



36TH

ANNUAL REPORT

2011-2012

Annual General Meeting on Monday, 17th September, 2012 at 11 a.m, MCF Auditorium, Faridabad, Haryana.



Corporate Vision

A world class, diversified & transnational organization for sustainable development of hydro power and water resources with strong environment conscience.

Corporate Mission

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

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CONSOLIDATED

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CORPORATE PROFILE

FINANCIAL		2011-12	2010-11	2009-10
Sales	**	5509.65	4046.59	4218.90
Miscellaneous income	@	1274.62	885.52	673.19
Profit before interest ,depreciation & tax	\$	4752.02	4160.75	3892.41
Profit after interest & depreciation		3517.04	2877.41	2402.08
Profit after interest ,depreciation & tax		2771.77	2166.67	2090.50
Dividend		861.05	738.04	676.54
Reserves & surplus (cumulative)		14052.79	12279.94	10972.45
WHAT CORPORATION OWNS				
Gross Fixed Assets		23060.93	22874.93	21302.37
Depreciation & Amortisation		6692.61	5774.04	4907.44
Net Fixed Assets		16368.32	17100.89	16394.93
Capital Work in progress		19190.05	15797.04	12802.50
Construction Stores and Advances		1133.25	1325.42	1222.52
Investments (Current & Non-Current)		2749.88	2913.55	4394.05
Other Long Term Loans & Advances and Other Non-Current Asset (Excluding Capital Advances)#		1636.99	1332.24	
Net Current Assets		6259.47	3832.58	3903.95
Miscellaneous Expenditure not w/o.		-	-	-
		47337.96	42301.72	38717.95
WHAT CORPORATION OWES				
Net Worth				
- Share Capital		12300.74	12300.74	12300.74
- Reserves		14052.79	12279.94	10972.45
Income Received in advance (Current & Non-Current) (on account of Advance Against Depreciation)		1359.39	1406.55	1437.44
Other Long Term Liability & Long Term Provisions#		1779.86	1583.90	
Borrowings (Including current maturities of long-term borrowings)		17641.14	14569.26	13868.22
Deferred Tax Liability (Net)		204.04	161.33	139.10
		47337.96	42301.72	38717.95
OPERATING PERFORMANCE		2011-12	2010-11	2009-10
Generation (M.U.)		18683	18604	16960
Machine availability (%)		83.30	85.20	84.10
Sales (₹in crore)		5509.65	4046.59	4218.90
Man power (Nos.)		11036	11420	11712

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

@ Includes receipts against contracts & exceptional item

\$ After prior period adjustments

Figures under these line item was included in Net Current Assets upto 2009-10.

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(₹ in crore)

2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
2671.85	2243.73	1754.12	1614.11	1449.98	1276.09	1172.23
589.64	911.77	433.38	359.55	393.80	551.69	302.96
2201.76	2201.93	1610.04	1454.71	1438.86	1477.37	1153.39
1178.34	1146.65	1087.74	812.16	777.53	643.48	555.00
1075.22	1004.09	924.80	742.75	684.58	621.38	510.50
325.00	300.00	278.00	223.00	140.00	120.00	75.00
6798.13	6093.34	5367.05	4709.89	4168.49	3594.27	3065.70
21460.08	20639.51	12943.64	12755.52	10876.28	10342.71	8280.95
3816.27	3262.66	2850.92	2527.83	2148.20	1882.95	1672.19
17643.81	17376.85	10092.72	10227.69	8728.08	8459.76	6608.76
9401.77	6318.64	11399.92	8844.19	8787.19	6975.83	7078.00
1096.85	1077.34	856.43	778.95	770.14	805.55	621.74
2793.60	3049.22	3322.75	3832.81	3769.43	3660.87	2415.66
605.76	713.03	-345.60	-225.34	138.69	107.76	1889.77
2.33	0.34	25.80	24.55	1.18	0.71	1.20
31544.12	28535.42	25352.02	23482.85	22194.71	20010.48	18615.13
11182.49	11182.49	11207.04	10576.09	9933.27	8629.03	7240.61
6798.13	6093.34	5367.05	4709.89	4168.49	3594.27	3065.70
1329.47	1303.26	1245.98	1030.18	1071.15	939.40	801.06
12234.03	9956.33	7531.95	7166.69	7021.80	6847.78	7507.76
-	-	-	-	-	-	-
31544.12	28535.42	25352.02	23482.85	22194.71	20010.48	18615.13
2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003
16689	14813	13049	12567	11286	11046	9863
93.61	96.13	94.11	98.16	95.30	96.82	96.62
2671.85	2243.73	1754.12	1614.11	1449.98	1276.09	1172.23
12028	12341	12768	13118	13470	13648	13017

DIGEST OF IMPORTANT FINANCIAL DATA (TEN YEARS)

FINANCIAL		2011-12	2010-11
A	SALE OF ENERGY \$	5462.49	3999.63
B	ADVANCE AGAINST DEPRECIATION	(47.16)	(46.96)
C	OTHER INCOME (INCLUDES CONST. & CONSULTANCY RECEIPT and EXCEPTIONAL ITEM)	1274.62	885.52
D	TOTAL INCOME (A)-(B)+(C)	6784.27	4932.11
E	GENERATION & OTHER EXPENSES (INCLUDES CONTRACT & CONSULTANCY EXP.)	2032.25	771.36
F	GROSS MARGIN (D) - (E)	4752.02	4160.75
G	DEPRECIATION	892.74	916.74
H	GROSS PROFIT (F) - (G)	3859.28	3244.01
I	INTEREST AND FINANCE CHARGES	342.24	366.60
J	NET PROFIT (H) - (I)	3517.04	2877.41
K	TAX	745.27	710.74
L	NET PROFIT AFTER TAX (J) - (K)	2771.77	2166.67
M	INTERNAL RESOURCE GENERATED (G)+(L)+(B)	3617.35	3036.45
N	AUTHORISED CAPITAL	15000.00	15000.00
O	EQUITY PAID UP CAPITAL **	12300.74	12300.74
P	RESERVE AND SURPLUS	14052.79	12279.94
Q	LOAN FUND	17641.14	14569.26
R- 1	INCOME RECEIVED IN ADVANCE AGAINST DEP (AAD)	1359.39	1406.55
R- 2	OTHER LONG TERM LIABILITY & LONG TERM PROVISIONS	1779.86	1583.90
S	GROSS FIXED ASSETS	23060.93	22874.93
T	DEPRECIATION	6692.61	5774.04
U	NET FIXED ASSETS (S) - (T)	16368.32	17100.89
V	CAPITAL WORK-IN-PROGRESS	19190.05	15797.04
W	CONSTRUCTION STORES AND CAPITAL ADVANCES	1133.25	1325.42
X	INVESTMENTS	2749.88	2913.55
Y	OTHER LONG TERM LOANS & ADVANCES AND OTHER NON-CURRENT ASSET (EXCLUDING CAPITAL ADVANCES)	1636.99	1332.24
Z	WORKING CAPITAL	6259.47	3832.58
Z-1	MISC. EXPENDITURE TO THE EXTENT NOT WRITTEN OFF	-	-
AA	GROSS CAPITAL EMPLOYED (U)+(V)+(W)+(X)+(Y)+(Z)-(R-2)	45558.10	40717.82
AB	NET WORTH (O)+(P)-(Z)	26353.53	24580.68
AC	INVENTORY CONSUMPTION IN POWER STATION	10.14	3.94
AD	VALUE ADDED (A)-(B)-(AC)	5499.51	4042.65

\$ INCLUDING TARIFF ADJUSTMENT. WHEELING CHARGES AND PROVISION FOR DOUBTFUL DEBTS

** INCLUDING SHARE DEPOSIT & GOI FUND ADJUSTABLE TO EQUITY

RATIOS

	2011-12	2010-11
1 RETURN ON GROSS CAPITAL EMPLOYED (H) / (AA)	8.47%	7.97%
2 RETURN ON NET WORTH (L) / (AB)	10.52%	8.81%
3 NET SALES TO GROSS CAPITAL EMPLOYED ((A)-(B)) / (AA)	12.09%	9.94%
4 VALUE ADDED TO NET SALES (AD) / ((A)-(B))	99.82%	99.90%
5 DEBT TO EQUITY RATIO (Q) / ((O)+(P))	0.67	0.59
6 NET PROFIT TO NET SALES (L) / ((A)-(B))	50.31%	53.54%

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(₹ in crore)

2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
4326.87	2698.06	2301.00	1969.93	1661.99	1581.73	1414.43	1324.86
107.97	26.21	57.27	215.81	47.88	131.75	138.34	152.63
673.19	589.64	911.77	433.38	359.55	393.80	551.69	302.96
4892.09	3261.49	3155.50	2187.50	1973.66	1843.78	1827.78	1475.19
999.68	1059.73	953.57	577.46	518.95	404.92	350.41	321.80
3892.41	2201.76	2201.93	1610.04	1454.71	1438.86	1477.37	1153.39
1033.25	518.24	443.74	290.55	269.57	248.97	208.14	140.36
2859.16	1683.52	1758.19	1319.49	1185.14	1189.89	1269.23	1013.03
457.08	505.18	611.54	231.75	372.98	412.36	625.75	458.03
2402.08	1178.34	1146.65	1087.74	812.16	777.53	643.48	555.00
311.58	103.12	142.56	162.94	69.41	92.95	22.10	44.50
2090.50	1075.22	1004.09	924.80	742.75	684.58	621.38	510.50
3231.72	1619.67	1505.10	1431.16	1060.20	1065.30	967.86	803.49
15000.00	15000.00	15000.00	15000.00	15000.00	15000.00	15000.00	10000.00
12300.74	11182.49	11182.49	11207.04	10576.09	9933.27	8629.03	7240.61
10972.45	6798.13	6093.34	5367.05	4709.89	4168.49	3594.27	3065.70
13868.22	12234.03	9956.33	7531.95	7166.69	7021.80	6847.78	7507.76
1437.44	1329.47	1303.26	1245.98	1030.18	1071.15	939.40	801.06
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16394.93	17643.81	17376.85	10092.72	10227.69	8728.08	8459.76	6608.76
12802.5	9401.77	6318.64	11399.92	8844.19	8787.19	6975.83	7078.00
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3903.95	605.76	713.03	-345.60	-225.34	138.69	107.76	1889.77
-	2.33	0.34	25.80	24.55	1.18	0.71	1.20
38717.95	31541.79	28535.08	25326.22	23458.30	22193.53	20009.77	18613.93
23273.19	17978.29	17275.49	16548.29	15261.43	14100.58	12222.59	10305.11
4.28	8.92	6.15	6.56	12.02	7.73	2.67	2.65
4214.62	2662.93	2237.58	1747.56	1602.09	1442.25	1273.42	1169.58

2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
7.38%	5.34%	6.16%	5.21%	5.05%	5.36%	6.34%	5.44%
8.98%	5.98%	5.81%	5.59%	4.87%	4.85%	5.08%	4.95%
10.90%	8.47%	7.86%	6.93%	6.88%	6.53%	6.38%	6.30%
99.90%	99.67%	99.73%	99.63%	99.26%	99.47%	99.79%	99.77%
0.60	0.68	0.58	0.45	0.47	0.50	0.56	0.73
49.55%	40.24%	44.75%	52.72%	46.02%	47.21%	48.69%	43.55%

**NHPC Limited**

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REFERENCE INFORMATION

Registered Office

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

Corporate Office

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

Company Secretary

Mr. Vijay Gupta

Registrar & Share Transfer Agent

Equity Shares

M/s Karvy Computershare Private Limited
Plot No.17 to 24, Vittalrao Nagar,
Madhapur, Hyderabad-500081
Ph:040-23420815 to 824
Email: einward.ris@karvy.com
Website:www.karvycomputershare.com

Bonds

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

Shares Listed at:

Bombay Stock Exchange Limited
National Stock Exchange of India Limited

Depositories

National Securities Depository Limited
Central Depository Services (India) Limited

Statutory Auditors

M/s S.N.Nanda & Co.

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

M/s Baweja & Kaul,

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

M/s Singhi & Co.

Chartered Accountants,
1-B, Old Post Office Street,
Kolkata-700001,
West Bengal

M/s Tiwari & Associates

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

Bankers

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

LETTER TO SHAREHOLDERS



Dear Shareholders,

It gives me immense pleasure to present your Company's Annual Report for the financial year 2011-12. You will be happy to know that your Company continued to move on the path of excellence that it has set out for itself. During the year, Company's 12 operating power stations located in different parts of the country generated 18,683 MUs which was the highest ever generation since its inception. It is a pleasure in conveying you that this power generation exceeded the annual MoU target of 18,500 MUs for an 'Excellent' rating by 183 MUs and higher by 0.42 per cent as compared to the previous year.

Considering the progress made by your Company during the year, the Directors have recommended a dividend of Re. 0.70 per share (excluding dividend tax) for the year 2011-12. The total dividend payout for the year will be Rs 861.05 crore which is 31.06 per cent of the profit after tax. The dividend will be paid after your approval at the Annual General Meeting.

I am also happy to inform you that your Company has commissioned two units of Chamera-III H.E. Project (3x77MW) in June 2012 and third unit on 4th July, 2012. At present construction of 9 hydroelectric projects with an installed capacity of 4,271 MW is under progress. Out of these, five projects viz.- Teesta Low Dam-III, Nimoo Bazgo, Chutak, Uri-II and Parbati-III are in advanced stages of completion.

I would like to mention here that work at Subansiri Lower H.E. Project (2000MW) is suffering since December, 2011 due to local agitation. The matter has been taken up at various levels. On the advise of PMO, Planning Commission has constituted a two member Technical Expert Committee (TEC) to look into the issues related to the demand raised by the local people. The report of TEC has been submitted to Planning Commission. Meanwhile, the contractors have started mobilizing their resources at site under escort at slow pace.

Your Company's commercial performance during the year 2011-12 has been highly satisfactory. Industrial relation was cordial even though a section of the workforce took part in one-day nationwide token strike. However, the strike had no impact on the Company's power generation.

Your Company along with all your efforts and initiatives has always moved ahead. I am pleased to share with you that as part of the future expansion programme, five projects with a capacity of 5,115 MW are under various stages of approval. In addition to these five projects, we are working on capacity addition of 3686 MW and these will be executed through Joint Venture with State Government /PSUs. These joint ventures include the Loktak Downstream Project in Manipur, Pakal Dul and others in Jammu & Kashmir and Tipaimukh Hydroelectric project in Manipur.



NHPC Limited

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It was an extremely satisfying moment for us when promoter's agreement for setting up a joint venture involving NHPC Limited, SJVN Limited and the Government of Manipur for implementing the Tipaimukh Hydroelectric Project in Manipur was signed in October 2011 .

Your Company is also participating in implementing rural electrification projects under the Rajiv Gandhi Gramin Vidyutikaran Yojana (RGGVY) in 27 districts spread over five states of West Bengal, Bihar, Jammu & Kashmir, Chhattisgarh and Odisha at an estimated cost of Rs 2,900 crore approximately. The work includes electrification of Unelectrified/De-electrified (UE/DE) villages, Partially Electrified (PE) villages and service connections to Below Poverty Line (BPL) households.

As on 31st March 2012, the cumulative achievements for UE/DE villages, PE villages and BPL connection were 9,092, 16,439 and 18.2 lakh respectively.

As you all know, your Company is spreading its wings beyond Indian shores. Accordingly, the 'Action Plan' on India-Bhutan cooperation in hydropower development your Company submitted the draft DPR for Chamkharchhu-I H.E. Project (770 MW) to the Royal Government of Bhutan (RGoB)/Government of India (Gol) in March 2012. The draft PFR for the Kuri Gongri Basin Projects was also submitted to RGoB/Gol in May 2012.

Your Company has also signed an agreement with the Mangdechhu Hydroelectric Project Authority for providing engineering and design consultancy services for the construction of the Mangdechhu H.E. Project (720 MW) in Bhutan.

Further, your Company's major consultancy assignments include those from central and state government agencies in India and others in neighbouring countries like Bhutan, Myanmar and Tajikistan. So far your Company has completed 84 consultancy assignments while another 18 are under progress.

In keeping with your Company's policy of providing consultancy services in different areas of hydropower including river basin studies, survey work, design and engineering, geological studies, geotechnical studies, hydraulic transient studies, hydrological studies, contract management, construction management, equipment planning, underground construction, testing and commissioning, and operation & maintenance to leading organizations, we have completed the investigations and preparation of updated DPRs for the 1,200 MW Tamanthi and 642 MW Shwezaye Hydropower & Multipurpose Projects in Myanmar as a consultancy assignment from the Ministry of External Affairs (MEA), Government of India. The final report for the Tamanthi Hydropower & Multipurpose Project was submitted to the Ministry of External Affairs, Government of India and to the Government of Myanmar.

During financial year 2011-12, your Company also carried out a technical due diligence study of the Shiroro Hydroelectric Power Station in Nigeria for M/s Dangote Industries Limited.

Staying abreast of technological advancements is a key to the success of your Company. Hence, after implementing all modules of ERP in the last four years, the key functions of the organization are now totally IT enabled and seamlessly integrated with major focus on the management of projects under construction and also the operation and maintenance of power stations.

The IT and communication infrastructure has been upgraded at over 50 locations to support increased dependence on information technology. All the locations are connected to the corporate office through multi-mode, fail-safe communication links using MPLS-VPN (OFC) and the VSAT based satellite network. Applications such as Intranet, Internet, e-mail and ERP are being run to leverage this network.

At NHPC we believe that our success is due to our strong workforce. Therefore, we make all attempts and are committed in offering to all its employees professional opportunity for their growth and development and it is the main motive behind setting up of training centres at various power stations. We have progressively developed learning ventures with leading educational institutions in the country for skill and knowledge enrichment of all sections of our employees. The training programmes are designed and conducted on existing and upcoming technologies in the power sector. Strategic alliances with IIMs/XLRI/IITs for advance management and leadership development programmes for employees have also been made.

Your Company also believes in looking after the welfare of people in and around its project sites. Accordingly, it formulated Rehabilitation and Resettlement (R&R) Policy-2007 in line with the National Rehabilitation and Resettlement Policy (NRRP), 2007 in consultation with various stakeholders. The policy provides that up to 0.75 per cent of the hard cost of a project is earmarked towards Community and Social Development Plan (CSDP) for implementation in the resettlement zone and affected areas. An operational manual for effective implementation of various R&R activities has also been formulated to implement your Company's R&R policy in its true spirit.

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What gives us internal satisfaction that your company on recognition of hardwork, dedication and commitment towards hydropower development in the country received various awards. These includes The 'AMITY Corporate Excellence Award for Innovative Training & HR Practices' by AMITY International Business School, First prize under the NTPC Rajbhasha Shield Yojana for 2010-11 for outstanding work in implementing Rajbhasha in the power sector, the 'India Power Award 2011' for the 'largest Hydropower Developer (public sector)', 'Prashansa Patra' at the 'NSCI Safety Awards – 2010' instituted by the National Safety Council and the 'PSE Excellence Award 2011' in the Miniratna and other category for 'Best Human Resource Management'.

During the year, your Company decided to focus on Corporate Social Responsibility (CSR) initiatives in rural areas and backward districts of hill states like J&K, Himachal Pradesh, Sikkim, Uttarakhand, Arunachal Pradesh and Assam. With its continued commitment towards CSR, NHPC contributed to the economic development and improvement in the quality of life of internal as well external stakeholders and of society at large. A budget of 0.5 per cent of PAT was allocated to CSR activities during the financial year 2011-12.

Besides all this, your Company also undertook a number of community development initiatives in the field of education and health. In the field of education, your Company organized various skill development/vocational training programmes to improve the skills and employability of people living in areas surrounding projects/power stations.

More than 800 SC/ST students studying in schools near power stations/projects/townships in J&K, Himachal Pradesh, Uttarakhand and Sikkim and in the north-eastern region were provided scholarships during 2011-12. The basic amenities were also provided, constant support and cooperation was assured to all.

In the field of health, number of immunization programmes and medical check-ups were organized for children studying in schools near NHPC's projects and power stations. Besides these, regular health camps focusing on women, children, disabled and old age persons were also organized across the northern and eastern regions.

Your Company was also on the forefront in organizing relief and rehabilitation work in the areas devastated by heavy rains and cloud bursts in Leh-Ladakh and a big earthquake in Sikkim. It also promoted rural sports and organized annual sports meets in the villages by providing both equipment and other facilities. As part of its environment protection initiatives, special thrust was placed on community plantation and forestry programmes around all its establishments.

Your Company managed to achieve proactive and continuous change with the support it got from the different wings of the Government of India, particularly from the Ministry of Power, the Ministry of Finance, the Planning Commission, Ministry of Environment and Forests, Department of Public Enterprises, Ministry of Corporate Affairs, the CEA and CWC as well as State Governments, the Regional and State Electricity Board, beneficiaries drawing power from our power stations as also our valuable clients for consultancy assignments. We are thankful for the faith imposed in the Company by the bankers and lenders including foreign institutions. I would like to express my sincere gratitude to all for their intense support and guidance at every step.

I would like to place on record my appreciation for the valuable contribution of Board Members which have been helpful in taking NHPC to greater heights of achievement. I also thank each and every employee of NHPC for their trust, constant support and commitment which has added on to the company's performance.

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

Yours sincerely,



(G. Sai Prasad)

Chairman and Managing Director



NHPC Limited

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NOTICE

NOTICE is hereby given that the 36th Annual General Meeting of the members of NHPC Limited will be held at 11:00 A.M. on Monday, the 17th September, 2012 at Municipal Corporation Auditorium, NIT, Near B K Chowk, Faridabad - 121001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Profit & Loss Account for the financial year ended on that date together with Report of the Board of Directors and Auditors thereon.
2. To declare dividend for the financial year 2011 - 2012.
3. To appoint a Director in place of Shri R. S. Mina, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri A. Gopalakrishnan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri A. B. L. Srivastava, who retires by rotation and being eligible, offers himself for re-appointment.
6. To fix the remuneration of the Auditors for the year 2012 – 13.

By order of the Board of Directors

(Vijay Gupta)

Company Secretary

Regd Office:

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

Date : 06.08.2012

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE, THE PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE SCHEDULED TIME TO THE ANNUAL GENERAL MEETING. BLANK PROXY FORM IS ENCLOSED.**
2. As required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges the relevant details of Shri R. S. Mina, Shri A. Gopalakrishnan and Shri A.B. L. Srivastava, Directors retiring by rotation and seeking re-appointment under item Nos. 3, 4, 5 aforesaid in accordance with applicable provisions of the Articles of Association of the Company is annexed hereto and form part of the notice. As per the terms and conditions of appointment issued by Government of India, the tenure of directorship of Shri R. S. Mina and Shri A.B.L. Srivastava is for 5 years from the date of appointment i.e. 28.04.2009 and 11.02.2008 respectively. The tenure of Shri A. Gopalakrishnan is for 3 years from the date of appointment i.e. 15.12.2009.
3. The Register of Members and Share Transfer Books of the company will remain closed from 4th September, 2012 to 17th September, 2012 (both days inclusive). The Board of Directors in its meeting held on 25th May, 2012, has recommended a Final Dividend @ 7% (Re. 0.70 per share) on the paid up equity share capital of the company. The final dividend on equity shares, as recommended by the Board of Directors, subject to the provisions of section 206A of the Companies Act, 1956, if declared at the Annual General Meeting, will be paid on or after 22nd September, 2012 to the Members or their mandates whose names appear on the Company's Register of Members on 17th September, 2012 in respect of physical shares. In respect of dematerialized shares, the dividend will be payable

to the “beneficial owners” of the shares whose names appear in the Statement of Beneficial Ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on 3rd September, 2012.

4. Members are requested to:
 - i) note that copies of Annual Report will not be distributed at the Annual General Meeting.
 - ii) bring their copies of Annual Report, Notice and Attendance Slip duly completed and signed at the meeting.
 - iii) deliver duly completed and signed Attendance Slip at the entrance of the meeting venue, as entry to the Hall will be strictly on basis of the entry slip available at the counters at the venue to be exchanged with the attendance slip.
 - iv) quote their Folio/ Client ID& DP ID No. in all correspondence.
 - v) **Note that due to strict security reasons mobile phones, brief cases, eatables and other belongings are not allowed inside the Auditorium/venue.**
 - vi) Note that no gifts/coupons will be distributed at the Annual General Meeting.
5. Members are advised to submit their Electronic Clearing System (ECS) mandates, to enable the Company to make remittance by means of ECS. Those holding shares in physical form may obtain and send the ECS mandate form to M/s Karvy Computershare Private Limited, Registrar & Share Transfer Agent of the Company. Members holding shares in Electronic Form may obtain and send the ECS mandate form directly to their Depository Participant (DP). Those members who have already furnished the ECS Mandate Form to the Company/Registrar & Share Transfer Agent/DP with complete details need not send it again.

The shareholders who do not wish to opt for ECS facility may please mail their bankers’ name, branch address and account number to Karvy Computershare Private Limited, Registrar & Share Transfer Agent of the Company to enable them to print these details on the dividend warrants.
6. Members holding shares in multiple folios in physical mode are requested to apply for consolidation to the Company or its Registrar & Share Transfer Agent alongwith relevant Share Certificates.
7. SEBI has made it mandatory for the transferee(s) to furnish copy of PAN card to the Company/ Registrar & Share Transfer Agent for registration of transfers and for securities market transactions and off-market/ private transactions involving transfer of shares of listed companies in physical form. Accordingly, members holding shares in physical form should attach a copy of their PAN card for every transfer request sent to the company/ Registrar & Share Transfer Agent.
8. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956 the dividend amounts which remain unpaid /unclaimed for a period of seven years, are required to be transferred to the Investors Education & Protection Fund of the Central Government. After such transfer, there remains no claim of the members whatsoever on the said amount. Therefore, Members are advised to encash their Dividend warrants immediately on receipt.
9. Members may avail of the facility of nomination in terms of Section 109A of the Companies Act, 1956 by nominating in the Form-2B as prescribed in the Companies (Central Government) General Rules and Forms, 1956, any person to whom their shares in the Company shall vest on occurrence of events stated in the form. Form-2B is to be submitted in duplicate to M/s Karvy Computershare Private Limited, Registrar & Share Transfer Agent of the Company. In case of shares held in dematerialized form, the nomination has to be lodged with the respective Depository Participant.
10. Annual listing fee for the year 2012-13 has been paid to all Stock Exchanges wherein shares of the Company are listed.
11. Pursuant to Section 619(2) of the Companies Act, 1956, the Auditors of a Government Company are to be appointed or re-appointed by the Comptroller and Auditor General of India(C&AG) and in terms of Clause (aa) of sub-section (8) of Section 224 of the Companies Act, 1956 their remuneration is to be fixed by the Company in Annual General Meeting or in such manner as the Company in General Meeting may determine. The members of the Company in their 35th Annual General Meeting held on September 19, 2011 authorized the Board of Directors to fix the remuneration for the year 2011-12. Accordingly, the Board of directors have fixed a sum of Rs. 30,00,000/- as remuneration to the Joint Statutory Auditors for the year 2011-12 in addition to applicable service tax and reimbursement of actual traveling and out-of-pocket expenses. The auditors for the year 2012-13 are yet to be appointed by C&AG. The

Members may consider and authorize the Board to fix an appropriate remuneration of Auditors for the year 2012-13 as may be deemed fit by the Board.

12. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
13. Members are requested to notify immediately any change of address:
 - i) to their Depository Participants(DP) in respect of shares held in dematerialized form and
 - ii) to the Company at its Registered Office or to its Registrar & Share Transfer Agent, M/s Karvy Computershare Private Limited in respect of their physical shares, if any, quoting their folio number.
14. Members desirous of getting any information on any items of business of this Meeting are requested to address their queries to Shri A.B.L. Srivastava, Director (Finance) and public spokesperson Shri Rupesh Sood, Chief (Finance) of the Company at the registered office of the company at least ten days prior to the date of the meeting, so that the information required can be made readily available at the meeting.
15. None of the Directors of the Company is in any way related to each other.
16. All documents referred to in the accompanying notice are open for inspection at the registered office of the company on all working days (barring Saturday and Sunday) between 11.00 a.m. to 1.00 p.m. prior to the Annual General Meeting.
17. Members may write to the Company Secretary of the Company for the annual report of the subsidiary companies. The annual accounts of the subsidiary companies shall also be available for inspection by any shareholders at the Registered office of the Company.
18. The members may please note that in accordance to notice dated 19th April, 2012 for change in objects clause of Memorandum of Association through postal ballot, the resolution has been passed on 7th June, 2012 by requisite majority i.e. Special Resolution. Relevant details in this regard are covered in the Corporate Governance Report annexed to the Report of the Board of Directors.
19. Members who have not encashed their dividend warrants within its validity period may write to the Company at its Registered Office or to M/s Karvy Computershare Private Limited, Registrar & Share Transfer Agent of the Company, for revalidating the warrants or payment in lieu of such warrants in the form of demand draft.
20. Non-Resident Indian Members are requested to inform Karvy, Immediately of:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
21. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
22. Share transfer documents and all correspondence relating thereto, should be addressed to the Registrar and Transfer Agent of the Company – Shri S. Balaji Reddy, M/s Karvy Computershare Private Ltd. (Karvy), Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081 Phone Nos. 040-23420815-19; e-mail: sbreddy@karvy.com. Karvy is also the depository interface of the Company with both NSDL and CDSL.
23. The Company is not providing video conferencing facility for this meeting.
24. The members can also access the annual report electronically using the link: http://nhpc-reports.nic.in/annual_report/annual_report1112.pdf

Important communication to members

To allow paperless compliances by the companies, the Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance”. It has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government, members who have not registered their e-mail addresses, so far, are requested to register and who have registered may kindly update their e-mail addresses, in respect of electronic holdings with the Depository through their Depository Participants.

BRIEF RESUME OF THE DIRECTORS SEEKING RE-ELECTION AND ALSO OF DIRECTORS APPOINTED SINCE LAST ANNUAL GENERAL MEETING

Directors seeking re-election at the 36th Annual General Meeting

Name	Shri R.S. Mina	Shri A. Gopalakrishnan	Shri A.B.L. Srivastava
Date of Birth & Age	12.01.1957/ 55yrs	02.12.1951/ 60yrs.	24.08.1955/ 57 yrs.
Date of Appointment	28.04.2009	15.12.2009	11.02.2008
Qualification	He holds a Bachelor's degree in Electrical Engineering from Maulana Azad College of Technology, Bhopal and a Master's degree in Business Administration with specialization in Financial and Human Resource Management from the Indira Gandhi National Open University (IGNOU).	He is a Chartered Accountant.	He holds a Master's degree in Business Finance and Commerce. He is also a Member of the Institute of Chartered Accountants of India.
Expertise in specific functional area	Shri Mina has over 32 years of work experience including 31 years in the power sector. Apart from handling technical assignments like design, engineering, construction, execution, testing and commissioning of transmission lines and hydro electric projects. He also headed the divisions like human resource development, corporate communication, rajbhasha and facility management division. Before joining the NHPC board, Shri Mina served as Executive Director (Consultancy and Business Development) and as Executive Director, Region-III- Kolkata. He joined the NHPC board on 28.4.2009	Shri Gopalakrishnan held membership in the State Council of the Confederation of Indian Industry, Kerala region and the Centre for Taxation Studies, Thiruvananthapuram. He is also associated with the Education Trust as Chief Sevak of the Chinmaya Mission Educational and Cultural Trust, Ernakulum. He was the Chairman of the Kottayam branch of the Institute of Chartered Accountants of India (1999-2000) and has been faculty for the coaching board classes for CA intermediate and final students. He is a senior partner in reputed CA firm M/S K. Venkatachalam Aiyer & Co. He joined the NHPC board on 15.12. 2009.	He has served in various organisations and has over three decades of varied experience in the field of finance. He joined Rural Electrification Corporation Limited ("REC") in the year 1999 as the Chief (Finance) and was promoted as the General Manager (Finance) in the year 2004. During his tenure at REC, he was closely associated with resource mobilisation, project evaluation as well as its initial public offering. He was also on the board of REC Power Distribution Company Limited, a wholly owned subsidiary of REC. He also served at Uttar Pradesh Financial Corporation as Deputy General Manager (Finance). He is on the board of PTC India Limited as a Nominee Director since May 2008. He joined the NHPC board on 11.02.2008.
Directorship held in other companies	NIL	<ul style="list-style-type: none"> • NHDC Limited • Center for Examining Financial Reporting and Governance (India) Pvt. Limited 	<ul style="list-style-type: none"> • NHDC Limited • PTC India Limited
Membership/ Chairmanship Committees across all public companies	NIL	NHPC Limited - Chairman of Audit Committee NHDC Limited – Chairman of Audit Committee Chairman of Remuneration Committee	NHPC Limited – Member of Shareholder's Grievance Committee PTC India Limited - Member : - Remuneration and Compensation Committee - Nomination Committee
Number of shares held	42000	NIL	49875

Brief Resume of the Directors appointed since last Annual General Meeting

Name	Date of Birth	Date of Appointment	Qualification	Expertise in specific Functional area	Directorship held in other Companies	Membership/ Chairmanship of Committees across all Public Companies
Shri G. S. Vedi	28/06/1950	08/11/2011	He holds a Bachelor degree in Science and Master degree in Arts.	He has served the Banking Industry for more than 40 years in various capacities both in administrative offices and operations across the country. He has headed various zonal offices of Punjab & Sind Bank located at Mumbai, Chandigarh, Jaipur and Guwahati. He has also handled various assignments in the fields of foreign exchange, personnel, inspection and merchant banking in different capacities. He was appointed as Executive Director of Canara Bank by the Government of India on 7 th November, 2007. He had been re-appointed as Executive Director of Punjab & Sind Bank and subsequently appointed as its Chairman and Managing Director on 26 th August, 2009 by the Government of India. He has joined NHPC board on 08.11.2011.	MMTC	NHPC Limited - Member of Audit Committee MMTC - Member of Audit Committee and Shareholders Grievance Committee
No. of shares held			NIL			
Shri A. K. Mago	27/09/1944	09/11/2011	He holds a Master's degree in physics and an M. Phil. degree in Social Sciences. He also holds diplomas in Management and Public Finance from Paris and in Public Administration from Delhi.	He has over 37 years of administrative and management experience. Shri Mago has worked in different capacities both in the Central and State governments in various sectors including energy, power, ports, urban infrastructure, industries, environment and forests. He has expertise in the fields of policy, planning and implementation in power, ports and urban infrastructure. He was also Chairman of the Maharashtra State Electricity Board and the Mumbai Port Trust. He was the Managing Director of Maharashtra Petro Chemicals Corporation and the Commissioner of Food and Drug Administration. He was an independent director on the Board of NHPC from 03.04.2008 to 02.04.2011. He joined the NHPC board on 9.11.2011 on re-appointment.	1. Yes Bank, 2. Inter Connected Stock Exchange of India	NHPC Limited - Member of Audit Committee
No. of shares held			NIL			

Annual Report

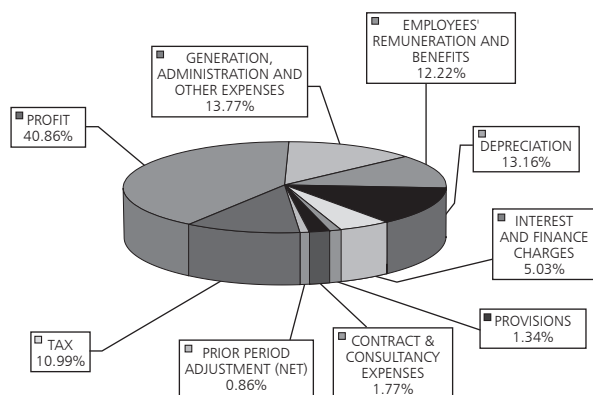
2011-12

Name	Date of Birth	Date of Appointment	Qualification	Expertise in specific Functional area	Directorship held in other Companies	Membership/ Chairmanship of Committees across all Public Companies
Shri R. Jeyaseelan	17/11/1946	12/11/2011	He has a B.E. (Civil Engineering) degree from the University of Madras, a M.Tech (Structural Engineering) degree from IIT (Madras) and a P.G. diploma (Hydro Power Development) from the Norwegian Technical Institute.	Shri Jeyaseelan joined the Central Water Engineering Services as Assistant Director in December 1969 and has worked in various capacities for over 37 years. He served as Chairman, Central Water Commission, Government of India for four years. He has handled several consultancy assignments for water resources development projects in India and abroad. He was an independent director on the Board of NHPC from 23.04.2008 to 22.04.2011. He joined the NHPC board on 12.11. 2011 on his re-appointment.	NIL	NIL
No. of shares held			NIL			
Shri G. Sai Prasad	05/06/1966	20/12/2011	He has a Graduate Degree from IIT-Delhi and Post Graduate degree from Duke University, USA.	Shri Prasad is an Indian Administrative Service officer of the 1991 batch. He has worked in several positions including as Sub-Collector (Paderu), Project Officer (ITDA Paderu), Municipal Commissioner (Guntur), Joint Collector (Kadapa) and Collector & District Magistrate (Kurnool and Chittoor). Before joining the Ministry of Power, Shri Prasad was also the CMD of Central Power Distribution Company of Andhra Pradesh Limited and the Eastern Power Distribution Company of AP Limited. Presently, he is Joint Secretary (Hydro), Ministry of Power and holding an additional charge of CMD of NHPC w.e.f. 24.07.2012. He joined the NHPC Board on 20.12.2011.	SJVN Limited, THDC Limited, North Eastern Electric Power Corporation Limited, NHDC Limited	NIL
No. of shares held			NIL			
Shri A. S. Bakshi	24/07/1953	17/01/2012	He is an Engineering Graduate and also has a MBA degree.	He has versatile experience of more than 37 years in the power sector and specializes in the fields of thermal power engineering and electricity generation planning. He has also worked in the fields of energy conservation/energy audit for various thermal power plants. He was instrumental in the preparation of the National Electricity Plan 2007. He assumed charge as Member (Planning) CEA on 28 th October, 2010. Presently, he is Chairman-CEA. He joined the NHPC board on 17.1.2012.	NIL	NIL
No. of shares held			NIL			

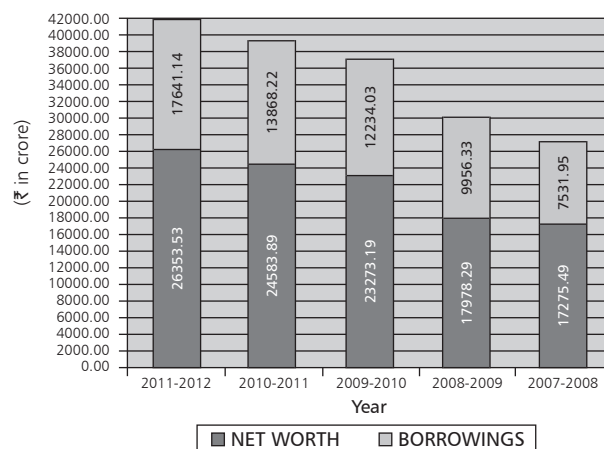
Name	Date of Birth	Date of Appointment	Qualification	Expertise in specific Functional area	Directorship held in other Companies	Membership/ Chairmanship of Committees across all Public Companies
Shri Atul Kumar Garg	03/02/1950	30/03/2012	He holds Post Graduate degrees in Political Science & Modern History. He is a MBA from the University of Hull, UK.	He joined the Indian Administrative Service in 1976 and was allotted the Rajasthan cadre. He was associated with the Government of Rajasthan in various capacities including as the Chairman and Managing Director of Rajasthan Financial Corporation, Secretary to the Governor of Rajasthan and Secretary/ Special Secretary to the Department of Agriculture, Government of Rajasthan. He joined the NHPC board on 30.3.2012.	NIL	NHPC Limited - Member of Audit Committee
No. of shares held			NIL			
Shri Ashoke K Dutta	17/07/1947	30/03/2012	He holds a Bachelors degree in Science (Hons.) from St. Xavier's College and PGDM from IIM, Kolkata.	He has over 40 years of Experience in Multinational Corporations, Indian Business Houses and Public Sector Enterprises. He has vast experience in industries such as Shipping and Transport, Fast Moving Consumer Products, Pharmaceuticals, Media and Education. He has been an advisor to large number of Business Groups like the Mittals of Ispat, Jwahars of Usha Martin Group, Peerless, Selvel etc. He has served in many expert committees of the University Grants Commission, All India Council of Technical Education and Government of India. Presently, he is a member of various Councils such as Central Direct Tax Advisory, the Executive Council of Assam University and Guwahati University, Society at IIM Lucknow and Board of Governors of Institute of IEM. He led the oldest Business School in India, the Indian Institute for Social Welfare & Business Management. At present he is Director of IIM, Shillong, Guwahati. He joined the NHPC board on 30.03.2012.	1. ABC India Limited, 2. Khadim India Limited, 3. All India Technologies Limited, 4. Batchmates Com Private Limited,	NHPC Limited - Member of Shareholder's Grievance Committee Khadim India Limited - Member of Audit Committee
No. of shares held			NIL			
Shri Shantikam Hazarika	12/10/1947	24/05/2012	He holds a Bachelor's degree in Electronics from BITS, Pilani and PGDM from IIM, Ahmedabad	Presently, he is the Chairman of the Board of Secondary Education-Assam. He is the Member of Management Council Dr. B. Barooah Cancer Institute, Assam State Council of CII and also the Director of Federation of Industries of NE region (FINER), AMTRON. Prior to joining NHPC Board, he has served as Senior Executive at Oil India Limited. He has been Founder Director of Assam Institute of Management for 22 years and Member (Finance) of Assam State Electricity Board. He joined the NHPC Board on 24.05.2012.	1. The Guwahati Stock Exchange Limited, 2. Assam Electronics Development Corporation Limited (AMTRON)	NHPC Limited - Member of Shareholder's Grievance Committee
No. of shares held			NIL			

NHPC'S PERFORMANCE

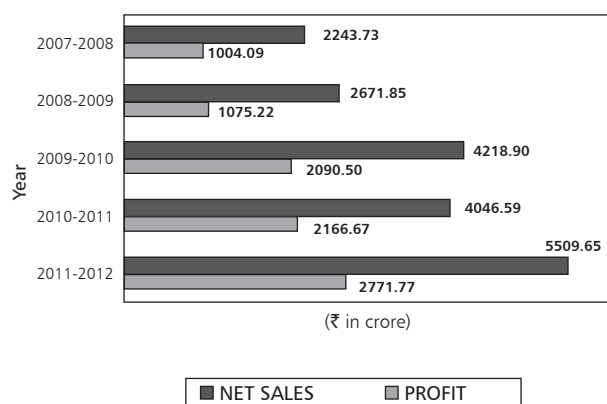
ANALYSIS OF REVENUE 2011-2012



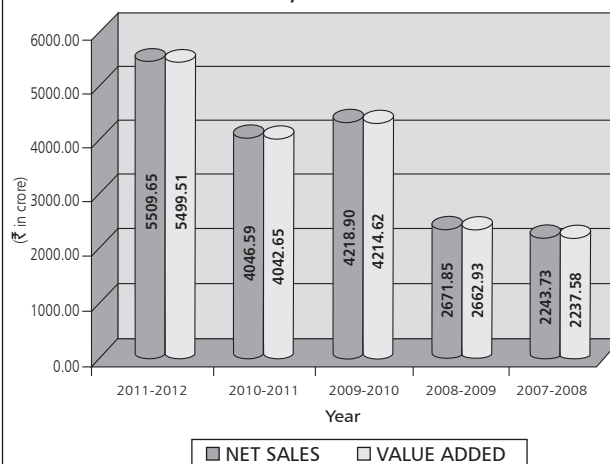
NET WORTH V/S BORROWING



NET SALES V/S PROFIT



NET SALES V/S VALUE ADDED



DIRECTORS' PROFILE

Shri G. Sai Prasad



Shri G. Sai Prasad (DIN No. 00325308) is 46 years and is our **Government Nominee** on the NHPC board. He is a graduate from the Indian Institute of Technology, (IIT) Delhi and has a post graduate degree in International Development Policy from Duke University, USA. Shri Prasad is also an Indian Administrative Service officer of the 1991 batch. He has worked in several positions including as Sub-Collector (Paderu), Project Officer (ITDA Paderu), Municipal Commissioner (Guntur), Joint Collector (Kadapa) and Collector and District Magistrate (Kurnool and Chittoor). Before joining the Ministry of Power, Shri Prasad was also the CMD of Central Power Distribution Company Andhra Pradesh Limited and the Eastern Power Distribution Company of AP Limited. He was also the Vice Chairman and Housing Commissioner in the Andhra Pradesh Housing Board, Hyderabad. He is holding additional charge of **Chairman and Managing Director** of NHPC with effect from 24.7.2012. He joined the NHPC board on 20.12.2011.

Shri A. B. L. Srivastava



Shri A.B.L. Srivastava (DIN No. 01601682) is 57 years and is our **Director (Finance)**. He holds a Master's degree in business finance and commerce. He is also a member of the Institute of Chartered Accountants of India (ICAI). Shri Srivastava has made significant contributions to the growth and success of NHPC. He has been responsible for project finance, including resource mobilization, financial restructuring and fund raising from both domestic and international sources and also its optimum utilization. He has been instrumental in designing adequate internal control systems to enable NHPC to adopt corporate governance practices. He was associated with REC in various capacities. He was also on the board of the REC Power Distribution Company, a wholly owned subsidiary of REC. Shri Srivastava is on the board of PTC India Limited as a Nominee Director since May 2008. He was actively involved in the disinvestment programme of both REC as well as NHPC Limited. He is one of the recipients of the prestigious Special Achiever Award-2010 given by ICAI in recognition of his professional achievements. Shri Srivastava was holding additional charge of Chairman and Managing Director, NHPC from 1.1.2011 till 30.6.12. He is having additional charge of Managing Director in NHDC. Shri Srivastava joined the NHPC board as Director (Finance) on 11.2.2008.

Shri D.P. Bhargava



Shri D. P. Bhargava (DIN No. 01277269) is 56 years and is our **Director (Technical)**. He is in charge of various activities including design and engineering of projects under construction, commercial, planning, quality assurance, inspection and operations and maintenance of power stations.

Shri Bhargava holds a bachelor's degree in electrical engineering from the University of Roorkee and has 33 years experience in the hydro power sector. He has worked with the Nathpa Jhakri Hydro Power Station of the Satluj Jal Vidyut Nigam Limited and was also the Chief Executive Director of NHDC Limited, a subsidiary of NHPC. Shri Bhargava also served as the Executive Director (Projects) of NHPC. He joined the NHPC board on 26.3.2009.

DIRECTORS' PROFILE

Shri J.K. Sharma



Shri J.K. Sharma (DIN: 00387785) 54 years and is our **Director (Projects)**. He is currently in charge of construction projects, Information and technology (IT), Construction Equipment Planning (CEP) and Corporate Planning.

Shri Sharma has a bachelor's degree in Civil Engineering from the University of Indore and is a member of the American Society of Civil Engineers. He is also a fellow of the Institution of Engineers (India) and Chartered Engineer. He has over 32 years of experience mainly in the hydro sector both in India and abroad.

Prior to joining NHPC, Shri Sharma served as the Director (Civil) in the Satluj Jal Vidyut Nigam Limited. He is a recipient of the Rashtriya Gaurav Award and of the Mother Teresa Excellence Award. He joined the NHPC Board on 10 April 2009. He is Certified Projects Director, IPMA Level - A w.e.f. 27th September, 2011.

Shri Radheshyam Mina



Shri Radheshyam Mina (DIN No. 00149956) is 55 years and is our **Director (Personnel)**. He is in charge of human resource management, human resource development, rajbhasha, legal, corporate communication, estate facility and management services and consultancy and business development divisions at NHPC.

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

Shri Mina has over 32 years of work experience including 31 years in the power sector. Apart from handling technical assignments like design, engineering, construction, execution, testing and commissioning of transmission lines and hydro electric projects, he also headed different division of NHPC Limited. He worked with NHPC from 1 May 1981 to 18 November 1991 and then joined the Power Grid Corporation of India Limited.

He re-joined NHPC on 18 December 1998. Before joining the NHPC board, Shri Mina served as Executive Director (Consultancy and Business Development) and as Executive Director, Region-III, Kolkata. He joined the NHPC board on 28.4.2009.

Shri A.S.Bakshi



Shri A.S. Bakshi (DIN No. 05175439) is 59 years and is the **Chairperson, CEA**. An engineering graduate, Shri Bakshi also has a MBA degree. He has versatile experience of more than 37 years in the power sector and specializes in the fields of thermal power engineering and electricity generation planning. Shri Bakshi underwent training at CEGB, UK (1987) and NIE, Ireland, UK (1981) in thermal plant operation & energy audits.

Shri Bakshi has worked in the fields of energy conservation/energy audit for various thermal power plants. He assumed the charge of Director (A-1) and looked after the administrative work of the organization. He was promoted as the Chief Engineer in 2004 and was associated with the country's generation planning (both short and long term) and likely power supply position. Shri Bakshi was instrumental in the preparation of the National Electricity Plan 2007. He assumed charge as member (Planning) CEA on 28 October 2010. He joined the NHPC board on 17.1.2012.

DIRECTORS' PROFILE

**Shri
A. Gopalakrishnan**



Shri A. Gopalakrishnan (DIN No. 02880344) is 60 years and is our **Independent Director**. He is a **Senior Partner** in one of the oldest and most reputed firms of chartered accountants, M/s K. Ventkatachalam Aiyer and Co. headquartered in Thiruvananthapuram. Shri Gopalakrishnan stood 13th at the all-India level in the CA final examination held in May 1974 and 36th in the CA intermediate.

Shri Gopalakrishnan held membership in the State Council of the Confederation of Indian Industry, Kerala region and the Centre for Taxation Studies, Thiruvananthapuram. He is also associated with the Education Trust as Chief Sevak of the Chinmaya Mission Educational and Cultural Trust, Ernakulum. He is the founder President of Chinmaya Vidyalaya, Kottayam. Shri Gopalakrishnan was the Chairman of the Kottayam branch of the Institute of Chartered Accountants of India (1999-2000) and has been faculty for the coaching board classes for CA intermediate and final students. He was the Convenor of the Economic Affairs and Taxation Panel of CII Kerala region for 2007-08 and Director of Dena Bank up to December 2009 and Chairman of the Audit Committee of Dena Bank.

Shri Gopalakrishnan has presented papers and written articles on various subjects for a number of conferences and seminars organized by professional bodies like ICAI. He joined the NHPC board on 15.12. 2009.

**Shri Gurdev Singh
Vedi**



Shri Gurdev Singh Vedi (DIN No. 02286126) is 62 years and is our **Independent Director**. He holds B.Sc. and M.A. degrees & joined the Punjab & Sind Bank in November 1969 and rose steadily to become the bank's General Manager in 2004.

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

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

In October 2008, Shri Vedi was re-appointed as Executive Director of Punjab & Sind Bank and subsequently appointed as its Chairman and Managing Director on 26 August 2009 by the Government of India. During his tenure the bank achieved an unprecedented year on year growth of more than 35 per cent in its business levels against the industry average of around 20 per cent. Shri Vedi was also instrumental in introducing core banking solutions in the bank and in securing RBI/Government of India approval to list the bank on the NSE.

Shri Vedi is on the board of MMTC. He joined the NHPC board on 8.11. 2011.

DIRECTORS' PROFILE

**Shri Arun Kumar
Mago**



Shri Arun Kumar Mago (DIN No. 01624833) is 67 years and is our **Independent Director**. He holds a Master's degree in physics and an M. Phil. degree in social sciences. He also holds diplomas in Management and Public Finance from Paris and in Public Administration from Delhi. He joined the Indian Administrative Service in 1967 and has over 37 years of administrative and management experience. Shri Mago has worked in different capacities in both the central and state governments in various sectors including energy, power, ports, urban infrastructure, industries, environment and forests. Shri Mago has expertise in the fields of policy, planning and implementation in power, ports and urban infrastructure sectors. A former Chairman of the Maharashtra State Electricity Board and the Mumbai Port Trust, Shri Mago has also been the Managing Director of Maharashtra Petro Chemicals Corporation and the Commissioner of Food and Drug Administration. He is also an Independent Director in M/s Yes Bank and a public Representative Director at the Inter-Connected Stock Exchange of India. Shri Mago retired as the Chief Secretary, Government of Maharashtra in 2004 and joined the NHPC board on 9.11.2011 on re-appointment.

Shri R. Jeyaseelan



Shri R. Jeyaseelan (DIN No. 02143850) is 66 years and is our **Independent Director**. He has over 37 years of experience. He has a B.E. (civil engineering) degree from the University of Madras, a M.Tech (structural engineering) degree from IIT (Madras) and a P.G. diploma (hydro power development) from the Norwegian Technical Institute.

Shri Jeyaseelan joined the Central Water Engineering Services as Assistant Director in December 1969 and has worked in various capacities for over 37 years and served as Chairman, Central Water Commission, Government of India for four years. He has handled several consultancy assignments for water resources development projects in India and in Laos, Myanmar, Afghanistan, Mozambique, the Sultanate of Oman and Rwanda. Shri Jeyaseelan was Vice-President, International Commission on Irrigation and Drainage (ICID), Chairman, Water Resources Division Council, BIS and faculty at the United Nations University in Tokyo, Japan.

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

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

DIRECTORS' PROFILE

Shri Ashoke Kumar Dutta



Shri Ashoke Kumar Dutta (DIN No. 00045170) is 65 years and is our **Independent Director**. After successfully leading the oldest business school in India, the Indian Institute for Social Welfare & Business Management, Professor Dutta assumed the Directorship of the Indian Institute of Management (IIM) Shillong in Meghalaya.

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

Shri Dutta was the founding Dean of the Business School at IIT Kharagpur. Currently a member of the Central Direct Tax Advisory Council, Professor Dutta has been an advisor to a large number of business groups like the Mittals of Ispat, Jwahars of the Usha Martin Group, S. K. Bajoria of the McLeod's Group, Peerless and Selvel. He is currently serving on the boards of Khadims India Ltd. and ABC India Ltd. and is the Chairman of All Indian Technologies Ltd. He serves on many expert committees of the University Grants Commission, All India Council of Technical Education and the Government of India.

Professor Dutta has just started his third term as a trustee of DeSales University, USA. He is also a member of the Executive Council, Assam University, the Executive Council, Guwahati University, Board of Governors of the Institute of Engineering and Management (IEM), a member of the society at IIM Lucknow and a member of the Central Direct Taxes Advisory Council chaired by the Finance Minister.

He joined NHPC board on 30.3.2012.

Shri Atul Kumar Garg



Shri Atul Kumar Garg (DIN No. 02281287) is 62 years and is our **Independent Director**. He joined the Indian Administrative Service in 1976 and was allotted the Rajasthan cadre. A post graduate in political science, modern history. Shri Garg has also done his MBA from the University of Hull, UK. He was associated with the Government of Rajasthan in various capacities including as the Chairman and Managing Director of Rajasthan Financial Corporation, Secretary to the Governor of Rajasthan and Secretary/Special Secretary to the Department of Agriculture, Government of Rajasthan.

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

He was responsible for the execution of a large scale Canadian aided irrigation drainage programme in a timely manner. This was the largest Canadian aided programme in the world and the area covered was far larger than that covered by any other agency in the country. He joined NHPC board on 30.3.2012.

