


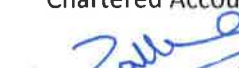
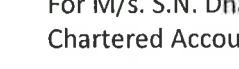
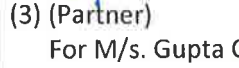



FORM A

| | | |
|----|--|---|
| 1. | Name of the Company | NHPC Limited |
| 2. | Annual financial statements for the year ended | 31 st March, 2015 |
| 3. | Type of Audit observation | Matter of Emphasis |
| 4. | Frequency of observation | Under the 'Emphasis of Matter' paragraph of the Audit Report, matter referred at para (a), b) & (c) are continuing since financial year 2013-14, 2010-11 & 2012-13 respectively and those referred at para (d), (e) & (f) are appearing for the first time. |
| 5. | To be signed by- <ul style="list-style-type: none"> • CEO/MD • CFO • Auditor of the Company • Audit Committee Chairman | <p> (R.S.T. SAI) Chairman and Managing Director</p> <p> (Jayant Kumar) Director (Finance)</p> <p> (1) (Partner) For M/s. S. N. Nanda & Co., Chartered Accountants, New Delhi</p> <p> (2) (Partner) For M/s. S.N. Dhawan & Co., Chartered Accountants, New Delhi</p> <p> (3) (Partner) For M/s. Gupta Gupta & Associates, Chartered Accountants, Jammu</p> <p> (4) (Partner) For M/s. Ray and Ray, Chartered Accountants, Kolkata</p> <p> (Atul Kumar Garg) Chairman-Audit Committee NHPC Limited</p> |



39th Annual Report 2014-15

Annual General Meeting at 10:30 a.m. on Wednesday, 23rd September, 2015
at MCF Auditorium, Faridabad, Haryana



CORPORATE VISION

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

CORPORATE MISSION

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



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NHPC

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CONSOLIDATED

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DIGEST OF IMPORTANT FINANCIAL DATA (STANDALONE ACCOUNTS)

(₹ in crore)

| FINANCIAL | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 |
|---|------------------|------------------|------------------|------------------|------------------|
| A SALE OF ENERGY | 6,736.64 | 5,335.11 | 5,049.13 | 5,509.65 | 4,046.59 |
| B OTHER OPERATING INCOME & REVENUE FROM CONTRACTS, PROJECT MANAGEMENT AND CONSULTANCY WORKS | 65.61 | 201.93 | 257.51 | 409.83 | 178.66 |
| C OTHER INCOME (INCLUDES EXCEPTIONAL ITEM) | 861.33 | 1,456.95 | 1,232.79 | 871.26 | 706.86 |
| D TOTAL INCOME (A)+(B)+(C) | 7,663.58 | 6,993.99 | 6,539.43 | 6,790.74 | 4,932.11 |
| E GENERATION & OTHER EXPENSES | 2,753.72 | 3,177.77 | 1,982.63 | 2,038.72 | 771.36 |
| F DEPRECIATION & AMORTIZATION EXPENSES | 1,425.87 | 1,210.76 | 969.29 | 892.74 | 916.74 |
| G FINANCE COST | 1,179.77 | 1,022.40 | 385.38 | 342.24 | 366.60 |
| H PROFIT BEFORE TAX AND RATE REGULATED INCOME | 2,304.22 | 1,583.06 | 3,202.13 | 3,517.04 | 2,877.41 |
| I RATE REGULATED INCOME / EXPENDITURE | 521.95 | - | - | - | - |
| J PROFIT BEFORE TAX (H) + (I) | 2,826.17 | 1,583.06 | 3,202.13 | 3,517.04 | 2,877.41 |
| K TAX | 701.70 | 604.27 | 853.91 | 745.27 | 710.74 |
| L PROFIT AFTER TAX (J) - (K) | 2,124.47 | 978.79 | 2,348.22 | 2,771.77 | 2,166.67 |
| M AUTHORISED SHARE CAPITAL | 15,000.00 | 15,000.00 | 15,000.00 | 15,000.00 | 15,000.00 |
| N PAID UP EQUITY SHARE CAPITAL | 11,070.67 | 11,070.67 | 12,300.74 | 12,300.74 | 12,300.74 |
| O RESERVE AND SURPLUS | 17,215.72 | 14,996.98 | 15,539.76 | 14,052.79 | 12,279.94 |
| P LONG TERM BORROWINGS | 18,171.03 | 18,580.52 | 17,417.52 | 16,272.80 | 13,702.53 |
| Q OTHER LONG TERM LIABILITY & LONG TERM PROVISIONS | 2,224.12 | 2,420.51 | 2,427.61 | 3,139.25 | 2,990.45 |
| R DEFERRED TAX LIABILITIES | 810.44 | 766.67 | 460.69 | 204.04 | 161.33 |
| S GROSS TANGIBLE & INTANGIBLE FIXED ASSETS | 32,982.14 | 32,931.02 | 25,720.04 | 23,060.93 | 22,874.93 |
| T DEPRECIATION (PROVISION) | 10,286.98 | 8,851.48 | 7,680.08 | 6,692.61 | 5,774.04 |
| U NET TANGIBLE & INTANGIBLE FIXED ASSETS (S) - (T) | 22,695.16 | 24,079.54 | 18,039.96 | 16,368.32 | 17,100.89 |
| V CAPITAL WORK-IN-PROGRESS | 16,054.72 | 14,657.13 | 19,709.04 | 19,349.74 | 15,962.77 |
| W INVESTMENTS (NON CURRENT) | 1,977.75 | 2,227.02 | 2,400.61 | 2,499.14 | 2,659.96 |
| X OTHER LONG TERM LOANS & ADVANCES AND OTHER NON-CURRENT ASSET INCLUDING RATE REGULATORY ASSETS | 3,534.67 | 1,986.06 | 2,183.11 | 2,610.55 | 2,491.93 |
| Y WORKING CAPITAL | 5,229.68 | 4,885.60 | 5,813.60 | 5,141.87 | 3,219.44 |
| Z GROSS CAPITAL EMPLOYED (U)+(V)+(W)+(X)+(Y) | 49,491.98 | 47,835.35 | 48,146.32 | 45,969.62 | 41,434.99 |
| AA NET WORTH (N)+(O) | 28,286.39 | 26,067.65 | 27,840.50 | 26,353.53 | 24,580.68 |
| AB DIVIDEND (INCLUDING INTERIM DIVIDEND) | 664.27 | 332.12 | 738.04 | 861.05 | 738.04 |
| RATIOS | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 |
| RETURN ON CAPITAL EMPLOYED [(J) + (G)] / (Z) | 8.09% | 5.45% | 7.45% | 8.40% | 7.83% |
| RETURN ON NET WORTH (L) / (AA) | 7.51% | 3.75% | 8.43% | 10.52% | 8.81% |
| NET PROFIT TO SALE OF ENERGY (L) / (A) | 31.54% | 18.35% | 46.51% | 50.31% | 53.54% |
| BOOK VALUE PER SHARE | 25.55 | 23.55 | 22.63 | 21.42 | 19.98 |
| EARNING PER SHARE | 1.92 | 0.82 | 1.91 | 2.25 | 1.76 |
| DIVIDEND PER SHARE | 0.60 | 0.30 | 0.60 | 0.70 | 0.60 |
| DEBT EQUITY RATIO (P) / ((N) + (O)) | 0.64 | 0.71 | 0.63 | 0.62 | 0.56 |
| CURRENT RATIO | 1.88 | 1.80 | 1.91 | 1.76 | 1.52 |
| OPERATING PERFORMANCE | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 |
| GENERATION (M.U.) | 22038 | 18386 | 18923 | 18683 | 18604 |
| CAPACITY (IN MW) | 4987 | 4857 | 4050 | 3775 | 3775 |
| PLANT AVAILABILITY FACTOR (%) | 77.3 | 77.7 | 85.3 | 83.3 | 85.2 |
| MAN POWER (Nos.) | 9211 | 9838 | 10410 | 11036 | 11420 |

REFERENCE INFORMATION

| | |
|---|---|
| Registered & Corporate Office NHPC Office Complex, Sector-33, Faridabad, Haryana-121003 | Chief Investor Relations Officer Shri K. K. Goel, Chief (Finance) |
| Company Secretary Shri Vijay Gupta | Statutory Auditors M/s S. N. Nanda & Co. Chartered Accountants, C-43, Pamposh Enclave, Greater Kailash-1, New Delhi-110048 |
| Registrar & share transfer agent For Equity Shares & Tax Free Bonds: M/s Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Ph: 040 67161500 Email: einward.ris@karvy.com Website: www.karvycomputershare.com For other Bonds: M/s RCMC Share Registry Private Limited B-25/1, First Floor, Okhla Phase-II, New Delhi-110020 Ph: 011-26387320 Email: info@rcmcdelhi.com | M/s S. N. Dhawan & Co. Chartered Accountants, C-37, Connaught Place New Delhi-110001 M/s Gupta Gupta & Associates Chartered Accountants, 142/3, Trikuta Nagar, Jammu Tawi, Jammu & Kashmir-180012 M/s Ray & Ray Chartered Accountants, Webel Bhawan, Ground Floor, Block EP & GP, Sector V, Bidhannagar, Salt Lake, Kolkata-700091 |
| Shares & tax free bonds listed at BSE Limited National Stock Exchange of India Limited | Bankers State Bank of India Indian Overseas Bank ICICI Bank Limited Jammu & Kashmir Bank Limited Bank of India Axis Bank State Bank of Patiala State Bank of Bikaner & Jaipur HDFC Bank Indusind Bank Bank of Baroda Deutsche Bank Bank of Bhutan |
| Depositories National Securities Depository Limited Central Depository Services (India) Limited | |
| Other bonds listed at National Stock Exchange of India Limited (Under Wholesale Debt Market Segment) | |



NHPC Limited

(A Government of India Enterprise)

Cost Auditors

M/s Bahadur Murao and Co.,

Shop No. 25, DDA Market, 'B' Block,
Preet Vihar, Delhi-110092

M/s Ravi Sahni and Co.,

C-40, West Gorakh Park Extension,
New Delhi-110032

M/s S.C. Mohanty and Associates,

511, Sahid Nagar, Bhubneshwar-751007

M/s K.L. Jaisingh and Co.,

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

M/s H. Tara and Co.,

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

M/s V. P. Gupta and Co.,

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

M/s S. K. R. and Associates,

Shop No. 5, 1st Floor, JDA Market,
Near SBBJ Chouraha, Chitrakoot Scheme, Ajmer Road,
Jaipur-302021

Debenture Trustees

7.70% O Series Axis Trustee Services Ltd

2nd Floor, Statesman House, 148,
Barakhamba Road, New Delhi-110 001
Ph.: +91 11 47396624
Email: krishnakant.sharma@axistrustee.com

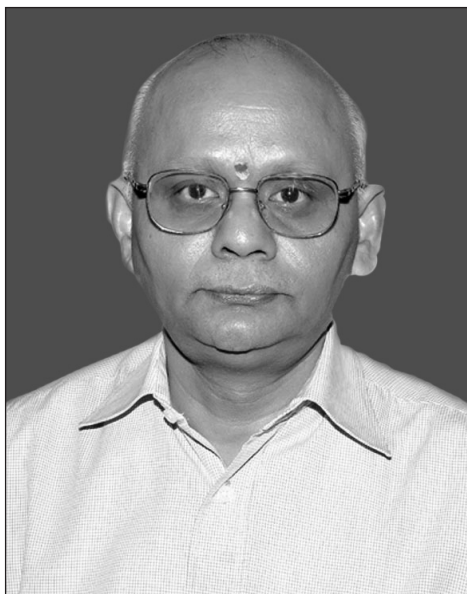
9% P Series, 9.25% Q Series, Tax Free Bonds NHPC 2013 (Series 1A, 1B, 2A, 2B, 3A and 3B) and 8.49% S1, 8.54% S2 Series

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

8.70% R1, 8.85% R2, 8.78% R3 Series

SBICAP Trustee Company Ltd.
8, Khetan Bhavan, 5th Floor, 198,
J. Tata Road, Churchgate,
Mumbai- 400 202
Ph.: 91 22-43025555
Email: helpdesk@sbicaptrustee.com

LETTER TO SHAREHOLDERS



Dear Shareholders,

It gives me immense pleasure to present the 39th Annual Report of your Company for the financial year 2014-15. Your Company has continued to contribute in providing clean power through its hydro power stations, to meet the electricity requirement of the Country. As a step towards meeting the deficit in power supply of the country, your Company added an installed capacity of 130 MW during the year with the commencement of commercial operation of fourth unit of Parbati-III Power Station. The total installed capacity of your Company is now 4961.20 MW consisting of 18 operating power stations across India.

Your Company generated a profit of ₹ 2124.47 crore this year as compared to ₹ 978.79 crore in 2013-14. On the operational front, your Company generated 22,038 MUs of electricity against a target of 21,800 MUs committed under Memorandum of Understanding signed with Govt. of India. Sales realization during 2014-15 was ₹ 5883.32 crore against bills of ₹ 6676 crore. Sales dues of ₹ 1564 crore are outstanding for more than 60 days as on 31st March, 2015 which include a sum of ₹ 1290 crore pertaining to Power Development Department, Jammu & Kashmir and ₹ 203 crore pertaining to BSES Rajdhani Power Limited (BRPL) and BSES Yamuna Power Limited (BYPL). Constant efforts are being made to recover the outstanding dues from the defaulting beneficiaries.

Board of Directors has recommended a final dividend of ₹ 0.60 per equity share (excluding dividend tax) for the year 2014-15. The above amount is inclusive of an interim dividend of ₹ 0.20 per equity share paid in February, 2015. The final dividend shall be paid after your approval at the forthcoming Annual General Meeting. On approval, the total dividend pay-out for the year will be 31.27 % of the Profit after Tax.

Hon'ble Prime Minister of India, Shri Narendra Modi dedicated three power stations situated in the State of Jammu & Kashmir to the nation viz. 240 MW URI-II, Baramulla, 45 MW Nimmo Bazgo, Leh and 44 MW Chutak Power Station, Kargil during the year 2014-15.

Presently, construction activities of 4 projects with a total capacity of 3290 MW are in progress. It gives me pleasure to inform that construction work at Teesta Low Dam-IV has been restarted and we're confident to commission the project in this financial year. Constant efforts are being made to resolve the impasse at Subansiri Lower Project to restart the work at site. Your Company is in the process of obtaining investment approval of Govt. of India for five projects having capacity of 5115 MW. You will be happy to note that NHPC is also executing projects through Joint Venture Companies in Jammu & Kashmir and Manipur.

Exploiting the growth opportunities by leveraging the extant resources and strengths is the crux of business strategy. It gives me immense pleasure to inform you that our efforts for diversification into Thermal, Wind and Solar Power across the country have started fetching results. EPC Contract has been awarded for establishing a 50 MW Wind Power Project at Jaisalmer, Rajasthan.



NHPC Limited

(A Government of India Enterprise)

Efforts are also being made to explore the possibilities for wind projects from other states. Your Company, in partnership with Uttar Pradesh New and Renewable Development Agency (UPNEDA) has established Bundelkhand Saur Urja Limited (a Joint Venture Company) for implementation of 50 MW Solar Power Project in Distt. Jalaun in Uttar Pradesh. In addition to above, your Company signed an Agreement with Kerala State Electricity Board Limited for development of Solar Power Project in Kerala with a potential of 50 MW. It has also signed a MOU with the Government of Kerala for development of 82 MW Wind Energy Projects in Palakkad District on BOOT (Build, Own, Operate and Transfer) basis.

Major foreign assignments during the year 2014-15 include Inter-Government Agreement between the Royal Government of Bhutan and Government of India for development of Joint Venture Hydropower Projects. Your Company is also engaged with Ethiopia Electric Power Company (EEPCO) for a management consultancy assignment in Consortium with Power Grid Corporation of India Limited and BSES Rajdhani Power Ltd.

Your Company's formulated policy to manage the Information Technology (IT) systems ensures optimum and secure utilization of its assets and integrates the focus of Management on its Projects and Power Stations. An Online Project Monitoring Centre is functional for tracking the progress of various Projects located at different locations.

The CSR & SD Policy of your company envisages to conduct the business in a socially responsible way by facilitating long term sustainable environmental, social & economic development of your company & its stakeholders. During the year, the Company has spent ₹ 52.24 crores on the CSR & SD activities, which is more than the required percentage as per the provisions of the Companies Act, 2013. We are sure that this will promote social and environmental sustainability to win the trust and confidence of all stakeholders.

Your Company has actively participated in Hon'ble Prime Minister's call for promoting Cleanliness and Hygiene among school going Children under "Swachh Vidyalaya Abhiyaan" & is undertaking construction of around 7100 toilets across 8 states. Under Rural Development program, basic infrastructure facilities like area electrification, community centre, water supply lines, drains, roads/paths etc. as per the need and requirement of community are being undertaken.

Your Company has received "Gold Shield" award for the meritorious performance of Nimoo Bazgo Power Station in Jammu & Kashmir for the year 2013-14 from Shri Piyush Goyal, Hon'ble Union Minister of State (Independent Charge) for Power, Coal and New & Renewable Energy. It has also received the CBIP Award for Best Performing Utility in Power Sector. Similar award has been conferred on NHDC Ltd., our Subsidiary Company for meritorious performance of Omkareshwar Power Station in Madhya Pradesh.

Your Company take utmost care in constantly adopting and maintaining the highest standards of Corporate Governance in our business activities. Besides adhering to the provisions of listing agreement, Your Company also follows the guidelines on Corporate Governance for CPSEs issued by Department of Public Enterprises (DPE), Government of India. Your Company has adopted Whistle Blower Policy for reporting the instances of unethical/improper conduct. It is a matter of great pleasure to inform that during the year Industrial relations were cordial and harmonious in all Projects/Power Stations/Units.

Moving forward, the Board and Management of your Company is continuously adopting various strategies and practices for developing your Company's assets, trying best to increase cash flows, optimizing business portfolios through diversification and increase in operational efficiencies throughout all locations of your Company.

The trust that you have placed in the Management of your company is an invaluable source of support. I want to take this opportunity to thank you for your continued support and confidence bestowed in the Company. Let me assure you, we will continue to stay focused in building a strong business at NHPC limited and we solicit your unstinted support for the years to come.

Yours sincerely,

(R.S.T. Sai)

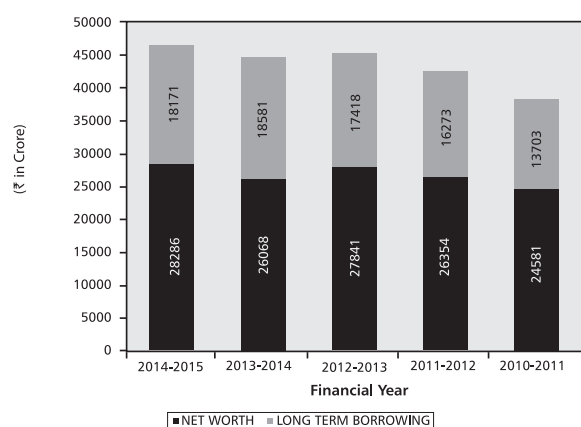
Chairman and Managing Director
DIN 00171920

Date: 14th July, 2015

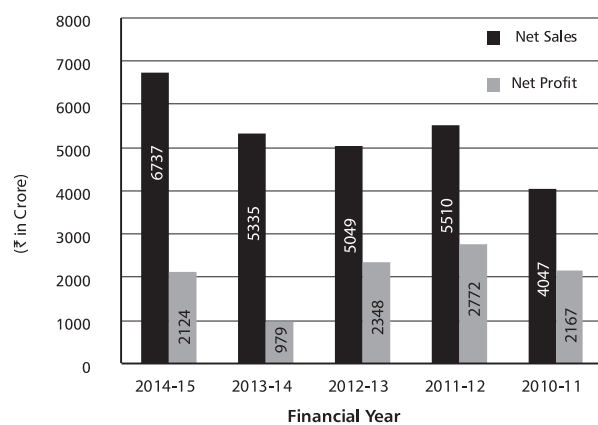
Place: Faridabad

NHPC's PERFORMANCE

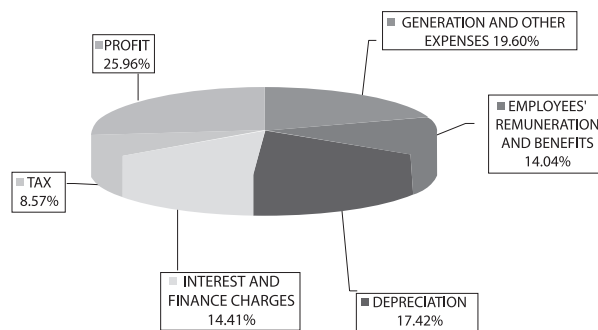
NET WORTH V/S LONG TERM BORROWING



Net Sales v/s Net Profit



**ANALYSIS OF REVENUE
FY 2014 15**



DIRECTORS' PROFILE



Shri R.S.T Sai, Chairman and Managing Director

DIN No. 00171920

Shri R.S.T. Sai is holding additional charge of Chairman and Managing Director of NHPC since 08.06.2014. He has also been entrusted with additional charge of Director (Projects) of NHPC since 11.03.2015. Shri R.S.T. Sai is Chairman and Managing Director of THDC India Ltd. In addition to above, he is a part time director in UJVNL and is a member of Governing Body of IIT, Roorkee.

Shri R.S.T Sai is an Electrical Engineering Graduate and has Management Diploma from IIM, Bangalore. He also holds Degree in law from Delhi University.

Shri R.S.T. Sai has more than 34 years of varied experience in the field of Banking, Finance, Commercial, EPC Contracting and Contract Management. In past he has worked with SBI, NTPC, POWERGRID and Delhi Metro in various capacities.

Shri D.P. Bhargava, Director (Technical)

DIN No. 01277269

Shri D. P. Bhargava (59 years), holds a bachelor's degree in Electrical Engineering from the University of Roorkee and has 36 years of experience in the hydro power sector. Shri Bhargava is In-charge of Design and Engineering of projects, Operation and Maintenance of power stations, Contract & Procurement, Rural Electrification Works, Survey & Investigation Works, Research and Development, Quality Assurance and Inspection and Corporate Social Responsibility (CSR).

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

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



DIRECTORS' PROFILE



Shri Radheshyam Mina, Director (Personnel)

DIN No. 00149956

Shri Radheshyam Mina (58 years), holds a bachelor's degree in Electrical Engineering from Maulana Azad College of Technology, (now known as MANIT), Bhopal and MBA degree with specialization in financial and human resource management from the Indira Gandhi National Open University (IGNOU).

In his over 34 years of experience in the power sector at technical & governance level, he has handled diverse assignments like design, engineering, construction, execution, testing and commissioning of transmission lines and hydroelectric projects. He has also headed several other divisions of NHPC Limited.

His present responsibilities include Human Resource Management, Rajbhasha, Human Resource Development, Estate Management Services Division, Legal, Corporate Communication, Consultancy & JV. Ministry of power had also entrusted additional charge of the post of Director (Finance) to Shri Mina with effect from 15.09.2014 on cessation of Directorship of Shri A.B.L. Shrivastava, then Director (Finance).

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

Shri Mina has been elected as the President of Power HR Forum, constituted with aim of "Serving Indian Power Sector through Excellence in HR" for the period 2012-2014 and member of the Executive Board of Standing Conference of Public Enterprises (SCOPE) for the period 2013-15 and 2015-16. He is also holding the charge of Managing Director of NHDC.

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

Shri Jayant Kumar, Director (Finance)

DIN No. 03010235

Shri Jayant Kumar (58 years), is Cost Accountant by profession, has eminent career in NHPC. He has rich and varied experience of over three decade in the Corporate Financial Management.

Shri Kumar is responsible for the entire gamut of Financial Management of the organization including Resource Mobilization, Optimum Utilization of Funds, Budgetary Control and investment decisions, tariff etc. He has led several landmark transactions for the corporation such as Initial Public Offer (IPO) in 2009, Issuance of Tax free Bonds in 2013, Buy Back Offer of shares in 2013. NHPC was the first CPSE which resorted to the buy back of shares.

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

Prior to joining NHPC Board, Shri Kumar has served NHPC in various capacities including as the Executive Director (Finance). Shri Kumar is a part time Director on the Board of NHDC Limited (subsidiary Company of NHPC Limited). Besides NHPC, he also had a successful stint as Director (Finance) of UJVN Limited (A Govt. of Uttarakhand Enterprise).

Shri Kumar has been felicitated for his outstanding contribution to the profession of cost accounting by Institute of Cost Accountants of India (ICAI) during their 55th Annual General Body Meeting in June'14.

He joined NHPC Board on 26.05.2015.



DIRECTORS' PROFILE



Dr. Arun Kumar Verma, Government Nominee Director

DIN No. 02190047

Dr. Arun Kumar Verma (55 years), is an Indian Forest Service (IFS) officer of 1986 Gujarat Batch and is a Joint Secretary, Ministry of Power. Dr. A.K. Verma holds a Master's degree in Physics, is an Associate of Indira Gandhi National Forest Academy (AIGNFA) from FRI & C, Dehradun & has done Ph.D. in Tribal Development Policy. Dr. Verma has also done Post Graduate Programme in Public Policy & Management (PGPPM) from Indian Institute of Management, Bangalore & Maxwell School of Citizenship and International Affairs, Syracuse University, USA.

Dr. Verma has over 29 years of administrative and management experience. He was associated with the Government of Gujarat in various capacities including Conservator of Forests, Social forestry circle, Ahmedabad, Commissioner of Tribal Development and the Managing Director, Uttar Gujarat Vij Company Limited. Before joining Ministry of Power, Government of India he was posted as Member Secretary of Gujarat Ecology Commission, Gandhinagar and Project Director of the World Bank Funded Integral Coastal Zone Management from 29th July, 2011 to 14th November, 2014.

Dr. Verma is also a member on the Board of SJVN Limited as a part-time Government Director. He has joined NHPC Board on 17.12.2014.

Mrs. Krishna Tyagi, Government Nominee Director

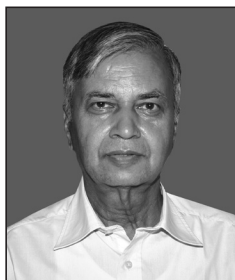
DIN No. 07230978

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

Mrs. Krishna Tyagi joined NHPC Board on 8th July, 2015.



DIRECTORS' PROFILE



Shri Ashoke Kumar Dutta, Independent Director

DIN No. 0045170

Shri Ashoke Kumar Dutta (68 years), was the first Dean of the Business School at IIT Kharagpur. Shri Dutta after successfully leading the oldest business school in India, the Indian Institute for Social Welfare & Business Management, Professor Dutta retired as the first Director, 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.

He is currently serving on the boards of Khadims India Limited, ABC India Limited, Batchmates Com Private Limited and is the Chairman of All Indian Technologies Limited. Professor Dutta is a consulting Professor at the Ocean University of China, Qingdao. He is also a member of the Board of Governors of the Institute of Engineering and Management (IEM) and the Vigyan Jyoti group of institutions in Hyderabad. Till recently he was a Member of North-Eastern Council, Government of India. He joined NHPC board on 30.03.2012.

Shri Atul Kumar Garg, Independent Director

DIN No. 02281287

Shri Atul Kumar Garg (65 years), holds a Post Graduate degree in Political science, Modern history and has also done his MBA from the University of Hull, UK. Shri Garg joined the Indian Administrative Service in 1976 and was allotted the Rajasthan cadre. He was associated with the Government of Rajasthan in various capacities including as the Chairman and Managing Director of Rajasthan Financial Corporation, Secretary to the Governor of Rajasthan and Secretary to the Department of Agriculture, Government of Rajasthan & Higher education etc.

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

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





DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 39th Annual Report on the performance of your Company along with audited financial statements, Auditors' Report, Report of Secretarial Auditor and review of financial statements by the Comptroller and Auditor General of India for the financial year ended 31st March, 2015.

1. FINANCIAL RESULTS

The financial results for the year ended 31st March, 2015 are summarized in Table 1.

Table 1: Financial Highlights

(₹ in crores)

| PARTICULARS | 2014-15 | 2013-14 |
|--|-----------------|-----------------|
| Sales | 6,736.64 | 5,335.11 |
| Profit before depreciation, interest, rate regulated income and tax | 4,909.86 | 3,816.22 |
| Depreciation | 1,425.87 | 1,210.76 |
| Profit after depreciation but before rate regulated income, interest and tax | 3,483.99 | 2,605.46 |
| Interest and finance charges | 1,179.77 | 1,022.40 |
| Profit after depreciation and interest but before rate regulated income and tax | 2,304.22 | 1,583.06 |
| Rate regulated income | 521.95 | - |
| Tax | 701.70 | 604.27 |
| Profit after depreciation, interest and tax | 2,124.47 | 978.79 |
| Adjustment arising out of transition provisions for recognising rate regulatory assets (net of provision for income tax) | 876.10 | - |
| Surplus of statement of profit and loss of earlier years | 7,447.16 | 7,146.38 |
| Amount written back from bond redemption reserve | 15.96 | 14.25 |
| Amount written back from self-insurance reserve | 5.65 | 3.97 |
| Amount written back from CSR fund | 4.59 | 7.88 |
| Tax on dividend-written back | 10.05 | 5.11 |
| Balance available for appropriation | 10,483.98 | 8,156.38 |
| APPROPRIATIONS | | |
| Transfer to bond redemption reserve | 379.10 | 249.45 |
| Transfer to self-insurance fund | 55.77 | 51.74 |
| Transfer to general reserve | 7,500.00 | - |
| Transfer to CSR Reserve | - | 2.30 |
| Transfer to R & D Fund | 4.63 | 17.16 |
| Proposed/final dividend | 664.27 | 332.13 |
| Tax on proposed dividend | 134.42 | 56.44 |
| Balance carried over to reserves and surplus | 1,745.79 | 7,447.16 |

2. DIVIDEND

Your Directors have recommended a final dividend of ₹ 0.60 per equity share (excluding dividend tax) for the financial year 2014-15. The above amount is inclusive of an interim dividend of ₹ 0.20 per equity share paid in February, 2015. The final dividend shall be paid after your approval at the forthcoming Annual General Meeting. On approval, the total dividend payout for the year will be 31.27% of profit after tax. Further, the Board of Directors have transferred ₹ 7,500 crore to general reserve of the Company.

3. POWER GENERATION

With the commercial operation of Unit IV (130 MW) of Parbati-III Power Station on 6th June, 2014, the installed capacity of your Company has increased to 4961.20 MW during the financial year 2014-15.

It is a matter of pleasure to inform that your Company has achieved highest ever annual generation of 22038 MUs with 77.3% Plant Availability Factor (PAF) against the target for excellent MOU of 21800 MUs with 76.4% PAF through its 18 power stations. Salal, Uri-I and Sewa-II Power Stations have generated their individual highest annual generation of 3492 MU, 3077 MU and 594 MU respectively.

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Uri-II Power Station (240 MW) was under complete shutdown since 20th November, 2014 due to major fire. All the four units of the power station have now been restored. In spite of above setback, the power station had achieved its Annual Design Energy (1124 MUs) and Normative Annual Plant Availability Factor (55%) during 2014-15. Further, consequent upon sudden increase in water level on 28.06.2015, Chutak Power Station, 44 MW (4 X 11 MW) was under complete shutdown. Mechanical run of one of the units was successfully carried out on 24th July, 2015. Efforts are being made to restore the unit at earliest.

Baira Siul Power Station (180 MW) is completing 35 years of its commercial operation in 2016-17. DPR for renovation, modernization for extension of the life of the power station has been approved by the Board of Directors. The proposal has been submitted to Central Electricity Authority and Central Electricity Regulatory Commission respectively for their vetting and approval.

4. COMMERCIAL PERFORMANCE

Your Company's commercial performance during the year 2014-15 was as under:

4.1 Billing and Realization

The sales realization during the year was ₹ 5883.32 crore against the billing of ₹ 6676 crore.

As on 31st March, 2015, the outstanding dues pending for more than 60 days were of ₹ 1564 crore. Out of the above, ₹ 1290 crore pertains to PDD, J&K and ₹ 203 crore to BSES Rajdhani Power Limited & BSES Yamuna Power Limited. Your Company has made all out efforts to recover the outstanding dues, including regulation of power supply of defaulting beneficiaries.

Most of the beneficiary states are now liquidating their dues except Power Development Department (J&K), BSES Rajdhani Power Limited and BSES Yamuna Power Limited.

4.2 Tariff Regulation

Central Electricity Regulatory Commission (CERC) has issued new regulation for fixation of tariff viz. CERC (terms & conditions of tariff) Regulation, 2014 on 21.02.2014, applicable for the period 2014-19. NHPC has submitted new tariff petitions for the period 2014-19 (including truing up petitions) for its seventeen power stations within stipulated time period.

Parbati – III Power Station has been commissioned on 06.06.2014. The provisional tariff order for Parbati – III Power Station has been issued by CERC on 25.06.2014.

Tariff orders for the Teesta Low Dam Project – III and Chamara – III Power Stations have also been issued by CERC vide orders dated 22.01.2015 and 24.03.2015 respectively.

5. CAPITAL STRUCTURE AND NET WORTH

Your Company's paid-up capital and net worth as on 31.03.2015 was ₹11,070.67 crore and ₹ 28,286.39 crore respectively.

6. STATUS OF ONGOING PROJECTS

Your Company is presently engaged in the active construction of the following Hydroelectric Projects:

Table 2: Details of Projects under construction during 2014-15

| S.No. | PROJECT | STATE | INSTALLED CAPACITY (MW) |
|-------|-------------------|-------------------------|-------------------------|
| i. | Teesta Low Dam IV | West Bengal | 160 |
| ii. | Parbati II | Himachal Pradesh | 800 |
| iii. | Subansiri Lower* | Assam/Arunachal Pradesh | 2,000 |
| iv. | Kishanganga | Jammu & Kashmir | 330 |
| | Total | | 3,290 |

*The project works are presently at standstill since 16.12.2011 due to agitation by various pressure groups of Assam. Efforts are being made by NHPC and Ministry of Power, Government of India to restart the project at the earliest. Ministry of Power has constituted a Project Oversight Committee (POC) to resolve the various issues. Five rounds of POC meeting have been held so far and the report is expected shortly.

7. NEW PROJECTS

Table 3: Projects under the clearance/approval stage are as under:

PROJECTS TO BE EXECUTED BY NHPC ON STAND ALONE BASIS

| S. No. | PROJECT | STATE | INSTALLED CAPACITY (MW) |
|---|---|-------------------|-------------------------|
| i. | Kotli Bhel I-A | Uttarakhand | 195 |
| ii. | Teesta-IV | Sikkim | 520 |
| iii. | Dibang ¹ | Arunachal Pradesh | 3,000 |
| iv. | Tawang-I | Arunachal Pradesh | 600 |
| v. | Tawang-II | Arunachal Pradesh | 800 |
| | Total: | | 5,115 |
| PROJECT TO BE EXECUTED THROUGH SUBSIDIARY COMPANY | | | |
| vi. | Loktak Downstream HE Project by Loktak Downstream Hydroelectric Corporation Limited (LDHCL) | Manipur | 66 |
| vii. | Solar Power Project at Village Parason (Tehsil-Kalpi) by Bundelkhand Saur Urja Limited ² | Uttar Pradesh | 50 |
| PROJECT TO BE EXECUTED THROUGH JOINT VENTURE COMPANY | | | |
| viii. | Pakal Dul ³ , Kiru and Kwar ⁴ HE Projects by Chenab Valley Power Projects Pvt. Limited (CVPPPL) | Jammu & Kashmir | 2120 |
| ix. | Chamkharchhu – I ⁵ | Bhutan | 770 |
| | Grand Total: | | 8,121 |

Notes:

- Dibang Multipurpose HE Project has been accorded environmental clearance by Ministry of Environment, Forest and Climate Change on 19.05.2015 with reduction in dam height by 10 meter. The installed capacity due to reduction in dam height is likely to be 2880 MW.
- Bundelkhand Saur Urja Limited was incorporated as a Joint Venture Company between NHPC Limited and UPNEDA (Uttar Pradesh New and Renewable Energy Development Agency) on 2nd February, 2015.
- Pakal Dul HE Project (1000 MW) has been sanctioned by the Government of India, but major works are yet to be awarded by M/s Chenab Valley Power Projects Pvt. Limited.
- Earlier capacities of Kiru and Kwar HE Projects were envisaged as 600 MW and 520 MW respectively. Presently, detailed project reports of Kiru and Kwar HE Projects are under appraisal by Central Electricity Authority for 624 MW & 540 MW respectively.
- Project to be executed through Joint Venture between NHPC and Druk Green Power Corporation (Bhutanese PSU).

Besides the above projects, two projects viz. Kotlibhel Stage-1B (320 MW) and Kotlibhel Stage II (530 MW) in Uttarakhand were under clearance. Environmental clearance of Kotlibhel-1B has been withdrawn by Ministry of Environment, Forest and Climate Change (MoEF&CC). NHPC has filed a civil appeal before Hon'ble Supreme Court. Further, MoEF&CC has also declined permission for diversion of forest land for the construction of KB-1B and KB-II HE Projects. These two projects are also included in the list of 24 projects, which are under review by Hon'ble Supreme Court.

The Board of Directors of your Company has accorded its approval for discussions with North Eastern Electric Power Corporation Limited (NEEPCO) and thereafter jointly by NHPC & NEEPCO with Govt. of Arunachal Pradesh regarding Siang Upper Stage-I (6000 MW) and Siang Upper Stage-II (3750 MW) Hydro Electric Projects in Arunachal Pradesh. NEEPCO has already signed an agreement for execution of Siang Upper Stage-II HE Project with Government of Arunachal Pradesh.

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We are pleased to inform that your Company has signed an agreement with Government of West Bengal and West Bengal State Electricity Distribution Company Ltd. for development of four hydroelectric projects of total estimated capacity of 293 MW in Teesta basin. These four projects are Teesta Low Dam-V, Teesta Low Dam I & II combined, Teesta Intermediate Stage and Rammam Stage-I located in District Darjeeling of West Bengal. These projects shall be developed on Build, Own, Operate and Maintain (BOOM) basis by NHPC Ltd.

DIVERSIFICATION

Your Company is diversifying its activities from hydropower to other non-conventional sources of energy viz. Wind and Solar. The activities of the Company for establishment of such projects are as under:

WIND POWER PROJECTS

Your Company has signed a Memorandum of Understanding with Government of Kerala for the development of 82 MW grid interactive wind energy project in Palakkad District on BOOT (Build, Own, Operate and Transfer) basis.

In addition to above, the Board has approved the proposal for the award of EPC contract for the development of 50 MW wind power project in the Jaisalmer District, Rajasthan along with its comprehensive operation & maintenance for 10 years to M/s Inox Wind Limited.

SOLAR POWER PROJECTS

In pursuit of diversification and in line with the policies of the Government of India, your Company plans to foray into development of solar power. Your Company has signed an agreement with Kerala State Electricity Board for development of solar power projects in the State of Kerala. As per the agreement, Company shall in first phase take up implementation of 50 MW grid linked solar power project at West Kallada Grama Panchayat in Kollam District. Your Company has also incorporated a subsidiary company i.e. Bundelkhand Saur Urja Limited with UPNEDA (Uttar Pradesh New and Renewable Energy Development Agency) to implement a 50 MW solar power project at Village Parason, (Tehsil-Kalpi), District-Jalaun, Uttar Pradesh.

8. PROJECTS UNDER DPR PREPARATION

Survey & investigation for preparation of Detailed Project Reports (DPR) of the following hydroelectric projects has been initiated:

Table 4: Survey and Investigation

| S. No. | PROJECT | INSTALLED CAPACITY (MW) |
|--------|---------------------------------------|-------------------------|
| 1 | Bursar*, J&K | 812 |
| 2 | Dhauliganga Intermediate, Uttarakhand | 210 |
| 3 | Goriganga IIIA, Uttarakhand | 120 |
| | Total: | 1,142 MW |

*Earlier Bursar capacity was envisaged as 1020 MW. As per terms of reference of MoEF & CC, the capacity of Bursar is likely to be reduced to 812 MW.

9. RURAL ELECTRIFICATION PROJECTS UNDER RAJIV GANDHI GRAMIN VIDYUTIKARAN YOJNA (RGGVY)

NHPC is implementing rural electrification projects under Rajiv Gandhi Gramin Vidyutikaran Yojna (RGGVY) in 27 districts spread over 5 States viz. West Bengal, Bihar, Jammu & Kashmir, Chhattisgarh and Odisha at an estimated cost of ₹ 2844 crore. The scope of work includes electrification of 9,310 un-electrified/de-electrified villages, 19,882 partially electrified villages and service connections to 20.74 lakh Below Poverty Line (BPL) households. Out of the above, 9074 un-electrified/de-electrified villages, 18854 partially electrified villages and 16.30 lakh BPL connections are found do-able, as the remaining villages and BPL households are under hindrances due to various reasons which are beyond the control of your Company.

Your Company has completed electrification of 9073 un-electrified/de-electrified villages, 18825 partially electrified villages and provided service connections to 16.30 lakh BPL households till 31st March, 2015 (as per latest closure report submitted to State Govt.).

10. RURAL ROADS PROJECT

Construction of rural roads in six districts of Bihar under the Pradhan Mantri Gram Sadak Yojna (PMGSY) is being carried out by your Company pursuant to an MOU with the Ministry of Rural Development, Government of India and the Government of Bihar. These roads will also be maintained by NHPC for five years after their construction.

Construction contracts for 758 roads of 3,228.82 Km length having cost of ₹ 1,725.65 crore were awarded to NHPC for execution. 747 roads of 3,208 Km length have been completed till the end of financial year 2014-15.



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11. CONSULTANCY SERVICES

NHPC is providing consultancy services in various fields of hydro power viz. river basin studies, survey works, design and engineering, geological studies, geotechnical studies, hydraulic transient studies, hydrological studies, contract management, construction management, equipment planning, underground construction, testing, commissioning, operation & maintenance etc. to leading global organizations.

Major consultancy assignments are from Central and State Government agencies in India and other countries viz. Bhutan and Ethiopia.

12. GLOBAL INITIATIVES

Under the action plan on India-Bhutan cooperation for the development of 10,000 MW hydropower by the year 2020, NHPC was entrusted with the work for preparation of DPRs of Chamkharchhu-I H.E. Project (770 MW) and preparation of PFRs of Kuri Gongri Reservoir Projects in Bhutan. The final DPR for Chamkharchhu-I HE Project submitted to Royal Government of Bhutan/Government of India in March, 2015.

Design & engineering consultancy services are also being provided to Mangdechhu Hydroelectric Project Authority (MHPA) for implementation of Mangdechhu Hydroelectric Project (720 MW) in Bhutan.

NHPC is also engaged with Ethiopia Electric Power Company (EEPCO) for a management consultancy assignment in Consortium with Power Grid Corporation of India Limited (lead partner) and BSES Rajdhani Power Limited.

13. FINANCING OF NEW PROJECTS

As per guidelines issued by CERC for the purpose of tariff fixation, the financing of a project is to be considered in 70:30 debt equity ratio.

Your Directors are of the opinion that available internal accruals will be sufficient to finance the equity component for new projects. The Company is exploring domestic as well as international borrowing options including overseas development assistance provided by bilateral agencies, to mobilize required debt for the planned capacity expansion programme.

Your Company is well positioned to raise the required borrowings with its strong credit rating which is at par with sovereign rating.

14. INFORMATION TECHNOLOGY AND COMMUNICATION

NHPC has very elaborated information technology and communication infrastructure. All its sites are now connected with the corporate office through multimode, fail-safe communication links using MPLS-VPN/VSAT-Ku band/broadband technologies. NHPC has presently co-located its key servers at TIER-III data centers of National Informatics Centre Service Incorporated (NICSI) at New Delhi and BSNL at Faridabad. Disaster Recovery (DR) site is also operational at NHPC office at Kolkata. IT & cyber security policy is in place to manage the Information Technology (IT) system to ensure optimum and secure utilization of the assets owned by NHPC.

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

As per Government of India directives, the procurement process through e- procurement (electronic tender) system is operational in the Company.

15. TRAINING AND HUMAN RESOURCE DEVELOPMENT

The fast changing economic scenario and technological innovations are creating an increasingly competitive market environment. Your Company consistently evaluates the training needs of its employees to keep them updated with latest changes, to improve their productivity and work efficiency.

The training programmes are designed to develop and groom internal talent through multi disciplinary programmes. Besides conducting in-house workshops, the Company also organizes training programmes in collaboration with reputed professional / educational institutes like, IIMs /XLRI/ IITs etc. to facilitate advance management and leadership development programmes for its employees.

16. INDUSTRIAL RELATIONS

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

17. RESETTLEMENT AND REHABILITATION

NHPC has its own Resettlement & Rehabilitation (R&R) Policy, 2007 in line with the National Rehabilitation and Resettlement Policy, 2007 (NRRP) and provides certain additional benefits over and above those proposed in NRRP.

The policy aims to address issues like loss of land, houses, other resources and means of livelihood to Project Affected Families (PAFs), who are likely to be affected due to construction of the project. Major emphasis is laid on economic sustenance of PAFs. As per NHPC's R & R Policy, 0.75% of the hard cost of the project is to be earmarked towards Community and Social Development Plan (CSDP) for implementation in the resettlement zone and affected areas.

However, in view of the new legislation i.e. Right to Fair Compensation & Transparency in Land Acquisition, Resettlement & Rehabilitation Act, 2013, which came in force from 1st January, 2014, both R&R and land acquisition for NHPC projects shall be dealt in accordance with the provisions of the new Act and its Ordinance.

18. VIGILANCE ACTIVITIES

In compliance to guidelines issued by Ministry of Power and Central Vigilance Commission, NHPC has opted for e-procurement solution across the organization. The procurement process of supply/works/contracts cases above the value of ₹ 10 lakh (₹ 5 lakh w.e.f. 01.04.2015) is being done through e-procurement.

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

As per CVC guidelines, integrity pact has been implemented successfully for all the procurement of works of the value of ₹ 15 crore and more, and procurement of goods and services of the value of ₹ 25 lakh and more.

Surprise inspections are being conducted by vigilance department at regular intervals. Actionable points identified by project vigilance officers are intimated to Head of Projects from time to time. Intensive examinations of works, wherever required, are also carried out by Chief Technical Examiner (CTE) of the CVC from time to time.

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

19. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

20. RISK MANAGEMENT

Risk management policy of the Company was formulated as per the requirement of Clause 49 of the Listing Agreement with stock exchanges. The objective of the policy is to protect stakeholders' value through an integrated risk management policy. Risks identified by the Company are broadly classified into the following categories:

Strategic risk: Risks effected by external factors and trends (like Government policy, competition, court rulings or a change in stakeholder requirements) which can adversely impact the Company's strategic growth trajectory and destroy shareholder value.

Business risk: Risks associated specifically to the Company and having an adverse impact on the Company's capability, to execute activities critical for business growth, thereby affecting its near-term performance e.g. occurrence of a risk event, delaying the timely completion of construction activity of a hydro-electric power project leading to the deferment of revenues expected from the project.

Operational risk: Risks associated with operational uncertainties like unpredictable changes in water levels, force majeure events like floods affecting operations, internal risks like attrition etc.

Due to change in business environment, regulatory provisions and present risks applicable to the Company, the existing Risk Management Policy of the Company is being revised.



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21. PROCUREMENT FROM MICRO & SMALL ENTERPRISES

Annual procurement plan including items to be procured from Micro & Small Enterprises (MSEs) have been uploaded on NHPC Website for benefits of MSEs. Nodal officer on behalf of NHPC for co-ordination & implementation of procurement policy has been nominated and conveyed to Ministry of Micro, Small and Medium Enterprises & Ministry of Power.

NHPC has extended benefits under public procurement policy like exemption of tender fee, earnest money deposit, security deposit, purchase preference, interest on delayed payment to MSEs.

Special vendor development program in coordination with Ministry of Micro, Small and Medium Enterprises has also been organized.

22. OFFICIAL LANGUAGE IMPLEMENTATION

Your Company has complied with the provisions of the Official Languages Act and relevant rules during the year 2014-15. Efforts were made to improve the progressive use of official language in accordance with the policy of the Government of India.

Quarterly meetings of the Official Language Implementation Committee (OLIC) are held to review the progress of the use of Hindi at Corporate Office and its units. Many initiatives like organizing Hindi fortnight, all India Rajbhasha Sammelan, Hindi competitions, Hindi pustak pathan saptah, Hindi kavi sammelan etc, were taken to promote official language during the year 2014-15. Hindi workshops and departmental computer workshops were regularly organized in the Corporate Office. Rajbhasha magazines titled, 'Rajbhasha Jyoti' and 'Nagar Saurabh' were also published to encourage use of Hindi.

The Parliament Committee on Official Language carried out Rajbhasha inspection in Andaman & Nicobar Project office at Port Blair and appreciated the efforts made by this office in the progressive use of Hindi. Further, Rajbhasha inspections were carried out at power stations/projects/regional offices and in various departments of the corporate office by our senior executives.

