



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

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

NH/CS/199  
संदर्भ सं./Ref. No. \_\_\_\_\_

फोन/Phone : \_\_\_\_\_  
06.09.2016  
दिनांक/Date : \_\_\_\_\_

<p>Manager The Listing Department, M/s BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001</p> <p>मैनेजर, लिस्टिंग विभाग, बीएसई लिमिटेड पि.जे. टावर्स, दलाल स्ट्रीट, मुंबई- 400 001 Scrip Code: 533098</p>	<p>General Manager The Listing Department M/s National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai- 400051</p> <p>महाप्रबंधक, लिस्टिंग विभाग, नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड एक्सचेंज प्लाजा, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (ई), मुंबई - 400 051 Scrip Code: NHPC EQ</p>
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**Sub: Annual Report 2015-16 of NHPC Limited.**

**विषय : एनएचपीसी लिमिटेड के वार्षिक रिपोर्ट 2015-16 ।**

Sir/महोदय,

Please find enclosed herewith Annual Report for the year 2015-16.

This is for your record and information.

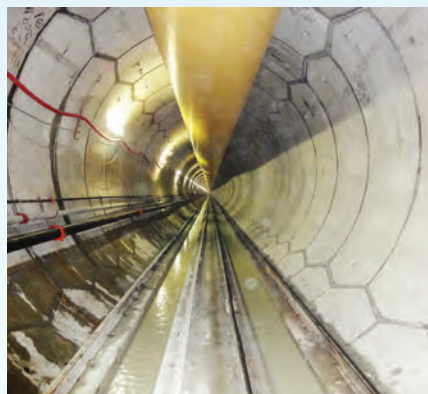
कृपया वर्ष 2015-16 की वार्षिक रिपोर्ट संलग्न प्राप्त करें ।

यह आपकी जानकारी और रिकॉर्ड के लिए है।

धन्यवाद ।

संलग्न: उपरोक्त अनुसार

भवदीय  
*(विजय गुप्ता)*  
(विजय गुप्ता)  
कंपनी सचिव



40<sup>th</sup> Annual Report  
2015-16

Annual General Meeting at 11:00 a.m. on Thursday, 22<sup>nd</sup> September, 2016  
at MCF Auditorium, Faridabad, Haryana

## CORPORATE VISION

To be a global leading organization for sustainable development of clean power through competent, responsible and innovative values.

## CORPORATE MISSION

- \* To achieve excellence in development of clean power at international standards.
- \* To execute & operate projects through efficient and competent contract management and innovative R&D in environment friendly and socio-economically responsive manner.
- \* To develop, nurture and empower the human capital to leverage its full potential.
- \* To practice the best corporate governance and competent value based management for a strong corporate identity and showing concern for employees, customer, environment and society.
- \* To adopt & innovate state-of-the-art technologies and optimize use of natural resources through effective management.



Shri K.M. Singh, Chairman and Managing Director, NHPC Limited (Centre), Shri R.S. Mina, Director (Personnel) (2<sup>nd</sup> from left), Shri Jayant Kumar, Director (Finance) (2<sup>nd</sup> from right), Shri Ratish Kumar, Director (Projects) (extreme left) and Shri Balraj Joshi, Director (Technical) (extreme right) during the Analyst Meet at Mumbai on 02.06.2016

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## DIGEST OF IMPORTANT FINANCIAL DATA (STANDALONE ACCOUNTS)

(₹ in Crore)

FINANCIAL	2015-16	2014-15	2013-14	2012-13	2011-12
A SALE OF ENERGY	7,346.77	6,736.64	5,335.11	5,049.13	5,509.65
B OTHER OPERATING INCOME & REVENUE FROM CONTRACTS, PROJECT MANAGEMENT AND CONSULTANCY WORKS	87.29	65.61	201.93	257.51	409.83
C OTHER INCOME ( INCLUDES EXCEPTIONAL ITEM)	919.76	861.33	1,456.95	1,232.79	871.26
<b>D TOTAL INCOME (A)+(B)+(C)</b>	<b>8,353.82</b>	<b>7,663.58</b>	<b>6,993.99</b>	<b>6,539.43</b>	<b>6,790.74</b>
E GENERATION & OTHER EXPENSES	3,187.57	2,753.72	3,177.77	1,982.63	2,038.72
F DEPRECIATION & AMORTIZATION EXPENSES	1,452.14	1,425.87	1,210.76	969.29	892.74
G FINANCE COST	1,067.37	1,179.77	1,022.40	385.38	342.24
<b>H PROFIT BEFORE TAX AND RATE REGULATED INCOME (D-E-F-G)</b>	<b>2,646.74</b>	<b>2,304.22</b>	<b>1,583.06</b>	<b>3,202.13</b>	<b>3,517.04</b>
I RATE REGULATED INCOME/EXPENDITURE	549.94	521.95	-	-	-
<b>J PROFIT BEFORE TAX (H) + (I)</b>	<b>3,196.68</b>	<b>2,826.17</b>	<b>1,583.06</b>	<b>3,202.13</b>	<b>3,517.04</b>
K TAX	756.54	701.70	604.27	853.91	745.27
<b>L PROFIT AFTER TAX (J) - (K)</b>	<b>2,440.14</b>	<b>2,124.47</b>	<b>978.79</b>	<b>2,348.22</b>	<b>2,771.77</b>
M AUTHORISED SHARE CAPITAL	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
N PAID UP EQUITY SHARE CAPITAL	11,070.67	11,070.67	11,070.67	12,300.74	12,300.74
O RESERVE AND SURPLUS	17,681.28	17,215.72	14,996.98	15,539.76	14,052.79
P LONG TERM BORROWINGS	18,385.28	18,171.03	18,580.52	17,417.52	16,272.80
Q OTHER LONG TERM LIABILITY & LONG TERM PROVISIONS	1,644.81	2,224.12	2,420.51	2,427.61	3,139.25
R DEFERRED TAX LIABILITIES	845.68	810.44	766.67	460.69	204.04
S GROSS TANGIBLE & INTANGIBLE FIXED ASSETS	34,614.81	32,982.14	32,931.02	25,720.04	23,060.93
T DEPRECIATION (PROVISION)	11,730.96	10,286.98	8,851.48	7,680.08	6,692.61
<b>U NET TANGIBLE &amp; INTANGIBLE FIXED ASSETS (S) - (T)</b>	<b>22,883.85</b>	<b>22,695.16</b>	<b>24,079.54</b>	<b>18,039.96</b>	<b>16,368.32</b>
V CAPITAL WORK-IN-PROGRESS	16,575.66	16,054.72	14,657.13	19,709.04	19,349.74
W INVESTMENTS (NON CURRENT)	1,596.36	1,977.75	2,227.02	2,400.61	2,499.14
X OTHER LONG TERM LOANS & ADVANCES AND OTHER NON-CURRENT ASSET INCLUDING RATE REGULATORY ASSETS	4,251.04	3,608.49	1,986.06	2,183.11	2,610.55
Y WORKING CAPITAL	4,320.81	5,155.86	4,885.60	5,813.60	5,141.87
<b>Z GROSS CAPITAL EMPLOYED (U)+(V)+(W)+(X)+(Y)</b>	<b>49,627.72</b>	<b>49,491.98</b>	<b>47,835.35</b>	<b>48,146.32</b>	<b>45,969.62</b>
<b>AA NET WORTH (N)+(O)</b>	<b>28,751.95</b>	<b>28,286.39</b>	<b>26,067.65</b>	<b>27,840.50</b>	<b>26,353.53</b>
<b>AB DIVIDEND (INCLUDING INTERIM DIVIDEND)</b>	<b>1,660.60</b>	<b>664.27</b>	<b>332.12</b>	<b>738.04</b>	<b>861.05</b>
<b>RATIOS</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
RETURN ON CAPITAL EMPLOYED [ (J) + (G) ]/(Z)	8.59%	8.09%	5.45%	7.45%	8.40%
RETURN ON NET WORTH (L)/(AA)	8.49%	7.51%	3.75%	8.43%	10.52%
NET PROFIT TO SALE OF ENERGY (L)/(A)	33.21%	31.54%	18.35%	46.51%	50.31%
BOOK VALUE PER SHARE (in ₹)	25.97	25.55	23.55	22.63	21.42
EARNING PER SHARE (in ₹)	2.20	1.92	0.82	1.91	2.25
DIVIDEND PER SHARE (including interim dividend) (in ₹)	1.50	0.60	0.30	0.60	0.70
DEBT EQUITY RATIO (P)/( (N) + (O) )	0.64	0.64	0.71	0.63	0.62
CURRENT RATIO	1.78	2.08	1.80	1.91	1.76
<b>OPERATING PERFORMANCE</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
GENERATION (M.U.)	23683	22038	18386	18923	18683
CAPACITY (IN MW)	5067	4987	4857	4050	3775
PLANT AVAILABILITY FACTOR (%)	81.6	77.3	77.7	85.3	83.3
MAN POWER (Nos.)	8654	9211	9838	10410	11036

## REFERENCE INFORMATION

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### Registered & Corporate Office

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NHPC Office Complex,  
Sector-33, Faridabad,  
Haryana-121003  
Ph.: +91 129 2588500, +91 129 2588110  
Fax : +91 129 2277941  
Website: www.nhpcindia.com  
CIN: L40101HR1975GOI032564

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### Company Secretary

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Shri Vijay Gupta

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### Registrar & Share Transfer Agent

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#### For Equity Shares & Tax Free Bonds:

M/s Karvy Computershare Private Limited  
Karvy Selenium Tower B, Plot No. 31-32,  
Gachibowli Financial District, Nanakramguda,  
Hyderabad - 500 032  
Ph: +91 40 67161500  
Email: einward.ris@karvy.com  
Website: www.karvycomputershare.com

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#### For other Bonds:

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M/s RCMC Share Registry Private Limited  
B-25/1, First Floor,  
Okhla Phase-II,  
New Delhi-110020  
Ph: 011-26387320  
Email: info@rcmcdelhi.com

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### Shares & tax free bonds listed at

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BSE Limited  
National Stock Exchange of India Limited

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### Depositories

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National Securities Depository Limited  
Central Depository Services (India) Limited

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### Other bonds listed at

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National Stock Exchange of India Limited  
(Under Wholesale Debt Market Segment)

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### Chief Investor Relations Officer

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Shri K.K. Goel, Chief (Finance)

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### Statutory Auditors

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M/s S. N. Dhawan & Co.  
Chartered Accountants,  
410, Ansal Bhawan,  
16, Kasturba Gandhi Marg,  
New Delhi-110001

M/s Gupta Gupta & Associates  
Chartered Accountants,  
142/3, Trikuta Nagar,  
Jammu - 180012  
Jammu & Kashmir

M/s Ray & Ray  
Chartered Accountants,  
Webel Bhawan, Ground Floor,  
Block EP & GP, Salt Lake,  
Kolkata-700091

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### Bankers

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



# NHPC Limited

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## Cost Auditors

### M/s K. L. Jaisingh & Co.

J-7, Sector-XI, Jaisingh House,  
Noida-201301

### M/s H. Tara & Co.

A-1-B/49-B, Paschim Vihar,  
New Delhi-110063

### M/s V. P. Gupta & Co.

B-25, Sector-23, Noida -201301,  
Uttar Pradesh

### M/s SKR & Associates

D-9/177, Govind Marg, Chitrakoot Scheme, Ajmer Road,  
Jaipur-302021

### M/s Jugal K Puri & Associates

K-19 (GF), South Extension Part II,  
New Delhi - 110049

### M/s N K Jain & Associates

2D, OCS Apartments, Mayur Vihar, Phase-I,  
Delhi - 110091

### M/s S P Bhattacharyya & Co.

A-202, KV Vasundhara, VIP Road,  
Kolkata - 700052

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## Secretarial Auditor

### M/s Agarwal S. & Associates

119 & 127, Vardhman Star Citi Mall,  
Sector-7, Dwarka, New Delhi - 110075

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## Debenture Trustees

### 7.70% O Series Bonds

### Axis Trustee Services Ltd.

2<sup>nd</sup> Floor, Red Fort Capital Parsvanath  
Tower, Bhai Veer Singh Marg, Gole  
Market, New Delhi -110 001  
Ph.: +91 11 47396656  
Email: debenturetrustee@axistrustee.  
com

### 9% P Series, 9.25% Q Series, Tax Free Bonds NHPC 2013 (Series 1A, 1B, 2A, 2B, 3A and 3B) and 8.49% S1, 8.54% S2 Series, 8.50% T Series Bonds

### IDBI Trusteeship Services Ltd.

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

### 8.70% R1, 8.85% R2, 8.78% R3 Series, 8.24% U Series, 8.17% U1 Series Bonds

### SBICAP Trustee Company Ltd.

Apeejay House, 6<sup>th</sup> Floor,  
3, Dinshaw Wachha Road, Church Gate,  
Mumbai - 400020  
Ph.: +91 22 43025553  
Email: helpdesk@sbicaptrustee.com

## LETTER TO SHAREHOLDERS



### Dear Shareowners,

It is my pleasure to present the 40<sup>th</sup> Annual Report of your Company for 2015-16, which was a challenging, yet successful year for NHPC. We grew our business and increased our profitability, which enabled us to improve our competitiveness and create value for shareholders. We continued to implement our mission driven strategy by efficiently operating the power stations, implementing the projects and continuing to invest in technology, infrastructure and talent, which are the critical inputs for the future of your Company. And each year your Company is stepping ahead and getting stronger.

The year 2015-16 saw highest ever generation of 23683 MUs by your Company. This was way ahead of 22,000 MUs committed for "Excellent" target under Memorandum of Understanding signed with Govt. of India. With the commissioning of two units of 40 MW each of Teesta Low Dam-IV H.E. Project in West Bengal during 2015-16, your Company's total generation capacity has surpassed 5000 MW on standalone basis, which is a milestone achievement. As I write to you, we have also commissioned the third unit of the TLDP-IV and I am certain that by the time you are reading this, we would have commissioned the last unit also. The total generation capacity of your Company, as of now, stands at 5,081.2 MW. We are committed towards achieving sustained growth and high performance.

On financial front, your Company had a sterling year wherein we earned a profit of ₹ 2,440.14 Crore compared to ₹ 2,124.47 Crore in the previous year. Sales during FY 2015-16 were ₹ 7,347 Crore whereas realization, including liquidation of outstanding amount of previous years stands at ₹ 8,031 Crore.

I am pleased to inform you that the Board of Directors has recommended a final dividend of ₹ 1.50 per equity share (excluding dividend tax) which is inclusive of an interim dividend of ₹ 0.92 per equity share paid in March, 2016. The final dividend shall be paid after your approval at the forthcoming Annual General Meeting. On approval, the total dividend pay-out for the year will be 68.05% of the profit after tax.

In April, 2016, Govt. of India divested 11.36% of its holding in the company through Offer for Sale (OFS) mechanism through Stock exchange. Post OFS, Govt. of India's shareholding in the company has come down to 74.60% from 85.96%.

It has been a constant endeavor of your Company to harness available hydro power potential in the country. At present, 3170 MW capacity is under construction by your Company. I am pleased to inform you that your Company has managed to restart the Tunnel Boring Machine at Parbati-II H.E. Project and





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has successfully traversed the shear zone where the machine was stuck. We are targeting commissioning of this project by December 2018. Construction works of Kishanganga HE Project (330 MW), Jammu & Kashmir, are in advanced stage and the project is expected to be commissioned during the current financial year. Management of your Company is in constant touch with the Central Government, State Govt. of Assam and all the stakeholders for early resumption of construction activities at Subansiri Lower H.E. Project.

Your Company has been the flag bearer of hydro power development in the country and being committed to maintaining our leadership, we are in the process of obtaining necessary clearances for five prospective projects having planned capacity of 4995 MW. Further, joint venture companies have been formed in Jammu & Kashmir and Manipur for developing hydropower. Your Company is in active dialogue with Druk Green Power Corporation Limited, Bhutan for development of Chamkharchhu-I HE project (770 MW) in Bhutan, in joint venture mode.

Your Company is exploring the business opportunities available in the wind and solar power field for benefits of the shareholders. A 50 MW wind Power Project in Jaisalmer, Rajasthan is nearing completion. Your Company has signed a MOU with Govt. of Kerala for development of 72 MW wind power project at Palakkad District in the state of Kerala and is also planning to develop a 50 MW solar power project in Tamil Nadu. Your Company in joint venture with UPNEDA is exploring opportunities for a 50 MW solar power project in Uttar Pradesh. Further, we are also gearing up for availing business opportunities in thermal sector also. The Government approval is under process for taking up Pirpainti Thermal Power Project (1,320 MW) in Bihar, through joint venture mode.

In today's business environment constant technological updation and innovation is a pre requirement for survival and growth. As such, adoption of new technology has been one of the thrust areas of your Company. During the FY 2015-16, a state of art 'Real-time Seismic Data Centre' has been established by your Company at corporate office, Faridabad. Your Company is the only hydropower company in the country to have such data centre. All eighteen power stations of your Company are connected with the centre for receiving the earthquake data on real-time basis.

The affairs of your Company are conducted in a socially responsible manner by maintaining high level of integrity and ethical behavior. Your Company has a CSR & SD policy in place and social and environmental sustainability is ensured by winning the trust and confidence of all its stakeholders by addressing social, economic and environmental issues. During FY 2015-16, your Company spent ₹ 72.68 Crore on CSR & SD activities as against the required spending of ₹ 43.28 Crore

under the Companies Act, 2013. Your Company has taken a number of initiatives in CSR activities during the year. Your Company actively participated in "Swachh Vidyalaya Abhiyaan" and constructed 7045 toilets in various parts of the country.

Your Company takes utmost care in constantly adopting and maintaining the highest standards of Corporate Governance in its business activities. Besides adhering to the provisions of listing agreement, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company also follows the guidelines on Corporate Governance for CPSEs issued by Department of Public Enterprises (DPE), Government of India. Your Company has also adopted Whistle Blower Policy for reporting the instances of unethical/improper conduct.

It is a matter of great pleasure to inform that during the year industrial relations were cordial and harmonious in all Projects/Power Stations/Units of your Company.

Your Company's efforts for an all-round growth have been recognized by industry and a number of prestigious awards were conferred on your Company.

The faith reposed by you in the management of Company is an invaluable source of support and inspiration for us. We look forward to your continued and unstinted support. I would like to take this opportunity to express my gratitude to all stakeholders, business partners, customers, CERC and various Ministries of Govt. of India, especially Ministry of Power for providing valuable guidance and support in our efforts. I would also like to thank various State Government(s) for all the support they had extended to our business. I would also like to place on record my sincere appreciation to the Board of Directors for their guidance and support. I must also thank all the employees for their continuous and untiring efforts in achieving the company's objectives.

We continue to see exciting opportunities to invest for the future and do more for our communities and country as well as continue to support the growth of clean and green power. I assure you that the strategies of your Company will continue to translate into sustainable returns and gains to all stakeholders.

With best wishes,

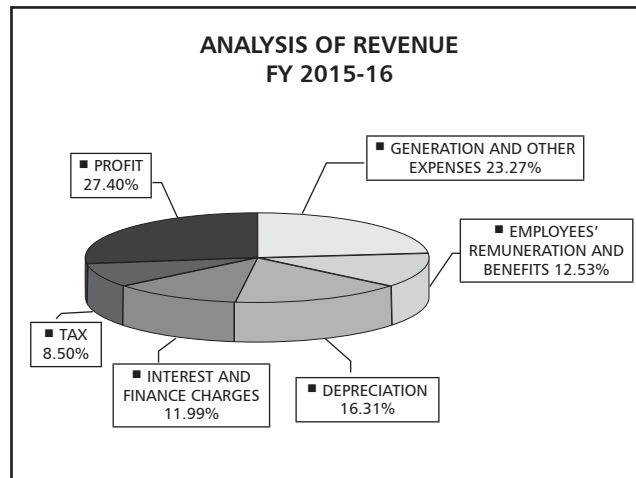
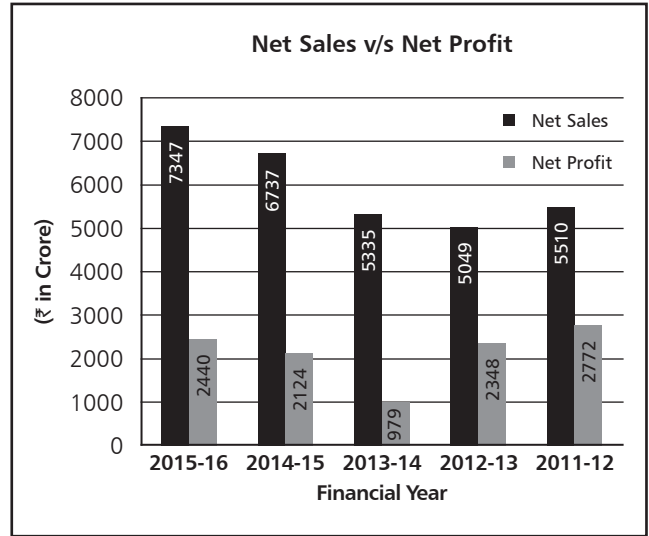
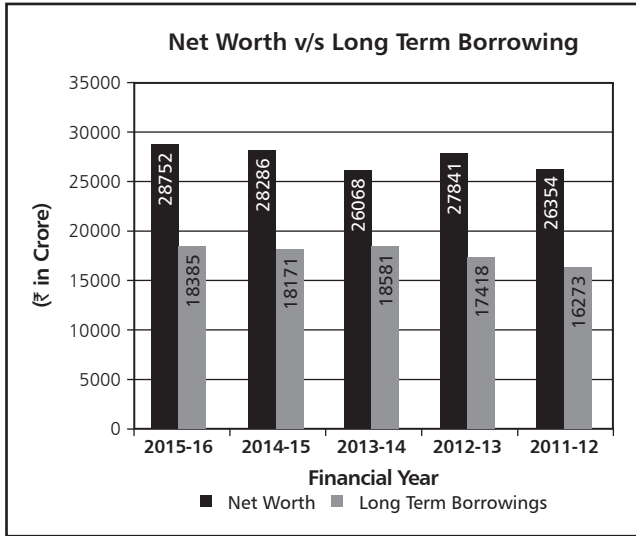
Yours sincerely,

(K.M. Singh)

Chairman and Managing Director  
DIN 02223301

Date: 4<sup>th</sup> August, 2016  
Place: Faridabad

NHPC's PERFORMANCE





## DIRECTORS' PROFILE



### Shri K.M. Singh, Chairman & Managing Director

DIN 02223301

**Shri K.M. Singh** (59 years) is the Chairman & Managing Director of our Company. Prior to joining NHPC Board, Shri Singh was heading NHDC- a joint venture company of NHPC and Govt. of Madhya Pradesh, as Chief Executive Director, since June 2008. Shri Singh is an Electrical Engineering graduate from Gorakhpur University, Uttar Pradesh. He began his professional career as an Executive Trainee in NHPC at Loktak Power Station in 1979.

Shri Singh has over 35 years of rich and varied experience in the field of Hydro power engineering to his credit. During his posting at various projects and Corporate Office of NHPC, he has been involved in construction, erection, testing & commissioning, quality assurance and operation and maintenance of various projects/power stations. He is well versed with all the facets of Hydro

Power Development and has been instrumental in propounding best practices in construction, quality assurance, operation and maintenance of hydroelectric plants. He has contributed immensely towards making NHPC a vibrant and energetic organization. He has been appointed on NHPC Board as CMD on 23<sup>rd</sup> September 2015.

### Shri Radheshyam Mina, Director (Personnel)

DIN 00149956

**Shri Radheshyam Mina** (59 years) holds a bachelor's degree in Electrical Engineering from Maulana Azad College of Technology, (now known as MANIT), Bhopal and MBA degree with specialization in financial and human resource management from the Indira Gandhi National Open University (IGNOU).

In his over 35 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, Estate Management Services Division, Legal and Corporate Communication. He has been holding additional charge of Managing Director, NHDC Limited with effect from 08.05.2013 to 05.05.2015 and again w.e.f. 09.11.2015.

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.

He is a member of the Executive Board of Standing Conference of Public Enterprises (SCOPE) for the years 2013-15 and 2015-16. He joined NHPC in 1981 and he was with Power Grid Corporation of India Limited from 1991 to 1998. He rejoined NHPC in 1998 and served in the various capacities till his appointment as Director (Personnel) on 28<sup>th</sup> April 2009.



## DIRECTORS' PROFILE



**Shri Jayant Kumar, Director (Finance)**

DIN 03010235

**Shri Jayant Kumar** (59 years) is Cost Accountant by profession, has eminent career in NHPC. He has rich and varied experience of over three decade in the Corporate Financial Management.

Shri Kumar is responsible for the entire gamut of Financial Management of the organization including Resource Mobilization, Optimum Utilization of Funds, Budgetary Control and investment decisions. Sh. Kumar is also responsible for formulation and implementation of commercial strategies including Power selling arrangements, appropriate pricing from CERC, realization of dues from beneficiaries and taking appropriate measures in case of default against beneficiaries under CERC Regulations.

He has led several landmark transactions for the corporation such as Initial Public Offer (IPO) in 2009, Issuance of Tax free Bonds in 2013, Buy Back Offer of shares in 2013. NHPC was the first CPSE which resorted to the buy back of shares.

As CFO, he is responsible for establishing adequate internal control and adherence by the company to sound corporate governance practices. He is a vital link between investing community and the management of the company.

Prior to joining NHPC Board, Shri Kumar has served NHPC in various capacities including as the Executive Director (Finance). Sh. Kumar is a part time Director on the Board of NHDC Limited (subsidiary Company of NHPC Limited), Chenab Valley Power Projects (P) Ltd. and PTC India Ltd. (Both Joint Venture Companies of NHPC). Besides NHPC he also had a successful stint as Director (Finance) of UJVN Limited (A Govt. of Uttarakhand Enterprise).

Under his able guidance NHPC won second award under the category of Public Manufacturing (Large) at 13<sup>th</sup> National Awards for excellence in Cost Management- 2015 by Institute of Cost Accountants of India for implementing effective cost management practices.

Shri Kumar joined NHPC Board w.e.f. 26<sup>th</sup> May 2015.

**Shri Ratish Kumar, Director (Projects)**

DIN 06852735

**Shri Ratish Kumar** (55 years) holds B.Tech in Electrical Engineering from GB Pant University of Agriculture & Technology, Pantnagar (Uttarakhand). Shri Ratish Kumar started his professional career in NHPC Limited as Trainee Engineer in October 1982 from Baira Siul Project.

Shri Ratish Kumar has over 33 years of experience in NHPC where he climbed up the professional ladder with utmost sense of responsibility, ethics and dedication. In his present assignment as Director (Projects), Shri Ratish Kumar is in-charge of all NHPC projects which are under construction and pre-construction stages. This includes hydro as well as solar & wind renewable energy projects. He is also responsible for Joint-ventures and consultancy assignments being undertaken by the Company. In addition, major functions viz. Contracts (E&M), Cost Engineering and Design (E&M) also come under his ambit.

Prior to joining NHPC Board, Shri Ratish Kumar served NHPC in various capacities including as the Executive Director (Design-E&M). His major contributions include construction and erection of Salal Power Station Stage-II, restoration of Dhauliganga and Uri-II Power Stations, O&M of Hydro Power Plants and Design and Engineering of E&M packages of projects viz. Parbati-II, Parbati-III, Subansiri Lower H E Project, Teesta-V, Sewa-II, Chamera-III, Dhauliganga projects etc. He was also associated with various International assignments including preparation of DPR of Tamanthi & Shwezaye in Myanmar, Kuri-Gongri, Chamkharchhu & Mangdechhu in Bhutan. Shri Ratish Kumar had been a Nominee Director on the Board of National High Power Test Laboratory Pvt. Limited w.e.f. 24-03-2014 to 08-02-2016.

Shri Ratish Kumar has excellent command in construction & erection of Hydro power Plants, Design & Engineering of E&M equipments, Power Potential and Optimization Studies, layout of hydro power projects, preparation of pre-qualification and award of big contracts of hydro projects through ICB or NCB including all other aspects related to hydro generation. Shri Ratish Kumar serves as a contributing member in Electro-Technical Division Council (ETDC) of Bureau of Indian Standards and is also a member in the technical committee for formulation of Indian Standards in the field of High Voltage Switchgear & Control gear 17 A, 17 C (BIS ETD 08). He has been an expert member in numerous National Level Publications, CBIP Manual on GIS 2013, Bus Duct 2013 and Transformer 2013.

Shri Ratish Kumar joined the Board of NHPC Limited w.e.f. 6<sup>th</sup> January, 2016.



## DIRECTORS' PROFILE



### Shri Balraj Joshi, Director (Technical)

DIN 07449990

**Shri Balraj Joshi** (57 years) holds a degree in Civil Engineering from Govt. Engineering College, Karad, Maharashtra. He also holds PG Qualification in Hydropower development and planning from the prestigious Norwegian Technical Institute, Trondheim, Norway under NORAD Scholarship. Shri Joshi joined NHPC in October 1982 as a Probationary Executive (Engg.) at Salal Project (J&K).

During his distinguished career spanning over 33 years, Shri Joshi scaled new heights and contributed to NHPC's development by serving many projects namely Salal, Dulhasti, Kurichu Project (Bhutan), Teesta-V, Teesta Low Dam-III & IV, Parbati-III, Chutak, Chamera-III, Parbati-II etc. and rose to the position of Executive Director (Design & Engineering), NHPC. He has also been associated with NHPC's Consultancy assignments for many projects as 1200 MW Tamanthi and 880 MW Shwezay

in Myanmar, 720 MW Mangdechhu, Bhutan & Bakreswar thermal power project of M/s West Bengal Development Corporation etc. He has also represented NHPC at International Court of Arbitration at 'The Hague' for Kishanganga Project. In an outstanding display of commitment Shri Joshi successfully undertook the highly challenging work of resurrecting the Dhauliganga Power Station after its flooding.

Shri Balraj Joshi has taken over as Director (Technical) of NHPC Limited on 1<sup>st</sup> April 2016.

### Mrs. Archana Agrawal, Government Nominee Director

DIN 02105906

**Mrs. Archana Agrawal**, (49 years) Joint Secretary (Hydro), Ministry of Power, has been appointed as Nominee Director on the Board of NHPC Limited w.e.f. 6<sup>th</sup> March 2016.

Mrs. Agrawal is a 1990 batch, Indian Administrative Officer of Uttar Pradesh cadre. She holds a Post Graduate Degree in Political Science, Master degree in Business Administration with specialization in Financial Management and Bachelor degree in Arts in History, Public Administration and Political Science. In addition to above, she has been well trained in diverse areas of Public administration and Management in a number of reputed national and international institutions

During her illustrious career of 26 years as an IAS officer, she has held various key administrative positions in Uttar Pradesh Government like:-

- Principal Secretary - GAD and Dairy Development
- Secretary - Infrastructure & Investment, Industries, Taxation, Co-ordination.
- Commissioner - Transport, Food & Civil Supplies, Food Safety and Drugs, Milk Commissioner.
- Managing Director - PICUP, Udyog Bandhu, PCDF
- Project Coordinator - Diversified Agriculture Support Project (World Bank funded)
- Special Secretary - Industrial Development and Education Departments
- Vice Chairman - Varanasi Development Authority, Faizabad - Ayodhya Development Authority
- Distt. Magistrate - Sultanpur, Faizabad
- Chief Development Officer - Faizabad, Agra, Mainpuri





## DIRECTORS' PROFILE



**Mrs. Krishna Tyagi, Govt. Nominee Director**

DIN 07230978

**Mrs. Krishna Tyagi** (55 years) holds MBA degree in Public Service with the main focus on public policy, from Birmingham University, United Kingdom and Post - graduation in Literature from University of Delhi. Mrs. Tyagi started her carrier as probationer in Indian Civil Accounts Service on 17<sup>th</sup> December 1987 with more than 25 years of experience in audit, finance, direct and indirect taxes, personnel management. Being an officer of Indian Civil Account Service, Financial Management has been her area of strength. Mrs. Tyagi has versatile experience of working in the Ministries of Civil Aviation and Tourism, Human Resources and Development, Science & Technology, Rural Development, and other Ministries also at senior level. Presently, she is working as Chief Controller (Accounts) equivalent to Joint Secretary level in Ministry of Power, Delhi.

Mrs. Krishna Tyagi joined NHPC Board on 8<sup>th</sup> July 2015.

### Prof. Arun Kumar, Independent Director

DIN 07346292

**Prof. Arun Kumar** (56 years) is a Bachelor's in civil engineering from IIT Roorkee, Masters in Civil Engineering from IISc Bengaluru and holds PhD in Hydro Power Development from IIT Roorkee. He did Diploma studies in Hydro Power Development from NTH, Trondheim (Norway). His contribution in the field of hydropower and environmental Management of rivers and lakes is well recognized both within India as well as internationally. He headed the Alternate Hydro Energy Centre (AHEC), IIT Roorkee from 1998 to 2011.

Prof. Kumar has over 34 years of experience in the field of Hydro Power Development and environmental management of river and lakes. He served as Coordinating Lead author for Hydropower on Special Report on Renewable Energy Sources for Intergovernmental Panel on Climate Change - working group III during 2009-11. During his distinguished career, Prof. Kumar had received various awards and recognitions for his exemplary work such as, Cash your Ideas Award by Central Board for Irrigation and Power in 1991, Surya Award from IIRDSS, New Delhi in 2001.

Prof. Kumar is currently working as Professor of AHEC, IIT Roorkee and holds MNRE Chair Professor (Renewable Energy).

Prof. Kumar joined the Board of NHPC Limited on 26<sup>th</sup> November 2015.



**Prof. Kanika T. Bhal, Independent Director**

DIN 06944916

**Prof. Kanika T. Bhal** (51 years) is Modi Chair Professor and Head of Department of Management Studies at IIT Delhi. A Ph D from IIT Kanpur and a visiting fellow at Sloan School of Management, she is an expert in behavioural sciences in general and leadership in particular. She has published several articles in national and international journals and conferences and is on the editorial boards of national and international journals. She has authored books on leadership, culture and ethics. She has done sponsored research for several nationally and internationally funded (with Fordham University and Wharton Business School) projects. Besides being a consultant to various organizations like Fifth Central Pay Commission of India, First National Judicial Pay Commission of India, DRDO, UPSC, DGS&D, Ministry of Rural Development, NICD and Ministry of Environment and Forests, she is invited as an expert on Government Committees and is a member of the Academy

of Management, USA, Society for Industrial Organization and Psychology and Global Institute of Flexible Systems Management.

She has been awarded several awards like Best Professor in Management by Headlines Today 2013, Dr. Hari Singh Gaur Award for excellent Work in Management Education by IES Group of Institutions, Bhopal 2009, Excellence in Teaching Award by IIT Delhi in January 2012.

Besides doing research she serves as Independent Director on the Board of Directors of IL & FS Engineering and Construction Company Limited.

Prof. Bhal joined the Board of NHPC Limited on 26<sup>th</sup> November 2015.



## DIRECTORS' PROFILE



### CA Satya Prakash Mangal, Independent Director

DIN 01052952

**CA Satya Prakash Mangal** (56 years) is a practicing Chartered Accountant and founding partner of M/s Satya Prakash Mangal & Company, Chartered Accountants, New Delhi. He has significant experience in Taxation & Audit. His forte is determining the optimal route for financial engineering and financial restructuring and revival of project. He is also a life member of Administrative Staff College of India Association, Hyderabad.

Shri Satya Prakash Mangal has served as Director of Punjab & Sind Bank (A Government of India Undertaking) and UCO Bank (A Government of India Undertaking). He is working on project AAS (Advance Audit System) for Banking Industry which provide preventive measure for arresting NPA.

Additionally, he has wide knowledge of Assurance and Compliances, SEBI Compliance and Risk management. He has completed course of Management audit, which includes Management Audit

of Finance, Human Resources, Marketing, Information systems & Technology & Risk Management system. He has credentials to guide on best practice of corporate governance and CSR (Corporate Social Responsibility).

Shri Satya Prakash Mangal is a Project Coordinator for Vriksha Vandana (A Project which is bringing Green Revolution and Protection of Environment in Govardhan Dist. Mathura (U.P) by planting and caring more than 100,000 Trees). He has been nominated as Chairman of National Committee of Krishna Circuit (Swadesh Darshan) by Ministry of Tourism, Government of India. Shri Mangal is also the Founder Trustee of **"AROGYA FOUNDATION OF INDIA"** (Carrying Rural Health Mission Program in more than 43,000 tribal and backward Villages of Bharat), Trustee of **"Maharaja Agrasen Naturopathy & Yoga Sadhana Research Trust"** (Balajee Nirog Dham Delhi). As Secretary of **JEEVNA** he plays a vital role in conducting **"National Workshop on Behavioral Game Theory and Human Values"**.

At present, he is serving as Director in Raunaq EPC International Limited, SPMC GLOBAL Advisory Services Pvt Ltd and Addwings Rail & Infra Solutions Pvt. Ltd.

Shri Satya Prakash Mangal joined the Board of NHPC Limited on 26<sup>th</sup> November 2015.

### Shri Farooq Khan, Independent Director

DIN 07348921

**Shri Farooq Khan** (62 years) is a former Indian Police Service Officer and Inspector General of Police (IGP), Jammu and Kashmir

Shri Khan has significantly contributed to the creation of Counter Terrorist wing of Jammu & Kashmir Police. He was the head of the Sher-e-Kashmir Police Academy Udhampur. He has been also awarded with the President's medals for gallantry, bravery and distinguished service.

Shri Farooq Khan joined the Board of NHPC Limited on 26<sup>th</sup> November 2015.



## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 40<sup>th</sup> Annual Report on the performance of your Company along with audited financial statements, Auditors' Report, Report of Secretarial Auditor and review of financial statements by the Comptroller and Auditor General of India for the Financial Year ended 31<sup>st</sup> March 2016.

### 1. FINANCIAL RESULTS

The financial results for the year ended 31<sup>st</sup> March 2016 are summarized in **Table 1**.

**Table 1: Financial highlights**

(₹ in Crore)		
PARTICULARS	2015-16	2014-15
Sales	7,346.77	6,736.64
Profit before depreciation, interest, rate regulated income and tax	5,166.25	4,909.86
Depreciation	1,452.14	1,425.87
Profit after depreciation but before rate regulated income, interest and tax	3,714.11	3,483.99
Interest and finance charges	1,067.37	1,179.77
Profit after depreciation and interest but before rate regulated income and tax	2,646.74	2,304.22
Rate regulated income	549.94	521.95
Tax	756.54	701.70
Profit after depreciation, interest and tax	2,440.14	2,124.47
Adjustment arising out of transition provisions for recognizing rate regulatory assets (net of provision for income tax)	-	876.10
Surplus of statement of profit and loss of earlier years	1,745.79	7,447.16
Amount written back from bond redemption reserve	109.43	15.96
Amount written back from self-insurance reserve	-	5.65
Amount written back from CSR fund	13.33	4.59
Tax on dividend—written back	24.08	10.05
Balance available for appropriation	4,332.77	10,483.98
<b>APPROPRIATIONS</b>		
Transfer to bond redemption reserve	185.74	379.10
Transfer to self-insurance fund	-	55.77
Transfer to general reserve	-	7,500.00
Transfer to CSR reserve	-	-
Transfer to R & D fund	9.91	4.63
Proposed/final dividend	1,660.60	664.27
Tax on proposed dividend	338.06	134.42
<b>Balance carried over to reserves and surplus</b>	<b>2,138.46</b>	<b>1,745.79</b>

### 2. DIVIDEND

Your Directors have recommended a final dividend of ₹ 1.50 per equity share (excluding dividend tax) for the Financial Year 2015-16. The above amount is inclusive of an interim dividend of Re. 0.92 per equity share paid in March 2016. The final dividend shall be paid after your approval at the forthcoming Annual General Meeting. On approval, the total dividend payout for the year will be 68.05% of Profit After Tax.

### 3. POWER GENERATION

During the year the installed capacity of your Company has increased to **5,041.2 MW** with the commissioning of two units of 40 MW each of TLDP-IV (4X40 MW). With the commissioning of these units, the total number of commissioned units of your Company has increased to 65. The third unit of TLDP-IV has also been commissioned during the current financial year.



Board is pleased to inform that during the year 2015-16, your Company has achieved the highest ever annual generation of **23,683 Million Units** (MUs) with 81.6% Plant Availability Factor (PAF), as against **22,000 MUs** with 78.5% PAF in the Memorandum of Understanding (MoU) for excellent rating.

It is a matter of great satisfaction that Uri-II Power Station (4X60 MW), which was under complete shutdown since 20<sup>th</sup> November 2014 due to major fire, has been fully restored during 2015-16. The power station has achieved its annual design energy (1,124 MW) and normative annual plant availability factor (55%) during the year.

Your Company has earned a net deviation charges of ₹ 176.72 Crore (approx), due to efficient operation and timely response to changes in the grid frequency.

Bairasiul Power Station (180 MW) is completing 35 years of its commercial operation in 2016-17. Detailed Project Report (DPR) for renovation & modernization for extension of the life of the power station has been approved by the Board of Directors and has been vetted by Central Electricity Authority. Presently, process for award of contract for main plant Electro-Mechanical (E&M) package is in advance stage.

#### 4. COMMERCIAL PERFORMANCE

Your Company's commercial performance during the year 2015-16 was as under:

##### 4.1 Sales and Realization

During the year your Company's sales were ₹ 7,347 Crore and it was able to realize an amount of ₹ 8,031 Crore which includes liquidation of outstanding amount of previous years.

As on 31<sup>st</sup> March 2016, outstanding dues of ₹ 835 Crore were pending for more than 60 days. Out of the above, ₹ 580 Crore pertains to Power Development Department, J&K (JKPDD) and ₹ 206 Crore pertains to BSES Yamuna Power Limited. Your Company has made efforts to recover the outstanding dues, including regulation of power supply of defaulting beneficiaries. The implementation of Ujwal DISCOM Assurance Yojna (UDAY) of Government of India has also facilitated in liquidation of outstanding dues by beneficiaries.

##### 4.2 Tariff petition before Central Electricity Regulatory Commission

Your Company has submitted tariff petitions (including truing up petitions) for fixation of tariff under Central Electricity Regulatory Commission (Terms & Conditions of Tariff) Regulation, 2014 for the period 2014-19 for its 17 power stations.

Central Electricity Regulatory Commission has issued tariff orders for 7 power stations viz. Bairasiul, Salal, Chamera-I, Tanakpur, Dhauliganga, Rangit & Loktak. Orders against remaining petitions are expected shortly.

Unit 1, 2 and 3 of TLDP-IV HE Project (4x40 MW each) have been commissioned on 14<sup>th</sup> February 2016, 16<sup>th</sup> March 2016 and 3<sup>rd</sup> July 2016. Unit 1, 2 and 3 have been declared under commercial operation with effect from 11<sup>th</sup> March 2016, 31<sup>st</sup> March 2016 and 17<sup>th</sup> July 2016 respectively.

#### 5. CAPITAL STRUCTURE AND NET WORTH

Your Company's paid-up capital and net worth as on 31<sup>st</sup> March 2016 was ₹ 11,070.67 Crore and ₹ 28,751.95 Crore respectively.

President of India acting through Ministry of Power, Govt. of India in April, 2016 divested 11.36% of its holding in the Company and had raised ₹ 2,719.55 Crore through Offer for Sale (OFS) route through the stock exchange mechanism. Post OFS, President of India's shareholding in the Company has come down to 74.60% from 85.96%.

#### 6. STATUS OF ONGOING PROJECTS

Your Company is presently engaged in the construction of four hydroelectric projects and their status is as under:

##### 6.1 Teesta Low Dam-IV Hydroelectric Project (160 MW), West Bengal:

All the major Civil & Hydro-Mechanical (HM) works have been completed and three units of the project have been commissioned. The fourth unit is expected to be commissioned by September 2016.

##### 6.2 Kishanganga Hydroelectric Project (330 MW), Jammu & Kashmir:

The project is estimated to generate 1705.60 MUs of energy in a 90% dependable year. Construction works of the project are in full swing. E&M and HM works are in progress. The project is expected to be commissioned by November 2016.

##### 6.3 Parbati- II Hydroelectric Project (800 MW), Himachal Pradesh:

Parbati-II Hydroelectric Project is a run of the river scheme on the river Parbati. The project is estimated to generate 3,108.66 MUs of energy in a 90% dependable year. Construction works of the project are going in full swing. Major civil works of dam and power house have been completed.

Balance Civil, E&M and HM works are in progress. Excavation of balance Head Race Tunnel (HRT) by Tunnel Boring Machine (TBM) is most critical. The shear zone treatment, where the TBM was stuck has been completed and tunneling has been resumed in October 2015. Project is now expected to be commissioned in December 2018.

#### 6.4 Subansiri Lower Hydroelectric Project (2,000 MW), Assam/Arunachal Pradesh:

The project works are held up since December 2011 due to agitation by various pressure groups of Assam State, which has affected the project completion schedule. Ministry of Power (MoP),

Govt. of India has constituted various committees to resolve the issues. Company is regularly pursuing with Central Govt. and State Govt. of Assam for immediate resumption of the construction activities at the project. The project is expected to be completed in four years time from resumption of work. The annual energy generation from this project is estimated to be 7,421 MU in a 90% dependable year. A petition against the project is pending before National Green Tribunal (NGT) at its Kolkata Branch. The petitioner has prayed for stay on the project execution, till the issue of minimum downstream flow and protection of river embankments at downstream is decided by NGT.

## 7. NEW PROJECTS

Table 2: Projects under approval stage are as under:

S. No.	PROJECT	STATE	INSTALLED CAPACITY (MW)
<b>A. STANDALONE BASIS</b>			
<b>(a) HYDRO PROJECTS</b>			
i	Kotlibhel1-A	Uttarakhand	195
ii	Teesta-IV	Sikkim	520
iii	Dibang*	Arunachal Pradesh	2,880
iv	Tawang-I		600
v	Tawang-II		800
<b>Sub-total (a)</b>			<b>4,995</b>
<b>(b) WIND PROJECTS</b>			
i	Wind Project, Palakkad	Kerala	72
ii	Wind Project	Andhra Pradesh	16
<b>Sub-total (b)</b>			<b>88</b>
<b>(c) SOLAR PROJECT</b>			
i	Solar Project	Tamil Nadu	50
<b>Sub-total (c)</b>			<b>50</b>
<b>Total A (a+b+c)</b>			<b>5,133</b>
<b>B. THROUGH SUBSIDIARIES</b>			
<b>(a) HYDRO PROJECTS</b>			
i	Loktak Downstream HE Project by Loktak Downstream Hydroelectric Corporation Limited (Joint Venture with Govt. of Manipur)	Manipur	66
<b>Sub-total (a)</b>			<b>66</b>
<b>(b) SOLAR PROJECTS</b>			
i	Solar Project by Bundelkhand Saur Urja Limited (Joint Venture with UPNEDA)	Uttar Pradesh	50
<b>Sub-total (b)</b>			<b>50</b>
<b>(c) THERMAL PROJECTS</b>			
i	Pirpainti Thermal Power Project (a Joint venture between Bihar State Power Generation Company Limited and Pirpainti Bijlee Company Private Limited)	Bihar	1,320
<b>Sub-total (c)</b>			<b>1,320</b>
<b>Total B (a+b+c)</b>			<b>1,436</b>
<b>C. THROUGH JOINT VENTURE</b>			
<b>(a) HYDRO PROJECTS</b>			
i	Kiru <sup>§</sup> (Joint Venture with JKSPDC & PTC)	Jammu & Kashmir	624
ii	Kwar <sup>§</sup> (Joint Venture with JKSPDC & PTC)		540
iii	Pakal Dul (Joint Venture with JKSPDC and PTC)		1,000
iv	Chamkharchhu – I (Joint Venture with Druk Green Power Corporation Limited, Bhutan) in Bhutan	-	770
<b>Sub-total (a)</b>			<b>2,934</b>
<b>Total C (a)</b>			<b>2,934</b>
<b>Grand Total (A+B+C)</b>			<b>9,503</b>





## Notes:

- \* Dibang Multipurpose Project was accorded concurrence by Central Electricity Authority (CEA) initially for 3,000 MW. Subsequently, Dibang Multipurpose Project was accorded environmental clearance by Ministry of Environment, Forest and Climate Change on 19<sup>th</sup> May 2015 with reduction in dam height by 10 meters. Due to reduction in dam height, the installed capacity shall now be of 2,880 MW.
- \$ Earlier capacities of Kiru and Kwar HE Projects were envisaged as 600 MW and 520 MW respectively. The detailed project report of Kiru HE Project for 624 MW has been cleared by CEA on 13<sup>th</sup> June 2016 and Environment clearance has also been accorded to it on 24<sup>th</sup> June 2016. The detailed project report of Kwar HE Project for 540 MW is under appraisal by CEA.

Besides the above projects, two projects viz. Kotlibhel Stage 1B (320 MW) and Kotlibhel Stage II (530 MW) in Uttarakhand were under clearance stage. CEA had concurred these schemes and Project Investment Board (PIB) had recommended these projects in 2007. However, environmental clearance of Kotlibhel Stage-1B was withdrawn by Ministry of Environment, Forest and Climate Change (MoEF & CC). In this regard, NHPC has filed a civil appeal before Hon'ble Supreme Court. Further, MoEF & CC has also declined permission for diversion of forest land for construction of Kotlibhel Stage-1B and Kotlibhel Stage-II HE Projects. NHPC has taken up the issue with MoEF & CC/MoP/State for reconsideration of forest clearance of these projects.

## 8. DIVERSIFICATION

Your Company is diversifying its activities from hydropower to other sources of energy viz. wind, solar and thermal. The activities of the company for establishment of such projects are as under:

### 8.1 Wind Power Projects

EPC contract for development of 50 MW wind power project in the Jaisalmer District, Rajasthan was awarded in February 2015 along with its comprehensive operation & maintenance for 10 years. The project will be commissioned after signing of PPA with Rajasthan Discoms, which is under process.

A Memorandum of Understanding (MoU) was signed between Government of Kerala and NHPC for the development of a 72 MW ( $\pm 10\%$ ) capacity of Wind Power Project at Agali site, Palakkad District in the State of Kerala. DPR to execute the wind power project has been prepared.

Your Company has received in-principle allotment of 16 MW wind power plant in Andhra Pradesh from New & Renewable Energy Development Corporation of Andhra Pradesh Limited (nodal agency).

### 8.2 Solar Power Projects

Your company has incorporated a subsidiary Company i.e. Budelkhand Saur Urja Limited in joint venture with Uttar Pradesh New and Renewable Energy Development Agency (UPNEDA) to implement a 50 MW solar power project at Village Parason, Tehsil-Kalpi, District-Jalaun, Uttar Pradesh.

Your Company has signed a MoU with the Government of Maharashtra on 10<sup>th</sup> February 2016 for setting up a solar plant in the State of Maharashtra.

MoU has also been signed with Solar Energy Corporation of India (SECI) on 30<sup>th</sup> November 2015 for development of 250 MW solar power projects in India.

### 8.3 Thermal Power Projects

A Memorandum of Understanding (MoU) was signed on 22<sup>nd</sup> February 2014 amongst NHPC Limited, Bihar State Power Generation Company Limited (BSPGCL) and Pirpainti Bijlee Company Private Limited (PBCPL) for development of 1,320 (2X660) MW Pirpainti Thermal Power Project in district Bhagalpur, Bihar through a joint venture mode with 74% equity participation of NHPC and balance 26% equity share of BSPGCL in PBCPL (project company). Investment approval for the same is under process by Ministry of Power, Government of India.

Coal from Doecha-Pachami-Dewanganj-Harinsingha block at Birbhum, West Bengal has been allotted on 06<sup>th</sup> September 2013 to the project along-with other states. A joint venture company has been incorporated on 29<sup>th</sup> September 2015 under the name of "Bengal Birbhum Coalfield Limited", by the allottees (seven PSUs from six states) for development of the coal block.

### 8.4 Pumped Storage Scheme

Your Company is actively exploring opportunities for development of pumped storage schemes in the State of Maharashtra. Preliminary cost estimate for preparation of DPR of the proposed projects are being worked out. Preparation for submission of Terms of Reference (ToR) has also been taken up. The matter regarding signing of Memorandum of Understanding (MoU) is being taken up with Government of Maharashtra.

## 9. PROJECTS UNDER DPR PREPARATION

Survey and Investigation for preparation of DPRs of the following hydroelectric projects are under process:

**Table 3: Details of projects under survey and investigation:**

S. No.	PROJECT	INSTALLED CAPACITY (MW)
1	Bursar HE Project*, J&K	800
2	Dhauliganga Intermediate HE Project**, Uttarakhand	225
3	Goriganga-III A HE project, Uttarakhand	120
	<b>Total</b>	<b>1,145</b>

\* Earlier installed capacity of Bursar HE Project was envisaged as 1,020 MW. As per the terms of reference of MoEF & CC, the capacity of Bursar has been reduced to 800 MW. Accordingly, the viability of the project would be reviewed on completion of DPR.

\*\* Due to flash flood in the month of June 2013 and deposition of huge riverine material in the dam area, the alternative dam site location has been identified. As per the new water series, the installed capacity of Dhauliganga Intermediate HE Project may increase from 210 MW to 225 MW, subject to detailed engineering.

## 10. DEEN DAYAL UPADHYAY GRAM JYOTI YOJNA (ERSTWHILE RGGVY)

Your Company has implemented rural electrification projects during the X and XI plan under the Deen Dayal Upadhyay Gram Jyoti Yojna (erstwhile RGGVY) in 27 districts spread over five states viz. West Bengal, Bihar, J&K, Chhattisgarh and Odisha at an estimated cost of approx. ₹ 2,800 Crore.

Major achievements of rural electrification works till 31<sup>st</sup> March 2016 were as under:

- Electrified 9,077 Un-electrified/De-electrified villages.
- Electrified 18,693\* partially electrified villages.
- Provided service connections to 16.10 Lakhs\* Below Poverty Line (BPL) families.
- Constructed eleven 66/11 kV new sub-stations in Leh and Kargil.
- Constructed forty eight 33/11 kV new sub-stations.

\* While approval of the closure report of various rural electrification projects, the project cost and the number of villages/BPL connections have been revised/reduced by Rural Electrification Corporation Limited, the nodal agency for the scheme.

## 11. RURAL ROADS PROJECT

Your company had signed an MoU with the Ministry of Rural Development, Government of India and the Government of Bihar for constructing rural roads in six districts namely Vaishali, Muzaffarpur, Sitamarhi, East Champaran, Sheohar and West Champaran of Bihar under the Pradhan Mantri Gram Sadak Yojna (PMGSY) in the year 2004. These roads are to be maintained by NHPC for five years after construction.

Under this scheme, 758 roads of 3,228.82 Km length having cost of ₹ 1,725.65 Crore have been awarded to NHPC for execution. Till 31<sup>st</sup> March 2016, 752 roads having 3,221 Km length have been completed and handed over. Out of the above, maintenance period of five years in respect of 338 roads of 1,637 Km length has been completed.

## 12. CONSULTANCY SERVICES

Your company provides consultancy services in various fields of hydro power viz. river basin studies, survey works, design and engineering, geological studies, geotechnical studies, hydraulic transient studies, hydrological studies, contract management, construction management, equipment planning, underground construction, testing, commissioning, operation & maintenance etc. within and outside the country.

Your Company has also signed an agreement with Teesta Urja Limited (TUL) for providing consultancy services for Project Construction Management for 1,200 MW Teesta Stage-III HE Project, Sikkim.

Major consultancy assignments to your company are from government agencies (Central and State), CPSUs and other agencies in India and Bhutan.

## 13. GLOBAL INITIATIVES

The work for the preparation of Pre-feasibility Report of Kuri Gongri Reservoir Project in Bhutan was entrusted to NHPC. The report has been submitted to Royal Government of Bhutan (RGoB). Further, design & engineering consultancy services are also being provided to Mangdechhu Hydroelectric Project Authority (MHPA) for the implementation of Mangdechhu Hydroelectric Project (720 MW) in Bhutan. This prestigious assignment includes entire design and engineering right from the initiation of tender process till the execution of the project.

NHPC is in the process of undertaking implementation of 770 MW Chamkharchhu-I HE project in Bhutan in joint venture mode, under an inter government agreement signed between Government of India and RGoB.



Discussions with Druk Green Power Corporation Limited, Bhutan are in advanced stage for the formation of Joint Venture Company.

During the year, NHPC has also provided consultancy services as a partner in Indian consortium led by Power Grid Corporation of India Limited in management consultancy contract with Ethiopian Electric Power Company (EEPCO) in Ethiopia.

#### 14. FINANCING OF NEW PROJECTS

As per CERC guidelines for the purpose of tariff fixation, the financing of a project is to be considered in 70:30 debt equity ratio. Your directors are of the opinion that available internal accruals will be sufficient to finance equity component for new/upcoming projects.

Your Company is well positioned to raise required funds against its strong domestic and international credit ratings.

#### 15. INFORMATION TECHNOLOGY AND COMMUNICATION

Your Company has a robust information technology and communication infrastructure. Its various sites are connected with the corporate office through multimode, fail-safe communication links using MPLS-VPN/VSAT-Ku band/broadband technologies. NHPC has co-located its key servers at TIER-III data centers of M/s National Informatics Centre Service Incorporated (NICS) at New Delhi and M/s BSNL at Faridabad. Disaster Recovery (DR) site is also operational for ERP at NHPC office at Kolkata and a near DR site has also been made operational at M/s BSNL's Data Centre at Faridabad. Information Technology (IT) and cyber security policy is in place to manage the IT system to ensure optimum and secure utilization of the assets owned by NHPC.

All key business functions viz. finance, human resource, procurement & contracts, inventory, project management, power plant operation and maintenance, energy sales and accounting, quality assurance etc. have been implemented in the IFS-ERP System using latest tools & technologies.

As per Government of India directives, the procurement process through e-tender system is operational in the Company. NHPC is also acting as a nodal agency for CERT-HYDRO to guide and monitor the cyber security related activities in the constituent member organizations.

#### 16. TRAINING AND HUMAN RESOURCE DEVELOPMENT

Training is an effective tool for improvement in performance and grooming internal talent of individual,

the team and the organization. NHPC in collaboration with ASCI Hyderabad, IIMs, IMT Ghaziabad, FMS Delhi, IIT Roorkee, ISM Dhanbad, IISc Bangalore, ABB, Alstom, GE Electric, BHEL etc. regularly organizes, multi-disciplinary programmes to develop behavioural, managerial and functional competency of employees.

NHPC took a special initiative on succession planning by identifying senior officials, who can hold key level positions. During the year a customized program on succession planning, designed in consultation with Faculty of Management Studies (FMS), University of Delhi, was organized. This programme consisted of four modules of four days each, which were attended by Head of Units/prospective Head of Units.

#### 17. INDUSTRIAL RELATIONS

During the year, industrial relations remained cordial and harmonious at all the Projects/Power Stations/Units.

#### 18. RESETTLEMENT AND REHABILITATION

Your Company is committed to follow the newly enacted Resettlement & Rehabilitation provisions as mentioned in the "Right to Fair Compensation & Transparency in Land Acquisition, Resettlement & Rehabilitation Act, 2013".

#### 19. VIGILANCE ACTIVITIES

As per CVC guidelines, integrity pact has been implemented successfully for all procurement of works, goods and services equal to or more than value of ₹ 100 Lakh, ₹ 7 Lakh and ₹ 15 Lakh respectively.

In compliance to guidelines issued by Ministry of Power and Central Vigilance Commission, NHPC has opted for e-procurement solution across the organization as a part of transparent procurement system. The supply/works/contracts cases above the value of ₹ 5 lakh are awarded through e-procurement process. Now, the threshold limit of ₹ 5 lakh for e-tendering has been reduced to ₹ 2 lakh.

Circulars and guidelines, based on inspection/intensive examination are being issued from time to time as part of preventive vigilance.

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

Vigilance awareness week and various vigilance awareness programmes are being organized to promote transparency and ethics in working system.

## 20. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

## 21. RISK MANAGEMENT

Risk Management Policy of the Company, which was under implementation since 2009-10, has been revised in July 2015. The policy establishes a structured and disciplined approach to Risk Management including the development of a risk register to guide decisions on risk related issues. A total of 53 key risks have been identified along-with their mitigation measures and recorded in the risk register of the revised policy. Risk co-ordinators for each risk are identified, who are responsible for timely action to manage the risks to avoid any detrimental effect on the Company's business. Implementation of risk management policy has resulted in increased focus on corporate governance and managing the risks during construction of projects and operation of power stations. Company has also improved the compliance on legal and regulatory requirements by periodic compliance audit of its various locations.

## 22. PROCUREMENT FROM MICRO & SMALL ENTERPRISES

Under the Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012, annual procurement plan including items to be procured from Micro & Small Enterprises (MSEs) are uploaded on NHPC's website for the benefits of MSEs. NHPC has designated a Nodal officer for the co-ordination & implementation of public procurement policy.

NHPC is extending benefits to MSEs like exemption of tender fee, earnest money deposit, purchase preference and interest on delayed payments.

During the financial year 2015-16, under public procurement policy, NHPC has procured products and services from MSEs constituting 20.1% of total annual procurement value after excluding the value of items/equipments/services which are either Original Equipment Manufacturers (OEMs) proprietary equipments and/or not manufactured/provided by MSEs, against the mandate target of 20% set by Ministry of Micro, Small and Medium Enterprises (MSME), Govt. of India.

A total of nineteen (19) special vendor development programmes have been organized in co-ordination with MSME at various NHPC's Power Station/Projects/Units.

## 23. OFFICIAL LANGUAGE IMPLEMENTATION

Your Company has complied the provisions of the Official

Languages Act, 1963 and relevant rules during the year 2015-16. Efforts were made to improve the progressive use of official language in accordance with Government of India policy.

Quarterly meetings of the Official Language Implementation Committee (OLIC) and Town Official Language Implementation Committee (TOLIC), Faridabad were organized to review the progressive use of official language. Many programmes like Hindi fortnight, all India rajbhasha sammelan, Hindi competitions, Hindi pustak pathan saptah, Hindi kavi sammelan etc., were organised to propagate the use of official language Hindi during the year 2015-16. Hindi workshops and departmental computer workshops were regularly organized in the Company. Rajbhasha magazines titled 'Rajbhasha Jyoti' and 'Nagar Saurabh' were also published to encourage use of Hindi.

The Parliamentary Committee on Official Language carried out inspection of Salal Power Station at Jammu on 2<sup>nd</sup> June 2015 and appreciated the efforts made by the Company in the progressive use of Hindi. Further, intensive monitoring of Official Language implementation and Rajbhasha inspections were carried out in various departments of the corporate office and at other power stations/projects/regional offices by senior executives of the Company.

## 24. PR INITIATIVES/AWARENESS ACTIVITIES

Your Company's achievements and necessity of hydropower were highlighted through print and electronic media from time to time.

Corporate films highlighting the developmental activities carried out by NHPC were screened at a number of platforms. NHPC has also participated in various exhibitions during the year at different locations.

21<sup>st</sup> Inter CPSU Chess Tournament was successfully hosted by NHPC at its Residential Complex, Faridabad from 16<sup>th</sup> to 18<sup>th</sup> March 2016. Teams from NHPC also participated in various other Inter CPSU sports tournaments organized under the aegis of Power Sports Control Board, Ministry of Power during the financial year 2015-16.

Bureau of Energy Efficiency (BEE) implements various schemes for encouragement of energy conservation throughout the country with the support of CPSUs under the overall guidance of Ministry of Power, Government of India. NHPC had co-ordinated the painting competitions at Schools, State and National level in the States of Jammu and Kashmir, Manipur, Sikkim, Arunachal Pradesh and Madhya Pradesh.



## 25. AWARDS AND RECOGNITIONS

Today in this ever-changing business environment, every organization is looking for new horizons to maintain a cutting edge. Company's excellence can't be measured by mere financial performance. NHPC endeavors for an all-round growth and the same is reflected in the list of awards & achievements received during the year.

### Awards in management & leadership:

- CBIP Award for the "Best performing utility in Hydro power sector" at CBIP Awards on 29<sup>th</sup> December 2015.
- "Power Sector PSE of the year Award" at the 2<sup>nd</sup> IPSE Awards held at New Delhi on 23<sup>rd</sup> December 2015.
- "Dun & Bradstreet Everest Infra Awards 2015" under the Power Generation (Renewable Energy) category.
- "Gold Shield" for meritorious performance (for the year 2013-14) for early Completion of Nimmo Bazgo HE Project on 3<sup>rd</sup> June 2015 presented by Shri Piyush Goyal, Hon'ble Union Minister of State (Independent Charge) for Power, Coal and New & Renewable Energy.
- "Most Eco Friendly Award" and "Most Valuable Company Award" in the Mini-Ratna Category at the Second India Today Group PSU Awards held on 14<sup>th</sup> December 2015.
- "Special Jury Award for Best Enterprise" under Mini-Ratna Category by Forum of Women in Public Sector in recognition of commendable work and employee friendly policies.
- First prize by Ministry of Home Affairs for outstanding work in implementation of Hindi for the year 2014-15 under a new award scheme "Rajbhasha Kirti Puraskar" on 14<sup>th</sup> September 2015.
- "Second Prize" by Ministry of Home Affairs to TOLIC, Faridabad (working under the aegis of NHPC) for outstanding work in the field of Rajbhasha implementation.
- Regional office, Jammu was awarded first prize for commendable work done in implementation of Hindi for the year 2014-15. Salal Power Station and Tanakpur Power Station were also awarded third prize for the same.

## 26. CORPORATE GOVERNANCE REPORT

In compliance to Schedule V (C) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR)

and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (CGDPE), a separate section on Corporate Governance is given at **Annexure-I**. A certificate from practicing company secretary regarding compliance of conditions of corporate governance in accordance with Schedule V (E) of the LODR and CGDPE is given at **Annexure-II**.

## 27. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In compliance to Schedule V (B) of the LODR and CGDPE, a separate report on management discussion and analysis is given at **Annexure-III**.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are given at **Annexure-IV**.

## 29. BUSINESS RESPONSIBILITY REPORT

In compliance to Regulation 34 (2) of LODR, a Business Responsibility Report, regarding the disclosures of initiatives taken by the Company on environmental, social and governance issues is given at **Annexure-V**.

## 30. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2015-16, the Company has not entered into any material transaction with any of its related party. The Company's major related party transactions are generally with its subsidiaries and associates for providing consultancy services, leasing out of properties and manpower services. All the contracts/arrangements/transactions entered into with related parties were on arm's length basis, intended to further Company's interest. Accordingly, the disclosure of Related Party Transactions as required under section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

The policy on related party transactions as approved by the Board can be accessed on the Company's website at the link: <http://nhpcindia.com/writereaddata/Images/pdf/Policy-Related-Party-Transaction.pdf>.

Attention of the members is also drawn to para no. 10 of note no. 29 of the financial statements, which sets out related party disclosures as per Accounting Standard - 18.



### 31. REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) & SUSTAINABLE DEVELOPMENT (SD)

Your Company is conducting its business in a socially responsible manner by maintaining high level of organizational integrity and ethical behavior in conformity with expected standards of transparency in reporting and disclosing the performance in all spheres of activities. CSR initiatives of your Company aim at addressing social, economical and environmental concerns of its stakeholders including those directly impacted by its operations and activities.

Your Company has a well defined policy on CSR & Sustainability, in line with the provisions of section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and the Guidelines on Corporate Social Responsibility and Sustainability issued by Department of Public Enterprises, Government of India.

The Corporate Social Responsibility & Sustainability Policy of your Company is available at [http://www.nhpcindia.com/writereaddata/Images/pdf/CSR\\_Policy\\_Final.pdf](http://www.nhpcindia.com/writereaddata/Images/pdf/CSR_Policy_Final.pdf)

As per section 135 of the Companies Act, 2013, 2% of the average net profit for the last 3 financial years is to be spent on CSR activities. As against the required amount of ₹ 43.28 Crore for the financial year 2015-16, the company has spent ₹ 72.68 Crore. As such the spending on CSR activities comes to 3.36% of average net profit of last three financial years.

A separate report on activities undertaken by your Company during the Financial Year 2015-16 under Corporate Social Responsibility (CSR) & Sustainable Development (SD) is given at **Annexure-VI**.

### 32. EXTRACT OF ANNUAL RETURN

Extract of annual return of the Company in accordance to section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is given at **Annexure- VII**.

### 33. RIGHT TO INFORMATION

In compliance to the provisions of the Right to Information Act, 2005 (RTI), NHPC has placed various documents/records on its website. Further, NHPC has designated Appellate Authority, Transparency Officer, Central Public Information Officer (CPIO) at Corporate Office and Assistant Public Information Officers (APIOs) at Power Stations/Projects/Regional Offices/Units to implement the provisions of Right to Information Act, 2005 (RTI).

During the year 2015-16, 744 applications and 84 First Appeals were received under RTI Act, out of which 735 (98.79%) applications and 75 First Appeals (89.28%) respectively were replied/disposed off. Besides the above, 3 Second Appeals were filed by the applicants before the Central Information Commission (CIC), which were decided in favour of NHPC.

### 34. AUDITORS AND AUDITORS' REPORT

#### 34.1 Secretarial Auditor

The Board has appointed M/s Agarwal S. & Associates, practicing company secretaries, Delhi, to conduct Secretarial Audit of the Company for the Financial Year 2015-16. The Secretarial Audit Report is given at **Annexure- VIII**. The Secretarial Auditor, in his report, has made certain qualifications/ observations. The qualifications/observations and replies thereto are as under:

S. No.	Qualification/ Observation	Management reply
1.	Composition of the Board of Directors of the Company is required to be in Compliance with Regulation 17(1)(b) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Clause 49(II) of erstwhile Listing Agreement) and Para 3.1.4 of DPE Guidelines on Corporate Governance. Company does not have requisite number of Independent Directors on its Board.	As per Article 34 of the Articles of Association of the Company read with MCA notification dated 5 <sup>th</sup> June 2015, the power to appoint Directors (including Independent Directors) on the Board of the Company vests in the President of India. Accordingly, the matter regarding appointment of Independent Directors is regularly pursued with the administrative Ministry i.e. Ministry of Power.
2.	Performance evaluation of the Directors of the Company is required to be in Compliance with Regulation 17(10) & 25(4) of SEBI (LODR), 2015.	Board of Directors in its meeting held on 26 <sup>th</sup> April 2016 has approved the "Policy on performance evaluation of Board, Board level Committees and Independent Directors".  The process of performance evaluation of Board, Board level Committees and Independent Directors for the Financial Year 2015-16 has already been initiated.



S. No.	Qualification/Observation	Management reply
3.	Board has extended the tenure of two independent Directors by re-appointing them as additional Directors. Necessary consent from administrative ministry is still awaited.	The Board had extended the tenure of two Independent Directors by appointing them as Additional Directors for the period till new independent Directors joined the Board or till the date of next AGM. The decision of the Board was conveyed to the Ministry and no directions/objections were received from the Ministry.

### 34.2 Statutory Auditors

The Statutory Auditors of NHPC Limited, being a Government Company are appointed by the Comptroller and Auditor General of India.

M/s S.N. Dhawan & Co., New Delhi, M/s Ray and Ray, Kolkata and M/s Gupta Gupta & Associates, Jammu were appointed as Joint Statutory Auditors for the Financial Year 2015-16.

The notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark. No instance of fraud has been reported by the Auditors under section 143(12) of the Companies Act, 2013.

The standalone financial statements of the company along-with report of the Statutory Auditors is given at **Annexure-IX**. The comments

of the Comptroller and Auditor General of India along-with management reply thereon are given at **Annexure-X**. The consolidated financial statements of the Company along-with the Statutory Auditors' Report are given at **Annexure-XI**.

### 34.3 Cost Auditors

In accordance with the Companies (Cost Records and Audit) Rules, 2014, the cost accounts are being maintained by all power stations of the Company. The following firms of Cost Accountants were appointed to conduct audit of cost accounting records of power stations as indicated against their respective names for the Financial Year 2015-16 under section 148 of the Companies Act, 2013:

Name of the Firm	Name of Power Station
M/s. K. L. Jaisingh & Co., Noida.	Salal, Uri-I and Uri-II
M/s. H. Tara & Co., New Delhi.	Chamera-I, Bairasiul and Parbati-III
M/s. V. P. Gupta & Co., Noida	Chamera-II and Sewa-II
M/s. SKR & Associates, Jaipur	Tanakpur, Chamera-III and Dhauliganga
M/s Jugal K Puri & Associates, New Delhi	Chutak and Nimmo Bazgo
M/s. N K Jain & Associates, New Delhi	Dulhasti, Loktak and TLDP-IV
M/s S P Bhattacharyya & Co., Kolkata	Rangit, Teesta-V and TLDP-III

Consolidated Cost Audit Report for the FY 2014-15 was filed on 1<sup>st</sup> October 2015. The details of cost audit firms for which Cost Audit Report for the FY 2014-15 was filed are given below:

S. No.	Power Stations	Cost Auditor	Membership No.	Address
1.	Salal, Uri-I and Uri-II	M/s Ravi Sahni & Co.	16339	C-40, West Gorakh Park Extension, New Delhi 110 032
2.	Chamera-I and Bairasiul	M/s Bahadur Murao & Co.	5574	Shop No. 25, DDA Market, "B" Block, Preet Vihar, Delhi 110 092
3.	Tanakpur, Dhauliganga and Chamera III	M/s S.C Mohanty & Associates	10924	511, Sahid Nagar, Bhubaneshwar 751 007
4.	Rangit, Teesta-V and TLDP III	M/s K. L. Jaisingh & Co.	1222	J-7, Sector-XI, Jaisingh House, Noida 201 301
5.	Chutak, Nimmo Bazgo and Parbati-III	M/s H. Tara & Co.	17321	A-1-B/49-B Paschim Vihar, New Delhi 110 063
6.	Dulhasti and Loktak	M/s V. P. Gupta & Co.	1917	B-25, Sector-23, Noida, Uttar Pradesh 201 301
7.	Chamera II and Sewa-II	M/s SKR & Associates	5966	Shop No.- 5, 1 <sup>st</sup> Floor, JDA Market, Near SBBJ Chouraha, Chitrakoot Scheme, Ajmer Road, Jaipur 302 021

## 35. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Companies Act, 2013 and Accounting Standard (AS)-21 on consolidated financial statements read with AS-27 on financial reporting of interest in joint ventures, the audited consolidated financial statements are provided in this Annual Report.

## 36. PARTICULARS OF LOANS & GUARANTEES GIVEN, INVESTMENTS MADE AND SECURITIES PROVIDED

Particulars of loans & guarantees given, investments made and securities provided are given in the standalone financial statements (please refer to Note No. 4, 12 & 15 of the standalone financial statements).