Shri Shantikam Hazarika



Shri Shantikam Hazarika (DIN No. 00523656) is 64 years and is our **Independent Director**. Shri Hazarika is graduate from BITS Pilani and holds a post graduate diploma from IIM Ahmedabad and is currently the Chairman of the Board of Secondary Education, Assam. Shri Hazarika is also serving in various other organizations. Among his present diverse responsibilities are being a Member of the Management Council of the Dr. B. Barooah Cancer Institute and a Member of the Assam State Council/NE Council, CII and the Director, Federation of Industries and Commerce of the North East region, (FINER) and Director, Assam State Electronics Development Corporation. Shri Hazarika is the Founder Director of the Assam Institute of Management, Guwahati, a post that he has served for 22 years. He was also the Senior Executive of Oil India Limited, Duliajan, Assam and a Member (Finance) of the Assam State Electricity Board. Before joining the NHPC Board, Shri Hazarika was also a Member of the Assam State Pay Commission, and Chairman of the Guwahati Stock Exchange Ltd. He was also an Independent Director with Hindustan Copper Ltd. and the North Eastern Electric Power Corporation Ltd. Shri Hazarika's other experience includes being the Director of the Assam Power Distribution Company Ltd. and Director, Premier Cryogenics Ltd. He joined NHPC Board on 24.5.12.

DIRECTORS' REPORT

To the Members,
NHPC Limited,

The Directors have immense pleasure in presenting the 36th Annual Report on the performance of your Company, along with the Audited Statement of Accounts, Auditors' Report and the Review of Accounts by the Comptroller & Auditor General of India for the financial year ended 31st March 2012.

1. FINANCIAL RESULTS

The financial results for the year ended 31st March 2012 are summarized in Table 1.

Table 1 FINANCIAL HIGHLIGHTS

(₹ in crore)

Particulars	2011-12	2010-11
Sales	5509.65	4046.59
Profit before Depreciation, Interest and Tax	4752.02	4160.75
Depreciation	892.74	916.74
Profit after Depreciation but before Interest and Tax	3859.28	3244.01
Interest and Finance Charges	342.24	366.60
Profit after Depreciation and Interest but before Tax	3517.04	2877.41
Tax	745.27	710.74
Profit after Depreciation, Interest and Tax	2771.77	2166.67
Surplus of Profit and Loss Account of earlier years	4336.18	3150.50
Amount written back from Bond Redemption Reserve	14.25	14.25
Amount written back from Self-Insurance Reserve	-	0.04
Tax on Dividend—written back	3.25	1.80
Balance available for appropriation	7125.45	5333.26
APPROPRIATIONS		
Transfer to Bond Redemption Reserve	129.13	100.00
Transfer to Self-Insurance Fund	32.48	39.31
Interim Dividend	-	-
Proposed Final Dividend	861.06*	738.04
Tax on Proposed Dividend	139.68	119.73
Balance carried over to Reserves and Surplus	5963.10	4336.18

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

2. POWER GENERATION

NHPC's 12 operating power stations, located in different parts of the country generated 18,683 MUs of power during 2011-12 exceeding the annual MoU target of 18,500 MUs for an 'Excellent' rating by 183 MUs. The power generation in 2011-12 was higher by 0.42 per cent as compared to the previous year.

In addition to above, all the three units of Chamera-III, H.E Project 231 MW (77x3) in Himachal Pradesh have started commercial operations w.e.f. 4th July, 2012. With the commissioning of Chamera-III Project, the installed capacity of NHPC has gone up to 5526 MW including 1520 MW through our subsidiary i.e. NHDC Limited.

3. PROPOSED DIVIDEND

Your Directors have recommended a highest ever dividend of Re. 0.70 per share (excluding dividend tax) for the year 2011-12. The dividend will be paid after your approval at the forthcoming Annual General meeting. The total dividend payout for the year amounts to ₹ 861.05 crore representing 31.06 per cent of profits after tax.

4. CAPITAL STRUCTURE

Your Company's paid up capital remained at ₹ 12,300.74 crore during the year. The net-worth of the Company has increased to ₹ 26,353.53 crore as on 31st March 2012 as compared to ₹ 24,583.89 crore at the end of previous year.

5. STATUS OF ONGOING PROJECTS

During the year under report, your Company had to face many challenges like geological obstacles, natural calamities and local problems. But despite all these challenges construction continued at a brisk pace and the projects are in various stages of completion. During the year 2011-12, your Company was engaged in the construction of 10 hydroelectric projects with an installed capacity of 4,502 MW as per the details given in Table 2. Five projects viz. — Teesta Low Dam-III, Nimoo Bazgo, Chutak, Uri-II and Parbati-III are in advanced stages of completion and are likely to be commissioned in the year 2012-13. The work at Subansiri Lower HE Project (2000MW) in Arunachal Pradesh has suffered due to local agitation w.e.f. December, 2011. However at present the pace of work is gearing up and contractors have started mobilizing resources.

Table 2: Details of hydroelectric projects under construction during 2011-12

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

Note: * Two units (22 MW) of Chutak HEP (44 MW) in J&K were synchronized during financial year 2011-12.

** All the three units of Chamera-III, H.E Project 231 MW (77x3) in Himachal Pradesh have started commercial operations w.e.f. 4th July, 2012.

6. COMMERCIAL PERFORMANCE

Your Company's commercial performance during the year 2011-12 was highly satisfactory. The sales realization during the year was ₹ 4,415 crore as against ₹ 3,619 crore in the previous year. The bills amounting to ₹ 6,101 crore (including arrear bills of ₹ 2605.40 crore against revision of tariff, tax etc. for the previous years) were raised as against the bills of ₹ 3,553 crore in the previous year. Tariff orders for the period 2009-14 have been issued by CERC in respect of 12 Power Stations.

The outstanding dues pending for more than 60 days as on 31st March, 2012 were ₹ 1176.02 crores. Your company has made all out efforts to recover the outstanding dues, including regulation of power supply to the defaulting utilities. Most of the beneficiary states are now liquidating their dues in installments.

7. PROJECT MANAGEMENT

An online Project Monitoring Centre has been set up at the Corporate Office to support video conferencing and to provide live video feeds from cameras installed at strategic locations in projects under construction. This will facilitate an analysis of physical progress.

8. NEW SCHEMES

Details of projects which are under clearance/approval stages are given in Table 3.

As a part of its future expansion programme, five projects of your Company with a capacity of 5,115 MW are under various stages of approval. In addition to these five projects, new projects with a capacity of 3,686 MW are to be executed through JVCs with State Governments/PSUs.

Table 3: Projects under Clearance/Approval

UNDER NHPC STAND ALONE

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

PROJECTS TO BE EXECUTED THROUGH JOINT VENTURES

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

Detailed Project Reports (DPRs) for all these projects have been prepared and a majority of them have also been approved by the competent authorities. Environmental and Forest Clearances are awaited for some of these projects. Construction activity will start once NHPC/JVCs get these approvals.

A promoter's agreement for setting up a Joint Venture Company (JVC) involving NHPC Limited, SJVN Limited and the Government of Manipur for implementing the Tipaimukh hydroelectric project in Manipur was signed in October 2011, in the presence of Shri Sushil Kumar Shinde, Hon'ble Union Minister of Power, Government of India (GoI) and Shri Okram Ibobi Singh, Hon'ble Chief Minister of Manipur.

JVCs for Loktak Downstream HE Project in Manipur and Pakul Dul HE Project in J&K have already been incorporated.

Ministry of Environment and Forests (MoEF) has declined permission for diversion of forest land to two projects viz. Kotli Bhel Stage-1B (320 MW) and Kotli Bhel Stage-II (530 MW) in Uttarakhand (not in table). Further, environment clearance accorded to Kotli Bhel-IB was also withdrawn by MoEF subsequent to which NHPC has filed a civil appeal before the Hon'ble Supreme Court of India.

9. PROJECTS UNDER DPR/FR PREPARATION

Your Company is in the process of preparing DPRs, Feasibility Reports (FRs) and Survey & Investigation for projects which are presently under various stages of clearance. The details are given in Table 4.

Table 4: DPRs, FRs and Survey & Investigation

S. No.	Projects	Capacity (MW)
1	Bursar, J&K	1,020
2	Chungar Chal, Uttarakhand	240
3	Garba Tawaghat, Uttarakhand	630
4	Karmoli Lumti Tulli, Uttarakhand	55
5	Lachen, Sikkim	210
Total		2,155 MW

10. CONSULTANCY & BUSINESS DEVELOPMENT SERVICES

NHPC's major consultancy assignments include those from Central and State Government agencies in India and in neighboring countries like Bhutan, Myanmar and Tajikistan. These consultancy services are in various hydropower fields like river basin studies, survey work, design and engineering, geological studies, geotechnical studies, hydraulic transient studies, hydrological studies, contract management, construction management, equipment planning, underground construction, testing and commissioning and operation & maintenance. So far your Company has completed 84 consultancy assignments while another 18 assignments are under progress. Your Company is registered with the World Bank, the Asian Development Bank, the African Development Bank, Kuwait Fund for Arab Economic Development and the Central Water Commission as a consultant in the area of hydropower.

Your Company is also making efforts to start unallocated hydro projects with state governments through joint ventures.

11. GLOBAL INITIATIVES

Under the 'Action Plan' on India-Bhutan cooperation for hydropower development of 10,000 MW by 2020, NHPC has been entrusted with the preparation of DPRs for Chamkharchhu-I H.E. Project (770 MW) and for preparing PFRs of Kuri Gongri Reservoir projects in Bhutan. The draft DPR for Chamkharchhu-I H.E. Project (770 MW) was submitted to the Royal Government of Bhutan (RGoB) and Government of India (GoI) in March 2012. The draft PFR for the Kuri Gongri Basin projects was also submitted to RGoB/GoI in May 2012.

Your Company has also signed an agreement with the Mangdechhu Hydroelectric Project Authority for providing engineering and design consultancy services for the construction of the Mangdechhu H.E. Project (720 MW) in Bhutan. It also undertook the following assignments to provide consultancy services:

- Investigations and preparation of updated DPRs for the 1,200 MW Tamanthi and 642 MW Shwezaye, Hydropower & Multipurpose projects in Myanmar, as a consultancy assignment from the Ministry of External Affairs (MEA), Government of India. The final report for the Tamanthi Hydropower & Multipurpose Project was submitted to the Ministry of External Affairs, Government of India and to the Government of Myanmar.
- RMU works of Varzob-I H.E. Project in Tajikistan has been entrusted to NHPC under a tripartite agreement signed amongst MEA, BHEL and NHPC.
- Technical due diligence study of the Shiroro Hydroelectric Power Station in Nigeria for M/s Dangote Industries Limited.

12. RGGVY - RURAL ELECTRIFICATION (RE) PROJECTS

Your Company is implementing Rural Electrification Projects under the Rajiv Gandhi Gramin Vidyutikaran Yojana (RGGVY) in 27 districts spread over five states of West Bengal, Bihar, Jammu & Kashmir, Chhattisgarh and Odisha at an estimated cost of ₹ 2,900 crore. The scope of work includes electrification of Unelectrified/De-electrified (UE/DE) villages, Partially Electrified (PE) villages and service connections to Below Poverty Line (BPL) households.

During 2011-12, NHPC electrified 460 UE/DE villages and provided connections to 1.9 lakh BPL households. In addition to above electrification of 2,020 PE villages were also completed.

As on 31st March 2012, the cumulative achievements for UE/DE villages, PE villages and BPL connections were 9,092, 16,439 and 18.2 lakh respectively.

13. RURAL ROADS PROJECT

Your Company has signed a MoU with the Ministry of Rural Development, Government of India and the Government of Bihar for constructing rural roads in six districts in the state under the Pradhan Mantri Gram Sadak Yojana (PMGSY) in the year 2004. These roads will be maintained by NHPC for five years.

Under the scheme, 762 roads of 3,242.58 km at a cost of ₹ 1,763.49 crore have been cleared by the Ministry of Rural Development, Government of India. As on 31st March 2012, 566 roads of 2,701.24 km had been completed.

14. INFORMATION TECHNOLOGY & COMMUNICATION (IT & C)

After implementation of all modules of ERP, the key functions of the organization have now been totally IT enabled and seamlessly integrated with a major focus on the management of projects under construction and also the operation and maintenance of power stations.

The IT & C infrastructure was upgraded at over 50 locations to support increased dependence on information technology. All the locations are connected with the Corporate Office through multi-mode, fail-safe communication links using MPLS-VPN (OFC) and the VSAT based satellite network. Applications such as Intranet, Internet, e-mail and ERP are being run to leverage this network.

Your Company also launched e-procurement initiatives at all locations to bring about efficiency, transparency and cost reduction in procurement of works, goods and services as per Government of India guidelines. Necessary IT security measures have also been put in place to ensure security of all information assets of the organization.

A policy framework has been created for managing the IT systems and assets so that these are optimally used in a secure manner.

15. TRAINING & HUMAN RESOURCE DEVELOPMENT

As a part of its commitment to training and development, your Company has set up training centres at various power stations. The training programmes are designed and conducted on existing and upcoming technologies in the power sector. It has also developed learning ventures with leading educational institutions in the country for skill and knowledge enrichment of all sections of its employees. Strategic alliances have been made with IIMs/XLRI/IITs etc. for advance management and leadership development programmes for NHPC employees.

16. EMPLOYEE RELATIONS

During the year, industrial relations were cordial and harmonious at all NHPC projects/stations/units. However, at some locations workmen participated in a one day nationwide token strike called by the Central Trade Workers Union to raise their demands though no power generation was affected.

17. RESEARCH & DEVELOPMENT

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

- Techniques to stop seepage in reservoirs/structures.
- Development of a hard coating facility for which the DPR has been prepared.
- Computational fluid dynamics analysis of fluid flowing through the surge and pressure shafts of the Teesta-V Power Station and Dam-Spillway of Subansiri H.E. Project.
- A National Perspective Plan (NPP) for R&D projects—'Development of Silt erosion resistant material for turbine of hydro generators'.
- Undertaking NPP projects sponsored by CPRI for R&D in 'Tunneling in water charged zones under high hydrostatic pressure'.

18. CLEAN DEVELOPMENT MECHANISM (CDM) BENEFITS

Carbon credits are expected from NHPC's registered projects under CDM benefits.

Nimoo Bazgo (3X15 MW) and Chutak (4X11 MW) projects located in Jammu & Kashmir have been registered with the CDM Executive Board of the United Nations Framework Convention on Climate Change (UNFCCC). These projects will annually reduce emissions of 1,87,893 and 1,66,831 Metric Tons of CO₂ equivalent respectively on their commissioning.

Carbon credits are also expected under the Verified Emission Reductions (VERs) scheme from projects/power stations like Teesta-V.

19. REHABILITATION & RESETTLEMENT

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

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

20. STRATEGIC DIVERSIFICATION

NHPC Limited, a leading company in the Indian hydropower sector, has 14 per cent of the total hydro installed capacity to its credit. During 2011-12, NHPC generated 18,683 MUs of power, which is the highest ever generation since the Company's inception. Apart from hydro, NHPC also has plans to expand in the areas of thermal and renewable energy.

21. FINANCING OF NEW PROJECTS

As per the Central Electricity Regulatory Commission's guidelines, projects need to be financed with a debt to equity ratio of 70:30 for the purposes of tariff fixation. Your Directors believe that internal accruals of your Company will be sufficient to finance the equity component of new projects. Due to its low gearing and strong credit ratings, It is well positioned to raise the required borrowings.

The equity component is being funded through IPO proceeds/internal resource accruals.

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

22. SUSTAINABLE DEVELOPMENT POLICY

From 2010-11, the Department of Public Enterprises (DPE) has included Sustainable Development (SD) as a compulsory element for CPSEs under 'Non-Financial Parameters' in MOU for evaluation of performance of the Company. DPE had issued Guidelines on Sustainable Development in September 2011. The main purpose of this policy is to remove any ambiguities and bring in uniformity in the process of sustainable development by specifying the mandate and scope of activities to be performed by CPSEs. NHPC has formulated its own SD policy in line with DPE's guidelines on Sustainable Development.

During 2011-12, NHPC carried out rehabilitation/rejuvenation of dumping sites at Parbati-III HE project and Parbati-II HE project in Himachal Pradesh by way of slope stabilization and plantation, as an initiative towards Sustainable Development. A DPR for the development of a wind power project in Bidda area near the Salal Power Station in J&K was carried out and a feasibility report also prepared for the installation of wind power monitoring stations at Parbati-II, Parbati-III and Chamara-I projects in Himachal Pradesh and the Nimmo Bazgo Project in J&K.

During 2011-12, more than one lakh saplings were planted at NHPC's various project sites under the afforestation drive.

23. VIGILANCE ACTIVITIES

Regular and surprise inspections were conducted by the vigilance department at regular intervals. Actionable points identified by Project Vigilance Officers were conveyed to the heads of the projects from time to time for implementing necessary corrections. An intensive examination of the works under progress was also carried out by CVC's Chief Technical Examiner (CTE) from time to time. An integrity pact was implemented successfully for all procurement works which have a value of more than ₹ 15 crore and for procurement of goods and services which have a value of more than ₹ 25 lakh as per CVC guidelines.

Emphasis is laid on preventive vigilance by issuing circulars and guidelines based on inspections/intensive examinations. Various vigilance awareness programmes and vigilance awareness week were also organized to promote transparency and ethics in the working system. Two workshops for Vigilance Officers were organized during the year under report in order to review and improve their functioning.

24. IMPLEMENTATION OF THE FRAUD PREVENTION POLICY

The fraud prevention policy has been formulated and implemented in your Company.

25. OFFICIAL LANGUAGE IMPLEMENTATION

Your Company complied with the provisions and rules of the Official Language Act. During the year, sincere efforts were made to increase the progressive use of the official language in accordance with the policy of the Government of India.

The Parliament sub-committee on official language carried out inspections in Andaman & Nicobar Islands and Salal and has appreciated its implementation. Rajbhasha inspections were conducted in the departments of the Corporate Office and at power stations/projects/regional offices.

Regular quarterly meetings of the Official Language Implementation Committee were organized at the Corporate Office. During 2011-12, the All India Official Language Conference was inaugurated by a renowned writer, Dr. Narender Mohan. An All India Kavi Sammelan was also organized in the NCU auditorium in which renowned Hindi poets including Padambhushan Dr. Gopal Das Neeraj, recited poems.

Various incentive schemes were introduced to encourage the use of Hindi in the Company.

Your Company has been conferred with the highest award "Indira Gandhi Rajbhasha Shield Yojna" by the Government of India for the second consecutive year. The award for the year was received from Hon'ble President of India, Smt. Pratibha Devi Singh Patil. First prize for the award "Rajbhasha shield and Citation" for the year 2010-11 under the NTPC Rajbhasha shield yojna for outstanding work in implementation of Rajbhasha among Power Sector was also received from Hon'ble Union Minister of Power, Shri. Sushilkumar Shinde.

26. PR INITIATIVES/AWARENESS ACTIVITIES

Your Company's achievements were appropriately highlighted through print and electronic media throughout the country, creating awareness among the public about the strengths and capabilities of NHPC in developing hydropower.

Your Company has been participating in various exhibitions both in India and abroad and also in sports related activities under the aegis of the Power Sports Control Board, Ministry of Power. During 2011-12, NHPC successfully hosted the 16th Inter-CPSU Bridge and 17th Inter-CPSU Chess tournaments at Faridabad.

Corporate films on NHPC and a film on environment were screened on a number of platforms.

The bi-monthly 'NHPC NEWS' and the monthly communiqué continued to be effective tools for internal communication.

As a part of its attempts for propagating 'Energy Conservation Day 2011', NHPC coordinated a painting competition for school children organized by the Bureau of Energy Efficiency (BEE), Ministry of Power at the national and state levels.

27. AWARDS AND RECOGNITION

NHPC received various prestigious awards. Some of these are:

- The 'AMITY Corporate Excellence Award for Innovative Training & HR Practices' by AMITY International Business School, NOIDA.
- The 'India Power Award 2011' for the 'largest Hydropower Developer (Public Sector)' at the India Power Awards held on 24th November, 2011.
- 'Prashansa Patra' at the 'NSCI Safety Awards – 2010' instituted by the National Safety Council on 19th October 2011.
- The 'PSE Excellence Award 2011' in the Miniratna and other category for 'Best Human Resource Management'.
- The "Best Performing Generation Company (Hydro)" in Power Line Awards 2012 from Shri Sushil Kumar Shinde, Hon'ble Union Minister of Power.

28. CORPORATE SOCIAL RESPONSIBILITY

The focus of NHPC's Corporate Social Responsibility (CSR) initiative was on rural India and backward districts of hill states like J&K, Himachal Pradesh, Sikkim, Uttarakhand, Arunachal Pradesh and Assam. With its continued commitment towards CSR and ethical behaviour, NHPC contributed to the economic development and improvements in the quality of life of internal as well as external stakeholders and of society at large. NHPC through its expansive CSR initiatives strives to develop mutual trust with the communities that surround its power stations/projects across the country. NHPC has adopted a structured scheme on CSR in line with DPE guidelines w.e.f. 2010-11. During 2011-12, a budget of 0.5 per cent of PAT was allocated to CSR activities which was subsequently increased to 1% of PAT and the target for the activities will be set accordingly.

NHPC undertook a number of community development Initiatives and spent about ₹ 10 crore in the following areas:

Education

Various skill developments/vocational training and other programmes were organized during financial year 2011-12 to improve the skills and employment opportunities of the people in areas surrounding projects/power stations.

More than 800 SC/ST students studying in schools near power stations/projects/townships in the states of J&K, Himachal Pradesh, Uttarakhand and Sikkim and in the north-eastern region of our country were provided scholarships during 2011-12 with the vision that this financial support will light up the lives of these young scholars and play an important part in realizing their dreams. Study material like books, stationery, school bags and school uniforms/sweaters/shoes were distributed among poor and needy students around the Dulhasti Power Station, the Tanakpur Power Station and the Teesta-V Power Station. Bicycles were also given to a number of girl students studying in colleges and schools in the vicinity of the Subansiri Lower Project amounting to ₹ 4.39 lakh.

Health

A large number of immunization programmes and medical check-ups were organized for children studying in schools near NHPC's projects and power stations. Besides these, regular health camps focusing women, children, disabled and old age persons were also organized across the northern and eastern regions.

Others

NHPC has always been in the forefront in times of national emergencies. It has helped the victims of natural calamities and contributed to various relief and rehabilitation measures. Your Company had organized relief and rehabilitation work in the areas devastated by earthquake in Sikkim. It also promoted rural sports and organized annual sports meets in the villages by providing both equipment and other facilities. It also organized a veterinary camp for cattle stock. As part of its environment protection initiatives, special thrust was placed on community plantation and forestry programmes around all its establishments.

29. CORPORATE GOVERNANCE

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

30. RIGHT TO INFORMATION ACT, 2005

In compliance with the provisions of the Right to Information Act, 2005, NHPC provided various information on its website during the year under review. To enable nationwide access to this information, Assistant Public Information Officers were appointed at each of the power stations/projects/regional offices/units. All the applications received under this Act were attended to and information furnished to the applicants. Mr. S.K. Dubey, Chief Engineer, is designated as the Central Public Information Officer.

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

The information pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in Annexure-III and forms part of the Directors' Report.

32. PARTICULARS OF EMPLOYEES

Under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended from time to time, the information is set out in Annexure-IV to the Directors' Report. The Company (excluding JVs and Subsidiaries) had 11,037 employees as on 31st March, 2012. No employee employed throughout the year was in receipt of remuneration of more than ₹ 60 lakh per annum and 167 employees employed for a part of the year were in receipt of remuneration of more than ₹ 5 lakh per month.

33. STATUTORY AUDITORS

The Statutory Auditors of your Company are appointed by the Comptroller & Auditor General of India. M/s S. N. Nanda & Co., M/s Singhi & Co., M/s Baweja and Kaul and M/s Tiwari & Associates were appointed as Joint Statutory Auditors for financial year 2011-12.

34. AUDITORS' REPORT

The Auditors' Report refers to various notes incorporated by the Company in note no. 14.1 and 35, which are self-explanatory. The report of the Statutory Auditors with comments of the Comptroller & Auditor General of India is enclosed as Annexure - V and VI respectively. The consolidated Financial Statement of the Company along with the Auditor's Report is given in Annexure - VII.

35. COST AUDITORS

As prescribed under the Cost Accounting Records (Electricity Industry) Rules, 2001, cost accounts are being maintained by all Stations of the Company since 2002-03. The cost audit for 2011-12 is under process. The following firms of Cost Auditors were appointed to conduct an audit of cost accounting records of power stations indicated against each firm for the financial year 2011-12 under Section 233-B of the Companies Act, 1956:

Name of the Firm	Name of Power Station
M/s Ramnath Iyer & Co., New Delhi	Uri-I Power Station & Dulhasti Power Station
M/s R.M. Bansal & Co., Kanpur(Uttar Pradesh)	Sewa-II Power Station & Chamera-I Power Station
M/s Chandra Wadhwa & Co., New Delhi	Dhauliganga Power Station & Tanakpur Power Station
M/s Krishan Singh Berk, Faridabad (Haryana)	Bairasiul Power Station & Chamera- II Power Station
M/s D. Dutt & Associates, Kolkata (West Bengal)	Rangit Power Station & Teesta-V Power Station
M/s R.J. Goel & Co., New Delhi	Salal Power Station & Loktak Power Station

The Cost Audit report for which due date was 27.09.11 were filed for the financial year 2010-11 as per details below.

S. No.	Power Station	Name of Cost Auditor	Membership No.	Address	Actual Date of filing of Cost Audit Report
1.	Uri-I	K. L. Jaisingh and Co.	1222	J-7, Sector-XI, Jaisingh House, Noida-201301	25/08/2011
2.	Dulhasti	K. L. Jaisingh and Co.	1222	J-7, Sector-XI, Jaisingh House, Noida-201301	25/08/2011
3.	Salal	R. M. Bansal and Co.	3323	A-201, Twin Towers, LakhanPur, Kanpur, Uttar Pradesh-208024	26/08/2011
4.	Chamera-I	K. G. Goyal and Associates	10884	4-A, Pocket 2,Mix Housing, New Kondli, Mayur Vihar III, New Delhi – 110096	26/08/2011
5.	Bairasiul	Jugal K. Puri and Associates	3703	K 19 (GF), South Extension Part-II, New Delhi – 110049	29/08/2011
6.	Chamera-II	Jugal K. Puri and Associates	3703	K 19 (GF), South Extension Part-II, New Delhi – 110049	29/08/2011
7.	Loktak	D. Dutta & Associates	11633	58, Creek Row, Kolkata – 700014	29/08/2011
8.	Rangit	D. Dutta & Associates	11633	58, Creek Row, Kolkata – 700014	29/08/2011
9.	Teesta-V	R. M. Bansal and Co.	3323	A-201, Twin Towers, Lakhan Pur, Kanpur, Uttar Pradesh-208024	26/08/2011
10.	Dhauliganga	S. K. Adya & Co.	765	1158/Sector-14, Faridabad- 121007, Haryana	26/08/2011
11.	Tanakpur	S. K. Adya & Co.	765	1158/Sector-14, Faridabad- 121007, Haryana	26/08/2011
12.	Sewa-II	K. G. Goyal and Associates	10884	4-A, Pocket 2,Mix Housing, New Kondli, Mayur Vihar III, New Delhi – 110096	26/08/2011

36. CONSOLIDATED FINANCIAL STATEMENTS

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

37. SUBSIDIARY COMPANIES

Your Company has two Subsidiary Companies – NHDC Limited and Loktak Downstream Hydroelectric Corporation Limited. Detailed information about these Companies is given in the Management Discussion and Analysis Report. The Annual Accounts along with the Auditors' Report and the Directors' Report of NHDC Limited and Loktak Downstream Hydroelectric Corporation Limited are not being attached with the Balance Sheet of the Company. In accordance to the general circular issued by the Ministry of Corporate Affairs, Government of India, any shareholder interested in obtaining a copy of these reports related to Subsidiary Companies may write to the Company Secretary at the Company's registered office. The information is also available on the NHPC website www.nhpcindia.com.

The annual accounts of the Subsidiary will also be kept open for inspection at the Registered Office of the Company and that of the respective of Subsidiary Companies. The Consolidated Financial Statements presented by the Company include the financial results of its Subsidiaries.

The statement under Section 212 of the Companies Act, 1956 is annexed to this report.

38. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

39. BOARD OF DIRECTORS

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

Since the last report the following Directors completed their tenures:

S. No.	Name of the Director	Category of Director	Date of cessation of directorship
1.	Shri K. Dharmarajan	Independent Director	03.09.2011
2.	Shri Sudhir Kumar	Government Nominee Director	01.12.2011
3.	Shri Rakesh Jain	Government Nominee Director	03.01.2012

Since the last report following Directors joined the Board:

S. No.	Name of the Director	Category of Director	Date of joining the Board
1.	Shri G. S. Vedi	Independent Director	08.11.2011
2.	Shri A. K. Mago	Independent Director	09.11.2011
3.	Shri R. Jeyaseelan	Independent Director	12.11.2011
4.	Shri G. Sai Prasad	Government Nominee Director	20.12.2011
5.	Shri A. S. Bakshi	Government Nominee Director	17.01.2012
6.	Shri Ashoke Kumar Dutta	Independent Director	30.03.2012
7.	Shri Atul Kumar Garg	Independent Director	30.03.2012
8.	Shri Shantikam Hazarika	Independent Director	24.05.2012

40. ACKNOWLEDGEMENTS

Your Directors would like to express their gratitude for the continued support and guidance received from the different wings of the Government of India, particularly from the Ministry of Power, the Ministry of Finance, the Planning Commission, Ministry of Environment and Forests, Department of Public Enterprises, Ministry of Corporate Affairs, the CEA and CWC as well as State Governments, the Regional and State Electricity Board, the beneficiaries drawing power from our power stations as also our other valuable clients for consultancy assignments. Thanks are also due to various international financing institutions as well as Indian financial institutions, bankers, SEBI, stock exchanges, lenders and investors at large for the confidence reposed by them in NHPC. The Board also acknowledges and appreciates the contributions made by contactors, vendors, consultants and others for achieving the desired goals of the Company.

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

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

For and On behalf of the Board of Directors



(G. Sai Prasad)

Chairman and Managing Director

DIN No.: 00325308

Place: New Delhi

Date: 30.07.2012

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on the Code of Governance

At NHPC Corporate Governance is a set of best practices followed for the ethical conduct of a business while continuously striving for the maximization of stakeholders' wealth. The management recognizes the stakeholders' inalienable rights as the true owners of the Company and of its own role as a trustee on their behalf. NHPC has adopted good corporate governance practices to benefit its stakeholders at large. NHPC's Corporate Governance is about commitment to values and about making a distinction between private and corporate funds in the management of the Company. It ensures fairness, transparency, accountability and integrity of the management. At NHPC this is a way of life rather than a mere legal compulsion.

Besides adhering to the provisions of the Listing Agreement with stock exchanges, NHPC also follows the Guidelines on Corporate Governance issued by the Department of Public Enterprises, Government of India.

2. Board of Directors

(i) **Size of the Board:** NHPC is a Government Company as defined under Section 617 of the Companies Act, 1956. As per the Articles of Association of the Company, the strength of the Board shall not be less than four Directors and not more than 15 Directors provided that the number of Independent Directors in any case shall not be less than half of the actual strength of the Board.

(ii) **Composition of the Board:** Presently, the Board comprises of the Chairman and Managing Director (CMD), Functional Directors, Government Nominee Directors and Independent Directors. As on 31st March, 2012, there were 12 directors, of which four were whole-time directors, including the Chairman and Managing Director, two Government Nominee Directors and six Independent Directors. Further, Shri Shantikam Hazarika has joined as an Independent Director on the Board of NHPC Limited on 24th May, 2012. The names and categories of Directors, their attendance in Board meetings held during the year and at the last Annual General Meeting, as well as the number of directorships and committee positions, i.e., of the Audit Committee and Shareholders' Grievance Committee as per the Listing Agreement held by them in other Companies are given in Table 1.

In addition to above, Ministry of Power vide order no. 9/1/2009 - NHPC dated 24th July, 2012 has assigned additional charge of Chariman & Managing Director, NHPC Limited to Shri G. Sai. Prasad, Joint Secretary (Hydro), Ministry of Power.

Table 1: Categories of Directors and the directorships and committee positions held by them

Name of the Director	Board meetings held during the respective tenure of directors	No. of Board meetings attended	Attendance at the last AGM (held on 19.09. 2011)	No. of other directorships held as on 31.03.12 [#]		No. of other committee memberships held as on 31.03.2012 ^{##}	
				Public	Private	Chairman	Member
Executive Directors							
Shri A. B. L. Srivastava [@]	13	13	Yes	3	NIL	NIL	NIL
Shri D. P. Bhargava	13	13	-	NIL	1	NIL	NIL
Shri J. K. Sharma	13	13	Yes	NIL	1	NIL	NIL
Shri R. S. Mina	13	13	Yes	NIL	NIL	NIL	NIL
Non-Executive Directors							
Shri Rakesh Jain*	9	9	Yes	NA	NA	NA	NA
Shri Sudhir Kumar*	8	8	-	NA	NA	NA	NA
Shri G. Sai Prasad***	4	4	-	4	NIL	NIL	NIL
Shri A. S. Bakshi***	4	2	-	-	-	-	-

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Name of the Director	Board meetings held during the respective tenure of directors	No. of Board meetings attended	Attendance at the last AGM (held on 19.09. 2011)	No. of other directorships held as on 31.03.12 [#]		No. of other committee memberships held as on 31.03.2012 ^{##}	
				Public	Private	Chairman	Member
Independent Directors							
Shri A. K. Mago**	7	7	-	2	NIL	NIL	1
Shri R. Jeyaseelan**	8	5	-	NIL	NIL	NIL	NIL
Dr. Kuriakose Mamkoottam*	2	2	-	NA	NA	NA	NA
Shri K. Dharmarajan*	6	5	-	NA	NA	NA	NA
Shri A. Gopalakrishnan	13	11	Yes	1	1	1	NIL
Shri G. S. Vedi**	7	7	-	1	NIL	NIL	2
Shri Ashoke Kumar Dutta**	-	-	-	3	1	NIL	1
Shri Atul Kumar Garg**	-	-	-	NIL	NIL	NIL	NIL
Shri Shantikam Hazarika**	NA	NA	-	NA	NA	NA	NA

Note:

- @ Shri A.B. L. Srivastava was holding additional charge of CMD in addition to his charge as Director (Finance) till 30th June, 2012.
- * Shri K. Mamkoottam, Shri K. Dharmarajan, Shri Sudhir Kumar and Shri Rakesh Jain ceased to be the directors on the Board w.e.f 17.06.2011, 03.09.2011, 01.12.2011 and 03.01.2012 respectively.
- ** Shri G. S. Vedi, Shri A. K. Mago, Shri R. Jeyaseelan, Shri Ashoke Kumar Dutta, Shri Atul Kumar Garg and Shri Shantikam Hazarika joined the Board as independent directors w.e.f. 08.11.2011, 09.11.2011, 12.11.2011, 30.03.2012, 30.03.2012 and 24.05.2012 respectively.
- *** Shri G. Sai Prasad, Joint Secretary (Hydro) - Ministry of Power and Shri A. S. Bakshi, Chairman (CEA) joined the Board as Government Nominee Director w.e.f. 20.12.2011 and 17.01.2012 respectively.
- # The directorships held by the directors, as mentioned in this table exclude alternate directorships, directorships in foreign companies and companies under Section 25 of the Companies Act, 1956.
- ## Other committee memberships include membership of audit committee and shareholders' grievance committee only.

The Directors of the company do not have any inter-se relationships amongst themselves. Brief profiles of the Directors are provided elsewhere in this Annual Report.

- (iii) **Age limit and tenure of Directors:** The age limit for CMD and other whole-time Functional Directors is 60 years. The CMD and other whole-time Functional Directors are appointed for a period of 5 years from the date of taking charge till the date of superannuation of the incumbent, or till further instructions from the Government of India, whichever occurs earlier. Government Nominee Directors representing the Ministry of Power, Government of India, retire from the Board at the discretion of the nominating authority or on their ceasing to be officials of the Ministry of Power. Independent Directors are appointed by the Government of India usually for a tenure of 3 years.

- (iv) **Non-Executive Directors' compensation and disclosures:** The Company did not pay sitting fees to Non-Executive Government Nominee Directors. However, Independent Directors were paid sitting fees at the rate of ₹ 15,000 per meeting for attending the meetings of the Board of Directors and committees thereof during the financial year 2011-12. Details of payments made towards sitting fees to Independent Directors during 2011-12 are given in Table 2.

Table 2: Details of payments made as sitting fees to Independent Directors

Name of Independent Director	Sitting Fees (in ₹)*		Total (in ₹)
	Board Meeting	Committee Meetings	
Dr. K. Mamkoottam	30,000	30,000	60,000
Shri K. Dharmarajan	75,000	75,000	1,50,000
Shri A. Gopalakrishnan	1,65,000	1,80,000	3,45,000
Shri R. Jeyaseelan	75,000	90,000	1,65,000
Shri A. K. Mago	1,05,000	75,000	1,80,000
Shri G. S. Vedi	1,05,000	90,000	1,95,000

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

Details of shares held by the Directors as on 31st March, 2012 are given in Table 3.

Table 3: Details of shares held by Directors (as on 31st March, 2012)

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

(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 with a view to professionalizing all corporate affairs. These guidelines seek to systematize the decision-making process in Board meetings in an informed and efficient manner.

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

- The meetings are convened by giving appropriate notice after obtaining the approval of the Chairman of the Board/Committee. Detailed agenda notes, management reports and other explanatory statements are circulated in advance among the members to facilitate meaningful, informed and focused decisions during the meeting. When urgent issues need to be addressed, meetings are called at a shorter notice or resolutions are passed by circulation.
- Wherever it is not practical to attach a document to the agenda notes due to its confidential nature, or in special and exceptional circumstances, additional or supplemental items, such documents are placed on the table during the meeting.
- Agenda papers are circulated after obtaining the approval of the Functional Directors/CMD.
- The meetings are held at the Company's offices in Faridabad or in New Delhi.

- Presentations are made in the Board/Committee meetings on matters related to finance, operations, human resources, etc. to enable the members to take informed decisions.
 - The members of the Board have complete access to all information about the company. Board members are also free to recommend any issue that they may consider important for inclusion in the agenda. Senior Management officials are called during the meeting to provide additional inputs to the items being discussed by the Board, as and when necessary.
- (C) **Recording of the minutes of the Board/Committee meetings:** Minutes of the proceedings of each Board/Committee meeting are duly recorded in the minutes book. The minutes of each Board meeting are circulated among members in the next Board meeting for their confirmation.
- (D) **Follow-up mechanism:** As per the guidelines laid down by the Board/Committee, an action-taken report on the decisions of the Board/Committee is presented in subsequent meetings. This acts as an effective follow-up, review and reporting process.
- (E) **Compliance:** It is our endeavor to ensure that all applicable provisions of the law, rules and guidelines are adhered to while preparing the agenda notes. The Company ensures compliance of all the applicable provisions of the Companies Act, 1956, SEBI Guidelines, Listing Agreement and various other statutory requirements under different laws. The Board of Directors review the legal compliance report presented by the Company Secretary from time to time.

The following information is regularly provided to the Board:

- Annual operating plans, budgets and related updates.
- Capital budgets and related updates.
- Quarterly results of the company.
- Minutes of the meetings of the Audit Committee and other committees of the Board.
- Show cause, demand, prosecution notices and penalty notices, if any, which are materially important.
- Fatal or serious accidents, dangerous occurrences.
- Major investments, formation of subsidiaries, joint ventures and strategic alliances.
- Disclosure of interest by Directors about directorships and committee positions occupied by them in other companies/firms, etc.
- Details of joint ventures/collaboration agreements, etc.
- Award of large contracts.
- Quarterly information w.r.t purchases/works/contracts awarded on a nomination basis.
- Other items in accordance with the law and DPE Guidelines.

Thirteen Board meetings were held during the year under review. At least one Board meeting was held every three months and the maximum time interval between two meetings did not exceed three months. Details of the Board meetings held during the period under review are given in Table 4.

Table 4: Board meetings held during the review period

S. No.	Date	Board Strength	No. of Directors Present
1	8 th April, 2011	10	10
2	27 th May, 2011	9	8
3	24 th June, 2011	8	7
4	30 th June, 2011	8	8
5	10 th August, 2011	8	8
6	24 th August, 2011	8	8
7	28 th October, 2011	7	7
7*	15 th November, 2011	10	9
8	25 th November, 2011	10	10
9	14 th December, 2011	9	8
10	19 th January, 2012	10	9
11	27 th January, 2012	10	8
12	15 th February, 2012	10	8
13	6 th March, 2012	10	10

Note: * The 338th Board meeting held on 28th October, 2011 was extended to 15th November, 2011.

- (vi) **Code of conduct:** The Company is committed to conducting its business in accordance with the highest standards of business ethics and in compliance with all applicable laws, rules and regulations. It is hereby confirmed that the Code of Business Conduct and Ethics for Directors and Senior Management personnel was circulated among all concerned and complied with during the year under report.

Declaration as required under Clause 49 of the Listing Agreement and DPE Guidelines

All the members of the Board and Senior Management personnel have affirmed compliance to the Code of Conduct for the financial year ending on 31st March, 2012.

Sd/-

(A. B. L. Srivastava)

Chairman & Managing Director

DIN No: 01601682

Date : 15.06.2012

- (vii) **Policy for preventing fraud and risk management policy:** The risk management system is integrated and aligned with corporate and operational objectives. Risk management is undertaken as a part of the normal business practice and not as a separate task at set times. The company has separate policies for fraud prevention and risk management.
- (viii) **Training of Board members:** Whenever new Directors are appointed on the Board, they are given formal induction and orientation with respect to the Company's vision, strategic direction and core values, including financial matters and business operations through necessary documents/brochures, reports and internal policies to help familiarize them with Company procedures and practices. Site visits are also arranged for the Directors, including for Independent Director(s). Independent Directors are considered for nomination to participate in seminars and training programmes organized by reputed institutions.
- (ix) **Code for prevention of insider trading in securities of NHPC Limited:** In accordance with the requirements of the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, NHPC Limited has implemented a comprehensive code for prevention of insider trading in its securities.

3. Committees appointed by the Board of Directors

The Board set up committees to look at various aspects of the business. The following committees were constituted by the Board:

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

(i) Audit Committee:

The composition, quorum, scope, etc. of the Audit Committee is in line with the Companies Act, 1956 and provisions of the Listing Agreement. The committee comprised of the following members as on 31st March, 2012:

- i) Shri A. Gopalakrishnan Independent Director- Chairman
- ii) Shri A. K. Mago Independent Director
- iii) Shri G. S. Vedi Independent Director

The Audit Committee was reconstituted on 25th May, 2012. The present composition of Committee is as under:

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

Meetings and attendance: The committee met seven times during the year on 18th April, 2011; 25-27th May, 2011; 30th June, 2011; 9-10th August, 2011; 27th October, 2011; 27th January, 2012; and 14th February, 2012. Details of Audit Committee meetings attended by members are given in Table 5.

Table 5: Audit Committee Meetings

S. No.	Members of Committee during 2011-12	Meetings held during his tenure	Meetings attended
1	Shri Rakesh Jain	5	4
2	Shri Kuriakose Mamkoottam	2	2*
3	Shri A. Gopalakrishnan	7	6
4.	Shri K. Dharmarajan	2	2
5.	Shri R. S. Mina	1	1
6.	Shri A. K. Mago	2	2
7.	Shri G. S. Vedi	2	2

Note: * The 56th Audit Committee meeting was held on 25th May, 2011 and extended to 26th May, 2011 and 27th May, 2011. Shri Kuriakose Mamkoottam did not attend the meeting on 25th May, 2011.

The Audit Committee meetings were also attended by Director (Finance) and heads/representatives of Internal Audit and Statutory Auditors as special invitees. The time interval between any two Audit Committee meetings never exceeded three months. The Company Secretary acted as the secretary to the committee.

Scope of the Audit Committee: The terms of reference of the Audit Committee are as per the Companies Act, 1956, the Listing Agreement as amended from time to time and Guidelines on Corporate Governance issued by the Department of Public Enterprises and include the following:

- 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 fixing of the audit fees to the Board.
- 3 Approval of payments to statutory auditors for any other services rendered by them.
- 4 Reviewing with the management the annual financial statements before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Directors' Responsibility Statement of the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956;
 - b) Changes, if any, in accounting policies and practices and suitable explanations for them;
 - c) Major accounting entries involving estimates based on the exercise of judgment by the management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions; and
 - g) Qualifications in the draft audit report.
- 5 Reviewing with the management quarterly financial statements before submission to the Board for approval.
- 6 Reviewing with the management the performance of Internal Auditors and the adequacy of 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, coverage of the reporting structure and frequency of the internal audit.
- 8 Discussion with Internal Auditors and/or auditors on any significant findings and follow-up thereon.
- 9 Reviewing the findings of any internal investigations by Internal Auditors/auditors/agencies in 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 starts about the nature and scope of the audit as well as a post-audit discussion to ascertain any areas of concern.
- 11 To look into the reasons for substantial defaults in payments to depositors, debenture holders, shareholders and creditors.
- 12 To review the functioning of the Whistle Blower Mechanism, in case it is formulated.
- 13 Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

- 14 To review follow-up action on audit observations of the C&AG audit.
- 15 To review the follow-up action taken on the recommendations of the Parliament's Committee on Public Undertakings (COPU).
- 16 Provide an open avenue of communication between the Independent Auditor, Internal Auditor and the Board of Directors.
- 17 Review and pre-approve all related party transactions in the company. For this purpose, the Audit Committee may designate a member who shall be responsible for pre-approving related party transactions.
- 18 Review with the Independent Auditor the coordination of audit efforts to assure completeness of coverage, reduction of redundant efforts and effective use of all audit resources.
- 19 Consider and review the following with the Independent Auditor and the management:
 - The adequacy of internal controls, including computerized information system controls and security, and
 - Related findings and recommendations of the Independent Auditor and Internal Auditor, together with management responses.
- 20 Consider and review the following with the management, the Internal Auditor and the 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.

(ii) Shareholders' Grievance Committee:

Composition: The Shareholders' Grievance Committee comprised of the following members as on 31st March, 2012:

- i) Shri A. K. Mago Independent Director- Chairman
- ii) Shri A. B. L. Srivastava Director (Finance)
- iii) Shri A. Gopalakrishnan Independent Director

The Shareholders' Grievance Committee was reconstituted on 25th May, 2012. The present composition of Committee is as under:

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

Shri Vijay Gupta, Company Secretary is the Compliance Officer in terms of clause 47 of the Listing Agreement.

Meetings and attendance: During the year, the committee met thrice on 9th August, 2011; 14th December, 2011; and 29th March, 2012. Details of the meetings of the Shareholders' Grievance Committee attended by members are given in Table 6.

Table 6: Shareholders' Grievance Committee meetings

S. No.	Members of Committee during 2011-12	Meetings held during his tenure	Meetings attended
1	Shri K. Dharmarajan	1	1
2	Shri A. K. Mago	2	2
3	Shri A. B. L. Srivastava	3	3
4.	Shri A. Gopalakrishnan	3	2

Details of shareholders' complaints received: Details of complaints received during the year are given in Table 7.

Table 7: Shareholders' complaints

Description	Opening Balance as on 1 st April, 2011	Received during the period ending 31 st March, 2012	Attended during the period ending on 31 st March, 2012	Pending as on 31 st March, 2012
Non-receipt of refund orders	NIL	278	278	NIL
Non-receipt of dividend warrants	NIL	2,826	2,826	NIL
SEBI complaints	NIL	42	41	1
Stock exchange complaints	NIL	18	18	NIL
Consumer forum/court cases	2	1	NIL	3
Advocate notices	NIL	5	5	NIL
TOTAL	2	3,170	3,168	4

Number of pending share transfers: As on 31st March, 2012, no share transfer requests were pending. All share transfers took place within the time prescribed by the stock exchanges and certificates to this effect, signed by a practicing Company Secretary, were furnished to the stock exchanges.

Details of shares in the suspense account:

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

Table 8: Shares in the suspense account

Description	No. of cases	No. of shares
Aggregate number of shareholders and outstanding shares in the suspense account at the beginning of the year	594	2,56,231
Number of shareholders who approached the issuer for transfer of shares from the suspense account during the year	83	45,106
Number of shareholders to whom shares were transferred from the suspense account during the year	83	45,106
Aggregate number of shareholders and outstanding shares in the suspense account at the end of the year	511	2,11,125

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

Scope of the committee: The Shareholders' Grievance Committee shall have powers to decide, inter alia, oversee the redressal of shareholders' and/or investors' complaints and/or grievances pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transmission (with or without legal representation) of shares and other miscellaneous complaints.

The Shareholders' Grievance Committee shall meet periodically, as it deems fit. The quorum for the committee is the presence of one-third of the total number of members or two members, whichever is higher.

(iii) Projects and Performance Review Committee:

Composition: The Projects and Performance Review Committee was reconstituted on 19th January, 2012. The committee comprised of the following members as on 31st March, 2012:

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

Meetings and attendance: The Committee met twice during the year on 24th May, 2011 and 28-29th February, 2012. Details of the meetings of the Projects and Performance Review Committee attended by members are given in Table 9.

Table 9: Meetings of the Project and Performance Review Committee

S. No.	Members of Committee during 2011-12	Meetings held during his tenure	Meetings attended
1.	Shri Sudhir Kumar	1	1
2.	Shri K. Dharmarajan	1	1
3.	Shri R. Jeyaseelan	1	1
4.	Shri G. Sai Prasad	1	1
5.	Shri A. S. Bakshi	1	-
6.	Shri A. K. Mago	1	1
7.	Shri A. B. L. Srivastava	2	2
8.	Shri D. P. Bhargava	2	2
9.	Shri J. K. Sharma	2	2

Scope of the committee: The scope of the Projects and Performance Review Committee is to examine and review the following:

- Significant deviations from standard performance parameters.
- Deviations in project implementation.
- Construction budget.
- Operation and maintenance budget.
- Investigations of such matters, excluding those that fall within the scope of the Audit Committee, as may be referred to it by the Board from time to time.
- Any other matter which in the opinion of the management is of such importance as to be referred to the Projects and Performance Review Committee.

(iv) Committee of Directors on Contracts:

Composition: The Committee of Directors on Contracts comprised of the following members as on 31st March, 2012:

- Shri. A. B. L. Srivastava Director (Finance) - Chairman
- Shri D. P. Bhargava Director (Technical)
- Shri J. K. Sharma Director (Projects)
- Shri A. Gopalakrishnan Independent Director
- Shri R. Jeyaseelan Independent Director

The Committee of Directors on Contracts was reconstituted on 6th July, 2012. The present composition of Committee is as under:

- Shri. A. B. L. Srivastava Director (Finance)
- Shri D. P. Bhargava Director (Technical)
- Shri J. K. Sharma Director (Projects)
- Shri R. Jeyaseelan Independent Director
- Shri Shantikam Hazarika Independent Director

Meetings and attendance: The committee met thrice during the year on 10th October 2011; 27th January 2012; and 7th March 2012. Details of the meetings of the Committee of Directors on Contracts attended by members are given in Table 10.

Table 10: Meetings of the Committee of Directors on Contracts

S. No.	Members of Committee during 2011-12	Meetings held during his tenure	Meetings attended
1.	Shri A. B. L. Srivastava	3	3
2.	Shri D. P. Bhargava	3	3
3.	Shri J. K. Sharma	3	3
4.	Shri A. Gopalakrishnan	3	2
5.	Shri R. Jeyaseelan	2	2

Scope of the committee: The terms of reference of the Committee of Directors on Contracts are:

- Award of LOI/contracts or making commitments referred to at 5 (a) (i), (ii) and (iii) of Annexure-A (Powers Excluded/Excepted from Delegation of Powers to the CMD, NHPC Limited) for contract amounts exceeding ₹ 100 crore but not exceeding ₹ 200 crore.
- Variations in quantities with respect to quantities indicated in the BOQ of the contract agreement, introduction of new item(s), substitution of one item in the BOQ by another and deviations from the terms of the contract resulting cumulatively in an increase in the contract value approved by the Board by more than 25 per cent or more than ₹ 75 crore but within ₹ 200 crore, whichever is less excluding increases already built in the contract agreement due to price variation, provision for contingencies, etc. and also due to new statutory requirements or changes in existing statutory requirements.
- Payments of idle charges, hire charges and interest to contractors for delay not attributable to them and not covered by force majeure of value not exceeding ₹ 10 crore.
- Acceptance of disputed claims of the value not exceeding ₹ 10 crore.

(v) Remuneration Committee:

Being a central public sector undertaking, the appointments, tenures and remunerations of the Directors are decided by the President of India. Independent Directors are paid only sitting fees at the rate fixed by the Board, within the ceiling fixed under the Companies Act, 1956 and approved by the government for attending Board as well as committee meetings. The report of the Remuneration Committee for performance related pay has been placed before the Board for its consideration. Details of remunerations given to Functional Directors of the company during 2011-12 are given in Table 11.

Table 11: Remunerations of Functional Directors during 2011-12

Directors	Designation	Salary / Allowances (₹)	Benefits* (₹)	Performance linked incentives (₹)	Gross Total (₹)
Shri A. B. L. Srivastava	Director (Finance)	22,88,036	3,26,996	97,523	27,12,555
Shri D. P. Bhargava	Director (Technical)	20,08,405	2,83,399	94,700	23,86,504
Shri J. K. Sharma	Director (Projects)	20,25,745	8,77,486	94,464	29,97,695
Shri R. S. Mina	Director (Personnel)	22,15,696	2,66,446	94,464	25,76,606

Note: * Benefits include Medical, LTC, lease rent, EPF (MC), pension fund.

The Board of Directors constituted the Remuneration Committee comprising Independent Directors in line with the Guidelines on Corporate Governance issued by the Department of Public Enterprise:

The Remuneration Committee comprised of the following members as on 31st March, 2012:

- i) Shri A. Gopalakrishnan Independent Director - Chairman
- ii) Shri G. S. Vedi Independent Director
- iii) Shri R. Jeyaseelan Independent Director

The Remuneration Committee was reconstituted on 25th May, 2012. The present composition of Committee is as under:

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

Meetings and attendance: The committee met thrice during the year on 13th January 2012; 27th January 2012; and 7th March 2012. Details of the meetings of the Remuneration Committee attended by the members are given in Table 12.

Table 12: Meetings of the Remuneration Committee

S. No.	Members of Committee during 2011-12	Meetings held during his tenure	Meetings attended
1	Shri A. Gopalakrishnan	3	2
2	Shri G. S. Vedi	3	3
3	Shri R. Jeyaseelan	3	3

Scope of the committee:

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

(vi) Committee of Directors for Allotment and Post-Allotment Activities of NHPC Securities:

Composition: The Committee of directors for Allotment and Post-Allotment Activities of NHPC Securities was reconstituted on 19th January, 2012. The committee comprised of the following members as on 31st March, 2012:

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

Meetings and attendance: The committee met 12 times during the year on 26th April, 2011, 15th June, 2011, 12th August, 2011, 8th September 2011, 14th September 2011, 20th September 2011, 20th October 2011, 8th December 2011, 9th January 2012, 21st February 2012, 19th March 2012 and 29th March 2012. 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 13.

Table 13: Meetings of the Committee of Directors for Allotment and Post-Allotment Activities of NHPC Securities

S. No.	Members of Committee during 2011-12	Meetings held during his tenure	Meetings attended
1	Shri A. B. L. Srivastava	12	12
2	Shri D. P. Bhargava	12	11
3	Shri R. S. Mina	12	12

Scope of the committee: The scope of the committee includes the following:

1. Issue of share certificates.
2. Transfer and transmission of shares.
3. Rematerialization of share certificates.
4. Issue of duplicate share certificates.
5. Consolidation/splitting of NHPC shares.