23. PR INITIATIVES/AWARENESS ACTIVITIES

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

Corporate films on NHPC were screened at a number of platforms to highlight the developmental activities of NHPC. NHPC has also participated in number of exhibitions.

NHPC successfully hosted 19th inter CPSU bridge tournament at NHPC corporate office, Faridabad from 10th to 12th February, 2015. Teams of NHPC also participated in various other inter CPSU sports tournaments organized under the aegis of Power Sports Control Board, Ministry of Power in 2014-15.

NHPC has coordinated the painting competitions at schools, state and National level in the states of Jammu and Kashmir, Manipur, Sikkim, Arunachal Pradesh and Madhya Pradesh to encourage and spread message about energy conservation. These events were organized on behalf of the Bureau of Energy Efficiency (BEE) and Ministry of Power.

24. AWARDS AND RECOGNITION

Today, the ambit of business exceeds the mere goal of profit making and embraces the ethos of corporate citizenship in its practice. Operational excellence is lifeless unless a successful story of holistic development is not put forward by the Company. NHPC endeavors for an all-round growth and the same is reflected in the list of awards & achievements.

Awards in Management & Leadership:

- National award for meritorious performance for early completion of Nimoo Bazgo Power Station.
- 'Second prize under Indira Gandhi Rajbhasha award programme' for the year 2012-13 for commendable work in implementation of Rajbhasha.
- 'CBIP Award for best performing utility in power sector' at CBIP Awards.
- '1st Pt. Madan Mohan Malaviya Bronze Award' for best CSR Practices in Education.
- 'Most valuable PSU under Mini Ratna category' at India Today Group PSU Awards.

25. CORPORATE GOVERNANCE REPORT

In compliance to Clause 49(X) of Listing Agreement with stock exchanges and DPE Guidelines on Corporate Governance, a separate section is given at **Annexure-I**. A certificate from Practicing Company Secretary regarding compliance of conditions of Corporate Governance in accordance with Clause 49(XI) of the Listing Agreement with stock exchanges and DPE guidelines on Corporate Governance is given at **Annexure-II**.

26. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In compliance with Clause 49(VIII)(D) of Listing Agreement with stock exchanges and DPE Guidelines on Corporate Governance, a separate report on Management Discussion and Analysis is given at **Annexure-III**.

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

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

28. BUSINESS RESPONSIBILITY REPORT

In compliance with Clause 55 of the Listing Agreement with stock exchanges, a Business Responsibility Report regarding the disclosures of initiatives taken by the Company on environmental, social and governance issues is given at **Annexure-V**.

29. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

The Company has entered into contracts/arrangements/transactions with its subsidiary and associates companies during the financial year 2014-15 for providing consultancy services, leasing out of the properties and manpower services. The contracts/arrangements/transactions were in the ordinary course of business and on an arm's length basis. None of the contract/arrangement/transaction entered into with related parties could be considered material in accordance with the policy on related party transactions.

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

Your Directors draw attention of the members to note no. 29 to the financial statement which sets out related party disclosures as per Accounting Standard – 18.

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

Your Company has contributed towards the economic development of the society at large so that the quality of life of internal as well as external stakeholders be improved. The key philosophy of all CSR initiatives of the Company is guided by three core commitments of scale, impact and sustainability.

Your Company has formulated a CSR & Sustainability Policy, which is in line with the provisions of Section 135 of the Companies Act, 2013 read with schedule VII of the Act and guidelines on corporate social responsibility issued by Department of Public Enterprises (DPE), Government of India.

The Corporate Social Responsibility & Sustainability Policy of your Company is available at following link: http://www.nhpcindia.com/writereaddata/Images/pdf/CSR_Policy_Final.pdf

As per Section 135 of the Companies Act, 2013 which became applicable from 01.04.2014, 2% of average net profit for the last 3 financial years is to be spent on CSR activities. As per above provision, the amount comes to ₹ 47.64 crore for the financial year 2014-15. The Company has spent ₹ 52.24 crore during the year against the said provision.

As such the spending on CSR activities comes to 2.19% of average net profit of last 3 financial years. Hence, Company fully utilized the budget allocation for financial year 2014-15.

Accordingly, ₹ 4.60 crore has been set-off from unspent fund of ₹ 17.93 crore of previous years created as per DPE guidelines. The major reasons for not utilizing the carried forwarded amount of ₹ 13.33 crore pertaining to previous years are:

1. Most of the works related to construction of toilets under 'Swachh Vidyalaya Abhiyan' were under different stages of tendering and execution and only part payments were released during the financial year 2014-15.
2. Non-finalization of detailed project report for bio diversity park of Subansiri Lower H.E. Project (2000 MW).
3. Funds for construction of Bilaspur Engineering College in Himachal Pradesh could not be released due to non-finalization of construction milestones by the State Government.

A separate report on Corporate Social Responsibility (CSR) & Sustainable Development (SD) activities undertaken by your Company during the financial year 2014-15 is given at **Annexure-VI**.

31. EXTRACT OF ANNUAL RETURN

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

32. RIGHT TO INFORMATION

In compliance to the provisions of the Right to Information Act, 2005, NHPC placed various documents/records on its website during the financial year 2014-15. Further, NHPC has designated appellate authority, transparency officer, Central Public Information Officer (CPIO) at Corporate Office and Assistant Public Information Officers (APIOs) at power stations/projects/ regional offices/units to implement the provisions of Right to Information Act, 2005 (RTI).

During 2014-15, 509 applications were received under RTI, out of which 505 (99.21%) were replied to.

33. AUDITORS AND AUDITORS' REPORT

SECRETARIAL AUDITOR

The Board has appointed Shri P.S.R. Murthy, Practicing Company Secretary, to conduct Secretarial Audit of the Company for the financial year 2014-15. The Secretarial Audit Report is given at **Annexure- VIII**. The Secretarial Auditor in his report has made certain qualifications/observations. The qualifications/observations and reply thereto are as under:

| S. No. | Qualification/Observation | Management Reply |
|--------|--|---|
| 1. | The required number of Independent Directors under the Listing Agreement with the stock exchanges were not inducted. | As per Article 34 of the Articles of Association of the Company, the power to appoint Directors (including Independent Directors) on the Board of the Company is vested in the President of India. The matter is regularly pursued with the administrative Ministry i.e. Ministry of Power. |
| 2. | The Company could not fully utilise the budget allocated towards CSR during the financial year 2014-15. | As per Section 135 of the Companies Act, 2013, 2% of average net profit for the last 3 financial years amounts to ₹ 47.64 Crore. The Company has spent ₹ 52.24 crore against the said provision. As such the spending on CSR activities comes to 2.19% of average net profit of last 3 financial years. Hence, Company fully utilized the budget allocation of financial year 2014-15. The excess amount of ₹ 4.60 crore has been set-off from unspent fund of ₹ 17.93 crore of previous years created as per DPE guidelines. The major reasons for not utilizing the carried forwarded amount of ₹ 13.33 crore are already provided in this report (refer paragraph no. 30). |
| 3. | The evaluation criteria for the Members of the Board as prescribed and applicable is yet to be finalised. | As per Articles of Association of the Company, the Directors are appointed by the President of India. The performance evaluation of Functional Directors and Nominee Directors is being done by the appointing authority. The Ministry of Corporate Affairs vide its notification dated 05.06.2015 amended Section 134(3)(p) of the Companies Act, 2013 for Government Companies. As per amended provision, the Board of Government Companies are not required to evaluate performance of Directors in case they are evaluated by the Administrative Ministry. An evaluation mechanism for performance evaluation of Board, its Committees and Independent Directors is under consideration of the Board. |

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STATUTORY AUDITORS

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

M/s S.N. Nanda and Co., New Delhi, M/s S.N. Dhawan and Co., New Delhi, M/s Ray and Ray, Kolkata and M/s Gupta Gupta & Associates, Jammu, were appointed as Joint Statutory Auditors for the financial year 2014-15.

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

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

COST AUDITORS

In accordance with the Companies (Cost Records and Audit) Rules, 2014, notified by Ministry of Corporate Affairs on 30th June, 2014, the cost accounts are being maintained by all power stations of the Company. The following firms of Cost Accountants were appointed to conduct audit of cost accounting records of power stations as indicated against their respective names for the financial year 2014-15 under Section 148 of the Companies Act, 2013:

| Name of the Firm | Name of Power Station |
|---|---------------------------------------|
| M/s Ravi Sahni and Co., New Delhi | Salal, Uri-I and Uri-II |
| M/s Bahadur Murao and Co., Delhi | Chamera-I and Bairasiul |
| M/s S. C. Mohanty and Associates, Bhubaneswar | Tanakpur, Dhauliganga and Chamera-III |
| M/s K. L. Jaisingh and Co., Noida | Rangit, Teesta-V and TLDP-III |
| M/s H. Tara and Co., New Delhi | Chutak, Nimmo Bazgo and Parbati-III |
| M/s V. P. Gupta and Co., Noida | Dulhasti and Loktak |
| M/s S. K. R. and Associates, Jaipur | Chamera-II and Sewa-II |

Consolidated Cost Audit Report for the FY 2013-14 was filed by M/s Krishan Singh Berk, Lead Cost Auditor on 26th September, 2014 before the due date for filing i.e. 27th September, 2014. The details of cost audit firms for which Cost Audit Report for the FY 2013-14 was filed are given below:

| S. No. | Power Stations | Cost Auditor | Membership No. | Address |
|--------|---------------------------------------|---------------------------------|----------------|---|
| 1. | Salal, Uri-I & Uri-II | M/s Chandra Wadhwa and Co. | 6797 | 204, Krishna House, 4805/24, Bharat Ram Road, Daryaganj, New Delhi-110002 |
| 2. | Chamera-I & Sewa-II | M/s Krishan Singh Berk | 2724 | 365, Sector-15, Faridabad, Haryana-121007 |
| 3. | Tanakpur, Dhauliganga & TLDP-III | M/s R. J. Goel & Co | 14256 | 31, Community Centre, Ashok Vihar, Phase-I, New Delhi-110052 |
| 4. | Dulhasti, Chutak & Nimmo Bazgo | M/s Ravi Sahni and Co. | 16339 | C-40, West Gorakh Park Extension, New Delhi-110032 |
| 5. | Chamera-II, Chamera-III & Parbati-III | M/s Bahadur Murao and Co. | 5574 | Shop No. 25, DDA Market, 'B' Block, Preet Vihar, Delhi-110092 |
| 6. | Rangit & Teesta-V | M/s S.C. Mohanty and Associates | 10924 | 511, Sahid Nagar, Bhubaneswar-751007 |
| 7. | Loktak & Baira Siul | M/s K. L. Jaisingh & Co | 1222 | J-7, Sector-XI, Jaisingh House, Noida-201301 |

Company has also got a study conducted for cost reduction at 11 power stations during the year with a view to control avoidable expenditure.

34. CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

36. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company has the following subsidiary/associates/joint venture Companies as on 31st March, 2015:

Subsidiary Companies

(i) NHDC Limited

NHDC Limited was promoted as a Joint Venture Company between NHPC Limited and the Government of Madhya Pradesh with equity participation of 51% and 49% respectively. The Company is having two operating power stations i.e. Indira Sagar (1000 MW) and Omkareshwar (520 MW) in Madhya Pradesh. The generation from Indira Sagar Power Station and Omkareshwar Power Station during the financial year 2014-15 was 2561.73 MU and 1128.91 MU respectively against the target of 2731 MU and 1469 MU. The above two power stations have generated a total of 3690.64 MU of energy during financial year 2014-15.

In its diversification of activities, Company is venturing into solar power development in the state of Madhya Pradesh, as state is having abundant solar potential blessed with nearly 300 days sun shine. The Company is participating in the 300 MW solar power tariff based competitive bidding invited by MP Power Management Co. Ltd., Jabalpur for the 70 MW project.

During the financial year 2014-15, the Company has registered revenue (net) of ₹ 1366.59 crore and profit after tax of ₹ 766.46 crore from operations.

(ii) Loktak Downstream Hydroelectric Corporation Limited

Loktak Downstream Hydroelectric Corporation Limited was promoted as a Joint Venture Company between NHPC Limited and the Government of Manipur with equity shareholding of 74% and 26% respectively for the execution of hydroelectric projects in the state of Manipur by taking over Loktak Downstream Hydroelectric Project (66 MW). The project is at present under survey and investigation stage. All statutory clearances for execution of the project have been obtained. Bids for turnkey execution of the project were invited by the Company and are in evaluation stage.

Further, the Government of Manipur has allocated Thoubal Hydroelectric Scheme (7.5 MW) to the Company. The Board of NHPC Limited has accorded its approval for the equity contribution of the project. The formalities in respect of this project are under finalization.

(iii) Bundelkhand Saur Urja Limited

Bundelkhand Saur Urja Limited was promoted as a Joint Venture Company between NHPC Limited and UPNEDA (Uttar Pradesh New and Renewable Energy Development Agency) to implement a 50 MW solar power project at Village Parason, (Tehsil-Kalpi), District-Jalaun, Uttar Pradesh. The Company was incorporated on 2nd February, 2015. As per the promoters' agreement, the equity participation of NHPC shall not be less than 74% and of UPNEDA will not be more than 26% of the total share capital of the Company.

The award of EPC contract for the development of 50 MW solar crystalline photovoltaic grid connected power plant along with associated 132 kV power evacuation equipments is under consideration of the Board of Directors of the Company.

Associate/Joint Venture Companies

(i) Chenab Valley Power Projects Private Limited

Chenab Valley Power Projects Private Limited is a Joint Venture Company between NHPC (49%), Jammu & Kashmir State Power Development Corporation (49%) and PTC India Limited (2%), to harness the vast hydro potential of river Chenab. The Company was incorporated on 13th June, 2011 for development of Pakal Dul HE Project (1000 MW), Kiru H E Project (600 MW) and Kwar H E Project (520 MW) in the state of Jammu & Kashmir. The tender evaluation process for turnkey execution of Pakal Dul HE Project (invited through International Competitive Bidding (ICB) basis) has been completed and is under consideration of the Board of the Company.

The Company has not yet started any operations, as the projects are in the initial stage of development.

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

NHPTL was incorporated on 22nd May, 2009 as a Joint Venture Company of NHPC Limited, NTPC Limited, Power Grid Corporation of India Limited and Damodar Valley Corporation (DVC) each having 25% of equity participation. Subsequently, Central Power Research Institute joined the Company after execution of supplementary joint venture agreement. Accordingly, the equity participation of each of the joint venture partner is now 20%. The Company was incorporated to set up an online high power test laboratory for short-circuit test facility in the Country. The Company is constructing High Voltage Transformer (HVTR) Lab and Medium Voltage Transformer (MVTR) Lab at Bina in the state of Madhya Pradesh for short circuit testing of transformers upto 765 kV. The laboratory is expected to be commissioned in 2015. Around 80% - 90% works has been completed till date.

(iii) National Power Exchange Limited

National Power Exchange Limited was incorporated on 11th December, 2008 as a Joint Venture Company of NHPC Limited, NTPC Limited, Power Finance Corporation Limited and Tata Consultancy Services Limited to operate a power exchange at National level. The Company is presently under liquidation. The equity participation of NHPC in the Company is 16.67%. Accordingly, a provision amounting to ₹ 1.06 crore has been made in the books of NHPC Limited towards anticipated loss in the investment made in the Company.

No Company has become/ceased to be a joint venture or associate during the financial year 2014-15.

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

The documents in respect of subsidiary companies are not being attached to the audited annual financial statements of the Company. In terms of Section 136 of the Companies Act, 2013, any shareholder interested in obtaining a copy of aforesaid documents may write to the Company Secretary, NHPC Limited. This information is also available on the website of the Company i.e. www.nhpcindia.com.

The policy on material subsidiaries as approved by the Board may be accessed on the Company's website at the link: <http://www.nhpcindia.com/writereaddata/Images/pdf/Policy-Material-Subsidiary.pdf>

37. DISCLOSURES:

In terms of the requirements of Section 135 and Section 177 of the Companies Act, 2013, the disclosure regarding composition of Committee on Corporate Social Responsibility (CSR) & Sustainability and Audit Committee is as under:

Committee on Corporate Social Responsibility (CSR) and Sustainability

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

1. Shri Atul Kumar Garg, Independent Director-Chairman,
2. Shri D. P. Bhargava, Director (Technical) and
3. Shri R. S. Mina, Director (Personnel).

Audit Committee

The Audit Committee comprises the following members:

1. Shri Atul Kumar Garg, Independent Director-Chairman,
2. Shri Ashoke Kumar Dutta, Independent Director and
3. Shri D. P. Bhargava, Director (Technical).

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

Vigil Mechanism

Your Company has a defined and established Whistle Blower Policy (vigil mechanism) for reporting instances of unethical/improper conduct and taking suitable steps to investigate and correct the same. The Whistle Blower Policy is available on the Company's website at the link: <http://www.nhpcindia.com/writereaddata/images/pdf/wbp.pdf>. The provisions of this policy are in line with the provisions of Section 177(9) of the Companies Act, 2013 and Clause 49 of the Listing Agreement with stock exchanges.

During the year 2014-15, no complaint has been reported under Whistle Blower Policy.

Further, no personnel had been denied access to the Audit Committee.

38. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

39. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMPs)

The following changes have taken place in the Board of Directors and Key Managerial Personnel of your Company since the last Annual General Meeting:

- (i) The Board of Directors has appointed Ms. Krishna Tyagi, Chief Controller of Accounts, Ministry of Power as a Nominee Director w.e.f. 8th July, 2015 consequent upon cessation of Directorship of Shri K. N. Garg, then Member (Hydro), Central Electricity Authority, retired on 30th June, 2015 on attaining the age of superannuation.
- (ii) The Board of Directors has appointed Shri Jayant Kumar, Director (Finance) as an Additional Director of the Company w.e.f. 26th May, 2015 pursuant to Ministry of Power's letter no. 9/1/2014-NHPC of even date. Earlier on cessation of Directorship of Shri A. B. L. Srivastava, then Director (Finance) & Chief Financial Officer, the additional charge for the post of Director (Finance) was held by Shri R.S. Mina, Director (Personnel) w.e.f. 15th September, 2014. Shri Mina acted as Chief Financial Officer (CFO) of the Company w.e.f. 26th September, 2014 till the appointment of Shri Jayant Kumar, as CFO of the Company on 29th May, 2015.
- (iii) The Board of Directors in its 382nd meeting held on 20th March, 2015 appointed Shri Ashoke Kumar Dutta and Shri Atul Kumar Garg, Independent Directors as Additional Directors of the Company to meet the requirements of the Companies Act, 2013 and Listing Agreement, till the appointment of Independent Directors by the President of India or till the date of next Annual General Meeting, whichever event occurs earlier, as their tenure was completed on 22nd March, 2015, as per respective appointment letters issued by the Ministry of Power.

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- (iv) Ministry of Power entrusted the additional charge of the post of Director (Projects) to Shri R. S. T. Sai, Chairman & Managing Director w.e.f. 11th March, 2015 on cessation of Directorship of Shri J.K. Sharma, then Director (Projects).
- (v) The Board of Directors has appointed Shri Arun Kumar Verma, Joint Secretary (Hydro), Ministry of Power as a Nominee Director on the Board of the Company w.e.f. 17th December, 2014 on cessation of Directorship of Shri Mukesh Jain, then Joint Secretary (Hydro), Ministry of Power w.e.f. 11th November, 2014.
- (vi) Shri G.S. VEDI, Shri A.K. Mago and Shri R. Jeyaseelan, Independent Directors ceased to be Directors of the Company w.e.f. 1st November, 2014 on completion of their tenure as per respective appointment orders issued by the Ministry of Power.
- (vii) Shri Shantikam Hazarika and Shri A. Gopalakrishnan, Independent Directors ceased to be Directors of the Company w.e.f. 27th September, 2014 due to non-appointment by the shareholders in the last Annual General Meeting of the Company.

All Independent Directors have declared that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Details of board and committee meetings are given in the Corporate Governance Report.

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

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

As regards policy on remuneration of KMPs (other than Directors) and other employees of the Company, their pay structure, allowances and other benefits are governed by relevant DPE Guidelines. Annual performance evaluation of senior management personnel of the Company is being done as per the "performance appraisal-recording and custody" rules of the Company read with relevant guidelines of Department of Public Enterprises, Govt. of India. An evaluation mechanism for performance evaluation of Board, its Committees and Independent Directors is under consideration of the Board.

The details of familiarisation programme for Directors are put up on the website of the Company at the link: <http://www.nhpcindia.com/writereaddata/Images/pdf/FamiliarProg-BOD.pdf>

The details of remuneration paid to Directors during the Financial Year 2014-15 have been provided in the Corporate Governance Report.

40. MEETINGS OF THE BOARD

Eleven meetings of the Board of Directors were held during the year 2014-15. For further details, please refer Corporate Governance Report of this Annual Report.

41. GENERAL

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

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. Neither the Chairman & Managing Director nor the Functional Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status and Company's operations in future.
6. No material changes and commitments have occurred after the close of the financial year till the date of this report, which affect the financial position of the Company.
7. There were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the year under review.



NHPC Limited

(A Government of India Enterprise)

42. ACKNOWLEDGEMENT

The Board of Directors acknowledge with deep appreciation, the cooperation and guidance received from the Government of India specially the Ministry of Power, Ministry of Environment, Forest & Climate Change, Department of Public Enterprises, Central Electricity Authority, Central Electricity Regulatory Commission, State Governments and their Ministries and State Electricity Boards. The Board of Directors also conveys their gratitude to the shareholders, banks and financial institutions for the confidence reposed by them in the Company.

The Board also appreciates the contribution of contractors, vendors and consultants in the implementation of various projects of the Company.

The Board wish to place on record its appreciation for the constructive suggestions received from Statutory Auditors, Cost Auditors and Office of the Comptroller and Auditor General of India. Further, the Board wishes to record its deep gratitude to all the members of NHPC family for their whole hearted support. The Board is confident that employees will continue to contribute their best in the years to come.

For and On behalf of the Board of Directors

(R. S. T. Sai)

Chairman and Managing Director

DIN No.:00171920

Date: 6th August, 2015

Place: Faridabad

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on Corporate Governance

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

At NHPC, Corporate Governance has moved beyond mere compliance. The management is taking all possible steps to fulfil its commitment in a judicious, fair and transparent manner.

Besides adhering to the provisions of Listing Agreement with stock exchanges, NHPC also follow the guidelines on Corporate Governance for CPSEs issued by Department of Public Enterprises (DPE), Government of India.

2. Board of Directors

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

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

During the financial year 2014-15, the Company was duly compliant with the requirements of Clause 49 (II) (A) of the Listing Agreement i.e. at least half of the Board comprised of Independent Directors except for the following period:-

| S. No. | Period | | Number of Independent Directors required as per Clause 49(II)(A) | Number of Independent Directors |
|--------|------------|------------|--|---------------------------------|
| | From | To | | |
| 1 | 27.09.2014 | 31.10.2014 | 6 | 5 |
| 2. | 01.11.2014 | 10.11.2014 | 6 | 2 |
| 3. | 11.11.2014 | 16.12.2014 | 5 | 2 |
| 4. | 17.12.2014 | 10.03.2015 | 6 | 2 |
| 5. | 11.03.2015 | 31.03.2015 | 5 | 2 |

The non-compliance during the above period is mainly due to non-appointment of Independent Directors by the Ministry of Power, Government of India.

As on 31st March, 2015, there were seven Directors comprising three Functional Directors including Chairman and Managing Director, two Government Nominee Directors and two Independent Directors.

The Board of Directors has appointed Ms. Krishna Tyagi, Chief Controller of Accounts, Ministry of Power as a Nominee Director w.e.f. 8th July, 2015 consequent upon cessation of Directorship of Shri K. N. Garg, then Member (Hydro), Central Electricity Authority, retired on 30th June, 2015 on attaining the age of superannuation.

The Board of Directors has appointed Shri Jayant Kumar, Director (Finance) as an Additional Director of the Company w.e.f. 26th May, 2015 pursuant to Ministry of Power's letter no. 9/1/2014-NHPC of even date. Earlier, the additional charge for the post of Director (Finance), NHPC Limited was entrusted to Shri R.S. Mina, Director (Personnel), NHPC Limited in addition to his own duties w.e.f. 15th September, 2014 consequent upon cessation of Directorship of Shri A. B. L. Srivastava, then Director (Finance).

The Board of Directors in its 382nd meeting held on 20th March, 2015 appointed Shri Ashoke Kumar Dutta and Shri Atul Kumar Garg, Independent Directors as Additional Directors of the Company (as an interim measure considering the requirement of Independent Directors as per statutory and legal provisions). The tenure of above two Directors was completing on 22nd March, 2015, as per their respective appointment orders issued by the Ministry of Power.

The charge for the post of Chairman & Managing Director, NHPC Limited is being held by Shri R. S. T. Sai, CMD, THDC India Limited in addition to his own duties w.e.f. 8th June, 2014. Ministry of Power has also entrusted the additional charge for the post of Director (Projects), NHPC Limited to Shri Sai w.e.f. 11th March, 2015 consequent upon cessation of Directorship of Shri J. K. Sharma, then Director (Projects).

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

The composition of the Board of Directors as on 31st March, 2015 is given in Table 1:

Table 1: Composition of the Board of Directors as on 31st March, 2015

| Particulars | Board structure | Actual strength as on 31.03.2015 |
|--------------------------------|-----------------|----------------------------------|
| Chairman and Managing Director | 1 | 1 |
| Functional Directors | 4 | 2 |
| Government Nominee Directors | 2 | 2 |
| Independent Directors | 7 | 2 |
| Total | 14 | 7 |

Attendance of each of the Directors at the Board Meetings held during 2014-15 and the last Annual General Meeting is given in Table 2. Number of other Boards or Board Committees in which Directors were members or Chairman as on 31st March, 2015 is given in Table 3.

Table 2: Attendance of each Director at the Board Meetings held during 2014-15 and the last AGM

| Director's Name (S/Shri) | No. of Board Meetings | | Last AGM (held on 26.09.2014) |
|---|-----------------------|----------|-------------------------------------|
| | Held | Attended | |
| Functional Directors | | | |
| R.S.T. Sai, Chairman & Managing Director and Director (Projects) ¹ | 9 | 8 | Yes |
| G. Sai Prasad, CMD (till 07.06.2014) and Ex-Joint Secretary (Thermal), Ministry of Power ² | 2 | 1 | NA |
| A. B. L. Srivastava, Director (Finance) ² | 5 | 5 | NA |
| D. P. Bhargava, Director (Technical) | 11 | 10 | Yes |
| J. K. Sharma, Director (Projects) ² | 10 | 9 | No |
| R. S. Mina, Director (Personnel) | 11 | 11 | Yes |
| Government Nominee Directors | | | |
| Mukesh Jain, Ex-Joint Secretary (Hydro), Ministry of Power ² | 7 | 4 | No |
| Arun Kumar Verma, Joint Secretary (Hydro), Ministry of Power ³ | 4 | 4 | NA |
| K. N. Garg, Ex-Member (Hydro), Central Electricity Authority | 11 | 6 | No |
| Independent Directors | | | |
| G. S. Vedi ⁴ | 7 | 7 | Yes |
| A. K. Mago ⁴ | 7 | 7 | Yes |
| R. Jeyaseelan ⁴ | 7 | 7 | Yes |
| Ashoke Kumar Dutta | 11 | 9 | Yes |
| Atul Kumar Garg | 11 | 10 | Yes |
| Shantikam Hazarika ⁴ | 6 | 6 | No |
| A. Gopalakrishnan ⁴ | 6 | 4 | No |

Notes:

1. Shri R. S. T. Sai joined the Board on 8th June, 2014 and was given additional charge of the post of Director (Projects) w.e.f. 11th March, 2015.
2. Shri G. Sai Prasad, Shri A.B.L. Srivastava, Shri Mukesh Jain and Shri J.K. Sharma ceased to be Directors on the Board w.e.f. 8th June, 2014, 15th September, 2014, 11th November, 2014 and 11th March, 2015 respectively.
3. Shri Arun Kumar Verma joined the Board w.e.f. 17th December, 2014.
4. Shri Shantikam Hazarika and Shri A. Gopalakrishnan ceased to be Directors on the Board w.e.f. 27th September, 2014 and Shri G.S. Vedi, Shri A.K. Mago and Shri R. Jeyaseelan ceased to be Directors on the Board w.e.f. 1st November, 2014.

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Table 3: Number of other Boards or Board Committees* in which Director of NHPC Limited is a member or Chairman as on 31st March, 2015

| Director's name (S/Shri) | Details of Directorships in other Companies | Details of committee membership and committee chairmanship |
|---|---|---|
| R.S.T. Sai, Chairman & Managing Director and Director (Projects) | (1) THDC India Limited (2) U.P. Jal Vidyut Nigam Limited (3) NHDC Limited (4) Loktak Downstream Hydroelectric Corporation Limited | NIL |
| D. P. Bhargava, Director (Technical) | (1) Chenab Valley Power Projects Private Limited (2) PTC India Limited (3) Bundelkhand Saur Urja Limited | NIL |
| R. S. Mina, Director (Personnel) | (1) NHDC Limited (2) Bundelkhand Saur Urja Limited | NIL |
| Arun Kumar Verma, Govt. Nominee Director | SJVN Limited | (1) Chairman, Audit Committee – SJVN Limited (2) Member, Stakeholders' Relationship Committee – SJVN Limited |
| K. N. Garg, Govt. Nominee Director | NIL | NIL |
| Ashoke Kumar Dutta, Independent Director | (1) All India Technologies Limited (2) ABC India Limited (3) Khadim India Limited (4) Batchmates Com Private Limited (5) International Sign Association of India | (1) Member, Audit Committee - Khadim India Limited (2) Member, Stakeholders' Relationship Committee – ABC India Limited |
| Atul Kumar Garg, Independent Director | NIL | NIL |

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

Notes:

- None of the Directors of the Company holds office of Director at the same point of time in more than ten (10) Companies. Further, none of the Directors of the Company is a member in more than ten (10) Committees or is a Chairman of more than five (5) Committees across all Companies in which he is a Director.
- The Directors of the Company do not have any inter-se relationships.
- None of the Directors is serving as an Independent Director in more than three Listed Companies.

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

Eleven meetings of the Board of Directors were held during the year 2014-15. The maximum time interval between any two meetings did not exceed three months. Details of the Board Meetings held during 2014-15 are given in Table 4.

Table 4: Board Meetings held during the year 2014-15

| S. No. | Board Meeting number | Board Meeting date | Board strength | No. of Directors present |
|--------|----------------------|----------------------------------|----------------|--------------------------|
| 1. | 372 | 1 st April, 2014 | 14 | 13 |
| 2. | 373 | 30 th May, 2014 | 14 | 10 |
| 3. | 374 | 7 th July, 2014 | 14 | 13 |
| 4. | 375 | 5 th August, 2014 | 14 | 10 |
| 5. | 376 | 10 th September, 2014 | 14 | 12 |
| 6. | 377 | 26 th September, 2014 | 13 | 12 |
| 7. | 378 | 30 th October, 2014 | 11 | 10 |
| 8. | 379 | 17 th December, 2014 | 8 | 7 |
| 9. | 380 | 16 th January, 2015 | 8 | 8 |
| 10. | 381 | 3 rd February, 2015 | 8 | 6 |
| 11. | 382 | 20 th March, 2015 | 7 | 7 |

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

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

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

- iv) Resume of Directors:** A brief resume of Director(s) retiring by rotation/Additional Director seeking appointment at the Annual General Meeting is appended to the notice calling the Annual General Meeting. In addition to above, brief profiles of all the Directors are provided elsewhere in this Annual Report.

v) Board Meetings, Committee Meetings and procedures:

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

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

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

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- (C) **Recording of the minutes of the Board/Committee Meetings:** The draft minutes of the proceedings of each Board/Committee Meeting are duly circulated to all members for their comments within fifteen days of the conclusion of the meeting. The Directors communicate their comments on the draft minutes within seven days from the date of circulation thereof. A comparative sheet of all comments received from Directors are placed before the Chairman & Managing Director/Chairman of respective Committees for consideration and approval thereof. The approved minutes of proceedings of each Board/Committee Meeting are duly recorded in the minutes book within thirty days of the conclusion of the meeting.
- (D) **Follow-up Mechanism:** Based on the guidelines laid down by the Board/Committee, an action-taken report on the decisions of the Board/Committee is placed periodically, which helps in effective reporting on follow-up and review of decisions.
- (E) **Compliance:** It is our endeavor to ensure compliance of all applicable provisions of the law, rules and guidelines. The Company ensures compliance of all applicable provisions of the Companies Act, 1956, Companies Act, 2013 to the extent these are applicable, SEBI Guidelines, Listing Agreement and other statutory requirements under different laws. The Board of Directors review the legal compliance report placed before it from time to time.

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

- Annual operating plans, budgets and related updates.
 - Capital budgets and related updates.
 - Quarterly/annual financial results of the Company.
 - Minutes of meetings of Audit Committee and other committees of the Board.
 - Minutes of Board Meetings of subsidiary companies.
 - Statement of all significant transactions and arrangements entered into by subsidiary companies.
 - Fatal or serious accidents, dangerous occurrences at different locations/units.
 - Major investment, formation of subsidiaries, joint ventures and strategic alliances.
 - Quarterly information with respect to purchases/works/contracts awarded on nomination basis.
 - Quarterly report on compliance of various laws.
 - Disclosure of interest by the Directors about their Directorships and committee positions held by them in other Companies.
 - Significant capital investment proposals or award of large contracts.
 - Action taken report on matters desired by the Board.
 - Status of arbitration cases.
 - Changes in significant accounting policies and practices along with reasons thereof.
 - Any other information required to be presented to the Board either for information or approval as per the requirement of applicable laws.
- vi) **Code of conduct:** The code of business conduct and ethics for Board Members and senior management personnel was complied with by all concerned during the year 2014-15.

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

All the members of the Board and senior management personnel have affirmed compliance to the code of conduct for the financial year ending 31st March, 2015.



(R.S.T. Sai)

Chairman & Managing Director
DIN No: 00171920

Date : 19.05.2015
Place : Faridabad



vii) Fraud policy:

In order to provide a system for detection and prevention of fraud, reporting of any fraud that is detected or suspected and for fair dealing of matters pertaining to fraud, a Fraud Policy has been formulated by your Company. HR-Incharge of each location i.e. projects/power stations/regions/LOs have been designated as nodal officers under the policy.

viii) Training of Board Members:

The Company has a training policy for its Board Members which aim at building leadership qualities, providing a platform to share the knowledge, skills and experience.

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

A presentation on "Revised Companies Act, 2013" has been organized on 27th May, 2014 for the Board of Directors at Delhi Camp Office, Pragati Bhawan, New Delhi. The presentation was given by senior faculties from Corporate Knowledge Foundation, New Delhi.

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

ix) Code for prevention of Insider Trading in securities of NHPC Limited: In compliance to the requirements of recently notified Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, NHPC Limited has formulated and implemented Code of conduct to regulate, monitor and reporting trading by Insider and Code for fair disclosure practices for prevention of Insider Trading in securities of NHPC Limited. Under the Code, trading window remains closed for designated persons as and when price sensitive information is about to be placed before the Board.

3. Committees of the Board of Directors

The Board has constituted mandatory and non-mandatory committees to review various aspects of business. The following committees have been constituted by the Board:

Mandatory Committees

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

Non-mandatory Committees

- 6) Committee of Directors for Allotment and Post-allotment Activities of NHPC Securities.
- 7) Committee of Directors for Self-Insurance Fund (Dissolved).
- 8) Projects Investment Committee.
- 9) Committee on Management Controls.
- 10) Committee of Directors – Appellate Authority.

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

3.1 Audit Committee

The composition, quorum, terms of reference, etc. of the Audit Committee is in line with the Companies Act, 2013, provisions of Listing Agreement and guidelines on Corporate Governance issued by Department of Public Enterprises, Govt. of India.

As on 31st March, 2015, the Audit Committee comprised the following members:

- | | |
|----------------------------|---------------------------------|
| 1) Shri Atul Kumar Garg | Independent Director - Chairman |
| 2) Shri Ashoke Kumar Dutta | Independent Director |
| 3) Shri D. P. Bhargava | Director (Technical) |

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Meetings and attendance:

The committee met nine times during the year on 7th May, 2014, 22nd May, 2014, 27th May, 2014, 5th August, 2014, 20th August, 2014, 30th October, 2014, 16th January, 2015, 2nd February, 2015 and 20th March, 2015 respectively. Details of the Audit Committee Meetings attended by members are given in Table 5.

Table 5: Audit Committee meetings

| S. No. | Members of the committee during 2014-15 | Meetings held during respective tenure of members | Meetings attended |
|--------|---|---|-------------------|
| 1. | Shri Atul Kumar Garg | 9 | 9 |
| 2. | Shri Ashoke Kumar Dutta* | 3 | 3 |
| 3. | Shri D.P. Bhargava | 9 | 8 |
| 4. | Shri A. K. Mago** | 6 | 6 |
| 5. | Shri G. S. Vedi** | 6 | 5 |
| 6. | Shri A. Gopalakrishnan** | 5 | 5 |
| 7. | Shri J. K. Sharma*** | 5 | 5 |

*Shri Ashoke Kumar Dutta was appointed on the Audit Committee w.e.f. 7th November, 2014.

**Shri A. Gopalakrishnan ceased to be Director on the Board w.e.f. 27th September, 2014 and Shri G.S. Vedi and Shri A.K. Mago ceased to be Directors on the Board w.e.f. 1st November, 2014 respectively.

***Shri J.K. Sharma ceased to be a member on the committee w.e.f. 16th October, 2014.

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

Shri A. Gopalakrishnan, Independent Director chaired all the meetings held till 20th August, 2014 during the financial year 2014-15. The meeting held on 30th October, 2014 was chaired by Shri G.S. Vedi, Independent Director and the meetings held thereafter were chaired by Shri Atul Kumar Garg, Independent Director. The time interval between any two Audit Committee meetings had not exceeded three months during the financial year 2014-15. Director (Finance) and Head of Internal Audit department was present in all Meetings held during the year, as invitees. The Company Secretary is Secretary to the committee. The Chairman of the Audit Committee was not present in the last Annual General Meeting of the Company, however other members of the Audit Committee viz. Shri A. K. Mago, Shri G. S. Vedi, Shri Atul Kumar Garg, Independent Directors and Shri D. P. Bhargava, Director (Technical) were present to answer shareholders' queries.

Terms of reference of Audit Committee:

The terms of reference of the Audit Committee are as per the Companies Act, 2013, Listing Agreement as amended from time to time, and the guidelines on Corporate Governance issued by Department of Public Enterprises, which inter-alia includes:

- 1 Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- 2 Recommending fixation of audit fees to the Board.
- 3 Approval of payment to Auditors for any other services rendered by the Statutory Auditors.
- 4 Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements related to financial statements;
 - f) Disclosure of any related party transactions; and
 - g) Qualifications in the draft audit report.



- 5 Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- 6 Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.
- 7 Reviewing the adequacy of the internal audit function, if any, including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage, and frequency of internal audit.
- 8 Discussion with Internal Auditors and/or Auditors of any significant findings and follow-up there on.
- 9 Reviewing the findings of any internal investigations by Internal Auditors/Auditors/agencies into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature, and reporting the matter to the Board.
- 10 Discussions with Statutory Auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any area of concern.
- 11 To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- 12 To review functioning of the whistle blower mechanism.
- 13 To review the follow-up action on audit observations of the Comptroller & Auditor General of India (C&AG) audit.
- 14 To review the follow-up action taken on the recommendations of Parliament's Committee on Public Undertakings (COPU).
- 15 Provide an open avenue of communication between the Independent Auditors, Internal Auditor and the Board of Directors.
- 16 Approval or any subsequent modification of transactions of the Company with related parties.
- 17 Review with the Independent Auditor the coordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
- 18 Consider and review the following with Independent Auditor and management:
 - The adequacy of internal controls, including computerized information system controls and security and
 - Related findings and recommendations of the Independent Auditor and Internal Auditor, together with management responses.
- 19 Consider and review the following with management, Internal Auditor and Independent Auditor:
 - Significant findings during the year, including the status of previous audit recommendations and
 - Any difficulties encountered during audit work, including any restrictions on the scope of activities or access to required information.
- 20 Review and monitor the auditor's independence and performance and effectiveness of audit process.
- 21 Scrutiny of inter-corporate loans and investments.
- 22 Valuation of undertakings or assets of the Company, wherever it is necessary.
- 23 Evaluation of internal financial controls and risk management systems.
- 24 Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
- 25 Carrying out any other function as is mentioned in the terms of reference of the Audit Committee pursuant to the provisions of the Companies Act, 2013, Listing agreement and Corporate Governance Guidelines issued by DPE.

3.2 Stakeholders' Relationship Committee

The composition of Stakeholders' Relationship Committee as on 31st March, 2015 was as under:

- | | | |
|------|-------------------------|---------------------------------|
| i) | Shri Atul Kumar Garg | Independent Director - Chairman |
| ii) | Shri Ashoke Kumar Dutta | Independent Director |
| iii) | Shri R.S. Mina | Director (Personnel) |

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Meetings and attendance:

The committee met once during the year on 16th January, 2015. Details of Stakeholders' Relationship Committee meeting attended by members are given in Table 6.

Table 6: Stakeholders' Relationship Committee meeting

| S. No. | Members of the committee during 2014-15 | Meeting held during respective tenure of members | Meeting attended |
|--------|---|--|------------------|
| 1 | Shri Atul Kumar Garg | 1 | 1 |
| 2 | Shri Ashoke Kumar Dutta | 1 | 1 |
| 3 | Shri R. S. Mina | 1 | 1 |

Terms of reference:

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

Name and designation of Compliance Officer:

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

Shareholders' grievances:

During the financial year ended on 31st March, 2015, Company has attended shareholders' grievances expeditiously except for the cases constrained by disputes or legal impediments. The details of complaints received and resolved during the year are given in Table 7.

Table 7: Shareholders' complaints

| Description | Opening balance as on 1 st April, 2014 | Received during the year ended on 31 st March, 2015 | Resolved during the year ended on 31 st March, 2015 | Pending as on 31 st March, 2015 |
|----------------------------------|---|--|--|--|
| Non-receipt of refund orders | NIL | 100 | 100 | NIL |
| Non-receipt of dividend warrants | NIL | 2795 | 2795 | NIL |
| SEBI complaints | 2 | 17 | 19 | NIL |
| Stock exchange complaints | NIL | 4 | 4 | NIL |
| Consumer forum/court cases | 2 | NIL | NIL | 2 |
| Advocate notices | NIL | NIL | NIL | NIL |
| TOTAL | 4 | 2916 | 2918 | 2 |

Shareholder complaints shown pending as on 31st March, 2015 are related to cases before consumer forum.

SEBI Complaints Redress System (SCORES) – online portal of SEBI for lodging complaints against Listed Companies

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

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

During the year 2014-15, shareholders' complaints received through SCORES have been promptly attended to and action taken reports on these complaints as received from Registrar and Transfer Agent have been submitted to the SEBI through SCORES.



Number of pending share transfers:

No share transfer request was pending as on 31st March, 2015.

During the financial year ended 31st March, 2015, share transfers have been affected within the time prescribed by the stock exchanges and a certificate to this effect duly signed by a Practicing Company Secretary has been furnished to stock exchanges.

3.3 Nomination & Remuneration Committee

NHPC being a Central Public Sector Undertaking, the appointment, tenure and remuneration of its Directors are decided by the President of India. As per the DPE Guidelines on Corporate Governance, Remuneration Committee was constituted to decide the annual bonus/variable pay pool and policy for its distribution across the executives and non-unionized supervisors, within the prescribed limits. The Nomination & Remuneration Committee comprised the following members as on 31st March, 2015:

- | | | |
|------|-------------------------|---------------------------------|
| i) | Shri Ashoke Kumar Dutta | Independent Director - Chairman |
| ii) | Shri Atul Kumar Garg | Independent Director |
| iii) | Shri K.N. Garg | Government Nominee Director |

Meetings and attendance:

The committee met five times during the year on 1st April, 2014, 21st August, 2014, 30th October, 2014, 2nd February, 2015 and 19th March, 2015 respectively. Details of the meetings of the Nomination & Remuneration Committee attended by the members are given in Table 8.

Table 8: Meetings of the Nomination and Remuneration Committee

| S. No. | Members of the committee during 2014 -15 | Meetings held during respective tenure of members | Meetings attended |
|--------|--|---|-------------------|
| 1. | Shri Ashoke Kumar Dutta | 5 | 5 |
| 2. | Shri Atul Kumar Garg* | 3 | 3 |
| 3. | Shri K.N. Garg* | 2 | NIL |
| 4. | G.S. Vedi** | 3 | 3 |
| 5. | Shantikam Hazarika** | 2 | 1 |
| 6. | R.S. Mina*** | 2 | 2 |

*Shri Atul Kumar Garg and Shri K. N. Garg were appointed on the Nomination & Remuneration Committee w.e.f. 22nd October, 2014 and 19th November, 2014 respectively.

**Shri Shantikam Hazarika and Shri G.S. Vedi ceased to be Director on the Board w.e.f. 27th September, 2014 and 1st November, 2014 respectively.

***Shri R.S. Mina ceased to be member on the committee w.e.f. 2nd September, 2014.

Terms of reference:

- To formulate the criteria for determining positive attributes and independence of a Director.
- To recommend distribution of the Annual Bonus/Performance Related Pay (PRP) and policy for its distribution across the Board and below Board level employees including Key Managerial Personnel.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To devise a policy on Board diversity.
- To identify persons who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- To examine and recommend other allowances and perks, etc. to the Board of Directors for approval.
- Carrying out any other function as may be required under the provisions of the Companies Act, 2013, Listing agreement and Corporate Governance guidelines issued by DPE.

3.4 Committee on Corporate Social Responsibility (CSR) and Sustainability

As on 31st March, 2015, the Committee on Corporate Social Responsibility (CSR) and Sustainability comprised the following members:

- i) Shri Atul Kumar Garg Independent Director – Chairman
- ii) Shri D. P. Bhargava Director (Technical)
- iii) Shri R. S. Mina Director (Personnel)

Meetings and attendance:

The committee met six times during the year on 1st April, 2014, 19th June, 2014, 17th October, 2014, 26th November, 2014, 23rd January, 2015 and 19th March, 2015 respectively. Details of the meetings of the Committee on Corporate Social Responsibility (CSR) and Sustainability attended by the members are given in Table 9.

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

| S. No. | Members of the Committee during 2014 -15 | Meetings held during respective tenure of members | Meetings attended |
|--------|--|---|-------------------|
| 1. | Shri Atul Kumar Garg | 6 | 6 |
| 2. | Shri D. P. Bhargava | 6 | 6 |
| 3. | Shri R. S. Mina | 6 | 5 |
| 4. | Shri Mukesh Jain* | 1 | NIL |

*Shri Mukesh Jain was appointed on the committee w.e.f. 7th July, 2014 and ceased to be a member of the committee w.e.f. 11th November, 2014.

3.5 Risk Management Committee

The Board in their 374th meeting held on 7th July, 2014 has constituted Risk Management Committee. As on 31st March, 2015, the Risk Management Committee comprised the following members:-

- i) Shri D. P. Bhargava Director (Technical)
- ii) Shri R. S. Mina Director (Personnel)

Meetings and attendance:

The committee met once during the year on 27th January, 2015. Details of the meeting of the Risk Management Committee attended by the members are given in Table 10.

Table 10: Meeting of the Risk Management Committee

| S. No. | Members of the committee during 2014-15 | Meeting held during respective tenure of members | Meeting attended |
|--------|---|--|------------------|
| 1 | Shri D.P. Bhargava | 1 | 1 |
| 2 | Shri J. K. Sharma* | 1 | NIL |
| 3 | Shri R. S. Mina | 1 | 1 |

*Shri J K Sharma ceased to be member on the committee w.e.f. 11th March, 2015.

Terms of reference:

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

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

As on 31st March, 2015, the committee comprised the following members:

- i) Shri D. P. Bhargava Director (Technical) - Chairman
- ii) Shri R. S. Mina Director (Personnel)

Meetings and attendance:

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

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

| S. No. | Members of the committee during 2014-15 | Meetings held during respective tenure of members | Meetings attended |
|--------|---|---|-------------------|
| 1 | Shri D. P. Bhargava | 24 | 23 |
| 2 | Shri R. S. Mina | 24 | 22 |
| 3 | Shri A. B. L. Srivastava* | 15 | 14 |

*Shri A. B. L. Srivastava ceased to be member on the committee w.e.f. 15th September, 2014.

Terms of reference:

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

3.7 Committee of Directors for Self-Insurance Fund

The Board of Directors in their 382nd meeting held on 20th March, 2015 decided to merge the fund with General Reserve and dissolved the committee. At the time of dissolution, the committee comprised the following members:

- i) Shri D. P. Bhargava Director (Technical)
- ii) Shri R. S. Mina Director (Personnel)

Meetings and attendance:

The committee met once during the year on 26th November, 2014. The meeting was attended by all members.

