxes	8.40	0.64
Insurance	0.32	0.37
Security expenses	29.40	28.62
Electricity Charges	6.32	5.78
Travelling and Conveyance	5.09	4.27
Expenses on vehicles	3.49	3.36
Telephone, telex and Postage	2.95	3.48
Advertisement and publicity	0.91	0.61
Entertainment and hospitality expenses	0.01	-
Printing and stationery	1.06	1.02
Remuneration to Auditors	0.03	0.03
Design and Consultancy charges:		
- Indigenou	3.34	1.70
Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	31.23	5.98
Expenditure on land not belonging to company	5.44	22.17
Losses on sale of assets	0.03	0.06
Exchange rate variation (Debit)	16.26	17.53
Other general expenses	15.21	14.28
<b>Sub-total</b>	<b>146.41</b>	<b>127.77</b>

## NOTE NO. 29 EXPENDITURE DURING CONSTRUCTION FOR THE YEAR (Contd.) (₹ in Crore)

PARTICULARS	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>D FINANCE COST</b>		
Interest on :		
Bonds	275.22	186.39
Term loan	649.84	574.24
Bond issue/ service expenses	0.69	0.77
Commitment fee	2.48	-
Other finance charges	3.60	3.23
<b>Sub-total</b>	<b>931.83</b>	<b>764.63</b>
<b>E PROVISIONS</b>	105.72	141.16
<b>Sub-total</b>	<b>105.72</b>	<b>141.16</b>
<b>F DEPRECIATION AND AMORTISATION EXPENSES</b>	35.21	43.07
<b>Sub-total</b>	<b>35.21</b>	<b>43.07</b>
<b>G PRIOR PERIOD ITEMS</b>		
Prior Period Expenses	2.16	8.30
Less: Prior Period Income	(0.04)	(2.69)
<b>Sub-total</b>	<b>2.20</b>	<b>10.99</b>
<b>H LESS: RECEIPTS AND RECOVERIES</b>		
a) Income from generation of electricity – precommissioning	37.58	-
b) Others		
Interest on loans and advances	88.23	111.17
Miscellaneous receipts	5.56	8.04
Profit on sale of assets	0.00	-
Exchange rate variation (Credit)	12.71	8.00
Provision/Liability not required written back	18.85	26.54
Hire charges/ outturn on plant and machinery	0.51	1.76
<b>Sub-total</b>	<b>125.86</b>	<b>155.51</b>
<b>I Corporate Office/Regional Office Expenses:</b>		
Other Income	(10.94)	(14.82)
Generation, Administration and Other Expenses	29.10	26.16
Employees Benefits Expenses	248.76	224.47
Depreciation & Amortisation Expenses	6.13	6.61
Finance Cost	0.03	0.04
Provisions	0.15	-
Prior Period Items (Net)	0.27	9.41
<b>Sub-total</b>	<b>273.50</b>	<b>251.87</b>
<b>GRAND TOTAL (A+B+C+D+E+F+G+I-H)</b>	<b>1,678.23</b>	<b>1,630.62</b>

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

1. The Consolidated Financial Statements (CFS) comprises of the financial statements of NHPC Limited, its subsidiary companies and its interest in Joint Ventures.
2. a) Basis of Accounting:
  - i) The Financial Statements of the subsidiary companies in the consolidation are drawn up to the same reporting date as of the Company.
  - ii) The Consolidated Financial Statements has been prepared in accordance with Accounting Standard-21 Consolidated Financial Statements notified under the Companies Accounting Standard Rules, 2006 and generally accepted accounting principles.
  - iii) The interest in Joint Venture has been reported in Consolidated Financial Statements in accordance with the Accounting Standard -27 'Financial Reporting of interest in Joint Ventures' notified under the Companies Accounting Standard Rules, 2006.
- b) Principle of Consolidation:
  - i) The Financial Statement of the Company and its subsidiary is combined on line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and unrealised profits or losses.
  - ii) The consolidated financial statements include the interest of the company in joint ventures, which has been accounted for using the proportionate consolidation method of accounting and reporting whereby the company's share of each of assets, liabilities, income and expenses of a jointly controlled entity is considered as separate line item.
  - iii) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
3. The subsidiary companies & Joint Ventures companies considered in the Consolidated Financial Statement is:

Name of the Company	Country of Incorporation	Proportion of Ownership Interest
<b>Subsidiary Companies:</b>		
NHDC Ltd.	India	51%
Loktak Downstream Hydroelectric Corporation Ltd. (LDHC Ltd.)	India	74%
Chenab Valley Power Projects Pvt. Ltd. *	India	82%
<b>Joint Venture Companies:</b>		
National High Power Test Laboratory (P) Ltd.	India	20%
National Power Exchange Ltd.	India	16.67%

\* Company is joint venture entity of NHPC, Jammu & Kashmir State Power Development Corporation (JKSPDC) and PTC India Ltd. with equity participation of 49:49:02. During the current year, NHPC contributed ₹77.55 Crore towards its proportionate share in said entity, whereas other joint venture partners are yet to contribute their proportionate share as on 31.03.2013. This has resulted in increasing the proportionate holding of NHPC in the said entity from 49% to 82%. As such, the said joint venture entity has been considered as subsidiary for the purpose of consolidated financial statement of the Group.

4. a) Contingent Liabilities as on: - (₹ in Crore)

Description	Opening Balance 01/04/2012	Closing Balance 31/03/2013
Claims against the Company not acknowledged as debts in respect of		
-Capital Works	7846.18	10575.38
-Land Compensation Cases	1313.17	1248.39
-Others		
-Disputed Income Tax Demand	10.63	24.93
-Disputed Sales Tax Demand	264.01	277.27
-Disputed Service Tax Demand	29.22	29.22
-Others	116.32	128.56
<b>Total</b>	<b>9579.53</b>	<b>12283.75</b>

- b) The above contingent liabilities do not include contingent liabilities on account of pending cases in respect of service matters & others where the amount cannot be quantified.
- c) Contingent liabilities towards capital works include claims of contractors regarding rate & quantity deviation, cost relating to extension of time and idling charges due to stoppage of work / delays in handing over the site etc. These claims are being contested by the company as being not admissible in terms of provisions of the respective contracts or are lying at Arbitration tribunal/other forums. The above also includes claims of contractors which are under scrutiny at various levels of Management but yet to achieve finality.
- d) The Contingent liabilities under the head "Capital Works" includes ₹444.39 Crore (previous year ₹459.64 Crore), towards arbitration awards received against the company as outflow is not considered probable in respect of these awards since the same stands challenged in the court of law.
- e) It is not practicable to disclose the uncertainties relating to any outflow.
- f) There is a possibility of reimbursement to the Company of ₹40.71 Crore (Previous year ₹45.17 Crore) towards above contingent liabilities.
- g) An amount of ₹22.31 Crore (Previous year ₹10.06 Crore) stands paid towards above contingent liabilities to contest the cases and is being shown as Current Assets.
5. Estimated amount of contracts remaining to be executed on capital account and not provided for ₹4138.35 Crore (Previous year ₹5445.36 crore).
6. Consequent upon commissioning of Chamera-III Power Station, some seepage has been noticed in hill slopes thereby affecting the houses & fields of local habitants of the nearby village. A proposal to acquire the affected land is under consideration of management for which compensation is estimated at ₹8.40 crore. Further the cost of rectification of seepage is yet to be ascertained.
7. Pending approval of the competent authority, provisional payments / provisions made towards executed quantities of some of the items beyond the approved quantities as also for extra items totalling to ₹177.81 Crore (Previous year ₹241.16 Crore), are included in Capital Work-in-Progress/Fixed Asset.
8. a) Balances shown under material issued to contractors, claims recoverable including insurance claims, advances for Capital expenditure, Sundry Debtors, Advances to Contractors, Sundry Creditors and Deposits/Earnest money from contractors are subject to reconciliation/ confirmation and respective consequential adjustments. Claims recoverable also include claims in respect of projects handed over or decided to be handed over to other agencies in terms of Government of India directives.
- b) In the opinion of the management, the value of current assets, loans and advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
9. During F.Y. 2010-11 Company had received an opinion from the Expert Advisory Committee of the Institute of Chartered Accountants of India (EAC of ICAI), according to which the expenditure incurred for creation of assets not within the control of company should be charged to Statement of Profit & Loss in the year of incurrence itself, consequent upon withdrawal of Guidance Note on Expenditure During Construction. The Company has represented to the EAC of ICAI in earlier year that such expenditure, being essential for setting up of a hydro project, should be allowed to be capitalised. The Company is further of the view that capitalization of such expenditure is supported by Exposure Draft on Limited Revision to AS-10 and Guidance Note on Rate Regulated Entity issued by ICAI. Pending receipt of further opinion from the EAC, notification of limited revision to AS-10 and announcement regarding implementation of guidance note on rate regulated entity, the accounting treatment as per existing accounting practices / policies has been continued.
- In view of above ₹37.71 Crore (Previous year ₹26.04 Crore) (WDV) and ₹103.83 Crore (Previous year ₹106.87 Crore) are appearing under the Tangible Asset (Note No.11.1) and Capital work in progress (Note No. 12) respectively towards creation/construction of such assets. In addition, a sum of ₹123.25 Crore (Previous year ₹117.81 Crore) incurred after withdrawal of guidance note on capitalisation of EDC is also appearing in Expenditure during Construction under Capital work in progress (Note No. 12).
10. Construction activities at site of Subansiri Lower Project have been interrupted w.e.f 16.12.2011 due to protest of anti dam activists, however substantial technical and administrative work is continuing. As such administration and other general overheads including borrowing cost directly attributable to Project has continued to be capitalised. The construction activities at site are expected to be resumed shortly since the matter is being pursued at the level of Government of India.