Further, section 186 of the Companies Act, 2013 (except sub-section 1) regarding loans made, guarantees given or securities provided is not applicable to the Companies engaged in the business of providing infrastructure facilities.

## 37. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company has the following subsidiary/associates/joint venture Companies as on 31<sup>st</sup> March 2016:

### A. Subsidiary Companies

#### (i) NHDC Limited

NHDC is a Joint Venture Company between NHPC Limited (51%) and the Government of Madhya Pradesh (49%) having two operating power stations i.e. Indira Sagar (1,000 MW) and Omkareshwar (520 MW) in Madhya Pradesh. During the Financial Year 2015-16, the generation from Indira Sagar Power Station and Omkareshwar Power Station was 1,974.28 MU and 958.61 MU respectively.

In order to diversify its activities, NHDC is exploring the prospects of solar power development in the State of Madhya Pradesh.

#### (ii) Loktak Downstream Hydroelectric Corporation Limited

Loktak Downstream Hydroelectric Corporation Limited (LDHCL) was promoted as a Joint Venture Company between NHPC Limited and the Government of Manipur with equity shareholding of 74% and 26% respectively for implementation of Loktak Downstream Hydroelectric Project (66 MW) in Tamenglong District of Manipur. All statutory clearances for execution of the project have been obtained. As desired by Central Electricity Authority, fresh DPR was submitted on 25<sup>th</sup> March 2015, which is under examination. Bids for turnkey execution of the project were

invited by the Company. As the quotation from lowest bidder was much higher than the estimated cost, LDHCL Board decided to cancel the tenders and to implement the project through two EPC packages viz. one for civil & hydro-mechanical and the other for Electro-mechanical works.

Further, the Government of Manipur has also allocated hydro-electric component (7.5 MW) of Thoubal Multipurpose Scheme to the company. The Board of NHPC Limited has accorded in-principle approval to contribute equity for this project. The project is under field investigation stage.

#### (iii) Bundelkhand Saur Urja Limited

Bundelkhand Saur Urja Limited was incorporated on 2<sup>nd</sup> February 2015 as a Joint Venture Company between NHPC Limited and Uttar Pradesh New and Renewable Energy Development Agency (UPNEDA) to implement a 50 MW solar power project at Village Parason, Tehsil-Kalpi, District-Jalaun, Uttar Pradesh. As per the promoters' agreement, the equity participation of NHPC shall not be less than 74% and of UPNEDA for the project will not be more than 26% of the total share capital of the Company. The land earmarked by UPNEDA for the project has been withdrawn and allotment of another land is in process. Accordingly, the contract which was to be awarded on the basis of the land earmarked was cancelled.

Fresh bidding process for award of EPC contract for the development of 50 MW solar crystalline photovoltaic grid connected power plant along with associated 132 kV power evacuation equipment will be initiated after allocation of land by UPNEDA.

### B. Associate/Joint Venture Companies

#### (i) Chenab Valley Power Projects Private Limited

Chenab Valley Power Projects Private Limited is a Joint Venture Company between NHPC Limited (49%), Jammu & Kashmir State Power Development Corporation Limited (49%) and PTC India Limited (2%) established for development of Pakal Dul HE Project (1,000 MW), Kiru HE Project (624 MW) and Kwar H E Project (540 MW) in the state of Jammu & Kashmir.

Bids for turnkey execution of Pakal Dul HE Project, which were invited on 19<sup>th</sup> June 2013, have been cancelled. Process for inviting fresh bids for execution of the project through packages of major components viz. Diversion Tunnel, HRT- TBM, Dam, Power house, HM and E&M has been initiated.



Central Electricity Authority (CEA) has accorded Techno Economic Appraisal (TEA) for the Kiru HE Project. Environment Clearance has been accorded to the Project by MoEF&CC on 24<sup>th</sup> June 2016. Detailed Project Report (DPR) of Kwar HE Project is under examination by CEA and environment clearance for the project is under process.

The Company has taken up infrastructure development works (Projects Roads, Bridge, Building etc.). However, major construction activities are yet to be started.

**(ii) National High Power Test Laboratory Private Limited (NHPTL)**

NHPTL was incorporated as a Joint Venture Company of NHPC Limited, NTPC Limited, Power Grid Corporation of India Limited and Damodar Valley Corporation to set up an online high power test laboratory for short-circuit test facility in the Country. Subsequently, Central Power Research Institute joined the Company after execution of a supplementary joint venture agreement.

The Company is constructing High Voltage Transformer (HVTR) Lab and Medium Voltage Transformer (MVTR) Lab at Bina in the State of Madhya Pradesh for short circuit testing of transformers upto 765 kV. Around 95% of the work has been completed till date. The laboratory is expected to be commissioned in 2016.

**(iii) National Power Exchange Limited**

National Power Exchange Limited was incorporated on 11<sup>th</sup> December 2008 as a Joint Venture Company of NHPC Limited, NTPC Limited, Power Finance Corporation Limited and Tata Consultancy Services Limited to operate a power exchange at National level. The Company is presently under liquidation. The equity participation of NHPC in the Company is 16.67%.

No Company has become/ceased to be a subsidiary or joint venture or associate during the Financial Year 2015-16.

A report on the financial position of each of the subsidiaries, associates and joint venture Companies as per the Companies Act, 2013 is provided as annexure to the consolidated financial statements and hence not repeated here for the sake of brevity.

The audited financial statements of subsidiary companies are not being attached to the audited annual financial statements of the Company. In terms of section 136 of the Companies Act, 2013, any shareholder interested in obtaining a copy of aforesaid financial statements may write to the Company Secretary, NHPC Limited.

This information is also available on the website of the Company i.e. [www.nhpcindia.com](http://www.nhpcindia.com).

The policy on material subsidiaries as approved by the Board may be accessed on the Company's website at the following link:

<http://www.nhpcindia.com/writereaddata/Images/pdf/Policy-Material-Subsidiary.pdf> .

**38. DISCLOSURES:**

In terms of the requirements of section 135 and section 177 of the Companies Act, 2013, the disclosure regarding composition of Committee on Corporate Social Responsibility (CSR) & Sustainability and Audit Committee as on 31<sup>st</sup> March 2016 are as under:

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

The Committee on Corporate Social Responsibility (CSR) and Sustainability comprises the following members:

1. Prof. Arun Kumar, Independent Director-Chairman
2. Shri Jayant Kumar, Director (Finance)
3. Shri D.P. Bhargava, Director (Technical)

**38.2 Audit Committee**

The Audit Committee comprises the following members:

1. Shri Satya Prakash Mangal, Independent Director-Chairman
2. Shri Farooq Khan, Independent Director
3. Shri Ratish Kumar, Director (Projects)

All the recommendations made by the Audit Committee during the year were accepted by the Board.

**38.3 Vigil Mechanism**

Your Company has a defined and established whistle blower policy (vigil mechanism) for reporting instances of unethical/improper conduct and for taking suitable steps to investigate and correct the same. The whistle blower policy is available on the Company's website at <http://www.nhpcindia.com/writereaddata/images/pdf/wbp.pdf>. The provisions of this policy are in line with the provisions of section 177(9) of the Companies Act, 2013 and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year 2015-16, no complaint has been reported under whistle blower policy. Further, no personnel had been denied access to the Audit Committee.

## 39. DIRECTORS' RESPONSIBILITY STATEMENT

In compliance to section 134(3)(c) of the Companies Act, 2013, the Directors hereby confirm the following:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) 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;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 40. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMPs)

### • Functional Directors

Since the 39<sup>th</sup> Annual General Meeting held on 23<sup>rd</sup> September 2015, Shri R. S. T. Sai, then Chairman & Managing Director vacated his office on 23<sup>rd</sup> September 2015 consequent upon the appointment of Shri Krishna Mohan Singh as an additional director to hold the position of Chairman and Managing Director of the Company w.e.f. 23<sup>rd</sup> September 2015 till the date of next Annual General Meeting.

Shri R.S.T. Sai, then CMD, who was also given additional charge of Director (Projects) relinquished the same w.e.f. 23<sup>rd</sup> September 2015 on his ceasing to be CMD, NHPC. Ministry of Power, Government of India vide its order dated 6<sup>th</sup> January 2016 had appointed Shri Ratish Kumar as Director (Projects). He was appointed by the Board as an additional director on 7<sup>th</sup> January 2016 with effect from his taking over the charge i.e. 6<sup>th</sup> January 2016.

Shri Dinesh Prasad Bhargava, then Director (Technical) relinquished his charge on 31<sup>st</sup> March 2016 on attaining the age of superannuation. Shri Balraj Joshi has been appointed by the Board as an Additional Director w.e.f. 1<sup>st</sup> April 2016.

### • Government Nominee Directors:

Shri Arun Kumar Verma, then Government Nominee Director appointed on the Board of NHPC on 17<sup>th</sup> December 2014 ceased to be director of the Company consequent upon orders from Ministry of Power on 19<sup>th</sup> October 2015. He was succeeded by Shri Aniruddha Kumar, then Joint Secretary (Hydro), Ministry of Power, who joined NHPC Board on 28<sup>th</sup> October 2015. Consequent upon orders from Ministry of Power, Shri Aniruddha Kumar ceased to be director of the Company w.e.f. 29<sup>th</sup> February 2016. Smt. Archana Agrawal, Joint Secretary (Hydro), Ministry of Power was appointed as Government Nominee Director on the Board of the Company w.e.f. 6<sup>th</sup> March 2016.

### • Independent Directors:

Shri Ashoke Kumar Dutta and Shri Atul Kumar Garg, Independent Directors vacated their office on 23<sup>rd</sup> September 2015 in terms of section 161 of the Companies Act, 2013. Ministry of Power, Government of India had appointed Shri Satya Prakash Mangal, Prof. Kanika T. Bhal, Prof. Arun Kumar and Shri Farooq Khan as Independent Directors vide its letter dated 18<sup>th</sup> November 2015. They were appointed by the Board of Directors of NHPC on 26<sup>th</sup> November 2015 as Additional Directors till the forthcoming Annual General Meeting.

The Board places on record its deep appreciation for the excellent contributions made by Shri R. S. T. Sai, Shri K. N. Garg, Shri Arun Kumar Verma, Shri Aniruddha Kumar, Shri Ashoke Kumar Dutta, Shri Atul Kumar Garg and Shri Dinesh Prasad Bhargava during their tenure as Directors.

All Independent Directors have declared that they meet the criteria of independence as laid down under section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR), 2015.

Details of board and committee meetings are given in the corporate governance report.

Ministry of Corporate Affairs vide its notification dated 5<sup>th</sup> June 2015 exempted/amended certain provisions of the Companies Act, 2013 for Government Companies. As per the above notification, the Nomination & Remuneration Committee is not required to formulate criteria for appointment of Directors, their remuneration policy and carrying out their performance evaluation in certain cases. Further, the Board of





# NHPC Limited

(A Government of India Enterprise)

Govt. Companies are not required to evaluate performance of Directors in case they are evaluated by the administrative Ministry.

Particulars of employees and related disclosure have not been provided in the report pursuant to above notification.

As regards policy on remuneration of KMPs (other than Directors) and other employees of the Company, their pay structure, allowances and other benefits are governed by relevant DPE Guidelines. Annual performance evaluation of senior management personnel of the Company is being done as per the "performance appraisal-recording and custody" rules of the Company read with relevant guidelines of Department of Public Enterprises, Govt. of India. Policy on Performance Evaluation of Board, Board level Committees and Independent Directors of the Company has been approved by the Board. Accordingly, the performance evaluation process has been initiated.

The details of familiarization programmes for Directors are put up on the website of the Company at <http://nhpcindia.com/writereaddata/Images/pdf/FP-InDirectors2015-16.pdf>.

The details of remuneration paid to Directors during the Financial Year 2015-16 have been provided in the corporate governance report.

#### 41. MEETINGS OF THE BOARD

Ten meetings of the Board of Directors were held during the year 2015-16. For further details, please refer corporate governance report annexed to this Annual Report.

#### 42. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Your Company is committed for the prevention of sexual harassment of women at workplace and takes prompt action in the event of reporting of such incidents. Complaint Committees have been constituted to deal with sexual harassment complaints, if any, and conduct enquiries.

There were no complaints of sexual harassment pending as on 1<sup>st</sup> April 2015. During the year, one complaint of sexual harassment was received which was examined and disposed off.

#### 43. INVESTOR EDUCATION AND PROTECTION FUND (IEPF) DETAILS

Pursuant to the provisions of IEPF (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the details of the unpaid and unclaimed amounts lying with the Company as on 23<sup>rd</sup> September 2015 (date of last Annual General Meeting) are available on the Company's website at the

link: <http://www.nhpcindia.com/IEPF.htm> and also on the website of Ministry of Corporate Affairs.

#### 44. GENERAL

No disclosure or reporting in respect of the following items is required, as there were no transactions on these items during the year under review:

1. Details related to public deposits as required under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. Remuneration or commission received by Chairman & Managing Director or the Functional Directors of the Company from any of its subsidiaries.
5. Significant or material orders passed by the regulators or courts or tribunals, which impact the going concern status and Company's operations in future.
6. Occurrence of any material changes and commitments after the close of the financial year till the date of this report, which affect the financial position of the Company.

#### 45. ACKNOWLEDGEMENT

The Board of Directors of your Company places on record its sincere appreciation for the persistent support and guidance extended by the Ministry of Power, Govt. of India, Central Electricity Regulatory Commission, State Governments and their Ministries, Departments/Boards, Bankers, Financial Institutions, Lenders and Investors.

The Board places its special appreciation to our valued customers, State Electricity Boards & discoms and other valuable clients of our consultancy assignments.

Your Directors also wish to place on record its deep gratitude for the co-operation and continued support extended by Statutory Auditors, Secretarial Auditors, Cost Auditors and the Office of the Comptroller and Auditor General of India. Last but not the least, the Board wishes to place on record its deep gratitude to all employees whose enthusiasm, team efforts, devotion and sense of belongingness has made your Company proud.

For and on behalf of the Board of Directors

(K.M. Singh)

Chairman and Managing Director  
DIN 02223301

Date: 4<sup>th</sup> August 2016

Place: Faridabad

## REPORT ON CORPORATE GOVERNANCE

### 1. Company's philosophy on Corporate Governance

NHPC has an established framework of corporate governance which emphasizes on commitment towards ethical and efficient conduct of affairs of the Company. It helps in maximizing the value for all its stakeholders at large and to build an environment of trust and confidence among all the constituents.

At NHPC, management is taking all possible steps to fulfil its commitment in a judicious, fair and transparent manner.

Besides adhering to the provisions of Listing Agreement with stock exchanges and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, NHPC also follows the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by Department of Public Enterprises (DPE), Government of India.

### 2. Board of Directors

(i) **Composition & category of Directors:** NHPC Limited is a Government Company as defined under Section 2(45) of the Companies Act, 2013.

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

During the financial year 2015-16, the Company was broadly compliant to the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 except Regulation 17(1) i.e. at least 50% of the Board comprised of Independent Directors. Further, Regulation 18(1) and 18(2) could not be complied for part of the year. The non-compliance is mainly due to non-appointment of Independent Directors by the Government of India.

As on 31<sup>st</sup> March 2016, there were eleven Directors comprising five functional directors including Chairman and Managing Director, two Government Nominee Directors and four Independent Directors.

The Board of Directors has appointed Shri Ratish Kumar, Director (Projects) and Shri Balraj Joshi, Director (Technical) as additional directors of the Company w.e.f. 6<sup>th</sup> January 2016 and 1<sup>st</sup> April 2016 respectively pursuant to the orders received from Ministry of Power, Government of India. Shri D.P. Bhargava, then Director (Technical) ceased to be Director of the Company on 31<sup>st</sup> March 2016 on attaining the age of superannuation.

Pursuant to order dated 23<sup>rd</sup> September 2015 received from Ministry of Power, Govt. of India, the Board of Directors has appointed Shri K.M. Singh, Chairman & Managing Director as an additional director of the Company. On his appointment, Shri R.S.T. Sai, then Chairman and Managing Director ceased to be Director.

The Board of Directors has appointed Ms. Archana Agrawal, Joint Secretary (Hydro), Ministry of Power as Nominee Director on 6<sup>th</sup> March 2016 on cessation of directorship of Shri Aniruddha Kumar, then Joint Secretary (Hydro), Ministry of Power on 29<sup>th</sup> February 2016. Earlier, Shri Aniruddha Kumar was appointed as a nominee director by the board on 28<sup>th</sup> October 2015 on cessation of directorship of Shri Arun Kumar Verma, then Joint Secretary (Hydro) pursuant to order dated 19<sup>th</sup> October 2015 from Ministry of Power, Govt. of India.

Ministry of Power, Govt. of India vide its letter no. 9/3/2015-NHPC dated 18<sup>th</sup> November 2015 has appointed Shri Farooq Khan, Prof. Kanika T. Bhal, Prof. Arun Kumar and Shri Satya Prakash Mangal as Non-official Part-time Directors of the Company. Consequently, the Board of Directors has appointed above four directors as Additional Directors of the company in the category of Independent Director by circular resolution w.e.f. 26<sup>th</sup> November 2015.

Shri Ashoke Kumar Dutta and Shri Atul Kumar Garg, then Independent Directors ceased to be directors of the company at the commencement of 39<sup>th</sup> Annual General Meeting held on 23<sup>rd</sup> September 2015, as they were appointed as additional directors of the company.

The details of directors who were appointed or have retired during the year are included in the Directors' Report.



The composition of the Board of Directors as on 31<sup>st</sup> March 2016 is given in **Table 1**:

**Table 1: Composition of the Board of Directors as on 31<sup>st</sup> March 2016**

Particulars	Board structure	Actual strength as on 31 <sup>st</sup> March 2016
Chairman and Managing Director	1	1
Functional Directors	4	4
Government Nominee Directors	2	2
Independent Directors	7	4
<b>Total</b>	<b>14</b>	<b>11</b>

Category and attendance of each of the Directors at the Board Meetings held during 2015 -16 and the last Annual General Meeting is given in **Table 2**. Name and number of other Boards or Board Committees in which Directors are member(s) or chairman(s) along with number of shares and convertible instruments held by non-executive directors as on 31<sup>st</sup> March 2016 is given in **Table 3**.

**Table 2: Category and attendance of each director at the Board meetings held during 2015-16 and the last AGM**

Director's Name (Shri/Smt)	No. of Board Meetings		Last AGM (held on 23 <sup>rd</sup> September 2015)
	Held	Attended	
<b>Functional Directors</b>			
K.M. Singh, Chairman & Managing Director <sup>1</sup>	5	5	NA
R.S.T. Sai, Chairman & Managing Director <sup>1</sup>	5	5	YES
D.P. Bhargava, Director (Technical)	10	10	YES
R.S. Mina, Director (Personnel)	10	10	YES
Jayant Kumar, Director (Finance) <sup>2</sup>	9	9	YES
Ratish Kumar, Director (Projects) <sup>2</sup>	2	2	NA
<b>Government Nominee Directors</b>			
Arun Kumar Verma, Ex-Joint Secretary (Hydro) <sup>3</sup> , Ministry of Power	6	6	NO
K.N. Garg, Ex-Member (hydro), Central Electricity Authority <sup>3</sup>	3	1	NA
Aniruddha Kumar, Ex-Joint Secretary (Hydro) <sup>4</sup> , Ministry of Power	4	4	NA
Krishna Tyagi, Chief Controller of Accounts, Ministry of Power <sup>5</sup>	7	6	YES
Archana Agrawal, Joint Secretary (Hydro) <sup>6</sup> , Ministry of Power	0	0	NA
<b>Independent Directors</b>			
Ashoke Kumar Dutta <sup>7</sup>	5	5	YES
Atul Kumar Garg <sup>7</sup>	5	4	YES
Satya Prakash Mangal <sup>8</sup>	3	3	NA
Farooq Khan <sup>8</sup>	3	3	NA
Kanika T. Bhal <sup>8</sup>	3	3	NA
Arun Kumar <sup>8</sup>	3	3	NA

**Notes:**

1. Shri K.M. Singh joined the Board on 23<sup>rd</sup> September 2015 in place of Shri R.S.T. Sai.
2. Shri Jayant Kumar and Shri Ratish Kumar joined the board w.e.f. 26<sup>th</sup> May 2015 and 6<sup>th</sup> January 2016 respectively.
3. Shri K.N. Garg and Shri Arun Kumar Verma ceased to be a director w.e.f. 30<sup>th</sup> June 2015 and 19<sup>th</sup> October 2015 respectively.
4. Shri Aniruddha Kumar joined the board on 28<sup>th</sup> October 2015 and ceased to be director w.e.f. 29<sup>th</sup> February 2016.
5. Smt. Krishna Tyagi joined the board on 8<sup>th</sup> July 2015.
6. Ms. Archana Agrawal joined the Board on 6<sup>th</sup> March 2016.
7. Shri Ashoke Kumar Dutta and Shri Atul Kumar Garg ceased to be director w.e.f. 23<sup>rd</sup> September 2015.
8. Shri Satya Prakash Mangal, Shri Farooq Khan, Prof. Kanika T. Bhal and Prof. Arun Kumar joined the board on 26<sup>th</sup> November 2015.

**Table 3: Name and number of other Board or Board Committees\* in which Director of NHPC Limited are member(s) or chairman(s) and their shareholding as on 31<sup>st</sup> March 2016:**

Director's name (Shri/Smt)	Details of directorships in other Companies	Details of committee membership and committee chairmanship*	No. of Shares and Convertible instruments held by directors
K.M. Singh, Chairman and Managing Director	a) NHDC Limited b) Loktak Downstream Hydroelectric Corporation Limited.	NIL	NIL
D.P. Bhargava, Director (Technical)	a) PTC India Limited b) Bundelkhand Saur Urja Limited	NIL	19999
Jayant Kumar, Director (Finance)	a) NHDC Limited b) Chenab Valley Power Projects Private Limited	Chairman-Audit Committee-NHDC Limited.	NIL
R.S. Mina, Director (Personnel)	a) NHDC Limited b) Bundelkhand Saur Urja Limited	Nil	42000
Ratish Kumar, Director (Projects)	NIL	NIL	18200
Archana Agrawal, Govt. Nominee Director	SJVN Limited	NIL	NIL
Krishna Tyagi, Govt. Nominee Director.	NIL	NIL	NIL
Satya Prakash Mangal, Independent Director	a) Addwings Rail & Infra Solutions Private Limited b) SPMC Global Advisory Services Private Limited c) Raunaq EPC International Ltd. d) NHDC Limited	Member, Audit Committee-Raunaq EPC International Limited	1500
Farooq Khan, Independent Director	NIL	NIL	NIL
Kanika T. Bhal, Independent Director	IL&FS Engineering and Construction Company Limited	NIL	NIL
Arun Kumar, Independent Director	NIL	NIL	NIL

\*Chairmanship/Membership of the Audit Committee and Stakeholders' Relationship Committee has been considered.

**Notes:**

- (a) None of the directors of the company holds office of director at any one point of time in more than ten (10) public companies. Further, none of the directors of the company is a member in more than ten (10) committees or is a chairman of more than five (5) committees across all the companies in which he is a director.
- (b) The directors of the company do not have any inter-se relationships.
- (c) None of the Directors is serving as an independent director in more than three listed companies.

**(ii) Number of Board Meetings held, dates on which held:**

Ten meetings of the Board of Directors were held during the year 2015-16. The maximum time interval between any two meetings did not exceed 120 days. Details of the board meetings held during 2015-16 are given in **Table 4**.



**Table 4: Board meetings held during the year 2015-16**

S. No.	Board Meeting Number	Board Meeting Date	Board Strength	No. of Directors Present
1.	383	14 <sup>th</sup> May 2015	7	6
2.	384	29 <sup>th</sup> May 2015	8	7
3.	385	29 <sup>th</sup> June 2015	8	7
4.	386	29 <sup>th</sup> July 2015	8	8
5.	387	21 <sup>st</sup> September 2015	8	8
6.	388	12 <sup>th</sup> October 2015	6	6
7.	389	9 <sup>th</sup> November 2015	6	6
8.	390	11 <sup>th</sup> December 2015	10	9
9.	391	10 <sup>th</sup> February 2016	11	11
10.	392	26 <sup>th</sup> February 2016	11	11

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

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

Independent Directors are appointed by the Ministry of Power, Government of India usually for a tenure of three years.

- (iv) **Resume of Directors:** The brief resume of Directors retiring by rotation and additional directors seeking appointment at the Annual General Meeting is appended to the notice calling the Annual General Meeting. In addition to above, brief profiles of all the Directors are provided elsewhere in the Annual Report.

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

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

(B) **Scheduling and selection of agenda items for Board/Committee meetings:**

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

(C) **Recording of the Minutes of the Board/Committee Meetings:** The draft Minutes of the proceedings of each Board/Committee Meeting are duly circulated to all members for their comments within fifteen days of the conclusion of the Meeting. The Directors communicate their comments on the draft Minutes within seven days from the date of circulation thereof. A comparative sheet of all comments received from Directors are placed before the Chairman & Managing Director/Chairman of respective Committees for consideration and approval thereof. The approved minutes of proceedings of each Board/Committee Meeting are duly recorded in the minutes book within thirty days of the conclusion of the meeting.



- (D) **Follow-up Mechanism:** Based on the guidelines laid down by the Board/Committee, an action-taken report on the decisions of the Board/Committee is placed periodically, which helps in effective reporting on follow-up and review of decisions.
- (E) **Compliance:** It is our endeavor to ensure compliance of all applicable provisions of the law, rules and guidelines. The company ensures compliance of all applicable provisions of the Companies Act, 1956/Companies Act, 2013 (to the extent these are applicable), SEBI Regulations & 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. Further to strengthen compliance management of laws, a team of officers from Law Division and Company Secretariat visited various projects/power stations of the company during FY-2015-16 to conduct compliance audit. The compliance audit report along with replies received thereon are also being regularly placed before the board.

The following agenda items are usually presented to the Board of Directors for its consideration:

- Annual operating plans, budgets and related updates.
  - Capital budgets and related updates.
  - Quarterly/annual financial results of the Company.
  - Minutes of meetings of audit committee and other committees of the Board.
  - Changes in the assignment of employees just below board level and cases of pay fixation of Directors, is informed to Board of Directors at periodical intervals.
  - Minutes of board meetings of subsidiary companies.
  - Statement of all significant transactions and arrangements entered into by subsidiary companies.
  - Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems at different locations/units.
  - Materially important Show cause, demand, prosecution notices and penalty notices.
  - Major investments, formation of subsidiaries, joint ventures and strategic alliances.
  - Quarterly information with respect to purchases/works/contracts awarded on nomination basis.
  - Quarterly report on compliance of various laws.
  - Disclosure of interest by directors about their directorships.
  - Significant capital investment proposals or award of large contracts.
  - Action taken report on matters desired by the Board.
  - Status of arbitration cases.
  - Changes in significant accounting policies and practices along with reasons thereof.
  - Any other information required to be presented to the board either for information or approval as per the requirement of applicable laws.
- (vi) **Code of conduct:** The code of business conduct and ethics for board members and senior management personnel was complied with by all concerned during the year 2015-16.

**Declaration as required under clause 49 of the Listing Agreement and Regulation 34(3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 2016.



(K.M. Singh)  
Chairman & Managing Director  
DIN 02223301

Date: 13<sup>th</sup> June 2016  
Place: Faridabad



**(vii) Fraud Prevention and Detection Policy:**

In order to provide a system for detection and prevention of fraud, a Policy has been formulated by your Company for reporting of any fraud that is detected or suspected and for fair dealing in such matters. HR-Incharge of each location i.e. Projects/Power Stations/Regions/LOs have been designated as Nodal Officers under the Policy.

**(viii) Training of Board Members:**

The Company has a training policy for its Board Members which aims at building leadership qualities, providing a platform to share the knowledge, skills and experience. The policy provides an opportunity to Board level functionaries to upgrade their knowledge in the business model of the company including risk profile of the business of the Company and to ensure that their responsibilities are discharged in an effective manner. The policy attempts to provide exposure to trainings on Corporate Governance, model code of business ethics and conduct, as applicable to the directors.

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

During the year 2015-16, NHPC Board Members were nominated for various development programs conducted by SCOPE, Indian Institute of Corporate Affairs (IICA), Department of Public Enterprises (DPE) and Institute of Public Enterprise etc. These programs were focused on development aspects, such as, Risk Management, Corporate Governance, Environmental & Economical Responsibilities of business etc.

Details of familiarisation programmes imparted to independent directors is available on the website at the link: <http://www.nhpcindia.com/writereaddata/Images/pdf/FP-InDirectors2015-16.pdf>.

**(ix) Code for Prevention of Insider Trading in Securities of NHPC Limited:** In compliance to the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, NHPC Limited has formulated and implemented Code of Conduct to Regulate, Monitor and Reporting Trading by Insiders and Code for Fair Disclosure Practices for Prevention of Insider Trading in securities of NHPC Limited. Under the Code, trading window remains closed for designated persons as and when price sensitive information is about to be placed before the Board.

### 3. Committees of the Board of Directors

The Board have constituted Mandatory and Non-Mandatory Committees to review various aspects of business. The following Committees have been constituted by the Board:

#### Mandatory Committees

1. Audit Committee.
2. Stakeholders' Relationship Committee.
3. Nomination & Remuneration Committee.
4. Committee on Corporate Social Responsibility (CSR) and Sustainability.
5. Risk Management Committee.

#### Non-Mandatory Committees

6. Committee of Directors for Allotment and Post-allotment Activities of NHPC Securities.
7. Projects Investment Committee.\*
8. Committee on Management Controls.
9. Committee of Directors - Appellate Authority.

\* Board in its 390<sup>th</sup> Meeting dated 11<sup>th</sup> December 2015 dissolved the Projects Investment Committee.

Details of members, meetings held, terms of reference etc. of each of the above committees are as under:

### 3.1 Audit Committee

The composition, quorum, terms of reference, etc. of the Audit Committee is in line with the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidelines on Corporate Governance issued by Department of Public Enterprises, Govt. of India except for the meeting held on 9<sup>th</sup> November 2015 due to non availability of Independent Directors on the Board of the Company.

As on 31<sup>st</sup> March 2016, the Audit Committee comprised the following members:

i)	Shri Satya Prakash Mangal	Independent Director	Chairperson
ii)	Shri Farooq Khan	Independent Director	Member
iii)	Shri Ratish Kumar	Director (Projects)	Member

#### Meetings and Attendance:

The Committee met six times during the year on 14<sup>th</sup> May 2015, 29<sup>th</sup> May 2015, 29<sup>th</sup> July 2015, 9<sup>th</sup> November 2015, 10<sup>th</sup> February 2016 and 18<sup>th</sup> March 2016. 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 2015-16	Meetings held during respective tenure of members	Meetings attended
1.	Shri Atul Kumar Garg*	3	3
2.	Shri Ashoke Kumar Dutta*	3	3
3.	Shri D.P. Bhargava**	4	4
4.	Smt. Krishna Tyagi***	1	1
5.	Shri Aniruddha Kumar****	2	2
6.	Shri Satya Prakash Mangal**	2	2
7.	Shri Farooq Khan**	2	2
8.	Shri Ratish Kumar****	1	0

\* Shri Atul Kumar Garg and Shri Ashoke Kumar Dutta ceased to be Directors on the board w.e.f. 23<sup>rd</sup> September 2015.

\*\* Shri Satya Prakash Mangal and Shri Farooq Khan were appointed as members of the committee w.e.f. 11<sup>th</sup> December 2015. Further, Shri D.P. Bhargava ceased to be member of the committee w.e.f. 11<sup>th</sup> December 2015.

\*\*\* Smt. Krishna Tyagi was member of the Committee from 28<sup>th</sup> October 2015 to 11<sup>th</sup> December 2015. Further, Shri Aniruddha Kumar was appointed as member of the audit committee w.e.f. 28<sup>th</sup> October 2015 who ceased to be member of the committee w.e.f. 29<sup>th</sup> February 2016.

\*\*\*\* Shri Ratish Kumar was appointed as the member of the Committee w.e.f. 8<sup>th</sup> March 2016 by Board of Directors through passing Resolution by Circulation.

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

Shri Atul Kumar Garg, Independent Director chaired all the meetings held till 23<sup>rd</sup> September 2015. Shri Aniruddha Kumar, Govt. Nominee Director chaired the meeting held on 9<sup>th</sup> November 2015. Further, Shri Satya Prakash Mangal took the Chairmanship during the remaining part of financial year 2015-16. The time interval between any two Audit Committee meetings had not exceeded one hundred and twenty days during the financial year 2015-16. Director (Finance) and head of internal audit department were present in all meetings held during the year, as invitees. The Company Secretary is secretary to the committee. The Chairman of the Audit Committee was present in the last Annual General Meeting of the company to answer the shareholders' queries.

#### Terms of reference of Audit Committee:

The terms of reference of the Audit Committee are as per the Companies Act, 2013, Listing Agreement as amended from time to time, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 of payment to auditors for any other services rendered by the Statutory Auditors.
- 4 Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the Directors' Responsibility Statement to be included in the board's report;
  - b) Changes, if any, in accounting policies and practices and reasons for the same;
  - c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with listing and other legal requirements related to financial statements;
  - f) Disclosure of any related party transactions; and
  - g) Qualifications in the draft audit report.
- 5 Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- 6 Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.
- 7 Reviewing the adequacy of 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 internal audit.
- 8 Discussion with Internal Auditors and/or Auditors of any significant findings and follow-up thereon.
- 9 Reviewing the findings of any internal investigations by internal auditors/auditors/agencies into matters 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 any area of concern.
- 11 To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- 12 To review functioning of the Whistle Blower Mechanism.
- 13 To review the follow-up action on audit observations of the Comptroller & Auditor General of India (C&AG) audit.
- 14 To review the follow-up action taken on the recommendations of Parliament's Committee on Public Undertakings (COPU).
- 15 Provide an open avenue of communication between the Independent Auditors, Internal Auditor and the Board of Directors.
- 16 Approval or any subsequent modification of transactions of the Company with related parties.
- 17 Review with the Independent Auditor the coordination of audit efforts to assure completeness of coverage, reduction of redundant efforts and the effective use of all audit resources.
- 18 Consider and review the following with Independent Auditor and management:
  - The adequacy of internal controls, including Computerized Information System Controls and Security; and
  - Related findings and recommendations of the Independent Auditor and Internal Auditor together with management responses.
- 19 Consider and review the following with management, Internal Auditor and Independent Auditor:
  - Significant findings during the year, including the status of previous audit recommendations; and
  - Any difficulties encountered during audit work, including any restrictions on the scope of activities or access to required information.

- 20 Review and monitor the auditor's independence and performance and effectiveness of audit process.
- 21 Scrutiny of inter-corporate loans and investments.
- 22 Valuation of undertakings or assets of the Company, wherever it is necessary.
- 23 Evaluation of internal financial controls and risk management systems.
- 24 Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue and making appropriate recommendations to the Board to take up steps in this matter.
- 25 Carrying out any other function as is mentioned in the terms of reference of the Audit Committee pursuant to the provisions of the Companies Act, 2013, Listing agreement and corporate governance guidelines issued by DPE.

### 3.2 Stakeholders' Relationship Committee

The composition of Stakeholders' Relationship Committee as on 31<sup>st</sup> March 2016 was as under:

i)	Prof. Kanika T. Bhal	Independent Director	Chairperson
ii)	Shri Satya Prakash Mangal	Independent Director	Member
iii)	Shri Jayant Kumar	Director (Finance)	Member

#### Meetings and Attendance:

The Committee met twice during the year on 14<sup>th</sup> July 2015 and 14<sup>th</sup> January 2016. Details of Stakeholders' Relationship Committee Meeting attended by members are given in **Table 6**.

**Table 6: Stakeholders' Relationship Committee meeting**

S. No.	Members of the Committee during 2015-16	Meeting held during respective tenure of members	Meeting attended
1	Shri Atul Kumar Garg*	1	1
2	Shri Ashoke Kumar Dutta*	1	1
3	Shri R.S. Mina**	1	1
4	Shri Satya Prakash Mangal***	1	1
5	Prof. Kanika T. Bhal***	1	1
6	Shri Jayant Kumar***	1	1

\* Shri Atul Kumar Garg and Shri Ashoke Kumar Dutta were ceased to be the director on the board w.e.f. 23<sup>rd</sup> September 2015.

\*\* Consequent upon reconstitution of committee Shri R.S. Mina was ceased to be the member of the committee w.e.f. 11<sup>th</sup> December 2015.

\*\*\* The committee was reconstituted on 11<sup>th</sup> December 2015 consisting of Shri Satya Prakash Mangal, Prof. Kanika T. Bhal and Shri Jayant Kumar as member of the committee.

#### Terms of Reference:

1. The Stakeholders' Relationship Committee shall consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends.
2. The Committee shall carry out any other function, as required by the provisions of the Companies Act, 2013, Listing agreement and corporate governance guidelines issued by DPE.

#### Name and Designation of Compliance Officer:

Shri Vijay Gupta, Company Secretary is the Compliance Officer in terms of Regulation 6 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



**Shareholders' Grievances:**

During the financial year ended on 31<sup>st</sup> March 2016, Company has attended shareholders' grievances expeditiously except for the cases constrained by disputes or legal impediments. The details of complaints received and resolved during the year are given in **Table 7**.

**Table 7: Shareholders' Complaints**

Description	Opening balance as on 1 <sup>st</sup> April 2015	Received during the year ended on 31 <sup>st</sup> March 2016	Resolved during the year ended on 31 <sup>st</sup> March 2016	Pending as on 31 <sup>st</sup> March 2016
Non-receipt of refund orders	Nil	113	113	Nil
Non-receipt of dividend warrants	Nil	2035	2035	Nil
SEBI complaints	Nil	25	25	Nil
Stock exchange complaints	Nil	5	5	Nil
Consumer forum/court cases	2	Nil	Nil	2
Advocate notices	Nil	Nil	Nil	Nil
<b>TOTAL</b>	<b>2</b>	<b>2178</b>	<b>2178</b>	<b>2</b>

Shareholder's complaints shown pending as on 31<sup>st</sup> March 2016 are related to cases pending before consumer forum.

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

Securities and Exchange Board of India (SEBI) has a web based complaints redressal system 'SCORES', which enables a shareholder to lodge his/her grievances against the company and check status of his/her complaint. On registration of a complaint, a unique complaint registration number is allotted for future reference and tracking. The concerned entity (intermediary or listed company) uploads action taken report on the complaints electronically. The concerned entity and the complainant can also seek and/or provide clarifications online from each other. SEBI disposes the complaints, if it is satisfied that the complaint has been adequately redressed.

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

During the year 2015-16, shareholders' complaints received through SCORES have been promptly attended to and action taken reports on these complaints as received from Registrar and Transfer Agent have been submitted to the SEBI through SCORES.

**Number of pending share transfers**

No share transfer request was pending as on 31<sup>st</sup> March 2016.

During the financial year ended 31<sup>st</sup> March 2016, share transfers have been affected within the time prescribed by the stock exchanges and a certificate to this effect duly signed by a practicing company secretary has been furnished to stock exchanges.

**3.3 Nomination & Remuneration Committee**

NHPC being a Central Public Sector Enterprise, the appointment, tenure and remuneration of its directors are decided by the President of India. As per the DPE Guidelines on Corporate Governance, Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Nomination & 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 Nomination & Remuneration Committee comprised the following members as on 31<sup>st</sup> March 2016

i)	Prof. Kanika T. Bhal	Independent Director	Chairperson
ii)	Smt. Krishna Tyagi	Government Nominee Director	Member
iii)	Prof. Arun Kumar	Independent Director	Member

**Meetings and Attendance:**

The committee met two times during the year on 23<sup>rd</sup> April 2015 and 9<sup>th</sup> March 2016. Details of the meetings of the Nomination & Remuneration Committee attended by the members are given in **Table 8**.

**Table 8: Meetings of the Nomination and Remuneration Committee**

S. No.	Members of the Committee during 2015 -16	Meetings held during respective tenure of members	Meetings attended
1.	Shri Ashoke Kumar Dutta**	1	1
2.	Shri Atul Kumar Garg**	1	1
3.	Shri K.N. Garg*	1	0
4.	Prof. Kanika T. Bhal***	1	1
5.	Smt. Krishna Tyagi****	1	1
6.	Prof. Arun Kumar***	1	1

\* Shri K.N. Garg ceased to be the director on the board of the company w.e.f. 30<sup>th</sup> June 2015.

\*\* Shri Atul Kumar Garg and Shri Ashoke Kumar Dutta ceased to be the director on the board w.e.f. 23<sup>rd</sup> September 2015.

\*\*\* Prof. Kanika T. Bhal and Prof. Arun Kumar were appointed as the member of the committee w.e.f. 11<sup>th</sup> December 2015.

\*\*\*\* Smt Krishna Tyagi was appointed as the member of the committee w.e.f. 29<sup>th</sup> July 2015.

**Terms of reference:**

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

**Performance Evaluation Criteria of Board members including Independent Directors as approved by the Board provides:**

- A. Each of the directors is required to assign the rating on different parameters for the evaluation of board, independent directors and committees of the Board of Directors and submit the same to Nomination and Remuneration Committee.
- B. The rating is to be assigned on a scale of five for the purpose of evaluation of performance as under:

Rating Scale

Scale	Performance
5	Exceptionally Good
4	Good
3	Satisfactory
2	Needs Improvement
1	Unacceptable

- C. The Nomination & Remuneration Committee shall receive the Evaluation Forms in sealed cover and summarise the results. The Chairman of the Nomination & Remuneration Committee may have discussions with individual director where clarification or interpretation is required.
- D. The Chairman of the Nomination & Remuneration Committee shall develop a report for the Nomination & Remuneration Committee on the basis of evaluation rating received. The Committee shall review the result and submit its recommendation for the consideration of Board.
- E. The Board shall review the recommendations of the Nomination & Remuneration Committee and issue the necessary directions.



### 3.4 Committee on Corporate Social Responsibility (CSR) and Sustainability

As on 31<sup>st</sup> March 2016, the Committee on Corporate Social Responsibility (CSR) and Sustainability comprised the following members:

i)	Prof. Arun Kumar	Independent Director	Chairperson
ii)	Shri D.P. Bhargava	Director (Technical)	Member
iii)	Shri Jayant Kumar	Director (Finance)	Member

#### Meetings and Attendance:

The Committee met four times during the year on 13<sup>th</sup> July 2015, 27<sup>th</sup> August 2015, 11<sup>th</sup> December 2015 and 18<sup>th</sup> March 2016. Details of the meetings of the Committee on Corporate Social Responsibility (CSR) and Sustainability attended by the members are given in **Table 9**.

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

S. No.	Members of the Committee during 2015 -16	Meetings held during respective tenure of members	Meetings attended
1.	Shri D.P Bhargava	4	4
2.	Shri Jayant Kumar*	2	2
3.	Prof. Arun Kumar*	2	2
4.	Shri Atul Kumar Garg**	2	2
5.	Shri R.S. Mina***	2	2

\*Shri Jayant Kumar and Prof. Arun Kumar were appointed as the member of the committee w.e.f. 1<sup>st</sup> December 2015.

\*\*Shri Atul Kumar Garg was the chairperson of the committee who ceased to be the director on the board w.e.f. 23<sup>rd</sup> September 2015.

\*\*\*Shri R.S. Mina ceased to be the member of the committee w.e.f. 1<sup>st</sup> December 2015.

### 3.5 Risk Management Committee

As on 31<sup>st</sup> March 2016, the Risk Management Committee comprised the following members:

i)	Prof. Arun Kumar	Independent Director	Chairperson
ii)	Prof. Kanika T. Bhal	Independent Director	Member
iii)	Shri Satya Prakash Mangal	Independent Director	Member
iv)	Shri D.P. Bhargava	Director (Technical)	Member

#### Meetings and Attendance:

The committee met four times during the year on 6<sup>th</sup> May 2015, 24<sup>th</sup> July 2015, 23<sup>rd</sup> October 2015 and 9<sup>th</sup> March 2016. Details of the meeting of the Risk Management Committee attended by the members are given in **Table 10**.

**Table 10: Meetings of the Risk Management Committee**

S. No.	Members of the Committee during 2015-16	Meeting held during respective tenure of members	Meeting attended
1	Shri Satya Prakash Mangal*	1	1
2	Prof. Kanika T. Bhal*	1	1
3	Prof. Arun Kumar*	1	1
4	Shri D.P. Bhargava	4	3
5	Shri R.S. Mina**	3	3
6	Shri Jayant Kumar***	1	1

\*Shri Satya Prakash Mangal, Prof. Kanika T. Bhal and Prof. Arun Kumar were appointed as members of the committee w.e.f. 11<sup>th</sup> December 2015.

\*\*Shri R.S. Mina ceased to be a member of the committee w.e.f. 11<sup>th</sup> December 2015.

\*\*\* Shri Jayant Kumar was member of the committee from 29<sup>th</sup> July 2015 to 11<sup>th</sup> December 2015.

**Terms of Reference:**

1. To assist the Board in corporate governance by overseeing the responsibilities relating to the identification, evaluation and mitigation of operational, strategic and external environment risks.
2. To formulate, review and monitor the risk policies/plans and associated practices of the Company.
3. To approve and review risk disclosure statements in any public documents or disclosures.
4. Carrying out any other function as required by the provisions of the Companies Act, 2013, listing agreement and corporate governance guidelines issued by DPE.

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

As on 31<sup>st</sup> March 2016, the committee comprised the following members:

i)	Shri D.P. Bhargava	Director (Technical)	Chairperson
ii)	Shri R.S. Mina	Director (Personnel)	Member
iii)	Shri Jayant Kumar	Director (Finance)	Member

**Meetings and Attendance:**

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

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

S. No.	Members of the Committee during 2015-16	Meetings held during respective tenure of members	Meetings attended
1	Shri D.P. Bhargava	24	20
2	Shri R.S. Mina	24	24
3	Shri Jayant Kumar*	16	16

\*Shri Jayant Kumar was appointed as member of the committee w.e.f. 29<sup>th</sup> July 2015.

**Terms of Reference:**

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

**3.7 Projects Investment Committee**

The Board of Directors in their 390<sup>th</sup> meeting held on 11<sup>th</sup> December 2015 decided to dissolve the committee. At the time of dissolution, the committee comprised the following members:

i)	Shri Jayant Kumar	Director (Finance)	Member
ii)	Shri D.P. Bhargava	Director (Technical)	Member
iii)	Shri R.S. Mina	Director (Personnel)	Member

One meeting of Projects Investment Committee was held on 28<sup>th</sup> May 2015, in which all the members were present.

**Terms of reference:**

The committee shall examine and make recommendations to the board on proposals for investment in new/expansion projects and feasibility reports of new projects.



### 3.8 Committee on Management Controls

As on 31<sup>st</sup> March 2016, the Committee on Management Controls comprised the following members:

i)	Shri Satya Prakash Mangal	Independent Director	Member
ii)	Shri Farooq Khan	Independent Director	Member
iii)	Prof. Arun Kumar	Independent Director	Member
iv)	Shri D.P. Bhargava	Director (Technical)	Member

#### Meetings and Attendance:

The committee met once during the year on 21<sup>st</sup> September 2015. Details of the meetings of the Committee on Management Controls of NHPC attended by members are given in **Table 12**.

**Table 12: Meetings of the Committee on Management Controls:**

S. No.	Members of the Committee during 2015-16	Meetings held during respective tenure of members	Meetings attended
1	Shri Satya Prakash Mangal*	0	0
2	Prof. Arun Kumar*	0	0
3	Shri Farooq Khan*	0	0
4	Shri D.P. Bhargava	1	1
5	Shri Atul Kumar Garg**	1	1
6	Shri R.S. Mina***	1	1

\* Shri Satya Prakash Mangal, Prof. Arun Kumar and Shri Farooq Khan were appointed as members of the committee w.e.f. 11<sup>th</sup> December 2015.

\*\* Shri Atul Kumar Garg ceased to be the director on the board w.e.f. 23<sup>rd</sup> September 2015.

\*\*\* Consequent upon reconstitution of the committee, Shri R.S. Mina ceased to be the member of the committee w.e.f. 11<sup>th</sup> December 2015.

#### Terms of reference:

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

### 3.9 Committee of Directors - Appellate Authority

As on 31<sup>st</sup> March 2016, the Committee comprised the following members:

i)	Shri Farooq Khan	Independent Director	Chairperson
ii)	Prof. Kanika T. Bhal	Independent Director	Member
iii)	Shri R.S. Mina	Director (Personnel)	Member

#### Meetings and Attendance:

The Committee met twice during the year on 7<sup>th</sup> August 2015 and 17<sup>th</sup> March 2016. Details of the meetings of the Committee of Directors - Appellate Authority attended by members are given in **Table 13**.

**Table 13: Meetings of the Committee of Directors - Appellate Authority**

S. No.	Members of the Committee during 2015-16	Meetings held during respective tenure of members	Meetings attended
1	Shri R.S. Mina	2	2
2	Shri Farooq Khan*	1	1
3	Prof. Kanika T. Bhal*	1	1
4	Shri Atul Kumar Garg**	1	1
5	Shri Ashoke Kumar Dutta**	1	1



\* Shri Farooq Khan and Prof. Kanika T. Bhal were appointed as members of the committee w.e.f. 11<sup>th</sup> December 2015.

\*\*Shri Atul Kumar Garg and Shri Ashoke Kumar Dutta ceased to be directors on the board w.e.f. 23<sup>rd</sup> September 2015.

#### Terms of reference:

The Committee is to act as an appellate authority for the cases placed before it in terms of CDA rules.

#### 4. Meeting of Independent Directors

Pursuant to the requirements of Schedule IV of the Companies Act, 2013 read with Department of Public Enterprises Office Memorandum No.16 (4)/2012-GM dated 20<sup>th</sup> June 2013, Listing Agreement and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of Independent Directors was held on 26<sup>th</sup> February 2016 and 26<sup>th</sup> April 2016 during the calendar year 2016 under the Chairmanship of Shri Farooq Khan.

#### 5. Remuneration of Directors

The remuneration payable to Functional Directors including Chairman & Managing Director is decided by the Government of India. As per DPE Guidelines on Corporate Governance, Government Nominee Directors are not being paid any remuneration or sitting fees from the company. As per the Companies Act, 2013 and DPE Guidelines on Corporate Governance, the Board of Directors of the Company is empowered to determine the sitting fee payable to Independent Directors within the ceiling prescribed under the Companies Act, 2013.

Accordingly, the Board in terms of extant guidelines issued by the Govt. of India, has fixed an amount of ₹ 20,000/- per meeting as sitting fees to Independent directors for attending meetings of the Board or Committees thereof.

Details of remuneration of functional Directors of the Company for the financial year 2015-16 are given in **Table 14**.

**Table 14: Remuneration of Functional Directors for the financial year 2015-16**

(Amount in ₹)

Name of Director	Designation	Salary	Benefits*	Performance Related Pay (PRP)** for the year 2014-15	Total
Shri K.M. Singh	Chairman and Managing Director	12,50,492	3,40,241	0	15,90,733
Shri D.P. Bhargava	Director (Technical)	27,45,825	20,19,778	0	47,65,603
Shri R.S. Mina	Director (Personnel)	28,76,198	11,07,284	0	39,83,482
Shri Jayant Kumar	Director (Finance)	19,56,662	9,96,768	0	29,53,430
Shri Ratish Kumar	Director (Projects)	7,02,033	1,45,153	0	8,47,186

\* Benefits include medical reimbursement, leave encashment, perquisites value of assets, lease rent, EPF & Social Security Scheme (Matching Contribution), pension fund, advance, vehicle and accommodation and recovery on account of vehicle and HRR.

\*\*Performance Related Pay (PRP) for the year 2014-15, paid in the financial year 2016-17 as per DPE Guidelines.

Note: 1. During the year, an amount of ₹ 18,24,532 was paid to Shri J.K. Sharma, Ex-Director (Projects) for his dues related to previous year.

2. The above salary depicts the salary drawn in the capacity of directors.

The Company had not given any stock options during the year 2015-16. Further, service conditions of the functional directors/directors are governed as per the terms and conditions issued by Government of India.



Details of sitting fee paid to Independent Directors for the financial year 2015-16 are given in **Table 15**.

**Table 15: Details of sitting fees paid to Independent Directors for the financial year 2015-16.**

(Amount in ₹)

Name of Independent Director	Sitting Fees*		Total
	Board Meetings	Committee Meetings	
Shri Ashoke Kumar Dutta	1,00,000	1,40,000	2,40,000
Shri Atul Kumar Garg	80,000	1,80,000	2,60,000
Shri Farooq Khan	60,000	80,000	1,40,000
Prof. Kanika T. Bhal	60,000	1,00,000	1,60,000
Prof. Arun Kumar	60,000	1,00,000	1,60,000
Shri Satya Prakash Mangal	60,000	1,00,000	1,60,000

\* In addition to sitting fees, they are also getting reimbursement of boarding/lodging and travelling expenses for attending meetings.

Except as mentioned above, there was no pecuniary relationship or transaction with non-executive directors vis-s-vis the Company during the financial year 2015-16.

Criteria of making payment to non-executive directors is available on the website of the company at: <http://www.nhpcindia.com/writereaddata/Images/pdf/TnC-Apptmt-%20Independent-Directors.pdf>.

## 6. Subsidiary Companies

(i) **NHDC LIMITED:** NHDC Limited was promoted as a Joint Venture between NHPC Limited and the Government of Madhya Pradesh with equity shareholding of 51% and 49% respectively. During the year, the minutes of the meetings of the Board of Directors of NHDC Limited were placed before the Board of Directors of NHPC Limited. The Board of NHPC was also apprised about the significant transactions and arrangements entered into by the Company at periodical intervals.

NHDC Limited is a material non-listed Indian subsidiary Company of NHPC Limited as per Clause 49 of the Listing Agreement, Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is also covered under the definition of 'Material Subsidiary' as per DPE Guidelines on corporate governance.

Shri Satya Prakash Mangal, Independent Director of the Company has joined the board of NHDC Limited w.e.f. 20<sup>th</sup> January 2016. Earlier, Shri Ashoke Kumar Dutta, Independent Director was appointed on the Board of NHDC Limited.

Further details about NHDC Limited are available in the Directors' report.

(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 a non-listed Indian subsidiary Company of NHPC Limited as per Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The minutes of meetings of the Board of LDHCL were placed before the Board of NHPC Limited. The Board of NHPC was also apprised about the significant transactions and arrangements entered into by the Company at periodical intervals.

Further details about Loktak Downstream Hydroelectric Corporation Limited are available in the Directors' report.

(iii) **BUNDELKHAND SAUR URJA LIMITED:** Bundelkhand Saur Urja Limited (BSUL) was promoted as a Joint Venture Company between NHPC Limited and UPNEDA (Uttar Pradesh New and Renewable Energy Development Agency) to implement a 50 MW Solar Power Project in Uttar Pradesh. The Company was incorporated on 2<sup>nd</sup> February 2015. As per the promoters' agreement the equity participation of NHPC shall not be less than 74% and of UPNEDA will not be more than 26% of the total share capital of the Company. The Board of NHPC was also apprised about the significant transactions and arrangements entered into by the Company at periodical intervals.

The Company is a non-listed Indian subsidiary Company of NHPC Limited as per Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The minutes of meetings of the Board of BSUL were placed before the Board of NHPC Limited.

Fresh bidding process for award of EPC contract for the development of 50 MW solar crystalline photovoltaic grid connected power plant along with associated 132 kV power evacuation equipment will be initiated after allocation of land by UPNEDA.

Further details about Bundelkhand Saur Urja Limited are available in the Directors' report.

## 7. General Meetings

### Annual General Meeting

Date, time and location of the last three Annual General Meetings are given in **Table 16**.

**Table 16: Annual General Meetings**

Financial Year	Date	Time	Location
2014-15	23.09.2015	10:30 A.M.	MCF Auditorium, Faridabad, Haryana
2013-14	26.09.2014	3:00 P.M.	MCF Auditorium, Faridabad, Haryana
2012-13	16.09.2013	12:00 Noon	MCF Auditorium, Faridabad, Haryana

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

NHPC Limited has amended its Articles of Association by appending new Article 16A and 35A for "Buy-Back of Shares" and "Additional Directors" respectively by passing Special Resolutions in its 37<sup>th</sup> Annual General Meeting held on 16<sup>th</sup> September 2013. Further, Issue of secured/unsecured redeemable non-convertible debentures/bonds aggregating upto ₹ 2,500 Crore through private placement, approved by passing Special Resolution in the 39<sup>th</sup> Annual General Meeting held on 23<sup>rd</sup> September 2015.

No Special Resolution passed through Postal Ballot during 2015-16 and proposed to be passed during financial year 2016-17.

## 8. Disclosures

### (i) Related Party Transactions:

During the financial year 2015-16, the Company has not entered into any material transaction with any of its related party. The Company's major related party transactions are generally with its subsidiaries and associates for providing consultancy services, leasing out of the properties and manpower services. All the contracts/arrangements/transactions entered into with related parties were on arm's length basis intended to further Company's interest. Accordingly, the disclosure of Related Party Transactions as required under section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

The policy on related party transactions as approved by the Board can be accessed on the Company's website at the link: <http://nhpcindia.com/writereaddata/Images/pdf/Policy-Related-Party-Transaction.pdf>.

Attention of the members is also drawn to para no. 10 of note no. 29 of the financial statement, which sets out related party disclosures as per Accounting Standard - 18.

### (ii) Disclosure Requirements as per Listing Agreement, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance:

The company has broadly complied with all the statutory requirements of the Listing Agreement with stock exchanges as well as regulations and guidelines prescribed by SEBI except as mentioned in paragraph 2(i) of this Report. The Company has also complied with all the requirements of the guidelines on corporate governance for Central Public Sector Enterprises (CPSEs) issued by Department of Public Enterprises (DPE), Government of India except as mentioned in Paragraph 2(i) of this Report, wherein the requirement of at least half of the Board comprising of Independent Directors was not fulfilled.

Company has complied all the regulations from 17 to 27 and 46(2)(i)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year 2015-16 except regulation 17(1). Further, regulation 18(1) and 18(2) could not be complied for part of the year, mainly due to non-appointment of Independent Directors by the Government of India.

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

However, Company has received a notice for fine of ₹ 50,000/- for non-compliance with the requirement of Clause 49(II)(A)(1) of Listing Agreement - regarding appointment of Woman Director by BSE Limited on 10<sup>th</sup> April 2015.



# NHPC Limited

(A Government of India Enterprise)

The Company has requested the Exchange to waive off the said fine on the ground that NHPC is a Central Public Sector Enterprises (CPSE), therefore appointment of Directors is being made by President of India as per Articles of Association of the Company.

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

No presidential directives were issued to the Company during Financial Year 2015-16 and the preceding three financial years.

- (iii) **Accounting Treatment:** In view of the management, all applicable accounting standards are being followed for preparation of Financial Statements. However, wherever, there is non compliance that has indicated in the notes to accounts which are forming part of financial statements.
- (iv) **Whistle Blower Policy:** NHPC has a well defined Whistle Blower Policy for reporting the instances of unethical/improper conduct and taking suitable steps to investigate and take remedial action. 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.

During the year 2015-16, no complaint has been reported under Whistle Blower Policy.

- (v) **Items of expenditure debited in books of accounts, which are not for the purposes of the business:**

NIL

- (vi) **Expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management:**

NIL

- (vii) **Details of administrative and office expenses as a percentage of total expenses vis-a-vis financial expenses and reasons for increase:**

(figures in %)

Details	2015-16	2014-15	Reason for increase
Administrative expenses* as a percentage of total expenses	18.38	12.98	In comparison to previous year there is increase in percentage of Administrative expenses to total expenses vis-à-vis financial expenses. Main reason for such increase is due to increase in Project Expenses by ₹ 308.54 Crore, CSR Expenses by ₹ 20.44 Crore and insurance expenses by ₹ 36.27 Crore.  Further, there is a decrease in finance cost by ₹ 112.40 Crore in FY 2015-16 as against the previous year, resulting an increase in Administrative expenses as a percentage of financial expenses.
Administrative expenses* as a percentage of financial expenses	98.27	58.96	

\* Administrative expenses includes office expenses

- (viii) As on 31<sup>st</sup> March 2016, NHPC has ECB exposure to the tune of JPY 28024 Million equivalent to INR 16713 Million from JBIC (Japan International Cooperation Agency) and Deutsche Bank. The above ECB are not hedged. However, NHPC is not effected by Exchange Rate Variation (ERV), as ERV is passed through to the beneficiaries as per the provision of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014.

- (ix) **Policy for determining material subsidiaries is available on the website at the following link:**

<http://www.nhpcindia.com/writereaddata/Images/pdf/Policy-Material-Subsidiary.pdf> .

(x) **Policy on dealing with Related Party Transactions is available on the website at the following link:**

<http://www.nhpcindia.com/writereaddata/Images/pdf/Policy-Related-Party-Transaction.pdf> .

## 9. CEO/CFO Compliance Certification

In terms of Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a compliance certificate duly signed by Shri K.M. Singh, Chairman & Managing Director and Shri Jayant Kumar, Director (Finance), was placed before the Board of Directors at the meeting held on 28<sup>th</sup> May 2016 and is annexed to the Corporate Governance Report as **Annexure-B**.

## 10. Means of Communication

Periodical financial results of the company are announced within the time specified in Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These results are published in the national and local dailies. The company does not send periodical results to every shareholder, however these are placed at the Company's official website [www.nhpcindia.com](http://www.nhpcindia.com) . The Company has also issued official press releases on significant corporate decisions and activities, which are also available on the company's website.

Details of publication of audited/unaudited financial results of the Company are given in **Table 17**.

**Table 17: Audited/unaudited financial results**

Newspapers	Date of publication of results for the period ended			
	30 <sup>th</sup> June 2015	30 <sup>th</sup> September 2015	31 <sup>st</sup> December 2015	31 <sup>st</sup> March 2016
Hindustan Times (English) All Editions	-	-	11.02.2016	30.05.2016
Financial Express (English) All Editions	30.07.2015	10.11.2015	11.02.2016	-
Business Standard (English) Delhi	-	10.11.2015	-	-
Business Standard (English) All Editions	-	-	-	30.05.2016
Business Standard (Hindi) All Edition	-	11.11.2015	-	30.05.2016
The Times of India (English) Delhi, Gurgaon	-	10.11.2015	-	-
The Times of India (English) Delhi, Mumbai, Gurgaon and Noida	-	-	-	30.05.2016
Navbharat Times (Hindi) Delhi, NCR	-	11.11.2015	-	30.05.2016
Dainik Jagran (Hindi) Delhi, Faridabad	-	-	-	30.05.2016
Millenium Post (English) Delhi, Kolkata	-	-	-	30.05.2016
Hindustan Times (English) Delhi, Mumbai	-	10.11.2015	-	-
Hindustan (Hindi) Delhi	-	11.11.2015	11.02.2016	30.05.2016
MINT (English) Delhi	-	10.11.2015	11.02.2016	30.05.2016
Jansatta (Hindi), Delhi	30.07.2015	-	-	-
Economic Times (English), Delhi	-	10.11.2015	-	-
Economic Times (English), All Edition	-	-	-	30.05.2016
Economic Times (Hindi), Delhi	-	-	-	30.05.2016
The Telegraph (English), All Edition	-	10.11.2015	-	30.05.2016
Mail Today (English), Delhi	-	10.11.2015	-	-

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

## 11. Information for Shareholders

### (i) Annual General Meeting

Date: 22<sup>nd</sup> September 2016

Time: 11.00 A.M.

Venue: Municipal Corporation Auditorium, NIT, Near B. K. Chowk, Faridabad-121001



**(ii) Financial calendar for year 2016-17**

Particulars	Date
Accounting period	1 <sup>st</sup> April 2016 to 31 <sup>st</sup> March 2017
Unaudited Financial Results for the first three quarters	Board Meeting to be held within forty five days from the end of each quarter. Financial results will be intimated to Stock Exchanges within stipulated time of the conclusion of Board meeting.
Fourth quarter results/annual audited financial results for the year ending on 31 <sup>st</sup> March 2017	Board Meeting to be held on or before 30 <sup>th</sup> May 2017. Financial results will be intimated to Stock Exchanges within stipulated time of the conclusion of Board meeting.
AGM - 2017	September 2017 (Tentative)

**(iii) Book Closure**

The register of members and share transfer books of the Company will remain closed from Saturday, 10<sup>th</sup> September 2016 to Thursday, 22<sup>nd</sup> September 2016 (both days inclusive).

**(iv) Payment of Dividend**

The Board of Directors of the Company has recommended a final dividend of ₹ 1.50 per share (15% on paid up share capital) for the financial year ended 31<sup>st</sup> March 2016 including interim dividend of Re. 0.92 per share (9.2% on paid up share capital) paid on 2<sup>nd</sup> March 2016. The final dividend, if declared at the AGM, shall be paid within the stipulated period as per the Companies Act, 2013.

The record date for the purpose of determining eligibility to receive final dividend is 22<sup>nd</sup> September 2016 in respect of physical shares. In respect of dematerialized shares, the final dividend will be payable to the "beneficial owners" of the shares whose names appear in the Statement of Beneficial Ownership provided by National Securities Depository Limited and Central Depository Services (India) Limited respectively as at the close of business hours on 9<sup>th</sup> September 2016.

**(v) Dividend History**

Financial Year	Total amount of dividend paid (₹ in Crore)	Date of AGM in which dividend was declared	Date of payment
2009-10	676.54	22.09.2010	01.10.2010
2010-11	738.04	19.09.2011	28.09.2011
2011-12	861.05	17.09.2012	26.09.2012
2012-13	738.04	16.09.2013	25.09.2013
2013-14	332.13	26.09.2014	07.10.2014
2014-15	664.25 (including ₹ 221.43 interim dividend)	23.09.2015	03.10.2015
2015-16	1,018.50 Interim Dividend	N.A.	02.03.2016

**(vi) Listing on Stock Exchanges**

NHPC equity shares are listed on the following stock exchanges:

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

The annual listing fee for the financial year 2016-17 has been paid to both National Stock Exchange of India Limited and BSE Limited before 30<sup>th</sup> April 2016.

**(vii) Market price data and performance in comparison to indices**

**BSE Sensex and NHPC Share Price**

SENSEX			
Month	High	Low	Closing
Apr-15	29094.61	26897.54	27011.31
May-15	28071.16	26423.99	27828.44
Jun-15	27968.75	26307.07	27780.83
Jul-15	28578.33	27416.39	28114.56
Aug-15	28417.59	25298.42	26283.09
Sep-15	26471.82	24833.54	26154.83
Oct-15	27618.14	26168.71	26656.83
Nov-15	26824.30	25451.42	26145.67
Dec-15	26256.42	24867.73	26117.54
Jan-16	26197.27	23839.76	24870.69
Feb-16	25002.32	22494.61	23002.00
Mar-16	25479.62	23133.18	25341.86

NHPC SHARE PRICE AT BSE			
Month	High (₹)	Low (₹)	Closing (₹)
Apr-15	21.25	19.50	19.75
May-15	20.50	18.75	20.15
Jun-15	21.55	18.60	19.65
Jul-15	19.85	18.50	18.95
Aug-15	19.45	15.55	16.50
Sep-15	16.90	15.90	16.60
Oct-15	18.45	16.55	18.15
Nov-15	19.35	17.15	19.15
Dec-15	21.25	18.55	21.00
Jan-16	22.35	18.60	20.95
Feb-16	21.75	19.25	20.20
Mar-16	24.40	20.10	24.10

**NSE NIFTY and NHPC Share Price**

NIFTY			
Month	High	Low	Closing
Apr-15	8844.80	8144.75	8181.50
May-15	8489.55	7997.15	8433.65
Jun-15	8467.15	7940.30	8368.50
Jul-15	8654.75	8315.40	8532.85
Aug-15	8621.55	7667.25	7971.30
Sep-15	8055.00	7539.50	7948.90
Oct-15	8336.30	7930.65	8065.80
Nov-15	8116.10	7714.15	7935.25
Dec-15	7979.30	7551.05	7946.35
Jan-16	7972.55	7241.50	7563.55
Feb-16	7600.45	6825.80	6987.05
Mar-16	7777.60	7035.10	7738.40

NHPC SHARE PRICE AT NSE			
Month	High (₹)	Low (₹)	Closing (₹)
Apr-15	21.20	19.50	19.75
May-15	20.55	18.75	20.15
Jun-15	21.10	18.65	19.60
Jul-15	19.90	18.50	18.90
Aug-15	19.45	15.55	16.45
Sep-15	16.90	15.90	16.55
Oct-15	18.50	16.60	18.15
Nov-15	19.35	17.15	19.15
Dec-15	21.35	18.60	21.05
Jan-16	22.40	18.65	20.95
Feb-16	21.95	19.15	20.10
Mar-16	24.45	20.15	24.15

**(viii) Registrar & Share Transfer Agent**

M/s Karvy Computershare Private Limited,  
Karvy Selenium Tower B, Plot 31 & 32,  
Gachibowli Financial District, Nanakramguda,  
Hyderabad - 500 032.  
Tel No.: 040 67161500  
Fax No.: 040 23420814  
E-mail ID: einward.ris@karvy.com

**(ix) Share Transfer System**

The share transfer system consists of activities like receipt of shares along with transfer deed from transferees, its verification, preparation of Memorandum of Transfers, etc. Share transfers are approved/ratified by Committee of Directors for Allotment and Post-Allotment Activities of NHPC securities. Share transfer activities are being carried out by M/s Karvy Computershare Private Limited, Share Transfer Agent of the Company.

Pursuant to Clause 47(c) of the Listing Agreement and Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate on half yearly basis from Practicing Company Secretary confirming due



compliance of share transfer formalities by the Company through its share transfer agent have been submitted to stock exchanges within the one month from the end of half of the financial year.

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

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 23<sup>rd</sup> September 2015 (date of last Annual General Meeting) on the website of the Company ([www.nhpcindia.com](http://www.nhpcindia.com)) and also on the website of Ministry of Corporate Affairs.

**(xi) Distribution of shareholding**

Shares held by different categories of shareholders and according to the size of holdings as on 31<sup>st</sup> March 2016 are given below:

**According to size**

**(a) Distribution of shareholding according to size and percentage of holding as on 31<sup>st</sup> March 2016:**

Category (Amount in ₹)	Number of shareholders	%* of shareholders	Total shares	%* of shares
1 - 5,000	546345	61.46	117952365	1.07
5,001 - 10,000	242386	27.27	181513304	1.64
10,001 - 20,000	54960	6.18	82193223	0.74
20,001 - 30,000	17500	1.97	44723008	0.40
30,001 - 40,000	7312	0.82	26206161	0.24
40,001 - 50,000	5937	0.67	28055083	0.25
50,001 - 1,00,000	8530	0.96	61713677	0.56
1,00,001 and above	5944	0.67	10528311675	95.10
<b>Total</b>	<b>888914</b>	<b>100</b>	<b>11070668496</b>	<b>100</b>

\* % rounded off to 2 decimal places

**(b) Shareholding Pattern on the basis of ownership as on 31<sup>st</sup> March 2016**

Category	As on 31 <sup>st</sup> March 2016		As on 31 <sup>st</sup> March 2015		Change (%*)
	Total shares	%* to equity	Total shares	%* to equity	
Government of India	9516209722	85.96	9516209722	85.96	0.00
Foreign Institutional Investors	170109933	1.54	193942928	1.75	(0.21)
Resident Individuals & HUF	688922519	6.22	747288889	6.75	(0.53)
Banks, Financial Institutions, Insurance Companies and NBFC	481155791	4.34	467299545	4.22	0.12
Bodies Corporates	69481348	0.63	97340036	0.88	(0.25)
Mutual Funds	6204586	0.05	8722475	0.08	(0.03)
NRI and Overseas Corporate Bodies	15145824	0.14	16601501	0.15	(0.01)
<b>Others</b>					
Clearing Members, Trusts, Foreign Portfolio Investors and Foreign Nationals	123438773	1.12	23263400	0.21	0.91
<b>Total</b>	<b>11070668496</b>	<b>100</b>	<b>11070668496</b>	<b>100</b>	

\* % rounded off to 2 decimal places

**(c) Major Shareholders as on 31<sup>st</sup> March 2016**

Details of shareholders holding more than one per cent of the Paid-up Share Capital of the Company as on 31<sup>st</sup> March 2016 are given below:

Name of shareholder	No. of shares	% to paid-up capital	Category
President of India	9516209722	85.96	Central Govt.
Life Insurance Corporation of India	344634628	3.11	Insurance Company

**(d) Top Ten Shareholders as on 31<sup>st</sup> March 2016**

Details of top ten shareholders of NHPC Limited as on 31<sup>st</sup> March 2016 are given below:

S. No.	Name of shareholder	Total shares	% to Equity
1.	PRESIDENT OF INDIA	9516209722	85.96
2.	LIFE INSURANCE CORPORATION OF INDIA	344634628	3.11
3.	GOLDMAN SACHS (SINGAPORE) PTE	35427088	0.32
4.	UCO BANK	33154836	0.30
5.	VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIE	21878724	0.20
6.	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	16008277	0.14
7.	WISDOMTREE INDIA INVESTMENT PORTFOLIO INC	15034795	0.14
8.	PENSION RESERVES INVESTMENT TRUST FUND- PZENA INV	14881775	0.13
9.	SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA	13907798	0.13
10.	CORPORATION BANK	13842251	0.12
<b>Total</b>		<b>10024979894</b>	<b>90.55</b>

**(xii) Dematerialization of Shares and Liquidity**

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

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

Number of shares held in dematerialized and physical mode as on 31<sup>st</sup> March 2016

Particulars	Total Shares	% to Equity
Shares in dematerialized form with NSDL	10828732762	97.81
Shares in dematerialized form with CDSL	241775577	2.19
Physical	160157	0.00
<b>Total</b>	<b>11070668496</b>	<b>100</b>

The names and addresses of the depositories are as under:

**1. National Securities Depository Limited**

Trade World, A-Wing, 4<sup>th</sup> & 5<sup>th</sup> Floors,  
Kamala Mills Compound,  
Senapati Bapat Marg,  
Lower Parel, Mumbai - 400 013



## 2. Central Depository Services (India) Limited

Phiroze Jeejeebhoy Towers,  
17<sup>th</sup> Floor, Dalal Street, Fort, Mumbai - 400 001

### (xiii) Demat Suspense Account

Details of shares in the suspense account opened and maintained after Initial Public Offering of Equity Shares of NHPC Limited as on 31<sup>st</sup> March 2016 is given in **Table 18**.