(vii) Committee of Directors for Investment of IPO Proceeds:

Composition of the committee: The committee of directors for investment of IPO proceeds comprised of the following members as on 31st March, 2012:

- i) Shri A. B. L. Srivastava Director (Finance) - Chairman
- ii) Shri G. S. VEDI Independent Director
- iii) Shri D. P. Bhargava Director (Technical)

The Committee was reconstituted on 25th May, 2012. The present composition of Committee is as under:

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

Meetings and attendance: The committee met twice during the year on 29th August, 2011 and 14th March, 2012. Details of the meetings of the Committee of Directors for Investment of IPO Proceeds attended by members are given in Table 14.

Table 14: Meetings of the Committee of Directors for Investment of IPO Proceeds

S. No.	Members of Committee during 2011-12	Meetings held during his tenure	Meetings attended
1.	Shri G. S. VEDI	1	1
2.	Shri K. Dharmarajan	1	1
3.	Shri A. B. L. Srivastava	2	2
4.	Shri D. P. Bhargava	2	1

(viii) Committee of Directors for Investment of the Self-Insurance Fund:

Composition: The Board of Directors reconstituted the Committee of Directors for Investment of Self-Insurance Fund on 19th January, 2012. The committee comprised of the following members as on 31st March, 2012:

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

Meetings and attendance: The committee met once during the year on 24th November, 2011. Details of the meeting of the Committee of Directors for Investment of Self-Insurance Fund attended by members are given in Table 15.

Table 15: Meeting of the Committee of Directors for Investment of Self-Insurance Fund

S. No.	Members of Committee during 2011-12	Meetings held during his tenure	Meetings attended
1.	Shri A. B. L. Srivastava	1	1
2.	Shri D. P. Bhargava	1	1
3.	Shri J. K. Sharma	1	1
4.	Shri R. S. Mina	1	1

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

4. Subsidiary Companies

- (i) **NHDC LIMITED:** NHDC Limited is a subsidiary company of NHPC Limited. NHPC holds 51 per cent of the paid-up equity share capital in NHDC Limited. During the year, the minutes of the subsidiary company were placed before the NHPC Board. Periodically, members of the NHPC Board were apprised of significant transactions and arrangements entered into by the subsidiary company. NHDC is covered within the definition of 'Subsidiary Company' as per the Guidelines on Corporate Governance by DPE for CPSEs (as per the audited accounts for the period ended on 31st March, 2012 the turnover or net worth of NHDC was more than 20 per cent of the turnover or net worth of NHPC Limited respectively). Accordingly, Shri A. Gopalakrishnan, an Independent Director on the Board of NHPC Limited was appointed on the Board of NHDC Limited.
- (ii) **LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED:** Loktak Downstream Hydroelectric Corporation Limited (LDHCL) was incorporated on 23rd October, 2009. The Company was promoted as a joint venture between NHPC Limited and the Government of Manipur with equity shareholding of 74 and 26 per cent respectively. The certificate of commencement of business was granted to the company on 25th February, 2010. The company is not a material subsidiary within the definition of a 'Subsidiary Company' as per the Guidelines on Corporate Governance by DPE for CPSEs. The minutes of the LDHCL Board meeting were placed before the Board of NHPC Limited.

5. GENERAL BODY MEETINGS:

The dates, time and locations of the last three Annual General Meetings are given in Table 16.

Table 16: Annual general meetings

Financial Year	Date	Time	Location
2008-09	31.07.2009	10:30 a.m.	At Registered Office, Faridabad
2009-10	22.09.2010	11:00 a.m.	At Municipal Corporation Auditorium, Faridabad
2010-11	19.09.2011	3:30 p.m.	Magpie Tourist Resort, Sector-16A, Mathura Road, Faridabad

Details of special resolution: No special resolution was passed during the preceding three years.

Details of postal ballot resolution: Your Company has planned to diversify into generation of power through thermal. Accordingly, the object clause of Memorandum of Association is suitably amended by Special Resolution passed through Postal Ballot process. Notice dated 19th April, 2012, was served to all shareholders for voting through postal ballot as per the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution through postal ballot), Rules, 2011 and the said resolution was approved by the shareholders on 7th June, 2012 during the financial year 2012-13. Result of Postal Ballot was also published in newspapers on 9th June, 2012. Ms Savita Jyoti, Practising Company Secretary was appointed as scrutinizer for the conduct of Postal Ballot. The details of the voting are as under:

Total No. of Ballot Papers Received: 15062

S. No.	Description	No. of Shareholders	No. of Shares	No. of Votes	Result
1.	Votes in favour	13877	10718354462	10718354462	Carried with requisite majority i.e. Special Resolution
2.	Votes against	321	56183925	56183925	
3.	Invalid Votes	866	1537195	1537195	
4.	Votes not polled		17335	17335	

6. Disclosures

- (i) **Related Party Transactions:** There were no transactions of material nature with the promoters, or Directors, or the management, joint venture company/subsidiary etc., having potential conflict with the interests of the company in general. Details of the Related Party Disclosure are included in the notes forming part of the accounts as per Accounting Standard - 18 notified by the Companies Accounting Standard Rules, 2006. The company adhered to the provisions of the law and the guidelines of regulatory authorities, including those of SEBI. The company complied with statutory compliances and no penalty/stricture was imposed on it by the stock exchanges or SEBI or any other statutory authority on any matter related to the capital market or any guidelines issued by the government during the last three years. The company has also adopted suggested items to be included in the Report on Corporate Governance. The results and other communication are regularly published on the company's official website (www.nhpcindia.com). Required details as per DPE Guidelines on corporate governance have been incorporated in this Report. Information on adoption (and compliance)/non-adoption of the non-mandatory requirements is provided in **Annexure-A**.

- (ii) **Accounting Treatment:** The Company followed the accounting standards as prescribed by the Institute of Chartered Accountants of India. However, deviations, if any, have been reported in the notes forming part of the accounts.

7. CEO/CFO Certification

As required by clause 49 of the Listing Agreement(s), the certificate duly signed by Shri A. B. L. Srivastava, Chairman and Managing Director and Shri R. K. Taneja, Executive Director (Finance) was placed in the meeting of the Board of Directors held on 25th May, 2012.

8. Means of Communication

Periodical financial results of the company are announced within the time specified in the Listing Agreement. These results are published in national and local dailies. While the company did not send periodical results/records to every shareholder, these were hosted on the company's website (www.nhpcindia.com). The company also issued news releases on significant corporate decisions and activities and made these available on its website. The Management Discussion and Analysis Report is part of the Directors' Report.

Details of the audited/unaudited financial results as published by the company are given in Table 17.

Table 17: Audited/unaudited financial results

Newspapers	Date of publication of results for the period ended			
	30.06.2011	30.09.2011	31.12.2011	31.03.2012
Financial Express (all editions / English)	-	29.10.2011	28.01.2012	26.05.2012
Times of India (English)	11.08.2011	29.10.2011	-	-
Navbharat Times (Hindi)	11.08.2011	29.10.2011	-	-
The Economics Times (all editions/ English)	11.08.2011	29.10.2011	-	-
Mail Today (English)	-	29.10.2011	28.01.2012	-
Jansatta (Hindi)	-	-	28.01.2012	-
Hindustan Times (all editions/English)	-	-	-	26.05.2012
Business Line (all editions/English)	-	-	-	26.05.2012
Mint (all editions/English)	-	-	-	26.05.2012
Dainik Jagran (Delhi/NCR, Hindi)	-	-	-	26.05.2012
Hindustan (all editions/Hindi)	-	-	-	26.05.2012

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

9. Shareholder Information

(i) Annual General Meeting:

Date : 17th September, 2012

Time : 11.00 A.M.

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

(ii) Financial calendar for the year 2011-12:

Particulars	Date
Accounting period	1 st April, 2011 to 31 st March, 2012
Unaudited financial results for the quarter ended on 30 th June 2011	Intimation to stock exchanges within 15 minutes of conclusion of the Board meeting on 10 th August, 2011.
Unaudited financial results for the quarter and half-year ended 30 th September 2011	Intimation to stock exchanges within 15 minutes of the conclusion of the Board meeting on 28 th October, 2011.
Unaudited financial results for the quarter ended 31 st December 2011	Intimation to stock exchanges within 15 minutes of conclusion of the Board meeting on 27 th January, 2012.
Audited financial results for the year ended 31 st March 2012	Intimation to stock exchanges within 15 minutes of conclusion of the Board meeting on 25 th May, 2012.
AGM – 2012	17 th September, 2012

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

- a) **For Payment of Dividends:** The register of members and share transfer books of the company will remain closed from 04.09.2012 to 17.09.2012 (both days inclusive).
- b) **For Payment of Interest on Bonds:**

BOND SERIES	DUE DATE OF INTEREST PAYMENT	RECORD DATE
NHPC 7.70% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'O' SERIES BONDS (STRPP-D TO STRPP-J)	30.06.2011	10.06.2011
NHPC 9% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'P' SERIES BONDS	28.02.2012	09.02.2012

c) **Redemption of Bonds: Details of bonds redeemed during the financial year 2011-12 are:**

BOND SERIES	ISIN	SCRIP CODE	DUE DATE OF REDEMPTION	RECORD DATE
NHPC 7.70% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'O' SERIES BONDS (STRPP-D)	INE848E08060	NHPC12	31.03.2012	16.03.2012

(iv) **Dividend History:**

Financial Year	Total amount of dividend paid (₹ in crore)	Date of AGM in which dividend was declared	Date of payment of dividend
2006-07	278.00 (including ₹ 72 crore interim dividend)	07.08.2007	14.08.2007
2007-08	300.00 (including ₹ 100 crore interim dividend)	05.08.2008	13.08.2008
2008-09	325.00 (including ₹ 125 crore interim dividend)	31.07.2009	13.08.2009
2009-10	676.54	22.09.2010	01.10.2010
2010-11	738.04	19.09.2011	28.09.2011

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

a) **Equity Shares:**

The equity shares of the company are listed on the following stock exchanges:

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

- b) **Bonds:** NHPC 7.70 per cent Redeemable Non-Cumulative Taxable 'O' Series Bonds and NHPC 9 per cent Secured Redeemable Non-Cumulative Taxable 'P' Series bonds are listed at:

The National Stock Exchange of India Limited

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

Stock Code:

Securities Name	NSE Scrip Code	ISIN
NHPC 7.70% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'O' SERIES BONDS (STRPP-E)	NHPC13	INE848E08078
NHPC 7.70% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'O' SERIES BONDS (STRPP-F)	NHPC14	INE848E08086
NHPC 7.70% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'O' SERIES BONDS (STRPP-G)	NHPC15	INE848E08094

Securities Name	NSE Scrip Code	ISIN
NHPC 7.70% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'O' SERIES BONDS (STRPP-H)	NHPC16	INE848E08102
NHPC 7.70% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'O' SERIES BONDS (STRPP-I)	NHPC17	INE848E08110
NHPC 7.70% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'O' SERIES BONDS (STRPP-J)	NHPC18	INE848E08128
NHPC 9% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'P' SERIES BONDS	NHPC25	INE848E07047
NHPC 9.25% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'Q' SERIES BONDS (STRPP-A)	NHPC16	INE848E07054
NHPC 9.25% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'Q' SERIES BONDS (STRPP-B)	NHPC17	INE848E07062
NHPC 9.25% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'Q' SERIES BONDS (STRPP-C)	NHPC18	INE848E07070
NHPC 9.25% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'Q' SERIES BONDS (STRPP-D)	NHPC19	INE848E07088
NHPC 9.25% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'Q' SERIES BONDS (STRPP-E)	NHPC20	INE848E07096
NHPC 9.25% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'Q' SERIES BONDS (STRPP-F)	NHPC21	INE848E07104
NHPC 9.25% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'Q' SERIES BONDS (STRPP-G)	NHPC22	INE848E07112
NHPC 9.25% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'Q' SERIES BONDS (STRPP-H)	NHPC23	INE848E07120
NHPC 9.25% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'Q' SERIES BONDS (STRPP-I)	NHPC24	INE848E07138
NHPC 9.25% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'Q' SERIES BONDS (STRPP-J)	NHPC25	INE848E07146
NHPC 9.25% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'Q' SERIES BONDS (STRPP-K)	NHPC26	INE848E07153
NHPC 9.25% SECURED REDEEMABLE NON-CUMULATIVE TAXABLE 'Q' SERIES BONDS (STRPP-L)	NHPC27	INE848E07161

(vi) **Market Price data:**

a) **Equity Shares:**

NHPC AT NSE				NHPC AT BSE			
Month	High (₹)	Low (₹)	Closing (₹)	Month	High (₹)	Low (₹)	Closing (₹)
Apr-11	26.30	24.60	25.90	Apr-11	26.30	24.70	25.85
May-11	26.00	23.35	24.90	May-11	25.95	24.00	24.90
Jun-11	25.40	22.45	24.00	Jun-11	25.40	22.45	24.00
Jul-11	27.00	23.00	24.65	Jul-11	25.50	23.75	24.60
Aug-11	25.90	23.05	24.30	Aug-11	25.85	23.00	24.30
Sep-11	25.10	22.95	23.50	Sep-11	25.10	23.10	23.45
Oct-11	25.40	23.00	25.05	Oct-11	25.35	22.80	25.10
Nov-11	25.40	21.85	22.45	Nov-11	25.25	21.95	22.55
Dec-11	23.60	17.65	18.05	Dec-11	23.10	17.65	18.05
Jan-12	21.15	17.50	20.60	Jan-12	21.20	17.90	20.60
Feb-12	22.90	20.15	21.20	Feb-12	22.95	20.20	21.20
Mar-12	21.80	19.10	19.70	Mar-12	21.75	19.10	19.65

b) Bonds: (O SERIES)

NSE			
Month	High (₹)	Low (₹)	Closing (₹)
Apr-11	NIL	NIL	NIL
May-11	NIL	NIL	NIL
Jun-11	NIL	NIL	NIL
Jul-11	NIL	NIL	NIL
Aug-11	NIL	NIL	NIL
Sep-11	NIL	NIL	NIL
Oct-11	NIL	NIL	NIL
Nov-11	NIL	NIL	NIL
Dec-11	NIL	NIL	NIL
Jan-12	NIL	NIL	NIL
Feb-12	NIL	NIL	NIL
Mar-12	NIL	NIL	NIL

No trade for any of the STRPPs during the period 01.04.2011 – 31.03.2012.

c) Bonds: (P SERIES)

NSE			
Month	High (₹)	Low (₹)	Closing (₹)
Apr-11	NIL	NIL	NIL
May-11	NIL	NIL	NIL
Jun-11	NIL	NIL	NIL
Jul-11	NIL	NIL	NIL
Aug-11	NIL	NIL	NIL
Sep-11	NIL	NIL	NIL
Oct-11	NIL	NIL	NIL
Nov-11	NIL	NIL	NIL
Dec-11	NIL	NIL	NIL
Jan-12	NIL	NIL	NIL
Feb-12	NIL	NIL	NIL
Mar-12	NIL	NIL	NIL

No trade for P-Series Bonds during the period 01.04.2011 – 31.03.2012.

d) Bonds: (Q SERIES)

NSE			
Month	High (₹)	Low (₹)	Closing (₹)
Apr-11	NA	NA	NA
May-11	NA	NA	NA
Jun-11	NA	NA	NA
Jul-11	NA	NA	NA
Aug-11	NA	NA	NA
Sep-11	NA	NA	NA
Oct-11	NA	NA	NA
Nov-11	NA	NA	NA
Dec-11	NA	NA	NA
Jan-12	NA	NA	NA
Feb-12	NA	NA	NA
Mar-12	NIL	NIL	NIL

No trade for Q-Series Bonds during the period 01.04.2011 – 31.03.2012.

(vii) Performance in comparison to Indices

Equity Shares

BSE Sensex and NHPC Price:

SENSEX			
Month	High	Low	Closing
Apr-11	19,811.14	18,976.19	19,135.96
May-11	19,253.87	17,786.13	18,503.28
Jun-11	18,873.39	17,314.38	18,845.87
Jul-11	19,131.70	18,131.86	18,197.2
Aug-11	18,440.07	15,765.53	16,676.75
Sep-11	17,211.8	15,801.01	16,453.76
Oct-11	17,908.13	15,745.43	17,705.01
Nov-11	17,702.26	15,478.69	16,123.46
Dec-11	17,003.71	15,135.86	15,454.92
Jan-12	17,258.97	15,358.02	17,193.55
Feb-12	18,523.78	17,061.55	17,752.68
Mar-12	18,040.69	16,920.61	17,404.20

NHPC AT BSE			
Month	High (₹)	Low (₹)	Closing (₹)
Apr-11	26.30	24.70	25.85
May-11	25.95	24.00	24.90
Jun-11	25.40	22.45	24.00
Jul-11	25.50	23.75	24.60
Aug-11	25.85	23.00	24.30
Sep-11	25.10	23.10	23.45
Oct-11	25.35	22.80	25.10
Nov-11	25.25	21.95	22.55
Dec-11	23.10	17.65	18.05
Jan-12	21.20	17.90	20.60
Feb-12	22.95	20.20	21.20
Mar-12	21.75	19.10	19.65

NIFTY and NHPC Price:

NIFTY			
Month	High	Low	Closing
Apr-11	5,944.45	5,693.25	5,749.50
May-11	5,775.25	5,328.70	5,560.15
Jun-11	5,657.90	5,195.90	5,647.40
Jul-11	5,740.40	5,453.95	5,482.00
Aug-11	5,551.90	4,720.00	5,001.00
Sep-11	5,169.25	4,758.85	4,943.25
Oct-11	5,399.70	4,728.30	5,326.60
Nov-11	5,326.45	4,639.10	4,832.05
Dec-11	5,099.25	4,531.15	4,624.30
Jan-12	5,217.00	4,588.05	5,199.25
Feb-12	5,629.95	5,159.00	5,385.20
Mar-12	5,499.40	5,135.95	5,295.55

NHPC AT NSE			
Month	High (₹)	Low (₹)	Closing (₹)
Apr-11	26.30	24.60	25.90
May-11	26.00	23.35	24.90
Jun-11	25.40	22.45	24.00
Jul-11	27.00	23.00	24.65
Aug-11	25.90	23.05	24.30
Sep-11	25.10	22.95	23.50
Oct-11	25.40	23.00	25.05
Nov-11	25.40	21.85	22.45
Dec-11	23.60	17.65	18.05
Jan-12	21.15	17.50	20.60
Feb-12	22.90	20.15	21.20
Mar-12	21.80	19.10	19.70

Bonds Since there was no trade in NHPC's debt securities during 01.04.2011 to 31.03.2012, the performance in comparison to the Bond Index is not relevant.

(viii) Registrar & Transfer Agent and Share Transfer system:

a) Equity Shares:

M/s Karvy Computershare Private Limited,

Plot No. 17-24, Vittalrao Nagar,

Madhapur, Hyderabad – 500 081

Tel No.: +91 40 23420818

Fax No.: +91 40 23420814

E-mail: mailmanager@karvy.com

b) **Bonds:** The Company appointed the following Registrar and Transfer Agent for Non-Redeemable Cumulative Bonds:

M/s RCMC Share Registry (P) Ltd.

B-106, Sector-2

Noida-201301 (Uttar Pradesh)

Ph.0120-4015880

E-mail: info@rcmcdelhi.com

(ix) **Share/Bond Transfer System:** It is the responsibility of respective registrar and transfer agents to look after routine matters

Annual Report

2011-12

of transfer of shares/bonds, subject to the supervision, control and approval of the Board/Committee of Directors.

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

a) **Equity Shares:** Shares held by different categories of shareholders according to the size of holdings as on 31st March, 2012 are:

i) **According to size:** Distribution of shareholding according to size and percentage of holdings as on 31st March, 2012 is as under:

Number of shares	Number of shareholders	%age of share holders	Total number of shares	%age of shares
1-5,000	7,01,583	60.86	15,98,35,454	1.30
5,001-10,000	3,35,694	29.12	25,03,83,445	2.04
10,001-20,000	63,810	5.54	9,52,68,316	0.77
20,001-30,000	19,743	1.71	5,06,41,346	0.41
30,001-40,000	8,271	0.72	2,96,48,522	0.24
40,001-50,000	6,664	0.58	3,15,11,474	0.26
50,001-1,00,000	9,738	0.85	7,06,22,074	0.57
1,00,001 and above	7,194	0.62	11,61,28,32,142	94.41
Total	11,52,697	100	12,30,07,42,773	100

(ii) **Shareholding pattern as on 31st March, 2012:**

Category	Total number of shares	%age of equity
Central Govt./State Govt.	10,62,33,68,758	86.36
FIs	17,01,93,315	1.38
Indian Public	81,48,20,636	6.62
Bank, FIs and Insurance Companies	24,95,41,484	2.03
Corporate bodies	22,85,94,521	1.86
Mutual funds/UTI	14,69,82,420	1.19
NRIs/OCBs	1,73,14,339	0.14
Others:		
Trusts	30,46,797	0.02
Clearing Members	41,49,351	0.03
Total	12,30,07,42,773	100

iii) **Major Shareholding as on 31st March, 2012:** Details of shareholders holding more than 1 per cent of the paid-up capital of the company as on 31st March, 2012 is as under:

Name of shareholder	No. of shares	%age of paid-up capital	Category
Government of India through the President of India	10,62,33,68,758	86.36	Central Govt./State Govt.

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

i) **According to size:** Distribution of bondholding according to size and percentage of holdings as on 31st March, 2012 is as under:

Number of bonds	Number of bondholders	%age of bondholders	Total number of bonds	%age of bonds
1-5,000	67	100	342	100
5,001-10,000	NIL	NIL	NIL	NIL
10,001-20,000	NIL	NIL	NIL	NIL
20,001-30,000	NIL	NIL	NIL	NIL
30,001-40,000	NIL	NIL	NIL	NIL
40,001-50,000	NIL	NIL	NIL	NIL
50,001-1,00,000	NIL	NIL	NIL	NIL
1,00,001 and above	NIL	NIL	NIL	NIL
Total	67	100	342	100

ii) **Bondholding pattern as on 31st March, 2012:**

Category	Total number of bonds	%age of bonds
Central Govt./State Govt.	NIL	NIL
FIs	NIL	NIL
Indian Public	NIL	NIL
Bank & FIs	21	6.14
Private corporate bodies	NIL	NIL
Mutual funds/UTI	NIL	NIL
NRIs/OCBs	NIL	NIL
Others		
(i) Insurance Companies	142	41.52
(ii) PF Fund/Trust etc.	179	52.34
Total	342	100

iii) **Major Bondholding as on 31st March, 2012:** Details of bondholders holding more than 1 per cent of the company's total bonds value as on 31st March, 2012 are as under:

Sl. No.	Name of bondholder	No. of bonds	% of total bonds value	Category
1	SAHARA INDIA LIFE INSURANCE COMPANY LIMITED	5	1.46	INSURANCE COMPANY
2	MAX NEW YORK LIFE INSURANCE CO LTD,	5	1.46	INSURANCE COMPANY
3	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD,	5	1.46	INSURANCE COMPANY
4	BIRLA SUN LIFE INSURANCE COMPANY LIMITED,	11	3.22	INSURANCE COMPANY
5	OIL AND NATURAL GAS CORPORATION LIMITED EMPLOYEES CONTRIBUTORY PROVIDENT FUND,	4	1.17	PF FUND / TRUST
6	I P C L EPF TRUST,	5	1.46	PF FUND / TRUST
7	MAHARASHTRA STATE ELECTRICITY BOARDS CONTRIBUTORY PROVIDENT FUND,	5	1.46	PF FUND / TRUST
8	AXIS BANK LIMITED,	5	1.46	BANKS & FI
9	FOOD CORPORATION OF INDIA CPF TRUST,	17	4.97	PF FUND / TRUST
10	PUNJAB NATIONAL BANK EMPLOYEES PROVIDENT FUND,	13	3.8	PF FUND / TRUST
11	PUNJAB NATIONAL BANK EMPLOYEES GRATUITY FUND,	10	2.92	PF FUND / TRUST
12	PUNJAB NATIONAL BANK EMPLOYEES PENSION FUND,	24	7.02	PF FUND / TRUST
13	BANK OF INDIA PROVIDENT FUND, BANDRA(E) MUMBAI, PIN-400051	12	3.51	PF FUND / TRUST
14	GENERAL INSURANCE CORPORATION OF INDIA,	70	20.47	INSURANCE COMPANY
15	UNITED INDIA INSURANCE COMPANY LIMITED,	15	4.39	INSURANCE COMPANY
16	THE NEW INDIA ASSURANCE COMPANY LIMITED,	30	8.77	INSURANCE COMPANY
17	INDIAN PROVIDENT FUND OF BHARAT PETROLEUM CORPORATION LIMITED,	5	1.46	PF FUND / TRUST
18	KRIBHCO EMPLOYEES P F TRUST,	5	1.46	PF FUND / TRUST
19	TATA MOTORS LIMITED PROVIDENT FUND,	8	2.34	PF FUND / TRUST
20	POWERGRID SELF CONTRIBUTORY SUPERANNUATION BENEFIT PENSION FUND TRUST,	5	1.46	PF FUND / TRUST
21	THE TIMES OF INDIA PROVIDENT FUND,	5	1.46	PF FUND / TRUST
22	THE PEERLESS GENERAL INVESTMENT AND FINANCE COMPANY LIMITED,	5	1.46	BANKS & FI

C) Bonds: (P SERIES)

- i) **According to size:** Distribution of bond holdings according to size and percentage of holdings as on 31st March, 2012 is as under:

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

- ii) **Bondholding pattern as on 31st March, 2012:**

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

- iii) **Major Bondholding as on 31st March, 2012:** Details of bondholders holding more than 1 per cent of the company's total bonds value as on 31st March, 2012 are as under:

Name of bondholder	Number of bonds	%age of total bonds value	Category
LIC of India Ltd	20000	100	Others (Insurance Companies)

d) Bonds: (Q SERIES)

- i) **According to size:** Distribution of bond holdings according to size and percentage of holdings as on 31st March 2012 is as under:

Number of Bonds	Number of bondholders	%age of bondholders	Total No. of Bonds	%age of Bonds
1-5000	13	68.43	30285	23.92
5001-10000	1	5.26	7056	5.57
10001-20000	4	21.05	66219	52.31
20001-30000	1	5.26	23040	18.20
30001-40000	NIL	NIL	NIL	NIL
40001-50000	NIL	NIL	NIL	NIL
50001-100000	NIL	NIL	NIL	NIL
100001 and above	NIL	NIL	NIL	NIL
Total	19	100	126600	100

ii) **Bondholding pattern as on 31st March 2012:**

Category	Total No. of Bonds	%age of Bonds
Central Govt./State Govt.	NIL	NIL
FIs	NIL	NIL
Indian Public	NIL	NIL
Bank & FIs	3564	2.82
Private Corporate Bodies	NIL	NIL
Mutual Funds	5004	3.95
NRIs/OCBs	NIL	NIL
Others		
(i) Insurance Companies	5306	4.19
(ii) PF Fund/Trust etc.	112726	89.04
Total	126600	100

iii) **Major Bondholding as on 31st March 2012:** Details of bondholders holding more than 1 per cent of the Company's total bonds value as on 31st March 2012 are given as under:

Name of Bondholder	No. of Bonds	%age of Total Bonds Value	Category
Reliance Capital Trustee Company Ltd a/c Reliance Income Fund	3564	2.82	MUTUAL FUND
State Bank of India Employees Provident Fund	7056	5.57	PF FUND / TRUST
Axis Bank Ltd	4586	3.62	INSURANCE COMPANY
CANARA BANK	3564	2.82	BANKS & FI
CBT EPF-11-D-DM	4026	3.18	PF FUND / TRUST
CBT EPF-05-D-DM	14190	11.21	PF FUND / TRUST
CBT EPF-11-A-DM	23040	18.20	PF FUND / TRUST
CBT EPF-05-A-DM	4248	3.36	PF FUND / TRUST
CBT EPF-11-B-DM	2544	2.01	PF FUND / TRUST
CBT EPF-05-B-DM	18816	14.86	PF FUND / TRUST
CBT EPF-11-C-DM	15187	12.00	PF FUND / TRUST
CBT EPF-05-C-DM	18026	14.24	PF FUND / TRUST
CBT EPF-25-C-DM	3286	2.60	PF FUND / TRUST
National Hydroelectric Power Corporation Limited Employees Provident Fund	1800	1.42	PF FUND / TRUST

(xi) **Dematerialization of Share and Liquidity:** The shares of the company are in the compulsory dematerialized segment and are available for trading with both the depositories, i.e., the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL).

Secretarial Audit Report for reconciliation of the total issued capital, listed capital and capital held by depositories in a dematerialized form with respect to the share capital of the company with the depositories was obtained from the practicing Company Secretary and was submitted to the stock exchanges within the stipulated time.

The company's bonds are also in the compulsory dematerialized segment and are available for trading with both the depositories, i.e., the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). Secretarial Audit Report for the purpose of reconciliation of total admitted bonds listed at NSDL/CDSL and the total issued and listed bonds were obtained from the practicing Chartered Accountants/ Company Secretaries.

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

NHPC has not issued GDRs/ADRs/warrants or any convertible instruments.

(xiii) Plant Locations:

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

(xiv) Address for Correspondence:

Shri Vijay Gupta, Compliance Officer,
1st Floor, NHPC Office Complex,
Sector-33, Faridabad (Haryana) 121003
Phone: 0129-2278421
Fax: 0129-2277941
E-mail: companysecretary@nhpc.nic.in

As per the circular of the Securities & Exchange Board of India dated 22.01.2007, exclusive e-mail id for redressal of investor complaints is companysecretary@nhpc.nic.in

10. COMPLIANCE CERTIFICATE:

Certificate from M/s Garima Duggal and Associates, Company Secretaries in Whole Time Practice confirming compliance with the conditions of corporate governance as stipulated under the Listing Agreement along with Guidelines on Corporate Governance for Central Public Sector Enterprises 2010, forms part of the Annual Report.

For and on behalf of the Board of Directors



(G. Sai Prasad)

Chairman and Managing Director

DIN No.: 00325308

Place: New Delhi

Date: 30.07.2012

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 guidelines is as under:

- The Board:** The Company is headed by an Executive Chairman. No Independent Director has been appointed for the period exceeding, in aggregate, a period of 9 years, on the Board of the company.
- Remuneration Committee:** Please refer to para 3 (v) of this Report.
- Shareholders Rights:** The half-yearly declaration of financial performance, including a summary of significant events in the last six months is not sent individually to every shareholder. However, this is made available on the company website. Financial results are published in leading newspapers as mentioned under 'means of communication' in this Report.
- Audit Qualification:** The financial statements for 2011-12 have no audit qualification.
- Training of Board members:** Please refer to para 2 (viii) of this Report.
- Mechanism for evaluating non-executive Board Members:** The Board of the company comprises of Nine Non-Executive Directors, including two Government Nominees. All of them have been appointed by the President of India through the Ministry of Power and therefore, their performance evaluation is not done by the Board of the company.
- Whistle Blower Policy:** The Company has a Whistle Blower Policy. In addition to this, a policy to prevent fraud has already been adopted by the company for reporting on frauds or suspected frauds involving company 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.




NHPC Limited

(A Government of India Enterprise)

CEO AND CFO CERTIFICATE

To,
The Board of Directors,
NHPC Limited,
Faridabad

- a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2012 and that to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2011-12 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee
- (i) significant changes in internal control over financial reporting during the year 2011-12.
 - (ii) significant changes in accounting policies during the year 2011-12 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.


(R.K. TANEJA)
ED (FINANCE)

Place: New Delhi
Date: 25th May 2012


(A.B.L. SRIVASTAVA)
CHAIRMAN & MANAGING DIRECTOR

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
NHPC Ltd.

1. We have examined the compliance of conditions of Corporate Governance by NHPC Limited, for the year ended on 31.03.2012, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchange(s).
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned listing agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or the effectiveness with which the management has conducted the affairs of the company.

For GARIMA DUGGAL & ASSOCIATES
Practicing Company Secretaries

Place : Faridabad
Date : 31.07.12

Sd/-
Garima Duggal
(Proprietor)
CP No. 8413

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

Electric power plays an important role in the growth of an economy. The Indian power sector has seen substantial growth since independence and has a total installed capacity of 1,99,627 MW. The share of thermal, hydro, nuclear and renewable power in the total installed capacity as on 31st March, 2012 was 1,31,354 MW, 38,990 MW, 4,780 MW and 24,503 MW respectively.

The public sector has taken a lead in power generation in India with the Central and State Governments generating about 72 percent of the total installed capacity. The participation of the private sector, which generates about 28 percent of the power, too has been increasing since the liberalization of the economy in 1991.

However, many technical and operational abnormalities in the hydro sector during the XIth Plan (2007-12) increases the difference between the actual ratio for hydro-thermal mix and the desired ratio. A recent study also reveals that only 26 per cent of the total hydro potential of 1,48,700 MW, is being harnessed and a lot of the fraction is yet to be developed.

NHPC Limited, a Miniratna Schedule-'A' enterprise with an authorized share capital of ₹ 15,000 crore and an investment base of ₹ 50,000 crore, is focused on the development of hydropower. The company is also in the initial stages of adding the development of thermal and renewable energy to its operations.

NHPC is a name to reckon with in the field of hydropower as it has completed its projects in a professional manner irrespective of the remoteness of their locations and other challenging conditions such as technological and climatic challenges and has maintained its brand in the industry.

SWOT ANALYSIS

A) STRENGTHS – NHPC has the following primary competitive strengths:

- **Established track record in implementing hydroelectric projects:** NHPC has wide experience and expertise in implementing projects which provide it a significant competitive advantage. It has a strong design and engineering base with in-house expertise in geology, geo-physics, geo-technics, construction and material surveys. Its engineering capabilities cover the entire gamut from the stage of conceptualization till the commissioning of a project. NHPC's team is supported by international and domestic project consultants.
- **Exposure to the construction and operations of hydro projects in remote/non-penetrative areas and the geo-technically sensitive Himalayan terrain:** Almost all NHPC projects are situated in remote areas which come with a range of challenges—logistical, climatic and technological like Nimmo Bazgo and Chutak projects. However, with its strong and efficient team of competent and experienced professionals who have the capability to execute all types and sizes of hydropower projects, NHPC has successfully managed to develop and implement 15 power stations, including two through its subsidiary, NHDC. The Chamara-II Power Station of NHPC Limited, Indira Sagar and Omkareshwar projects of its subsidiary NHDC have been commissioned ahead of schedule.
- **Long-term power purchase agreements with customers:** Pursuing Power Purchase Agreements (PPAs), NHPC gets most of its revenue from the sale of energy to SEBs/power departments and their successor entities. The allocation of power from the different power stations to various beneficiaries is done by the Ministry of Power, Government of India. The billings made to the state entities are currently secured through letters of credit pursuant to the tripartite agreements entered into among the Government of India, the Reserve Bank of India and respective State Governments.

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

- **Strong operating performance:** Over the years, NHPC's power stations have shown improvements in their operations. Its operating power stations generated 18,683 MUs of power during 2011-12, exceeding the annual MoU target of 18,500 MUs for an 'Excellent' rating.
- **Competent and committed workforce:** NHPC has a competent and committed workforce. Its executives have extensive experience in the industry. Their skills, industry knowledge and operating experience provide NHPC with a significant competitive advantage.
- **Strong financial position:** NHPC is a Miniratna Schedule-'A' enterprise with an authorized share capital of ₹ 15,000 crore and an investment base of over ₹ 50,000 crore.

B) OPPORTUNITIES

The deteriorating hydro-thermal mix, increase in peak hour shortages and frequency variations have forced policymakers to turn their attention towards water resources and on developing hydropower. Besides India's huge untapped hydro potential, especially in the north-eastern region, with the focus shifting to hydropower, NHPC now has opportunities to add to its capacity in the coming years.

C) THREATS/WEAKNESSES

The NHPC management perceives the following as threats/risks/weaknesses in the construction of hydropower projects:

Time in clearances - Stringent norms and cumbersome procedures for getting environmental and forest clearances and clearances from the National Board for Wild Life (where ever applicable) leads to delays in obtaining clearances for projects, which may affect the capacity addition programmes.

Land acquisition - The process of land acquisition for infrastructure work as well as for a project's components including submergence, is quite cumbersome and time consuming.

Geological uncertainties - In spite of extensive surveys and investigations, various components of hydro projects such as head race tunnels, underground power houses, pressure shafts and surge shafts face geological surprises especially in the young Himalayan region. NHPC with its experience and expertise coupled with state-of-the art technology has been able to overcome such surprises many a times in the past, but there is a possibility that such surprises may result in time and cost over-runs of a project.

Inter-state and International disputes - As water is a state subject in India, there are often inter-state river disputes due to which many hydro projects may get delayed or abandoned. Certain projects are situated in border areas which affect India's international relations.

Natural calamities - As most of the hydro projects are located in hilly terrains, natural calamities like land slides, hill slope collapses and road blocks, floods and cloud bursts cause severe setbacks in construction schedules.

Unexpected complexities - Unexpected complexities and delays in clearances/execution due to reasons beyond one's control may cause variations/escalations in estimates. Further, changes in CERC's tariff regulations may affect the cash flow and results of operations.

RISKS AND CONCERNS

Hydropower schemes are capital intensive, have long gestation period and require huge investments which are major constraints in the exploitation of the vast hydropower potential available in the country. Since water is a state subject, state governments are demanding a higher share of free power and other incentives, which lead to higher tariffs.

OUTLOOK

Demand for electrical energy is increasing at a rate of 8 to 10 per cent annually. The increasing power demand needs installation of more power capacity. In 2011-12, an additional 26,001 MW of energy was made available which took India's total capacity to 1,99,627 MW which achievement is still not enough to meet the increasing demands in the country.

In spite of the government taking various initiatives in the power sector, developments in this sector need to be accelerated further. Speedy approvals of projects under government clearances and execution of projects under construction in time will be helpful in meeting demand targets.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

NHPC has in-built control systems in functional and operational areas. The transactions and processes are guided through a system of delegation of powers, documented policies, guidelines and manuals. The organisational structure is well defined in terms of hierarchical authority and responsibilities at particular levels of the hierarchy.

NHPC has an independent and full-fledged Internal Audit Department at the Corporate Office and has its units at Regional Offices, staffed with qualified experienced people who carry out audits at regular intervals. A summary of Audit Observations and Action Taken Reports are placed before the Audit Committee. The recommendations and directions of the Committee are carried out accordingly.

DISCUSSION ON THE FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

FINANCIAL DISCUSSION AND ANALYSIS

1.0 RESULTS OF OPERATIONS

A detailed financial discussion and analysis is furnished below on the Audited Financial Results of the Company for the Fiscal 2012 vis-à-vis Fiscal 2011.

1.1 Income

₹ in crore

	Fiscal 2012	Fiscal 2011
Units of electricity sold (million units)	16,357.09	16,293.32
Income		
Sales of Energy	5,509.65	4,046.59
Revenue from Contracts, Project Management and Consultancy Works	145.04	178.66
Other Income	1060.72	680.23
Total (excluding income from exceptional items)	6,715.41	4,905.48

The income of the Company comprises of income from Sales of electricity, Contracts, project management & consultancy services and Other income. Other income mainly includes interest earned on investments of surplus funds, interest on Securitized Bonds/ Long Term Advances, Dividend Income etc. Our total income increased by 36.90% to ₹ 6,715.41 crore in Fiscal 2012 from ₹4,905.48 crore in Fiscal 2011, primarily due to commissioning of Sewa-II power station, grossing up of Return on Equity (ROE) at corporate tax rate, finalization of tariff of Power Stations, Reimbursement of Water Cess & RLDC fees, interest from beneficiary states and increase in interest income from investment of surplus cash. Major increase in income is under the sub-head "Sale of energy". Broad principle of determination of tariff and recognition of Sale of Energy is deliberated below. Item wise reasons for variations are detailed in subsequent paras.

1.2 Broad principles of determination of tariff and Sale of Energy

1.2.1 Tariff

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

Tariff is determined by reference to Annual Fixed Charges (AFC), which comprise of Return on Equity (ROE), depreciation, interest on loan, interest on working capital and operation & maintenance expenses. ROE is grossed-up with reference to applicable income tax rate so as to recover income tax incidence.

For the purpose of recovery, AFC is bifurcated into two equal parts i.e. Energy Charges and Capacity Charges. Recovery of Energy Charges is dependent upon energy generated and full recovery is ensured when scheduled design energy level is achieved. Generation over and above design energy entitles for additional revenue in the form of secondary energy. Recovery of capacity charges is dependent on the actual availability of plant for generating power with reference to defined Normative Annual Plant Availability Factor (NAPAF), which has been prescribed for each power station based on its nature.

NHPC sells electricity to bulk customers comprising, mainly of electricity utilities owned by State Governments. Sale of electricity is made pursuant to long-term power purchase agreements. Sales have been recognized as per tariff notified by Central Electricity Regulatory Commission (CERC). Tariff for 2009-14 has since been fixed in respect of all the 12 Power Stations. However tariff of Teesta V Power Station is provisional pending approval of the revised cost of the Project.

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

The revenue from sale of energy includes sales pertaining to earlier years but recognized in current year. It also includes Unscheduled Interchange (UI) charges for the variation in actual injection and scheduled net injection by the generating stations at rates linked to frequency prescribed in the regulation to bring grid discipline.

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

1.2.2 Sale of Energy

In Fiscal 2012, NHPC sold 16,357.09 MUs of electricity from an installed capacity of 3749.20 MW and in Fiscal 2011, it sold 16,293.32 MUs from an installed capacity of 3,749.20 MW which represents an increase of 0.39% in the number of units sold. Its average selling price (after adjustment of components of earlier year sales) was ₹ 2.98 per unit in Fiscal 2012, as compared to ₹ 2.81 per unit in Fiscal 2011. The increase in per unit rate is mainly attributable to account of water cess for full year during Fiscal 2012.

Sale of energy increased by 36.15% to ₹5,509.65 crore in Fiscal 2012 from ₹4,046.59 crore in Fiscal 2011 because of account of earlier year sales (net of AAD) & Water cess amounting to ₹467.28 & ₹691.73 crore respectively during Fiscal 2012. NHPC's plant availability factor (PAF) in Fiscal 2012 was 83.30% as compared to 85.20% in Fiscal 2011.

1.2.3 Adjusted Sale of Energy

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

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

₹ in crore

	Fiscal 2012	Fiscal 2011
Gross Sales	5,462.49	3,999.63
Less: Advance against Depreciation (AAD) net	(47.16)	(46.96)
Net Sales	5,509.65	4,046.59
Less:		
(a) Earlier year sales (net of AAD)	467.28	(381.62)
(b) Water Cess for 2010-11 accounted for in 2011-12	138.99	(138.99)
(c) RLDC charges	23.34	(11.80)
Adjusted Sale of Energy	4,880.04	4,579.00

Earlier year sales (net of AAD) of ₹ 467.28 crore in Fiscal 2012 arose primarily because of finalization and revision of tariff in respect of Power Stations.

Increase in Adjusted Sales by 6.57% is primarily attributable to commissioning of Sewa-II power station, finalization and revision of tariff in respect of Power Stations.

1.3 Revenue from Contracts, Project Management and Consultancy Works

NHPC also earns revenue by entering into projects for Construction contracts, project management and consultancy assignments. These assignments primarily include works relating to the Pradhan Mantri Gram Sadak Yojana for development of rural roads and the Rajiv Gandhi Grameen Vidyutikaran Yojna relating to the establishment of rural electrification infrastructure, primarily distribution lines. These two schemes are overseen by different agencies of the Government of India (GoI) and executed by PSUs and government departments. NHPC is responsible for executing the projects allocated to it in certain specified areas throughout India.

The Company's income from contracts, project management and consultancy works decreased by 18.82% from ₹ 178.66 crore in Fiscal 2011 to ₹ 145.04 crore in Fiscal 2012 mainly due to handing over of O&M works of Baglihar Power Station back to state of J&K w.e.f. 02.09.2011.

1.4 Other Income

'Other income' mainly comprises of income from securitized power bonds/long term advances issued under one time settlement scheme, interest from beneficiary states, income from investment of surplus cash, dividend on equity investment in subsidiary company and miscellaneous income.

NHPC's other income was ₹1060.72 crore in Fiscal 2012, an increase of 55.94% over the other income of ₹ 680.23 crore in Fiscal 2011. The major components of Other Income are placed and discussed hereunder:

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₹ in crore

Other Income	Fiscal 2012	Fiscal 2011
Interest on securitised power bonds/long term advances	113.41	137.35
Interest from beneficiary states	264.79	20.40
Interest on Term Deposit	461.97	404.94
Dividend	22.03	12.40
Write back of depreciation due to reversal of provision in respect of Teesta-V Power Station	42.97	-
Late Payment Surcharge	21.67	3.52
Liability/ Provisions not required written back	68.04	55.02
Other miscellaneous income	65.84	46.60
Total	1060.72	680.23

The reduction in interest income from securitised power bonds/long term advances to the extent of ₹23.94 crore is due to redemption of these bonds/long term advances amounting to ₹281.80 crore during Fiscal 2012.

Interest from beneficiary states have increased during Fiscal 2012 by ₹ 244.39 crore i.e. from ₹ 20.40 crore in Fiscal 2011 to ₹ 264.79 crores in Fiscal 2012 due to charging of interest on arrears arising due to finalization of tariff of various power stations in Fiscal 2012 in terms of tariff regulation.

Interest on Term Deposit has increased to ₹461.97 crore during Fiscal 2012 as against ₹404.94 crore during Fiscal 2011 due to higher rate of interest as well as increase in investment of surplus cash.

During Fiscal 2012, NHPC earned ₹22.03 crore as dividend from its investments mainly in subsidiary companies as against ₹12.40 crore during Fiscal 2011.

1.5 Expenditure

₹ in crore

Expenditure	Fiscal 2012	Fiscal 2011
Generation, Administration and Other Expenses - excluding Water Cess	381.59	381.59
-Water Cess	552.81	138.99
Employees ' Benefits Expense	829.04	699.62
Depreciation & Amortization	892.74	916.74
Finance Cost	342.24	366.60
Provisions	90.68	34.46
Expenditure on Contracts, Project Management and Consultancy Works	119.97	123.25
Total Expenditure	3,209.07	2,711.08

NHPC's total expenditure increased by 18.37% to ₹3,209.07 crore in Fiscal 2012 from ₹2,711.08 crore in Fiscal 2011 mainly due to levy of Water Cess (₹552.81 crore in Fiscal 2012 & ₹138.99 crore in Fiscal 2011) in respect of power stations situated in the State of J&K. The Company's total expenditure as a percentage of its total income was 47.79% in Fiscal 2012 compared to 55.27% in Fiscal 2011.

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

Generation, administration and other expenses primarily consist of repair and maintenance of buildings and plant & machinery, security expenses, insurance expenses etc. These expenses represent approximately 11.89% of the total Company's expenditure in Fiscal 2012 as against 15.91% in Fiscal 2011. In absolute terms, these expenses decreased by approximately 11.55% to ₹381.59 crore in Fiscal 2012 from ₹431.42 crore in Fiscal 2011. This was mainly due to decrease in provisioning towards interest on Arbitration awards which was provided in Fiscal 2011. In terms of expenses per unit of saleable energy, it was ₹ 0.23 in Fiscal 2012 as compared to ₹ 0.26 in Fiscal 2011.

1.7 Water Cess

Water Cess increased to ₹552.81 crore during the current year from ₹ 138.99 crore in the previous year mainly due to a full year charge against charge for five months during Fiscal 2011, as water cess has been levied by J&K government on usage of water by power stations in the state of J&K w.e.f. 10.11.2010.

1.8 Employees' Benefit Expenses

Employee benefit expenses include salaries and wages, allowances, incentives, contribution to provident fund and other funds and welfare expenses. These expenses account for 25.83% of the Company's total expenditure in Fiscal 2012 as compared to 25.81% in Fiscal 2011. In absolute terms, employee costs have increased by ₹129.42 crore in Fiscal 2012 mainly on account of increase in employee cost due to full year charge of expenditure of Sewa-II, VRS payments, change in methodology of allocation of Corporate Office/ Regional Office expenses besides normal increase in salaries/wages. This resulted in an increase in employee cost per unit of saleable energy from ₹0.43 in the Fiscal 2011 to ₹0.51 in the Fiscal 2012.

NHPC had 11,036 employees on its payroll as of March 31, 2012, compared to 11,342 employees as of March 31, 2011. Of this, 4974 and 5,189 employees were engaged in operation and maintenance areas of our business during Fiscal 2012 & 2011 respectively. Employee Benefit expenses increased by 18.50% to ₹829.04 crore in Fiscal 2012 from ₹699.62 crore in Fiscal 2011.

As a percentage of total income, employees' benefits expenses decreased to 12.35% in Fiscal 2012 from 14.26% in Fiscal 2011.

1.9 Depreciation & Amortization

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

Depreciation cost decreased by 2.62% to ₹892.74 crore in Fiscal 2012 from ₹916.74 crore in Fiscal 2011. Depreciation expenses decreased mainly on account of higher depreciation charge during Fiscal 2011.

As a percentage of total income, depreciation decreased from 18.69% in Fiscal 2011 to 13.29% in Fiscal 2012.

1.10 Finance Costs

NHPC's finance cost consists primarily of interest expense on bonds and term loans. For accounting purposes, the Company's borrowings are denominated in Rupees, including those raised in foreign currencies, primarily consisting of Japanese Yen and Canadian Dollars. Besides, NHPC also incur expenses on account of Guarantee Fees in connection with loans raised.

Finance Cost decreased by 6.64% to ₹ 342.24 crore in Fiscal 2012 from ₹366.60 crore in Fiscal 2011 mainly due to repayments.

1.11 Provisions

NHPC create provisions mainly on account of doubtful debts, claims and advances and obsolescence of stores and spares & for expenses in respect of those Survey & Investigation projects where uncertainty of approvals is attached. Such provisions are estimated on a year to year basis and are based upon management assessment.

The Company's provisions increased by 163.15% to ₹90.68 crore in Fiscal 2012 from ₹34.46 crore in Fiscal 2011. This increase was mainly due to creation of provision on account of expenditure incurred on Survey & Investigation of Kotli Bhel IB and Kotli Bhel II projects due to uncertainty of approvals attached with these Projects.

1.12 Expenditure on Contracts, Project Management and Consultancy Work

Expenditure on account of Contracts, Project Management and Consultancy Work represents direct expenditure relating to construction contracts, employee benefit expenses and administration and general overhead expenses relating to contracts and consultancy works that NHPC execute either on agency basis or otherwise on behalf of third parties. NHPC's expenditure on contracts, project management and consultancy work decreased marginally by 2.66% to ₹119.97 crore in Fiscal 2012 from ₹123.25 crore in Fiscal 2011. This decrease is primarily attributable to handing over of O&M of Baglihar Power Station back to state of J&K w.e.f. 02.09.2011.

1.13 Prior Period Adjustments

Prior Period expenses (Net) of ₹ 58.16 crore in Fiscal 2012 is mainly due to recognition of additional provision towards pension fund w.e.f 01.01.2007 and reversal of excess consultancy revenue recognized in Fiscal 2010-11. During the Fiscal 2011, prior period expenses (net) of ₹ (-) 656.38 crore was mainly due to recognition of sales of ₹ (-) 592.44 crore, arising on account of grossing up of ROE at normal Tax rate for the Fiscal 2010 and other Tax adjustments, reversal of excess depreciation pertaining to the Fiscal 2010 amounting to ₹ (-) 82.55 crore due to adopting the rate as well as methodology of charging of depreciation as per CERC regulations w.e.f 01.04.2009.

1.14 Exceptional Items

Income from exceptional items arose due to profit on sale of Subansiri Middle Project & Lakhwar Vyasi Project in Fiscal 2012 and Fiscal 2011 respectively.

1.15 Profit Before Tax

Due to the reasons outlined above, NHPC's profit before tax increased by 22.23% to ₹3,517.04 crore in Fiscal 2012 from ₹2,877.41 crore in Fiscal 2011.

1.16 Tax Expenses

In Fiscal 2012, NHPC provided for ₹745.27 crore for tax as compared to ₹710.74 crore in Fiscal 2011. The increase in Tax in Fiscal 2012 is attributable to increased Profit before Tax as offset by Deferred Tax expenses.

2.0 LIQUIDITY AND CAPITAL RESOURCES

2.1 Liquidity

NHPC depends on both internal and external sources of liquidity to provide working capital and to fund capital expenditure requirements. It generally raises long term borrowings in the form of term loans/bonds, which may be in Indian Rupees or foreign currencies. NHPC had cash and cash equivalents of ₹6,003.97 crore and ₹5,350.08 crore as on March 31, 2012 and 2011 respectively.

2.2 Cash Flows

₹ in crore

	Fiscal 2012	Fiscal 2011
Net cash inflow from operating activities	2,084.48	3,012.26
Net cash outflow from investment activities	(1975.69)	(1,342.21)
Net cash inflow from financing activities	545.10	(1,417.35)

2.3 Net Cash from Operations

NHPC's net cash from operating activities was ₹2,084.48 crore in Fiscal 2012. Its net cash from operating activities has been arrived at after adjusting non-cash items mainly depreciation (including prior period) of ₹918.23 crore, interest expenses of ₹342.23 crore and ₹627.55 crore towards interest earned on Deposits/Investments, ₹ 737.82 crore towards taxes and other non-operating items. Changes in current assets and current liabilities had impact of cash outflow by ₹1224.83 crore, which was due to the net effect of change in inventories, receivables and trade & other payables.

NHPC's net cash from operating activities was ₹3012.26 crore in Fiscal 2011. Its net cash from operating activities has been arrived at after adjusting non-cash items of depreciation (including prior period) of ₹817.89 crore, interest expense of ₹374.53 crore, ₹30.88 crore for deferred revenue on account of advance against depreciation, ₹563.70 crore towards interest earned on Deposits/Investments, ₹ 518.72 crore towards taxes and other non-operating items. Changes in current assets and current liabilities had impact of cash inflow by ₹ 75.85 crore, which was due to the net effect of change in inventories, receivables and trade & other payables.

2.4 Net Cash from Investing Activities

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

The Company's net cash used in investing activities was ₹1,342.21 crore in Fiscal 2011. This mainly reflected expenditure on fixed assets of ₹3,426.17 crore offset by decrease in Investments by ₹1,480.49 crore, interest income on Deposits/Investments by ₹563.70 crore and a small amount of ₹12.40 crore towards dividend income.

2.5 Net Cash from Financing Activities

In Fiscal 2012, NHPC's net cash inflow from financing activities was ₹545.10 crore. The Company raised ₹3,418.44 crore of fresh domestic term loans & issue of bonds. Company repaid borrowings to the tune of ₹909.89 crore and paid interest and finance charges of ₹1,108.92 crore. In Fiscal 2012, the Company paid final dividend (including dividend tax) of ₹854.53 crore for Fiscal 2011.

In Fiscal 2011, NHPC's net cash outflow on account of financing activities was ₹1,417.35 crore. It raised ₹1,591 crore from new borrowings, consisting of domestic term loans. It repaid borrowings to the tune of ₹1,162.04 crore and paid interest and finance charges of ₹1057.41 crore. In Fiscal 2011, the Company paid final dividend (including dividend tax) of ₹788.90 crore for Fiscal 2010.