11. Following Accounting policies have been introduced/ modified/ deleted during the year ended 31.03.2013:

Policy No.	Description	Impact on Profit for the year
Policy No. 10.2	Policy on revenue from project management/consultancy contracts/cost plus contracts has been reworded to have a better disclosure.	Nil
Erstwhile Policy No. 11.2	Policy has been deleted since it has become redundant in the present scenario as direct consumption of power generated by a power station of company is not allowed.	Nil
Policy No. 14	New policy on impairment of assets has been introduced to convert the practice into policy.	Nil

12. Disclosures as per Accounting Standard – 7 on Construction Contracts notified under the Companies Accounting Standard Rules, 2006 is as follows: -

(₹ in Crore)

Sl. No.	Particulars	31/03/2013	31/03/2012
1.	Aggregate amount of costs incurred and recognised profits (less recognised losses) on contracts in progress upto reporting date.	3685.34	3479.92
2.	Amount of advances received.	3170.01	2947.33
3.	Amount of retention.	Nil	Nil
4.	The gross amount due from customers for contract works as an asset.	3685.34	3479.92
5.	The gross amount due to customers for contract works as a liability.	Nil	Nil

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

(₹ in Crore)

		For the year ended 31.03.2013	For the year ended 31.03.2012
(i)	Amount charged to Statement of Profit & Loss excluding depreciation (as FERV)	(1.98)	2.95
(ii)	Amount charged to Statement of Profit & Loss excluding depreciation (as Borrowing Cost)	10.52	277.47
(iii)	Amount charged to Expenditure During Construction (as FERV)	3.55	9.53
(iv)	Amount charged to Capital work-in-progress (as FERV)	(0.09)	(0.14)
(v)	Amount adjusted by addition to the carrying amount of fixed assets	(170.29)	106.06

14. The status of Self Insurance Fund Investment as at 31.03.2013 is as under:-

Note of Balance Sheet	Description of Investment / Deposit	Amount (₹ in Crore)
Note No. 13	(i) Central Government Securities	268.42
	(ii) Public Sector Bonds	381.39
	(iii) Public Sector Bonds-Tax free	22.61
Note No. 19	(i) Deposit Account- Short term	45.80
	(ii) Current Account	0.46
Note No. 20	Interest Accrued (net of taxes)	20.14
<b>Total</b>		<b>738.82</b>

The total income of Self Insurance Fund for the year ended 31.03.2013 is ₹48.84 Crore (net of taxes), which has been credited to Self Insurance Fund.

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

General description of various employee benefit schemes are as under:

Defined Contribution Schemes

**A. Provident Fund**

The Company pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the period is recognised as expense and is charged to the Statement of Profit & Loss/expenditure during construction. The obligation of the Company is to make fixed contribution and to ensure a minimum rate of return to the members as specified by Gol.