**Table 18: Shares in 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	380	144820
Number of shareholders who approached the Company for transfer of shares from the suspense account during the year	28	11733
Number of shareholders to whom shares were transferred from the suspense account during the year	27	11020
Aggregate number of shareholders and outstanding shares in the suspense account at the end of the year	353	133800

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

### (xiv) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

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

### (xv) Location of NHPC Plants:

Bairasiul	NHPC Limited, Surangani, Distt. Chamba, Himachal Pradesh - 176 317
Loktak	NHPC Limited, P.O. Loktak, Komkeirap, Manipur- 795 124
Salal	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 - 176 325
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 -176 310
Dhauliganga-I	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, Jammu & Kashmir
Chamera-III	NHPC Limited, Village Dharwala, P.O. - 9, Distt. - Chamba, Himachal Pradesh - 176 311
Chutak	NHPC Limited, P.O. Minji, Distt. Kargil (Ladakh), Jammu & Kashmir - 194 103
Teesta Low Dam Project - III	NHPC Limited, Rambhi Bazar, P.O. Reang, Distt. Darjeeling, West Bengal - 734 321
Nimmo Bazgo	NHPC Limited, ALCHI, Distt. Leh (Ladakh), Jammu & Kashmir - 194 101
Uri II	NHPC Office cum residential complex, Nowpora, Uri, Distt. Baramulla, Jammu & Kashmir -193 122
Parbati-III	NHPC Limited, Village Behali, P. O. Larji, Distt. Kullu, Himachal Pradesh - 175 122
TLDP-IV	NHPC Limited, Kalijhora, P.O. Kalijhora Bazar, Distt. Darjeeling, West Bengal - 734 320

**(xvi) Address for Correspondence:**

Shri Vijay Gupta, Compliance Officer,  
5<sup>th</sup> Floor, NHPC Office Complex,  
Sector - 33, Faridabad,  
Haryana - 121 003  
E-mail: [companysecretary@nhpc.nic.in](mailto:companysecretary@nhpc.nic.in)

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

<b>Particulars</b>	<b>Telephone Number</b>	<b>Fax No.</b>
Registered Office	0129-2588110	0129-2277941
Investor Relation Cell	0129-2250437	-
E-mail	<a href="mailto:investorcellnhpc@gmail.com">investorcellnhpc@gmail.com</a> , <a href="mailto:investorcell@nhpc.nic.in">investorcell@nhpc.nic.in</a>	
Shri K.K. Goel, Chief Investor Relations Officer	0129-2270603	-
E-mail	<a href="mailto:goelkk@nhpc.nic.in">goelkk@nhpc.nic.in</a>	

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](mailto:companysecretary@nhpc.nic.in)

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



**(K.M. SINGH)**

**Chairman and Managing Director  
DIN 02223301**

**Date: 28<sup>th</sup> July 2016  
Place: Faridabad**





## 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 SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 is as under:

1. **The Board:** The Company is headed by Shri K.M. Singh, Chairman and Managing Director. No Independent Director has been appointed for the period exceeding, in aggregate of 9 years, on the Board of the Company.
2. **Shareholders' Rights:** A half-yearly declaration of financial performance, including a summary of significant events during the last six months is not sent individually to every shareholder. However, this information is made available on the Company's official website. Periodic financial results are published in the leading newspapers as mentioned under the heading 'means of communication' in this Report.
3. **Audit Qualifications:** It is always company's endeavor to present unqualified financial statements.
4. **Separate posts of Chairman and CEO:** The power to appoint Chairman & Managing Director vests with the President of India pursuant to Article 34 of the Articles of Association of the Company.
5. **Reporting of Internal Auditor:** Shri Vijay Kumar, ED (Finance) is the Internal Auditor of the Company. As per organization structure of the Company, Shri Vijay Kumar is reporting to Director (Finance) of the Company.

## ANNEXURE-B

### CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) COMPLIANCE CERTIFICATION PURSUANT TO REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,  
The Board of Directors,  
NHPC Limited,  
Faridabad

- a. We have reviewed financial statements and the cash flow statement for the period ended 31<sup>st</sup> March 2016 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 period ended 31<sup>st</sup> March 2016 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 period ended 31<sup>st</sup> March 2016.
  - ii. significant changes in accounting policies during the period ended 31<sup>st</sup> March 2016 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/-  
(Jayant Kumar)  
Director (Finance)  
DIN 03010235

Sd/-  
(K.M. Singh)  
Chairman and Managing Director  
DIN 02223301

Place: New Delhi  
Date: 28<sup>th</sup> May 2016

## CERTIFICATE ON CORPORATE GOVERNANCE

**The Members,  
NHPC Limited.**

We have examined the compliance of conditions of Corporate Governance by **NHPC Limited** for the year ended 31<sup>st</sup> March 2016, as prescribed in Regulations 17 to 27, 46 (2) (b) to (i) and para C, D and E of Schedule V of Chapter IV of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called as "SEBI (LODR) Regulations, 2015") (erstwhile Clause 49 of the Listing Agreement) and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE), Government of India.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination has been limited to review of procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause and guidelines. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, 46 (2) (b) to (i) and para C, D and E of Schedule V of Chapter IV of SEBI (LODR) Regulations, 2015 (erstwhile Clause 49 of the Listing Agreement) and DPE Guidelines on Corporate Governance except:

- (i) *Regulation 17 (1) of SEBI (LODR) Regulations, 2015 (erstwhile Clause 49 II (A) (1) & (2) of the Listing Agreement) and Para 3.1.4 of the DPE Guidelines on Corporate Governance require that in case the Chairman is an Executive Director, at least half of the Board should comprise of Independent Directors.*
- (ii) *Regulation 17 (10) & 25(4) of SEBI (LODR) Regulations, 2015 (erstwhile Clause 49 II) (B) (5) (c) of Listing Agreement) with regard to the Performance evaluation of the Directors of the Company.*

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

For **Agarwal S. & Associates,**  
Company Secretaries,  
Sd/-  
Sachin Agarwal  
Partner  
FCS No. : 5774  
C.P. No. : 5910

Date: 30<sup>th</sup> July 2016  
Place: New Delhi



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. INDUSTRY STRUCTURE AND DEVELOPMENT

#### (i) Economic outlook

India has emerged amongst the few economies with favourable economic outlook in fiscal 2016. Better prospects in the Country are mainly due to economy being relieved from the vulnerabilities associated with economic slowdown, continuous inflation, increased fiscal deficit, slowdown in domestic demand. Indian economy is strengthening through higher infrastructure spending and continued reforms through financial and monetary policies. Electricity is one of the most critical components of infrastructure, affecting economic growth and well-being of the people at large. Power generation during the year 2015-16 was 1,107.4 Billion Units (BU) showing a growth rate of 5.6 percent over the previous year.

#### (ii) Sectoral outlook

India, with over a billion population, has presently 298 GW installed capacity of electricity which translates into per capita availability of electricity to about 1,100 Units, which is less than one third of world average. In order to provide electricity to every family, the sector needs to grow at an accelerated pace. As per the 18<sup>th</sup> Electric Power Survey by Central Electricity Authority, the peak load demand by 2021-22 will be about 283 GW, which means requirement of installed capacity of about 400 GW. During 2015-16, there was energy and peak deficit of 2.1% and 3.2% respectively. Thus capacity addition programme, in all available energy sectors, is the need of the hour to meet the demand.

Hydro power, recognized as the most economic, clean and preferred source of electricity, has share of about 14% in the total installed capacity. The bulk of hydro potential of the country (about 65%) is yet to be tapped, as such hydro sector would remain one of the major thrust areas in energy sector for the energy security of the country. Government of India has accorded high priority to hydro development and in the process, it has taken up various policy initiatives to address the issues impeding the hydro power development.

During the twelfth plan period, against the capacity addition target of 88,537 MW, 84,991 MW capacity has already been added from all sources till March, 2016. By the end of the 12<sup>th</sup> plan, your Company aim to add 1,702 MW, of which six projects of 1,212 MW have already been commissioned. In addition to above, three units of 40 MW each of TLDP IV HE Project (40 MW X 4) have

also been commissioned taking total capacity addition in 12<sup>th</sup> plan to 1,332 MW so far.

NHPC being a premiere organization of the Country for hydro power development and having experience of 36 years, has also geared up to play a major role in the capacity addition plan in future. Your company is also set to enter into other energy sectors like Thermal, Solar and Wind in order to expand its business horizons and meet the energy deficit being faced by the Country and to contribute in the "Power for All" initiative of Govt. of India.

#### (iii) Hydro power scenario

Hydro-electric power is the most widely used form of renewable energy. Our country is endowed with an enormous hydro power potential and ranks fifth in the world in terms of usable potential.

The Government of India has, over the years, taken a number of initiatives to prioritize hydropower development and to attract investments in the sector. Key measures include the preparation of a shelf of well investigated projects, which could substantially reduce risk perceptions, streamlining clearance procedures, the provisions of open access and trading as per the Electricity Act, 2003 etc. However, issues in implementation of such policy initiatives and regulations still plague the sector resulting in the declining share of hydropower in India's energy mix since 1966.

During the past two decades, hydro power has gained momentum across the globe. India ranks amongst the top few countries worldwide which are possessing feasible untapped hydro power potential. Various factors such as environmental concerns, R&R issues, land acquisition problems, long clearance and approval procedures, capability of developers, etc. have contributed to the slow pace of hydro power development in the past. These issues are further compounded as development of hydro power largely remained under the ambit of state governments (water being a state-specific subject) with varying policies (e.g. up-front premium, royalty power, land acquisition policy etc.) adopted by them.

#### (iv) Hydro power potential in India

The re-assessment studies of hydro-electric potential of the Country were completed by Central Electricity Authority (CEA) in 1987. According to study, the hydro power potential in terms of installed capacity is estimated at 1,48,701 MW, out of which 1,45,320 MW

of the potential consists of schemes having installed capacity of above 25 MW. At present, 26.15 percent has been developed and 8.55 percent is under development. Thus, there is considerable scope for development of hydro power in the country.

**(v) NHPC- A Miniratna Schedule- 'A' Public Sector Enterprise**

NHPC is a miniratna schedule-'A' Public Sector Enterprise incorporated in 1975 with an objective to plan, promote and organise an integrated and efficient development of hydroelectric power in all aspects. The Company is having an authorized share capital of ₹15,000 Crore and investment base of over ₹ 55,000 Crore with an installed capacity of 5,081.2 MW. Your Company is ranked as a premier organization in the Country for development of hydropower. During 2015-16, your Company generated 23,683 MUs (including deemed) through various power stations located across the Country.

**(vi) Strategic diversification**

Your Company has expanded its objects to include development of power in all its aspects through conventional and non-conventional sources in India and abroad. Your Company is also at the initial stages of development of thermal and renewable energy to its operation. The key is not to add capacity alone but to see that the capacity which has been added is financially viable and also does not become stranded.

## 2. SWOT ANALYSIS

### (i) STRENGTHS

- **Established track record in implementing hydro-electric projects**

Your Company possesses rich experience and expertise in implementing hydro-electric projects. It has a strong in-house design and engineering base with expertise in developing good layout, designing structures, geology, geo-physics, geo-technics, construction and material surveys. Its engineering capabilities ranges from the stage of conceptualization till the commissioning of projects.

- **Capabilities from concept to commissioning including in-house design & engineering**

Your Company has a competent and committed workforce. Its executives have extensive experience in the industry with capabilities and expertise in conceptualization, construction, commissioning and operation of hydro power projects. Their skills, industry knowledge and operating experience provides a significant competitive advantage to the Company. Your Company also has a full- fledged

design division dedicated for catering design and engineering of its projects. Your Company's in-house design team with extensive experience in hydro power sector gives it an added advantage over other hydro power companies.

- **Extensive experience in construction and operation**

Over the years, your Company has gained experience in the construction and operation of hydro power projects in remote/non-penetrative areas and geotechnically sensitive Himalayan terrain. Most of your Company's projects are situated in remote hilly areas with various challenges like logistical supply, climatic and technological hindrances. To overcome such obstacles, Company has strong team of competent, efficient and experienced professionals who are capable of executing all types and sizes of hydro-electric projects. Your Company has successfully managed to develop and implement 20 power stations including two through its subsidiary Company i.e. NHDC Limited. In addition to above, three units of 40 MW each of TLDP IV HE Project (40 MW X 4) have already been commissioned. The remaining unit of TLDP IV HE Project is also expected to be commissioned in the current financial year i.e. 2016-17. The Chamera-II Power Station (300 MW) in Himachal Pradesh and two hydro-electric projects of NHDC Limited viz. Indira Sagar Power Station (1,000 MW) and Omkareshwar Power Station (520 MW) in Madhya Pradesh were commissioned ahead of schedule.

- **Strong financial position**

Your Company is a mini-ratna schedule 'A' CPSE with an authorized share capital of ₹ 15,000 Crore and an investment base of over ₹ 55,000 Crore. Standard & Poor's (S&P) has assigned international rating of BBB-/Stable (equivalent to sovereign rating of India) and India Ratings and Research Pvt. Limited (A Fitch Group Company) has assigned IND AAA/Stable rating for domestic borrowings. The strong financial position of your Company makes it competent enough to execute capital intensive large hydro-electric power projects.

### (ii) WEAKNESSES

- **Time and cost overruns**

Most hydro-electric projects are generally located in remote mountainous terrains which are at the receiving end of devastating natural calamities like landslides, hill slope collapses, roadblocks etc. These calamities cause severe setbacks in construction schedule. In spite of extensive survey



and investigation, various parts of hydro-electric projects such as head race tunnel, underground structures i.e. power house, pressure shaft, surge shaft etc., at times encounter geological surprises especially in Himalayan regions. Your Company with its rich experience and expertise coupled with state-of-the art technology has overcome such surprises many a times in the past. However, frequent occurrences of these surprises results in time and cost over-run. Unexpected complexities and delays in clearances/execution due to reasons beyond one's control also cause variation/escalation in estimates.

- **Dependence on few contractors**

Construction of hydro-electric power project requires manpower, machinery and substantial investment of money. There are very few contractors in India who can deliver especially in remote and difficult locations consistently, where accessibility is a major issue. The limited range of contractors who are able to perform in the sector increases our dependency on few contractors.

- **Changing business scenario**

Fast changing market scenario in present era poses a challenge to your Company.

- **High initial cost/tariff**

Hydro-electric power projects require long gestation period and are capital intensive requiring large initial investment, resulting higher initial tariff. Further, cash flow and results of operations are subject to changes in CERC's tariff regulations.

### (iii) OPPORTUNITIES

- **Untapped hydro potential**

The deteriorating hydro-thermal mix, increase in peaking shortages and frequency variations, have forced policy makers to turn their attention towards development of hydro power. India's huge untapped hydro potential, especially in the north eastern region, provides opportunity for hydro power development. An impetus to hydro power would bring down fossil fuel demand and facilitate water security, flood control and irrigation. Your Company has an opportunity for adding to its capacity, the untapped hydro potential in the coming years.

- **NHPC's continued ability to complete the hydro projects**

The strength shown by your Company over the years for its ability to complete the projects, where all other Companies have been generally failing is

a beacon of hope in the hydro sector. As a result, NHPC's forte in construction of hydro projects is creating new space for its growth in the future.

- **Grid balancing requirement**

Government of India's present initiative for extensive renewable energy development particularly large scale development of solar power, hydro power would be required for grid balancing/stability. The present scenario would create opportunities for development of hydro power in India by your Company.

### (iv) THREATS

- **Complicated and time consuming clearance process**

Stringent norms and procedures for getting environment clearance, forest clearance and clearance from National Board for Wild Life (wherever applicable) delay the construction of projects. The process of land acquisition for infrastructure works as well as for hydro-electric projects components including submergence is quite cumbersome and time consuming. As water is a state subject under the Constitution of India, many hydro-electric projects were delayed or abandoned because of inter-state water disputes. Likewise, the projects/power stations located near the international borders quite often become a point of reference for international disputes.

- **Law & Order**

Projects/power stations of your Company are located at sensitive border areas and at remote locations, which are witnessing law & order problem. Militant and extremist groups in the areas quite often target NHPC, perceiving it to be a Government representative.

- **Opposition by NGOs to hydro power projects**

Hydro power projects in India are facing opposition from certain vested groups, NGOs etc.

- **State hydro policies restricting entry of PSUs**

Several State hydro policies provides for payment of upfront premium, free power over & above the 13% free power etc. for allocating hydro power projects to the developers. CPSUs face difficulty in getting hydro projects as they have to follow the norms of Govt. of India.

- **Difficulties in entering into Power Purchase Agreements (PPAs)**

In the present day's scenario of power trading, sale of energy from projects having higher tariff is

getting difficult. The beneficiaries have tendency to go for purchase of their additional power requirement on short term basis through energy exchange or e-procurement, rather than opting for long/medium term PPAs.

As hydro power stations are site specific, their tariff depends on location/design parameters and high initial investment. The tariffs of new projects are relatively higher than energy exchange/e-procurement rate.

Due to above reasons, your Company is facing difficulties in sale of power from new projects through long term PPAs.

### 3. RISKS AND CONCERNS

Your Company has a well-defined risk management policy which provides overall framework for risk management in the Company. In line with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Board level Risk Management Committee has been constituted. The role of Risk Management Committee is to assist the Board in management of key

risks as well as aligning the strategic objectives within the organization's operations to achieve the intended outcomes. Risk Management Committee further ensures that appropriate systems are in place to manage the identified risks so that organization's assets are suitably protected.

In order to achieve the above objectives, Risk Management Committee is assisted by Risk Assessment Committee comprising of Chief Risk Officer and other heads of key departments/regions who are of the level of Executive Directors. Risk Assessment Committee performs the role of identifying the key risks, suggest mitigation measures, monitor/supervise the implementation of risk management policy and maintain an enterprise wide view of key risks faced by the organization. The heads of departments/regions/projects/power stations implement and review the directions issued by Risk Assessment Committee on the identified risks and their mitigation measures.

Some of the key risks being faced by the Company, their impact and corresponding strategies undertaken for mitigation are discussed at **Table No. 1**.

**Table No. 1: Key risks, their impact and corresponding strategies**

Risk description	Mitigation measures
Uncertain geological conditions could result in delays in project commissioning, time and cost overruns arising due to events such as disruptions in tunneling activity and difficult working conditions.	<ul style="list-style-type: none"> <li>Detailed surveys/studies are being carried out by competent personnel/consultants during the investigation stage, to address geological challenges anticipated while assessing the feasibility of project.</li> <li>Comprehensive analysis is being carried out to ascertain the causes of adverse geological events and their resolutions.</li> </ul>
Delay in start of construction due to lack of adequate/timely clearances/approvals from the respective Ministries/Departments	<ul style="list-style-type: none"> <li>Various State Government departments such as environment and forests, which causes most of the delays are being sensitized about various issues relating to the project.</li> </ul>
Non-realization of outstanding dues from the beneficiaries.	<ul style="list-style-type: none"> <li>Adequate penalty clauses are being incorporated in the ensuing Power Purchase Agreements.</li> </ul>
Lack of Investments for financing projects due to high gestation period of projects and lower returns.	<ul style="list-style-type: none"> <li>Availability of long-term finance at low cost from international sources, including Export Credit Agencies (ECAs) and through the use of credit enhancement mechanisms, such as the World Bank partial risk and partial credit guarantees are being tied up.</li> </ul>
Abandoning of projects midway due to: <ul style="list-style-type: none"> <li>(i) Change in Government regulations.</li> <li>(ii) Change in Government policies.</li> <li>(iii) Change in Government directives.</li> </ul>	<ul style="list-style-type: none"> <li>Proactive liaisoning with State Government departments/Ministries through Relationship Management Committees.</li> </ul>
Delays in acquisition of land for various locations of the project such as dam, power house, switch yard etc.	<ul style="list-style-type: none"> <li>Proactive liaisoning with State Government departments through the Relationship Management Committee for land acquisition.</li> <li>Effective implementation of rehabilitation &amp; resettlement policies of NHPC and State Governments is ensured.</li> </ul>
Time and cost overrun due to unanticipated regulatory changes by State/Central Government.	<ul style="list-style-type: none"> <li>Proactive liaisoning with Central/State Government to ensure that discussions take place prior to such regulatory changes.</li> </ul>
Non-adherence to CERC guidelines for tariff petition may lead to financial implications.	<ul style="list-style-type: none"> <li>The commercial team is ensuring that the tariff petitions are filed as per the CERC guidelines.</li> <li>The tariffs are internally reviewed at different levels to ensure that they are in line with the CERC guidelines.</li> </ul>





#### 4. OUTLOOK

India has an economically viable, exploitable hydro power potential of 1,48,701 MW, of which 42,783 MW has been developed and the balance is under development. Currently, a lot of emphasis is being given to renewable energy sources, to meet the increasing demand of energy. Hydro, being a clean source, enhances energy security of the Country and meets its peak demand. Therefore, hydropower is being considered as a basic need of Country, for maintenance and stabilisation of grid.

Your Company has an installed capacity of 6,601.2 MW including 1,520 MW of NHDC Limited (subsidiary company of NHPC Limited). Five hydro projects viz., Kotli Bhel 1-A (195 MW), Teesta-IV (520 MW), Dibang (2,880 MW), Tawang-I (600 MW) & Tawang-II (800 MW) aggregate capacity of 4,995 MW are under advanced stage of clearance. Development of Kotli Bhel 1-A HE Project in Uttarakhand is subject to the outcome of pending case before Hon'ble Supreme Court.

Your Company is looking to expand beyond hydro power. EPC contract for 50 MW wind power project

in Rajasthan was awarded on 10<sup>th</sup> February 2015. Your Company has signed MOU with Govt. of Kerala for development of one wind power project of 72 MW and one solar power project of 50 MW. Your Company is also planning to develop a 50 MW solar power project in Tamil Nadu. Your Company in joint venture with UPNEDA is implementing a 50 MW solar power project in Uttar Pradesh. The Government approval is under process for taking up Pirpainti Thermal Power Project (1,320 MW) in Bihar through joint venture mode.

#### 5. SEGMENT-WISE OR PRODUCT WISE PERFORMANCE

Generation of electricity is the principal business 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'. The Company is having a single geographical segment as all its power stations are located within the Country.

#### 6. PERFORMANCE OF POWER STATIONS DURING 2015-16:

The performance of power stations during the financial year 2015-16 is given at **Table No. 2.**

**Table No. 2: Performance of power stations**

Power Station	Generation Target (MUs) 2015-16 for "Excellent" MOU rating	Actual Generation (MUs) 2015-16	PAF Target (%) 2015-16 for "Excellent" MOU rating	Actual PAF (%) 2015-16
BAIRA SIUL	720	746	90.7	93.1
LOKTAK	530	537	86.7	89.3
SALAL	3,210	3,591	61.7	70.9
TANAKPUR	455	452	61.7	67.6
CHAMERA -I	2,330	2,624	91.7	96.2
URI	2,700	3,283	71.7	86.2
RANGIT	340	345	91.7	96.3
CHAMERA-II	1,455	1,524	91.7	94.2
DHAULIGANGA	1,135	1,090	85.7	84.0
DULHASTI	2,180	2,361	91.7	95.8
TEESTA-V	2,590	2,710	89.7	92.3
SEWA-II	534	597	91.7	97.9
CHAMERA III	1,086	1,044	91.7	92.3
CHUTAK	180	138	51.7	39.8
TLDP III	550	515	79.7	88.6
NIMOO BAZGO	215	268	66.7	78.9
URI II	1,090	1,196	54.7	67.2
PARBATI III	700	643	61.7	42.2
<b>TOTAL EXISTING POWER STATIONS</b>	<b>22,000</b>	<b>23,664</b>	<b>78.5</b>	<b>81.6</b>
<b>TLDP-IV Actual Generation (MU)</b>		<b>15</b>		<b>101.0</b>
<b>TLDP-IV Infirm Power (MU)</b>		<b>4</b>		
<b>Total Generation During 2015-16</b>		<b>23,683</b>		<b>81.6</b>

Note:

- TLDP-IV: Unit#1 & Unit#2 commissioned on 14<sup>th</sup> February 2016 & 16<sup>th</sup> March 2016 & declared under commercial operation on 11<sup>th</sup> March 2016 & 31<sup>st</sup> March 2016 respectively.
- Generation includes deemed generation in respect of Chutak (101.8 MU) & Nimoo Bazgo (177.6 MU) Power Station.

## 7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an in-house internal audit department headed by an Executive Director. The department has qualified and experienced workforce to carry out audit periodically as well as special audits as and when required by the management. A summary of audit observations and action taken reports are being submitted before the audit committee and recommendations of the audit committee are duly complied with.

The internal audit department reviews & evaluates the adequacy and effectiveness of internal control system through regular audits, system reviews and provides assurance for the compliance of delegation of powers, internal policies and procedures of the Company. Adequate internal control measures are in the form of various codes, manuals and procedures issued by the management covering all critical and important activities.

In compliance to Section 134 of the Companies Act, 2013, M/s Arora & Choudhary Associates were appointed for providing independent assurance on implementation of internal financial control in the Company for FY 2015-16. The firm in its report has acknowledged the effectiveness of prevailing internal control system in the Company.

## 8. FINANCIAL DISCUSSION AND ANALYSIS

### (i) RESULTS OF OPERATIONS

A detailed analysis of the Audited Financial Results of the Company for the Fiscal 2016 vis-à-vis Fiscal 2015 is given as under:-

#### Income

**Table No. 3: Income**

Particulars	₹ in Crore)	
	Fiscal 2016	Fiscal 2015
<b>Units of electricity sold (in million units)</b>	19,999	19,078
<b>Income</b>		
Sales of Energy	7,346.77	6,736.64
Other operating income	53.07	18.08
Revenue from Contracts, Project Management and Consultancy Works	34.22	47.53
Other Income	919.76	861.33
<b>Total</b>	<b>8,353.82</b>	<b>7,663.58</b>

The other operating income includes Interest from Beneficiaries. Total income in Fiscal 2016 increased by 9.01% to ₹ 8,353.82 Crore from ₹ 7,663.58 Crore in Fiscal 2015, primarily due to increased generation by power stations, increase in interest from beneficiary states, finalisation of tariff in respect of some of the power stations for 2009-14 and 2014-19 period, full

year operation of all units of Dhauliganga Power Station, increase in incentives, increase in dividend income from subsidiaries, increase in amount paid by insurance company towards loss due to business interruption and increase in late payment surcharge partially offset by decrease in write back of liabilities/provisions and decrease in interest on Fixed Deposits.

#### Tariff

The charges for electricity are determined power station wise by the Central Electricity Regulatory Commission (CERC). The CERC vide its notification no. L-1/144/2013/CERC dated 21<sup>st</sup> February 2014 has issued tariff regulations for the tariff period 2014-19 and subsequent amendments from time to time.

Tariff is determined by reference to Annual Fixed Charges (AFC) in pursuance to notified regulations for the tariff period 2014-19, which comprises Return on Equity (ROE), depreciation, interest on loan, interest on working capital and operation & maintenance expenses. ROE is grossed-up with reference to effective income tax rate, so as to recover income tax incidence. Recovery of capacity charges is dependent on the actual utilization of machines for generating power. Capacity is determined with 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 given on achieving plant availability factor greater than NAPAF as well as for generation of energy in excess of the design energy of the plant.

#### Sale of Energy

Electricity is sold to bulk customers comprising, mainly of electricity utilities owned by State Governments/Private Distribution Companies pursuant to long-term power purchase agreements. Central Electricity Regulatory Commission (CERC) Tariff notification for the period 2014-19 has been notified vide notification no. L-1/144/2013/CERC dated 21<sup>st</sup> February 2014. Pending approval of tariff for the period 2014-19 by Central Electricity Regulatory Commission (CERC), sales in respect of some of the power stations have been recognized provisionally as per tariff notified by CERC for the period 2009-14 and taking into account provision towards truing up of capital cost of the power stations in line with CERC Tariff Regulations, 2014.

The said regulations inter-alia provides that, for the purpose of filing of tariff petitions, the Return on Equity (RoE), a component of tariff, is to be grossed-up using effective tax rate of the respective financial year. For the purpose of recognizing sales, ROE has been grossed up using effective tax rate for FY 2015-16.

The sales also includes charges for deviation in generation with respect to schedule (payable or receivable) at rates



linked to frequency prescribed in the CERC regulation to bring grid discipline and re-imburement on account of foreign exchange rate variation (FERV).

In Fiscal 2016, 19,999 MUs of electricity was sold from installed capacity of 5,041.20 MW as against 19,078 MUs from installed capacity of 4,961.20 MW in Fiscal 2015. Accordingly there was an increase of 4.83% in the number of units sold out. The average selling price (after adjustment of components of earlier year sales) was ₹ 3.56 per unit in Fiscal 2016, compared to ₹ 3.46 per unit in Fiscal 2015.

Sale of energy increased by 9.06% to ₹ 7,346.77 Crore in Fiscal 2016 from ₹ 6,736.64 Crore in Fiscal 2015 primarily due to restoration of Dhauliganga Power Station and increased generation in power stations. Company's Plant Availability Factor (PAF) in Fiscal 2016 was 81.60% as compared to 77.30% in Fiscal 2015.

### Adjusted Sales of Energy

The revenue from sales of energy includes sales pertaining to earlier years but recognised in current year.

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 the opinion of Expert Advisory Committee of the ICAI, foreign exchange rate variation on restatement of foreign currency loans as at the Balance Sheet date, 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 statement of profit & loss.

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

The revenue from sales of energy after such adjustments is given at **Table No. 4:**

**Table No. 4: Revenue from sales of energy after adjustments**

(₹ in Crore)		
Particulars	Fiscal 2016	Fiscal 2015
Gross Sales	7,582.72	6,981.36
Add: Write back of Advance Against Depreciation (AAD)	50.17	50.17
Less: Regulated Sales Adjustment	111.18	75.09
Less: Sale of infirm power	0.51	0.36
Less: Adjustment of Foreign Exchange Rate Variation	64.65	76.41
Less: Tariff Adjustments	109.78	143.03

(₹ in Crore)

Particulars	Fiscal 2016	Fiscal 2015
<b>Net Sales</b>	<b>7,346.77</b>	<b>6,736.64</b>
Less: Earlier year sales	230.86	141.41
<b>Adjusted Sales of Energy</b>	<b>7,115.91</b>	<b>6,595.23</b>

Increase in Adjusted Sales by 7.89% is attributable to better generation in power stations, increase in generation due to restoration of Dhauliganga Power Station, increase in incentives etc.

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

The revenue under this head includes revenue from assignments pertaining to construction contracts, project management & consultancy contracts. 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 development of rural electrification infrastructure. These two schemes are overseen by different agencies of the Government of India (GOI) and executed by different PSUs and government departments and the same are almost complete.

The income from contracts, project management and consultancy works decreased by 28% from ₹ 47.53 Crore in Fiscal 2015 to ₹ 34.22 Crore in Fiscal 2016 due to reduced activities in Fiscal 2016.

### Other Income

Other income in Fiscal 2016 was ₹ 919.76 Crore i.e. an increase of 6.78% as against ₹ 861.33 Crore in Fiscal 2015. Major components of Other Income are placed and discussed at **Table No. 5:**

**Table No. 5: Other Income**

(₹ in Crore)		
Other Income	Fiscal 2016	Fiscal 2015
Interest on securitised power bonds/long term advances/Loan to Govt. of Arunachal Pradesh	58.57	79.14
Interest on Term Deposit	510.05	537.40
Dividend (mainly from NHDC- a Subsidiary Co.)	120.93	61.56
Late Payment Surcharge	24.07	7.84
Realisation from Insurance Company towards loss due to Business Interruption	89.99	0.00
Liability/Provisions not required written back	41.53	75.95
Other miscellaneous income	74.62	99.44
<b>Total</b>	<b>919.76</b>	<b>861.33</b>

Interest on Term Deposit has decreased to ₹ 510.05 Crore during Fiscal 2016 as against ₹ 537.40 Crore during Fiscal 2015 due to reduction in surplus cash invested during the year and funding of the liabilities towards Retired Employees Health Scheme (REHS).

During Fiscal 2016, ₹ 120.93 Crore was earned as dividend from investments, mainly in subsidiary company, as against ₹ 61.56 Crore during Fiscal 2015.

## Expenditure

**Table No. 6: Expenditure**

(₹ in Crore)

Expenditure	Fiscal 2016	Fiscal 2015
Generation, Administration and Other Expenses	1,337.42	912.09
Water Cess	771.12	748.51
Employees' Benefits Expense	1,115.90	1,149.23
Finance Cost	1,067.37	1,179.77
Depreciation & Amortization	1,452.14	1,425.87
Prior Period (Net)	(36.87)	(56.11)
<b>Total Expenditure</b>	<b>5,707.08</b>	<b>5,359.36</b>

Total expenditure increased by 6.49% to ₹ 5,707.08 Crore in Fiscal 2016 from ₹ 5,359.36 Crore in Fiscal 2015 mainly due to increase in Generation, Administration & Other Expenses by ₹ 425.33 Crore, increase in water cess by ₹ 22.61 Crore and depreciation & amortization by ₹ 26.27 Crore partly offset by decrease in Employees' Benefit Expense by ₹ 33.33 Crore and Finance Cost by ₹ 112.40 Crore. Our total expenditure as a percentage of our total income was 68.32% in Fiscal 2016 as compared to 69.93% in Fiscal 2015.

### 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, electricity charges, provisions etc. These expenses represent approximately 23.43% of the total expenditure in Fiscal 2016 as against 17.02% in Fiscal 2015. In absolute terms, these expenses increased approximately by 46.63% to ₹ 1,337.42 Crore in Fiscal 2016 from ₹ 912.09 Crore in Fiscal 2015. The increase of ₹ 425.33 Crore in generation, administration and other expenses is primarily due to charging off of expenditure incurred on survey & investigation of Kotli Bhel I-A and Bursur projects, increase in expenditure on repairs and maintenance of machinery & others at power stations, security expenses, insurance expenses and expenditure on CSR activities etc.

In terms of expenses per unit of saleable energy, it has increased to ₹ 0.67 in Fiscal 2016 as against ₹ 0.46 in Fiscal 2015.

### Water Cess

Water Cess has increased to ₹ 771.12 Crore during Fiscal 2016 from ₹ 748.51 Crore during Fiscal 2015 mainly on account of increased power generation at Nimoo-Bazgo, Chutak, Dulhasti, Salal and Uri-I Power Stations.

### Employees' Benefits Expenses

Employee benefit expenses include salaries and wages, allowances, incentives, contribution to provident fund, contribution to Employees Defined Contribution Superannuation Scheme and expenses related to other employee welfare funds. These expenses account for 19.55% of our total expenditure in Fiscal 2016 as against 21.44% in Fiscal 2015. In absolute terms, the employee costs has decreased by ₹ 33.33 Crore in Fiscal 2016 mainly due to transfer of expenditure incurred to Expenditure attributable to construction after resumption of work at TLDP-IV, retirement of employees and decrease in actuarial valuation due to funding of REHS.

There were 8,654 employees on the payroll as of 31<sup>st</sup> March 2016, compared to 9,211 employees as of 31<sup>st</sup> March 2015. Of this, 4,981 and 5,413 employees were engaged in operation and maintenance areas of our business during Fiscal 2016 & 2015 respectively. Employee benefit expenses decreased by 2.90% to ₹ 1,115.90 Crore in Fiscal 2016 from ₹ 1,149.23 Crore in Fiscal 2015.

As a percentage of total income, employees' benefits expenses decreased to 13.36% in Fiscal 2016 from 15.00% in Fiscal 2015.

### Depreciation & Amortization

As per accounting policy of the Company, depreciation is charged to the extent of 90% of the Cost of Assets following the rates and methodology notified by CERC vide notification dated 21.02.2014 on straight line method, except for some items on which depreciation is charged to the extent of 95% and at the rates derived as per Companies Act, 2013.

Depreciation cost increased by 1.84% to ₹ 1,452.14 Crore in Fiscal 2016 from ₹ 1,425.87 Crore in Fiscal 2015. The increase in Depreciation Expenses is primarily due to commissioning of 2 units of Teesta Low Dam-IV during Fiscal 2016 and additional capitalization at power stations.

As a percentage of total income, depreciation decreased from 18.61% in Fiscal 2015 to 17.38% in Fiscal 2016.

### Finance Costs

'Finance costs' consist of interest expense on bonds and term loans. In books of accounts, borrowings are denominated in Indian Rupees, including amount



raised in foreign currencies, primarily Japanese Yen and Canadian Dollars. We also incur expenses on account of Guarantee Fees in connection with loans raised from Foreign Market.

Finance Cost decreased by 9.53% to ₹ 1,067.37 Crore in Fiscal 2016 from ₹ 1,179.77 Crore in Fiscal 2015. The decrease in Finance Cost is mainly because of increase in expenditure attributable to construction as compared to previous year due to resumption of work at TLDP-IV and decrease in interest on term loans due to repayment of loans.

### Prior Period Items (Net)

Prior Period Items (Net) in Fiscal 2016 increased by ₹ 19.24 Crore due to decrease in prior period income.

### Regulatory Income

In line with the Guidance Note on "Accounting for Rate Regulated Activities" issued by the Institute of Chartered Accountants of India (ICAI), 'Regulatory Assets' has been created and corresponding 'Regulatory Income' has been recognised for ₹ 549.94 Crore, against the borrowing cost and administrative and other cost incurred on Subansiri Lower project during the current financial year which have been charged to the Statement of Profit & Loss as per the relevant Accounting Standard and GAAP.

### Profit Before Tax

Due to the reasons outlined above, our profit before tax increased by 13.11% to ₹ 3,196.68 Crore in Fiscal 2016 from ₹ 2,826.17 Crore in Fiscal 2015.

### Tax Expenses

**In Fiscal 2016, we provided ₹ 756.54 Crore for tax expenses as compared to ₹ 701.70 Crore in Fiscal 2015. The increase in tax in Fiscal 2016 is on account of increase in current year taxes by ₹ 161.55 Crore due to increase in profit for the year which is partially offset by decrease in earlier year tax adjustments by ₹ 98.18 Crore and decrease in deferred tax by ₹ 8.53 Crore. Impact of charging off borrowing cost and administrative and other general expense incurred in respect of project under construction namely Subansiri Lower Project due to interruption of work included in Income & Expenditure as above is summarised below:**

Work at Subansiri Lower interrupted since 16<sup>th</sup> December 2011 is yet to resume. Impact on Income & Expenditure heads, due to non-capitalisation of borrowing cost and administrative and other expense incurred/income earned in respect of this Project for FY 2015-16 is given at **Table No. 7:**

**Table No. 7: Impact on Income & Expenditure**

(₹ in Crore)

S. No.	Particulars	FY 2015-16
i)	Other Income	25.46
<b>A</b>	<b>Total Income</b>	<b>25.46</b>
i)	Generation, Administration and Other Expenses	66.25
ii)	Employee Benefits	106.24
iii)	Finance Cost	395.26
iv)	Depreciation & Amortisation Expenses	7.64
v)	Prior Period Items(Net)	0.01
<b>B</b>	<b>Total Expenses</b>	<b>575.40</b>
<b>C</b>	<b>Profit Before Tax(A-B)</b>	<b>(549.94)</b>

## (ii) LIQUIDITY AND CAPITAL RESOURCES

### Liquidity

Both internal and external sources of liquidity are utilised for working capital requirement and funding of capital expenditure requirements. Generally long term borrowings are raised through term loans from banks/ financial institutions or issue of bonds either in Indian Rupees or foreign currencies. Cash and Bank Balances were ₹ 5,876.76 Crore and ₹ 5,422.11 Crore as of 31<sup>st</sup> March 2016 and 2015 respectively, out of which ₹ 251.52 Crore and ₹ 268.05 Crore as of 31<sup>st</sup> March 2016 and 2015 respectively were held for Rural Road and Rural Electrification works being executed by Company on behalf of other agencies and also includes unpaid dividend ₹ 10.06 Crore and ₹ 5.85 Crore as of 31<sup>st</sup> March 2016 and 2015 which were not freely available for the business of the Company.

### Cash Flows

**Table No. 8: Cash Flow**

(₹ in Crore)

Particulars	Fiscal 2016	Fiscal 2015
Net cash inflow/(outflow) from operating activities	4,397.70	3,055.36
Net cash inflow/(outflow) from investing activities	(851.08)	(789.46)
Net cash inflow/(outflow) from financing activities	(3,091.97)	(2,147.62)

### Net Cash from Operations

In Fiscal 2016, the net cash from operating activities was ₹ 4,397.70 Crore and net profit before tax and after extraordinary items was ₹ 3,196.68 Crore. Net



cash from operating activities has been arrived at after adjusting non-cash items mainly depreciation (including prior period) of ₹ 1,451.55 Crore, interest expenses of ₹ 1,067.37 Crore, ₹ 390.93 Crore towards provisions, ₹109.78 Crore on account of tariff adjustment, ₹ 50.17 Crore for deferred revenue on account of advance against depreciation, ₹ 41.53 Crore on account of provisions/liabilities not required to be written back, ₹ 120.93 Crore on account of dividend income, ₹ 1.14 Crore towards exchange rate variation, ₹ 601.43 Crore towards interest earned on Deposits/Investments and other non-operating items. Changes in current assets and current liabilities had impact of cash inflow by ₹ 78.76 Crore, which was due to the net effect of change in inventories, trade receivables and other payables.

The net cash from operating activities was ₹ 3,055.36 Crore in Fiscal 2015. We had net profit before tax and after extraordinary items of ₹ 2,826.17 Crore in Fiscal 2015. Our net cash from operating activities had been arrived at after adjusting non-cash items mainly depreciation (including prior period) of ₹ 1,429.77 Crore, interest expenses of ₹ 1,179.76 Crore, ₹ 105.82 Crore on account of tariff adjustment, ₹ 50.17 Crore for deferred revenue on account of advance against depreciation, ₹ 75.96 Crore on account of provisions/liabilities not required to be written back, ₹ 61.56 Crore on account of dividend income, ₹ 20.50 Crore towards exchange rate variation, ₹ 661.05 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 ₹ 728.46 Crore, which was due to the net effect of change in inventories, trade receivables and other payables.

### Net Cash from Investing Activities

Our net cash used in investing activities was ₹ 851.08 Crore in Fiscal 2016. This mainly reflected expenditure on fixed assets of ₹ 2,069.13 Crore partly offset by realization from investments/bonds by ₹ 651.02 Crore and interest income on Deposits/Investments by ₹ 593.13 Crore and an amount of ₹ 120.93 Crore towards dividend income.

Our net cash used in investing activities was ₹ 789.46 Crore in Fiscal 2015. This mainly reflected expenditure on fixed assets of ₹ 1,632.33 Crore offset by realization from investments/bonds by ₹ 243.56 Crore and interest income on Deposits/Investments by ₹ 661.05 Crore and an amount of ₹ 61.56 Crore towards dividend income.

### Net Cash from Financing Activities

In Fiscal 2016, our net cash outflow on financing activities was ₹ 3,091.97 Crore. We raised ₹ 1,774.92 Crore from

fresh domestic term loans & bonds and borrowings to the tune of ₹ 1,671.09 Crore were repaid. The amount related to debt servicing was ₹ 1,461.06 Crore. In Fiscal 2016, final dividend (including dividend tax) for Fiscal 2015 and interim dividend (including dividend tax) for Fiscal 2016 amounting to ₹ 508.92 Crore and ₹ 1,225.84 Crore respectively were paid.

In Fiscal 2015, our net cash outflow on financing activities was ₹ 2,147.62 Crore. We raised ₹ 1,461.98 Crore from fresh domestic term loans & bonds and borrowings to the tune of ₹ 1,276.19 Crore were repaid. The amount related to debt servicing was ₹ 1,561.38 Crore. In Fiscal 2015, we paid final dividend (including dividend tax) of ₹ 378.51 Crore for Fiscal 2014 and Interim dividend (including dividend tax) of ₹ 265.70 Crore.

### (iii) BALANCE SHEET ITEMS

#### Balance Sheet Highlights

#### Assets

Table No. 9: Assets

Particulars	(₹ in Crore)	
	As of 2016	As of 2015
<b>Non-Current Assets</b>		
Net Fixed assets	39,459.51	38,749.88
Non-current Investments	1,596.36	1,977.75
Long-term loans and advances	1,108.68	1,182.29
Other non-current assets	962.03	795.81
Other non-current assets-Regulatory Assets	2,180.33	1,630.39
<b>Current Assets</b>		
Current Investments	1.13	257.57
Inventories	85.53	82.73
Trade Receivables	2,017.03	2,497.10
Cash & Bank Balances	5,876.76	5,422.11
Short-term Loans and Advances	218.48	181.95
Other Current Assets	1,660.32	1,510.12
<b>Total</b>	<b>55,166.16</b>	<b>54,287.70</b>

#### Financial Condition

#### Net worth

The net worth of the Company at the end of Fiscal 2016 increased to ₹ 28,751.95 Crore from ₹ 28,286.39 Crore in the previous Fiscal registering an increase of 1.65% mainly due to profit after tax for the year aggregating to ₹ 2,440.14 Crore reduced by ₹ 1,998.66 Crore towards dividend & dividend tax.

#### Net Fixed Assets

Our fixed assets consist of land, dams, tunnels, buildings, including power house buildings, plant and machinery,





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office equipment, computers and intangible assets etc. Our fixed assets after depreciation, defined as net fixed assets, were ₹ 39,459.51 Crore and ₹ 38,749.88 Crore as of 31<sup>st</sup> March 2016 and 2015 respectively.

## 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 ₹ 1,597.49 Crore and ₹ 2,235.32 Crore as of 31<sup>st</sup> March 2016 and 2015 respectively.

The decrease in Investment is the net effect of maturity of tax free special bonds and transfer of Public Sector Undertaking/Public Financial Institutions & Corporate Bonds to Retired Employees Health Scheme Trust during the year due to discontinuation of Self Insurance Fund.

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

Loans and advances as of 31<sup>st</sup> March 2016 and 2015 were ₹ 1,327.16 Crore and ₹ 1,364.24 Crore respectively i.e. there is a decrease of 2.72% over figures of previous Fiscal. Loans and advances include loans & advances to our employees, contractors and suppliers.

## Other Non-Current Assets

Other non-current assets mainly comprise deferred foreign currency fluctuation assets and interest accrued on advance to Government of Arunachal Pradesh. Our other non-current assets as of 31<sup>st</sup> March 2016 and 2015 were ₹ 962.03 Crore and ₹ 795.81 Crore respectively. The increase of 20.89% in Fiscal 2016 as compared to the figures in Fiscal 2015 is mainly due to increase in deferred foreign currency fluctuation assets.

## Other Non-Current Assets - Regulatory Assets

The Institute of Chartered Accountants of India (ICAI) has issued the Guidance Note on "Accounting for Rate Regulated Activities" during the financial year 2015-16. In line with said Guidance Notes, 'Regulatory Assets' has been created and corresponding 'Regulatory Income' has been recognised for ₹ 549.94 Crore, against the borrowing cost and administrative and other cost incurred on Subansiri Lower Project during the current financial year which have been charged to the Statement of Profit & Loss as per the relevant Accounting Standard and GAAP. Accordingly, '**Other Non-Current Assets-Regulatory Assets**' as on 31<sup>st</sup> March 2016 stand at ₹ 2,180.33 Crore as against ₹ 1,630.39 Crore as on 31<sup>st</sup> March 2015.

## Inventories

Inventories are valued at cost or Net Realisable Value whichever is lower. Our inventories were valued at ₹ 85.53 Crore and ₹ 82.73 Crore as of 31<sup>st</sup> March 2016 and 2015 respectively.

## Trade receivables

These consist primarily of receivables against the sale of electricity excluding unbilled revenue. The Trade receivables (net of provision for doubtful debts) as of 31<sup>st</sup> March 2016 and 2015 were ₹ 2,017.03 Crore and ₹ 2,497.10 Crore respectively. There is a decrease of 19.23% in trade receivables between Fiscal 2015 and Fiscal 2016. The unbilled revenue as of 31<sup>st</sup> March 2016 and 2015 was ₹ 700.66 Crore and ₹ 602.47 Crore respectively.

## Cash and Bank Balances

Cash and bank balances consist of cash surplus as of the balance sheet date in our current account and short term deposits and the unspent advances received from government entities in respect of costs associated with the Pradhan Mantri Grameen Sadak Yojana 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.

Cash and bank balances as of 31<sup>st</sup> March 2016 and 2015, respectively, were ₹ 5,876.76 Crore and ₹ 5,422.11 Crore. The increase of ₹ 454.65 Crore during Fiscal 2016 is net result of cash inflow of ₹ 4,397.70 Crore on account of operating activities offset by cash outflow from investing & financing activities by ₹ 851.08 Crore & ₹ 3,091.97 Crore respectively. Our cash and bank balances included ₹ 251.52 Crore (Previous Year ₹ 268.05 Crore) held for Rural Road and Rural Electrification works being executed by Company on behalf of other agencies and also included unpaid dividend of ₹ 10.06 Crore (Previous Year ₹ 5.85 Crore) which were not freely available for the business of the Company.

## Other Current Assets

Other current assets mainly comprises interest accrued on loan to State Government in settlement of dues, interest accrued on deposits, receivable on account of unbilled revenue, receivable from subsidiaries/joint venture companies, interest receivable from beneficiaries and claims recoverable. Our other current assets, as of 31<sup>st</sup> March 2016 and 2015 respectively were ₹ 1,660.32 Crore and ₹ 1,510.12 Crore, an increase of 9.95% in Fiscal 2016 as compared to the figures in Fiscal 2015.

## Liabilities and Provisions

**Table No. 10: Liabilities and Provisions**

(₹ in Crore)

Particulars	As of 31 <sup>st</sup> March	
	2016	2015
<b>Non-Current Liabilities</b>		
Long Term Borrowings	18,385.28	18,171.03
Deferred Tax Liabilities	845.68	810.44
Other Long Term Liabilities	1,244.16	1,337.17
Long Term Provisions	400.65	886.95
<b>Current Liabilities</b>		
Trade Payables	123.00	153.01
Other Current Liabilities	3,253.60	3,013.15
Short Term Provisions	2,161.84	1,629.56
<b>Total</b>	<b>26,414.21</b>	<b>26,001.31</b>

### Long Term Borrowings

Long Term Borrowings comprised of Bonds, Secured Loans & Unsecured Loans amounting to ₹ 7,410.97 Crore, ₹ 6,474.90 Crore and ₹ 4,499.41 Crore in Fiscal 2016 as against ₹ 6,373.74 Crore, ₹ 7,588.58 Crore and ₹ 4,208.71 Crore respectively in Fiscal 2015.

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 1.18% over previous fiscal is mainly on account of issue of T-series bonds amounting to ₹ 1,474.92 Crore offset by redemption and repayment of borrowings and increase in current maturities.

### Other Long Term Liabilities

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 after a period of more than 12 months.

The other long term liabilities as at 31<sup>st</sup> March 2016 stood at ₹ 1,244.16 Crore against ₹ 1,337.17 Crore for the previous fiscal. Out of above, AAD as of 31<sup>st</sup> March 2016 and 2015, respectively was ₹ 1,098.86 Crore and ₹ 1,159.54 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

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, liabilities for capital works/supplies and statutory dues payables etc. which are due for payment/adjustment within 12 months.

The current liabilities stood at ₹ 3,253.60 Crore against ₹ 3,013.15 Crore for the previous fiscal. The increase of 7.98% in Fiscal 2016 was mainly due to increase in current maturity of long term debts and interest accrued but not due on borrowings, liability against capital works/supplies, Statutory dues payables offset by decrease in deposits/retention money and other liabilities.

### Provisions (Long Term & Short Term)

Provisions include provision for performance related pay, superannuation/pension fund, Provision towards employee benefits (actuarial valuation), taxation, dividend & dividend tax, Provision for committed capital expenditure and other provisions etc. Total provisions stood at ₹ 2,562.49 Crore as at 31<sup>st</sup> March 2016 as against ₹ 2,516.51 Crore for previous fiscal.

## (iv) OFF-BALANCE SHEET ITEMS

### Contingent Liabilities

The following **Table no. 11** sets forth the components of our contingent liabilities as of Fiscal 2016 and 2015.

**Table No. 11: Contingent liabilities**

(₹ in Crore)

Particulars	Fiscal 2016	Fiscal 2015
Claims against the Company not acknowledged as debts in respect of:		
Capital Works	8,459.20	8,207.65
Land Compensation Cases	28.18	12.37
Disputed Income Tax, Sales Tax, Other Items	838.29	906.69
<b>Total</b>	<b>9,325.67</b>	<b>9,126.71</b>

Contingent liabilities increased by 2.18% from ₹ 9,126.71 Crore as of 31<sup>st</sup> March 2015 to ₹ 9,325.67 Crore as of 31<sup>st</sup> March 2016 mainly on account of increase in contingent liabilities relating to Capital Works marginally offset by decrease in contingent liabilities relating to disputed tax demands.

## (v) BUSINESS AND FINANCIAL REVIEW OF SUBSIDIARIES/JOINT VENTURE COMPANIES

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



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## NHDC Ltd.

NHDC Ltd. was incorporated on 1<sup>st</sup> August 2000 as a Joint Venture of NHPC Ltd. (51.08%) and Government of Madhya Pradesh (48.92%) 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 31<sup>st</sup> March 2016 and 2015, respectively was ₹ 1,336.95 and ₹ 1,548.85 Crore. The Profit After Tax of the Company as of 31<sup>st</sup> March 2016 and 2015, respectively was ₹ 630.00 Crore and ₹ 766.46 Crore. At present paid up share capital of the company is ₹ 1,962.58 Crore of which NHPC's contribution is ₹ 1,002.42 Crore.

## Loktak Downstream Hydroelectric Corporation Limited

Loktak Downstream Hydroelectric Corporation Limited was incorporated on 23<sup>rd</sup> October 2009 as a Joint Venture of NHPC Ltd. (74%) and Government of Manipur (26%) having authorized share capital of ₹ 230 Crore. At present paid up share capital of the company is ₹ 117.69 Crore of which NHPC's contribution is ₹ 87.09 Crore.

## Bundelkhand Saur Urja Limited

Bundelkhand Saur Urja Limited was incorporated on 2<sup>nd</sup> February 2015, as a Joint Venture of NHPC Ltd. and Government of Uttar Pradesh, with NHPC's share not less than 74%. The authorized share capital of the company is ₹ 10.00 Crore. At present paid up share capital of the company is ₹ 1.00 Crore of which NHPC's contribution is ₹ 1.00 Crore (99.99%).

## Chenab Valley Power Projects Pvt. Limited

Chenab Valley Power Projects Pvt. Limited was incorporated on 13<sup>th</sup> June 2011 as a Joint Venture of NHPC Ltd. (49.98%), Jammu & Kashmir State Power Development Corporation (JKSPDC) (49.98%) & PTC India Ltd. (0.04%) having authorized share capital of ₹ 1500 Crore for execution of Pakal Dul, Kiru & Kwar H.E. Projects with installed capacity of 2120 MW in Chenab River Basin. At present, paid up share capital of the company is ₹ 200.10 Crore of which NHPC's contribution is ₹ 100.00 Crore.

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

NHPTLPL was incorporated on 22<sup>nd</sup> May 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 2015, 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. As on 31<sup>st</sup> March 2016, paid up share capital of the company is ₹ 110.48 Crore of which NHPC's contribution is ₹ 23.90 Crore (21.64%).

## 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 at **Table No. 12:**

**Table No. 12: Summary of consolidated results**

Particulars	(₹ in Crore)	
	Fiscal 2016	Fiscal 2015
Total Income (excluding Exceptional Items)	9,577.28	9,157.27
Profit before Tax	3,848.14	3,718.35
Profit after Tax (After adjustment of Minority Interest)	2,688.26	2,491.36

## 9. MATERIAL DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS FRONT

Your Company recognizes the importance of human capital for the success of its business. The Company endeavors to acquire the best talent in the Country from leading institutes and universities. It has been working towards nurturing and retaining talent. Job rotation and inter-location transfers through-out the organisation facilitate planned development of careers and broaden the outlook of employees. The industrial relations in the Company remained harmonious, peaceful and cordial during the year. Employees' participation has been ensured through information sharing with employees, seeking their support, suggestions and cooperation. The Company continues to align its HR strategies with organisational strategies.

### (i) TRAINING OF EMPLOYEES

Your Company organises various developmental programs for its employees to improve their behavioral & managerial skills and core competencies. These programs help employees to keep them updated with the latest developments and changes happening in the field of operations, technology, HR, finance, engineering etc. The Company has set up four training centers at

Tanakpur Power Station in Uttarakhand, Chamera-I Power Station in Himachal Pradesh, Salal and Uri-I Power Stations in Jammu and Kashmir.

Your Company also organizes various training and developmental programs regularly for its employees through prestigious management and engineering institutions like IIMs, IITs, FMS Delhi, IMT Ghaziabad, ASCI Hyderabad, ISM Dhanbad & IISc Bangalore. Technical hands on training has also been provided to employees through reputed manufacturers like BHEL, ABB, GE Electric & Alstom. Special training programmes were also conducted for employees of reserved categories, to acquaint them with the features of the reservation policy and essential provisions devised especially for them.

Your Company is regularly sponsoring its executives to acquire higher qualifications & specialization in Structural Engineering, Water Resource Development and power systems with prestigious IITs and management programs from NTPC School of Business, which improves their efficiency and productivity.

## (ii) EMPLOYEE STRENGTH

The employee strength of the Company as on 31<sup>st</sup> March 2016, was 8,654 (3,910 executives, 250 supervisors & 4,494 workmen).

## (iii) WELFARE MEASURES FOR WOMEN EMPLOYEES

The number and percentage of women employees as on 31<sup>st</sup> March 2016 is given at **Table No. 13**.

Steps taken for the welfare of women employees:

- Women employees are regularly nominated for various programmes/seminars on women empowerment and other issues related to women.
- Crèche facility is available at Corporate Office.
- A special committee (consisting of women employees and outside independent

member(s)) has been constituted to examine the grievances/complaints relating to sexual harassment lodged by women employees.

- Child care leave is provided to women employees for taking care of two children up to the age of 18 years for rearing or to look after any of their needs like examination, sickness etc.
- Maternity leave is provided as per service rules.
- Women employees have option to declare parents/parents-in-law as dependents under medical rules.
- Relaxations are given to women employees in attendance timings at Corporate Office.
- Representation of women employees on selection board/committee.
- WIPS (Women in Public Sector Forum) Cell has been constituted in Corporate Office.

## (iv) RESERVATION FOR SCHEDULED CASTE (SC), SCHEDULED TRIBE (ST) AND OTHER BACKWARD CLASSES (OBC)

Your Company is taking care of socio-economic developments of weaker sections of the society including SC/ST/OBC at various projects/power stations situated in remote areas. Your Company has allocated budget for schools and colleges at various SC/ST/OBC populated locations of its projects/power stations.

SC, ST and OBC candidates are provided reservation and relaxation 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 Company holds periodical meetings with SC/ST employees. A SC/ST Cell has also been set up for the welfare of SC, ST and OBC employees under the direct control of separate liaison officers for SC, ST and OBC respectively.

Representation of SC/ST/OBC employees is given at **Table No. 14**.

**Table No. 13: Particulars of women employees**

Total no. of employees as on 31 <sup>st</sup> March 2016	No. of women employees				% of overall employee strength
	Executives	Supervisors	Workmen	Total	
8654	329	34	508	871	10.06

**Table No. 14: Particulars of SC/ST/OBC employees**

Total no. of employees as on 31 <sup>st</sup> March 2016	Representation					
	SC	% age	ST	% age	OBC	% age
8654	1,211	13.99	512	5.92	1,037	11.98



(v) **WELFARE MEASURES FOR EMPLOYEES WITH DISABILITIES:**

Representation of employees with disabilities is given at **Table No. 15.**

**Table No. 15: Particulars of employees with disabilities**

Total no. of employees as on 31 <sup>st</sup> March 2016	physically challenged employees			% of physically challenged employees	
	VI	HI	OH	Total	%age
8,654	8	5	95	108	1.25

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

**Steps taken for the welfare of employees with disabilities:**

The reservation and relaxation has been provided to physically challenged candidates/employees in direct recruitment and promotion as per guidelines issued by DoPT/Ministry of Social Justice & Empowerment from time to time. In addition to above, following welfare schemes has also been extended to employees with disabilities:-

- Employees with disabilities as well as employees who are care giver of dependent child are exempted from the rotational transfer and are provided preference in place of posting at the time of transfer/promotion.
- Financial assistance is provided to employees (who get physically handicapped while in service) for vocational training.
- Reimbursement is given to blind and orthopedically handicapped employees for monthly conveyance allowance.
- Reimbursement of expenses for purchase of hearing aid is given to hearing impaired employees/their dependents.
- Reimbursement of cost of artificial limbs and interest free loan for the same are given to employees/their dependents.
- Restriction of age is not applicable in respect of physically/mentally retarded children while considering them as dependents.

**10. ENVIRONMENTAL PROTECTION AND CONSERVATION, TECHNOLOGICAL ABSORPTION, RENEWABLE ENERGY DEVELOPMENTS & FOREIGN EXCHANGE CONSERVATION**

**(i) Environment Protection and Conservation:**

Your Company is committed to preserve Country's heritage, natural endowments and preservation of environment while carrying out hydropower construction work, to set the Country on the path of economic growth.

Your Company makes all-out effort to create an environment, where economic growth and environmental preservation can become compatible in the long run. Environmental Impact Assessment (EIA) for NHPC projects is undertaken during investigation stage to identify probable impacts on environment. Based on the findings of EIA studies, Environmental Management Plans (EMP) are proposed and implemented to compensate the adverse impacts of the project by adopting measures like compensatory afforestation, catchment area treatment, bio-diversity conservation, green belt development, fishery management, health management, rejuvenation of dumping and quarry sites including resettlement & rehabilitation, etc.

The Company 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.

A new division namely '**Environment and Diversity Management Division**' has been created to look after environment, social & diversity aspects. The roles and responsibilities of the division inter-alia includes;

- To formulate Corporate Environment Policy in line with directives issued by Ministry of Environment, Forest and Climate Change.
- To take up and monitor all issues related to environment clearance, forest clearance & compliance under Forest Rights Act, 2006 and wildlife clearance of projects.
- To address and manage social diversity issues of projects.
- To address all issues related to R&R policy and Land Acquisition Act.
- To act as repository for all land related records/documents.



## (ii) Renewable Energy Developments:

Your Company is diversifying its activities to explore renewable energy projects such as solar and wind power projects. Presently, one 50 MW wind power project in Rajasthan is in readiness for commissioning. Other opportunities in renewable energy sector are also being actively explored. The details of renewable energy projects are given in the Directors' Report.

## (iii) Foreign Exchange Conservation:

Your Company is making efforts to encourage the participation of local firms in the bidding process in order to propagate "Make in India" policy of Government of India. It will help foreign exchange conservation in addition to growth of Indian industry at large. The provision for certain benefits to MSE's participation has been incorporated in bid conditions.

Information regarding technological absorption is given at **Annexure IV** to the Directors' Report.

## 11. CORPORATE SOCIAL RESPONSIBILITY

Your Company is conducting the business in a socially responsible way by maintaining high level of organizational integrity and ethical behavior in conformity with expected standards of transparency in reporting and disclosing the performance in all spheres of its activities. CSR initiatives of your Company aim at addressing the social, economic and environmental concerns of its stakeholders including those directly impacted by its operations and activities.

Your Company has a well-defined CSR and Sustainability Policy in line with the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and the guidelines on Corporate Social Responsibility and Sustainability issued by Department of Public Enterprises, Government of India. A separate report on CSR & sustainable development activities undertaken by your Company during the financial year 2015-16 is given at **Annexure VI** to the Directors' Report.

## 12. CAUTIONARY STATEMENT

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

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

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



**(K.M. SINGH)**

**Chairman and Managing Director**

**Date: 4<sup>th</sup> August 2016**

**DIN 02223301**

**Place: Faridabad**





## DISCLOSURE REQUIRED UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014:

### A. CONSERVATION OF ENERGY

#### (i) Steps taken or impact on conservation of energy

Energy Audit of thirteen power stations out of the eighteen power stations had been carried out in the past to re-asses the conservation of energy. Energy audit of four power stations viz. Nimmo Bazgo (45 MW), Uri-II (240 MW), Parbati-III (520 MW) & Teesta Low Dam-III (132 MW) power stations has been carried out during the financial year 2015-16. Energy savings of 7.53 MU/year have been achieved till date and a balance of 6.74 MU/year shall be achieved in near future.

#### (ii) Steps taken by the Company for utilizing alternate sources of Energy

- **Green Building at Corporate Office (Phase II):** Your Company has constructed Phase II Building at Corporate Office in line with Energy Conservation Building Code and was awarded 4 star (provisional) rating by GRIHA (Green Rating for Integrated Habitat Assessment) under green building concept.
- **Commissioning of 70KWp Grid Synchronized Solar Power Plant:** Your Company has installed 70 KWp solar power plant on the terrace of Phase -II building for supplying 70 KWp power for the building. The solar power generated by the plant is being used in the office building and additional load requirement is met from the state supply. The annual generation from the plant is about 1 Lakh units.

In addition to above, solar power is being utilized in some of the units/offices/residential colonies of the Company.

#### (iii) Capital investment on energy conservation equipments

NIL

### B. TECHNOLOGY ABSORPTION

#### (i) Efforts made towards technology absorption

Your Company has procured fabricated bolted runner and online cavitation monitoring system for Teesta-V (510 MW) power station, Sikkim.

#### (ii) Benefits derived like product improvement, cost reduction, product development or import substitution

- Fabricated bolted runner has prolonged operation under high sediment conditions with long lasting quality of hard coating on 100% surface.
- Online cavitation monitoring system detects and prevents cavitation in turbine underwater parts.

#### (iii) Particulars of technology imported during the current year and last three years

S. No.	Details of Technology Imported	year of import	whether the technology been fully absorbed	If not fully absorbed, areas where absorption has not taken place and the reasons thereof
1.	Installation of Q-eye radar at Subansiri River to measure the online discharge during the month of March, 2015.	2014-15	Yes	NA

#### (iv) Expenditure incurred on Research and Development :-

Expenditure incurred on Research and Development during the financial year 2015-16 is ₹ 5,04,50,763.

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Crore)

S. No.	Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
a)*	Value of imports calculated on CIF basis:		
	i) Capital Goods	4.33	8.78
	ii) Spare parts	-	-
b)*	Expenditure in Foreign Currency:		
	i) Know-How	-	-
	ii) Interest	28.92	33.84
	iii) Other Misc. Matters	140.76	154.37
c)*	Value of spare parts and Components consumed in operating units:		
	i) Imported	0.63 (1.66%)	-
	ii) Indigenous	37.35 (98.34%)	30.40 (100%)
d)*	Earnings in foreign currency:		
	i) Interest	-	-
	ii) Others	2.62	-

\* Accrual basis

For and on behalf of the Board of Directors



(K.M. SINGH)

Chairman and Managing Director

DIN: 02223301

Date : 4<sup>th</sup> August 2016

Place : Faridabad



## 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**

2015-16

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

*Group	Class	Sub-Class	Description
351	3510	35101	Electric power generation by hydroelectric power plants.

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

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

- (i) Energy (Hydro Power)
- (ii) Consultancy 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 NHPC is providing consultancy services for Engineering and Design of Mangdechhu HE Project (720 MW) to Mangdechhu Hydroelectric Project Authority (MHPA) on nomination basis. The Detailed Project Report (DPR) of Chamkharchhu - 1 HE Project (770 MW) in Bhutan was prepared as a consultancy assignment for DHPS, Royal Government of Bhutan (RGoB). As per Intergovernmental agreement signed between RGoB & Government of India

(GoI) on 22.04.2014, the project is proposed to be executed in a Joint Venture mode between NHPC and Druk Green Power Corporation Limited (DGPC) (Govt. of Bhutan PSU) with equal shareholding. Discussions are underway for JV formation.

NHPC provided Management Consultancy Services to Ethiopian Electric Power Service Company as part of an Indian consortium headed by Powergrid Corporation of India Limited which was successfully completed in August 2015.

**9.2. Number of National Location**

We have 18 power stations and 4 construction projects in 7 states across the Country. One construction project in West Bengal is partially commissioned.

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

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

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

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

## Section B: Financial Details of the Company

### 1. Paid up Capital (INR)

11,070.67 Crore (as on 31<sup>st</sup> March 2016)

### 2. Total Turnover (INR)

7,434.06 Crore (during FY 2015-16)

### 3. Total profit after taxes (INR)

2,440.14 Crore (during FY 2015-16)

### 4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)

Our total spending in 2015-16 on CSR is INR 72.68 Crore which is 3.36% of average net profit (as per section 198 of Companies Act, 2013) of last 3 financial years.

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

- Education & Skill Development
- Healthcare & Sanitation
- Rural Development
- Environment
- Women Empowerment/Senior Citizen
- Swachh Vidyalaya Abhiyan
- Capacity Building, Sports, Art & Culture and Other Initiatives

## Section C: Other Details

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

Yes, presently NHPC Limited has three Subsidiary Companies, namely:

- i. NHDC Limited

- ii. Loktak Downstream Hydroelectric Corporation Limited
- iii. Bundelkhand Saur Urja Limited

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

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

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

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

## Section D: BR Information

### 1. Details of Director/Directors responsible for BR

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

- DIN Number: 03010235
- Name: Mr. Jayant Kumar
- Designation: Director (Finance)

#### 1.2. Details of the BR head

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



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

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	N	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards? If yes, specify? <i>(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)</i>	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 & Sustainable Development Policy is available at: [http://www.nhpcindia.com/writereaddata/Images/pdf/CSR\\_Policy\\_Final.pdf](http://www.nhpcindia.com/writereaddata/Images/pdf/CSR_Policy_Final.pdf) . Resettlement & Rehabilitation Policy is available at: [www.nhpcindia.com/r-and-r-initiative.htm](http://www.nhpcindia.com/r-and-r-initiative.htm) . Fraud Policy, Corporate Governance compliance, Whistle Blower Policy and Policy for Banning Business Dealings are available at: [www.nhpcindia.com/corporate-governance.htm](http://www.nhpcindia.com/corporate-governance.htm) . Code of Business Conduct and Ethics, Integrity Pact, Integrated Management System Certificate and NHPC Conduct, Discipline and Appeal Rules are available over the company intranet.

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

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

### 3. Governance related to Business Responsibility

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

The BR performance of the company is assessed annually at the end of financial year.

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

This is the fourth Business Responsibility Report. Similar to the last year, this would be published annually and will be part of the Annual Report. This report can be accessed at [www.nhpcindia.com/NHPC-annual-reports.htm](http://www.nhpcindia.com/NHPC-annual-reports.htm) .

## Section E: Principle-wise performance

### Principle 1

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

The company considers Corporate Governance norms as an integral part of good management. The Company has a Code of Business Conduct and Ethics which is applicable to its Board Members and senior management personnel. In addition, the company has a Fraud Policy to prevent fraud or suspected fraud. Whistle Blower Policy has also been adopted. Further, the company has implemented an Integrity Pact for all the procurement

The numbers of complaints available are as follows:

Description	Opening Balance FY'15	Received During the Year 2015-16	Resolved During the Year 2015-16	Pending as on 31 <sup>st</sup> March 2016
Non-receipt of refund orders	0	113	113	0
Non-receipt of dividend warrants	0	2035	2035	0
SEBI Complaints	0	25	25	0
Stock exchange complaints	0	5	5	0
Consumer forum/Court cases	2	0	0	2
Supplier fraud*	0	2	2	0

The company has observed no complaints under its Whistle Blower Policy in financial year 2015-16. ,

\* The company has observed 2 cases of Fraud under Fraud Policy and Policy for Banning Business Dealing with Bidders in respect of Contractor/supplier during the F.Y. 2015-16, details of which are as under:

- i) M/s EKI Energy Services Limited has been banned for two years w.e.f. 29<sup>th</sup> April 2016 for business dealing with NHPC Ltd.
- ii) M/s Hari Om Services has been banned for one year w.e.f 19<sup>th</sup> June 2015 for business dealing with NHPC Limited.

### Principle 2

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

Hydro power generation.

2. **Foreach 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.**

works of the value of ₹ 1 Crore and more, procurement of goods of the value of ₹ 7 Lakh and more and for procurement of services of the value of ₹ 15 Lakh 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 an unethical behaviour.

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

We have received some stakeholder complaints during financial year 2015-16 with regard to violation of the Corporate Governance norms and Code of Business Conduct and Ethics.

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

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

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place**





**of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

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

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

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

### Principle 3

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

1.	Total number of employees	8654 (as on 31 <sup>st</sup> March 2016)
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	871 (as on 31 <sup>st</sup> March 2016)
4.	Total number of permanent employees with disabilities	108 (as on 31 <sup>st</sup> March 2016)
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 2015-16 and pending, as on end of FY 2015-16.	None received in this category and none pending.
	Number of complaints relating to sexual harassment in 2015-16 and pending, as on end of FY 2015-16.	Complaint Filed: 1 Complaint Pending: 0
	Number of complaints relating to discriminatory employment in 2015-16 and pending, as on end of FY 2015-16.	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) (2015-16)	
	Permanent employees	69.78%
	Permanent women employees	64.75%
	Temporary/contractual/casual	Not Applicable
	Employees with disabilities	27.77%

### 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 & contractors, investors & shareholders, government & regulators and peers & industry ecosystem.

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

Our disadvantaged and vulnerable stakeholders include differently-abled employees, 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.
- Girls/women and SC/ST communities: In the vicinity of project locations, the company provides scholarship to SC/ST & girl students for education and facilitating literacy programmes in rural areas.

**Principle 5**

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

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

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

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

Opening Balance on 1 <sup>st</sup> April 2015	Received During the Year 2015-16	Resolved During the Year 2015-16	Closing Balance as on 31 <sup>st</sup> March 2016
01	15	15	01

Public Grievance as per “Centralised Public Grievance Redressal & Monitoring System” linked with Ministry of Power:

Opening Balance on 1 <sup>st</sup> April 2015	Received During the Year 2015-16	Resolved During the Year 2015-16	Closing Balance as on 31 <sup>st</sup> March 2016
12	123	125	10

**Principle 6**

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

NHPC possesses Integrated Management System certificate, which covers quality, environment and occupational health & safety management system for its corporate office and projects/power stations.

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

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

Besides this NHPC is an Integrated Management System (IMS) certified company which addresses the requirements of International Standards ISO 9001:2008 (Quality Management System), ISO 14001:2004 (Environment Management System) and OHSAS 18001:2007 (Occupational Health and Safety Assessment Series). 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 [www.nhpcindia.com/key-areas.htm](http://www.nhpcindia.com/key-areas.htm)

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

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

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

Yes, two NHPC hydroelectric projects namely Nimmo Bazgo and Chutak located in J&K State have been registered by CDM Executive Board of United Nations Framework Convention on Climate Change (UNFCCC) during March, 2009 under the methodology ACM0002: 'Consolidated methodology for grid connected electricity generation from renewable sources'. As of now, these projects are not connected with Northern grid as originally proposed and supplying electricity locally in the region. As a result of this change the projects will no longer conform to the applicable conditions of ACM0002 and thus will not generate any CERs under the existing registrations of the UNFCCC. Efforts are currently in progress for post registration changes in respect of applicable methodology for renewable energy power generation in isolated grids. NHPC is also in a process to register the 50 MW wind power project at Jaisalmer, Rajasthan under CDM.