3.0 DISCUSSION OF BALANCE SHEET ITEMS

3.1 Balance Sheet Highlights

₹ in crore

	As on March 31,	
	2012	2011
Non-Current Assets		
Fixed assets	35,718.06	33,063.66
Non Current Investments	2499.14	2659.96
Long-term loans and advances	1428.62	1621.11
Other non-current assets	1181.93	870.82
Current Assets		
Current Investments	250.74	253.59
Inventories	43.81	33.71
Trade Receivables	2052.18	304.79
Cash & Bank Balances	6003.97	5350.08
Short-term Loans and Advances	1900.26	1303.34
Other Current Assets	1681.05	2119.13

3.2 Financial Condition

3.2.1 Net worth

The net worth of the Company at the end of Fiscal 2012 increased to ₹ 26,353.53 crore from ₹ 24,580.68 crore in the previous Fiscal registering an increase of 7.21% mainly due to increased profit after tax and proposed dividend including dividend tax.

3.2.2 Net Fixed Assets

NHPC's fixed assets after depreciation, defined as net fixed assets were ₹ 35,718.06 crore and ₹ 33,063.66 crore as on March 31, 2012 and 2011, respectively. Its fixed assets consist of land, dams, tunnels, buildings, including power house buildings, plant and machinery, office equipment, computers and intangible assets etc.

Net fixed asset value increased by 8.03% in Fiscal 2012 as compared to Fiscal 2011 mainly due to increase in capital work in progress.

3.2.3 Investments (Current & Non-Current)

Investments are intended for long term and carried at cost. NHPC's total investment was ₹ 2749.88 crore and ₹ 2,913.55 crore as on 31st March, 2012 and 2011 respectively. Investment as at the end of Fiscal 2012 includes securitized power bonds to the tune of ₹ 1,011.52 crore, Investment in subsidiaries and joint venture companies amounting to ₹ 1,094.03 crore and other investments mainly in government securities and PSU bonds of ₹ 644.33 crore.

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

3.2.4 Loans and Advances (Current & Non-Current)

NHPC's loans and advances as on March 31, 2012 and 2011 were ₹ 3,328.88 crore and ₹ 2,924.45 crore respectively, an increase of 13.83% over figures of previous Fiscal. Loans and advances as at the end of Fiscal 2012 mainly include ₹ 1,732 crore towards advance income tax, ₹ 974 crore towards advances to contractors for capital works, ₹ 162 crore towards advances to our employees, ₹ 225 crore interest bearing advance to government of Arunachal Pradesh and ₹ 236 crores on account of other loans and advances.

3.2.5 Other Non-Current Assets

NHPC's other non-current assets as on March 31, 2012 and 2011 were ₹ 1,181.93 crore and ₹ 870.82 crore respectively. The increase of 35.73% in Fiscal 2012 as compared to Fiscal 2011 is mainly due to increase in deferred foreign currency fluctuation assets.

3.2.6 Inventories

Inventories are valued at cost or Net Realisable Value whichever is lower. NHPC's inventories were valued at ₹ 43.81 crore and ₹ 33.71 crore as on March 31, 2012 and 2011 respectively.

3.2.7 Trade receivables

These consist primarily of receivables relating to sale of electricity. The Trade receivables (net of provision for doubtful debts) as on March 31, 2012 and 2011 were ₹ 2052.18 crore and ₹ 304.79 crore respectively. The increase in Trade receivables over previous year is mainly on account of billing towards sales on account of provision of tariff by ₹ 898.80 crore and ROE grossing up at applicable tax rates by ₹ 872.19 crore for the financial year 2009-10 and 2010-11 in Fiscal 2012. As on 31st March 2012, trade receivables amounting to ₹ 225.47 crore only (net of provision for doubtful trade receivables) are outstanding for a period exceeding 6 months from the date they became due for payment.

3.2.8 Cash and Bank Balances

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

The Company's cash and bank balances as on March 31, 2012 and 2011 were ₹ 6,003.97 crore and ₹ 5,350.08 crore respectively. The increase of ₹ 653.89 crore during Fiscal 2012 is on account of increase in cash inflow from operating & financing activities by ₹ 2084.48 crore & ₹ 545.10 crore respectively as offset by cash outflow of ₹ 1975.69 crore on account of investing activities.

3.2.9 Other Current Assets

NHPC's other current assets as on March 31, 2012 and 2011, were ₹ 1,681.05 crore and ₹ 2119.13 crore respectively, a decrease of 20.67% in Fiscal 2012 as compared to Fiscal 2011 which is mainly due to billing of unbilled revenue of 2009-10 and 2010-11 in Fiscal 2012. Other current assets as on 31st March 2012 includes ₹ 1,161.32 crore receivable on account of unbilled revenue and ₹ 519.73 crore on account of Interest accrued and claims receivable from different agencies. Unbilled revenue of ₹ 1161.32 comprises of ₹ 691.73 crore towards J&K Water cess, ₹ 411.62 crores towards grossing up of ROE, ₹ 88.26 crore towards FERV and ₹ (-) 30.29 crore on account of others. Billing of water cess is pending for want of notification of modalities by CERC for its recovery from beneficiaries. Billing on account of FERV, grossing up of ROE etc. has been done in the first quarter of Fiscal 2013.

3.2.10 Liabilities and Provisions

₹ in crore

	As on March 31,	
	2012	2011
Non-Current Liabilities		
Long Term Borrowings	16,272.80	13,702.53
Deferred Tax Liabilities	204.04	161.33
Other Long Term Liabilities	1,951.80	1,936.55
Long Term Provisions	1,187.45	1,053.90
Current Liabilities		
Short Term Borrowings	180.00	-
Trade Payables	218.95	241.89
Other Current Liabilities	2,801.26	2,444.48
Short Term Provisions	3,589.93	3,458.83

3.2.11 Long Term Borrowings

Long Term Borrowings comprised of Bonds, Secured Loans & Unsecured Loans amounting to ₹ 3,551.00 crore, ₹ 8,747.48 crore and ₹ 3,974.32 crore respectively as on March 31, 2012. For the Fiscal 2011, the Bonds, Secured loans & Unsecured loans stood at ₹ 2342.00 crore, ₹ 7,897.54 crore and ₹ 3,462.99 crore respectively.

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

The increase in Long Term Borrowing to the extent of 18.76% over previous fiscal is due to fresh issue of Q series Bonds and borrowings to meet out the capital expenditure of on-going projects and for recoupment of expenditure already incurred from internal accruals.

3.2.12 Long Term Liabilities

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

The other long term liabilities stood at ₹ 1,951.80 crore against ₹ 1,936.55 crore for the previous fiscal. Out of these, AAD as on March 31, 2012 and 2011, was ₹ 1,312.67 crore and ₹ 1,363.10 crore respectively. AAD outstanding in the books is being written-back in a systematic manner consequent upon the removal of the concept by CERC w.e.f. 01.04.2009.

3.2.13 Current Liabilities

NHPC's 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 remaining unutilized, which are due for payment/adjustment within 12 months.

The current liabilities stood at ₹ 2,801.26 crore against ₹ 2,444.48 crore for the previous fiscal. The increase of 14.60% was mainly due to increase in current maturity of long term debt which rose from ₹ 866.73 crore in Fiscal 2011 to ₹ 1188.34 crore in Fiscal 2012.

3.2.14 Provisions

NHPC's provisions includes provision for wage revision, performance related pay, superannuation/pension fund, Provision for employee benefits (actuarial valuation), taxation, dividend & dividend tax etc. The provisions (both short term & long term) increased from ₹ 4,512.73 crore in Fiscal 2011 to ₹ 4,777.38 crore in Fiscal 2012 resulting in increase by 5.86%. The main reasons for increase are due to increase in provision for taxation in Fiscal 2012 and other provisions as offset by reversal/payment against provision for wage revision and other provisions.

4.0 Off-Balance Sheet Items

4.1 Contingent Liabilities

The following table sets forth the Components of NHPC's contingent liabilities as of Fiscal 2012 and 2011.

₹ in crore

Particulars	Fiscal 2012	Fiscal 2011
Claims against the Company not acknowledged as debts in respect of:		
Capital Works	7,615.68	5,112.64
Land Compensation Cases	28.18	71.97
Disputed Income Tax, Sales Tax, Other Items	420.09	2,404.88
Total	8,063.95	7,589.49

Contingent liabilities towards capital works includes disputed claims of contractors, which are being contested by the company as being not admissible in terms of the provisions of the respective contracts or are lying at the arbitral tribunal/court of law.

Contingent liabilities against capital works increased from ₹ 5,112.64 crore as on March 31, 2011 to ₹ 7,615.68 crore as at March 31, 2012 because of raising of fresh claims by contractors in respect of various projects which have been disputed by the Company, being not admissible in terms of provisions of contracts.

Contingent liability on account of disputed income tax, sales tax and other items has substantially reduced from ₹ 2,404.88 crore as on March 31, 2011 to ₹ 420.09 crore as at March 31, 2012, mainly due to setting aside the demand of sales tax amounting to ₹ 1,934 crore by Hon'ble Guwahati High Court on inter state sale of electricity levied by government of Manipur. This has happened as a result of long persuasion and efforts put by Company since 2000.

5.0 BUSINESS AND FINANCIAL REVIEW OF SUBSIDIARIES/JOINT VENTURE COMPANIES

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

5.1 NHDC Ltd.

NHDC Ltd. (formerly known as Narmada Hydro-electric Development Corporation Ltd.) was incorporated on 1st August, 2000 as a Joint Venture of NHPC Ltd. (51%) and Government of Madhya Pradesh (49%) having authorised share capital of ₹ 3,000 crore. NHDC has commissioned Indira Sagar Power Project (1,000 MW) and Omkareshwar Power Project (520 MW). At the end of the Fiscal 2012 NHPC have an investment of ₹ 1,002.42 crore in this subsidiary Company.

5.2 Loktak Downstream Hydroelectric Corporation Limited

Loktak Downstream Hydroelectric Corporation Limited was incorporated on 23rd October, 2009 as a Joint Venture of NHPC Ltd. (74%) and Government of Manipur (26%) having authorized share capital of ₹230 Crore. Subsequent to its incorporation, all the Assets and Liabilities of erstwhile Loktak Downstream H.E. Project of NHPC Ltd. were handed over to this company. At the end of the Fiscal 2012 NHPC have an investment of ₹ 72.86 crore in this subsidiary Company.

5.3 Chenab Valley Power Projects Pvt. Limited

Chenab Valley Power Projects Pvt. Limited was incorporated on 13th June, 2011 as a Joint Venture of NHPC Ltd. (49%), JKSPDC (49%) & PTC India Ltd. (2%) having authorized share capital of ₹ 5 crore for execution of Pakal Dul, Kiru & Kawar H.E. Projects with installed capacity of 2120MW in Chenab River Basin. At the end of the Fiscal 2012 NHPC have an investment of ₹ 2.45 crore in this Joint Venture.

5.4 National Power Exchange Limited (NPEX)

NPEX was incorporated on 11th December, 2008 as a Joint Venture Company of NHPC Ltd., NTPC Ltd., Power Finance Corporation Ltd. and Tata Consultancy Services Ltd. under the name "National Power Exchange Limited" to operate a Power Exchange at National level. NHPC is having 16.67% of equity participation in said Joint Venture Company. This Power Exchange would provide a neutral and transparent electronic platform for trading of power on "day ahead basis" and ensure clearing of all trades in a transparent, fair and open manner with access to all players in the power market. At the end of the Fiscal 2012 NHPC have an investment of ₹ 2.19 crore in this Joint Venture.

5.5 National High Power Test Laboratory Private Limited (NHPTL)

NHPTL was incorporated on 22nd 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. The Company has been incorporated to set up an Online High Power Test Laboratory for short-circuit test facility in the Country. At the end of the Fiscal 2012 NHPC have an investment of ₹ 14.88 crore in this Joint Venture.

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

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

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

₹ in crore

Particulars	Fiscal 2012	Fiscal 2011
Total Income (excluding Exceptional Items)	8,152.25	5,924.11
Profit before Tax	4,351.26	3,256.17
Profit after Tax (After adjustment of Minority Interest)	3,085.58	2,316.16

PERFORMANCE OF PROJECTS & POWER STATIONS:

Power Station	Generation Target (MU) 2011-12 for 'Excellent' MoU rating	Actual Generation (MUs) 2011-12	Actual Generation (MUs) 2010-11	PAF Target (%) 2011-12 for 'Excellent' MOU rating	Actual PAF (%) 2011-12	Actual PAF (%) 2010-11
Bairasiul	791	731	711	92.1	94.9	95.0
Loktak	455	523	605	73.6	79.6	76.3
Salal	3135	3219	3230	60.5	63.7	63.1
Tanakpur	459	488	465	64.0	64.8	62.6
Chamera-I	1,965	2,660	2,408	98.7	87.3	99.2
Uri	2,629	2,704	3,040	73.5	75.9	82.1

Power Station	Generation Target (MU) 2011-12 for 'Excellent' MoU rating	Actual Generation (MUs) 2011-12	Actual Generation (MUs) 2010-11	PAF Target (%) 2011-12 for 'Excellent' MOU rating	Actual PAF (%) 2011-12	Actual PAF (%) 2010-11
Rangit	343	353	352	92.4	93.1	92.2
Chamera-II	1,524	1,522	1,439	98.8	96.7	95.0
Dhauliganga	1,152	1,157	1,134	93.7	93.8	92.1
Dulhasti	1,980	2,199	2,234	97.7	96.2	92.9
Teesta-V	2,654	2,568	2,624	95.0	87.6	89.4
Sewa-II	543	562	363*	86.0	85.3	90.5
New Projects	871	--	--	34.0	--	--
Total	18,500	18,683	18,606	Existing PS-85.1% New projects- 34.0%	Existing PS-83.3% New projects- Not Commissioned.	85.3

Note: PAF figures for 2011-12 are provisional subject to certification by the respective RPCs.

*Generation for partial year.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATIONS

NHPC believes that a well-trained and experienced team of employees is crucial for its continued growth. As a part of its commitment to training, NHPC has set up training centres four power stations – Tanakpur (Uttarakhand), Chamera-I (Himachal Pradesh), Salal and Uri-I (Jammu & Kashmir). The Regional Training Centre established at Regional Office, Kolkata to look after the training needs of employees posted in power stations/projects located in West Bengal, Sikkim and in the north-eastern region.

TRAINING

NHPC have learning ventures with leading educational institutions including with IIM Ahmedabad, IIM Kozhikode, IIM Bangalore, IIM Calcutta, ASCI Hyderabad, CPRI Bangalore, National Council for Cement and Building Materials (NCB) Ballabgarh, Indian School of Mines (ISM) Dhanbad, the National Water Academy (NWA) Pune, and IIT Roorkee and IIT Delhi.

During the year, training programmes were conducted on prevailing and upcoming technologies in the power sector in collaboration with market leaders/equipment manufacturing companies like ABB AREVA (T&D), ALSTOM VA-TECH, BHEL and Siemens.

Special training programmes were also conducted for creating awareness about the various features of the reservation policy and other essential provisions for employees in the SC/ST/OBC categories. Besides, employees were also nominated for external training programmes on related subject.

WOMEN EMPLOYEES

The number and percentage of women employees in NHPC as on 31st March 2012 was:

	Total employee as on 31/03/2012	Women	%age
TOTAL	11,037	1,001	9.07

Steps taken for the welfare of women employees:

- Special care is taken to nominate women employees to attend training programmes /seminars on women empowerment and other issues related to women.
- Crèche facility is provided at the corporate office for employees with infant children.
- A complaints committee with third party representation (NGO) has been set up for handling complaints/grievances of female employees concerning harassment at the workplace.
- Child care leave allowed to women employees to take care of their newborn/infant children.
- Maternity leave as per Government of India rules.
- Relaxation in attendance timings to female employees at the corporate office.
- Option to declare parents/parents -in-law as dependents under medical rules.

RESERVATIONS FOR SCs/STs/OBCs

NHPC is taking care of the socio-economic development of SC/ST and other weaker sections at its various projects/power stations situated in remote areas.

Reservations and relaxations are provided to SC/ST/OBC employees in direct recruitment as per the guidelines issued by DoPT from time to time. Relaxed standards are applicable for SC/ST employees while considering their promotions, NHPC also holds periodic meetings with SC/ST employees. A SC/ST cell has been set up for the welfare of SC/ST and OBC and religious & linguistic minorities, which is under the direct control of respective Liaison Officers.

Representation of SCs/STs/OBCs employees is as under:

	Total employee as on 31/03/2012	Representation					
		SC	%age	ST	%age	OBC	%age
Total	11,037	1,442	13.07	587	5.32	997	9.03

WELFARE OF PERSONS WITH DISABILITIES:

Representation of persons with disabilities:

	Total employee as on 31/03/2012	Physically Challenged Employees			% of Physically Challenged Employees	
		VI	HI	OH	TOTAL	%AGE
Total	11037	10	5	74	89	0.81

VI = Visually Impaired, HI = Hearing Impaired, OH = Orthopedic- Handicap

Steps taken for the welfare of physically challenged employees:

Reservations and relaxations are provided in direct recruitment and promotions to physically challenged employees as per the guidelines issued by DoP, Ministry of Social Justice & Empowerment, Government of India from time to time. In addition, the following welfare schemes have also been taken up:

Grants for vocational training and financial assistance to those who get physically challenged while in service.

Financial assistance is also provided to physically challenged children of employees for vocational training.

Cost of artificial limbs: Reimbursement of 50 per cent of the cost of artificial limbs as an outright subsidy and the remaining 50 per cent as an interest free loan is given.

Grant of special casual leave up to a maximum of 10 days in a calendar year granted for participating in conferences/seminars/training/workshops related to disability and development related to programmes organized by national/state level agencies to be specified by the Ministry of Social Justice & Empowerment.

Conveyance Allowance to sight and orthopedically challenged employees.

Reimbursement of Cost for the purchase of hearing aids to hearing impaired employees and their dependents.

ENVIRONMENT MANAGEMENT

NHPC Limited is committed towards the conservation of nature and natural resources. The concept of sustainable development has been included at various stages of a hydro project's design, implementation and post-implementation phases. Environmental Impact Assessment (EIA) is an essential part of project planning and it integrates into various facets of the environment—land, water, air and socio-economic issues. EIA focuses on identifying probable impacts, both positive as well as adverse, of a project on the environment. Based on the findings of the EIA study, proper mitigatory Environment Management Plans (EMPs) are prepared. Adverse impacts of construction activities, if any, are mitigated and compensated for by adopting measures like compensatory afforestation, catchment area treatment, wildlife conservation, green belt development, fishery management, health management, rejuvenation of dumping and quarry sites and resettlement and rehabilitation.

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 should carefully review the other information in this report and in the company's periodic reports. The company undertakes no obligation to publicly update or revise any of these forward-looking statements whether as a result of new information, future events or otherwise.

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

Annexure-III

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

A. Conservation of Energy

a) Energy conservation measures taken:

With a view to assessing and optimizing the power stations' performance, energy audit of power stations was completed and the recommendations of CPRI to improve energy savings are being implemented by the power stations.

b) Additional investment and proposal, if any, being implemented for reduction of consumption of energy:

Power stations are being pursued for implementation of energy audit measures as recommended by CPRI in its energy audit report.

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

The anticipated energy savings is 13,430.823 MWh/year after implementing energy saving measures in a phased manner at Bairasiul, Salal, Loktak, Tanakpur, Chamera-I, Rangit, Uri-I, Chamera-II, Dhauliganga, Dulhasti and Teesta-V power stations as recommended by CPRI in its energy audit report, which will reduce the cost of generation of electricity.

B. Technology Absorption

e) Efforts made in technology absorption are detailed in Form B which is enclosed.

FOREIGN EXCHANGE EARNING AND OUT GO

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

NHPC has no export plan.

g) Total foreign exchange used and earned

Particulars:

₹ in crore

1*	Value of Imports calculated on CIF basis	2011-12	2010-11
i)	Capital Goods	53.65	99.39
ii)	Spare parts	0.21	1.90
2*	Expenditure in Foreign currency		
i)	know how	4.84	11.18
ii)	interest	58.49	59.53
iii)	Other Misc.	47.37	119.79
3*	Value of spare parts and components consume in Operating units		
-	imported	0.18 (1.78%)	1.05 (26.65%)
-	indigenous	9.96 (98.22%)	2.89 (73.35%)
4	EARNINGS IN FOREIGN CURRENCY		
i)	Interest Income	-	-
ii)	Others	-	-

*Accrual Basis

FORM – B

1. Specific areas in which R&D was carried out during 2011-12 by the Company:

a. MoU target entrusted by MoP during financial year 2011-12:

- Studying techniques to stop seepage in reservoirs/structures;
- Documentation for future reference with respect to problems already faced or being faced in the fields of geology and hydrology and measures taken up/being taken up;
- Computational fluid dynamics studies & analysis of surge shaft & pressure shaft of Teesta-V Power Station and dam-spillway of the Subansiri H. E. Project;
- Assessment of wind power potential at four NHPC power stations/projects; and
- Sale & realization of revenue for VERs issued by VCS registry for the Teesta-V Power Station for the generation period April 2008 to September 2009.

- b. **National Perspective Plan (NPP) for R&D projects:** Development of silt erosion resistant material for turbine of hydro generators; tunneling in water charged zones under high hydrostatic pressure.

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

- **Studying techniques to stop seepage in reservoirs/structures:** This study was conducted with the help of IIT Delhi and NHPC may implement feasible remedial measures to stop the seepage flow in existing dams and also implement feasible preventive measures in the upcoming dams.
- **Development of hard coating facility – DPR preparation:** This project will lead to the establishment of an in-house facility of hard coating on turbine components and will help in tackling the problem of erosion due to silt laden water which is affecting a number of power stations, thus improving turbine availability.
- **NPP Project 'Development of silt erosion resistant material for turbines of hydro generators':** M/s National Metallurgical Laboratory (NML), Jamshedpur has developed a new alloy which it believes will have better erosion resistant characteristics. The testing of the material on miniature components is underway. Once the properties of this alloy are proven, it can help us in manufacturing underwater turbine components in future hydro projects.

3. **Future plan of action 2012-13**

- CFD analysis of penstock/pressure shaft, surge shaft and part of HRT of one hydropower project.
- Development of hard coating facility at the Salal power station – Award of work.
- National Perspective Plan (NPP) for R&D projects, 'Development of silt erosion resistant material for turbines of hydro generators': Field trials are under progress.
- National Perspective Plan (NPP) for R&D projects, 'Tunneling in water charged zones under high hydrostatic pressure'.

4. **Expenditure on R&D (2011-12):**

Total Expenditure on R&D during the financial year 2011-12 was ₹ 3,27,92,991.

Technology absorption, adaptation and innovation

1. **Efforts made towards technology absorption, adaptation and innovation:** In the past various experimental studies/trials were carried out in association with specialized organizations in the field of hard coatings for underwater turbine components to improve their performance against silt erosion and identified thermal spray techniques as a possible solution.
2. **Benefits derived as a result of the above efforts, for example, product improvement, cost reduction, product development and import substitution are:** Hard coatings is an ongoing process and benefits will be derived after finalizing the final coating material beneficial to underwater components of hydro turbines. Tungsten Carbide Cobalt coating with HVOF process seems to be showing encouraging results.
3. **Technology imported during last five years:** Particulars of some of the important technology imported during the last five years are:

S. No.	Technology Imported	Year of Import	Has technology been fully absorbed	If not fully absorbed, area where this has not taken place, reason thereof and future plans of action
a	Bidda Wind Power Project, J&K.	2011	No	DPR of the Bidda Wind Power Project, J&K has been prepared, technology absorption is expected after execution of the project.
b	Development of 3.75 MW Durgaduani Mini Tidal Power Project in Sunderbans, West Bengal.	2008	No	DPR of the Durgaduani Mini Tidal Power Project, WB was updated in 2007 with the help of M/s Hydro-Tasmania, Australia.
c	A pilot project for 25 kW solar power plant and stand alone street lights for NHPC's Nimmo Bazgo Hydroelectric Project were successfully commissioned on 17th January 2007 to promote green power.	2007	Yes	

Annexure-IV

- A) Particulars of employees employed during the year who were in receipt of remuneration of not less than ₹ 60 lac per annum including arrear paid to employees Retired/Resigned during financial year 2011-12 : **NIL**
- B) Particulars of employees employed during part of the year who were in receipt of remuneration of not less than ₹ 5 Lac per month including arrear paid to employees Retired/Resigned during financial year 2011-12.

S. No	Name of Employee S / Shri / Ms.	Designation	Date of Joining	Date of Leaving	Total Remuneration (In Rs.)	D-Deputation R - Regular	Qualification	Age (In years)	Experience (In years)	Last Employment held
1	MANOHAR SINGH	ASSISTANT SPL	7-Sep-74	30-Apr-11	2564680	R	MATRIC/SSLC	60	37	NHPC
2	GOPAL SINGH JASROTIA	WORK ASSTT SPL	13-Mar-78	30-Apr-11	2417953	R	MATRIC/SSLC	60	33	NHPC
3	MADAN LAL	SR. FOREMAN (CIVIL)	10-Jul-71	30-Apr-11	2355070	R	HIGHER SECONDARY	60	40	NHPC
4	D N MISRA	MANAGER (CIVIL)	11-Jun-82	30-Apr-11	2302535	R	DIPLOMA CIVIL ENGG.	60	29	CHUKHA PROJ.
5	KARNAIL SINGH	MASTER TECHNICIAN (FITTER)GRADE-II	5-May-78	30-Apr-11	2275278	R	BELOW MATRIC	60	33	NHPC
6	AVTAR SINGH	MASTER TECHNICIAN (MECHANIC) GRADE-II	20-Jul-76	30-Apr-11	2259158	R	BELOW MATRIC	60	35	NHPC
7	LOVE KUMAR	SR. ASSISTANT GRADE II	9-Jan-75	30-Apr-11	2227983	R	MATRIC/SSLC	60	36	NHPC
8	R K RAINA	SR. ASSISTANT GRADE II	17-Apr-78	30-Apr-11	2053540	R	MATRIC/SSLC ,ITI	60	33	NHPC
9	MAKHANI SAHNI	DEPUTY MANAGER (ADMINISTRATION)	1-Dec-77	30-Apr-11	2028973	R	GRADUATE	60	33	NHPC
10	HEM RAJ	MASTER ARTISAN GRADE II	28-May-74	30-Apr-11	1905434	R	BELOW MATRIC	60	37	NHPC
11	PARSHOTAM CHAND	ASSISTANT ADMN OFFICER	7-Feb-78	30-Apr-11	1874556	R	B.A.	60	33	NHPC
12	KISHAN CHAND	MASTER ARTISAN (MASON) GRADE-II	1-Feb-74	30-Apr-11	1852314	R	BELOW MATRIC	60	37	NHPC
13	AMAR NATH	MASTER TECHNICIAN (MECHANIC) GRADE-II	14-Dec-79	30-Apr-11	1809246	R	7TH	60	31	NHPC
14	A S GARGUST	MANAGER (ELECTRICAL)	24-Mar-81	30-Apr-11	1725577	R	DIPLOMA ELECT. ENGG.	60	30	Rajya Krishi Utpadan, Mandi
15	PRITHI SINGH	ELECTRICIAN GRADE II	24-Oct-75	30-Apr-11	1684582	R	BELOW MATRIC	60	36	NHPC
16	R C PARMAR	DEPUTY MANAGER (HR)	2-Feb-78	31-Mar-11	1657012	R	M.COM. & PG DIPLOMA (PM&IR)	60	33	NHPC
17	M S BALI	PRINCIPAL GRADE A	13-Oct-77	30-Apr-11	1640762	R	B.A., M.A., B.Ed. & MED	60	34	Khalsa High School
18	BHIKAM SINGH	MASTER TECHNICIAN (RIGGER) GRADE-II	29-Aug-77	30-Apr-11	1616410	R	B.A.	60	34	NHPC
19	NANDA BALLABH KANDPAL	DRIVER SPL	1-Sep-87	16-May-11	1519259	R	5TH	57	24	NHPC
20	SUKHWINDER SINGH	RIGGER SPL	1-Oct-75	16-May-11	1377087	R	BELOW MATRIC	54	36	NHPC
21	MOHAN LAL	MASTER ARTISAN GRADE II	6-Sep-78	30-Apr-11	1353515	R	ILLETRATE	60	33	NHPC
22	PARAS RAM	OFFICE SUPRINTENDENT-I	2-Mar-73	31-May-11	2703236	R	MATRIC/SSLC	60	38	NHPC
23	BHIKHAM RAM	MASTER TECHNICIAN (FITTER) GRADE-I	1-Jul-84	31-Jul-11	5341373	R	9TH	54	27	NHPC
24	GARIB DASS	MASTER TECHNICIAN (LINEMAN) GRADE-I	1-Mar-75	31-May-11	2629927	R	ITI	60	36	NHPC
25	GIAN CHAND BALI	SR. FOREMAN (CIVIL)	10-Jul-71	31-May-11	2545492	R	HIGHER SECONDARY	60	40	NHPC
26	S BORPI KOM	SR. ASSISTANT GRADE II	14-Sep-77	31-Aug-11	6359576	R	PUC	54	34	NHPC
27	ABDUL QADUS PARRY	MASTER TECHNICIAN (MECHANIC) GRADE-II	27-Apr-81	30-Apr-11	1271775	R	MATRIC/SSLC	60	30	NHPC
28	HANS RAJ	ASSISTANT SPL	26-Sep-84	15-May-11	1258984	R	MATRIC/SSLC	51	27	NHPC
29	KARAM CHAND	SR. H.E.M OPERATOR GRADE II	29-Mar-80	10-Aug-11	4927022	R	BELOW MATRIC	54	31	NHPC
30	KAKA RAM	COOK SPL GRADE-II	14-Apr-86	30-Apr-11	1227469	R	ILLETRATE	60	25	NHPC
31	MADAN KUMAR	SR. SUPERVISOR (MECH.) GRADE-I	8-May-76	31-May-11	2450646	R	ITI & HIGHER SECONDARY	60	35	NHPC
32	BHURI SINGH	HELPER SPL GR I	6-Aug-85	31-Mar-11	1213794	R	ILLETRATE	60	26	NHPC
33	DHARAM CHAND	LINEMEN SPL	7-Apr-71	31-May-11	2425915	R	BELOW MATRIC	60	40	NHPC
34	P KUMBISANA SINGH	SECU GUARD GRADE I	1-Nov-81	30-Apr-11	1178538	R	8TH	60	30	NHPC
35	DARSHAN SINGH	MASTER TECHNICIAN (RIGGER) GRADE-II	9-Jun-75	31-May-11	2330746	R	BELOW MATRIC	60	36	NHPC
36	M ACHOUBA SINGH	WIRELESS OPTR SPL	14-Aug-80	16-May-11	1147785	R	MATRIC/SSLC	58	31	NHPC
37	MD MUHIBUR RAHMAN MAZUMDAR	OPTR (COMPR) GRADE I	27-Apr-79	31-Jul-11	4558325	R	8TH	54	32	NHPC
38	PAMEI KABUI	FITTER GRADE I	1-Mar-78	31-Jul-11	4536747	R	7TH	53	33	NHPC
39	PREM SINGH	SR. TIMEKEEPER GRADE II	19-Dec-75	31-May-11	2243130	R	9TH	60	35	NHPC
40	SURESH KUMAR SHUKLA	SR. SUPERVISOR (MECH.) GRADE-I	13-Mar-82	31-May-11	2209003	R	MATRIC/SSLC	60	29	NHPC
41	ROSHAN LAL	MASTER TECHNICIAN (MECHANIC) GRADE-I	28-Sep-77	31-May-11	2138948	R	BELOW MATRIC	60	34	NHPC
42	S K GROVER	EXECUTIVE SECRETARY	25-Jul-78	31-May-11	2090881	R	B.COM.	60	33	Planning Commission
43	PRITHI CHAND	MASTER TECHNICIAN (LINEMAN) GRADE-II	13-Apr-71	31-May-11	2083632	R	BELOW MATRIC	60	40	NHPC
44	GURMAIL SINGH	MASTER TECHNICIAN (FITTER)GRADE-I	16-Feb-85	31-Jul-11	4102213	R	8TH	56	26	NHPC
45	OM PRAKASH	DRIVER SPL GR I	9-Jan-82	31-Jul-11	3961147	R	8TH	55	30	NHPC
46	SUSHMA RANI	SR. ASSISTANT GRADE I	1-Mar-84	9-Sep-11	4918641	R	B.A.	51	28	NHPC
47	CHAND LAL	WORK ASSTT SPL	1-Jul-74	31-May-11	1965518	R	BELOW MATRIC	60	37	NHPC
48	LAXMI NARAYAN	MASTER ARTISAN (CARPENTER) GRADE-II	31-Dec-76	30-Apr-11	1950098	R	5TH	60	34	NHPC
49	A K SANDHIR	SENIOR MANAGER (RESEARCH)	1-Jul-76	30-Jun-11	2902376	R	B.SC.	60	35	NHPC
50	SUMAN SRIVASTAVA	SR. ASSISTANT GRADE I	26-May-82	9-Sep-11	4836098	R	GRADUATE	54	29	NHPC
51	MOHINDER SINGH	MASTER TECHNICIAN (RIGGER) GRADE-II	18-Oct-75	31-Jul-11	4797918	R	ILLETRATE	56	36	NHPC
52	PARAMJIT LAL	DRIVER SPL GR I	2-Jul-83	31-Jul-11	3792183	R	7TH	53	28	NHPC
53	M P SINGH	SENIOR MANAGER (MECHANICAL)	15-Mar-84	30-Jun-11	2807754	R	DIPLOMA MECH. ENGG.	60	27	Irrigation Dept., Punjab

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2011-12

S. No	Name of Employee S / Shri / Ms.	Designation	Date of Joining	Date of Leaving	Total Remuneration (In Rs.)	D-Deputation R - Regular	Qualification	Age (In years)	Experience (In years)	Last Employment held
54	D ABRAHAM SUNDARA-PANDIAN	SR. TGT GRADE II	8-Oct-84	31-Aug-11	4612055	R	B.SC. & B.Ed.	55	27	NHPC
55	LOK RAJ	SC ASSTT SPL GR II	1-Dec-75	12-Oct-11	5475846	R	MATRIC/SSLC	54	36	NHPC
56	BHIM BAHADUR	HELPER SPL GR I	29-Sep-80	31-Jul-11	3614697	R	8TH	54	31	NHPC
57	BAGGA SINGH	MASTER CRANE OPTR GRADE II	1-Jun-75	30-Jun-11	2680626	R	BELOW MATRIC	60	36	NHPC
58	JOGINDER PAL	UPHOLSTER SPL	18-Sep-80	31-Aug-11	4463258	R	7TH	55	31	NHPC
59	BAHADUR SINGH	DRIVER GRADE III	7-Sep-79	13-Aug-11	3550085	R	ILLETRATE	50	32	NHPC
60	M JUBA SINGH	ASSISTANT SPL	26-Feb-80	31-Jul-11	3535320	R	HIGHER SECONDARY	53	31	NHPC
61	PRITAM SINGH	MASTER TECHNICIAN (FITTER) GRADE-II	5-Nov-76	31-Jul-11	3507465	R	BELOW MATRIC	58	35	NHPC
62	BHIM LAL SHARMA	ATTDT SPL GRADE-I	7-Sep-79	31-Jul-11	3502079	R	8TH	54	32	NHPC
63	RAM SWARTH	HELPER SPL GR I	31-Mar-74	31-Jul-11	3488823	R	ILLETRATE	53	37	NHPC
64	SAT PAUL	SR. ASSISTANT GRADE II	29-May-80	31-May-11	1742514	R	SR.SECONDARY/12TH	60	31	NHPC
65	JAI PRAKASH	HELPER SPL	22-Mar-80	31-Jul-11	3442936	R	ILLETRATE	55	31	NHPC
66	RAM BAHADUR	HELPER SPL GR I	28-Aug-78	31-Jul-11	3416134	R	ILLETRATE	55	33	NHPC
67	MD KAMAL	SR. ASSISTANT GRADE II	1-Dec-82	31-Jul-11	3367773	R	MATRIC/SSLC	48	29	NHPC
68	MAN BAHADUR	HELPER SPL GR I	28-May-79	31-Jul-11	3364766	R	5TH	55	32	NHPC
69	GURMUKH SINGH	MASTER TECHNICIAN (RIGGER) GRADE-I	1-Oct-75	30-Jun-11	2508681	R	BELOW MATRIC	60	36	NHPC
70	PROMILA SHARMA	WORK ASSISTANT SPL GRADE-I	24-Apr-82	31-Aug-11	4135905	R	HIGHER SECONDARY	53	29	NHPC
71	VIJAY LAXMI	SR. ASSISTANT GRADE I	15-Mar-76	31-Aug-11	4128777	R	MATRIC/SSLC	56	35	NHPC
72	KIRUBAI PONNAMMAL	SR. TGT GRADE II	20-Jan-86	31-Aug-11	4069517	R	B.SC. & B.Ed.	54	26	NHPC
73	RAM BAHADUR	SECU GUARD SPL GR I	8-Dec-78	31-Jul-11	3249093	R	8TH	56	33	NHPC
74	CHANDER MOHAN TIWARI	BELDAR SPL	1-Oct-83	31-Jul-11	3249029	R	ILLETRATE	51	28	NHPC
75	MD. MOINA MIA	HELPER SPL	22-Sep-82	31-Jul-11	3245376	R	ILLETRATE	53	29	NHPC
76	GIRDHARI SINGH	OFFICE SUPRINTENDENT-I	29-Jun-76	30-Jun-11	2423288	R	MATRIC/SSLC	60	35	NHPC
77	PRITAM CHAND	BELDAR SPL	11-Jul-85	30-Jun-11	2422290	R	ILLETRATE	56	26	NHPC
78	KH MANI SINGH	BELDAR SPL	14-May-81	31-Jul-11	3182277	R	9TH	55	30	NHPC
79	CHANNAN SINGH	MASTER TECHNICIAN (FITTER) GRADE-I	19-Oct-75	30-Jun-11	2377844	R	BELOW MATRIC	60	36	NHPC
80	SAHDEV SINGH THAKUR	OFFICE SUPRINTENDENT-I	11-Mar-74	30-Jun-11	2358360	R	HIGHER SECONDARY	60	37	NHPC
81	TOKHA RAM	BELDAR SPL	1-Feb-74	31-May-11	1569412	R	ILLETRATE	60	37	NHPC
82	GANESH DASS	SR. FOREMAN (CIVIL) -SPL	17-Sep-71	30-Jun-11	2316816	R	BELOW MATRIC	60	40	NHPC
83	SUSHIL BHUSHAN PRASAD	EXECUTIVE SECRETARY	7-Jan-81	30-Jun-11	2288735	R	B.A.	60	31	NHPC
84	VAMAN S KULKARNI	J.E(CIVIL) GRADE-I	10-Jan-02	30-Apr-11	753091	R	DIPLOMA CIVIL ENGG. & SR.SECONDARY/12TH	31	9	NHPC
85	BABLU DHAR	ASSISTANT MANAGER (ADMINISTRATION)	2-Mar-81	13-Oct-11	5217711	R	B.COM. & PG DIPLOMA PUBLIC RELATION	55	31	NHPC
86	HARVEL SINGH	SR. H.E.M OPERATOR GRADE II	4-Jan-75	31-May-11	2229364	R	ILLETRATE	60	36	NHPC
87	PATRAS MINZ	OFFICE SUPRINTENDENT-I	28-May-81	31-Oct-11	5199128	R	SR.SECONDARY/12TH & B.A.	55	30	NHPC
88	AJAIB SINGH	MASTER TECHNICIAN (DRILLER) GRADE I	13-Sep-82	31-Aug-11	3707985	R	ITI & 9TH	58	29	NHPC
89	ROMEL SINGH	FITTER GRADE I	15-Jan-86	31-Jul-11	2964735	R	BELOW MATRIC	51	26	NHPC
90	PIAR DEEN	MASTER TECHNICIAN (FITTER) GRADE-II	1-Dec-75	30-Jun-11	2210777	R	ILLETRATE	60	36	NHPC
91	RANGIL SINGH	HELPER SPL GR I	6-Sep-78	31-Jul-11	2947603	R	ILLETRATE	56	33	NHPC
92	GOUR DEV NATH	BELDAR SPL GR I	12-Aug-80	31-Jul-11	2941395	R	ILLETRATE	56	31	NHPC
93	P S BASSOIA	MANAGER (MECHANICAL)	9-Feb-77	31-Jul-11	2928531	R	DIPLOMA MECH. ENGG.	60	35	NHPC
94	ABDUL MANNAN BARBHUIA	COOK SPL GRADE-II	14-May-81	31-Aug-11	3632158	R	7TH	54	30	NHPC
95	SURESH CHAND	HELPER SPL GR I	22-Mar-83	31-May-11	1441769	R	ILLETRATE	60	28	NHPC
96	INDRA KUMAR KUMAI	ASSISTANT ADMN OFFICER	16-Dec-81	3-Oct-11	4318204	R	HIGHER SECONDARY	55	30	NHPC
97	KESHURU RAM	BELDAR SPL	14-Jan-86	31-Jul-11	2878284	R	ILLETRATE	54	26	NHPC
98	RAM CHANDRA MAHTO	ATTDT SPL GRADE-I	7-Apr-82	31-Aug-11	3595367	R	8TH	51	29	NHPC
99	SOHAN SINGH	SR. FOREMAN (CIVIL)	5-Dec-75	30-Jun-11	2154103	R	BELOW MATRIC	60	36	NHPC
100	VIMLA NAIR	ASSISTANT SPL	14-Mar-84	31-Aug-11	3584959	R	SR.SECONDARY/12TH	54	27	NHPC
101	SATISH CHANDER	SR. SC ASSTT GRADE I	9-Mar-78	31-May-11	2133733	R	MATRIC/SSLC	60	33	NHPC
102	DES RAJ	HELPER SPL	21-May-77	30-Apr-11	1399397	R	ILLETRATE	60	34	NHPC
103	S R MANHAS	MASTER ELECTRICIAN GRADE I	30-Mar-79	31-May-11	2084222	R	MATRIC/SSLC	60	32	NHPC
104	SATPAL KAPOOR	SR. FOREMAN (ELECT)-SPL	7-Dec-77	14-Oct-11	4167125	R	ITI & MATRIC/SSLC	57	34	NHPC
105	BHIM BAHADUR CHHETRY	DRIVER GRADE III	1-Oct-76	20-Aug-11	3472334	R	7TH	57	35	NHPC
106	RAM BAHADUR	HELPER SPL GR I	9-Apr-80	31-Aug-11	3452190	R	ILLETRATE	53	31	NHPC
107	GAURI SHANKAR	SR. ASSISTANT GRADE I	1-Jul-74	31-Jul-11	2759514	R	MATRIC/SSLC	60	37	NHPC
108	PREM SINGH	SR. OPERATOR (COMMUNICATION) GRADE I	1-Mar-74	31-Jul-11	2742130	R	MATRIC/SSLC	60	37	NHPC
109	D ATHUI R NAGA	MIDWIFE/DHAI SPL	1-Nov-79	12-Oct-11	4111325	R	8TH	53	32	NHPC
110	BIMLA DEVI	BELDAR SPL GR I	2-Jan-85	31-Aug-11	3389599	R	ILLETRATE	48	27	NHPC
111	FITTAN	SAFAIWALA SPL	29-Dec-77	31-May-11	1351797	R	ILLETRATE	60	33	NHPC
112	SATINDRA PANDEY	BELDAR SPL GR I	2-Nov-81	29-Aug-11	3349708	R	MATRIC/SSLC	55	30	NHPC
113	B S DOGRA	MANAGER (FINANCE)	1-Jul-83	31-Jul-11	2663075	R	SAS & B.A.	60	28	AG, HP & Chandigarh



NHPC Limited

(A Government of India Enterprise)

S. No	Name of Employee S / Shri / Ms.	Designation	Date of Joining	Date of Leaving	Total Remuneration (In Rs.)	D-Deputation R - Regular	Qualification	Age (In years)	Experience (In years)	Last Employment held
114	FAZAL KHAN	WORK ASSTT SPL	4-Jul-75	30-Jun-11	2644480	R	MATRIC/SSLC	60	36	NHPC
115	KHAJOOR SINGH	MASTER TECHNICIAN (LINEMAN) GRADE-II	31-May-79	3-Nov-11	4616362	R	9TH	54	32	NHPC
116	ANOKHE LAL	HELPER SPL GR I	25-Feb-82	29-Aug-11	3292632	R	ILLETRATE	55	30	NHPC
117	MOHINDER SINGH	MASTER TECHNICIAN (RIGGER) GRADE-I	1-Oct-75	30-Sep-11	3939248	R	BELOW MATRIC	57	36	NHPC
118	BAKHTAWAR SINGH	RIGGER SPL	1-Oct-75	30-Jun-11	2625339	R	BELOW MATRIC	60	36	NHPC
119	MEHAR SINGH	FITTER/GRIN SPL	1-Oct-75	30-Jun-11	2582211	R	BELOW MATRIC	60	36	NHPC
120	JAGDISH	MASTER ARTISAN GRADE II	1-Feb-74	30-Jun-11	1924896	R	BELOW MATRIC	60	37	NHPC
121	M SHIVA SHUNMUGANA-THAN	CHIEF (FINANCE)	28-Mar-87	5-Jul-11	1895362	R	ICWA & B.A.	48	24	Delton Cable Limited
122	JAGDEV SINGH	SR. H.E.M OPERATOR GRADE I	25-Aug-78	31-Jul-11	2526185	R	ILLETRATE	60	33	NHPC
123	Z R VERMA	SENIOR MANAGER (ELECTRICAL)	1-Jan-74	31-Jul-11	2496626	R	DIPLOMA ELECT. ENGG.	60	38	NHPC
124	BISHAN DUTT	ATDIT SPL	24-Jan-74	31-Aug-11	3118062	R	BELOW MATRIC	56	38	NHPC
125	PASANG SINGH	HELPER SPL	1-Jul-85	31-Jul-11	2485332	R	BELOW MATRIC	57	26	NHPC
126	AVTAR SINGH	DRIVER SPL	9-Jun-75	31-May-11	1852824	R	BELOW MATRIC	60	36	NHPC
127	L C CHAUHAN	EXECUTIVE D/MAN- GRADE 'A'	5-Feb-81	4-Jan-12	5549789	R	ITI DRAFTSMAN(CIVIL)	56	31	NHPC
128	ASHOK KUMAR	WELDER SPL	1-Oct-74	30-Jun-11	2440213	R	BELOW MATRIC	60	37	NHPC
129	GURMEET SINGH	BELDAR SPL GR I	15-Mar-84	31-Jul-11	2408693	R	ILLETRATE	57	27	NHPC
130	M S RAJ KUMAR	MASTER TECHNICIAN (LINEMAN) GRADE-II	23-Mar-78	30-Jun-11	1796518	R	9TH	60	33	NHPC
131	SHIV DASS	MASTER ARTISAN (CARPENTER) GRADE-II	12-Feb-80	31-Jul-11	2985971	R	ILLETRATE	56	31	NHPC
132	OM PRAKASH SINGH	MASTER OPERATOR GRADE II	1-Oct-76	31-Jul-11	2382853	R	MATRIC/SSLC	58	35	NHPC
133	ZAMAN SINGH	HELPER SPL	27-Oct-78	31-Aug-11	2967645	R	ILLETRATE	56	33	NHPC
134	ROOP SINGH	SR. FOREMAN (MECHANICAL)	8-Dec-82	31-Jul-11	2373848	R	BELOW MATRIC	60	29	NHPC
135	S C MANDAL	MANAGER (CIVIL)	29-Aug-77	31-Jul-11	2354489	R	DIPLOMA CIVIL ENGG.	60	34	BSL Project
136	ROM BAHADUR	BELDAR SPL	24-Apr-85	31-Aug-11	2937831	R	ILLETRATE	46	26	NHPC
137	KRISHAN CHAND	HELPER SPL GR I	11-Mar-73	31-Jul-11	2345580	R	ILLETRATE	57	38	NHPC
138	SURENDER KUMAR	SR. FOREMAN (CIVIL) -SPL	1-Apr-77	31-Aug-11	2912515	R	BELOW MATRIC, ITI	60	34	NHPC
139	YOGI RAJ	SECU GUARD SPL GR I	19-Jul-84	23-Jun-11	1160368	R	ILLETRATE	52	27	NHPC
140	BAL KRISHAN	SR. FOREMAN (ELECT)-SPL	18-Aug-71	31-Jul-11	2319433	R	BELOW MATRIC, ITI	60	40	NHPC
141	RAM PRAKASH	WORK ASSTT SPL	1-Dec-75	30-Jun-11	1724998	R	8TH	60	36	NHPC
142	RAM BAHADUR	MASTER TECHNICIAN (DRILLER) GRADE-II	1-Jul-85	31-Aug-11	2872398	R	ILLETRATE	57	26	NHPC
143	HARI SINGH	SECU GUARD SPL GR I	17-Apr-75	30-Jun-11	1705953	R	ILLETRATE	60	36	NHPC
144	TULSI RAM	SR. FOREMAN(ELECTRICAL)	16-Dec-74	31-Jul-11	2235340	R	MATRIC/SSLC	60	37	NHPC
145	DEEP BAHADUR	MASTER TECHNICIAN (DRILLER) GRADE-II	1-Jul-85	30-Jun-11	1675705	R	6TH	60	26	NHPC
146	HARDEEP SINGH	FITTER SPL	6-Jan-74	7-Aug-11	2186801	R	BELOW MATRIC	57	38	NHPC
147	V K JAIN	SENIOR MANAGER (FINANCE)	27-Oct-79	30-Sep-11	3276975	R	CA(INTER) & B.COM.	60	32	N Kumar & Co.
148	L P SINGH	CHIEF ENGINEER (MECHANICAL)	17-Oct-80	31-Jul-11	2154697	R	B.E. MECHANICAL	60	31	NHPC
149	KULWANT SINGH	HEAD STOREKEEPER GRADE II	28-May-81	31-Aug-11	2690493	R	SR.SECONDARY/12TH & B.A.	58	30	NHPC
150	DHANI RAM	HELPER SPL GR I	1-Mar-74	30-Jun-11	1612412	R	ILLETRATE	60	37	NHPC
151	DURGA	HELPER SPL	1-Dec-75	30-Jun-11	1602467	R	BELOW MATRIC	60	36	NHPC
152	DHANI RAM	LINEMEN GRADE I	14-Jan-74	30-Jun-11	1602192	R	BELOW MATRIC	60	37	NHPC
153	BALBIR SINGH	MASTER ELECTRICIAN GRADE II	10-Mar-75	31-Aug-11	2669840	R	MATRIC/SSLC	60	37	NHPC
154	JITENDRA NATH THAKUR	SR. D/MAN GRADE-I	11-Feb-85	30-Jun-11	1600933	R	PUC	60	26	NHPC
155	UPENDRA RAI	EXECUTIVE DIRECTOR (HRD)	16-Dec-81	31-Oct-11	3728625	R	PG DIPLOMA (PM&IR) & B.S.C.	60	30	Rajhansa Ref.
156	ISHWARI PRASAD	FIREMAN GRADE I	18-Apr-71	31-Jul-11	2124392	R	BELOW MATRIC	60	40	NHPC
157	UMESH SAH	BELDAR SPL GR I	2-Apr-83	29-Aug-11	2617693	R	ILLETRATE	56	28	NHPC
158	N K CHADHA	GENERAL MANAGER (FINANCE)	7-Jun-82	31-Oct-11	3640037	R	ICWA & B.A.	60	29	Rourkela Steel Plant
159	VIJADHAR	MASTER ARTISAN (MASON) GRADE-II	6-Feb-78	30-Jun-11	2062391	R	ILLETRATE	60	33	NHPC
160	LAXMAN SINGH	MASTER TECHNICIAN (FITTER) GRADE-II	6-Sep-78	30-Jun-11	2041240	R	ILLETRATE	60	33	NHPC
161	DES RAJ	BELDAR SPL	22-Sep-78	19-Jul-11	1529565	R	ILLETRATE	53	33	NHPC
162	R S SHARMA	SR. D/MAN GRADE-I	11-Aug-81	31-Oct-11	3568345	R	MATRIC/SSLC & ITI	57	30	NHPC
163	SHIV KARAN	MASTER ARTISAN GRADE II	1-Feb-74	31-Aug-11	2545828	R	ILLETRATE	60	38	NHPC
164	ASHOK KUMAR	MASTER TECHNICIAN (WELDER) GRADE-II	18-Aug-78	31-Jul-11	2025669	R	7TH	60	33	NHPC
165	G IBEMHAL DEVI	ATDIT GRADE III	8-Mar-01	30-Apr-11	504421	R	8TH	60	10	NHPC
166	CHATTAR SINGH	OPTR PHOTO SPL GR II	3-Jul-81	30-Jun-11	1508717	R	MATRIC/SSLC	60	30	NHPC
167	PURAN SINGH	MASTER TECHNICIAN (RIGGER) GRADE-II	18-Oct-75	31-Aug-11	2506961	R	ILLETRATE	60	36	NHPC

Notes:

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

Annexure – V

AUDITORS' REPORT

To The Members of NHPC Limited

1. We have audited the attached Balance Sheet of M/s NHPC Limited as at March 31, 2012 and the Statement of Profit & Loss account and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in Para 3 above, without qualifying our report, we draw attention to: (i) Note 14.1 Para 3 regarding Survey & Investigation projects being carried over as explained that the projects are still active.; and (ii) Note 35 Para 5 regarding issue of capitalisation of expenditure incurred for creation of assets (enabling assets) not within the control of the company, which has been referred to Expert Advisory Committee of the Institute of Chartered Accountants of India; we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of the books;
 - (iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act 1956;
 - (v) The Department of Companies Affairs, Ministry of Finance vide Notification No. F.No.8/5/2001-CL.V dated 21st October 2003 have notified that the provisions of clause (g) of sub-section (1) of section 274 of Companies Act, 1956, shall not apply to a Government Company.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the annexed accounts read together with other notes thereon in Note No. 35 and significant accounting policies in Note No. 1, thereon give the information required under the Companies Act, 1956 in the manner so required and give a true & fair view in conformity with the accounting principles generally accepted in India:
 1. In the case of the **Balance Sheet**, of the **state of affairs** of the company as at 31st March, 2012;
 2. In the case of the **Profit and Loss account**, of the **Profit** for the year ended on that date;
 3. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

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

For Baweja & Kaul
(Chartered Accountants)
FRN No. 005834N

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

(CA Gaurav Nanda)
Partner
M. No. 500417

(CA B. K. Sipani)
Partner
M. No. 088926

(CA Sakshi Kaul Dhar)
Partner
M. No. 514325

(CA Sandeep Sandill)
Partner
M. No. 085747

Place: New Delhi
Dated: 25.05.2012

Annexure to the Auditor's Report

(Referred to in paragraph 3 of our report of even date)

1. In respect of its fixed assets:
 - a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) All the fixed assets have been physically verified by the management/outside agencies during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the company and nature of the assets. As per the information given to us by the management, no material discrepancies as compared to book records were noticed in respect of fixed assets physically verified during the year.
 - c) The Company has not disposed off substantial part of fixed assets during the year.
2. In respect of its inventories:
 - a) The inventory has been physically verified during the year by the management/outside agencies. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanation given to us, the procedures of verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories have been properly dealt with in the books of account.
3. In respect of loans granted/taken to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
 - a) The company has not granted any loans, secured or unsecured, to/from companies, firms or other parties during the year covered in the register maintained under section 301 of the Companies Act, 1956. In view of this, sub clauses (b), (c) and (d) of clause (iii) are not applicable.
 - b) As per explanations & information the Company has not taken any loans from the parties covered under the register maintained u/s 301 of the Companies Act, 1956. In view of this sub clause (e), (f) & (g) of clause (iii) are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchase of the inventory, fixed assets and sale of power & services.
5. In respect of transactions with companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
 - a) According to the information and explanations given to us, during the year under audit there have been no contracts & arrangements entered by the Company which needs to be entered in the register maintained under section 301 of the Companies Act.
 - b) In view of sub clause (a) above, the sub-clause (4) (iii) (b) is not applicable.
6. The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act 1956 and the rules framed there under.
7. The company is having internal audit department/Outside agencies responsible for carrying out the Internal Audit of various sections at head office and at project offices at periodical intervals as per the approved audit plan. The internal audit system adopted by the internal audit department and the outside agency commensurate with the size and nature of the business of the company.
8. The Company has maintained proper books of account relating to material, labour and items of cost incurred by it pursuant to the rule made by the Central Government for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956. However, we have not made a detailed examination of these accounts with a view to determine whether they are accurate or complete.
9. In respect of statutory dues:
 - (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess & other material statutory dues, have generally been regularly deposited with the appropriate authorities. We are informed that the Employee's State Insurance Scheme is not applicable to the Company. According to the information and explanations given to us, no undisputed payable in respect of the aforesaid statutory dues were in arrears, as at 31.03.2012 for a period of more than six months from the date they became payable.