Terms of reference:

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

3.8 Projects Investment Committee

As on 31st March, 2015, the Projects Investment Committee comprised the following members:

- i) Shri Ashoke Kumar Dutta Independent Director
- ii) Shri D. P. Bhargava Director (Technical)
- iii) Shri R. S. Mina Director (Personnel)

No meeting of Projects Investment Committee was held during the year ended on 31st March, 2015

Terms of reference:

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

3.9 Committee on Management Controls

As on 31st March, 2015, the Committee on Management Controls comprised the following members:

- i) Shri Atul Kumar Garg Independent Director
- ii) Shri D. P. Bhargava Director (Technical)
- iii) Shri R. S. Mina Director (Personnel)

Meetings and attendance:

The committee met once during the year on 10th September, 2014. The meeting was attended by all members.

Terms of reference:

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

3.10 Committee of Directors – Appellate Authority

As on 31st March, 2015, the committee comprised the following members:

- i) Shri Atul Kumar Garg Independent Director - Chairman
- ii) Shri Ashoke Kumar Dutta Independent Director
- iii) Shri R. S. Mina Director (Personnel)

Meetings and attendance:

The committee met thrice during the year on 2nd April, 2014, 2nd February, 2015 and 12th March, 2015. Details of the meetings of the Committee of Directors – Appellate Authority attended by members are given in Table 12.

Table 12: Meetings of the Committee of Directors – Appellate Authority

| S. No. | Members of the committee during 2014-15 | Meetings held during respective tenure of members | Meetings attended |
|--------|---|---|-------------------|
| 1 | Shri Atul Kumar Garg | 3 | 3 |
| 2 | Shri Ashoke Kumar Dutta | 3 | 3 |
| 3 | Shri R.S. Mina | 3 | 3 |
| 4 | Shri Shantikam Hazarika* | 1 | 1 |

*Shri Shantikam Hazarika ceased to be member on the committee w.e.f. 27th September, 2014

Terms of reference:

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

4. Meeting of Independent Directors

Pursuant to the requirements of Schedule IV of the Companies Act, 2013 read with Department of Public Enterprises Office Memorandum No. F. No. 16 (4)/2012-GM dated 20th June, 2013, a separate meeting of Independent Directors without the presence of any Functional Directors, Government Nominee Directors and management personnel of NHPC Limited, was held on 3rd February, 2015 under the Chairmanship of Shri Ashoke Kumar Dutta.

5. Remuneration of Directors

The remuneration payable to Functional Directors including Chairman & Managing Director is decided by the Government of India. As per Companies Act, 2013 and DPE Guidelines, the Board of Directors of the Company is empowered to determine the sitting fee payable to Independent Directors within the ceiling prescribed under the Companies Act, 2013.

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

Details of remuneration of Functional Directors of the Company for the financial year 2014-15 are given in Table 13.

Table 13: Remuneration of Functional Directors for the financial year 2014-15

(Amount in ₹)

| Name of Director | Designation | Salary | Benefits* | Performance Related Pay (PRP)** for the year 2013-14 | Total |
|---|----------------------|-----------|-----------|--|-----------|
| Shri A. B. L. Srivastava (up to 15.09.2014) | Director (Finance) | 13,23,700 | 16,53,769 | 4,73,434 | 34,50,903 |
| Shri D. P. Bhargava | Director (Technical) | 25,48,147 | 15,18,090 | 4,37,841 | 45,04,078 |
| Shri J. K. Sharma (up to 11.03.2015) | Director (Projects) | 23,24,712 | 30,61,277 | 5,66,095 | 59,52,084 |
| Shri R. S. Mina (held additional charge of the post of Director (Finance) w.e.f. 15.09.2014 upto 25.05.2015) | Director (Personnel) | 27,51,935 | 8,68,818 | 5,78,296 | 41,99,049 |

* Benefits include medical reimbursement, leave encashment, perquisites, lease rent, EPF & social security scheme (matching contribution) and pension fund.

**Performance Related Pay (PRP) paid to Functional Directors is based on the incentive scheme of the Company as per DPE Guidelines.

The Company had not given any stock options during the year 2014-15.

Details of sitting fee paid to Independent Directors for the financial year 2014-15 are given in Table 14.

Table 14: Details of sitting fee paid to Independent Directors for the financial year 2014-15.

(Amount in ₹)

| Name of Independent Director | Sitting fees | | Total |
|------------------------------|---------------|--------------------|----------|
| | Board Meeting | Committee Meetings | |
| Shri Ashoke Kumar Dutta | 1,20,000 | 2,00,000 | 3,20,000 |
| Shri Atul Kumar Garg | 1,95,000 | 4,55,000 | 6,50,000 |
| Shri G. S. Vedi | 1,30,000 | 1,45,000 | 2,75,000 |
| Shri A. K. Mago | 1,30,000 | 1,40,000 | 2,70,000 |
| Shri R. Jeyaseelan | 1,30,000 | 35,000 | 1,65,000 |
| Shri Shantikam Hazarika | 1,10,000 | 65,000 | 1,75,000 |
| Shri A. Gopalakrishnan | 75,000 | 85,000 | 1,60,000 |

Except as mentioned above, there was no pecuniary relationship or transaction with non-executive Directors vis-s-vis the Company during the financial year 2014-15

6. Subsidiary Companies

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

NHDC Limited is a material non-listed Indian subsidiary company of NHPC Limited as per Clause 49 of the Listing Agreement and is also covered under the definition of 'Material Subsidiary' as per DPE guidelines on Corporate Governance.

Shri Ashoke Kumar Dutta, an Independent Director on the Board of NHPC Limited has been nominated on the Board of NHDC Limited.

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- (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 Company between NHPC Limited and the Government of Manipur with equity shareholding of 74% and 26% respectively. The Company is not a material subsidiary as per the guidelines on Corporate Governance for CPSEs issued by DPE. The minutes of meetings of the Board of LDHCL were placed before the Board of NHPC Limited.

All statutory clearances for execution of Loktak Downstream Hydroelectric Project (66 MW) have been obtained. Bids for turnkey execution of the project were invited by the Company and the same is under evaluation.

- (iii) **Bundelkhand Saur Urja Limited:** Bundelkhand Saur Urja Limited was promoted as a Joint Venture Company between NHPC Limited and UPNEDA (Uttar Pradesh New and Renewable Energy Development Agency) to implement a 50 MW solar power project in Uttar Pradesh. The Company was incorporated on 2nd February, 2015. As per the promoters' agreement the equity participation of NHPC shall not be less than 74% and of UPNEDA will not be more than 26% of the total share capital of the Company.

The award of EPC contract for the development of 50 MW solar crystalline photovoltaic grid connected power plant along with power evacuation equipments is under process.

7. General Meetings

Annual General Meeting

Date, time and location of the last three Annual General Meetings are given in Table 15.

Table 15: Annual General Meetings

| Financial Year | Date | Time | Location |
|----------------|------------|------------|------------------------------------|
| 2011-12 | 17.09.2012 | 11:00 A.M. | MCF Auditorium, Faridabad, Haryana |
| 2012-13 | 16.09.2013 | 12 Noon | MCF Auditorium, Faridabad, Haryana |
| 2013-14 | 26.09.2014 | 3:00 P.M. | MCF Auditorium, Faridabad, Haryana |

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

NHPC Limited has amended its Articles of Association by appending new Article 16A and 35A for "Buy-Back of Shares" and "Additional Directors" respectively by passing Special Resolutions in its 37th Annual General Meeting held on 16th September, 2013.

Special Resolutions passed through postal ballot during 2014-15

The shareholders of the Company have approved with requisite majority, the following Special Resolutions under the provisions of the Companies Act, 2013:

- (1) Authorization to the Board of Directors for mortgaging and/or creating charge on all or any of the movable or immovable assets and/or immovable property of the Company for securing borrowings for the purpose of the Company (pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 read with relevant rules);
- (2) Increase in borrowing powers up to ₹ 30,000 crore (pursuant to the provisions of Section 180(1)(c) and all other provisions of the Companies Act, 2013 read with relevant rules); and
- (3) Issue of secured/unsecured redeemable non-convertible debentures/bonds aggregating up to ₹ 2500 crore through private placement (pursuant to the provisions of Section 42, 71 and all other applicable provisions of the Companies Act, 2013 read with relevant rules).

Postal ballot notice dated 18th July, 2014 was served to all shareholders for voting as per the provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014. Ms. Savita Jyoti, Practicing Company Secretary was appointed as scrutinizer for conduct of postal ballot. The details of the voting are as under:

1. Authorization to the Board of Directors for mortgaging and/or creating charge on all or any of the movable or immovable assets and/or immovable property of the Company for securing borrowings for the purpose of the Company;



NHPC Limited

(A Government of India Enterprise)

7187 total number of ballots received.

| Promoter/ Public | No. of shares held | No. of net votes polled | % of votes polled on outstanding shares | No. of votes in favour | No. of votes against | % of votes in favour on votes polled | % of votes against on votes polled |
|-------------------------------------|-----------------------|-------------------------------|--|------------------------------|----------------------------|--|--|
| | (1) | (2) | (3) = [2/1]*100 | (4) | (5) | (6) = [4/2]*100 | (7) = [5/2]*100 |
| Promoter and Promoter Group | 9516209722 | 0 | 0 | 0 | 0 | 0 | 0 |
| Public- Institutional Holders | 645434751 | 120410684 | 18.66 | 120410684 | 0 | 100 | 0 |
| Public- Others | 909024023 | 5852910 | 0.64 | 5191094 | 661816 | 88.69 | 11.31 |
| Total | 11070668496 | 126263594 | 1.14 | 125601778 | 661816 | 99.48 | 0.52 |

*Total votes received – 130283510 (Including – 4019916(Invalid + lesser voted))

2. Increase in Borrowing Powers up to ₹ 30,000 crore; and
7187 total number of ballots received.

| Promoter/ Public | No. of shares held | No. of net votes polled | % of votes polled on outstanding shares | No. of votes in favour | No. of votes against | % of votes in favour on votes polled | % of votes against on votes polled |
|--------------------------------------|-----------------------|----------------------------|--|---------------------------|----------------------------|--|--|
| | (1) | (2) | (3) = [2/1]*100 | (4) | (5) | (6) = [4/2]*100 | (7) = [5/2]*100 |
| Promoter and Promoter Group | 9516209722 | 0 | 0 | 0 | 0 | 0 | 0 |
| Public- Institutional Holders | 645434751 | 120410684 | 18.66 | 120410684 | 0 | 100 | 0 |
| Public- Others | 909024023 | 5772059 | 0.64 | 5111885 | 660174 | 88.56 | 11.44 |
| Total | 11070668496 | 126182743 | 1.14 | 125522569 | 660174 | 99.48 | 0.52 |

*Total votes received – 130283510 (Including – 4100767(Invalid + lesser voted))

3. Issue of secured/unsecured non-convertible debentures/bonds aggregating up to ₹ 2500 crore through private placement.
7187 total number of ballots received.

| Promoter/ Public | No. of shares held | No. of net votes polled | % of votes polled on outstanding shares | No. of votes in favour | No. of votes against | % of votes in favour on votes polled | % of votes against on votes polled |
|-------------------------------------|-----------------------|-------------------------------|--|---------------------------|----------------------------|--|--|
| | (1) | (2) | (3) = [2/1]*100 | (4) | (5) | (6) = [4/2]*100 | (7) = [5/2]*100 |
| Promoter and Promoter Group | 9516209722 | 0 | 0 | 0 | 0 | 0 | 0 |
| Public- Institutional Holders | 645434751 | 120410684 | 18.66 | 120410684 | 0 | 100 | 0 |
| Public- Others | 909024023 | 5767439 | 0.63 | 5309898 | 457541 | 92.07 | 7.93 |
| Total | 11070668496 | 126178123 | 1.14 | 125720582 | 457541 | 99.64 | 0.36 |

*Total votes received – 130283510 (Including – 4105387(Invalid + lesser voted))

The above Special Resolutions were passed with requisite majority on 9th September, 2014.

No Special Resolution is proposed to be conducted through postal ballot.

8. Disclosures

- i) **Related party transactions:** There were no materially significant related party transactions having potential conflict with the interests of the Company at large during the financial year 2014-15. Related party disclosures are included in the notes (note no. 29 to the financial statement) forming part of the accounts as per Accounting Standard - 18 notified by the Companies (Accounting Standards) Rules, 2006.
- ii) **Disclosure requirements as per Listing Agreement and DPE guidelines on Corporate Governance:** The Company has broadly complied with all the statutory requirements of the Listing Agreement with stock exchanges as well as regulations and guidelines prescribed by SEBI except as mentioned in paragraph 2(i) of this report. The Company has also complied with all the requirements of the guidelines on Corporate Governance for Central Public Sector Enterprise (CPSEs) issued by Department of Public Enterprises (DPE), Government of India except for the period from 26th September, 2014 to 31st March, 2015, wherein the requirement of at least half of the Board comprising of Independent Directors was not fulfilled (refer paragraph 2(ii)).

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

However, Company has received a notice for fine of ₹ 50,000/- for non-compliance with the requirement of Clause 49(II)(A)(1) of Listing Agreement – regarding appointment of Woman Director by BSE Limited on 10th April, 2015. The Company has requested the exchange to waive off the said fine on the ground that NHPC is a Central Public Sector Enterprise (CPSE), therefore appointment of Directors is being made by President of India as per Articles of Association of the Company.

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

No presidential directives were issued to the Company during financial year 2014-15 and the preceding three financial years.

- iii) **Accounting treatment:** In view of the management, all applicable accounting standards are being followed for preparation of financial statements.
- iv) **Whistle Blower Policy:** NHPC has a defined and established whistle blower policy for reporting the instances of unethical/improper conduct and taking suitable steps to investigate and correct the same. No personnel have been denied access to the Audit Committee. In addition to above, a policy to prevent frauds has also been adopted by the Company for reporting frauds or suspected frauds, involving employees as well as representatives of vendors, suppliers, contractors, consultants, service providers or any other party doing any type of business with NHPC. The mechanism for prevention of frauds is also included in the policy.

During the year 2014-15, no complaint has been reported under whistle blower policy.

- v) **Items of expenditure debited in books of accounts, which are not for the purposes of the business:**
NIL
- vi) **Expenses incurred which are personal in nature and incurred for the Board of Directors and top management:**
NIL
- vii) **Details of administrative and office expenses as a percentage of total expenses vis-a-vis financial expenses and reasons for increase:**

| Details | 2014-15 | 2013-14 | Remarks |
|---|---------|---------|---|
| Administrative expenses as a percentage of total expenses | 12.98 | 14.46 | In comparison to previous year there is decrease in percentage of administrative expenses to total expenses vis-à-vis financial expenses. |
| Administrative expenses as a percentage of financial expenses | 58.96 | 76.51 | |

9. CEO/CFO certification

In terms of Clause 49 of the Listing Agreement, a certificate duly signed by Shri R.S. T. Sai, Chairman & Managing Director, and Shri Jayant Kumar, Director (Finance), was placed before the Board of Directors at the meeting held on 29th May, 2015 and is annexed to the Corporate Governance Report as **Annexure-B**.

10. Means of Communication

Periodical financial results of the Company are announced within the time specified in Listing Agreement. These results are published in the national and local dailies. The Company does not send periodical results to every shareholder, however these are placed at the Company's official website (www.nhpcindia.com).

The Company has also issued official news releases on significant corporate decisions and activities, which are also available on the Company's website.

Details of publication of audited/unaudited financial results of the Company are given in Table 16.

Table 16: Audited/unaudited financial results

| Newspapers | Date of publication of results for the period ended | | | |
|---|---|------------|------------|------------|
| | 30.06.2014 | 30.09.2014 | 31.12.2014 | 31.03.2015 |
| Hindustan Times (English) All Editions | 06.08.2014 | - | - | - |
| Hindustan (Hindi) New Delhi | 06.08.2014 | - | - | 30.05.2015 |
| Financial Express (English) All Editions | - | 31.10.2014 | - | 30.05.2015 |
| Business Line - Hindu (English) All Editions | - | 31.10.2014 | - | - |
| Business Standard (English) New Delhi/Mumbai | - | 31.10.2014 | - | - |
| Business Standard (English) All Editions | - | - | 04.02.2015 | - |
| Business Standard (Hindi) New Delhi | - | 01.11.2014 | 04.02.2015 | - |
| The Times of India (English) Ahmedabad/Mumbai/Pune | - | 31.10.2014 | - | - |
| The Times of India (English) Surat/Bangalore | - | 01.11.2014 | - | - |
| The Times of India (English) Delhi, Gurgaon, Noida | - | - | - | 31.05.2015 |
| Navbharat Times (Hindi) Delhi, NCR | - | - | - | 31.05.2015 |
| Dainik Bhaskar (Hindi) Delhi, Faridabad | - | - | - | 31.05.2015 |
| Amar Ujala (Hindi) New Delhi | - | 01.11.2014 | - | 31.05.2015 |
| Millenium Post (English) Delhi | - | - | - | 30.05.2015 |
| Hindustan Times (English) Delhi, NCR | - | - | - | 30.05.2015 |
| MINT (English) Delhi | - | - | - | 30.05.2015 |
| Business Standard (English) Bangalore, Mumbai, Hyderabad, Delhi | - | - | - | 30.05.2015 |
| Business Standard (English) Other Editions | - | - | - | 01.06.2015 |
| Financial Express (English) Ahmedabad | - | - | - | 01.06.2015 |

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

11. Information for shareholders

(i) Annual General Meeting

Date: 23rd September, 2015

Time: 10:30 A.M.

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

(ii) Financial calendar for the year 2015-16

| Particulars | Date |
|---|---|
| Accounting period | 1 st April, 2015 to 31 st March, 2016 |
| Unaudited financial results for the first three quarters | Board Meeting to be held within forty five days from the end of each quarter. Financial results will be intimated to stock exchanges within fifteen minutes of the conclusion of Board meeting. |
| Fourth quarter results/annual audited financial results for the year ending on 31 st March, 2016 | Board Meeting to be held on or before 30 th May, 2016. Financial results will be intimated to stock exchanges within fifteen minutes of the conclusion of Board meeting. |
| AGM – 2016 | September, 2016 (Tentative) |

(iii) Book closure

The register of members and share transfer books of the Company will remain closed from 12th September, 2015 to 23rd September, 2015 (both days inclusive).

(iv) Payment of Dividend

The Board of Directors of the Company has recommended a final dividend of ₹ 0.60 per share (6% on paid up share capital) for the financial year ended 31st March, 2015 including interim dividend of ₹ 0.20 per share (2% on paid up share capital) paid in February, 2015. The final dividend, if declared at the AGM, shall be paid within the stipulated period as per the Companies Act, 2013.

The record date for the purpose of determining eligibility to receive final dividend is 23rd September, 2015 in respect of physical shares. In respect of dematerialized shares, the final dividend will be payable to the “beneficial owners” of the shares whose names appear in the statement of beneficial ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited respectively as at the close of business hours on 11th September, 2015.

v) Dividend History

| Financial Year | Total amount of dividend paid (₹ in crore) | Date of AGM in which dividend was declared | Date of payment |
|----------------|---|--|-----------------|
| 2007-08 | 300.00 (including ₹100 crore interim dividend) | 05.08.2008 | 13.08.2008 |
| 2008-09 | 325.00 (including ₹125 crore interim dividend) | 31.07.2009 | 13.08.2009 |
| 2009-10 | 676.54 | 22.09.2010 | 01.10.2010 |
| 2010-11 | 738.04 | 19.09.2011 | 28.09.2011 |
| 2011-12 | 861.05 | 17.09.2012 | 26.09.2012 |
| 2012-13 | 738.04 | 16.09.2013 | 25.09.2013 |
| 2013-14 | 332.13 | 26.09.2014 | 07.10.2014 |

(vi) Listing on Stock Exchanges

NHPC equity shares are listed on the following stock exchanges:

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

The annual listing fee for the financial year 2015-16 has been paid to both National Stock Exchange of India Limited and BSE Limited before 30th April, 2015.

(vii) Market Price data:

| NHPC AT NSE | | | |
|--------------------|-----------------|----------------|--------------------|
| Month | High (₹) | Low (₹) | Closing (₹) |
| Apr-14 | 20.85 | 18.55 | 19.00 |
| May-14 | 28.60 | 18.40 | 24.80 |
| Jun-14 | 29.60 | 23.45 | 26.40 |
| Jul-14 | 27.95 | 22.70 | 22.85 |
| Aug-14 | 23.25 | 20.45 | 21.65 |
| Sep-14 | 22.90 | 19.05 | 19.45 |
| Oct-14 | 20.85 | 18.90 | 20.65 |
| Nov-14 | 21.65 | 19.70 | 20.35 |
| Dec-14 | 20.45 | 17.95 | 18.85 |
| Jan-15 | 20.30 | 18.15 | 19.25 |
| Feb-15 | 21.75 | 19.10 | 21.25 |
| Mar-15 | 21.45 | 19.05 | 19.80 |

| NHPC AT BSE | | | |
|--------------------|-----------------|----------------|--------------------|
| Month | High (₹) | Low (₹) | Closing (₹) |
| Apr-14 | 20.90 | 18.70 | 19.00 |
| May-14 | 28.60 | 18.40 | 24.80 |
| Jun-14 | 29.60 | 23.55 | 26.35 |
| Jul-14 | 28.00 | 22.65 | 22.85 |
| Aug-14 | 23.20 | 20.50 | 21.70 |
| Sep-14 | 22.90 | 19.05 | 19.50 |
| Oct-14 | 20.85 | 18.90 | 20.65 |
| Nov-14 | 21.65 | 19.70 | 20.30 |
| Dec-14 | 22.30 | 17.95 | 18.85 |
| Jan-15 | 20.25 | 18.20 | 19.30 |
| Feb-15 | 21.75 | 19.15 | 21.25 |
| Mar-15 | 21.30 | 19.05 | 19.90 |

(viii) Performance in comparison to indices

BSE Sensex and NHPC Share Price

| SENSEX | | | |
|---------------|-------------|------------|----------------|
| Month | High | Low | Closing |
| Apr-14 | 22939.31 | 22197.51 | 22417.80 |
| May-14 | 25375.63 | 22277.04 | 24217.34 |
| Jun-14 | 25725.12 | 24270.20 | 25413.78 |
| Jul-14 | 26300.17 | 24892.00 | 25894.97 |
| Aug-14 | 26674.38 | 25232.82 | 26638.11 |
| Sep-14 | 27354.99 | 26220.49 | 26630.51 |
| Oct-14 | 27894.32 | 25910.77 | 27865.83 |
| Nov-14 | 28822.37 | 27739.56 | 28693.99 |
| Dec-14 | 28809.64 | 26469.42 | 27499.42 |
| Jan-15 | 29844.16 | 26776.12 | 29182.95 |
| Feb-15 | 29560.32 | 28044.49 | 29361.50 |
| Mar-15 | 30024.74 | 27248.45 | 27957.49 |

| NHPC SHARE PRICE AT BSE | | | |
|--------------------------------|-----------------|----------------|--------------------|
| Month | High (₹) | Low (₹) | Closing (₹) |
| Apr-14 | 20.90 | 18.70 | 19.00 |
| May-14 | 28.60 | 18.40 | 24.80 |
| Jun-14 | 29.60 | 23.55 | 26.35 |
| Jul-14 | 28.00 | 22.65 | 22.85 |
| Aug-14 | 23.20 | 20.50 | 21.70 |
| Sep-14 | 22.90 | 19.05 | 19.50 |
| Oct-14 | 20.85 | 18.90 | 20.65 |
| Nov-14 | 21.65 | 19.70 | 20.30 |
| Dec-14 | 22.30 | 17.95 | 18.85 |
| Jan-15 | 20.25 | 18.20 | 19.30 |
| Feb-15 | 21.75 | 19.15 | 21.25 |
| Mar-15 | 21.30 | 19.05 | 19.90 |

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NSE NIFTY and NHPC Share Price

| NIFTY | | | |
|--------|---------|---------|---------|
| Month | High | Low | Closing |
| Apr-14 | 6869.85 | 6650.40 | 6696.40 |
| May-14 | 7563.50 | 6638.55 | 7229.95 |
| Jun-14 | 7700.05 | 7239.50 | 7611.35 |
| Jul-14 | 7840.95 | 7422.15 | 7721.30 |
| Aug-14 | 7968.25 | 7540.10 | 7954.35 |
| Sep-14 | 8180.20 | 7841.80 | 7964.80 |
| Oct-14 | 8330.75 | 7723.85 | 8322.20 |
| Nov-14 | 8617.00 | 8290.25 | 8588.25 |
| Dec-14 | 8626.95 | 7961.35 | 8282.70 |
| Jan-15 | 8996.60 | 8065.45 | 8808.90 |
| Feb-15 | 8941.10 | 8470.50 | 8901.85 |
| Mar-15 | 9119.20 | 8269.15 | 8491.00 |

| NHPC SHARE PRICE AT NSE | | | |
|-------------------------|----------|---------|-------------|
| Month | High (₹) | Low (₹) | Closing (₹) |
| Apr-14 | 20.85 | 18.55 | 19.00 |
| May-14 | 28.60 | 18.40 | 24.80 |
| Jun-14 | 29.60 | 23.45 | 26.40 |
| Jul-14 | 27.95 | 22.70 | 22.85 |
| Aug-14 | 23.25 | 20.45 | 21.65 |
| Sep-14 | 22.90 | 19.05 | 19.45 |
| Oct-14 | 20.85 | 18.90 | 20.65 |
| Nov-14 | 21.65 | 19.70 | 20.35 |
| Dec-14 | 20.45 | 17.95 | 18.85 |
| Jan-15 | 20.30 | 18.15 | 19.25 |
| Feb-15 | 21.75 | 19.10 | 21.25 |
| Mar-15 | 21.45 | 19.05 | 19.80 |

(ix) Registrar & Share Transfer Agent

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

(x) Share transfer system

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

Pursuant to Clause 47(c) of the Listing Agreement, a certificate on half yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary have been submitted to stock exchanges within the stipulated time.

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

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 26th September, 2014 (date of last Annual General Meeting) on the website of the Company (www.nhpcindia.com), and also on the website of Ministry of Corporate Affairs.



(xii) Distribution of shareholding

Shares held by different categories of shareholders and according to the size of holdings as on 31st March, 2015 are given below:

According to size

(a) Distribution of shareholding according to size and percentage of holding as on 31st March, 2015:

| Category (Amount in ₹) | Number of shareholders | %age of share holders | Total shares | %age of shares |
|------------------------|------------------------|-----------------------|--------------------|----------------|
| 1-5,000 | 593080 | 61.49 | 127099779 | 1.14 |
| 5,001-10,000 | 262918 | 27.26 | 197139841 | 1.78 |
| 10,001-20,000 | 59136 | 6.13 | 88623717 | 0.80 |
| 20,001-30,000 | 18961 | 1.96 | 48538519 | 0.44 |
| 30,001-40,000 | 7905 | 0.82 | 28345480 | 0.26 |
| 40,001-50,000 | 6569 | 0.68 | 31065940 | 0.28 |
| 50,001-1,00,000 | 9435 | 0.98 | 68396381 | 0.62 |
| 1,00,001 and above | 6562 | 0.68 | 10481458839 | 94.68 |
| Total | 964566 | 100 | 11070668496 | 100 |

(b) Shareholding pattern on the basis of ownership as on 31st March, 2015:

| Category | As on 31 st March, 2015 | | As on 31 st March, 2014 | | Change (%) |
|---|------------------------------------|---------------|------------------------------------|---------------|------------|
| | Total shares | % to equity | Total shares | % to equity | |
| Government of India | 9516209722 | 85.96 | 9516209722 | 85.96 | 0.00 |
| Foreign Institutional Investors | 193942928 | 1.75 | 183429954 | 1.66 | 0.09 |
| Indian Public & HUF | 747288889 | 6.75 | 786896162 | 7.12 | (0.37) |
| Banks, Financial Institutions & Insurance Companies | 467299545 | 4.22 | 412307069 | 3.72 | 0.5 |
| Bodies Corporates | 97340036 | 0.88 | 134504517 | 1.21 | (0.33) |
| Mutual Funds | 8722475 | 0.08 | 8089308 | 0.07 | 0.01 |
| NRI and Overseas Corporate Bodies | 16601501 | 0.15 | 15900420 | 0.14 | 0.01 |
| Others | | | | | |
| Clearing Members, Trusts, Foreign Portfolio Investors and Foreign Nationals | 23263400 | 0.21 | 13331344 | 0.12 | 0.09 |
| Total | 11070668496 | 100.00 | 11070668496 | 100.00 | |

(c) Major shareholders as on 31st March, 2015:

Details of shareholders holding more than one per cent of the paid-up share capital of the Company as on 31st March, 2015 are given below:

| Name of shareholder | No. of shares | % to paid-up capital | category |
|-------------------------------------|---------------|----------------------|-------------------|
| President of India | 9516209722 | 85.96 | Central Govt. |
| Life Insurance Corporation of India | 331009248 | 2.99 | Insurance Company |

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(d) Top ten shareholders as on 31st March, 2015:

Details of top ten shareholders of NHPC Limited as on 31st March, 2015 are given below:

| S. No. | Name of shareholder | Total shares | % to equity |
|--------|--|-------------------|--------------|
| 1. | President of India | 9516209722 | 85.96 |
| 2. | Life Insurance Corporation of India | 331009248 | 2.99 |
| 3. | UCO Bank | 33154836 | 0.30 |
| 4. | Vanguard Emerging Markets Stock Index Fund, Aserie | 27730780 | 0.25 |
| 5. | Government Pension Fund Global | 21424576 | 0.19 |
| 6. | Wisdomtree Trust A/C Wisdomtree India Investment Portfolio Inc | 18898129 | 0.17 |
| 7. | Small Industries Development Bank of India | 13907798 | 0.13 |
| 8. | Corporation Bank | 13842251 | 0.13 |
| 9. | Vanguard Total International Stock Index Fund | 11144212 | 0.10 |
| 10. | Emerging Markets Core Equity Portfolio | 11019906 | 0.10 |
| | Total | 9998341458 | 90.32 |

(xiv) Dematerialization of shares and liquidity

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

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

No. of shares held in dematerialized and physical mode

| | Total shares | % to equity |
|---|--------------------|---------------|
| Shares in dematerialized form with NSDL | 10812540723 | 97.67 |
| Shares in dematerialized form with CDSL | 257948636 | 2.33 |
| Physical | 179137 | 0.00 |
| Total | 11070668496 | 100.00 |

The names and addresses of the depositories are as under:

1 National Securities Depository Limited

Trade World, 4th Floor,
Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai – 400 013

2. Central Depository Services (India) Limited

Phiroze Jeejeebhoy Towers,
28th Floor, Dalal Street, Mumbai – 400 023



(xv) Demat suspense account

Details of shares in the suspense account opened and maintained after initial public offering of equity shares of NHPC Limited as on 31st March, 2015 is given in Table 17.

Table 17: Shares in suspense account

| Description | No. of cases | No. of shares |
|--|--------------|---------------|
| Aggregate number of shareholders and outstanding shares in the suspense account at the beginning of the year | 412 | 160024 |
| Number of shareholders who approached the Company for transfer of shares from the suspense account during the year | 32 | 15204 |
| Number of shareholders to whom shares were transferred from the suspense account during the year | 32 | 15204 |
| Aggregate number of shareholders and outstanding shares in the suspense account at the end of the year | 380 | 144820 |

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

(xvi) Outstanding GDRs/ADRs/warrants or any convertible instruments, conversion date and likely impact on equity:

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

(xvii) Number of Shares held by Directors as on 31st March, 2015:

| Director's Name (S/Shri) | No. of shares held |
|--------------------------|--------------------|
| R. S. T. Sai | NIL |
| D. P. Bhargava | 19999 |
| R. S. Mina | 42000 |
| K. N. Garg | NIL |
| Arun Kumar Verma | NIL |
| Ashoke Kumar Dutta | NIL |
| Atul Kumar Garg | NIL |

(xviii) Locations of NHPC Plants:

| | |
|------------------------------|---|
| Bairasiul | NHPC Limited, P.O. 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, P.O. 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, P.O. Mashka, Distt. Kathua (J&K) |
| Chamera-III | NHPC Limited, Village Dharwala, PO – 9, Distt. – Chamba, Himachal Pradesh – 176 311 |
| Chutak | NHPC Limited, P.O. Minji, Distt. Kargil (Ladakh), J & K – 194 103 |
| Teesta Low Dam Project – III | NHPC Limited, Rambh Bazar, P.O. Reang, Distt. Darjeeling (W.B.), PIN – 734 321 |
| Nimmo Bazgo Project | NHPC Limited, ALCHI, Distt. Leh (Ladakh), J & K, PIN 194101 |
| Uri II | NHPC Office cum residential complex, Nowpora, Uri, Distt. Baramulla, (J & K), PIN 193122 |
| Parbati-III | NHPC Limited, Village Behali, P. O. Larji, Distt. Kullu (H.P.), PIN 175122 |

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(xix) Address for correspondence:

Shri Vijay Gupta, Compliance Officer,

5th Floor, NHPC Office Complex,

Sector – 33, Faridabad,

Haryana – 121 003

E-mail: companysecretary@nhpc.nic.in

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

| | Telephone Number | Fax No. |
|---|---|--------------|
| Registered Office | 0129-2278421 | 0129-2277941 |
| Investor Relation Cell | 0129-2250437 | - |
| E-mail ID | investorcellnhpc@gmail.com , investorcell@nhpc.nic.in | |
| Shri K. K. Goel, Chief Investor Relations Officer | 0129-2270603 | - |
| E-mail ID | goelkk@nhpc.nic.in | |

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

For and on behalf of Board of Directors



(R S T Sai)

Chairman and Managing Director

DIN: 00171920

Date: 6th August, 2015

Place: Faridabad

ANNEXURE-A

Non-mandatory requirements: Besides the mandatory requirements as mentioned in the preceding pages, the status of compliance with non-mandatory requirements of the Listing Agreement is as under:

- 1. The Board:** The Company is headed by Shri R.S.T. Sai who is holding additional charge of the post of Chairman and Managing Director in addition to his duties as Chairman and Managing Director, THDC India Limited. No Independent Director has been appointed for the period exceeding, in aggregate of 9 years, on the Board of the Company.
- 2. Shareholders' rights:** A half-yearly declaration of financial performance, including a summary of significant events during the last six months is not sent individually to every shareholder. However, this information is made available on the Company's official website i.e. www.nhpcindia.com. Periodic financial results are published in the leading newspapers as mentioned under the heading 'means of communication' in this Report.
- 3. Audit qualifications:** It is always Company's endeavor to present unqualified financial statements.
- 4. Separate posts of Chairman and CEO:** The power to appoint Chairman & Managing Director vests with the President of India pursuant to Article 34 of the Articles of Association of the Company. Shri R. S. T. Sai is holding additional charge of the post of Chairman and Managing Director in addition to his duties as Chairman and Managing Director, THDC India Limited
- 5. Reporting of Internal Auditor:** Shri Vijay Kumar, GM (Finance) is the Internal Auditor of the Company. As per organization structure of the Company, Shri Vijay Kumar is reporting to Director (Finance) of the Company.



NHPC Limited

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ANNEXURE-B

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

To,

The Board of Directors,
NHPC Limited,
Faridabad

- a. We have reviewed financial results for the period ended 31st March, 2015 and that to the best of our knowledge and belief :
 - i. These results do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii. These results together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period ended 31st March, 2015 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit committee
 - i. Significant changes in internal control over financial reporting during the period ended 31st March, 2015.
 - ii. Significant changes in accounting policies during the period ended 31st March, 2015 and that the same have been disclosed in the notes to the financial results; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

(Jayant Kumar)
Director (Finance)
DIN 03010235

Place: New Delhi
Date: 29.05.2015

Sd/-

(R S T Sai)
Chairman and Managing Director
DIN 00171920

CORPORATE GOVERNANCE CERTIFICATE

To

The Members,
NHPC Limited,
NHPC Office Complex,
Sector-33, Faridabad,
Haryana – 121 003

1. I have examined the compliance conditions of Corporate Governance by NHPC Limited (CIN No. L40101HR1975GOI032564) for the year ended 31st March 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s) read with the Guidelines issued by the Department of Public Enterprises for Central Public Sector Undertakings in May 2010.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. My 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 my opinion and to the best of my information and according to the explanations given to me, I certify that the Company complied with the conditions of Corporate Governance **except to the extent of non-compliance stated by the Company in the Corporate Governance Report.**
4. I 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.

sd/-

(P. S. R. Murthy)

Practicing Company Secretary

ACS 5880

CP No. 13090

Place : New Delhi

Dated: 6th August, 2015



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT:

The per capita availability of electricity in India is less than one fourth of world's average. As the Indian economy is growing at a fast pace, there is an urgent need to accelerate further investment in power sector for country's sustained industrial and economic growth.

India has witnessed a robust growth in power sector since independence. The total installed capacity as on 31st March, 2015 was 2,67,637 MW with contribution from Thermal, Hydro, Nuclear and Renewable power of 1,88,898 MW, 41,267 MW, 5,780 MW and 31,692 MW respectively. Major share of power, from various sources such as coal, water, nuclear, fuel, solar and wind is generated by public sector (State and Central).

During the past two decades, hydropower has gained much momentum across the globe. India ranks amongst top countries worldwide for possessing feasible hydro-power capacity, much of which remains unutilized. Considering the growing need for power, future of India's hydropower generation looks promising and role of NHPC Limited, prominent.

NHPC is a Miniratna Schedule –'A' Enterprise having an authorized share capital of ₹15,000 crore, investment base of over ₹ 55,000 crore and an installed capacity of 4961.20 MW. During 2014-15, your Company generated 22,038 MUs through various power stations located across the country.

Hydropower potential in India

Our country is endowed with an enormous hydro power potential. The re-assessment studies of hydro-electric potential of the country were completed by Central Electricity Authority (CEA) in 1987. According to study, the hydro power potential in terms of installed capacity is estimated at 1,48,701 MW, out of which 1,45,320 MW of the potential consists of hydro-electric schemes having installed capacity above 25 MW.

Strategic Diversification

NHPC Limited, India's leading Company in hydro power generation is also at the initial stages of adding development of thermal and renewable energy to its operation.

SWOT ANALYSIS

A) STRENGTHS

NHPC has the following primary competitive strengths:

- **Established track record in implementing hydro-electric projects:** NHPC has wide experience and expertise in implementing hydro-electric projects, which provide it 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 range right from the stage of conceptualization till the commissioning of projects. NHPC's team is supported by international and domestic project consultants.
- **Exposure to the construction and operation of hydro projects in remote/ non-penetrative areas, geo-technically sensitive Himalayan terrain:** Almost all NHPC projects are situated in remote areas with a range of challenges- logistical, climatic and technological. However, with its strong and efficient team of competent and experienced professionals, who have the capability to execute all types and sizes of hydro power projects, NHPC has successfully managed to develop and implement 20 power stations, including two through its subsidiary Company, NHDC Limited. The Chamara-II Power Station (300 MW) in Himachal Pradesh and two hydro-electric projects of NHDC Limited viz. Indira Sagar Power Station (1,000 MW) and Omkareshwar Power Station (520 MW) in Madhya Pradesh were commissioned ahead of schedule.
- **Long-term power purchase agreements with customers:** NHPC gets most of its revenue from the sale of energy to state electricity boards/power departments and their successor entities through power purchase agreement. The allocation of power from different power stations to various beneficiaries is made 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 amongst 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 approves the investment in such projects.

- **Competent and committed workforce:** Your Company has a competent and committed workforce. Its executives have extensive experience in the industry. Their skills, industry knowledge and operating experience provide your Company a significant competitive advantage.
- **Strong financial position:** NHPC is a Mini-Ratna schedule 'A' enterprise with an authorized share capital of ₹ 15000 crore and an investment base of over ₹ 55,000 crore. Fitch has assigned a rating of 'AAA (ind)' for domestic borrowings.

B) OPPORTUNITIES

The deteriorating hydro-thermal mix, increase in peaking shortages and frequency variations have forced policy makers to turn their attention towards water resources and development of hydro power. India's huge untapped hydro potential, especially in the north eastern region, provides opportunity for hydro power development. Further, NHPC is diversifying its activities to explore new opportunities in other areas namely thermal, wind, solar etc.

C) THREATS/ WEAKNESSES

Your Company's management perceives the following as threats/ risks/weaknesses in construction of hydro power projects:

- **Geological uncertainties** – In spite of extensive survey and investigation, various components of hydro-electric projects such as head race tunnel, underground power house, pressure shaft, surge shaft etc. encountered geological surprises especially in young Himalayan regions. NHPC with its rich experience & expertise coupled with state-of-the art technology has overcome such surprises many a times in the past. However, frequent occurrences of these surprises results in time and cost over-run of the projects.
- **Environment & forest clearances** - Stringent norms and cumbersome procedures for getting environment clearance, forest clearance and clearance from National Board for Wild Life (where ever applicable) delays the construction of projects, which may affect the capacity addition programme of your Company.
- **Land acquisition** - The process of land acquisition for infrastructure works as well as for project's components including submergence, is quite cumbersome and time consuming.
- **Inter-state and international disputes** - As per the Constitution of India, water is a state subject. Due to inter-state river disputes, many hydro projects were delayed or abandoned. Likewise, the projects/power stations located near the international borders, quite often become point of reference.
- **Natural calamities** - Most hydro projects are generally located in remote mountainous terrains which are at the receiving end of devastating natural calamities like landslides, hill slope collapses and roadblocks etc. These calamities cause severe setbacks in construction schedules.
- **Unexpected complexities** - Unexpected complexities and delays in clearances/execution due to reasons beyond ones control may cause variation / escalation in estimates. Further, changes in CERC's tariff regulations may also affect cash flow and results of operations.
- **Competition from Independent Power Producers (IPPs)** - NHPC is facing stiff competition from IPPs and other competitors in allotment of new projects.
- **Law & order** – Projects/power stations of your Company are located at sensitive border areas and at remote locations witnessing law & order problem. Militant and extremist groups of the areas quite often target NHPC, perceiving it to be a Government representative.

RISKS AND CONCERNS

Hydro-electric power projects are capital intensive and have a long gestation period. Availability of funds is always seen as one of the major constraints for construction of hydro-electric power projects in the Country. Further, water being a state subject, state governments are demanding for higher share of free power and other incentives, which results in higher tariff. Besides the above, following are some of the risks/concerns identified by your Company:



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1. Time and cost overrun of projects due to the following reasons:
 - i) Uncertain geological conditions.
 - ii) Delay in clearances/approvals from respective Ministries particularly Ministry of Environment, Forest & Climate Change.
 - iii) Unanticipated changes in the regulations by Central/State Government.
 - iv) Lack of effective project monitoring, integrated scheduling, implementation and regular updating.
 - v) Stoppage of work due to labour problems of contractor.
 - vi) Law & order problem in the respective states.
2. Flooding of power house and damages to structures of other vital installations.
3. Fire inside power house (risk is much more in case of underground power house).
4. Unsettled claims of various contractors leading to disputes resulting into arbitration and legal complications besides delay in project.
5. Non-availability of defined operational strategy for power stations working in cascade.
6. Non-realization of outstanding dues from the beneficiaries.

OUTLOOK

Effective initiatives has been adopted by your Company for technological advancements in the areas of civil and electrical engineering, which have improved key functions vis-à-vis planning, survey & investigation, construction, operation & maintenance, etc. Similarly, optimum use of information technology has streamlined monitoring of construction activities as well as supervision of post commissioning operation & maintenance of power stations.

SEGMENT-WISE OR PRODUCT WISE PERFORMANCE

Electricity generation is the principal business of the Company. Other operations viz., contracts, project management and consultancy works do not form a reportable segment as per the Accounting Standard-17 on 'Segment Reporting'. The Company is having a single geographical segment as all its power stations are located within the country.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

Shri Vijay Kumar, General Manager (Finance), Internal Auditor of the Company is heading internal audit department. The department has qualified and experienced workforce to carry out audits periodically. Internal audit department has been carrying out special audits from time to time as desired by the management. A summary of audit observations and action taken reports are being submitted before the Audit Committee and the recommendations of the Audit Committee are duly complied with.

FINANCIAL DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

A detailed analysis of the Audited Financial Results of the Company for the Fiscal 2015 vis-à-vis Fiscal 2014 is as under:-

| Income | (₹ in crore) | |
|--|----------------|----------------|
| | Fiscal 2015 | Fiscal 2014 |
| Units of electricity sold (in million units) | 19078.15 | 15942.30 |
| Income | | |
| Sales of Energy | 6736.64 | 5335.11 |
| Other operating income | 18.08 | 115.54 |
| Revenue from Contracts, Project Management and Consultancy Works | 47.53 | 86.39 |
| Other Income | 861.33 | 1456.95 |
| Total | 7663.58 | 6993.99 |

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The other operating income includes Interest from Beneficiaries and other income comprises interest earned on investments of surplus funds, interest on Securitised Bonds/Long Term Advances, Dividend Income etc. Total income in Fiscal 2015 increased by 9.57 % to ₹ 7663.58 crore from ₹ 6993.99 crore in Fiscal 2014, primarily due to full year operation of four power stations viz TLDP-III, Nimoo-Bazgo, Uri-II and Parbati-III commissioned in FY 2013-14, restoration of Dhauliganga Power Station, increased generation in other power stations, increase in reimbursement of water charges, increase in write back of liabilities/ provisions, offset by decrease in dividend income from subsidiary company, NHDC Ltd., decrease in late payment surcharge, decrease in interest on Fixed Deposits and decrease in interest from beneficiary states. During Fiscal 2015 the insurance company has not paid any amount towards loss due to business interruption at Dhauliganga Power Station as against realisation of ₹99.99 crore in Fiscal 2014.

Tariff

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

Tariff is determined by reference to Annual Fixed Charges (AFC) in pursuance to notified regulations for the tariff period 2014-19, which comprises Return on Equity (ROE), depreciation, interest on loan, interest on working capital and operation & maintenance expenses. ROE is grossed-up with reference to effective income tax rate, so as to recover income tax incidence. Recovery of capacity charges is dependent on the actual utilisation of machines for generating power. Capacity is determined with reference to the Normative Annual Plant Availability Factor (NAPAF) which has been prescribed for each power station based on the nature of the power station.

Incentives are given on achieving plant availability factor greater than NAPAF as well as for generation of energy in excess of the design energy of the plant.

Sale of Energy

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

The said regulations inter-alia provides that, for the purpose of filing tariff petitions, the Return on equity (ROE), a component of tariff, is to be grossed-up using effective tax rate of the respective financial year. For the purpose of recognizing sales, ROE has been grossed up using effective tax rate for FY 2014-15.

In Fiscal 2015, 19078.15MUs of electricity was sold from installed capacity of 4961.20MW as against 15942.30 MUs from installed capacity of 4831.20MW in Fiscal 2014. Accordingly there was an increase of 19.67% in the number of units sold out. The average selling price (after adjustment of components of earlier year sales) was ₹3.53 per unit in Fiscal 2015, compared to ₹3.38 per unit in Fiscal 2014.

Sale of energy increased by 26.27% to ₹6736.64 crore in Fiscal 2015 from ₹5335.11 crore in Fiscal 2014 primarily due to full year operation of four power stations commissioned in FY 2013-14 and commissioning of 4th Unit of Parbati-III Power Station, increase in generation due to restoration of Dhauliganga Power Station and better generation in other power stations partly offset by decrease in sales due to accidental fire resulting in forced shut down of Uri-II Power Station. Company's plant availability factor (PAF) in Fiscal 2015 was 77.30% as compared to 77.70% in Fiscal 2014.

Adjusted Sales of Energy

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

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

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

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

(₹ in crore)

| | Fiscal 2015 | Fiscal 2014 |
|---|--------------------|--------------------|
| Gross Sales | 6981.36 | 5405.60 |
| Add: Write back of Advance against Depreciation (AAD) | 50.17 | 50.17 |
| Less: Regulated Sales Adjustment | 75.09 | 5.83 |
| Less: Sale of infirm power | 0.36 | 8.35 |
| Less: Adjustment of Foreign Exchange Rate Variation | 76.41 | 105.35 |
| Less: Tariff Adjustments | 143.03 | 1.13 |
| Net Sales | 6736.64 | 5335.11 |
| Less: Earlier year sales | 141.41 | 126.89 |
| Adjusted Sales of Energy | 6595.23 | 5208.22 |

Increase in Adjusted Sales by 26.63% is attributable to full year operation of TLDP-III, Nimoo-Bazgo, Uri-II and Parbati-III projects commissioned during FY 2013-14, better generation in other power stations, increase in generation due to restoration of Dhauliganga Power Station partly offset by decrease in sales because of forced shut down of Uri-II Power Station due to fire.