No environmental compliance report is applicable in NHPC's case.

**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 wind and solar power. A 50 MW Wind Power Project is under construction in Rajasthan. Solar Power Project is under engineering and tendering stage.

**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 for CPCB/SPCB were pending as on the end of the FY 2015-16. However, 3 appeals in respect of Subansiri Lower Project, Teesta-IV & Dibang are pending before NGT.

**Principle 7**

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

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

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

We strongly campaign 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, NHPC through its structured CSR initiatives and projects in the areas of healthcare, education, rural development, skill development, environmental sustainability, women empowerment etc. is continually striving for sustainable development of its neighbouring communities and society at large particularly in the remote areas of State like J&K, Himachal Pradesh, Sikkim, Uttarakhand, Arunachal Pradesh, Assam and Manipur.

These programs promote excellence in healthcare, education, environmental management and

empowerment of marginalised and underprivileged sections/communities.

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

The company's CSR Projects are implemented mostly through in-house teams, besides few programs in association with Non-Government Organizations (NGOs) or 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.

However, impact studies will be done for our large projects after their completion & necessary minimum gestation period.

Some of the visible impacts of our small scale activities/projects through CSR can be seen on the local community which are as under-

- (i) Increase in job skills & employment opportunities.
- (ii) Improvement in healthcare services.
- (iii) Establishment of physical and institutional infrastructure for the underprivileged to meet their health, nutrition and educational needs.

**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 2015-16
i. Education & Skill development	4.69 Crore
ii. Healthcare and Sanitation	5.08 Crore
iii. Rural Development	2.53 Crore
iv. Environment Expenditure	0.57 Crore
v. Women Empowerment/ Senior Citizen	0.01 Crore
vi. Swachh Vidyalaya Abhiyan	59.45 Crore
vii. CSR Capacity Building, Sports, Art & Culture and Other Initiatives	0.35 Crore
<b>Total expenditure</b>	<b>72.68 Crore</b>

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

**1. Education & skill development**

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

**2. Healthcare**

- a) Provided assistance for improvement of overall health conditions of the communities through establishing new dispensaries/upgradation of the existing ones at remote locations.
- b) Establishment/up gradation of maternity centres to take care of health of rural women & child at remote locations at NHPC.
- c) Conducted health education programme for citizens in villages. Distribution of free medicines for locals.
- d) Arranged awareness programme to parents on malnutrition and poor health of children and free distribution of vitamins and tablets for children suffering from malnutrition. Up gradation of Govt. Hospitals, Maternity Centers.
- e) Providing mobile medical units equipped with medical equipment. Providing Ambulances and Medical Equipment etc.

**3. Social & 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) Initiated action/association with the Govt./PSU initiatives for establishment of cold storages for keeping & securing the agri-products e.g. fruits, vegetables etc.



#### 4. Sports, Art & Culture/Other Initiatives

- Provided technical training assistance to farmers in order to improve agricultural productivity, etc.
- Organised programmes for promoting rural sports/local cultures through sponsoring local festivals, etc.

#### 5. Environment & Sustainability

- Voluntary afforestation and plantation of saplings.
- Rain water harvesting.
- Distribution of solar street light and solar lantern.
- Renovation of kuls in State J&K.

#### 6. Swachh Vidyalaya Abhiyan

- Construction of toilets for boys and girls in Govt. schools especially in remote locations under the directives of Govt. of India.

#### 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, NHPC has taken steps to ensure that our community initiatives are successfully adopted by the community, although some handholding is required in the initial stages of implementation. Proper need assessment of the local requirements in and around power stations/projects is done by our experienced in-house team. Proper analysis of our need assessment surveys is conducted before carrying out community development initiatives. Monitoring and mentoring is done at appropriate interval during the implementation. Further, feedback on our initiatives is also collected from beneficiaries and media sources for further planning purpose.

#### Principle 9

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

No customer complaints received during FY 2015-16. No cases from FY 2014-15 remain pending.

##### 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 is taking regular feedback from our beneficiaries which help us to serve our customers in a better and more effective way. For the year 2014-15, we have received 100% feedback from our beneficiaries and most of it ranges from Very Good to Excellent.

For and on behalf of the Board of Directors

(K.M. SINGH)

Chairman and Managing Director

Date: 4<sup>th</sup> August 2016

DIN 02223301

Place: Faridabad

### ANNUAL REPORT ON CSR ACTIVITIES

#### 1. Brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

##### Introduction:

Your Company has formulated a CSR & Sustainability Policy in line with the guidelines on Corporate Social Responsibility and Sustainability issued by Department of Public Enterprises (DPE) and Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

##### Highlights of the Policy

- Creation of a separate CSR & SD Division (headed by an Executive Director) to act as Nodal Division.
- Committee of Directors on CSR & Sustainability (headed by an Independent Director) constituted by the Board of Directors.
- Preference has been given to local area and areas around NHPC's Projects thereby through allocating 80% of Budget amount for this segment.
- The CSR initiatives includes programs on promoting education and vocational skills, health, hygiene, women empowerment, rural development, environmental up-gradation etc. in accordance with Schedule-VII of the Companies Act, 2013. Expenditure on any other activity not in conformity with Schedule-VII is not accounted against CSR & Sustainability schemes/activities.
- Your Company's CSR & Sustainability activities extend beyond mere philanthropic gestures and aim to integrate it with organization's business goals.
- Selection of CSR & Sustainability schemes ensure maximum benefits to reach the poor/backward & needy sections of the society and contribute to improve the quality of environment.
- The Policy shall be revised/amended in accordance with the guidelines on the subject as may be issued by the Government from time to time.
- Your Company is open to join hands with the other CPSEs in planning, implementing and monitoring of Mega-Projects for optimal use of resources,

synergy of expertise and capabilities for maximizing socio-economic or environmental impact.

##### Programmes covered under CSR:

The community development programs have been identified and formulated based on the specific needs and requirement of a particular location as Power Stations/Projects of your Company are located all over India under varying socio-economic conditions. To this effect, whole gamut of activities have been identified, which to a great extent have been initiated in and around the Power Stations/Projects. These activities have been illustrated below:

##### I Education, Skill Development and Technology & Research:-

Your Company leads from the front when it comes to imparting education, especially to the poor and underprivileged sections of the society. Various Skill Development and Vocational Training Programs have been initiated to improve quality of life of people living in the surrounding areas of various Projects/Power Stations. NHPC is contributing in establishing/improvements in Engineering Colleges/ITIs/Schools in Himachal Pradesh, Arunachal Pradesh, Sikkim and J&K. A total of 13 (Thirteen) ITIs have been adopted (Seven in Jammu & Kashmir, four in Uttarakhand and two in Arunachal Pradesh) through Public Private Partnership (PPP)/Vocational Training Improvement Program/Centre of Excellence Scheme (COE). Besides above, Scholarships to a large number of SC/ST & Girl students studying in Govt. schools within the vicinity of Projects/Power Stations/Townships have been provided. In addition to this, your Company is also providing support for improvement of infrastructure in schools.

As a part of its social responsibility, your Company is establishing two food processing centers at Alchi and Khalsti villages in Ladakh for processing and packaging of apricots, apples and tomatoes providing livelihood to 200 families.

##### II Health:-

Health is a major issue that your Company takes very seriously. Your Company has organized a large number of medical camps, Cataract surgery camps and Vaccination Programmes in





surrounding areas of Projects/Power Stations and distributed free medicines to economically weaker families/individuals. Your Company is also providing Ambulances, Medical Equipment and other infrastructural support to Govt. Hospitals. During the year, your Company has also provided 20 Mobile Medical Units (MMUs) in Assam equipped with medical facilities, qualified doctors and medical attendants. These MMUs shall provide basic health services in villages and health awareness camps round the year.

### III Rural Development:-

Various Rural Development works were taken up to augment basic infrastructure facilities like area electrification, Community Centre, Water Supply Lines, Drains, Roads/Paths etc. as per the need and requirement of community. Your Company has also undertaken the construction activities of RCC Bridges/Wooden Bridges, Cremation sheds, Rain shelters etc.

### IV Environment & Sustainability:-

Environmental degradation is a major threat. Your Company is committed for environmental sustainability, ecological balance, protection of flora and fauna, conservation of natural resources, maintaining quality of air, water and soil. A number of activities has been taken up for environment and sustainability like development of bio-diversity parks/herbal park, establishment of food processing plants, restoration of irrigation canals, plantation, rain water harvesting, installation of solar street lights etc.

### V Women Empowerment & Senior Citizen:-

Joining hands with the Govt. of India in its major issue 'Women Empowerment', your Company has contributed in various areas for empowering the women and creation of facilities for senior

citizens. Your Company assisted in improving of old age homes, imparting skill development training for women to promote self-employment and conducted literacy programs for women.

### VI Swachh Vidyalaya Abhiyan:-

Swachh Vidyalaya Abhiyan had been initiated by Hon'ble Prime Minister of India. Under this prestigious initiative, the construction of toilets in Govt. schools where toilet facility is not available has been taken up. Your Company has constructed 7045 nos. of toilets in the Govt. schools in various parts of the country, especially in remote locations against a target of 6802 nos given by MoP.

### VII CSR Capacity Building and Other Activities: -

Your Company is also engaged in promotion of rural and traditional sports like 'Kabaddi' and 'Kushti', promotion of local arts, craft by way of organizing the local melas, sponsoring tournaments, training camps. Your Company is creating social awareness by organizing various awareness programmes, meetings with the stakeholders. Rural sports/Art & Culture are promoted in rural areas through providing infrastructure support to youth clubs and providing sports kits and equipment to rural clubs and associations.

The Corporate Social Responsibility & Sustainability Policy of your Company is available at following link:

[http://www.nhpcindia.com/writereaddata/Images/pdf/CSR\\_Policy\\_Final.pdf](http://www.nhpcindia.com/writereaddata/Images/pdf/CSR_Policy_Final.pdf)

### 2. The Composition of CSR Committee:-

The management structure of CSR & Sustainability activities is as follows:

A Board level Committee headed by an Independent Director has been constituted to allocate budget, review the progress and provide guidance on various CSR & Sustainability initiatives.

The Composition of 'Committee of Directors on CSR & Sustainability' as on 31<sup>st</sup> March 2016 was as under-

1.	Prof. Arun Kumar	Independent Director	Chairman
2.	Shri D.P. Bhargava	Director (Technical)	Member
3.	Shri Jayant Kumar	Director (Finance)	Member

**3. Average Net Profit of the company for last three financial years :-**

The details of net profit for last 3 financial years for the purpose of computation of CSR Budget as per Section-198 of Companies Act, 2013 are as under-

S. No.	Financial Year	Net Profit (in Crore)	Average Net Profit (in Crore)
1	2012-13	2,898.03	2164.09
2	2013-14	886.13	
3	2014-15	2,708.12	

**4. Prescribed CSR Expenditure:**

₹ 43.28 Crore (2% of average net profit for past 3 years)

**5. Details of CSR spent during the Financial Year:-**

**a. Total Amount spent during the Financial Year 2015-16:**

₹ 7,267.55 Lakhs

**b. Amount unspent, if any (against 4 above):**

NIL

**c. Manner in which the amount spent during the financial year is detailed below:**

S. No.	CSR project or activity identified	Sector	Location	Amount outlay (budget) project or program wise (₹ in Lakh)	Amount spent on the projects or programs (₹ in Lakh)	Cumulative expenditure upto the reporting period (₹ in Lakh)	Amount spent: Direct or through implementing agency
1.	Developmental/up-gradation activities in ITIs Scholarship to Students Construction & Up-gradation of School Buildings and Libraries. Providing Infrastructure in Schools Distribution of Computer Peripherals & Computer, Stationery Items, Uniforms to Govt. schools Organizing Skill Development Trainings/programs	Education & Skill Development	ITI Reasi, ITI Ramban, ITI Kargil, ITI Kishtwar, ITI Uri, ITI Bandipora and ITI Leh in J&K, ITI Pokhara, ITI Rudraprayag and ITI Tanakpur and ITI Kanda in Uttrakhand, ITI Chandey in Sikkim, ITI Roing and ITI Tabarijo in Arunachal Pradesh. In addition to this other CSR & SD Activities are being undertaken in the vicinity of NHPC's Project/Unit locations in Distt- Reasi, Baramula, Kishtwar, Leh (Ladakh), Kargil, Bandipora and Srinagar in Jammu & Kashmir, Distt-Kullu, Chamba and Mandi in Himachal Pradesh, Distt-Rangit (South Sikkim), Distt-Churachandpur (Manipur), Distt-Teesta (East Sikkim), Distt-Pithoragarh, Tehri Garhwal & Champawat in Uttrakhand, Distt-Darjeeling and Jalpaiguri in West Bengal, Distt-Dhemaji (Assam), Distt-Tawang, Papumpare and East Siang in Arunachal Pradesh.	538.94	469.06	469.06	Direct



# NHPC Limited

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S. No.	CSR project or activity identified	Sector	Location	Amount outlay (budget) project or program wise (₹ in Lakh)	Amount spent on the projects or programs (₹ in Lakh)	Cumulative expenditure upto the reporting period (₹ in Lakh)	Amount spent: Direct or through implementing agency
2.	<p>Arranging Medical Camps, Eye Check Up Camps</p> <p>Vaccination Programmes</p> <p>Distribution of free medicines for locals</p> <p>Up gradation of Govt. Hospitals, Maternity Centers</p> <p>Providing Ambulances, Medical Equipment and other infrastructure facilities to Govt. hospitals.</p> <p>Arrangement of free Cataract Surgery Camps</p> <p>Awareness Programmes on Malnutrition</p> <p>Providing Mobile Medical Units equipped with medical facilities, doctors and medical attendants</p>	Health & Sanitation	<p>CSR &amp; SD Activities are being undertaken in the vicinity of NHPC's Project/Unit locations in Distt- Reasi, Baramula, Kishtwar, Leh (Ladakh), Kargil, Bandipora and Srinagar in Jammu &amp; Kashmir, Distt -Kullu, Chamba and Mandi in Himachal Pradesh, Distt-Rangit (South Sikkim), Distt- Churachandpur (Manipur), Distt-Teesta (East Sikkim), Distt-Pithoragarh, Tehri Garhwal &amp; Champawat in Uttrakhand, Distt-Darjeeling and Jalpaiguri in West Bengal, Distt-Dhemaji (Assam), Distt- Tawang, Papumpare and East Siang in Arunachal Pradesh.</p>	2,148.13	507.42	507.42	Direct
3.	<p>Construction of Path Ways, RCC Bridges, Concrete Paths</p> <p>Construction &amp; Renovation of community halls</p> <p>Repair &amp; Replacement of Transformers in J&amp;K</p> <p>Construction of cremation sheds and grave yards</p> <p>Construction of Drains, Shelters and Waiting sheds</p> <p>Relief and rehabilitation measures for flood victims of Uttarakhand &amp; J&amp;K</p> <p>Arrangement of drinking water supply lines in villages and schools</p> <p>Other infrastructure and community development activities as per local needs.</p>	Rural Development	<p>CSR &amp; SD Activities are being undertaken in the vicinity of NHPC's Project/Unit locations in Distt- Reasi, Baramula, Kishtwar, Leh (Ladakh), Kargil, Bandipora and Srinagar in Jammu &amp; Kashmir, Distt-Kullu, Chamba and Mandi in Himachal Pradesh, Distt-Rangit (South Sikkim), Distt-Churachandpur (Manipur), Distt-Teesta (East Sikkim), Distt-Pithoragarh, Tehri Garhwal &amp; Champawat in Uttrakhand, Distt-Darjeeling and Jalpaiguri in West Bengal, Distt-Dhemaji (Assam), Distt-Tawang, Papumpare and East Siang in Arunachal Pradesh.</p>	395.67	253.20	253.20	Direct

S. No.	CSR project or activity identified	Sector	Location	Amount outlay (budget) project or program wise (₹ in Lakh)	Amount spent on the projects or programs (₹ in Lakh)	Cumulative expenditure upto the reporting period (₹ in Lakh)	Amount spent: Direct or through implementing agency
4.	Development of Biodiversity Park and Herbal Parks Installation of food Processing Units for preservation of local fruits Restoration of Canals for irrigation purpose Voluntary Afforestation and Plantation of Saplings Rain Water Harvesting Systems Installation of Solar Street Light Poles Distribution of Solar Lanterns, Solar Cookers	Environment & Sustainability	CSR & SD Activities are being undertaken in the vicinity of NHPC's Project/Unit locations in Distt-Reasi, Baramula, Kishtwar, Leh (Ladakh), Kargil, Bandipora and Srinagar in Jammu & Kashmir, Distt-Kullu, Chamba and Mandi in Himachal Pradesh, Distt-Rangit (South Sikkim), Distt-Churachandpur (Manipur), Distt-Teesta (East Sikkim) Distt-Pithoragarh, Tehri Garhwal & Champawat in Uttrakhand, Distt-Darjeeling and Jalpaiguri in West Bengal, Distt-Dhemaji (Assam), Distt- Tawang, Papumpare and East Siang in Arunachal Pradesh, Distt-Faridabad, (Haryana).	79.00	57.00	57.00	Direct
5.	Literacy Program for Rural Women Beautician course, soft toy making, making pickles, sewing, cutting tailoring and embroidery courses and other skill development training programs for women Up gradation of old age homes	Women Empowerment & Senior Citizen	CSR & SD Activities are being undertaken in the vicinity of NHPC's Project/Unit locations in Distt-Reasi, Baramula, Kishtwar, Leh (Ladakh), Kargil, Bandipora and Srinagar in Jammu & Kashmir, Distt-Kullu, Chamba and Mandi in Himachal Pradesh, Distt-Rangit (South Sikkim), Distt-Churachandpur (Manipur), Distt-Teesta (East Sikkim), Distt-Pithoragarh, Tehri Garhwal & Champawat in Uttrakhand, Distt-Darjeeling and Jalpaiguri in West Bengal, Distt-Dhemaji (Assam), Distt- Tawang, Papumpare and East Siang in Arunachal Pradesh.	14.30	1.49	1.49	Direct
6.	NHPC, under the aegis of MOP, has associated itself with construction of toilets in Govt. schools under Swachh Vidyalaya Abhiyan as a part of its CSR & SD activity.	Swachh Vidyalaya Abhiyan	Distt- Reasi, Baramula, Kishtwar, Leh (Ladakh) and Kargil in Jammu & Kashmir Distt-Kullu in Himachal Pradesh, Distt-Churachandpur in Manipur, Distt-Pithoragarh & Champawat in Uttrakhand, Distt-Darjeeling and Jalpaiguri in West Bengal, Distt-Dhemaji, Lakhimpur, Sonitpur, Nalbari, Darrang, Nagaon, Jorhat, Barpeta, Cachar, Sibsagar, Kamrup-Rural in Assam, Distt-Tawang, Lower Dibang Valley, Papum Pare and West Siang in Arunachal Pradesh.	6,421.59	5,945.19	5,945.19	Direct



# NHPC Limited

(A Government of India Enterprise)

S. No.	CSR project or activity identified	Sector	Location	Amount outlay (budget) project or program wise (₹ in Lakh)	Amount spent on the projects or programs (₹ in Lakh)	Cumulative expenditure upto the reporting period (₹ in Lakh)	Amount spent: Direct or through implementing agency
7.	Meeting with key Stakeholders Awareness Programs Promotion of Rural Sports Sponsorship of local sports/tournaments Promotion of local art and culture Organizing local festivals	CSR capacity building, sports, art & culture and other activities	CSR & SD Activities are being undertaken in the vicinity of NHPC's Project/Unit locations in Distt-Reasi, Baramula, Kishtwar, Leh (Ladakh), Kargil, Bandipora and Srinagar in Jammu & Kashmir, Distt-Kullu, Chamba and Mandi in Himachal Pradesh, Distt-Rangit (South Sikkim), Distt-Churachandpur (Manipur), Distt-Teesta (East Sikkim) Distt-Pithoragarh, Tehri Garhwal & Champawat in Uttrakhand, Distt-Darjeeling and Jalpaiguri in West Bengal, Distt-Dhemaji (Assam), Distt-Tawang, Papumpare and East Siang in Arunachal Pradesh, Distt- Faridabad, (Haryana).	38.25	34.19	34.19	Direct
	<b>Total</b>			<b>9,635.88</b>	<b>7,267.55</b>	<b>7,267.55</b>	

**6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report:-**

As per Section 135 of the Companies Act, 2013, the 2% of average net profit for the last 3 financial year amounts to ₹ **43.28 Crore**. The Company has spent ₹ **72.68 Crore** against the said provision.

As such the spending on CSR activities comes to **3.36%** of average net profit of last 3 financial years. Hence, Company fully utilized the budget allocation of FY 2015-16.

**7 Responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives under the Companies Act, 2013.**

This is certified that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company to the best of our knowledge.

sd/-  
**(K.M. Singh)**  
Chairman & Managing Director,  
NHPC Ltd.  
DIN 02223301

sd/-  
**(Arun Kumar)**  
Independent Director & Chairman,  
Committee of Directors on CSR & SD  
DIN 07346292

## FORM NO. MGT-9

### EXTRACT OF ANNUAL RETURN

**As on the financial year ended on 31<sup>st</sup> March 2016**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

CIN	L40101HR1975GOI032564
Registration Date	7 <sup>th</sup> November 1975
Name of the Company	NHPC Limited
Category/Sub-Category of the Company	Public Company/Government Company/Limited by shares
Address of the Registered office and contact details	NHPC Office Complex, Sector- 33, Faridabad, Haryana - 121 003 Tel. No. 0129-2588110/2588500 Fax. No. 0129-2277941
Whether Listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent	Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad - 500 032 Tel: 040-67162222 Toll Free No:1800 345 4001 Fax: 040-23420814

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company are given below:

S. No.	Name and description of main products/services	NIC Code of the Product/service*	% to total turnover of the Company#
1	Energy (Hydro Power) Electric power generation by Hydroelectric Power Plants	35101	99.54

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

# On the basis of Gross Turnover

#### III. PARTICULARS OF SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name and address of the company	CIN	Subsidiary/ Associate	% of shares held	Applicable Section
1.	NHDC Limited NHDC Parisar, Near Hotel Lake View Ashoka, Shyamla Hills, Bhopal-462013, Madhya Pradesh	U31200MP2000GOI014337	Subsidiary	51.08%	2(87)
2.	Loktak Downstream Hydroelectric Corporation Limited Loktak Power Station, NHPC Limited, P. O. Loktak, Kom Keirap - 795114, Manipur	U40101MN2009GOI008249	Subsidiary	74%	2(87)
3.	Bundelkhand Saur Urja Limited TC-43/V, Vibhuti Khand, Gomti Nagar, Lucknow - 226010, Uttar Pradesh	U40300UP2015GOI068632	Subsidiary	99.99%	2(87)





S. No	Name and address of the company	CIN	Subsidiary/ Associate	% of shares held	Applicable Section
4.	Chenab Valley Power Projects Private Limited, JKPCC Complex, Rail Head Complex, Panama Chowk, Jammu-180006 (J&K)	U40105JK2011PTC003321	Associate	49.98%	2(6)
5.	National High Power Test Laboratory Private Limited, NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi - 110003	U73100DL2009PTC190541	Associate	21.64%	2(6)
6.	National Power Exchange Limited* NTPC Bhawan, Core-7, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003	U40100DL2008PLC185689	Associate/ joint venture	16.67%	2(6)

\* National Power Exchange Limited is in the process of liquidation and not considered as Associate/Joint venture for the purpose of group consolidation of NHPC accounts for FY 2015-16.

#### IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK-UP AS PERCENTAGE OF TOTAL EQUITY)

##### i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt	9516209722	0	9516209722	85.96	9516209722	0	9516209722	85.96	0.00
c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks/Fl	0	0	0	0.00	0	0	0	0.00	0.00
f) Others	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (A) (1)</b>	<b>9516209722</b>	<b>0</b>	<b>9516209722</b>	<b>85.96</b>	<b>9516209722</b>	<b>0</b>	<b>9516209722</b>	<b>85.96</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRIs- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/Fl	0	0	0	0.00	0	0	0	0.00	0.00
e) Others	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>9516209722</b>	<b>0</b>	<b>9516209722</b>	<b>85.96</b>	<b>9516209722</b>	<b>0</b>	<b>9516209722</b>	<b>85.96</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual funds/UTI	8722475	0	8722475	0.08	6204586	0	6204586	0.06	(0.02)
b) Banks/Fls	91543972	0	91543972	0.83	91385576	0	91385576	0.82	(0.01)
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	375755573	0	375755573	3.39	389380953	0	389380953	3.52	0.13
g) Fls	212320234	0	212320234	1.92	287076272	0	287076272	2.59	0.67
h) Foreign Venture Capital funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B) (1)</b>	<b>688342254</b>	<b>0</b>	<b>688342254</b>	<b>6.22</b>	<b>774047387</b>	<b>0</b>	<b>774047387</b>	<b>6.99</b>	<b>0.77</b>

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Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>2. Non Institutions</b>									
a) Bodies Corporate	97340036	0	97340036	0.88	69481348	0	69481348	0.63	(0.25)
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	576225050	171562	576396612	5.21	530215978	152582	530368560	4.79	(0.42)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	170894577	0	170894577	1.54	158555459	0	158555459	1.43	(0.11)
c) Others									
(i) Clearing Members	2172520	0	2172520	0.02	3585542	0	3585542	0.03	0.01
(ii) Non Resident Indians	16593751	7575	16601326	0.15	15138074	7575	15145649	0.14	(0.01)
(iii) Overseas Corporate Bodies	175	0	175	0.00	175	0	175	0.00	0.00
(iv) Trusts	2711274	0	2711274	0.02	2885392	0	2885392	0.03	0.01
(v) Non-banking Financial Institutions	0	0	0	0.00	389262	0	389262	0.00	0.00
(vi) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(2)</b>	<b>865937383</b>	<b>179137</b>	<b>866116520</b>	<b>7.82</b>	<b>780251230</b>	<b>160157</b>	<b>780411387</b>	<b>7.05</b>	<b>(0.77)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1554279637</b>	<b>179137</b>	<b>1554458774</b>	<b>14.04</b>	<b>1554298617</b>	<b>160157</b>	<b>1554458774</b>	<b>14.04</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>11070489359</b>	<b>179137</b>	<b>11070668496</b>	<b>100.00</b>	<b>11070508339</b>	<b>160157</b>	<b>11070668496</b>	<b>100.00</b>	

## (ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2015)			Shareholding at the end of the year (As on 31.03.2016)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	President of India	9516209722	85.96	0.00	9516209722	85.96	0.00	0.00
	<b>Total</b>	<b>9516209722</b>	<b>85.96</b>	<b>0.00</b>	<b>9516209722</b>	<b>85.96</b>	<b>0.00</b>	<b>0.00</b>

## (iii) Change in Promoters' Shareholding

S. No.	Particulars	Shareholding at the beginning of the year (As on 01.04.2015)		Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	9516209722	85.96	9516209722	85.96
2.	Date wise Increase/Decrease in Promoters' Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	No change during the year			
3.	At the end of the year	9516209722	85.96	9516209722	85.96



(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	Name of the Shareholder	Shareholding		Cumulative shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1.</b>	<b>LIFE INSURANCE CORPORATION OF INDIA*</b>				
	At the beginning of the year	331009248	2.99	331009248	2.99
	Bought during the year	13625380	0.12	344634628	3.11
	Sold during the year	-	-	344634628	3.11
	At the end of the year	344634628	3.11	344634628	3.11
<b>2.</b>	<b>UCO BANK*</b>				
	At the beginning of the year	33154836	0.30	33154836	0.30
	Bought during the year	-	-	33154836	0.30
	Sold during the year	-	-	33154836	0.30
	At the end of the year	33154836	0.30	33154836	0.30
<b>3.</b>	<b>VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIE*</b>				
	At the beginning of the year	27730780	0.25	27730780	0.25
	Bought during the year	466982	0.00	28197762	0.25
	Sold during the year	6319038	0.05	21878724	0.20
	At the end of the year	21878724	0.20	21878724	0.20
<b>4.</b>	<b>WISDOMTREE TRUST A/C WISDOMTREE INDIA INVESTMENT PORTFOLIO INC*</b>				
	At the beginning of the year	18898129	0.17	18898129	0.17
	Bought during the year	5912044	0.05	24810173	0.22
	Sold during the year	9775378	0.08	15034795	0.14
	At the end of the year	15034795	0.14	15034795	0.14
<b>5.</b>	<b>SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA*</b>				
	At the beginning of the year	13907798	0.13	13907798	0.13
	Bought during the year	-	-	13907798	0.13
	Sold during the year	-	-	13907798	0.13
	At the end of the year	13907798	0.13	13907798	0.13
<b>6.</b>	<b>CORPORATION BANK*</b>				
	At the beginning of the year	13842251	0.13	13842251	0.13
	Bought during the year	-	-	13842251	0.13
	Sold during the year	-	-	13842251	0.13
	At the end of the year	13842251	0.13	13842251	0.13
<b>7.</b>	<b>VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND*</b>				
	At the beginning of the year	11144212	0.10	11144212	0.10
	Bought during the year	4864065	0.04	16008277	0.14
	Sold during the year	-	-	16008277	0.14
	At the end of the year	16008277	0.14	16008277	0.14

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S. No.	Name of the Shareholder	Shareholding		Cumulative shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>8.</b>	<b>GOLDMAN SACHS (SINGAPORE) PTE#</b>				
	At the beginning of the year	5155271	0.05	5155271	0.05
	Bought during the year	30331392	0.27	35486663	0.32
	Sold during the year	59575	0.00	35427088	0.32
	At the end of the year	35427088	0.32	35427088	0.32
<b>9.</b>	<b>GOVERNMENT PENSION FUND GLOBAL@</b>				
	At the beginning of the year	21424576	0.19	21424576	0.19
	Bought during the year	-	-	21424576	0.19
	Sold during the year	9264294	0.08	12160282	0.11
	At the end of the year	12160282	0.11	12160282	0.11
<b>10.</b>	<b>PENSION RESERVES INVESTMENT TRUST FUND-PZENA INV#</b>				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year	14881775	0.13	14881775	0.13
	Sold during the year	-	-	14881775	0.13
	At the end of the year	14881775	0.13	14881775	0.13
<b>11.</b>	<b>MORGAN STANLEY ASIA SINGAPORE PTE#</b>				
	At the beginning of the year	1356485	0.01	1356485	0.01
	Bought during the year	13476269	0.12	14832754	0.13
	Sold during the year	2194449	0.02	12638305	0.11
	At the end of the year	12638305	0.11	12638305	0.11
<b>12.</b>	<b>EMERGING MARKETS CORE EQUITY PORTFOLIO (THE PORTFO)@</b>				
	At the beginning of the year	11019906	0.10	11019906	0.10
	Bought during the year	1615234	0.01	12635140	0.11
	Sold during the year	671051	0.01	11964089	0.11
	At the end of the year	11964089	0.11	11964089	0.11
<b>13.</b>	<b>MERRILL LYNCH CAPITAL MARKETS ESPANA S.A.S.V.@</b>				
	At the beginning of the year	10602684	0.10	10602684	0.10
	Bought during the year	951358	0.01	11554042	0.11
	Sold during the year	10299166	0.10	1254876	0.01
	At the end of the year	1254876	0.01	1254876	0.01

\* denotes Top 10 shareholders on both 01.04.2015 and 31.03.2016.

@ denotes Top 10 shareholders only on 01.04.2015.

# denotes Top 10 shareholders only on 31.03.2016.

**Notes:**

- (1) The shares of the Company are traded on a daily basis and hence, the date wise increase/decrease in shareholding is not indicated.
- (2) Shareholding is consolidated based on Permanent Account Number (PAN) of the Shareholders.



(v) Shareholding of Directors and Key Managerial Personnel

S. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares at the beginning of the year (01.04.2015)/ end of the year (31.03.2016)	% of total shares of the Company				No. of shares	% of total shares of the company
<b>A DIRECTORS</b>								
1.	Shri K.M. Singh, Chairman & Managing Director (became CMD on 23.09.2015)	NIL	NA	23.09.2015	Nil movement during the period		NIL	NA
		NIL	NA	31.03.2016			NIL	NA
2.	Shri R.S.T. Sai, Chairman & Managing Director (ceased to be CMD on 23.09.2015)	NIL	NA	01.04.2015	Nil movement during the period		NIL	NA
		NIL	NA	23.09.2015			NIL	NA
3.	Shri D.P. Bhargava, Director (Technical)	19,999	Negligible	01.04.2015	Nil movement during the period		19,999	Negligible
		19,999	Negligible	31.03.2016			19,999	Negligible
4.	Shri R.S. Mina, Director (Personnel) & CFO (upto 28.05.2015)	42,000	Negligible	01.04.2015	Nil movement during the period		42,000	Negligible
		42,000	Negligible	31.03.2016			42,000	Negligible
5.	Shri Jayant Kumar, Director (Finance) & CFO (became Director on 26.05.2015 and CFO on 29.05.2015)	NIL	NA	26.05.2015	Nil movement during the period		NIL	NA
		NIL	NA	31.03.2016			NIL	NA
6.	Shri Ratish Kumar, Director (Projects) (became Director on 06.01.2016)	18,200	Negligible	06.01.2016	Nil movement during the period		18,200	Negligible
		18,200	Negligible	31.03.2016			18,200	Negligible
7.	Smt. Archana Agrawal, Govt. Nominee Director (became Director on 06.03.2016)	NIL	NA	06.03.2016	Nil movement during the period		NIL	NA
		NIL	NA	31.03.2016			NIL	NA
8.	Shri Aniruddha Kumar, Govt. Nominee Director (was Director during the period 28.10.2015 to 29.02.2016)	1,500	Negligible	28.10.2015	Nil movement during the period		1,500	Negligible
		1,500	Negligible	29.02.2016			1,500	Negligible

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S. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares at the beginning of the year (01.04.2015)/ end of the year (31.03.2016)	% of total shares of the Company				No. of shares	% of total shares of the company
9.	Shri Arun Kumar Verma, Govt. Nominee Director (ceased to be Director on 19.10.2015)	NIL	NA	01.04.2015	Nil movement during the period		NIL	NA
		NIL	NA	19.10.2015			NIL	NA
10.	Smt. Krishna Tyagi, Govt. Nominee Director (became Director on 08.07.2015)	NIL	NA	08.07.2015	Nil movement during the period		NIL	NA
		NIL	NA	31.03.2016			NIL	NA
11.	Shri K.N. Garg, Govt. Nominee Director (ceased to be Director on 30.06.2015)	NIL	NA	01.04.2015	Nil movement during the period		NIL	NA
		NIL	NA	30.06.2015			NIL	NA
12.	Shri Satya Prakash Mangal, Independent Director (became Director on 26.11.2015)	1,500	Negligible	26.11.2015	Nil movement during the period		1,500	Negligible
		1,500	Negligible	31.03.2016			1,500	Negligible
13.	Prof. Arun Kumar, Independent Director (became Director on 26.11.2015)	NIL	NA	26.11.2015	Nil movement during the period		NIL	NA
		NIL	NA	31.03.2016			NIL	NA
14.	Prof. Kanika T. Bhal, Independent Director (became Director on 26.11.2015)	NIL	NA	26.11.2015	Nil movement during the period		NIL	NA
		NIL	NA	31.03.2016			NIL	NA
15.	Shri Farooq Khan, Independent Director (became Director on 26.11.2015)	NIL	NA	26.11.2015	Nil movement during the period		NIL	NA
		NIL	NA	31.03.2016			NIL	NA
16.	Shri Ashoke Kumar Dutta, Independent Director (ceased to be Director on 23.09.2015)	NIL	NA	01.04.2015	Nil movement during the period		NIL	NA
		NIL	NA	23.09.2015			NIL	NA





# NHPC Limited

(A Government of India Enterprise)

S. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares at the beginning of the year (01.04.2015)/ end of the year (31.03.2016)	% of total shares of the Company				No. of shares	% of total shares of the company
17.	Shri Atul Kumar Garg, Independent Director (ceased to be Director on 23.09.2015)	NIL	NA	01.04.2015	Nil movement during the period	NIL	NA	
		NIL	NA	23.09.2015				NIL
<b>B Key Managerial Personnel</b>								
1.	Shri Vijay Gupta, Company Secretary	14500	Negligible	01.04.2015	Nil movement during the period	14500	Negligible	
		14500	Negligible	31.03.2016				14500

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in Crore)

	Secured Loans excluding deposits	Unsecured Loans**	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.04.2015)</b>				
i) Principal Amount	15399.16	4437.18	0.00	19836.34
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	282.72	25.68	0.00	308.40
<b>Total (i+ii+iii)</b>	<b>15681.88</b>	<b>4462.86</b>	<b>0.00</b>	<b>20144.74</b>
<b>Change in Indebtedness (principal amount) during the financial year</b>				
Addition	2603.65	300.00	0.00	2903.65
Reduction*	2565.54	32.02	0.00	2597.56
<b>Net Change</b>	<b>38.11</b>	<b>267.98</b>	<b>0.00</b>	<b>306.09</b>
<b>Indebtedness at the end of the financial year (31.03.2016)</b>				
i) Principal Amount	15437.27	4705.16	0.00	20142.43
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	351.60	25.63	0.00	377.23
<b>Total (i+ii+iii)</b>	<b>15788.87</b>	<b>4730.79</b>	<b>0.00</b>	<b>20519.66</b>

\* Reduction in Unsecured Loan column includes ERV loss of ₹ 2,02,25,36,453/- on foreign debt

\*\* Unsecured Loans includes Foreign debts

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Amount in ₹)

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager					Total Amount
		Shri K.M. Singh, Chairman and Managing Director (Became CMD w.e.f. 23.09.2015)	Shri D.P. Bhargava, Director (Technical)	Shri R.S. Mina, Director (Personnel) (held additional charge of the post of Director (Finance) upto 25.05.2015)	Shri Jayant Kumar, Director (Finance) (became a Director w.e.f. 26.05.2015)	Shri Ratish Kumar, Director (Projects) (became a Director w.e.f. 06.01.2016)	
1.	Gross salary						
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1249692	3057440	2875398	1955862	702033	9840425
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	121964	684008	410797	359229	82483	1658481
	c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL	NIL	NIL
4.	Commission	NIL	NIL	NIL	NIL	NIL	NIL
5.	Others**	219077	1024155	697287	638339	62670	2641528
	<b>Total (A)</b>	<b>1590733</b>	<b>4765603</b>	<b>3983482</b>	<b>2953430</b>	<b>847186</b>	<b>14140434</b>
	Ceiling as per the Act	Not Applicable being a Govt. Company (Ministry of Corporate Affairs' notification dated 05.06.2015)					

\*\* Others include lease rent, gratuity, leave encashment, medical reimbursement, EPF, Social Security Scheme & Pension Fund (Matching Contribution) etc. which were not included in point no. (1).

#### Note:

- (1) Shri R. S. T. Sai, CMD, THDC India Limited was holding additional charge of the post of Chairman & Managing Director & Director (Projects) of the Company upto 23.09.2015.
- (2) Shri Jayant Kumar was appointed as CFO of the Company w.e.f. 29.05.2015. Earlier, Shri R.S. Mina was CFO of the Company.
- (3) During the year, an amount of ₹ 1824532 was paid to Shri J. K. Sharma, Ex-Director (Projects) for his dues related to previous year.



## B. Remuneration to other directors:

(Amount in ₹)

S. No.	Particulars of Remuneration	Name of Directors						Total Amount
1.	<b>Independent Directors</b>	<b>Shri Ashoke Kumar Dutta (ceased to be Director w.e.f 23.09.2015)</b>	<b>Shri Atul Kumar Garg (ceased to be a Director w.e.f. 23.09.2015)</b>	<b>Shri Satya Prakash Mangal (became a Director w.e.f. 26.11.2015)</b>	<b>Prof. Arun Kumar (became a Director w.e.f. 26.11.2015)</b>	<b>Prof. Kanika T. Bhal (became a Director w.e.f. 26.11.2015)</b>	<b>Shri Farooq Khan (became a Director w.e.f. 26.11.2015)</b>	
	Fee for attending board/committee meetings	240000	260000	160000	160000	160000	140000	1120000
	Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Others	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Total(1)</b>	<b>240000</b>	<b>260000</b>	<b>160000</b>	<b>160000</b>	<b>160000</b>	<b>140000</b>	<b>1120000</b>
2.	<b>Nominee Directors</b>	<b>Shri K. N. Garg (ceased to be Director on 30.06.2015)</b>	<b>Smt. Krishna Tyagi (became Director on 08.07.2015)</b>	<b>Shri Arun Kumar Verma (ceased to be Director on 19.10.2015)</b>	<b>Shri Aniruddha Kumar (was Director from 28.10.2015 to 29.02.2016)</b>	<b>Smt. Archana Agrawal (became Director on 06.03.2016)</b>		
	Fee for attending board/committee meetings	NIL	NIL	NIL	NIL	NIL	-	NIL
	Commission	NIL	NIL	NIL	NIL	NIL	-	NIL
	Others	NIL	NIL	NIL	NIL	NIL	-	NIL
	<b>Total(2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>-</b>	<b>NIL</b>
<b>Total (B)=(1+2)</b>	<b>240000</b>	<b>260000</b>	<b>160000</b>	<b>160000</b>	<b>160000</b>	<b>140000</b>	<b>1120000</b>	
	<b>Total Managerial Remuneration*</b>							<b>15260434</b>
	Overall Ceiling as per the Act	Not Applicable being a Govt. Company (Ministry of Corporate Affairs' notification dated 05.06.2015)						

\* Total remuneration to Managing Director, Whole-time Directors and other Directors (being the total of A and B)

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in ₹)

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO*	Company Secretary	CFO*	Total
1.	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	2706482	-	2706482
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	219433	-	219433
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	NIL	-	-
2.	Stock Option	-	NIL	-	-
3.	Sweat Equity	-	NIL	-	-
4.	Commission	-	NIL	-	-
5.	Others**	-	359201	-	359201
	<b>Total</b>	-	<b>3285116</b>	-	<b>3285116</b>

\* The post of CEO and CFO is being held by Chairman & Managing Director and Director (Finance) of the Company respectively.

\*\* Others include lease rent, gratuity, leave encashment, medical reimbursement, EPF, Social Security Scheme & Pension Fund (Matching Contribution) etc. which were not included in point no. (1).

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/COURT)	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

**Note:**

The Company had received a notice for fine of ₹ 50,000 for non-compliance with the requirement of Clause 49(II)(A)(1) of Listing Agreement - regarding appointment of Woman Director by BSE Limited on 10.04.2015. The Company had requested the exchange to waive off the said fine on the ground that NHPC is a Central Public Sector Enterprise (CPSE), therefore appointment of Directors is being made by the President of India as per Articles of Association of the Company.

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



(K.M. SINGH)

Chairman and Managing Director

DIN: 02223301

Date : 4<sup>th</sup> August 2016

Place : Faridabad



## FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016

{Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To,

**The Members,  
NHPC Limited.**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by NHPC Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Compliances/processes/systems under other specifically applicable Laws to the Company are being verified on the basis of periodic certificates submitted to the Board of the Directors of the Company.

I have also examined compliance with the applicable clauses of the following:-

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India- Applicable w.e.f. 01<sup>st</sup> July 2015-*generally complied with.*
- (ii) The Listing Agreements and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations:-

- a. *Composition of the Board of Director of the Company is required to be in Compliance with Regulation 17 (1) (b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Clause 49 (II) of erstwhile Listing agreement) & Para 3.1.4 of DPE Guidelines on Corporate Governance, the Company does not have requisite number of Independent directors on its Board.*
- b. *Performance evaluation of the Directors of the company is required to be in Compliance with Regulation 17(10) & 25(4) of SEBI (LODR) 2015.*
- c. *Board has extended the tenure of two Independent Directors by re-appointing them as additional Directors. Necessary consent from administrative ministry is still awaited.*

**I further report that** the Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Generally, adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications

on the agenda items before the meeting and for meaningful participation at the meeting. Company has filed e-form MGT-7 (Annual Return) for FY 2014-15, wherein some mandatorily required details were filled as an attachment.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and the Company is in process of further reviewing & strengthening the same.

For **Agarwal S. & Associates,**  
Company Secretaries,

Sd/-  
Sachin Agarwal  
Partner

Place: Faridabad  
Date: 2<sup>nd</sup> June 2016

FCS No. : 5774  
C.P. No. : 5910

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.





# NHPC Limited

(A Government of India Enterprise)

## Annexure A

To,

**The Members,  
NHPC Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have relied on the correctness and appropriateness of financial records and Books of Accounts of the Company, based on audited & approved financials.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Agarwal S. & Associates,**

Company Secretaries,

Sd/-

Sachin Agarwal

Partner

FCS No. : 5774

C.P. No. : 5910

Place: Faridabad

Date: 2<sup>nd</sup> June 2016

**INDEPENDENT AUDITORS' REPORT**

To the Members,  
NHPC Limited

Auditors' Comment	Management's Reply
<p><b>Report on the Standalone Financial Statements</b></p> <p>We have audited the accompanying standalone financial statements of <b>NHPC LIMITED</b> ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.</p> <p><b>Management's Responsibility for the Standalone Financial Statements</b></p> <p>The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.</p> <p><b>Auditor's Responsibility</b></p> <p>Our responsibility is to express an opinion on these standalone financial statements based on our audit.</p> <p>We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.</p> <p>We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the disclosures in the standalone 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 financial control relevant to the Company's preparation of the 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 Company's Directors, as well as evaluating the overall presentation of the standalone 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 on the standalone financial statements.</p>	



Auditors' Comment	Management's Reply
<p><b>Opinion</b></p> <p>In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.</p> <p><b>Emphasis of Matters</b></p> <p>We draw attention to the following matters in the Notes to the financial statements:</p> <p>a) Para to Note No. 7 to the financial statements which describes about the stay from Hon'ble High Court of Delhi against the implementation of stoppage of Personal Pay Adjustment (fitment benefits) recovery from below Board level executives.</p> <p>b) Note no. 11.1 para 2 to the financial statements which describes about the expenditure incurred for conducting survey and investigation on projects either provided for on account of uncertainty about the outcome or being carried forward pending clearance with various authorities.</p> <p>c) Note No. 29 para 1 to the financial statements, which describes the uncertainty related to the outcome of the claims/ arbitration proceedings and lawsuit filed by/ against the Company on/ by contractors and others. In some of the cases the arbitration award has been decided against the Company/ lost in lower courts and the company is pursuing the matter in higher courts. Management does not envisage any possible outflow in respect of decisions against the company other than those already provided for in the books of account.</p> <p>d) Note No. 29 para 21 (a) to the financial statements about the various balances which are subject to reconciliation / confirmation and respective consequential adjustments.</p> <p>e) Note No. 29 para 28 to the financial statements about the Kotlibhel-IA project, the fate of which is pending adjudication before the Hon'ble Supreme Court of India.</p> <p>f) Accounting Policy no. 2.3.4 on Capital work in progress read with Note No. 29 para 15 to the financial statements about the capital expenditure incurred for creation of facilities over which the Company does not have control but the creation of which is essential principally for construction of the project is charged to "Expenditure Attributable to Construction (EAC)" as the same is in line with Revised AS-10 notified on 30.03.2016 as Para 88 of this Revised Accounting Standard which states about transitional provision that shall result into the same treatment.</p> <p>Our opinion is not modified in respect of these matters.</p>	<p>(a) NHPC Officers Association has got stay from Hon'ble High Court of Delhi against the implementation of stoppage of Personal Pay Adjustment (PA). In view of the directions of the Hon'ble High Court, PA to the employees is continued to be paid along with salary.</p> <p>(b) In the opinion of the management, the projects on which survey &amp; investigation expenditure is incurred are still active and accordingly, the expenditure incurred is being carried forward. However, provision wherever considered necessary, has been made in the books.</p> <p>(c) This disclosure in the ibid para has been made in compliance of provisions of Accounting Standard-29 (Provisions, Contingent Liabilities and Contingent Assets).</p> <p>(d) Disclosure through note is a statement of fact</p> <p>(e) Disclosure through note is a statement of fact</p> <p>(f) Disclosure through note is a statement of fact</p>

Auditors' Comment	Management's Reply
<b>Report on Other Legal and Regulatory Requirements</b>	
<ol style="list-style-type: none"> <li>1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.</li> <li>2. The Comptroller and Auditor General of India has issued directions indicating the areas to be examined in terms of sub-section (5) of Section 143 of the Act, the compliance of which is set out in "Annexure B".</li> <li>3. As required by Section 143 (3) of the Act, we report that:               <ol style="list-style-type: none"> <li>(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;</li> <li>(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;</li> <li>(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;</li> <li>(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;</li> <li>(e) In terms of Notification No. G.S.R. 463(E) dated 05th June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Act regarding disqualification of directors, are not applicable to the Company;</li> <li>(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C"; and</li> <li>(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:                   <ol style="list-style-type: none"> <li>(i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 Para 1 to the financial statements;</li> <li>(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;</li> <li>(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.</li> </ol> </li> </ol> </li> </ol>	

**For S. N. Dhawan & Co.**  
**Chartered Accountants**  
(FR No: 000050N)

(Suresh Seth )  
Partner  
M. No. 010577

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

(R. K. Gupta )  
Partner  
M. No. 085074

**For Ray & Ray**  
**Chartered Accountants**  
(FR No:301072E)

(Asish Kumar Mukhopadhyay)  
Partner  
M. No. 056359

Place: New Delhi  
Date: 28<sup>th</sup> May, 2016



Auditors' Comment	Management's Reply																											
<p><b>Annexure A referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date:-</b></p>																												
<p>i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>(b) The fixed assets, except in case of land in certain units, have been physically verified by the management /outside agencies. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and nature of its 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.</p> <p>(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except for the following.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Total no of cases</th> <th style="text-align: center;">Type of asset</th> <th style="text-align: center;">Gross block as at 31.03.2016</th> <th style="text-align: center;">Net block as at 31.03.2016</th> <th style="text-align: center;">Remarks</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">11</td> <td>Freehold land</td> <td style="text-align: right;">₹ 13.37 crores</td> <td style="text-align: right;">₹ 13.37 crores</td> <td>155.69 Hectares of land</td> </tr> <tr> <td style="text-align: center;">9</td> <td>Leasehold Land</td> <td style="text-align: right;">₹ 297.34 crores</td> <td style="text-align: right;">₹ 253.91 crores</td> <td>766.20 Hectares of land</td> </tr> </tbody> </table>		Total no of cases	Type of asset	Gross block as at 31.03.2016	Net block as at 31.03.2016	Remarks	11	Freehold land	₹ 13.37 crores	₹ 13.37 crores	155.69 Hectares of land	9	Leasehold Land	₹ 297.34 crores	₹ 253.91 crores	766.20 Hectares of land												
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<p>ii. The inventories have been physically verified during the year by the management / outside agencies. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on physical verification of inventories as compared to book records were not material and the same have been properly dealt with in the books of account.</p>																												
<p>iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.</p>																												
<p>iv. In our opinion and according to information and explanations given to us, the Company has, in respect of loans, investments, guarantees, and security, complied with the provisions of section 185 and 186 of the Act.</p>																												
<p>v. The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 or any other relevant provisions of the Act, and the Rules framed there under.</p>																												
<p>vi. The Company has made and maintained cost accounts and records specified by the Central Government under section 148 (1) of the Act. However, we have not made a detailed examination of these accounts and records with a view to determine whether they are accurate or complete.</p>																												
<p>vii. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues have generally been regularly deposited with the appropriate authorities. We are informed that the Employees' State Insurance Scheme is not applicable to the Company. According to the information and explanations given to us, no undisputed demand payable in respect of aforesaid statutory dues was in arrears, as at 31st March, 2016 for a period of more than six months from the date they became payable.</p> <p>b) According to the information and explanations given to us and as per the records of the Company, the following dues of income tax, sales tax/VAT, duty of customs, service tax, property tax &amp; consumption tax have not been deposited on account of dispute.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Name of the Statute</th> <th style="text-align: center;">Nature of dues</th> <th style="text-align: center;">Amount (₹ In Crores)</th> <th style="text-align: center;">Year to which it pertains</th> <th style="text-align: center;">Forum at which case is pending</th> </tr> </thead> <tbody> <tr> <td>Income Tax Act,1961</td> <td>Income Tax</td> <td style="text-align: right;">0.46</td> <td style="text-align: center;">2007-08</td> <td>Income Tax Department</td> </tr> <tr> <td rowspan="5">Sales Tax Acts/VAT Act</td> <td rowspan="5">Sales Tax/ VAT</td> <td style="text-align: right;">256.19</td> <td style="text-align: center;">1994-95</td> <td>Sales Tax Appellate Tribunal, Srinagar</td> </tr> <tr> <td style="text-align: right;">5.78</td> <td style="text-align: center;">2005-06 to 2009-10</td> <td>Chairman, HP VAT Tribunal, Shimla</td> </tr> <tr> <td style="text-align: right;">0.14</td> <td style="text-align: center;">2006-07</td> <td>Sr. Joint Commissioner, Siliguri Circle</td> </tr> <tr> <td style="text-align: right;">0.76</td> <td style="text-align: center;">2007-08</td> <td>Sr. Joint Commissioner, Siliguri Circle</td> </tr> <tr> <td style="text-align: right;">0.43</td> <td style="text-align: center;">2008-09</td> <td>Sr. Joint Commissioner, Siliguri Circle</td> </tr> </tbody> </table>		Name of the Statute	Nature of dues	Amount (₹ In Crores)	Year to which it pertains	Forum at which case is pending	Income Tax Act,1961	Income Tax	0.46	2007-08	Income Tax Department	Sales Tax Acts/VAT Act	Sales Tax/ VAT	256.19	1994-95	Sales Tax Appellate Tribunal, Srinagar	5.78	2005-06 to 2009-10	Chairman, HP VAT Tribunal, Shimla	0.14	2006-07	Sr. Joint Commissioner, Siliguri Circle	0.76	2007-08	Sr. Joint Commissioner, Siliguri Circle	0.43	2008-09	Sr. Joint Commissioner, Siliguri Circle
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Auditors' Comment						Management's Reply
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	Sales Tax Acts/VAT Act	Sales Tax/ VAT	0.07	2009-10	Sr. Joint Commissioner, Siliguri Circle	
			0.22	2010-11	CTO, Baramulla	
			2.74	2012-13	Jt. Commissioner, Siliguri Charge	
	Finance Act, 1996	Service Tax	13.51	2010-11	CBEC	
			39.70	2012-13	Commissioner, CE & ST, Patna	
	Custom Act, 1963	Duty of Custom	2.01	2004	Kolkata High Court	
	The Jammu & Kashmir Urban Immovable Property Tax Act, 1962	Property Tax	0.19	1991-2002	DC, Commercial Taxes	
	WB State Tax on Consumption of Use of Goods Act, 2001	Consumption Tax	0.06	2003-04, 2004-05 & 2005-06	Kolkata High Court	
viii.	Based on our audit procedures and as per the information and explanations given to us by the management, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank, government and dues to debenture holders.					
ix.	In our opinion and as per the information and explanations given to us by the management, the Company has applied the money raised during the year by way of debt instruments and term loans for the purpose for which they were raised.					
x.	Based on our audit procedures and as per the information and explanations given to us by the management, no fraud by the Company or any fraud on the Company, by any person including its officers/ employees, has been noticed or reported during the year.					
xi.	In view of exemption given vide in terms of Notification No. G.S.R. 463(E) dated 05th June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 read with schedule V of the Act regarding managerial remuneration, are not applicable to the Company.					
xii.	According to the information and explanations given to us by the management, the Company is not a Nidhi Company. Therefore, the provisions of Clause 3(xii) of the Order are not applicable to the Company.					
xiii.	According to the information and explanations given to us by the management and on the basis of our examination of the records of the Company, transactions with related parties are in compliance with the provisions of section 177 and 188 of the Act, where applicable and the details of such transactions have been disclosed in the notes to the financial statements as required by the applicable accounting standards.					
xiv.	Based on our audit procedures and as per the information and explanations given to us by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the Company.					
xv.	In our opinion and as per the information and explanations given to us by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.					
xvi.	The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3(xvi) of the Order are not applicable to the Company.					

**For S. N. Dhawan & Co.**  
**Chartered Accountants**  
(FR No: 000050N)

(Suresh Seth )  
Partner  
M. No. 010577

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

(R. K. Gupta )  
Partner  
M. No. 085074

**For Ray & Ray**  
**Chartered Accountants**  
(FR No:301072E)

(Asish Kumar Mukhopadhyay)  
Partner  
M. No. 056359

Place: New Delhi  
Date: 28<sup>th</sup> May, 2016



**Annexure B referred to in paragraph 2 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date**

Sl. No.	Directions	Reply
1	Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available.	All freehold and leasehold lands have clear title/lease deeds except for 155.69 and 766.20 Hectares respectively.
2	Whether there are any cases of waiver/write off of debts/loans/interest etc. If yes, the reasons thereof and amount involved.	There are 2 cases where debts/loans/interest etc. have been waived/written off amounting to ₹ 16.81 crore. 1 Interest amounting to ₹ 16.78 crore i.r.o. M/s BGS-SGS-Soma JV has been written off on account of idling of resources for the period Apr’2013 to Sep’2014. 2 Long pending amount recoverable from M/s Chahal Engineering & Construction Co. Pvt. Ltd. amounting to ₹ 0.03 crore has been written off by the competent authority.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Government or other authorities.	In our opinion, the company is maintaining proper records for inventories lying with third parties. As informed, the company has not received any assets as gift/grant(s) from Government or other authorities.

**For S. N. Dhawan & Co.**  
**Chartered Accountants**  
(FR No: 000050N)

(Suresh Seth )  
Partner  
M. No. 010577

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

(R. K. Gupta )  
Partner  
M. No. 085074

**For Ray & Ray**  
**Chartered Accountants**  
(FR No:301072E)

(Asish Kumar Mukhopadhyay)  
Partner  
M. No. 056359

Place: New Delhi

Date: May 28, 2016

**Annexure C referred to in paragraph 3(f) under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date:-****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **NHPC LIMITED** (“the Company”) as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For S. N. Dhawan & Co.**  
**Chartered Accountants**  
(FR No: 000050N)

(Suresh Seth )  
Partner  
M. No. 010577

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

(R. K. Gupta )  
Partner  
M. No. 085074

**For Ray & Ray**  
**Chartered Accountants**  
(FR No:301072E)

(Asish Kumar Mukhopadhyay)  
Partner  
M. No. 056359

Place: New Delhi

Date: May 28, 2016



## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2016

(₹ in crore)

PARTICULARS	Note No.	As at 31st March, 2016	As at 31st March, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	2	11,070.67	11,070.67
(b) Reserves and Surplus	3	17,681.28	17,215.72
<b>(2) NON-CURRENT LIABILITIES</b>			
(a) Long Term Borrowings	4	18,385.28	18,171.03
(b) Deferred Tax Liabilities (Net)	5	845.68	810.44
(c) Other Long Term Liabilities	6	1,244.16	1,337.17
(d) Long Term Provisions	7	400.65	886.95
<b>(3) CURRENT LIABILITIES</b>			
(a) Trade Payables	8		
Total outstanding dues of micro enterprises and small enterprises		2.10	0.16
Total outstanding dues of Creditors other than micro enterprises and small enterprises		120.90	152.85
(b) Other Current Liabilities	9	3,253.60	3,013.15
(c) Short Term Provisions	7	2,161.84	1,629.56
<b>TOTAL</b>		<b><u>55,166.16</u></b>	<b><u>54,287.70</u></b>
<b>II. ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
(a) Fixed Assets			
(i) Tangible Assets	10.1	22,055.58	21,899.89
(ii) Intangible Assets	10.2	828.27	795.27
(iii) Capital Work In Progress	11.1	16,575.65	16,054.72
(iv) Intangible Assets Under Development	11.2	0.01	-
(b) Non Current Investments	12	1,596.36	1,977.75
(c) Long Term Loans and Advances	13	1,108.68	1,182.29
(d) Other Non-Current Assets	14.1	962.03	795.81
<b>Sub-total</b>		<u>43,126.58</u>	<u>42,705.73</u>
(e) Other Non-Current Assets - Regulatory Assets	14.2	<u>2,180.33</u>	<u>1,630.39</u>
		45,306.91	44,336.12
<b>(2) CURRENT ASSETS</b>			
(a) Current Investments	15	1.13	257.57
(b) Inventories	16	85.53	82.73
(c) Trade Receivables	17	2,017.03	2,497.10
(d) Cash & Bank Balances	18	5,876.76	5,422.11
(e) Short Term Loans and Advances	13	218.48	181.95
(f) Other Current Assets	19	1,660.32	1,510.12
<b>TOTAL</b>		<b><u>55,166.16</u></b>	<b><u>54,287.70</u></b>
<b>Significant Accounting Policies</b>	1		
<b>Expenditure Attributable to Construction (EAC) forming part of Capital Work in Progress for the year</b>	28		
<b>Other Explanatory Notes to Accounts</b>	29		
Note 1 to 29 form integral part of the Accounts			

For and on behalf of the Board of Directors

**VIJAY GUPTA**  
Company Secretary

**JAYANT KUMAR**  
Director (Finance)  
DIN 03010235

**K.M. SINGH**  
Chairman & Managing Director  
DIN 02223301

**For S. N. Dhawan & Co.**  
(Chartered Accountants)  
FR No. 000050N

**As per report of even date**  
**For Gupta Gupta & Associates**  
(Chartered Accountants)  
FR No. 001728N

**For Ray & Ray**  
(Chartered Accountants)  
FR No. 301072E

**(SURESH SETH)**  
Partner  
M. No. 010577

**(R. K. GUPTA)**  
Partner  
M. No. 085074

**(ASISH KUMAR MUKHOPADHYAY)**  
Partner  
M. No. 056359

Place : New Delhi  
Date: 28<sup>th</sup> May, 2016

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016

(₹ in crore)

	Note No.	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
<b>INCOME</b>			
i) Revenue from Operations	20	7,434.06	6,802.25
ii) Other Income	21	919.76	861.33
<b>TOTAL REVENUE</b>		<b><u>8,353.82</u></b>	<b><u>7,663.58</u></b>
<b>EXPENDITURE</b>			
i) Generation, Administration and Other Expenses	22	2,108.54	1,660.60
ii) Employee Benefits Expense	23	1,115.90	1,149.23
iii) Finance Cost	24	1,067.37	1,179.77
iv) Depreciation & Amortization Expenses	25	1,452.14	1,425.87
<b>TOTAL EXPENDITURE</b>		<b><u>5,743.95</u></b>	<b><u>5,415.47</u></b>
<b>Profit before Prior Period Items, Exceptional, Extraordinary items, Rate Regulated Activities and Tax</b>		<b>2,609.87</b>	<b>2,248.11</b>
Prior Period Items (net)	26	(36.87)	(56.11)
<b>Profit before Exceptional items, Extraordinary Items, Rate Regulated Activities and Tax</b>		<b>2,646.74</b>	<b>2,304.22</b>
Exceptional Items		-	-
<b>Profit before Extraordinary Items, Rate Regulated Activities and Tax</b>		<b>2,646.74</b>	<b>2,304.22</b>
Extraordinary Items		-	-
<b>Profit before Rate Regulated Activities and Tax</b>		<b>2,646.74</b>	<b>2,304.22</b>
Rate Regulated Income/ (Expenditure)		549.94	521.95
<b>PROFIT BEFORE TAX</b>		<b>3,196.68</b>	<b>2,826.17</b>
Tax Expenses	27		
i) Current Tax		744.97	583.42
ii) Adjustments relating to earlier years		(23.67)	74.51
iii) Deferred Tax		35.24	43.77
<b>Total Tax Expenses</b>		<b>756.54</b>	<b>701.70</b>
<b>PROFIT FOR THE YEAR</b>		<b><u>2,440.14</u></b>	<b><u>2,124.47</u></b>
Earning per share (Equity shares, face value of ₹ 10/- each)			
<b>Basic &amp; Diluted</b>		2.20	1.92
<b>Significant Accounting Policies</b>	1		
<b>Expenditure Attributable to Construction (EAC) forming part of Capital Work in Progress for the year</b>	28		
<b>Other Explanatory Notes to Accounts</b>	29		
Note 1 to 29 form integral part of the Accounts			

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

**VIJAY GUPTA**  
Company Secretary

**JAYANT KUMAR**  
Director (Finance)  
DIN 03010235

**K.M. SINGH**  
Chairman & Managing Director  
DIN 02223301

**For S. N. Dhawan & Co.**  
(Chartered Accountants)  
FR No. 000050N

**As per report of even date  
For Gupta Gupta & Associates**  
(Chartered Accountants)  
FR No. 001728N

**For Ray & Ray**  
(Chartered Accountants)  
FR No. 301072E

**(SURESH SETH)**  
Partner  
M. No. 010577

**(R. K. GUPTA)**  
Partner  
M. No. 085074

**(ASISH KUMAR MUKHOPADHYAY)**  
Partner  
M. No. 056359

Place : New Delhi  
Date: 28<sup>th</sup> May, 2016



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

(₹ in crore)

PARTICULARS	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax and extraordinary items</b>	3,196.68	2,826.17
Less: Rate Regulated Income/ (Expenditure)	549.94	521.95
	<b>2,646.74</b>	<b>2,304.22</b>
<b>ADD :</b>		
Depreciation (including Prior Period & ERV impact)	1,451.55	1,429.77
Finance Cost (Net of EAC)	1,067.37	1,179.76
Provisions (Net loss)	390.93	112.78
Expenditure incurred to create Rate Regulatory Assets (net of finance and depreciation)	147.03	123.30
Tariff Adjustment (loss)	109.78	105.82
Loss on sale of assets/Claims written off	1.46	2.36
Exchange rate variation	1.14	(20.50)
	3169.26	2,933.29
	<b>5,816.00</b>	<b>5,237.51</b>
<b>LESS :</b>		
Advance against Depreciation written back	50.17	50.17
Provisions (Net gain)	41.53	75.96
Net Gain on sale of Investments	13.19	-
Profit on Sale of Assets \ Realization of Loss	0.44	1.11
Dividend Income	120.93	61.56
Interest Income	601.43	661.05
	827.69	849.85
Cash flow from operating activities before working capital adjustments	<b>4,988.31</b>	<b>4,387.66</b>
<b>Decrease (Increase) in Working Capital:</b>		
Inventories	(2.80)	(8.51)
Trade Receivables	480.07	(633.33)
Other Assets, Loans and Advances	(91.30)	499.46
Other Liabilities & Provisions	(307.21)	(586.08)
	78.76	(728.46)
<b>Cash flow from operating activities before taxes</b>	<b>5,067.07</b>	<b>3,659.20</b>
Less : Taxes	669.37	603.84
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>4,397.70</b>	<b>3,055.36</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets & expenditure on construction projects (including expenditure attributable to construction forming part of Capital Work in Progress for the year)	(2069.13)	(1632.33)
Creation of Rate Regulatory Assets	(147.03)	(123.30)
Realization from Investments / Bonds	651.02	243.56
Interest Income	593.13	661.05
Dividend Income	120.93	61.56
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<b>(851.08)</b>	<b>(789.46)</b>

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(₹ in crore)

PARTICULARS	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend and Dividend Tax Paid	(1734.74)	(772.03)
Finance from Borrowings		
Borrowings	1774.92	1461.98
Repayment of Borrowings	(1671.09)	(1276.19)
Interest & Finance Charges	(1461.06)	(1561.38)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>(3091.97)</b>	<b>(2147.62)</b>
<b>D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>454.65</b>	<b>118.28</b>
<b>CASH &amp; CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>5,422.11</b>	<b>5,303.83</b>
<b>CASH &amp; CASH EQUIVALENTS AT THE CLOSE OF THE YEAR</b>	<b>5,876.76</b>	<b>5,422.11</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. The details of Cash & Cash equivalents as per Note 18 of the Balance Sheet is as under:

	As at 31st March, 2016	As at 31st March, 2015
Cash and Cash equivalents	1,500.20	478.41
Other Bank Balances *	4,376.56	4,943.70
	<b>5,876.76</b>	<b>5,422.11</b>

\* Other Bank Balances includes ₹ 251.52 Crore (Corresponding Previous year ₹ 268.05 Crore), held for Rural Road and Rural Electrification works being executed by the Company on behalf of other agencies, undischarged liability towards Corporate Social Responsibility for ₹ 4.52 Crore (Corresponding Previous year ₹ 9.74 Crore), unpaid dividend ₹ 10.06 Crore (Corresponding Previous year ₹ 5.85 Crore).

- 2 Expenditure attributable to construction (EAC) includes ₹ 461.69 Crore (Corresponding Previous year ₹ 330.43 Crore) towards borrowing cost capitalised during the period and Rate Regulated Assets created during the year includes ₹ 395.26 Crore (Corresponding Previous year ₹ 406.83 Crore) towards borrowing cost.
- 3 Amount of undrawn loan as on 31.03.2016 : ₹ 433.28 Crore (Previous Year ₹ 280.64 Crore) Subordinate Debt.
- 4 Figures for the previous year have been re-grouped/re-arranged wherever necessary.

## For and on behalf of the Board of Directors

**VIJAY GUPTA**  
Company Secretary

**JAYANT KUMAR**  
Director (Finance)  
DIN 03010235

**K.M. SINGH**  
Chairman & Managing Director  
DIN 02223301

**For S. N. Dhawan & Co.**  
(Chartered Accountants)  
FR No. 000050N

**As per report of even date**  
**For Gupta Gupta & Associates**  
(Chartered Accountants)  
FR No. 001728N

**For Ray & Ray**  
(Chartered Accountants)  
FR No. 301072E

**(SURESH SETH)**  
Partner  
M. No. 010577

**(R. K. GUPTA)**  
Partner  
M. No. 085074

**(ASISH KUMAR MUKHOPADHYAY)**  
Partner  
M. No. 056359

Place : New Delhi

Date: 28<sup>th</sup> May, 2016





## NOTE NO. 1 - SIGNIFICANT ACCOUNTING POLICIES

### 1.1 BASIS OF PREPARATION

The financial statements are prepared on accrual basis of accounting under the historical cost convention in accordance with Accounting Principles Generally Accepted in India (GAAP), provisions of the Companies Act 2013, Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Electricity Act, 2003, to the extent applicable.

### 1.2 USE OF ESTIMATES

The preparation of financial statements in conformity with the GAAP requires the management to make estimates and assumptions on a reasonable and prudent basis taking into account all available information that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates & assumptions. Any revision in the estimate is recognized in the period in which the same is determined.

## 2 FIXED ASSETS

### 2.1 TANGIBLE ASSETS

- 2.1.1 Fixed assets are stated at cost of acquisition/construction less accumulated depreciation/amortisation and impairment losses, if any. 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 adjustments, including those arising out of settlement of arbitration/court cases.
- 2.1.2 Assets over which Company has control, though created on land not belonging to the Company are included under fixed assets.
- 2.1.3 Expenditure incurred on renovation and modernization of tangible assets on completion of the originally estimated useful life of the power station resulting in increased life and/or efficiency of an existing asset, is added to the cost of the related asset. Tangible assets acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.
- 2.1.4 Payments made/ liabilities created provisionally towards compensation (including interest on enhanced compensation awarded by the court till the date of court's award), rehabilitation and other expenses relating to land in possession are treated as cost of land.

### 2.2 INTANGIBLE ASSETS

- 2.2.1 Land taken for use from State Government (without transfer of title) and expenses on relief and rehabilitation as also on creation of alternate facilities for land evacuees or in lieu of existing facilities coming under submergence and where construction of such alternate facilities is a specific pre-condition for the acquisition of the land for the purpose of the project, are accounted for as Land-Right to use.
- 2.2.2 Software (not being an integral part of the related hardware) acquired for internal use, is stated at cost of acquisition less accumulated amortisation and impairment losses, if any and is recognised as intangible asset.

### 2.3 CAPITAL WORK IN PROGRESS

- 2.3.1 Capital work-in-progress is carried at cost. Administrative & general overhead and other expenditure attributable to construction of the project are accumulated under 'Expenditure Attributable to Construction (EAC)' and are subsequently allocated on systematic basis over major immovable assets, other than land and infrastructural facilities, on commissioning of the project.
- 2.3.2 Expenditure on maintenance, up-gradation etc. of common public facilities in projects under construction is charged to 'Expenditure Attributable to Construction (EAC)'.
- 2.3.3 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 charged to the Statement of Profit & Loss in the year in which it is decided to abandon such project.
- 2.3.4 Capital expenditure incurred for creation of facilities, over which the company does not have control but the creation of which is essential principally for construction of the project, is charged to 'Expenditure Attributable to Construction (EAC)'. Subsequent to completion of the Project, expenditure on creation of facilities over which the Company does not have control is charged to "Statement of Profit & Loss.

### 3. MACHINERY SPARES

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

### 4. RATE REGULATED ACTIVITIES

Where an item of expenditure incurred during the period of construction of a project is recognised as expense in the Statement of Profit & Loss i.e. not allowed to be capitalized as part of cost of relevant fixed asset in accordance with the Accounting Standards, but is nevertheless permitted by Central Electricity Regulatory Commission(CERC), the regulator, to be recovered from the beneficiaries in future through tariff, the right to recover the same is recognized as a Regulatory Asset and corresponding Regulatory Income is recognised, as per the Guidance Note on Accounting for Rate Regulated Activities issued by the Institute of Chartered Accountants of India(ICAI), if it fulfills the conditions for such recognition laid down in the ibid Guidance Note.