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- (b) According to the information and explanations given to us and as per the records of the company, the dues of Sales Tax, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess which have not been deposited on account of any dispute amounting to ₹ 303.86 Cr.

(₹ in crores)

Statute	Nature	Forum at which case is pending	Amount
Income Tax Act, 1961	Income tax	ACIT(Range II), Faridabad	9.33
		CIT(Appeal), Dehradun	0.33
		ITO(TDS), Srinagar	0.40
		ITO(TDS), Palampur	0.01
		ACIT(TDS), Chandigarh	0.31
		CIT, Tezpur	0.19
		Total	10.57
Sales Tax Act of various states	Sales Tax	Sales Tax Appellate, J&K	260.62
		Sales Tax Assessing Authority, Chamba	3.38
		Dy. Commissioner (Appeal) Sales Tax, Srinagar (J&K)	0.01
		Total	264.01
Custom Act, 1962	Custom Duty	Dy. Commissioner of Customs, Contract Cell	0.06
Finance Act, 1994	Service tax	Service tax Commissioner, Delhi	29.22
		Grand Total	303.86

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

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

(CA Gaurav Nanda)
Partner
M. No. 500417

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

(CA B. K. Sipani)
Partner
M. No. 088926

For Baweja & Kaul
(Chartered Accountants)
FRN No. 005834N

(CA Sakshi Kaul Dhar)
Partner
M. No. 514325

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

(CA Sandeep Sandill)
Partner
M. No. 085747

Place: New Delhi

Dated: 25.05.2012



NHPC Limited

(A Government of India Enterprise)

BALANCE SHEET AS AT 31ST MARCH 2012

(₹ in Crore)

PARTICULARS	Note No.	As at 31st March, 2012	As at 31st March, 2011
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	2	12,300.74	12,300.74
(b) Reserves and Surplus	3	14,052.79	12,279.94
(2) SHARE APPLICATION MONEY PENDING ALLOTMENT	4	-	-
(3) NON-CURRENT LIABILITIES			
(a) Long Term Borrowings	5	16,272.80	13,702.53
(b) Deferred Tax Liabilities	6	204.04	161.33
(c) Other Long Term Liabilities	7	1,951.80	1,936.55
(d) Long Term Provisions	8	1,187.45	1,053.90
(4) CURRENT LIABILITIES			
(a) Short Term Borrowings	9	180.00	-
(b) Trade Payables	10	218.95	241.89
(c) Other Current Liabilities	11	2,801.26	2,444.48
(d) Short Term Provisions	12	3,589.93	3,458.83
TOTAL		52,759.76	47,580.19
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible Assets	13.1	15,654.14	16,438.79
(ii) Intangible Assets	13.2	714.18	662.10
(iii) Capital Work In Progress	14.1	19,349.74	15,962.77
(iv) Intangible Assets under development	14.2	-	-
(b) Non Current Investments	15	2,499.14	2,659.96
(c) Long-term loans and advances	16	1,428.62	1,621.11
(d) Other non-current assets	17	1,181.93	870.82
(2) CURRENT ASSETS			
(a) Current Investments	18	250.74	253.59
(b) Inventories	19	43.81	33.71
(c) Trade Receivables	20	2,052.18	304.79
(d) Cash & Bank Balances	21	6,003.97	5,350.08
(e) Short-term Loans and Advances	22	1,900.26	1,303.34
(f) Other Current Assets	23	1,681.05	2,119.13
TOTAL		52,759.76	47,580.19
Significant Accounting Policies	1		
Other Explanatory Notes to Accounts	35		
Note 1 to 35 form integral part of the Accounts			

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

D. P. BHARGAVA
Director (Technical)
DIN 01277269

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

As per report of even date

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

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

For Baweja & Kaul
(Chartered Accountants)
FRN No. 005834N

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

(CA Gaurav Nanda)
Partner
M. No. 500417

(CA B. K. Sipani)
Partner
M. No. 088926

(CA Sakshi Kaul Dhar)
Partner
M. No. 514325

(CA Sandeep Sandill)
Partner
M. No. 085747

Place: - New Delhi
Date: - 25/05/2012

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

(₹ in Crore)

	Note No.	For the year ended on 31st March, 2012	For the year ended on 31st March, 2011
INCOME			
i) Revenue from Operations	24	5,654.69	4,225.25
ii) Other Income	25	1,060.72	680.23
TOTAL REVENUE		6,715.41	4,905.48
EXPENDITURE			
i) Generation, Administration and Other Expenses	26	934.40	570.41
ii) Employees' Benefits Expenses	27	829.04	699.62
iii) Finance Cost	28	342.24	366.60
iv) Depreciation & Amortization Expenses	29	892.74	916.74
v) Provisions	30	90.68	34.46
vi) Expenditure on Contract, Project Management and Consultancy Works	31	119.97	123.25
TOTAL EXPENDITURE		3,209.07	2,711.08
Profit before Prior Period items, Exceptional and Extraordinary items and Tax from continuing operation		3,506.34	2,194.40
Prior Period Adjustments (net)	32	58.16	(656.38)
Profit before Exceptional and Extraordinary items and Tax		3,448.18	2,850.78
Exceptional items		(68.86)	(26.63)
Profit before extraordinary items and Tax		3,517.04	2,877.41
Extraordinary items		-	-
PROFIT BEFORE TAX		3,517.04	2,877.41
Tax Expenses	34		
i) Current Tax		694.19	557.51
ii) Adjustments relating to earlier years		8.37	8.06
iii) Deferred Tax		42.71	145.17
Total Tax Expenses		745.27	710.74
Profit for the year		2,771.77	2,166.67
Earning per share (Equity shares, face value of ₹ 10/- each)			
Basic		2.25	1.76
Diluted		2.25	1.76
Other Explanatory Notes to Accounts	35		
Note 1 to 35 form integral part of the Accounts			

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

D. P. BHARGAVA
Director (Technical)
DIN 01277269

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

As per report of even date

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

For Singhi & Co.
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M. No. 088926

(CA Sakshi Kaul Dhar)
Partner
M. No. 514325

(CA Sandeep Sandill)
Partner
M. No. 085747

Place: - New Delhi
Date: - 25/05/2012

NOTE NO. 1 - SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTIONS

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

2. FIXED ASSETS

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

3. MACHINERY SPARES

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

4. CAPITAL WORK IN PROGRESS

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

5. DEPRECIATION & AMORTISATION

- 5.1 Depreciation on additions to /deductions from fixed assets during the year is charged on pro-rata basis from / up to the date in which the asset is available for use / disposal.

- 5.2.1 Depreciation on Fixed Assets of Operating Units of the company is charged on straight-line method following the rates and methodology as notified by the Central Electricity Regulatory Commission (CERC) for the fixation of tariff except for assets specified in 5.2.3 below, in respect of which depreciation is charged at the rates mentioned in that policy.
- 5.2.2 Depreciation on Fixed Assets of other than Operating Units of the company is charged on straight-line method to extent of 90% of the cost of asset following the rates as notified by the Central Electricity Regulatory Commission (CERC) for the fixation of tariff except for assets specified in 5.2.3 below, in respect of which depreciation is charged at the rates mentioned in that policy.
- 5.2.3 Depreciation in respect of following assets is charged on straight line method to the extent of 90% of the cost of asset following the rates of depreciation indicated as against each asset
- | | |
|------------------------------------|--------|
| (i) Construction Plant & Machinery | 11.25% |
| (ii) Computer & Peripherals | 30% |
- 5.2.4 Temporary erections are depreciated fully (100%) in the year of acquisition / capitalization by retaining Re.1/- as a WDV.
- 5.3 Assets valuing ₹ 5000/- or less but more than ₹ 750/- and such items (excluding immovable assets) with written down value of ₹5000/- or less at the beginning of the year are fully depreciated during the year with Re. 1 as a balance value.
- 5.4 Low value items, which are in the nature of assets (excluding immovable assets) and valuing upto ₹750/- are not capitalized and charged off to revenue.
- 5.5 Cost of software is recognized as 'Intangible Assets' and is amortized on straight line method over a period of legal right to use or three years, whichever is earlier. Other intangible assets are amortized on straight line method over the period of legal right to use.
- 5.6.1 Leasehold Land, in case of operating units, is amortised over the period of lease or 35 years whichever is lower, following the rates and methodology notified by CERC, vide tariff regulation 2009.
- 5.6.2 Leasehold Land, in case of units other than operating units, is amortised over the period of lease or 35 years whichever is lower.
- 5.7 Fixed Assets created on leasehold land are depreciated to the extent of 90% of original cost over the balance available lease period of respective land or at the applicable depreciation rates & methodology notified by CERC regulations for such assets, whichever is higher.
- 5.8 Capital Expenditure referred to in Policy 2.3 is amortized over a period of 5 years from the year in which the first unit of project concerned comes into commercial operation and thereafter from the year in which the relevant asset becomes available for use.
- 5.9 Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such assets is depreciated prospectively over the residual life of such assets at the rate of depreciation and methodology notified by CERC regulations.
- 5.10 Where the life and / or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along-with its unamortized depreciable amount is charged prospectively over the revised / remaining useful life determined by technical assessment.

6. INVESTMENTS

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

7. INVENTORIES

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

8. FOREIGN CURRENCY TRANSACTIONS

- 8.1 Transactions in foreign currency are initially recorded at exchange rates prevailing on the date of transaction. At each Balance Sheet date monetary items denominated in foreign currency are translated at the exchange rate prevailing on the Balance Sheet date.

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

9. EMPLOYEE BENEFITS

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

10. REVENUE

- 10.1 (a) Sale of energy is accounted for as per tariff notified by Central Electricity Regulatory Commission. In case of Power Station where tariff is not notified, sales are billed on provisional rates worked out based on the parameters and method adopted by the appropriate authority. Recovery/refund towards foreign currency variation in respect of foreign currency loans and recovery towards income tax are accounted for on year to year basis.
- (b) Incentives/Disincentives are recognised as per tariff notifications. In case of Power Station where tariffs have not been notified, incentives are recognized provisionally on assessment of the likelihood of acceptance of the same.
- (c) Adjustments arising out of finalisation of global accounts, though not material, are effected in the year of respective finalisation.
- (d) Advance against depreciation considered as deferred income in earlier years is included in sales on straight line basis over the balance useful life after 31st March of the year closing after a period of 12 years from the date of commercial operation of the project, considering the total useful life of the project as 35 years.
- 10.2 In respect of Project Management/Consultancy Contracts/Cost plus Contract, revenue is recognized based on the terms of agreement and the quantum of work done under the contract.
- 10.3 Interest on investments is accounted for on accrual basis.
- 10.4 Interest / Surcharge charged from customers are recognized as income on receipt or when there is reasonable certainty of collection.

11. MISCELLANEOUS

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

12. BORROWING COST

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

13. TAXES ON INCOME

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

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

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NOTE NO.2 : SHARE CAPITAL

(₹ in Crore)

PARTICULARS	As at 31st March, 2012		As at 31st March, 2011	
	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)	12300742773	12300.74	12300742773	12300.74
c) Reconciliation of no. of equity shares & share capital outstanding:	No. of Shares	Share Capital (₹ in Crores)	No. of Shares	Share Capital (₹ in Crores)
Opening number of shares outstanding	12300742773	12300.74	12300742773	12300.74
Add: No. of shares/Share Capital issued/ subscribed during the year	-	-	-	-
Less: Reduction in no. of shares/Share Capital	-	-	-	-
Closing number of shares outstanding	<u>12300742773</u>	<u>12,300.74</u>	<u>12300742773</u>	<u>12,300.74</u>
d) Rights, Preference and restriction to the equity shares	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 dividends as declared from time to time for them. Further 2460148555 no. of shares held by President of India are under lock-in till 25-08-2012.			
e) Shares in the company held by each shareholder holding more than 5 percent specifying the number of shares held	In No.	In (%)	In No.	In (%)
- President of India	10623368758	86.36	10623368758	86.36
f) In Preceding Five financial years				
Aggregate no. of equity shares allotted as fully paid up pursuant to contract(s) without payment being in cash	NIL			
Aggregate no. of equity shares allotted as fully paid up by way of bonus share(s)	NIL			
Aggregate no. of equity shares bought back	NIL			

NOTE NO.3 : RESERVE AND SURPLUS

(₹ in Crore)

PARTICULARS	As at 31st March, 2012		As at 31st March, 2011	
a) Securities Premium Account		2,868.74		2,868.74
b) Bond Redemption Reserve				
As per last Balance Sheet	299.75		214.00	
Add: Transfer from Surplus	129.13		100.00	
Less: Write back during the year	14.25		14.25	
As at Balance Sheet date		414.63		299.75
c) Self Insurance Fund				
As per last Balance Sheet	658.42		619.15	
Add: Transfer from Surplus	32.48		39.31	
Less: Adjustments during the year	-		0.04	
	690.90		658.42	
Less: - Claim recoverable from self insurance fund	4.64		3.21	
As at Balance Sheet date		686.26		655.21
d) General Reserve		4,120.06		4,120.06
e) Surplus *		5,963.10		4,336.18
Total		14,052.79		12,279.94
* Surplus		-		-
Profit for the year as per Statement of Profit and Loss		2,771.77		2,166.67
Balance brought forward		4,336.18		3,150.50
Add:				
i) Amount written back from Bond Redemption Reserve		14.25		14.25
ii) Amount written back from Self Insurance Fund		-		0.04
iii) Tax on Dividend - Write back		3.25		1.80

NOTE NO.3 : RESERVE AND SURPLUS (Contd.)

(₹ in Crore)

	As at 31st March, 2012	As at 31st March, 2011
Balance available for Appropriation	7,125.45	5,333.26
i) Transfer to Bond Redemption Reserve	129.13	100.00
ii) Transfer to Self Insurance Fund	32.48	39.31
iii) Dividend :		
- Proposed	861.05	738.04
- Final	0.01	-
iv) Tax on Dividend		
- Proposed	139.68	119.73
Balance carried forward	5,963.10	4,336.18

NOTE NO. 4 : SHARE APPLICATION MONEY PENDING ALLOTMENT

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
SHARE APPLICATION MONEY PENDING ALLOTMENT	-	-

NOTE NO. 5 : LONG TERM BORROWINGS

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
a) Bonds		
- Secured (for detail see A below)	3,551.00	2,342.00
b) Term Loans		
• From Banks		
- Secured (for detail see B below)	2,745.86	1,570.17
- Unsecured (for detail see C below)	2,405.90	2,245.28
• From other parties		
- Secured (for detail see D below)	6,001.62	6,327.37
- Unsecured (for detail see E below)	1,568.42	1,217.71
	16,272.80	13,702.53
Aggregate amount of loans guaranteed by directors	-	-
Aggregate amount of loans guaranteed by Govt. of India	2,575.88	2,462.99
Amount of default in repayment of loans and interest as at 31.03.2012	-	-
Period of default in repayment of loans and interest as at 31.03.2012	-	-
Particulars of redemption & repayment		
(A). BONDS (Non-convertible and Non-cumulative)-Secured		
BONDS-Q SERIES *6	1,266.00	-
(9.25% 15Year Bonds of ₹1,00,000/- each with 12 separately transferable redeemable principal part and each separately transferable redeemable principal part comprising 1/12th of face value of Bond.) (Yearly redemption of ₹ 105.50 Crore w.e.f. 12.03.2016 to 12.03.2027)		
BONDS-P SERIES *5 , 7 &10	2,000.00	2,000.00
(9.00% 15Year Secured Redeemable Non-Convertible Bonds of ₹ 10,00,000/- each. Yearly redemption of ₹ 200 Crore w.e.f. 01.02.2016 to 01.02.2025)		
BONDS-O SERIES *2	285.00	342.00
(7.70% 15 year Bonds of ₹100,000,000/- each with 10 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/10th of face value of Bond) (Yearly redemption of ₹ 57 crore w.e.f. 31.03.2009 to 31.03.2018)		
TOTAL BONDS (A)	3551.00	2342.00

NOTE NO. 5 : LONG TERM BORROWINGS

(₹ in Crore)

	As at 31st March, 2012	As at 31st March, 2011
(B). TERM LOANS - Secured (Banks)		
CANARA BANK *1	-	17.00
STATE BANK OF PATIALA *1	16.00	20.00
(Repayable in 8 half yearly instalments of ₹ 2 Crore each upto 09.07.2017 at floating interest rate of 8.36% as on 31.03.2012)		
CANARA BANK *4	-	10.00
CANARA BANK *2	80.00	100.00
(Repayable in 4 equal yearly instalments of ₹ 20 Crore each upto 09.11.2016 at fixed interest rate of 6.86%)		
SYNDICATE BANK *2	73.20	91.50
(Repayable in 4 equal yearly instalments of ₹ 18.30 Crore each upto 23.02.2017 at fixed interest rate of 7.207%)		
ORIENTAL BANK OF COMMERCE *2	80.00	100.00
(Repayable in 4 equal yearly instalments of ₹ 20 Crore each upto 31.03.2017 at fixed interest rate of 7.207%)		
ORIENTAL BANK OF COMMERCE *2	80.00	90.00
(Repayable in 8 equal yearly instalments of ₹ 10 Crore each upto 27.12.2020 at fixed interest rate of 7.207%)		
INDIAN BANK *1	33.33	66.67
(Repayable in 1 instalment of ₹ 33.33 Crore at floating interest rate of 10.16% as on 31.03.2012)		
INDIAN BANK *4&9	75.00	75.00
(Bullet Repayment of ₹ 75 Crore after 5th year as on 29.09.2014 at floating interest rate of 11.75% as on 31.03.2012)		
UCO BANK *8	958.33	1,000.00
(Repayable in 23 half yearly instalments of ₹ 41.67 Crore each upto 31.12.2023 at floating interest rate of 11.35% as on 31.03.2012)		
CORPORATION BANK *11	500.00	-
(Repayable in 48 equal quarterly instalments of ₹ 10.42 Crore each upto 06.01.2026 at floating interest rate of 10.65% as on 31.03.2012)		
CANARA BANK *11	150.00	-
(Repayable in 48 equal quarterly instalments of ₹ 3.125 Crore upto 16.01.2026 at floating interest rate of 10.75% as on 31.03.2012)		
INDIAN OVERSEAS BANK *11	150.00	-
(Repayable in 48 equal quarterly instalments of ₹ 3.125 Crore each upto 16.01.2026 at floating interest rate of 10.75% as on 31.03.2012)		
PUNJAB & SIND BANK *11	150.00	-
(Repayable in 48 equal quarterly instalments of ₹ 3.125 Crore each upto 17.01.2026 at floating interest rate of 10.75% as on 31.03.2012)		
INDUSIND BANK *11	100.00	-
(Repayable in 48 equal quarterly instalments of ₹ 2.083 Crore each upto 24.01.2026 at floating interest rate of 10.75% as on 31.03.2012)		
SYNDICATE BANK *11	150.00	-
(Repayable in 48 equal quarterly instalments of ₹ 3.125 Crore each upto 02.02.2026 at floating interest rate of 10.75% as on 31.03.2012)		
UNION BANK OF INDIA *11	150.00	-
(Repayable in 48 equal quarterly instalments of ₹ 3.125 Crore each upto 03.02.2026 at floating interest rate of 10.65% as on 31.03.2012)		
Total Term Loan - Banks (Secured)	2,745.86	1,570.17

NOTE NO. 5 : LONG TERM BORROWINGS (Contd.)

(₹ in Crore)

	As at 31st March, 2012	As at 31st March, 2011
(C). TERM LOANS - Un-secured (Banks)- Foreign Currency		
i) Japan Bank of International Cooperation Tranche-I *12 (Repayable in 26 equal half yearly instalments of ₹ 7.66 Crore each upto 20.01.2026 at fixed interest rate of 2.3% as on 31.03.2012)	199.21	186.21
ii) Japan Bank of International Cooperation Tranche-II *12 (Repayable in 30 equal half yearly instalments of ₹25.13 Crore each upto 20.12.2027 at fixed interest rate of 2.3% as on 31.03.2012)	754.05	698.15
iii) Japan Bank of International Cooperation Tranche-III *12 (Repayable in 41 equal half yearly instalments of ₹18.57 Crore each starting from 20.03.2014 and upto 20.03.2034 at fixed interest rate of 1.3% as on 31.03.2012)	761.20	660.72
iv) Deutsche Bank & Others *12 (Repayable in 12 equal half yearly instalments of ₹ 57.62 Crore each upto 18.10.2018 at floating interest rate 6 Month JPY LIBOR + 0.57% Margin)	691.44	700.20
Total Term Loan - Banks (Unsecured)	2,405.90	2,245.28
(D). Term Loan-From other parties (Secured)		
LIFE INSURANCE CORPORATION OF INDIA *5 & 7 (Repayable in 16 half yearly instalments of ₹ 104.17 Crore each upto 15.04.2020 at interest rate of 9.25% on ₹ 100 Crore & 8% on ₹ 2400 Crore)	1,666.67	1,875.00
LIFE INSURANCE CORPORATION OF INDIA *6 (Repayable in 22 equal half yearly instalments of ₹ 79 Crore each upto 30.04.2023 w.e.f. 30.04.2012 at wt. average rate of 9.12%)	1,738.00	1,896.00
POWER FINANCE CORPORATION LIMITED *8 (Repayable in 34 equal quarterly instalments of ₹ 18.75 Crore upto 15.10.2020 at floating interest rate of 9.91% as on 31.03.2012)	637.50	542.45
POWER FINANCE CORPORATION LIMITED *8 (Repayable in 22 equal quarterly instalments of ₹ 4.65 Crore each upto 15.10.2017 at floating interest rate of 9.91% as on 31.03.2012)	102.30	120.90
POWER FINANCE CORPORATION LIMITED *8 (Repayable in 34 equal quarterly instalments of ₹ 1.75 Crore each upto 15.10.2020 at floating interest rate of 9.90% as on 31.03.2012)	59.50	66.50
POWER FINANCE CORPORATION LIMITED *2&3 (Repayable in 33 equal quarterly instalments of ₹ 36.425 Crore each upto 15.07.2020 at floating interest rate of 8.79% as on 31.03.2012)	1,202.02	1,139.60
POWER FINANCE CORPORATION LIMITED *1 (Repayable in 25 equal quarterly instalments of ₹ 10.325 Crore each upto 15.07.2018 at floating interest rate of 8.62% as on 31.03.2012)	258.13	299.42
POWER FINANCE CORPORATION LIMITED *1 (Repayable in 27 equal quarterly instalments of ₹ 12.50 Crore each upto 15.01.2019 at floating interest rate of 8.62% as on 31.03.2012)	337.50	387.50
Total Term Loan - Other Parties (Secured)	6,001.62	6,327.37

NOTE NO. 5 : LONG TERM BORROWINGS (Contd.)

(₹ in Crore)

	As at 31st March, 2012	As at 31st March, 2011
(E). Term Loan-From other parties (Unsecured)		
Foreign Currency		
i) Export Development Canada *12	169.98	217.71
(Repayable in 2 equal half yearly instalments of ₹ 11.71 Crore each upto 15.03.2014 and 6 equal half yearly instalment of ₹ 24.42 Crore each upto 15.03.2016 at fixed interest rate of 6.01% as on 31.03.2012)		
Loans from Central Govt.- Unsecured		
Subordinate Debt from Govt. of India for Nimmo-Bazgo HE Project	270.00	270.00
(Repayable in 18 equal annual instalments from the 12th year after commissioning of the project at fixed interest rate of 4% per annum. Interest accrues and is payable annually after commissioning of the project.)		
Subordinate Debt from Govt. of India for Chutak HE Project	364.00	364.00
(Repayable in 24 equal annual instalments from the 6th year after commissioning of the project at fixed interest rate of 2.50% per annum. Interest accrues and is payable annually after commissioning of the project.)		
Subordinate Debt from Govt. of India for Kishanganga HE Project	764.44	366.00
(Repayable in 10 equal annual instalments from the 11th year after commissioning of the project at fixed interest rate of 1% per annum. Interest accrues and is payable annually after commissioning of the project.)		
Total Term Loan - Other Parties (Unsecured)	1,568.42	1,217.71
Grand Total (A+B+C+D+E)	16,272.80	13,702.53

* Particulars of security

- Secured by pari-passu charge by way of Equitable mortgage/hypothecation against Immovable/Moveable assets of Company's Chamera Power Station-I situated in the state of Himachal Pradesh except for Book Debts and Stores.
- Secured by pari-passu charge by way of Equitable mortgage/hypothecation against Immovable/Moveable assets of Company's Uri Power Station situated in the state of Jammu & Kashmir except for book debts and stores.
- Secured by pari-passu charge by way of Equitable mortgage/ hypothecation against Immovable / Moveable assets of Company's Chamera Power Station-II situated in the state of Himachal Pradesh except book debts & stores.
- Secured by pari-passu charge by way of equitable mortgage/hypothecation against the assets of Company's Loktak Power Station situated in the state of Manipur except for book debts and stores.
- Secured by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets of the Company's Parbati HE Project-II situated in the state of Himachal Pradesh.
- Secured by pari-passu charge by way of equitable mortgage/hypothecation against immovable/movable assets of Company's Teesta Low Dam-III Project situated in the state of West Bengal & Teesta-V project situated in the state of Sikkim .Security creation for Q-Series Bonds is under process and charge /mortgage is yet to be filed with Registrar of Companies, NCT of Delhi and Haryana.
- Secured by pari-passu charge by way of equitable mortgage and charge over all the immovable and moveable assets of the Company's Dhauliganga Power Station situated in the state of Uttarakhand except for book debts & stores.
- Secured by way of first charge on pari-passu basis by way of hypothecation on whole of the Company's movable assets, both present and future, of Dulhasti Power Station situated in the state of Jammu & Kashmir except for book debts & stores.
- Secured by exclusive charge by way of equitable mortgage against the assets of Company's Bairasiul Power Station situated in the state of Himachal Pradesh except for book debts and stores.
- Secured by a first charge on pari-passu basis by way of equitable mortgage and hypothecation against the immovable and moveable assets of the Company's Chamera-III HE Project-situated in the state of Himachal Pradesh.
- Secured by way of first charge on pari-passu basis by way of hypothecation on whole of the Company's movable assets, both present and future, of Salal Power Station situated in the state of Jammu & Kashmir, Sewa-II Power Station situated in the state of Jammu & Kashmir, Chutak HE Project situated in the state of Jammu & Kashmir, Nimmo-Bazgo HE Project situated in the state of Jammu & Kashmir, Uri-II HE Project situated in the state of Jammu & Kashmir & TLDP-IV HE Project situated in the state of West Bengal except for book debts & stores.
- Loans mentioned at sl. nos. C(i),C(ii),C(iii),C(iv) and E(i) above are guaranteed by Government of India.

NOTE NO. 6 : DEFERRED TAX LIABILITIES / ASSETS

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
Deferred Tax Liability		
i) Depreciation	2755.34	2,740.51
Less: Deferred Tax Assets		
i) Provision for doubtful debts, self Insurance and other provisions	77.93	121.81
ii) Provision for employee benefit schemes	229.84	168.31
Deferred Tax Liability	2,447.56	2,450.39
Less: Recoverable	2,243.52	2,289.06
Deferred Tax Liability (Net)	204.04	161.33

Explanatory Note: -

In compliance to the Accounting Standard 22 on "Accounting for Taxes on Income" notified by The Companies Accounting Standard Rules, 2006, ₹ 2.83 Crore (Previous year ₹ 59.25 Crore) has been created as deferred tax asset during the year ended on 31.03.2012. This has resulted in reduction of deferred tax liability by equivalent amount.

NOTE NO. 7 : OTHERS LONG TERM LIABILITIES

(₹ in Crore)

	As at 31st March, 2012	As at 31st March, 2011
a) Trade Payables		
i) Total outstanding dues of micro and small scale Industrial Enterprise(s). (Due over 30 days ₹ Nil/-)	-	-
ii) Total outstanding dues of Medium scale Industrial Enterprise(s). (Due over 30 days ₹ Nil/-)	-	-
iii) Others	-	-
b) Others		
i) Deposits/ retention money	307.25	323.91
ii) Income received in advance	1,312.67	1,363.10
iii) Deferred Income from Foreign Currency Fluctuation Account	331.88	249.54
	1,951.80	1,936.55

NOTE NO. 8 : LONG TERM PROVISIONS

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
a) Provision for employee benefits		
As per last Balance Sheet	1,031.11	766.50
Additions during the year	179.99	264.61
Amount reversed during the year	33.51	-
Closing Balance	1,177.59	1,031.11
b) Others		
Provision For Committed Capital Expenditure		
As per last Balance Sheet	22.79	13.80
Additions during the year	-	9.51
Amount used during the year	12.93	0.52
Closing Balance	9.86	22.79
	1,187.45	1,053.90

NOTE NO. 9 : SHORT TERM BORROWINGS

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
a) Short term loans		
• From Banks		
- Secured #	180.00	-
	180.00	-
Aggregate amount of loans guaranteed by directors	-	-
Aggregate amount of loans guaranteed by Others-GOI	-	-
Amount of default in repayment of loans and interest as at 31.03.2012	-	-
Period of default in repayment of loans and interest as at 31.03.2012	-	-
# (From J&K Bank Limited against the Fixed Deposit)		

NOTE NO. 10 : TRADE PAYABLE

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
a) Total outstanding dues of micro and small scale Enterprise(s). (Due over 30 days ₹ Nil/-)	0.05	-
b) Total outstanding dues of Medium scale Enterprise(s). (Due over 30 days ₹ Nil/-)	0.01	-
c) Others	218.89	241.89
	218.95	241.89

NOTE NO. 11 : OTHER CURRENT LIABILITIES

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
a) Current maturities of long term debt		
Bonds/ Debentures		
- Secured	57.00	57.00
Term Loans		
• From banks		
- Secured	174.30	145.13
- Unsecured	180.83	156.96
• From other parties		
- Secured	703.93	442.68
- Unsecured	72.28	64.96
b) Interest accrued but not due on borrowings	207.76	209.77
c) Income received in advance	46.72	43.44
d) Unpaid dividend	2.43	1.21
e) Liability against capital works/supplies	492.68	463.17
f) Deposits/ retention money	129.65	68.82
g) Unspent amount of deposit/agency	0.04	-
h) Statutory dues payables	243.60	245.49
i) Other liabilities	160.84	148.52
j) Advances against the deposit works	255.98	242.19
Less: Amount Spent on deposit Work	252.45	229.03
k) Advances against cost of Project Mgt./ Consultancy Work	4,090.29	3,624.66
Less: Amount Spent in respect of Project Mgt./ Consultancy Work	3,768.64	3,240.49
Provision Toward Amt Recoverable in respect of Project Mgt / Consultancy Work	(4.02)	
	3,764.62	325.67
	2,801.26	2,444.48

Explanatory Note: -

Details in respect of redemption, rate of interest, terms of repayment and security of secured and unsecured current maturities of long term debts indicated above at (a) are disclosed in Note no. 5.

NOTE NO. 12 : SHORT TERM PROVISIONS

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
a) Provision for employee benefits		
As per last Balance Sheet	83.84	87.28
Additions during the year	150.34	142.88
Amount used during the year	122.73	117.51
Amount reversed during the year	3.78	28.81
Closing Balance	107.67	83.84
b) Provision for Wage Revision		
As per last Balance Sheet	699.42	682.25
Additions during the year	39.03	199.61
Amount used during the year	561.30	175.58
Amount reversed during the year	41.25	6.86
Amount transferred to Superannuation/Pension Fund	111.97	-
Closing Balance	23.93	699.42
Less: Advance paid	23.93	154.54
Closing Balance (net of advance)	-	544.88
c) Provision for Performance Related Pay/Incentive		
As per last Balance Sheet	120.11	44.48
Additions during the year	88.67	122.15
Amount used during the year	74.61	34.99
Amount reversed during the year	3.61	11.53
Closing Balance	130.56	120.11
Less: Advance against PRP	18.27	-
Closing Balance (Net of advance)	112.29	120.11
d) Provision for Superannuation /Pension Fund		
As per last Balance Sheet	-	-
Additions during the year	101.52	-
Amount transferred from Provision for Wage Revision	111.97	-
Closing Balance	213.49	-
e) Others		
i) Provision for Taxation		
As per last Balance Sheet	1,097.37	658.99
Additions during the year	706.72	568.14
Adjustment during the year	-	(0.35)
Amount used during the year	135.70	125.61
Amount reversed during the year	4.15	3.80
Closing Balance	1,664.24	1,097.37
ii) Provision for Proposed Dividend		
As per last Balance Sheet	738.04	676.54
Additions during the year	861.05	738.04
Amount used during the year	738.04	676.54
Closing Balance	861.05	738.04

NOTE NO. 12 : SHORT TERM PROVISIONS (Contd.)

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
iii) Tax on Proposed Dividend		
As per last Balance Sheet	119.73	112.36
Additions during the year	139.68	119.73
Amount used during the year	116.48	110.56
Amount reversed during the year	3.25	1.80
Closing Balance	139.68	119.73
iv) Provision - Others		
As per last Balance Sheet	654.08	79.66
Additions during the year	101.24	578.78
Amount used during the year	39.43	2.28
Amount reversed during the year	348.36	2.08
Closing Balance	367.53	654.08
v) Provision For Tariff Adjustment		
As per last Balance Sheet	-	-
Additions during the year	34.60	-
Closing Balance	34.60	-
vi) Provision For Corporate Social Responsibility Expenses (CSR)		
As per last Balance Sheet	6.05	-
Additions during the year	10.04	6.05
Amount used during the year	4.86	-
Closing Balance	11.23	6.05
vii) Provision For Committed Capital Expenditure		
As per last Balance Sheet	94.73	6.52
Additions during the year	-	93.36
Amount used during the year	14.09	0.15
Amount reversed during the year	2.49	5.00
Closing Balance	78.15	94.73
	3,589.93	3,458.83

Explanatory Note: -

- Provision on account of wage revision of the employees' w.e.f. 01.01.2007, which was continuing till last year has since been settled except an amount of ₹23.93 Crore, which is continuing due to non settlement of Personal Adjustment Pay (fitment benefits) for want of approval by Competent Authority. An amount of ₹23.93 Crore stands paid towards this and is shown as "Advance Paid".
- Pending implementation of Contributory Pension Scheme for employees in terms of DPE guidelines, a provision of ₹101.52 Crore has been made during the year ended 31.03.2012, which includes ₹47.28 Crore pertaining to period prior to 31.03.2011 booked as prior period item during current year, resulting into a cumulative provision of ₹213.49 Crore as on 31.03.2012. The scheme has since been implemented on 13.04.2012 with retrospective effect from 01.01.2007.
- Provision for CSR expenses is made towards unspent amount of budget earmarked for CSR activities, in terms of Department of Public Enterprises (DPE) guidelines, which inter-alia provides for keeping the unspent amount in nonlapsable fund. Provision so made shall be included in the budget allocation for next year for incurrence of unspent amount towards CSR activities. Pending confirmation from DPE as regard to aforesaid treatment, no separate fund has however been earmarked and incurrence of expenditure is being monitored through non lapsable budget.
- Based on recommendation of Standing Committee, a sum of ₹ 345.74 Crore towards cost overrun of Teesta V was included in Provision - Others in the year 2010-11 and correspondingly included in fixed assets. Ministry of finance has decided that such overrun will be approved on case to case basis. Hence provision made in last year has been reversed, consequently depreciation of ₹42.97 Crore has been written back as other income.
- Out of provisions under group Provision - Others, an amount of ₹14.19 Crore stands deposited under protest and is appearing under the head "Deposits" in Note No. 22.

NOTE NO. 13.1 TANGIBLE ASSETS

(₹ in crore)

Sl. No.	CLASS OF ASSETS	GROSS BLOCK			DEPRECIATION		NET BLOCK		
		01.04.2011	Addition/ Adjustment	Deduction/ Adjustment	31.03.2012	01.04.2011	For the Year Adjustment	31.03.2012	31.03.2011
i)	Land – Freehold	217.84	10.86	2.97	225.73	-	-	225.73	217.84
ii)	Land – Leasehold	119.51	212.93	-	332.44	9.39	10.51	312.04	110.12
iii)	Roads and Bridges	356.10	13.47	3.54	366.03	71.57	13.94	280.85	284.53
iv)	Buildings	1,822.77	55.06	39.13	1,838.70	507.47	64.68	1,269.76	1,315.30
v)	Railway sidings	40.17	0.13	-	40.30	12.14	2.69	25.47	28.03
vi)	Hydraulic Works(Dams, Water Conductor system, Hydro mechanical gates, tunnels)	13,189.64	124.02	305.15	13,008.51	3,124.39	585.58	9,337.33	10,065.25
vii)	Generating Plant and machinery	5,866.73	47.88	13.94	5,900.67	1,734.28	254.40	3,913.32	4,132.45
viii)	Plant and machinery Sub station	84.53	2.95	-	87.48	40.68	3.49	43.31	43.85
ix)	Plant and machinery Transmission lines	63.41	2.28	-	65.69	15.17	3.34	47.18	48.24
x)	Plant and machinery Others	26.25	0.81	0.20	26.86	10.71	1.22	14.99	15.54
xi)	Construction Equipment	74.92	2.69	2.31	75.30	50.58	4.34	20.65	24.34
xii)	Water Supply System/Drainage and Sewerage	30.94	5.79	0.22	36.51	4.31	1.24	30.98	26.63
xiii)	Electrical installations	3.45	0.04	-	3.49	1.15	0.18	2.16	2.30
xiv)	Vehicles	25.44	2.01	0.85	26.60	18.63	0.68	7.69	6.81
xv)	Aircraft/ Boats	0.66	0.11	0.16	0.61	0.45	0.01	0.26	0.21
xvi)	Furniture and fixture	42.17	3.12	0.64	44.65	18.73	3.06	23.05	23.44
xvii)	Computers	58.74	7.26	3.61	62.39	46.15	5.46	13.30	12.59
xviii)	Communication Equipment	13.37	0.67	0.39	13.65	5.42	0.73	7.75	7.95
xix)	Office Equipments	38.33	3.62	1.39	40.56	15.58	2.34	23.13	22.75
xx)	Research and Development	1.36	-	-	1.36	0.29	0.09	0.98	1.07
xxi)	Other assets	42.95	4.90	1.08	46.77	18.04	2.36	26.88	24.91
xxii)	Capital Expenditure on assets Not Owned by NHPC	24.47	3.90	0.16	28.21	2.32	0.35	25.54	22.15
xxiii)	Tangible Assets of minor value > 750 and < ₹5000	16.96	1.17	0.70	17.43	16.95	0.91	-	0.01
xxiv)	Obsolete / surplus assets	2.48	0.08	0.77	1.79	-	-	1.79	2.48
	TOTAL	22,163.19	505.75	377.21*	22,291.73	5,724.40	961.60	6,637.59	16,438.79
	Previous Year	20,599.65	1,617.94	54.40	22,163.19	4,872.35	961.80	16,438.79	15,727.30

* includes ₹ 345.74 crores in respect of Tangible Assets of Teesta V Power Station due to reversal of provision made during last year (refer Explanatory Note no. 4 of Note 12)

NOTE NO. 13.2 : INTANGIBLE ASSETS

(₹ in crore)

Sl. No.		GROSS BLOCK				AMORTISATION			NET BLOCK	
		01.04.2011	Addition/ Adjustment	Deduction/ Adjustment	31.03.2012	01.04.2011	For the Year	Adjust- ment	31.03.2012	31.03.2011
i)	Land – Unclassified/ Right of Use	675.58	56.03	0.02	731.59	16.16	2.22	-	18.38	659.42
ii)	Computer Software	36.16	1.50	0.05	37.61	33.48	3.17	(0.01)	36.64	2.68
	TOTAL	711.74	57.53	0.07	769.20	49.64	5.39	(0.01)	55.02	662.10
	Previous Year	702.72	18.83	9.81	711.74	35.09	14.51	0.04	49.64	667.63

Explanatory Note: -

- 1) Title deeds/title in respect of Land amounting to ₹ 281.98 Crore (Previous year ₹ 60.60 crore), covering an area of 2417.76 hectare (Previous year 2192.36 hectare), are yet to be executed/ passed. Expenses on stamp duty etc. relating to registration thereof will be accounted for as and when incurred.
- 2) Land does not include the land taken from Shashtra Seema Bal (SSB) for Subansiri Upper Project on lease for a period of 99 years @ notional rent of ₹ 1/- per annum.
- 3) Tangible Assets include underground works of ₹ 4249.24 Crore (Previous year ₹ 4402.83 Crore) created on Land unclassified/ Right to use are included under the relevant head.
- 4) Addition/adjustments to Gross Block includes foreign exchange rate variation during the year as under:

Class of Assets (₹ in crore)

Roads and Bridges 0.70

Buildings 7.29

Hydraulic Works 72.73

Generating Plant and machinery 24.86

Plant and machinery Sub station 0.15

Plant and machinery Transmission lines 0.07

Plant and machinery Others 0.04

Water Supply System/Drainage and Sewerage 0.03

Total 105.87

NOTE NO. 14.1 : CAPITAL WORK IN PROGRESS

(₹ in crore)

	01.04.2011	Addition	Adjustment	Capitalised	31.03.2012
i) Roads and Bridges	72.93	12.11	4.99	11.83	78.20
ii) Buildings	1,108.29	268.57	(1.10)	46.38	1,329.38
iii) Railway sidings	-	0.75	-	0.75	-
iv) Hydraulic Works(Dams, Water Conductor system, Hydromechanical gates, tunnels)	5,554.62	1,141.49	(9.55)	9.20	6,677.36
v) Generating Plant and Machinery	3,678.26	468.02	(0.63)	6.94	4,138.71
vi) Plant and Machinery - Sub station	7.15	0.32	-	0.09	7.38
vii) Plant and Machinery - Transmission lines	0.72	3.28	-	1.35	2.65
viii) Plant and Machinery - Others	2.72	4.92	(0.61)	0.11	6.92
ix) Construction Equipment	-	-	-	-	-
x) Water Supply System/Drainage and Sewerage	2.54	3.13	0.21	5.05	0.83
xi) Other assets awaiting installation	2.98	39.51	(1.33)	29.67	11.49
xii) Capital Expenditure On assets Not Owned by NHPC	118.79	7.99	(16.22)	3.90	106.66
xiii) Survey, investigation, consultancy and supervision charges	195.57	36.63	-	-	232.20
xiv) Expenditure on compensatory Afforestation	-	0.63	-	-	0.63
xv) Expenditure during construction*	5,087.19	1,625.82 *	1.24	-	6,714.25
Less: Provided for	34.72	81.89	-	-	116.61
Sub total (a)	15,797.04	3,531.28	(23.00)	115.27	19,190.05
* For addition during the period refer Note No. 33					
	01.04.2011	Addition	Adjustment	Used	31.03.2012
Construction Stores					
i) Stores and spares	63.22	214.73	(104.41)	108.93	64.61
ii) Loose tools	0.04	0.03	(0.01)	0.01	0.05
iii) Scrap inventory	-	-	-	-	-
iv) Stores in transit/ pending inspection	0.66	0.02	(0.65)	0.02	0.01
v) Material issued to contractors/ fabricators	103.50	198.96	(72.48)	131.77	98.21
Less : Provisions for construction stores	1.69	1.75	(0.25)	-	3.19
Sub total (b)	165.73	411.99	(177.30)	240.73	159.69
TOTAL	15,962.77	3,943.27	(200.30)	356.00	19,349.74
Previous Year	12921.12	4275.61	(111.70)	1122.26	15962.77

Explanatory Note: -

- Expenditure during construction (EDC) includes ₹ 760.63 Crore (Previous year ₹ 668.48 Crore) towards borrowing cost capitalised.
- Govt. of Arunachal Pradesh had shown their inclination to hand over Subansiri Upper Project to Independent Power Producer (IPP), on which NHPC had solicited the intervention of Govt. of India. Decision of GOI is still awaited and pending decision, capital expenditure amounting to ₹0.36 Crore incurred on this project during the year ended 31.03.2012 has been provided as an abundant precaution, which is in addition to the provision of ₹19.97Crore, already existing as at 31.03.2011 towards expenditure incurred on this project from 20.04.2004 to 31.03.2011, the period in which this project was under suspension. Management is of the opinion that no further provision is required in view of the fact that recoverability of total expenditure incurred on this project is certain, in view of the settled formula given by Ministry of Power for reimbursement of expenditure incurred on a project from IPP, in case project is transferred to IPP.
- Company has incurred a sum of ₹ 905.47 Crore (Previous year ₹ 759.90 Crore) towards Survey & Investigation expenses on various Projects and included in CWIP. Of this, a sum of ₹ 280.55 Crore net of provision of ₹ 20.33 Crore (Previous year ₹ 232.56 Crore net of provision of ₹ 19.97 Crore) is considered recoverable from Joint Venture/Developer. Of the balance of ₹ 604.59 Crore (Previous year ₹ 507.37 Crore) pertaining to projects with the company, a sum of ₹ 81.53 Crore (Previous year ₹ NIL) has been provided as an abundant precaution in respect of projects, where uncertainties are attached. Balance of Survey & Investigation expenditure of ₹ 523.06 Crore (Previous Year ₹ 436.82 Crore) pertaining to other projects is carried forward as there is reasonable certainty of these projects getting cleared.
- 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 developer.
- Pakal Dul, Kiru & Kwar HE Projects are to be executed through Joint Venture Company with participation from State of Jammu & Kashmir. Joint Venture company namely M/s Chenab Valley Power Projects Private Limited" has since been incorporated. Pending handing over of these projects to joint venture Company, expenditure amounting to ₹ 172.70 Crore (Previous Year ₹ 145.71 Crore) & ₹ 83.06 Crore (Previous Year ₹ 61.67 Crore) respectively incurred by the company on these projects up to 31.03.2012 is included in Capital Work-in-Progress.
- CWIP including underground works of ₹ 3787.84 Crore (Previous year ₹ 3071.41 Crore) created on Land unclassified/ Right to use are included under the relevant head.

NOTE NO. 14.2 INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ IN CRORE)

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

NOTE NO. 15 : NON CURRENT INVESTMENTS

Particulars	As at 31st March, 2012			As at 31st March, 2011		
	Number of shares/ bonds/ securities	Face value per share/ bond/ security (In ₹)	Amount (₹ in Crore)	Number of shares/ bonds/ securities	Face value per share/ bond/ security (in ₹)	Amount (₹ in Crore)
A. Trade - Quoted						
(a) Investment in Equity Instrument						
PTC India Ltd. (Fully Paid Up)	12000000	10	12.00	12000000	10.00	12.00
Trade - Unquoted						
(a) Investment In Equity Instruments						
Subsidiary Companies (Fully Paid Up)						
(i) NHDC Limited	10024200	1000	1002.42	10024200	1000	1002.42
(ii) Loktak Downstream Hydroelectric Corporation Limited	72861540	10	72.86	44400000	10	44.40
Joint Venture Companies (Fully Paid Up)						
(i) National Power Exchange Limited	2188325	10	2.19	2188325	10	2.19
Provision for diminution in value			(0.77)			-
(ii) Chenab Valley Power Projects Private Limited	2450000	10	2.45	-	-	-
(iii) National High Power Test Laboratory (P) Limited	2625000	10	2.63	2625000	10	2.63
(b) Investment In Bonds						
8.50 % Tax-Free State Government Special Bonds of the Government of :						
Arunachal Pradesh	2916	1000	0.29	3888	1000	0.39
Bihar	57210	1000	5.72	76280	1000	7.63
Haryana	1695000	1000	169.50	2260000	1000	226.00
Himachal Pradesh	53604	1000	5.36	71472	1000	7.15
Jammu and Kashmir	2312088	1000	231.21	3082784	1000	308.28
Jharkhand	42930	1000	4.29	57240	1000	5.72
Meghalaya	1596	1000	0.16	2128	1000	0.21
Mizoram	9630	1000	0.96	12840	1000	1.28
Nagaland	20760	1000	2.08	27680	1000	2.77
Punjab	668430	1000	66.84	891240	1000	89.12
Rajasthan	85473	1000	8.55	85464	1000	8.55
Sikkim	7008	1000	0.70	9344	1000	0.93
Tripura	8004	1000	0.80	10672	1000	1.07
Uttar Pradesh	2360670	1000	236.07	3147560	1000	314.76
Uttaranchal	262290	1000	26.23	349720	1000	34.97
West Bengal	20166	1000	2.02	26888	1000	2.69
(c) Share Application Money						
Subsidiary Companies						
- Loktak Downstream Hydroelectric Corporation Limited			-			28.46
Joint Venture Companies						
- National High Power Test Laboratory (P) Limited			12.25			-
Sub Total (A)			1866.81			2103.62

NOTE NO. 15 : NON CURRENT INVESTMENTS (Contd.)

Particulars	As at 31st March, 2012			As at 31st March, 2011		
	Number of shares/ bonds/ securities	Face value per share/ bond/ security (In ₹)	Amount (₹ in Crore)	Number of shares/ bonds/ securities	Face value per share/ bond/ security (in ₹)	Amount (₹ in Crore)
B. Non Trade - Quoted						
(a) Investment in Equity Instrument						
Indian Overseas Bank	360800	10	0.36	360800	10	0.36
(b) Investment In Government Securities-(Self Insurance Fund)						
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	-	-	-
8.28% GOI 2032	35000	10000	34.62	35000	10000	34.62
(c) Investment In Public Sector Undertaking/Public Financial Institution & Corporate Bonds - (Self Insurance Fund)						
8.80% Power Finance Corporation Bonds 2025	467	1000000	45.97	467	1000000	45.97
8.95% Indian Railways Finance Corporation Bonds 2025	688	1000000	69.63	688	1000000	69.63
8.65% Indian Railways Finance Corporation Bonds 2025	30	1000000	2.99	30	1000000	2.99
8.90% Power Grid Corporation of India Bonds 2021	80	1250000	10.00	80	1250000	10.00
8.90% Power Grid Corporation of India Bonds 2022	80	1250000	10.00	80	1250000	10.00
8.90% Power Grid Corporation of India Bonds 2023	80	1250000	10.00	80	1250000	10.00
8.80% Indian Railways Finance Corporation Bonds 2030	150	1000000	15.13	150	1000000	15.13
8.95% Power Finance Corporation Bonds 2025	51	1000000	5.16	51	1000000	5.16
8.90% Power Grid Corporation of India Bonds 2025	40	1250000	5.04	40	1250000	5.04
8.70% Power Finance Corporation Bonds 2025	477	1000000	47.36	477	1000000	47.36
8.83% Indian Railways Finance Corporation Bonds 2035	120	1000000	12.09	120	1000000	12.09
8.80% Rural Electrification Corporation Bonds 2020	600	1000000	59.93	600	1000000	59.93
9.75% Rural Electrification Corporation Bonds 2021	230	1000000	23.05	-	-	-
8.84% Power Grid Corporation of India Bonds 2024	156	1250000	19.51	156	1250000	19.51
8.84% Power Grid Corporation of India Bonds 2025	364	1250000	45.52	364	1250000	45.52
Sub Total (B)			632.33			556.34
Total (A+B)			2499.14			2659.96
Quoted Investments						
(i) Aggregate Cost			644.33			568.34
(ii) Aggregate Market Value			701.01			660.38
(iii) Aggregate provision for diminution in value			0.77			-
Unquoted Investments						
Aggregate Cost			1855.58			2091.62
Valuation as per accounting policy no. 6						

NOTE NO. 16 - LONG TERM LOAN AND ADVANCES

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
a) CAPITAL ADVANCES		
i) Secured (considered good)	89.98	61.97
ii) Unsecured (considered good)		
– Against bank guarantee	720.63	928.12
– Others	162.95	169.60
iii) Unsecured (considered doubtful)	0.05	0.05
Less : Provisions for doubtful advances *1	0.05	0.05
b) DEPOSITS	25.20	32.26
c) OTHER LOANS & ADVANCES		
i) Employees (including accrued interest)		
– Secured (considered good)	79.16	78.86
– Unsecured (considered good)	36.93	11.17
ii) Loan to State Government in settlement of dues from customer		
– Unsecured (considered good)	88.77	114.13
iii) Advance to Government of Arunachal Pradesh		
– Unsecured (considered good)	225.00	225.00
	1,428.62	1,621.11
Provisions for doubtful advances *1		
Opening Balance	0.05	0.05
Closing balance	0.05	0.05
	As on 31.03.2012	As on 31.03.2011
Particulars of loans and advances due from directors		
Amount due at the end of the year	0.03	0.04

Advance due by firms or private companies in which any Director of the Company is a Director or member amounts to ₹ Nil (Previous year ₹ Nil)
Capital Advance (Secured - Considered Good) includes ₹ 63.53 Crore secured on hypothecation of plant & machinery, which has since been taken over on rescinding of one of the contract. The plant & machinery so taken over has not been accounted for in the books.