Revenue from Contracts, Project Management and Consultancy Works

The revenue under this head includes revenue from assignments pertaining to construction contracts, project management & consultancy contracts. These assignments primarily include works pursuant to the Pradhan Mantri Gram Sadak Yojna Scheme in connection with the development of rural roads and the Rajiv Gandhi Grameen Vidyutikaran Yojna Scheme relating to the development of rural electrification infrastructure. These two schemes are overseen by different agencies of the Government of India (GOI) and executed by different PSUs and government departments.

The income from contracts, project management and consultancy works decreased by 44.98% from ₹86.39 crore in Fiscal 2014 to ₹47.53 crore in Fiscal 2015 due to reduced activities in Fiscal 2015.

Other Income

Other income in Fiscal 2015 was ₹861.33 crore i.e. a decrease of 40.88% as against ₹1456.95 crore in Fiscal 2014. Major components of Other Income are placed and discussed here under:

(₹ in crore)

| Other Income | Fiscal 2015 | Fiscal 2014 |
|--|--------------------|--------------------|
| Interest on securitised power bonds/long term advances/ Loan to Govt. of Arunachal Pradesh | 79.14 | 99.62 |
| Interest on Term Deposit | 537.40 | 620.28 |
| Dividend | 61.56 | 377.93 |

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| Other Income | Fiscal 2015 | Fiscal 2014 |
|---|---------------|----------------|
| Late Payment Surcharge | 7.84 | 121.57 |
| Realisation from Insurance Company of loss due to Business Interruption | 0.00 | 99.99 |
| Liability/ Provisions not required written back | 75.95 | 36.43 |
| Other miscellaneous income | 99.44 | 101.13 |
| Total | 861.33 | 1456.95 |

The decrease in interest income from securitized power bonds/long term advances to the extent of ₹ 20.48 crore is due to redemption of these bonds/long term advances amounting to ₹ 256.44 crore during Fiscal 2015.

Interest on Term Deposit has decreased to ₹ 537.40 crore during Fiscal 2015 as against ₹ 620.28 crore during Fiscal 2014 due to reduction in surplus cash invested during the year.

Out of the Initial Public Offering (IPO) proceeds of ₹ 6038.55 crore made during financial year 2009-10, sale proceeds of ₹ 2012.85 crore was paid to Ministry of Power, Govt. of India and ₹ 4025.70 crore was retained by the company. Out of ₹ 4025.70 crore, a sum of ₹ 3986.99 crore has been utilised up to 31.03.2015 for re-coupmnt of capital expenditure already incurred from internal accruals on the projects specified for utilisation and ₹ 38.71 crore recouped for meeting IPO expenditure.

During Fiscal 2015, ₹ 61.56 crore was earned as dividend from investments, mainly in subsidiary company, as against ₹ 377.93 crore during Fiscal 2014.

Expenditure

(₹ in crore)

| Expenditure | Fiscal 2015 | Fiscal 2014 |
|---|----------------|----------------|
| Generation, Administration and Other Expenses | 912.09 | 995.40 |
| Reimbursement of Water Cess | 748.51 | 620.51 |
| Employees ' Benefits Expense | 1149.23 | 1058.67 |
| Finance Cost | 1179.77 | 1022.40 |
| Depreciation & Amortization | 1425.87 | 1210.76 |
| Total Expenditure | 5415.47 | 4907.74 |

Total expenditure increased by 10.35% to ₹ 5415.47 crore in Fiscal 2015 from ₹ 4907.74 crore in Fiscal 2014 mainly due to increase in water cess by ₹ 128.00 crore, increase in Employees' Benefit Expense by ₹ 90.56 crore, Finance Cost by ₹ 157.37 crore and depreciation & amortization by ₹ 215.11 crore partly offset by decrease in Generation, Administration & Other Expenses by ₹ 83.31 crore. Our total expenditure as a percentage of our total income was 70.67 % in Fiscal 2015 compared to 70.17 % in Fiscal 2014.

Generation, Administration and Other Expenses (excluding Water Cess)

Generation, administration and other expenses consist primarily of repair and maintenance of buildings and plant & machinery, security expenses, insurance expenses, electricity charges, provisions etc. These expenses represent approximately 16.84% of the total expenditure in Fiscal 2015 as against 20.28% in Fiscal 2014. In absolute terms, these expenses decreased approximately by 8.37 % to ₹ 912.09 crore in Fiscal 2015 from ₹ 995.40 crore in Fiscal 2014. The decrease of ₹ 83.31 crore in generation, administration and other expenses is primarily due to provision in respect of electricity charges of ₹ 64.11 crore during Fiscal 2014, charging off full year expenditure due to interruption of work in respect of Subansiri Lower & TLDP-IV projects in Fiscal 2014 (impact of (-) ₹ 136.57 crore) as compared to the charging of expenditure upto 31.10.2014 in respect of TLDP-IV as the work at TLDP-IV resumed w.e.f. 01.11.2014, decrease in expenditure of ₹ 18.44 crore in respect of power stations commissioned upto Fiscal 2013 offset by increase in expenditure due to full year operation of four projects namely TLDP-III, Nimoo-Bazgo, Uri-II and Parbati-III commissioned in FY 2013-14 (impact of ₹ 43.42 crore) and increase by ₹ 92.39 crore due to other factors.

In terms of expenses per unit of saleable energy, it was reduced to ₹ 0.48 in Fiscal 2015 as against ₹ 0.62 in Fiscal 2014.



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Water Cess

Water Cess has increased to ₹ 748.51 crore during Fiscal 2015 from ₹ 620.51 crore during Fiscal 2014 mainly on account of full year operation of Nimoo-Bazgo and Uri-II Power Stations and increase in generation at Salal and Uri-I Power Stations.

Employees' Benefits Expenses

Employee benefit expenses include salaries and wages, allowances, incentives, contribution to provident fund and Employees Defined Contribution Superannuation Scheme and expenses related to other welfare funds. These expenses account for 21.22% of our total expenditure in Fiscal 2015 as against 21.57 % in Fiscal 2014. In absolute terms, the employee costs have increased by ₹ 90.56 crore in Fiscal 2015 mainly due to full year operation of four power stations commissioned in Fiscal 2014 by ₹ 74.90 crore, impact of ₹ 23.46 crore due to charging of current year expenditure due to interruption of work in respect of Subansiri Lower & TLDP-IV project, offset by decrease in employee cost of Power Stations commissioned till Fiscal 2013 by ₹ 7.80 crore. During the Fiscal 2015, employee cost per unit of saleable energy decreased to ₹ 0.60 from ₹ 0.66 in the Fiscal 2014.

There were 9211 employees on the payroll as of March 31, 2015, compared to 9843 employees as of March 31, 2014. Of this, 5413 and 5607 employees were engaged in operation and maintenance areas of our business during Fiscal 2015 & 2014 respectively. Employee Benefit expenses increased by 8.55% to ₹ 1149.23 crore in Fiscal 2015 from ₹ 1058.67 crore in Fiscal 2014.

As a percentage of total income, employees' benefits expenses decreased to 15.00% in Fiscal 2015 from 15.14 % in Fiscal 2014.

Depreciation & Amortization

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

Depreciation cost increased by 17.77% to ₹ 1425.87 crore in Fiscal 2015 from ₹ 1210.76 crore in Fiscal 2014. The reason for increase in Depreciation Expenses is primarily due to commissioning of 4th unit of Parbati-III Power Station during Fiscal 2015 & full year operation of four power stations commissioned in Fiscal 2014 by ₹ 204.32 crore.

As a percentage of total income, depreciation increased from 17.31% in Fiscal 2014 to 18.61% in Fiscal 2015.

Finance Costs

'Finance costs' consist of interest expense on bonds and term loans. In books of accounts, borrowings are denominated in Indian Rupees, including amount raised in foreign currencies, primarily Japanese Yen and Canadian Dollars. We also incur expenses on account of Guarantee Fees in connection with loans raised from Foreign Market.

Finance Cost in Fiscal 2015 increased by 15.39 % to ₹ 1179.77 crore from ₹ 1022.40 crore in Fiscal 2014. The increase in Finance Cost is mainly due to increase of current year expenditure due to full year operation of four power stations commissioned in Fiscal 2014 by ₹ 224.23 crore, partial offset by decrease in interest expenditure by ₹ 66.86 crore in respect of power stations commissioned till Fiscal 2013 due to repayment of borrowings and decrease in charging off of expenditure in respect of TLDP-IV project for part of the year i.e. upto 31.10.2014 as compared to full year charging off during Fiscal 2014.

Prior Period Items (Net)

Prior Period Items (Net) in Fiscal 2015 decreased by ₹ 559.30 crore due to charging off of expenditure during fiscal 2014 for the period 16.12.2011 to 31.03.2013 due to interruption of work in respect of Subansiri Lower Project and Teesta Low Dam-IV for the period 20.03.2013 to 31.03.2013 . Also reversal of one of provision created earlier in respect of Dhauliganga Power Station amounting to ₹ 70.84 crore in the Fiscal 2015.

Regulatory Income

In line with the Guidance Note on "Accounting for Rate Regulated Activities" issued by the Institute of Chartered Accountants of India (ICAI), 'Regulatory Assets' has been created and corresponding 'Regulatory Income' has been recognised for ₹ 521.95 crore, against the borrowing cost and administrative and other cost incurred on Subansiri Lower project during the current financial year which have been charged to the Statement of Profit & Loss as per the relevant Accounting Standard and GAAP.

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Profit Before Tax

Due to the reasons outlined above, our profit before tax increased by 78.53% to ₹ 2826.17 crore in Fiscal 2015 from ₹ 1583.06 crore in Fiscal 2014.

Tax Expenses

In Fiscal 2015, we provided ₹ 701.70 crore for tax expenses as compared to ₹ 604.27 crore in Fiscal 2014. The increase in tax in Fiscal 2015 is on account of increase in current year taxes by ₹ 359.63 crore due to increase in profit for the year which is partially offset by decrease in Deferred Tax by ₹ 262.20 crore.

Impact of charging off borrowing cost and administrative and other general expense incurred in respect of projects under construction namely Subansiri Lower & Teesta Low Dam Project (TLDP)-IV Projects, due to interruption of work included in Income & Expenditure as above is summarised below:

Work at Subansiri Lower interrupted since 16.12.2011 is yet to resume. However, work at TLDP-IV which was under interruption since 20.03.2013 has been resumed on 01.11.2014. Impact on Income & Expenditure heads, due to non-capitalisation of borrowing cost and administrative and other expense incurred/income earned in respect of these Projects for the respective periods, is as under:

(₹ in crore)

| S.No. | Particulars | Subansiri Lower Project (01.04.2014-31.03.2015) | TLDP-IV (01.04.2014-31.10.2014) | Total |
|----------|---|---|---------------------------------|----------|
| i) | Other Income | 72.00 | 35.02 | 107.02 |
| A | Total Income | 72.00 | 35.02 | 107.02 |
| i) | Generation, Administration and Other Expenses | 62.71 | 5.98 | 68.69 |
| ii) | Employee Benefits | 111.67 | 18.05 | 129.72 |
| iii) | Finance Cost | 406.83 | 54.14 | 460.97 |
| iv) | Depreciation & Amortisation Expenses | 8.42 | 0.58 | 9.00 |
| v) | Prior Period Items(Net) | 4.32 | 0 | 4.32 |
| B | Total Expenses | 593.95 | 78.75 | 672.70 |
| C | Profit Before Tax(A-B) | (521.95) | (43.73) | (565.68) |

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

Both internal and external sources of liquidity are utilised for working capital requirement and funding of capital expenditure requirements. Generally long term borrowings are raised through term loans from banks/ financial institutions or issue of bonds either in Indian Rupees or foreign currencies. Cash and Bank Balances were ₹ 5422.11 crore and ₹ 5303.83 crore as of March 31, 2015 and 2014 respectively, out of which ₹ 268.05 crore and ₹ 320.63 crore as of March 31, 2015 and 2014 respectively were held for Rural Road and Rural Electrification works being executed by Company on behalf of other agencies and also includes unpaid dividend/interest ₹ 92.60 crore and ₹ 40.48 crore as of March 31, 2015 and 2014 which were not freely available for the business of the Company.

Cash Flows

(₹ in crore)

| | Fiscal 2015 | Fiscal 2014 |
|--|-------------|-------------|
| Net cash inflow/(outflow) from operating activities | 3055.36 | 3646.03 |
| Net cash inflow/(outflow) from investment activities | (789.46) | (479.80) |
| Net cash inflow/(outflow) from financing activities | (2147.62) | (3478.41) |

Net Cash from Operations

In Fiscal 2015, the net cash from operating activities was ₹ 3055.36 crore and net profit before tax and after extraordinary items was ₹ 2826.17 crore. Net cash from operating activities has been arrived at after adjusting non-cash items mainly depreciation (including prior period) of ₹ 1429.77 crore, interest expenses of ₹ 1179.76 crore, ₹ 112.78 crore towards provisions, ₹ 105.82 crore on account of tariff adjustment, ₹ 50.17 crore for deferred revenue on account of advance against depreciation, ₹ 75.96 crore on account of provisions/liabilities not required to be written back, ₹ 61.56 crore on account of dividend income, ₹ 20.50 crore towards exchange rate variation, ₹ 661.05 crore towards interest earned on Deposits/Investments and other non-operating items. Changes in current assets and current liabilities had impact of cash outflow by ₹ 605.16 crore, which was due to the net effect of change in inventories, trade receivables and other payables.

The net cash from operating activities was ₹ 3646.03 crore in Fiscal 2014. We had net profit before tax and after extraordinary items of ₹ 1583.06 crore in Fiscal 2014. Our net cash from operating activities had been arrived at after adjusting non-cash items mainly depreciation (including prior period) of ₹ 1225.25 crore, interest expenses of ₹ 1022.40 crore, ₹ 1.13 crore on account of tariff adjustment, ₹ 50.17 crore for deferred revenue on account of advance against depreciation, ₹ 38.09 crore on account of provisions/liabilities not required written back, ₹ 377.92 crore on account of dividend income, ₹ 105.27 crore towards exchange rate variation, ₹ 766.28 crore towards interest earned on Deposits/Investments and other non-operating items. Changes in current assets and current liabilities had impact of cash inflow by ₹ 1271.47 crore, which was due to the net effect of change in inventories trade receivables and other payables.

Net Cash from Investing Activities

Our net cash used in investing activities was ₹ 789.46 crore in Fiscal 2015. This mainly reflected expenditure on fixed assets of ₹ 1632.33 crore offset by decrease in Investments by ₹ 243.56 crore and interest income on Deposits/Investments by ₹ 661.05 crore and an amount of ₹ 61.56 crore towards dividend income.

Our net cash used in investing activities was ₹ 479.80 crore in Fiscal 2014. This mainly reflected expenditure on fixed assets of ₹ 1796.47 crore offset by decrease in Investments by ₹ 172.47 crore interest income on Deposits/Investments by ₹ 766.28 crore and an amount of ₹ 377.92 crore towards dividend income.

Net Cash from Financing Activities

In Fiscal 2015, our net cash outflow on financing activities was ₹ 2147.62 crore. We raised ₹ 1461.98 crore from fresh domestic term loans & issue of bonds and borrowings to the tune of ₹ 1276.19 crore were repaid. The amount related to debt servicing was ₹ 1561.38 crore. In Fiscal 2015, final dividend (including dividend tax) of ₹ 772.03 crore for Fiscal 2014 was paid.

In Fiscal 2014, our net cash outflow on financing activities was ₹ 3478.41 crore. We raised ₹ 2528.01 crore of fresh domestic term loans & issue of bonds. We bought-back equity shares for ₹ 2367.89 crores (including premium payment). We repaid borrowings to the tune of ₹ 1318.46 crore and paid interest and finance charges of ₹ 1461.70 crore. In Fiscal 2014, we paid final dividend (including dividend tax) of ₹ 858.37 crore for Fiscal 2013.

BALANCE SHEET ITEMS

Balance Sheet Highlights

Assets

(₹ in crore)

| Particulars | As of March 31, | |
|--|-----------------|----------|
| | 2015 | 2014 |
| Non-Current Assets | | |
| Net Fixed assets | 38749.88 | 38734.27 |
| Non-current Investments | 1,977.75 | 2,227.02 |
| Long-term loans and advances | 1,108.47 | 1,089.69 |
| Other non-current assets | 795.81 | 896.37 |
| Other non-current assets-Regulatory Assets | 1630.39 | - |

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| Particulars | As of March 31, | |
|-------------------------------|------------------|------------------|
| | 2015 | 2014 |
| Current Assets | | |
| Current Investments | 257.57 | 251.87 |
| Inventories | 82.73 | 72.29 |
| Trade Receivables | 2,497.10 | 1,863.77 |
| Cash & Bank Balances | 5,422.11 | 5,303.83 |
| Short-term Loans and Advances | 1,407.19 | 2,093.55 |
| Other Current Assets | 1,510.12 | 1443.61 |
| Total | 55,439.12 | 53,976.27 |

Financial Condition

Net worth

The net worth of the Company at the end of Fiscal 2015 increased to ₹ 28,286.39 crore from ₹ 26,067.65 crore in the previous Fiscal registering an increase of 8.51% mainly due to profit after tax for the year aggregating to ₹ 2,124.47 crore reduced by ₹ 798.69 crore towards dividend & dividend tax and adjustment due to transition provision for recognising rate regulated assets (net of provision for income tax- ₹ 876.10 crore).

Net Fixed Assets

Our fixed assets consist of land, dams, tunnels, buildings, including power house buildings, plant and machinery, office equipment, computers and intangible assets etc. Our fixed assets after depreciation, defined as net fixed assets, were ₹ 38,749.88 crore and ₹ 38,734.27 crore as of March 31, 2015 and 2014, respectively.

Investments (Current & Non-Current)

Investments are intended for long term and carried at cost. Current maturities of long term investments are depicted separately under Current Assets. Our total investment was ₹ 2235.32 crore and ₹ 2478.89 crore as of 31st March 2015 and 2014 respectively which includes current investments (8.50% tax free state govt. special bonds) to the tune of ₹ 256.44 crore and ₹ 250.74 crore as of 31st March 2015 and 2014 respectively.

The decrease in Investment is the net effect of redemption of securitised power bonds offset by increase in investment in Govt. of India Securities-Self Insurance Fund, and Investments in Joint Ventures/Subsidiaries.

Loans and Advances (Current & Non-Current)

Loans and advances as of March 31, 2015 and 2014 were ₹ 2515.66 crore and ₹ 3183.24 crore respectively i.e. there is a decrease of 20.97 % over figures of previous Fiscal. Loans and advances include advance income tax, loans & advances to our employees, contractors and suppliers.

Other Non-Current Assets

Other non-current assets mainly comprise deferred foreign currency fluctuation assets and interest accrued on advance to Government of Arunachal Pradesh. Our other non-current assets as of March 31, 2015 and 2014 were ₹ 795.81 crore and ₹ 896.37 crore respectively. The decrease of 11.22% in Fiscal 2015 as compared to the figures in Fiscal 2014 is mainly due to decrease in deferred foreign currency fluctuation assets.

Other Non-Current Assets - Regulatory Assets

The Institute of Chartered Accountants of India (ICAI) has issued the Guidance Note on "Accounting for Rate Regulated Activities" during the financial year 2014-15. In line with said Guidance Notes, 'Regulatory Assets' has been created and corresponding 'Regulatory Income' has been recognised for ₹ 521.95 crore, against the borrowing cost and administrative and other cost incurred on Subansiri Lower project during the current financial year which have been charged to the Statement of Profit & Loss as per the relevant Accounting Standard and GAAP. Further, as per the transition provisions, on the first occasion the ibid Guidance Note is applied, the entity should recognise in the financial statements regulatory assets as on that date with corresponding credit to opening balance of revenue reserves. Accordingly, the opening balance of surplus of statement

of Profit & Loss of the company has been increased by ₹ 876.10 crore (₹ 1108.44 crore less Tax provision- ₹ 232.34 crore) i.e. to the extent of expenditure in respect of Subansiri Lower Project for the period 16.12.2011 to 31.03.2014 not permitted for capitalisation as per the Accounting Standards & GAAP and charged off to the Statement of Profit & Loss after tax adjustments. Simultaneously, Rate Regulatory Assets have been created for ₹ 1108.44 crore. Accordingly, 'Other Non-Current Assets-Regulatory Assets' as on 31.03.2015 stand at ₹ 1630.39 crore (₹ 521.95 crore+ ₹ 1108.44 crore).

Inventories

Inventories are valued at cost or Net Realisable Value whichever is lower. Our inventories were valued at ₹ 82.73 crore and ₹ 72.29 crore as of March 31, 2015 and 2014 respectively.

Trade receivables

These consist primarily of receivables against the sale of electricity excluding unbilled revenue. The Trade receivables (net of provision for doubtful debts) as of March 31, 2015 and 2014 were ₹ 2497.10 crore and ₹ 1863.77 crore respectively. The unbilled revenue as of March 31, 2015 and 2014 was ₹ 602.47 crore and ₹ 426.04 crore respectively. There is an increase of 33.98% in trade receivables between Fiscal 2014 and Fiscal 2015.

Cash and Bank Balances

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

Cash and bank balances as of March 31, 2015 and 2014, respectively, were ₹ 5422.11 crore and ₹ 5303.83 crore. The increase of ₹ 118.28 crore during Fiscal 2015 is net result of cash inflow of ₹ 3055.36 crore on account of operating activities offset by cash outflow from investing & financing activities by ₹ 789.46 crore & ₹ 2147.62 crore respectively. Our cash and bank balances included ₹ 268.05 crore (Previous Year ₹ 320.63 crore) held for Rural Road and Rural Electrification works being executed by Company on behalf of other agencies and also included unpaid dividend/interest of ₹ 92.60 crore (Previous Year ₹ 40.48 crore) which were not freely available for the business of the Company.

Other Current Assets

Other current assets mainly comprises interest accrued on loan to State Government in settlement of dues, interest accrued on deposits, receivable on account of unbilled revenue, receivable from subsidiaries/joint venture companies, interest receivable from beneficiaries and claims recoverable. Our other current assets, as of March 31, 2015 and 2014 respectively were ₹ 1510.12 crore and ₹ 1443.61 crore, an increase of 4.61% in Fiscal 2015 as compared to the figures in Fiscal 2014.

Liabilities and Provisions

(₹ in crore)

| | As of March 31 st | |
|--------------------------------|------------------------------|------------------|
| | 2015 | 2014 |
| Non-Current Liabilities | | |
| Long Term Borrowings | 18,171.03 | 18,580.52 |
| Deferred Tax Liabilities | 810.44 | 766.67 |
| Other Long Term Liabilities | 1,337.17 | 1,605.81 |
| Long Term Provisions | 886.95 | 814.70 |
| Current Liabilities | | |
| Trade Payables | 153.01 | 200.71 |
| Other Current Liabilities | 3,013.15 | 2,938.21 |
| Short Term Provisions | 2,780.98 | 3,002.00 |
| Total | 27,152.73 | 27,908.62 |

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Long Term Borrowings

Long Term Borrowings comprised of Bonds, Secured Loans & Unsecured Loans amounting to ₹ 6373.74 crore, ₹ 7588.58 crore and ₹ 4208.71 crore in Fiscal 2015 as against ₹ 5786.43 crore, ₹ 8587.73 crore and ₹ 4206.36 crore respectively in Fiscal 2014.

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 decrease in Long Term Borrowing to the extent of 2.20% over previous fiscal is mainly on account of maturity of term loans.

Other Long Term Liabilities

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

The other long term liabilities as at March 31, 2015, stood at ₹ 1337.17 crore against ₹ 1605.81 crore for the previous fiscal. Out of above, AAD as of March 31, 2015 and 2014, respectively was ₹ 1159.54 crore and ₹ 1209.71 crore. AAD standing in the books is being written-back in a systematic manner consequent upon the removal of its concept by CERC w.e.f. 01.04.2009.

Other Current Liabilities

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

The current liabilities stood at ₹ 3013.15 crore against ₹ 2938.21 crore for the previous fiscal. The increase of 2.55% in Fiscal 2015 was mainly due to increase in current maturity of long term debts and interest accrued but not due on borrowings, offset by decrease in liability against capital works/supplies, deposits/retention money, Statutory dues payables and other liabilities.

Provisions (Long Term & Short Term)

Provisions include provision for performance related pay, superannuation/pension fund, Provision towards employee benefits (actuarial valuation), taxation, dividend & dividend tax, Provision for committed capital expenditure and other provisions etc.

Off-Balance Sheet Items

Contingent Liabilities

The following table sets forth the components of our contingent liabilities as of Fiscal 2015 and 2014.

₹ in crore

| Particulars | Fiscal 2015 | Fiscal 2014 |
|---|-----------------|-----------------|
| Claims against the Company not acknowledged as debts in respect of: | | |
| Capital Works | 8,207.65 | 8,598.01 |
| Land Compensation Cases | 12.37 | 11.65 |
| Disputed Income Tax, Sales Tax, Other Items | 906.69 | 747.20 |
| Total | 9,126.71 | 9,356.86 |

Contingent liabilities decreased by 2.46% from ₹ 9356.86 crore as of March 31, 2014 to ₹ 9126.71 crore as of March 31, 2015 mainly on account of decrease in contingent liabilities relating to Capital Works and disputed tax demands.

BUSINESS AND FINANCIAL REVIEW OF SUBSIDIARIES/JOINT VENTURE COMPANIES

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

NHDC Ltd.

NHDC Ltd. was incorporated on 01.08.2000 as a Joint Venture of NHPC Ltd. (51.08%) and Government of Madhya Pradesh (48.92%) having authorised share capital of ₹ 3,000 crore. NHDC has commissioned Indira Sagar Power Project (1,000 MW) and Omkareshwar Power Project (520 MW). The Total Income of the Company as of March 31, 2015 and 2014, respectively



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was ₹ 1548.85 crore and ₹ 2115.43 crore. The Profit After Tax of the Company as of March 31, 2015 and 2014, respectively was ₹ 766.46 crore and ₹ 1063.63 crore. At present paid up share capital of the company is ₹ 1962.58 crore of which NHPC's contribution is ₹ 1002.42 crore.

Loktak Downstream Hydroelectric Corporation Limited

Loktak Downstream Hydroelectric Corporation Limited was incorporated on 23.10.2009 as a Joint Venture of NHPC Ltd. (74%) and Government of Manipur (26%) having authorized share capital of ₹ 230 crore. At present paid up share capital of the company is ₹ 117.69 crore of which NHPC's contribution is ₹ 87.09 crore.

Bundelkhand Saur Urja Limited

Bundelkhand Saur Urja Limited was incorporated on 02.02.2015, as a Joint Venture of NHPC Ltd. and Government of Uttar Pradesh, with NHPC's share not less than 74%. The authorized share capital of the company is ₹ 10.00 crore. At present paid-up share capital of the company is ₹ 1.00 crore of which NHPC's contribution is ₹ 1.00 crore (99.99%).

Chenab Valley Power Projects Pvt. Limited

Chenab Valley Power Projects Pvt. Limited was incorporated on 13.06.2014 as a Joint Venture of NHPC Ltd. (49.98%), Jammu & Kashmir State Power Development Corporation (JKSPDC) (49.98%) & PTC India Ltd. (0.04%) having authorized share capital of ₹ 500 crore for execution of Pakal Dul, Kiru & Kawar H.E. Projects with installed capacity of 2120MW in Chenab River Basin. At present paid up share capital of the company is ₹ 200.10 crore of which NHPC's contribution is ₹ 100.00 crore.

National Power Exchange Limited (NPEX)

NPEX was incorporated on 11.12.2008 as a Joint Venture Company of NHPC Ltd., NTPC Ltd., Power Finance Corporation Ltd. and Tata Consultancy Services Ltd. under the name "National Power Exchange Limited" to operate a Power Exchange at National level. NHPC is having 16.67% of equity participation in said Joint Venture Company. The Company has gone for voluntary liquidation w.e.f. 28th October 2014 and accordingly Liquidator has been appointed. Keeping in view the same, a provision amounting to ₹ 1.06 crore has been made in the books of NHPC Limited towards anticipated loss in the Investment made in Joint Venture Company.

National High Power Test Laboratory Private Limited (NHPTLPL)

NHPTLPL was incorporated on 22.05.2009 as a Joint Venture Company of NHPC Ltd., NTPC Ltd., Power Grid Corporation of India Limited (Power Grid) and Damodar Valley Corporation (DVC) each having 25% of equity participation. During the Fiscal 2014, Central Power Research Institute also entered into the Joint Venture thereby revising the equity participation to 20% of each Joint Venture partner. The Company has been incorporated to set up an Online High Power Test Laboratory for short-circuit test facility in the Country. As on 31st March, 2015, paid-up share capital of the company is ₹ 110.48 crore of which NHPC's contribution is ₹ 23.90 crore (21.64%).

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

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

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

(₹ in crore)

| Particulars | Fiscal 2015 | Fiscal 2014 |
|--|-------------|-------------|
| Total Income (excluding Exceptional Items) | 9,157.27 | 8,738.03 |
| Profit before Tax | 3,718.35 | 2,528.55 |
| Profit after Tax (After adjustment of Minority Interest) | 2,491.36 | 1,218.75 |

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PERFORMANCE OF POWER STATIONS DURING 2014-15:

| Name of Power Stations | Generation Target (MUs) 2014-15 for "Excellent" MOU rating | Actual Generation (MUs) 2014-15 | Actual Generation (MUs) 2013-14 | PAF Target (%) 2014-15 for "Excellent" MOU rating | Actual PAF (%) 2014-15 | Actual PAF (%) 2013-14 |
|------------------------|--|---------------------------------|---------------------------------|---|------------------------|------------------------|
| BAIRA SIUL | 700 | 797 | 638 | 92 | 88.1 | 93.3 |
| LOKTAK | 590 | 372 | 640 | 89 | 89.9 | 90.9 |
| SALAL | 3210 | 3492 | 3235 | 62 | 67.4 | 67.6 |
| TANAKPUR | 470 | 447 | 384 | 59 | 64.5 | 53.9 |
| CHAMERA -I | 2320 | 2552 | 2341 | 94 | 96.4 | 97.4 |
| URI | 2680 | 3077 | 2521 | 72 | 79.5 | 73.0 |
| RANGIT | 350 | 328 | 354 | 92 | 92.3 | 93.0 |
| CHAMERA-II | 1450 | 1499 | 1396 | 94 | 95.4 | 97.4 |
| DHAULIGANGA | 1000 | 744 | 282 | 92 | 51.5 | 21.1 |
| DULHASTI | 2200 | 2176 | 2150 | 94 | 95.3 | 94.1 |
| TEESTA-V | 2575 | 2587 | 2300 | 89 | 93.5 | 81.6 |
| SEWA-II | 520 | 594 | 502 | 87 | 97.1 | 97.2 |
| CHAMERA III | 1110 | 1021 | 938 | 87 | 95.3 | 88.6 |
| CHUTAK | 90 | 35 | 34 | 52 | 58.7 | 49.9 |
| TLDP III | 580 | 394 | 192 | 87 | 72.0 | 32.5 |
| NIMOO BAZGO | 130 | 76 | 72 | 67 | 78.1 | 67.6 |
| URI II | 1125 | 1188 | 404 | 57 | 59.4 | 75.4 |
| PARBATI III | 700 | 661 | 5 | 33 | 33.9 | 44.5 |
| OVERALL | 21800 | 22038 | 18386 | 76.4 | 77.3 | 77.7 |

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATIONS

NHPC organises various developmental programs for its employees relating to improvement of behavioral/managerial and core competencies. These programs help employees to keep them updated with the latest developments and changes happening in the field of operations, technology, HR, finance, engineering etc.

The Company has also set up four training centers at Tanakpur Power Station, Uttarakhand, Chamera-I Power Station, Himachal Pradesh, Salal and Uri-I Power Stations, Jammu and Kashmir.

TRAINING

NHPC holds training and developmental programs through various prestigious management and engineering institutions like IIMs, XLRI Jamshedpur, ASCI Hyderabad, IITs, ISM Dhanbad, CPRI Bangalore, NCB Ballabgarh, etc. Technical hands on training has also been provided to our employees by reputed manufactures i.e. BHEL, ABB, Areva T&D, Alstom etc.

Special training programmes were also conducted for employees of reserved categories, to acquaint them with the features of the reservation policy and essential provisions devised especially for them. In addition to above, these employees were also recommended for external training programs on relevant subjects.

NHPC has sponsored executives to acquire higher qualifications & specialization in M. Tech in structural engineering, water resource development and power systems to IIT's, which will encourage them to improve their efficiency and productivity by acquiring higher qualifications.

WOMEN EMPLOYEES

The number and percentage of women employees in NHPC as on 31.03.2015 is:

| | Total no. of employees as of 31.03.2015 | No. of female employees | % of overall staff strength |
|--------------|---|-------------------------|-----------------------------|
| Total | 9211 | 902 | 9.79% |

Steps taken for the welfare of women employees:

- Special attention is given to nominate women employees for programmes/seminars for women empowerment and other issues related to women.
- Crèche facility provided in corporate office for employees with infants.
- Special committees with third party association have been set up to look into grievances/complaints of sexual harassment lodged by women employees.
- Child care leave for women employees to take care of their newborn/infant children.
- Maternity leave as per the rules.
- Option to declare parents/parents-in-law as dependents under medical rules.
- Relaxation in attendance timings for female employees at the corporate office.
- Representation of women on selection board/committee.
- Creation of Women in Public Sector Forum (WIPS) cell in NHPC Corporate Office.

RESERVATIONS FOR SCs/STs/OBCs

Your Company is taking care for socio-economic developments of SCs/STs/OBCs and weaker sections of the society at various projects/power stations. Your Company has provided budget allocation for schools and colleges at various SC/ST/OBC populated locations of projects/power stations. During natural calamities/epidemic, your Company has provided help in different ways and organizing medical camps etc.

The reservation and relaxation is provided to SCs/STs and OBCs in direct recruitment as per guidelines issued by DoPT from time to time. The relaxed standard and reservation is applicable for SC/ST employees while considering promotion. The organization holds periodical meetings with SC/ST employees. A SC/ST cell has been set up for the welfare of SCs/STs and OBCs under the direct control of separate liaison officers for SC/ST and OBC respectively.

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

| Total employees as on 31/03/2015 | Representation | | | | | |
|-------------------------------------|----------------|-------|-----|-------|------|-------|
| | SCs | % age | STs | % age | OBCs | % age |
| 9211 | 1238 | 13.44 | 512 | 5.56 | 957 | 10.39 |

WELFARE OF PERSONS WITH DISABILITIES:

Representation of persons with disabilities:

| Total employees as on 31/03/2015 | Physically challenged employees | | | % of physically challenged employees | |
|-------------------------------------|---------------------------------|----|----|--------------------------------------|------|
| | VI | HI | OH | Total | %age |
| 9211 | 7 | 2 | 82 | 91 | 0.99 |

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

Steps taken for the welfare of physically challenged employees:

The reservation and relaxation has been provided to physically challenged candidates/employees in direct recruitments and promotions as per guidelines issued by DoPT/Ministry of Social Justice & Empowerment from time to time in addition to following welfare schemes:-

- Employees with disabilities as well as employees who are care giver of dependent child are exempted from the rotational transfer and preference in place of posting at the time of transfer/promotion, subject to administrative constraints
- Grant of financial assistance for vocational training, who get physically handicapped while in service.

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- Reimbursement of monthly conveyance allowance for blind and orthopedically handicapped employees.
- Reimbursement of charges for purchase of hearing aid to the employees and their dependents and reimbursement of cost of artificial limbs and extending interest free loans for the same.
- Restriction of age is not applicable in respect of physically/mentally retarded children while considering them as dependents.

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

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

The Company makes an effort to create an environment where economic growth and environmental preservation can become compatible in the long run. Adverse impacts of construction are compensated by adopting measures like, compensatory afforestation, catchment area treatment, wildlife conservation, green belt development, fishery management, health management, rejuvenation of dumping and quarry sites, resettlement & rehabilitation, etc.

NHPC shows concerns and sensitivity to the problems and aspirations of Project Affected Families (PAFs). Thus, after consultation with various stakeholders, NHPC has formulated its own Resettlement & Rehabilitation (R&R) Policy in 2007 in line with National Rehabilitation and Resettlement Policy, 2007.

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

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

In addition to this, NHPC also conducts post-construction environment and social impact assessment studies to evaluate the effectiveness of the management plans implemented during the course of construction of the project.

Corporate Social Responsibility

NHPC has a well-defined CSR and Sustainable Development policy in line with the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII of the Act and the guidelines on Corporate Social Responsibility and Sustainability issued by Department of Public Enterprises (DPE), Government of India. A separate chapter on Corporate Social Responsibility (CSR) & Sustainable Development (SD) is given at **Annexure-VI**

CAUTIONARY STATEMENT

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

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

For and On behalf of the Board of Directors



(R. S. T. Sai)

Chairman and Managing Director

DIN No.:00171920

Date: 6th August, 2015

Place: Faridabad



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

A) CONSERVATION OF ENERGY

(i) Steps taken for conservation of energy

Energy Audit of 13 Power Stations out of 18 power stations has been carried out in the past. Energy Audit of Chamera-III Power Station (231 MW) in Himachal Pradesh has been carried out in 2014-15. The recommendations of Energy Auditor are being implemented for conservation of energy. However, with a view to re-assess the conservation of energy, Energy Audit of all 18 power stations has been planned during the financial year 2015-16.

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

- **Green Building at Corporate Office (Phase II):** Your Company has constructed Phase II Building at Corporate Office in line with Energy Conservation Building Code (ECBC).
- **Commissioning of 70KWp Grid Synchronized Solar Power Plant:** Your Company has installed 70 KWp solar power plant on the terrace of Phase –II building for supplying 70 KWp power for the building. The solar power generated by the plant is being used in the office building and additional load requirement is met from the state supply. The installation of solar power plant was also required in compliance with GRIHA requirement. The annual generation from the plant is about 1 lac units.

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

(iii) Capital investment on energy conservation equipment

NIL

B) TECHNOLOGY ABSORPTION

(i) Efforts made towards technology absorption

- Fully automated river discharge measurement system for Subansiri River at Subansiri Lower H.E. Project (2000 MW) in Assam/Arunachal Pradesh.
- Monitoring cavitation/erosion and measures to reduce the same in Teesta V Power Station.
- Monitoring silt levels and measures to reduce the ingress of silt in the reservoir of Teesta V Power Station.

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

- Fully automated river discharge measurement system for Subansiri River at Subansiri Lower H.E. Project has been installed and online measurement of river discharge has started. This data can be recorded from remote distance and will be helpful in project implementation.
- A report on monitoring cavitation/erosion and measures to reduce the same in Teesta-V Power Station as a study case has been prepared and recommendations have been submitted. Further, it is proposed to install an instrument for monitoring cavitation/erosion at Teesta-V Power Station in the year 2015-16
- A report on monitoring silt levels and measures to reduce the ingress of silt in the reservoir of Teesta-V Power Station as a study case has been prepared and it was proposed to implement "Bio-engineering measures" which is the most feasible technique used for stabilizing or to restore the unstable/ vulnerable areas. This is economical and most feasible technique as compared to other silt management techniques like hydraulic dredging, hydro-suction system, dry excavation etc.

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

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

iv) **Expenditure incurred on Research and Development :-**

Expenditure incurred on Research and Development during the financial year 2014-15 is ₹ 3,88,88,830.

(C) **Foreign exchange earnings and outgo**

(₹ in crore)

| S. No. | Particulars | For the year ended 31.03.2015 | For the year ended 31.03.2014 |
|--------|---|-------------------------------|-------------------------------|
| a)* | Value of imports calculated on CIF basis: | | |
| | i) Capital Goods | 8.78 | 5.73 |
| | ii) Spare parts | - | 3.59 |
| b)* | Expenditure in Foreign Currency: | | |
| | i) Know-How | - | - |
| | ii) Interest | 33.84 | 45.17 |
| | iii) Other Misc. Matters | 154.37 | 216.18 |
| c)* | Value of spare parts and components consumed in operating units: | | |
| | i) Imported | - | - |
| | ii) Indigenous | 30.40 (100%) | 26.90 (100%) |
| d)* | Earnings in foreign currency: | | |
| | i) Interest | - | - |
| | ii) Others | - | 0.05 |

* Accrual basis

For and On behalf of the Board of Directors



(R. S. T. Sai)

Chairman and Managing Director

DIN No.:00171920

Date: 6th August, 2015

Place: Faridabad



BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company

L40101HR1975GOI032564

2. Name of the Company

NHPC Limited

3. Registered address

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

4. Website

www.nhpcindia.com

5. E-mail id

brr@nhpc.nic.in

6. Financial Year reported

2014-15

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

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

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

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

- 1) Energy (Hydro Power)
- 2) Consulting Services

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

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

NHPC has business presence in Bhutan and Ethiopia. In Bhutan, NHPC is providing consultancy services for Engineering and Design of Mangdechhu HE Project to Mangdechhu Hydroelectric Project Authority (MHPA). The detailed project report (DPR) of Chamkharchhu – 1 HE Project in Bhutan was submitted and acceptance to appraisal of DPR has been issued by Central Electricity Authority (CEA) vide OM dated 29.12.2014. The project is proposed to be executed in a Joint Venture mode between NHPC and Druk Green Power Corporation (DGPC) (Govt. of Bhutan PSU) with 50:50 percent stake holding by both companies.

In Ethiopia, NHPC is providing consultancy services as Management Consultancy Services to Ethiopian Electric Power Service Company through a consortium with NHPC, PGCIL and BSES Rajdhani Power Limited (BRPL).

9.2. Number of National Location

We have 18 power stations and 4 construction projects situated in 7 states across the country.

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

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

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

| | | |
|------------------|-------------------|-----------|
| Jammu & Kashmir | Rajasthan | Sikkim |
| Himachal Pradesh | Uttar Pradesh | Manipur |
| Punjab | Bihar | Meghalaya |
| Chandigarh | Odisha | Mizoram |
| Uttarakhand | West Bengal | Tripura |
| Haryana | Assam | Nagaland |
| Delhi | Arunachal Pradesh | Jharkhand |

Electricity is supplied to one International beneficiary, which is Nepal.

Section B : Financial Details of the Company

1. Paid-up Capital (INR)

INR 11070.67 crores (as on 31.03.2015)

2. Total Turnover (INR)

INR 6802.25 crores (as on 31.03.2015)

3. Total profit after taxes (INR)

INR 2124.47 crores (as on 31.03.2015)

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)

Our total spending in 2014-15 on CSR is INR 52.24 crores which is 2.46% of Profit after Tax (PAT) for FY 2014-15 and 2.19% of average net profit (as per Section 198 of the Companies Act, 2013) of last 3 financial years.

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

- i) Education
- ii) Healthcare
- iii) Rural Development
- iv) Environment & Sustainability
- v) Women Empowerment/Senior Citizen
- vi) Swachh Vidyalaya Abhiyan
- vii) CSR Capacity Building, Sports, Art & Culture and Other Initiatives

Section C : Other Details

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

Yes. Presently NHPC Limited has three Subsidiary Companies, namely:

- i) NHDC Limited;
- ii) Loktak Downstream Hydroelectric Corporation Limited; and
- iii) Bundelkhand Saur Urja Limited.

2. Do the subsidiary company/companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

No. The subsidiary companies do not participate in any of the BR initiatives of the parent company.

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

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

Section D: BR Information

1. Details of Director/Directors responsible for BR

1.1. Details of the Director/Directors responsible for implementation of the BR policy/policies

- DIN Number: 03010235
- Name: Mr. Jayant Kumar
- Designation: Director (Finance)

1.2 Details of the BR head

- DIN Number: Not Applicable
- Name: Mr. A. K. Sarkar
- Designation: ED (Planning)
- Telephone Number: (0129) 2271425
- Email Id: aksarkar@nhpc.nic.in

2. Principle-wise (as per NVGs) BR Policy/policies:-

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

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

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

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

3. Governance related to Business Responsibility

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.
The BR performance of the Company is assessed annually at the end of financial year.
- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
This is the third Business Responsibility Report. Similar to the last two years, this would be published annually and will be part of the Annual Report. This report can be accessed at <http://nhpc-reports.nic.in>.

Section E: Principle-wise Performance

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The Company considers Corporate Governance norms as an integral part of good management. The Company has a Code of Business Conduct and Ethics which is applicable to its Board Members and senior management personnel. In addition, the Company has a Fraud Policy to prevent fraud or suspected fraud. Whistle Blower Policy has also been adopted. Further, the Company has implemented an Integrity Pact for all the procurement works of the value of ₹15 crores and more, and for procurement of goods and services of the value of ₹ 25 lacs. In addition, NHPC also has policy and procedure in place for banning business dealings with bidders (i.e. Group/Joint Venture/Suppliers/Contractors) in the event of an unethical behaviour.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

We have received some stakeholder complaints during 2014-15 with regard to violation of the Corporate Governance norms and Code of Business Conduct and Ethics.

The numbers of complaints as available are as follows:

| Description | Opening Balance as on 1 st April, 2014 | Received During the Year 2014-15 | Resolved During the Year 2014-15 | Pending as on 31 st March, 2015 |
|----------------------------------|---|----------------------------------|----------------------------------|--|
| Non-receipt of refund orders | 0 | 100 | 100 | 0 |
| Non-receipt of dividend warrants | 0 | 2795 | 2795 | 0 |
| SEBI Complaints | 2 | 17 | 19 | 0 |
| Stock exchange complaints | 0 | 4 | 4 | 0 |
| Consumer forum/ Court cases | 2 | 0 | 0 | 2 |
| Supplier fraud | 1 | 0 | 1 | 0 |

The Company has observed no complaints under its Whistle Blower Policy, Fraud Policy and Policy for Banning Business Dealing with Bidders in 2014-15. One supplier was blacklisted for a period of three years in 2014-15.

Principle 2

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

Hydro power generation.

- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional)**

Hydroelectric projects generate electricity by non-consumptive use of water so there is no reduction of resources. Hydropower is a renewable source of energy.

- Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Company emphasizes to establish good relationship with its vendors and include them in its growth story. The Company follows International Competitive Bidding (ICB) system for selecting agencies for executing the construction of hydro power projects. The techno-commercial bids are examined in line with ICB practices, CVC guidelines and various other vendor practices like safe working conditions, implementation of labour laws, environment policies etc. The Company officials interact with all agency/agency's representatives on regular basis in a transparent manner.

However, it is difficult to ascertain the percentage of inputs sourced from these suppliers accounting towards total inputs due to many different kinds of materials being used by the Company.

- Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Hydropower generation only requires non consumptive use of water as raw material. However, various contracts have been entered with locals around project for vehicle hiring, material handling, housekeeping, waste handling and horticulture. These Contracts have led entrepreneur development around project sites and have created indirect employment for local populace.

- Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)**

Hydroelectric power generation does not produce any waste. Electricity which is the product of hydroelectric power plants is produced by non-consumptive use of water. Further, sound & optimal design practices are being followed to build safe & sustainable structures for our projects.

Principle 3

1. Please indicate the total number of employees.
2. Please indicate the total number of employees hired on temporary/contractual/casual basis.
3. Please indicate the number of permanent women employees.
4. Please indicate the number of permanent employees with disabilities.
5. Do you have an employee association that is recognized by management?
6. What percentage of your permanent employees is members of this recognized employee association?
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.
8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

| | | |
|----|---|---|
| 1. | Total number of employees | 9211 (as on 31.03.2015) |
| 2. | Total number of employees hired on temporary/contractual/casual basis | NHPC does not directly employ contract employees. |
| 3. | Total number of permanent women employees | 902 (as on 31.03.2015) |
| 4 | Total number of permanent employees with disabilities | 91 (as on 31.03.2015) |
| 5. | Employee Associations | No formal recognition has been extended to any association or union from the Corporate. |
| 6. | Percentage membership of permanent employees in employee association | Not Applicable |
| 7. | Number of complaints relating to child labour, forced labour, involuntary labour in 2014-15 and pending, as of end 2014-15. | None received in this category and none pending. |
| | Number of complaints relating to sexual harassment in 2014-15 and pending, as of end 2014-15. | Complaint Filed: NIL Complaint Pending: NIL |
| | Number of complaints relating to discriminatory employment in 2014-15 and pending, as of end 2014-15. | None received in this category and none pending. |
| 8. | Percentage of employees who underwent safety and skill up-gradation training (as a percentage of respective total of each category) (2014-15) | |
| | Permanent employees | 40.48% |
| | Permanent women employees | 41.35% |
| | Temporary/contractual/casual | Not Applicable |
| | Employees with disabilities | 23.33% |

Principle 4

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes. We have mapped and identified external stakeholders, including disadvantaged, vulnerable and marginalized stakeholders. Our stakeholders include – employees, customers, local communities, suppliers and contractors, investors and shareholders, government and regulators and peers and industry ecosystem.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Our disadvantaged and vulnerable stakeholders include differently-abled employees, girl/women, SC/ST communities and rural/project displaced communities in and around our projects.