### 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 on which the asset is available for use / disposal.
- 5.2.1 Depreciation on tangible assets of Operating Units of the Company is charged to the Statement of Profit & Loss on straight-line method following the rates and methodology as notified by CERC for the fixation of tariff except for assets specified in policy no. 5.2.3 below.
- 5.2.2 i) Depreciation on tangible assets (except old & used) of other than Operating Units of the Company is charged on straight-line method to the extent of 90% of the cost of asset following the rates as notified by CERC for the fixation of tariff except for assets specified in policy no. 5.2.3 below.
- ii) Depreciation on old & used tangible assets of other than Operating Units is charged on straight-line method to the extent of 90% of the cost of asset over estimated useful life determined on the basis of technical assessment.
- 5.2.3 Depreciation in respect of following assets is charged on straight line method based on the life and residual value (5%) given in the Schedule II of the Companies Act, 2013:
- (i) Construction Plant & Machinery
- (ii) Computer & Peripherals
- 5.2.4 Temporary erections are depreciated fully (100%) in the year of acquisition / capitalization by retaining ₹ 1/- as WDV.
- 5.3 Assets valuing ₹ 5000/- or less but more than ₹ 750/- are fully depreciated during the year in which asset is made available for use 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 recognized as 'Intangible Assets' is amortized on straight line method over a period of legal right to use or three financial years, whichever is earlier, starting from the year in which it is acquired.
- 5.6 Land-Right to use is amortized over a period of 30 years from the date of commercial operation of the project in line with CERC Tariff Regulations notified for tariff fixation.
- 5.7.1 Leasehold Land, in case of operating units, is amortized over the period of lease or 35 years whichever is lower, following the rates and methodology notified by CERC, vide Tariff Regulation 2014.



5.7.2 Leasehold Land, in case of units other than operating units, is amortized over the period of lease or 35 years whichever is lower.

5.8 Tangible 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.

5.9 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, settlement of arbitration/court cases, change in duties or similar factors, the unamortized balance of such assets is depreciated prospectively over the residual life of such assets at the rate of depreciation and methodology notified by CERC regulations.

5.10 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

6.1 Long term Investments are carried at cost. Provision for diminution is made to recognise a decline, other than temporary, in the value of such investments.

6.2 Current Investments are valued at lower of cost and fair value determined on an individual investment basis.

## 7. INVENTORIES

7.1 Stores & Spares are valued at cost, determined on weighted average basis, or net realizable value whichever is lower.

7.2 Diminution in the value of obsolete, unservicable and surplus stores and spares, identified on a systematic basis, is provided in the accounts.

## 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 EAC 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 Employee benefits consist of provident fund, pension, gratuity, post retirement medical facilities, leave benefits (including compensated absences) and other terminal benefits.

9.2 Company contribution paid/payable during the year to Employees Defined Contribution Superannuation Scheme (EDCSS) for providing pension benefits, Contribution on Retired Employees Health Scheme (REHS) and Provident Fund Scheme is accounted for and paid to respective funds which are administered through separate trusts.

9.3 The liabilities in respect of Gratuity, EDCSS and REHS are ascertained at the year end on the basis of actuarial valuation and paid to the respective Trusts.

9.4 The liability for leave benefits (including compensated absences), post retirement medical benefits, allowance on retirement/death and memento on superannuation to employees is ascertained at the year end on the basis of actuarial valuation.

## 10. REVENUE

10.1 (a) Sale of energy is accounted for as per tariff notified by Central Electricity Regulatory Commission. In case of Power Station where tariff is not notified, sale is recognized on provisional rates worked out by the Company based on the parameters and method adopted by the appropriate authority. Recovery/refund towards foreign currency variation in respect of foreign currency loans and recovery towards income tax are accounted for on year to year basis.

(b) Incentives/Disincentives are recognised as per tariff notifications. In case of Power Station where tariffs have not been notified, incentives are recognized provisionally on assessment of the likelihood of acceptance of the same.

- (c) Adjustments arising out of finalisation of Regional Energy Account (REA), though not material, are effected in the year of respective finalisation.
- (d) Advance against depreciation considered as deferred income in earlier years is included in sales on straight line basis over the balance useful life after 31st March of the year closing after a period of 12 years from the date of commercial operation of the project, considering the total useful life of the project as 35 years.

10.2 Revenue on Project Management / Construction Contracts/ Consultancy assignments is recognized on percentage of completion method. The percentage of completion is determined as proportion of "cost incurred up to reporting date" to "estimated cost to complete the concerned Project Management / Construction Contracts and Consultancy assignment".

10.3 Interest on investments is accounted for on accrual basis. Dividend income is recognized when right to receive the same is established.

10.4 Interest/Surcharge recoverable from customers/Liquidated damages/interest on advances to contractors are recognised when no significant uncertainty as to measurability and collectability exists.

## 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. Rate Regulated Assets are also tested for impairment at each Balance Sheet Date.

## 15. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date and are not discounted to present value.

Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate. Contingent assets are not recognised in the Financial Statements.

## 16. CASH FLOW STATEMENTS

Cash flow statement is prepared in accordance with the indirect method prescribed in the relevant Accounting Standard.



## NOTE NO. 2 SHARE CAPITAL

PARTICULARS	As at 31st March, 2016		As at 31st March, 2015	
	In Nos.	(₹ in Crore)	In Nos.	(₹ in Crore)
a) Authorized Equity Share Capital (Par value per share ₹ 10)	15000000000	15000.00	15000000000	15000.00
b) No. of Equity shares issued, subscribed and fully paid (Par value per share ₹ 10)	11070668496	11,070.67	11070668496	11,070.67
c) Reconciliation of no. of equity shares & share capital outstanding:	<b>No. of Shares</b>	<b>Share Capital (₹ in Crores)</b>	<b>No. of Shares</b>	<b>Share Capital (₹ in Crores)</b>
Opening number of shares outstanding	11070668496	11070.67	11070668496	11070.67
Add: No. of shares/Share Capital issued/ subscribed during the year	-	-	-	-
Less: Reduction in no. of shares/Share Capital on account of buy back of shares.	-	-	-	-
Closing number of shares outstanding	<b>11070668496</b>	<b>11,070.67</b>	<b>11070668496</b>	<b>11,070.67</b>

d) The Company has issued only one kind of equity shares with voting rights proportionate to the share holding of the shareholders. These voting rights are exercisable at meeting of shareholders. The holders of the equity shares are also entitled to receive dividend as declared from time to time for them.

e) Shares in the company held by each shareholder holding more than 5 percent specifying the number of shares held :-	As at 31st March, 2016		As at 31st March, 2015	
	In No.	In (%)	In No.	In (%)
- President of India	9516209722	85.96	9516209722	85.96

f) In preceding five financial years immediately preceding 31.03.2016, 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).

## NOTE NO. 3 RESERVES AND SURPLUS

PARTICULARS	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
(i) Capital Redemption Reserve	1,230.07	1,230.07
(ii) Securities Premium Account	2,868.74	2,868.74
(iii) Bond Redemption Reserve		
As per last Balance Sheet	1,247.89	884.75
Add: Transfer from Surplus	185.74	379.10
Less: Write back during the year	109.43	15.96
As at Balance Sheet date	1,324.20	1,247.89
(iv) Self Insurance Fund		
As per last Balance Sheet	835.94	787.83
Add: Transfer from Surplus	-	55.77
Add: Transfer to General Reserve	(835.94)	-
Less: Utilisation during the year	-	7.66
As at Balance Sheet date	-	835.94
(v) Corporate Social Responsibility Fund		
As per last Balance Sheet	13.33	17.92
Less: Write back during the year	13.33	4.59
As at Balance Sheet date	-	13.33

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(₹ in Crore)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
<b>(vi) Research &amp; Development Fund</b>		
As per last Balance Sheet	21.79	17.16
Add: Transfer from Surplus	9.91	4.63
As at Balance Sheet date	31.70	21.79
<b>(vii) General Reserve</b>		
As per last Balance Sheet	9,252.17	1,752.17
Add: Transfer from Surplus	-	7,500.00
Add: Transfer from Self Insurance Fund	835.94	-
Less: Transfer to Capital Redemption Reserve	-	-
As at Balance Sheet date	10,088.11	9,252.17
<b>Surplus **</b>	2,138.46	1,745.79
<b>TOTAL</b>	<b>17,681.28</b>	<b>17,215.72</b>
** Surplus		
Profit for the year as per Statement of Profit and Loss	2,440.14	2,124.47
Adjustment arising out of transition provisions for recognising Rate Regulatory Assets (Net of provision for Income Tax)	-	876.10
Balance brought forward	1,745.79	7,447.16
<b>Add:</b>		
Amount written back from Bond Redemption Reserve	109.43	15.96
Amount written back from Corporate Social Responsibility Fund	13.33	4.59
Amount utilised from Self Insurance Fund	-	5.65
Tax on Dividend - Write back	24.08	10.05
<b>Balance available for Appropriation</b>	4,332.77	10,483.98
Transfer to Capital Reserve	-	-
Transfer to Bond Redemption Reserve	185.74	379.10
Transfer to Self Insurance Fund	-	55.77
Transfer to General Reserve	-	7,500.00
Transfer to Research & Development Fund	9.91	4.63
Dividend :		
- Interim	1,018.50	221.43
- Proposed	642.10	442.84
Tax on Dividend		
- Interim	207.34	44.27
- Proposed	130.72	90.15
Balance carried forward	2,138.46	1,745.79



## NOTE NO. 4 LONG TERM BORROWINGS

(₹ in Crore)

PARTICULARS	As at 31st March, 2016			As at 31st March, 2015		
	Total Borrowings	Less: - Current Maturities	Long Term Borrowings	Total Borrowings	Less: - Current Maturities	Long Term Borrowings
Bonds						
- Secured (Refer A below)	7,848.66	437.69	7,410.97	6,811.43	437.69	6,373.74
Term Loans						
• From Banks						
- Secured (Refer B below)	3,698.79	409.78	3,289.01	3,993.98	295.22	3,698.76
- Unsecured (Refer C below)	1,671.36	205.75	1,465.61	1,656.48	181.57	1,474.91
• From Other Parties						
- Secured (Refer D below)	3,889.82	703.93	3,185.89	4,593.75	703.93	3,889.82
- Unsecured (Refer E below)	3,033.80	-	3,033.80	2,780.70	46.90	2,733.80
<b>TOTAL</b>	<b>20,142.43</b>	<b>1,757.15</b>	<b>18,385.28</b>	<b>19,836.34</b>	<b>1,665.31</b>	<b>18,171.03</b>
Aggregate amount of loans guaranteed by Directors	-	-	-	-	-	-
Aggregate amount of loans guaranteed by Govt. of India (Refer Sr. no. 12 of Particulars of security) *	1,671.36	205.75	1,465.61	1,703.38	228.47	1,474.91
Amount of default in repayment of loans and interest as at 31.03.2016	-	-	-	-	-	-
Period of default in repayment of loans and interest as at 31.03.2016	-	-	-	-	-	-

(₹ in Crore)

Particulars of redemption & repayment (Disclosure given below for Total Borrowings)	As at 31st March, 2016	As at 31st March, 2015
<b>(A) BONDS (Non-convertible and Non-cumulative)-Secured</b>		
<b>i) TAX FREE BONDS- 3A SERIES *4&amp;8</b>	336.07	336.07
(8.67% p.a. 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹1000/- each). (Date of redemption 02.11.2033)		
<b>ii) TAX FREE BONDS- 3B SERIES *4&amp;8</b>	253.62	253.62
(8.92% p.a. 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹1000/- each). (Date of redemption 02.11.2033)		
<b>iii) TAX FREE BONDS- 2A SERIES *4&amp;8</b>	213.12	213.12
(8.54% p.a. 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹1000/- each). (Date of redemption 02.11.2028)		
<b>iv) TAX FREE BONDS- 2B SERIES *4&amp;8</b>	85.61	85.61
(8.79% p.a. 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹1000/- each). (Date of redemption 02.11.2028)		
<b>v) TAX FREE BONDS- 1A SERIES *4&amp;8</b>	50.81	50.81
(8.18% p.a. 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹1000/- each). (Date of redemption 02.11.2023)		



(₹ in Crore)

Particulars of redemption & repayment (Disclosure given below for Total Borrowings)	As at 31st March, 2016	As at 31st March, 2015
<b>vi) TAX FREE BONDS- 1B SERIES *4&amp;8</b> (8.43% p.a. 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹1000/- each). (Date of redemption 02.11.2023)	60.77	60.77
<b>vii) BONDS-T SERIES *1, 2 &amp; 10</b> (8.50% p.a. 15 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/12th of face value of Bond). (12 Yearly redemptions of ₹ 122.91 crore w.e.f. 14.07.2019 to 14.07.2030)	1,474.92	-
<b>viii) BONDS-R-3 SERIES *4</b> (8.78% p.a. 15 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 10,00,000/- each with 10 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/10th of face value of Bond) (10 Yearly redemptions of ₹ 89.20 Crore w.e.f. 11.02.2019 to 11.02.2028)	892.00	892.00
<b>ix) BONDS-S-2 SERIES *10</b> (8.54% p.a. 15 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/12th of face value of Bond). (12 Yearly redemptions of ₹ 55 crore w.e.f. 26.11.2018 to 26.11.2029)	660.00	660.00
<b>x) BONDS-Q SERIES *5&amp;11</b> (9.25% p.a. 15 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/12th of face value of Bond) (11 Yearly redemptions of ₹ 105.50 Crore w.e.f. 12.03.2017 to 12.03.2027)	1,160.50	1,266.00
<b>xi) BONDS-R-2 SERIES *4</b> (8.85% p.a. 14 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/12th of face value of Bond) (11 Yearly redemptions of ₹ 31.84 Crore w.e.f. 11.02.2017 to 11.02.2027)	350.24	382.08
<b>xii) BONDS-P SERIES *4,6 &amp; 8</b> (9.00% p.a. 15Year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 10,00,000/- each redeemable in 10 equal yearly installments. (9 Yearly redemptions of ₹ 200 Crore w.e.f. 01.02.2017 to 01.02.2025)	1,800.00	2,000.00
<b>xiii) BONDS-S-1 SERIES *10</b> (8.49% p.a. 10 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹ 10,00,000/- each with 10 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/10th of face value of Bond) (9 Yearly redemptions of ₹ 36.50 crore w.e.f. 26.11.2016 to 26.11.2024)	328.50	365.00
<b>xiv) BONDS-R-1 SERIES *4</b> (8.70% p.a. 13 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/12th of face value of Bond) (10 Yearly redemptions of ₹ 6.85 Crores w.e.f. 11.02.2017 to 11.02.2026)	68.50	75.35



(₹ in Crore)

Particulars of redemption & repayment (Disclosure given below for Total Borrowings)	As at 31st March, 2016	As at 31st March, 2015
<b>xv) BONDS-O SERIES *2</b> (7.70% p.a. 15 year Secured Redeemable Non-Convertible Taxable 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) (2 Yearly redemptions of ₹ 57 Crores w.e.f. 31.03.2017 to 31.03.2018)	114.00	171.00
<b>TOTAL BONDS (A)</b>	<b>7848.66</b>	<b>6811.43</b>
<b>(B) TERM LOANS - SECURED (BANKS)</b>		
<b>i) STATE BANK OF PATIALA *1</b> (Repayable in 2 half yearly instalments of ₹ 2 Crore each upto 09.01.2017 at Fixed interest rate with 3 years reset clause presently at 9.40% p.a. as on 31.03.2016)	4.00	8.00
<b>ii) CANARA BANK *2</b> (Repayable in 1 instalment of ₹ 20 Crore on 09.11.2016 at floating rate of interest with upper cap of 6.86% p.a. presently at 6.86% p.a. as on 31.03.2016)	20.00	40.00
<b>iii) SYNDICATE BANK *2</b> (Repayable in 1 instalment of ₹ 18.30 Crore on 23.02.2017 at floating rate of interest with upper cap of 7.207% p.a. presently at 7.207% p.a. as on 31.03.2016)	18.30	36.60
<b>iv) ORIENTAL BANK OF COMMERCE *2</b> (Repayable in 1 instalment of ₹ 20 Crore on 31.03.2017 at Fixed interest rate with 3 years reset clause with upper cap of 7.207% p.a. presently at 7.207% p.a. as on 31.03.2016)	20.00	40.00
<b>v) ORIENTAL BANK OF COMMERCE *2</b> (Repayable in 5 equal yearly instalments of ₹ 10 Crore each upto 27.12.2020 at Fixed interest rate with 3 years reset clause with upper cap of 7.207% p.a. presently at 7.207% p.a. as on 31.03.2016)	50.00	60.00
<b>vi) UCO BANK *7</b> (Repayable in 17 half yearly instalments of ₹ 41.67 Crore each upto 30.06.2024 at floating interest rate of 9.70% p.a. as on 31.03.2016)	708.33	791.67
<b>vii) CORPORATION BANK *9</b> (Repayable in 43 equal quarterly instalments of ₹ 10.42 Crore each upto 06.10.2026 at floating interest rate of 9.65% p.a. as on 31.03.2016)	447.92	489.58
<b>viii) CANARA BANK *9</b> (Repayable in 42 equal quarterly instalments of ₹ 4.16 Crore upto 16.07.2026 plus last installment of ₹ 4.48 Crore on 16.10.2026 at floating interest rate of 9.65% p.a. as on 31.03.2016)	179.20	195.84
<b>ix) INDIAN OVERSEAS BANK *9</b> (Repayable in 43 equal quarterly instalments of ₹ 4.17 Crore each upto 16.10.2026 at floating interest rate of 9.70% p.a. as on 31.03.2016)	179.17	195.83
<b>x) PUNJAB &amp; SIND BANK *9</b> (Repayable in 43 equal quarterly instalments of ₹ 4.17 Crore each upto 17.10.2026 at floating interest rate of 9.75% p.a. as on 31.03.2016)	179.16	195.83
<b>xi) SYNDICATE BANK *9</b> (Repayable in 43 equal quarterly instalments of ₹ 6.25 Crore each upto 02.11.2026 at floating interest rate of 9.70% p.a. as on 31.03.2016)	268.75	293.75
<b>xii) UNION BANK OF INDIA *9</b> (Repayable in 43 equal quarterly instalments of ₹ 3.125 Crore each upto 03.11.2026 at floating interest rate of 9.65% p.a. as on 31.03.2016)	134.38	146.88

(₹ in Crore)

Particulars of redemption & repayment (Disclosure given below for Total Borrowings)	As at 31st March, 2016	As at 31st March, 2015
<b>xiii) STATE BANK OF INDIA *3&amp;5</b> (Repayable in 48 equal quarterly instalments of ₹ 20.83 Crore w.e.f. 27.06.2016 upto 27.03.2028 at floating interest rate of 9.30% p.a. as on 31.03.2016)	1,000.00	1,000.00
<b>xiv) STATE BANK OF HYDERABAD *1 &amp; 5</b> (Repayable in 47 equal quarterly instalments of ₹ 10.416 Crore w.e.f. 28.06.2016 upto 28.12.2027 at floating interest rate of 9.75% p.a. as on 31.03.2016)	489.58	500.00
<b>Total Term Loan - Banks (Secured)</b>	<b>3,698.79</b>	<b>3,993.98</b>
<b>(C) TERM LOANS - Un-secured (Banks)- Foreign Currency</b>		
<b>i) Japan International Cooperation Agency Tranche-I *12</b> (Repayable in 20 equal half yearly instalments of ₹ 7.23 Crore each upto 20.01.2026 at fixed interest rate of 2.3% as on 31.03.2016)	144.65	140.41
<b>ii) Japan International Cooperation Agency Tranche-II *12</b> (Repayable in 24 equal half yearly instalments of ₹ 23.73 Crore each upto 20.12.2027 at fixed interest rate of 2.3% as on 31.03.2016)	569.44	544.38
<b>iii) Japan International Cooperation Agency Tranche-III *12</b> (Repayable in 36 equal half yearly instalments of ₹ 17.53 Crore each upto 20.03.2034 at fixed interest rate of 1.3% as on 31.03.2016)	630.92	587.70
<b>iv) Deutsche Bank &amp; Others *12</b> (Repayable in 6 equal half yearly instalments of ₹ 54.39 Crore each upto 18.10.2018 at floating interest rate 6 Month JPY LIBOR + 0.57% Margin)	326.35	383.99
<b>Total Term Loan - Banks (Unsecured)</b>	<b>1,671.36</b>	<b>1,656.48</b>
<b>(D) Term Loan-From other parties (Secured)</b>		
<b>i) LIFE INSURANCE CORPORATION OF INDIA *4 &amp; 6</b> (Repayable in 10 half yearly instalments of ₹ 104.17 Crore each upto 15.10.2020 at Fixed interest rate of 9.25% p.a. on ₹ 41.67 Crore and 8% p.a. on ₹ 1000 Crore as on 31.03.2016)	1,041.67	1,250.00
<b>ii) LIFE INSURANCE CORPORATION OF INDIA *5 &amp; 11</b> (Repayable in 16 equal half yearly instalments of ₹ 79 Crore each upto 31.10.2023 at Fixed Interest rate with a floor rate of 6.5% p.a. presently at wt. average rate of 9.118% p.a. as on 31.03.2016)	1,264.00	1,422.00
<b>iii) POWER FINANCE CORPORATION LIMITED *7</b> (Repayable in 22 equal quarterly instalments of ₹ 18.75 Crore upto 15.07.2021 at Fixed interest rate with 3 years reset clause presently at 10.17% p.a. as on 31.03.2016)	412.50	487.50
<b>iv) POWER FINANCE CORPORATION LIMITED *7</b> (Repayable in 10 equal quarterly instalments of ₹ 4.65 Crore each upto 15.07.2018 at Fixed interest rate with 3 years reset clause presently at 10.17% p.a. as on 31.03.2016)	46.50	65.10
<b>v) POWER FINANCE CORPORATION LIMITED *7</b> (Repayable in 22 equal quarterly instalments of ₹ 1.75 Crore each upto 15.07.2021 at Fixed interest rate with 3 years reset clause presently at 10.17% p.a. as on 31.03.2016)	38.50	45.50
<b>vi) POWER FINANCE CORPORATION LIMITED *2&amp;3</b> (Repayable in 21 equal quarterly instalments of ₹ 36.425 Crore each upto 15.04.2021 at Fixed interest rate with 3 years reset clause presently at 10.54% p.a. as on 31.03.2016)	764.93	910.63



(₹ in Crore)

Particulars of redemption & repayment (Disclosure given below for Total Borrowings)	As at 31st March, 2016	As at 31st March, 2015
<b>vii) POWER FINANCE CORPORATION LIMITED *1</b> (Repayable in 13 equal quarterly instalments of ₹ 10.325 Crore each upto 15.04.2019 at Fixed interest rate with 3 years reset clause presently at 10.54% p.a. as on 31.03.2016)	134.22	175.52
<b>viii) POWER FINANCE CORPORATION LIMITED *1</b> (Repayable in 15 equal quarterly instalments of ₹ 12.50 Crore each upto 15.10.2019 at Fixed interest rate with 3 years reset clause presently at 10.54% p.a. as on 31.03.2016)	187.50	237.50
<b>Total Term Loan - Other Parties (Secured)</b>	<b>3,889.82</b>	<b>4,593.75</b>
<b>(E) Term Loan-From other parties (Unsecured)</b>		
<b>Foreign Currency</b>		
<b>i) Export Development Canada *12</b> (Repayable in Nil equal half yearly instalments of ₹ 23.45 Crore each upto 15.03.2016 at fixed interest rate of 6.01% as on 15.03.2016) Loans from Govt. of India	-	46.90
<b>ii) Subordinate Debt from Govt. of India for Nimmo-Bazgo Power Station</b> (Repayable in 18 equal annual instalments of ₹ 15 Crore from the 12th year after commissioning of the project i.e. from 10.10.2025 at fixed interest rate of 4% p.a.)	270.00	270.00
<b>iii) Subordinate Debt from Govt. of India for Chutak Power Station</b> (Repayable in 24 equal annual instalments of ₹ 15.97 Crore from the 6th year after commissioning of the project i.e. from 01.02.2019 at fixed interest rate of 2.50% p.a.)	383.36	364.00
<b>iv) Subordinate Debt from Govt. of India for Kishenganga HE Project</b> (Repayable in 10 equal annual instalments from the 11th year after commissioning of the project at fixed interest rate of 1% p.a. Interest accrues and is payable annually after commissioning of the project.)	2,380.44	2,099.80
<b>Total Term Loan - Other Parties (Unsecured)</b>	<b>3,033.80</b>	<b>2,780.70</b>
<b>Grand Total (A+B+C+D+E)</b>	<b>20,142.43</b>	<b>19,836.34</b>

**\* Particulars of security**

- Secured by pari-passu charge by way of Equitable mortgage/hypothecation against Immovable/Moveable assets (except for Book Debts and Stores) of Company's Chamera Power Station-I situated in the state of Himachal Pradesh.
- Secured by pari-passu charge by way of Equitable mortgage/hypothecation against Immovable/Moveable assets (except for Book Debts and Stores) of Company's Uri - I Power Station situated in the state of Jammu & Kashmir.
- Secured by pari-passu charge by way of Equitable mortgage/ hypothecation against Immovable / Moveable assets (except for Book Debts and Stores) of Company's Chamera-II Power Station situated in the state of Himachal Pradesh.
- Secured by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati-II HE Project situated in the state of Himachal Pradesh.
- Secured by pari-passu charge by way of equitable mortgage/hypothecation against immovable/movable assets (except for Book Debts and Stores) of Company's Teesta Low Dam-III Power Station situated in the state of West Bengal.
- Secured by pari-passu charge by way of equitable mortgage and charge over all the immovable and moveable assets (except for Book Debts and Stores) of the Company's Dhauliganga Power Station situated in the state of Uttarakhand.
- Secured by way of first charge on pari-passu basis by way of hypothecation on whole of the Company's movable assets(except for Book Debts and Stores), both present and future, of Dulhasti Power Station situated in the state of Jammu & Kashmir.

8. Secured by a first charge on pari-passu basis by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Chamera-III HE Power Station - situated in the state of Himachal Pradesh.
9. Secured by way of first charge on pari-passu basis by way of hypothecation on whole of the Company's movable assets (except for Book Debts and Stores), both present and future, of Salal Power Station situated in the state of Jammu & Kashmir, Sewa-II Power Station situated in the state of Jammu & Kashmir, Chutak Power Station situated in the state of Jammu & Kashmir, Nimmo-Bazgo Power Station situated in the state of Jammu & Kashmir, Uri-II Power Station situated in the state of Jammu & Kashmir & TLDP-IV HE Project situated in the state of West Bengal.
10. Secured by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati -III Power Station situated in the state of Himachal Pradesh.
11. Secured by pari-passu charge by way of equitable mortgage/hypothecation against immovable/movable assets (except for Book Debts and Stores) of Company's Teesta-V Power Station situated in the state of Sikkim.
12. Loans mentioned at sl. nos. C(i),C(ii),C(iii),C(iv) and E(i) above are guaranteed by Government of India.

## NOTE NO. 5 DEFERRED TAX LIABILITIES / ASSETS (NET)

(₹ in Crore)

PARTICULARS	As at 31st March, 2016		As at 31st March, 2015	
<b>Deferred Tax Liability</b>				
i) Depreciation	3446.05		3,359.26	
<b>Less: Deferred Tax Assets</b>				
i) Provision for doubtful debts, Inventory and others	319.60		178.68	
ii) Provision for employee benefit schemes	72.90		139.71	
<b>Deferred Tax Liability</b>		3,053.55		3,040.87
Less: Recoverable for tariff period upto 2009	2,055.66		2154.93	
Less: Deferred Tax Adjustment against Deferred Tax Liabilities	152.21	2,207.87	75.50	2,230.43
<b>Deferred Tax Liability (Net)</b>		<b>845.68</b>		<b>810.44</b>

### Explanatory Note: -

In compliance to the Accounting Standard 22 on "Accounting for Taxes on Income" notified under The Companies Act, 2013 ₹ 12.68 Crore (Previous Year ₹ 36.06 Crore) has been created as deferred tax liability for the year ended 31.03.2016.

## NOTE NO. 6 OTHERS LONG TERM LIABILITIES

(₹ in Crore)

PARTICULARS	As at 31st March, 2016			As at 31st March, 2015		
	Total Liability	Less: - Current Liability	Long Term Liability	Total Liability	Less: - Current Liability	Long Term Liability
Deposits/ retention money	145.87	85.43	60.44	196.17	92.96	103.21
Income received in advance (Advance against depreciation)	1,159.54	60.68	1,098.86	1,209.71	50.17	1,159.54
Deferred Income from Foreign Currency Fluctuation Account	84.86	-	84.86	74.42	-	74.42
<b>TOTAL</b>	<b>1,390.27</b>	<b>146.11</b>	<b>1,244.16</b>	<b>1,480.30</b>	<b>143.13</b>	<b>1,337.17</b>



## NOTE NO. 7 PROVISIONS

(₹ in Crore)

PARTICULARS	As at 31st March, 2016			As at 31st March, 2015		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>a) Provision for Employee Benefits (provided for on the basis of actuarial valuation)</b>						
As per last Balance Sheet	857.80	70.45	928.25	785.45	71.44	856.89
Additions during the year	10.67	77.37	88.04	82.21	73.47	155.68
Amount used during the year	496.79	91.41	588.20	9.86	71.21	81.07
Amount reversed during the year	-	-	-	-	3.25	3.25
Closing Balance	371.68	56.41	428.09	857.80	70.45	928.25
<b>b) Provision for Wage Revision</b>						
As per last Balance Sheet		33.78	33.78		30.01	30.01
Additions during the year		4.55	4.55		6.19	6.19
Amount used during the year		31.03	31.03		2.38	2.38
Amount reversed during the year		0.11	0.11		0.04	0.04
Closing Balance		7.19	7.19		33.78	33.78
<b>Less: Advance paid</b>		7.19	7.19		33.78	33.78
Closing Balance (Net of advance)		-	-		-	-
<b>c) Provision for Performance Related Pay/ Incentive</b>						
As per last Balance Sheet		98.76	98.76		63.34	63.34
Additions during the year		100.99	100.99		96.52	96.52
Amount used during the year		91.67	91.67		48.18	48.18
Amount reversed during the year		7.38	7.38		12.92	12.92
Closing Balance		100.70	100.70		98.76	98.76
<b>d) Provision for Superannuation/Pension Fund</b>						
As per last Balance Sheet		33.84	33.84		40.14	40.14
Additions during the year		42.23	42.23		33.84	33.84
Amount used during the year		33.84	33.84		40.14	40.14
Amount reversed during the year		-	-		-	-
Closing Balance		42.23	42.23		33.84	33.84
<b>e) Others</b>						
<b>i) Provision for Taxation</b>						
As per last Balance Sheet		583.42	583.42		-	-
Additions during the year		744.97	744.97		583.42	583.42
Amount used during the year		583.42	583.42		-	-
		744.97	744.97		583.42	583.42
Less: Advance Paid		638.31	638.31		522.32	522.32
<b>Closing Balance (Net of Advance)</b>		106.66	106.66		61.10	61.10
<b>ii) Provision for Proposed Dividend</b>						
As per last Balance Sheet		442.83	442.83		332.12	332.12
Additions during the year		642.10	642.10		442.84	442.84
Amount used during the year		442.83	442.83		332.13	332.13
Closing Balance		642.10	642.10		442.83	442.83

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(₹ in Crore)

PARTICULARS	As at 31st March, 2016			As at 31st March, 2015		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>iii) Tax on Proposed Dividend</b>						
As per last Balance Sheet		90.15	90.15		56.44	56.44
Additions during the year		130.72	130.72		90.15	90.15
Amount used during the year		66.07	66.07		46.39	46.39
Amount reversed during the year		24.08	24.08		10.05	10.05
Closing Balance		<u>130.72</u>	<u>130.72</u>		<u>90.15</u>	<u>90.15</u>
<b>iv) Provision For Committed Capital Expenditure</b>						
As per last Balance Sheet	29.15	48.96	78.11	29.25	52.99	82.24
Additions during the year	4.14	21.86	26.00	2.10	26.83	28.93
Amount used during the year	4.32	1.54	5.86	2.20	30.55	32.75
Amount reversed during the year	-	-	-	-	0.31	0.31
Closing Balance	<u>28.97</u>	<u>69.28</u>	<u>98.25</u>	<u>29.15</u>	<u>48.96</u>	<u>78.11</u>
<b>v) Provision For Tariff Adjustment</b>						
As per last Balance Sheet		155.63	155.63		49.81	49.81
Additions during the year		109.78	109.78		143.02	143.02
Amount used during the year		2.12	2.12		37.20	37.20
Closing Balance		<u>263.29</u>	<u>263.29</u>		<u>155.63</u>	<u>155.63</u>
<b>vi) Provision for Restoration expenses of Insured Assets</b>						
As per last Balance Sheet		-	-		-	-
Additions during the year		66.37	66.37		-	-
Amount used during the year		17.06	17.06		-	-
Amount reversed during the year		-	-		-	-
Closing Balance		<u>49.31</u>	<u>49.31</u>		<u>-</u>	<u>-</u>
<b>vii) Provision - Others</b>						
As per last Balance Sheet		627.84	627.84		730.08	730.08
Additions during the year		232.98	232.98		205.54	205.54
Amount used during the year		126.56	126.56		183.53	183.53
Amount reversed during the year		33.12	33.12		124.25	124.25
Closing Balance		<u>701.14</u>	<u>701.14</u>		<u>627.84</u>	<u>627.84</u>
<b>TOTAL</b>	<b><u>400.65</u></b>	<b><u>2,161.84</u></b>	<b><u>2,562.49</u></b>	<b><u>886.95</u></b>	<b><u>1,629.56</u></b>	<b><u>2,516.51</u></b>

## Explanatory Note: -

The Board has resolved to implement the directions of the Ministry of Power (MoP) vide its letter no. 11/17/2009-NHPC/Vol. III dated 27th December 2013 conveying the approval of Competent Authority about pay scales in respect of below Board level Executives that the pay scales shall be fixed w.e.f. 01.01.2007 after correcting the aberrations in pay scales fixed w.e.f. 01.01.1997 and the deviant pay scales fixed w.e.f. 01.01.1997 shall not be regularized. The MoP has confirmed vide letter no. 11/17/2009-NHPC-Vol. III dated 25th Feb., 2016 that the recovery of personal pay adjustment w.e.f. 01.02.2014 is in conformity with the said directive of the Competent Authority. Accordingly, personal pay advance of ₹ 31.03 Crores has been set-off against the balance of provision for wage revision. However, NHPC Officers Association has got a stay from Hon'ble High Court of Delhi against the implementation of stoppage of Personal Pay Adjustment (fitment benefits). In view of the directions of the Hon'ble High Court, Personal Pay Adjustments to the employees is continued to be paid along with the Salary.

Thus, the cumulative amount provided towards the Personal Pay Adjustment w.e.f 01.02.2014 to 31.03.2016 under the head "Provision for Wage Revision" is ₹ 7.19 crore (including provision for the current period ₹ 4.55 Crore) with corresponding amount shown as "Advance paid".



**NOTE NO. 8 TRADE PAYABLE**

(₹ in Crore)

<b>PARTICULARS</b>	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
Total outstanding dues of micro enterprises and small enterprises	2.10	0.16
Total outstanding dues of Creditors other than micro enterprises and small enterprises	120.90	152.85
	<b>123.00</b>	<b>153.01</b>

**Explanatory Note: -**

Disclosure requirement under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 is given in para no. 20 of Note No. 29 - Other Explanatory Notes to Accounts.

**NOTE NO. 9 OTHER CURRENT LIABILITIES**

(₹ in Crore)

<b>PARTICULARS</b>	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
Current Maturities of Long Term Debt (Refer Note no. 4)*	1,757.15	1,665.31
Interest accrued but not due on Borrowings	377.23	308.39
Income received in advance (Advance against depreciation) (refer Note No. 6)	60.68	50.17
Unpaid Dividend	10.06	5.85
Unpaid Interest	0.06	0.03
Liability against Capital Works/Supplies	360.20	334.26
Deposits/ Retention Money (refer Note No. 6)	85.43	92.96
Due to Subsidiaries	1.53	-
Unspent amount of Deposit/Agency basis works	-	0.04
Statutory Dues Payables	333.18	260.59
Other Liabilities	79.03	123.46
Advances against Deposit Works	232.92	232.92
Less: Amount Spent on Deposit Works	232.92	229.47
Advances against cost of Project Mgt./ Consultancy Works	4477.08	4456.42
Less: Amount Spent in respect of Project Mgt./ Consultancy Works	4290.31	4290.06
Less: Provision Toward Amt Recoverable in respect of Project Mgt / Consultancy Works	(2.28)	(2.28)
	<b>189.05</b>	<b>168.64</b>
	<b>3,253.60</b>	<b>3,013.15</b>

\* Details in respect of redemption, rate of interest, terms of repayment and particulars of security are disclosed in Note no. 4.

**NOTE NO. 10.1 TANGIBLE ASSETS**

(₹ in crore)

CLASS OF ASSETS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at 01.04.2015	Addition	Deduction	Adjustments	As at 31.03.2016	As at 01.04.2015	For the Year	As at 31.03.2016	As at 31.03.2015
Land - Freehold	273.46	35.50	0.72	(10.97)	297.27	-	-	297.27	273.46
Land - Leasehold	371.79	0.80	0.01	-	372.58	43.81	11.85	55.72	327.98
Roads and Bridges	306.59	8.65	-	4.91	320.15	98.30	11.31	106.24	208.29
Buildings	2,747.30	200.07	0.58	(8.01)	2,938.78	759.22	96.93	852.35	1,988.08
Railway Sidings	38.96	-	3.46	-	35.50	21.51	2.45	22.00	13.50
Hydraulic Works (Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels)	18,367.69	975.95	2.83	14.99	19,355.80	5,904.87	866.11	6,771.44	12,462.82
Generating Plant and Machinery	9,360.69	371.76	28.62	3.77	9,707.60	3,050.03	441.47	3,482.22	6,310.66
Plant and machinery - Sub-Station	94.93	1.66	0.52	0.02	96.09	52.23	3.31	55.37	42.70
Plant and machinery - Transmission Lines	71.25	0.82	0.04	(0.22)	71.81	27.73	4.03	31.53	43.52
Plant and machinery - Others	47.76	1.87	0.18	(0.09)	49.36	17.20	2.86	19.87	30.56
Construction Equipment	106.75	8.01	3.49	0.12	111.39	68.31	5.53	71.25	38.44
Water Supply System/Drainage and Sewerage	44.00	3.51	0.06	(0.17)	47.28	10.01	2.33	12.09	33.99
Electrical Installations	4.07	0.01	0.06	(0.06)	3.96	1.39	0.22	1.54	2.68
Vehicles	28.61	3.79	1.95	(0.20)	30.25	16.11	1.63	15.92	12.50
Aircraft/ Boats	0.94	0.07	-	-	1.01	0.29	0.06	0.35	0.65
Furniture and Fixture	51.39	4.14	0.97	(0.48)	54.08	26.48	2.63	28.30	24.91
Computers	62.53	8.23	3.20	(0.70)	66.86	47.89	5.96	50.28	14.64
Communication Equipment	16.01	2.31	0.67	-	17.65	7.46	0.95	8.15	8.55
Office Equipments	46.03	4.67	1.18	(0.25)	49.27	22.00	2.85	23.93	24.03
Research and Development	1.35	-	-	-	1.35	0.64	0.08	0.71	0.71
Other Assets	58.81	8.90	2.17	(0.45)	65.09	25.55	3.75	28.30	33.26
Tangible Assets of Minor Value >750 and < ₹5000	16.92	1.15	0.45	(0.34)	17.28	16.91	1.10	17.27	0.01
<b>TOTAL</b>	<b>32,117.83</b>	<b>1,641.87</b>	<b>51.16</b>	<b>1.87</b>	<b>33,710.41</b>	<b>10,217.94</b>	<b>1,467.41</b>	<b>11,654.83</b>	<b>21,899.89</b>
Previous Year 31.03.2015	32,101.21	381.34	107.91	(256.81)	32,117.83	8,788.40	1,445.13	10,217.94	23,312.81

## NOTE NO. 10.2 INTANGIBLE ASSETS

(₹ in crore)

CLASS OF ASSETS	GROSS BLOCK			AMORTISATION			NET BLOCK			
	As at 01.04.2015	Addition	Deduction	Adjustments	As at 31.03.2016	For the Year	Adjustment	As at 31.03.2016	As at 31.03.2015	
Land – Right to Use	824.09	38.60	-	(3.27)	859.42	5.12	(0.37)	35.30	824.12	793.54
Computer Software	40.22	5.07	0.28	(0.03)	44.98	2.66	(0.32)	40.83	4.15	1.73
<b>TOTAL</b>	<b>864.31</b>	<b>43.67</b>	<b>0.28</b>	<b>(3.30)</b>	<b>904.40</b>	<b>7.78</b>	<b>(0.69)</b>	<b>76.13</b>	<b>828.27</b>	<b>795.27</b>
Previous Year 31.03.2015	827.41	38.29	0.25	(1.14)	864.31	6.28	(0.32)	69.04	795.27	764.33

### Explanatory Note: -

- 1) Title deeds/title in respect of freehold land amounting to ₹ 13.37 Crore (Previous year ₹ 1.19 Crore) covering an area of 155.69 hectare (Previous year 103.04 hectare) and lease deeds in respect of leasehold land amounting to ₹ 297.34 Crore (Previous year ₹ 296.60 Crore) covering an area of 766.20 hectare (Previous year 851.78 hectare) are yet to be executed/passed.
- 2) Land - Leasehold includes 7.83 hectare taken from Sashatra Seema Bal (SSB) for Subansiri Upper Project on lease for a period of 99 years at notional value of ₹ 1/-.
- 3) Freehold Land includes eight hectare of land being used by Loktak Downstream Hydroelectric Corporation Limited (LDHCL) (A Joint Venture Company of NHPC and the Government of Manipur) for a consideration of ₹ 100 per annum as rent, for which a lease agreement has been entered between NHPC and LDHCL.
- 4) Underground works amounting to ₹ 6293.18 Crore (Previous Year ₹ 6240.79 Crore), created on Land - Right to use, are included under the relevant heads of Tangible Assets.
- 5) 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.
- 6) Pending approval of revised cost estimates (RCE) of Sewa II, Chamera III, Chamera III, Teesta Low Dam II, Uri II & Parbati III Power Stations, capital expenditure actually incurred on these power stations has been considered for capitalisation.
- 7) Foreign Exchange Rate Variation included in Adjustments to assets are as follows: -

Class of Assets	For the year ended 31.03.2016 (₹ in crore)	For the year ended 31.03.2015 (₹ in crore)
Roads and Bridges	0.15	(1.57)
Buildings	1.77	(16.21)
Hydraulic Works	16.61	(154.90)
Generating Plant and machinery	3.77	(42.88)
Plant and machinery Sub station	0.02	(0.25)
Plant and machinery Transmission lines	-	(0.05)
Plant and machinery - Others	-	(0.03)
Water Supply System/Drainage and Sewerage	0.01	(0.05)
<b>Total</b>	<b>22.33</b>	<b>(215.94)</b>

## NOTE NO. 11.1 CAPITAL WORK IN PROGRESS

(₹ in crore)

PARTICULARS	As at 01.04.2015	Addition	Adjustment	Capitalised	As at 31.03.2016
Roads and Bridges	86.89	15.75	(4.80)	8.65	89.19
Buildings	1,030.77	116.29	30.11	130.79	1,046.38
Hydraulic Works(Dams, Water Conductor System, Hydro mechanical Gates, Tunnels)	5,915.27	624.88	(14.24)	564.07	5,961.84
Generating Plant and Machinery	2,925.91	675.79	(8.49)	203.29	3,389.92
Plant and Machinery - Sub-Station	14.09	6.31	(7.69)	0.17	12.54
Plant and Machinery - Transmission Lines	0.37	2.28	(0.08)	0.44	2.13
Plant and Machinery - Others	0.48	1.58	(0.25)	1.07	0.74
Construction Equipment	-	1.97	-	1.97	-
Water Supply System/Drainage and Sewerage	0.68	3.47	(0.04)	2.74	1.37
Other Assets awaiting Installation	4.51	49.27	(0.66)	50.87	2.25
Survey, Investigation, Consultancy and Supervision Charges	262.65	10.36	-	6.41	266.60
Expenditure on Compensatory Afforestation	4.34	2.44	(1.61)	0.64	4.53
Expenditure Attributable to Construction*	5,841.67	866.08	3.87	544.98	6,166.64
Less: Provided for	209.55	359.69	(31.28)	-	537.96
<b>Sub total (a)</b>	<b>15,878.08</b>	<b>2,016.78</b>	<b>27.40</b>	<b>1,516.09</b>	<b>16,406.17</b>
* For addition during the year refer Note No. 28					
	As at 01.04.2015		Adjustment		As at 31.03.2016
Construction Stores	178.11		(7.38)		170.73
Less : Provisions for construction stores	1.47		(0.22)	-	1.25
<b>Sub total (b)</b>	<b>176.64</b>		<b>(7.16)</b>		<b>169.48</b>
<b>TOTAL</b>	<b>16,054.72</b>	<b>2,016.78</b>	<b>20.24</b>	<b>1,516.09</b>	<b>16,575.65</b>
Previous Year	14657.13	1708.44	3.81	314.66	16054.72

### Explanatory Note: -

- 1) Expenditure attributable to Construction (EAC) includes ₹ 461.69 Crore (Previous year ₹ 330.43 Crore) towards borrowing cost capitalised during the year.
- 2) Capital Work in Progress (CWIP) includes a cumulative expenditure of ₹ 1071.12 Crore (Previous Year ₹ 941.18 Crore) on projects under Survey & Investigation stage. Of this, a sum of ₹ 43.52 Crore (Previous Year ₹ 43.52 Crore) pertains to Subansiri Upper Project, which had been decided by Govt. of Arunachal Pradesh to be handed over to a Private Developer, however pending handing over of the project & recovery of expenditure incurred on it, the said amount is already provided for in the books as an abundant precaution. Out of the balance of ₹ 1027.60 Crore (Previous Year ₹ 897.66 Crore) pertaining to projects with the company, a sum of ₹ 494.44 Crore (Previous Year ₹ 161.15 Crore) has been provided as an abundant precaution in respect of projects, where uncertainties are attached and ₹ 533.16 Crore (Previous Year ₹ 736.51 Crore), pertaining to other projects having reasonable certainty of getting clearance, is carried over.
- 3) Siang Basin, Subansiri Basin & Dibang Multipurpose Projects were taken over from Brahmaputra Board. Pending settlement of accounts with Brahmaputra Board, assets and liabilities have been accounted for to the extent of amounts incurred by the Company on these projects. Siang Lower & Siyom HE Projects (in Siang Basin) & Subansiri Middle (in Subansiri Basin) have since been handed over to Private Developer and liability arising out of settlement of accounts with Brahmaputra Board towards these projects is recoverable from respective Private Developers.
- 4) Underground Works amounting to ₹ 4205.33 Crore (Previous Year ₹ 3995.69 Crore) created on Land - Right to use, are included under respective heads of Capital Work in Progress (CWIP).
- 5) 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 is carried forward in Capital Work in Progress (CWIP).



## NOTE NO. 11.2 INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in crore)

PARTICULARS	As at	Additions	Adjustment	Capitalized	As at
	01.04.2015				31.03.2016
Computer Software	-	0.01	-	-	0.01
<b>TOTAL</b>	-	<b>0.01</b>	-	-	<b>0.01</b>
Previous year	-	-	-	-	-

## NOTE NO. 12 NON CURRENT INVESTMENTS

(₹ in Crore)

PARTICULARS	As at 31st March, 2016			As at 31st March, 2015		
	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	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	87092309	10	87.09
- Bundelkhand Saur Urja Limited	999999	10	1.00	999999	10	1.00
<b>(ii) Joint Venture Companies (Fully Paid Up)</b>						
- Chenab Valley Power Projects Private Limited	100000000	10	100.00	10,00,00,000	10	100.00
- National High Power Test Laboratory (P) Limited	23900000	10	23.90	23900000	10	23.90
<b>Sub Total (A)</b>			<u>1226.41</u>			<u>1226.41</u>
<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
8.26% GOI 2027	17940	10000	17.83	17940	10000	17.83
8.28% GOI 2032	35000	10000	34.62	35000	10000	34.62
8.32% GOI 2032	34000	10000	31.28	34000	10000	31.28

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(₹ in Crore)

PARTICULARS	As at 31st March, 2016			As at 31st March, 2015		
	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>(c) Investment In Public Sector Undertaking/Public Financial Institution &amp; Corporate Bonds</b>						
7.41% IIFCL Tax Free Bonds 15.11.2032	120	1000000	12.00	120	1000000	12.00
8.12% REC Tax Free Bonds 27.03.2027	100000	1000	10.61	100000	1000	10.61
8.48% NHAI TAX FREE Bonds 22.11.2028	473	100000	47.28	473	100000	47.28
8.95% Indian Railways Finance Corporation Bonds 2025	-	-	-	688	1000000	69.63
8.65% Indian Railways Finance Corporation Bonds 2025	-	-	-	30	1000000	2.99
8.83% Indian Railways Finance Corporation Bonds 2035	-	-	-	120	1000000	12.09
8.80% Indian Railways Finance Corporation Bonds 2030	-	-	-	150	1000000	15.13
8.90% Power Grid Corporation of India Bonds 2021	-	-	-	80	1250000	10.00
8.90% Power Grid Corporation of India Bonds 2022	-	-	-	80	1250000	10.00
8.90% Power Grid Corporation of India Bonds 2023	-	-	-	80	1250000	10.00
8.90% Power Grid Corporation of India Bonds 2025	-	-	-	40	1250000	5.04
8.84% Power Grid Corporation of India Bonds 2024	-	-	-	156	1250000	19.51
8.84% Power Grid Corporation of India Bonds 2025	-	-	-	364	1250000	45.52
8.95% Power Finance Corporation Bonds 2025	-	-	-	51	1000000	5.16
8.80% Power Finance Corporation Bonds 2025	-	-	-	467	1000000	45.97
8.70% Power Finance Corporation Bonds 2025	-	-	-	477	1000000	47.37
8.80% Rural Electrification Corporation Bonds 2020	-	-	-	600	1000000	59.93
9.75% Rural Electrification Corporation Bonds 2021	-	-	-	230	1000000	23.05
<b>Sub Total (B)</b>			<b>369.95</b>			<b>751.34</b>
<b>Total (A+B)</b>			<b>1596.36</b>			<b>1977.75</b>
Quoted Investments						
(i) Aggregate Cost			381.95			763.34
(ii) Aggregate Market Value			468.59			876.61
Unquoted Investments						
(i) Aggregate Cost			1214.41			1214.41

Valuation as per Accounting Policy no. 6



## NOTE NO. 13 LOANS AND ADVANCES

(₹ in Crore)

PARTICULARS	As at 31st March, 2016			As at 31st March, 2015		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>a) CAPITAL ADVANCES</b>						
- Secured (considered good)	3.25		3.25	9.37		9.37
- Unsecured (considered good)						
- Against Bank Guarantee	416.95		416.95	469.75		469.75
- Others	141.08		141.08	138.93		138.93
Less : Provisions for expenditure awaiting utilization certificate	1.99	-	1.99	10.26	-	10.26
- Unsecured (considered doubtful)	0.11		0.11	0.11		0.11
Less : Provisions for Doubtful Advances *1	0.11		0.11	0.11		0.11
<b>b) DEPOSITS</b>						
- Unsecured (considered good)	28.19	87.59	115.78	49.02	85.66	134.68
- Unsecured (considered doubtful)	-	-	-	-	0.01	0.01
Less : Provision against demand raised by Govt. Depts.	16.84	18.37	35.21	-	36.88	36.88
Less : Provision for Doubtful Deposits *2	-	-	-	-	0.01	0.01
<b>c) OTHER LOANS &amp; ADVANCES</b>						
<b>i) Employees (including accrued interest)</b>						
- Secured (considered good)	165.53	24.73	190.26	150.68	22.60	173.28
- Unsecured (considered good)	8.01	31.41	39.42	9.05	32.02	41.07
- Unsecured (considered doubtful)		0.03	0.03		0.02	0.02
<b>ii) Contractor/ supplier/ service provider</b>						
- Secured (considered good)	-	0.86	0.86	-	0.03	0.03
- Unsecured (considered good)						
- Against Bank Guarantee	71.82	1.89	73.71	54.16	4.11	58.27
- Others	-	25.74	25.74	-	14.57	14.57
- Unsecured (considered doubtful)	-	45.52	45.52	-	45.85	45.85
<b>iii) Loan to State Government in settlement of dues from customer</b>						
- Unsecured (considered good)	-	12.68	12.68	12.68	25.36	38.04
<b>iv) Advance to Government of Arunachal Pradesh</b>						
- Unsecured (considered good)	225.00		225.00	225.00		225.00
<b>v) Other Advances</b>						
- Unsecured (considered good)	0.24	52.14	52.38	0.09	34.68	34.77
Less : Provisions for doubtful Other Loans & Advances *3	-	45.55	45.55	-	45.87	45.87
Less : Provisions for expenditure awaiting utilization certificate		0.19	0.19		0.20	0.20
<b>vi) Advance Income Tax &amp; Tax Deducted at Source</b>	742.61	-	742.61	702.92		702.92
Less : Provision for Taxation	675.17	-	675.17	629.10	-	629.10
Net Advance Tax	67.44	-	67.44	73.82		73.82
	<b>1,108.68</b>	<b>218.48</b>	<b>1,327.16</b>	<b>1,182.29</b>	<b>181.95</b>	<b>1,364.24</b>



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	As on 31.03.2016			As on 31.03.2015		
<b>Explanatory Note: -</b>	(₹ in Crore)			(₹ in Crore)		
Loans and Advances due from Directors or other officers at the end of the year	-			0.01		
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).				(₹ in Crore)		
DETAILS OF PROVISIONS	As at 31st March, 2016			As at 31st March, 2015		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>Provisions for Doubtful Capital Advances 1*</b>						
Opening Balance	0.11	-	0.11	2.30	-	2.30
Addition during the year	-	-	-	0.11	-	0.11
Used during the year	-	-	-	0.05	-	0.05
Reversed during the year	-	-	-	2.25	-	2.25
Closing balance	0.11	-	0.11	0.11	-	0.11
<b>Provisions for Doubtful Deposits *2</b>						
Opening Balance	-	0.01	0.01	-	0.01	0.01
Addition during the year	-	-	-	-	-	-
Used during the year	-	-	-	-	-	-
Reversed during the year	-	0.01	0.01	-	-	-
Closing balance	-	-	-	-	0.01	0.01
<b>Provisions for Doubtful Other Loans &amp; Advances *3</b>						
Opening Balance	-	45.87	45.87	-	45.99	45.99
Addition during the year	-	-	-	-	0.27	0.27
Used during the year	-	0.26	0.26	-	0.12	0.12
Reversed during the year	-	0.06	0.06	-	0.27	0.27
Closing balance	-	45.55	45.55	-	45.87	45.87

## NOTE NO. 14.1 OTHER NON-CURRENT ASSETS

	(₹ in Crore)	
PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
Interest accrued on:		
Advance to Government of Arunachal Pradesh	253.76	214.22
Deferred Foreign Currency Fluctuation Assets	570.53	421.29
Deferred Expenditure on Foreign Currency Fluctuation	137.74	160.30
	<b>962.03</b>	<b>795.81</b>

## NOTE NO. 14.2 OTHER NON-CURRENT ASSETS - REGULATORY ASSETS

	(₹ in Crore)					
Sl. No.	PARTICULARS	As at 1st April, 2015	Addition	Adjustment	Amortisation/ Impairment	As at 31st March, 2016
	<b>Regulatory Assets</b>					
i)	Subansari Lower HE Project	1,630.39	549.94	-	-	2180.33
	<b>TOTAL</b>	<b>1,630.39</b>	<b>549.94</b>	<b>-</b>	<b>-</b>	<b>2180.33</b>
	Previous year	-	521.95	1108.44	-	1,630.39



## NOTE NO. 15 CURRENT INVESTMENTS

PARTICULARS	As at 31st March, 2016			As at 31st March, 2015		
	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>Trade - Unquoted</b>						
<b>(a) Investment In Equity Instruments</b>						
Joint Venture Companies (Fully Paid Up)						
- National Power Exchange Limited	2188325	10	2.19	2188325	10.00	2.19
(Provision for diminution in value)			(1.06)			(1.06)
<b>(b) Investment In Bonds (Current maturity of long-term investments)</b>						
8.50% Tax-Free State Government Special Bonds of the Government			-			256.44
<b>Total</b>			<b>1.13</b>			<b>257.57</b>
<b>Unquoted Investments</b>						(₹ in Crore)
Aggregate Cost			2.19			258.63
Aggregate provision for diminution in value			1.06			1.06
(Valuation as per Accounting Policy no. 6)						

### Explanatory Note: -

National Power Exchange Limited (A Joint Venture of the Company) is under liquidation. Accordingly, upto date provision of ₹ 1.06 Cr (Previous Year ₹ 1.06 Cr.) towards the diminution in the value of investment in the said joint venture has been made.

## NOTE NO. 16 INVENTORIES

(₹ in Crore)

PARTICULARS	As at 31st March, 2016		As at 31st March, 2015	
<b>(Valuation as per Accounting Policy No. 7)</b>				
Stores and Spares	102.27		100.80	
Stores in Transit/ Pending Inspection	2.44	104.71	2.99	103.79
Loose Tools		1.94		1.97
Scrap Inventory		1.35		0.91
Material issued to Contractors/ Fabricators		0.01		0.04
Less: Provision for Obsolescence & Diminution in Value		22.48		23.98
		<b>85.53</b>		<b>82.73</b>

(₹ in Crore)

DETAILS OF PROVISIONS	As at 31st March, 2016		As at 31st March, 2015	
<b>Provision for Obsolescence &amp; Diminution in Value</b>				
Opening Balance		23.98		25.91
Addition during the year		0.88		0.39
Used during the year		2.08		0.49
Reversed during the year		0.30		1.83
Closing balance		<b>22.48</b>		<b>23.98</b>

## NOTE NO. 17 TRADE RECEIVABLES

(₹ in Crore)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
<b>Trade Receivables outstanding for a period exceeding six months from the date they become due for payment</b>		
- Unsecured - Considered Good	171.63	758.61
- Unsecured - Considered Doubtful	34.83	34.77
<b>Other Trade Receivables</b>		
- Unsecured - Considered Good	1,845.40	1,738.49
<b>Less: Provision for Doubtful Debts</b>	<u>34.83</u>	<u>34.77</u>
	<b><u>2,017.03</u></b>	<b><u>2,497.10</u></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).

(₹ in Crore)

DETAILS OF PROVISIONS	As at 31st March, 2016	As at 31st March, 2015
<b>Provision for Doubtful Debts</b>		
Opening Balance	34.77	34.77
Addition during the year	0.27	-
Used during the year	-	-
Reversed during the year	0.21	-
Closing balance	<u>34.83</u>	<u>34.77</u>

## NOTE NO. 18 CASH AND BANK BALANCES

(₹ in Crore)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
<b>A Cash and Cash Equivalents</b>		
Cash on hand (includes stamps on hand of ₹ 0.01 Crore, Previous Year ₹ 0.01 Crore)	0.12	0.15
Cheques, drafts on hand	511.07	14.86
<b>Balances with Banks</b>		
• <b>With Scheduled Banks</b>		
- In current account	698.97	161.40
- In deposits account (Deposits with maturity of three months or less)	290.04	301.98
• <b>With other Banks</b>		
- In current account		
- Bank of Bhutan	-	0.02
<b>B Other Bank Balances</b>		
Deposits with maturity of more than three months but less than/upto 12 months		
• <b>With Scheduled Banks</b>	4,366.50	4,937.85
Deposit account-Unpaid Dividend	10.06	5.85
	<b><u>5,876.76</u></b>	<b><u>5,422.11</u></b>

### Explanatory Note: -

Cash and Bank Balances include ₹ 251.52 Crore (Previous Year ₹ 268.05 Crore), held for Rural Road and Rural Electrification works being executed by Company on behalf of other agencies and are not freely available for the business of the Company.



## NOTE NO. 19 OTHER CURRENT ASSETS

(₹ in Crore)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015	
<b>a) Interest accrued on:</b>			
Loan to State Government in settlement of dues from Customers	-	32.97	
Deposits			
- Self Insurance	-	18.10	
- Other Deposits	195.04	214.34	
Others			
- Considered Good	42.28	21.33	
- Considered Doubtful	67.08	63.59	
<b>Sub-total</b>	304.40	350.33	
Less: Provision for Doubtful Interest *1	67.08	63.59	286.74
<b>b) Receivable on account of Unbilled Revenue</b>	700.66		602.47
<b>c) Receivable from Subsidiaries / JV's</b>	283.59		282.02
<b>d) Interest Receivable from Beneficiaries</b>	36.78		4.37
<b>e) Claims Recoverable</b>	600.65	594.23	
Less: Provisions for Doubtful Claims *2	200.70	261.85	332.38
<b>f) Surplus / Obsolete Assets held for disposal</b>	1.89		1.78
<b>g) Expenditure awaiting adjustment</b>	37.06	37.06	
Less: Provision for project expenses awaiting write off sanction *3	37.06	-	-
<b>h) Losses awaiting write off sanction/pending investigation</b>	37.78	34.40	
Less: Provision for losses pending investigation/ awaiting write off sanction *4	37.78	-	-
<b>i) Others</b>	0.13	0.36	
	<b>1,660.32</b>	<b>1,510.12</b>	

### Explanatory Note: -

- 1) Receivable on account of unbilled revenue represents as on 31.03.2016 i) J&K Water Cess ₹ 269.11 Crore (previous year ₹ 216.38 Crore) ii) MEA sales ₹ 12.56 Crore ( previous year ₹ 4.71 Crore), iii) Tax adjustment ₹ 108.04 Crore (previous year ₹ 63.04 Crore, iv) Others ₹ 310.95 crore (previous year 318.34 crore).
- 2) Receivable from Subsidiaries / JV's mainly includes claim of the company towards capital expenditure incurred on Pakaldul, Kiru & Kawar HE Projects which has been transferred to M/s CVPPPL (a joint venture company of NHPC, JKSPDC and PTC).
- 3) Surplus Assets / Obsolete Assets held for disposal are shown at lower of book value and net realizable value.

(₹ in Crore)

DETAILS OF PROVISIONS	As at 31st March, 2016	As at 31st March, 2015
<b>Provisions for Doubtful Interest *1</b>		
Opening Balance	63.59	67.94
Addition during the year	20.27	29.16
Used during the year	16.78	-
Reversed during the year	-	33.51
Closing balance	<b>67.08</b>	<b>63.59</b>
<b>Provisions for Doubtful Claims *2</b>		
Opening Balance	261.85	328.81
Addition during the year	15.79	35.75
Used during the year	76.85	28.03
Reversed during the year	0.09	74.68
Closing balance	<b>200.70</b>	<b>261.85</b>
<b>Provision for project expenses awaiting write off sanction *3</b>		
Opening Balance	37.06	37.06
Addition during the year	-	-
Closing balance	<b>37.06</b>	<b>37.06</b>

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(₹ in Crore)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
<b>Provision for losses pending investigation / awaiting write off sanction *4</b>		
Opening Balance	34.40	11.17
Addition during the year	6.29	27.26
Used during the year	2.51	2.03
Reversed during the year	0.40	2.00
Closing balance	<u>37.78</u>	<u>34.40</u>

## NOTE NO. 20 REVENUE FROM OPERATIONS

(₹ in Crore)

PARTICULARS	For the year ended 31st March 2016	For the year ended 31st March 2015
<b>A SALES</b>		
SALE OF POWER	7,582.72	6,981.36
<b>Less:</b>		
Adjustment for Foreign Exchange Rate Variation	64.65	76.41
Tariff Adjustments	109.78	143.03
Regulated Sales Adjustment	111.18	75.09
Income from generation of electricity – precommissioning (Transferred to EAC Note no. 28)	0.51	0.36
	<u>7,296.60</u>	<u>6,686.47</u>
<b>B ADVANCE AGAINST DEPRECIATION -Written back during the year</b>	50.17	50.17
<b>C OTHER OPERATING INCOME</b>		
Interest from Beneficiary States (Revision of Tariff)	53.07	18.08
<b>D REVENUE FROM CONTRACTS, PROJECT MANAGEMENT AND CONSULTANCY WORKS</b>		
Contract Income	3.76	8.88
Revenue from Project Management / Consultancy works	30.46	38.65
	<u>34.22</u>	<u>47.53</u>
<b>TOTAL (A+B+C+D)</b>	<u><b>7,434.06</b></u>	<u><b>6,802.25</b></u>

### Explanatory Note: -

- CERC tariff notification for the period 2014-19 has been notified vide notification no No.L-1/144/2013/CERC dt 21st February, 2014. However, Pending approval of tariff for the period 2014-19 by Central Electricity Regulatory Commission (CERC), sales have been recognized provisionally as per tariff notified by CERC for the period 2009-14 except Bairasiul, Salal, Chamera-I, Tanakpur, Dhauliganga, Rangit & Loktak Power station for which CERC issued orders for 2014-19 and taking into account provision towards truing up of capital cost of the power stations in line with CERC tariff regulations 2014. Further for the purpose of recognizing sales, Return on equity ( a component of tariff) has been grossed up using effective tax rate for the FY 2015-16.
- Sales include ₹ 140.02 Crore (Corresponding to previous year ₹ 18.76 Crore) billed sale and ₹ 90.84 Crore (Corresponding to previous year ₹ 122.65 Crore) unbilled sales on account of earlier year sales arising out of finalization of tariff / revision of components during the year.
- Sales includes ₹ 77.14 Crore (Previous year ₹ 86.80 Crore) on account of 'Deemed generation' of Power stations as allowed by 'CERC'.
- 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 include an amount of ₹ 195.02 Crore (Previous year ₹ 122.01 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 ₹ 72.01 Crore (Previous year ₹ 67.50 Crore) has been adjusted against the outstanding dues of those beneficiaries.
- Sales includes ₹ 753.72 Crore (Previous year ₹ 658.21 Crore ) which is yet to be billed.
- Tariff regulation notified by CERC vide notification dated 21.02.2014 inter-alia provides that capital cost considered for fixation of tariff for current tariff period shall be subject to truing up at the end of the tariff period, which may result in increase or decrease in tariff. Accordingly, an amount of ₹ 109.78 Crore (Previous year ₹ 143.03 Crore) has been provided in the books during the year as an abundant precaution.



- 7) In terms of regulation No. 49 of tariff regulation issued vide Central Electricity Regulatory Commission (CERC) notification No. L-1/144/2013-CERC dated 21st February, 2014, deferred tax liabilities for the period upto 31st March 2009 whenever it materializes is recoverable directly from the beneficiaries and are accounted for on yearly basis. Accordingly current year sales include ₹ 191.11 Crore (Previous year ₹ 146.11 Crore) on account of deferred tax materialised during the year.

## NOTE NO. 21 OTHER INCOME

(₹ in Crore)

PARTICULARS	For the year ended 31st March 2016	For the year ended 31st March 2015
<b>A Income from Non-Current Investments</b>		
<b>Trade</b>		
- Dividend from Subsidiaries	118.29	59.14
- Dividend -Others	2.64	2.40
- Interest - Government Securities (8.5% tax free bonds issued by the State Governments)	16.35	38.02
<b>Non-Trade</b>		
- Dividend income - Others	-	0.02
- Interest Income	39.64	65.06
<b>B Other</b>		
<b>Interest on</b>		
- Loan to State Government in settlement of dues from Customers	2.70	4.85
- Loan to Government of Arunachal Pradesh	39.53	36.27
- Deposit Account	487.50	493.93
- Employee's Loans and Advances	11.55	10.75
- Others	53.55	74.31
Late payment Surcharge	24.07	7.84
Realization of Loss Due To Business Interruption	89.99	-
Net Gain/Loss on Sale of Investments	13.19	-
Profit on Sale of Assets	0.44	1.11
Liability/ Provisions not Required Written Back	45.42	111.09
Others	49.19	36.64
Exchange Rate Variation	2.21	25.03
<b>TOTAL</b>	<b>996.26</b>	<b>966.46</b>
Less: Amount transferred to EAC	59.40	83.54
Less: Amount transferred to Advance / Deposit from Client/Contractees and against Deposit Works	17.10	21.59
Total carried forward to Statement of Profit & Loss	<b>919.76</b>	<b>861.33</b>
<b>Explanatory Note: -</b>		
<b>1) Detail of Liability/Provisions not required written back</b>		
Provision for Bad and Doubtful Loans / Advances / Deposits	0.07	2.52
Provision for Diminution in value of Stores and Spares	0.30	1.83
Provision for Bad and Doubtful Debts	0.21	-
Provision for Bad and Doubtful Claims	0.09	74.68
Provision for Losses Pending Investigation / Losses awaiting write off sanction"	0.40	2.00
Provision for Wage Revision	0.11	0.04
Provision for PRP/ Incentive	6.87	12.92
Project Expenses Provided for	31.28	-
Provision for Committed Capital Expenditure	-	0.31
Others	6.09	16.79
<b>Total</b>	<b>45.42</b>	<b>111.09</b>

- 2) Total carried forward to Statement of Profit & Loss includes ₹ 25.46 Crore (Previous year ₹ 107.02 Crore including TLDP-IV) relating to Subansiri Lower Project as explained in para no. 27 of Note 29. However Rate Regulatory Assets for an equivalent amount of ₹ 25.46 crore pertaining to Subansiri Lower Project has been recognised in compliance to Guidenace Note on Accounting for Rate Regulated Activities issued by ICAI.

## NOTE NO. 22 GENERATION, ADMINISTRATION AND OTHER EXPENSES

(₹ in Crore)

PARTICULARS	For the year ended 31st March 2016		For the year ended 31st March 2015	
<b>A GENERATION EXPENSES</b>				
Water Usage Charges		771.12		748.51
<b>B Consumption of Stores and Spare parts</b>		37.98		30.40
<b>C Direct Expenditure on Contract, Project Management and Consultancy Works</b>		0.05		7.29
<b>D REPAIRS &amp; MAINTENANCE</b>				
- Building		60.64		51.66
- Machinery		57.62		39.73
- Others		140.91	259.17	93.67
				185.06
<b>E ADMINISTRATION EXPENSES</b>				
Rent and Hire charges		42.24		43.25
Rates and Taxes		15.06		2.41
Insurance		123.87		87.58
Utilization of Self Insurance Fund		-		5.65
Security Expenses		184.10		160.19
Electricity Charges		52.27		72.97
Travelling and Conveyance		23.75		26.66
Expenses on Vehicles		8.38		9.44
Telephone, Telex and Postage		15.04		14.67
Advertisement and Publicity		13.74		11.10
Entertainment and Hospitality Expenses		0.32		0.30
Printing and Stationery		5.40		5.34
Books & Periodicals		0.26		0.29
Consultancy Charges - Indigenou		10.78		10.60
Expenses on Compensatory Afforestation/ Catchment Area Treatment/ Environmental Expenses		10.56		5.25
Expenditure Incurred on Maintenance / Creation of Facilities not Controlled by Company		3.81		7.66
Loss on Assets		1.46		2.36
Losses out of insurance claims (upto excess clause)		14.25		12.39
Interest on Arbitration/ Court Cases/Statutory demands		13.94		2.91
Interest to Beneficiary States		27.58		20.51
Rebate to Customers		12.49		11.98
Corporate Social Responsibility Expenses		72.68	*	52.24
Other General Expenses		81.55		83.46
Exchange Rate Variation		4.92		5.16
Audit Expenses (Refer detail below)		1.93		2.23
Directors' expenses		0.13		0.23
Expenses for Regulated Power	13.75		7.59	
Less: - Expenditure Recoverable on Regulated Power	13.75	-	7.59	-
<b>Sub-total</b>		740.51		656.83
<b>F PROVISIONS</b>				
Bad and Doubtful Debts provided		0.53		-
Bad and Doubtful Advances / Deposits provided		-		0.37
Bad and Doubtful Claims / Interest provided		28.64		66.18
Diminution in value of Stores and Spares		0.69		0.39
Project expenses provided for		359.69		51.15
Provision for Fixed Assets/ Stores provided for		6.29		25.35





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(₹ in Crore)

PARTICULARS	For the year ended 31st March 2016	For the year ended 31st March 2015
Others	0.11	-
<b>Sub-total</b>	395.95	143.44
<b>TOTAL (A to F)</b>	<b>2,204.78</b>	<b>1,771.53</b>
Less: Amount transferred to EAC	93.80	110.82
Less: Recoverable from Deposit Works	2.44	0.11
Total carried forward to Statement of Profit & Loss	<u><b>2,108.54</b></u>	<u><b>1,660.60</b></u>

## Explanatory Note: -

- The Company's significant leasing arrangements are in respect of operating leases of premises for offices, guest houses & 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 houses & 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 ₹ 27.58 Crore (Previous year ₹ 20.51 Crore) has been provided in the books during the year ended 31.03.2016 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: -

(₹ in Crore)

PARTICULARS	For the year ended 31st March 2016	For the year ended 31st March 2015
<b>i) Statutory Auditors As Auditor</b>		
- Audit Fees	0.53	0.57
- Tax Audit Fees	0.18	0.17
<b>In other Capacity</b>		
- Taxation Matters	0.01	0.01
- Other Matters/services	0.38	0.67
<b>Reimbursement of expenses</b>	0.68	0.69
<b>ii) Cost Auditors</b>		
- Audit Fees	0.13	0.11
- Reimbursement of expenses	0.03	0.01
	<u><b>1.93</b></u>	<u><b>2.23</b></u>

- Total carried forward to Statement of Profit & Loss includes ₹ 66.25 Crore relating to Subansiri Lower Project (Previous year ₹ 68.69 Crore including TLDP-IV) as para no. 27 of Note 29. However Rate Regulatory Assets for an equivalent amount of ₹ 66.25 crore pertaining to Subansiri Lower Project has been recognised in compliance to Guidence Note on Accounting for Rate Regulated Activities issued by ICAI.

\* Refer para no. 18 to Note No. 29 for the necessary disclosures relating to expenditure on CSR.

## NOTE NO. 23 EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

PARTICULARS	For the year ended 31st March 2016	For the year ended 31st March 2015
Salaries, Wages, Allowances	1,172.69	1,162.75
Gratuity, Contribution to Provident Fund & Pension Scheme (incl. administration fees)	180.37	189.01
Staff Welfare Expenses	117.95	131.21
Leave Salary & Pension Contribution	0.01	-
<b>TOTAL</b>	<b>1,471.02</b>	<b>1,482.97</b>
Less: Amount transferred to EAC	353.53	332.94
Less: Recoverable from Deposit Works	1.59	0.80
Total carried forward to Statement of Profit & Loss	<u><b>1,115.90</b></u>	<u><b>1,149.23</b></u>

**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 ₹ 44.00 Crore (Previous year ₹ 39.68 Crore) towards lease payments in respect of premises for residential use of employees.

(₹ in Crore)		
PARTICULARS	For the year ended 31st March 2016	For the year ended 31st March 2015
2) Gratuity, Contribution to Provident Fund & Pension Scheme include contributions:"		
i) towards Employees Provident Fund	86.00	73.59
ii) towards Employees Defined Contribution Superannuation Scheme"	111.54	105.09
	<b>197.54</b>	<b>178.68</b>

- 3) Total carried forward to Statement of Profit & Loss includes ₹ 106.24 Crore relating to Subansiri Lower Project (Previous year ₹ 129.72 Crore including TLDP-IV Project) as explained in para no. 27 of Note 29. However Rate Regulatory Assets for an equivalent amount of ₹ 106.24 crore pertaining to Subansari Lower Project has been recognised in compliance to Guidance Note on Accounting for Rate Regulated Activities issued by ICAI.