**B. Social Security Scheme**

The Company has a Social Security Scheme in lieu of compassionate appointment, subject to the condition that the scheme will be withdrawn on introduction of pension scheme. However the proposal for continuation of scheme is under consideration of the Management. As per scheme, employees make monthly contribution at prescribed rates. The Company also makes a matching contribution per month per employee and such contribution is to be made for 8 years to build up corpus from the date the scheme is in operation i.e. 01.06.2007. The scheme has been created to take care of and helping bereaved families in the event of death or permanent total disability of its employee.

**C. Employees Defined Contribution Superannuation Scheme**

The Company has an employee defined contribution superannuation scheme for providing pension benefits to employees. As per the scheme, each employee contributes @ 5% of Basic Pay & Dearness Allowance. The company contributes to the extent of balance available after deducting employers' contribution to Provident Fund, contribution to Gratuity trust and REHS, from the amount worked out @ 30% of the Basic Pay & DA. The Scheme is managed by Life Insurance Corporation of India.

Defined Benefits Schemes

**D. Gratuity**

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹0.10 Crore, on superannuation, resignation, termination, disablement or on death. The plan is being managed by a separate Trust created for the purpose and obligation of the company is to make contribution to the Trust based on actuarial valuation.

**E. Leave**

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

**F. Retired Employee Health Scheme (REHS)**

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

**G. Allowance on Retirement / Death**

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

**H. Memento to employees on attaining the age of superannuation.**

The Company has a policy of providing Memento valuing ₹5000/- to employee on superannuation.

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

Summary of various defined benefits as on 31.03.2013 is as under:-

**FOR NHPC LTD.**

**Table 1:- Key Actuarial assumption for Actuarial Valuation as at:**

Particular	31.03.2013	31.03.2012
Mortality Table	LIC(1994-96)	LIC(1994-96)
Discount rate	8.00%	8.50%
Future Salary Increase	6.0%	6.0%

**Table 2:- Change in Present Value of Obligations (PVO)**

(₹ in Crore)

Particular	Gratuity	Leave Encashment	Retired Employee Health Scheme
PVO at beginning of year	568.40 {512.76}	383.82 {303.22}	325.28 {256.16}
Interest cost	45.48 {43.59}	30.71 {25.77}	26.02 {21.77}
Current service cost	24.47 {22.88}	16.65 {18.02}	8.90 {6.85}
Benefit paid	(49.46) {(73.93)}	(140.18) {(39.04)}	(4.69) {(8.61)}
Actuarial (Gain)/loss	15.55 {63.10}	70.00 {75.85}	28.31 {49.11}
PVO at end of year	604.44 {568.40}	361.00 {383.82}	383.82 {325.28}

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

(₹ in Crore)

Particular	Gratuity	Leave Encashment	Retired Employee Health Scheme
PVO at end of year	604.44 {568.40}	361.00 {303.22}	383.82 {325.28}
Fair Value of Plan Assets at the end of year	618.41 {-}	- {-}	- {-}
Funded Status	13.97 {(568.40)}	(361.00) {(303.22)}	(383.82) {(325.28)}
Unrecognized actuarial gain/loss	- {-}	- {-}	- {-}
Net Liability/Asset (-) recognized in Balance Sheet	(-)13.97 {568.40}	361.00 {303.22}	383.82 {325.28}

**Table 4:-Amount recognised in Statement of Profit & Loss /EDC Account**

(₹ in Crore)

Particular	Gratuity	Leave Encashment	Retired Employee Health Scheme
Current Service Cost	24.47 {22.88}	16.65 {18.02}	6.85 {6.85}
Interest Cost	45.48 {43.59}	30.71 {25.77}	21.77 {21.77}
Expected return on Plan Assets	- {-}	- {-}	- {-}
Net Actuarial (gain) / loss recognized for the year	15.55 {63.10}	70.00 {75.85}	49.11 {49.11}
Expense recognized in Profit & Loss/EDC for the year	85.50 {129.57}	117.36 {119.64}	77.73 {77.73}

Note: { } contains previous year's figures.