3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

- Differently-abled employees: Company endeavours to make NHPC a workplace which is conducive to differently abled employees and employees with special needs. It aims to make these employees self confident through an array of events, forums and trainings specifically crafted for their benefit.
- Girl/women and SC/ST communities: In the vicinity of project locations the company provides scholarship to SC/ST & girl students for education and facilitating literacy programmes in rural areas.

Principle 5

1. Does the policy of the Company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

The Company commits to conducts business in a socially and ethically responsible manner by conforming to all the requirements of SA 8000 standard. Currently, the "NHPC Conduct, Discipline and Appeal Rules" is applicable to only our employees, though we expect our stakeholders to adhere and uphold the standards contained therein. The "NHPC Conduct, Discipline and Appeal Rules" are meant to protect any employee right or privilege to which he is entitled; by or under any law for the time being in force; or by the terms and conditions of service or any agreement subsisting between such person and the Company.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The number of complaints as available with Employee Grievance Redressal Cell is:

| Opening Balance FY 2014-15 | Received During the Year 2014-15 | Resolved During the Year 2014-15 | Closing Balance FY 2014-15 |
|-------------------------------|-------------------------------------|-------------------------------------|-------------------------------|
| 01 | 08 | 08 | 01 |

Principle 6

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/others

NHPC possesses Integrated Management System certificate, which covers quality, environment and occupational health & safety management system for its Corporate Office and projects/power stations.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes, the Company is in the business of hydropower generation, which is clean power and reduces green house gases compared to other conventional mode of power generation. It also enhances energy security of the country where there is deficit of energy and shortage to meet peak demand.

Besides this NHPC is an Integrated Management System (IMS) certified Company which addresses the requirements of International Standards ISO 9001:2000 (Quality Management System), ISO 14001:2004 (Environment Management System) and OHSAS 18001:2007 (Occupational Health and Safety Assessment Series) as per PAS 99:2006 for NHPC Corporate office. IMS certification truly reflects its international acceptability for the efforts put in for carrying out the development in an environmentally congenial manner. The environment policy adopted by NHPC aims to address the environmental concerns in the hydropower sector, optimum utilization of natural resources and to maintain and continually improve environment management system to conform to International standards.

Few key areas of focus for NHPC in the field of environmental management include the following:

- Catchment Area Treatment (CAT)
- Compensatory Afforestation/Voluntary Afforestation
- Green Belt Development & Landscaping

- iv. Reservoir Rim Treatment
- v. Rejuvenation of Muck Dumping and Quarry sites
- vi. Biodiversity Conservation
- vii. Conservation and Management of Fishes
- viii. Post Construction Impact Evaluation

The details of these key areas are available at <http://www.nhpcindia.com/key-areas.htm>

3. Does the Company identify and assess potential environmental risks? Y/N

Yes, NHPC is committed to hydropower generation in a sustainable manner. Environmental Impact Assessment (EIA) is undertaken during Detailed Project Report (DPR) preparation stage to identify probable impacts (positive as well as negative) on environment. Based on the findings of the EIA, Environmental Management Plans (EMP) are proposed and implemented during project construction to minimize adverse impact.

4. Does the Company have any project related to Clean Development Mechanism? If Yes, whether any environmental compliance report is filed?

Yes. Two NHPC hydroelectric projects namely Nimmo Bazgo and Chutak located in J&K State have been registered by CDM Executive Board of United Nations Framework Convention on Climate Change (UNFCCC) during March, 2009 under the methodology ACM0002: Consolidated methodology for grid connected electricity generation from renewable sources. As of now these projects are not connected with northern grid as originally proposed and supplying electricity locally in the region. As a result of this change the projects will no longer conform to the applicability conditions of ACM0002 and thus will not generate any CERs under the existing registrations of the UNFCCC. Efforts are currently in progress for post registration changes in respect of applicable methodology: Renewable energy power generation in isolated grids

No, Environmental compliance report is applicable in NHPC's case.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Hydroelectric power generation is itself a renewable energy initiative. However, the company has taken up additional initiatives on solar power. A detailed list of such initiatives is available at <http://www.nhpcindia.com/renewable-energy-sources.htm>

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes. During the course of power generation from hydro project, no solid waste, liquid effluent or gaseous emissions are generated. In addition, there is no contamination of water during the process of hydro power generation. However, river water quality is regularly analyzed to assess any change in quality of river water after power generation. These have been found to be within the permissible limits given by CPCB/SPCB.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No such notices were pending as on the end of the FY 2014-15.

Principle 7

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.

NHPC is a member of Standing Conference of Public Enterprises (SCOPE). SCOPE has basic objective of promoting "better understanding among the public about the individual & collective contribution of public sector".

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

We strongly champion the cause of Governance and Administration for advancement of public good.

Principle 8

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, NHPC has implemented structured schemes on CSR in line with Companies Act, 2013 and DPE Guidelines issued vide OM No: F.15 (13)/2013-DPE (GM) dated 21st Oct, 2014. As per guidelines on Corporate Social Responsibility & Sustainability, applicable w.e.f. 1st April 2014, NHPC is required to spend at least 2% of the average net profits of the three immediately preceding financial years on CSR & Sustainability Development Projects, which works out to ₹ 4764 Lakhs. During FY 2014-15, an expenditure of ₹5223.94 Lakhs has been incurred by NHPC on CSR activities.

NHPC's Corporate Social Responsibility and Sustainability initiatives are focused towards the activities contributing to benefits of needy section of the society and environmental sustainability. The stakeholders residing in the vicinity of our project area and who are directly impacted by its operations and activities are given priority as beneficiary of CSR and Sustainability activities. NHPC's projects are situated mostly in the Himalayan belt and remote areas. Hence, NHPC's thrust is to undertake CSR & Sustainability activities primarily near to our Projects/Power Stations/Units. However, other locations can also be chosen, based on the needs in the light of DPE's Guidelines for the larger benefit of community.

NHPC has undertaken a number of community development initiatives in the area like education/skill development, health / sanitation, rural development, self-employment related trainings, environment & sustainability, construction of toilets under Swachh Vidyalaya Abhiyan, Women Empowerment & senior citizen, CSR capacity building, sports, Art and Culture and other activities for inclusive growth and equitable development.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The Company's CSR Projects are implemented mostly through in-house teams, besides few programs in association with Non-Government Organizations (NGOs) or with government institutions/local bodies.

3. Have you done any impact assessment of your initiative?

No impact assessment on our CSR initiatives has been undertaken till date.

4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

| Project | Amount (INR) for 2014-15 |
|--|--------------------------|
| Education | INR 1142.56 Lakhs |
| Healthcare | INR 281.49 Lakhs |
| Rural Development | INR 980.65 Lakhs |
| Environment & Sustainability | INR 354.55 Lakhs |
| Women Empowerment/Senior Citizen | INR 58.44 Lakhs |
| Swachh Vidyalaya Abhiyan | INR 2308.23 Lakhs |
| CSR Capacity Building, Sports, Art & Culture and Other Initiatives | INR 98.02 Lakhs |
| Total expenditure | INR 5223.94 Lakhs |

The details of CSR projects undertaken by NHPC are as under:

1. Education & skill development

- Developmental/ up-gradation activities in ITIs
- Financial assistance for establishment of Engineering Colleges
- Scholarship to students
- Construction & Up-gradation of School Buildings and Libraries
- Providing Infrastructure in Schools

- f) Distribution of Computer Peripherals & Computer Stationery
- g) Items, Uniforms to Government schools
- h) Organizing Skill Development Trainings/programs.

2. Healthcare & sanitation

- a) Arranging Medical Camps, Eye Check Up Camps
- b) Vaccination Programmes
- c) Distribution of free medicines for locals
- d) Up gradation of Govt. Hospitals, Maternity Centers
- e) Providing Ambulances, Medical Equipment and other Infrastructure facilities to Govt. hospitals.
- f) Arrangement of free Cataract Surgery Camps
- g) Awareness Programmes on Malnutrition

3. Rural Development

- a) Construction of Path Ways, RCC Bridges, Concrete Paths
- b) Construction & Renovation of Community Halls
- c) Repair & Replacement of Transformers in J&K
- d) Construction of Cremation Sheds and Grave Yards
- e) Construction of Drains, Shelters and Waiting sheds
- f) Relief and rehabilitation measures for flood victims of Uttarakhand & J&K
- g) Arrangement of Drinking water supply lines in villages and schools
- h) Other infrastructure and Community Development Activities as per local needs.

4. Environment & Sustainability

- a) Development of Biodiversity Park and Herbal Parks
- b) Installation of food Processing Units for preservation of local fruits
- c) Restoration of Canals for Irrigation purpose
- d) Voluntary Afforestation and Plantation of Saplings
- e) Rain Water Harvesting Systems
- f) Installation of Solar Street Light Poles
- g) Distribution of Solar Lanterns, Solar Cookers

5. Women Empowerment & Senior Citizen

- a) Literacy Program for Rural Women
- b) Beautician Course, Soft Toy Making, Making Pickles, Sewing, Cutting, tailoring and Embroider courses and other Skill Development Training Programs for Women
- c) Up-gradation of Old Age Homes

6. Swachh Vidyalaya Abhiyan

NHPC, under the aegis of MOP, has associated itself with construction of 7104 toilets in Govt. school under Swachh Vidyalaya Abhiyan as a part of its CSR & SD activity.

7. CSR Capacity Building, Sports, art & culture and Other initiatives

- a) Meetings with key Stakeholders
- b) Awareness Programs
- c) Promotion of Rural Sports
- d) Sponsorship of local sports/tournaments
- e) Promotion of Local Art and Culture
- f) Organizing Local festivals



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5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Yes, NHPC has taken steps to ensure that our community initiatives are successfully adopted by the community, although some handholding is required in the initial stages of implementation. Proper need assessment of the local requirements in and around power stations/projects is done by our experienced in-house team. Proper analysis of our need assessment surveys is conducted before carrying out community development initiatives. Monitoring and mentoring is done at appropriate interval during the implementation. Further, feedback on our initiatives is also collected from beneficiaries and media sources for further planning purpose.

Principle 9

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

No new customer / consumer complaint cases were filed during FY 2014-15. No cases from FY 2013-14 remain pending.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

Not Applicable.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year?**

No such case has been filed by any stakeholder.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

NHPC is connected with beneficiary states through Regional Power Committees (RPCs). This is a common forum for regular interaction between various stakeholders and resolving of outstanding issues. We are also taking regular feedback from our beneficiaries. The feedback ranges from Very Good to Excellent.

For and On behalf of the Board of Directors

(R. S. T. Sai)

Chairman and Managing Director

DIN No.:00171920

Date: 6th August, 2015

Place: Faridabad

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABLE DEVELOPMENT AT NHPC

1. **Brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

Introduction:

Your Company has formulated a CSR & Sustainability Policy in line with the guidelines on Corporate Social Responsibility and Sustainability issued by Department of Public Enterprises (DPE) and Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

Highlights of the Policy

- Creation of a separate CSR & SD Division (headed by an Executive Director) to act as Nodal Division.
- Committee of Directors on CSR & Sustainability (headed by an Independent Director) constituted by the Board of Directors.
- Preference has been given to local area and areas around NHPC's projects thereby through allocating 80% of budget amount for this segment.
- The CSR initiatives includes programs for development of educational standard, health services, hygiene, women empowerment, rural developments, environmental up-gradation etc. in accordance with Schedule-VII of the Companies Act, 2013. Expenditure on any other activity not in conformity with Schedule-VII is not to be accounted against CSR & Sustainability schemes/ activities.
- Your Company's CSR & Sustainability activities extend beyond mere philanthropic gestures and aim to integrate it with organization's business goals.
- Selection of CSR & Sustainability schemes ensures maximum benefits reach the poor/ backward & needy sections of the society and also contribute to improve the quality of environment.
- The Policy shall be revised/amended in accordance with the guidelines on the subject as may be issued by the Government from time to time.
- Your Company is open to joining hands with the other CPSEs in planning, implementing and monitoring of Mega-Projects for optimal use of resources, synergy of expertise and capabilities for maximizing socio-economic or environmental impact.

Programmes covered under CSR:

The community development programs have been identified and formulated based on the specific needs and requirement of a particular location as power stations/projects of your Company are located all over India under varying socio-economic condition. To this effect, whole gamut of activities has been identified, which to a great extent have been initiated in and around the power stations/projects. These activities have been illustrated below:

I Education, Skill Development, and Technology & Research:-

Your Company leads from the front when it comes to imparting education, especially to the poor and underprivileged sections of the society. Various Skill Development and Vocational Training Programs have been initiated to improve quality of life of people living in the surrounding areas of various projects/power stations. NHPC is developing Engineering Colleges/ ITIs /Colleges in Himachal Pradesh, Arunachal Pradesh, Sikkim and Jammu & Kashmir. A total of 13 (Thirteen) ITIs have been adopted (Seven in Jammu & Kashmir, four in Uttarakhand and two in Arunachal Pradesh) through Public Private Partnership (PPP) /Vocational Training Improvement Program/Centre of Excellence Scheme (COE). Beside above, scholarship to a large number of SC/ST & Girl students studying in Govt. schools within the vicinity of projects/power stations/townships has been provided. In addition to this your Company is also providing support for improvement of infrastructure of schools.

As a part of its social responsibility, your Company is considering to open a 'Blind Rehabilitation School' for educating and empowering visually impaired persons.



II Health:-

Health is a major issue that your Company takes very seriously. Your Company has organized a large number of medical camps, cataract surgery camps and vaccination programmes in surrounding areas of projects/power stations and distributed free medicines to economically weaker families/ individuals. Your Company is also providing ambulances, medical equipments, DG sets and other infrastructural support to Govt. hospitals. During the year, your Company has also extended medical support to flood victims of Jammu and Kashmir.

III Rural Development:-

Various Rural Development works were taken up to augment basic infrastructure facilities like area electrification, community centre, water supply lines, drains, roads/ paths etc. as per the need and requirement of community. Your Company has undertaken the construction activities of RCC bridges/ wooden bridges, cremation sheds, rain shelters etc.

IV Environment & Sustainability:-

Environmental degradation is a major threat. Your Company is committed for environmental sustainability, ecological balance, protection of flora and fauna, conservation of natural resources, maintaining of quality of air, water and soil. A number of activities has been taken up for environment and sustainability like development of bio- diversity parks/ herbal park, establishment of food processing plants, restoration of irrigation canals, plantation, rain water harvesting, installation of solar street lights, distribution of solar lanterns etc.

V Women Empowerment & Senior Citizen:-

Participating the hands with Govt. of India in its major issue 'Women Empowerment', your Company has contributed in various areas for empowering the women and creation of facilities for senior citizen. Your Company is setting up old age homes, imparting skill development training for women to promote self-employment and conduction of literacy programs for women.

VI Swachh Vidyalaya Abhiyan:-

Swachh Vidyalaya Abhiyan has been initiated by Hon'ble Prime Minister of India. Under this prestigious initiative the construction of toilets in Govt. schools where toilet facility is not available is being taken up. Your Company is committed to construct 7104 nos. of toilets in various parts of the country, especially in remote locations. During FY 2014-15, construction of 477 nos. of toilets were completed, 2699 nos. of toilets were under different stages of construction and work awarded for 4322 nos. of toilets.

VII CSR Capacity Building and Other Activities: -

Your Company is also engaged in promotion of rural and traditional sports like 'Kabaddi' and 'Kushti', promotion of local arts, craft by way of organizing the local melas, sponsoring tournaments, training camps. Your Company is creating a social awareness in local public by organizing various awareness programmes, meetings with the stakeholders. Rural sports/art & culture are promoted in rural areas through providing infrastructure supports to youth clubs and providing sports kits and equipment's to rural clubs and associations.

The Corporate Social Responsibility & Sustainability Policy of your Company is available at following link:

http://www.nhpcindia.com/writereaddata/Images/pdf/CSR_Policy_Final.pdf

2. Management of CSR and Sustainability activities:-

The management structure of CSR & Sustainability activities is as follows:

- A Board level Committee headed by an Independent Director has been constituted to allocate budget, review the progress and guide various CSR & Sustainability initiatives.
- Nodal Officer of the rank of Executive Director assisted by his team has been made responsible for coordinating the identification and selection of CSR & Sustainability schemes/activities and also exercising an effective oversight on progress of implementation of the same.
- Regional ED/Project Head/Unit Head have been entrusted with a duty to identify, implement & monitor CSR and Sustainability schemes/activities at respective locations.

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2014-15

At Present, the composition of 'Committee of Directors on CSR & Sustainability' is as under-

- | | | |
|-------------------------|----------------------|----------|
| 1. Shri Atul Kumar Garg | Independent Director | Chairman |
| 2. Shri D.P. Bhargava | Director (Technical) | Member |
| 3. Shri R.S. Mina | Director (Personnel) | Member |

3. Average Net Profit of the Company for last three financial years :-

The details of net profit for last 3 financial years for the purpose of computation of CSR Budget as per Section-198 of Companies Act, 2013 are as under-

| S.No. | Financial Year | Net Profit (in crores) | Average Net Profit (in crores) |
|-------|----------------|------------------------|--------------------------------|
| 1 | 2011-12 | 3361.47 | 2381.88 |
| 2 | 2012-13 | 2898.03 | |
| 3 | 2013-14 | 886.13 | |

4. Prescribed CSR Expenditure:

₹ 47.64 crores (2% of average net profit for past 3 years)

5. Details of CSR spent during the Financial Year:-

a. Total amount to be spent during the Financial Year 2014-15:

₹ 4764.00 Lakhs

b. Amount unspent, if any:

NIL

c. Manner in which the amount spent during the financial year is detailed below:

| Sr No. | CSR project or activity identified | Sector | Location | Amount outlay (budget) project or program wise (₹ in lakhs) | Amount spent on the projects or programs (₹ in lakhs) | Cumulative expenditure upto the reporting period (₹ in lakhs) | Amount spent: Direct or through implementing agency |
|--------|--|-------------------------------|---|---|---|---|---|
| 1. | Developmental/ up-gradation activities in ITIs Financial assistance for establishment of Engineering Colleges Scholarship to Students Construction & Up-gradation of School Buildings and Libraries. Providing Infrastructure in Schools Distribution of Computer Peripherals & Computer, Stationery Items, Uniforms to Govt. schools Organizing Skill Development Trainings/ programs | Education & Skill Development | Bilaspur (HP), ITI Reasi, ITI Ramban, ITI Kargil, ITI Kishtwar, ITI Uri, ITI Bandipora and ITI Leh in J&K, ITI Pokhara, ITI Rudraprayag and ITI Tanakpur and ITI Kanda in Uttarakhand, ITI Chandey in Sikkim, ITI Roing and ITI Tabarijo in Arunachal Pradesh in addition to this other CSR & SD Activities are being undertaken in the vicinity of NHPC's Project/ Unit locations in Distt- Reasi, Baramula, Kishtwar, Leh (Ladakh), Kargil, Bandipora and Srinagar in Jammu & Kashmir, Distt-Kullu, Chamba and Mandi in Himachal Pradesh, Distt-Rangit (South Sikkim), Distt- Churachandpur (Manipur), Distt- Teesta (East Sikkim) Distt-Pithoragarh, Tehri Garhwal & Champawat in Uttarakhand, Distt-Darjeeling and Jalpaiguri in West Bengal, Distt-Dhemaji (Assam), Distt- Tawang, Papumpare and East Siang in Arunachal Pradesh, Distt- Faridabad (Haryana), Distt-Santkabar Nagar, Sidharth Nagar in Uttar Pradesh | 1701.52 | 1142.56 | 1142.56 | Direct |

| | | | | | | | |
|----|---|---------------------|---|---------|--------|--------|--------|
| 2. | <p>Arranging Medical Camps, Eye Check Up Camps</p> <p>Vaccination Programmes</p> <p>Distribution of free medicines for locals</p> <p>Up-gradation of Govt. Hospitals, Maternity Centers</p> <p>Providing Ambulances, Medical Equipment and other infrastructure facilities to Govt. hospitals.</p> <p>Arrangement of free Cataract Surgery Camps</p> <p>Awareness Programmes on Malnutrition</p> | Health & Sanitation | <p>CSR & SD activities are being undertaken in the vicinity of NHPC's Project/Unit locations in Distt- Reasi, Baramula, Kishtwar, Leh (Ladakh), Kargil, Bandipora and Srinagar in Jammu & Kashmir, Distt-Kullu, Chamba and Mandi in Himachal Pradesh, Distt-Rangit (South Sikkim), Distt- Churachandpur (Manipur), Distt-Teesta (East Sikkim) Distt-Pithoragarh, Tehri Garhwal & Champawat in Uttarakhand, Distt-Darjeeling and Jalpaiguri in West Bengal, Distt- Dhemaji (Assam), Distt-Tawang, Papumpare and East Siang in Arunachal Pradesh, Distt- Faridabad (Haryana), Distt-Santkabar Nagar, Sidharthnagar in Uttar Pradesh</p> | 337.53 | 281.49 | 281.49 | Direct |
| 3. | <p>Construction of Path Ways, RCC Bridges, Concrete Paths</p> <p>Construction & Renovation of community halls</p> <p>Repair & Replacement of Transformers in J&K</p> <p>Construction of cremation sheds and grave yards</p> <p>Construction of Drains, Shelters and Waiting sheds</p> <p>Relief and rehabilitation measures for flood victims of Uttarakhand & J&K</p> <p>Arrangement of drinking water supply lines in villages and schools</p> <p>Other infrastructure and community development activities as per local needs.</p> | Rural Development | <p>CSR & SD Activities are being undertaken in the vicinity of NHPC's Project/Unit locations in Distt- Reasi, Baramula, Kishtwar, Leh (Ladakh), Kargil, Bandipora and Srinagar in Jammu & Kashmir, Distt-Kullu, Chamba and Mandi in Himachal Pradesh, Distt-Rangit (South Sikkim), Distt-Churachandpur (Manipur), Distt- Teesta (East Sikkim) Distt-Pithoragarh, Tehri Garhwal & Champawat in Uttarakhand, Distt-Darjeeling and Jalpaiguri in West Bengal, Distt- Dhemaji (Assam), Distt-Tawang, Papumpare and East Siang in Arunachal Pradesh, Distt-Faridabad (Haryana), Distt-Santkabar Nagar, Sidharthnagar in Uttar Pradesh</p> | 1178.48 | 980.65 | 980.65 | Direct |

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| | | | | | | | |
|----|---|------------------------------------|--|---------|---------|---------|--------|
| 4. | <p>Development of Biodiversity Park and Herbal Parks</p> <p>Installation of food Processing Units for preservation of local fruits.</p> <p>Restoration of Canals for Irrigation purpose</p> <p>Voluntary Afforestation and Plantation of Saplings</p> <p>Rain Water Harvesting Systems</p> <p>Installation of Solar Street Light Poles</p> <p>Distribution of Solar Lanterns, Solar Cookers</p> | Environment & Sustainability | <p>CSR & SD Activities are being undertaken in the vicinity of NHPC's Project/ Unit locations in Distt- Reasi, Baramula, Kishtwar, Leh (Ladakh), Kargil, Bandipora and Srinagar in Jammu & Kashmir, Distt-Kullu, Chamba and Mandi in Himachal Pradesh, Distt-Rangit (South Sikkim), Distt-Churachandpur (Manipur), Distt- Teesta (East Sikkim) Distt- Pithoragarh, Tehri Garhwal & Champawat in Uttrakhand, Distt-Darjeeling and Jalpaiguri in West Bengal, Distt-Dhemaji (Assam), Distt-Tawang, Papumpare and East Siang in Arunachal Pradesh, Distt-Faridabad (Haryana), Distt-Santkabar Nagar, Sidharthnagar in Uttar Pradesh</p> | 622.3 | 354.55 | 354.55 | Direct |
| 5. | <p>Literacy Program for Rural Women</p> <p>Beautician course, soft toy making, making pickles, sewing, cutting tailoring and embroidery courses and other skill development training programs for women</p> <p>Up gradation of old age homes</p> | Women Empowerment & Senior Citizen | <p>CSR & SD Activities are being undertaken in the vicinity of NHPC's Project/Unit locations in Distt-Reasi, Baramula, Kishtwar, Leh (Ladakh), Kargil, Bandipora and Srinagar in Jammu & Kashmir, Distt -Kullu, Chamba and Mandi in Himachal Pradesh, Distt-Rangit (South Sikkim), Distt-Churachandpur (Manipur), Distt-Teesta (East Sikkim) Distt-Pithoragarh, Tehri Garhwal & Champawat in Uttrakhand, Distt-Darjeeling and Jalpaiguri in West Bengal, Distt- Dhemaji (Assam), Distt-Tawang, Papumpare and East Siang in Arunachal Pradesh, Distt-Faridabad (Haryana), Distt-Santkabar Nagar, Sidharthnagar in Uttar Pradesh</p> | 72.84 | 58.44 | 58.44 | Direct |
| 6. | <p>NHPC, under the aegis of MOP, has associated itself with construction of 7104 toilets in Govt. schools under Swachh Vidyalaya Abhiyan as a part of its CSR & SD activity.</p> | Swachh Vidyalaya Abhiyan | <p>CSR & SD Activities are being undertaken in the vicinity of NHPC's Project/ Unit locations in Distt-Reasi, Baramula, Kishtwar, Leh (Ladakh), Kargil, Bandipora and Srinagar in Jammu & Kashmir, Distt-Kullu, Chamba and Mandi in Himachal Pradesh, Distt-Rangit (South Sikkim), Distt- Churachandpur (Manipur),Distt- Teesta (East Sikkim) Distt-Pithoragarh, Tehri Garhwal & Champawat in Uttrakhand, Distt Darjeeling and Jalpaiguri in West Bengal, Distt-Dhemaji (Assam), Distt-Tawang, Papumpare and East Siang in Arunachal Pradesh, Distt-Faridabad (Haryana), Distt-Santkabar Nagar, Sidharthnagar in Uttar Pradesh</p> | 2425.00 | 2308.23 | 2308.23 | Direct |



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| | | | | | | | |
|----|---|---|--|-----------------|----------------|----------------|--------|
| 7. | Meeting with key Stakeholders Awareness Programs Promotion of Rural Sports Sponsorship of local sports/tournaments Promotion of local art and culture Organizing local festivals | CSR capacity building, sports, art & culture and other activities | CSR & SD Activities are being undertaken in the vicinity of NHPC's Project/Unit locations in Distt-Reasi, Baramula, Kishtwar, Leh (Ladakh), Kargil, Bandipora and Srinagar in Jammu & Kashmir, Distt-Kullu, Chamba and Mandi in Himachal Pradesh, Distt-Rangit (South Sikkim), Distt- Churachandpur (Manipur), Distt-Teesta (East Sikkim) Distt-Pithoragarh, Tehri Garhwal & Champawat in Uttarakhand, Distt-Darjeeling and Jalpaiguri in West Bengal, Distt-Dhemaji (Assam), Distt-Tawang, Papumpare and East Siang in Arunachal Pradesh, Distt-Faridabad (Haryana), Distt-Santkabinagar, Sidhharthnagar in Uttar Pradesh | 219.33 | 98.02 | 98.02 | Direct |
| | Total | | | 6557.00* | 5223.94 | 5223.94 | |

*Amount ₹ 6557.00 lakhs includes annual budget allocation (FY 2014-15) amounting ₹ 4764.00 lakhs and unspent CSR budget of previous year amounting ₹ 1793.00 lakhs.

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report:-

As per Section 135 of the Companies Act, 2013, the 2% of average net profit for the last 3 financial year amounts to ₹ 47.64 crores. The Company has spent ₹ 52.24 crores against the said provision.

As such the spending on CSR activities comes to 2.19% of average net profit of last 3 financial years. Hence, Company fully utilized the budget allocation of FY 2014-15.

In addition to above, ₹ 4.60 crores was also utilized from unspent fund of ₹ 17.93 crores of previous years created as per DPE Guidelines. The major reasons for not utilizing the carried forwarded amount of ₹ 13.33 crores pertaining to previous years are:

1. Most of the works related to construction of toilets under 'Swachh Vidyalaya Abhiyan' were under different stages of tendering and execution and only part payments were released during the financial year 2014-15.
2. Non-finalization of Detailed Project Report for Bio Diversity Park of Subansiri H.E. Project (2000 MW).
3. Funds for construction of Bilaspur Engineering College in Himachal Pradesh could not be released due to non-finalization of construction milestones by the State Government.

7. Responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives under the Companies Act, 2013.

Implementation and monitoring of CSR Policy, is in compliance with CSR objectives under the Companies Act, 2013.

Sd/-
(R. S. T. Sai)
Chairman & Managing Director,
NHPC Ltd.
DIN: 00171920

Sd/-
(Atul Kumar Garg)
Independent Director & Chairman,
Committee of Directors on CSR & SD
DIN: 02281287

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | |
|---|---|
| CIN | L40101HR1975GOI032564 |
| Registration Date | 7 th November, 1975 |
| Name of the Company | NHPC Limited |
| Category / Sub-Category of the Company | Government Company, Limited by shares |
| Address of the Registered office and contact details | NHPC Office Complex, Sector- 33, Faridabad, Haryana – 121 003 Tel. No. 0129-2588110/2588500 Fax. No. 0129-2277941 |
| Whether Listed Company | Yes |
| Name, Address and Contact details of Registrar and Transfer Agent, if any | Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Tel: 040-67161500 Toll Free No:1800 425 8998 Fax: 040-67162200/23420814 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company are given below:

| S. No. | Name and description of main products/services | NIC Code of the product/service* | % to total turnover of the Company [#] |
|--------|---|----------------------------------|---|
| 1 | Energy (Hydro Power) Electric power generation by Hydroelectric Power Plants | 35101 | 99.99% |

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

[#]On the basis of Gross Turnover



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III. PARTICULARS OF SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

| S. No | Name and address of the Company | CIN | Subsidiary/ Associate/Joint Venture | % of shares held | Applicable Section |
|-------|--|-----------------------|-------------------------------------|------------------|--------------------|
| 1 | NHDC Limited, NHDC Parisar, Near Hotel Lake View Ashoka, Shyamla Hills, Bhopal - 462013, Madhya Pradesh | U31200MP2000GOI014337 | Subsidiary | 51% | 2(87) |
| 2 | Loktak Downstream Hydroelectric Corporation Limited, Loktak Power Station, NHPC Limited, P. O. Loktak, Kom Keirap - 795114, Manipur | U40101MN2009GOI008249 | Subsidiary | 74% | 2(87) |
| 3 | Bundelkhand Saur Urja Limited, TC-43/V, Vibhuti Khand, Gomti Nagar, Lucknow - 226010, Uttar Pradesh | U40300UP2015GOI068632 | Subsidiary | 99.99% | 2(87) |
| 4 | Chenab Valley Power Projects Private Limited, JKPCC Complex, Rail Head Complex, Panama Chowk, Jammu - 180006 (J & K) | U40105JK2011PTC003321 | Associate | 49% | 2(6) |
| 5 | National High Power Test Laboratory Private Limited, NTPC Bhawan, Core 7, Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi - 110003 | U73100DL2009PTC190541 | Associate | 20% | 2(6) |
| 6 | National Power Exchange Limited* Core-7, Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi - 110 003 | U40100DL2008PLC185689 | Associate/Joint Venture | 16.67% | 2(6) |

*National Power Exchange Limited is in the process of liquidation.

IV. SHARE HOLDING PATTERN (equity share capital breakup as percentage of total equity)

i) Category-wise shareholding

| Category of shareholders | No. of shares held at the beginning of the year (As on 01.04.2014) | | | | No. of shares held at the end of the year (As on 31.03.2015) | | | | % change during the year |
|---------------------------|---|----------|-------------------|-------------------|---|----------|-------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of total shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Central Govt | 9516209722 | 0 | 9516209722 | 85.96 | 9516209722 | 0 | 9516209722 | 85.96 | 0.00 |
| c) State Govt (s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Bodies Corporate | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Banks/Fl | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) Others | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-Total (A) (1): | 9516209722 | 0 | 9516209722 | 85.96 | 9516209722 | 0 | 9516209722 | 85.96 | 0.00 |

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| Category of shareholders | No. of shares held at the beginning of the year (As on 01.04.2014) | | | | No. of shares held at the end of the year (As on 31.03.2015) | | | | % change during the year |
|---|---|----------|-------------------|-------------------|---|----------|-------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of total shares | |
| (2) Foreign | | | | | | | | | |
| a) NRIs- Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Other- Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) Bodies Corporate | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Banks/Fl | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Others | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-Total (A) (2): | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Total shareholding of Promoter (A)=(A) (1)+(A)(2) | 9516209722 | 0 | 9516209722 | 85.96 | 9516209722 | 0 | 9516209722 | 85.96 | 0.00 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual funds/UTI | 8089308 | 0 | 8089308 | 0.07 | 8722475 | 0 | 8722475 | 0.08 | 0.01 |
| b) Banks/Fls | 96727455 | 0 | 96727455 | 0.87 | 91543972 | 0 | 91543972 | 0.83 | -0.04 |
| c) Central Govt | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) State Govt(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) Insurance Companies | 315579614 | 0 | 315579614 | 2.85 | 375755573 | 0 | 375755573 | 3.39 | 0.54 |
| g) Fls | 183429954 | 0 | 183429954 | 1.66 | 212320234 | 0 | 212320234 | 1.92 | 0.26 |
| h) Foreign Venture Capital funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| i) Others | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-total (B) (1): | 603826331 | 0 | 603826331 | 5.45 | 688342254 | 0 | 688342254 | 6.22 | 0.77 |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corporate | 134504517 | 0 | 134504517 | 1.21 | 97340036 | 0 | 97340036 | 0.88 | -0.33 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lakh | 610141807 | 163656 | 610305463 | 5.52 | 576225050 | 171562 | 576396612 | 5.21 | -0.31 |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 176542019 | 51480 | 176593499 | 1.60 | 170894577 | 0 | 170894577 | 1.54 | -0.06 |
| c) Others | | | | | | | | | |
| i) Clearing Members | 10754418 | 0 | 10754418 | 0.10 | 2172520 | 0 | 2172520 | 0.02 | -0.08 |



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| Category of shareholders | No. of shares held at the beginning of the year (As on 01.04.2014) | | | | No. of shares held at the end of the year (As on 31.03.2015) | | | | % change during the year |
|--|---|---------------|--------------------|-------------------|---|---------------|--------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of total shares | |
| ii) Non Resident Indians | 15886383 | 7575 | 15893958 | 0.14 | 16593751 | 7575 | 16601326 | 0.15 | 0.01 |
| iii) Overseas Corporate Bodies | 6462 | 0 | 6462 | 0.00 | 175 | 0 | 175 | 0.00 | 0.00 |
| iv) Trusts | 2573936 | 0 | 2573936 | 0.02 | 2711274 | 0 | 2711274 | 0.02 | 0.00 |
| v) Qualified Foreign Investor | 190 | 0 | 190 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-total (B)(2): | 950409732 | 222711 | 950632443 | 8.59 | 865937383 | 179137 | 866116520 | 7.82 | -0.77 |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 1554236063 | 222711 | 1554458774 | 14.04 | 1554279637 | 179137 | 1554458774 | 14.04 | 0.00 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Grand Total (A+B+C) | 11070445785 | 222711 | 11070668496 | 100.00 | 11070489359 | 179137 | 11070668496 | 100.00 | |

(ii) Shareholding of Promoters

| S. No. | Shareholder's Name | Shareholding at the beginning of the year (As on 01.04.2014) | | | Share holding at the end of the year (As on 31.03.2015) | | | % change in share holding during the year |
|--------|--------------------|---|----------------------------------|--|--|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | President of India | 9516209722 | 85.96 | 0.00 | 9516209722 | 85.96 | 0.00 | 0.00 |
| | Total | 9516209722 | 85.96 | 0.00 | 9516209722 | 85.96 | 0.00 | 0.00 |

(iii) Change in Promoters' Shareholding

| S. No. | Particulars | Shareholding at the beginning of the year (As on 01.04.2014) | | Cumulative Shareholding during the year (01.04.2014 to 31.03.2015) | |
|--------|--|---|----------------------------------|--|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | At the beginning of the year | 9516209722 | 85.96 | - | - |
| 2 | Date wise Increase/Decrease in Promoters share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | No change during the year | | | |
| 3 | At the end of the year | 9516209722 | 85.96 | 9516209722 | 85.96 |

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(iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

| S. No. | Name | Shareholding | | Date | Increase/ Decrease in shareholding | Reason | Cumulative shareholding during the year (01.04.2014 to 31.03.2015) | |
|--------|--|---|----------------------------------|-------------|------------------------------------|--------------------------|--|----------------------------------|
| | | No. of shares at the beginning of the year (01.04.2014)/ end of the year (31.03.2015) | % of total shares of the company | | | | No. of shares | % of total shares of the company |
| 1. | LIFE INSURANCE CORPORATION OF INDIA | 270333289 | 2.44 | 1-Apr-2014 | | | | |
| | | | | 4-Apr-2014 | 3481000 | Bought | 273814289 | 2.47 |
| | | | | 30-May-2014 | 3735412 | Bought | 277549701 | 2.51 |
| | | | | 6-Jun-2014 | 11401786 | Bought | 288951487 | 2.61 |
| | | | | 30-Jun-2014 | 455542 | Bought | 289407029 | 2.61 |
| | | | | 6-Feb-2015 | 4195496 | Bought | 293602525 | 2.65 |
| | | | | 13-Feb-2015 | 10184729 | Bought | 303787254 | 2.74 |
| | | | | 20-Feb-2015 | 2219746 | Bought | 306007000 | 2.76 |
| | | | | 27-Feb-2015 | 8893545 | Bought | 314900545 | 2.84 |
| | | | | 6-Mar-2015 | 3852591 | Bought | 318753136 | 2.88 |
| | | | | 20-Mar-2015 | 1077500 | Bought | 319830636 | 2.89 |
| | | | | 27-Mar-2015 | 7865184 | Bought | 327695820 | 2.96 |
| | | 331009248 | 2.99 | 31-Mar-2015 | 3313428 | Bought | 331009248 | 2.99 |
| 2. | UCO BANK | 33154836 | 0.30 | 1-Apr-2014 | | Nil | | |
| | | 33154836 | 0.30 | 31-Mar-2015 | - | movement during the year | 33154836 | 0.30 |
| 3. | VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIE | 25324080 | 0.23 | 1-Apr-2014 | | | | |
| | | | | 4-Apr-2014 | 434560 | Bought | 25758640 | 0.23 |
| | | | | 11-Apr-2014 | 532336 | Bought | 26290976 | 0.24 |
| | | | | 18-Apr-2014 | 76048 | Bought | 26367024 | 0.24 |
| | | | | 23-May-2014 | 195552 | Bought | 26562576 | 0.24 |
| | | | | 11-Jul-2014 | 380240 | Bought | 26942816 | 0.24 |
| | | | | 25-Jul-2014 | 345440 | Bought | 27288256 | 0.25 |
| | | | | 1-Aug-2014 | 552704 | Bought | 27840960 | 0.25 |
| | | | | 22-Aug-2014 | 215900 | Bought | 28056860 | 0.25 |
| | | | | 12-Sep-2014 | 241808 | Bought | 28298668 | 0.26 |
| | | | | 28-Nov-2014 | 241808 | Bought | 28540476 | 0.26 |
| | | | | 5-Dec-2014 | 215900 | Bought | 28756376 | 0.26 |
| | | | | 9-Jan-2015 | -354076 | Sold | 28402300 | 0.26 |

| S. No. | Name | Shareholding | | Date | Increase/ Decrease in shareholding | Reason | Cumulative shareholding during the year (01.04.2014 to 31.03.2015) | |
|--------|---|---|----------------------------------|-------------|------------------------------------|--------|--|----------------------------------|
| | | No. of shares at the beginning of the year (01.04.2014)/ end of the year (31.03.2015) | % of total shares of the company | | | | No. of shares | % of total shares of the company |
| | | | | 16-Jan-2015 | -155448 | Sold | 28246852 | 0.26 |
| | | | | 23-Jan-2015 | -146812 | Sold | 28100040 | 0.25 |
| | | | | 6-Feb-2015 | -43180 | Sold | 28056860 | 0.25 |
| | | | | 13-Feb-2015 | -172720 | Sold | 27884140 | 0.25 |
| | | 27730780 | 0.25 | 31-Mar-2015 | -153360 | Sold | 27730780 | 0.25 |
| 4. | GOVERNMENT PENSION FUND GLOBAL | 18243768 | 0.16 | 1-Apr-2014 | | | | |
| | | | | 23-May-2014 | -537610 | Sold | 17706158 | 0.16 |
| | | | | 30-May-2014 | -1929692 | Sold | 15776466 | 0.14 |
| | | | | 13-Jun-2014 | -864464 | Sold | 14912002 | 0.13 |
| | | | | 20-Jun-2014 | -234351 | Sold | 14677651 | 0.13 |
| | | | | 16-Jan-2015 | 566824 | Bought | 15244475 | 0.14 |
| | | | | 6-Feb-2015 | 4080101 | Bought | 19324576 | 0.17 |
| | | | | 13-Feb-2015 | 1874623 | Bought | 21199199 | 0.19 |
| | | | | 20-Feb-2015 | 225377 | Bought | 21424576 | 0.19 |
| | | 21424576 | 0.19 | 31-Mar-2015 | - | - | 21424576 | 0.19 |
| 5. | WISDOMTREE TRUST A/C WISDOMTREE INDIA INVESTMENT P* | 0 | 0.00 | 1-Apr-2014 | | | | |
| | | | | 4-Apr-2014 | 10468447 | Bought | 10468447 | 0.09 |
| | | | | 11-Apr-2014 | 307726 | Bought | 10776173 | 0.10 |
| | | | | 18-Apr-2014 | 43966 | Bought | 10820139 | 0.10 |
| | | | | 16-May-2014 | 1000003 | Bought | 11820142 | 0.11 |
| | | | | 23-May-2014 | 367252 | Bought | 12187394 | 0.11 |
| | | | | 30-May-2014 | 184894 | Bought | 12372288 | 0.11 |
| | | | | 13-Jun-2014 | 2726958 | Bought | 15099246 | 0.14 |
| | | | | 20-Jun-2014 | 323335 | Bought | 15422581 | 0.14 |
| | | | | 30-Jun-2014 | 277604 | Bought | 15700185 | 0.14 |
| | | | | 4-Jul-2014 | 278005 | Bought | 15978190 | 0.14 |
| | | | | 11-Jul-2014 | 463331 | Bought | 16441521 | 0.15 |
| | | | | 18-Jul-2014 | 371178 | Bought | 16812699 | 0.15 |
| | | | | 25-Jul-2014 | 139380 | Bought | 16952079 | 0.15 |
| | | | | 1-Aug-2014 | 414799 | Bought | 17366878 | 0.16 |

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| S. No. | Name | Shareholding | | Date | Increase/ Decrease in shareholding | Reason | Cumulative shareholding during the year (01.04.2014 to 31.03.2015) | |
|--------|--|---|----------------------------------|-------------|------------------------------------|------------------------------|--|----------------------------------|
| | | No. of shares at the beginning of the year (01.04.2014)/ end of the year (31.03.2015) | % of total shares of the company | | | | No. of shares | % of total shares of the company |
| | | | | 8-Aug-2014 | 368581 | Bought | 17735459 | 0.16 |
| | | | | 15-Aug-2014 | 506286 | Bought | 18241745 | 0.16 |
| | | | | 22-Aug-2014 | 597771 | Bought | 18839516 | 0.17 |
| | | | | 29-Aug-2014 | 788668 | Bought | 19628184 | 0.18 |
| | | | | 5-Sep-2014 | 232365 | Bought | 19860549 | 0.18 |
| | | | | 12-Sep-2014 | 233850 | Bought | 20094399 | 0.18 |
| | | | | 19-Sep-2014 | -187697 | Sold | 19906702 | 0.18 |
| | | | | 30-Sep-2014 | -2538300 | Sold | 17368402 | 0.16 |
| | | | | 31-Oct-2014 | 383480 | Bought | 17751882 | 0.16 |
| | | | | 7-Nov-2014 | 536880 | Bought | 18288762 | 0.17 |
| | | | | 14-Nov-2014 | 395347 | Bought | 18684109 | 0.17 |
| | | | | 5-Dec-2014 | -301719 | Sold | 18382390 | 0.17 |
| | | | | 12-Dec-2014 | -113034 | Sold | 18269356 | 0.17 |
| | | | | 9-Jan-2015 | -716325 | Sold | 17553031 | 0.16 |
| | | | | 23-Jan-2015 | -361439 | Sold | 17191592 | 0.16 |
| | | | | 30-Jan-2015 | 623627 | Bought | 17815219 | 0.16 |
| | | | | 27-Feb-2015 | 325272 | Bought | 18140491 | 0.16 |
| | | | | 6-Mar-2015 | 468869 | Bought | 18609360 | 0.17 |
| | | | | 20-Mar-2015 | 216402 | Bought | 18825762 | 0.17 |
| | | | | 27-Mar-2015 | 72367 | Bought | 18898129 | 0.17 |
| | | 18898129 | 0.17 | 31-Mar-2015 | - | - | 18898129 | 0.17 |
| 6. | SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA | 13907798 | 0.13 | 1-Apr-2014 | | Nil movement during the year | | |
| | | 13907798 | 0.13 | 31-Mar-2015 | - | | 13907798 | 0.13 |
| 7. | CORPORATION BANK | 14043251 | 0.13 | 1-Apr-2014 | | | | |
| | | | | 2-May-2014 | -5000 | Sold | 14038251 | 0.13 |
| | | | | 16-May-2014 | -150000 | Sold | 13888251 | 0.13 |
| | | | | 23-May-2014 | -46000 | Sold | 13842251 | 0.13 |
| | | 13842251 | 0.13 | 31-Mar-2015 | - | - | 13842251 | 0.13 |



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| S. No. | Name | Shareholding | | Date | Increase/ Decrease in shareholding | Reason | Cumulative shareholding during the year (01.04.2014 to 31.03.2015) | |
|--------|--|---|----------------------------------|-------------|------------------------------------|--------|--|----------------------------------|
| | | No. of shares at the beginning of the year (01.04.2014)/ end of the year (31.03.2015) | % of total shares of the company | | | | No. of shares | % of total shares of the company |
| 8. | VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND* | 7754085 | 0.07 | 1-Apr-2014 | | | | |
| | | | | 20-Jun-2014 | 730000 | Bought | 8484085 | 0.08 |
| | | | | 4-Jul-2014 | 591593 | Bought | 9075678 | 0.08 |
| | | | | 12-Sep-2014 | 563271 | Bought | 9638949 | 0.09 |
| | | | | 28-Nov-2014 | 612380 | Bought | 10251329 | 0.09 |
| | | | | 5-Dec-2014 | 974 | Bought | 10252303 | 0.09 |
| | | | | 6-Mar-2015 | 891909 | Bought | 11144212 | 0.10 |
| | | 11144212 | 0.10 | 31-Mar-2015 | - | - | 11144212 | 0.10 |
| 9. | EMERGING MARKETS CORE EQUITY PORTFOLIO | 10682783 | 0.10 | 1-Apr-2014 | | | | |
| | | | | 27-Mar-2015 | 337123 | Bought | 11019906 | 0.10 |
| | | 11019906 | 0.10 | 31-Mar-2015 | - | - | 11019906 | 0.10 |
| 10. | MERRILL LYNCH CAPITAL MARKETS ESPANA S.A.S.V.* | 342478 | 0.00 | 1-Apr-2014 | | | | |
| | | | | 2-May-2014 | -41122 | Sold | 301356 | 0.00 |
| | | | | 9-May-2014 | 18915 | Bought | 320271 | 0.00 |
| | | | | 16-May-2014 | 756000 | Bought | 1076271 | 0.01 |
| | | | | 20-Jun-2014 | 8126 | Bought | 1084397 | 0.01 |
| | | | | 4-Jul-2014 | -98892 | Sold | 985505 | 0.01 |
| | | | | 25-Jul-2014 | 120000 | Bought | 1105505 | 0.01 |
| | | | | 8-Aug-2014 | 4273 | Bought | 1109778 | 0.01 |
| | | | | 29-Aug-2014 | -592 | Sold | 1109186 | 0.01 |
| | | | | 31-Oct-2014 | -12933 | Sold | 1096253 | 0.01 |
| | | | | 14-Nov-2014 | 113157 | Bought | 1209410 | 0.01 |
| | | | | 21-Nov-2014 | -147745 | Sold | 1061665 | 0.01 |
| | | | | 28-Nov-2014 | -8727 | Sold | 1052938 | 0.01 |
| | | | | 5-Dec-2014 | 1157273 | Bought | 2210211 | 0.02 |
| | | | | 12-Dec-2014 | 1551088 | Bought | 3761299 | 0.03 |

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| S. No. | Name | Shareholding | | Date | Increase/ Decrease in shareholding | Reason | Cumulative shareholding during the year (01.04.2014 to 31.03.2015) | |
|--------|--|---|----------------------------------|-------------|------------------------------------|--------|--|----------------------------------|
| | | No. of shares at the beginning of the year (01.04.2014)/ end of the year (31.03.2015) | % of total shares of the company | | | | No. of shares | % of total shares of the company |
| | | | | 19-Dec-2014 | 1521906 | Bought | 5283205 | 0.05 |
| | | | | 31-Dec-2014 | 3167998 | Bought | 8451203 | 0.08 |
| | | | | 2-Jan-2015 | 387382 | Bought | 8838585 | 0.08 |
| | | | | 9-Jan-2015 | -100000 | Sold | 8738585 | 0.08 |
| | | | | 16-Jan-2015 | 422676 | Bought | 9161261 | 0.08 |
| | | | | 23-Jan-2015 | 183477 | Bought | 9344738 | 0.08 |
| | | | | 6-Feb-2015 | 1048657 | Bought | 10393395 | 0.09 |
| | | | | 13-Feb-2015 | 199289 | Bought | 10592684 | 0.10 |
| | | | | 13-Mar-2015 | 10000 | Bought | 10602684 | 0.10 |
| | | 10602684 | 0.10 | 31-Mar-2015 | - | - | 10602684 | 0.10 |
| 11. | LIC OF INDIA SAMRIDHI PLUS FUND [#] | 9634232 | 0.09 | 1-Apr-2014 | | | | |
| | | | | 13-Jun-2014 | -500000 | Sold | 9134232 | 0.08 |
| | | 9134232 | 0.08 | 31-Mar-2015 | - | - | 9134232 | 0.08 |
| 12. | ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD [#] | 19842359 | 0.18 | 1-Apr-2014 | | | | |
| | | | | 25-Apr-2014 | -435000 | Sold | 19407359 | 0.18 |
| | | | | 23-May-2014 | -7050000 | Sold | 12357359 | 0.11 |
| | | | | 30-May-2014 | -1992115 | Sold | 10365244 | 0.09 |
| | | | | 6-Jun-2014 | -1800000 | Sold | 8565244 | 0.08 |
| | | | | 13-Jun-2014 | -8265244 | Sold | 300000 | 0.00 |
| | | | | 20-Jun-2014 | -74000 | Sold | 226000 | 0.00 |
| | | 226000 | 0.00 | 31-Mar-2015 | - | - | 226000 | 0.00 |
| 13. | WISDOMTREE INDIA INVESTMENT PORTFOLIO INC [#] | 10296777 | 0.09 | 1-Apr-2014 | | | | |
| | | | | 4-Apr-2014 | -10296777 | Sold | 0 | 0.00 |
| | | 0 | 0.00 | 31-Mar-2015 | - | - | 0 | 0.00 |

*Not in the list of Top 10 shareholders as on 01-04-2014. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2015.