**NOTE NO. 24 FINANCE COST**

(₹ in Crore)		
PARTICULARS	For the year ended 31st March 2016	For the year ended 31st March 2015
<b>A Interest on :</b>		
Government of India loan	19.97	19.90
Bonds	688.65	550.72
Foreign Currency Loan	28.91	33.84
Term Loan	767.32	875.66
<b>Sub total</b>	<b>1,504.85</b>	<b>1,480.12</b>
<b>B Other Borrowing Cost</b>		
Bond issue/ service expenses	0.33	0.35
Commitment fee	0.04	0.14
Guarantee fee on foreign loan	20.44	25.98
Other finance charges	4.23	4.26
<b>Sub-total</b>	<b>25.04</b>	<b>30.73</b>
<b>C Applicable net gain/ loss on Foreign currency transactions and translation</b>		
Exchange differences regarded as adjustment to interest cost	179.93	-
Less: Adjustment on account of Foreign Exchange Rate Variation	(179.93)	-
<b>Sub-total</b>	-	-
<b>Total (A to C)</b>	<b>1,529.89</b>	<b>1,510.85</b>
<b>Less: Amount transferred to EAC</b>	462.52	331.08
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>1,067.37</b>	<b>1,179.77</b>

**Explanatory Note: -**

Total carried forward to Statement of Profit & Loss includes ₹ 395.26 Crore relating to Subansiri Lower Project Project (Previous year ₹ 460.97 Crore including TLDP-IV Project) as explained in para no. 27 of Note 29. However Rate Regulatory Assets for an equivalent amount of ₹ 395.26 crore pertaining to Subansari Lower Project has been recognised in compliance to Guidance Note on Accounting for Rate Regulated Activities issued by ICAI.



## NOTE NO. 25 DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in Crore)

PARTICULARS	For the year ended 31st March 2016	For the year ended 31st March 2015
Depreciation & Amortization Expenses	1,475.19	1,451.42
Adjustment on account of Foreign Exchange Rate Variation	(0.96)	(4.03)
<b>TOTAL</b>	<b>1,474.23</b>	<b>1,447.39</b>
<b>Less: Amount transferred to EAC</b>	22.01	21.52
<b>Less: Recoverable from Deposit Works</b>	0.08	-
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>1,452.14</b>	<b>1,425.87</b>

### Explanatory Note: -

Total carried forward to Statement of Profit & Loss includes ₹ 7.64 Crore relating to Subansiri Lower Project (Previous year ₹ 9.00 Crore including TLDP-IV Project) as explained in para no. 27 of Note 29. However Rate Regulatory Assets for an equivalent amount of ₹ 7.64 crore pertaining to Subansiri Lower Project has been recognised in compliance to Guidenace Note on Accounting for Rate Regulated Activities issued by ICAI.

## NOTE NO. 26 PRIOR PERIOD ITEMS (NET)

(₹ in Crore)

PARTICULARS	For the year ended 31st March 2016	For the year ended 31st March 2015
<b>INCOME</b>		
Sale of Electricity	10.95	-
Others	113.18	71.17
<b>Sub-total (A)</b>	<b>124.13</b>	<b>71.17</b>
<b>EXPENDITURE</b>		
Salary & Wages	(0.18)	14.72
Repair & Maintenance	4.75	(0.29)
Depreciation & Amortization	(1.89)	0.51
Others	78.71	0.41
<b>Sub-total (B)</b>	<b>81.39</b>	<b>15.35</b>
<b>Total Prior Period Expenditure ( C ) = ( B - A )</b>	<b>(42.74)</b>	<b>(55.82)</b>
Less: Amount transferred to EAC	(5.87)	0.29
<b>Sub-total (D)</b>	<b>(36.87)</b>	<b>(56.11)</b>
<b>Total carried forward to Statement of Profit &amp; Loss (C-D)</b>	<b>(36.87)</b>	<b>(56.11)</b>

### Explanatory Note: -

Total carried forward to Statement of Profit & Loss includes ₹ 0.01 Crore relating to Subansiri Lower Project (Previous year ₹ 4.32 Crore including TLDP-IV Project) as explained in para no. 27 of Note 29. However Rate Regulatory Assets for an equivalent amount of ₹ 0.01 crore pertaining to Subansiri Lower Project has been recognised in compliance to Guidenace Note on Accounting for Rate Regulated Activities issued by ICAI.

## NOTE NO. 27 TAX EXPENSES

(₹ in Crore)

PARTICULARS	For the year ended 31st March 2016	For the year ended 31st March 2015
<b>CURRENT TAX</b>		
Income Tax Provision	744.97	583.42
Adjustment Relating To Earlier Years	(23.67)	74.51
Deferred Tax Liability/(Asset)	12.68	36.06
Less: Recoverable for tariff period upto 2009	(99.27)	(83.21)
Less: Deferred Tax Adjustment Against Deferred Tax Liabilities	76.71	75.50
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>756.54</b>	<b>701.70</b>

### Explanatory Note: -

CERC Regulations for tariff period 2014-19 provides for recovery of income tax from the beneficiaries by way of grossing up of return on equity with effective tax rate of the respective financial year i.e. actual tax paid during the year on the generating income. Deferred tax liability provided for the year on generating income amounting to ₹ 76.71 crore (previous year ₹ 75.50 crore) is accordingly accounted for as deferred tax adjustment against deferred tax liability as the same would get adjusted in effective tax rate in future period and the same is presented as a deduction from the deferred tax liability.

## NOTE NO. 28 EXPENDITURE ATTRIBUTABLE TO CONSTRUCTION (EAC) FORMING PART OF CAPITAL WORK IN PROGRESS FOR THE YEAR

(₹ in Crore)

PARTICULARS	For the year ended 31st March 2016	For the year ended 31st March 2015
<b>A EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages, Allowances	139.95	124.38
Gratuity and Contribution to Provident Fund	22.71	20.42
Staff Welfare Expenses	9.92	10.19
Leave Salary & Pension Contribution	0.01	-
<b>Sub-total</b>	<b>172.59</b>	<b>154.99</b>
<b>B REPAIRS &amp; MAINTENANCE</b>		
Building	4.32	3.13
Machinery	0.04	0.06
Others	4.34	3.10
<b>Sub-total</b>	<b>8.70</b>	<b>6.29</b>
<b>C ADMINISTRATION &amp; OTHER EXPENSES</b>		
Rent	9.39	8.58
Rates and Taxes	0.11	0.09
Insurance	0.15	0.13
Security Expenses	17.54	15.52
Electricity Charges	3.56	4.71
Travelling and Conveyance	2.88	2.67
Expenses on Vehicles	1.60	1.28
Telephone, Telex and Postage	2.66	2.48
Advertisement and Publicity	0.50	0.24
Printing and Stationery	0.79	0.51
Design and Consultancy charges - Indigenous	1.99	1.75
Expenses on Compensatory Afforestation / Catchment Area Treatment / Environmental Expenses	9.90	4.59



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(₹ in Crore)

PARTICULARS	For the year ended 31st March 2016	For the year ended 31st March 2015
Expenditure Incurred on Maintenance / Creation of Facilities not Controlled by Company <sup>1</sup>	2.60	5.76
Exchange Rate Variation (Debit)	2.47	3.51
Other General Expenses	8.33	6.90
<b>Sub-total</b>	64.47	58.72
<b>D FINANCE COST</b>		
Interest on :		
Bonds	230.53	100.32
Term Loan	231.16	230.11
Bond Issue/ Service Expenses	0.25	0.18
Other Finance Charges	0.57	0.46
<b>Sub-total</b>	462.51	331.07
<b>E PROVISIONS</b>	5.00	30.67
<b>Sub-total</b>	5.00	30.67
<b>F DEPRECIATION AND AMORTISATION EXPENSES</b>	17.56	17.30
<b>Sub-total</b>	17.56	17.30
<b>G PRIOR PERIOD ITEMS</b>		
Prior Period Expenses	75.96	0.31
Less: Prior Period Income	81.83	0.01
<b>Sub-total</b>	(5.87)	0.30
<b>H Corporate Office/Regional Office Expenses:</b>		
Other Income	(6.92)	(2.68)
Generation, Administration and Other Expenses	15.60	15.13
Employee Benefits Expense	180.94	177.95
Depreciation & Amortisation Expenses	4.45	4.22
Finance Cost	0.01	0.01
Provisions	0.03	0.01
Prior Period Items (Net)	-	(0.01)
<b>Sub-total</b>	194.11	194.63
<b>I LESS: RECEIPTS AND RECOVERIES</b>		
<b>a) Income from generation of electricity Precommissioning</b>	0.51	0.36
<b>b) Others</b>		
Interest on Loans and Advances	32.29	40.55
Miscellaneous Receipts	15.04	2.13
Exchange Rate Variation (Credit)	0.90	2.88
Provision/Liability not Required Written Back	3.89	35.13
Hire Charges -Plant and Machinery	0.36	0.17
<b>Sub-total</b>	52.99	81.22
<b>GRAND TOTAL (A+B+C+D+E+F+G+H-I)</b>	<b>866.08</b>	<b>712.75</b>

## NOTE NO.: 29 OTHER EXPLANATORY NOTES TO ACCOUNTS

### 1. Disclosure relating to Contingent Liabilities:-

a) Claims against the Company not acknowledged as debts in respect of:

(i) Capital works

Contractors have lodged claims aggregating to ₹ 9180.71 crore (previous year ₹ 9014.70 crore) against the Company on account of rate & quantity deviation, cost relating to extension of time and idling charges due to stoppage of work/delays in handing over the site etc. These claims are being contested by the company as being not admissible in terms of provisions of the respective contracts or are lying at arbitration tribunal/other forums/ under examination with the Company. It includes ₹ 2172.15 crore (previous year ₹ 1491.31 crore) towards arbitration awards including updated interest thereon, against the Company, which have been challenged/ decided to be challenged in the Court of Law.

The Management has assessed the above claims and recognized a provision of ₹ 537.66 crore (previous year ₹ 429.61 crore) based on probability of outflow of resources embodying economic benefits and estimated ₹ 8459.20 crore (previous year ₹ 8207.65 crore) as the amount of contingent liability i.e. amounts for which the Company may be held contingently liable. In respect of such estimated contingent claims, either outflow of resources embodying economic benefits is not probable or a reliable estimate of the amount required for settling the obligation cannot be made. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered as remote.

(ii) Land Compensation cases

In respect of land acquired for the projects, some of the land losers have filed claims for higher compensation amounting to ₹ 54.99 crore (previous year ₹ 47.53 crore) before various authorities/courts. Pending settlement, the Company has assessed and provided an amount of ₹ 26.81 crore (previous year ₹ 35.16 crore) based on probability of outflow of resources embodying economic benefits and estimated ₹ 28.18 crore (previous year ₹ 12.37 crore) as the amount of contingent liability since outflow of resources is considered as not probable. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered as remote.

(iii) Disputed Tax Demands

Disputed Income Tax/Sales Tax/Service Tax/ other taxes/duties matters pending before various appellate authorities amount to ₹ 326.63 crore (previous year ₹ 307.95 crore). Pending settlement, the Company has assessed and provided an amount of ₹ 25.42 crore (previous year ₹ 25.40 Crore) based on probability of outflow of resources embodying economic benefits and rest of the claims i.e. ₹ 301.21 crore (previous year ₹ 282.26 crore) are being disclosed as contingent liability as outflow of resources is considered as not probable. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered as remote.

(iv) Others

Claims on account of other matters amount to ₹ 573.59 crore (previous year ₹ 655.15 crore). These claims are pending before various forums. Pending settlement, the Company has assessed and provided an amount of ₹ 34.62 crore (previous year ₹ 28.94 crore) based on probability of outflow of resources embodying economic benefits and estimated ₹ 537.08 crore (previous year ₹ 624.43 crore) as the amount of contingent liability since outflow of resources is considered as not probable. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered as remote.

The above is summarized as below:

(₹ in crore)

Sl. No.	Particulars	Claims as on 31.03.2016	Provision against the claims	Contingent liability as on 31.03.2016	Contingent liability as on 31.03.2015	Addition of contingent liability during the year
(1)	(2)	(3)	(4)	(5)	(6)	(7)=(5)-(6)
1.	Capital Works	9180.71	537.66	8459.20	8207.65	251.55
2.	Land Compensation cases	54.99	26.81	28.18	12.37	15.81
3.	Disputed tax matters	326.63	25.42	301.21	282.26	18.95
4.	Others	573.59	34.62	537.08	624.43	(87.35)
	<b>Total</b>	<b>10135.92</b>	<b>624.51</b>	<b>9325.67</b>	<b>9126.71</b>	<b>198.96</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) It is not practicable to ascertain and disclose the uncertainties relating to outflow in respect of contingent liabilities.
- (d) There is possibility of reimbursement to the company of ₹ 183.51 Crore (previous year ₹ 240.85 crore) towards above contingent liabilities.
- (e) An amount of ₹ 63.24 Crore (previous year ₹ 53.19 crore) stands paid towards above contingent liabilities to contest the cases and is being shown as Current Assets.

The company's management does not reasonably expect that the above claims/obligations (including under litigation), when ultimately concluded and determined, will have a material and adverse effect on the company's results of operations or financial condition.

2. Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 2787.46 Crore (Previous year ₹ 3560.38 Crore).

3. During the year, following accounting policies/practices have been added/modified:

(₹ in crore)

Accounting Policy No.	Accounting Policy/Practice	Impact on Statement of Profit & Loss
2.1.3	Introduction of new accounting policy on capitalization of Expenditure incurred on renovation and modernization of tangible assets on completion of the originally estimated useful life of the power station.	Nil
2.1.4	Modification of accounting policy regarding capitalization of interest amount on enhanced compensation of land awarded by court to the cost of land (net of depreciation).	3.72
5.2.2 (ii)	Introduction of new accounting policy on depreciation on old & used tangible assets of other than Operating Units	Nil

Besides, certain accounting policies have been reworded/re-classified for the purpose of better disclosure which has no impact on profit.

4. Pending approval of competent authority, provisional payments / provisions made towards executed quantities of works of some of the items beyond the approved quantities as also for extra items totalling to ₹ 74.95 Crore (Previous year ₹ 42.71 Crore) are included in Capital Work-in-Progress/Fixed Asset.

5. **The disclosure under Accounting Standard – 7 on Construction Contracts are as under:**

(₹ in crore)

Sl.	Particulars	31.03.2016	31.03.2015
1.	Aggregate amount of costs incurred and recognised profits (less recognised losses) on contracts in progress upto reporting date.	226.95	409.32
2.	Amount of advances received.	200.56	411.55
3.	Amount of retention.	Nil	Nil
4.	The gross amount due from customers for contract works as an asset.	Nil	Nil
5.	The gross amount due to customers for contract works as a liability.	Nil	Nil



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

(₹ in crore)

		<b>For the year ended 31.03.2016</b>	<b>For the year ended 31.03.2015</b>
(i)	Amount charged to Statement of Profit & Loss excluding depreciation (as FERV)	1.14	(20.50)
(ii)	Amount charged to Statement of Profit & Loss excluding depreciation (as Borrowing Cost)*	179.92	-
(iii)	Amount charged to Expenditure attributable to Construction (as FERV)	1.57	0.63
(iv)	Amount charged to Capital work-in-progress (as FERV)	-	1.28
(v)	Amount adjusted by addition to the carrying amount of fixed assets	22.33	215.94

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

7. a) Electricity generation is the principal business activity of the Company. Other operations viz., Contracts, Project Management and Consultancy works do not form a reportable segment as per the Accounting Standard-17 on 'Segment Reporting'.
- b) The Company is having a single geographical segment as all its Power Stations are located within the Country.

**8. Disclosure as required by Accounting Standard-15 (Revised) on 'Employee Benefits':**

General description of various employee benefit schemes are as under:

**1. Defined Contributions Plans**

**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 year is recognised as an expense and is charged to the Statement of Profit & Loss/expenditure attributable to 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. To the extent of minimum rate of return, the fund is considered as a Defined Benefit Plan. As per report of the actuary, overall interest earnings and cumulative surplus is more than the statutory interest payment requirement. Hence, no further provision is considered necessary. The details of fair value of plan assets and obligations are as under:

(₹ in crore)

<b>Particulars</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
Obligations at the end of the year	2201.42	2102.59
Fair value of plan assets at the end of the year	2230.79	2141.32

**B. Social Security Scheme**

The Company has a Social Security Scheme in lieu of compassionate appointment. The Company also makes a matching contribution per month per employee and such contribution is to be made for 8 years to build up corpus from the date the scheme is in operation i.e. 01.06.2007, which has been extended for another 2 years. 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 Trust, from the amount worked out @ 30% of the Basic Pay & DA. The Scheme is managed by Life Insurance Corporation of India.

Above schemes are funded.

## 2. Defined Benefit Plans

### A. 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.

### B. Retired Employee Health Scheme (REHS)

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

### C. 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.

### D. Allowance on Retirement / Death

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

### E. Memento to employees on attaining the age of superannuation.

The Company has a policy of providing Memento valuing ₹ 5000/- to employee on superannuation. The liability for the same is recognised on the basis of actuarial valuation.

Schemes described at A & B above are funded and rest are unfunded.

Summary of various defined benefits as on 31.03.2016 is as under:

**Table 1:-Key Actuarial assumption for Actuarial Valuation as at:**

Particular	31.03.2016	31.03.2015
Mortality Table	IALM (2006-08)	IALM (2006-08)
Discount rate	8.00%	8.00%
Future Salary Increase	6.00%	6.00%
Expected rate of return on plan assets	8.00%	8.00%

**Table 2:-Change in Present Value of Obligations (PVO)**

(₹ in crore)

PARTICULAR	Gratuity	Retired Employee Health Scheme	Leave Encashment
	Funded		Unfunded
Present Value of Obligation at beginning of year	615.70 {622.65}	515.72 {447.51}	404.78 {401.35}
Interest cost	49.26 {52.93}	41.26 {38.04}	32.38 {34.11}
Current service cost	24.77 {25.29}	12.03 {10.10}	19.34 {18.29}
Benefit paid	(64.39) {(73.44)}	(13.77) {(8.58)}	(68.24) {(75.13)}
Actuarial (Gain)/loss	(37.18) {(11.73)}	37.15 {28.65}	32.26 {26.15}
Present Value of Obligation at end of year	588.15 {615.70}	592.39 {515.72}	420.52 {404.77}

**Table 3:- Change in the fair value of plan assets**

(₹ in crore)

PARTICULAR	Gratuity (Funded)	REHS
Fair value of plan assets at the beginning of the year	644.27 {636.58}	- {-}
Expected return on plan assets	51.54 {50.93}	- {-}
Contribution	6.09 {-}	555.66 {-}
Withdrawal from fund	(67.92) {(50.04)}	(5.56) {-}
Actuarial gain/(loss) on plan assets	2.45 {6.80}	33.62 {-}
Fair value of plan assets at the end of the year	636.43 {644.27}	583.72 {-}

**Table 4:-Amount recognised in Balance Sheet**

(₹ in crore)

PARTICULAR	Gratuity	Retired Employee Health Scheme	Leave Encashment
	Funded		Unfunded
Present Value of Obligation at end of year	588.15 {615.70}	592.39 {515.71}	420.52 {404.77}
Fair Value of plan assets at the end of year	636.43 {644.27}	583.72 {-}	- {-}
Funded Status	48.28 {28.57}	(8.67) {(515.71)}	(420.52) {(404.77)}
Unrecognized actuarial gain/loss	- {-}	- {-}	- {-}
Net Liability/ Asset(-) recognized in Balance Sheet	(48.28) {(28.57)}	8.67 {515.71}	420.52 {404.77}

**Table 5:- Amount recognised in Statement of Profit & Loss /Expenditure attributable to Construction Account**  
(₹ in crore)

PARTICULAR	Gratuity	Retired Employee Health Scheme	Leave Encashment
	Funded		Unfunded
Current Service Cost	24.77 {25.29}	12.03 {10.10}	19.34 {18.29}
Interest Cost	49.26 {52.93}	41.26 {38.04}	32.38 {34.11}
Expected return on Plan Assets	(51.54) {(50.93)}	- {-}	- {-}
Net Actuarial (gain) / loss recognized for the year	(39.63) {(18.53)}	3.53 {28.65}	32.26 {26.15}
Expense recognized in Profit & Loss/EAC for the year	(17.14) {8.76}	56.82 {76.79}	83.98 {78.55}

Note: { } contains previous year's figures.

**Other disclosures:**

(₹ in crore)					
Gratuity	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation	588.15	615.70	622.65	604.44	568.40
Fair value of plan assets	636.43	644.27	636.58	618.41	-
Surplus/(Deficit)	48.28	28.57	13.93	13.97	(568.40)
Experience adjustment on plan liabilities (loss)/ gain	37.18	11.38	5.29	4.44	(60.64)
Experience adjustment on plan assets (loss)/gain	2.45	6.80	6.70	36.99	-

(₹ in crore)					
Leave	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation	420.52	404.78	401.35	361.00	383.82
Experience adjustment on plan liabilities (loss)/ gain	(32.26)	(26.41)	(50.43)	(38.67)	(70.27)

(₹ in crore)					
REHS	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation	592.39	515.72	447.51	383.82	325.28
Fair value of plan assets	583.72	-	-	-	-
Surplus/(Deficit)	(8.67)	(515.72)	(447.51)	(383.82)	(325.28)
Experience adjustment on plan liabilities (loss)/gain	(37.15)	(35.26)	(21.50)	(12.92)	(16.46)
Experience adjustment on plan assets (loss)/gain	33.62	-	-	-	-

The effect of one percentage point increase/decrease in the medical cost of REHS will be as under:

(₹ in crore)		
	Increase by	Decrease by
Service and interest cost	9.70	6.43
Effect on PBO	94.58	65.40

Liabilities as on 31.03.2016 on account of Baggage Allowance on retirement & Memento are ₹ 4.89 Crore & ₹ 2.56 Crore (Previous year ₹ 4.95 Crore & ₹ 2.75 Crore) respectively.

9. The company used to contribute matching amount towards Provident Fund on Leave Encashment. However, as per decision conveyed by the Employees' Provident Fund Organization in May 2008, leave encashment is not a part of basic wage under the Employees Provident Fund & Miscellaneous Provisions Act, 1952. Accordingly, ₹ 15.12 crore paid to employees on account of Matching Contribution of Employees' Provident Fund on Leave Encashment during the period April 2008 to January 2012 is recoverable from the employees. Thereby, the Board accord not to recover this amount could not find favour by MoP. The company has estimated that out of this amount, ₹ 7.87 crore is recoverable and the balance amount of ₹ 7.25 crore pertaining to employees who are no longer on the rolls of the company as on 1st January, 2016 is non-recoverable.

**10. In compliance of Accounting Standard-18 on 'Related Party Disclosures', the required information is as under:-**

**a) Related Parties**

**(i) Joint Venture Companies**

National Power Exchange Ltd. (The Company is under liquidation).

**(ii) Key Management Personnel**

Sl. No.	Name	Position held
1	Shri R.S.T. Sai	CMD, THDC. Held additional charge as CMD of the company from 08.06.2014 to 23.09.2015
2	Shri K.M. Singh	Chairman cum Managing Director w.e.f. 23.09.2015
3	Shri D.P. Bhargava	Director (Technical). Superannuated on 31.03.2016
4	Shri R.S. Mina	Director (Personnel). Held additional charge of Director (Finance) upto 25.05.2015.
5	Shri Jayant Kumar	Director (Finance) w.e.f. 26.05.2015.
6	Shri Ratish Kumar	Director (Projects) w.e.f. 06.01.2016
7	Shri Balraj Joshi	Director (Technical) w.e.f. 01.04.2016
8	Shri Vijay Gupta	Company Secretary.

Remuneration to key management personnel (excluding Sl. No. 1 above) for the current year is ₹ 1.94 Crore (corresponding previous year ₹ 2.21 Crore).

**b) Transaction carried out with the related parties as at a(i) above - Nil.**

**11. Earnings Per Share:-**

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

	For the year ended 31.03.2016	For the year ended 31.03.2015
Net Profit after Tax used as numerator (₹ in crore)	2440.14	2124.47
Weighted Average number of equity shares used as denominator	1107,06,68,496	1107,06,68,496
Earnings per Share (₹) – Basic & Diluted	2.20	1.92
Face value per share (₹)	10	10

**12. a) Interest in Joint Ventures:**

Name of Companies	Proportion of Ownership interest as at	
	31.03.2016	31.03.2015
National High Power Test Laboratory (P) Ltd.	21.64%	21.64%
Chenab Valley Power Projects Private Ltd.	49.98%	49.98%
National Power Exchange Ltd.*	16.67%	16.67%

\* The company is under liquidation

**b) The above joint venture entities are incorporated in India. The Company's share of the assets and liabilities as on 31st March 2016 and income and expenses for the financial year ended 31.03.2016 in respect of joint venture entities are based on audited accounts which are given below:**

		(₹ in crore)	
		31.03.2016	31.03.2015
A	Assets	318.70	303.21
B	Liabilities	187.44	179.91
C	Contingent Liabilities	1.50	0.67
D	Capital Commitments	16.64	28.53
E	Expenditure in Foreign Currency	0.01	0.45



# NHPC Limited

(A Government of India Enterprise)

(₹ in crore)

		For the Year 2015-16	For the Year 2014-15
A	Income	1.98	0.09
B	Expenditure	0.09	1.32

The above does not include the disclosures in respect of National Power Exchange Ltd. (NPEX) a Company under liquidation, the accounts of which are prepared by liquidator.

13. In the month of April 2016, Govt. Of India (Gol) disinvested 11.36% of the total paid up equity share capital of the company by selling its 125,76,27,941 shares through Offer for Sale (OFS). The shareholding of Gol after OFS stands at 74.60% of the total paid-up capital and balance 25.40% is held by the public/Financial Institutions.
14. The Board of Directors of the Company has discontinued the system of maintenance of self-insurance fund from FY 2015-16. Accordingly, the balance of ₹ 835.94 crore appearing in Self Insurance Fund has been merged with General Reserve during the year and existing investments against Self Insurance Fund have been merged with the common pool of other investments of the Company.
15. The Ministry of Corporate Affairs has notified revised AS-10, "Property, Plant & Equipment" on 30.03.2016, to be applicable for accounting periods commencing on or after that date. Para 9 of revised AS-10 permits Unit of Measure Approach which allows capitalization of expenditure of capital nature incurred for creation of facilities, over which the company does not have control but the creation of which is essential principally for construction of the project. Further, the transitional provision in revised AS-10 allows retrospective capitalization of costs charged earlier to the statement of profit and loss but eligible to be included as a part of the cost of a project for construction of property, plant and equipment in accordance with the requirements of paragraph 9. The Unit of Measure Approach also exists in Para 9 of Ind AS-16, "Property, Plant & Equipment." It strengthens the accounting policy no. 2.3.4 on capital work in progress. Had this policy not been adopted but implemented from 01.04.2016, the para 88 of Revised As -10 on transitional provision would automatically take care of capitalisation of such expenditure. As such, significant accounting policy no. 2.3.4 and consequential accounting treatment of enabling assets as followed in FY 2014-15 has been continued. Accordingly, an amount of ₹ 176.21 crore (Previous year ₹ 173.61 crore) has been included in Fixed Assets as Tangible Assets/CWIP.
16. The management is of the opinion that no case of impairment of assets exists under the provisions of Accounting Standard (AS)-28 on "Impairment of Assets" as at 31st March, 2016.
17. **Other disclosures as per Schedule-III of the Companies Act, 2013 are as under:-**

(₹ in crore)

Particulars		For the year ended 31.03.2016	For the year ended 31.03.2015
a)*	Value of imports calculated on CIF basis:		
	i) Capital Goods	4.33	8.78
	ii) Spare parts	-	-
b)*	Expenditure in Foreign Currency		
	i) Know - How	-	-
	ii) Interest	28.92	33.84
	iii) Other Misc. Matters	140.76	154.37
c)*	Value of spare parts and Components consumed in operating units.		
	i) Imported	0.63 (1.66%)	-
	ii) Indigenous	37.35 (98.34%)	30.40 (100%)
d)*	Earnings in foreign currency		
	i) Interest	-	-
	ii) Others	2.62	-

\* Accrual basis.

## 18. Disclosure related to Corporate Social Responsibility (CSR) (refer Note No.22)

- (i) The breakup of CSR expenditure under various heads of expenses incurred during the year ended on 31.03.2016 is as below:-

(₹ in crore)

S. No.	Heads of Expenses constituting CSR expenses	Amount
1	Health Care and Sanitation	5.07
2	Education & Skill Development	4.69
3	Women Empowerment /Senior Citizen	0.02
4	Environment	0.57
5	Art & Culture	0.25
6	Ex-Armed Forces	0.00
7	Sports	0.07
8	National Welfare Fund	0.00
9	Technology & Research	0.00
10	Rural Development	2.53
11	Capacity Building	0.03
12	Swachh Vidyalaya Abhiyan	59.45
	<b>Total amount</b>	<b>72.68</b>

- (ii) Other disclosures:

- (a) As per Section 135 read with Section 198 of Companies Act 2013, the amount required to be spent towards CSR works out to ₹ 43.28 crore for FY 2015-16. The Board of Directors had allocated total budget of ₹ 121.53 Crore for FY 2015-16 which consisted of ₹ 108.20 Crore (more than 2% of average net profit of preceding three financial years in terms of section 135 read with section 198 of Companies Act, 2013) and ₹ 13.33 Crore out of unspent amount upto FY 2014-15. However, Committee of Directors on CSR & SD allocated only ₹ 96.36 crore for various CSR & SD activities and balance of ₹ 25.17 crore has been recommended for reduction in the budget for CSR. Balance amount of ₹ 48.85 crore has not been provided for, being allocation in excess of statutory requirement.

- (b) Details of expenditure incurred during the financial year ended on 31.03.2016 categorising as 'paid' and 'yet to be paid' along with the nature of expenditure (capital or revenue nature) is as under:-

(₹ in crore)

		Paid (a)	Yet to be paid (b)	Total (a+b)
(i)	Construction/Acquisition of any asset	65.99	4.05	70.04
(ii)	On purpose other than (i) above	2.17	0.47	2.64
	<b>Total</b>	<b>68.16</b>	<b>4.52</b>	<b>72.68</b>

- (c) As stated above, a sum of ₹ 4.52 Crore out of total expenditure of ₹ 72.68 Crore is yet to be paid to concerned parties which are included in the relevant head of accounts pertaining to liabilities.

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

Sl.	Description	Remarks
1.	No. of VERs held as Investment & the basis of valuation	2600
2.	No. of VERs under certification	Nil
3.	Depreciation and operating and maintenance cost of Emission Reduction Equipment expensed during the year (₹ in Crore)	Nil
4.	No. of VERs sold during the year ended 31.03.2016 with the value thereof.	Nil

20. Disclosures as required under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 read with notification of Ministry of Corporate Affairs dt. 04.09.2015 making alteration in Schedule-III of the Companies Act, 2013 are as follows (refer Note no. 8):-





(₹ in crore)

(i)	The principal amount and the interest due thereon remaining unpaid to any supplier on Balance Sheet date: - Principal - Interest	2.10 0.20*
(ii)	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-
(iii)	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-
(iv)	The amount of interest accrued and remaining unpaid as on Balance Sheet date	0.20*
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-

\*Interest not accounted for in the books of account

## 21. Disclosure related to confirmation of balances is as under:

- 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.
- As per policy of the company, letters to parties having balances more than ₹ 5 lacs in each case outstanding as on 31.12.2015 were sent for confirmation. Accordingly, out of total outstanding balance of ₹ 3415.43 Crore and ₹ 3614.34 crore in respect of Trade receivables and payables including other current liabilities as on 31/12/2015, balances to the tune of ₹ 2918.32 Crore and ₹ 128.89 Crore respectively were got confirmed while the balance amount remained unconfirmed. Further, Trade receivable and payable including other current liabilities outstanding as on 31.03.2016 are to the tune of ₹ 2017.03 crore and ₹ 3376.60 crore respectively.
- In the opinion of the management, these Trade Receivable and Payables including other current liabilities are reconciled periodically during the year and unconfirmed balance would not have any material impact.

- Chutak Power Station, which was under shutdown w.e.f. 28.06.2015 due to sudden rise of water in Power House upto Turbine floor and partially Generator floor, has been restored during the months of August and September 2015. The Assets of the power station and loss of generation are covered under Mega Risk Policy. Status of Insurance claim is as under:

(₹ in crore)

Particulars of claims	Updated claim lodged	Amount received	Amount charged to Statement of P&L (Upto excess clause)	Balance receivable
Against material damage	7.93	0.00	2.00	5.93
Business Interruption Loss	19.87	0.00	0.00	19.87
<b>Total</b>	<b>27.80</b>	<b>0.00</b>	<b>2.00</b>	<b>25.80</b>

- Dhualiganga Power Station, which was closed due to cloud burst and high flood on 17.06.2013, has since been restored during the months of May/June, 2014. The Assets of the power station and Loss of Generation are covered under Mega Risk Policy. Status of Insurance claim is as under:

(₹ in crore)

Particulars of claims	Updated claim lodged	Amount received	Amount already charged to Statement of P&L (Upto excess clause) in previous years	Balance receivable
Against material damage	227.91	90.00	2.00	135.91
CPM damage	0.54	0.10	0.01	0.43
Business Interruption Loss	344.71	190.00		154.71
<b>Total</b>	<b>573.16</b>	<b>280.10</b>	<b>2.01</b>	<b>291.05</b>

24. Uri-II Power Station, where accidental fire broke out on 20.11.2014, resulting in stoppage of generation, has since been restored during the months of June, July & August 2015. The Assets of the power station and loss of generation are covered under Mega Risk Policy. Status of Insurance claim is as under:

(₹ in crore)

Particulars of claims	Updated claim lodged	Amount received	Amount charged to Statement of P&L (Upto excess clause)	Balance receivable
Against material damage	66.39	30.00	3.16	33.23
Business Interruption Loss	242.28	-	-	242.28
<b>Total</b>	<b>308.67</b>	<b>30.00</b>	<b>3.16</b>	<b>275.51</b>

25. Tanakpur Power Station remained closed from 17/06/2013 to 21/06/2013 and from 11/01/2014 to 26/03/2014 due to flood on 17th & 18th June 2013 to take up the restoration work effectively. The Assets of the power station and Loss of Generation are covered under Mega Risk Policy. Status of Insurance claim is as under:

(₹ in crore)

Particulars of claims	Updated claim lodged	Amount received	Amount charged to Statement of P&L (Up to excess clause) in previous years	Amount charged to Statement of P&L this year	Balance receivable
Against material damage	17.62	1.50	2.00	6.13	7.99
Business Interruption Loss	8.74*	0.00	0.00	0.00	8.74
<b>Total</b>	<b>26.36</b>	<b>1.50</b>	<b>2.00</b>	<b>6.13</b>	<b>16.73</b>

\* excludes deductible of ₹ 6.06 crore for 14 days for each period.

26. As per Hydro Policy 2008, energy corresponding to 100 units of electricity is to be provided to each Project Affected Family (PAF) notified by the State Government through the concerned distribution licensee for a period of 10 years from the date of commissioning of a project. Notification by the respective State Governments regarding PAFs is yet to be made. Since the total saleable energy of a power station is to be arrived at by deducting such free power from the design energy, there would not be any impact on the profit of the Company.

27. a) Construction activities at site of Subansiri Lower Project have been interrupted w.e.f. 16.12.2011 due to protest of anti dam activists. Technical and administrative work is however continuing. Management is making all out efforts to restart the work at site. In line with the opinion of Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), borrowing cost of ₹ 1577.62 crore (up to previous year ₹ 1182.36 crore) and administration and other cost of ₹ 602.71 crore (up to previous year ₹ 448.03 crore) have been charged to the Statement of Profit & Loss.

The company has, however, adopted the accounting as per Guidance Note on Rate Regulated Activities issued by the Institute of Chartered Accountants of India which allows recognition of 'Regulatory Asset' and corresponding 'Regulatory Income' of the right to recover such expense which are not allowed to be capitalized as part of cost of relevant fixed asset in accordance with the Accounting Standards, but are nevertheless permitted by Central Electricity Regulatory Commission (CERC), the regulator, to be recovered from the beneficiaries in future through tariff.

- b) Disclosure relating to creation of Rate Regulated Assets & recognition of Rate Regulated Income as per the 'Guidance Note on Accounting for Rate Regulated Activities' issued by the Institute of Chartered Accountants of India (ICAI) :

The company is engaged in construction & operation of hydro electric power projects. The price (tariff) to be charged by the company for electricity sold to its customers is determined by Central Electricity Regulatory Commission (CERC) under applicable CERC (terms & conditions of tariff) Regulations. The said price (tariff) is based on allowable costs like interest costs, depreciation, operation & maintenance including a stipulated return. This form of rate regulation is known as cost-of-service regulations. The basic objective of such regulations is to give the entity the opportunity to recover its costs of providing the goods or services plus a fair return.



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For the purpose, the company is required to make an application to CERC based on capital expenditure incurred duly certified by the Auditors or already admitted by CERC or projected to be incurred upto date of commercial operation and additional capital expenditure duly certified by the Auditor or projected to be incurred during tariff year. The tariff determined by CERC is recovered from the customers (beneficiaries) on whom the same is binding.

The above rate regulation does result into creation of right (asset) or an obligation (liability) as envisaged in the accounting framework which is not the case in other industries. The ICAI has issued a Guidance Note on accounting for Rate Regulated Activities, which is applicable to entities that provide goods or services whose prices are subject to cost-of-service regulations and the tariff determined by the regulator is binding on the customers (beneficiaries). As per guidance note, a regulatory asset is recognised when it is probable (a reasonable assurance) that the future economic benefits associated with it will flow to the entity as a result of the actual or expected actions of the regulator under applicable regulatory framework and the amount can be measured reliably.

As explained above, all operating activities of the Company are subject to cost-of-service regulations as it meets the criteria set out in the guidance note hence, it is applicable to the Company.

The guidance note also provides that in some cases, a regulator permits an entity to include in the rate base, as part of the cost of self-constructed (tangible) fixed assets or internally generated intangible assets, amounts that would otherwise be recognised as expense in the statement of profit and loss in accordance with Accounting Standards. After the construction is completed, the resulting cost is the basis for depreciation or amortisation and unrecovered investment for rate determination. A regulatory asset is to be recognised by the entity in respect of such costs since the same is recoverable from the customers (beneficiaries) in future through tariffs.

As stated in para 27 (a) above, the borrowing cost of ₹ 1577.62 crore (up to previous year ₹ 1182.36 crore) and administration and other cost of ₹ 602.71 crore (up to previous year ₹ 448.03 crore) incurred on 'Subansiri Lower Project', wherein the active construction is interrupted since 16.12.2011, have been charged to the Statement of Profit & Loss in compliance of provision of Accounting Standard 10, Accounting for fixed asset & Accounting Standard-16, Borrowing Cost as notified under the Companies Act, 2013. However such expenditure is permitted under CERC (Terms and Conditions of Tariff) Regulations, 2014 to be recovered through future tariffs.

In pursuance of the above, the company has created regulatory assets and has recognized corresponding regulatory income upto Financial Year 2015-16 as per the ibid Guidance Note as below:

(₹ in crore)

Regulatory asset created in relation to:	Upto FY 2014-15	For the FY ended 31.03.2016	Total
Borrowing Costs	1182.36	395.26	1577.62
Administrative & other Costs	448.03	154.68	602.71
<b>Total</b>	<b>1630.39</b>	<b>549.94</b>	<b>2180.33</b>

28. Kotlibhel-1A project is one of the 24 hydro-electric projects located in the State of Uttarakhand which is covered by the order dated 13.08.2013 of Hon'ble Supreme Court of India directing MoEF not to grant these projects environmental/forest clearance until further order and to examine the significant impact on the bio-diversity of Alaknanda & Bhagirathi river basin. Pending adjudication about the fate of this project, the expenditure incurred amounting to ₹ 194.57 crore upto 31.03.2016 have been carried under capital work in progress. However, as an abundant precaution, provision for ₹ 153.24 crore has been made during the year in the books of accounts which is in addition to ₹ 41.33 crore provided upto 31st March 2015.
29. An advance of ₹ 31.05 crore has been deposited with Land Acquisition Officer Tehri and Pauri-Garhwal for Acquisition of Land of Kotlibhel IB & II. Pending acquisition of land by Projects, administration expenses incurred by Land Acquisition Officer and part payment to villagers continue to be shown as advance.
30. Board of Directors in its meeting held on 20.03.2014 discussed that the viability of Bursar HE Project is dependent upon financial support from Govt. of India and Govt. of Jammu & Kashmir. Ministry of Power (MOP), Govt. of India was approached to provide funding for Survey & Investigation of Bursar Project to make it viable. As advised by the MoP, Ministry of Water Resources (MoWR) was approached to provide funds. In the meeting held with MoWR on 27.04.2015, it has been informed by the representatives of MoWR that the request of NHPC for release of funds for preparation of DPR is under consideration for approval of Govt. of India. Investigation works on the project are continued and the expenditure of ₹ 205.87 crore have

been incurred and carried forward in capital work in progress. However, as an abundant precaution, provision during the year has been made in the books of accounts for the expenditure incurred amounting to ₹ 205.87 crore on investigation of the project.

31. As per the judgement dated 12.10.2015 of the Hon'ble Supreme court and as per letter from Government of India, Ministry of Power dated 02.11.2015, It has been clarified that Dhauliganga Intermediate and Gauriganga Stage-III A projects are not in the banned category as both lie in the Sharda Basin. Accordingly provision for project expenses amounting to ₹ 31.28 crore booked till 31.03.2015 has been reversed during the current year ended 31.03.2016, since now there is reasonable certainty that these projects shall be taken up for construction.
32. The Ministry of Environment, Forests & Climate Change (MoEF & CC) vide letter No. F.No.8-85/2011-FC dated 15.04.2015 has accorded the "in-principle" approval for diversion of forest land for construction of Dibang Multipurpose Project (2880 MW). Further, Environment clearance to the Project has been accorded by MoEF & CC vide letter dated 19.05.2015. In view of above, a sum of ₹ 189.38 crore incurred on the Project is being carried forward as Capital Work in Progress.
33. Liability on account of excess sales consideration received for sale of Siang Middle Power Project has been re-examined and, as per management estimate, no liability exists as on 31st March, 2016. Hence, such liability alongwith the interest provided thereon has been reversed in March, 2016.
34. In terms of Board Resolution No.6(2) of the 356th meeting of the Board of Directors held on 05/02/2013 an amount of ₹ 2.49 crore has been paid till 31.03.2016 to the State Forest Department towards Basin Study for Tawang I & II projects and other projects in the basin which is reimbursable in future by the Government of Arunachal Pradesh (GoAP) on pro-rata basis. In the opinion of the management, the chance of such recovery is remote and hence such expenditure has been charged to Capital Work in Progress.
35. Consequent upon formation of Retired Employees Health Scheme Trust during the year, long term investments having book value of ₹ 381.39 crore have been transferred to the Trust at market value of ₹ 390.43 crore against the Retired Employees Health Scheme Fund in the books of the company.
36. CERC (Terms & Conditions of Tariff) Regulations provide for levy of late payment surcharge by generating company in case of delay in payment by beneficiaries beyond 60 days. Amount of ₹ 762.39 crore is due on account of surcharge as on 31.03.2016, out of which ₹ 18.67 crore has been recognised during the year based on management assessment. The balance amount of ₹ 743.72 crore has not been recognised due to significant uncertainties towards ultimate collection and is in accordance with Significant Accounting Policy of the Company.
37. During April 2016, Board of Directors has approved additional equity investment of ₹ 380.00 crore in Chenab Valley Power Projects (Pvt.) Ltd., a Joint Venture of the Company.
38. During the year, the Company has paid interim dividend of ₹ 0.92 (previous year ₹ 0.40) per equity share of par value ₹ 10/- each for the year 2015-16.
39. Opening balances/corresponding figures for previous year have been re-grouped/re-arranged, wherever necessary.

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

**VIJAY GUPTA**  
Company Secretary

**JAYANT KUMAR**  
Director (Finance)  
DIN 03010235

**K.M. SINGH**  
Chairman & Managing Director  
DIN 02223301

**As per report of even date**

**For S. N. Dhawan & Co.**  
(Chartered Accountants)  
FR No. 000050N

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

**For Ray & Ray**  
(Chartered Accountants)  
FR No. 301072E

**(SURESH SETH)**  
Partner  
M. No. 010577

**(R. K. GUPTA)**  
Partner  
M. No. 085074

**(ASISH KUMAR MUKHOPADHYAY)**  
Partner  
M. No. 056359

Place : New Delhi

Date: 28<sup>th</sup> May, 2016



# NHPC Limited

(A Government of India Enterprise)

## For Standalone Financial Statements

### FORM AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

1.	Sl. No.	1.	2.	3.
2.	Name of the subsidiary	NHDC Ltd.	Loktak Downstream Hydroelectric Corporation Ltd.	Bundelkhand Saur Urja Ltd.
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 <sup>st</sup> March	31 <sup>st</sup> March	31 <sup>st</sup> March
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR
5.	Share capital	19,62,58,00,000	117,69,23,090	1,00,00,000
6.	Reserves & surplus	46,56,65,44,496	17,64,16,283	(737,910)
7.	Total assets	76,85,38,53,767	138,41,46,613	12,38,03,779
8.	Total Liabilities	10,66,15,09,271	3,08,07,240	11,45,41,689
9.	Investments	Nil	Nil	Nil
10.	Turnover	11,43,69,97,047	Nil	Nil
11.	Profit before taxation	8,00,38,53,238	2,90,04,466	0
12.	Provision for taxation	1,70,38,34,876	95,89,747	72,126
13.	Profit after taxation	6,30,00,18,362	1,94,14,719	-72,126
14.	Proposed dividend	4,00,36,63,200	Nil	Nil
15.	% of shareholding	51.08%	74.00%	99.99%

Notes: The following information shall be furnished at the end of the statement:

1.	Names of subsidiaries which are yet to commence operations	1) Loktak Downstream Hydroelectric Corporation Ltd. and 2) Bundelkhand Saur Urja Ltd.
2.	Names of subsidiaries which have been liquidated or sold during the year.	Nil

#### Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(Amount in ₹)

	Name of Associates/Joint Ventures	Chenab Valley Power Projects Pvt. Ltd.	National High Power Test Laboratory (P) Ltd.	National Power Exchange Ltd.
1.	Latest audited Balance Sheet Date	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2016
2.	Shares of Associate/Joint Ventures held by the company on the year end			
	No.	10,00,00,000	2,39,00,000	21,88,325
	Amount of Investment in Associates/Joint Venture	100,00,00,000	23,90,00,000	2,18,83,250
	Extend of Holding %	49.98	21.64	16.67
3.	Description of how there is significant influence	N.A.	N.A.	N.A.
4.	Reason why the associate/joint venture is not consolidated	N.A.	N.A.	Since the JV company is under liquidation.
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	1,07,84,78,490	23,40,31,991	1,20,27,679
6.	Profit / Loss for the year	2,46,92,670	Nil	35,54,653
i	Considered in Consolidation	1,23,40,166	Nil	Nil
ii	Not Considered in Consolidation	1,23,52,504	Nil	35,54,653
1.	Names of associates or joint ventures which are yet to commence operations.	All		
2.	Names of associates or joint ventures which have been liquidated or sold during the year.	National Power Exchange Ltd. is in the process of liquidation.		

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

**VIJAY GUPTA**  
Company Secretary

**JAYANT KUMAR**  
Director (Finance)  
DIN 03010235

**K.M. SINGH**  
Chairman & Managing Director  
DIN 02223301

**For S. N. Dhawan & Co.**  
(Chartered Accountants)  
FR No. 000050N

**As per report of even date**  
**For Gupta Gupta & Associates**  
(Chartered Accountants)  
FR No. 001728N

**For Ray & Ray**  
(Chartered Accountants)  
FR No. 301072E

**(SURESH SETH)**  
Partner  
M. No. 010577

**(R. K. GUPTA)**  
Partner  
M. No. 085074

**(ASISH KUMAR MUKHOPADHYAY)**  
Partner  
M. No. 056359

Place : New Delhi  
Date: 28<sup>th</sup> May, 2016

## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NHPC LIMITED FOR THE YEAR ENDED 31 MARCH 2016

Comment	Management's Reply
<p>The preparation of financial statements of NHPC Limited for the year ended 31st March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 28th May 2016.</p> <p>I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143 (6) (a) of the Act of the financial statements of NHPC Limited for the year ended 31 March 2016. 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. Based on my supplementary audit, I would like to highlight the following significant matter under Section 143(6)(b) of the Act which has come to my attention and which in my view is necessary for enabling a better understanding of the financial statements and the related audit report.</p> <p><b>Balance Sheet</b> <b>Fixed Assets</b> <b>Tangible Assets (Note-10.1) : ₹ 22055.58 crore</b> <b>Capital Work-in-Progress (Note - 11.1) : ₹ 16575.65 crore</b></p> <p>A reference is invited to the comment of the Comptroller &amp; Auditor General of India on the annual accounts of the Company for the year 2014-15 on accounting of expenditure amounting to ₹ 164.99 crore on the enabling assets not owned by the company.</p> <p>As per opinion of Expert Advisory Committee of the Institute of Chartered Accountants of India given in January 2011, expenditure incurred on enabling assets not owned by the Company should be charged off to revenue in the accounting period of incurrence of such expenditure.</p> <p>However, the Company has capitalized expenditure of ₹ 74.30 crore incurred on enabling assets retrospectively in the financial statements for the year 2015-16 as a part of cost of project as per revised AS-10 notified by Ministry of Corporate Affairs on 30 March 2016 which otherwise is applicable from the financial year 2016-17. In the current year, the company has provided for depreciation on these re-classified assets to the extent of ₹ 8.62 crore retrospectively upto March 2015 and ₹ 2.22 crore for the year 2015-16. In addition, the Company has also accounted for expenditure of ₹ 101.91 crore incurred on enabling assets under 'Capital-Work-in-Progress.'</p> <p>The above accounting treatment followed by the company is not in line with the applicable AS 10 and opinion of Expert Advisory Committee of the Institute of Chartered Accountants of India on enabling assets and has resulted in overstatement of 'Tangible Assets' (Net Block) by ₹ 63.47 crore and 'Capital Work in Progress' by ₹ 101.91 crore. Consequently, Profit for the year is also overstated by ₹ 165.38 crore.</p>	<p>The opinion of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) referred in the comment was with reference to carrying of such expenditure as a separate class of asset. The Company reviewed and introduced new accounting policy in FY 2013-14 keeping in view the nature of its business &amp; provisions of Accounting Standard (AS)-10, "Accounting for Fixed Assets" after obtaining independent opinion of one of the renowned experts in accounting field. The issue with additional facts was submitted to EAC in FY 2014-15 for its opinion on revised accounting treatment. The request of the Company had been accepted by EAC after due diligence. It is added that ICAI had come up with an Exposure Draft of AS-10 (Revised), "Property, Plant &amp; Equipment", available in public domain, which also recognizes the principle adopted by the Company for finalization of revised accounting policy and consequential accounting treatment.</p> <p>Pending receipt of revised opinion of the EAC, the accounting treatment in line with above policy followed by the Company during FY 2014-15 has been continued in FY 2015-16 also, keeping in view the following:</p> <p>i) During 2015-16, Companies (Accounting Standard) Amendment Rules 2016 which includes revised AS 10- 'Property, Plant &amp; Equipment (PPE)' has been notified by the Ministry of Corporate Affairs on 30.03.2016. Para 17 of revised AS-10 provides that cost of an item of PPE includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Similar para (9.1) exists in earlier AS-10- 'Accounting for Fixed Assets' also.</p> <p>Further, Para-9 of revised AS-10 prescribes the "Unit of Measure Approach". The Unit of Measure approach has been further clarified vide para 6 of appendix A to the Exposure Draft of revised AS-10 issued by the ICAI.</p> <p>Combined reading of Para 17 &amp; Para 9 of revised AS-10 supports the accounting treatment being followed by the Company as regards enabling assets.</p> <p>ii) Further to the above, the following are also submitted:</p> <p>a) Ind AS-16, Property, Plant &amp; Equipment, applicable from 01.04.2016, also prescribe the attributability as well as "Unit of Measure approach".</p> <p>b) Though MCA has clarified vide Circular No. 04/2016 dt. 27.04.2016 that applicability of the revised standards is for accounting periods commencing on or after the date of notification (30.03.2016), revised AS-10 contains transitional provisions which provides as under:</p> <p>"Para 88: Where an entity has in past recognized an expenditure in the statement of profit and loss which is eligible to be included as a part of the cost of a project for construction of property, plant and equipment in accordance with the requirements of paragraph 9, it may do so retrospectively for such a project. The effect of such retrospective application of this requirement should be recognized net-of-tax in revenue reserves."</p> <p>Since NHPC has already recognized expenditure on enabling assets in CWIP/Fixed Assets, the company would not be required to invoke the transitional provision quoted above.</p> <p>Keeping in view the above, it is submitted that no change is required in the accounting treatment of enabling assets being followed by the Company. Accordingly, accounting policy no. 2.3.4 and consequential accounting treatment of enabling assets has been kept unchanged for FY 2015-16. However, for the sake of better understanding, following disclosure has been added to the Notes to Accounts (Note No. 29) for FY 2015-16:</p> <p>"The Ministry of Corporate Affairs has notified revised AS-10, "Property, Plant &amp; Equipment" on 30.03.2016, to be applicable for accounting periods commencing on or after that date. Para 9 of revised AS-10 permits Unit of Measure Approach which allows capitalization of expenditure of capital nature incurred for creation of facilities, over which the company does not have control but the creation of which is essential principally for construction of the project.</p> <p>Further, the transitional provision in revised AS-10 allows retrospective capitalization of costs charged earlier to the statement of profit and loss but eligible to be included as a part of the cost of a project for construction of property, plant and equipment in accordance with the requirements of paragraph 9. The Unit of Measure Approach also exists in Para 9 of Ind AS-16, "Property, Plant &amp; Equipment." As such, significant accounting policy no. 2.3.4 and consequential accounting treatment of enabling assets as followed in FY 2014-15 has been continued. Accordingly, an amount of ₹ 176.21 crore (Previous year ₹ 173.61 crore) has been included in Fixed Assets as Tangible Assets/CWIP."</p>
<p><b>For and on behalf of the Comptroller &amp; Auditor General of India</b></p> <p style="text-align: right;">Sd/- (<b>Ritika Bhatia</b>) <b>Principal Director of Commercial Audit &amp; Ex-officio Member, Audit Board-III, New Delhi</b></p>	<p><b>For and on behalf of the Board of Directors NHPC Limited</b></p> <p style="text-align: right;">Sd/- (<b>Jayant Kumar</b>) <b>Director (Finance)</b> <b>DIN 03010235</b></p>
<p>Place: New Delhi Date: 27<sup>th</sup> July 2016</p>	





## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NHPC LIMITED FOR THE YEAR ENDED 31 MARCH 2016

Comment	Management's Reply
<p>The preparation of consolidated financial statements of NHPC Limited for the year ended 31st March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) read with Section 129(4) of the Act are responsible for expressing opinion on the financial statements under Section 143 read with Section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 28th May 2016.</p> <p>I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143 (6) (a) read with Section 129(4) of the Act of the consolidated financial statements of NHPC Limited for the year ended 31 March 2016. We conducted a supplementary audit of the financial statements of NHPC Limited, NHDC Limited, Loktak Downstream Hydroelectric Corporation Limited, Chenab Valley Power Projects (P) Limited and National High Power Test Laboratory Private Limited but did not conduct supplementary audit of the financial statements of Bundelkhand Saur Urja Limited for the year ended on that date. 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.</p> <p>Based on my supplementary audit, I would like to highlight the following significant matter under Section 143(6)(b) read with Section 129(4) of the Act which has come to my attention and which in my view is necessary for enabling a better understanding of the financial statements and the related audit report:</p> <p><b>Balance Sheet</b>  <b>Fixed Assets</b>  <b>Tangible Assets (Note-10.1) : ₹ 24398.89 crore</b>  <b>Capital Work-in-Progress (Note – 11.1) : ₹ 17009.20 crore</b></p> <p>A reference is invited to the comment of the Comptroller &amp; Auditor General of India on the consolidated financial statements of the Company for the year 2014-15 on accounting of expenditure amounting to ₹ 164.99 crore on the enabling assets not owned by the company.</p> <p>As per opinion of Expert Advisory Committee of the Institute of Chartered Accountants of India given in January 2011, expenditure incurred on enabling assets not owned by the Company should be charged off to revenue in the accounting period of incurrence of such expenditure.</p> <p>However, the Company has capitalized expenditure of ₹ 74.30 crore incurred on enabling assets retrospectively in the financial statements for the year 2015-16 as a part of cost of project as per revised AS-10 notified by Ministry of Corporate Affairs on 30 March 2016 which otherwise is applicable from the financial year 2016-17. In the current year, the company has provided for depreciation on these re-classified assets to the extent of ₹ 8.62 crore retrospectively upto March 2015 and ₹ 2.22 crore for the year 2015-16. In addition, the Company has also accounted for expenditure of ₹ 101.91 crore incurred on enabling assets under 'Capital-Work-in-Progress.'</p> <p>The above accounting treatment followed by the company in not in line with the existing applicable AS 10 and opinion of Expert Advisory Committee of the Institute of Chartered Accountants of India on enabling assets and has resulted in overstatement of 'Tangible Assets' (Net Block) by ₹ 63.47 crore and 'Capital Work in Progress' by ₹ 101.91 crore. Consequently, Profit for the year is also overstated by ₹ 165.38 crore.</p> <p style="text-align: right;"><b>For and on behalf of the</b>  <b>Comptroller &amp; Auditor General of India</b></p> <p style="text-align: right;">Sd/-  (Ritika Bhatia)  <b>Principal Director of Commercial Audit &amp; Ex-officio Member, Audit Board-III, New Delhi</b></p> <p>Place: New Delhi  Date: 27<sup>th</sup> July 2016</p>	<p>The opinion of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) referred in the comment was with reference to carrying of such expenditure as a separate class of asset. The Company reviewed and introduced new accounting policy in FY 2013-14 keeping in view the nature of its business &amp; provisions of Accounting Standard (AS)-10, "Accounting for Fixed Assets" after obtaining independent opinion of one of the renowned experts in accounting field. The issue with additional facts was submitted to EAC in FY 2014-15 for its opinion on revised accounting treatment. The request of the Company had been accepted by EAC after due diligence. It is added that ICAI had come up with an Exposure Draft of AS-10 (Revised), "Property, Plant &amp; Equipment", available in public domain, which also recognizes the principle adopted by the Company for finalization of revised accounting policy and consequential accounting treatment.</p> <p>Pending receipt of revised opinion of the EAC, the accounting treatment in line with above policy followed by the Company during FY 2014-15 has been continued in FY 2015-16 also, keeping in view the following:</p> <p>i) During 2015-16, Companies (Accounting Standard) Amendment Rules 2016 which includes revised AS 10- 'Property, Plant &amp; Equipment (PPE)' has been notified by the Ministry of Corporate Affairs on 30.03.2016. Para 17 of revised AS-10 provides that cost of an item of PPE includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Similar para (9.1) exists in earlier AS-10- 'Accounting for Fixed Assets' also.</p> <p>Further, Para-9 of revised AS-10 prescribes the "Unit of Measure Approach". The Unit of Measure approach has been further clarified vide para 6 of appendix A to the Exposure Draft of revised AS-10 issued by the ICAI.</p> <p>Combined reading of Para 17 &amp; Para 9 of revised AS-10 supports the accounting treatment being followed by the Company as regards enabling assets.</p> <p>ii) Further to the above, the following are also submitted:</p> <p>a) Ind AS-16, Property, Plant &amp; Equipment, applicable from 01.04.2016, also prescribe the attributability as well as "Unit of Measure approach".</p> <p>b) Though MCA has clarified vide Circular No. 04/2016 dt. 27.04.2016 that applicability of the revised standards is for accounting periods commencing on or after the date of notification (30.03.2016), revised AS-10 contains transitional provisions which provides as under:</p> <p>"Para 88: Where an entity has in past recognized an expenditure in the statement of profit and loss which is eligible to be included as a part of the cost of a project for construction of property, plant and equipment in accordance with the requirements of paragraph 9, it may do so retrospectively for such a project. The effect of such retrospective application of this requirement should be recognized net-of-tax in revenue reserves."</p> <p>Since NHPC has already recognized expenditure on enabling assets in CWIP/Fixed Assets, the company would not be required to invoke the transitional provision quoted above.</p> <p>Keeping in view the above, it is submitted that no change is required in the accounting treatment of enabling assets being followed by the Company. Accordingly, accounting policy no. 2.3.4 and consequential accounting treatment of enabling assets has been kept unchanged for FY 2015-16. However, for the sake of better understanding, following disclosure has been added to the Notes to Accounts (Note No. 29) for FY 2015-16:</p> <p>"The Ministry of Corporate Affairs has notified revised AS-10, "Property, Plant &amp; Equipment" on 30.03.2016, to be applicable for accounting periods commencing on or after that date. Para 9 of revised AS-10 permits Unit of Measure Approach which allows capitalization of expenditure of capital nature incurred for creation of facilities, over which the company does not have control but the creation of which is essential principally for construction of the project.</p> <p>Further, the transitional provision in revised AS-10 allows retrospective capitalization of costs charged earlier to the statement of profit and loss but eligible to be included as a part of the cost of a project for construction of property, plant and equipment in accordance with the requirements of paragraph 9. The Unit of Measure Approach also exists in Para 9 of Ind AS-16, "Property, Plant &amp; Equipment." As such, significant accounting policy no. 2.3.4 and consequential accounting treatment of enabling assets as followed in FY 2014-15 has been continued. Accordingly, an amount of ₹ 176.21 crore (Previous year ₹ 173.61 crore) has been included in Fixed Assets as Tangible Assets/CWIP."</p> <p style="text-align: right;"><b>For and on behalf of the Board of Directors</b>  <b>NHPC Limited</b></p> <p style="text-align: right;">Sd/-  (Jayant Kumar)  <b>Director (Finance)</b>  DIN 03010235</p>



## INDEPENDENT AUDITORS' REPORT

To the Members,  
NHPC Limited

Auditors' Comment	Management's Reply
<p><b>Report on the Consolidated Financial Statements</b></p> <p>We have audited the accompanying Consolidated Financial Statements of NHPC LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entities comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").</p> <p><b>Management's Responsibility for the Consolidated Financial Statements</b></p> <p>The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.</p> <p><b>Auditor's Responsibility</b></p> <p>Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.</p> <p>We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.</p> <p>An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Holding Company's preparation 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 the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.</p> <p>We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.</p> <p><b>Opinion</b></p> <p>In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group and jointly controlled entities as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.</p>	



# NHPC Limited

(A Government of India Enterprise)

Auditors' Comment	Management's Reply		
<p><b>Emphasis of Matters</b></p> <p>We draw attention to the following matters in the Notes to the consolidated financial statements:</p>			
<p>a) Para to Note No. 7 to the consolidated financial statements which describes about the stay from Hon'ble High Court of Delhi against the implementation of stoppage of Personal Pay Adjustment (fitment benefits) recovery from below Board level executives.</p>	(a) NHPC Officers Association has got stay from Hon'ble High Court of Delhi against the implementation of stoppage of Personal Pay Adjustment (PA). In view of the directions of the Hon'ble High Court, PA to the employees is continued to be paid along with salary.		
<p>b) Note no. 11.1 para 2 to the consolidated financial statements which describes about the expenditure incurred for conducting survey and investigation on projects either provided for on account of uncertainty about the outcome or being carried forward pending clearance with various authorities.</p>	(b) In the opinion of the management, the projects on which survey & investigation expenditure is incurred are still active and accordingly, the expenditure incurred is being carried forward. However, provision wherever considered necessary, has been made in the books.		
<p>c) Note No. 29 para 4 to the consolidated financial statements, which describes the uncertainty related to the outcome of the claims/ arbitration proceedings and lawsuit filed by/ against the Company on/ by contractors and others. In some of the cases the arbitration award has been decided against the company/ lost in lower courts and the company is pursuing the matter in higher courts. Management does not envisage any possible outflow in respect of decisions against the company other than those already provided for in the books of account.</p>	(c) This disclosure in the ibid para has been made in compliance of provisions of Accounting Standard-29 (Provisions, Contingent Liabilities and Contingent Assets).		
<p>d) Note No. 29 para 24 (a) to the consolidated financial statements about the various balances which are subject to reconciliation / confirmation and respective consequential adjustments.</p>	(d) Disclosure through note is a statement of fact		
<p>e) Note No. 29 para 31 to the consolidated financial statements about the Kotlibhel-IA project, the fate of which is pending adjudication before the Hon'ble Supreme Court of India.</p>	(e) Disclosure through note is a statement of fact		
<p>f) Accounting Policy no. 2.3.4 on Capital work in progress read with Note No. 29 para 18 to the Consolidated financial statements about the capital expenditure incurred for creation of facilities over which the company does not have control but the creation of which is essential principally for construction of the project is charged to "Expenditure Attributable to Construction (EAC)" as the same is in line with Revised AS-10 notified on 30.03.2016 as Para 88 of this Revised Accounting Standard which states about transitional provision that shall result into the same treatment. Our opinion is not modified in respect of these matters.</p>	(f) Disclosure through note is a statement of fact		
<p><b>Other Matters</b></p> <p>We did not audit the financial statements/financial information of the following subsidiaries and jointly controlled entities whose financial statements / financial information reflect the details given below of total assets as at 31st March 2016, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the consolidated financial statements:</p>			
(₹ in Crores)			
<b>Name of the Companies</b>	<b>Total Assets</b>	<b>Total Revenues</b>	<b>Net Cash Flows</b>
<b>Subsidiaries:</b>			
NHDC Limited	7685.39	1336.95	81.23
Loktak Downstream Hydroelectric Corporation Limited (LDHCLtd)	138.41	2.96	(7.81)
Bundelkhand Saur Urja Limited (BSUL)	12.38	-	10.31
<b>Joint Venture:</b>			
Chenab Valley Power Projects (P) Limited (CVPPPL)	520.45	3.96	(63.34)
National High Power Test Laboratory Private Limited (NHPTL)	270.73	-	(12.57)
<b>Total</b>	<b>8627.36</b>	<b>1343.87</b>	<b>7.82</b>

Auditors' Comment	Management's Reply
<p>These financial statements /financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosure included in respect of these subsidiaries and jointly controlled entities and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entities is based solely on the reports of the other auditors.</p> <p>Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.</p> <p><b>Report on Other Legal and Regulatory Requirements</b></p> <p>1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:</p> <ol style="list-style-type: none"> <li>a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.</li> <li>b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.</li> <li>c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.</li> <li>d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.</li> <li>e) In terms of Notification No. G.S.R. 463(E) dated 05th June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Act regarding disqualification of directors, are not applicable to the Group and jointly controlled entities.</li> <li>f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and</li> <li>g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us: <ol style="list-style-type: none"> <li>i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled entities– Refer Note 29, para 4 to the consolidated financial statements.</li> <li>ii) The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.</li> <li>iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and jointly controlled companies incorporated in India.</li> </ol> </li> </ol>	

**For S. N. Dhawan & Co.  
Chartered Accountants**

(FR No: 000050N)

(Suresh Seth )

Partner

M. No. 010577

**For Gupta Gupta & Associates  
Chartered Accountants**

(FR No: 001728N)

(R. K. Gupta )

Partner

M. No. 085074

**For Ray & Ray  
Chartered Accountants**

(FR No:301072E)

(Asish Kumar Mukhopadhyay)

Partner

M. No. 056359

Place: New Delhi

Date: 28<sup>th</sup> May, 2016



# NHPC Limited

(A Government of India Enterprise)

## **ANNEXURE A REFERRED TO IN PARAGRAPH 1(F) UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE:-**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting of NHPC Limited (hereinafter referred to as “the Holding Company”) and its subsidiary companies and its jointly controlled entities which are companies incorporated in India as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company, subsidiary companies and its jointly controlled entities, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or

improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Holding Company, subsidiary companies and its jointly controlled entities, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

## Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to three subsidiary companies and two jointly controlled entities, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

**For S. N. Dhawan & Co.  
Chartered Accountants**

(FR No: 000050N)

(Suresh Seth )

Partner

M. No. 010577

**For Gupta Gupta & Associates  
Chartered Accountants**

(FR No: 001728N)

(R. K. Gupta )

Partner

M. No. 085074

**For Ray & Ray  
Chartered Accountants**

(FR No:301072E)

(Asish Kumar Mukhopadhyay)

Partner

M. No. 056359

Place: New Delhi

Date: 28<sup>th</sup> May, 2016



## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2016

(₹ in crore)

PARTICULARS	Note No.	As at 31st March, 2016	As at 31st March, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	2	11,070.67	11,070.67
(b) Reserves and Surplus	3	20,297.37	19,686.80
<b>(2) MINORITY INTEREST</b>		3,451.23	3,325.71
<b>(3) NON-CURRENT LIABILITIES</b>			
(a) Long Term Borrowings	4	18,416.69	18,724.48
(b) Deferred Tax Liabilities (Net)	5	1,022.73	988.60
(c) Other Long Term Liabilities	6	1,367.58	1,459.33
(d) Long Term Provisions	7	417.48	900.14
<b>(4) CURRENT LIABILITIES</b>			
(a) Trade Payables	8		
Total outstanding dues of micro enterprises and small enterprises		3.31	0.53
Total outstanding dues of Creditors other than micro enterprises and small enterprises		128.54	164.33
(b) Other Current Liabilities	9	3,310.41	3,253.71
(c) Short Term Provisions	7	2,464.03	1,837.73
<b>TOTAL</b>		<b>61,950.04</b>	<b>61,412.03</b>
<b>II. ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
(a) Fixed Assets			
(i) Tangible Assets	10.1	24,398.89	24,429.19
(ii) Intangible Assets	10.2	3,415.01	3,486.91
(iii) Capital Work In Progress	11.1	17,009.20	16,377.54
(iv) Intangible Assets Under Development	11.2	0.01	-
(b) Non Current Investments	12	381.95	763.34
(c) Long Term Loans and Advances	13	1,211.85	1,187.79
(d) Other Non-Current Assets	14.1	1,026.59	1,131.75
<b>Sub-total</b>		<u>47,443.50</u>	<u>47,376.52</u>
(e) Other Non-Current Assets - Regulatory Assets	14.2	2180.33	1630.39
<b>(2) CURRENT ASSETS</b>			
(a) Current Investments	15	1.13	256.44
(b) Inventories	16	94.50	90.64
(c) Trade Receivables	17	2,388.64	2,905.18
(d) Cash & Bank Balances	18	7,443.89	6,941.02
(e) Short Term Loans and Advances	13	242.72	201.97
(f) Other Current Assets	19	2,155.33	2,009.87
<b>TOTAL</b>		<b>61,950.04</b>	<b>61,412.03</b>
<b>Significant Accounting Policies</b>	1		
<b>Expenditure Attributable to Construction (EAC) forming part of Capital Work in Progress for the year</b>	28		
<b>Other Explanatory Notes to Accounts</b>	29		
<b>Note 1 to 29 form integral part of the Accounts</b>			

For and on behalf of the Board of Directors

**VIJAY GUPTA**  
Company Secretary

**JAYANT KUMAR**  
Director (Finance)  
DIN 03010235

**K.M. SINGH**  
Chairman & Managing Director  
DIN 02223301

**For S. N. Dhawan & Co.**  
(Chartered Accountants)  
FR No. 000050N

**As per report of even date**  
**For Gupta Gupta & Associates**  
(Chartered Accountants)  
FR No. 001728N

**For Ray & Ray**  
(Chartered Accountants)  
FR No. 301072E

**(SURESH SETH)**  
Partner  
M. No. 010577

**(R. K. GUPTA)**  
Partner  
M. No. 085074

**(ASISH KUMAR MUKHOPADHYAY)**  
Partner  
M. No. 056359

Place : New Delhi  
Date: 28<sup>th</sup> May, 2016

**CONSOLIDATED STATEMENT OF PROFIT & LOSS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

(₹ in crore)

	Note No.	For the Year ended 31st March, 2016		For the Year ended 31st March, 2015	
<b>INCOME</b>					
i) Revenue from Operations	20	8628.35		8248.36	
Less: Electricity Duty		0.51	8,627.84	4.29	8,244.07
ii) Other Income	21		949.44		913.20
<b>TOTAL REVENUE</b>			<b>9,577.28</b>		<b>9,157.27</b>
<b>EXPENDITURE</b>					
i) Generation, Administration and Other Expenses	22		2,261.90		1,803.10
ii) Employee Benefits Expense	23		1,198.89		1,224.68
iii) Finance Cost	24		1,113.31		1,272.78
iv) Depreciation & Amortization Expenses	25		1,742.70		1,715.28
<b>TOTAL EXPENDITURE</b>			<b>6,316.80</b>		<b>6,015.84</b>
<b>Profit before Prior Period items, Exceptional items, Extraordinary items, Rate Regulated Activities and Tax</b>			3,260.48		3,141.43
Prior Period Items (net)	26		(37.72)		(54.97)
<b>Profit before Exceptional items, Extraordinary items, Rate Regulated Activities and Tax</b>			3,298.20		3,196.40
Exceptional Items			-		-
<b>Profit before extraordinary items, Rate Regulated Activities and Tax</b>			3,298.20		3,196.40
Extraordinary Items			-		-
<b>Profit before Rate Regulated Activities (RRA) and Tax</b>			3,298.20		3,196.40
Rate Regulatory Income / (Expenditure)			549.94		521.95
<b>PROFIT BEFORE TAX</b>			<b>3,848.14</b>		<b>3,718.35</b>
Tax Expenses	27				
i) Current Tax			917.40		791.58
ii) Adjustments relating to earlier years			(22.97)		74.51
iii) Deferred Tax			34.12		54.21
Total Tax Expenses			928.55		920.30
<b>Profit for the year from continuing operations</b>			2,919.59		2,798.05
Profit from discontinuing operations			-		-
Tax expense of discontinuing operations			-		-
<b>Profit from discontinuing operations after tax</b>			-		-
<b>PROFIT FOR THE YEAR (Before adjustment of Minority Interest)</b>			2,919.59		2,798.05
Share of Profit/Loss transferred to Minority Interest			231.33		306.69
<b>PROFIT FOR THE YEAR (After adjustment of Minority Interest)</b>			<b>2,688.26</b>		<b>2,491.36</b>
<b>Earning per share (Equity shares, face value of ₹ 10/- each)</b>					
Basic & Diluted			2.43		2.25
<b>Diluted</b>			2.43		2.25
<b>Significant Accounting Policies</b>	1				
<b>Expenditure Attributable to Construction (EAC)</b>	28				
<b>forming part of Capital Work in Progress for the year</b>					
<b>Other Explanatory Notes to Accounts</b>	29				
<b>Note 1 to 29 form integral part of the Accounts</b>					

For and on behalf of the Board of Directors

**VIJAY GUPTA**  
Company Secretary

**JAYANT KUMAR**  
Director (Finance)  
DIN 03010235

**K.M. SINGH**  
Chairman & Managing Director  
DIN 02223301

**For S. N. Dhawan & Co.**  
(Chartered Accountants)  
FR No. 000050N

**As per report of even date  
For Gupta Gupta & Associates**  
(Chartered Accountants)  
FR No. 001728N

**For Ray & Ray**  
(Chartered Accountants)  
FR No. 301072E

**(SURESH SETH)**  
Partner  
M. No. 010577

**(R. K. GUPTA)**  
Partner  
M. No. 085074

**(ASISH KUMAR MUKHOPADHYAY)**  
Partner  
M. No. 056359

Place : New Delhi  
Date: 28<sup>th</sup> May, 2016





## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

(₹ in crore)

PARTICULARS	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax and extraordinary items</b>	3,848.14	3,718.35
Less: Rate Regulated Income/ (Expenditure)	549.94	521.95
	<b>3,298.20</b>	<b>3,196.40</b>
<b>ADD :</b>		
Depreciation (including Prior Period & ERV impact)	1,742.62	1,720.79
Finance Cost (Net of EAC)	1,113.31	1,272.80
Provisions (Net loss)	390.92	125.11
Expenditure incurred to create Rate Regulatory Assets (net of finance and depreciation)	147.03	123.30
Tariff Adjustment (loss)	132.02	105.82
Loss on sale of assets/Claims written off	1.46	2.38
Exchange rate variation	1.14	(20.50)
	3528.50	3,329.70
	<b>6,826.70</b>	<b>6,526.10</b>
<b>LESS :</b>		
Advance against Depreciation written back	50.17	50.17
Provisions (Net gain)	42.21	75.96
Net Gain on sale of Investments	13.19	-
Profit on Sale of Assets \ Realization of Loss	0.43	1.11
Dividend Income	2.64	2.42
Interest Income	791.77	840.13
	900.41	969.79
Cash flow from operating activities before working capital adjustments	<b>5,926.29</b>	<b>5,556.31</b>
<b>Decrease (Increase) in Working Capital:</b>		
Inventories	(3.86)	(8.87)
Trade Receivables	787.61	(391.38)
Other Assets, Loans and Advances	(85.52)	330.92
Other Liabilities & Provisions	(317.80)	(617.10)
	380.43	(686.43)
<b>Cash flow from operating activities before taxes</b>	<b>6,306.72</b>	<b>4,869.88</b>
Less : Taxes	872.39	809.24
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>5,434.33</b>	<b>4,060.64</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets & expenditure on construction projects (including expenditure attributable to construction forming part of Capital Work in Progress for the year)	(2220.81)	(1726.01)
Creation of Rate Regulatory Assets	(147.03)	(123.30)
Realization from Investments / Bonds	651.02	239.77
Interest Income	783.58	840.13
Dividend Income	2.64	2.41
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<b>(930.60)</b>	<b>(767.00)</b>

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PARTICULARS	(₹ in crore)	
	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend and Dividend Tax Paid	(1895.18)	(848.35)
Issue of Share Capital	-	7.81
Funds from Govt of Madhya Pradesh	15.28	20.14
<b>Finance from Borrowings</b>		
Borrowings	1780.52	1481.05
Repayment of Borrowings	(2393.36)	(1500.66)
Interest & Finance Charges	(1506.99)	(1654.40)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>(3999.73)</b>	<b>(2494.41)</b>
<b>D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>504.00</b>	<b>799.23</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>6,941.02</b>	<b>6,142.78</b>
Less: Adjustment to Cash & Cash Equivalents at the beginning of the Year	1.13	(0.99)
<b>Adjusted Cash &amp; Cash Equivalent at the beginning of the Year</b>	<b>6,939.89</b>	<b>6,141.79</b>
<b>Cash &amp; Cash Equivalents at the close of the year</b>	<b>7,443.89</b>	<b>6,941.02</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. The details of Cash & Cash equivalents as per Note 18 of the Balance Sheet is as under:

	As at 31st March, 2016	As at 31st March, 2015
Cash and Cash equivalents	2,012.58	713.29
Other Bank Balances *	5,431.31	6,227.73
	<b>7,443.89</b>	<b>6,941.02</b>

\* Other Bank Balances includes ₹ 251.52 Crore (Corresponding Previous year ₹ 268.05 Crore), held for Rural Road and Rural Electrification works being executed by the Company on behalf of other agencies, undischarged liability towards Corporate Social Responsibility for ₹ 5.09 Crore (Corresponding Previous year ₹ 10.14 Crore), unpaid dividend ₹ 10.06 Crore (Corresponding Previous year ₹ 5.85 Crore).