Liabilities as on 31.03.2013 on account of Baggage Allowance on retirement & Memento are ₹ 4.94 Crore & ₹ 3.08 Crore (Previous year ₹4.89 Crore & ₹ 3.15 Crore) respectively.

**For NHDC LTD.**

**Table 1: Key Assumptions for Actuarial Valuation as at:**

Particular	As at 31.03.2013	As at 31.03.2012
Mortality Table	Indian Assured Lives Mortality (1994-96)	Indian Assured Lives Mortality (1994-96) (modified) ultimate table
Discount rate	8.00%	8.50%
Rate of increase in compensation level	6.00%	6.00%

**Table 2:-Change in Present Value of Obligations (PVO)**

(₹ in Crore)

Particular	Gratuity	Leave Encashment	Retired Employee Health Scheme
PVO at beginning of year	4.64 {4.61}	6.85 {5.68}	2.13 {1.60}
Interest cost	0.37 {0.37}	0.55 {0.47}	0.17 {0.13}
Current service cost	0.79 {0.63}	0.72 {1.33}	0.27 {0.26}
Benefit paid	(0.15) {(0.11)}	(3.89) {(0.35)}	(0.01) {(0.01)}
Actuarial (Gain)/loss	0.97 {(0.86)}	1.65 {(0.28)}	(0.32) {0.15}
PVO at end of year	6.62 {4.64}	5.88 {6.85}	2.24 {2.13}

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

(₹ in Crore)

Particular	Gratuity	Leave Encashment	Retired Employee Health Scheme
PVO at end of year	6.62 {4.64}	5.88 {6.85}	2.24 {2.13}
Fair Value of Plan Assets at the end of year	4.81 {-}	- {-}	- {-}
Funded Status	(1.81) {(4.64)}	(5.88) {(6.85)}	(2.24) {(2.13)}
Unrecognized actuarial gain/loss	- {-}	- {-}	- {-}
Net Liability/Asset (-) recognized in Balance Sheet	1.81 {4.64}	5.88 {6.85}	2.24 {2.13}

**Table 4:-Amount recognised in Statement of Profit & Loss /EDC Account**

(₹ in Crore)

Particular	Gratuity	Leave Encashment	Retired Employee Health Scheme
Current Service Cost	0.79 {0.63}	0.72 {1.33}	0.27 {0.26}
Interest Cost	0.37 {0.37}	0.55 {0.47}	0.17 {0.13}
Expected return on Plan Assets	- {-}	- {-}	- {-}
Net Actuarial (gain) / loss recognized for the year	0.97 {(0.86)}	1.65 {(0.28)}	(0.32) {0.15}
Expense recognized in Profit & Loss/EDC for the year	2.02 {0.14}	2.93 {1.52}	0.12 {0.54}

Note: { } contains previous year's figures.

Liabilities as on 31.03.2013 on account of Baggage Allowance on retirement & Memento are ₹ 0.26 Crore & ₹0.01 Crore (Previous year ₹0.28 Crore & ₹ 0.01 Crore) respectively.

16. a) Electricity generation is the principal business activity of the Company. Other operations viz., Contracts, Project Management and Consultancy works do not form a reportable segment as per the Accounting Standard - 17 on Segment Reporting notified under the Companies Accounting Standard Rules, 2006.
- b) The Company is having a single geographical segment as all its Power Stations are located within the country.
17. In compliance of Accounting Standard – 18 on related party disclosures notified under the Companies Accounting Standard Rules, 2006, the required information is given as under: -

**a) Related Parties**

**(i) Joint Venture Companies**

National Power Exchange Ltd.

**(ii) Key Management Personnel**

Shri G. Sai Prasad	Joint Secretary (Hydro), Ministry of Power, Government of India. Assigned additional charge of CMD of the Company w.e.f. 24.07.2012.
Shri A. B. L.Srivastava	Director (Finance). Additional charge of CMD upto 23.07.2012.
Shri D. P. Bhargava	Director (Technical)
Shri J. K. Sharma	Director (Projects)
Shri R. S. Mina	Director (Personnel)
Sh. K.M. Singh	Chief Executive Director in NHDC Ltd.
Shri Rajesh Agrawal	Director in NHDC Ltd.
Shri Rajiv Kumar Gupta	Director in NHDC Ltd.
Shri Kanwar Singh	Director in LDHC Ltd.
Shri Vijay Kumar	Director in LDHC Ltd.