[#]Ceased to be in the list of Top 10 shareholders as on 31-03-2015. The same is reflected above since the shareholder was one of the Top 10 shareholder as on 01-04-2014.

(v) Shareholding of Directors and Key Managerial Personnel

| S. No. | Name | Shareholding | | Date | Increase/ Decrease in shareholding | Reason | Cumulative shareholding during the year (01.04.2014 to 31.03.2015) | |
|--------|--|---|----------------------------------|-------------|------------------------------------|--------------------------------|--|----------------------------------|
| | | No. of shares at the beginning of the year (01.04.2014)/ end of the year (31.03.2015) | % of total shares of the company | | | | No. of shares | % of total shares of the company |
| A | DIRECTORS | | | | | | | |
| 1. | Shri R.S.T. Sai, Chairman & Managing Director (Became Director w.e.f. 08-06-2014) | 0 | 0.00 | 8-Jun-2014 | | Nil movement during the period | | |
| | | 0 | 0.00 | 31-Mar-2015 | - | | 0 | 0.00 |
| 2. | Shri G. Sai Prasad, CMD (Ceased to be a Director w.e.f. 08-06-2014) | 0 | 0.00 | 1-Apr-2014 | | Nil movement during the period | | |
| | | 0 | 0.00 | 8-Jun-2014 | - | | 0 | 0.00 |
| 3. | Shri A.B.L. Srivastava, Director (Finance) (Ceased to be a Director w.e.f. 15-09-2014) | 49875 | 0.00 | 1-Apr-2014 | | Nil movement during the period | | |
| | | 49875 | 0.00 | 15-Sep-2014 | - | | 49875 | 0.00 |
| 4. | Shri D.P. Bhargava, Director (Technical) | 19999 | 0.00 | 1-Apr-2014 | | Nil movement during the period | | |
| | | 19999 | 0.00 | 31-Mar-2015 | - | | 19999 | 0.00 |
| 5. | Shri J.K. Sharma, Director (Projects) (Ceased to be a Director w.e.f. 11-03-2015) | 4550 | 0.00 | 1-Apr-2014 | | Nil movement during the period | | |
| | | 4550 | 0.00 | 11-Mar-2015 | - | | 4550 | 0.00 |
| 6. | Shri R.S. Mina, Director (Personnel) | 42000 | 0.00 | 1-Apr-2014 | | Nil movement during the period | | |
| | | 42000 | 0.00 | 31-Mar-2015 | - | | 42000 | 0.00 |

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| S. No. | Name | Shareholding | | Date | Increase/ Decrease in shareholding | Reason | Cumulative shareholding during the year (01.04.2014 to 31.03.2015) | |
|--------|---|---|----------------------------------|-------------|------------------------------------|--------------------------------|--|----------------------------------|
| | | No. of shares at the beginning of the year (01.04.2014)/ end of the year (31.03.2015) | % of total shares of the company | | | | No. of shares | % of total shares of the company |
| 7. | Shri Mukesh Jain, Government Nominee Director (Ceased to be a Director w.e.f. 11-11-2014) | 0 | 0.00 | 1-Apr-2014 | | Nil movement during the period | | |
| | | 0 | 0.00 | 11-Nov-2014 | - | | 0 | 0.00 |
| 8. | Shri Arun Kumar Verma, Government Nominee Director (became Director w.e.f. 17-12-2014) | 0 | 0.00 | 17-Dec-2014 | | Nil movement during the period | | |
| | | 0 | 0.00 | 31-Mar-2015 | - | | 0 | 0.00 |
| 9. | Shri K.N. Garg, Government Nominee Director | 0 | 0.00 | 1-Apr-2014 | | Nil movement during the period | | |
| | | 0 | 0.00 | 31-Mar-2015 | - | | 0 | 0.00 |
| 10. | Shri G.S. Vedi, Independent Director (Ceased to be a Director w.e.f. 01-11-2014) | 0 | 0.00 | 1-Apr-2014 | | Nil movement during the period | | |
| | | 0 | 0.00 | 1-Nov-2014 | - | | 0 | 0.00 |
| 11. | Shri A.K. Mago, Independent Director (Ceased to be a Director w.e.f. 01-11-2014) | 0 | 0.00 | 1-Apr-2014 | | Nil movement during the period | | |
| | | 0 | 0.00 | 1-Nov-2014 | - | | 0 | 0.00 |



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| S. No. | Name | Shareholding | | Date | Increase/ Decrease in shareholding | Reason | Cumulative shareholding during the year (01.04.2014 to 31.03.2015) | |
|----------------------------|---|---|----------------------------------|-------------|------------------------------------|--------------------------------|--|----------------------------------|
| | | No. of shares at the beginning of the year (01.04.2014)/ end of the year (31.03.2015) | % of total shares of the company | | | | No. of shares | % of total shares of the company |
| 12. | Shri R. Jeyaseelan, Independent Director (Ceased to be a Director w.e.f. 01-11-2014) | 0 | 0.00 | 1-Apr-2014 | | Nil movement during the period | | |
| | | 0 | 0.00 | 1-Nov-2014 | - | | 0 | 0.00 |
| 13. | Shri Shantikam Hazarika, Independent Director (Ceased to be a Director w.e.f. 27-09-2014) | 0 | 0.00 | 1-Apr-2014 | | Nil movement during the period | | |
| | | 0 | 0.00 | 27-Sep-2014 | - | | 0 | 0.00 |
| 14. | Shri A. Gopalakrishnan, Independent Director (Ceased to be a Director w.e.f. 27-09-2014) | 0 | 0.00 | 1-Apr-2014 | | Nil movement during the period | | |
| | | 0 | 0.00 | 27-Sep-2014 | - | | 0 | 0.00 |
| 15. | Shri Ashoke Kumar Dutta, Independent Director | 0 | 0.00 | 1-Apr-2014 | | Nil movement during the period | | |
| | | 0 | 0.00 | 31-Mar-2015 | - | | 0 | 0.00 |
| 16. | Shri Atul Kumar Garg, Independent Director | 0 | 0.00 | 1-Apr-2014 | | Nil movement during the period | | |
| | | 0 | 0.00 | 31-Mar-2015 | - | | 0 | 0.00 |
| B Key Managerial Personnel | | | | | | | | |
| 1. | Shri Vijay Gupta, Company Secretary | 14500 | 0.00 | 1-Apr-2014 | | Nil movement during the period | | |
| | | 14500 | 0.00 | 31-Mar-2015 | - | | 14500 | 0.00 |

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V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in crore)

| | Secured Loans excluding deposits | Unsecured Loans* | Deposits | Total Indebtedness |
|---|--|---------------------|----------|--------------------|
| Indebtedness at the beginning of the financial year (01.04.2014) | | | | |
| i) Principal Amount | 15404.86 | 4461.63 | 0 | 19866.49 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 221.00 | 51.29 | 0 | 272.29 |
| Total (i+ii+iii) | 15625.86 | 4512.92 | 0 | 20138.78 |
| Change in Indebtedness during the financial year | | | | |
| Addition | 1510.00 | 436.98 | 0 | 1946.98 |
| Reduction** | 1515.70 | 461.43 | 0 | 1977.13 |
| Net Change | (5.70) | (24.45) | 0 | (30.15) |
| Indebtedness at the end of the financial year (31.03.2015) | | | | |
| i) Principal Amount | 15399.16 | 4437.18 | 0 | 19836.34 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 282.72 | 25.68 | 0 | 308.40 |
| Total (i+ii+iii) | 15681.88 | 4462.86 | 0 | 20144.74 |

* Unsecured Loans includes Foreign debts

** Reduction in Unsecured Loan includes ERV gain of ₹ 215.94 crore on foreign debt

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A Remuneration to Managing Director, Whole-time Directors and/or Manager

(Amount in ₹)

| S. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | | Total Amount |
|--------|--|--|---|--|--|--------------|
| | | WTD | | | | |
| | | Shri D. P. Bhargava Director (Technical) | Shri R. S. Mina Director (Personnel)* | Shri J. K. Sharma Director (Projects) (ceased to be Director w.e.f. 11.03.2015) | Shri A. B. L. Srivastava Director (Finance) & CFO (ceased to be Director w.e.f. 15.09.2014) | |
| 1. | Gross salary | | | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act,1961 | 2961700 | 3329631 | 4216430 | 2656582 | 13164343 |
| | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 | 604015 | 393868 | 826078 | 351828 | 2175789 |



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(Amount in ₹)

| S. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | | Total Amount |
|--------|--|---|---|--|--|--------------|
| | | WTD | | | | |
| | | Shri D. P. Bhargava Director (Technical) | Shri R. S. Mina Director (Personnel)* | Shri J. K. Sharma Director (Projects) (ceased to be Director w.e.f. 11.03.2015) | Shri A. B. L. Srivastava Director (Finance) & CFO (ceased to be Director w.e.f. 15.09.2014) | |
| | (c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961 | NIL | NIL | NIL | NIL | NIL |
| 2. | Stock Option | NIL | NIL | NIL | NIL | NIL |
| 3. | Sweat Equity | NIL | NIL | NIL | NIL | NIL |
| 4. | Commission | NIL | NIL | NIL | NIL | NIL |
| 5. | Others** | 938363 | 475550 | 909576 | 442493 | 2765982 |
| | Total (A) | 4504078 | 4199049 | 5952084 | 3450903 | 18106114 |
| | Ceiling as per the Act | Not Applicable being a Govt. Company (Ministry of Corporate Affairs' notification dated 05.06.2015) | | | | |

*Shri R. S. Mina held additional charge of the post of Director (Finance) of the Company w.e.f. 15.09.2014 till 25.05.2015. Shri Mina was also appointed as CFO of the Company w.e.f. 26.09.2014.

**Others include lease rent, leave encashment, medical reimbursement, EPF & Social Security Scheme (Matching Contribution) etc. which were not included in point no. (1)

Note: Shri R. S. T. Sai, CMD, THDC India Limited is holding additional charge of the post of Chairman & Managing Director, NHPC Limited w.e.f. 08.06.2014. Earlier to this, Shri G. Sai Prasad, Ex-Joint Secretary (Thermal) was holding additional charge of the post of Chairman & Managing Director.

B. Remuneration to other directors:

(Amount in ₹)

| S. No. | Particulars of Remuneration | Name of Directors | | | | | | | Total Amount |
|--------|---|-------------------------|----------------------|--|---|--|--|---|----------------|
| | | Shri Ashoke Kumar Dutta | Shri Atul Kumar Garg | Shri Shantikam Hazarika (ceased to be Director w.e.f. 27.09.2014) | Shri A. Gopalakrishnan (ceased to be Director w.e.f. 27.09.2014) | Shri G. S. VEDI (ceased to be Director w.e.f. 01.11.2014) | Shri A. K. Mago (ceased to be Director w.e.f. 01.11.2014) | Shri R. Jeyaseelan (ceased to be Director w.e.f. 01.11.2014) | |
| 1. | Independent Directors | | | | | | | | |
| | Fee for attending board/ committee meetings | 320000 | 650000 | 175000 | 160000 | 275000 | 270000 | 165000 | 2015000 |
| | Commission | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| | Others | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| | Total (1) | 320000 | 650000 | 175000 | 160000 | 275000 | 270000 | 165000 | 2015000 |

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| S. No. | Particulars of Remuneration | Name of Directors | | | | | | | Total Amount |
|--------|--|---|-----------------|--|---------------|---------------|---------------|---------------|----------------|
| 2. | Other Non-Executive Directors | Shri A. K. Verma (became Director w.e.f. 17.12.2014) | Shri K. N. Garg | Shri Mukesh Jain (ceased to be Director w.e.f. 11.11.2014) | - | - | - | - | |
| | Fee for attending board/committee meetings | NIL | NIL | NIL | - | - | - | - | NIL |
| | Commission | NIL | NIL | NIL | - | - | - | - | NIL |
| | Others | NIL | NIL | NIL | - | - | - | - | NIL |
| | Total (2) | NIL | NIL | NIL | - | - | - | - | NIL |
| | Total (B)=(1+2) | 320000 | 650000 | 175000 | 160000 | 275000 | 270000 | 165000 | 2015000 |
| | Total Managerial Remuneration* | | | | | | | | 20121114* |
| | Overall Ceiling as per the Act | Not Applicable being a Govt. Company (Ministry of Corporate Affairs' notification dated 05.06.2015) | | | | | | | |

* Total remuneration to Managing Director, Whole-Time Directors and other Directors (being the total of A and B).

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTB

(Amount in ₹)

| S. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|--------|---|--------------------------|-------------------|----------|----------------|
| | | CEO* | Company Secretary | CFO* | Total |
| 1. | Gross salary | | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | - | 3416281 | - | 3416281 |
| | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 | - | 187788 | - | 187788 |
| | (c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961 | - | NIL | - | - |
| 2. | Stock Option | - | NIL | - | - |
| 3. | Sweat Equity | - | NIL | - | - |
| 4. | Commission | - | NIL | - | - |
| 5. | Others** | - | 341129 | - | 341129 |
| | Total | - | 3945198 | - | 3945198 |

*The post of CEO and CFO is being held by Chairman & Managing Director and Director (Finance) of the Company respectively.

**Others include medical reimbursement, EPF & Social Security Scheme (Matching Contribution) etc. which were not included in point no. (1)

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VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/Compounding fees imposed | Authority (RD/ NCLT/COURT) | Appeal made, if any (give details) |
|------------------------------|------------------------------|-------------------|---|----------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | NIL | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | NIL | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | NIL | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

For and On behalf of the Board of Directors

(R. S. T. Sai)

Chairman and Managing Director

DIN No.: 00171920

Date: 6th August, 2015

Place: Faridabad

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

**The Members,
NHPC Limited,
NHPC Office Complex,
Sector-33, Faridabad,
Haryana – 121 003**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NHPC Limited** (hereinafter called 'the Company') CIN L40101HR1975GOI032564, a Government of India Enterprise. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by NHPC Limited for the Financial Year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the regulations and bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable for the period ending 31st March 2015)**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable for the period ending 31st March 2015)**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable for the period ending 31st March 2015)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable for the period ending 31st March 2015)** and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable for the period ending 31st March 2015)**



- (i) Other applicable Laws, namely,
1. Indian Electricity Act, 2003
 2. Environmental (Protection) Act, 1986
 3. Forest (Conservation) Act, 1981
 4. Wild Life Protection Act, 1972
 5. Income Tax Act, 1961
 6. Wealth Tax Act, 1948
 7. Service Tax Act, 1994
 8. The Indian Stamp Act, 1889 and
 9. Right to Information Act, 2005
 10. The Industrial and Labour Laws consisting of
 - a) Contract Labour (Regulation and Abolition) Act, 1970
 - b) The Minimum Wages Act, 1948
 - c) Payment of Wages Act, 1936
 - d) Maternity Benefit Act, 1961
 - e) Sexual Harassment of Women at work places (Prevention, Prohibition and Redressal) Act, 2013
 - f) Shops and Establishment Act, as applicable
 - g) Employees Provident Fund and Misc. Prov. Act, 1952
 - h) Payment of Gratuity Act, 1972

I have also examined compliance with the applicable clauses of the following:

- (j) Secretarial Standards issued by the Institute of Company Secretaries of India **(Not applicable for the period ending 31st March 2015);**
- (k) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and Bombay Stock Exchange;

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- a) The required number of Independent Directors under the Listing Agreement with the Stock Exchange was not inducted;
- b) The Company could not fully utilise the budget allocated towards CSR during the financial year 2014-15;
- c) The evaluation criteria for the Members of the Board as prescribed and applicable is yet to be finalised.

I further report that

The Board of Directors of the Company is constituted with Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The Company assured to further enlarge the scope of the quarterly reports/certificates submitted to the Board so as to make the reports more specific to the Acts/Laws that are applicable.

I further report that during the audit period the Company had issued Tax-free Bonds on Private Placement and also passed Special Resolution increasing borrowing powers of the Board up to ₹ 30,000 crore to meet the funding needs of the on-going Projects having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

Sd/-
(P.S.R. Murthy)
ACS-5880
C P No-13090

Place: New Delhi
Date: 8th July, 2015

This Report is to be read with our letter of even date which is annexed as Annexure A and forms integral part of this Report.



NHPC Limited

(A Government of India Enterprise)

Annexure-A

The Members

NHPC Limited

Faridabad

My Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi

Date: 8th July, 2015

Sd/-
(P.S.R. Murthy)
ACS-5880
C P No-13090

INDEPENDENT AUDITORS' REPORT

To the Members,
NHPC Limited

| Auditors' Comment | Management's Reply |
|---|--------------------|
| <p>Report on the Standalone Financial Statements</p> <p>We have audited the accompanying Standalone Financial Statements of NHPC LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.</p> <p>Management's Responsibility for the Standalone Financial Statements</p> <p>The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.</p> <p>Auditor's Responsibility</p> <p>Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit. We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made there under.</p> <p>We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.</p> <p>An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Financial Statements.</p> <p>We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Financial Statements.</p> | |



| Auditors' Comment | Management's Reply |
|---|--|
| <p>Opinion</p> <p>In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.</p> <p>Emphasis of Matters</p> <p>We draw attention to the following matters in the Notes to the Financial Statements:</p> <p>a) Para to Note No. 7 to Financial Statements, which describes about the stay from Hon'ble High Court of Delhi against the implementation of stoppage of Personal Pay Adjustment (fitment benefits) recovery from below Board Level Executives and also about the confirmation of directions of Competent Authority effecting such recoveries w.e.f. 01.02.2014 which is still pending with the Ministry of Power (MoP).</p> <p>b) Note No. 11 para 2 to Financial Statements read with Note No. 29 para 9, which describes uncertainty about the outcome of the projects under survey and investigation stage. Expenditure incurred for conducting Survey & Investigation on such projects are being carried forward as these projects are under investigation/ pending clearance/or financial assistance with various authorities.</p> <p>c) Note No. 29 para 1 to the Financial Statements, which describes the uncertainty related to the outcome of the claims/ arbitration proceedings and lawsuit filed by/ against the Company on/ by contractors and others. In some of the cases the arbitration award has been decided against the company/ lost in lower courts and the company is pursuing the matter in higher courts. Management does not envisage any possible outflow in respect of decisions against the company other than those already provided for in the books of account.</p> <p>d) Note No. 29 para 4(a) to the Financial Statements about the various balances which are subject to reconciliation / confirmation and respective consequential adjustments.</p> <p>e) Note No. 29 para 8 to the Financial Statements about the Kotlibhel-1A project, the fate of which is pending adjudication before the Hon'ble Supreme Court of India.</p> <p>f) Note No. 29 para 23 read with significant accounting policy no. 4 to the Financial Statements regarding earlier adoption (duly permitted) of Guidance Note on Accounting for Rate Regulated Activities issued by The Institute of Chartered Accountants of India.</p> <p>Our opinion is not modified in respect of these matters.</p> | <p>The confirmation of action of having implemented the directions of Competent Authority effecting recoveries w.e.f. 01.02.2014 has been sought from Ministry of power (MoP), Govt. of India and issue is being pursued from time to time. In the meanwhile, NHPC Officers Association has got stay from Hon'ble High Court of Delhi against the implementation of stoppage of Personal Pay Adjustment (PA) recovery. In view of the directions of the Hon'ble High Court, PA to the employees is continued to be paid along with the salary.</p> <p>In the opinion of the management, the projects on which survey & investigation expenditure is incurred are still active and accordingly, the expenditure incurred is being carried forward. However, provision wherever considered necessary, has been made in the books.</p> <p>This disclosure in the ibid para has been made in compliance of provisions of Accounting Standard-29 (Provisions, Contingent Liabilities and Contingent Assets).</p> <p>Disclosure through note is a statement of fact.</p> <p>This is a statement of fact.</p> <p>This is a statement of fact.</p> |

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| Auditors' Comment | Management's Reply |
|---|--------------------|
| <p>Report on Other Legal and Regulatory Requirements</p> <ol style="list-style-type: none"> As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-I, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable. The Comptroller and Auditor-General of India has issued directions indicating the areas to be examined in terms of sub-section (5) of section 143 of the Companies Act, 2013, the compliance of which is set out in Annexure II. As required by Section 143 (3) of the Act, we report that: <ol style="list-style-type: none"> We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books; The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account; In our opinion, the aforesaid standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014; On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us: <ol style="list-style-type: none"> The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 29 Para 1 to the Financial Statements; The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. | |

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

For Gupta Gupta & Associates
Chartered Accountants
(FR No: 001728N)

For S.N. Dhawan & Co.
Chartered Accountants
(FR No: 000050N)

For Ray and Ray
Chartered Accountants
(FR No: 301072E)

(CA Gaurav Nanda)
Partner
M. No. 500417

(CA R. K Gupta)
Partner
M. No. 085074

(CA Suresh Seth)
Partner
M. No. 010577

(CA Barun Kr. Ghosh)
Partner
M. No. 051028

Place : New Delhi
Date: 29-May-2015

| Auditors' Comment | Management's Reply |
|--|--------------------|
| <p>Annexure I referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date:-</p> <ol style="list-style-type: none"> 1. In respect of fixed assets: <ol style="list-style-type: none"> a) The company has maintained records showing full particulars including quantitative details and situation of fixed assets. b) The fixed assets, except in case of land in certain units, have been verified by the management /outside agencies. In our opinion, the frequency of such verification is reasonable having regard to the size of the company and nature of 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. 2. In respect of its inventories: <ol style="list-style-type: none"> a) The inventory has been physically verified during the year by the management / outside agencies. In our opinion, the frequency of such verification is reasonable. b) In our opinion and according to the information and explanation given to us, the procedures of physical verification followed by the management are reasonable and adequate in relation to the size of the company and nature of its business. c) The company is maintaining proper records of inventories. The discrepancies noticed on physical verification, which were not material, have been properly dealt with in the books of account. 3. The company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. In view of this, sub-clauses (a) and (b) of clause (iii) of the order are not applicable. 4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of power and services. There is no continuing failure to correct major weaknesses in internal control system. 5. The company has not accepted any deposit from public within the meaning of sections 73 to 76 or any other provisions of the Companies Act, 2013 and rules framed there under. 6. The Company has made and maintained cost accounts and records specified by the Central Government under 148(1) of the Companies Act, 2013. However, we have not made a detailed examination of these accounts and records with a view to determine whether they are accurate or complete. 7. In respect of statutory dues: <ol style="list-style-type: none"> a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of accounts in respect of, undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of custom, duty of excise, value added tax, cess and any other material statutory dues have generally been regularly deposited with the appropriate authorities. We are informed that the Employees' State Insurance Scheme is not applicable to the Company. According to the information and explanations given to us, no undisputed demand payable in respect of aforesaid statutory dues was in arrears, as at 31st March, 2015 for a period of more than six months from the date they became payable. b) According to the information and explanations given to us and as per the records of the company, the following dues of income tax, sales tax and duty of custom have not been deposited on account of dispute. | <p>Noted</p> |

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| Auditors' Comment | | | | | Management's Reply |
|--|--------------------|--------|---------------------------|---|--------------------|
| (₹ in crore) | | | | | |
| Name of the Statute | Nature of the dues | Amount | Year to which it pertains | Forum where dispute is pending | |
| Income tax Act, 1961 | Income tax | 0.07 | 2007-08 | ITO, Dehradun | |
| | | 0.01 | 2008-09 | | |
| | | 0.02 | 2009-10 | | |
| HP VAT Act 2005 | Sales tax | 5.78 | 2005-06 to 2009-10 | HP VAT Tribunal Dharmshala Camp Shimla. | |
| J & K General Sales Tax Act 1962 | Sales tax | 245.61 | 1994-95 | Sales Tax Appellate Tribunal, Srinagar | |
| J & K General Sales Tax Act 1962 | Sales tax | 0.2156 | 2010-11 | CTO, Baramulla | |
| Customs Act, 1962 | Custom Duty | 2.01 | 2004-2005 | HC, Kolkata (last heard on 28.02.2005) | |
| WB VAT Act, 2005: | Sales Tax | 0.14 | 2006-07 | Sr. Joint Commissioner, Sales tax, Siliguri | |
| | | 0.76 | 2007-08 | | |
| | | 0.43 | 2008-09 | | |
| | | 0.07 | 2009-10 | | |
| | | 0.15 | 2010-11 | | |
| c) As per the records of the company and according to information and explanations given to us, no amount is required to be transferred to Investor Education and Protection Fund (IEPF) in accordance with the provision of section 205C of the Companies Act, 1956 read with the IEPF (Awareness and Protection of Investors) Rules, 2001. | | | | | |
| 8. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year covered by our audit and in the immediately preceding financial year. | | | | | |
| 9. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders. | | | | | |
| 10. In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions | | | | | |
| 11. In our opinion and according to the information and the explanations given to us, and on overall examination of the Balance Sheet of the Company, we report that term loans have been applied for the purpose for which they were obtained. | | | | | |
| 12. In course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India we have not come across any instance of fraud on or by the Company, and according to the information and explanations given to us, no fraud was noticed or reported during the year by the management. | | | | | |

For S. N. Nanda & Co.

Chartered Accountants
(FR No: 000685N)

(CA Gaurav Nanda)

Partner
M. No. 500417

For Gupta Gupta & Associates

Chartered Accountants
(FR No: 001728N)

(CA R. K Gupta)

Partner
M. No. 085074

For S.N. Dhawan & Co.

Chartered Accountants
(FR No: 000050N)

(CA Suresh Seth)

Partner
M. No. 010577

For Ray and Ray

Chartered Accountants
(FR No: 301072E)

(CA Barun Kr. Ghosh)

Partner
M. No. 051028

Place : New Delhi
Date: 29-May-2015

Annexure II referred to in Paragraph 2 under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date

| S. No. | Direction | Our Report | Action taken thereon | Impact on Accounts & Financial Statements of the Company |
|--------|---|---|--|--|
| 1 | If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process. | NHPC have received a letter No. 11/11/2013- NHPC dated 03-07-2014 from Ministry of Power, Government of India referring to Ministry of Finance's letter No. 4(4)/2014-DD11 dated 01.07.2014 seeking comments of NHPC on draft Cabinet Committee on Economic Affairs (CCEA) for disinvestment of 11.36% paid-up capital of NHPC Ltd. out of Government of India shareholding of 85.96%. However, this disinvestment process was advised by Ministry of Power vide its letter dated 13.11.2014 to be kept on hold till at least some projects go on stream. | No Action Required | NIL |
| 2 | Please report whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved. | There are 2 cases where claims amounting to ₹ 51,572/- being irrecoverable, have been written off. | Amount debited to Profit & Loss A/c | Profit reduced by ₹ 51,572/-. |
| 3 | Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities. | The company is maintaining proper records for inventories. As informed, the company has not received any assets from Govt. or other authorities. | No Action Required No Action Required | NIL NIL |

| S. No. | Direction | Our Report | Action taken thereon | Impact on Accounts & Financial Statements of the Company | | | | | | | | | | | | | | | | | | | | | |
|----------------|---|--|----------------------|--|----------|----------|---|----------|---------|---|----------|---------|---|----------|----------|---|----------|----------------|---|-----------|--------------|---|------------------|---|--|
| 4 | A report on age-wise analysis of pending legal/arbitration cases including the reasons of pendency and existence/effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given. | <p>Age-wise analysis of legal/arbitration cases are as follows:</p> <table><tr><td>0-1 year</td><td>:</td><td>51 cases</td></tr><tr><td>1-2 year</td><td>:</td><td>67 cases</td></tr><tr><td>2-3year</td><td>:</td><td>90 cases</td></tr><tr><td>3-4year</td><td>:</td><td>78 cases</td></tr><tr><td>4-5 year</td><td>:</td><td>98 cases</td></tr><tr><td>5-year & above</td><td>:</td><td>283 cases</td></tr><tr><td>Total</td><td>:</td><td>667 cases</td></tr></table> <p>The reason for pendency of such cases under arbitration/courts is that hearings not yet completed, calling for further details and additional documents by the arbitrators/ courts, non-fixation of dates for hearing, granting of stay by court etc. There is no laid down procedure for large legal expenses (Foreign or local). However, the expenditure on all legal cases is proposed for approval of the competent authority every year and the same is incurred within the budget sanctioned by the competent authority.</p> | 0-1 year | : | 51 cases | 1-2 year | : | 67 cases | 2-3year | : | 90 cases | 3-4year | : | 78 cases | 4-5 year | : | 98 cases | 5-year & above | : | 283 cases | Total | : | 667 cases | <p>The cases where company is expecting probable outflow, necessary provision has been created in the books as per AS-29.</p> <p>For remaining cases where either there is no probable outflow or a reliable estimate of amount of the obligation cannot be made, amount involved has been shown under contingent liability in Note no. 29, Para 1 to Financial Statements.</p> | <p>By virtue of provision, consequential effect has been given to respective heads of accounts. (Refer to Note No. 29, Para 1 to Financial Statements)</p> |
| 0-1 year | : | 51 cases | | | | | | | | | | | | | | | | | | | | | | | |
| 1-2 year | : | 67 cases | | | | | | | | | | | | | | | | | | | | | | | |
| 2-3year | : | 90 cases | | | | | | | | | | | | | | | | | | | | | | | |
| 3-4year | : | 78 cases | | | | | | | | | | | | | | | | | | | | | | | |
| 4-5 year | : | 98 cases | | | | | | | | | | | | | | | | | | | | | | | |
| 5-year & above | : | 283 cases | | | | | | | | | | | | | | | | | | | | | | | |
| Total | : | 667 cases | | | | | | | | | | | | | | | | | | | | | | | |

| | | | |
|---|--|---|---|
| For S. N. Nanda & Co. Chartered Accountants (FR No: 000685N) | For Gupta Gupta & Associates Chartered Accountants (FR No: 001728N) | For S.N. Dhawan & Co. Chartered Accountants (FR No: 000050N) | For Ray and Ray Chartered Accountants (FR No: 301072E) |
| (CA Gaurav Nanda) Partner M. No. 500417 | (CA R. K Gupta) Partner M. No. 085074 | (CA Suresh Seth) Partner M. No. 010577 | (CA Barun Kr. Ghosh) Partner M. No. 051028 |

Place : New Delhi
Date: 29-May-2015



NHPC Limited

(A Government of India Enterprise)

BALANCE SHEET AS AT 31ST MARCH 2015

(₹ in crore)

| PARTICULARS | Note No. | As at 31st March, 2015 | As at 31st March, 2014 |
|--|----------|------------------------|------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) SHAREHOLDERS' FUNDS | | | |
| (a) Share Capital | 2 | 11,070.67 | 11,070.67 |
| (b) Reserves and Surplus | 3 | 17,215.72 | 14,996.98 |
| (2) NON-CURRENT LIABILITIES | | | |
| (a) Long Term Borrowings | 4 | 18,171.03 | 18,580.52 |
| (b) Deferred Tax Liabilities | 5 | 810.44 | 766.67 |
| (c) Other Long Term Liabilities | 6 | 1,337.17 | 1,605.81 |
| (d) Long Term Provisions | 7 | 886.95 | 814.70 |
| (3) CURRENT LIABILITIES | | | |
| (a) Trade Payables | 8 | 153.01 | 200.71 |
| (b) Other Current Liabilities | 9 | 3,013.15 | 2,938.21 |
| (c) Short Term Provisions | 7 | 2,780.98 | 3,002.00 |
| TOTAL | | 55,439.12 | 53,976.27 |
| II. ASSETS | | | |
| (1) NON-CURRENT ASSETS | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 10.1 | 21,899.89 | 23,312.81 |
| (ii) Intangible Assets | 10.2 | 795.27 | 764.33 |
| (iii) Capital Work In Progress | 11 | 16,054.72 | 14,657.13 |
| (b) Non Current Investments | 12 | 1,977.75 | 2,227.02 |
| (c) Long Term Loans and Advances | 13 | 1,108.47 | 1,089.69 |
| (d) Other Non-Current Assets | 14.1 | 795.81 | 896.37 |
| Sub-total | | 42,631.91 | 42,947.35 |
| (e) Other Non-Current Assets - Regulatory Assets | 14.2 | 1,630.39 | - |
| | | 44,262.30 | 42,947.35 |
| (2) CURRENT ASSETS | | | |
| (a) Current Investments | 15 | 257.57 | 251.87 |
| (b) Inventories | 16 | 82.73 | 72.29 |
| (c) Trade Receivables | 17 | 2,497.10 | 1,863.77 |
| (d) Cash & Bank Balances | 18 | 5,422.11 | 5,303.83 |
| (e) Short Term Loans and Advances | 13 | 1,407.19 | 2,093.55 |
| (f) Other Current Assets | 19 | 1,510.12 | 1,443.61 |
| TOTAL | | 55,439.12 | 53,976.27 |
| Significant Accounting Policies | 1 | | |
| Expenditure During Construction (EDC) | | | |
| forming part of Capital Work in Progress for the year | 28 | | |
| Other Explanatory Notes to Accounts | 29 | | |
| Note 1 to 29 form integral part of the Accounts | | | |

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

JAYANT KUMAR
Director (Finance)
DIN 03010235

R. S. T. SAI
Chairman & Managing Director
DIN 00171920

As per report of even date

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

For S N Dhawan & Co.
(Chartered Accountants)
FR No. 000050N

For Gupta Gupta & Associates
(Chartered Accountants)
FR No. 001728N

For Ray & Ray
(Chartered Accountants)
FR No. 301072E

(CA. GAURAV NANDA)
Partner
M. No. 500417

(CA. SURESH SETH)
Partner
M. No. 010577

(CA. R.K.GUPTA)
Partner
M. No. 085074

(CA. BARUN KR GHOSH)
Partner
M. No. 051028

Place :- New Delhi
Date: 29-May-2015

Annual Report

2014-15

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2015

(₹ in crore)

| | Note No. | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
|--|----------|--|--|
| INCOME | | | |
| i) Revenue from Operations | 20 | 6,802.25 | 5,537.04 |
| ii) Other Income | 21 | 861.33 | 1,456.95 |
| TOTAL REVENUE | | 7,663.58 | 6,993.99 |
| EXPENDITURE | | | |
| i) Generation, Administration and Other Expenses | 22 | 1,660.60 | 1,615.91 |
| ii) Employee Benefits Expense | 23 | 1,149.23 | 1,058.67 |
| iii) Finance Cost | 24 | 1,179.77 | 1,022.40 |
| iv) Depreciation & Amortization Expenses | 25 | 1,425.87 | 1,210.76 |
| TOTAL EXPENDITURE | | 5,415.47 | 4,907.74 |
| Profit before Prior Period Items, Exceptional, Extraordinary items, Rate Regulated Activities and Tax | | 2,248.11 | 2,086.25 |
| Prior Period Items (net) | 26 | (56.11) | 503.19 |
| Profit before Exceptional items, Extraordinary Items, Rate Regulated Activities and Tax | | 2,304.22 | 1,583.06 |
| Exceptional Items | | - | - |
| Profit before Extraordinary Items, Rate Regulated Activities and Tax | | 2,304.22 | 1,583.06 |
| Extraordinary Items | | - | - |
| Profit before Rate Regulated Activities and Tax | | 2,304.22 | 1,583.06 |
| Rate Regulated Income/ (Expenditure) | | 521.95 | - |
| PROFIT BEFORE TAX | | 2,826.17 | 1,583.06 |
| Tax Expenses | 27 | | |
| i) Current Tax | | 583.42 | 251.62 |
| ii) Adjustments relating to earlier years | | 74.51 | 46.68 |
| iii) Deferred Tax | | 43.77 | 305.97 |
| Total Tax Expenses | | 701.70 | 604.27 |
| PROFIT FOR THE YEAR | | 2,124.47 | 978.79 |
| Earning per share (Equity shares, face value of ₹ 10/- each) | | | |
| Basic & Diluted | | 1.92 | 0.82 |
| Significant Accounting Policies | 1 | | |
| Expenditure During Construction (EDC) forming part of Capital Work in Progress for the year | 28 | | |
| Other Explanatory Notes to Accounts | 29 | | |
| Note 1 to 29 form integral part of the Accounts | | | |

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

JAYANT KUMAR
Director (Finance)
DIN 03010235

R. S. T. SAI
Chairman & Managing Director
DIN 00171920

As per report of even date

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

For S N Dhawan & Co.
(Chartered Accountants)
FR No. 000050N

For Gupta Gupta & Associates
(Chartered Accountants)
FR No. 001728N

For Ray & Ray
(Chartered Accountants)
FR No. 301072E

(CA. GAURAV NANDA)
Partner
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(CA. SURESH SETH)
Partner
M. No. 010577

(CA. R.K.GUPTA)
Partner
M. No. 085074

(CA. BARUN KR GHOSH)
Partner
M. No. 051028

Place :- New Delhi
Date: 29-May-2015



NOTE NO. 1 – SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The financial statements are prepared on accrual basis of accounting under the historical cost convention in accordance with Accounting Principles Generally Accepted in India (GAAP), provisions of the Companies Act 2013, Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Electricity Act, 2003, to the extent applicable.

1.2 USE OF ESTIMATES

The preparation of financial statements in conformity with the GAAP requires the management to make estimates and assumptions on a reasonable and prudent basis taking into account all available information that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates & assumptions. Any revision in the estimate is recognized in the period in which the same is determined.

2 FIXED ASSETS

2.1 TANGIBLE ASSETS

2.1.1 Fixed assets are stated at cost of acquisition/construction less accumulated depreciation/amortisation and impairment losses, if any. In cases where final settlement of bills with contractors is pending, but the asset is complete and ready for use, capitalisation is done on estimated basis subject to necessary adjustments, including those arising out of settlement of arbitration/court cases.

2.1.2 Assets over which Company has control, though created on land not belonging to the Company are included under fixed assets.

2.1.3 Payments made/ liabilities created provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.

2.2 INTANGIBLE ASSETS

2.2.1 Land taken for use from State Government (without transfer of title) and expenses on relief and rehabilitation as also on creation of alternate facilities for land evacuees or in lieu of existing facilities coming under submergence and where construction of such alternate facilities is a specific pre-condition for the acquisition of the land for the purpose of the project, are accounted for as Land-Right to use.

2.2.2 Software (not being an integral part of the related hardware) acquired for internal use, is stated at cost of acquisition less accumulated amortisation and impairment losses, if any and is recognised as intangible asset.

2.3 CAPITAL WORK IN PROGRESS

2.3.1 Capital work-in-progress is carried at cost. Administrative & general overhead and other expenditure attributable to construction of the project are accumulated under 'Expenditure During Construction (EDC)' and are subsequently allocated on systematic basis over major immovable assets, other than land and infrastructural facilities, on commissioning of the project.

2.3.2 Expenditure on maintenance, up-gradation etc. of common public facilities in projects under construction is charged to 'Expenditure during Construction (EDC)'.

2.3.3 Expenditure in relation to Survey and Investigation of the projects is carried as Capital Work in Progress. Such expenditure is either capitalized as cost of Project on completion of the construction of the project or the same is charged to the Statement of Profit & Loss in the year in which it is decided to abandon such project.

2.3.4 Capital expenditure incurred for creation of facilities, over which the company does not have control but the creation of which is essential principally for construction of the project, is charged to 'Expenditure during Construction (EDC)'. Subsequent to completion of the Project, expenditure on creation of facilities over which the company does not have control is charged to "Statement of Profit & Loss."

3. MACHINERY SPARES

3.1 (a) Machinery spares procured along with the Plant & Machinery or subsequently and whose use is expected to be irregular are capitalized separately, if cost of such spares is known and depreciated fully over the residual

useful life of the related plant and machinery at the rates of depreciation and methodology as notified by CERC for such Plant & Machinery. If cost of such spares is not known particularly when procured along with mother plant, these are capitalized & depreciated along with mother plant at the rates of depreciation and methodology as notified by CERC for such Plant & Machinery.

- (b) Written Down Value (WDV) of spares is charged off to Statement of Profit & Loss in the year in which such spares are replaced in place of retrieved spares, provided the spares so retrieved do not have any useful life. Similarly, value of such spares, procured & replaced in place of retrieved spares, is charged off to Statement of Profit & Loss in that year itself, provided spares so retrieved do not have any useful life.
- (c) When the useful life of the related fixed asset expires and asset is retired from active use, such spares are valued at net book value or net realizable value whichever is lower. However, in case retired assets are not replaced, WDV of related spares less disposable value is written off.

3.2 Other machinery spares are treated as “stores & spares” forming part of the inventory.

4. RATE REGULATED ACTIVITIES

Where an item of expenditure incurred during the period of construction of a project is recognised as expense in the Statement of Profit & Loss i.e. not allowed to be capitalized as part of cost of relevant fixed asset in accordance with the Accounting Standards, but is nevertheless permitted by Central Electricity Regulatory Commission(CERC), the regulator, to be recovered from the beneficiaries in future through tariff, the right to recover the same is recognized as a Regulatory Asset and corresponding Regulatory Income is recognised, as per the Guidance Note on Accounting for Rate Regulated Activities issued by the Institute of Chartered Accountants of India (ICAI), if it fulfils the conditions for such recognition laid down in the ibid Guidance Note.

5. DEPRECIATION & AMORTISATION

- 5.1 Depreciation on additions to /deductions from tangible assets during the year is charged on pro-rata basis from / up to the date on which the asset is available for use / disposal.
- 5.2.1 Depreciation on tangible assets of Operating Units of the Company is charged to the Statement of Profit & Loss on straight-line method following the rates and methodology as notified by CERC for the fixation of tariff except for assets specified in policy no. 5.2.3 below.
- 5.2.2 Depreciation on tangible assets of other than Operating Units of the company is charged on straight-line method to the extent of 90% of the cost of asset following the rates as notified by CERC for the fixation of tariff except for assets specified in policy no. 5.2.3 below.
- 5.2.3 Depreciation in respect of following assets is charged on straight line method based on the life and residual value (5%) given in the Schedule II of the Companies Act, 2013:
 - (i) Construction Plant & Machinery
 - (ii) Computer & Peripherals
- 5.2.4 Temporary erections are depreciated fully (100%) in the year of acquisition / capitalization by retaining ₹ 1/- as WDV.
- 5.3 Assets valuing ₹ 5000/- or less but more than ₹ 750/- are fully depreciated during the year in which asset is made available for use with ₹ 1/- as WDV.
- 5.4 Low value items, which are in the nature of assets (excluding immovable assets) and valuing upto ₹ 750/- are not capitalized and charged off to revenue in the year of use.
- 5.5 Cost of software recognized as ‘Intangible Assets’ is amortized on straight line method over a period of legal right to use or three financial years, whichever is earlier, starting from the year in which it is acquired.
- 5.6 Land-Right to use is amortized over a period of 30 years from the date of commercial operation of the project in line with CERC tariff regulations notified for tariff fixation.
- 5.7.1 Leasehold Land, in case of operating units, is amortized over the period of lease or 35 years whichever is lower, following the rates and methodology notified by CERC, vide Tariff Regulation 2014.
- 5.7.2 Leasehold Land, in case of units other than operating units, is amortized over the period of lease or 35 years whichever is lower.



- 5.8 Tangible Assets created on leasehold land are depreciated to the extent of 90% of original cost over the balance available lease period of respective land from the date such asset is available for use or at the applicable depreciation rates & methodology notified by CERC Regulations for such assets, whichever is higher.
- 5.9 Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, settlement of arbitration/court cases, change in duties or similar factors, the unamortized balance of such assets is depreciated prospectively over the residual life of such assets at the rate of depreciation and methodology notified by CERC regulations.
- 5.10 Where the life and / or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along with its unamortized depreciable amount is charged prospectively over the revised / remaining useful life determined by technical assessment.

6. INVESTMENTS

- 6.1 Long term Investments are carried at cost. Provision for diminution is made to recognise a decline, other than temporary, in the value of such investments.
- 6.2 Current Investments are valued at lower of cost and fair value determined on an individual investment basis.

7. INVENTORIES

- 7.1 Stores & Spares are valued at cost, determined on weighted average basis, or net realizable value whichever is lower.
- 7.2 Diminution in the value of obsolete, unservicable and surplus stores and spares, identified on a systematic basis, is provided in the accounts.

8. FOREIGN CURRENCY TRANSACTIONS

- 8.1 Transactions in foreign currency are initially recorded at exchange rates prevailing on the date of transaction. At each Balance Sheet date, monetary items denominated in foreign currency are translated at the exchange rate prevailing on the Balance Sheet date.
- 8.2 Exchange differences are recognised as income & expenses in the period in which they arise in Statement of Profit & Loss in case of operational stations and to 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 Employee benefits consist of provident fund, pension, gratuity, post retirement medical facilities, leave benefits (including compensated absences) and other terminal benefits.
- 9.2 Company contribution paid/payable during the year to Employees Defined Contribution Superannuation Scheme for providing pension benefits and Provident Fund scheme is accounted for and paid to respective funds which are administered through separate trusts.
- 9.3 The liability for retirement benefits of employees in respect of Gratuity is ascertained at the year end on the basis of actuarial valuation and paid to the Gratuity trust.
- 9.4 The liability for leave benefits (including compensated absences), post retirement medical benefits, allowance on retirement/death and memento on superannuation to employees is ascertained at the year end on the basis of actuarial valuation.

10. REVENUE

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

- (c) Adjustments arising out of finalisation of Regional Energy Account (REA), though not material, are effected in the year of respective finalisation.
 - (d) Advance against depreciation considered as deferred income in earlier years is included in sales on straight line basis over the balance useful life after 31st March of the year closing after a period of 12 years from the date of commercial operation of the project, considering the total useful life of the project as 35 years.
- 10.2 Revenue on Project Management / Construction Contracts/ Consultancy assignments is recognized on percentage of completion method. The percentage of completion is determined as proportion of "cost incurred up to reporting date" to "estimated cost to complete the concerned Project Management / Construction Contracts and Consultancy assignment".
- 10.3 Interest on investments is accounted for on accrual basis. Dividend income is recognized when right to receive the same is established.
- 10.4 Interest/Surcharge recoverable from customers/Liquidated damages /interest on advances to contractors are recognised when no significant uncertainty as to measurability and collectability exists.

11. MISCELLANEOUS

- 11.1 Liabilities for Goods in transit/Capital works executed but not certified are not provided for, pending inspection and acceptance by the Company.
- 11.2 Prepaid expenses and prior period expenses/income of items of ₹ 50,000/- and below are charged to natural heads of accounts.
- 11.3 Insurance claims are accounted for based on certainty of realization.