- a) ₹ 9.90 Crore (Previous year ₹ 9.01 Crore) kept with banks as per orders of Hon'ble Court of Law.
- b) ₹ 2.80 Crore (Previous year ₹ 3.24 Crore) received as deposit from land oustees against land in respect of Omkareshwar Project.
- 2 Expenditure attributable to construction (EAC) includes ₹ 464.93 Crore (Corresponding Previous year ₹ 332.56 Crore) towards borrowing cost capitalised during the period and in respect of parent company Rate Regulated Assets created during the year includes ₹ 395.26 Crore (Corresponding Previous year ₹ 406.83 Crore) towards borrowing cost.
- 3 Amount of undrawn loan as on 31.03.2016 : ₹ 433.28 Crore (Previous Year ₹ 280.64 Crore) Subordinate Debt.
- 4 Bank guarantee against CLTD of ₹ 0.50 Crore (49.75% of total amount) for a period of 5 years has been issued by J&K Bank in favour of J&K Forest department for Implementation of Environmental Safeguards and Engineering and Biological measures for rejuvenation of muck disposal sites of Kiru HEP (unit of Chenab Valley Power Projects Private Limited - A Joint Venture Company) in district Kishtwar of J&K State.
- 5 Figures for the previous year have been re-grouped/re-arranged wherever necessary.

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

**VIJAY GUPTA**  
Company Secretary

**JAYANT KUMAR**  
Director (Finance)  
DIN 03010235

**K.M. SINGH**  
Chairman & Managing Director  
DIN 02223301

**For S. N. Dhawan & Co.**  
(Chartered Accountants)  
FR No. 000050N

**As per report of even date**  
**For Gupta Gupta & Associates**  
(Chartered Accountants)  
FR No. 001728N

**For Ray & Ray**  
(Chartered Accountants)  
FR No. 301072E

**(SURESH SETH)**  
Partner  
M. No. 010577

**(R. K. GUPTA)**  
Partner  
M. No. 085074

**(ASISH KUMAR MUKHOPADHYAY)**  
Partner  
M. No. 056359

Place : New Delhi  
Date: 28<sup>th</sup> May, 2016



## NOTE NO. 1 – SIGNIFICANT ACCOUNTING POLICIES- CONSOLIDATED

### 1.1 BASIS OF PREPARATION

The financial statements are prepared on accrual basis of accounting under the historical cost convention in accordance with Accounting Principles Generally Accepted in India (GAAP), provisions of the Companies Act 2013, Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies(Accounts) Rules, 2014 and the provisions of the Electricity Act, 2003, to the extent applicable.

### 1.2 USE OF ESTIMATES

The preparation of financial statements in conformity with the GAAP requires the management to make estimates and assumptions on a reasonable and prudent basis taking into account all available information that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates & assumptions. Any revision in the estimate is recognized in the period in which the same is determined.

## 2 FIXED ASSETS

### 2.1 TANGIBLE ASSETS

2.1.1 Fixed assets are stated at cost of acquisition/construction less accumulated depreciation/amortisation and impairment losses, if any. 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 adjustments, including those arising out of settlement of arbitration/court cases.

2.1.2 Assets over which Company has control, though created on land not belonging to the Company are included under fixed assets.

2.1.3 Expenditure incurred on renovation and modernization of tangible assets on completion of the originally estimated useful life of the power station resulting in increased life and/or efficiency of an existing asset, is added to the cost of the related asset. Tangible assets acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

2.1.4 Payments made/ liabilities created provisionally towards compensation (including interest on enhanced compensation awarded by the court till the date of court's award), rehabilitation and other expenses relating to land in possession are treated as cost of land.

### 2.2 INTANGIBLE ASSETS

2.2.1 Land taken for use from State Government (without transfer of title) and expenses on relief and rehabilitation as also on creation of alternate facilities for land evacuees or in lieu of existing facilities coming under submergence and where construction of such alternate facilities is a specific pre-condition for the acquisition of the land for the purpose of the project, are accounted for as Land-Right to use.

2.2.2 Software (not being an integral part of the related hardware) acquired for internal use, is stated at cost of acquisition less accumulated amortisation and impairment losses, if any and is recognised as intangible asset.

### 2.3 CAPITAL WORK IN PROGRESS

2.3.1 Capital work-in-progress is carried at cost. Administrative & general overhead and other expenditure attributable to construction of the project are accumulated under 'Expenditure Attributable to Construction (EAC)' and are subsequently allocated on systematic basis over major immovable assets, other than land and infrastructural facilities, on commissioning of the project.

2.3.2 Expenditure on maintenance, up-gradation etc. of common public facilities in projects under construction is charged to 'Expenditure Attributable to Construction (EAC)'.

2.3.3 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 charged to the Statement of Profit & Loss in the year in which it is decided to abandon such project.

In case of National High Power Test Laboratory Private Limited (NHPTL), Preliminary expenses on account of new projects incurred prior to approval of feasibility report/techno economic clearances are charged to revenue.

2.3.4 Capital expenditure incurred for creation of facilities, over which the company does not have control but the creation of which is essential principally for construction of the project, is charged to 'Expenditure Attributable to Construction (EAC)'. Subsequent to completion of the Project, expenditure on creation of facilities over which the Company does not have control is charged to "Statement of Profit & Loss."

### 3. MACHINERY SPARES

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

### 4. RATE REGULATED ACTIVITIES

Where an item of expenditure incurred during the period of construction of a project is recognised as expense in the Statement of Profit & Loss i.e. not allowed to be capitalized as part of cost of relevant fixed asset in accordance with the Accounting Standards, but is nevertheless permitted by Central Electricity Regulatory Commission(CERC), the regulator, to be recovered from the beneficiaries in future through tariff, the right to recover the same is recognized as a Regulatory Asset and corresponding Regulatory Income is recognised, as per the Guidance Note on Accounting for Rate Regulated Activities issued by the Institute of Chartered Accountants of India(ICAI), if it fulfills the conditions for such recognition laid down in the ibid Guidance Note.

### 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 on which the asset is available for use / disposal.
- In case of NHPTL, Depreciation on additions to/deductions from fixed assets during the year is charged on pro-rata basis from/up to the month in which asset is available for use/disposal.
- 5.2.1 Depreciation on tangible assets of Operating Units of the Company is charged to the Statement of Profit & Loss on straight-line method following the rates and methodology as notified by CERC for the fixation of tariff except for assets specified in policy no. 5.2.3 below.
- 5.2.2 i) Depreciation on tangible assets (except old & used) of other than Operating Units of the Company is charged on straight-line method to the extent of 90% of the cost of asset following the rates as notified by CERC for the fixation of tariff except for assets specified in policy no. 5.2.3 below.
- In case of NHPTL, which is not governed by CERC, depreciation on the assets is charged on straight line method following the useful life specified in Schedule II of the Companies Act, 2013



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- ii) Depreciation on old & used tangible assets of other than Operating Units is charged on straight-line method to the extent of 90% of the cost of asset over estimated useful life determined on the basis of technical assessment.

5.2.3 Depreciation in respect of following assets is charged on straight line method based on the life and residual value (5%) given in the Schedule II of the Companies Act, 2013:

- (i) Construction Plant & Machinery
- (ii) Computer & Peripherals

5.2.4 Temporary erections are depreciated fully (100%) in the year of acquisition / capitalization by retaining ₹ 1/- as WDV.

5.3 Assets valuing ₹ 5000/- or less but more than ₹ 750/- are fully depreciated during the year in which asset is made available for use 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 recognized as 'Intangible Assets' is amortized on straight line method over a period of legal right to use or three financial years, whichever is earlier, starting from the year in which it is acquired.

5.6 Land-Right to use is amortized over a period of 30 years from the date of commercial operation of the project in line with CERC Tariff Regulations notified for tariff fixation.

5.7.1 Leasehold Land, in case of operating units, is amortized over the period of lease or 35 years whichever is lower, following the rates and methodology notified by CERC, vide Tariff Regulation 2014.

5.7.2 Leasehold Land, in case of units other than operating units, is amortized over the period of lease or 35 years whichever is lower.

5.8 Tangible 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.

5.9 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, settlement of arbitration/court cases, change in duties or similar factors, the unamortized balance of such assets is depreciated prospectively over the residual life of such assets at the rate of depreciation and methodology notified by CERC regulations.

5.10 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

6.1 Long term Investments are carried at cost. Provision for diminution is made to recognise a decline, other than temporary, in the value of such investments.

6.2 Current Investments are valued at lower of cost and fair value determined on an individual investment basis.

## 7. INVENTORIES

7.1 Stores & Spares are valued at cost, determined on weighted average basis, or net realizable value whichever is lower.

7.2 Diminution in the value of obsolete, unservicable and surplus stores and spares, identified on a systematic basis, is provided in the accounts.

## 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 EAC 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 Employee benefits consist of provident fund, pension, gratuity, post retirement medical facilities, leave benefits (including compensated absences) and other terminal benefits.
- 9.2 Company's contribution paid/payable during the year to Employees Defined Contribution Superannuation Scheme (EDCSS) for providing pension benefits, Contribution on Retired Employees Health Scheme (REHS) and Provident Fund Scheme is accounted for and paid to respective funds which are administered through separate trusts.
- 9.3 The liabilities in respect of Gratuity, EDCSS and REHS are ascertained at the year end on the basis of actuarial valuation and paid to the respective Trusts.
- 9.4 The liability for leave benefits (including compensated absences), post retirement medical benefits, allowance on retirement/death and memento on superannuation to employees is ascertained at the year end on the basis of actuarial valuation.

## 10. REVENUE

- 10.1 (a) Sale of energy is accounted for as per tariff notified by Central Electricity Regulatory Commission. In case of Power Station where tariff is not notified, sale is recognized on provisional rates worked out by the Company based on the parameters and method adopted by the appropriate authority. Recovery/refund towards foreign currency variation in respect of foreign currency loans and recovery towards income tax are accounted for on year to year basis.
- (b) Incentives/Disincentives are recognised as per tariff notifications. In case of Power Station where tariffs have not been notified, incentives are recognized provisionally on assessment of the likelihood of acceptance of the same.
- (c) Adjustments arising out of finalisation of Regional Energy Account (REA), though not material, are effected in the year of respective finalisation.
- (d) Advance against depreciation considered as deferred income in earlier years is included in sales on straight line basis over the balance useful life after 31st March of the year closing after a period of 12 years from the date of commercial operation of the project, considering the total useful life of the project as 35 years.
- 10.2 Revenue on Project Management / Construction Contracts/ Consultancy assignments is recognized on percentage of completion method. The percentage of completion is determined as proportion of "cost incurred up to reporting date" to "estimated cost to complete the concerned Project Management / Construction Contracts and Consultancy assignment".
- 10.3 Interest on investments is accounted for on accrual basis. Dividend income is recognized when right to receive the same is established.
- 10.4 Interest/Surcharge recoverable from customers/Liquidated damages/interest on advances to contractors are recognised when no significant uncertainty as to measurability and collectability exists.

## 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.

In the case of NHPTL, Prepaid expenses and prior period expenses/income of items of ₹ 500,000/- and below are charged to natural heads of accounts.



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

In case of Chenab Valley Power Projects (P) Ltd. (CVPPPL), Loose tools issued during the year are charged to consumption account where cost of individual items is ₹ 5000/- or less and in other cases written off in 5 yearly equated installments.

## 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. Rate Regulated Assets are also tested for impairment at each Balance Sheet Date.

## 15. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the Balance Sheet date and are not discounted to present value.

Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each Balance Sheet date and are adjusted to reflect the current management estimate.

Contingent assets are not recognised in the Financial Statements.

## 16. CASH FLOW STATEMENT

Cash flow statement is prepared in accordance with the indirect method prescribed in the relevant Accounting Standard.

## 17. GRANT-IN AID

In case of NHDC Ltd., amount of contribution received from the Govt. of Madhya Pradesh towards "Irrigation and R&R Component" and Govt. of Gujarat towards "Sardar Sarovar Component" being not relatable to cost of individual assets are treated initially as 'Grants in Aid-Reserve' and subsequently adjusted in the same proportion as the depreciation written off during the year on the assets acquired out of such contribution.

## 18. LEASES

### Operating Lease

In case of NHPTL, assets acquired on lease where a significant portion of the risk and rewards of the ownership is retained by the lessor are classified as operating leases. Lease rentals are charged to revenue.



## NOTE NO. 2 SHARE CAPITAL

PARTICULARS	As at 31st March, 2016		As at 31st March, 2015	
	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>	11070668496	11,070.67	11070668496	11,070.67
c) Reconciliation of no. of equity shares & share capital outstanding:	<b>No. of Shares</b>	<b>Share Capital (₹ in Crores)</b>	<b>No. of Shares</b>	<b>Share Capital (₹ in Crores)</b>
Opening number of shares outstanding	11070668496	11070.67	11070668496	11070.67
Add: No. of shares/Share Capital issued/ subscribed during the year	-	-	-	-
Less: Reduction in no. of shares/Share Capital on account of buy back of shares.	-	-	-	-
Closing number of shares outstanding	<b>11070668496</b>	<b>11,070.67</b>	<b>11070668496</b>	<b>11,070.67</b>

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>	As at 31st March, 2016		As at 31st March, 2015	
	In No.	In (%)	In No.	In (%)
- President of India	9516209722	85.96	9516209722	85.96

f) In preceding five financial years immediately preceding 31.03.2016, 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).

## NOTE NO. 3 RESERVES AND SURPLUS

(₹ in Crore)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
(i) <b>Capital Redemption Reserve</b>	1,230.07	1,230.07
(ii) <b>Securities Premium Account</b>	2,868.74	2,868.74
(iii) <b>Grant In Aid - Reserve</b>		
As per last Balance Sheet	698.04	724.73
Add: Addition during the year	7.80	10.24
Less: Deduction during the year	37.22	36.93
<b>As at Balance Sheet date</b>	<b>668.62</b>	<b>698.04</b>
(iv) <b>Bond Redemption Reserve</b>		
As per last Balance Sheet	1247.89	884.75
Add: Transfer from Surplus	185.74	379.10
Less: Write back during the year	109.43	15.96
<b>As at Balance Sheet date</b>	<b>1,324.20</b>	<b>1,247.89</b>
(v) <b>Self Insurance Fund</b>		
As per last Balance Sheet	917.93	869.83
Add: Transfer from Surplus	-	55.77
Less: Transfer to General Reserve	917.93	7.67
<b>As at Balance Sheet date</b>	<b>-</b>	<b>917.93</b>



# NHPC Limited

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(₹ in Crore)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
<b>(vi) Corporate Social Responsibility Fund</b>		
As per last Balance Sheet	36.67	24.97
Add: Transfer from Surplus	-	16.30
Less: Write back during the year	19.41	4.60
<b>As at Balance Sheet date</b>	17.26	36.67
<b>(vii) Research &amp; Development Fund</b>		
As per last Balance Sheet	31.82	21.90
Add: Transfer from Surplus	13.71	9.92
<b>As at Balance Sheet date</b>	45.53	31.82
<b>(viii) General Reserve</b>		
As per last Balance Sheet	9306.50	1806.50
Add: Transfer from Self Insurance Fund	917.93	7,500.00
<b>As at Balance Sheet date</b>	10,224.43	9,306.50
<b>Surplus *</b>	3,918.52	3,349.14
<b>TOTAL #</b>	<b>20,297.37</b>	<b>19,686.80</b>
<b>* Surplus</b>		
Profit for the year as per Statement of Profit and Loss	2,688.26	2,491.36
Adjustment arising out of transition provisions for recognising Rate Regulatory Assets (Net of provision for Income Tax)	-	876.10
Balance brought forward	3,349.14	8,752.63
Adjustment in Opening Balance due to change in proportion of holding/ non consolidation of JV etc	7.81	(0.29)
Add:		
Amount written back from Bond Redemption Reserve	109.43	15.96
Amount written back from Corporate Social Responsibility Fund	19.41	4.60
Amount utilised from Self Insurance Fund	-	5.65
Tax on Dividend - Write back	24.08	10.05
<b>Balance available for Appropriation</b>	<b>6,198.13</b>	<b>12,156.06</b>
Transfer to Capital Reserve	-	-
Transfer to Bond Redemption Reserve	185.74	379.10
Transfer to Self Insurance Fund	-	55.77
Transfer to General Reserve	-	7,500.00
Transfer to Corporate Social Responsibility Fund	-	16.30
Transfer to Research & Development Fund	13.71	9.92
Dividend :		
- Interim	1,018.50	221.43
- Proposed	642.10	442.84
Tax on Dividend		
- Interim	207.34	44.27
- Proposed	212.22	137.29
<b>Balance carried forward</b>	<b>3,918.52</b>	<b>3,349.14</b>

# Includes ₹ 10.41 Crore (previous year ₹ (-) 1.79 Crore) share of jointly controlled entities.

## NOTE NO. 4 LONG TERM BORROWINGS

(₹ in Crore)

PARTICULARS	As at 31st March, 2016			As at 31st March, 2015		
	Total Borrowings	Less: - Current Maturities	Long Term Borrowings	Total Borrowings	Less: - Current Maturities	Long Term Borrowings
<b>Bonds</b>						
- Secured (Refer A below)	7848.66	437.69	7410.97	6,811.43	437.69	6373.74
- Unsecured						-
<b>Term Loans</b>						
• From Banks						
- Secured (Refer B below)	3698.79	409.78	3289.01	4,243.76	354.86	3888.90
- Unsecured (Refer C below)	1671.36	205.75	1465.61	1,656.48	181.57	1474.91
• From Other Parties						
- Secured (Refer D below)	3921.23	703.93	3217.30	5,092.06	838.93	4253.13
- Unsecured (Refer E below)	3033.80	0.00	3033.80	2,780.70	46.90	2733.80
<b>Total #</b>	<b>20173.84</b>	<b>1,757.15</b>	<b>18416.69</b>	<b>20,584.43</b>	<b>1,859.95</b>	<b>18724.48</b>

# Includes ₹ 31.42 Crore (previous year ₹ 25.82 Crore) share of jointly controlled entities.

Aggregate amount of loans guaranteed by Directors	-	-	-	-	-	-
Aggregate amount of loans guaranteed by Govt. of India (Refer sr no. 12 of Particulars of security)	1,671.36	205.75	1465.61	1,703.38	228.47	1,474.91
Amount of default in repayment of loans and interest as at 31.03.2016	-	-	-	-	-	-
Period of default in repayment of loans and interest as at 31.03.2016	-	-	-	-	-	-

(₹ in Crore)

Particulars of redemption & repayment (Disclosure given below for Total Borrowings)	As at 31st March, 2016	As at 31st March, 2015
<b>(A) BONDS (Non-convertible and Non-cumulative)-Secured</b>		
<b>i) TAX FREE BONDS- 3A SERIES *4&amp;8</b> (8.67% p.a. 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹1000/- each). (Date of redemption 02.11.2033)	336.07	336.07
<b>ii) TAX FREE BONDS- 3B SERIES *4&amp;8</b> (8.92% p.a. 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹1000/- each). (Date of redemption 02.11.2033)	253.62	253.62
<b>iii) TAX FREE BONDS- 2A SERIES *4&amp;8</b> (8.54% p.a. 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹1000/- each). (Date of redemption 02.11.2028)	213.12	213.12
<b>iv) TAX FREE BONDS- 2B SERIES *4&amp;8</b> (8.79% p.a. 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹1000/- each). (Date of redemption 02.11.2028)	85.61	85.61
<b>v) TAX FREE BONDS- 1A SERIES *4&amp;8</b> (8.18% p.a. 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹1000/- each). (Date of redemption 02.11.2023)	50.81	50.81



(₹ in Crore)

Particulars of redemption & repayment (Disclosure given below for Total Borrowings)	As at 31st March, 2016	As at 31st March, 2015
vi) <b>TAX FREE BONDS- 1B SERIES *4&amp;8</b> (8.43% p.a. 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹1000/- each). (Date of redemption 02.11.2023)	60.77	60.77
vii) <b>BONDS-T SERIES *1, 2 &amp; 10</b> (8.50% p.a. 15 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/12th of face value of Bond). (12 Yearly redemptions of ₹ 122.91 crore w.e.f. 14.07.2019 to 14.07.2030)	1,474.92	-
viii) <b>BONDS-R-3 SERIES *4</b> (8.78% p.a. 15 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 10,00,000/- each with 10 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/10th of face value of Bond) (10 Yearly redemptions of ₹ 89.20 Crore w.e.f. 11.02.2019 to 11.02.2028)	892.00	892.00
ix) <b>BONDS-S-2 SERIES *10</b> (8.54% p.a. 15 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/12th of face value of Bond). (12 Yearly redemptions of ₹ 55 crore w.e.f. 26.11.2018 to 26.11.2029)	660.00	660.00
x) <b>BONDS-Q SERIES *5&amp;11</b> (9.25% p.a. 15 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/12th of face value of Bond) (11 Yearly redemptions of ₹ 105.50 Crore w.e.f. 12.03.2017 to 12.03.2027)	1,160.50	1,266.00
xi) <b>BONDS-R-2 SERIES *4</b> (8.85% p.a. 14 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/12th of face value of Bond) (11 Yearly redemptions of ₹ 31.84 Crore w.e.f. 11.02.2017 to 11.02.2027)	350.24	382.08
xii) <b>BONDS-P SERIES *4, 6 &amp; 8</b> (9.00% p.a. 15Year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 10,00,000/- each redeemable in 10 equal yearly installments. (9 Yearly redemptions of ₹ 200 Crore w.e.f. 01.02.2017 to 01.02.2025)	1,800.00	2,000.00
xiii) <b>BONDS-S-1 SERIES *10</b> (8.49% p.a. 10 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹ 10,00,000/- each with 10 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/10th of face value of Bond) (9 Yearly redemptions of ₹ 36.50 crore w.e.f. 26.11.2016 to 26.11.2024)	328.50	365.00
xiv) <b>BONDS-R-1 SERIES *4</b> (8.70% p.a. 13 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/12th of face value of Bond) (10 Yearly redemptions of ₹ 6.85 Crore w.e.f. 11.02.2017 to 11.02.2026)	68.50	75.35
xv) <b>BONDS-O SERIES *2</b> (7.70% p.a. 15 year Secured Redeemable Non-Convertible Taxable 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) (2 Yearly redemptions of ₹ 57 Crore w.e.f. 31.03.2017 to 31.03.2018)	114.00	171.00
<b>TOTAL BONDS</b>	<b>7,848.66</b>	<b>6811.43</b>

(₹ in Crore)

Particulars of redemption & repayment (Disclosure given below for Total Borrowings)	As at 31st March, 2016	As at 31st March, 2015
<b>(B) TERM LOANS - Secured (Banks)</b>		
i) <b>STATE BANK OF PATIALA *1</b> (Repayable in 2 half yearly instalments of ₹ 2 Crore each upto 09.01.2017 at Fixed interest rate with 3 years reset clause presently at 9.40% p.a. as on 31.03.2016)	4.00	8.00
ii) <b>CANARA BANK *2</b> (Repayable in 1 instalment of ₹ 20 Crore on 09.11.2016 at floating rate of interest with upper cap of 6.86% p.a. presently at 6.86% p.a.as on 31.03.2016)	20.00	40.00
iii) <b>SYNDICATE BANK *2</b> (Repayable in 1 instalment of ₹ 18.30 Crore on 23.02.2017 at floating rate of interest with upper cap of 7.207% p.a. presently at 7.207% p.a. as on 31.03.2016)	18.30	36.60
iv) <b>ORIENTAL BANK OF COMMERCE *2</b> (Repayable in 1 instalment of ₹ 20 Crore on 31.03.2017 at Fixed interest rate with 3 years reset clause with upper cap of 7.207% p.a. presently at 7.207% p.a. as on 31.03.2016)	20.00	40.00
v) <b>ORIENTAL BANK OF COMMERCE *2</b> (Repayable in 5 equal yearly instalments of ₹ 10 Crore each upto 27.12.2020 at Fixed interest rate with 3 years reset clause with upper cap of 7.207% p.a. presently at 7.207% p.a. as on 31.03.2016)	50.00	60.00
vi) <b>UCO BANK *7</b> (Repayable in 17 half yearly instalments of ₹ 41.67 Crore each upto 30.06.2024 at floating interest rate of 9.70% p.a. as on 31.03.2016)	708.33	791.67
vii) <b>CORPORATION BANK *9</b> (Repayable in 43 equal quarterly instalments of ₹ 10.42 Crore each upto 06.10.2026 at floating interest rate of 9.65% p.a. as on 31.03.2016)	447.92	489.58
viii) <b>CANARA BANK *9</b> (Repayable in 42 equal quarterly instalments of ₹ 4.16 Crore upto 16.07.2026 plus last installment of ₹ 4.48 Crore on 16.10.2026 at floating interest rate of 9.65% p.a. as on 31.03.2016)	179.20	195.84
ix) <b>INDIAN OVERSEAS BANK *9</b> (Repayable in 43 equal quarterly instalments of ₹ 4.17 Crore each upto 16.10.2026 at floating interest rate of 9.70% p.a. as on 31.03.2016)	179.17	195.83
x) <b>PUNJAB &amp; SIND BANK *9</b> (Repayable in 43 equal quarterly instalments of ₹ 4.17 Crore each upto 17.10.2026 at floating interest rate of 9.75% p.a. as on 31.03.2016)	179.16	195.83
xi) <b>SYNDICATE BANK *9</b> (Repayable in 43 equal quarterly instalments of ₹ 6.25 Crore each upto 02.11.2026 at floating interest rate of 9.70% p.a. as on 31.03.2016)	268.75	293.75
xii) <b>UNION BANK OF INDIA *9</b> (Repayable in 43 equal quarterly instalments of ₹ 3.125 Crore each upto 03.11.2026 at floating interest rate of 9.65% p.a. as on 31.03.2016)	134.38	146.88
xiii) <b>STATE BANK OF INDIA *3&amp;5</b> (Repayable in 48 equal quarterly instalments of ₹ 20.83 Crore w.e.f. 27.06.2016 upto 27.03.2028 at floating interest rate of 9.30% p.a. as on 31.03.2016)	1,000.00	1,000.00
xiv) <b>STATE BANK OF HYDERABAD *1 &amp; 5</b> (Repayable in 47 equal quarterly instalments of ₹ 10.416 Crore w.e.f. 28.06.2016 upto 28.12.2027 at floating interest rate of 9.75% p.a. as on 31.03.2016)	489.58	500.00
xvi) <b>HDFC Bank Limited *15</b> (Repaid in current year)	-	149.02
xvii) <b>HDFC Bank Limited *15</b> (Repaid in current year)	-	100.76
<b>Total Term Loan - Banks (Secured)</b>	<b>3,698.79</b>	<b>4,243.76</b>



(₹ in Crore)

Particulars of redemption & repayment (Disclosure given below for Total Borrowings)	As at 31st March, 2016	As at 31st March, 2015
<b>(C) TERM LOANS - Un-secured (Banks)- Foreign Currency</b>		
<b>i) Japan International Cooperation Agency Tranche-I *12</b> (Repayable in 20 equal half yearly instalments of ₹ 7.23 Crore each upto 20.01.2026 at fixed interest rate of 2.3% as on 31.03.2016)	144.65	140.41
<b>ii) Japan International Cooperation Agency Tranche-II *12</b> (Repayable in 24 equal half yearly instalments of ₹ 23.73 Crore each upto 20.12.2027 at fixed interest rate of 2.3% as on 31.03.2016)	569.44	544.38
<b>iii) Japan International Cooperation Agency Tranche-III *12</b> (Repayable in 36 equal half yearly instalments of ₹ 17.53 Crore each upto 20.03.2034 at fixed interest rate of 1.3% as on 31.03.2016)	630.92	587.70
<b>iv) Deutsche Bank &amp; Others *12</b> (Repayable in 6 equal half yearly instalments of ₹ 54.39 Crore each upto 18.10.2018 at floating interest rate 6 Month JPY LIBOR + 0.57% Margin)	326.35	383.99
<b>Total Term Loan - Banks (Unsecured)</b>	<b>1,671.36</b>	<b>1,656.48</b>
<b>(D) Term Loan-From other parties (Secured)</b>		
<b>i) LIFE INSURANCE CORPORATION OF INDIA *4 &amp; 6</b> (Repayable in 10 half yearly instalments of ₹ 104.17 Crore each upto 15.10.2020 at Fixed interest rate of 9.25% p.a. on ₹ 41.67 Crore and 8% p.a. on ₹ 1000 Crore as on 31.03.2016)	1,041.67	1,250.00
<b>ii) LIFE INSURANCE CORPORATION OF INDIA *5 &amp; 11</b> (Repayable in 16 equal half yearly instalments of ₹ 79 Crore each upto 31.10.2023 at Fixed Interest rate with a floor rate of 6.5% p.a. presently at wt. average rate of 9.118% p.a. as on 31.03.2016)	1,264.00	1,422.00
<b>iii) POWER FINANCE CORPORATION LIMITED *7</b> (Repayable in 22 equal quarterly instalments of ₹ 18.75 Crore upto 15.07.2021 at Fixed interest rate with 3 years reset clause presently at 10.17% p.a. as on 31.03.2016)	412.50	487.50
<b>iv) POWER FINANCE CORPORATION LIMITED *7</b> (Repayable in 10 equal quarterly instalments of ₹ 4.65 Crore each upto 15.07.2018 at Fixed interest rate with 3 years reset clause presently at 10.17% p.a. as on 31.03.2016)	46.50	65.10
<b>v) POWER FINANCE CORPORATION LIMITED *7</b> (Repayable in 22 equal quarterly instalments of ₹ 1.75 Crore each upto 15.07.2021 at Fixed interest rate with 3 years reset clause presently at 10.17% p.a. as on 31.03.2016)	38.50	45.50
<b>vi) POWER FINANCE CORPORATION LIMITED *2&amp;3</b> (Repayable in 21 equal quarterly instalments of ₹ 36.425 Crore each upto 15.04.2021 at Fixed interest rate with 3 years reset clause presently at 10.54% p.a. as on 31.03.2016)	764.92	910.62
<b>vii) POWER FINANCE CORPORATION LIMITED *1</b> (Repayable in 13 equal quarterly instalments of ₹ 10.325 Crore each upto 15.04.2019 at Fixed interest rate with 3 years reset clause presently at 10.54% p.a. as on 31.03.2016)	134.22	175.52
<b>viii) POWER FINANCE CORPORATION LIMITED *1</b> (Repayable in 15 equal quarterly instalments of ₹ 12.50 Crore each upto 15.10.2019 at Fixed interest rate with 3 years reset clause presently at 10.54% p.a. as on 31.03.2016)	187.50	237.50
<b>ix) POWER FINANCE CORPORATION LIMITED</b> (Repaid during current financial year)	-	472.50
<b>x) POWER FINANCE CORPORATION LIMITED *1</b> (Repayable in 40 equal quarterly instalments. The payment will start after 2 years from the commissioning of the project, however repayment of interest is due after commissioning.)	31.42	25.82
<b>Total Term Loan - Other Parties (Secured)</b>	<b>3,921.23</b>	<b>5,092.06</b>

(₹ in Crore)

Particulars of redemption & repayment (Disclosure given below for Total Borrowings)	As at 31st March, 2016	As at 31st March, 2015
<b>(E) Term Loan-From other parties (Unsecured)</b>		
<b>Foreign Currency</b>		
<b>i) Export Development Canada *12</b> (Repayable in Nil equal half yearly instalments of ₹ 23.45 Crore each upto 15.03.2016 at fixed interest rate of 6.01% as on 15.03.2016)	-	46.90
<b>Loans from Govt. of India</b>		
<b>ii) Subordinate Debt from Govt. of India for Nimmo-Bazgo Power Station</b> (Repayable in 18 equal annual instalments of ₹ 15 Crore from the 12th year after commissioning of the project i.e. from 10.10.2025 at fixed interest rate of 4% p.a.)	270.00	270.00
<b>iii) Subordinate Debt from Govt. of India for Chutak Power Station</b> (Repayable in 24 equal annual instalments of ₹ 15.97 Crore from the 6th year after commissioning of the project i.e. from 01.02.2019 at fixed interest rate of 2.50% p.a.)	383.36	364.00
<b>iv) Subordinate Debt from Govt. of India for Kishenganga HE Project</b> (Repayable in 10 equal annual instalments from the 11th year after commissioning of the project at fixed interest rate of 1% p.a. Interest accrues and is payable annually after commissioning of the project.)	2,380.44	2,099.80
<b>Total Term Loan - Other Parties (Unsecured)</b>	<b>3,033.80</b>	<b>2,780.70</b>
<b>Grand Total (A+B+C+D+E)</b>	<b>20,173.84</b>	<b>20,584.43</b>

**\* Particulars of security**

1. Secured by pari-passu charge by way of Equitable mortgage/hypothecation against Immovable/Moveable assets (except for Book Debts and Stores) of Company's Chamera Power Station-I situated in the state of Himachal Pradesh.
2. Secured by pari-passu charge by way of Equitable mortgage/hypothecation against Immovable/Moveable assets (except for Book Debts and Stores) of Company's Uri - I Power Station situated in the state of Jammu & Kashmir.
3. Secured by pari-passu charge by way of Equitable mortgage/ hypothecation against Immovable / Moveable assets (except for Book Debts and Stores) of Company's Chamera-II Power Station situated in the state of Himachal Pradesh.
4. Secured by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati-II HE Project situated in the state of Himachal Pradesh.
5. Secured by pari-passu charge by way of equitable mortgage/hypothecation against immovable/movable assets (except for Book Debts and Stores) of Company's Teesta Low Dam-III Power Station situated in the state of West Bengal.
6. Secured by pari-passu charge by way of equitable mortgage and charge over all the immoveable and moveable assets (except for Book Debts and Stores) of the Company's Dhauliganga Power Station situated in the state of Uttrakhand.
7. Secured by way of first charge on pari-passu basis by way of hypothecation on whole of the Company's movable assets(except for Book Debts and Stores), both present and future, of Dulhasti Power Station situated in the state of Jammu & Kashmir.
8. Secured by a first charge on pari-passu basis by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Chamera-III HE Power Station - situated in the state of Himachal Pradesh.
9. Secured by way of first charge on pari-passu basis by way of hypothecation on whole of the Company's movable assets (except for Book Debts and Stores), both present and future, of Salal Power Station situated in the state of Jammu & Kashmir, Sewa-II Power Station situated in the state of Jammu & Kashmir, Chutak Power Station situated in the state of Jammu & Kashmir, Nimmo-Bazgo Power Station situated in the state of Jammu & Kashmir, Uri-II Power Station situated in the state of Jammu & Kashmir & TLDP-IV HE Project situated in the state of West Bengal.
10. Secured by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati -III Power Station situated in the state of Himachal Pradesh.
11. Secured by pari-passu charge by way of equitable mortgage/hypothecation against immovable/movable assets (except for Book Debts and Stores) of Company's Teesta-V Power Station situated in the state of Sikkim.
12. Loans mentioned at sl. nos. C(i),C(ii),C(iii),C(iv) and E(i) above are guaranteed by Government of India.





## NOTE NO. 5 DEFERRED TAX LIABILITIES / ASSETS (NET)

(₹ in Crore)

PARTICULARS	As at 31st March, 2016		As at 31st March, 2015	
<b>Deferred Tax Liability</b>				
i) Depreciation		4,052.53		4005.24
<b>Less: Deferred Tax Assets</b>				
i) Provision for doubtful debts, Inventory and others	319.58		178.71	
ii) Provision for employee benefit schemes	78.00	397.58	143.68	322.39
<b>Deferred Tax Liability</b>		3,654.95		3,682.85
Less: Recoverable	2,479.98		2,618.75	
Less: Deferred Tax Adjustment against Deferred Tax Liabilities	152.24	2,632.22	75.50	2,694.25
<b>Deferred Tax Liability (Net)</b>		<b>1,022.73</b>		<b>988.60</b>

### Explanatory Note: -

In compliance to the Accounting Standard 22 on "Accounting for Taxes on Income" notified under The Companies Act 2013 ₹ (-) 27.90 Crore (Previous Year ₹ 15.04 Crore) has been created as deferred tax liability during the year ended on 31.03.2016.

## NOTE NO. 6 OTHERS LONG TERM LIABILITIES

(₹ in Crore)

PARTICULARS	As at 31st March, 2016			As at 31st March, 2015		
	Total Liability	Less: - Current Liability	Long Term Libaility	Total Liability	Less: - Current Liability	Long Term Libaility
Deposits/ retention money	158.45	94.63	63.82	206.09	100.76	105.33
Income received in advance (Advance against depreciation)	1279.58	60.68	1218.90	1,329.75	50.17	1,279.58
Deferred Income from Foreign Currency Fluctuation Account	84.86	-	84.86	74.42	-	74.42
<b>Total #</b>	<b>1,522.89</b>	<b>155.31</b>	<b>1,367.58</b>	<b>1,610.26</b>	<b>150.93</b>	<b>1,459.33</b>

# Includes ₹ 0.41 Crore (previous year ₹ 0.34 Crore) share of jointly controlled entities.

## NOTE NO. 7 PROVISIONS

(₹ in Crore)

PARTICULARS	As at 31st March, 2016			As at 31st March, 2015		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>a) Provision for Employee Benefits</b>						
As per last Balance Sheet	870.98	71.15	942.13	795.85	71.84	867.69
Additions during the year	14.32	78.07	92.39	85.03	74.29	159.32
Amount used during the year	496.79	92.23	589.02	9.86	71.73	81.59
Amount reversed during the year	-	-	-	0.04	3.25	3.29
Closing Balance	<b>388.51</b>	<b>56.99</b>	<b>445.50</b>	<b>870.98</b>	<b>71.15</b>	<b>942.13</b>
<b>b) Provision for Wage Revision</b>						
As per last Balance Sheet		35.39	35.39		31.58	31.58
Additions during the year		5.07	5.07		6.68	6.68
Amount used during the year		31.22	31.22		2.74	2.74
Amount reversed during the year		0.21	0.21		0.13	0.13
Closing Balance		<b>9.03</b>	<b>9.03</b>		<b>35.39</b>	<b>35.39</b>
Less: Advance paid		8.90	8.90		35.39	35.39
Closing Balance (Net of advance)		<b>0.13</b>	<b>0.13</b>		-	-

(₹ in Crore)

PARTICULARS	As at 31st March, 2016			As at 31st March, 2015		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>c) Provision for Performance Related Pay/ Incentive</b>						
As per last Balance Sheet		104.28	104.28	70.84		70.84
Additions during the year		106.51	106.51	101.71		101.71
Amount used during the year		94.13	94.13	54.74		54.74
Amount reversed during the year		7.54	7.54	13.53		13.53
Closing Balance		<b>109.12</b>	<b>109.12</b>	<b>104.28</b>		<b>104.28</b>
<b>d) Provision for Superannuation /Pension Fund</b>						
As per last Balance Sheet		33.98	33.98	40.30		40.30
Additions during the year		42.40	42.40	33.98		33.98
Amount used during the year		33.98	33.98	40.30		40.30
Amount reversed during the year		-	-	-		-
Closing Balance		<b>42.40</b>	<b>42.40</b>	<b>33.98</b>		<b>33.98</b>
<b>e) Others</b>						
<b>i) Provision for Taxation</b>						
As per last Balance Sheet		583.42	583.42	-		-
Additions during the year		744.97	744.97	583.42		583.42
Amount used during the year		583.42	583.42	-		-
		<b>744.97</b>	<b>744.97</b>	<b>583.42</b>		<b>583.42</b>
Less: Advance Paid		638.31	638.31	522.32		522.32
Closing Balance (Net of Advance)		<b>106.66</b>	<b>106.66</b>	<b>61.10</b>		<b>61.10</b>
<b>ii) Provision for Proposed Dividend</b>						
As per last Balance Sheet		442.83	442.83	332.12		332.12
Additions during the year		642.10	642.10	442.84		442.84
Amount used during the year		442.83	442.83	332.13		332.13
Closing Balance		<b>642.10</b>	<b>642.10</b>	<b>442.83</b>		<b>442.83</b>
<b>iii) Tax on Proposed Dividend</b>						
As per last Balance Sheet		137.29	137.29	76.12		76.12
Additions during the year		212.22	212.22	137.29		137.29
Amount used during the year		113.21	113.21	66.07		66.07
Amount reversed during the year		24.08	24.08	10.05		10.05
Closing Balance		<b>212.22</b>	<b>212.22</b>	<b>137.29</b>		<b>137.29</b>
<b>iv) Provision - Others</b>						
As per last Balance Sheet		706.38	706.38	814.35		814.35
Additions during the year		245.01	245.01	205.61		205.61
Amount used during the year		130.50	130.50	189.07		189.07
Amount reversed during the year		33.14	33.14	124.51		124.51
Closing Balance		<b>787.75</b>	<b>787.75</b>	<b>706.38</b>		<b>706.38</b>
<b>v) Provision For Tariff Adjustment</b>						
As per last Balance Sheet		155.63	155.63	50.24		50.24
Additions during the year		132.01	132.01	143.02		143.02
Amount used during the year		2.12	2.12	37.63		37.63
Closing Balance		<b>285.52</b>	<b>285.52</b>	<b>155.63</b>		<b>155.63</b>



# NHPC Limited

(A Government of India Enterprise)

(₹ in Crore)

PARTICULARS	As at 31st March, 2016			As at 31st March, 2015		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>vi) Provision for Restoration expenses of Insured Assets</b>						
As per last Balance Sheet		24.82	24.82	4.51	4.51	
Additions during the year		66.37	66.37	34.53	34.53	
Amount used during the year		28.10	28.10	13.45	13.45	
Amount reversed during the year		13.74	13.74	0.77	0.77	
Closing Balance		<u>49.35</u>	<u>49.35</u>	<u>24.82</u>	<u>24.82</u>	
<b>vii) Provision For Committed Capital Expenditure</b>						
As per last Balance Sheet	29.16	161.37	190.53	29.25	170.75	200.00
Additions during the year	4.14	22.61	26.75	2.11	26.82	28.93
Amount used during the year	4.33	12.19	16.52	2.20	35.89	38.09
Amount reversed during the year	-	-	-	-	0.31	0.31
Closing Balance	<u>28.97</u>	<u>171.79</u>	<u>200.76</u>	<u>29.16</u>	<u>161.37</u>	<u>190.53</u>
<b>Total #</b>	<u>417.48</u>	<u>2,464.03</u>	<u>2,881.51</u>	<u>900.14</u>	<u>1,837.73</u>	<u>2,737.87</u>

## Explanatory Note: -

The Board has resolved to implement the directions of the Ministry of Power (MoP) vide its letter no. 11/17/2009-NHPC/Vol. III dated 27th December 2013 conveying the approval of Competent Authority about pay scales in respect of below Board level Executives that the pay scales shall be fixed w.e.f. 01.01.2007 after correcting the aberrations in pay scales fixed w.e.f. 01.01.1997 and the deviant pay scales fixed w.e.f. 01.01.1997 shall not be regularized. The MoP has confirmed vide letter no. 11/17/2009-NHPC-Vol. III dated 25th Feb., 2016 that the recovery of personal adjustment w.e.f. 01.02.2014 is in conformity with the said directive of the Competent Authority. Accordingly, personal pay advance of ₹ 31.22 Crore has been set-off against the balance of provision for wage revision. However, NHPC Officers Association has got a stay from Hon'ble High Court of Delhi against the implementation of stoppage of Personal Pay Adjustment (fitment benefits). In view of the directions of the Hon'ble High Court, Personal Pay Adjustments to the employees is continued to be paid along with the Salary.

Thus, the cumulative amount provided towards the Personal Pay Adjustment w.e.f 01.02.2014 to 31.03.2016 under the head "Provision for Wage Revision" is ₹ 8.90 crore (including provision for the current period ₹ 5.07 Crore) with corresponding amount paid ₹ 8.90 crore shown as "Advance paid".

# Includes ₹ **0.48 Crore** (previous year ₹ 0.23 Crore) in Long Term Provisions and ₹ 1.35 Crore (previous year ₹ 3.85 Crore) in Short Term Provisions share of jointly controlled entities.

## NOTE NO. 8 TRADE PAYABLE

(₹ in Crore)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
Total outstanding dues of micro enterprises and small enterprises	3.31	0.53
Total outstanding dues of Creditors other than micro enterprises and small enterprises	128.54	164.33
<b>Total #</b>	<u>131.85</u>	<u>164.86</u>

## Explanatory Note: -

Disclosure requirement under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 is given in para no. 23 of Note No. 29 - Other Explanatory Notes to Accounts.

# Includes ₹ **NIL Crore** (previous year ₹ 0.87 Crore) share of jointly controlled entities.

## NOTE NO. 9 OTHER CURRENT LIABILITIES

(₹ in Crore)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
Current Maturities of Long Term Debt (Refer Note no. 4) *	1,757.15	1,859.95
Interest accrued but not due on Borrowings	377.23	313.41
Income received in advance (Advance against depreciation) (refer Note No. 6)	60.68	50.17
Unpaid Dividend	10.06	5.85
Unpaid Interest	0.06	0.03
Liability against Capital Works/Supplies	379.57	345.95
Deposits/ Retention Money (refer Note No. 6)	94.63	100.76
Unspent amount of Deposit/Agency basis works	-	0.04
Statutory Dues Payables	342.00	270.64
Other Liabilities	89.98	134.82
Advances against Deposit Works	232.92	232.92
Less: Amount Spent on Deposit Works	232.92	229.47
Advances against cost of Project Mgt./ Consultancy Works	4,477.08	4,456.42
Less: Amount Spent in respect of Project Mgt./ Consultancy Works	4,290.31	4,290.06
Less: Provision Toward Amt Recoverable in respect of Project Mgt / Consultancy Works	(12.28)	(2.28)
<b>Total #</b>	<b>3,310.41</b>	<b>3,253.71</b>

### Explanatory Note: -

\* Details in respect of redemption, rate of interest, terms of repayment and particulars of security are disclosed in Note no. 4.

# Includes ₹ 9.95 Crore (previous year ₹ 5.37 Crore) share of jointly controlled entities.

## NOTE NO. 10.1: TANGIBLE ASSETS

(₹ in crore)

CLASS OF ASSETS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at 01.04.2015	Addition	Deduction	Adjustments	As at 31.03.2016	For the Year	Adjustment	As at 31.03.2016	As at 31.03.2015
Land – Freehold	273.46	35.50	0.72	(7.97)	300.27	-	-	-	273.46
Land – Leasehold	376.56	0.79	0.01	(3.00)	374.34	11.91	(0.15)	56.35	331.97
Roads and Bridges	317.50	12.38	-	4.90	334.78	11.79	(3.37)	109.59	216.33
Buildings	3,420.48	203.15	0.58	(8.02)	3,615.03	119.91	(3.74)	1,073.24	2,463.41
Railway sidings	38.97	-	3.45	-	35.52	2.45	(1.96)	22.00	17.46
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	20,057.62	977.49	2.83	14.99	21,047.27	954.80	0.46	7,496.29	13,516.59
Generating Plant and machinery	10,941.20	375.41	28.61	4.16	11,292.16	524.66	(9.15)	4,194.85	7,261.86
Plant and machinery - Sub station	119.02	1.69	0.52	0.02	120.21	4.59	(0.17)	65.99	57.45
Plant and machinery - Transmission lines	75.54	0.87	0.04	(0.22)	76.15	4.26	(0.22)	33.16	46.42
Plant and machinery - Others	52.13	1.86	0.18	(0.11)	53.70	3.09	(0.18)	22.07	32.97
Construction Equipment	114.22	8.03	3.49	0.12	118.88	5.83	(2.60)	77.40	40.05
Water Supply System/Drainage and Sewerage	47.08	3.50	0.06	(0.17)	50.35	2.44	(0.26)	12.86	36.40
Electrical installations	4.97	0.05	0.06	(0.06)	4.90	0.26	0.02	1.84	3.41
Vehicles	30.70	3.81	1.95	(0.20)	32.36	1.69	(1.82)	17.60	12.97
Aircraft/ Boats	0.93	0.08	-	-	1.01	0.06	-	0.35	0.64
Furniture and fixture	58.66	4.22	0.99	(0.49)	61.40	3.01	(0.83)	32.20	28.64
Computers	66.66	8.54	3.89	(0.65)	70.66	6.41	(4.17)	53.10	15.80
Communication Equipment	16.51	2.38	0.67	(0.16)	18.06	0.98	(0.35)	8.38	8.76
Office Equipments	49.93	5.06	1.21	(0.76)	53.02	3.08	(1.16)	25.71	26.14
Research and Development Equipment	2.54	-	-	-	2.54	0.16	-	0.94	1.76
Other assets	64.05	9.18	2.17	(0.47)	70.59	4.06	(1.01)	30.41	36.69
Tangible Assets of minor value > 750 and < ₹5000	18.20	1.26	0.46	(0.39)	18.61	1.20	(0.80)	18.59	0.01
<b>Total #</b>	<b>36,146.93</b>	<b>1,655.25</b>	<b>51.89</b>	<b>1.52</b>	<b>37,751.81</b>	<b>1,666.64</b>	<b>(31.46)</b>	<b>13,352.92</b>	<b>24,429.19</b>
Previous Year	36,122.31	389.94	108.44	(256.88)	36,146.93	1,644.01	(15.58)	11,717.74	26,033.00

# Includes ₹ 10.36 Crore (previous year ₹ 6.18 Crore) in net block as share of jointly controlled entities.

**NOTE NO. 10.2: INTANGIBLE ASSETS**

(₹ in crore)

CLASS OF ASSETS	GROSS BLOCK			AMORTISATION			NET BLOCK	
	As at 01.04.2015	Addition	Deduction	As at 31.03.2016	For the Year	Adjustment	As at 31.03.2016	As at 31.03.2015
Land – Right of Use	4,387.39	62.93	-	4,447.06	134.15	(0.37)	1,036.22	3,410.84
Intangible Assets - Computer Software	41.80	5.10	0.28	46.59	2.89	(0.31)	42.42	4.17
<b>Total #</b>	<b>4,429.19</b>	<b>68.03</b>	<b>0.28</b>	<b>4,493.65</b>	<b>137.04</b>	<b>(0.68)</b>	<b>1,078.64</b>	<b>3,415.01</b>
Previous Year	4,362.05	68.66	0.34	4,429.19	134.41	(0.36)	942.28	3,486.91

**Explanatory Note: -**

- 1) Title deeds/title in respect of freehold land amounting to ₹ 13.37 Crore (Previous year ₹ 1.19 Crore) covering an area of 155.69 hectare (Previous year 103.04 hectare) and lease deeds in respect of leasehold land amounting to ₹ 297.34 Crore (Previous year ₹ 296.60 Crore) covering an area of 766.20 hectare (Previous year 851.78 hectare) are yet to be executed/passed.
- 2) Land - Leasehold includes 7.83 hectare taken from Sashatra Seema Bal (SSB) for Subansiri Upper Project on lease for a period of 99 years at notional value of ₹ 1/-.
- 3) Underground works amounting to ₹ 6293.18 Crore (Previous Year ₹ 6240.79 Crore), created on Land - Right to use, are included under the relevant heads of Tangible Assets.
- 4) Adjustments to Gross Block include adjustment for Foreign Exchange Rate Variation, adjustment in gross block at the time of capitalisation of a project for depreciation charged during construction of project, inter-head reclassification of assets & misclassification correction.
- 5) Pending approval of revised cost estimates (RCE) of Sewa II, Chamera III, Chamera III, Teesta Low Dam II, Uri II & Parbati III Power Stations, capital expenditure actually incurred on these power stations has been considered for capitalisation.
- 6) Foreign Exchange Rate Variation included in Adjustments to assets are as follows: -

Class of Assets	For the year ended 31.03.2016 (₹ in crore)	For the year ended 31.03.2015 (₹ in crore)
Roads and Bridges	0.15	(1.57)
Buildings	1.77	(16.21)
Hydraulic Works	16.72	(155.13)
Generating Plant and machinery	3.77	(42.91)
Plant and machinery Sub station	0.02	(0.25)
Plant and machinery Transmission lines	-	(0.05)
Plant and machinery Others	-	(0.03)
Water Supply System/Drainage and Sewerage	0.01	(0.05)
<b>Total</b>	<b>22.44</b>	<b>(216.20)</b>



## NOTE NO. 11.1 CAPITAL WORK IN PROGRESS

(₹ in crore)

PARTICULARS	As at	Addition	Adjustment	Capitalised	As at
	01.04.2015				31.03.2016
Roads and Bridges	89.44	16.23	(4.81)	10.42	90.44
Buildings	1,041.51	126.85	30.11	132.89	1,065.58
Hydraulic Works (Dams, Water Conductor system, Hydro mechanical gates, tunnels)	5,915.70	686.96	(14.33)	565.35	6,022.98
Generating Plant and Machinery	2,960.13	682.37	(8.49)	204.80	3,429.21
Plant and Machinery - Sub station	14.10	6.31	(7.68)	0.17	12.56
Plant and Machinery - Transmission lines	0.38	2.29	(0.08)	0.45	2.14
Plant and Machinery - Others	0.48	1.59	(0.26)	1.07	0.74
Construction Equipment	-	1.97	-	1.97	-
Water Supply System/Drainage and Sewerage	0.67	3.48	(0.04)	2.75	1.36
Other assets awaiting installation	4.52	50.62	(0.66)	51.99	2.49
Survey, investigation, consultancy and supervision charges	289.18	13.62	1.24	6.42	297.62
Expenditure on compensatory Afforestation	20.29	2.44	(1.61)	0.64	20.48
Expenditure Attributable to Construction*	6,074.04	907.26	0.35	549.60	6,432.05
Less: Provided for	209.54	359.69	(31.27)	-	537.96
<b>Sub total (a)</b>	<b>16,200.90</b>	<b>2,142.30</b>	<b>25.01</b>	<b>1,528.52</b>	<b>16,839.69</b>
* For addition during the year refer Note No. 28					
	<b>As at</b>		<b>Adjustment</b>		<b>As at</b>
	<b>01.04.2015</b>				<b>31.03.2016</b>
Construction Stores	178.11		(7.36)		170.75
Less : Provisions for construction stores	1.47		(0.23)		1.24
<b>Sub total (b)</b>	<b>176.64</b>	<b>-</b>	<b>(7.13)</b>	<b>-</b>	<b>169.51</b>
<b>TOTAL #</b>	<b>16,377.54</b>	<b>2,142.30</b>	<b>17.88</b>	<b>1,528.52</b>	<b>17,009.20</b>
Previous Year	14,923.98	1,768.87	8.75	324.06	16,377.54

# Includes ₹ 270.24 Crore (previous year ₹ 227.16 Crore) share of jointly controlled entities.

### Explanatory Note: -

- 1) Expenditure attributable to Construction (EAC) includes ₹ 464.93 Crore (Previous year ₹ 332.56 Crore) towards borrowing cost capitalised during the year.
- 2) Capital Work in Progress (CWIP) includes a cumulative expenditure of ₹ 1071.12 Crore (Previous Year ₹ 941.18 Crore) on projects under Survey & Investigation stage. Of this, a sum of ₹ 43.52 Crore (Previous Year ₹ 43.52 Crore) pertains to Subansiri Upper Project, which had been decided by Govt. of Arunachal Pradesh to be handed over to a Private Developer, however pending handing over of the project & recovery of expenditure incurred on it, the said amount is already provided for in the books as an abundant precaution. Out of the balance of ₹ 1027.60 Crore (Previous Year ₹ 897.66 Crore) pertaining to projects with the company, a sum of ₹ 494.44 Crore (Previous Year ₹ 161.15 Crore) has been provided as an abundant precaution in respect of projects, where uncertainties are attached and ₹ 533.16 Crore (Previous Year ₹ 736.51 Crore), pertaining to other projects having reasonable certainty of getting clearance, is carried over.
- 3) Siang Basin, Subansiri Basin & Dibang Multipurpose Projects were taken over from Brahmaputra Board. Pending settlement of accounts with Brahmaputra Board, assets and liabilities have been accounted for to the extent of amounts incurred by the Company on these projects. Siang Lower & Siyom HE Projects (in Siang Basin) & Subansiri Middle (in Subansiri Basin) have since been handed over to Private Developer and liability arising out of settlement of accounts with Brahmaputra Board towards these projects is recoverable from respective Private Developers.
- 4) Underground Works amounting to ₹ 4205.33 Crore (Previous Year ₹ 3995.69 Crore) created on Land - Right to use, are included under respective heads of Capital Work in Progress (CWIP).
- 5) 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 is carried forward in Capital Work in Progress (CWIP).



## NOTE NO. 11.2 INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in crore)

PARTICULARS	As at 01.04.2015	Additions	Adjustment	Capitalized	As at 31.03.2016
Computer Software	-	0.01	-	-	0.01
<b>TOTAL</b>	-	<b>0.01</b>	-	-	<b>0.01</b>
Previous year	-	-	-	-	-

## NOTE NO. 12 NON CURRENT INVESTMENTS

(₹ in Crore)

PARTICULARS	As at 31st March, 2016			As at 31st March, 2015		
	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>Investment in Equity Instrument</b>						
PTC India Ltd. (Fully Paid Up)	12000000	10	12.00	1,20,00,000	10	12.00
<b>Sub Total (A)</b>			<b>12.00</b>			<b>12.00</b>
<b>B. Non Trade - Quoted</b>						
<b>(a) Investment in Equity Instrument</b>						
Indian Overseas Bank (Fully Paid Up)	360800	10	0.36	3,60,800	10	0.36
<b>(b) Investment In Government Securities</b>						
8.35% SBI Right Issue GOI Special Bonds 2024	150000	10000	150.77	1,50,000	10000	150.77
8.20% Oil Marketing Companies GOI Special Bonds 2024	12380	10000	12.26	12,380	10000	12.26
8.28% GOI 2027	57000	10000	52.94	57,000	10000	52.94
8.26% GOI 2027	17940	10000	17.83	17,940	10000	17.83
8.28% GOI 2032	35000	10000	34.62	35,000	10000	34.62
8.32% GOI 2032	34000	10000	31.28	34,000	10000	31.28
<b>(c) Investment In Public Sector Undertaking/Public Financial Institution &amp; Corporate Bonds</b>						
7.41% IIFCL Tax Free Bonds 15.11.2032	120	1000000	12.00	120	1000000	12.00
8.12% REC Tax Free Bonds 27.03.2027	100000	1000	10.61	1,00,000	1000	10.61
8.48% NHAI TAX FREE Bonds 22.11.2028	473	100000	47.28	473	100000	47.28
8.95% Indian Railways Finance Corporation Bonds 2025	-	-	-	688	1000000	69.63
8.65% Indian Railways Finance Corporation Bonds 2025	-	-	-	30	1000000	2.99
8.83% Indian Railways Finance Corporation Bonds 2035	-	-	-	120	1000000	12.09
8.80% Indian Railways Finance Corporation Bonds 2030	-	-	-	150	1000000	15.13



# NHPC Limited

(A Government of India Enterprise)

(₹ in Crore)

PARTICULARS	As at 31st March, 2016			As at 31st March, 2015		
	Number of shares/ bonds/ securities	Face value per share/ bond/ security (In ₹)	Amount (₹ in Crore)	Number of shares/ bonds/ securities	Face value per share/ bond/ security (in ₹)	Amount (₹ in Crore)
8.90% Power Grid Corporation of India Bonds 2021	-	-	-	80	1250000	10.00
8.90% Power Grid Corporation of India Bonds 2022	-	-	-	80	1250000	10.00
8.90% Power Grid Corporation of India Bonds 2023	-	-	-	80	1250000	10.00
8.90% Power Grid Corporation of India Bonds 2025	-	-	-	40	1250000	5.04
8.84% Power Grid Corporation of India Bonds 2024	-	-	-	156	1250000	19.51
8.84% Power Grid Corporation of India Bonds 2025	-	-	-	364	1250000	45.52
8.95% Power Finance Corporation Bonds 2025	-	-	-	51	1000000	5.16
8.80% Power Finance Corporation Bonds 2025	-	-	-	467	1000000	45.97
8.70% Power Finance Corporation Bonds 2025	-	-	-	477	1000000	47.37
8.80% Rural Electrification Corporation Bonds 2020	-	-	-	600	1000000	59.93
9.75% Rural Electrification Corporation Bonds 2021	-	-	-	230	1000000	23.05
<b>Sub Total (B)</b>			<b>369.95</b>			<b>751.34</b>
<b>Total</b>			<b>381.95</b>			<b>763.34</b>
<b>Explanatory Note: -</b>						
Quoted Investments						
(i) Aggregate Cost						
			381.95			763.34
(ii) Aggregate Market Value						
			468.59			876.61
Valuation as per Accounting Policy no. 6						

## NOTE NO. 13 LOANS AND ADVANCES

(₹ in Crore)

PARTICULARS	As at 31st March, 2016			As at 31st March, 2015		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>a) CAPITAL ADVANCES</b>						
- Secured (considered good)	3.25	-	3.25	9.37		9.37
- Unsecured (considered good)						
- Against Bank Guarantee	416.95	4.57	421.52	472.95		472.95
- Others	162.99	1.48	164.47	149.69		149.69
Less : Provision for expenditure awaiting utilisation Certificate	2.11	-	2.11	10.27		10.27
- Unsecured (considered doubtful)	0.13	-	0.13	0.12		0.12
Less : Provisions for Doubtful Capital Advances 1*	0.13	-	0.13	0.12		0.12

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(₹ in Crore)

PARTICULARS	As at 31st March, 2016			As at 31st March, 2015		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>b) DEPOSITS</b>						
- Unsecured (considered good)	31.08	92.15	123.23	54.71	90.40	145.11
- Unsecured (considered doubtful)	0.50	-	0.50	0.50	0.01	0.51
Less : Provision against demand raised by Govt. Depts.	16.84	18.37	35.21	-	36.88	36.88
Less : Provision for Doubtful Deposits 2*	0.50	-	0.50	0.50	0.01	0.51
<b>c) OTHER LOANS &amp; ADVANCES</b>						
<b>i) Employees (including accrued interest)</b>						
- Secured (considered good)	201.04	27.77	228.81	183.94	25.52	209.46
- Unsecured (considered good)	8.54	33.31	41.85	10.30	34.04	44.34
- Unsecured (considered doubtful)	-	0.03	0.03	-	0.02	0.02
<b>ii) Contractor / supplier / service provider</b>						
- Secured (considered good)		0.87	0.87		0.03	0.03
- Unsecured (considered good)						
- Against bank guarantee	71.82	1.89	73.71	54.16	4.12	58.28
- Others		26.83	26.83		16.86	16.86
- Unsecured (considered doubtful)		45.52	45.52		45.85	45.85
<b>iii) Loan to State Government in settlement of dues from customer</b>						
- Secured (considered good)						
- Unsecured (considered good)	-	12.68	12.68	12.68	25.36	38.04
- Unsecured (considered doubtful)						
<b>iv) Advance to Government of Arunachal Pradesh</b>						
- Secured (considered good)						
- Unsecured (considered good)	225.00		225.00	225.00		225.00
- Unsecured (considered doubtful)						
<b>v) Other advances</b>						
- Unsecured (considered good)	0.24	59.74	59.98	0.09	42.72	42.81
- Unsecured (considered doubtful)	-	-	-	-	-	-
Less : Provisions for doubtful Other Loans & Advances 3*	-	45.55	45.55	-	45.87	45.87
Less : Provisions for expenditure awaiting utilization certificate		0.20	0.20		0.20	0.20
<b>vi) Advance income tax &amp; tax deducted at source</b>	1,450.50	-	1,450.50	1,881.04	-	1,881.04
Less : Provision for Taxation	1,340.61	-	1,340.61	1,855.87	-	1,855.87
<b>Net Advance Tax</b>	109.89	-	109.89	25.17	-	25.17
<b>Total #</b>	<b>1,211.85</b>	<b>242.72</b>	<b>1,454.57</b>	<b>1,187.79</b>	<b>201.97</b>	<b>1,389.76</b>

As on 31.03.2016

As on 31.03.2015

**Explanatory Note: -**

(₹ in Crore)

(₹ in Crore)

Loans and Advances due from Directors or other officers at the end of the year

-

0.01

Advance due by Firms or Private Companies in which any Director of the Company is a Director or member amount to ₹ Nil ( Previous Year ₹ Nil).

# Includes ₹ 21.84 Crore (previous year ₹ 10.17 Crore) in Long Term Loan and Advances and ₹ 0.54 Crore (previous year ₹ 5.85 Crore) in Short Term Loan and Advances share of jointly controlled entities.



(₹ in Crore)

DETAILS OF PROVISIONS	As at 31st March, 2016			As at 31st March, 2015		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>Provisions for Doubtful Capital Advances 1*</b>						
Opening Balance	0.12	-	0.12	2.30	-	2.30
Addition during the year	0.01	-	0.01	0.11	-	0.11
Used during the year	-	-	-	0.04	-	0.04
Reversed during the year	-	-	-	2.25	-	2.25
<b>Closing balance</b>	<b>0.13</b>	<b>-</b>	<b>0.13</b>	<b>0.12</b>	<b>-</b>	<b>0.12</b>
<b>Provisions for Doubtful Deposits *2</b>						
Opening Balance	0.50	0.01	0.51	0.50	0.01	0.51
Addition during the year	-	-	-	-	-	-
Used during the year	-	-	-	-	-	-
Reversed during the year	-	0.01	0.01	-	-	-
<b>Closing balance</b>	<b>0.50</b>	<b>-</b>	<b>0.50</b>	<b>0.50</b>	<b>0.01</b>	<b>0.51</b>
<b>Provisions for Doubtful Other Loans &amp; Advances *3</b>						
Opening Balance	-	45.87	45.87	-	45.99	45.99
Addition during the year	-	-	-	-	0.27	0.27
Used during the year	-	0.26	0.26	-	0.12	0.12
Reversed during the year	-	0.06	0.06	-	0.27	0.27
<b>Closing balance</b>	<b>-</b>	<b>45.55</b>	<b>45.55</b>	<b>-</b>	<b>45.87</b>	<b>45.87</b>

## NOTE NO. 14.1 OTHER NON-CURRENT ASSETS

(₹ in Crore)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
<b>a) Long Term Trade Receivable</b>		
Unsecured - Considered Good	64.56	335.94
<b>b) Others</b>		
Interest accrued on:		
- Advance to Government of Arunachal Pradesh	253.76	214.22
Deferred Foreign Currency Fluctuation Assets	570.53	421.29
Deferred Expenditure on Foreign Currency Fluctuation	137.74	160.30
<b>Total</b>	<b>1,026.59</b>	<b>1,131.75</b>

## NOTE NO. 14.2 OTHER NON-CURRENT ASSETS - REGULATORY ASSETS

(₹ in Crore)

Sl. No.	PARTICULARS	As at 1st April, 2015	Addition	Adjustment	Amortisation/ Impairment	As at 31st March, 2016
	<b>Regulatory Assets</b>					
i)	Subansari Lower HE Project	1,630.39	549.94	-	-	2180.33
	<b>TOTAL</b>	<b>1,630.39</b>	<b>549.94</b>	<b>-</b>	<b>-</b>	<b>2180.33</b>
	Previous year	-	521.95	1108.44	-	1,630.39

## NOTE NO. 15 CURRENT INVESTMENTS

(₹ in Crore)

PARTICULARS	As at 31st March, 2016			As at 31st March, 2015		
	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>Trade - Unquoted</b>						
<b>(a) Investment In Equity Instruments</b>						
Joint Venture Companies (Fully Paid Up)						
- National Power Exchange Limited (Provision for diminution in value)	2188325	10	2.19 (1.06)	-	-	-
<b>(b) Investment In Bonds (Current maturity of long-term investments)</b>						
8.50% Tax-Free State Government Special Bonds of the Government			-			256.44
<b>Total</b>			<b>1.13</b>			<b>256.44</b>
<b>Unquoted Investments</b>						
Aggregate Cost			2.19			256.44
Aggregate provision for diminution in value (Valuation as per Accounting Policy no. 6)			(1.06)			-

### Explanatory Note: -

National Power Exchange Limited (A Joint Venture of the Company) is under liquidation. Accordingly, upto date provision of ₹ 1.06 Cr (Previous Year ₹ 1.06 Cr.) towards the diminution in the value of investment in the said joint venture has been made.

## NOTE NO. 16 INVENTORIES

(₹ in Crore)

PARTICULARS	As at 31st March, 2016		As at 31st March, 2015	
<b>(Valuation as per Accounting Policy No. 7)</b>				
Stores and Spares	105.84		104.32	
Stores in Transit/ Pending Inspection	2.68	108.52	3.55	107.87
Loose Tools		1.94		1.97
Scrap Inventory		1.52		1.18
Material at Site		4.99		3.56
Material issued to Contractors/ Fabricators		0.01		0.04
Less: Provision for Obsolescence & Diminution in Value		22.48		23.98
<b>Total</b>		<b>94.50</b>		<b>90.64</b>

(₹ in Crore)

DETAILS OF PROVISIONS	As at 31st March, 2016		As at 31st March, 2015	
<b>Provision for Obsolescence &amp; Diminution in Value</b>				
Opening Balance		23.98		25.91
Addition during the year		0.88		0.39
Used during the year		2.08		0.49
Reversed during the year		0.30		1.83
Closing balance		<b>22.48</b>		<b>23.98</b>



## NOTE NO. 17 TRADE RECEIVABLES

(₹ in Crore)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
<b>Trade Receivables outstanding for a period exceeding six months from the date they become due for payment</b>		
- Unsecured - Considered Good	444.39	1,066.11
- Unsecured - Considered Doubtful	34.83	34.77
<b>Other Trade Receivables</b>		
- Unsecured - Considered Good	1,944.25	1,839.07
<b>Less: Provision for Doubtful Debts</b>	34.83	34.77
<b>Total</b>	<b>2,388.64</b>	<b>2,905.18</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).