Remuneration to key management personnel is ₹3.01 Crore (Previous year ₹1.32 Crore) which is inclusive of arrears of ₹1.59 Crore to existing as well as retired directors.

**b) Transaction carried out with the related parties at a(i) above - Nil.**

**18. Earnings Per Share:-**

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

	For the year ended 31.03.2013	For the year ended 31.03.2012
Net Profit after Tax used as numerator (₹ in Crore)	2617.41	3085.58
Weighted Average number of equity shares used as denominator	12300742773	12300742773
Earnings Per Share (₹) – Basic & diluted	2.13	2.51
Face value per share (₹)	10	10

**19. a) Interest in Joint Ventures:**

Name of Companies	Proportion of Ownership interest as at	
	31.03.2013	31.03.2012
National High Power Test Laboratory (P) Ltd.	20%	25%
National Power Exchange Ltd.	16.67%	16.67%
Chenab Valley Power Projects Private Ltd.*	49%*	49%

\* Company is joint venture entity of NHPC, Jammu & Kashmir State Power Development Corporation (JKSPDC) and PTC India Ltd. with equity participation of 49:49:02. During the current year, NHPC contributed ₹77.55 Crore towards its proportionate share in said entity, whereas other joint venture partners are yet to contribute their proportionate share as on 31.03.2013. This has resulted in increasing the proportionate holding of NHPC in the said entity from 49% to 82%. As such, said entity has been considered as subsidiary instead of joint venture of NHPC as at 31.03.2013. Accordingly, the disclosures in respect of said entity has not been included in 19(b) below.

b) The above joint venture entities are incorporated in India. The Company's share of the assets and liabilities as on 31st March 2013 and income and expenses for the financial year ended 31.03.2013 in respect of joint venture entities are based on audited accounts which are given below:

(₹ in Crore)

		As at 31.03.2013	As at 31.03.2012
A	Assets	14.94	15.09
B	Liabilities	0.92	0.15
C	Contingent Liabilities	0.01	0.01
D	Capital Commitments	49.97	7.48
E	Expenditure in Foreign Currency	0.14	-
		For the Year 2012-13	For the Year 2011-12
E	Income	0.12	0.12
F	Expenditure	0.41	0.36

20. The Management is of the opinion that no case of impairment of assets exists under the provision of Accounting Standard (AS) – 28 on Impairment of Assets as at 31st March 2013.

(₹ in Crore)

21. Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
a)* Value of imports calculated on CIF basis:		
i) Capital Goods	17.43	53.65
ii) Spare parts	1.74	0.21
b)* Expenditure in Foreign Currency		
i) Know - How	(0.57)	4.84
ii) Interest	53.36	58.49
iii) Other Misc. Matters	108.64	48.08
c)* Value of spare parts and Components consumed in operating units.		
i) Imported	2.51(8.69%)	0.18(1.37%)
ii) Indigenous	26.37(91.31%)	12.96(98.63%)
d)* Earnings in foreign currency		
i) Interest	-	-
ii) Others	3.03	-

\* Accrual basis.

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

Sr. No.	Description	Remarks
1.	No. of VERs held as Investment & the basis of valuation	Nil
2.	No. of VERs under certification	Nil
3.	Depreciation and operating and maintenance cost of Emission Reduction Equipment expensed during the period (₹ in Crore)	Nil
4.	No. of VERs sold during the year ended 31.03.2013 with the value thereof.	10.90 lakhs units sold for ₹3.03 crores.