12. BORROWING COST

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

13. TAXES ON INCOME

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

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

14. IMPAIRMENT OF ASSETS

The company assesses at each balance sheet date whether there is any indication that cash generating unit (CGU) is impaired based on internal/external indicators. If any such indication exists, company estimates the recoverable amount of the CGU. An impairment loss is recognized in the Statement of Profit and Loss where the carrying amount exceeds the recoverable amount of the cash generating units. An impairment loss is reversed if there is a change in the recoverable amount and such loss either no longer exists or has decreased. Rate Regulated Assets are also tested for impairment at each Balance Sheet Date.

15. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date and are not discounted to present value.

Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate. Contingent assets are not recognised in the Financial Statements.

16. CASH FLOW STATEMENTS

Cash flow statement is prepared in accordance with the indirect method prescribed in the relevant Accounting Standard.



NOTE NO. 2 SHARE CAPITAL

| PARTICULARS | As at 31st March, 2015 | | As at 31st March, 2014 | |
|--|-------------------------------|-----------------------------|-------------------------------|-----------------------------|
| | In Nos. | (₹ in crore) | In Nos. | (₹ in crore) |
| a) Authorized Equity Share Capital (Par value per share ₹ 10) | 15000000000 | 15000.00 | 15000000000 | 15000.00 |
| b) No. of Equity shares issued, subscribed and fully paid (Par value per share ₹ 10) | 11070668496 | 11,070.67 | 11070668496 | 11,070.67 |
| c) Reconciliation of no. of equity shares & share capital outstanding: | No. of Shares | Share Capital (₹ in crores) | No. of Shares | Share Capital (₹ in crores) |
| Opening number of shares outstanding | 11070668496 | 11070.67 | 12300742773 | 12300.74 |
| Add: No. of shares/Share Capital issued/ subscribed during the year | - | - | - | - |
| Less: Reduction in no. of shares/Share Capital on account of buy back of shares. | - | - | 1230074277 | 1,230.07 |
| Closing number of shares outstanding | 11070668496 | 11,070.67 | 11070668496 | 11,070.67 |
| d) The Company has issued only one kind of equity shares with voting rights proportionate to the share holding of the shareholders. These voting rights are exercisable at meeting of shareholders. The holders of the equity shares are also entitled to receive dividend as declared from time to time for them. | | | | |
| e) Shares in the company held by each shareholder holding more than 5 percent specifying the number of shares held : - | As at 31st March, 2015 | | As at 31st March, 2014 | |
| | In No. | In (%) | In No. | In (%) |
| - President of India | 9516209722 | 85.96 | 9516209722 | 85.96 |
| f) In preceding five financial years immediately preceding 31.03.2015, Company has not allotted any equity share as fully paid up pursuant to contract(s) without payment being received in cash/ not allotted any equity share as fully paid up by way of bonus share(s). | | | | |

NOTE NO. 3 RESERVE AND SURPLUS

| (₹ in crore) | | | |
|---|------------------------|----------|------------------------|
| PARTICULARS | As at 31st March, 2015 | | As at 31st March, 2014 |
| (i) Capital Redemption Reserve | | | |
| As per last Balance Sheet | 1,230.07 | | - |
| Add: Addition during the year | - | | 1,230.07 |
| As at Balance Sheet date | | 1,230.07 | 1,230.07 |
| (ii) Securities Premium Account | | 2,868.74 | 2,868.74 |
| (iii) Bond Redemption Reserve | | | |
| As per last Balance Sheet | 884.75 | | 649.55 |
| Add: Transfer from Surplus | 379.10 | | 249.45 |
| Less: Write back during the year | 15.96 | | 14.25 |
| As at Balance Sheet date | | 1,247.89 | 884.75 |
| (iv) Self Insurance Fund | | | |
| As per last Balance Sheet | 787.83 | | 738.82 |
| Add: Transfer from Surplus | 55.77 | | 51.74 |
| Less: Utilisation during the year | 7.66 | | 2.73 |
| | 835.94 | | 787.83 |
| Less: - Adjustment on account of claims | - | | 8.82 |
| As at Balance Sheet date | | 835.94 | 779.01 |

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(₹ in crore)

| PARTICULARS | As at 31st March, 2015 | As at 31st March, 2014 |
|--|------------------------|------------------------|
| (v) Corporate Social Responsibility Fund | | |
| As per last Balance Sheet | 17.92 | 23.50 |
| Add: Transfer from Surplus | - | 2.30 |
| Less: Write back during the year | 4.59 | 7.88 |
| As at Balance Sheet date | 13.33 | 17.92 |
| (vi) Research & Development Fund | | |
| As per last Balance Sheet | 17.16 | - |
| Add: Transfer from Surplus | 4.63 | 17.16 |
| As at Balance Sheet date | 21.79 | 17.16 |
| (vii) General Reserve | | |
| As per last Balance Sheet | 1,752.17 | 4,120.06 |
| Add: Transfer from Surplus | 7,500.00 | - |
| Less: Utilised for buy back during the year | - | 1,137.82 |
| Less: Transfer to Capital Redemption Reserve | - | 1,230.07 |
| As at Balance Sheet date | 9,252.17 | 1,752.17 |
| Surplus ** | 1,745.79 | 7,447.16 |
| TOTAL | 17,215.72 | 14,996.98 |
| ** Surplus | | |
| Profit for the year as per Statement of Profit and Loss | 2,124.47 | 978.79 |
| Adjustment arising out of transition provisions for recognising Rate Regulatory Assets (Net of provision for Income Tax) | 876.10 | - |
| Balance brought forward | 7,447.16 | 7,146.38 |
| Add: | | |
| Amount written back from Bond Redemption Reserve | 15.96 | 14.25 |
| Amount written back from Corporate Social Responsibility Fund | 4.59 | 7.88 |
| Amount utilised from Self Insurance Fund | 5.65 | 3.97 |
| Tax on Dividend - Write back | 10.05 | 5.11 |
| Balance available for Appropriation | 10,483.98 | 8,156.38 |
| Transfer to Bond Redemption Reserve | 379.10 | 249.45 |
| Transfer to Self Insurance Fund | 55.77 | 51.74 |
| Transfer to General Reserve | 7,500.00 | - |
| Transfer to Corporate Social Responsibility Fund | - | 2.30 |
| Transfer to Research & Development Fund | 4.63 | 17.16 |
| Dividend : | | |
| - Interim | 221.43 | - |
| - Proposed | 442.84 | 332.13 |
| Tax on Dividend | | |
| - Interim | 44.27 | - |
| - Proposed | 90.15 | 56.44 |
| Balance carried forward | 1,745.79 | 7,447.16 |



NOTE NO. 4 LONG TERM BORROWINGS

(₹ in crore)

| PARTICULARS | As at 31st March, 2015 | | | As at 31st March, 2014 | | |
|--|------------------------|----------------------------|----------------------|------------------------|----------------------------|----------------------|
| | Total Borrowings | Less: - Current Maturities | Long Term Borrowings | Total Borrowings | Less: - Current Maturities | Long Term Borrowings |
| Bonds | | | | | | |
| - Secured (Refer A below) | 6,811.43 | 437.69 | 6,373.74 | 5,850.28 | 63.85 | 5,786.43 |
| Term Loans | | | | | | |
| • From Banks | | | | | | |
| - Secured (Refer B below) | 3,993.98 | 295.22 | 3,698.76 | 4,256.90 | 262.92 | 3,993.98 |
| - Unsecured (Refer C below) | 1,656.48 | 181.57 | 1,474.91 | 2,061.56 | 203.65 | 1,857.91 |
| • From Other Parties | | | | | | |
| - Secured (Refer D below) | 4,593.75 | 703.93 | 3,889.82 | 5,297.68 | 703.93 | 4,593.75 |
| - Unsecured (Refer E below) | 2,780.70 | 46.90 | 2,733.80 | 2,400.07 | 51.62 | 2,348.45 |
| TOTAL | 19,836.34 | 1,665.31 | 18,171.03 | 19,866.49 | 1,285.97 | 18,580.52 |
| Aggregate amount of loans guaranteed by Directors | - | - | - | - | - | - |
| Aggregate amount of loans guaranteed by Govt. of India (Refer Note no 14 of Particulars of security) | 1,703.38 | 228.47 | 1,474.91 | 2,164.81 | 255.27 | 1,909.54 |
| Amount of default in repayment of loans and interest as at 31.03.2015 | - | - | - | - | - | - |
| Period of default in repayment of loans and interest as at 31.03.2015 | - | - | - | - | - | - |

(₹ in crore)

| | As at 31st March, 2015 | As at 31st March, 2014 |
|--|------------------------|------------------------|
| Particulars of redemption & repayment (Disclosure given below for Total Borrowings) | | |
| (A) BONDS (Non-convertible and Non-cumulative)-Secured | | |
| i) TAX FREE BONDS- 3A SERIES *5&10 | 336.07 | 336.07 |
| (8.67% p.a. 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1000/- each). (Date of redemption 02.11.2033) | | |
| ii) TAX FREE BONDS- 3B SERIES *5&10 | 253.62 | 253.62 |
| (8.92% p.a. 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1000/- each). (Date of redemption 02.11.2033) | | |
| iii) BONDS-S-2 SERIES *12 | 660.00 | - |
| (8.54% p.a. 15 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹ 1200000/- each with 12 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/12th of face value of Bond). (12 Yearly redemptions of ₹ 55 crore w.e.f. 26.11.2018 to 26.11.2029) | | |
| iv) TAX FREE BONDS- 2A SERIES *5&10 | 213.12 | 213.12 |
| (8.54% p.a. 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1000/- each). (Date of redemption 02.11.2028) | | |

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NOTE NO. 4 LONG TERM BORROWINGS (Contd.)

| | (₹ in crore) | |
|--|------------------------|------------------------|
| | As at 31st March, 2015 | As at 31st March, 2014 |
| v) TAX FREE BONDS- 2B SERIES *5&10 (8.79% p.a. 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1000/- each). (Date of redemption 02.11.2028) | 85.61 | 85.61 |
| vi) BONDS-R-3 SERIES *5 (8.78% p.a. 15 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 10,00,000/- each with 10 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/10th of face value of Bond) 10 Yearly redemptions of ₹ 89.20 crore w.e.f. 11.02.2019 to 11.02.2028) | 892.00 | 892.00 |
| vii) BONDS-Q SERIES *6 & 13 (9.25% p.a. 15 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/12th of face value of Bond) (12 Yearly redemptions of ₹ 105.50 crore w.e.f. 12.03.2016 to 12.03.2027) | 1,266.00 | 1,266.00 |
| viii) BONDS-R-2 SERIES *5 (8.85% p.a. 14 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/12th of face value of Bond) (12 Yearly redemptions of ₹ 31.84 crore w.e.f. 11.02.2016 to 11.02.2027) | 382.08 | 382.08 |
| ix) BONDS-R-1 SERIES *5 (8.70% p.a. 13 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/12th of face value of Bond) (11 Yearly redemptions of ₹ 6.85 crores each upto 11.02.2026) | 75.35 | 82.20 |
| x) BONDS-P SERIES *5,7 & 10 (9.00% p.a. 15 Year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 10,00,000/- each redeemable in 10 equal yearly installments. (10 Yearly redemptions of ₹ 200 crore w.e.f. 01.02.2016 to 01.02.2025) | 2,000.00 | 2,000.00 |
| xi) TAX FREE BONDS- 1A SERIES *5&10 (8.18% p.a. 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1000/- each).(Date of redemption 02.11.2023) | 50.81 | 50.81 |
| xii) BONDS-S-1 SERIES *12 (8.49% p.a. 10 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹ 1000000/- each with 10 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/10th of face value of Bond) (10 Yearly redemptions of ₹ 36.50 crore w.e.f. 26.11.2015 to 26.11.2024) | 365.00 | - |
| xiii) TAX FREE BONDS- 1B SERIES *5&10 (8.43% p.a. 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹ 1000/- each).(Date of redemption 02.11.2023) | 60.77 | 60.77 |
| xiv) BONDS-O SERIES *2 (7.70% p.a. 15 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 100,000,000/- each with 10 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/10th of face value of Bond) (3 Yearly redemptions of ₹ 57 crores each upto 31.03.2018) | 171.00 | 228.00 |
| TOTAL BONDS (A) | 6811.43 | 5850.28 |



NOTE NO. 4 LONG TERM BORROWINGS (Contd.)

| | (₹ in crore) | |
|---|------------------------|------------------------|
| | As at 31st March, 2015 | As at 31st March, 2014 |
| (B) TERM LOANS - Secured (Banks) | | |
| i) STATE BANK OF PATIALA *1 | 8.00 | 12.00 |
| (Repayable in 4 half yearly instalments of ₹ 2 crore each upto 09.01.2017 at Fixed interest rate with 3 years reset clause presently at 9.40% p.a. as on 31.03.2015) | | |
| ii) CANARA BANK *2 | 40.00 | 60.00 |
| (Repayable in 2 equal yearly instalments of ₹ 20 crore each upto 09.11.2016 at floating rate of interest with upper cap of 6.86% p.a. presently at 6.86% p.a. as on 31.03.2015) | | |
| iii) SYNDICATE BANK *2 | 36.60 | 54.90 |
| (Repayable in 2 equal yearly instalments of ₹ 18.30 crore each upto 23.02.2017 at floating rate of interest with upper cap of 7.207% p.a. Presently at 7.027% p.a. as on 31.03.2015) | | |
| iv) ORIENTAL BANK OF COMMERCE *2 | 40.00 | 60.00 |
| (Repayable in 2 equal yearly instalments of ₹ 18.30 crore each upto 23.02.2017 at floating rate of interest with upper cap of 7.207% p.a. presently at 7.207% p.a. as on 31.03.2015) | | |
| v) ORIENTAL BANK OF COMMERCE *2 | 60.00 | 70.00 |
| (Repayable in 6 equal yearly instalments of ₹ 10 crore each upto 27.12.2020 at Fixed interest rate with 3 years reset clause with upper cap of 7.207% p.a. presently at 7.207% p.a. as on 31.03.2015) | | |
| vi) INDIAN BANK *4&9 | - | 75.00 |
| (Repaid on 29.09.2014) | | |
| vii) UCO BANK *8 | 791.67 | 875.00 |
| (Repayable in 19 half yearly instalments of ₹ 41.67 crore each upto 30.06.2024 at floating interest rate of 10.20% p.a. as on 31.03.2015) | | |
| viii) CORPORATION BANK *11 | 489.58 | 500.00 |
| (Repayable in 47 equal quarterly instalments of ₹ 10.42 crore each upto 06.10.2026 at floating interest rate of 10.25% p.a. as on 31.03.2015) | | |
| ix) CANARA BANK *11 | 195.84 | 200.00 |
| (Repayable in 46 equal quarterly instalments of ₹ 4.16 crore upto 16.07.2026 plus last installment of ₹ 4.48 crore on 16.10.2026 at floating interest rate of 10.20 % p.a. as on 31.03.2015) | | |
| x) INDIAN OVERSEAS BANK *11 | 195.83 | 200.00 |
| (Repayable in 47 equal quarterly instalments of ₹ 4.17 crore each upto 16.10.2026 at floating interest rate of 10.25% p.a. as on 31.03.2015) | | |
| xi) PUNJAB & SIND BANK *11 | 195.83 | 200.00 |
| (Repayable in 47 equal quarterly instalments of ₹ 4.17 crore each upto 17.10.2026 at floating interest rate of 10.25% p.a. as on 31.03.2015) | | |
| xii) SYNDICATE BANK *11 | 293.75 | 300.00 |
| (Repayable in 47 equal quarterly instalments of ₹ 6.25 crore each upto 02.11.2026 at floating interest rate of 10.25% p.a. as on 31.03.2015) | | |
| xiii) UNION BANK OF INDIA *11 | 146.88 | 150.00 |
| (Repayable in 47 equal quarterly instalments of ₹ 3.13 crore each upto 03.11.2026 at floating interest rate of 10.00% p.a. as on 31.03.2015) | | |

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NOTE NO. 4 LONG TERM BORROWINGS (Contd.)

| | (₹ in crore) | |
|---|------------------------|------------------------|
| | As at 31st March, 2015 | As at 31st March, 2014 |
| xiv) STATE BANK OF INDIA *3&6 (Repayable in 48 equal quarterly instalments of ₹ 20.83 crore w.e.f. 27.06.16 upto 27.03.2028 at floating interest rate of 10.25% p.a. as on 31.03.2015) | 1,000.00 | 1,000.00 |
| xv) STATE BANK OF HYDERABAD *1 & 6 (Repayable in 48 equal quarterly instalments of ₹ 10.42 crore w.e.f. 28.03.16 upto 28.12.2027 at floating interest rate of 10.20% p.a. as on 31.03.2015) | 500.00 | 500.00 |
| Total Term Loan - Banks (Secured) | 3,993.98 | 4,256.90 |
| (C) TERM LOANS - Un-secured (Banks)- Foreign Currency | | |
| i) Japan International Cooperation Agency (JICA) Tranche-I *14 (Formerly known as Japan Bank of International Cooperation) (Repayable in 22 equal half yearly instalments of ₹ 6.38 crore each upto 20.01.2026 at fixed interest rate of 2.3% as on 31.03.2015) | 140.41 | 171.80 |
| ii) Japan International Cooperation Agency (JICA) Tranche-II *14 (Formerly known as Japan Bank of International Cooperation) (Repayable in 26 equal half yearly instalments of ₹ 20.94 crore each upto 20.12.2027 at fixed interest rate of 2.3% as on 31.03.2015) | 544.38 | 657.55 |
| iii) Japan International Cooperation Agency (JICA) Tranche-III *14 (Formerly known as Japan Bank of International Cooperation) (Repayable in 38 equal half yearly instalments of ₹ 15.47 crore each upto 20.03.2034 at fixed interest rate of 1.3% as on 31.03.2015) | 587.70 | 693.86 |
| iv) Deutsche Bank & Others *14 (Repayable in 8 equal half yearly instalments of ₹ 48 crores each upto 18.10.2018 at floating interest rate 6 Month JPY LIBOR + 0.57% Margin) | 383.99 | 538.35 |
| Total Term Loan - Banks (Unsecured) | 1,656.48 | 2,061.56 |
| (D) Term Loan-From other parties (Secured) | | |
| i) LIFE INSURANCE CORPORATION OF INDIA *5 & 7 (Repayable in 12 half yearly instalments of ₹ 104.17 crore each upto 15.10.2020 at Fixed interest rate of 9.25% p.a. on ₹ 50 crores and 8% p.a. on ₹ 1200 crore as on 31.03.2015) | 1,250.00 | 1,458.33 |
| ii) LIFE INSURANCE CORPORATION OF INDIA *6 & 13 (Repayable in 18 equal half yearly instalments of ₹ 79 crore each upto 31.10.2023 at Fixed Interest rate with a floor rate of 6.5% p.a. presently at wt. average rate of 9.118% p.a. as on 31.03.2015) | 1,422.00 | 1,580.00 |
| iii) POWER FINANCE CORPORATION LIMITED *8 (Repayable in 26 equal quarterly instalments of ₹ 18.75 crore upto 15.07.2021 at Fixed interest rate with 3 years reset clause presently at 10.17% p.a. as on 31.03.2015) | 487.50 | 562.50 |
| iv) POWER FINANCE CORPORATION LIMITED *8 (Repayable in 14 equal quarterly instalments of ₹ 4.65 crore each upto 15.07.2018 at Fixed interest rate with 3 years reset clause presently at 10.17% p.a. as on 31.03.2015) | 65.10 | 83.70 |



NOTE NO. 4 LONG TERM BORROWINGS (Contd.)

| | (₹ in crore) | |
|---|------------------------|------------------------|
| | As at 31st March, 2015 | As at 31st March, 2014 |
| v) POWER FINANCE CORPORATION LIMITED *8 (Repayable in 26 equal quarterly instalments of ₹ 1.75 crore each upto 15.07.2021 at Fixed interest rate with 3 years reset clause presently at 10.17% p.a. as on 31.03.2015) | 45.50 | 52.50 |
| vi) POWER FINANCE CORPORATION LIMITED *2&3 (Repayable in 25 equal quarterly instalments of ₹ 36.43 crore each upto 15.04.2021 at Fixed interest rate with 3 years reset clause presently at 10.54% p.a. as on 31.03.2015) | 910.63 | 1,056.33 |
| vii) POWER FINANCE CORPORATION LIMITED *1 (Repayable in 17 equal quarterly instalments of ₹ 10.33 crore each upto 15.04.2019 at Fixed interest rate with 3 years reset clause presently at 10.54% p.a. as on 31.03.2015) | 175.52 | 216.82 |
| viii) POWER FINANCE CORPORATION LIMITED *1 (Repayable in 19 equal quarterly instalments of ₹ 12.50 crore each upto 15.10.2019 at Fixed interest rate with 3 years reset clause presently at 10.54% p.a. as on 31.03.2015) | 237.50 | 287.50 |
| Total Term Loan - Other Parties (Secured) | 4,593.75 | 5,297.68 |
| (E) Term Loan-From other parties (Unsecured) | | |
| Foreign Currency | | |
| i) Export Development Canada *14 (Repayable in 2 equal half yearly instalments of ₹ 23.45 crore each upto 15.03.2016 at fixed interest rate of 6.01% as on 31.03.2015) Loans from Govt. of India | 46.90 | 103.25 |
| ii) Subordinate Debt from Govt. of India for Nimmo-Bazgo Power Station (Repayable in 18 equal annual instalments of ₹ 15 crore from the 12th year after commissioning of the project i.e. from 10.10.2025 at fixed interest rate of 4% per annum.) | 270.00 | 270.00 |
| iii) Subordinate Debt from Govt. of India for CHUTAK Power Station (Repayable in 24 equal annual instalments of ₹ 15.17 crore from the 6th year after commissioning of the project i.e. from 01.02.2019 at fixed interest rate of 2.50% per annum.) | 364.00 | 364.00 |
| iv) 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.) | 2,099.80 | 1,662.82 |
| Total Term Loan - Other Parties (Unsecured) | 2,780.70 | 2,400.07 |
| Grand Total (A+B+C+D+E) | 19,836.34 | 19,866.49 |

* Particulars of security

1. Secured by pari-passu charge by way of Equitable mortgage/hypothecation against Immovable/Moveable assets (except for Book Debts and Stores) of Company's Chamara Power Station-I situated in the state of Himachal Pradesh.
2. Secured by pari-passu charge by way of Equitable mortgage/hypothecation against Immovable/Moveable assets (except for Book Debts and Stores) of Company's Uri Power Station situated in the state of Jammu & Kashmir.
3. Secured by pari-passu charge by way of Equitable mortgage/ hypothecation against Immovable / Moveable assets (except for Book Debts and Stores) of Company's Chamara Power Station-II situated in the state of Himachal Pradesh.

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4. Secured by pari-passu charge by way of equitable mortgage/hypothecation against the assets (except for Book Debts and Stores) of Company's Loktak Power Station situated in the state of Manipur.
5. Secured by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati-II HE Project situated in the state of Himachal Pradesh.
6. Secured by pari-passu charge by way of equitable mortgage/hypothecation against immovable/movable assets (except for Book Debts and Stores) of Company's Teesta Low Dam-III Project situated in the state of West Bengal.
7. Secured by pari-passu charge by way of equitable mortgage and charge over all the immoveable and moveable assets (except for Book Debts and Stores) of the Company's Dhauliganga Power Station situated in the state of Uttrakhand.
8. Secured by way of first charge on pari-passu basis by way of hypothecation on whole of the Company's movable assets(except for Book Debts and Stores), both present and future, of Dulhasti Power Station situated in the state of Jammu & Kashmir.
9. Secured by exclusive charge by way of equitable mortgage against the assets (except for Book Debts and Stores) of Company's Bairasiul Power Station situated in the state of Himachal Pradesh.
10. Secured by a first charge on pari-passu basis by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Chamera-III HE Project-situated in the state of Himachal Pradesh.
11. Secured by way of first charge on pari-passu basis by way of hypothecation on whole of the Company's movable assets (except for Book Debts and Stores), both present and future, of Salal Power Station situated in the state of Jammu & Kashmir, Sewa-II Power Station situated in the state of Jammu & Kashmir, Chutak Power Station situated in the state of Jammu & Kashmir, Nimmo-Bazgo Power Station situated in the state of Jammu & Kashmir, Uri-II HE Project situated in the state of Jammu & Kashmir & TLDP-IV HE Project situated in the state of West Bengal.
12. Secured by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati -III Power Station situated in the state of Himachal Pradesh.
13. Secured by pari-passu charge by way of equitable mortgage/hypothecation against immovable/movable assets (except for Book Debts and Stores) of Company's Teesta-V project situated in the state of Sikkim.
14. Loans mentioned at sl. nos. C(i),C(ii),C(iii),C(iv) and E(i) above are guaranteed by Government of India.

NOTE NO. 5 DEFERRED TAX LIABILITIES / ASSETS

(₹ in crore)

| PARTICULARS | As at 31st March, 2015 | As at 31st March, 2014 |
|--|------------------------|------------------------|
| Deferred Tax Liability | | |
| i) Depreciation | 3359.26 | 3,256.62 |
| Less: Deferred Tax Assets | | |
| i) Provision for doubtful debts, Inventory and others | 178.68 | 123.25 |
| ii) Provision for employee benefit schemes | 139.71 | 128.56 |
| Deferred Tax Liability | 3,040.87 | 3,004.81 |
| Less: Recoverable for tariff period upto 2009 | 2,154.93 | 2238.14 |
| Less: Deferred Tax Adjustment against Deferred Tax Liabilities | 75.50 | - |
| Deferred Tax Liability (Net) | 810.44 | 766.67 |

Explanatory Note: -

In compliance to the Accounting Standard 22 on "Accounting for Taxes on Income" notified under The Companies Act, 2013 ₹ 36.06 crore (Previous Year ₹ 230.69 crore) has been created as deferred tax liability for the year ended 31.03.2015.

NOTE NO. 6 OTHER LONG TERM LIABILITIES

(₹ in crore)

| PARTICULARS | As at 31st March, 2015 | | | As at 31st March, 2014 | | |
|---|------------------------|---------------------------|---------------------|------------------------|---------------------------|---------------------|
| | Total Liability | Less: - Current Liability | Long Term Liability | Total Liability | Less: - Current Liability | Long Term Liability |
| Deposits/ retention money | 196.17 | 92.96 | 103.21 | 398.24 | 141.00 | 257.24 |
| Income received in advance (Advance against depreciation) | 1,209.71 | 50.17 | 1,159.54 | 1,259.88 | 50.17 | 1,209.71 |
| Deferred Income from Foreign Currency Fluctuation Account | 74.42 | - | 74.42 | 138.86 | - | 138.86 |
| Total | 1,480.30 | 143.13 | 1,337.17 | 1,796.98 | 191.17 | 1,605.81 |

NOTE NO. 7 PROVISIONS

(₹ in crore)

| PARTICULARS | As at 31st March, 2015 | | | As at 31st March, 2014 | | |
|--|------------------------|------------|----------|------------------------|------------|----------|
| | Long Term | Short Term | Total | Long Term | Short Term | Total |
| a) Provision for Employee Benefits (provided for on basis of actuarial valuation) | | | | | | |
| As per last Balance Sheet | 785.45 | 71.44 | 856.89 | 708.27 | 44.60 | 752.87 |
| Additions during the year | 82.21 | 73.47 | 155.68 | 77.18 | 91.36 | 168.54 |
| Amount used during the year | 9.86 | 71.21 | 81.07 | - | 64.52 | 64.52 |
| Amount reversed during the year | - | 3.25 | 3.25 | - | - | - |
| Closing Balance | 857.80 | 70.45 | 928.25 | 785.45 | 71.44 | 856.89 |
| b) Provision for Wage Revision | | | | | | |
| As per last Balance Sheet | | 30.01 | 30.01 | | 27.11 | 27.11 |
| Additions during the year | | 6.19 | 6.19 | | 2.90 | 2.90 |
| Amount used during the year | | 2.38 | 2.38 | | - | - |
| Amount reversed during the year | | 0.04 | 0.04 | | - | - |
| Closing Balance | | 33.78 | 33.78 | | 30.01 | 30.01 |
| Less: Advance paid | | 33.78 | 33.78 | | 30.01 | 30.01 |
| Closing Balance (Net of advance) | | - | - | | - | - |
| c) Provision for Performance Related Pay/ Incentive | | | | | | |
| As per last Balance Sheet | | 63.34 | 63.34 | | 67.71 | 67.71 |
| Additions during the year | | 96.52 | 96.52 | | 61.76 | 61.76 |
| Amount used during the year | | 48.18 | 48.18 | | 60.81 | 60.81 |
| Amount reversed during the year | | 12.92 | 12.92 | | 5.32 | 5.32 |
| Closing Balance | | 98.76 | 98.76 | | 63.34 | 63.34 |
| d) Provision for Superannuation/Pension Fund | | | | | | |
| As per last Balance Sheet | | 40.14 | 40.14 | | 8.88 | 8.88 |
| Additions during the year | | 33.84 | 33.84 | | 40.14 | 40.14 |
| Amount used during the year | | 40.14 | 40.14 | | 8.88 | 8.88 |
| Amount reversed during the year | | - | - | | - | - |
| Closing Balance | | 33.84 | 33.84 | | 40.14 | 40.14 |
| e) Others | | | | | | |
| i) Provision for Taxation | | | | | | |
| As per last Balance Sheet | | 1,605.64 | 1,605.64 | | 1,860.71 | 1,860.71 |

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(₹ in crore)

| PARTICULARS | As at 31st March, 2015 | | | As at 31st March, 2014 | | |
|--|------------------------|-----------------|-----------------|------------------------|-----------------|-----------------|
| | Long Term | Short Term | Total | Long Term | Short Term | Total |
| Additions during the year | | 890.27 | 890.27 | | 316.39 | 316.39 |
| Amount used during the year | | 1,283.39 | 1,283.39 | | 571.46 | 571.46 |
| Closing Balance | | 1,212.52 | 1,212.52 | | 1,605.64 | 1,605.64 |
| ii) Provision for Proposed Dividend | | | | | | |
| As per last Balance Sheet | | 332.12 | 332.12 | | 738.04 | 738.04 |
| Additions during the year | | 442.84 | 442.84 | | 332.12 | 332.12 |
| Amount used during the year | | 332.13 | 332.13 | | 738.04 | 738.04 |
| Closing Balance | | 442.83 | 442.83 | | 332.12 | 332.12 |
| iii) Tax on Proposed Dividend | | | | | | |
| As per last Balance Sheet | | 56.44 | 56.44 | | 125.43 | 125.43 |
| Additions during the year | | 90.15 | 90.15 | | 56.44 | 56.44 |
| Amount used during the year | | 46.39 | 46.39 | | 120.32 | 120.32 |
| Amount reversed during the year | | 10.05 | 10.05 | | 5.11 | 5.11 |
| Closing Balance | | 90.15 | 90.15 | | 56.44 | 56.44 |
| iv) Provision For Committed Capital Expenditure | | | | | | |
| As per last Balance Sheet | 29.25 | 52.99 | 82.24 | 13.65 | 94.02 | 107.67 |
| Additions during the year | 2.10 | 26.83 | 28.93 | 17.98 | - | 17.98 |
| Amount used during the year | 2.20 | 30.55 | 32.75 | 2.38 | 41.03 | 43.41 |
| Amount reversed during the year | - | 0.31 | 0.31 | - | - | - |
| Closing Balance | 29.15 | 48.96 | 78.11 | 29.25 | 52.99 | 82.24 |
| v) Provision For Tariff Adjustment | | | | | | |
| As per last Balance Sheet | | 49.81 | 49.81 | | 91.20 | 91.20 |
| Additions during the year | | 143.02 | 143.02 | | 1.13 | 1.13 |
| Amount used during the year | | 37.20 | 37.20 | | 42.52 | 42.52 |
| Amount reversed during the year | | - | - | | - | - |
| Closing Balance | | 155.63 | 155.63 | | 49.81 | 49.81 |
| vi) Provision - Others | | | | | | |
| As per last Balance Sheet | | 730.08 | 730.08 | | 365.92 | 365.92 |
| Additions during the year | | 205.54 | 205.54 | | 392.32 | 392.32 |
| Amount used during the year | | 183.53 | 183.53 | | 20.10 | 20.10 |
| Amount reversed during the year | | 124.25 | 124.25 | | 8.06 | 8.06 |
| Closing Balance | | 627.84 | 627.84 | | 730.08 | 730.08 |
| Total | 886.95 | 2,780.98 | 3,667.93 | 814.70 | 3,002.00 | 3,816.70 |

Explanatory Note: -

The Board has resolved to implement the directions of the Ministry of Power (MOP) vide its letter no. 11/17/2009-NHPC/Vol. III dated 27th December 2013 conveying the approval of Competent Authority about pay scales in respect of below Board level Executives that the pay scales shall be fixed w.e.f. 01.01.2007 after correcting the aberrations in pay scales fixed w.e.f. 01.01.1997 and the deviant pay scales fixed w.e.f. 01.01.1997 shall not be regularized. The MoP has been intimated vide letter no.PWA-504-Vol-IV/62 dated 14.05.2014 to confirm that the recovery of personal adjustment w.e.f. 01.02.2014 is in conformity with the said directive of the Competent Authority. In the meanwhile, NHPC Officers Association has got a stay from Hon'ble High Court of Delhi against the implementation of stoppage of Personal Pay Adjustment (fitment benefits). In view of the directions of the Hon'ble High Court, Personal Pay Adjustments to the employees is continued to be paid along with the Salary. Thus, the cumulative amount provided towards the Personal Pay Adjustment under the head Provision for Wage Revision is ₹ 33.78 crore (including provision for the current year ₹ 6.19 crore) with corresponding amount shown as Advance paid.



NHPC Limited

(A Government of India Enterprise)

NOTE NO. 8 TRADE PAYABLE

(₹ in crore)

| PARTICULARS | As at 31st March, 2015 | As at 31st March, 2014 |
|------------------------|------------------------|------------------------|
| For Goods and Services | 153.01 | 200.71 |
| | 153.01 | 200.71 |

Explanatory Note: -

Disclosure requirement under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 is given in Note No. 29 - Other Explanatory Notes to Accounts.

NOTE NO. 9 OTHER CURRENT LIABILITIES

(₹ in crore)

| PARTICULARS | As at 31st March, 2015 | As at 31st March, 2014 |
|--|------------------------|------------------------|
| Current Maturities of Long Term Debt (Refer Note no. 4) * | 1,665.31 | 1,285.97 |
| Interest accrued but not due on Borrowings | 308.39 | 242.62 |
| Income received in advance (Advance against depreciation) (refer Note No. 6) | 50.17 | 50.17 |
| Unpaid Dividend Account Balance | 5.85 | 4.83 |
| Unpaid Interest Account Balance | 0.03 | - |
| Liability against Capital Works/Supplies | 334.26 | 480.80 |
| Deposits/ Retention Money (refer Note No. 6) | 92.96 | 141.00 |
| Unspent amount of Deposit/Agency basis works | 0.04 | 0.04 |
| Statutory Dues Payables | 260.59 | 276.55 |
| Other Liabilities | 123.46 | 252.46 |
| Advances against Deposit Works | 232.92 | 227.36 |
| Less: Amount Spent on Deposit Works | 229.47 | 222.29 |
| Advances against cost of Project Mgt./ Consultancy Works | 4456.42 | 4417.35 |
| Less: Amount Spent in respect of Project Mgt./ Consultancy Works | 4290.06 | 4222.62 |
| Provision Toward Amt Recoverable in respect of Project Mgt / Consultancy Works | (2.28) | (3.97) |
| | 168.64 | 198.70 |
| | 3,013.15 | 2,938.21 |

* Details in respect of redemption, rate of interest, terms of repayment and particulars of security are disclosed in Note no. 4.

NOTE NO. 10.1 TANGIBLE ASSETS

(₹ in crore)

| CLASS OF ASSETS | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | |
|--|------------------|---------------|---------------|-----------------|------------------|----------------------------|--------------------------|------------------|
| | 01.04.2014 | Addition | Deduction | Adjustments | 31.03.2015 | For the Year 01.04.2014 | Adjustment 31.03.2015 | 31.03.2015 |
| Land – Freehold | 260.28 | 13.18 | - | - | 273.46 | - | - | 273.46 |
| Land – Leasehold | 366.11 | 5.45 | - | 0.23 | 371.79 | 31.88 | 0.10 | 327.98 |
| Roads and Bridges | 310.47 | 3.36 | 0.05 | (7.19) | 306.59 | 87.44 | (0.01) | 208.29 |
| Buildings | 2,714.58 | 58.34 | 2.05 | (23.57) | 2,747.30 | 669.71 | 0.14 | 1,988.08 |
| Railway Sidings | 38.96 | - | - | - | 38.96 | 18.84 | - | 17.45 |
| Hydraulic Works(Dams, Water Conductor system, Hydro Mechanical Gates, Tunnels) | 18,512.56 | 48.81 | 15.49 | (178.19) | 18,367.69 | 5,053.12 | (0.04) | 12,462.82 |
| Generating Plant and Machinery | 9,294.34 | 195.06 | 77.44 | (51.27) | 9,360.69 | 2,616.74 | (6.28) | 6,310.66 |
| Plant and machinery - Sub-Station | 94.16 | 1.45 | 0.06 | (0.62) | 94.93 | 49.20 | (0.39) | 42.70 |
| Plant and machinery - Transmission Lines | 68.60 | 3.46 | 0.75 | (0.06) | 71.25 | 24.02 | (0.17) | 43.52 |
| Plant and machinery - Others | 36.98 | 5.27 | 0.05 | 5.56 | 47.76 | 14.53 | (0.03) | 30.56 |
| Construction Equipment | 100.42 | 6.96 | 0.66 | 0.03 | 106.75 | 61.27 | (0.53) | 38.44 |
| Water Supply System/Drainage and Sewerage | 40.65 | 3.45 | 0.05 | (0.05) | 44.00 | 7.92 | (0.01) | 33.99 |
| Electrical Installations | 4.15 | 0.15 | 0.01 | (0.22) | 4.07 | 1.31 | (0.13) | 2.68 |
| Vehicles | 27.08 | 2.84 | 0.96 | (0.35) | 28.61 | 15.84 | (1.13) | 12.50 |
| Aircraft/ Boats | 0.78 | 0.16 | - | - | 0.94 | 0.24 | - | 0.65 |
| Furniture and Fixture | 47.71 | 5.51 | 1.61 | (0.22) | 51.39 | 24.81 | (0.74) | 24.91 |
| Computers | 56.46 | 12.95 | 6.23 | (0.65) | 62.53 | 45.61 | (4.59) | 14.64 |
| Communication Equipment | 14.36 | 1.85 | 0.18 | (0.02) | 16.01 | 6.69 | (0.07) | 8.55 |
| Office Equipments | 43.97 | 3.70 | 1.25 | (0.39) | 46.03 | 20.10 | (0.82) | 24.03 |
| Research and Development | 1.35 | - | - | - | 1.35 | 0.55 | - | 0.71 |
| Other Assets | 51.21 | 7.74 | 0.31 | 0.17 | 58.81 | 22.57 | (0.13) | 33.26 |
| Tangible Assets of Minor Value > ₹ 750 and < ₹ 5000 | 16.03 | 1.65 | 0.76 | - | 16.92 | 16.01 | (0.76) | 0.01 |
| Total | 32,101.21 | 381.34 | 107.91 | (256.81) | 32,117.83 | 8,788.40 | (15.59) | 21,899.89 |
| Previous Year | 24,930.46 | 7,369.74 | 58.06 | (140.93) | 32,101.21 | 7,621.48 | (75.77) | 23,312.81 |

NOTE NO. 10.2 INTANGIBLE ASSETS

(₹ in crore)

| CLASS OF ASSETS | GROSS BLOCK | | | | AMORTISATION | | | NET BLOCK | |
|---------------------|---------------|--------------|-------------|---------------|---------------|--------------|-------------|--------------|---------------|
| | 01.04.2014 | Addition | Deduction | Adjustments | 31.03.2015 | For the Year | Adjustment | 31.03.2015 | 31.03.2014 |
| Land – Right to Use | 789.44 | 35.83 | - | (1.18) | 824.09 | 25.59 | 5.06 | 30.55 | 763.85 |
| Computer Software | 37.97 | 2.46 | 0.25 | 0.04 | 40.22 | 37.49 | 1.22 | 38.49 | 0.48 |
| Total | 827.41 | 38.29 | 0.25 | (1.14) | 864.31 | 63.08 | 6.28 | 69.04 | 764.33 |
| Previous Year | 786.82 | 43.11 | 0.06 | (2.46) | 827.41 | 58.60 | 4.98 | 63.08 | 728.22 |

Explanatory Note: -

- 1) Title deeds/title in respect of freehold land amounting to ₹ 1.19 crores (Previous year ₹ 0.91 crore) covering an area of 103.04 hectare (Previous year 90.72 hectare) and lease deeds in respect of leasehold land amounting to ₹ 296.60 crores (Previous year ₹ 295.86 crores) covering an area of 851.78 hectare (Previous year 883.23 hectare) are yet to be executed/passed.
- 2) Land - Leasehold includes 7.83 hectare taken from Sashatra Seema Bal (SSB) for Subansiri Upper Project on lease for a period of 99 years at notional value of ₹ 1/-.
- 3) Freehold Land includes eight hectare of land being used by Loktak Downstream Hydroelectric Corporation Limited (LDHCL) (A Joint Venture Company of NHPC and the Government of Manipur) for a consideration of ₹ 100 per annum as rent, for which a lease agreement has been entered between NHPC and LDHCL.
- 4) Underground works amounting to ₹ 6240.79 crore (Previous Year ₹ 6267.10 crore), created on Land - Right to use, are included under the relevant heads of Tangible Assets.
- 5) Adjustments to Gross Block include adjustment for Foreign Exchange Rate Variation, adjustment in gross block at the time of capitalisation of a project for depreciation charged during construction of project, inter-head reclassification of assets & misclassification correction.
- 6) Pending approval of revised cost estimates (RCE) of Sewa II, Chutak, Chamera III, Teesta Low Dam III, Nimmo Bazgo, Uri II & Parbati III Power Stations, capital expenditure actually incurred on these power stations has been considered for capitalisation.
- 7) Foreign Exchange Rate Variation included in Adjustments to assets are as follows: -

| Class of Assets | For the year ended 31.03.2015 (₹ in crore) | For the year ended 31.03.2014 (₹ in crore) |
|---|--|--|
| Roads and Bridges | (1.57) | - |
| Buildings | (16.21) | - |
| Hydraulic Works | (154.90) | - |
| Generating Plant and machinery | (42.88) | - |
| Plant and machinery Sub station | (0.25) | - |
| Plant and machinery Transmission lines | (0.05) | - |
| Plant and machinery -Others | (0.03) | - |
| Water Supply System/Drainage and Sewerage | (0.05) | - |
| Total | (215.94) | - |

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NOTE NO. 11 CAPITAL WORK IN PROGRESS

(₹ in crore)

| Particulars | 01.04.2014 | Addition | Adjustment | Capitalised | 31.03.2015 |
|--|------------------|-----------------|-------------|---------------|------------------|
| Roads and Bridges | 53.42 | 36.98 | (0.15) | 3.36 | 86.89 |
| Buildings | 936.33 | 153.65 | (5.20) | 54.01 | 1,030.77 |
| Hydraulic Works(Dams, Water Conductor System, Hydro mechanical Gates, Tunnels) | 5,457.46 | 492.33 | 3.86 | 38.38 | 5,915.27 |
| Generating Plant and Machinery | 2,800.03 | 279.96 | (0.10) | 153.98 | 2,925.91 |
| Plant and Machinery - Sub-Station | 7.64 | 7.50 | (0.09) | 0.96 | 14.09 |
| Plant and Machinery - Transmission Lines | 1.60 | 1.73 | - | 2.96 | 0.37 |
| Plant and Machinery - Others | 0.49 | 1.42 | 0.43 | 1.86 | 0.48 |
| Water Supply System/Drainage and Sewerage | 1.24 | 2.54 | 0.09 | 3.19 | 0.68 |
| Other Assets awaiting Installation | 12.43 | 41.83 | (0.02) | 49.73 | 4.51 |
| Survey, Investigation, Consultancy and Supervision Charges | 238.08 | 25.20 | (0.63) | - | 262.65 |
| Expenditure on Compensatory Afforestation | 0.64 | 3.70 | - | - | 4.34 |
| Expenditure during Construction* | 5,143.31 | 712.75 | (8.16) | 6.23 | 5,841.67 |
| Less: Provided for | 169.64 | 51.15 | (11.24) | - | 209.55 |
| Sub total (a) | 14,483.03 | 1,708.44 | 1.27 | 314.66 | 15,878.08 |

* For addition during the year refer Note No. 28

| | 01.04.2014 | | Adjustment | | 31.03.2015 |
|---|------------------|-----------------|-------------|---------------|------------------|
| Construction Stores | 175.62 | - | 2.49 | - | 178.11 |
| Less : Provisions for construction stores | 1.52 | - | (0.05) | - | 1.47 |
| Sub total (b) | 174.10 | - | 2.54 | - | 176.64 |
| Total | 14,657.13 | 1,708.44 | 3.81 | 314.66 | 16,054.72 |
| Previous Year | 19709.04 | 2705.39 | (608.37) | 7148.93 | 14657.13 |

Explanatory Note: -

- 1) Expenditure during Construction (EDC) includes ₹ 330.43 crore (Previous year ₹ 472.52 crore) towards borrowing cost capitalised during the year.
- 2) Capital Work in Progress (CWIP) includes a cumulative expenditure of ₹ 941.18 crore (Previous Year ₹ 798.99 crore) on projects under Survey & Investigation stage. Of this, a sum of ₹ 43.52 crore pertains to Subansiri Upper Project, which had been decided by Govt. of Arunachal Pradesh to be handed over to a Private Developer, however pending handing over of the project & recovery of expenditure incurred on it, the said amount is already provided for in the books as an abundant precaution. Out of the balance of ₹ 897.66 crore (Previous Year ₹ 755.47 crore) pertaining to projects with the company, a sum of ₹ 161.15 crore (Previous Year ₹ 114.34 crore) has been provided as an abundant precaution in respect of projects, where uncertainties are attached and ₹ 736.51 crore (Previous Year ₹ 641.13 crore), pertaining to other projects having reasonable certainty of getting clearance, is carried over.
- 3) Siang Basin, Subansiri Basin & Dibang Multipurpose Projects were taken over from Brahmaputra Board. Pending settlement of accounts with Brahmaputra Board, assets and liabilities have been accounted for to the extent of amounts incurred by the Company on these projects. Siang Lower & Siyom HE Projects (in Siang Basin) & Subansiri Middle (in Subansiri Basin) have since been handed over to Private Developer and liability arising out of settlement of accounts with Brahmaputra Board towards these projects is recoverable from respective Private Developers.
- 4) Underground Works amounting to ₹ 3995.69 crore (Previous Year ₹ 3774.90 crore) created on Land - Right to use, are included under respective heads of Capital Work in Progress (CWIP).
- 5) Capital Expenditure on projects approved by the competent authority undergoes revision over period of time as hydroelectric projects are time intensive and some takes longer period than envisaged. As a consequence the cost escalation occur, which requires approval of competent authority. Pending such approval the expenditure incurred during the period is carried forward in Capital Work in Progress (CWIP).