NOTE NO. 17 : OTHER NON-CURRENT ASSETS

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
a) Long term trade receivable	-	-
b) Others		
i) Interest accrued on:		
– Advance to Government of Arunachal Pradesh	114.30	86.21
– Others	0.18	12.25
ii) Deferred Foreign Currency Fluctuation Assets	1,067.28	772.20
iii) Deferred Expenditure on Foreign Currency Fluctuation Account	0.17	0.16
	1,181.93	870.82

NOTE NO. 18 : CURRENT INVESTMENTS

Particulars	As at 31st March, 2012			As at 31st March, 2011		
	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)
Current maturities of long term investments						
Trade - Unquoted						
i) 8.50 % Tax-Free State Government Special Bonds of the Government of :						
Arunachal Pradesh	972	1000	0.10	972	1000	0.10
Bihar	19070	1000	1.91	19070	1000	1.91
Haryana	565000	1000	56.50	565000	1000	56.50
Himachal Pradesh	17868	1000	1.79	17868	1000	1.79
Jammu and Kashmir	770696	1000	77.07	770696	1000	77.07
Jharkhand	14310	1000	1.43	14310	1000	1.43
Meghalaya	532	1000	0.05	532	1000	0.05
Mizoram	3210	1000	0.32	3210	1000	0.32
Nagaland	6920	1000	0.69	6920	1000	0.69
Punjab	222810	1000	22.28	222810	1000	22.28
Rajasthan	-	-	-	28500	1000	2.85
Sikkim	2336	1000	0.23	2336	1000	0.23
Tripura	2668	1000	0.27	2668	1000	0.27
Uttar Pradesh	786890	1000	78.69	786890	1000	78.69
Uttaranchal	87430	1000	8.74	87430	1000	8.74
West Bengal	6722	1000	0.67	6722	1000	0.67
Total			250.74			253.59
Unquoted Investments						
Aggregate Cost			250.74			253.59
Valuation as per accounting policy no. 6						

NOTE NO. 19 : INVENTORIES

(₹ in Crore)

PARTICULARS	As at 31st March, 2012		As at 31st March, 2011	
(Valuation as per Accounting Policy No. 7)				
i) Stores and spares	64.38		57.46	
Stores in transit/ pending inspection	0.42	64.80	1.12	58.58
ii) Loose tools		1.45		1.38
iii) Scrap inventory		1.75		2.36
iv) Material issued to contractors/ fabricators		0.66		0.29
v) Less: Provision for obsolete store & spares *1		24.85		28.90
		43.81		33.71
Provisions for obsolete store & spares *1				
Opening Balance		28.90		23.07
Addition during the year		1.63		16.95
Adjustment during the year		-		0.01
Amount used during the year		1.46		10.18
Amount reversed during the year		4.22		0.95
Closing balance		24.85		28.90

NOTE NO. 20 : TRADE RECEIVABLES

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
a) Trade Receivables outstanding for a period exceeding six months (from the date they become due for payment)		
- Unsecured - Considered good	225.47	46.23
- Considered doubtful and provided	192.38	194.44
b) Other Trade Receivables		
- Unsecured - Considered good	1,826.71	258.56
Less: Provision for doubtful debts *1	192.38	194.44
	2,052.18	304.79
Provisions for doubtful debts *1		
Opening Balance	194.44	194.44
Addition during the year	0.39	-
Amount used during the year	0.66	-
Amount reversed during the year	1.79	-
Closing balance	192.38	194.44

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).
- Trade Receivables include an amount of ₹120.81 Crore (Previous year ₹120.81 Crore), being recoverable from M/s Delhi Transco Limited (erstwhile DESU) pertaining to period prior to Financial Year 1996-97. The case for recovery of the same has been taken up through Ministry of Power with Ministry of Finance, Govt. of India. However, a provision for entire amount was made in the books during 2008-09 as an abundant precaution.

NOTE NO. 21: CASH AND BANK BALANCES

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
A Cash and Cash Equivalents		
i) Cash in hand (includes stamps in hand of ₹0.007 Crore, Previous Year ₹0.008 Crore)	0.26	1.18
ii) Cheques, drafts in hand	0.06	19.25
iii) Balances with banks		
• With scheduled banks		
- In current account - Others	121.36	113.95
- In deposits account# - IPO Proceeds	-	94.39
- Others	568.95	712.16
• With other banks		
- In current account Bank of Bhutan, Phuentsholing	0.63	0.58
# Deposits with maturity of three months or less		
B Other Bank Balances		
i) Balances with banks (Deposits with maturity of more than three months but less than/ upto 12 months)		
• With scheduled banks		
- In deposits account - Self Insurance Fund	10.28	63.41
- IPO Proceeds	1,522.00	400.00
- Others	3,495.00	1,458.00
ii) Deposit account-Unpaid Dividend	2.43	1.21
iii) Bank deposits with more than 12 months maturity		
- Term Deposit-towards unutilised money out of IPO proceeds	250.00	1,900.00
- Term Deposit - Others	-	555.00
- Term Deposit-Self Insurance Fund	33.00	30.95
	6,003.97	5,350.08

Explanatory Note: -

- Out of the Initial Public Offering (IPO) proceeds of ₹6038.55 Crore made during financial year 2009-10, sale proceeds of ₹ 1212.85 Crore was paid to Ministry of Power, Govt. of India and ₹4025.70 Crore was retained by company. Out of ₹ 4025.70 Crore, a sum of ₹2214.99 Crore has been utilised up to 31.03.2012 for re-coupmnt of capital expenditure already incurred from internal accruals on the projects specified for utilisation, the unutilised amount of ₹1772 Crore has been invested in bank deposits as per extant investment policy of the company and ₹38.71Crore recouped for meeting IPO expenditure.
- Cash and Bank Balances include an amount of ₹ NIL Crore (Previous year ₹ 57.39 Crore) towards margin money kept with banks for opening Letter of Credit or similar facility, which is not available for use as on 31.03.2012.
- Cash and Bank Balances include ₹ 466.87 Crore (Previous Year ₹486.44 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.
- Cash and Bank Balances include ₹ 180.00 Crore which is not available for use as on 31.03.2012 as the same has been kept as security for short term borrowing of equivalent amount. (Ref. Note No. 9)

NOTE NO. 22 : SHORT TERM LOAN AND ADVANCES

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
A) LOANS		
i) To Related Parties	-	-
ii) To Others		
Due from Subsidiaries/ JVs	10.20	10.96
Employees (including accrued interest)		
- Secured (considered good)	15.29	11.88
- Unsecured (considered good)	5.48	2.06
- Unsecured (considered doubtful)	0.03	0.04
Loan to State Government in settlement of dues from customer	25.36	25.36
B) ADVANCES		
i) To Related Parties	-	-
ii) To Others		
Employees		
- Unsecured (considered good)	24.99	4.31
Advance to contractor / supplier		
- Secured (considered good)	2.78	0.49
- Unsecured (considered good)		
- Against bank guarantee	23.35	44.30
- Others	16.41	29.46
- Unsecured (considered doubtful)	0.32	0.27
Other advances		
- Unsecured (considered good)	1.58	1.56
- Unsecured (considered doubtful)		
Less : Provisions for doubtful loans and advances *1	0.35	0.31
Advance income tax & tax deducted at source	1,732.97	1,133.04
C) DEPOSITS	41.86	39.92
Less : Provision for Doubtful Deposits *2	0.01	-
	1,900.26	1,303.34
Detail of Provisions		
Provisions for doubtful loans and advances *1		
Opening Balance	0.31	0.32
Addition during the year	0.05	0.02
Amount used during the year	0.01	0.02
Amount reversed during the year	-	0.01
Closing balance	0.35	0.31
Provisions for doubtful deposits *2		
Opening Balance	-	-
Addition during the year	0.01	-
Closing balance	0.01	-
Explanatory Note: -		
Particulars of loans and advances due from directors	As at 31.03.2012	As at 31.03.2011
i) Amount due at the end of the year	-	-
ii) 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)		
Particulars of amount outstanding at year end and maximum outstanding during the year from subsidiary/associates		
	As at 31.03.2012	As at 31.03.2011
	Maximum outstanding	Maximum outstanding
	Balance at end of year	Balance at end of year
NHDC Limited	3.15	2.08
Loktak Downstream Hydroelectric Corporation Limited	10.56	8.88
Chenab Valley Power Projects Private Limited	1.01	-

NOTE NO. 23 : OTHER CURRENT ASSETS

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
a) Interest accrued on:		
i) Loan to State Government in settlement of dues from customers	32.97	32.97
ii) Deposits		
- IPO	152.91	69.64
- Self Insurance	16.04	3.28
- Other deposits	99.83	111.97
iii) Others	19.58	157.10
b) Receivable on account of unbilled revenue	1,161.32	1,583.92
c) Interest recoverable from beneficiary	62.19	19.89
d) Other Current Assets	16.60	15.18
e) Claims recoverable from different agencies	267.89	151.93
Less: Provisions for doubtful claims *1	199.67	47.39
f) Other Recoverable	1.34	0.70
g) Construction work in progress(on behalf of client)	50.05	19.94
h) Expenditure awaiting adjustment	37.06	37.06
Less: Provision for project expenses write off sanction	37.06	37.06
i) Losses awaiting write off sanction	12.30	11.02
Less: Provision for losses pending investigation	12.30	11.02
	1,681.05	2,119.13
Detail of Provisions		
Provisions for doubtful claims *1		
Opening Balance	47.39	3.71
Addition during the year	153.85	45.96
Amount used during the year	0.01	0.48
Amount reversed during the year	1.56	1.80
Closing balance	199.67	47.39

Explanatory Note: -

- Interest accrued on Loan to State Government in settlement of dues from customers includes ₹ 32.97 Crore (Previous year ₹ 32.97 Crore) on account of payment of incentive to M/s Delhi Transco Limited. The equivalent amount is appearing as liability under Other Current Liabilities (Note-11) since the issue of payment of incentive to M/s Delhi Transco has not been resolved.
- Provision toward doubtful claims includes ₹ 126.27 Crore toward interest recoverable on advance given to a contractor, not covered by adequate security. The contract in respect of said contractor has been rescinded during the year. Advance given to said contractor has been adjusted by encashing the bank guarantees available with the company and the aforesaid interest recoverable has been provided as an abundant precaution.
- Receivable on account of unbilled revenue represents i) Difference of grossing up of ROE ₹ 411.62 Crore ii) J&K water cess ₹ 691.73 Crore iii) RLDC Charges ₹ 33.05 Crore iv) Foreign Exchange Rate Variation ₹ 88.26 Crore v) Tax adjustment ₹ (-) 67.99 Crore and vi) MEA sales ₹ 4.65 Crore.

NOTE NO. 24 : REVENUE FROM OPERATIONS

(₹ in Crore)

PARTICULARS	For the year ended on 31st March, 2012	For the year ended on 31st March, 2011
A SALES		
SALE OF POWER	5,642.73	4,052.73
Sales adjustment on a/c of Foreign Exchange Rate Variation	(88.26)	(52.51)
Less : Tariff Adjustments	34.60	-
Less : Regulated Sales Adjustment	57.38	-
Less : Income from generation of electricity – precommissioning (refer Note 33 H (a))	-	0.59
Sub total A	5,462.49	3,999.63
B ADVANCE AGAINST DEPRECIATION		
During the year	-	0.20
Less : Written back during the year	47.16	47.16
Sub total B	(47.16)	(46.96)
C REVENUE FROM CONTRACTS, PROJECT MANAGEMENT AND CONSULTANCY WORKS		
Contract Income	54.57	89.74
Revenue from Project management/Consultancy works	90.47	88.92
Sub total C	145.04	178.66
TOTAL (A-B+C)	5,654.69	4,225.25

Explanatory Note: -

- 1) Sales have been recognized as per tariff notified by Central Electricity Regulatory Commission (CERC). Tariff for the tariff period 2009-14 has since been fixed in respect of all the 12 Power Stations. However tariff of Teesta V Power Station is provisional pending approval of revised cost of the Project.
- 2) Sales includes ₹ 467.28 Crore (Previous year (-) ₹24.01 Crore) on account of earlier year sales arising out of finalisation of tariff in current year.
- 3) Due to non payment of dues by three of the beneficiaries, power in respect of them was regulated during current year in terms of CERC Regulation No.L-1/42/2010-CERC Dated 28th September 2010 and accordingly sales includes an amount of ₹84.12 Crore (previous year ₹NIL 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 ₹57.38 Crore has been adjusted against the outstanding dues of those beneficiaries.
- 4) Sales includes ₹411.62 crore (previous year ₹ 391.77 crore) towards difference between Return on Equity (ROE) (a component of tariff) grossed up at normal rate of tax for 2011-12 with that as claimed in tariff, ₹88.26 Crore (previous year ₹52.51 Crore) towards reimbursement of Foreign Exchange Rate Variation (FERV), and ₹ 24.70 Crore (previous year ₹(-) 116.39 Crore) mainly towards tax adjustments, the billing of which is yet to be done.
- 5) CERC vide order dated 21.10.2011 has allowed reimbursement of water cess from beneficiary states, which has been levied by the State of Jammu & Kashmir (J&K) on use of water by the power stations in the state of J&K. Accordingly sales on account of reimbursement of water cess amounting to ₹ 691.73 Crore including ₹139.02 crore for previous year, has been recognized, which is yet to be billed for want of amendment to the CERC Regulations, 2009.
- 6) CERC vide order dated 06.02.2012 has allowed recovery of Regional Load Dispatch Centre (RLDC) Fees & Charges from beneficiary states, which are to be paid by power generating companies in terms of CERC (Fees and Charges of RLDC and other related matters) Regulation 2009 dated 18.09.2009. Accordingly sales on account of recovery of RLDC fees & charges amounting to ₹ 33.05 Crore including ₹ 24.54 Crore for previous years has been recognized, which is yet to be billed for want of amendments to the CERC Regulations, 2009.
- 7) Tariff regulation notified by CERC vide notification dated 19.01.2009 inter-alia provides that capital cost considered for fixation of tariff for current tariff period shall be subject to truing up at the end of the tariff period, which may result in increase or decrease in tariff. Accordingly, an amount of ₹ 34.60 Crore (Previous Year ₹ NIL) has been provided in the books by adjusting the sales for the year as an abundant precaution.
- 8) In terms of regulation No. 39 of tariff regulation issued vide Central Electricity Regulatory Commission (CERC) notification No. L-7/145(160)/2000-CERC dated 19.01.2009, deferred tax liabilities for the period upto 31st March 2009 whenever it materializes is recoverable directly from the beneficiaries and the long term customers. Accordingly current year sale includes ₹67.41 Crore (Previous Year ₹41.30 Crore) on account of deferred tax which is materialized.

NOTE NO. 25 : OTHER INCOME

(₹ in Crore)

PARTICULARS	For the year ended on 31st March, 2012	For the year ended on 31st March, 2011
A) Income from Non-Current Investments		
i) Trade		
- Dividend from subsidiaries	20.05	10.83
- Dividend -Others	1.80	1.44
- Interest Government Securities (8.5% tax free bonds issued by the State Governments)	102.09	123.88
ii) Non-Trade		
- Dividend income -Others	0.18	0.13
- Interest- (Self Insurance Fund)	50.49	39.65
B) Other Income		
i) Interest on		
- Loan to State Government in settlement of dues from customers	11.32	13.47
- Loan to Government of Arunachal Pradesh	28.09	25.70
- Deposit Account -Self Insurance Fund - Indian Bank	7.26	9.51
- Deposit Account -Other then self insurance fund - Indian Bank	456.39	377.19
- Employee's Loans and Advances	5.86	4.76
- Others	115.05	103.23
ii) Late payment surcharge	21.67	3.52
iii) Interest from Beneficiary States	264.79	20.40
iv) Net Gain/Loss on Sale of Mutual Fund	0.02	-
v) Profit on sale of assets	8.38	1.54
vi) Liability/ Provisions not required written back #	94.57	79.71
vii) Others	79.96	33.20
viii) Exchange rate variation	9.97	15.39
TOTAL	1,277.94	863.55
Less: Income transferred to EDC (Refer Note no. 33H (b)& 33-I (i))	169.75	149.84
Less: Income transferred to contract, and consultancy expenses (Refer Note no. 31)	6.47	3.21
Less: Income transferred to Advance Deposit from Client/Contractees and against Deposit Works	41.00	30.27
Total carried forward to Statement of Profit & Loss	1,060.72	680.23
Explanatory Note: -		
1) Detail of Liability/Provisions not required written back#		
Bad and doubtful debts	1.79	-
Bad and doubtful advances / deposits	-	0.03
Bad and doubtful claims	1.56	1.80
Diminution in value of stores and spares	4.22	0.10
Shortage in store & spares	-	0.86
Provision for wage revision	41.25	6.86
Provision for Committed Capital Expenditure	2.49	5.00
Provision for losses pending investigation	0.03	0.02
Provision for PRP/ Incentive	3.61	11.53
Provision for LTC	0.90	25.66
Others	38.72	27.85
Total	94.57	79.71

NOTE NO. 26 : GENERATION, ADMINISTRATION AND OTHER EXPENSES

(₹ in Crore)

PARTICULARS	For the year ended on 31st March, 2012	For the year ended on 31st March, 2011
A. GENERATION EXPENSES		
Consumption of stores and spare parts	10.14	3.94
B. REPAIRS & MAINTENANCE		
- Building	26.16	27.17
- Machinery	48.57	38.89
- Others	41.44	31.57
	116.17	97.63
C. ADMINISTRATION EXPENSES		
i) Rent	37.54	32.72
ii) Rates and taxes	2.62	7.25
iii) Insurance	39.77	31.18
iv) Reimbursement from Self insurance fund	-	0.04
v) Security expenses	109.26	98.90
vi) Electricity Charges	32.13	26.83
vii) Travelling and Conveyance	18.97	17.88
viii) Expenses on vehicles	8.97	8.64
ix) Telephone, telex and Postage	10.57	9.00
x) Advertisement and publicity	7.81	7.21
xi) Entertainment and hospitality expenses	0.69	0.47
xii) Donation	7.00	-
xiii) Printing and stationery	4.82	5.37
xiv) Books & Periodicals	0.32	0.45
xv) Consultancy charges - Indigenous	4.21	4.91
xvi) Consultancy charges - Foreign	0.04	0.07
xvii) Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	6.33	22.05
xviii) Expenditure on land not belonging to company	23.91	62.79
xix) Loss on sale of assets	0.78	0.82
xx) Bad debts / advances/ claims written off	-	0.02
xxi) Stores written off	0.09	0.06
xxii) Fixed assets written off	0.29	0.39
xxiii) Interest on Arbitration/ Court Cases	0.35	80.57
xxiv) Rebate to customers	31.12	39.40
xxv) Water Cess & Environment Protection Cess	552.83	139.29
xxvi) Corporate Social Responsibility Expenses	14.39	10.45
xxvii) Other general expenses	64.71	80.60
xxviii) Exchange rate variation	22.45	22.73
xxix) Audit expenses (Refer detail below)	1.46	1.07
xxx) Director expenses	0.12	0.19
xxxi) Research and development expenses	0.05	-
xxxii) Expenses for Regulated Power	4.96	-
Less: -Exp Recoverable on Regulated Power	(4.96)	-
TOTAL	1,129.91	812.92

NOTE NO. 26 : GENERATION, ADMINISTRATION AND OTHER EXPENSES (Contd.) (₹ in Crore)

PARTICULARS	For the year ended on 31st March, 2012	For the year ended on 31st March, 2011
Less: Generation, Administration and Other Expenses transferred to EDC (Refer Note no. 33-B, 33-C & 33-I (ii))	175.63	219.94
Less: Generation, Administration and Other Expenses transferred to contract and consultancy expenses (Refer Note no. 31)	19.82	22.43
Less: Recoverable from Deposit Works	0.06	0.14
Total carried forward to Statement of Profit & Loss	<u>934.40</u>	<u>570.41</u>

Explanatory Note: -

1) Detail of audit expenses are as under: -

i) Statutory Auditors

As Auditor

Audit Fees *	0.40		0.32	
Tax Audit Fees	<u>0.12</u>	0.52	<u>0.10</u>	0.42

In other Capacity

Taxation Matters	-			
Company Law Matters	-			
Management Services	-			
Other Matters/services	<u>0.44</u>	0.44	<u>0.23</u>	0.23

Reimbursement of expenses

	0.43		0.34	
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ii) Cost Auditors

Audit Fees	0.06		0.06	
Reimbursement of expenses	0.01		0.02	
* Include arrears of last year.	<u>1.46</u>		<u>1.07</u>	

2) Sitting fees to independent directors

	0.12		0.19	
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3) Whole-time Directors also allowed the use of company's car for official journeys and for private journeys upto 12000 kms in a Financial year on payment as under:-

	Non-AC Car	AC Car
Upto 16 HP	₹ 325 per month	₹ 520 per month
Above 16 HP	₹ 490 per month	₹ 780 per month

4) 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.



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NOTE NO. 27 : EMPLOYEES BENEFITS EXPENSES

(₹ in Crore)

PARTICULARS	For the year ended on 31st March, 2012	For the year ended on 31st March, 2011
i) Salaries, wages, allowances	1,139.34	1,048.83
ii) Gratuity, Contribution to provident fund & pension scheme (incl. administration fees)	298.57	220.38
iii) Staff welfare expenses	121.64	141.13
iv) Leave Salary & Pension Contribution	0.12	0.40
TOTAL	1,559.67	1,410.74
Less: Employee Cost transferred to EDC (Refer Note no. 33-A & 33-I (iii))	642.02	623.42
Less: Employee Cost transferred to contract and consultancy expenses (Refer Note no. 31)	86.72	86.25
Less: Recoverable from Deposit Works	1.89	1.45
Total carried forward to Statement of Profit & Loss	829.04	699.62
Explanatory Note: -		
1) The detail of Remuneration paid/payable to Directors as included in above payments are as follows: -		(₹ in Crore)
	31.03.2012	31.03.2011
(i) Salaries & Allowances	0.84	1.73
(ii) Contribution to Provident Fund	0.07	0.17
(iii) Rent for Residential Accommodation	0.07	0.21
(iv) Other benefits	0.09	0.36

- 2) The Company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees. These leasing arrangements, which are not non-cancellable, are usually renewable on mutually agreeable terms. Salaries, wages, allowances includes ₹31.41 Crore (Previous year ₹ 28.74 Crore) towards lease payments in respect of premises for residential use of employees

NOTE NO. 28 : FINANCE COST

(₹ in Crore)

PARTICULARS	For the year ended on 31st March, 2012	For the year ended on 31st March, 2011
a) Interest on :		
Bonds	217.23	215.12
Foreign currency loan	59.61	60.61
Term loan	788.90	726.51
Interest to beneficiary states	4.15	-
sub total	1,069.89	1,002.24
b) Other Borrowing Cost		
Bond issue/ service expenses	0.93	0.45
Commitment fee	0.06	0.06
Guarantee fee on foreign loan	32.22	32.35
Other finance charges	3.82	3.17
sub total	37.03	36.03
c) Applicable net gain/ loss on Foreign currency transactions and translation		
Exchange differences regarded as adjustment to interest cost	277.47	240.68
Less: Interest adjustment on account of Foreign Exchange Rate Variation	(277.47)	(240.68)
sub total	-	-
TOTAL	1,106.92	1,038.27
Less: Finance Cost transferred to EDC (Refer Note no. 33-D & 33-I (v))	764.67	671.24
Less: Finance Cost transferred to contract and consultancy expenses (Refer Note no.31)	0.01	0.43
Less: Recoverable from Deposit Works	-	-
Total carried forward to Statement of Profit & Loss	342.24	366.60

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NOTE NO. 29 : DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in Crore)

PARTICULARS	For the year ended on 31st March, 2012	For the year ended on 31st March, 2011
i) Depreciation for the year	966.98	976.31
ii) Depreciation adjustment on account of Foreign Exchange Rate Variation	(23.53)	(15.66)
TOTAL	943.45	960.65
Less: Depreciation & Amortisation Expenses transferred to EDC (Refer Note no. 33-F & 33-I (v))	49.59	42.08
Less: Depreciation & Amortisation Expenses transferred to contract and consultancy expenses (Refer Note no. 31)	1.12	1.81
Less: Recoverable from Deposit Works	-	0.02
Total carried forward to Statement of Profit & Loss	892.74	916.74

NOTE NO. 30 : PROVISIONS

(₹ in Crore)

PARTICULARS	For the year ended on 31st March, 2012	For the year ended on 31st March, 2011
i) Bad and doubtful debts provided	0.40	-
ii) Bad and doubtful advances / deposits provided	-	0.02
iii) Bad and doubtful claims provided	147.27	45.96
iv) Diminution in value of stores and spares	1.20	17.09
v) Provision against diminution in the value of investment	0.77	-
vi) Project expenses provided for	81.89	6.10
vii) Provision for fixed assets/ stores provided for	3.03	1.83
TOTAL	234.56	71.00
Less: Provisions transferred to EDC (Refer Note no. 33-E & 33-I (iv))	141.16	36.53
Less: Provisions transferred to contract and consultancy expenses (Refer Note no.31)	2.72	0.01
Less: Recoverable from Deposit Works	-	-
Total carried forward to Statement of Profit & Loss	90.68	34.46

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

(₹ in Crore)

PARTICULARS	For the year ended on 31st March, 2012	For the year ended on 31st March, 2011
A. DIRECT EXPENSES	15.92	15.30
EMPLOYEES BENEFITS EXPENSES		
- Salaries, Wages, Allowances and benefits	61.07	60.93
- Gratuity, Contribution to provident fund & pension scheme	9.46	8.07
- Staff welfare Expenses	4.55	5.24
B. REPAIRS & MAINTENANCE	75.08	74.24
- Buildings	0.49	0.30
- Machinery	1.44	2.30
- Others	0.82	0.51
C. ADMINISTRATION & OTHER EXPENSES	2.75	3.11
- Rent	6.53	5.89
- Travelling and Conveyance	3.61	2.95
- Expenses on vehicles	0.18	0.17
- Insurance	0.05	0.15
- Telephone, telex, and postage	0.84	0.64
- Advertisement and publicity	0.13	0.19
- Printing and Stationery	0.39	0.44
- Other Expenses	3.73	6.91
- Rates and taxes	0.01	-
- Security	0.12	0.14
- Electricity	0.24	0.24
- Consultancy charges	0.23	0.31
D. Depreciation & Amortisation Expenses	16.06	18.03
E. Finance Cost	0.82	0.96
F. Provisions	0.01	0.43
G. Corporate Office/ Regional Office Expenses:	2.72	-
Other Income	(0.55)	(0.57)
Generation, Administration and Other Expenses	1.01	1.29
Employees Benefits Expenses	11.64	12.01
Depreciation & Amortisation Expenses	0.30	0.85
Finance Cost	-	-
Provisions	-	0.01
Prior Period Adjustment (Net)	0.12	0.01
TOTAL EXPENDITURE	125.88	125.67
H. Less: Receipts and recoveries	5.92	2.64
Net expenditure during the year	119.96	123.03
I. Prior period Adjustments	0.01	0.22
Total carried forward to Statement of Profit & Loss	119.97	123.25

NOTE NO. 32 : PRIOR PERIOD EXPENSES

(₹ in Crore)

PARTICULARS	For the year ended on 31st March, 2012	For the year ended on 31st March, 2011
INCOME		
i) Sale of Electricity	-	592.44
ii) Add: Advance Against Depreciation written back	-	(16.08)
iii) Interest/Surcharge received from debtors	(0.03)	1.45
iv) Others	(29.81)	
SUB TOTAL	(29.84)	554.99
EXPENDITURE		
i) Salaries & Wages	49.34	0.01
ii) Repair & Maintenance	(0.10)	0.50
iii) Finance Cost	-	-
iv) Depreciation	1.08	(82.55)
v) Others	0.63	(1.95)
SUB TOTAL	50.95	(83.99)
TOTAL	80.79	(638.98)
Less: Prior Period Expenses transferred to EDC (Refer Note no. 33-G)		
Prior period expenses	19.81	(1.45)
Less Prior period income	(2.69)	(18.62)
Total	58.29	(656.15)
Less: Prior Period Expenses transferred to contract and consultancy expenses (Refer Note no. 31)	0.13	0.23
Total carried forward to Statement of Profit & Loss	58.16	(656.38)

NOTE NO. 33 : EXPENDITURE DURING CONSTRUCTION FOR THE YEAR

(₹ in Crore)

PARTICULARS	For the year ended on 31st March, 2012	For the year ended on 31st March, 2011
A. EMPLOYEES BENEFITS EXPENSES		
i) Salaries, wages, allowances	309.83	297.91
ii) Gratuity and contribution to provident fund (including administration fees)	76.33	59.73
iii) Staff welfare expenses	31.27	39.03
iv) Leave Salary & Pension Contribution	0.12	0.39
Sub-total	417.55	397.06
B. REPAIRS & MAINTENANCE		
i) Building	6.12	5.48
ii) Machinery	0.98	1.66
iii) Others	15.96	8.92
Sub-total	23.06	16.06
C. ADMINISTRATION & OTHER EXPENSES		
i) Rent	17.72	15.14
ii) Rates and taxes	0.64	2.05
iii) Insurance	0.36	0.31
iv) Security expenses	28.62	25.60
v) Electricity Charges	5.78	3.93
vi) Travelling and Conveyance	4.04	4.23
vii) Expenses on vehicles	3.32	3.54
viii) Telephone, telex and Postage	3.45	2.92
ix) Advertisement and publicity	0.57	0.70
x) Entertainment and hospitality expenses	-	-
xi) Printing and stationery	0.99	1.02
xii) Remuneration to Auditors	0.03	0.01
Design and Consultancy charges:		
xiii) - Indigenous	1.10	1.08
xiv) - Foreign	-	-
xv) Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	5.98	21.86

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NOTE NO. 33 : EXPENDITURE DURING CONSTRUCTION FOR THE YEAR (Contd.) (₹ in Crore)

PARTICULARS	For the year ended on 31st March, 2012	For the year ended on 31st March, 2011
xvi) Expenditure on land not belonging to company	22.17	61.58
xvii) Land acquisition and rehabilitation	-	-
xviii) Loss on assets/ materials written off	-	0.01
xix) Losses on sale of assets	0.06	0.02
xx) Exchange rate variation (Debit)	17.53	20.86
xxi) Other general expenses	14.05	12.00
Sub-total	126.41	176.86
D. FINANCE COST		
i) Interest on :		
a) Government of India loan	-	-
b) Bonds	186.39	180.00
c) Foreign currency loan	-	-
d) Term loan	574.24	488.48
ii) Bond issue/ service expenses	0.77	0.25
iii) Other finance charges	3.23	2.45
Sub-total	764.63	671.18
E. PROVISIONS	141.16	36.39
Sub-total	141.16	36.39
F. DEPRECIATION AND AMORTISATION EXPENSES	42.98	27.54
Sub-total	42.98	27.54
G. PRIOR PERIOD EXPENSES		
Prior Period Expenses	10.40	(1.64)
Less: Prior Period Income	(2.69)	(18.62)
Sub-total	13.09	16.98
H. LESS: RECEIPTS AND RECOVERIES		
a) Income from generation of electricity – precommissioning	-	0.59
b) Others		
i) Interest on loans and advances	110.77	90.72
ii) Miscellaneous receipts	7.87	6.46
iii) Profit on sale of assets	-	-
iv) Exchange rate variation (Credit)	8.00	15.03
v) Provision/Liability not required written back	26.53	24.69
vi) Hire charges/ outturn on plant and machinery	1.76	1.60
Sub-total	154.93	138.50
I. Corporate Office/Regional Office Expenses:		
i) Other Income	(14.82)	(11.34)
ii) Generation, Administration and Other Expenses	26.16	27.02
iii) Employees Benefits Expenses	224.47	226.36
iv) Depreciation & Amortisation Expenses	6.61	14.54
v) Finance Cost	0.04	0.06
vi) Provisions	-	0.14
vii) Prior Period Adjustment (Net)	9.41	0.19
Sub-total	251.87	256.97
GRAND TOTAL (A+B+C+D+E+F+G+I-H)	1,625.82	1,459.95

NOTE NO. 34 : TAX EXPENSES

(₹ in Crore)

	For the year ended on 31st March, 2012	For the year ended on 31st March, 2011
i) CURRENT TAX		
Income Tax Provision	694.19	557.51
	694.19	557.51
ii) Adjustment Relating To Earlier Years	8.37	8.06
iii) Deferred Tax Asset	(2.83)	(59.25)
Less: Recoverable	(45.54)	(204.42)
	42.71	145.17
	745.27	710.74

NOTE NO. - 35 - OTHER EXPLANATORY NOTES TO ACCOUNTS

1. a) Contingent Liabilities as on: -

(₹ in Crore)

Description	Opening Balance 01/04/2011	Closing Balance 31/03/2012
Claims against the Company not acknowledged as debts in respect of		
- Capital Works	5112.64	7615.68
- Land Compensation Cases	71.97	28.18
- Others		
- Disputed Income Tax Demand	10.99	10.57
- Disputed Sales Tax Demand	2244.45	264.01
- Disputed Service Tax Demand	27.02	29.22
- Others	122.42	116.29
Total	7589.49	8063.95

- b) The above contingent liabilities do not include contingent liabilities on account of pending cases in respect of service matters & others where the amount cannot be quantified.
- c) Contingent liabilities towards capital work includes claims of contractors regarding rate & quantity deviation, cost relating to extension of time and idling charges due to stoppage of work / delays in handing over the site etc. These claims are being contested by the company as being not admissible in terms of the provisions of the respective contracts or are lying at Arbitration Tribunal.
- d) The Contingent Liability under the head "Capital Works" includes ₹347.85 Crore (previous year ₹240.90 Crore), towards arbitration awards received against the company as outflow is not considered probable in respect of these awards as the same stands challenged in the court of law.
- e) It is not practicable to disclose the uncertainties relating to any outflow.
- f) There is a possibility of reimbursement to Corporation, of ₹45.17 Crore (Previous year ₹42.39 Crore) towards above contingent liabilities.
- g) An amount of ₹9.92 Crore (Previous year ₹24.86 Crore) stands paid towards above contingent liability and is being shown as Current Assets.
2. Estimated amount of contracts remaining to be executed on capital account and not provided for ₹5335.27 Crore (Previous year ₹6286.47 crore)
3. Pending approval of the competent authority, provisional payments / provision made towards executed quantities of some of the items beyond the approved quantities as also for extra items totalling to ₹241.16 Crore (Previous year ₹. 257.33 Crore), are included in Capital Work-in-Progress/Fixed Asset.
4. a) Balances shown under Material issued to contractors, claims recoverable including insurance claims, advance for Capital Expenditure, Sundry Debtors, Advances to Contractors, Sundry Creditors and Deposits/Earnest money from contractors are subject to reconciliation/ confirmation and respective consequential adjustments. Claims recoverable also include claims in respect of projects handed over or decided to be handed over to other agencies in terms of Government of India directives.
- b) In the opinion of the management, the value of current assets, loans and advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
5. During F.Y. 2010-11 Company had received an opinion from the Expert Advisory Committee of the Institute of Chartered Accountants of India (EAC of ICAI) and as per opinion of EAC, expenditure incurred for creation of assets not within the control of company should be charged to profit & loss account in the year of incurrence itself, consequent upon withdrawal of Guidance Note on Expenditure During Construction. The Company has represented to the EAC of ICAI that such expenditure, being essential for setting up of a hydro project, should be allowed to be capitalised. Company is further of the view that capitalization of such expenditure is supported by Exposure Draft on Limited Revision to AS-10 and Guidance Note on Rate Regulated Entity issued by ICAI. Pending receipt of further opinion from the EAC, revision in AS-10 and implementation of guidance note on rate regulated entity, the accounting treatment as per existing accounting practices / policies has been continued. In view of above ₹25.54 Crore (WDV) and ₹106.66 Crore is appearing under the Tangible Asset (Note No.13.1) and capital work in progress (Note No. 14.1) towards creation/construction of such assets.

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

(₹ in Crore)

		For the year ended 31.03.2012	For the year ended 31.03.2011
(i)	Amount charged to Profit and Loss Account excluding depreciation (as FERV)	2.95	1.51
(ii)	Amount charged to Profit and Loss Account excluding depreciation (as Borrowing Cost)	277.47	240.68
(iii)	Amount charged to Expenditure During Construction (as FERV)	9.53	5.92
(iv)	Amount charged to Capital work-in-progress (as FERV)	(0.14)	(1.18)
(v)	Amount adjusted by addition to the carrying amount of fixed assets	105.87	31.41

7. During the year ended 31.03.2012, following Significant Accounting Policies have been reworded/modified to have a better disclosure without any financial impact:

Accounting Policy	Changes
Accounting Policy No. 5.1 on depreciation	Slight modification has been carried out in the existing policy to disclose the fact of practice of charging depreciation on addition / deductions of Fixed Assets to / from Gross Block.
Accounting Policy No. 5.2.3 on depreciation on construction Plant & Machinery & Computer & Peripherals	Some grammatical error has been corrected.
Accounting Policy No. 5.2.4 on Depreciation on temporary erections.	Policy has been reworded to have better disclosure.
Accounting Policy No. 5.5 on amortisation of software	Policy has been reworded to have better disclosure.
Earlier Accounting Policy No. 5.6 on amortisation of leasehold land has been segregated in two parts to align with the CERC rate & methodology	It has resulted in impact of ₹(0.71) Crore on Profit before tax for the year 2011-12.

In addition to above ornamental changes, earlier Significant Accounting Policy No. 2.6 on Grant-in-aids and 7.4 on valuation of stores at site on engineering estimate basis, being redundant, has been deleted during the current year, having no financial impact.

8. The company has reviewed its methodology of allocation of Corporate Office, Regional Office and administration & general overhead expenses of construction projects and changes have been carried out during the current year. This has resulted in additional charge of ₹ 29.97 Crore in the current year.
9. The status of Self Insurance Fund Investment as at 31.03.2012 is as under:-

Note of Balance Sheet	Description of Investment / Deposit	Amount (₹ in Crore)
Note No. 15	(i) Central Government Securities (ii) Public Sector Bonds	250.59 381.39
Note No. 21	(i) Deposit Account-Long term (ii) Deposit Account- Short term	33.00 10.28
Note No. 22	Advance Tax (TDS)	1.68
Note No. 23	Interest Accrued (net of taxes)	16.04
Note No. 12	Provision for income tax	(2.08)
Total		690.90

The total income of Self Insurance Fund for the year ended 31.03.2012 is ₹32.48 Crore (net of taxes), which has been credited to Self Insurance Fund through Profit & Loss Appropriation Account.

10. Disclosure as required by Accounting Standard (AS) 15:

General description of various defined employee benefit schemes are as under:

A. Provident Fund

Company pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the period is recognised as expense and is charged to the profit & loss account/expenditure during construction. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by GOI.

B. Gratuity

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹0.10 Crore, on superannuation, resignation, termination, disablement or on death. The liability for the same is recognised on the basis of actuarial valuation.

C. Retired Employee Health Scheme

The Company has a Retired Employee Health Scheme, under which retired employee and spouse of retiree, spouse and 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.

D. Allowance on Retirement / Death

Actual cost of shifting from place of duty at which employee is posted at the time of retirement to any other place where he / she may like to settle after retirement is paid as per the rules of the corporation. In case of death, family of deceased employee can also avail this facility.

E. Leave

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

F. Social Security Scheme

NHPC has a Social Security Scheme in lieu of compensate appointment subject to the condition that the scheme will be withdrawn on introduction of pension scheme. Corporation makes a matching contribution per month per employee and such contribution is to be made for 8 years to build up corpus. The scheme is in operation since 01.06.2007. The scheme has been created to take care of and helping bereaved families in event of death of its employee or permanent total disability.

G. Memento to employees retired on attaining the age of superannuation and settlement allowance to such employees.

NHPC has a policy of providing Memento valuing ₹5000/- to employee retiring on superannuation.

The above mentioned schemes (B, C, D, E & G) are unfunded and are recognised on the basis of actuarial valuation. Schemes A and F are Defined contribution benefits.

Summary of various defined benefits as on 31.03.2012 is as under:-

Table 1:-Key Actuarial assumption for Actuarial Valuation as at:

Particular	31.03.2012	31.03.2011
Mortality Table	LIC (1994-96)	LIC (1994-96) duly modified
Discount rate	8.50%	8.0%
Future Salary Increase	6.0%	5.5%

Table 2:-Change in Present Value of Obligations (PVO)

(₹ in Crore)

Particular	Gratuity	Leave Encashment	Retired Employee Health Scheme
PVO at Beginning of year	512.76 {407.32}	303.22 {220.67}	256.16 {169.49}
Interest cost	43.59 {32.59}	25.77 {17.65}	21.77 {13.55}
Current service cost	22.88 {20.92}	18.02 {14.27}	6.85 {6.65}
Benefit paid	(73.93) {(27.87)}	(39.04) {(28.22)}	(8.61) {(8.26)}
Actuarial (Gain)/loss	63.10 {79.80}	75.85 {78.84}	49.11 {74.73}
PVO at end of year	568.40 {512.76}	383.82 {303.21}	325.28 {256.16}

Table 3:-Amount recognised in Balance Sheet

(₹ in Crore)

Particular	Gratuity	Leave Encashment	Retired Employee Health Scheme
PVO at end of year	568.40 {512.76}	303.22 {303.21}	325.28 {256.16}
Fair Value of Plan Assets at the end of year	- {-}	- {-}	- {-}
Funded Status	(568.40) {(512.76)}	(303.22) {(303.21)}	(325.28) {(256.16)}
Unrecognized actuarial gain/loss	- {-}	- {-}	- {-}
Net Liability recognised in Balance Sheet	568.40 {512.76}	303.22 {303.21}	325.28 {256.16}

Table 4:-Amount recognised in Profit & Loss Account/EDC Account

(₹ in Crore)

Particular	Gratuity	Leave Encashment	Retired Employee Health Scheme
Current Service Cost	22.88 {20.92}	18.02 {14.27}	6.85 {6.65}
Interest Cost	43.59 {32.59}	25.77 {17.65}	21.77 {13.55}
Expected return on Plan Assets	- {-}	- {-}	- {-}
Net Actuarial (gain) / loss recognized for the year	63.10 {79.80}	75.85 {78.84}	49.11 {74.73}
Expense recognized in Profit & Loss/EDC for the year	129.57 {133.31}	119.64 {110.76}	77.73 {94.93}

Note: { } contains previous year's figures.

Liabilities as on 31.03.2012 on account of Baggage Allowance on retirement & Memento are ₹ 0.28 Crore & ₹ 0.01 Crore (Previous year ₹0.32 Crore & ₹ NIL) respectively.

11. a) Electricity generation is the principal business activity of the Corporation. Other operations viz., Contracts, Project Management and Consultancy works do not form a reportable segment as per the Accounting Standard - 17 on Segment Reporting notified by The Companies Accounting Standard Rules, 2006.
- b) The Corporation has power stations located within the country and therefore, geographical segments are inapplicable.

12. In compliance of Accounting Standard – 18 on related party disclosures notified by The Companies Accounting Standard Rules, 2006, the required information is given as under: -

a) Related Parties

(i) Joint Venture Companies

National Power Exchange Ltd.

(ii) Key Management Personnel

Shri A. B. L.Srivastava	Director (Finance) with additional Charge of CMD w.e.f. 01.01.2011.
Shri D. P. Bhargava	Director (Technical)
Shri J. K. Sharma	Director (Projects)
Shri R. S. Mina	Director (Personnel)

Remuneration to key management personnel is ₹1.08 Crore (Previous Year ₹2.47 Crore) and amount of dues outstanding to the Company as on 31.03.2012 is ₹0.03 Crore (Previous year ₹0.04 Crore).

b) Transaction carried out with the related parties at a(i) above - Nil.

13. Earning Per Share:-

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

	For year ended 31.03.2012	For year ended 31.03.2011
Net Profit after Tax used as numerator (₹ in Crore)	2771.77	2166.67
Weighted Average number of equity shares used as denominator		
– Basic	12300742773	12300742773
– Diluted	12300742773	12300742773
Earning Per Share (₹)		
– Basic	2.25	1.76
– Diluted	2.25	1.76
Face value per share (₹)	10	10

14. (a) Interest in Joint Venture:

Name of Companies	Proportion of Ownership interest as at	
	31.03.2012	31.03.2011
Chenab Valley Power Projects Private Ltd.	49%	-
National High Power Test Laboratory (P) Ltd.	25%	25%
National Power Exchange Ltd.	16.67%	16.67%

The above joint venture entities are incorporated in India. The Company's share of the assets and liabilities as on 31st March 2012 and income and expenses for the financial year ended 31.03.2012 in respect of joint venture entities are based on audited accounts which are given below:

(₹ in Crore)

		As at 31.03.2012	As at 31.03.2011
A	Assets	29.37	3.88
B	Liabilities	11.98	0.18
C	Contingent Liabilities	0.01	0.01
D	Capital Commitments	7.48	8.03
		For the Year 2011-12	For the year 2010-11
E	Income	0.30	0.08
F	Expenditure	0.47	0.34

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- (b) Board has approved the proposal for matching equity contribution by Company upto ₹ 100 Crore in Joint Venture Company, M/s Chenab Valley Power Projects Private Limited.

15. The Management is of the opinion that no case of impairment of assets exists under the provision of Accounting Standard (AS) – 28 on Impairment of Assets as at 31st March 2012.

(₹ in Crore)

		For year ended 31.03.12	For year ended 31.03.11
16.			
a)*	Value of imports calculated on CIF basis:		
	i) Capital Goods	53.65	99.39
	ii) Spare parts	0.21	1.90
b)*	Expenditure in Foreign Currency		
	i) Know - How	4.84	11.18
	ii) Interest	58.49	59.53
	iii) Other Misc. Matters	47.37	119.79
c)*	Value of spare parts and Components consumed in operating units.		
	i) Imported	0.18(1.78%)	1.05(26.65%)
	ii) Indigenous	9.96(98.22%)	2.89(73.35%)
d)*	Earnings in foreign currency		
	i) Interest	-	-
	ii) Others	-	-

* Accrual basis.

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

(₹ in Crore)

(i)	Principal amount remaining unpaid to Micro, small & medium enterprise.	NIL
(ii)	Interest accrued on principal amount remaining unpaid as (i) above	NIL
(iii)	Amount of Interest paid during the year along with the payment of principal amount made beyond 15 days or agreed time from the date of delivery/rendering of services.	NIL
(iv)	Interest due but yet to be paid on principal paid during the year	NIL
(v)	Amount of further interest remaining due and payable even in the succeeding period, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure.	NIL

18. Financial Statements for the year have been prepared following the provisions of Schedule VI of the Companies Act, 1956 as revised by Government of India vide notification no. S. O. 447 (E) dated 28.02.2011 read with notification no. F. No. 2/6/2008-CL-V dated 30.03.2011. As such, Corresponding figures for year / Opening balances have been regrouped/re-arranged/re-cast wherever necessary to comply with requirements Revised Schedule VI.

For and on behalf of the Board of Directors

Place: NEW DELHI Dated: 25.05.2012	VIJAY GUPTA Company Secretary	D. P. BHARGAVA Director (Technical) DIN 01277269	A.B.L. SRIVASTAVA Chairman & Managing Director DIN 01601682
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NHPC Limited

(A Government of India Enterprise)

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ in crore)

	31ST MARCH, 2012	31ST MARCH, 2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	3,517.04	2,878.43
ADD :		
Depreciation (including Prior Period)	918.22	817.89
Interest Paid	342.23	374.53
Fixed Assets written off	0.29	0.06
Stores written off	0.09	0.38
Provisions	93.41	34.83
Bad debts/ Claims written off	-	0.02
Loss on Sale of Assets	0.78	0.80
Exchange rate variation	264.42	242.19
	1,619.44	1,470.70
LESS :		
Advance against Depreciation written back (incl. Prior Period)	47.16	30.88
Tariff Adjustment	34.60	-
Profit on sale of assets / project	77.24	28.17
Excess Provisions & Liabilities written back	68.04	55.02
Deferred ERV	212.73	203.83
Dividend Income	22.03	12.40
Interest Income	627.55	563.70
	530.09	576.70
Cash flow from operating activities before working capital adjustments	4,047.13	3,455.13
Working Capital Changes		
(Increase)/Decrease in Inventories	(11.38)	4.39
(Increase)/Decrease in Trade Receivables	(1693.30)	56.60
(Increase)/Decrease in Other Assets, Loans & Advances	680.50	(1190.38)
Increase/(Decrease) in Trade & Other Payables	(200.65)	1,205.24
Cash flow from operating activities before taxes	2,822.30	3,530.98
Less : Taxes	737.82	518.72
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	2,084.48	3,012.26
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets & expenditure on construction projects (including expenditure during construction)	(2788.17)	(3426.17)
Loss / (Profit) on Sale/Transfer of Assets	-	27.37
Decrease/(Increase) in Investment	162.90	1,480.49
Interest Income	627.55	563.70
Dividend Received	22.03	12.40
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(1975.69)	(1342.21)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend & Dividend Tax Paid	(854.53)	(788.90)
Proceeds on Borrowings	3,418.44	1,591.00
Repayments of Borrowings	(909.89)	(1162.04)
Interest & Financial Charges	(1108.92)	(1057.41)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	545.10	(1417.35)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	653.89	252.70
Cash & Cash Equivalents at the beginning of the year	5,350.08	5,097.38
Cash & Cash Equivalents at the close of the year	6,003.97	5,350.08

EXPLANATORY NOTES TO CASH FLOW STATEMENT

- Cash and Cash equivalents consist of Cash in hand, cheques/drafts in hands and Bank Balances including Short Term Deposits of varying periods except Deposits in the nature of Investment. Further, Cash & Cash equivalents include an amount of ₹ NIL (Previous year ₹57.39 Crore) towards margin money kept with banks for opening Letter of Credit or similar facility, which is not available for use as on 31.03.2012.
- Investment in Fixed Assets & Construction Work-in-Progress excludes interest & finance charges Capitalised to the tune of ₹ 764.63 Crore.
- Amount of undrawn loan as on 31.03.2012 : ₹300 Crore.
- Cash & cash equivalents include ₹466.87 Crore (Previous Year ₹486.44 Crore), held for Rural Electrification works being executed by Corporation on behalf of other agencies and are not freely available for the business of the Corporation.
- Figures for the previous year have been re-grouped/re-arranged/re-cast wherever necessary.
- Out of Proceeds from Initial Public Offering (IPO) of ₹6038.55 Crore including premium, raised during 2009-10, the Company retained ₹4025.70 Crore as its share proceeds including share premium of ₹2907.45 Crore and sale proceeds of the equity of Government of India amounting to ₹2012.85 Crore was paid to the Ministry of Power, Government of India. Out of the proceeds, a sum of ₹2214.99 Crore has been utilised up to 31.03.2012 for re-coupmnt of capital expenditure already incurred from internal accruals on the projects specified for utilisation, ₹1772 Crore has been invested in bank deposits as per extant investment policy of the company and ₹ 38.71 Crore recouped for meeting IPO expenditure.

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

D. P. BHARGAVA
Director (Technical)
DIN 01277269

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

As per report of even date

For S.N. Nanda & Co.
(Chartered Accountants)
FRN No. 000685N
(CA Gaurav Nanda)
Partner
M. No. 500417

For Singhi & Co.
(Chartered Accountants)
FRN No. 302049E
(CA B. K. Sipani)
Partner
M. No. 088926

For Baweja & Kaul
(Chartered Accountants)
FRN No. 005834N
(CA Sakshi Kaul Dhar)
Partner
M. No. 514325

For Tiwari & Associates
(Chartered Accountants)
FRN No. 002870N
(CA Sandeep Sandill)
Partner
M. No. 085747

Place: - New Delhi
Date: - 25/05/2012

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

1. Name and address of the Company	NHDC Limited, NHDC Parisar, Near Hotel Lake View Ashoka, Shyamla Hills, Bhopal (M.P.).	Loktak Downstream Hydroelectric Corporation Limited,
2. Financial Year of the Subsidiary Company ended on	31 st March 2012.	31 st March 2012.
3. Share of the Subsidiary Company held by NHPC and its nominees on the above date	<p>(a) Number of Shares and Face Value (a) 1,00,24,200 Equity Shares of ₹1000/- each fully paid (a) 7,28,61,540 Equity Shares of ₹10/- each fully paid.</p> <p>(b) Extent of Holding (b) Out of 1,96,25,800 shares issued, 1,00,24,200 shares are held by NHPC Limited. (b) Out of 9,84,61,540 shares issued, 7,28,61,540 share are held by NHPC Limited.</p>	
4. Net aggregate amount of profits/(losses) of the Subsidiary Company so far as it concerns the members of NHPC Limited and is not dealt within the accounts of NHPC Limited	<p>(i) For Subsidiary Company Financial Year ended 31st March 2012 (a) 51% of ₹578.47 Crore being the profit carried to Balance Sheet i. e. ₹295.02 Crore. (a) 74% of ₹4.05 Crore being the profit carried to Balance Sheet i. e. ₹ 3.00 Crore.</p> <p>(b) Dividend of ₹30.03 Crore being 51% share of the recommended dividend amount of ₹58.88 Crore. (b) NIL</p> <p>(ii) For previous Financial years of the Subsidiary company since it became Subsidiary 51% of ₹1329.98 Crore being the profit carried to Balance Sheet i.e. ₹678.29 Crore. 74% of ₹1.54 Crore being the profit carried to Balance Sheet i.e. ₹1.14 Crore.</p>	
5. Net aggregate amount of profits/(losses) of the Subsidiary Company so far as it concerns the members of NHPC Limited and is dealt within the accounts of NHPC Limited	<p>(i) For Subsidiary Company financial year ended 31st March 2012. NIL NIL</p> <p>(ii) For previous Financial years of the Subsidiary company since it became Subsidiary Dividend of ₹154.96 Crore being 51% share of the dividend amount of ₹303.85 crore. NIL</p>	
6. Change in the interest of NHPC Limited in the Subsidiary company between the end of the financial year of the Subsidiary Company and that of NHPC Limited.	NIL	NIL
7. Material changes between the end of the financial year of the Subsidiary Company and end of the financial year of NHPC Limited in respect of Subsidiary Company's fixed assets, investments, lending and borrowing for the purpose other than meeting their current liabilities.	NIL	NIL

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

D. P. BHARGAVA
Director (Technical)
DIN 01277269

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

Annexure – VI**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF NHPC LIMITED, FARIDABAD, FOR THE YEAR ENDED 31 MARCH 2012**

The preparation of financial statements of NHPC Limited, Faridabad, for the year ended 31 March 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 25 May 2012.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of NHPC Limited, Faridabad, for the year ended 31 March 2012. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act, 1956.

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



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

**Place : New Delhi
Dated : 29 June 2012**

Annexure – VII

AUDITORS' REPORT TO THE BOARD ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP (NHPC LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES)

- We have audited the attached Consolidated Balance Sheet of NHPC LIMITED (The Company), its Subsidiaries Companies and its Joint Ventures as at March 31, 2012 and also the Consolidated Profit & Loss account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management and have been prepared by the management on the basis of separate financial statement and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
- We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- We did not audit the financial statements of the following Subsidiaries and Joint Ventures of the Company which have been audited by other auditors, whose reports have been furnished to us and our opinion, insofar as it relates to the amounts included in respect of the Subsidiaries and Joint Ventures, is based solely on the reports of the other auditors. The details of the assets, revenues and net cash flows in respect of these Subsidiaries and Joint Ventures to the extent to which they are reflected in the consolidated financial statements are given below:

(₹ in Crore)

Name	Total Assets	Total Revenue	Net Cash Flows
Subsidiaries			
NHDC Ltd.	8241.09	1450.51	376.74
Loktak Downstream Hydroelectric Power Corporation Ltd.	121.56	6.07	(0.81)
Joint Ventures			
National High Power Test Laboratory (P) Ltd.	54.60	0.00	17.12
National Power Exchange Ltd.	8.63	0.69	(1.82)
Chenab Valley Power Projects (P) Ltd.	29.14	1.39	20.89

- We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21, 'Consolidated Financial Statements' and Accounting Standard (AS) 27, 'Financial Reporting of Interests in Joint Ventures' notified by the Institute of Chartered Accountants of India.
- We report that on the basis of our audit, the information and explanations given to us, and on the consideration of the separate audit reports on individual financial statements of NHPC group, we are of the opinion that the said consolidated financial statements read with the Notes and the Significant Accounting Policies give a true and fair view in conformity with the accounting principles generally accepted in India:
 - In the case of the Consolidated Balance Sheet, of the state of affairs of the group as at 31st March, 2012;
 - In the case of the Consolidated Profit and Loss account, of the Profit of the group for the year ended on that date;
 - In the case of the Consolidated Cash Flow Statement, of the cash flows of the group for the year ended on that date.