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

(₹ in Crore)

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

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

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

**VIJAY GUPTA**  
Company Secretary

**D. P. BHARGAVA**  
Director (Technical)  
DIN 01277269

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

Place :- New Delhi  
Date :- 28/05/2013

## CONSOLIDATED CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Crore)

	31ST MARCH, 2013	31ST MARCH, 2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before tax and extraordinary items</b>	<b>3922.88</b>	<b>4351.26</b>
<b>ADD :</b>		
Depreciation (including Prior Period)	1224.70	1176.51
Advance against Depreciation written back	-	19.03
Interest Paid	596.21	569.77
Fixed Assets written off	0.14	0.29
Stores written off	0.03	0.09
Provisions	0.18	93.42
Bad debts/ Claims written off	6.13	-
Loss on Sale of Assets	0.91	0.79
Tariff Adjustment	56.60	34.60
Exchange rate variation	8.54	264.42
	<b>1893.45</b>	<b>2158.92</b>
<b>LESS :</b>		
Advance against Depreciation written back	49.34	47.16
Profit on sale of assets / project	0.51	77.24
Provisions & Liabilities no longer required written back	192.87	68.04
Deferred ERV	(92.34)	212.73
Dividend Income	1.96	1.98
Interest Income	894.12	777.86
	<b>846.99</b>	<b>973.91</b>
<b>Cash flow from operating activities before working capital adjustments</b>	<b>4769.87</b>	<b>5325.17</b>
<b>Working Capital Changes</b>		
(Increase)/Decrease in Inventories	(15.81)	(12.23)
(Increase)/Decrease in Trade Receivables	(23.20)	(1899.28)
(Increase)/Decrease in Other Assets, Loans & Advances	(414.03)	651.41
Increase/(Decrease) in Trade & Other Payables	(697.63)	218.01
	<b>(1150.67)</b>	<b>(1042.09)</b>
<b>Cash flow from operating activities before taxes</b>	<b>3619.20</b>	<b>4283.08</b>
Less : Taxes	773.55	904.63
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>2845.65</b>	<b>3378.45</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets & expenditure on construction projects (including expenditure during construction)	(2398.94)	(3297.88)
Loss / (Profit) on Sale/Transfer of Assets	0.01	0.01
Decrease/(Increase) in Investment	172.81	206.06
Interest Income	894.58	777.86
Dividend Received	1.97	1.98
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<b>(1329.56)</b>	<b>(2311.97)</b>



## CONSOLIDATED CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Crore)

	31ST MARCH, 2013	31ST MARCH, 2012
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital	62.50	-
Share application money pending allotment	2.07	(24.24)
Dividend & Dividend Tax Paid	(1034.22)	(900.15)
Proceeds on Borrowings	2526.65	3433.44
Repayments of Borrowings	(1408.80)	(1206.16)
Funds received from GOMP towards SSP & Irrigation component	39.28	12.31
Interest & Financial Charges	(1531.97)	(1337.65)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>(1344.49)</b>	<b>(22.45)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>171.59</b>	<b>1044.03</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>7795.32</b>	<b>6751.29</b>
<b>Adjustment to Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>9.55</b>	<b>-</b>
<b>Adjusted Cash &amp; Cash Equivalent at the beginning of the year</b>	<b>7804.87</b>	<b>6751.29</b>
<b>Cash &amp; Cash Equivalents at the close of the year</b>	<b>7976.46</b>	<b>7795.32</b>

\* ₹10.65 crore has been adjusted in the opening cash & cash equivalent of the current year on account of Chenab Valley Power Projects Pvt. Ltd.(CVPL) becoming a subsidiary and ₹(1.10) crore on account of change in share holding of National High Power Test Laboratory Private Limited (NHPTL) from 25% to 20% during the current year.

### EXPLANATORY NOTES TO CASH FLOW STATEMENT

1 Cash and Cash equivalents consists of Cash in hand, cheques/drafts in hands and Bank Balances including Short Term Deposits of varying periods except Deposits in the nature of Investment. The details of Cash & Cash equivalents as per Note 19 of the Balance Sheet is as under:

Cash and Cash equivalents	1,245.16	1,021.48
Other Bank Balances *	6,731.30	6,773.84
	<b>7,976.46</b>	<b>7,795.32</b>

\* Other Bank Balances includes the following, which are not freely available for the business of the Company.

₹361.37 Crore (Previous Year ₹466.87 Crore), held for Rural Electrification works being executed by the company on behalf of other agencies;

₹ 3.92 Crore (Previous year ₹ 2.43 Crore) on account of unpaid dividend.

₹ 7.80 Crore (Previous Year ₹ 2.48 Crore) kept with banks as per orders of Hon'ble Court of Law;

₹ 1.22 Crore (Previous year ₹ Nil) towards margin money kept with banks for opening Letter of Credit or similar facility;

₹ 10.48 Crore (Previous year ₹ Nil) received as deposit from land oustees against land in respect of Omkareshwar project.