(₹ in Crore)

DETAILS OF PROVISIONS	As at 31st March, 2016	As at 31st March, 2015
Provision for Doubtful Debts		
Opening Balance	34.77	34.77
Addition during the year	0.27	-
Reversed during the year	0.21	-
Closing balance	<b>34.83</b>	<b>34.77</b>

## NOTE NO. 18 CASH AND BANK BALANCES

(₹ in Crore)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
<b>A Cash and Cash Equivalents</b>		
Cash on hand (includes stamps in hand of ₹ 0.01 Crore, Previous Year ₹ 0.01 Crore)	2.15	0.20
Cheques, drafts on hand	511.07	14.87
Balances with Banks		
• With Scheduled Banks		
- In current account	701.11	169.40
• In deposits account (Deposits with maturity of three months or less)	798.25	528.80
• With Other Banks (In Current Account)		
- Bank of Bhutan	-	0.02
<b>B Other Bank Balances</b>		
Deposits with maturity of more three months but less than/upto 12 months		
• With Scheduled Banks	5,274.19	5,944.73
Deposit account-Unpaid Dividend	10.06	5.85
Deposits with more than 12 months maturity		
- Others	147.06	277.15
<b>Total #</b>	<b>7,443.89</b>	<b>6,941.02</b>

# Includes ₹ 13.30 Crore (previous year ₹ 48.80 Crore) share of jointly controlled entities.

**Explanatory Note: -**

- 1) Cash and Bank Balances include ₹ 251.52 Crore (Previous Year ₹ 268.05 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.
- 2) Cash and Bank Balances include an amount of ₹ 2.80 Crore (Previous year ₹ 3.24 crore ) representing deposit by oustees towards 'Land for Land' in respect of Omkareshwar Project, which is not available for use As on 31.03.2016.
- 3) Cash and Bank Balances include an amount of ₹ 9.90 Crore (Previous year ₹ 9.01 Crore) kept with banks as per orders of Hon'ble Court of Law, which is not available for use as on 31.03.2016.
- 4) Bank guarantee against CLTD of ₹ 0.50 Crore (49.75% of total amount) for a period of 5 years has been issued by J&K Bank in favour of J&K Forest department for Implementation of Environmental Safeguards and Engineering and Biological measures for rejuvenation of muck disposal sites of Kiru HEP (unit of Chenab Valley Power Projects Private Limited - A Joint Venture Company) in district Kishtwar of J&K State.

**NOTE NO. 19 OTHER CURRENT ASSETS**

(₹ in Crore)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015	
<b>a) Interest accrued on:</b>			
Loan to State Government in settlement of dues from Customers	-	32.97	
Deposits			
- Self Insurance	-	18.10	
Deposits	256.76	264.64	
Others			
- Considered Good	42.28	21.34	
- Considered Doubtful	67.08	63.59	
<b>Sub Total</b>	<b>366.12</b>	<b>400.64</b>	
Less: Provision for Doubtful Interest *1	67.08	299.04	337.05
b) Receivable on account of Unbilled Revenue	967.73		768.91
c) Receivable from Joint Ventures	139.39		140.67
d) Interest Receivable from Beneficiaries	37.49		6.79
e) Claims Recoverable	910.52	968.72	
Less: Provisions for Doubtful Claims *2	200.96	709.56	706.61
f) Surplus / Obsolete Assets held for disposal	1.98		1.81
g) Expenditure awaiting adjustment	37.06	37.06	
Less: Provision for project expenses awaiting write off sanction *3	37.06	-	-
h) Losses awaiting write off sanction/pending investigation	37.90	34.56	
Less: Provision for losses pending investigation/awaiting write off sanction *4	37.90	-	-
i) Others	0.14		48.03
<b>Total #</b>	<b>2,155.33</b>	<b>2,009.87</b>	

# Includes ₹ 0.99 Crore (previous year ₹ 3.26 Crore) share of jointly controlled entities.

**Explanatory Note: -**

- 1) Receivable on account of Unbilled Revenue represents i) J&K water cess ₹ 269.11 Crore (Previous Year ₹ 216.38 Crore) ii) MEA sales ₹ 12.56 Crore (Previous Year ₹ 4.71 Crore) iii) Tax Adjustment ₹ 168.44 Crore (Previous Year ₹ 110.70 Crore) iv) Others ₹ 517.62 Crore (Previous Year ₹ 437.12 Crore).
- 2) Surplus Assets/Obsolete Assets held for disposal are shown at lower of book value and net realisable value.





# NHPC Limited

(A Government of India Enterprise)

(₹ in Crore)

DETAILS OF PROVISIONS	As at 31st March, 2016	As at 31st March, 2015
<b>Provisions for Doubtful Interest *1</b>		
Opening Balance	63.59	67.94
Addition during the year	20.27	29.16
Used during the year	16.78	-
Reversed during the year	-	33.51
<b>Closing balance</b>	<b>67.08</b>	<b>63.59</b>
<b>Provisions for Doubtful Claims *2</b>		
Opening Balance	262.11	329.07
Addition during the year	15.79	35.75
Used during the year	76.85	28.03
Reversed during the year	0.09	74.68
<b>Closing balance</b>	<b>200.96</b>	<b>262.11</b>
<b>Provision for project expenses awaiting write off sanction *3</b>		
Opening Balance	37.06	37.06
<b>Closing balance</b>	<b>37.06</b>	<b>37.06</b>
<b>Provision for losses pending investigation / awaiting write off sanction *4</b>		
Opening Balance	34.56	11.35
Addition during the year	6.29	27.26
Used during the year	2.55	2.05
Reversed during the year	0.40	2.00
<b>Closing balance</b>	<b>37.90</b>	<b>34.56</b>

## NOTE NO. 20 REVENUE FROM OPERATIONS

(₹ in Crore)

PARTICULARS	For the year ended 31st March 2016	For the year ended 31st March 2015
<b>A SALES</b>		
SALE OF POWER	8,749.17	8,352.25
<b>Less:</b>		
Adjustment for Foreign Exchange Rate Variation	64.64	76.41
Tariff Adjustments	132.02	143.02
Regulated Sales Adjustment	111.18	75.09
Income from generation of electricity – precommissioning (Transferred to EAC Note No. 28)	0.51	0.36
<b>Sub total</b>	<b>8,440.82</b>	<b>8,057.37</b>
<b>B ADVANCE AGAINST DEPRECIATION - Written back during the year</b>	50.17	50.17
<b>C OTHER OPERATING INCOME</b>		
Interest from Beneficiary States (Revision of Tariff)	103.28	93.44

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(₹ in Crore)

PARTICULARS	For the year ended 31st March 2016	For the year ended 31st March 2015
<b>D REVENUE FROM CONTRACTS, PROJECT MANAGEMENT AND CONSULTANCY WORKS</b>		
Contract Income	3.76	8.87
Revenue from Project management/ Consultancy works	30.32	38.51
<b>Sub total</b>	<b>34.08</b>	<b>47.38</b>
<b>TOTAL (A+B+C+D) #</b>	<b><u>8,628.35</u></b>	<b><u>8,248.36</u></b>

## Explanatory Note: -

- 1) CERC tariff notification for the period 2014-19 has been notified vide notification no No.L-1/144/2013/CERC dt 21st February, 2014. However, Pending approval of tariff for the period 2014-19 by Central Electricity Regulatory Commission (CERC), sales have been recognized provisionally as per tariff notified by CERC for the period 2009-14 except Bairasiul, Salal, Chamera-I, Tanakpur, Dhauliganga, Rangit & Loktak Power station for which CERC issued orders for 2014-19 and taking into account provision towards truing up of capital cost of the power stations in line with CERC tariff regulations 2014. Further for the purpose of recognizing sales, Return on equity ( a component of tariff) has been grossed up using effective tax rate for the FY 2015-16.
- 2) Sales include ₹ 140.02 Crore (Corresponding to previous year ₹ 63.02 Crore) billed sale and ₹ 90.84 Crore (Corresponding to previous year ₹ 209.48 Crore) unbilled sales on account of earlier year sales arising out of finalization of tariff / revision of components during the year.
- 3) Sales includes ₹ 77.14 Crore (Previous Period ₹ 86.80 Crore) on account of 'Deemed generation' of Power stations as allowed by 'CERC'.
- 4) 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 ₹ 195.02 Crore (Previous year ₹ 122.01 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 ₹ 72.01 Crore (Previous year ₹ 67.50 Crore) has been adjusted against the outstanding dues of those beneficiaries.
- 5) Sales includes ₹ 854.34 Crore (Previous year ₹ 853.34 Crore ) which is yet to be billed. This includes 90.84 Crore pertains to earlier years.
- 6) Tariff regulation notified by CERC vide notification dated 21.02.2014 inter-alia provides that capital cost considered for fixation of tariff for current tariff period shall be subject to truing up at the end of the tariff period, which may result in increase or decrease in tariff. Accordingly, an amount of ₹ 132.02 Crore (Previous year ₹ 143.03 Crore) has been provided in the books during the period as an abundant precaution.
- 7) In terms of regulation No. 49 of tariff regulation issued vide Central Electricity Regulatory Commission (CERC) notification No. L-1/144/2013-CERC dated 21.02.2014, deferred tax liabilities for the period upto 31st March 2009 whenever it materializes is recoverable directly from the beneficiaries and are accounted for on yearly basis. Accordingly current year sale includes ₹ 251.51 Crore (Previous year ₹ 193.77 Crore) on account of deferred tax materialised during the year.

# Includes ₹ Nil Crore (previous year ₹ Nil Crore) share of jointly controlled entities.



## NOTE NO. 21 OTHER INCOME

(₹ in Crore)

PARTICULARS	For the year ended 31st March 2016	For the year ended 31st March 2015
<b>A Income from Non-Current Investments</b>		
<b>Trade</b>		
- Dividend -Others	2.64	2.40
- Interest - Government Securities (8.5% tax free bonds issued by the State Governments)	16.35	38.02
<b>Non-Trade</b>		
- Dividend income - Others	-	0.02
- Interest-(Self Insurance Fund)	39.64	65.06
<b>B Other</b>		
<b>Interest</b>		
- Loan to State Government in settlement of dues from customers	2.69	4.85
- Loan to Government of Arunachal Pradesh	39.53	36.27
- Deposit Account - Other	628.21	601.04
- Employee's Loans and Advances	14.20	13.36
- Others	54.44	74.32
Late payment surcharge	24.07	7.84
Realization of Insurance Claim towards Business Interruption Loss	89.99	-
Net Gain/Loss on Sale of Mutual Fund	13.19	-
Profit on sale of assets	0.43	1.11
Liability/ Provisions not required written back	46.19	112.33
Others	52.95	40.37
Exchange rate variation	2.21	25.03
<b>TOTAL</b>	<b>1,026.73</b>	<b>1,022.02</b>
<b>Less : Income transferred to EAC</b>	59.74	87.23
<b>Less : Income transferred to Advance / Deposit from Client/Contractees and against Deposit Works</b>	17.55	21.59
<b>Total carried forward to Statement of Profit &amp; Loss #</b>	<b>949.44</b>	<b>913.20</b>
<b>Explanatory Note: -</b>		
1) Detail of Liability/Provisions not required written back		
Provision for Bad and Doubtful Loans / Advances / Deposits	0.07	2.52
Provision for Diminution in value of Stores and Spares	0.30	1.83
Provision for Bad and doubtful debts	0.21	-
Provision for Bad and doubtful claims	0.09	74.68
Provision for losses pending investigation / Losses written off	0.40	2.00
Provision for wage revision	0.11	0.12
Provision for PRP/Incentive	7.00	13.46
Project Expenses Provided for	31.28	-
Provision for Committed Capital Expenditure	-	0.31
Others	6.73	17.41
<b>TOTAL</b>	<b>46.19</b>	<b>112.33</b>
2) Total carried forward to Statement of Profit & Loss includes ₹ 25.46 Crore (Previous year ₹ 107.02 Crore including TLDP-IV) relating to Subansiri Lower Project as explained in para no. 30 of Note 29. However Rate Regulatory Assets for an equivalent amount of ₹ 25.46 crore pertaining to Subansiri Lower Project has been recognised in compliance to Guidenance Note on Accounting for Rate Regulated Activities issued by ICAI.		

# Includes ₹ 1.98 Crore (previous year ₹ 0.09 Crore) share of jointly controlled entities.

## NOTE NO. 22 GENERATION, ADMINISTRATION AND OTHER EXPENSES

(₹ in Crore)

PARTICULARS	For the year ended 31st March 2016		For the year ended 31st March 2015	
<b>A GENERATION EXPENSES</b>				
Water Usage Charges		771.12		748.51
<b>B Consumption of stores and spare parts</b>		39.59		33.41
<b>C Direct Expenditure on Contract, Project Management and Consultancy Works</b>		0.05		7.29
<b>D REPAIRS &amp; MAINTENANCE</b>				
- Building		65.07		56.55
- Machinery		58.64		40.74
- Others		157.76	281.47	111.79
				209.08
<b>E ADMINISTRATION EXPENSES</b>				
Rent and Hire Charges		47.87		48.87
Rates and Taxes		15.27		2.67
Energy Development Cess		43.92		55.25
Insurance		138.98		100.84
Utilization of Self Insurance Fund		-		5.65
Security Expenses		195.91		170.26
Electricity Charges		61.43		81.50
Travelling and Conveyance		25.88		28.97
Expenses on Vehicles		8.70		9.82
Telephone, Telex and Postage		15.82		15.32
Advertisement and Publicity		14.57		12.05
Entertainment and Hospitality Expenses		0.51		0.50
Donation		-		0.02
Printing and Stationery		6.28		6.11
Books & Periodicals		0.29		0.32
Consultancy Charges - Indigenous		14.05		13.65
Consultancy Charges - Foreign		0.16		0.00
Expenses on Compensatory Afforestation/ Catchment Area Treatment/ Environmental Expenses		10.58		5.25
Expenditure Incurred on Maintenance / Creation of Facilities not Controlled by Company		3.91		8.15
Loss on Assets		1.46		2.39
Losses out of insurance claims (upto excess clause)		14.25		12.39
Interest on Arbitration/ Court Cases		14.01		3.21
Interest to Beneficiary States		27.58		20.51
Rebate to Customers		22.55		23.00
Corporate Social Responsibility		99.05*		55.31
Other General Expenses		87.03		88.83
Exchange Rate Variation		4.92		5.16
Audit Expenses (Refer detail below)		2.07		2.36
Directors' expenses		0.13		0.25
Expenses for Regulated Power	13.75		7.59	
Less: - Expenditure Recoverable on Regulated Power	13.75	-	7.59	-
		877.18		778.61
<b>Sub-total</b>		<b>1,969.41</b>		<b>1,776.90</b>



# NHPC Limited

(A Government of India Enterprise)

(₹ in Crore)

PARTICULARS	For the year ended 31st March 2016	For the year ended 31st March 2015
<b>F PROVISIONS</b>		
Bad and Doubtful Debts provided	0.53	-
Bad and Doubtful Advances / Deposits provided	-	0.37
Bad and Doubtful Claims / Interest provided	28.64	66.18
Diminution in value of Stores and Spares	0.69	0.40
Project expenses provided for	359.69	51.15
Provision for Fixed Assets/ Stores provided for	6.29	25.35
Others	0.11	-
<b>Sub-total</b>	395.95	143.45
<b>TOTAL</b>	<b>2,365.36</b>	<b>1,920.35</b>
Less: Amount transferred to EAC	101.02	117.14
Less: Recoverable from Deposit Works	2.44	0.11
<b>Total carried forward to Statement of Profit &amp; Loss #</b>	<b>2,261.90</b>	<b>1,803.10</b>

#### 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 19th January, 2009, an amount of ₹ 27.58 Crore (Previous year ₹ 20.51 Crore) has been provided in the books during the year ended 31.03.2016 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: -

(₹ in Crore)

PARTICULARS	For the year ended 31st March 2016	For the year ended 31st March 2015
<b>i) Statutory Auditors</b>		
<b>As Auditor</b>		
Audit Fees	0.61	0.65
Tax Audit Fees	0.19	0.19
<b>In other Capacity</b>		
Taxation Matters	0.02	0.01
Other Matters/services	0.40	0.69
<b>Reimbursement of expenses</b>	0.68	0.69
<b>ii) Cost Auditors</b>		
Audit Fees	0.14	0.12
Reimbursement of expenses	0.03	0.01
	<b>2.07</b>	<b>2.36</b>

- Total carried forward to Statement of Profit & Loss includes ₹ 66.25 Crore relating to Subansiri Lower Project (Previous year ₹ 68.69 Crore including TLDP-IV) as para no. 30 of Note 29. However Rate Regulatory Assets for an equivalent amount of ₹ 66.25 crore pertaining to Subansiri Lower Project has been recognised in compliance to Guidence Note on Accounting for Rate Regulated Activities issued by ICAI.

\* Refer para no. 21 to Note No. 29 for the necessary disclosures relating to expenditure on CSR.

# Includes ₹ 0.09 Crore (previous year ₹ 0.17 Crore) share of jointly controlled entities.

## NOTE NO. 23 EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

PARTICULARS	For the year ended 31st March 2016	For the year ended 31st March 2015
Salaries, Wages, Allowances	1,255.86	1,238.83
Gratuity, Contribution to Provident Fund & Pension Scheme (incl. administration fees)	195.24	202.06
Staff Welfare Expenses	125.53	136.74
Leave Salary & Pension Contribution	0.01	-
<b>TOTAL</b>	<b>1,576.64</b>	<b>1,577.63</b>
Less: Employee Cost transferred to EAC	376.16	352.15
Less: Recoverable from Deposit Works	1.59	0.80
<b>Total carried forward to Statement of Profit &amp; Loss</b>	<b>1,198.89</b>	<b>1,224.68</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 ₹ 47.31 Crore (Previous Year ₹ 45.32 Crore) towards lease payments in respect of premises for residential use of employees.

(₹ in Crore)

PARTICULARS	For the year ended 31st March 2016	For the year ended 31st March 2015
2) Contribution to Provident Fund & Pension Scheme include contributions:		
i) towards Employees Provident Fund	90.95	78.68
ii) towards Employees Defined Contribution Superannuation Scheme	119.08	111.28
	<b>210.03</b>	<b>189.96</b>

- 3) Total carried forward to Statement of Profit & Loss includes ₹ 106.24 Crore relating to Subansiri Lower Project (Previous year ₹129.72 Crore including TLDP-IV Project) as explained in para no. 30 of Note 29. However Rate Regulatory Assets for an equivalent amount of ₹ 106.24 crore pertaining to Subansiri Lower Project has been recognised in compliance to Guidance Note on Accounting for Rate Regulated Activities issued by ICAI.

# Includes ₹ NIL Crore (previous year ₹ 0.03 Crore) share of jointly controlled entities.

## NOTE NO. 24 FINANCE COST

(₹ in Crore)

PARTICULARS	For the year ended 31st March 2016	For the year ended 31st March 2015
<b>a) Interest on :</b>		
Government of India loan	19.97	19.90
Bonds	688.65	550.72
Foreign currency loan	28.92	33.84
Term loan	810.99	970.72
<b>sub total</b>	<b>1,548.53</b>	<b>1,575.18</b>
<b>b) Other Borrowing Cost</b>		
Bond issue/ service expenses	0.34	0.35
Commitment fee	0.05	0.14
Guarantee fee on foreign loan	20.44	25.98
Other finance charges	9.72	4.35
<b>sub total</b>	<b>30.55</b>	<b>30.82</b>



(₹ in Crore)

PARTICULARS	For the year ended 31st March 2016	For the year ended 31st March 2015
<b>c) Applicable net gain/ loss on Foreign currency transactions and translation</b>		
Exchange differences regarded as adjustment to interest cost	179.93	0.00
Less: Adjustment on account of Foreign Exchange Rate Variation	(179.93)	-
<b>sub total</b>	-	-
<b>TOTAL (a to c)</b>	<b>1,579.08</b>	<b>1,606.00</b>
Less: Finance Cost transferred to EAC	465.77	333.22
<b>Total carried forward to Statement of Profit &amp; Loss #</b>	<b>1,113.31</b>	<b>1,272.78</b>

**Explanatory Note: -**

Total carried forward to Statement of Profit & Loss includes ₹ 395.26 Crore relating to Subansiri Lower Project Project (Previous year ₹ 460.97 Crore including TLDP-IV Project) as explained in para no. 30 of Note 29. However Rate Regulatory Assets for an equivalent amount of ₹ 395.26 crore pertaining to Subansiri Lower Project has been recognised in compliance to Guidenace Note on Accounting for Rate Regulated Activities issued by ICAI.

# Includes ₹ Nil Crore (previous year ₹ Nil Crore) share of jointly controlled entities.

**NOTE NO. 25 DEPRECIATION AND AMORTIZATION EXPENSES**

(₹ in Crore)

PARTICULARS	For the year ended 31st March 2016	For the year ended 31st March 2015
Depreciation and Amortisation Expenses	1,803.68	1,778.42
Adjustment on account of Foreign Exchange Rate Variation	(0.96)	(4.03)
<b>Less: Depreciation &amp; Amortisation Expenses transferred to EAC</b>	22.72	22.18
<b>Less: Recoverable from Deposit Works</b>	0.08	-
<b>Less: Adjustment To Grant in Aid- Reserve (Grants written off) (refer note no. 3)</b>	37.22	36.93
<b>Total carried forward to Statement of Profit &amp; Loss #</b>	<b>1,742.70</b>	<b>1,715.28</b>

**Explanatory Note: -**

Total carried forward to Statement of Profit & Loss includes ₹ 7.64 Crore relating to Subansiri Lower Project (Previous year ₹ 9.00 Crore including TLDP-IV Project) as explained in para no. 30 of Note 29. However Rate Regulatory Assets for an equivalent amount of ₹ 7.64 crore pertaining to Subansiri Lower Project has been recognised in compliance to Guidenace Note on Accounting for Rate Regulated Activities issued by ICAI.

# Includes ₹ Nil Crore (previous year ₹ Nil Crore) share of jointly controlled entities.



## NOTE NO. 26 PRIOR PERIOD ITEMS (NET)

(₹ in Crore)

PARTICULARS	For the year ended 31st March 2016	For the year ended 31st March 2015
<b>INCOME</b>		
Sale of Electricity	10.95	-
Others	114.19	71.17
<b>Sub-total (A)</b>	<u>125.14</u>	<u>71.17</u>
<b>EXPENDITURE</b>		
Salary & Wages	(0.18)	14.71
Repair & Maintenance	4.75	(0.48)
Depreciation & Amortization	(1.89)	0.74
Others	86.58	(3.22)
<b>Sub-total (B)</b>	<u>89.26</u>	<u>11.75</u>
<b>Total Prior Period Items (Net) (C) = (B)-(A)</b>	<u>(35.88)</u>	<u>(59.42)</u>
Less: Prior Period Items transferred to EAC		
Prior period expenses	83.67	(4.44)
Less Prior period income	81.83	0.01
<b>Sub-total (D)</b>	<u>1.84</u>	<u>(4.45)</u>
Less: Recoverable from Deposit Works		-
<b>Total carried forward to Statement of Profit &amp; Loss (C - D) #</b>	<u><u>(37.72)</u></u>	<u><u>(54.97)</u></u>

# Includes ₹ NIL Crore (previous year ₹ 1.12 Crore) share of jointly controlled entities.

### Explanatory Note: -

Total carried forward to Statement of Profit & Loss includes ₹ 0.01 Crore relating to Subansiri Lower Project (Previous year ₹ 4.32 Crore including TLDP-IV Project) as explained in para no. 30 of Note 29. However Rate Regulatory Assets for an equivalent amount of ₹ 0.01 crore pertaining to Subansiri Lower Project has been recognised in compliance to Guidenace Note on Accounting for Rate Regulated Activities issued by ICAI.

## NOTE NO. 27 TAX EXPENSES

(₹ in Crore)

PARTICULARS	For the year ended 31st March 2016	For the year ended 31st March 2015
<b>CURRENT TAX</b>		
Income Tax Provision	917.40	791.58
Adjustment Relating To Earlier Years	(22.97)	74.51
Deferred Tax Liability / (Asset)	(27.94)	15.04
Less: Recoverable	(138.77)	(114.67)
Less: Deferred Tax Adjustment Against Deferred Tax Liabilities	76.71	34.12
<b>Total carried forward to Statement of Profit &amp; Loss #</b>	<u><u>928.55</u></u>	<u><u>920.30</u></u>

### Explanatory Note: -

CERC Regulations for tariff period 2014-19 provides for recovery of income tax from the beneficiaries by way of grossing up of return on equity with effective tax rate of the respective financial year i.e. actual tax paid during the year on the generating income. Deferred tax liability provided for the year on generating income amounting to ₹ 76.71 crore is accordingly accounted for as deferred tax adjustment against deferred tax liability as the same would get adjusted in effective tax rate in future period and the same is presented as a deduction from the deferred tax liability.

# Includes ₹ 0.66 Crore (previous year ₹ NIL Crore) share of jointly controlled entities.



## NOTE NO. 28 EXPENDITURE ATTRIBUTABLE TO CONSTRUCTION (EAC) FORMING PART OF CAPITAL WORK IN PROGRESS FOR THE YEAR

(₹ in Crore)

PARTICULARS	For the year ended 31st March 2016	For the year ended 31st March 2015
<b>A EMPLOYEES BENEFITS EXPENSE</b>		
Salaries, Wages, Allowances	151.57	134.74
Gratuity and Contribution to Provident Fund	24.75	21.92
Staff Welfare Expenses	10.42	10.68
Leave Salary & Pension Contribution	0.01	0.00
<b>Sub-total</b>	186.75	167.34
<b>B REPAIRS &amp; MAINTENANCE</b>		
Building	5.09	3.42
Machinery	0.05	0.06
Others	4.57	3.33
<b>Sub-total</b>	9.71	6.81
<b>C ADMINISTRATION &amp; OTHER EXPENSES</b>		
Rent and Hire charges	10.02	9.07
Rates and Taxes	0.11	0.10
Insurance	0.16	0.15
Security Expenses	17.58	15.54
Electricity Charges	3.71	4.73
Travelling and Conveyance	3.45	3.23
Expenses on Vehicles	1.69	1.36
Telephone, Telex and Postage	2.73	2.52
Advertisement and Publicity	0.60	0.39
Entertainment and hospitality expenses	0.03	0.00
Printing and Stationery	0.90	0.57
Design and Consultancy charges - Indigenous	3.61	3.23
Design and Consultancy charges - Foreign	0.16	0.00
Expenses on Compensatory Afforestation / Catchment Area Treatment / Environmental Expenses	9.92	4.59
Expenditure Incurred on Maintenance / Creation of Facilities not Controlled by Company"	2.69	6.26
Other General Expenses	9.09	7.42
Remuneration to Auditors	0.01	0.00
Exchange Rate Variation (Debit)	2.47	3.51
<b>Sub-total</b>	68.93	62.67
<b>D FINANCE COST</b>		
Interest on :		
Bonds	230.53	100.33
Foreign currency loan	-	-
Term loan	234.40	232.24
Bond issue/ service expenses	0.25	0.18
Other finance charges	0.58	0.46
<b>Sub-total</b>	465.76	333.21
<b>E PROVISIONS</b>	5.00	30.67
<b>Sub-total</b>	5.00	30.67

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(₹ in Crore)

PARTICULARS	For the year ended 31st March 2016	For the year ended 31st March 2015
<b>F DEPRECIATION AND AMORTISATION EXPENSES</b>	18.04	17.61
<b>Sub-total</b>	18.04	17.61
<b>G PRIOR PERIOD ITEMS</b>		
Prior Period Expenses	76.03	0.34
Less: Prior Period Income	81.83	0.01
<b>Sub-total</b>	(5.80)	0.33
<b>H Corporate Office/Regional Office Expenses:</b>		
Other Income	(6.98)	(5.88)
Generation, Administration and Other Expenses	17.35	16.98
Employees Benefits Expenses	189.41	184.81
Depreciation & Amortisation Expenses	4.68	4.57
Finance Cost	0.01	0.01
Provisions	0.03	0.01
Prior Period Items (Net)	7.64	(4.78)
<b>Sub-total</b>	212.14	195.72
<b>I LESS: RECEIPTS AND RECOVERIES</b>		
<b>a) Income from generation of electricity – precommissioning</b>	0.51	0.36
<b>b) Others</b>		
Interest on loans and advances	32.42	40.76
Miscellaneous receipts	15.10	2.17
Exchange rate variation (Credit)	0.90	2.87
Provision/Liability not required written back	3.98	35.35
Hire Charges -Plant and Machinery	0.36	0.20
<b>Sub-total</b>	53.27	81.71
<b>GRAND TOTAL (A+B+C+D+E+F+G+H-I) #</b>	<b>907.26</b>	<b>732.65</b>

# Includes ₹ 31.50 Crore (previous year ₹ 11.69 Crore) share of jointly controlled entities.



## NOTE NO. : 29 OTHER EXPLANATORY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. The Consolidated Financial Statements (CFS) comprises of the financial statements of NHPC Limited (“the Company”), its subsidiary companies and its interest in Joint Ventures (collectively referred to as “the Group”).

### 2. A) BASIS OF ACCOUNTING:

- i) The Financial Statements of the subsidiary companies and Joint Ventures in the consolidation are drawn up to the same reporting date as of the Company.
- ii) These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis.

#### b) Principle of Consolidation:

- i) The Financial Statements of the Company and its subsidiaries are combined on line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and unrealized 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 barring the following:

NHPC Policy	Policy of Joint Venture Company	Impact on Profitability
<b>Policy No. 5.1</b> Depreciation on additions to /deductions from tangible assets during the year is charged on pro-rata basis from / up to the date on which the asset is available for use / disposal.	<b>Policy No. 7.1(b) of NHPTL</b> Depreciation on additions to/deductions from fixed assets during the year is charged on pro-rata basis from/up to the month in which asset is available for use/disposal.	No impact, since NHPTL has not yet started operation.
<b>Policy No. 5.2.1 &amp; 5.2.3</b> Depreciation on tangible assets of Operating Units of the Company except Construction Plant and Machinery & Computers and Peripherals is charged to the Statement of Profit & Loss on straight-line method following the rates and methodology as notified by CERC	<b>Policy No. 7.1 (a) of NHPTL</b> Depreciation on assets is charged on straight line method following the useful life specified in Schedule-II of the Companies Act, 2013.	No impact, since NHPTL has not yet started operation.
<b>Policy No. 11.2</b> Prepaid expenses and prior period expenses/income of items of ₹ 50,000/- and below are charged to natural heads of accounts.	<b>Policy No. 7.2(b) of NHPTL</b> Prepaid expenses and prior period expenses/income of items of ₹ 500,000/- and below are charged to natural heads of accounts.	No impact, since NHPTL has not yet started operation.
	<b>Policy No. 7.2(a) of NHPTL</b> Preliminary expenses on account of new projects incurred prior to approval of feasibility report/techno economic clearances are charged to revenue.	No impact, since NHPTL has not yet started operation.

	<p><b>Policy No. 9 of NHPTL</b> Assets acquired on lease where a significant portion of the risk and rewards of the ownership is retained by the lessor are classified as operating leases. Lease rentals are charged to revenue.</p>	No impact, since NHPTL has not yet started operation.
	<p><b>Policy No. 17 of NHDC</b> Amount of contribution received from the Govt. of Madhya Pradesh towards "Irrigation and R&amp;R Component" and Govt. of Gujarat towards "Sardar Sarovar Component", are treated initially as 'Grants in Aid-Reserve' and subsequently adjusted in the same proportion as the depreciation written off during the year on the assets acquired out of such contribution.</p>	No impact.
	<p><b>Policy No. 2.3 of CVPPL</b> 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.</p>	No impact, since CVPPL has not yet started operation.
	<p><b>Policy No. 5.8 of CVPPL</b> 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 assets becomes available for use.</p>	No impact, since CVPPL has not yet started operation.
	<p><b>Policy No. 7.3 of CVPPL</b> Loose tools issued during the year are charged to consumption account where cost of individual items is ₹ 5000/- or less and in other cases written off in 5 yearly equated installments.</p>	No impact, since CVPPL has not yet started operation.

- iv) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders.
- v) The Board of Directors of NHPC vide its 355th meeting dated 05.01.2013 accorded in-principle approval to withdraw from membership of National Power Exchange Limited (NPEX) (a Joint Venture of the Company). In the meeting of Group of Promoters (GOP) held on 21st March 2014, GOP recommended for voluntary winding up of NPEX and the same has been adopted by the Board of NPEX in its meeting held on 21st March 2014. Winding up of the Company is under process. Accordingly, the accounts of National Power Exchange Limited (NPEX) have not been considered for Group Consolidation in the current year. To that extent, the previous year figures shall not be comparable.



### 3. The subsidiary companies & Joint Ventures companies considered in the Consolidated Financial Statement are:

Name of the Company	Country of Incorporation	Proportion (%) of Ownership Interest	
		31.03.2016	31.03.2015
<b>A. Subsidiaries Companies</b>			
NHDC Limited.	India	51.08%	51.08%
Loktak Downstream Hydroelectric Corporation Ltd. (LDHC Ltd.)	India	74.00%	74.00%
Bundelkhand Saur Urja Ltd. (BSUL)	India	99.99%	99.99%
<b>B. Joint Venture Companies</b>			
Chenab Valley Power Projects (P) Ltd. (CVPPPL)	India	49.98%	49.98%
National High Power Test Laboratory Private Limited (NHPTL)	India	21.64%	21.64%

### 4. Disclosure relating to Contingent Liabilities:-

a) Claims against the Group not acknowledged as debts in respect of:

(i) Capital works

Contractors have lodged claims aggregating to ₹ 9,456.15 crore (previous year ₹ 9,293.29 crore) against the Group on account of rate & quantity deviation, cost relating to extension of time and idling charges due to stoppage of work/delays in handing over the site etc. These claims are being contested by the respective companies as being not admissible in terms of provisions of the respective contracts or are lying at arbitration tribunal/other forums/under examination with the respective companies. It includes ₹ 2343.21 crore (previous year ₹ 1,626.57 crore) towards arbitration awards including updated interest thereon, against the Group, which have been challenged/decided to be challenged in the Court of Law.

The Management has assessed the above claims and recognized a provision of ₹ 537.66 crore (previous year ₹ 429.61 crore) based on probability of outflow of resources embodying economic benefits and estimated ₹ 8734.64 crore (previous year ₹ 8,486.24 crore) as the amount of contingent liability i.e. amounts for which Group may be held contingently liable. In respect of such estimated contingent claims either outflow of resources embodying economic benefits is not probable or a reliable estimate of the amount required for settling the obligation cannot be made. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered as remote.

(ii) Land Compensation cases

In respect of land acquired for the projects, some of the land losers have filed claims for higher compensation amounting to ₹ 313.80 crore (previous year ₹ 1,230.63 crore) before various authorities/courts. Pending settlement, the Group has assessed and provided an amount of ₹ 47.44 crore (previous year ₹ 44.32 crore) based on probability of outflow of resources embodying economic benefits and rest of the claims i.e. ₹ 266.36 crore (previous year ₹ 1,186.31 crore) is disclosed as the amount of contingent liability as outflow of resources is considered not probable.

(iii) Disputed Tax Demands

Disputed Income Tax/Sales Tax/Service Tax/ other taxes/duties matters pending before various appellate authorities amount to ₹ 327.76 crore (previous year ₹ 308.00 crore). Pending settlement, the Group has assessed and provided an amount of ₹ 25.42 crore (previous year ₹ 25.40 Crore) based on probability of outflow of resources embodying economic benefits and rest of the claims i.e. ₹ 302.34 crore (previous year ₹ 282.31 crore) is disclosed as contingent liability as outflow of resources is considered not probable.

(iv) Others

Claims on account of other matters amount to ₹ 587.18 crore (previous year ₹ 658.82 crore). These claims are pending before various forums. Pending settlement, the Group has assessed and provided an amount of ₹ 34.62 crore (previous year ₹ 28.94 crore) based on probability of outflow of resources embodying economic benefits and estimated ₹ 550.67 crore (previous year ₹ 628.10 crore) as the amount of contingent liability as outflow of resources is considered not probable. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered as remote.

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The above is summarized as below:

(₹ in crore)

Sl. No.	Particulars	Claims as on 31.03.2016	Provision against the claims as on 31.03.2016	Contingent liability as on 31.03.2016	Contingent liability as on 31.03.2015	Addition of contingent liability during the year
1.	Capital Works	9456.15	537.66	8734.64	8486.24	248.40
2.	Land Compensation	313.80	47.44	266.36	1186.31	(919.95)
3.	Disputed tax matters	327.76	25.42	302.34	282.31	20.03
4.	Others	587.18	34.62	550.67	628.10	(77.43)
	<b>Total</b>	<b>10684.89</b>	<b>645.14</b>	<b>9854.01</b>	<b>10582.96</b>	<b>(728.95)</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) It is not practicable to ascertain and disclose the uncertainties relating to outflow in respect of contingent liabilities.
- (d) There is possibility of reimbursement to the Group of ₹ 183.51 Crore (previous year ₹ 240.85 crore) towards above contingent liabilities.
- (e) An amount of ₹ 64.19 Crore (previous year ₹ 53.66 crore) stands paid towards above contingent liabilities to contest the cases and is being shown as Current Assets.

The company's management does not reasonably expect that the above claims/obligations (including under litigation), when ultimately concluded and determined, will have a material and adverse effect on the company's results of operations or financial condition.

5. Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 2958.73 Crore (Previous year ₹ 3,798.79 Crore).
6. Pending approval of competent authority, provisional payments / provisions made towards executed quantities of works of some of the items beyond the approved quantities as also for extra items totalling to ₹ 74.95 Crore (Previous year ₹ 42.71 Crore) are included in Capital Work-in-Progress/Fixed Asset.
7. **During the year, following accounting policies/practices have been added/modified:**

(₹ in crore)

Accounting Policy No.	Accounting Policy/Practice	Impact on Statement of Profit & Loss
2.1.3	Introduction of new accounting policy on capitalization of Expenditure incurred on renovation and modernization of tangible assets on completion of the originally estimated useful life of the power station.	Nil
2.1.4	Modification of accounting policy regarding capitalization of interest amount on enhanced compensation of land awarded by court to the cost of land (net of depreciation)	3.72
5.2.2 (ii)	Introduction of new accounting policy on depreciation on old & used tangible assets of other than Operating Units	Nil

Besides above, certain other accounting policies have been reworded/re-classified for the purpose of better disclosure which has no impact on profit.

8. **The disclosure under Accounting Standard – 7 on Construction Contracts are as under:**

(₹ in crore)

Sl.	Particulars	31.03.2016	31.03.2015
1.	Aggregate amount of costs incurred and recognised profits (less recognised losses) on contracts in progress upto reporting date.	226.95	409.32
2.	Amount of advances received.	200.56	411.55
3.	Amount of retention	Nil	Nil
4.	The gross amount due from customers for contract works as an asset.	Nil	Nil
5.	The gross amount due to customers for contract works as a liability.	Nil	Nil



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

(₹ in crore)

		<b>For the year ended 31.03.2016</b>	<b>For the year ended 31.03.2015</b>
(i)	Amount charged to Statement of Profit & Loss excluding depreciation (as FERV)	1.14	(20.50)
(ii)	Amount charged to Statement of Profit & Loss excluding depreciation (as Borrowing Cost)*	179.93	-
(iii)	Amount charged to Expenditure attributable to Construction (as FERV)	1.57	0.63
(iv)	Amount charged to Capital work-in-progress (as FERV)	-	1.28
(v)	Amount adjusted by addition to the carrying amount of fixed assets	22.44	216.20

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

10. a) Electricity generation is the principal business activity of the Company. Other operations viz., Contracts, Project Management and Consultancy works do not form a reportable segment as per the Accounting Standard-17 on 'Segment Reporting'.
- b) The Company is having a single geographical segment as all its Power Stations are located within the Country.

**11. Disclosure as required by Accounting Standard-15 (Revised) on 'Employee Benefits':**

General description of various employee benefit schemes are as under:

**1. Defined Contributions Plans****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 year is recognised as an expense and is charged to the Statement of Profit & Loss/expenditure attributable to 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. To the extent of minimum rate of return, the fund is considered as a Defined Benefit Plan. As per report of the actuary, overall interest earnings and cumulative surplus is more than the statutory interest payment requirement. Hence, no further provision is considered necessary. The details of fair value of plan assets and obligations are as under:

(₹ in crore)

<b>PARTICULARS</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
Obligations at the end of the year	2255.52	2147.89
Fair value of plan assets at the end of the year	2284.92	2186.6

**B. Social Security Scheme**

The Company has a Social Security Scheme in lieu of compassionate appointment. The Company also makes a matching contribution per month per employee and such contribution is to be made for 8 years to build up corpus from the date the scheme is in operation i.e. 01.06.2007, which has been extended for another 2 years. 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 Trust, from the amount worked out @ 30% of the Basic Pay & DA. The Scheme is managed by Life Insurance Corporation of India.

Above schemes are funded.

## 2. Defined Benefit Plans

### A. 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.

### B. Retired Employee Health Scheme (REHS)

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

### C. 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.

### D. Allowance on Retirement / Death

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

### E. Memento to employees on attaining the age of superannuation.

The Company has a policy of providing Memento valuing ₹ 5000/- to employee on superannuation. The liability for the same is recognised on the basis of actuarial valuation.

Schemes described at A & B above are funded and rest are unfunded.

**Summary of various defined benefits as on 31.03.2016 is as under:**

**Table 1:-Key Actuarial assumption for Actuarial Valuation as at:**

PARTICULAR	31.03.2016	31.03.2015
Mortality Table	IALM (2006-08)	IALM (2006-08)
Discount rate	8.00%	8.00%
Future Salary Increase	6.00%	6.00%
Expected rate of return on plan assets	8.00%	8.00%

**Table 2:-Change in Present Value of Obligations (PVO)**

(₹ in crore)

PARTICULAR	Gratuity	Retired Employee Health Scheme	Leave Encashment
	Funded		Unfunded
Present Value of Obligation at beginning of year	625.98 {631.08}	518.61 {450.05}	415.14 {409.28}
Interest cost	50.08 {53.65}	41.49 {38.26}	33.21 {34.78}
Current service cost	25.89 {26.29}	12.38 {10.37}	20.60 {19.34}
Benefit paid	(64.43) {(73.49)}	(13.78) {(8.59)}	(69.04) {(75.69)}
Actuarial (Gain)/loss	(37.29) {(11.55)}	37.50 {28.52}	33.19 {27.43}
Present Value of Obligation at end of year	600.23 {625.98}	596.20 {518.61}	433.10 {415.14}

**Table 3:- Change in the fair value of plan assets**

(₹ in crore)

PARTICULAR	Gratuity (Funded)	REHS (Funded)
Fair value of plan assets at the beginning of the year	654.12 {643.79}	- {-}
Expected return on plan assets	52.41 {51.61}	- {-}
Contribution	7.04 {1.88}	555.66 {-}
Withdrawal from fund	(67.92) {(50.09)}	(5.56) {-}
Actuarial gain/(loss) on plan assets	2.50 {6.93}	33.62 {-}
Fair value of plan assets at the end of the year	648.15 {654.12}	583.72 {-}

**Table 4:-Amount recognised in Balance Sheet**

(₹ in crore)

PARTICULAR	Gratuity	Retired Employee Health Scheme	Leave Encashment
	Funded		Unfunded
Present Value of Obligation at end of year	600.23 {625.98}	596.20 {518.60}	433.11 {415.14}
Fair Value of plan assets at the end of year	648.15 {654.12}	583.72 {-}	- {-}
Funded Status	47.93 {28.14}	(12.48) {(518.60)}	(433.11) {(415.14)}
Unrecognized actuarial gain/loss	- {-}	- {-}	- {-}
Net Liability/ Asset(-) recognized in Balance Sheet	(47.93) {(28.14)}	12.48 {518.60}	433.11 {415.14}

**Table 5:- Amount recognised in Statement of Profit & Loss /Expenditure attributable to Construction Account**  
(₹ in crore)

PARTICULAR	Gratuity	Retired Employee Health Scheme	Leave Encashment
	Funded		Unfunded
Current Service Cost	25.89 {26.29}	12.38 {10.37}	20.60 {19.34}
Interest Cost	50.08 {53.65}	41.49 {38.26}	33.21 {34.78}
Expected return on Plan Assets	(52.41) {(51.61)}	- {-}	- {-}
Net Actuarial (gain) / loss recognized for the year	(39.79) {(18.48)}	3.88 {28.52}	33.18 {27.37}
Expense recognized in Profit & Loss/EAC for the year	(16.23) {9.85}	57.75 {77.15}	86.99 {81.49}

Note: { } contains previous year's figures.

**Other disclosures:**

(₹ in crore)					
Gratuity	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation	600.22	625.98	631.08	611.06	573.04
Fair value of plan assets	648.15	654.12	643.79	623.22	-
Surplus/(Deficit)	47.93	28.14	12.71	12.16	(573.04)
Experience adjustment on plan liabilities (loss)/ gain	37.07	11.56	5.76	5.41	(61.50)
Experience adjustment on plan assets (loss)/gain	2.50	6.93	6.82	37.10	-

(₹ in crore)					
Leave	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation	433.10	415.15	409.28	366.88	390.67
Experience adjustment on plan liabilities (loss)/ gain	(31.34)	(25.13)	(49.34)	(37.02)	(70.55)

(₹ in crore)					
REHS	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation	596.20	518.61	450.05	386.06	327.41
Fair value of plan assets	583.72	-	-	-	-
Surplus/(Deficit)	(12.48)	(518.61)	(450.05)	(386.06)	(327.41)
Experience adjustment on plan liabilities (loss)/gain	(36.8)	(35.39)	(21.63)	(13.24)	(16.61)
Experience adjustment on plan assets (loss)/gain	33.62	-	-	-	-

The effect of one percentage point increase/decrease in the medical cost of REHS will be as under:

(₹ in crore)		
	Increase by	Decrease by
Service and interest cost	9.91	6.31
Effect on PBO	95.90	64.62

Liabilities as on 31.03.2016 on account of Baggage Allowance on retirement & Memento are ₹ 5.38 Crore & ₹ 2.58 Crore (Previous year ₹ 5.32 Crore & ₹ 2.77 Crore) respectively.



12. The company used to contribute matching amount towards Provident Fund on Leave Encashment. However, as per decision conveyed by the Employees' Provident Fund Organization in May 2008, leave encashment is not a part of basic wage under the Employees Provident Fund & Miscellaneous Provisions Act, 1952. Accordingly, ₹ 15.12 crores paid to employees on account of Matching Contribution of Employees' Provident Fund on Leave Encashment during the period April 2008 to January 2012 is recoverable from the employees. Thereby, the Board accord not to recover this amount could not find favour by MoP. The company has estimated that out of this amount, ₹ 7.87 crores is recoverable and the balance amount of ₹ 7.25 crores pertaining to employees who are no longer on the rolls of the company as on 1st January, 2016 is non-recoverable.

13. In compliance of Accounting Standard-18 on 'Related Party Disclosures', the required information is as under: -

a) **Related Parties**

(i) **Joint Venture Companies**

National Power Exchange Ltd. (The Company is under liquidation).

(ii) **Key Management Personnel**

Sl. No.	Name	Position held
1	Shri R.S.T. Sai	CMD, THDC. Held additional charge as CMD of the company from 08.06.2014 to 23.09.2015
2	Shri K.M. Singh	Chairman cum Managing Director w.e.f. 23.09.2015
3	Shri D.P. Bhargava	Director (Technical). Superannuated on 31.03.2016
4	Shri R.S. Mina	Director (Personnel). Held additional charge of Director (Finance) upto 25.05.2015.
5	Shri Jayant Kumar	Director (Finance) w.e.f. 26.05.2015.
6	Shri Ratish Kumar	Director (Projects) w.e.f. 06.01.2016
7	Shri Balraj Joshi	Director (Technical) w.e.f. 01.04.2016
8	Shri Vijay Gupta	Company Secretary.

Remuneration to key management personnel (excluding Sl. No. 1 above) for the current year is ₹ 1.94 Crore (corresponding previous year ₹ 2.21 Crore).

b) **Transaction carried out with the related parties as at a(i) above – Nil (previous year- Nil)**

14. **Earnings Per Share:-**

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

	For the year ended 31.03.2016	For the year ended 31.03.2015
Net Profit after Tax used as numerator ((₹ in crore)	2688.26	2491.36
Weighted Average number of equity shares used as denominator	1107,06,68,496	1107,06,68,496
Earnings per Share (₹) – Basic & Diluted	2.43	2.25
Face value per share (₹)	10	10

15. a) **Disclosure in line with the requirements of Accounting Standard(AS)-27 on 'Financial Reporting of Interest in Joint Ventures :**

i) **Interest in Joint Ventures:**

Name of Companies	Proportion of Ownership interest as at	
	31.03.2016	31.03.2015
National High Power Test Laboratory (P) Ltd.	21.64%	21.64%
National Power Exchange Ltd. (under liquidation)	16.67%	16.67%
Chenab Valley Power Projects Private Ltd.	49.98%	49.98%

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- ii) The above joint venture entities are incorporated in India. The Company's share of the assets and liabilities as on 31st March 2016 and income and expenses for the financial year ended 31.03.2016 in respect of joint venture entities are based on audited accounts which are given below:

(₹ in crore)

		31.03.2016	31.03.2015
A	Assets	318.70	303.21
B	Liabilities	187.44	179.91
C	Contingent Liabilities	1.50	0.67
D	Capital Commitments	16.64	28.53
E	Expenditure in Foreign Currency	0.01	0.45

(₹ in crore)

		For the Year 2015-16	For the Year 2014-15
A	Income	1.98	0.09
B	Expenditure	0.09	1.32

**b) Disclosure as per Schedule-III of Companies Act,2013:**

(₹ in crore)

Name of the entities in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
1	2	3	4	5
<b>Parent</b>				
NHPC	82.95	29512.19	86.32	2309.49
<b>Subsidiaries</b>				
NHDC	7.30	2596.98	22.21	594.35
BSUL	0.00	(0.08)	0.00	(0.01)
LDHCL	0.02	8.75	0.07	1.94
Minority Interests in all subsidiaries	9.70	3451.23	(8.65)	(231.33)
<b>Joint Ventures</b>				
(As per proportionate consolidation / Investment as per the equity method)				
NHPTL	(0.01)	(2.04)	0.00	0.00
CVPPL	0.04	12.45	0.05	1.23
<b>TOTAL</b>	<b>100.00</b>	<b>35579.48</b>	<b>100.00</b>	<b>2675.67</b>

16. In the month of April 2016, Govt. Of India (Gol) disinvested 11.36% of the total paid up equity share capital of the company by selling its 125,76,27,941 shares through Offer for Sale (OFS). The shareholding of Gol after OFS stands at 74.60% of the total paid-up capital and balance 25.40% is held by the public/Financial Institutions.
17. The Board of Directors of the Company has discontinued the system of maintenance of self-insurance fund from FY 2015-16. Accordingly, the balance of ₹ 835.94 Crores appearing in Self Insurance Fund has been merged with General Reserve during the year and existing investments against Self Insurance Fund have been merged with the common pool of other investments of the Company.
18. The Ministry of Corporate Affairs has notified revised AS-10, "Property, Plant & Equipment" on 30.03.2016, to be applicable for accounting periods commencing on or after that date. Para 9 of revised AS-10 permits Unit of Measure Approach which allows capitalization of expenditure of capital nature incurred for creation of facilities, over which the company does not have control but the creation of which is essential principally for construction of the project. Further, the transitional provision in revised AS-10 allows retrospective capitalization of costs charged earlier to the statement of profit and loss but



# NHPC Limited

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eligible to be included as a part of the cost of a project for construction of property, plant and equipment in accordance with the requirements of paragraph 9. The Unit of Measure Approach also exists in Para 9 of Ind AS-16, "Property, Plant & Equipment." It strengthens the accounting policy no. 2.3.4 on capital work in progress. Had this policy not been adopted but implemented from 01.04.2016, the para 88 of Revised As -10 on transitional provision would automatically take care of capitalisation of such expenditure. As such, significant accounting policy no. 2.3.4 and consequential accounting treatment of enabling assets as followed in FY 2014-15 has been continued. Accordingly, an amount of ₹ 176.21 crore (Previous year ₹ 173.61 crore) has been included in Fixed Assets as Tangible Assets/CWIP.

19. The managements of the group are of the opinion that no case of impairment of assets exists in terms of the provisions of Accounting Standard (AS)-28 on "Impairment of Assets" as at 31st March, 2016.

20. Other disclosures as per Schedule-III of the Companies Act, 2013 are as under:-

(₹ in crore)

	PARTICULARS	For the year ended 31.03.2016	For the year ended 31.03.2015
a)*	Value of imports calculated on CIF basis:		
	i) Capital Goods	4.33	8.78
	ii) Spare parts	-	-
b)*	Expenditure in Foreign Currency		
	i) Know - How	-	-
	ii) Interest	28.92	33.84
	iii) Other Misc. Matters	140.76	154.39
c)*	Value of spare parts and Components consumed in operating units.		
	i) Imported	0.63(1.62%)	-
	ii) Indigenous	38.96(98.38%)	33.41(100%)
d)*	Earnings in foreign currency		
	i) Interest	-	-
	ii) Others	2.62	-

\* Accrual basis.

21. Disclosure related to Corporate Social Responsibility (CSR) (refer Note No.22)

(i) The breakup of CSR expenditure under various heads of expenses incurred during the year ended on 31.03.2016 is as below:-

(₹ in crore)

S. No.	Heads of Expenses constituting CSR expenses	Amount
1	Health Care and Sanitation	5.19
2	Education & Skill Development	5.83
3	Women Empowerment /Senior Citizen	0.01
4	Environment	0.57
5	Art & Culture	0.25
6	Ex-Armed Forces	0.00
7	Sports	0.07
8	National Welfare Fund	0.00
9	Technology & Research	0.00
10	Rural Development	4.80
11	Capacity Building	0.03
12	Swachh Vidyalaya Abhiyan	82.30
	<b>Total amount</b>	<b>99.05</b>



(ii) Other disclosures:

(a) As per Section 135 read with Section 198 of Companies Act 2013, the amount required to be spent towards CSR works out to ₹ 63.58 crore for FY 2015-16. The Board of Directors of the Group have allocated total budget of ₹ 165.17 Crore for FY 2015-16 which consisted of ₹ 128.50 Crore (more than 2% of average net profit of preceding three financial years in terms of section 135 read with section 198 of Companies Act, 2013) and ₹ 36.67 Crore out of unspent amount upto FY 2014-15. However, Committee of Directors on CSR & SD allocated only ₹ 140.00 crore for various CSR & SD activities and balance of ₹ 25.17 crore has been recommended for reduction in the budget for CSR. An amount of ₹ 17.26 crore has been taken to non-lapsable pool and balance ₹ 48.85 crore has not been provided for, being allocation in excess of statutory requirement.

b) Details of expenditure incurred during the financial year ended on 31.03.2016 categorising as 'paid' and 'yet to be paid' along with the nature of expenditure (capital or revenue nature) is as under:-

(₹ in crore)

		Paid (a)	Yet to be paid (b)	Total (a+b)
(i)	Construction/Acquisition of any asset	89.01	4.21	93.22
(ii)	On purpose other than (i) above	4.95	0.88	5.83
	<b>Total</b>	<b>93.96</b>	<b>5.09</b>	<b>99.05</b>

(c) As stated above, a sum of ₹ 5.09 Crore out of total expenditure of ₹ 99.05 Crore is yet to be paid to concerned parties which are included in the relevant head of accounts pertaining to liabilities.

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

Sl.	Description	Remarks
1.	No. of VERs held as Investment & the basis of valuation	2600
2.	No. of VERs under certification	Nil
3.	Depreciation and operating and maintenance cost of Emission Reduction Equipment expensed during the year (₹ in Crore)	Nil
4.	No. of VERs sold during the year ended 31.03.2016 with the value thereof.	Nil

**23.** Disclosures as required under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 read with notification of Ministry of Corporate Affairs dt. 04.09.2015 making alteration in Schedule-III of the Companies Act, 2013 are as follows (refer Note no. 8):-

(₹ in crore)

(i)	The principal amount and the interest due thereon remaining unpaid to any supplier on Balance Sheet date: - Principal - Interest	3.31 0.20*
(ii)	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-
(iii)	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-
(iv)	The amount of interest accrued and remaining unpaid as on Balance Sheet date	0.20*
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-

\*Interest not accounted for in the books of account



## 24. Disclosure related to confirmation of balances is as under:

- 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.
- As per policy of the company, letters to parties having balances more than ₹ 5 lacs in each case outstanding as on 31.12.2015 were sent for confirmation. Accordingly, out of total outstanding balance of ₹ 3927.23 Crore and ₹ 3640.01 crore in respect of Trade receivables and payables including other current liabilities as on 31/12/2015, balances to the tune of ₹ 3331.05 Crore and ₹ 139.78 Crore respectively were got confirmed while the balance amount remained unconfirmed. Further, Trade receivable and payable including other current liabilities outstanding as on 31.03.2016 are to the tune of ₹ 2389.60 crore and ₹ 3425.79 crore respectively.
- In the opinion of the management, these Trade Receivable and Payables including other current liabilities are reconciled periodically during the year and unconfirmed balance would not have any material impact.

25. Chutak Power Station, which was under shutdown w.e.f. 28.06.2015 due to sudden rise of water in Power House upto Turbine floor and partially Generator floor, has been restored during the months of August and September 2015. The Assets of the power station and loss of generation are covered under Mega Risk Policy. Status of Insurance claim is as under:

(₹ in crore)

Particulars of claims	Updated claim lodged	Amount received	Amount charged to Statement of P&L (Upto excess clause)	Balance receivable
Against material damage	7.93	0.00	2.00	5.93
Business Interruption Loss	19.87	0.00	0.00	19.87
<b>Total</b>	<b>27.80</b>	<b>0.00</b>	<b>2.00</b>	<b>25.80</b>

26. Dhauliganga Power Station, which was closed due to cloud burst and high flood on 17.06.2013, has since been restored during the months of May/June, 2014. The Assets of the power station and Loss of Generation are covered under Mega Risk Policy. Status of Insurance claim is as under:

(₹ in crore)

Particulars of claims	Updated claim lodged	Amount received	Amount already charged to Statement of P&L (Upto excess clause) in previous years	Balance receivable
Against material damage	227.91	90.00	2.00	135.91
CPM damage	0.54	0.10	0.01	0.43
Business Interruption Loss	344.71	190.00		154.71
<b>Total</b>	<b>573.16</b>	<b>280.10</b>	<b>2.01</b>	<b>291.05</b>

27. Uri-II Power Station, where accidental fire broke out on 20.11.2014, resulting in stoppage of generation, has since been restored during the months of June, July & August 2015. The Assets of the power station and loss of generation are covered under Mega Risk Policy. Status of Insurance claim is as under:

(₹ in crore)

Particulars of claims	Updated claim lodged	Amount received	Amount charged to Statement of P&L (Upto excess clause)	Balance receivable
Against material damage	66.39	30.00	3.16	33.23
Business Interruption Loss	242.28	-	-	242.28
<b>Total</b>	<b>308.67</b>	<b>30.00</b>	<b>3.16</b>	<b>275.51</b>

28. Tanakpur Power Station remained closed from 17/06/2013 to 21/06/2013 and from 11/01/2014 to 26/03/2014 due to flood on 17th & 18th June 2013 to take up the restoration work effectively. The Assets of the power station and Loss of Generation are covered under Mega Risk Policy. Status of Insurance claim is as under:

(₹ in crore)

Particulars of claims	Updated claim lodged	Amount received	Amount charged to Statement of P&L (Up to excess clause) in previous years	Amount charged to Statement of P&L this year	Balance receivable
Against material damage	17.62	1.50	2.00	6.13	7.99
Business Interruption Loss	8.74*	0.00	0.00	0.00	8.74
<b>Total</b>	<b>26.36</b>	<b>1.50</b>	<b>2.00</b>	<b>6.13</b>	<b>16.73</b>

\*excludes deductible of ₹ 6.06 crore for 14 days for each period.

29. As per Hydro Policy 2008, energy corresponding to 100 units of electricity is to be provided to each Project Affected Family (PAF) notified by the State Government through the concerned distribution licensee for a period of 10 years from the date of commissioning of a project. Notification by the respective State Governments regarding PAFs is yet to be made. Since the total saleable energy of a power station is to be arrived at by deducting such free power from the design energy, there would not be any impact on the profit of the Company.

30. a) Construction activities at site of **Subansiri Lower Project** have been interrupted w.e.f. 16.12.2011 due to protest of anti dam activists. Technical and administrative work is however continuing. Management is making all out efforts to restart the work at site. In line with the opinion of Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), borrowing cost of ₹ 1577.62 crore (up to previous year ₹ 1182.36 crore) and administration and other cost of ₹ 602.71 crore (up to previous year ₹ 448.03 crore) have been charged to the Statement of Profit & Loss.

The company has, however, adopted the accounting as per Guidance Note on Rate Regulated Activities issued by the Institute of Chartered Accountants of India which allows recognition of 'Regulatory Asset' and corresponding 'Regulatory Income' of the right to recover such expense which are not allowed to be capitalized as part of cost of relevant fixed asset in accordance with the Accounting Standards, but are nevertheless permitted by Central Electricity Regulatory Commission(CERC), the regulator, to be recovered from the beneficiaries in future through tariff.

- b) Disclosure relating to creation of Rate Regulated Assets & recognition of Rate Regulated Income as per the 'Guidance Note on Accounting for Rate Regulated Activities' issued by the Institute of Chartered Accountants of India (ICAI) :

The company is engaged in construction & operation of hydro electric power projects. The price (tariff) to be charged by the company for electricity sold to its customers is determined by Central Electricity Regulatory Commission (CERC) under applicable CERC (terms & conditions of tariff) Regulations. The said price (tariff) is based on allowable costs like interest costs, depreciation, operation & maintenance including a stipulated return. This form of rate regulation is known as cost-of-service regulations. The basic objective of such regulations is to give the entity the opportunity to recover its costs of providing the goods or services plus a fair return.

For the purpose, the company is required to make an application to CERC based on capital expenditure incurred duly certified by the Auditors or already admitted by CERC or projected to be incurred upto date of commercial operation and additional capital expenditure duly certified by the Auditor or projected to be incurred during tariff year. The tariff determined by CERC is recovered from the customers (beneficiaries) on whom the same is binding.

The above rate regulation does result into creation of right (asset) or an obligation (liability) as envisaged in the accounting framework which is not the case in other industries. The ICAI has issued a Guidance Note on accounting for Rate Regulated Activities, which is applicable to entities that provide goods or services whose prices are subject to cost-of-service regulations and the tariff determined by the regulator is binding on the customers (beneficiaries). As per guidance note, a regulatory asset is recognised when it is probable (a reasonable assurance) that the future economic benefits associated with it will flow to the entity as a result of the actual or expected actions of the regulator under applicable regulatory framework and the amount can be measured reliably.



As explained above, all operating activities of the Company are subject to cost-of-service regulations as it meets the criteria set out in the guidance note hence, it is applicable to the Company.

The guidance note also provides that in some cases, a regulator permits an entity to include in the rate base, as part of the cost of self-constructed (tangible) fixed assets or internally generated intangible assets, amounts that would otherwise be recognised as expense in the statement of profit and loss in accordance with Accounting Standards. After the construction is completed, the resulting cost is the basis for depreciation or amortisation and unrecovered investment for rate determination. A regulatory asset is to be recognised by the entity in respect of such costs since the same is recoverable from the customers (beneficiaries) in future through tariffs.

As stated in para 30 (a) above, the borrowing cost of ₹ 1577.62 crore (up to previous year ₹ 1182.36 crore) and administration and other cost of ₹ 602.71 crore (up to previous year ₹ 448.03 crore) incurred on 'Subansiri Lower Project', wherein the active construction is interrupted since 16.12.2011, have been charged to the Statement of Profit & Loss in compliance of provision of Accounting Standard 10, Accounting for fixed asset & Accounting Standard-16, Borrowing Cost as notified under the Companies Act, 2013. However such expenditure is permitted under CERC (Terms and Conditions of Tariff) Regulations, 2014 to be recovered through future tariffs.

In pursuance of the above, the company has created regulatory assets and has recognized corresponding regulatory income upto Financial Year 2015-16 as per the ibid Guidance Note as below:

(₹ in crore)

Regulatory asset created in relation to:	Upto FY 2014-15	For the FY ended 31.03.2016	Total
Borrowing Costs	1182.36	395.26	1577.62
Administrative & other Costs	448.03	154.68	602.71
<b>Total</b>	<b>1630.39</b>	<b>549.94</b>	<b>2180.33</b>

31. **Kotlibhel-1A** Project is one of the 24 hydro-electric projects located in the State of Uttarakhand which is covered by the order dated 13.08.2013 of Hon'ble Supreme Court of India directing MoEF not to grant these projects environmental/forest clearance until further order and to examine the significant impact on the bio-diversity of Alaknanda & Bhagirathi river basin. Pending adjudication about the fate of this project, the expenditure incurred amounting to ₹ 194.57 crore upto 31.03.2016 have been carried under capital work in progress. However, as an abundant precaution, provision for ₹ 153.24 crore has been made during the year in the books of accounts which is in addition to ₹ 41.33 crore provided upto 31st March 2015.
32. An advance of ₹ 31.05 Crores has been deposited with Land Acquisition Officer Tehri and Pauri-Garhwal for Acquisition of Land of **Kotlibhel IB & II**. Pending acquisition of land by Projects, administration expenses incurred by Land Acquisition Officer and part payment to villagers continue to be shown as advance.
33. Board of Directors in its meeting held on 20.03.2014 discussed that the viability of **Bursar HE Project** is dependent upon financial support from Govt. of India and Govt. of Jammu & Kashmir. Ministry of Power (MOP), Govt. of India was approached to provide funding for Survey & Investigation of Bursar Project to make it viable. As advised by the MoP, Ministry of Water Resources (MoWR) was approached to provide funds. In the meeting held with MoWR on 27.04.2015, it has been informed by the representatives of MoWR that the request of NHPC for release of funds for preparation of DPR is under consideration for approval of Govt. of India. Investigation works on the project are continued and the expenditure of ₹ 205.87 crore have been incurred and carried forward in capital work in progress. However, as an abundant precaution, provision during the year has been made in the books of accounts for the expenditure incurred amounting to ₹ 205.87 crore on investigation of the project.
34. As per the judgement dated 12.10.2015 of the Hon'ble Supreme court and as per letter from Government of India, Ministry of Power dated 02.11.2015, It has been clarified that **Dhauliganga Intermediate and Gauriganga Stage-III**. A projects are not in the banned category as both lie in the Sharda Basin. Accordingly provision for project expenses amounting to ₹ 31.28 crore booked till 31.03.2015 has been reversed during the current year ended 31.03.2016, since now there is reasonable certainty that these projects shall be taken up for construction.

35. The Ministry of Environment, Forests & Climate Change (MoEF & CC) vide letter No. F.No.8-85/2011-FC dated 15.04.2015 has accorded the "in-principle" approval for diversion of forest land for construction of **Dibang Multipurpose Project** (2880 MW). Further, Environment clearance to the Project has been accorded by MoEF & CC vide letter dated 19.05.2015. In view of above, a sum of ₹ 189.38 crore incurred on the Project is being carried forward as Capital Work in Progress
36. Liability on account of excess sales consideration received for sale of Siang Middle Power Project has been re-examined and, as per management estimate, no liability exists as on 31st March, 2016. Hence, such liability alongwith the interest provided thereon has been reversed in March, 2016.
37. In terms of Board Resolution No.6(2) of the 356th meeting of the Board of Directors held on 05.02.2013 an amount of ₹ 2.49 Crores has been paid till 31.03.2016 to the State Forest Department towards Basin Study for Tawang I & II projects and other projects in the basin which is reimbursable in future by the Government of Arunachal Pradesh (GoAP) on pro-rata basis. In the opinion of the management, the chance of such recovery is remote and hence such expenditure has been charged to Capital Work in Progress.
38. Consequent upon formation of Retired Employees Health Scheme Trust during the year, long term investments having book value of ₹ 381.39 crore have been transferred to the Trust at market value of ₹ 390.43 crore against the Retired Employees Health Scheme Fund in the books of the company.
39. CERC (Terms & Conditions of Tariff) Regulations provide for levy of late payment surcharge by generating company in case of delay in payment by beneficiaries beyond 60 days. Amount of ₹ 762.39 crore is due on account of surcharge as on 31.03.2016, out of which ₹ 18.67 crore has been recognised during the year based on management assessment. The balance amount of ₹ 743.72 crore has not been recognised due to significant uncertainties towards ultimate collection and is in accordance with Significant Accounting Policy of the Company.
40. During April 2016, Board of Directors has approved additional equity investment of ₹ 380.00 Crore in Chenab Valley Power Projects (Pvt.) Ltd., a Joint Venture of the Company.
41. During the year, the Company has paid interim dividend of ₹ 0.92 (previous year ₹ 0.40) per equity share of par value ₹ 10/- each for the year 2015-16.
42. Opening balances/corresponding figures for previous year have been re-grouped/re-arranged, wherever necessary.

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

**VIJAY GUPTA**  
Company Secretary

**JAYANT KUMAR**  
Director (Finance)  
DIN 03010235

**K.M. SINGH**  
Chairman & Managing Director  
DIN 02223301

#### As per report of even date

**For S.N. Dhawan & Co.**  
(Chartered Accountants)  
FR No. 000050N

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

**For Ray & Ray**  
(Chartered Accountants)  
FR No. 301072E

**(SURESH SETH)**  
Partner  
M. No. 010577

**(R. K. GUPTA)**  
Partner  
M. No. 085074

**(ASISH KUMAR MUKHOPADHYAY)**  
Partner  
M. No. 056359

Place : New Delhi

Date: 28<sup>th</sup> May, 2016



# NHPC Limited

(A Government of India Enterprise)

## For Consolidated Financial Statements

### Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

1.	Sl. No.	1.	2.	3.
2.	Name of the subsidiary	NHDC Ltd.	Loktak Downstream Hydroelectric Corporation Ltd.	Bundelkhand Saur Urja Ltd.
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 <sup>st</sup> March	31 <sup>st</sup> March	31 <sup>st</sup> March
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR
5.	Share capital	19,62,58,00,000	117,69,23,090	1,00,00,000
6.	Reserves & surplus	46,56,65,44,496	17,64,16,283	(737,910)
7.	Total assets	76,85,38,53,767	138,41,46,613	12,38,03,779
8.	Total Liabilities	10,66,15,09,271	3,08,07,240	11,45,41,689
9.	Investments	Nil	Nil	Nil
10.	Turnover	11,43,69,97,047	Nil	Nil
11.	Profit before taxation	8,00,38,53,238	2,90,04,466	0
12.	Provision for taxation	1,70,38,34,876	95,89,747	72,126
13.	Profit after taxation	6,30,00,18,362	1,94,14,719	-72,126
14.	Proposed dividend	4,00,36,63,200	Nil	Nil
15.	% of shareholding	51.08%	74.00%	99.99%

Notes: The following information shall be furnished at the end of the statement:

1.	Names of subsidiaries which are yet to commence operations	1) Loktak Downstream Hydroelectric Corporation Ltd. and 2) Bundelkhand Saur Urja Ltd.
2.	Names of subsidiaries which have been liquidated or sold during the year.	Nil

#### Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(Amount in ₹)

	Name of Associates/Joint Ventures	Chenab Valley Power Projects Pvt. Ltd.	National High Power Test Laboratory (P) Ltd.	National Power Exchange Ltd.
1.	Latest audited Balance Sheet Date	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2016
2.	Shares of Associate/Joint Ventures held by the company on the year end No.	10,00,00,000	2,39,00,000	21,88,325
	Amount of Investment in Associates/Joint Venture	100,00,00,000	23,90,00,000	2,18,83,250
	Extend of Holding %	49.98	21.64	16.67
3.	Description of how there is significant influence	N.A.	N.A.	N.A.
4.	Reason why the associate/joint venture is not consolidated	N.A.	N.A.	Since the JV company is under liquidation.
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	1,07,84,78,490	23,40,31,991	1,20,27,679
6.	Profit / Loss for the year	2,46,92,670	Nil	35,54,653
	i Considered in Consolidation	1,23,40,166	Nil	Nil
	ii Not Considered in Consolidation	1,23,52,504	Nil	35,54,653
1.	Names of associates or joint ventures which are yet to commence operations.	All		
2.	Names of associates or joint ventures which have been liquidated or sold during the year.	National Power Exchange Ltd. is in the process of liquidation.		

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

**VIJAY GUPTA**  
Company Secretary

**JAYANT KUMAR**  
Director (Finance)  
DIN 03010235

**K.M. SINGH**  
Chairman & Managing Director  
DIN 02223301

**For S. N. Dhawan & Co.**  
(Chartered Accountants)  
FR No. 000050N

**(SURESH SETH)**  
Partner  
M. No. 010577

**As per report of even date**  
**For Gupta Gupta & Associates**  
(Chartered Accountants)  
FR No. 001728N

**(R. K. GUPTA)**  
Partner  
M. No. 085074

**For Ray & Ray**  
(Chartered Accountants)  
FR No. 301072E

**(ASISH KUMAR MUKHOPADHYAY)**  
Partner  
M. No. 056359

Place : New Delhi  
Date: 28<sup>th</sup> May, 2016



# NHPC LIMITED

(A Government of India Enterprise)

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

CIN: L40101HR1975GOI032564

Telephone: 0129-2588110

Fax No: 0129-2277941

Website: www.nhpcindia.com

Email: webmaster@nhpc.nic.in

## GREEN INITIATIVE IN CORPORATE GOVERNANCE E-COMMUNICATION REGISTRATION FORM (In terms of Section 20 of the Companies Act, 2013)

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

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

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

: \_\_\_\_\_

: \_\_\_\_\_

: \_\_\_\_\_

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

: \_\_\_\_\_

: \_\_\_\_\_

Email ID (to be registered) : \_\_\_\_\_

: \_\_\_\_\_

I/We shareholder(s) of NHPC Limited agree to receive communication from the Company in electronic mode under relevant provisions of the Companies Act, 2013. Please register my above e-mail in your records for sending communication through mail.

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.**







**690 MW Salal Power Station (Jammu & Kashmir) - Concrete Dam**

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



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

CIN No. L40101HR1975GOI032564

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 : 0129-2588110 / 2588500 E-mail : [webmaster@nhpc.nic.in](mailto:webmaster@nhpc.nic.in)