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

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

For **Baweja & Kaul**
(Chartered Accountants)
FRN No. 005834N

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

(**CA Gaurav Nanda**)
Partner
M. No. 500417

(**CA B. K. Sipani**)
Partner
M. No. 088926

(**CA Sakshi Kaul Dhar**)
Partner
M. No. 514325

(**CA Sandeep Sandill**)
Partner
M. No. 085747

Place: New Delhi
Dated: 25.05.2012



NHPC Limited

(A Government of India Enterprise)

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2012

(₹ in Crore)

PARTICULARS	Note No.	As at 31st March, 2012	As at 31st March, 2011
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	2	12,300.74	12,300.74
(b) Reserves and Surplus	3	16,343.04	14,226.31
(2) MINORITY INTEREST		2,034.86	1,735.74
(3) SHARE APPLICATION MONEY PENDING ALLOTMENT	4	-	-
(4) NON-CURRENT LIABILITIES			
(a) Long Term Borrowings	5	17,912.62	15,623.62
(b) Deferred Tax Liabilities	6	350.36	277.36
(c) Other Long Term Liabilities	7	2,072.98	2,038.46
(d) Long Term Provisions	8	1,200.50	1,066.13
(5) CURRENT LIABILITIES			
(a) Short Term Borrowings	9	180.00	-
(b) Trade Payables	10	227.52	250.53
(c) Other Current Liabilities	11	3,141.05	2,781.72
(d) Short Term Provisions	12	4,524.99	3,872.59
TOTAL		60,288.66	54,173.20
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible Assets	13.1	18,750.07	20,130.23
(ii) Intangible Assets	13.2	3,432.55	2,600.41
(iii) Capital Work In Progress	14.1	19,398.67	16,008.37
(iv) Intangible Assets under development	14.2		
(b) Non Current Investments	15	1,405.11	1,579.86
(c) Long-term loans and advances	16	1,461.68	1,637.53
(d) Other non-current assets	17	1,381.07	879.77
(2) CURRENT ASSETS			
(a) Current Investments	18	250.74	253.59
(b) Inventories	19	49.60	39.21
(c) Trade Receivables	20	2,247.09	570.17
(d) Cash & Bank Balances	21	7,795.32	6,751.29
(e) Short-term Loans and Advances	22	2,157.35	1,511.05
(f) Other Current Assets	23	1,959.41	2,211.72
TOTAL		60,288.66	54,173.20
Significant Accounting Policies	1		
Other Explanatory Notes to Accounts	35		
Note 1 to 35 form integral part of the Accounts			

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

D. P. BHARGAVA
Director (Technical)
DIN 01277269

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

As per report of even date

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

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

For Baweja & Kaul
(Chartered Accountants)
FRN No. 005834N

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

(CA Gaurav Nanda)
Partner
M. No. 500417

(CA B. K. Sipani)
Partner
M. No. 088926

(CA Sakshi Kaul Dhar)
Partner
M. No. 514325

(CA Sandeep Sandill)
Partner
M. No. 085747

Place: - New Delhi
Date: - 25/05/2012

Annual Report 2011-12

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

(₹ in Crore)

	Note No.	For the year ended 31st March, 2012	For the year ended 31st March, 2011
INCOME			
i) Revenue from Operations	24	6,920.33	5,143.65
ii) Other Income	25	1,231.92	780.46
TOTAL REVENUE		8,152.25	5,924.11
EXPENDITURE			
i) Generation, Administration and Other Expenses	26	1,009.57	641.15
ii) Employees' Benefits Expenses	27	888.46	769.65
iii) Finance Cost	28	573.91	615.94
iv) Depreciation & Amortization Expenses	29	1,149.99	1,166.54
v) Provisions	30	90.71	34.52
vi) Expenditure on Contract, Project Management and Consultancy Works	31	119.98	123.25
TOTAL EXPENDITURE		3,832.62	3,351.05
Profit before Prior Period items, Exceptional and Extraordinary items and Tax		4,319.63	2,573.06
Prior Period Adjustments (net)	32	37.23	(656.48)
Profit before Exceptional and Extraordinary items and Tax		4,282.40	3,229.54
Exceptional items		(68.86)	(26.63)
Profit before extraordinary items and Tax		4,351.26	3,256.17
Extraordinary items		-	-
PROFIT BEFORE TAX		4,351.26	3,256.17
Tax Expenses	34		
i) Current Tax		866.07	635.58
ii) Adjustments relating to earlier years		8.60	9.63
iii) Deferred Tax		73.00	148.19
Total Tax Expenses		947.67	793.40
Profit for the year (Before adjustment of minority interest)		3,403.59	2,462.77
Share of Profit/Loss transferred to Minority Interest		318.01	146.61
Profit for the year (After adjustment of minority interest)		3,085.58	2,316.16
Earning per share (Equity shares, face value of ₹ 10/- each)			
Basic		2.51	1.88
Diluted		2.51	1.88
Other Explanatory Notes to Accounts	35		
Note 1 to 35 form integral part of the Accounts			

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

D. P. BHARGAVA
Director (Technical)
DIN 01277269

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

As per report of even date

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

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

For Baweja & Kaul
(Chartered Accountants)
FRN No. 005834N

For Tiwari & Associates
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(CA Gaurav Nanda)
Partner
M. No. 500417

(CA B. K. Sipani)
Partner
M. No. 088926

(CA Sakshi Kaul Dhar)
Partner
M. No. 514325

(CA Sandeep Sandill)
Partner
M. No. 085747

Place: - New Delhi
Date: - 25/05/2012

NOTE NO. 1 - SIGNIFICANT ACCOUNTING POLICIES-CONSOLIDATED

1. ACCOUNTING CONVENTIONS

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

2. FIXED ASSETS

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

3. MACHINERY SPARES

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

4. CAPITAL WORK IN PROGRESS

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

5. DEPRECIATION & AMORTISATION

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

- 5.2.2 Depreciation on Fixed Assets of other than Operating Units of the company is charged on straight-line method to extent of 90% of the cost of asset following the rates as notified by the Central Electricity Regulatory Commission (CERC) for the fixation of tariff except for assets specified in 5.2.3 below, in respect of which depreciation is charged at the rates mentioned in that policy.
- 5.2.3 Depreciation in respect of following assets is charged on straight line method to the extent of 90% of the cost of asset following the rates of depreciation indicated as against each asset
- | | |
|------------------------------------|--------|
| (i) Construction Plant & Machinery | 11.25% |
| (ii) Computer & Peripherals | 30% |
- 5.2.4 Temporary erections are depreciated fully (100%) in the year of acquisition / capitalization by retaining Re.1/- as a WDV.
- 5.3 Assets valuing ₹ 5000/- or less but more than ₹ 750/- and such items (excluding immovable assets) with written down value of ₹ 5000/- or less at the beginning of the year are fully depreciated during the year with Re. 1 as a balance value.
- 5.4 Low value items, which are in the nature of assets (excluding immovable assets) and valuing upto ₹750/- are not capitalized and charged off to revenue.
- 5.5 Cost of software is recognized as 'Intangible Assets' and is amortized on straight line method over a period of legal right to use or three years, whichever is earlier. Other intangible assets are amortized on straight line method over the period of legal right to use.
- 5.6.1 Leasehold Land, in case of operating units, is amortized over the period of lease or 35 years whichever is lower, following the rates and methodology notified by CERC, vide tariff regulation 2009.
- 5.6.2 Leasehold Land, in case of units other than operating units, is amortized over the period of lease or 35 years whichever is lower.
- 5.7 Fixed Assets created on leasehold land are depreciated to the extent of 90% of original cost over the balance available lease period of respective land or at the applicable depreciation rates & methodology notified by CERC regulations for such assets, whichever is higher.
- 5.8 Capital Expenditure referred to in Policy 2.3 is amortized over a period of 5 years from the year in which the first unit of project concerned comes into commercial operation and thereafter from the year in which the relevant asset becomes available for use.
- 5.9 Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such assets is depreciated prospectively over the residual life of such assets at the rate of depreciation and methodology notified by CERC regulations.
- 5.10 Where the life and / or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along-with its unamortized depreciable amount is charged prospectively over the revised / remaining useful life determined by technical assessment.

6. INVESTMENTS

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

7. INVENTORIES

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

8. FOREIGN CURRENCY TRANSACTIONS

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

9. EMPLOYEE BENEFITS

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

10. REVENUE

- 10.1 (a) Sale of energy is accounted for as per tariff notified by Central Electricity Regulatory Commission. In case of Power Station where tariff is not notified, sales are billed on provisional rates worked out based on the parameters and method adopted by the appropriate authority. Recovery/refund towards foreign currency variation in respect of foreign currency loans and recovery towards income tax are accounted for on year to year basis.
- (b) Incentives/Disincentives are recognised as per tariff notifications. In case of Power Station where tariffs have not been notified, incentives are recognized provisionally on assessment of the likelihood of acceptance of the same.
- (c) Adjustments arising out of finalisation of global accounts, though not material, are effected in the year of respective finalisation.
- (d) Advance against depreciation considered as deferred income in earlier years is included in sales on straight line basis over the balance useful life after 31st March of the year closing after a period of 12 years from the date of commercial operation of the project, considering the total useful life of the project as 35 years.
- 10.2 In respect of Project Management/Consultancy Contracts/Cost plus Contract, revenue is recognized based on the terms of agreement and the quantum of work done under the contract.
- 10.3 Interest on investments is accounted for on accrual basis.
- 10.4 Interest / Surcharge charged from customers are recognized as income on receipt or when there is reasonable certainty of collection.

11. MISCELLANEOUS

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

12. BORROWING COST

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

13. TAXES ON INCOME

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

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

14. GRANTS-IN-AID

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

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NOTE NO. 2 : SHARE CAPITAL

(₹ in Crore)

PARTICULARS		As at 31st March, 2012		As at 31st March, 2011	
		In No.	(₹ in Crore)	In No.	(₹ in Crore)
a)	Authorized Equity Share Capital (Par value per share ₹ 10)	150000000000	15,000.00	150000000000	15,000.00
b)	No. of Equity shares issued, subscribed and fully paid (Par value per share ₹ 10)	12300742773	12,300.74	12300742773	12,300.74
c)	Reconciliation of no. of equity shares & share capital outstanding:	No. of Shares	Share Capital (₹ in Crore)	No. of Shares	Share Capital (₹ in Crore)
	Opening number of shares outstanding	12300742773	12,300.74	12300742773	12,300.74
	Add: No. of shares/Share Capital issued/ subscribed during the year	-	-	-	-
	Less: Reduction in no. of shares/Share Capital	-	-	-	-
	Closing number of shares outstanding	12300742773	12,300.74	12300742773	12,300.74
d)	Rights, Preference and restriction to the equity shares				
	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 dividends as declared from time to time for them. Further 2460148555 no. of shares held by President of India are under lock-in till 25-08-2012.				
e)	Shares in the company held by each shareholder holding more than 5 percent specifying the number of shares held	In No.	In (%)	In No.	In (%)
	- President of India	10623368758	86.36	10623368758	86.36
f)	In Preceding Five financial years				
	Aggregate no. of equity shares allotted as fully paid up pursuant to contract(s) without payment being in cash	NIL			
	Aggregate no. of equity shares allotted as fully paid up by way of bonus share(s)	NIL			
	Aggregate no. of equity shares bought back	NIL			

NOTE NO. 3 : RESERVE AND SURPLUS

(Amount in ₹)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
a) Grant In Aid - Reserve		
As per last Balance Sheet	1172.16	1202.95
Add: Transfer from Surplus	90.96	33.93
Less: Write back during the year	57.73	55.81
Less: Adjustments during the year	(1.71)	8.91
As at Balance Sheet date	1,207.10	1,172.16
b) Securities Premium Account	2,868.74	2,868.74
c) Bond Redemption Reserve		
As per last Balance Sheet	299.75	214.00
Add: Transfer from Surplus	129.13	100.00
Less: Write back during the year	14.25	14.25
As at Balance Sheet date	414.63	299.75
d) Self Insurance Fund		
As per last Balance Sheet	740.29	696.98
Add: Transfer from Surplus	32.48	43.36
Less: Write back during the year	-	0.05
	772.77	740.29
Less:- Claim recoverable from self insurance fund	4.64	3.21
As at Balance Sheet date	768.13	737.08
e) General Reserve	4,120.06	4,120.06
f) Surplus *	6,964.38	5,028.52
Total	16,343.04	14,226.31
* Surplus		
Profit for the year as per Statement of Profit and Loss	3,085.58	2,316.16
Balance brought forward	5,028.52	3,703.76

NOTE NO. 3 : RESERVE AND SURPLUS (Contd.)

(Amount in ₹)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
Add:		
i) Amount written back from Bond Redemption Reserve	14.25	14.25
ii) Amount written back from Self Insurance Fund	-	0.05
iii) Tax on Dividend write back	3.25	1.80
Balance available for Appropriation	8,131.60	6,036.02
i) Transfer to Bond Redemption Reserve	129.13	100.00
ii) Transfer to Self Insurance Fund	32.48	43.36
iii) Dividend :		
- Proposed	861.05	738.04
- Final	0.01	
iv) Tax on Dividend		
- Proposed	144.55	126.10
Balance carried forward	6,964.38	5,028.52

NOTE NO. 4 SHARE APPLICATION MONEY PENDING ALLOTMENT

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
SHARE APPLICATION MONEY PENDING ALLOTMENT	-	-

NOTE NO. 5 : LONG TERM BORROWINGS

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
a) Bonds		
- Secured (for detail see A below)	3,551.00	2,342.00
b) Term Loans		
• From Banks		
- Secured (for detail see B below)	3,643.19	2,613.76
- Unsecured (for detail see C below)	2,405.90	2,245.28
• From other parties		
- Secured (for detail see D below)	6,744.11	7,204.87
- Unsecured (for detail see E below)	1,568.42	1,217.71
	17,912.62	15,623.62
Aggregate amount of loans guaranteed by directors	-	-
Aggregate amount of loans guaranteed by Govt. of India	2,575.88	2,462.99
Amount of default in repayment of loans and interest as at 31.03.2012	-	-
Period of default in repayment of loans and interest as at 31.03.2012	-	-
Particulars of redemption & repayment		
(A). BONDS (Non-convertible and Non-cumulative)-Secured		
BONDS-Q SERIES*6	1,266.00	-
(9.25% 15Year Bonds of ₹1,00,000/- each with 12 separately transferable redeemable principal part and each separately transferable redeemable principal part comprising 1/12th of face value of Bond.) (Yearly redemption of ₹ 105.50 Crore w.e.f. 12.03.2016 to 12.03.2027)		
BONDS-P SERIES*5 , 7 & 10	2,000.00	2,000.00
(9.00% 15Year Secured Redeemable Non-Convertible Bonds of ₹ 10,00,000/- each) (Yearly redemption of ₹ 200 crore w.e.f. 01.02.2016 to 01.02.2025)		
BONDS-O SERIES*2	285.00	342.00
(7.70% 15 year Bonds of ₹ 100,000,000/- each with 10 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/10th of face value of Bond) (Yearly redemption of ₹ 57 crore w.e.f. 31.03.2009 to 31.03.2018)		
TOTAL BONDS (A)	3551.00	2342.00

NOTE NO. 5 : LONG TERM BORROWINGS (Contd.)

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
(B). TERMLOANS - Secured (Banks)		
CANARA BANK *1	-	17.00
STATE BANK OF PATIALA *1 (Repayable in 8 half yearly instalments of ₹ 2 Crore each upto 09.07.2017 at floating interest rate of 8.36% as on 31.03.2012)	16.00	20.00
CANARA BANK*4	-	10.00
CANARA BANK*2 (Repayable in 4 equal yearly instalments of ₹ 20 Crore each upto 09.11.2016 at fixed interest rate of 6.86%)	80.00	100.00
SYNDICATE BANK*2 (Repayable in 4 equal yearly instalments of ₹ 18.30 Crore each upto 23.02.2017 at fixed interest rate of 7.207%)	73.20	91.50
ORIENTAL BANK OF COMMERCE*2 (Repayable in 4 equal yearly instalments of ₹ 20 Crore each upto 31.03.2017 at fixed interest rate of 7.207%)	80.00	100.00
ORIENTAL BANK OF COMMERCE*2 (Repayable in 8 equal yearly instalments of ₹ 10 Crore each upto 27.12.2020 at fixed interest rate of 7.207%)	80.00	90.00
INDIAN BANK*1 (Repayable in 1 instalment of ₹ 33.33 Crore at floating interest rate of 10.16% as on 31.03.2012)	33.33	66.67
INDIAN BANK *4&9 (Bullet Repayment of ₹ 75 Crore after 5th year as on 29.09.2014 at floating interest rate of 11.75% as on 31.03.2012)	75.00	75.00
UCO BANK *8 (Repayable in 23 half yearly instalments of ₹ 41.67 Crore each upto 31.12.2023 at floating interest rate of 11.35% as on 31.03.2012)	958.33	1,000.00
CORPORATION BANK *11 (Repayable in 48 equal quarterly instalments of ₹ 10.42 Crore each upto 06.01.2026 at floating interest rate of 10.65% as on 31.03.2012)	500.00	-
CANARA BANK*11 (Repayable in 48 equal quarterly instalments of ₹ 3.125 Crore upto 16.01.2026 at floating interest rate of 10.75% as on 31.03.2012)	150.00	-
INDIAN OVERSEAS BANK *11 (Repayable in 48 equal quarterly instalments of ₹ 3.125 Crore each upto 16.01.2026 at floating interest rate of 10.75% as on 31.03.2012)	150.00	-
PUNJAB & SIND BANK *11 (Repayable in 48 equal quarterly instalments of ₹ 3.125 Crore each upto 17.01.2026 at floating interest rate of 10.75% as on 31.03.2012)	150.00	-
INDUSIND BANK *11 (Repayable in 48 equal quarterly instalments of ₹ 2.083 Crore each upto 24.01.2026 at floating interest rate of 10.75% as on 31.03.2012)	100.00	-
SYNDICATE BANK *11 (Repayable in 48 equal quarterly instalments of ₹ 3.125 Crore each upto 02.02.2026 at floating interest rate of 10.75% as on 31.03.2012)	150.00	-
UNION BANK OF INDIA *11 (Repayable in 48 equal quarterly instalments of ₹ 3.125 Crore each upto 03.02.2026 at floating interest rate of 10.65% as on 31.03.2012)	150.00	-
CENTRAL BANK OF INDIA *13 (Repayable in 12 half yearly equal instalments of ₹ 15.60 Crore upto 31.03.2019 at floating interest rate of 11.25% as on 31.03.2012)	187.20	218.40
DENA BANK *13 (Repayable in 12 half yearly equal instalments of ₹ 13.21 Crore upto 31.03.2019 at floating interest rate of 11.25% as on 31.03.2012)	158.52	184.93

NOTE NO. 5 : LONG TERM BORROWINGS (Contd.)

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
DENA BANK *13 (Repayable in 13 half yearly equal instalments of ₹ 11.25 Crore upto 30.09.2019 at floating interest rate of 11.75% as on 31.03.2012)	143.54	166.04
HDFC BANK LIMITED *13 (Repayable in 12 half yearly equal instalments of ₹ 18.63 Crore upto 31.03.2019 at floating interest rate of 11.25% as on 31.03.2012)	223.53	260.79
HDFC BANK LIMITED *13 (Repayable in 13 half yearly equal instalments of ₹ 11.195 Crore upto 30.09.2019 at floating interest rate of 11.75% as on 31.03.2012)	145.54	167.93
UNITED BANK OF INDIA *13 (Repayable in 12 half yearly equal instalments of ₹ 3.25 Crore upto 31.03.2019 at floating interest rate of 11.25% as on 31.03.2012)	39.00	45.50
Total Term Loan - Banks (Secured)	3,643.19	2,613.76
(C). TERMLOANS - Un-secured (Banks)- Foreign Currency		
i) Japan Bank of International Cooperation Tranche-I *12 (Repayable in 26 equal half yearly instalments of ₹ 7.66 Crore each upto 20.01.2026 at fixed interest rate of 2.3% as on 31.03.2012)	199.21	186.21
ii) Japan Bank of International Cooperation Tranche-II *12 (Repayable in 30 equal half yearly instalments of ₹25.13 Crore each upto 20.12.2027 at fixed interest rate of 2.3% as on 31.03.2012)	754.05	698.15
iii) Japan Bank of International Cooperation Tranche-III*12 (Repayable in 41 equal half yearly instalments of ₹18.57 Crore each starting from 20.03.2014 and upto 20.03.2034 at fixed interest rate of 1.3% as on 31.03.2012)	761.20	660.72
iv) Deutsche Bank & Others *12 (Repayable in 12 equal half yearly instalments of ₹ 57.62 Crore each upto 18.10.2018 at floating interest rate 6 Month JPY LIBOR + 0.57% Margin)	691.44	700.20
Total Term Loan - Banks (Unsecured)	2,405.90	2,245.28
(D). Term Loan-From other parties (Secured)		
LIFE INSURANCE CORPORATION OF INDIA*5 & 7 (Repayable in 16 half yearly instalments of ₹ 104.17 Crore each upto 15.04.2020 at interest rate of 9.25% on ₹ 100 Crore & 8% on ₹ 2400 Crore)	1,666.67	1,875.00
LIFE INSURANCE CORPORATION OF INDIA*6 (Repayable in 22 equal half yearly instalments of ₹ 79 Crore each upto 30.04.2023 w.e.f. 30.04.2012 at wt. average rate of 9.12%)	1,738.00	1,896.00
POWER FINANCE CORPORATION LIMITED *8 (Repayable in 34 equal quarterly instalments of ₹ 18.75 Crore upto 15.10.2020 at floating interest rate of 9.91% as on 31.03.2012)	637.50	542.45
POWER FINANCE CORPORATION LIMITED *8 (Repayable in 22 equal quarterly instalments of ₹ 4.65 Crore each upto 15.10.2017 at floating interest rate of 9.91% as on 31.03.2012)	102.30	120.90
POWER FINANCE CORPORATION LIMITED *8 (Repayable in 34 equal quarterly instalments of ₹ 1.75 Crore each upto 15.10.2020 at floating interest rate of 9.90% as on 31.03.2012)	59.50	66.50
POWER FINANCE CORPORATION LIMITED *2&3 (Repayable in 33 equal quarterly instalments of ₹ 36.425 Crore each upto 15.07.2020 at floating interest rate of 8.79% as on 31.03.2012)	1,202.02	1,139.60
POWER FINANCE CORPORATION LIMITED *1 (Repayable in 25 equal quarterly instalments of ₹ 10.325 Crore each upto 15.07.2018 at floating interest rate of 8.62% as on 31.03.2012)	258.13	299.42
POWER FINANCE CORPORATION LIMITED *1 (Repayable in 27 equal quarterly instalments of ₹ 12.50 Crore each upto 15.01.2019 at floating interest rate of 8.62% as on 31.03.2012)	337.50	387.50

NOTE NO. 5 : LONG TERM BORROWINGS (Contd.)

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
POWER FINANCE CORPORATION LIMITED*14 (Repayable in 11 Half yearly equal instalments of ₹ 67.50 Crore each upto 15.07.2018 at floating interest rate of 10.80 % as on 31.03.2012)	742.49	877.50
Total Term Loan - Other Parties (Secured)	6,744.11	7,204.87
(E). Term Loan-From other parties (Unsecured)		
Foreign Currency		
i) Export Development Canada*12 (Repayable in 2 equal half yearly instalments of ₹11.71 Crore each upto 15.03.2014 and 6 equal half yearly instalment of ₹24.42 Crore each upto 15.03.2016 at fixed interest rate of 6.01% as on 31.03.2012)	169.98	217.71
Loans from Central Govt.- Unsecured		
Subordinate Debt from Govt. of India for Nimmo-Bazgo HE Project (Repayable in 18 equal annual instalments from the 12th year after commissioning of the project at fixed interest rate of 4% per annum. Interest accrues and is payable annually after commissioning of the project.)	270.00	270.00
Subordinate Debt from Govt. of India for Chutak HE Project (Repayable in 24 equal annual instalments from the 6th year after commissioning of the project at fixed interest rate of 2.50% per annum. Interest accrues and is payable annually after commissioning of the project.)	364.00	364.00
Subordinate Debt from Govt. of India for Kishanganga HE Project (Repayable in 10 equal annual instalments from the 11th year after commissioning of the project at fixed interest rate of 1% per annum. Interest accrues and is payable annually after commissioning of the project.)	764.44	366.00
Total Term Loan - Other Parties (Unsecured)	1,568.42	1,217.71
Grand Total (A+B+C+D+E)	17,912.62	15,623.62

*** Particulars of security**

- Secured by pari-passu charge by way of Equitable mortgage/hypothecation against Immovable/Moveable assets of Company's Chamera Power Station-I situated in the state of Himachal Pradesh except for Book Debts and Stores.
- Secured by pari-passu charge by way of Equitable mortgage/hypothecation against Immovable/Moveable assets of Company's Uri Power Station situated in the state of Jammu & Kashmir except for book debts and stores.
- Secured by pari-passu charge by way of Equitable mortgage/ hypothecation against Immovable / Moveable assets of Company's Chamera Power Station-II situated in the state of Himachal Pradesh except book debts & stores.
- Secured by pari-passu charge by way of equitable mortgage/hypothecation against the assets of Company's Loktak Power Station situated in the state of Manipur except for book debts and stores.
- Secured by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets of the Company's Parbati HE Project-II situated in the state of Himachal Pradesh.
- Secured by pari-passu charge by way of equitable mortgage/hypothecation against immovable/movable assets of Company's Teesta Low Dam-III Project situated in the state of West Bengal & Teesta-V project situated in the state of Sikkim. Security creation for Q-Series Bonds is under process and charge /mortgage is yet to be filed with Registrar of Companies, NCT of Delhi and Haryana.
- Secured by pari-passu charge by way of equitable mortgage and charge over all the immovable and moveable assets of the Company's Dhauliganga Power Station situated in the state of Uttarakhand except for book debts & stores.
- Secured by way of first charge on pari-passu basis by way of hypothecation on whole of the Company's movable assets, both present and future, of Dulhasti Power Station situated in the state of Jammu & Kashmir except for book debts & stores.
- Secured by exclusive charge by way of equitable mortgage against the assets of Company's Bairasiul Power Station situated in the state of Himachal Pradesh except for book debts and stores.
- Secured by a first charge on pari-passu basis by way of equitable mortgage and hypothecation against the immovable and moveable assets of the Company's Chamera-III HE Project-situated in the state of Himachal Pradesh.
- Secured by way of first charge on pari-passu basis by way of hypothecation on whole of the Company's movable assets, both present and future, of Salal Power Station situated in the state of Jammu & Kashmir, Sewa-II Power Station situated in the state of Jammu & Kashmir, Chutak HE Project situated in the state of Jammu & Kashmir, Nimmo-Bazgo HE Project situated in the state of Jammu & Kashmir, Uri-II HE Project situated in the state of Jammu & Kashmir & TLDP-IV HE Project situated in the state of West Bengal except for book debts & stores.
- Loans mentioned at sl. nos. C(i), C(ii), C(iii), C(iv) and E(i) above are guaranteed by Government of India.
- Secured by way of first Pari-passu Charge in favour of the lenders by deposit of title deeds of immovable property / fixed assets and also first pari-passu charge on all present and future movable, fixed and current assets of Indira Sagar Project.
- Secured by way of first Pari-passu Charge in favour of the lenders by deposit of title deeds of immovable property / fixed assets and also first pari-passu charge on all present and future movable, fixed and current assets of Omkareshwar Project.

NOTE NO. 6 : DEFERRED TAX LIABILITIES / ASSETS

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
Deferred Tax Liability		
i) Depreciation	3418.78	3405.47
Less: Deferred Tax Assets		
i) Provision for doubtful debts, self Insurance and other provisions	77.93	121.81
ii) Provision for employee benefit schemes	233.15	171.11
Deferred Tax Liability	3,107.70	3,112.55
Less: Recoverable	2,757.34	2,835.19
Deferred Tax Liability (Net)	350.36	277.36

Explanatory Note: -

In compliance to the Accounting Standard 22 on "Accounting for Taxes on Income" notified by The Companies Accounting Standard Rules, 2006, ₹4.85 Crore (Previous year ₹48.44 Crore) has been created as deferred tax asset during the year ended on 31.03.2012. This has resulted in reduction of deferred tax liability by equivalent amount.

NOTE NO. 7 : OTHERS LONG TERM LIABILITIES

(₹ in Crore)

	As at 31st March, 2012	As at 31st March, 2011
a) Trade Payables		
i) Total outstanding dues of micro and small scale Industrial Enterprise(s). (Due over 30 days ₹ Nil/-)	-	-
ii) Total outstanding dues of Medium scale Industrial Enterprise(s). (Due over 30 days ₹ Nil/-)	-	-
iii) Others	-	-
b) Others		
i) Deposits/ retention money	308.39	324.80
ii) Income received in advance	1,432.71	1,464.12
iii) Deferred Income from Foreign Currency Fluctuation Account	331.88	249.54
	2,072.98	2,038.46

NOTE NO. 8 LONG TERM PROVISIONS

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
a) Provision for employee benefits		
As per last Balance Sheet	1043.33	773.78
Additions during the year	181.59	270.21
Amount used during the year	-	0.66
Amount reversed during the year	34.28	-
Closing Balance	1,190.64	1,043.33
b) Others		
Provision For Committed Capital Expenditure		
As per last Balance Sheet	22.80	12.68
Additions during the year	-	10.61
Amount used during the year	12.94	0.49
Closing Balance	9.86	22.80
	1,200.50	1,066.13

NOTE NO. 9 : SHORT TERM BORROWINGS

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
a) Short term loans		
• From Banks		
- Secured #	180.00	-
	<u>180.00</u>	<u>-</u>
Aggregate amount of loans guaranteed by directors	-	-
Aggregate amount of loans guaranteed by Others-GOI	-	-
Amount of default in repayment of loans and interest as at 31.03.2012	-	-
Period of default in repayment of loans and interest as at 31.03.2012	-	-
# (From J&K Bank Limited against the Fixed Deposit)		

NOTE NO. 10 : TRADE PAYABLE

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
a) Total outstanding dues of micro and small scale Enterprise(s). (Due over 30 days ₹ Nil/-)	0.05	-
b) Total outstanding dues of Medium scale Enterprise(s). (Due over 30 days ₹ Nil/-)	0.01	-
c) Others	227.46	250.53
	<u>227.52</u>	<u>250.53</u>

NOTE NO. 11 : OTHER CURRENT LIABILITIES

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
a) Current maturities of long term debt		
Bonds/ Debentures		
- Secured	57.00	57.00
Term Loans		
• From banks		
- Secured	320.56	291.40
- Unsecured	180.83	156.96
• From other parties		
- Secured	838.93	577.68
- Unsecured	72.28	64.96
b) Interest accrued but not due on borrowings	212.17	215.37
c) Income received in advance	46.72	43.44
d) Unpaid dividend	2.43	1.21
e) Liability against capital works/supplies	526.68	502.96
f) Deposits/ retention money	135.66	75.45
g) Unspent amount of deposit/agency	0.04	-
h) Statutory dues payables	245.91	247.17
i) Other liabilities	172.63	150.79
j) Advances against the deposit works	255.99	242.19
Less: Amount Spent on Deposit Work	<u>252.45</u>	<u>229.03</u>
k) Advances against cost of Project Mgt./ Consultancy Work	4,090.29	3,624.66
Less: Amount Spent in respect of Project Mgt./ Consultancy Work	3,768.64	3,240.49
Provision Toward Amt Recoverable in respect of Project Mgt / Consultancy Work	(4.02)	-
	3,764.62	384.17
	3,141.05	2,781.72

Explanatory Note: -

Details in respect of redemption, rate of interest, terms of repayment and security of secured and unsecured current maturities of long term debts indicated above at (a) are disclosed in Note no. 5.

NOTE NO. 12 : SHORT TERM PROVISIONS

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
a) Provision for employee benefits		
As per last Balance Sheet	84.81	87.65
Additions during the year	151.07	145.62
Amount used during the year	123.40	119.55
Amount reversed during the year	3.95	28.91
Closing Balance	108.53	84.81
b) Provision for Wage Revision		
As per last Balance Sheet	733.71	717.93
Additions during the year	39.83	212.26
Amount used during the year	580.74	189.61
Amount reversed during the year	43.67	6.87
Amount transferred to superannuation/pension fund	117.97	-
Closing Balance	31.16	733.71
Less: Advance paid	24.91	160.87
Closing Balance (Net of advance)	6.25	572.84
c) Provision for Performance Related Pay/Incentive		
As per last Balance Sheet	131.25	46.78
Additions during the year	94.23	133.12
Amount used during the year	75.18	37.00
Amount reversed during the year	3.61	11.65
Closing Balance	146.69	131.25
Less: Advance paid	19.79	-
Closing Balance (Net of advance)	126.90	131.25
d) Provision for Superannuation /Pension Fund		
As per last Balance Sheet	-	-
Additions during the year	105.24	-
Amount transferred from wage revision provision	117.97	-
Amount used during the year	-	-
Amount reversed during the year	-	-
Closing Balance	223.21	-
e) Others		
i) Provision for Taxation		
As per last Balance Sheet	1280.62	810.04
Additions during the year	878.58	647.39
Adjustment during the year	0.39	(0.35)
Amount used during the year	241.06	172.66
Amount reversed during the year	4.15	3.80
Closing Balance	1,914.38	1,280.62
ii) Provision for Proposed Dividend		
As per last Balance Sheet	738.04	676.54
Additions during the year	861.05	738.04
Amount used during the year	738.04	676.54
Closing Balance	861.05	738.04

NOTE NO. 12 : SHORT TERM PROVISIONS (Contd.)

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
iii) Tax on Proposed Dividend		
As per last Balance Sheet	126.10	115.89
Additions during the year	149.23	126.10
Amount used during the year	122.85	114.09
Amount reversed during the year	3.25	1.80
Closing Balance	149.23	126.10
iv) Provision - Others		
As per last Balance Sheet	689.71	115.67
Additions during the year	101.28	578.42
Amount used during the year	44.76	2.29
Amount reversed during the year	348.36	2.09
Closing Balance	397.87	689.71
v) Provision For Tariff Adjustment		
As per last Balance Sheet	-	-
Additions during the year	34.60	0.00
Closing Balance	34.60	-
vi) Provision For Corporate Social Responsibility Expenses (CSR)		
As per last Balance Sheet	8.80	-
Additions during the year	16.13	8.80
Amount used during the year	8.67	0.00
Closing Balance	16.26	8.80
vii) Provision For Committed Capital Expenditure		
As per last Balance Sheet	240.42	167.73
Additions during the year	470.98	93.36
Amount used during the year	22.20	15.67
Amount reversed during the year	2.49	5.00
Closing Balance	686.71	240.42
	<u>4,524.99</u>	<u>3,872.59</u>

Explanatory Note: -

- 1) Provision on account of wage revision of the employees' w.e.f. 01.01.2007, which was continuing till last year has since been settled except an amount of ₹31.16 Crore, which is continuing due to non settlement of Personal Adjustment Pay (fitment benefits) for want of approval by Competent Authority and payment of arrear to some of the employees in subsidiary company. An amount of ₹24.91 Crore stands paid towards Personal Adjustment Pay, which is shown as "Advance Paid".
- 2) Pending implementation of Contributory Pension Scheme for employees in terms of DPE guidelines, a provision of ₹105.24 Crore has been made during the year ended 31.03.2012 which includes ₹ 47.28 Crore pertaining to period prior to 31.03.2011 booked as prior period item during current year, resulting into a cumulative provision of ₹223.21 Crore as on 31.03.2012. The scheme has since been implemented on 13.04.2012 with retrospective effect from 01.01.2007.
- 3) Provision for CSR expenses is made towards unspent amount of budget earmarked for CSR activities, in terms of Department of Public Enterprises (DPE) guidelines, which inter-alia provides for keeping the unspent amount in nonlapsable fund. Provision so made shall be included in the budget allocation for next year for incurrence of unspent amount towards CSR activities. Pending confirmation from DPE as regard to aforesaid treatment, no separate fund has however been earmarked and incurrence of expenditure is being monitored through non lapsable budget.
- 4) Based on recommendation of Standing Committee, a sum of ₹ 345.74 Crore towards cost overrun of Teesta V was included in Provision - Others in the year 2010-11 and correspondingly included in fixed assets. Ministry of finance has decided that such overrun will be approved on case to case basis. Hence provision made in last year has been reversed, consequently depreciation of ₹42.97 Crore has been written back as other income.
- 5) Out of provisions under group Provision - Others, an amount of ₹14.19 Crore stands deposited under protest and is appearing under the head "Deposit with Govt. Department" in Note No. 22.
- 6) Provision for Committed capital expenditure includes an amount of ₹ 470.98 Crore towards CAMPA fund (Compensatory Afforestation Management and Planning Authority) obligation in respect of Omkareshwar project, towards use of forest land for non forest purposes.

NOTE NO. 13.1 TANGIBLE ASSETS

(₹ in crore)

Sl. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		01.04.2011	Additions	Deductions	31.03.2012	01.04.2011	For the Period	31.03.2012	31.03.2011
i)	Land – Freehold	217.84	10.86	2.97	225.73	-	-	225.73	217.84
ii)	Land – Leasehold	121.27	212.93	-	334.20	9.71	10.57	313.41	111.56
iii)	Roads and Bridges	367.18	15.54	3.54	379.18	73.11	14.41	291.99	294.07
iv)	Buildings	2,479.58	58.61	39.13	2,499.06	612.53	86.97	1,802.76	1,867.05
v)	Railway sidings	40.18	0.13	-	40.31	12.14	2.69	25.48	28.04
vi)	Hydraulic Works(Dams, Water Conductor system, Hydro mechanical gates, tunnels)	15,351.64	124.39	790.42	14,685.61	3,477.14	674.15	10,654.63	11,874.50
vii)	Generating Plant and machinery	7,434.75	49.09	14.29	7,469.55	2,025.75	337.25	5,108.01	5,409.00
viii)	Plant and machinery Sub station	108.56	3.01	-	111.57	44.94	4.75	61.88	63.62
ix)	Plant and machinery Transmission lines	67.09	2.44	-	69.53	15.69	3.54	50.30	51.40
x)	Plant and machinery Others	30.38	0.97	0.20	31.15	11.75	1.44	18.02	18.63
xi)	Construction Equipment	81.51	2.69	2.37	81.83	53.98	4.97	23.19	27.53
xii)	Water Supply System/Drainage and Sewerage	33.30	6.00	0.22	39.08	4.59	1.32	33.19	28.71
xiii)	Electrical installations	3.54	0.37	0.01	3.90	1.20	0.19	2.52	2.34
xiv)	Vehicles	27.19	2.18	0.99	28.38	19.97	0.73	8.21	7.22
xv)	Aircraft/ Boats	0.79	0.11	0.29	0.61	0.54	0.02	0.26	0.25
xvi)	Furniture and fixture	46.95	4.03	0.78	50.20	20.72	3.36	26.37	26.23
xvii)	Computers	61.07	7.46	3.64	64.89	48.07	5.65	13.71	13.00
xviii)	Communication Equipment	13.85	0.71	0.40	14.16	5.58	0.76	8.08	8.27
xix)	Office Equipments	40.97	4.03	1.51	43.49	16.64	2.52	24.92	24.33
xx)	Research and Development	1.41	-	-	1.41	0.29	0.09	1.03	1.12
xxi)	Other assets	45.30	5.19	1.16	49.33	18.80	2.52	28.54	26.50
xxii)	Capital Expenditure on assets Not Owned by NHPC	43.50	3.90	0.16	47.24	17.13	4.07	26.04	26.37
xxiii)	Tangible Assets of minor value > ₹5000	17.83	1.30	0.84	18.29	17.82	1.03	0.01	0.01
xxiv)	Obsolete / surplus assets	2.64	0.09	0.94	1.79	-	-	1.79	2.64
	Total	26,638.32	516.03	863.86	26,290.49	6,508.09	1,163.00	18,750.07	20,130.23
	Previous Year	25,066.73	1,631.13	59.53	26,638.33	5,433.67	1,188.44	20,130.26	19,633.06

NOTE NO. 13.2 INTANGIBLE ASSETS

(₹ in Crore)

Sl. No.	PARTICULARS	GROSS BLOCK			AMORTISATION			NET BLOCK	
		01.04.2011	Additions	Deductions	31.03.2012	01.04.2011	For the Period	31.03.2012	31.03.2011
i)	Land – Unclassified/ Right of Use	2,933.40	1,030.68	0.02	3,964.06	336.18	115.60	532.77	2,597.22
ii)	Intangible Assets - Computer Software	36.99	1.56	0.05	38.50	33.80	3.45	37.24	3.19
	Total	2,970.39	1,032.24	0.07	4,002.56	369.98	119.05	570.01	2,600.41
	Previous Year	2,944.97	42.72	17.30	2,970.39	276.41	93.52	369.97	2,668.56

Explanatory Note: -

- 1) Title deeds/title in respect of Land amounting to ₹ 281.98 Crore (Previous year ₹ 60.60 crore), covering an area of 2417.76 hectare (Previous year 2192.36 hectare), are yet to be executed/passed. Expenses on stamp duty etc. relating to registration thereof will be accounted for as and when incurred.
- 2) Leasehold Land does not include the land taken from Shashtra Seema Bal (SSB) for Subansiri Upper Project on lease for a period of 99 years @ notional rent of ₹ 1/- per annum.
- 3) Tangible Assets include underground works of ₹ 8198.87 (Previous year ₹ 8832.93 Crore) created on Land unclassified/ Right to use are included under the relevant head.
- 4) Deduction/Adjustment in assets includes ₹ 345.74 Crore in respect of tangible assets of Teesta V Power Station due to reversal of provision made during last year (refer explanatory note 4 of Note no 12)
- 5) Addition/adjustments to Gross Block includes foreign exchange rate variation during the year as under:

Class of Assets

	(₹ in Crore)
Roads and Bridges	0.70
Buildings	7.29
Hydraulic Works	72.93
Generating Plant and machinery	24.86
Plant and machinery	0.15
Sub station	
Plant and machinery	0.07
Transmission lines	
Plant and machinery	0.04
Others	
Water Supply System/Drainage and Sewerage	0.03
Total	106.07

NOTE NO. 14.1 : CAPITAL WORK IN PROGRESS

(₹ in Crore)

Particulars	01.04.2011	Addition	Adjustment	Capitalised	31.03.2012
i) Roads and Bridges	74.46	12.94	4.99	13.89	78.50
ii) Buildings	1,110.52	270.23	(1.26)	49.60	1,329.89
iii) Railway sidings	-	0.75	-	0.75	-
iv) Hydraulic Works(Dams, Water Conductor system, Hydro mechanical gates, tunnels)	5,554.64	1,141.75	(9.56)	9.40	6,677.43
v) Generating Plant and Machinery	3,678.26	468.43	(0.63)	7.36	4,138.70
vi) Plant and Machinery - Sub station	7.16	0.33	-	0.10	7.39
vii) Plant and Machinery - Transmission lines	0.72	3.36	-	1.43	2.65
viii) Plant and Machinery - Others	2.72	5.04	(0.61)	0.24	6.91
ix) Construction Equipment	-	-	-	-	-
x) Water Supply System/Drainage and Sewerage	2.54	3.48	0.21	5.25	0.98
xi) Other assets awaiting installation	2.98	39.63	(1.33)	29.67	11.61
xii) Capital Expenditure On assets Not Owned by NHPC	118.81	8.18	(16.22)	3.90	106.87
xiii) Survey, investigation, consultancy and supervision charges	201.06	38.13	(0.50)	-	238.69
xiv) Expenditure on compensatory Afforestation	-	0.63	-	-	0.63
xv) Expenditure during construction*	5,123.46	1,630.62	1.23	-	6,755.31
Less: Provided for	34.71	81.89	-	-	116.60
Sub total (a)	15,842.62	3,541.61	(23.68)	121.59	19,238.96
* For addition during the period refer Note No. 33					
Construction Stores	01.04.2011	Addition	Adjustment	Used	31.03.2012
i) Stores and spares	63.25	214.73	(104.41)	108.93	64.64
ii) Loose tools	0.04	0.03	(0.01)	0.01	0.05
iii) Scrap inventory	-	-	-	-	-
iv) Stores in transit/ pending inspection	0.66	0.02	(0.65)	0.02	0.01
v) Material issued to contractors/ fabricators	103.50	198.96	(72.48)	131.77	98.21
Less : Provisions for construction stores	1.70	1.75	(0.25)	-	3.20
Sub total (b)	165.75	411.99	(177.30)	240.73	159.71
TOTAL	16,008.37	3,953.60	(200.98)	362.32	19,398.67
Previous Year	12,957.18	4,291.65	(111.93)	1,128.94	16,007.96

Explanatory Note: -

- Expenditure during construction (EDC) includes ₹ 760.63 Crore (Previous year ₹ 668.48 Crore) towards borrowing cost capitalised.
- Govt. of Arunachal Pradesh had shown their inclination to hand over Subansiri Upper Project to Independent Power Producer (IPP), on which NHPC had solicited the intervention of Govt. of India. Decision of GOI is still awaited and pending decision, capital expenditure amounting to ₹ 0.36 Crore incurred on this project during the year ended 31.03.2012 has been provided as an abundant precaution, which is in addition to the provision of ₹ 19.97 Crore, already existing as at 31.03.2011 towards expenditure incurred on this project from 20.04.2004 to 31.03.2011, the period in which this project was under suspension. Management is of the opinion that no further provision is required in view of the fact that recoverability of total expenditure incurred on this project is certain, in view of the settled formula given by Ministry of Power for reimbursement of expenditure incurred on a project from IPP, in case project is transferred to IPP.
- Company has incurred a sum of ₹ 905.47 Crore (Previous year ₹ 759.90 Crore) towards Survey & Investigation expenses on various Projects and included in CWIP. Of this, a sum of ₹ 280.55 Crore net of provision of ₹ 20.33 Crore (Previous year ₹ 232.56 Crore net of provision of ₹ 19.97 Crore) is considered recoverable from Joint Venture/Developer. Of the balance of ₹ 604.59 Crore (Previous year ₹ 507.37 Crore) pertaining to projects with the company, a sum of ₹ 81.53 Crore (Previous year ₹ NIL) has been provided as an abundant precaution in respect of projects, where uncertainties are attached. Balance of Survey & Investigation expenditure of ₹ 523.06 Crore (Previous Year ₹ 436.82 Crore) pertaining to other projects is carried forward as there is reasonable certainty of these projects getting cleared.
- 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 developer.
- Pakal Dul, Kiru & Kwar HE Projects are to be executed through Joint Venture Company with participation from State of Jammu & Kashmir. Joint Venture company namely M/s Chenab Valley Power Projects Private Limited" has since been incorporated. Pending handing over of these projects to joint venture Company, expenditure amounting to ₹ 172.70 Crore (Previous Year ₹ 145.71 Crore) & ₹ 83.06 Crore (Previous Year ₹ 61.67 Crore) respectively incurred by the company on these projects up to 31.03.2012 is included in Capital Work-in-Progress.
- CWIP includes underground works of ₹ 3788.52 Crore (Previous year ₹ 3073.26 Crore) created on Land unclassified/ Right to use are included under the relevant head.

NOTE NO. 14.2 INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Crore)

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

NOTE NO. 15 - NON CURRENT INVESTMENTS

Particulars	As at 31st March, 2012			As at 31st March, 2011		
	Number of shares/ bonds/ securities	Face value per share/ bond/ security (In ₹)	Amount (₹ in Crore)	Number of shares/ bonds/ securities	Face value per share/ bond/ security (In ₹)	Amount (₹ in Crore)
A. Trade - Quoted						
(a) Investment in Equity Instrument						
PTC India Ltd. (Fully Paid Up)	12000000	10	12.00	12000000	10.00	12.00
Trade - Unquoted						
(a) Investment In Bonds						
8.50 % Tax-Free State Government Special Bonds of the Government of :						
Arunachal Pradesh	2916	1000	0.29	3888	1000	0.39
Bihar	57210	1000	5.72	76280	1000	7.63
Haryana	1695000	1000	169.50	2260000	1000	226.00
Himachal Pradesh	53604	1000	5.36	71472	1000	7.15
Jammu and Kashmir	2312088	1000	231.21	3082784	1000	308.28
Jharkhand	42930	1000	4.29	57240	1000	5.72
Meghalaya	1596	1000	0.16	2128	1000	0.21
Mizoram	9630	1000	0.96	12840	1000	1.28
Nagaland	20760	1000	2.08	27680	1000	2.77
Punjab	668430	1000	66.84	891240	1000	89.12
Rajasthan	85473	1000	8.55	85464	1000	8.55
Sikkim	7008	1000	0.70	9344	1000	0.93
Tripura	8004	1000	0.80	10672	1000	1.07
Uttar Pradesh	2360670	1000	236.07	3147560	1000	314.76
Uttaranchal	262290	1000	26.23	349720	1000	34.97
West Bengal	20166	1000	2.02	26888	1000	2.69
Sub Total (A)			772.78			1023.52
B. Non Trade - Quoted						
(a) Investment in Equity Instrument						
Indian Overseas Bank	360800	10	0.36	360800	10	0.36
(b) Investment In Government Securities- (Self Insurance Fund)						
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	-	-	-
8.28% GOI 2032	35000	10000	34.62	35000	10000	34.62
(c) Investment In Public Sector Undertaking/Public Financial Institution & Corporate Bonds - (Self Insurance Fund)						
8.80% Power Finance Corporation Bonds 2025	467	1000000	45.97	467	1000000	45.97
8.95% Indian Railways Finance Corporation Bonds 2025	688	1000000	69.63	688	1000000	69.63
8.65% Indian Railways Finance Corporation Bonds 2025	30	1000000	2.99	30	1000000	2.99
8.90% Power Grid Corporation of India Bonds 2021	80	1250000	10.00	80	1250000	10.00
8.90% Power Grid Corporation of India Bonds 2022	80	1250000	10.00	80	1250000	10.00
8.90% Power Grid Corporation of India Bonds 2023	80	1250000	10.00	80	1250000	10.00
8.80% Indian Railways Finance Corporation Bonds 2030	150	1000000	15.13	150	1000000	15.13
8.95% Power Finance Corporation Bonds 2025	51	1000000	5.16	51	1000000	5.16
8.90% Power Grid Corporation of India Bonds 2025	40	1250000	5.04	40	1250000	5.04
8.70% Power Finance Corporation Bonds 2025	477	1000000	47.36	477	1000000	47.36
8.83% Indian Railways Finance Corporation Bonds 2035	120	1000000	12.09	120	1000000	12.09
8.80% Rural Electrification Corporation Bonds 2020	600	1000000	59.93	600	1000000	59.93
9.75% Rural Electrification Corporation Bonds 2021	230	1000000	23.05	-	-	-
8.84% Power Grid Corporation of India Bonds 2024	156	1250000	19.51	156	1250000	19.51
8.84% Power Grid Corporation of India Bonds 2025	364	1250000	45.52	364	1250000	45.52
Sub Total (B)			632.33			556.34
Total (A+B)			1405.11			1579.86
Quoted Investments						
(i) Aggregate Cost			644.33			568.34
(ii) Aggregate Market Value			701.01			660.38
(iii) Aggregate provision for diminution in value			-			-
Unquoted Investments						
Aggregate Cost			760.78			1011.52
Valuation as per accounting policy no. 6						

NOTE NO. 16 : LONG TERM LOAN AND ADVANCES

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
a) CAPITAL ADVANCES		
i) Secured (considered good)	89.98	61.97
ii) Unsecured (considered good)		
– Against bank guarantee	720.63	928.12
– Others	169.01	169.60
iii) Unsecured (considered doubtful)	0.06	0.06
Less : Provisions for doubtful advances *1	0.06	0.06
b) DEPOSITS	34.73	40.68
c) OTHER LOANS & ADVANCES		
i) Employees (including accrued interest)		
– Secured (considered good)	92.73	86.59
– Unsecured (considered good)	40.83	11.44
ii) Loan to State Government in settlement of dues from customer		
– Unsecured (considered good)	88.77	114.13
iii) Advance to Government of Arunachal Pradesh		
– Unsecured (considered good)	225.00	225.00
	1,461.68	1,637.53
Provisions for doubtful advances *1		
Opening Balance	0.06	0.22
Amount reversed during the year	-	0.16
Closing balance	0.06	0.06
	As on 31.03.2012	As on 31.03.2011
PARTICULARS OF LOANS AND ADVANCES DUE FROM DIRECTORS		
Amount due at the end of the year	0.04	0.07

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)

Capital Advance (Secured - Considered Good) includes ₹ 63.53 Crore secured on hypothecation of plant & machinery, which has since been taken over on rescinding of one of the contract. The plant & machinery so taken over has not been accounted for in the books.

NOTE NO. 17 : OTHER NON-CURRENT ASSETS

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
a) Long term trade receivable	199.14	8.95
b) Others		
i) Interest accrued on:		
– Advance to Government of Arunachal Pradesh	114.30	86.21
– Others	0.18	12.25
ii) Deferred Foreign Currency Fluctuation Assets	1,067.28	772.20
iii) Deferred Expenditure on Foreign Currency Fluctuation Account	0.17	0.16
	1,381.07	879.77

NOTE NO. 18 CURRENT INVESTMENTS

Particulars	As at 31st March, 2012			As at 31st March, 2011		
	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)
Current maturities of long term investments						
Trade - Unquoted						
i) 8.50 % Tax-Free State Government Special Bonds of the Government of :						
Arunachal Pradesh	972	1000	0.10	972	1000	0.10
Bihar	19070	1000	1.91	19070	1000	1.91
Haryana	565000	1000	56.50	565000	1000	56.50
Himachal Pradesh	17868	1000	1.79	17868	1000	1.79
Jammu and Kashmir	770696	1000	77.07	770696	1000	77.07
Jharkhand	14310	1000	1.43	14310	1000	1.43
Meghalaya	532	1000	0.05	532	1000	0.05
Mizoram	3210	1000	0.32	3210	1000	0.32
Nagaland	6920	1000	0.69	6920	1000	0.69
Punjab	222810	1000	22.28	222810	1000	22.28
Rajasthan	-	-	-	28500	1000	2.85
Sikkim	2336	1000	0.23	2336	1000	0.23
Tripura	2668	1000	0.27	2668	1000	0.27
Uttar Pradesh	786890	1000	78.69	786890	1000	78.69
Uttaranchal	87430	1000	8.74	87430	1000	8.74
West Bengal	6722	1000	0.67	6722	1000	0.67
Total			250.74			253.59
Unquoted Investments						
Aggregate Cost			250.74			253.59
Valuation as per accounting policy no. 6						

NOTE NO. 19 : INVENTORIES

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
(Valuation as per Accounting Policy No. 7)		
i) Stores and spares	68.37	61.22
Stores in transit/ pending inspection	1.56	1.74
ii) Loose tools	1.77	1.46
iii) Scrap inventory	0.50	2.53
iv) Material at site	1.59	0.97
v) Material issued to contractors/ fabricators	0.66	0.29
vi) Less: Provision for obsolete store & spares *1	24.85	29.00
	49.60	39.21
Provisions for obsolete store & spares *1		
Opening Balance	29.00	23.16
Additions during the year	1.63	16.96
Amount used during the year	1.57	10.17
Amount reversed during the year	4.22	0.95
Closing balance	24.84	29.00

NOTE NO. 20 : TRADE RECEIVABLES

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
a) Trade Receivables outstanding for a period exceeding six months (from the date they become due for payment)		
- Secured - Considered good		
- Unsecured - Considered good	257.02	172.51
- Considered doubtful and provided	192.38	194.44
b) Other Trade Receivables		
- Unsecured - Considered good	1,990.07	397.66
Less: Provision for doubtful debts *1	192.38	194.44
	2,247.09	570.17
Provisions for doubtful debts *1		
Opening Balance	194.44	194.44
Additions during the year	0.39	-
Amount used during the year	0.66	-
Amount reversed during the year	1.79	-
Closing balance	192.38	194.44

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).
- Trade Receivables include an amount of ₹ 120.81 Crore (Previous year ₹ 120.81 Crore), being recoverable from M/s Delhi Transco Limited (erstwhile DESU) pertaining to period prior to Financial Year 1996-97. The case for recovery of the same has been taken up through Ministry of Power with Ministry of Finance, Govt. of India. However, a provision for entire amount was made in the books during 2008-09 as an abundant precaution.