2 Expenditure during construction (EDC) includes ₹ 925.06 Crore (Previous Year ₹ 760.63 Crore) towards borrowing cost capitalised during the year.

3 Amount of undrawn loan as on 31.03.2013 : ₹ 2245.63 Crore.

4 Out of the Initial Public Offering (IPO) proceeds of ₹6038.55 Crore made during financial year 2009-10, sale proceeds of ₹ 2012.85 Crore was paid to Ministry of Power, Govt. of India and ₹4025.70 Crore was retained by company. Out of ₹ 4025.70 Crore, a sum of ₹ 2897.65 Crore has been utilised up to 31.03.2013 for re-coupmnt of capital expenditure already incurred from internal accruals on the projects specified for utilisation, the unutilised amount of ₹ 1089.34 Crore has been invested in bank deposits as per extant investment policy of the company and ₹ 38.71 Crore recouped for meeting IPO expenditure.

5 Figures for the previous year have been re-grouped/re-arranged/re-cast wherever necessary.

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

**VIJAY GUPTA**  
Company Secretary

**D. P. BHARGAVA**  
Director (Technical)  
DIN 01277269

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

### As per report of even date

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

**(CA S N NANDA)**  
Partner  
M. No. 005909

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

**(CA PRADEEP KR SINGHI)**  
Partner  
M. No. 050773

**For Baweja & Kaul**  
(Chartered Accountants)  
FR No. 005834N

**(CA DALIP K KAUL)**  
Partner  
M. No. 083066

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

**(CA KRISHAN KUMAR)**  
Partner  
M. No. 085415

**NHPC Limited**

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

**ATTENDANCE SLIP**

**37<sup>th</sup> Annual General Meeting to be held on Monday, 16<sup>th</sup> September, 2013 at 12 Noon at Municipal Corporation Auditorium, NIT, Near B.K. Chowk, Faridabad-121001.**

NAME OF THE ATTENDING MEMBERS \_\_\_\_\_  
(IN BLOCK LETTERS)

Folio No.\* \_\_\_\_\_ Client ID No. \_\_\_\_\_

DP ID No. \_\_\_\_\_

No. of shares held \_\_\_\_\_

NAME OF PROXY  
(IN BLOCK LETTERS TO BE FILLED  
IN IF THE PROXY ATTENDS INSTEAD  
OF THE MEMBERS) \_\_\_\_\_

I, hereby record my presence at the 37<sup>th</sup> Annual General Meeting of the Company at Municipal Corporation Auditorium, NIT, Faridabad, on Monday, 16<sup>th</sup> September, 2013.

Signature of Member/Proxy

\*Applicable in case of shares held in physical form.



**NHPC Limited**

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

**FORM OF PROXY**

DP ID:
Client ID:
No. of Shares.

I/we \_\_\_\_\_ of \_\_\_\_\_ in the District of \_\_\_\_\_ being a member/members of the above named Company/hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the District of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ in the District of \_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the 37<sup>th</sup> Annual General Meeting of the company at Municipal Corporation Auditorium, NIT, Near B.K. Chowk, Faridabad-121001, on Monday, 16<sup>th</sup> September, 2013 and at any adjournments thereof.

Affix One Rupee Revenue Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013.



This form is to be used in favour of resolution(s) No. \_\_\_\_\_ and against resolution(s) no. \_\_\_\_\_ unless otherwise instructed, the proxy will act as he thinks fit.

**Notes:**

- a) The form should be signed across the stamp as per specimen signature registered with the company.
- b) The form should be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the Meeting.





105 MW Loktak Power Station (Manipur) - Penstocks

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



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

एनएचपीसी कार्यालय परिसर, सैक्टर - 33, फरीदाबाद - 121003, हरियाणा (भारत) वेबसाइट : [www.nhpcindia.com](http://www.nhpcindia.com)  
NHPC Office Complex, Sector - 33, Faridabad - 121003, Haryana (India) Website : [www.nhpcindia.com](http://www.nhpcindia.com)  
EPABX : 0129-2278421 / 422 / 423