NOTE NO. 21: CASH AND BANK BALANCES

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
A Cash and Cash Equivalents		
i) Cash on hand (includes stamps in hand of ₹ 0.009 Crore, Previous Year ₹ 0.009 Crore)	0.31	1.22
ii) Cheques, drafts on hand	0.06	19.25
iii) Balances with banks		
• With scheduled banks		
- In current account - Others	135.48	166.56
- In deposits account# - IPO Proceeds	-	94.39
- Others	885.00	1,055.13
• With other banks		
- In current account		
Bank of Bhutan, Phuentsholing	0.63	0.58
# Deposits with maturity of three months or less		
B Other Bank Balances		
i) Balances with banks (Deposits with maturity of more than three months but less than/up to 12 months)		
• With scheduled banks		
- In deposits account - Self Insurance Fund	10.28	63.41
- IPO Proceeds	1,522.00	400.00
- Others	4,684.65	2,093.09
ii) Deposit account-Unpaid Dividend	2.43	1.21
iii) Bank deposits with more than 12 months maturity		
- Term Deposit-towards unutilised money out of IPO proceeds	250.00	1,900.00
- Term Deposit - Others	271.48	925.50
- Term Deposit-Self Insurance Fund	33.00	30.95
	7,795.32	6,751.29

Explanatory Note: -

- Out of the Initial Public Offering (IPO) proceeds of ₹ 6038.55 Crore made during financial year 2009-10, sale proceeds of ₹ 1212.85 Crore was paid to Ministry of Power, Govt. of India and ₹ 4025.70 Crore was retained by company. Out of ₹ 4025.70 Crore, a sum of ₹ 2214.99 Crore has been utilised up to 31.03.2012 for re-couplement of capital expenditure already incurred from internal accruals on the projects specified for utilisation, the unutilised amount of ₹ 1772 Crore has been invested in bank deposits as per extant investment policy of the company and ₹ 38.71 Crore recouped for meeting IPO expenditure.
- Cash and Bank Balances include an amount of ₹ 0.13 Crore (Previous year ₹ 57.88 Crore) towards margin money kept with banks for opening Letter of Credit or similar facility, which is not available for use as on 31.03.2012.
- Cash and Bank Balances include ₹ 466.87 Crore (Previous Year ₹ 486.44 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.
- Cash and Bank Balances include ₹ 180.00 Crore which is not available for use as on 31.03.2012 as the same has been kept as security for short term borrowing of equivalent amount. (Ref. Note No. 9)
- Cash and Bank Balances includes an amount of ₹ 2.48 Crore (Previous year Nil) kept with banks as per orders of Hon'ble Court of Law, which is not available for use as on 31.03.2012.

NOTE NO. 22 : SHORT TERM LOAN AND ADVANCES

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
A) LOANS		
i) To Related Parties		
ii) To Others		
Employees (including accrued interest)		
- Secured (considered good)	16.82	12.87
- Unsecured (considered good)	5.62	2.12
- Unsecured (considered doubtful)	0.03	0.04
Loan to State Government in settlement of dues from customer	25.36	25.36
B) ADVANCES		
i) To Related Parties	-	-
ii) To Others		
Employees		
- Unsecured (considered good)	26.34	4.54
Advance to contractor / supplier		
- Secured (considered good)	2.78	0.49
- Unsecured (considered good)		
- Against bank guarantee	23.43	44.38
- Others	19.23	31.45
- Unsecured (considered doubtful)	0.32	0.27
Other advances		
- Unsecured (considered good)	1.60	1.56
- Unsecured (considered doubtful)	0.07	-
Less : Provisions for doubtful loans and advances *1	0.35	0.31
Advance income tax & tax deducted at source	1,994.25	1,348.27
C) DEPOSITS	42.36	40.01
Less : Provision for Doubtful Deposits *2	0.51	
	2,157.35	1,511.05
Detail of Provisions		
Provisions for doubtful loans and advances *1		
Opening Balance	0.31	0.32
Additions during the year	0.05	0.01
Amount used during the year	0.01	0.02
Closing balance	0.35	0.31
Provisions for doubtful deposits *2		
Opening Balance	-	-
Additions during the year	0.51	-
Closing balance	0.51	-
Explanatory Note: -		
PARTICULARS OF LOANS AND ADVANCES DUE FROM DIRECTORS	As at 31.03.2012	As at 31.03.2011
i) Amount due at the end of the year	0.01	0.01
ii) Advance due by firms or private companies in which any Director of the Company is a Director or member amounts to ₹ Nil (Previous year ₹ Nil)		

NOTE NO. 23 : OTHER CURRENT ASSETS

(₹ in Crore)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
a) Interest accrued on:		
i) Loan to State Government in settlement of dues from customers	32.97	32.97
ii) Deposits		
- IPO	152.91	69.64
- Self Insurance	16.04	3.28
- Other deposits	206.90	159.75
iii) Others	19.60	157.10
b) Receivable on account of unbilled revenue	1,218.41	1,617.60
c) Interest recoverable from beneficiary	84.35	19.89
d) Other Current Assets	19.06	18.11
e) Claims recoverable from different agencies	357.46	160.82
Less: Provisions for doubtful claims *1	200.39	48.12
f) Other Recoverable	2.05	0.74
g) Construction work in progress(on behalf of client)	50.05	19.94
h) Expenditure awaiting adjustment	37.06	37.06
Less: Provision for project expenses write off sanction	37.06	42.55
i) Losses awaiting write off sanction/pending investigation	12.62	11.03
Less: Provision for losses pending investigation/awaiting write off sanction	12.62	5.54
	1,959.41	2,211.72
Detail of Provisions		
Provisions for doubtful claims *1		
Opening Balance	48.12	4.39
Additions during the year	153.85	46.01
Amount used during the year	0.02	0.48
Amount reversed during the year	1.56	1.80
Closing balance	200.39	48.12

Explanatory Note: -

- Interest accrued on Loan to State Government in settlement of dues from customers includes ₹ 32.97 Crore (Previous year ₹ 32.97 Crore) on account of payment of incentive to M/s Delhi Transco Limited. The equivalent amount is appearing as liability under Other Current Liabilities (Note-11) since the issue of payment of incentive to M/s Delhi Transco has not been resolved.
- Provision toward doubtful claims includes ₹ 126.27 Crore toward interest recoverable on advance given to a contractor, not covered by adequate security. The contract in respect of said contractor has been rescinded during the year. Advance given to said contractor has been adjusted by encashing the bank guarantees available with the company and the aforesaid interest recoverable has been provided as an abundant precaution.
- Receivable on account of unbilled revenue represents i) Difference of grossing up of ROE ₹ 430.46 Crore ii) J&K water cess ₹ 691.73 Crore iii) RLDC Charges ₹ 33.05 Crore iv) Foreign Exchange Rate Variation ₹ 88.26 Crore v) Tax adjustment ₹ (-) 29.74 Crore and vi) MEA sales ₹ 4.65 Crore.

NOTE NO. 24 : REVENUE FROM OPERATIONS

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2012	For the year ended 31st March, 2011
A SALES		
SALE OF POWER	6,927.40	4,969.76
Sales adjustment of a/c of Foreign Exchange Rate Variation	(88.26)	(52.51)
Less : Tariff Adjustments	34.60	-
Less : Regulated Sales Adjustment	57.38	-
Less : Income from generation of electricity - precommissioning (refer Note 33 H (a))	-	0.59
Sub total A	6,747.16	4,916.66
B ADVANCE AGAINST DEPRECIATION		
During the year	19.03	0.20
Less : Written back during the year	47.16	48.53
Sub total B	(28.13)	(48.33)
C REVENUE FROM CONTRACTS, PROJECT MANAGEMENT AND CONSULTANCY WORKS		
Contract Income	54.57	89.74
Revenue from Project management/Consultancy works	90.47	88.92
Sub total C	145.04	178.66
TOTAL (A-B+C)	6,920.33	5,143.65

Explanatory Note: -

- Sales have been recognized as per tariff notified by Central Electricity Regulatory Commission (CERC). Tariff for the tariff period 2009-14 has since been fixed in respect of all the 12 Power Stations. However tariff of Teesta V Power Station is provisional pending approval of revised cost of the Project. In respect of subsidiary company, pending notification of tariff for the period 2009-2014, the sales for the year have been accounted for based on tariff petition filled for fixation of tariff and keeping in view the principles of conservatism, as the tariff petitions are subject to prudence check by CERC. However, billing during the year has been made at the tariff approved by the CERC as applicable on 31st March 2009.
- Sales includes ₹ 467.28 Crore (Previous year (-) ₹24.01 Crore) on account of earlier year sales arising out of finalisation of tariff in current year.
- Due to non payment of dues by three of the beneficiaries, power in respect of them was regulated during current year in terms of CERC Regulation No.L-1/42/2010-CERC Dated 28th September 2010 and accordingly sales includes an amount of ₹84.12 crore (previous year ₹NIL 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 ₹57.38 Crore has been adjusted against the outstanding dues of those beneficiaries.
- Sales includes ₹430.46 crore (previous year ₹ 417.91 crore) towards difference between Return on Equity (ROE) (a component of tariff) grossed up at normal rate of tax for 2011-12 with that as claimed in tariff, ₹88.26 Crore (previous year ₹52.51 Crore) towards reimbursement of Foreign Exchange Rate Variation (FERV), and ₹ 62.95 Crore (previous year ₹ (-)116.39 Crore) mainly towards tax adjustments, the billing of which is yet to be done.
- CERC vide order dated 21.10.2011 has allowed reimbursement of water cess from beneficiary states, which has been levied by the State of Jammu & Kashmir (J&K) on use of water by the power stations in the state of J&K. Accordingly sales on account of reimbursement of water cess amounting to ₹ 691.73 Crore including ₹139.02 crore for previous year has been recognized, which is yet to be billed for want of amendment to the CERC Regulations, 2009.
- CERC vide order dated 06.02.2012 has allowed recovery of Regional Load Dispatch Centre (RLDC) Fees & Charges from beneficiary states, which are to be paid by power generating companies in terms of CERC (Fees and Charges of RLDC and other related matters) Regulation 2009 dated 18.09.2009. Accordingly sales on account of recovery of RLDC fees & charges amounting to ₹ 33.05 Crore including ₹ 24.54 Crore for previous years has been recognized, which is yet to be billed for want of amendments to the CERC Regulations, 2009.
- Tariff regulation notified by CERC vide notification dated 19.01.2009 inter-alia provides that capital cost considered for fixation of tariff for current tariff period shall be subject to truing up at the end of the tariff period, which may result in increase or decrease in tariff. Accordingly, an amount of ₹ 34.60 Crore (Previous Year ₹ NIL) has been provided in the books by adjusting the sales for the year as an abundant precaution.
- In terms of regulation No. 39 of tariff regulation issued vide Central Electricity Regulatory Commission (CERC) notification No. L-7/145(160)/2000-CERC dated 19.01.2009, deferred tax liabilities for the period upto 31st March 2009 whenever it materializes is recoverable directly from the beneficiaries and the long term customers. Accordingly current year sale includes ₹67.41 Crore (Previous Year ₹41.30 Crore) on account of deferred tax which is materialized.

NOTE NO. 25 : OTHER INCOME

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2012	For the year ended 31st March, 2011
A) Income from Non-Current Investments		
i) Trade		
- Dividend -Others	1.80	1.44
- Interest	102.09	123.88
Government Securities (8.5% tax free bonds issued by the State Governments)		
ii) Non-Trade		
- Dividend income -Mutual Fund	0.18	0.13
- Interest-(Self Insurance Fund)	50.49	39.65
B) Other Income		
i) Interest		
- Loan to State Government in settlement of dues from customers	11.32	13.47
- Loan to Government of Arunachal Pradesh	28.09	25.70
- Deposit Account -Self Insurance Fund - Indian Bank	7.26	9.51
- Deposit Account - Other than self insurance fund- Indian Bank	606.81	465.39
- Employee's Loans and Advances	6.76	5.31
- Others	115.45	103.34
ii) Interest from Beneficiary States	297.76	39.70
iii) Late payment surcharge	22.21	3.63
iv) Net Gain/Loss on Sale of Mutual Fund	0.02	-
v) Profit on sale of assets	8.38	1.54
vi) Liability/ Provisions not required written back #	97.97	80.91
vii) Others	83.16	35.30
viii) Exchange rate variation	9.97	15.40
TOTAL	1,449.72	964.30
Less: Income transferred to EDC (Refer Note no. 33H (b)& 33-I (i))	170.33	150.36
Less: Income transferred to contract, and consultancy expenses (Refer Note no. 31)	6.47	3.21
Less: Income transferred to Advance Deposit from Client/Contractees and against Deposit Works	41.00	30.27
Total carried forward to Statement of Profit & Loss	1,231.92	780.46
Explanatory Note: -		
1) Detail of Liability/Provisions not required written back #		
Bad and doubtful debts	1.79	-
Bad and doubtful advances / deposits	-	0.17
Bad and doubtful claims	1.56	1.80
Diminution in value of stores and spares	4.22	0.10
Shortage in store & spares	-	0.86
Provision for wage revision	43.67	6.87
Provision for Committed Capital Expenditure	2.49	5.00
Provision for losses pending investigation	0.03	0.02
Provision for PRP/Incentive	3.61	11.65
Provision for LTC	1.02	25.76
Others	39.58	28.68
Total	97.97	80.91

NOTE NO. 26 : GENERATION, ADMINISTRATION AND OTHER EXPENSES

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2012	For the year ended 31st March, 2011
A. GENERATION EXPENSES		
Consumption of stores and spare parts	13.14	12.58
B. REPAIRS & MAINTENANCE		
- Building	31.38	31.54
- Machinery	52.81	44.51
- Others	<u>51.38</u>	<u>35.62</u>
	135.57	111.67
C. ADMINISTRATION EXPENSES		
i) Rent	41.72	36.58
ii) Rates and taxes	2.84	7.62
iii) Insurance	48.69	37.90
iv) Reimbursement from Self insurance fund	-	0.04
v) Security expenses	115.27	102.80
vi) Electricity Charges	41.01	37.61
vii) Travelling and Conveyance	20.13	19.03
viii) Expenses on vehicles	9.32	8.87
ix) Telephone, telex and Postage	11.10	9.49
x) Advertisement and publicity	8.40	7.80
xi) Entertainment and hospitality expenses	0.88	0.62
xii) Donation	7.00	-
xiii) Printing and stationery	5.70	6.02
xiv) Books & Periodicals	0.35	0.52
xv) Consultancy charges - Indigenous	6.00	6.55
xvi) Consultancy charges - Foreign	0.04	0.07
xvii) Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	6.33	22.05
xviii) Expenditure on land not belonging to company	23.91	62.79
xix) Loss on sale of assets	0.79	0.83
xx) Bad debts / advances/ claims written off	-	0.02
xxi) Stores written off	0.09	0.06
xxii) Fixed assets written off	0.29	0.39
xxiii) Interest on Arbitration/ Court Cases	0.35	80.59
xxiv) Rebate to customers	40.67	47.38
xxv) Water Cess & Environment Protection Cess	552.85	139.33
xxvi) Corporate Social Responsibility Expenses	21.04	14.75
xxvii) Other general expenses	68.96	85.74
xxviii) Exchange rate variation	22.45	22.73
xxix) Audit expenses (Refer detail below)	1.55	1.15
xxx) Director expenses	0.12	0.20
xxxi) Research and development expenses	0.05	-
xxxii) Expenses for Regulated Power	4.96	-
Less: - Exp Recoverable on Regulated Power	<u>4.96</u>	<u>-</u>
TOTAL	<u>1,206.67</u>	<u>884.07</u>
Less: Generation, Administration and Other Expenses transferred to EDC (Refer Note no. 33-B, 33-C & 33-I (ii))	177.22	220.35
Less: Generation, Administration and Other Expenses transferred to contract and consultancy expenses (Refer Note no. 31)	19.82	22.43
Less: Recoverable from Deposit Works	0.06	0.14
Total carried forward to Statement of Profit & Loss	<u>1,009.57</u>	<u>641.15</u>

NOTE NO. 26 : GENERATION, ADMINISTRATION AND OTHER EXPENSES (Contd.) (₹ in Crore)

PARTICULARS	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Explanatory Note: -		
1) Detail of audit expenses are as under: -		
i) Statutory Auditors	As on 31.03.2012	As on 31.03.2011
As Auditor		
Audit Fees *	0.45	0.36
Tax Audit Fees	0.13	0.11
In other Capacity		
Taxation Matters	0.00	0.00
Company Law Matters	0.00	0.00
Management Services	0.00	0.00
Other Matters/services	0.42	0.24
Reimbursement of expenses	0.46	0.35
ii) Cost Auditors		
Audit Fees	0.08	0.07
Reimbursement of expenses	0.01	0.02
* Include arrears of last year.	1.55	1.15
2) Sitting fees to independent directors	0.12	0.20
3) Whole-time Directors also allowed the use of company's car for official journeys and for private journeys upto 12000 kms in a Financial year on payment as under:-		

	Non-AC Car	AC Car
Upto 16 HP	₹ 325 per month	₹ 520 per month
Above 16 HP	₹ 490 per month	₹ 780 per month

- 4) 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.

NOTE NO. 27 : EMPLOYEES BENEFITS EXPENSES

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2012	For the year ended 31st March, 2011
i) Salaries, wages, allowances	1,191.10	1,110.83
ii) Gratuity, Contribution to provident fund & pension scheme (incl. administration fees)	307.49	229.72
iii) Staff welfare expenses	126.18	146.18
iv) Leave Salary & Pension Contribution	0.12	0.39
TOTAL	1,624.89	1,487.12
Less: Employee Cost transferred to EDC (Refer Note no. 33-A & 33-I (iii))	647.82	629.77
Less: Employee Cost transferred to contract and consultancy expenses (Refer Note no. 31)	86.72	86.25
Less: Recoverable from Deposit Works	1.89	1.45
Total carried forward to Statement of Profit & Loss	888.46	769.65

Explanatory Note: -

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

(₹ in Crore)

	31.03.2012	31.03.2011
(i) Salaries & Allowances	1.03	1.96
(ii) Contribution to Provident Fund	0.09	0.19
(iii) Rent for Residential Accommodation	0.10	0.24
(iv) Other benefits	0.10	0.37

- 2) The Company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees. These leasing arrangements, which are not non-cancellable, are usually renewable on mutually agreeable terms. Salaries, wages, allowances includes ₹ 33.26 Crore (Previous year ₹ 30.44 Crore) towards lease payments in respect of premises for residential use of employees

NOTE NO. 28 : FINANCE COST

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2012	For the year ended 31st March, 2011
a) Interest on :		
Bonds	217.23	215.12
Foreign currency loan	59.61	60.61
Term loan	1,019.42	975.74
Interest to beneficiary states	5.19	-
sub total	1,301.45	1,251.47
b) Other Borrowing Cost		
Bond issue/ service expenses	0.93	0.45
Commitment fee	0.06	0.06
Guarantee fee on foreign loan	32.22	32.35
Other finance charges	3.93	3.28
sub total	37.14	36.14
c) Applicable net gain/ loss on Foreign currency transactions and translation		
Exchange differences regarded as adjustment to interest cost	277.47	240.68
Less: Interest adjustment on account of Foreign Exchange Rate Variation	(277.47)	(240.68)
sub total	-	-
Total	1,338.59	1,287.61
Less: Finance Cost transferred to EDC (Refer Note no. 33-D & 33-I (v))	764.67	671.24
Less: Finance Cost transferred to contract and consultancy expenses (Refer Note no. 31)	0.01	0.43
Less: Recoverable from Deposit Works	-	-
Total carried forward to Statement of Profit & Loss	573.91	615.94

NOTE NO. 29 : DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2012	For the year ended 31st March, 2011
i) Depreciation for the year	1,282.05	1,281.97
ii) Depreciation adjustment on account of Foreign Exchange Rate Variation	(23.53)	(15.66)
TOTAL	1,258.52	1,266.31
Less: Depreciation & Amortisation Expenses transferred to EDC (Refer Note no. 33-F & 33-I (v))	49.68	42.13
Less: Depreciation & Amortisation Expenses transferred to contract and consultancy expenses (Refer Note no. 31)	1.12	1.81
Less: Recoverable from Deposit Works	-	0.02
Less: Trf. To Grant in Aid- Reserve (Grants written off) (refer note no.3)	57.73	55.81
Total carried forward to Statement of Profit & Loss	1,149.99	1,166.54

NOTE NO. 30 : PROVISIONS

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2012	For the year ended 31st March, 2011
i) Bad and doubtful debts provided	0.40	-
ii) Bad and doubtful advances / deposits provided	0.50	0.02
iii) Bad and doubtful claims provided	147.27	46.01
iv) Diminution in value of stores and spares	1.20	17.11
v) Project expenses provided for	81.89	6.10
vi) Provision for fixed assets/ stores provided for	3.33	1.83
Total	234.59	71.07
Less: Provisions transferred to EDC (Refer Note no. 33-E & 33-I (iv))	141.16	36.54
Less: Provisions transferred to contract and consultancy expenses (Refer Note no. 31)	2.72	0.01
Less: Recoverable from Deposit Works	-	-
Total carried forward to Statement of Profit & Loss	90.71	34.52

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

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2012		For the year ended 31st March, 2011	
A. DIRECT EXPENSES	15.92		15.30	
EMPLOYEES BENEFITS EXPENSES				
i) - Salaries, Wages, Allowances and benefits	61.07		60.93	
ii) - Gratuity, Contribution to provident fund & pension scheme (incl. administration fees)	9.46		8.07	
iii) - Staff welfare Expenses	4.55	75.08	5.24	74.24
B. REPAIRS & MAINTENANCE				
- Buildings	0.49		0.30	
- Machinery	1.44		2.30	
- Others	0.82	2.75	0.51	3.11
C. ADMINISTRATION & OTHER EXPENSES				
- Rent	6.53		5.89	
- Travelling and Conveyance	3.61		2.95	
- Expenses on vehicles	0.18		0.17	
- Insurance	0.05		0.15	
- Telephone, telex, and postage	0.84		0.64	
- Advertisement and publicity	0.13		0.19	
- Printing and Stationery	0.39		0.44	
- Other Expenses	3.73		6.91	
- Rates and taxes	0.01		0.00	
- Security	0.12		0.14	
- Electricity	0.24		0.24	
- Consultancy charges	0.23	16.06	0.31	18.03
D. Depreciation & Amortisation Expenses	0.82		0.96	
E. Finance Cost	0.01		0.43	
F. Provisions	2.72		-	
G. C.O./Regional Office Expenses:				
Other Income	(0.55)		(0.57)	
Generation, Administration and Other Expenses	1.01		1.29	
Employees Benefits Expenses	11.64		12.01	
Depreciation & Amortisation Expenses	0.30		0.85	
Finance Cost	-		-	
Provisions	-		0.01	
Prior Period Adjustment (Net)	0.12		0.01	
TOTAL EXPENDITURE	125.88		125.67	
H. Less: Receipts and recoveries	5.92		2.64	
Net expenditure during the year	119.96		123.03	
I. Prior period Adjustments	0.02		0.22	
Total carried forward to Statement of Profit & Loss	119.98		123.25	

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NOTE NO. 32 : PRIOR PERIOD EXPENSES

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2012	For the year ended 31st March, 2011
INCOME		
i) Sale of Electricity	22.24	592.44
ii) Add: Advance Against Depreciation written back	-	(16.08)
iii) Interest/Surcharge received from debtors	(0.03)	1.46
iv) Others	(29.81)	(22.30)
SUB TOTAL	(7.60)	555.52
EXPENDITURE		
i) Salaries & Wages	47.25	0.02
ii) Repair & Maintenance	0.21	0.50
iii) Finance Cost	-	-
iv) Depreciation	2.08	(82.13)
v) Others	0.63	(1.96)
SUB TOTAL	50.17	(83.57)
TOTAL	57.77	(639.09)
Less: Prior Period Expenses transferred to EDC (Refer Note no. 33-G)		
Prior period expenses	17.71	(1.46)
Less Prior period income	(2.69)	(18.62)
Total	37.37	(656.25)
Less: Prior Period Expenses transferred to contract and consultancy expenses (Refer Note no. 31)	0.14	0.23
Less: Recoverable from Deposit Works	-	-
Total carried forward to Statement of Profit & Loss	37.23	(656.48)

Explanatory Note: -

Sales of ₹ 22.24 Crore is on account of deferred tax materialised and accounted for during the year which is recoverable from the beneficiary as per CERC Tariff Regulation 2009.

NOTE NO. 33 : EXPENDITURE DURING CONSTRUCTION FOR THE YEAR

(₹ in Crore)

PARTICULARS	For the year ended 31st March, 2012	For the year ended 31st March, 2011
A. EMPLOYEES BENEFITS EXPENSES		
i) Salaries, wages, allowances	314.44	301.82
ii) Gratuity, Contribution to provident fund & pension scheme (incl. administration fees)	77.10	61.34
iii) Staff welfare expenses	31.69	39.85
iv) Leave Salary & Pension Contribution	0.12	0.40
Sub-total	423.35	403.41
B. REPAIRS & MAINTENANCE		
i) Building	6.29	5.54
ii) Machinery	0.98	1.66
iii) Others	16.02	8.96
Sub-total	23.29	16.16

NOTE NO. 33 : EXPENDITURE DURING CONSTRUCTION FOR THE YEAR (Contd.) (₹ in Crore)

PARTICULARS	For the year ended 31st March, 2012	For the year ended 31st March, 2011
C. ADMINISTRATION & OTHER EXPENSES		
i) Rent	17.87	15.19
ii) Rates and taxes	0.64	2.06
iii) Insurance	0.37	0.32
iv) Security expenses	28.62	25.60
v) Electricity Charges	5.78	3.94
vi) Travelling and Conveyance	4.27	4.31
vii) Expenses on vehicles	3.36	3.56
viii) Telephone, telex and Postage	3.48	2.92
ix) Advertisement and publicity	0.61	0.70
x) Entertainment and hospitality expenses	-	0.01
xi) Printing and stationery	1.02	1.03
xii) Remuneration to Auditors	0.03	0.01
Design and Consultancy charges:		
xiii) - Indigenous	1.70	1.08
xiv) - Foreign	-	-
xv) Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	5.98	21.86
xvi) Expenditure on land not belonging to company	22.17	61.58
xvii) Land acquisition and rehabilitation	-	-
xviii) Loss on assets/ materials written off	-	0.01
xix) Losses on sale of assets	0.06	0.02
xx) Exchange rate variation	17.53	20.86
xxi) Other general expenses	14.28	12.10
Sub-total	127.77	177.16
D. FINANCE COST		
i) Interest on :		
a) Government of India loan	-	-
b) Bonds	186.39	180.00
c) Foreign currency loan	-	-
d) Term loan	574.24	488.48
ii) Loss on Hedging Transactions	-	-
iii) Bond issue/ service expenses	0.77	0.25
iv) Commitment fee	-	-
v) Guarantee fee on loan	-	-
vi) Other finance charges	3.23	2.45
Sub-total	764.63	671.18
E. PROVISIONS	141.16	36.40
Sub-total	141.16	36.40
F. DEPRECIATION AND AMORTISATION EXPENSES	43.07	27.59
Sub-total	43.07	27.59
G. PRIOR PERIOD EXPENSES		
Prior Period Expenses	8.30	(1.65)
Less: Prior Period Income	(2.69)	(18.62)
Sub-total	10.99	16.97

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NOTE NO. 33 : EXPENDITURE DURING CONSTRUCTION FOR THE YEAR (Contd.) (₹ in Crore)

PARTICULARS	For the year ended 31st March, 2012	For the year ended 31st March, 2011
H. LESS: RECEIPTS AND RECOVERIES		
a) Income from generation of electricity – precommissioning	-	0.59
b) Others		
i) Interest on loans and advances	111.17	90.76
ii) Miscellaneous receipts	8.04	6.52
iii) Profit on sale of assets	0.00	0.00
iv) Exchange rate variation (Credit)	8.00	15.03
v) Provision/Liability not required written back	26.54	25.11
vi) Hire charges/ outturn on plant and machinery	1.76	1.60
Sub-total	155.51	139.02
I. C.O./Regional Office Expenses:		
i) Other Income	(14.82)	(11.34)
ii) Generation, Administration and Other Expenses	26.16	27.03
iii) Employees Benefits Expenses	224.47	226.36
iv) Depreciation & Amortisation Expenses	6.61	14.54
v) Finance Cost	0.04	0.06
vi) Provisions	-	0.14
vii) Prior Period Adjustment (Net)	9.41	0.19
Sub-total	251.87	256.98
GRAND TOTAL (A+B+C+D+E+F+G+I-H)	1,630.62	1,466.24

NOTE NO. 34 : TAX EXPENSES

(₹ in Crore)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
i) CURRENT TAX		
Income Tax Provision	866.07	635.58
	866.07	635.58
ii) Adjustment Relating To Earlier Years	8.60	9.63
iii) Deferred Tax Aseet	(4.85)	(48.44)
Less: Recoverable	(77.85)	(196.63)
	73.00	148.19
	947.67	793.40

NOTE NO. 35 : OTHER EXPLANATORY NOTES TO ACCOUNTS-CONSOLIDATED

1. The Consolidated Financial Statements (CFS) comprises of the financial statements of NHPC Limited, its subsidiary companies and its interest in Joint Ventures.
2. a) Basis of Accounting:
 - i) The Financial Statements of the subsidiary companies in the consolidation are drawn up to the same reporting date as of the Company.
 - ii) The Consolidated Financial Statements has been prepared in accordance with Accounting Standard-21 Consolidated Financial Statements notified by The Companies Accounting Standard Rules, 2006 and generally accepted accounting principles.
 - iii) The interest in Joint Venture has been reported in Consolidated Financial Statements in accordance with the Accounting Standard -27 'Financial Reporting of interest in Joint Ventures' notified by The Companies Accounting Standard Rules, 2006.

Principle of Consolidation:

- i) The Financial Statement of the Company and its subsidiary is combined on line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and unrealised profits or losses.
 - ii) The consolidated financial statements include the interest of the company in joint ventures, which has been accounted for using the proportionate consolidation method of accounting and reporting whereby the company's share of each of assets, liabilities, income and expenses of a jointly controlled entity is considered as separate line item.
 - iii) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
3. The subsidiary companies & Joint Ventures companies considered in the Consolidated Financial Statement is:

Name of the Company	Country of Incorporation	Proportion of Ownership Interest
Subsidiary Companies:		
NHDC Ltd.	India	51%
Loktak Downstream Hydroelectric Corporation Ltd.	India	74%
Joint Venture Companies:		
Chenab Valley Power Projects Pvt. Ltd.	India	49%
National High Power Test Laboratory (P) Ltd.	India	25%
National Power Exchange Ltd.	India	16.67%

4. a) Contingent Liabilities as on: - (₹ in Crore)

Description	Opening Balance 01/04/2011	Closing Balance 31/03/2012
Claims against the Company not acknowledged as debts in respect of		
- Capital Works	5378.53	7846.18
- Land Compensation Cases	1538.58	1313.17
- Others		
- Disputed Income Tax Demand	11.05	10.63
- Disputed Sales Tax Demand	2244.45	264.01
- Disputed Service Tax Demand	27.02	29.22
- Others	122.45	116.32
Total	9322.08	9579.53

- b) The above contingent liabilities do not include contingent liabilities on account of pending cases in respect of service matters & others where the amount cannot be quantified.
- c) Contingent liabilities towards capital work includes claims of contractors regarding rate & quantity deviation, cost relating to extension of time and idling charges due to stoppage of work / delays in handing over the site etc. These claims are being contested by the company as being not admissible in terms of the provisions of the respective contracts or are lying at Arbitration Tribunal.
- d) The Contingent Liability under the head "Capital Works" includes ₹459.64 Crore (previous year ₹242.94 Crore), towards arbitration awards received against the company as outflow is not considered probable in respect of these awards as the same stands challenged in the court of law.

- e) It is not practicable to disclose the uncertainties relating to any outflow.
- f) There is a possibility of reimbursement to Corporation, of ₹45.17 Crore (Previous year ₹42.39 Crore) towards above contingent liabilities.
- g) An amount of ₹9.92 Crore (Previous year ₹24.86 Crore) stands paid towards above contingent liability and is being shown as Current Assets.
5. Estimated amount of contracts remaining to be executed on capital account and not provided for ₹5445.36 Crore (Previous year ₹ 6395.58 crore)
6. Pending approval of the competent authority, provisional payments / provision made towards executed quantities of some of the items beyond the approved quantities as also for extra items totalling to ₹241.16 Crore (Previous year ₹. 257.33 Crore), are included in Capital Work-in-Progress/Fixed Asset.
7. a) Balances shown under Material issued to contractors, claims recoverable including insurance claims, advance for Capital Expenditure, Sundry Debtors, Advances to Contractors, Sundry Creditors and Deposits/Earnest money from contractors are subject to reconciliation/ confirmation and respective consequential adjustments. Claims recoverable also include claims in respect of projects handed over or decided to be handed over to other agencies in terms of Government of India Directives.
- b) In the opinion of the management, the value of current assets, loans and advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
8. During FY 2010-11 Company had received an opinion from the Expert Advisory Committee of the Institute of Chartered Accountants of India (EAC of ICAI) and as per opinion of EAC, expenditure incurred for creation of assets not within the control of company should be charged to profit & loss account in the year of incurrence itself, consequent upon withdrawal of Guidance Note on Expenditure During Construction. The Company has represented to the EAC of ICAI that such expenditure, being essential for setting up of a hydro project, should be allowed to be capitalised. Company is further of the view that capitalization of such expenditure is supported by Exposure Draft on Limited Revision to AS-10 and Guidance Note on Rate Regulated Entity issued by ICAI. Pending receipt of further opinion from the EAC, revision in AS-10 and implementation of guidance note on rate regulated entity, the accounting treatment as per existing accounting practices / policies has been continued. In view of above ₹26.04 (WDV) Crore and ₹106.87 Crore is appearing under the Tangible Asset (Note No.13.1) and capital work in progress (Note No. 14.1) towards creation/construction of such assets.
9. The effect of foreign exchange fluctuation during the year is as under: (₹ in Crore)

		For the Year 2011-12	For the Year 2010-11
(i)	Amount charged to Profit and Loss Account excluding depreciation (as FERV)	2.95	1.51
(ii)	Amount charged to Profit and Loss Account excluding depreciation (as Borrowing Cost)	277.47	240.68
(ii)	Amount charged to Expenditure During Construction (as FERV)	9.53	5.92
(iii)	Amount charged to Capital work-in-progress (as FERV)	(0.14)	(1.18)
(iv)	Amount adjusted by addition to carrying amount of fixed assets	106.06	31.49

10. During the year ended 31.03.2012, following Significant Accounting Policies have been reworded to have a better disclosure without any financial impact:

Accounting Policy	Changes
Accounting Policy No. 5.1 on depreciation	Slight modification has been carried out in the existing policy to disclose the fact of practice of charging deprecation on addition / deductions of Fixed Assets to / from Gross Block.
Accounting Policy No. 5.2.3 on depreciation on construction Plant & Machinery & Computer & Peripherals	Some grammatical error has been corrected.
Accounting Policy No. 5.2.4 on Depreciation on temporary erections.	Policy has been reworded to have better disclosure.
Accounting Policy No. 5.5 on amortisation of software	Policy has been reworded to have better disclosure.
Earlier Accounting Policy No. 5.6 on amortisation of leasehold land has been segregated in two parts to align with the CERC rate & methodology.	It has resulted in impact of ₹ (0.71) Crore on Profit before tax for the year 2011-12.

In addition to above ornamental changes, earlier Significant Accounting Policy No. 2.6 on Grant-in-aids and 7.4 on valuation of stores at site on engineering estimate basis, being redundant, has been deleted during the current year, having no financial impact.

11. The company has reviewed its methodology of allocation of Corporate Office, Regional Office and administration & general overhead expenses of construction projects and changes have been carried out during the current year. This has resulted in additional charge of ₹ 29.97 Crore in the current year.
12. The status of Self Insurance Fund Investment as at 31.03.2012 is as under:-

Note of Balance Sheet	Description of Investment / Deposit	Amount (₹ in Crore)
Note No. 15	Central Government Securities	250.59
	Public Sector Bonds	381.39
Note No. 21	Deposit Account-Long term	33.00
	Deposit Account- Short term	10.28
Note No. 22	Advance Tax (TDS)	1.68
Note No. 23	Interest Accrued (net of taxes)	16.04
Note No. 12	Provision for income tax	(2.08)
Total		690.90

The total income of Self Insurance Fund for the year ended 31.03.2012 is ₹32.48 Crore (net of taxes), which has been credited to Self Insurance Fund through Profit & Loss Appropriation Account.

13. Disclosure as required by Accounting Standard (AS) 15:

General description of various defined employee benefit schemes are as under:

A. Provident Fund

Company pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the period is recognised as expense and is charged to the profit & loss account/expenditure during construction. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by GOI.

B. Gratuity

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹0.10 Crore, on superannuation, resignation, termination, disablement or on death. The liability for the same is recognised on the basis of actuarial valuation.

C. Retired Employee Health Scheme

The Company has a Retired Employee Health Scheme, under which retired employee and spouse of retiree, spouse and 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.

D. Allowance on Retirement / Death

Actual cost of shifting from place of duty at which employee is posted at the time of retirement to any other place where he / she may like to settle after retirement is paid as per the rules of the corporation. In case of death, family of deceased employee can also avail this facility.

E. Leave

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

F. Social Security Scheme

NHPC has a Social Security Scheme in lieu of compensate appointment subject to the condition that the scheme will be withdrawn on introduction of pension scheme. Corporation makes a matching contribution per month per employee and such contribution is to be made for 8 years to build up corpus. The scheme is in operation since 01.06.2007. The scheme has been created to take care of and helping bereaved families in event of death of its employee or permanent total disability.

G. Memento to employees retired on attaining the age of superannuation and settlement allowance to such employees.

NHPC has a policy of providing Memento valuing ₹5000/- to employee retiring on superannuation.

The above mentioned schemes (B, C, D, E & G) are unfunded and are recognised on the basis of actuarial valuation. Schemes A and F are Defined contribution benefits.

Annual Report

2011-12

Summary of various defined benefits as on 31.03.2012 is as under:-

NHPC

Table 1:-Key Actuarial assumption for Actuarial Valuation as at:

Particular	31.03.2012	31.03.2011
Mortality Table	LIC (1994-96)	LIC (1994-96) duly modified
Discount rate	8.50%	8.0%
Future Salary Increase	6.0%	5.5%

Table 2:-Change in Present Value of Obligations (PVO)

(₹ in Crore)

Particular	Gratuity	Leave Encashment	Retired Employee Health Scheme
PVO at Beginning of year	512.76 {407.32}	303.22 {220.67}	256.16 {169.49}
Interest cost	43.59 {32.59}	25.77 {17.65}	21.77 {13.55}
Current service cost	22.88 {20.92}	18.02 {14.27}	6.85 {6.65}
Benefit paid	(73.93) {(27.87)}	(39.04) {(28.22)}	(8.61) {(8.26)}
Actuarial (Gain)/loss	63.10 {79.80}	75.85 {78.84}	49.11 {74.73}
PVO at end of year	568.40 {512.76}	383.82 {303.21}	325.28 {256.16}

Table 3:-Amount recognised in Balance Sheet

(₹ in Crore)

Particular	Gratuity	Leave Encashment	Retired Employee Health Scheme
PVO at end of year	568.40 {512.76}	303.22 {303.21}	325.28 {256.16}
Fair Value of Plan Assets at the end of year	- {-}	- {-}	- {-}
Funded Status	(568.40) {(512.76)}	(303.22) {(303.21)}	(325.28) {(256.16)}
Unrecognized actuarial gain/loss	- {-}	- {-}	- {-}
Net Liability recognized in Balance Sheet	568.40 {512.76}	303.22 {303.21}	325.28 {256.16}

Table 4:-Amount recognised in Profit & Loss Account/EDC Account

(₹ in Crore)

Particular	Gratuity	Leave Encashment	Retired Employee Health Scheme
Current Service Cost	22.88 {20.92}	18.02 {14.27}	6.85 {6.65}
Interest Cost	43.59 {32.59}	25.77 {17.65}	21.77 {13.55}
Expected return on Plan Assets	- {-}	- {-}	- {-}
Net Actuarial (gain) / loss recognized for the year	63.10 {79.80}	75.85 {78.84}	49.11 {74.73}
Expense recognized in Profit & Loss/EDC for the year	129.57 {133.31}	119.64 {110.76}	77.73 {94.93}

Note: { } contains previous year's figures.

Liabilities as on 31.03.2012 on account of Baggage Allowance on retirement & Memento are ₹ 4.65 Crore & ₹ 3.08 Crore (Previous year ₹4.45 Crore & ₹ NIL) respectively.

For NHDC

Table 1:-Key Actuarial assumption for Actuarial Valuation as at:

Particular	As at 31.03.2012	As at 31.03.2011
Mortality Table	Indian Assured Lives Mortality (1994-96) (modified) ultimate table.	Indian Assured Lives Mortality (1994-96) (modified) ultimate table.
Discount rate	8.50%	8.20%
Rate of increase in compensation level	6.0%	7.5%

Table 2:-Change in Present Value of Obligations (PVO)

(₹ in Crore)

Particular	Gratuity	Leave Encashment	Retired Employee Health Scheme
PVO at Beginning of year	4.61 {2.32}	5.68 {3.31}	1.60 {1.07}
Interest cost	0.37 {0.19}	0.47 {0.26}	0.13 {0.09}
Current service cost	0.63 {0.70}	1.33 {1.17}	0.26 {0.20}
Benefit paid	(0.11) {(0.16)}	(0.35) {(0.46)}	(0.01) {(0.00)}
Actuarial (Gain)/loss	(0.86) {1.56}	(0.28) {1.40}	0.15 {0.24}
PVO at end of year	4.64 {4.61}	6.85 {5.68}	2.13 {1.60}

Table 3:-Amount recognised in Balance Sheet

(₹ in Crore)

Particular	Gratuity	Leave Encashment	Retired Employee Health Scheme
PVO at end of year	4.64 {4.61}	6.85 {5.69}	2.13 {1.60}
Fair Value of Plan Assets at the end of year	- {-}	- {-}	- {-}
Funded Status	(4.64) {(4.61)}	(6.85) {(5.69)}	(2.13) {(1.60)}
Unrecognized actuarial gain/loss	- {-}	- {-}	- {-}
Net Liability recognized in Balance Sheet	4.64 {4.61}	6.85 {5.69}	2.13 {1.60}

Table 4:-Amount recognised in Profit & Loss Account/EDC Account

(₹ in Crore)

Particular	Gratuity	Leave Encashment	Retired Employee Health Scheme
Current Service Cost	0.63 {0.70}	1.33 {1.17}	0.26 {0.20}
Interest Cost	0.37 {0.19}	0.47 {0.26}	0.13 {0.09}
Expected return on Plan Assets	- {-}	- {-}	- {-}
Net Actuarial (gain) / loss recognized for the year	(0.86) {1.56}	(0.28) {1.40}	0.15 {0.24}
Expense recognized in Profit & Loss/EDC for the year	0.14 {2.45}	1.52 {2.84}	0.54 {0.53}

Note: { } contains previous year's figures.

Liabilities as on 31.03.2012 on account of Baggage Allowance on retirement & Memento are ₹ 0.28 Crore & ₹ 0.01 Crore (Previous year ₹0.32 Crore & ₹ NIL) respectively.

14. a) Electricity generation is the principal business activity of the Corporation. Other operations viz., Contracts, Project Management and Consultancy works do not form a reportable segment as per the Accounting Standard - 17 on Segment Reporting notified by The Companies Accounting Standard Rules, 2006.
- b) The Corporation has power stations located within the country and therefore, geographical segments are inapplicable.
15. In compliance of Accounting Standard – 18 on related party disclosures notified by The Companies Accounting Standard Rules, 2006, the required information is given as under: -

a) Related Parties

- (i) Joint Venture Companies
National Power Exchange Ltd.
- (ii) Key Management Personnel

Shri A. B. L.Srivastava	Director (Finance) with additional Charge of CMD w.e.f. 01.01.2011.
Shri D. P. Bhargava	Director (Technical)
Shri J. K. Sharma	Director (Projects)
Shri R. S. Mina	Director (Personnel)
Shri K.M.Singh	Chief Executive Director in NHDC
Shri R. K. Taneja	Director in NHDC
Shri D. K. Ray	Director in LDHCL
Shri Vijay Kumar	Director in LDHCL

b) Transaction carried out with the related parties at a(i) above is as follows:

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

Remuneration to key management personnel is ₹1.32 Crore (previous year ₹2.76 Crore) and amount of dues outstanding to the Company as on 31.03.2012 is ₹0.04 Crore (previous year ₹0.07 Crore)

16. Earning Per Share:-

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

	For the year 2011-12	For the year 2010-11
Net Profit after Tax used as numerator (₹ in Crore)	3085.58	2316.16
Weighted Average number of equity shares used as denominator		
– Basic	12300742773	12300742773
– Diluted	12300742773	12300742773
Earning Per Share (₹) – Basic	2.51	1.88
– Diluted	2.51	1.88
Face value per share (₹)	10	10

17. (a) Interest in Joint Venture:

Name of Companies	Proportion of Ownership interest as at	
	31.03.2012	31.03.2011
Chenab Valley Power Projects Pvt. Ltd.	49%	-
National High Power Test Laboratory (P) Ltd.	25%	25%
National Power Exchange Ltd.	16.67%	16.67%

The above joint venture entities are incorporated in India. The Company's share of the assets and liabilities as on 31st March 2012 and income and expenses for the financial year ended 31.03.2012 in respect of joint venture entities are based on audited accounts which are given below:

(₹ in Crore)

		As at 31.03.2012	As at 31.03.2011
A	Assets	29.37	3.88
B	Liabilities	11.98	0.18
C	Contingent Liabilities	0.01	0.01
D	Capital Commitments	7.48	8.03
		For the Year 2011-12	For the year 2010-11
E	Income	0.30	0.08
F	Expenditure	0.47	0.34

(b) Board has approved the proposal for matching equity contribution by Company upto ₹ 100 crore in Joint Venture company, M/s Chenab Valley Power Projects Private Limited.

18. The Management is of the opinion that no case of impairment of assets exists under the provision of Accounting Standard (AS)-28 on Impairment of assets as at 31st March 2012.

(₹ in Crore)

		For Year 2011-12	For Year 2010-11
a)*	Value of imports calculated on CIF basis:		
	i) Capital Goods	53.65	99.39
	ii) Spare parts	0.21	1.90
b)*	Expenditure in Foreign Currency		
	i) Know - How	4.84	11.18
	ii) Interest	58.49	59.53
	iii) Other Misc. Matters	48.08	119.79
c)*	Value of spare parts and Components consumed in operating units.		
	i) Imported	0.18 (1.37%)	1.05 (16.15%)
	ii) Indigenous	12.96 (98.63%)	5.45 (83.85%)
d)*	Earnings in foreign currency		
	i) Interest	-	-
	ii) Others	-	-

* Accrual basis.

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

(₹ in Crore)

(i)	Principal amount remaining unpaid to Micro, small & medium enterprise.	NIL
(ii)	Interest accrued on principal amount remaining unpaid as (i) above	NIL
(iii)	Amount of Interest paid during the year along with the payment of principal amount made beyond 15 days or agreed time from the date of delivery/rendering of services.	NIL
(iv)	Interest due but yet to be paid on principal paid during the year	NIL
(v)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure.	NIL

21. Financial Statements for the year have been prepared following the provisions of Schedule VI of the Companies Act, 1956 as revised by Government of India vide notification no. S. O. 447 (E) dated 28.02.2011 read with notification no. F. No. 2/6/2008-CL-V dated 30.03.2011. As such, Corresponding figures for year / Opening balances have been regrouped/re-arranged/re-cast wherever necessary to comply with requirements Revised Schedule VI.

For and on behalf of the Board of Directors

Place: NEW DELHI
Dated: 25.05.2012

VIJAY GUPTA
Company Secretary

D. P. BHARGAVA
Director (Technical)
DIN 01277269

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

CONSOLIDATED CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2012

	31ST MARCH, 2012	31ST MARCH, 2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	4351.26	3257.23
ADD :		
Depreciation (including Prior Period)	1176.51	1068.46
Advance against Depreciation (Including Prior Period)	19.03	-
Interest Paid	573.91	623.87
Fixed Assets written off	0.29	0.06
Stores written off	0.09	0.38
Provisions	93.42	34.88
Bad debts/ Claims written off	-	0.02
Loss on Sale of Assets	0.79	0.81
Exchange rate variation	264.42	242.19
	2128.46	1970.67
LESS :		
Advance against Depreciation written back (incl. Prior Period)	47.16	32.25
Tariff Adjustment	34.60	-
Profit on sale of assets / project	77.24	28.17
Excess Provisions & Liabilities written back	68.04	55.02
Deferred ERV	212.73	203.83
Dividend Income	1.98	1.57
Interest Income	777.86	651.90
	908.85	997.93
Cash flow from operating activities before working capital adjustments	5260.11	4255.16
Working Capital Changes		
(Increase)/Decrease in Inventories	(12.23)	2.92
(Increase)/Decrease in Trade Receivables	(1830.08)	(942.32)
(Increase)/Decrease in Other Assets, Loans & Advances	651.41	(40.15)
Increase/(Decrease) in Trade & Other Payables	218.01	107.39
Cash flow from operating activities before taxes	4287.22	4362.55
Less : Taxes	904.63	605.99
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	3382.59	3756.56
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets & expenditure on construction projects (including expenditure during construction)	(3297.88)	(3465.87)
Loss / (Profit) on Sale/Transfer of Assets	0.01	27.36
Decrease/(Increase) in Investment	206.06	1512.06
Interest Income	777.86	652.41
Dividend Received	1.98	1.57
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(2311.97)	(1272.47)

CONSOLIDATED CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2012

	31ST MARCH, 2012	31ST MARCH, 2011
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share application money pending allotment	(24.24)	10.00
Dividend & Dividend Tax Paid	(900.15)	(802.82)
Proceeds on Borrowings	3433.44	1639.75
Repayments of Borrowings	(1206.16)	(1491.74)
Funds received from GOMP towards SSP & Irrigation component	12.31	29.23
Interest & Financial Charges	(1341.79)	(1306.75)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(26.59)	(1922.33)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1044.03	561.76
Cash & Cash Equivalents at the beginning of the year	6751.29	6189.53
Cash & Cash Equivalents at the close of the year	7795.32	6751.29

EXPLANATORY NOTES TO CASH FLOW STATEMENT

- Cash and Cash equivalents consist of Cash in hand, cheques/drafts in hands and Bank Balances including Short Term Deposits of varying periods except Deposits in the nature of Investment. Further, Cash & Cash equivalents include an amount of ₹ NIL (Previous year ₹57.38 Crore) towards margin money kept with banks for opening Letter of Credit or similar facility, which is not available for use as on 31.03.2012.
- Investment in Fixed Assets & Construction Work-in-Progress excludes interest & finance charges Capitalised to the tune of ₹ 764.63 Crore.
- Amount of undrawn loan as on 31.03.2012 : ₹ 321.26 Crore.
- Cash & cash equivalents include ₹466.87 Crore (Previous Year ₹486.44 Crore), held for Rural Electrification works being executed by Corporation on behalf of other agencies and are not freely available for the business of the Corporation.
- Cash & Bank Balance include an amount of ₹ 2.48 Crore (Previous Year ₹ Nil) kept with banks as per orders of Hon'ble Court of Law, which is not available for use as on 31.03.2012
- Figures for the previous year have been re-grouped/re-arranged/re-cast wherever necessary.
- Out of Proceeds from Initial Public Offering (IPO) of ₹6038.55 Crore including premium, raised during 2009-10, the Company retained ₹4025.70 Crore as its share proceeds including share premium of ₹2907.45 Crore and sale proceeds of the equity of Government of India amounting to ₹2012.85 Crore was paid to the Ministry of Power, Government of India. Out of the proceeds, a sum of ₹2214.99 Crore has been utilised up to 31.03.2012 for re-couplement of capital expenditure already incurred from internal accruals on the projects specified for utilisation, ₹ 1772 Crore has been invested in bank deposits as per extant investment policy of the company and ₹ 38.71 Crore recouped for meeting IPO expenditure.

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

D. P. BHARGAVA
Director (Technical)
DIN 01277269

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

As per report of even date

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

(CA Gaurav Nanda)
Partner
M. No. 500417

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

(CA B. K. Sipani)
Partner
M. No. 088926

For Baweja & Kaul
(Chartered Accountants)
FRN No. 005834N

(CA Sakshi Kaul Dhar)
Partner
M. No. 514325

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

(CA Sandeep Sandill)
Partner
M. No. 085747

Place: - New Delhi
Date: - 25/05/2012

NHPC Limited

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

ATTENDANCE SLIP

36TH Annual General Meeting to be held on Monday, 17th September, 2012 at 11:00 A.M. at Municipal Corporation Auditorium, NIT, Near B K Chowk, Faridabad - 121001.

NAME OF THE ATTENDING MEMBERS _____
(IN BLOCK LETTERS)

Folio No* _____

DP ID No. _____

No. of shares held _____

NAME OF PROXY
(IN BLOCK LETTERS TO BE FILLED
IN IF THE PROXY ATTENDS INSTEAD
OF THE MEMBERS) _____

I, hereby record my presence at the 36th Annual General Meeting of the Company at Municipal Corporation Auditorium, NIT, Faridabad, on Monday, 17th September, 2012

Signature of Member/Proxy

*Applicable in case of shares held in physical form

— — — — — ✂ — — — — — ✂ — — — — — ✂ — — — — —

NHPC Limited

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

FORM OF PROXY

DP ID :
Client ID :
No. of Shares.

I/we _____ of
_____ in the District of _____

_____ being a member/members of the above

named Company/hereby appoint _____ of

_____ in the District of _____ or failing him/

her _____ of _____ in the District of _____ as

my/our proxy to vote for me/us on my/our behalf at the 36th Annual General Meeting of the company at Municipal Corporation Auditorium, NIT, Near B K Chowk, Faridabad – 121001, on Monday, 17th September, 2012 and at any adjournments thereof.

Signed this _____ day of _____ 2012.

Affix One
Rupee
Revenue
Stamp

This form is to be used in favour of resolution(s) No. _____ and against resolution(s)
no. _____ unless otherwise instructed, the proxy will act as he thinks fit

Notes:

- The form should be signed across the stamp as per specimen signature registered with the company
- The form should be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the Meeting.

एन एच पी सी लिमिटेड
(Yeej le mej keâj keâe GÂee)



NHPC Limited
(A Government of India Enterprise)

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EPABX : 0129-2278421 / 422 / 423



231MW Chamera III Project - Downstream view of Dam