NOTE NO. 12 NON CURRENT INVESTMENTS

| Particulars | As at 31st March, 2015 | | | As at 31st March, 2014 | | |
|--|--|--|---------------------------|--|--|---------------------------|
| | 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 | | | | | | |
| (i) Subsidiary Companies (Fully Paid Up) | | | | | | |
| - NHDC Limited | 10024200 | 1000 | 1002.42 | 10024200 | 1000 | 1002.42 |
| - Loktak Downstream Hydroelectric Corporation Limited | 87092309 | 10 | 87.09 | 87092309 | 10 | 87.09 |
| - Bundelkhand Saur Urja Limited | 999999 | 10 | 1.00 | 0.00 | 0.00 | 0.00 |
| (ii) Joint Venture Companies (Fully Paid Up) | | | | | | |
| - Chenab Valley Power Projects Private Limited | 100000000 | 10 | 100.00 | 1000,00,000 | 10 | 100 |
| - National High Power Test Laboratory (P) Limited | 23900000 | 10 | 23.90 | 14875000 | 10 | 14.88 |
| (b) Investment In Bonds | | | | | | |
| 8.50 % Tax-Free State Government Special Bonds | - | - | - | | | 259.29 |
| Sub Total (A) | | | 1226.41 | | | 1475.68 |
| B. Non Trade - Quoted | | | | | | |
| (a) Investment in Equity Instrument | | | | | | |
| Indian Overseas Bank (Fully Paid Up) | 360800 | 10 | 0.36 | 360800 | 10 | 0.36 |
| (b) Investment In Government Securities # | | | | | | |
| 8.35% SBI Right Issue GOI Special Bonds 2024 | 150000 | 10000 | 150.77 | 150000 | 10000 | 150.77 |
| 8.20% Oil Marketing Companies GOI Special Bonds 2024 | 12380 | 10000 | 12.26 | 12380 | 10000 | 12.26 |
| 8.28% GOI 2027 | 57000 | 10000 | 52.94 | 57000 | 10000 | 52.94 |
| 8.26% GOI 2027 | 17940 | 10000 | 17.83 | 17940 | 10000 | 17.83 |
| 8.28% GOI 2032 | 35000 | 10000 | 34.62 | 35000 | 10000 | 34.62 |
| 8.32% GOI 2032 | 34000 | 10000 | 31.28 | 34000 | 10000 | 31.28 |

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NOTE NO. 12 NON CURRENT INVESTMENTS (Contd.)

| Particulars | As at 31st March, 2015 | | | As at 31st March, 2014 | | |
|---|-------------------------------------|---|---------------------|-------------------------------------|---|---------------------|
| | 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) |
| (c) Investment In Public Sector Undertaking/Public Financial Institution & Corporate Bonds # | | | | | | |
| 8.95% Indian Railways Finance Corporation Bonds 2025 | 688 | 1000000 | 69.63 | 688 | 1000000 | 69.63 |
| 8.65% Indian Railways Finance Corporation Bonds 2025 | 30 | 1000000 | 2.99 | 30 | 1000000 | 2.99 |
| 8.83% Indian Railways Finance Corporation Bonds 2035 | 120 | 1000000 | 12.09 | 120 | 1000000 | 12.09 |
| 8.80% Indian Railways Finance Corporation Bonds 2030 | 150 | 1000000 | 15.13 | 150 | 1000000 | 15.13 |
| 8.90% Power Grid Corporation of India Bonds 2021 | 80 | 1250000 | 10.00 | 80 | 1250000 | 10.00 |
| 8.90% Power Grid Corporation of India Bonds 2022 | 80 | 1250000 | 10.00 | 80 | 1250000 | 10.00 |
| 8.90% Power Grid Corporation of India Bonds 2023 | 80 | 1250000 | 10.00 | 80 | 1250000 | 10.00 |
| 8.90% Power Grid Corporation of India Bonds 2025 | 40 | 1250000 | 5.04 | 40 | 1250000 | 5.04 |
| 8.84% Power Grid Corporation of India Bonds 2024 | 156 | 1250000 | 19.51 | 156 | 1250000 | 19.51 |
| 8.84% Power Grid Corporation of India Bonds 2025 | 364 | 1250000 | 45.52 | 364 | 1250000 | 45.52 |
| 8.95% Power Finance Corporation Bonds 2025 | 51 | 1000000 | 5.16 | 51 | 1000000 | 5.16 |
| 8.80% Power Finance Corporation Bonds 2025 | 467 | 1000000 | 45.97 | 467 | 1000000 | 45.97 |
| 8.70% Power Finance Corporation Bonds 2025 | 477 | 1000000 | 47.37 | 477 | 1000000 | 47.37 |
| 8.80% Rural Electrification Corporation Bonds 2020 | 600 | 1000000 | 59.93 | 600 | 1000000 | 59.93 |
| 9.75% Rural Electrification Corporation Bonds 2021 | 230 | 1000000 | 23.05 | 230 | 1000000 | 23.05 |
| 7.41% IIFCL Tax Free Bonds 15.11.2032 | 120 | 1000000 | 12.00 | 120 | 1000000 | 12.00 |
| 8.12% REC Tax Free Bonds 27.03.2027 | 100000 | 1000 | 10.61 | 100000 | 1000 | 10.61 |
| 8.48% NHAI TAX FREE | 473 | 100000 | 47.28 | 473 | 100000 | 47.28 |
| Sub Total (B) | | | 751.34 | | | 751.34 |
| Total (A+B) | | | 1977.75 | | | 2227.02 |



NOTE NO. 12 NON CURRENT INVESTMENTS (Contd.)

| Particulars | As at 31st March, 2015 | | | As at 31st March, 2014 | | |
|--|-------------------------------------|---|---------------------|-------------------------------------|---|---------------------|
| | 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) |
| # Earmarked Investment for Self Insurance Fund | | | | | | |
| Quoted Investments | | | | | | |
| (i) Aggregate Cost | | | 763.34 | | | 763.34 |
| (ii) Aggregate Market Value | | | 876.61 | | | 815.75 |
| Unquoted Investments | | | | | | |
| (i) Aggregate Cost | | | 1214.41 | | | 1463.68 |

Valuation as per Accounting Policy no. 6

NOTE NO. 13 LOANS AND ADVANCES

(₹ in crore)

| PARTICULARS | As at 31st March, 2015 | | | As at 31st March, 2014 | | |
|--|------------------------|------------|--------|------------------------|------------|--------|
| | Long Term | Short Term | Total | Long Term | Short Term | Total |
| a) CAPITAL ADVANCES | | | | | | |
| - Secured (considered good) | 9.37 | | 9.37 | 0.39 | | 0.39 |
| - Unsecured (considered good) | | | | | | |
| – Against Bank Guarantee | 469.75 | | 469.75 | 460.27 | | 460.27 |
| – Others | 138.93 | | 138.93 | 139.20 | | 139.20 |
| Less : Provisions for expenditure awaiting utilization certificate | 10.26 | - | 10.26 | 10.71 | - | 10.71 |
| - Unsecured (considered doubtful) | 0.11 | | 0.11 | 2.30 | | 2.30 |
| Less : Provisions for Doubtful Advances *1 | 0.11 | | 0.11 | 2.30 | | 2.30 |
| b) DEPOSITS | | | | | | |
| - Unsecured (considered good) | 49.02 | 85.66 | 134.68 | 85.34 | 50.86 | 136.20 |
| - Unsecured (considered doubtful) | - | 0.01 | 0.01 | - | 0.01 | 0.01 |
| Less : Provision against demand raised by Govt.Depts. | - | 36.88 | 36.88 | - | - | - |
| Less : Provision for Doubtful Deposits *2 | - | 0.01 | 0.01 | - | 0.01 | 0.01 |
| c) OTHER LOANS & ADVANCES | | | | | | |
| i) Employees (including accrued interest) | | | | | | |
| - Secured (considered good) | 150.68 | 22.60 | 173.28 | 130.08 | 21.11 | 151.19 |
| - Unsecured (considered good) | 9.05 | 32.02 | 41.07 | 21.94 | 35.55 | 57.49 |
| - Unsecured (considered doubtful) | | 0.02 | 0.02 | | 0.02 | 0.02 |
| ii) Contractor/ supplier/ service provider | | | | | | |
| - Secured (considered good) | - | 0.03 | 0.03 | | 0.30 | 0.30 |
| - Unsecured (considered good) | | | | | | |
| – Against Bank Guarantee | 54.16 | 4.11 | 58.27 | - | 10.09 | 10.09 |
| – Others | - | 14.57 | 14.57 | - | 18.90 | 18.90 |
| - Unsecured (considered doubtful) | - | 45.85 | 45.85 | - | 45.97 | 45.97 |

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NOTE NO. 13 LOANS AND ADVANCES (Contd.)

(₹ in crore)

| PARTICULARS | As at 31st March, 2015 | | | As at 31st March, 2014 | | |
|---|-------------------------|-----------------|-----------------|-------------------------|-----------------|-----------------|
| | Long Term | Short Term | Total | Long Term | Short Term | Total |
| iii) Loan to State Government in settlement of dues from customer - Unsecured (considered good) | 12.68 | 25.36 | 38.04 | 38.04 | 25.36 | 63.40 |
| iv) Advance to Government of Arunachal Pradesh - Unsecured (considered good) | 225.00 | | 225.00 | 225.00 | | 225.00 |
| v) Other Advances - Unsecured (considered good) | 0.09 | 34.68 | 34.77 | 0.14 | 26.60 | 26.74 |
| Less : Provisions for doubtful Other Loans & Advances *3 | - | 45.87 | 45.87 | - | 45.99 | 45.99 |
| Less : Provisions for expenditure awaiting utilization certificate | | 0.20 | 0.20 | - | - | - |
| vi) Advance Income Tax & Tax Deducted at Source | | 1,225.24 | 1,225.24 | | 1,904.78 | 1,904.78 |
| | 1,108.47 | 1,407.19 | 2,515.66 | 1,089.69 | 2,093.55 | 3,183.24 |
| | As on 31.03.2015 | | | As on 31.03.2014 | | |
| | (₹ in crore) | | | (₹ in crore) | | |
| | 0.01 | | | 0.02 | | |

Explanatory Note: -

Loans and Advances due from Directors or other officers at the end of the year

Advance due by Firms or Private Companies in which any Director of the Company is a Director or member amounts to ₹ Nil (Previous Year ₹ Nil).

(₹ in crore)

| DETAILS OF PROVISIONS | As at 31st March, 2015 | | | As at 31st March, 2014 | | |
|--|------------------------|------------|-------|------------------------|------------|-------|
| | Long Term | Short Term | Total | Long Term | Short Term | Total |
| Provisions for Doubtful Capital Advances *1 | | | | | | |
| Opening Balance | 2.30 | - | 2.30 | 0.05 | - | 0.05 |
| Addition during the year | 0.11 | - | 0.11 | 2.25 | - | 2.25 |
| Used during the year | 0.05 | - | 0.05 | - | - | - |
| Reversed during the year | 2.25 | - | 2.25 | - | - | - |
| Closing balance | 0.11 | - | 0.11 | 2.30 | - | 2.30 |
| Provisions for Doubtful Deposits *2 | | | | | | |
| Opening Balance | - | 0.01 | 0.01 | - | 0.01 | 0.01 |
| Addition during the year | - | - | - | - | - | - |
| Used during the year | - | - | - | - | - | - |
| Reversed during the year | - | - | - | - | - | - |
| Closing balance | - | 0.01 | 0.01 | - | 0.01 | 0.01 |

NOTE NO. 13 LOANS AND ADVANCES (Contd.)

(₹ in crore)

| DETAILS OF PROVISIONS | As at 31st March, 2015 | | | As at 31st March, 2014 | | |
|--|------------------------|------------|-------|------------------------|------------|-------|
| | Long Term | Short Term | Total | Long Term | Short Term | Total |
| Provisions for Doubtful Other Loans & Advances *3 | | | | | | |
| Opening Balance | - | 45.99 | 45.99 | - | 45.99 | 45.99 |
| Addition during the year | - | 0.27 | 0.27 | - | - | - |
| Used during the year | - | 0.12 | 0.12 | - | - | - |
| Reversed during the year | - | 0.27 | 0.27 | - | - | - |
| Closing balance | - | 45.87 | 45.87 | - | 45.99 | 45.99 |

NOTE NO. 14.1 OTHER NON-CURRENT ASSETS

(₹ in crore)

| PARTICULARS | As at 31st March, 2015 | As at 31st March, 2014 |
|--|------------------------|------------------------|
| Interest accrued on: | | |
| - Advance to Government of Arunachal Pradesh | 214.22 | 177.96 |
| Deferred Foreign Currency Fluctuation Assets | 421.29 | 713.64 |
| Deferred Expenditure on Foreign Currency Fluctuation | 160.30 | 4.77 |
| | 795.81 | 896.37 |

NOTE NO. 14.2 OTHER NON-CURRENT ASSETS - REGULATORY ASSETS

(₹ in crore)

| Sl. No. | Particulars | As at 1st April, 2014 | Addition | Adjustment* | Amortisation/ Impairment | As at 31st March, 2015 |
|---------|----------------------------|-----------------------|---------------|----------------|--------------------------|------------------------|
| | Regulatory Assets | | | | | |
| i) | Subansari Lower HE Project | - | 521.95 | 1108.44 | - | 1630.39 |
| | Total | - | 521.95 | 1108.44 | - | 1630.39 |
| | Previous year | - | - | - | - | - |

* On account of transition provision to recognise rate regulatory assets in respect of expenditure incurred during the period of interruption of construction activities i.e. from 16.12.2011 to 31.3.2014 by corresponding credit to opening balance of Surplus.

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NOTE NO. 15 CURRENT INVESTMENTS

| Particulars | As at 31st March, 2015 | | | As at 31st March, 2014 | | |
|--|-------------------------------------|---|---------------------|-------------------------------------|---|---------------------|
| | 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) |
| Trade - Unquoted | | | | | | |
| (a) Investment In Equity Instruments | | | | | | |
| Joint Venture Companies (Fully Paid Up) | | | | | | |
| - National Power Exchange Limited | 2188325 | 10 | 2.19 | 2188325 | 10.00 | 2.19 |
| (Provision for diminution in value) | | | (1.06) | | | (1.06) |
| (b) Investment In Bonds (Current maturity of long-term investments) | | | | | | |
| 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 | 56982 | 1000 | 5.70 | 0 | 0 | 0.00 |
| 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 |
| Uttarakhand | 87430 | 1000 | 8.74 | 87430 | 1000 | 8.74 |
| West Bengal | 6722 | 1000 | 0.67 | 6722 | 1000 | 0.67 |
| Total | | | 257.57 | | | 251.87 |
| Unquoted Investments | | | | | | (₹ in crore) |
| Aggregate Cost | | | 258.63 | | | 252.93 |
| Aggregate provision for diminution in value | | | 1.06 | | | 1.06 |
| Valuation as per Accounting Policy no. 6 | | | | | | |

Explanatory Note: -

National Power Exchange Limited (A Joint Venture of the Company) is under liquidation. Accordingly, upto date provision of ₹ 1.06 Cr (Previous Year ₹ 1.06 Cr.) towards the diminution in the value of investment in the said joint venture has been made.



NHPC Limited

(A Government of India Enterprise)

NOTE NO. 16 INVENTORIES

(₹ in crore)

| PARTICULARS | As at 31st March, 2015 | As at 31st March, 2014 |
|--|------------------------|------------------------|
| (Valuation as per Accounting Policy No. 7) | | |
| Stores and Spares | 100.80 | 93.28 |
| Stores in Transit/ Pending Inspection | 2.99 | 1.31 |
| Loose Tools | 1.97 | 2.09 |
| Scrap Inventory | 0.91 | 0.92 |
| Material issued to Contractors/ Fabricators | 0.04 | 0.60 |
| Less: Provision for Obsolescence & Diminution in Value | 23.98 | 25.91 |
| | 82.73 | 72.29 |

(₹ in crore)

| DETAILS OF PROVISIONS | As at 31st March, 2015 | As at 31st March, 2014 |
|---|------------------------|------------------------|
| Provision for Obsolescence & Diminution in Value | | |
| Opening Balance | 25.91 | 25.20 |
| Addition during the year | 0.39 | 3.12 |
| Used during the year | 0.49 | 1.42 |
| Reversed during the year | 1.83 | 0.99 |
| Closing balance | 23.98 | 25.91 |

NOTE NO. 17 TRADE RECEIVABLES

(₹ in crore)

| PARTICULARS | As at 31st March, 2015 | As at 31st March, 2014 |
|--|------------------------|------------------------|
| Trade Receivables outstanding for a period exceeding six months from the date they become due for payment | | |
| - Unsecured - Considered Good | 758.61 | 515.17 |
| - Unsecured - Considered Doubtful | 34.77 | 34.77 |
| Other Trade Receivables | | |
| - Unsecured - Considered Good | 1,738.49 | 1,348.60 |
| Less: Provision for Doubtful Debts | 34.77 | 34.77 |
| | 2,497.10 | 1,863.77 |

Explanatory Note: -

Debt due by Directors or other officers of the company or any of them either severally or jointly with any other person or debts due by Firms or Private Companies respectively in which any Director of the Company is a Partner or a Director or a Member amounts to ₹ Nil (Previous Year ₹ Nil).

(₹ in crore)

| DETAILS OF PROVISIONS | As at 31st March, 2015 | As at 31st March, 2014 |
|-------------------------------------|------------------------|------------------------|
| Provision for Doubtful Debts | | |
| Opening Balance | 34.77 | 43.70 |
| Addition during the year | - | 5.71 |
| Used during the year | - | - |
| Reversed during the year | - | 14.64 |
| Closing balance | 34.77 | 34.77 |

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NOTE NO. 18 CASH AND BANK BALANCES

(₹ in crore)

| PARTICULARS | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---------------------------|---------------------------|
| A Cash and Cash Equivalents | | |
| Cash on hand (includes stamps on hand of ₹ 0.01 crore, Previous Year ₹ 0.01 crore) | 0.15 | 0.19 |
| Cheques, drafts on hand | 14.86 | 15.93 |
| Balances with Banks | | |
| • With Scheduled Banks | | |
| - In current account | | |
| - Self Insurance Fund | - | 0.46 |
| - Others | 74.65 * | 199.37 |
| - In deposits account (Deposits with maturity of three months or less) | 301.98 | 334.63 |
| • With other Banks | | |
| - In current account | | |
| - Bank of Bhutan | 0.02 | 0.01 |
| B Other Bank Balances | | |
| Deposits with maturity of more than three months but less than/upto 12 months | | |
| • With Scheduled Banks | | |
| - Self Insurance Fund | 62.85 | 22.67 |
| - IPO Proceeds | - | 509.09 |
| - Others | 4,875.00 | 4,181.00 |
| Deposit account-Unpaid Dividend / Interest | 92.60 | 40.48 |
| | 5,422.11 | 5,303.83 |

Explanatory Note: -

- 1) Out of the Initial Public Offering (IPO) proceeds of ₹ 6038.55 crore made during financial year 2009-10, sale proceeds of ₹ 2012.85 crore was paid to Ministry of Power, Govt. of India and ₹ 4025.70 crore was retained by the company. Out of ₹ 4025.70 crore, a sum of ₹ 3986.99 crore has been utilised up to 31.03.2015 for re-coupmnt of capital expenditure already incurred from internal accruals on the projects specified for utilisation and ₹ 38.71 crore recouped for meeting IPO expenditure.
- 2) Cash and Bank Balances include ₹ 268.05 crore (Previous Year ₹ 320.63 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.

* includes an amount of ₹ 3.80 crore on account of Self Insurance Fund.



NOTE NO. 19 OTHER CURRENT ASSETS

(₹ in crore)

| PARTICULARS | As at 31st March, 2015 | As at 31st March, 2014 |
|---|------------------------|------------------------|
| a) Interest accrued on: | | |
| Loan to State Government in settlement of dues from Customers | 32.97 | 32.97 |
| Deposits | | |
| - IPO | - | 8.16 |
| - Self Insurance | 18.10 | 16.83 |
| - Other Deposits | 214.34 | 206.55 |
| Others | | |
| - Considered Good | 21.33 | 2.20 |
| - Considered Doubtful | 63.59 | 67.94 |
| Sub-total | 350.33 | 334.65 |
| Less: Provision for Doubtful Interest *1 | 63.59 | 286.74 |
| | | 67.94 |
| b) Receivable on account of Unbilled Revenue | 602.47 | 426.04 |
| c) Receivable from Subsidiaries / JV's | 282.02 | 282.59 |
| d) Interest Receivable from Beneficiaries | 4.37 | 108.04 |
| e) Claims Recoverable | 594.23 | 665.67 |
| Less: Provisions for Doubtful Claims *2 | 261.85 | 332.38 |
| | | 328.81 |
| f) Construction Work in Progress (on behalf of client) | - | 20.75 |
| g) Surplus Assets / Obsolete Assets held for disposal | 1.78 | 2.40 |
| h) Expenditure awaiting adjustment | 37.06 | 37.06 |
| Less: Provision for project expenses awaiting write off sanction *3 | 37.06 | - |
| | | 37.06 |
| i) Losses awaiting write off sanction/pending investigation | 34.40 | 11.17 |
| Less: Provision for losses pending investigation/awaiting write off / sanction *4 | 34.40 | - |
| | | 11.17 |
| j) Others | 0.36 | 0.22 |
| | 1,510.12 | 1,443.61 |

Explanatory Note: -

- Interest accrued on Loan to State Government in settlement of dues from customers includes ₹ 32.97 crore (Previous Year ₹ 32.97 crore) on account of payment of incentive to M/s Delhi Transco Limited. The equivalent amount is appearing as liability under other liabilities in Note-9 (Other Current Liabilities) since the issue of payment of incentive to M/s Delhi Transco has not been resolved yet.
- Receivable on account of Unbilled Revenue represents i) J&K water cess ₹ 216.38 crore (Previous Year ₹ 210.27 crore) ii) Tax Adjustment ₹ 63.04 crore (Previous Year ₹ (-) 10.34 crore) iii) MEA sales ₹ 4.71 crore (Previous Year ₹ 1.72 crore) iv) Other ₹ 318.34 crore (Previous Year ₹ 224.39 crore)
- Receivable from Subsidiaries / JV's mainly includes claim of the company towards capital expenditure incurred on Pakaldul, Kiru & Kawar HE Projects which has been transferred to M/s CVPPPL (a joint venture company of NHPC, JKSPDC and PTC).
- Surplus Assets / Obsolete Assets held for disposal are shown at lower of book value and net realizable value.

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NOTE NO. 19 OTHER CURRENT ASSETS (Contd.)

(₹ in crore)

| DETAILS OF PROVISIONS | As at 31st March, 2015 | As at 31st March, 2014 |
|--|------------------------|------------------------|
| Provisions for Doubtful Interest *1 | | |
| Opening Balance | 67.94 | - |
| Addition during the year | 29.16 | 67.94 |
| Used during the year | - | - |
| Reversed during the year | 33.51 | - |
| Closing balance | 63.59 | 67.94 |
| Provisions for Doubtful Claims *2 | | |
| Opening Balance | 328.81 | 258.84 |
| Addition during the year | 35.75 | 75.75 |
| Used during the year | 28.03 | 0.01 |
| Reversed during the year | 74.68 | 5.77 |
| Closing balance | 261.85 | 328.81 |
| Provision for project expenses awaiting write off sanction *3 | | |
| Opening Balance | 37.06 | 37.06 |
| Addition during the year | - | - |
| Used during the year | - | - |
| Reversed during the year | - | - |
| Closing balance | 37.06 | 37.06 |
| Provision for losses pending investigation / awaiting write off sanction *4 | | |
| Opening Balance | 11.17 | 9.03 |
| Addition during the year | 27.26 | 5.23 |
| Used during the year | 2.03 | 3.03 |
| Reversed during the year | 2.00 | 0.06 |
| Closing balance | 34.40 | 11.17 |

NOTE NO. 20 REVENUE FROM OPERATIONS

(₹ in crore)

| PARTICULARS | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
|--|--|--|
| A SALES | | |
| SALE OF POWER | 6,981.36 | 5,405.60 |
| Less: | | |
| Adjustment for Foreign Exchange Rate Variation | 76.41 | 105.35 |
| Tariff Adjustments | 143.03 | 1.13 |
| Regulated Sales Adjustment | 75.09 | 5.83 |
| Income from generation of electricity – precommissioning (Transferred to EDC Note no. 28) | 0.36 | 8.35 |
| | 6,686.47 | 5,284.94 |
| B ADVANCE AGAINST DEPRECIATION - | | |
| Written back during the year | 50.17 | 50.17 |
| C OTHER OPERATING INCOME | | |
| Interest from Beneficiary States (Revision of Tariff) | 18.08 | 115.54 |
| D REVENUE FROM CONTRACTS, PROJECT MANAGEMENT AND CONSULTANCY WORKS | | |
| Contract Income | 8.88 | 41.32 |
| Revenue from Project Management / Consultancy works | 38.65 | 45.07 |
| | 47.53 | 86.39 |
| TOTAL (A+B+C+D) | 6,802.25 | 5,537.04 |

Explanatory Note: -

- CERC tariff notification for the period 2014-19 has been notified vide notification no No.L-1/144/2013/CERC dt 21st February 2014. However, Pending approval of tariff for the period 2014-19 by Central Electricity Regulatory Commission (CERC), sales have been recognized provisionally as per tariff notified by CERC for the period 2009-14 and taking into account provision towards truing up of capital cost of the power stations in line with CERC tariff regulations 2014. Further for the purpose of recognizing sales, Return on equity (a component of tariff) has been grossed up using effective tax rate for FY 2014-15.
- Sales includes ₹ 18.76 crore (Previous year ₹ 60.50 crore) on account of earlier year sales arising out of finalisation of tariff in current year.
- Sales includes ₹ 86.80 crores (Previous year ₹ 20.09 crores) on account of 'deemed generation' in respect of Chutak and NimmoBazgo Power stations as allowed by 'CERC'.
- Due to non payment of dues by some of the beneficiaries, share of power allocated to them has been regulated in terms of CERC Regulation No.L-1/42/2010-CERC Dated 28th September 2010 and accordingly sales includes an amount of ₹ 122.01 crore (Previous year ₹ 11.01 crore) towards regulated power, which has been sold through bidding at Power Exchange. ibid regulation further provides that margin earned on such sale after adjusting expenditure for effecting sale of regulated power should be passed on to beneficiaries, whose power has been regulated. Accordingly an amount of ₹ 67.50 crore (Previous year ₹ 4.94 crore) has been adjusted against the outstanding dues of those beneficiaries.
- Sales includes ₹ 658.21 crore (Previous year ₹ 502.80 crore) which is yet to be billed.
- Tariff regulation notified by CERC vide notification dated 21.02.2014 inter-alia provides that capital cost considered for fixation of tariff for current tariff period shall be subject to truing up at the end of the tariff period, which may result in increase or decrease in tariff. Accordingly, an amount of ₹ 143.03 crore (Previous year ₹ 1.13 crore) has been provided in the books during the year as an abundant precaution.
- In terms of regulation No. 49 of tariff regulation issued vide Central Electricity Regulatory Commission (CERC) notification No. L-1/144/2013-CERC dated 21.02.2014, deferred tax liabilities for the period upto 31st March 2009 whenever it materializes is recoverable directly from the beneficiaries and are accounted for on yearly basis. Accordingly current year sale includes ₹ 146.11 crore (Previous year ₹ 114.05 crore) on account of deferred tax materialised during the year.

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NOTE NO. 21 OTHER INCOME

(₹ in crore)

| PARTICULARS | | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
|-------------|--|--|--|
| A | Income from Non-Current Investments | | |
| | Trade | | |
| | - Dividend from Subsidiaries | 59.14 | 375.91 |
| | - Dividend -Others | 2.40 | 1.92 |
| | - Interest - Government Securities (8.5% tax free bonds issued by the State Governments) | 38.02 | 59.34 |
| | Non-Trade | | |
| | - Dividend income -Others | 0.02 | 0.10 |
| | - Interest- (Self Insurance Fund) | 65.06 | 60.66 |
| B | Other | | |
| | Interest on | | |
| | - Loan to State Government in settlement of dues from Customers | 4.85 | 7.01 |
| | - Loan to Government of Arunachal Pradesh | 36.27 | 33.27 |
| | - Deposit Account -Self Insurance Fund | 3.62 | 3.97 |
| | - Deposit Account -Other then self insurance fund | 490.31 | 579.20 |
| | - Employee's Loans and Advances | 10.75 | 10.38 |
| | - Others | 74.31 | 75.42 |
| | Late payment Surcharge | 7.84 | 121.57 |
| | Income from sale of Self Generated VERs | - | 0.05 |
| | Realization of Loss Due To Business Interruption | - | 99.99 |
| | Profit on Sale of Assets | 1.11 | 1.05 |
| | Liability/ Provisions not Required Written Back | 111.09 | 40.32 |
| | Others | 36.64 | 43.04 |
| | Exchange Rate Variation | 25.03 | 32.54 |
| | TOTAL | 966.46 | 1,545.74 |
| | Less: Amount transferred to EDC | 83.54 | 63.91 |
| | Less: Amount transferred to Advance Deposit from Client/ Contractees and against Deposit Works | 21.59 | 24.88 |
| | Total carried forward to Statement of Profit & Loss | 861.33 | 1,456.95 |
| | Explanatory Note :- | | |
| | 1) Detail of Liability/Provisions not required written back | | |
| | Provision for Bad and Doubtful Loans / Advances / Deposits | 2.52 | - |
| | Provision for Diminution in value of Stores and Spares | 1.83 | 0.99 |
| | Provision for Bad and Doubtful Debts | - | 14.64 |
| | Provision for Bad and Doubtful Claims | 74.68 | 5.77 |
| | Provision for Losses Pending Investigation / Losses awaiting write off sanction | 2.00 | - |
| | Provision for Wage Revision | 0.04 | - |
| | Provision for PRP/ Incentive | 12.92 | 5.31 |
| | Provision for Committed Capital Expenditure | 0.31 | - |
| | Others | 16.79 | 13.61 |
| | TOTAL | 111.09 | 40.32 |

- 2) Total carried forward to Statement of Profit & Loss includes ₹ 107.02 crore (Previous year ₹ 58.72 crore) relating to Subansiri Lower Project & Teesta Low Dam IV Project as explained in Explanatory Note no 29, para 10 (read with para 23) & para 11 respectively. However Rate Regulatory Assets for an equivalent amount of ₹ 72 crore pertaining to Subansari Lower Project has been recognised in compliance to Guidenance Note on Accounting for Rate Regulated Activities issued by ICAI.



NOTE NO. 22 GENERATION, ADMINISTRATION AND OTHER EXPENSES

(₹ in crore)

| PARTICULARS | For the Year ended 31st March, 2015 | | For the Year ended 31st March, 2014 | |
|---|--|--------|--|--------|
| A GENERATION EXPENSES | | | | |
| Water Usage Charges | | 748.51 | | 630.04 |
| B Consumption of Stores and Spare parts | | 30.40 | | 26.90 |
| C Direct Expenditure on Contract, Project Management and Consultancy Works | | 7.29 | | 23.09 |
| D REPAIRS & MAINTENANCE | | | | |
| - Building | 51.66 | | 45.18 | |
| - Machinery | 39.73 | | 31.01 | |
| - Others | 93.67 | 185.06 | 96.46 | 172.65 |
| E ADMINISTRATION EXPENSES | | | | |
| Rent and Hire charges | 43.25 | | 46.74 | |
| Rates and Taxes | 2.41 | | 4.23 | |
| Insurance | 87.58 | | 64.28 | |
| Utilization of Self Insurance Fund | 5.65 | | 3.97 | |
| Security Expenses | 160.19 | | 146.17 | |
| Electricity Charges | 72.97 | | 106.48 | |
| Travelling and Conveyance | 26.66 | | 20.55 | |
| Expenses on Vehicles | 9.44 | | 10.27 | |
| Telephone, Telex and Postage | 14.67 | | 13.18 | |
| Advertisement and Publicity | 11.10 | | 9.22 | |
| Entertainment and Hospitality Expenses | 0.30 | | 0.37 | |
| Printing and Stationery | 5.34 | | 5.43 | |
| Books & Periodicals | 0.29 | | 0.32 | |
| Consultancy Charges - Indigenous | 10.60 | | 9.01 | |
| Expenses on Compensatory Afforestation/ Catchment Area Treatment/ Environmental Expenses | 5.25 | | 48.04 | |
| Expenditure Incurred on Maintenance / Creation of Facilities not Controlled by Company | 7.66 | | 30.19 | |
| Loss on Sale of Assets | 1.54 | | 0.74 | |
| Losses out of self insurance claims (upto excess clause) | 12.39 | | - | |
| Assets / Claims written off | 0.82 | | 0.16 | |
| Interest on Arbitration/ Court Cases/Statutory demands | 2.91 | | 13.16 | |
| Interest to Beneficiary States | 20.51 | | 9.29 | |
| Rebate to Customers | 11.98 | | 14.69 | |
| Corporate Social Responsibility/ Community Development Expenses | 52.24 * | | 31.88 | |
| Expenditure on Self Generated VERS | - | | 0.01 | |
| Other General Expenses | 83.46 | | 98.39 | |
| Exchange Rate Variation | 5.16 | | 47.33 | |
| Audit Expenses (Refer detail below) | 2.23 | | 2.29 | |
| Directors' expenses | 0.23 | | 0.24 | |
| Expenses for Regulated Power | 7.59 | | 0.89 | |
| Less: - Expenditure Recoverable on Regulated Power | 7.59 | - | 0.89 | - |
| Sub-total | | 656.83 | | 736.63 |

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NOTE NO. 22 GENERATION, ADMINISTRATION AND OTHER EXPENSES (Contd.)

(₹ in crore)

| PARTICULARS | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
|---|--|--|
| F PROVISIONS | | |
| Bad and Doubtful Debts provided | - | 5.72 |
| Bad and Doubtful Advances / Deposits provided | 0.37 | 2.25 |
| Bad and Doubtful Claims / Interest provided | 66.18 | 139.61 |
| Diminution in value of Stores and Spares | 0.39 | 0.63 |
| Provision against Diminution in the value of Investment | - | 0.30 |
| Project expenses provided for | 51.15 | 55.91 |
| Provision for Fixed Assets/ Stores provided for | 25.35 | 2.40 |
| Others | - | 0.01 |
| Sub-total | 143.44 | 206.83 |
| TOTAL (A to F) | 1,771.53 | 1,796.14 |
| Less: Amount transferred to EDC | 110.82 | 180.15 |
| Less: Recoverable from Deposit Works | 0.11 | 0.08 |
| Total carried forward to Statement of Profit & Loss | 1,660.60 | 1,615.91 |

Explanatory Note: -

- The Company's significant leasing arrangements are in respect of operating leases of premises for offices, guest houses & transit camps. These leasing arrangements, which are not non-cancellable, are usually renewable on mutually agreeable terms. Lease payments in respect of premises for offices, guest house & transit camps are shown in Rent.
- Pending notification of revision order by CERC in respect of truing up application filed by the company under CERC notification dated 19.01.2009, an amount of ₹ 20.51 crore (Previous year ₹ 9.29 crore) has been provided in the books during the year ended 31.03.2015 towards Interest to Beneficiary States, which may have to be paid in case of reduction in tariff as a result of said revision order.
- Detail of Audit Expenses are as under: -

(₹ in crore)

| | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
|--|--|--|
| i) Statutory Auditors | | |
| As Auditor | | |
| - Audit Fees | 0.57 | 0.45 |
| - Tax Audit Fees | 0.17 | 0.14 |
| In other Capacity | | |
| - Taxation Matters | 0.01 | 0.01 |
| - Other Matters/services | 0.66 | 0.80 |
| Reimbursement of expenses | 0.69 | 0.74 |
| ii) Cost Auditors | | |
| - Audit Fees | 0.11 | 0.14 |
| - Reimbursement of expenses | 0.01 | 0.01 |
| | 2.22 | 2.29 |
| 4) Total carried forward to Statement of Profit & Loss includes ₹ 68.69 crore (Previous year ₹ 220.70 crore) relating to Subansiri Lower Project & Teesta Low Dam IV Project as explained in Explanatory Note no 29, para 10 (read with para 23) & para 11 respectively. However Rate Regulatory Assets for an equivalent amount of ₹ 62.71 crore pertaining to Subansiri Lower Project has been recognised in compliance to Guidenance Note on Accounting for Rate Regulated Activities issued by ICAI. | | |

* Refer para no. 24 to Note No. 29 for the necessary disclosures relating to expenditure on CSR.



NOTE NO. 23 EMPLOYEE BENEFITS EXPENSE

(₹ in crore)

| PARTICULARS | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
|--|--|--|
| Salaries, Wages, Allowances | 1,162.75 | 1,124.70 |
| Gratuity, Contribution to Provident Fund & Pension Scheme (incl. administration fees) | 189.01 | 183.52 |
| Staff Welfare Expenses | 131.21 | 124.67 |
| Leave Salary & Pension Contribution | - | 0.11 |
| TOTAL | 1,482.97 | 1,433.00 |
| Less: Amount transferred to EDC | 332.94 | 373.66 |
| Less: Recoverable from Deposit Works | 0.80 | 0.67 |
| Total carried forward to Statement of Profit & Loss | <u>1,149.23</u> | <u>1,058.67</u> |

Explanatory Note: -

- 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 ₹ 39.68 crore (Previous year ₹ 38.37 crore) towards lease payments in respect of premises for residential use of employees.

(₹ in crore)

| | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
|---|--|--|
| 2) Gratuity, Contribution to Provident Fund & Pension Scheme include contributions: | | |
| i) towards Employees Provident Fund | 73.59 | 74.19 |
| ii) towards Employees Defined Contribution Superannuation Scheme | 105.09 | 95.22 |
| | <u>178.68</u> | <u>169.41</u> |

- Total carried forward to Statement of Profit & Loss includes ₹ 129.72 crore (Previous year ₹ 107.17 crore) relating to Subansiri Lower Project & Teesta Low Dam IV Project as explained in Explanatory Note no 29, para 10 (read with para 23) & para 11 respectively. However Rate Regulatory Assets for an equivalent amount of ₹ 111.66 crore pertaining to Subansari Lower Project has been recognised in compliance to Guidance Note on Accounting for Rate Regulated Activities issued by ICAI.

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NOTE NO. 24 FINANCE COST

(₹ in crore)

| PARTICULARS | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
|---|--|--|
| A Interest on : | | |
| Government of India loan | 19.90 | 14.22 |
| Bonds | 550.72 | 473.97 |
| Foreign Currency Loan | 33.84 | 45.17 |
| Term Loan | 875.66 | 923.45 |
| Other Interest Charges | - | 7.40 |
| Sub total | 1,480.12 | 1,464.21 |
| B Other Borrowing Cost | | |
| Bond issue/ service expenses | 0.35 | 2.84 |
| Commitment fee | 0.14 | 0.07 |
| Guarantee fee on foreign loan | 25.98 | 28.84 |
| Other finance charges | 4.26 | 4.52 |
| Sub-total | 30.73 | 36.27 |
| C Applicable net gain/ loss on Foreign currency transactions and translation | | |
| Exchange differences regarded as adjustment to interest cost | - | 29.66 |
| Less: Adjustment on account of Foreign Exchange Rate Variation | - | 29.66 |
| Sub-total | - | - |
| Total (A to C) | 1,510.85 | 1,500.48 |
| Less: Amount transferred to EDC | 331.08 | 478.08 |
| Total carried forward to Statement of Profit & Loss | 1,179.77 | 1,022.40 |

Explanatory Note: -

Total carried forward to Statement of Profit & Loss includes ₹ 460.97 crore (Previous year ₹ 483.73 crore) relating to Subansiri Lower Project & Teesta Low Dam IV Project as explained in Explanatory Note no 29, para 10 (read with para 23) & para 11 respectively. However Rate Regulatory Assets for an equivalent amount of ₹ 406.83 crore pertaining to Subansiri Lower Project has been recognised in compliance to Guidenace Note on Accounting for Rate Regulated Activities issued by ICAI.

NOTE NO. 25 DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in crore)

| PARTICULARS | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
|--|--|--|
| Depreciation & Amortization Expenses | 1,451.42 | 1,247.67 |
| Adjustment on account of Foreign Exchange Rate Variation | (4.03) | (12.27) |
| TOTAL | 1,447.39 | 1,235.40 |
| Less: Amount transferred to EDC | 21.52 | 24.64 |
| Total carried forward to Statement of Profit & Loss | 1,425.87 | 1,210.76 |

Explanatory Note: -

Total carried forward to Statement of Profit & Loss includes ₹ 9.00 crore (Previous year ₹ 8.08 crore) relating to Subansiri Lower Project & Teesta Low Dam IV Project as explained in Explanatory Note no 29, para 10 (read with para 23) & para 11 respectively. However Rate Regulatory Assets for an equivalent amount of ₹ 8.42 crore pertaining to Subansiri Lower Project has been recognised in compliance to Guidenace Note on Accounting for Rate Regulated Activities issued by ICAI.



NOTE NO. 26 PRIOR PERIOD ITEMS (NET)

(₹ in crore)

| PARTICULARS | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
|--|--|--|
| INCOME | | |
| Interest/Surcharge from Debtors | - | (12.79) |
| Others | 71.17 | 4.52 |
| Sub-total (A) | 71.17 | (8.27) |
| EXPENDITURE | | |
| Salary & Wages | 14.72 | 0.23 |
| Repair & Maintenance | (0.29) | 0.92 |
| Finance Cost | - | (0.22) |
| Depreciation & Amortization | 0.51 | 1.92 |
| Others | 0.41 | 496.45 |
| Sub-total (B) | 15.35 | 499.30 |
| Total Prior Period Expenditure (C) = (B - A) | (55.82) | 507.57 |
| Less: Amount transferred to EDC | | |
| Prior period expenses | 0.30 | 3.79 |
| Less Prior period income | 0.01 | (0.59) |
| Sub-total (D) | 0.29 | 4.38 |
| Total carried forward to Statement of Profit & Loss (C-D) | (56.11) | 503.19 |

Explanatory Note: -

- Others under the head Income includes a sum of ₹ 70.84 crores which is a reversal of provision made in the FY 2009-10 in respect of Dhauliganga Power Station.
- Total carried forward to Statement of Profit & Loss includes ₹ 4.32 crore (Previous year ₹ 506.73 crore) relating to Subansiri Lower Project & Teesta Low Dam IV Project as explained in Explanatory Note no 29, para 10 (read with para 23) & para 11 respectively. However Rate Regulatory Assets for an equivalent amount of ₹ 4.32 crore pertaining to Subansari Lower Project has been recognised in compliance to Guidance Note on Accounting for Rate Regulated Activities issued by ICAI.

NOTE NO. 27 TAX EXPENSES

(₹ in crore)

| PARTICULARS | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
|--|--|--|
| CURRENT TAX | | |
| Income Tax Provision | 583.42 | 251.62 |
| Adjustment Relating To Earlier Years | 74.51 | 46.68 |
| Deferred Tax Liability/(Asset) | 36.06 | 230.69 |
| Less: Recoverable for tariff period upto 2009 | (83.21) | (75.28) |
| Less: Deferred Tax Adjustment Against Deferred Tax Liabilities | 75.50 | - |
| Total carried forward to Statement of Profit & Loss | 701.70 | 604.27 |

Explanatory Note: -

CERC Regulations for tariff period 2014-19 provides for recovery of income tax from the beneficiaries by way of grossing up of return on equity with effective tax rate of the respective financial year i.e. actual tax paid during the year on the generating income. Deferred tax liability provided for the year on generating income amounting to ₹ 75.50 crore is accordingly accounted for as deferred tax adjustment against deferred tax liability as the same would get adjusted in effective tax rate in future period and the same is presented as a deduction from the deferred tax liability.

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NOTE NO. 28 EXPENDITURE DURING CONSTRUCTION (EDC) FORMING PART OF CAPITAL WORK IN PROGRESS FOR THE YEAR

(₹ in crore)

| PARTICULARS | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
|--|--|--|
| A EMPLOYEE BENEFITS EXPENSE | | |
| Salaries, Wages, Allowances | 124.38 | 153.93 |
| Gratuity and Contribution to Provident Fund | 20.42 | 24.77 |
| Staff Welfare Expenses | 10.19 | 10.64 |
| Leave Salary & Pension Contribution | - | 0.11 |
| Sub-total | 154.99 | 189.45 |
| B REPAIRS & MAINTENANCE | | |
| Building | 3.13 | 3.91 |
| Machinery | 0.06 | 0.33 |
| Others | 3.10 | 5.21 |
| Sub-total | 6.29 | 9.45 |
| C ADMINISTRATION & OTHER EXPENSES | | |
| Rent | 8.58 | 12.45 |
| Rates and Taxes | 0.09 | 10.35 |
| Insurance | 0.13 | 1.16 |
| Security Expenses | 15.52 | 19.13 |
| Electricity Charges | 4.71 | 5.36 |
| Travelling and Conveyance | 2.67 | 2.57 |
| Expenses on Vehicles | 1.28 | 1.54 |
| Telephone, Telex and Postage | 2.48 | 2.69 |
| Advertisement and Publicity | 0.24 | 0.57 |
| Printing and Stationery | 0.51 | 0.74 |
| Design and Consultancy charges - Indigenous | 1.75 | 1.33 |
| Expenses on Compensatory Afforestation / Catchment Area Treatment / Environmental Expenses | 4.59 | 13.60 |
| Expenditure Incurred on Maintenance / Creation of Facilities not Controlled by Company | 5.76 | 26.85 |
| Losses on Sale of Assets | - | 0.01 |
| Remuneration to Auditors | - | 0.02 |
| Exchange Rate Variation (Debit) | 3.51 | 15.46 |
| Other General Expenses | 6.90 | 7.96 |
| Sub-total | 58.72 | 121.79 |
| D FINANCE COST | | |
| Interest on : | | |
| Bonds | 100.32 | 90.22 |
| Term Loan | 230.11 | 382.30 |
| Bond Issue/ Service Expenses | 0.18 | 3.32 |
| Other Finance Charges | 0.46 | 2.21 |
| Sub-total | 331.07 | 478.05 |



NHPC Limited

(A Government of India Enterprise)

(₹ in crore)

| PARTICULARS | | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
|-------------|---|--|--|
| E | PROVISIONS | 30.67 | 27.06 |
| | Sub-total | 30.67 | 27.06 |
| F | DEPRECIATION AND AMORTISATION EXPENSES | 17.30 | 20.72 |
| | Sub-total | 17.30 | 20.72 |
| G | PRIOR PERIOD ITEMS | | |
| | Prior Period Expenses | 0.31 | 3.69 |
| | Less: Prior Period Income | 0.01 | (0.59) |
| | Sub-total | 0.30 | 4.28 |
| H | Corporate Office/Regional Office Expenses: | | |
| | Other Income | (2.68) | (2.68) |
| | Generation, Administration and Other Expenses | 15.13 | 21.85 |
| | Employee Benefits Expense | 177.95 | 184.21 |
| | Depreciation & Amortisation Expenses | 4.22 | 3.92 |
| | Finance Cost | 0.01 | 0.03 |
| | Provisions | 0.01 | - |
| | Prior Period Items (Net) | (0.01) | 0.10 |
| | Sub-total | 194.63 | 207.43 |
| I | LESS: RECEIPTS AND RECOVERIES | | |
| | a) Income from generation of electricity – Precommissioning | 0.36 | 8.35 |
| | b) Others | | |
| | Interest on Loans and Advances | 40.55 | 38.09 |
| | Miscellaneous Receipts | 2.13 | 7.70 |
| | Exchange Rate Variation (Credit) | 2.88 | 12.86 |
| | Provision/Liability not Required Written Back | 35.13 | 2.23 |
| | Hire Charges -Plant and Machinery | 0.17 | 0.35 |
| | Sub-total | 81.22 | 69.58 |
| | GRAND TOTAL (A+B+C+D+E+F+G+H-I) | 712.75 | 988.65 |

NOTE NO. : 29 – OTHER EXPLANATORY NOTES TO ACCOUNTS

1. Disclosure relating to Contingent Liabilities:-

a) Claims against the Company not acknowledged as debts in respect of:

(i) Capital works

Contractors have lodged claims aggregating to ₹ 9014.70 crore (previous year ₹ 8,752.57 crore) against the Company on account of rate & quantity deviation, cost relating to extension of time and idling charges due to stoppage of work/delays in handing over the site etc. These claims are being contested by the company as being not admissible in terms of provisions of the respective contracts or are lying at arbitration tribunal/other forums/under examination with the Company. It includes ₹ 1,491.31 crore (previous year ₹ 761.66 crore) towards arbitration awards including updated interest thereon, against the Company, which have been challenged/decided to be challenged in the Court of Law.

The Management has assessed the above claims and recognized a provision of ₹ 429.61 crore (previous year ₹ 154.56 crore) based on probability of outflow of resources embodying economic benefits and estimated ₹ 8,207.65 crore (previous year ₹ 8,598.01 crore) as the amount of contingent liability i.e. amounts for which Company may be held contingently liable. In respect of such estimated contingent claims either outflow of resources embodying economic benefits is not probable or a reliable estimate of the amount required for settling the obligation cannot be made. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered as remote.

(ii) Land Compensation cases

In respect of land acquired for the projects, some of the land losers have filed claims for higher compensation amounting to ₹ 47.53 crore (previous year ₹ 40.28 crore) before various authorities/courts. Pending settlement, the Company has assessed and provided an amount of ₹ 35.16 crore (previous year ₹ 28.63 crore) based on probability of outflow of resources embodying economic benefits and estimated ₹ 12.37 crore (previous year ₹ 11.65 crore) as the amount of contingent liability as outflow of resources is considered as not probable. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered as remote.

(iii) Disputed Tax Demands

Disputed Income Tax/Sales Tax/Service Tax/ other taxes/duties matters pending before various appellate authorities amount to ₹ 307.95 crore (previous year ₹ 337.51 crore). Pending settlement, the Company has assessed and provided an amount of ₹ 25.40 crore (previous year ₹ 7.78 crore) based on probability of outflow of resources embodying economic benefits and rest of the claims i.e. ₹ 282.26 crore (previous year ₹ 329.73 crore) are being disclosed as contingent liability as outflow of resources is considered not probable. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered as remote.

(iv) Others

Claims on account of other matters amount to ₹ 655.15 crore (previous year ₹ 417.47 crore). These claims are pending before various forums. Pending settlement, the Company has assessed and provided an amount of ₹ 28.94 crore (previous year ₹ Nil crore) based on probability of outflow of resources embodying economic benefits and estimated ₹ 624.43 crore (previous year ₹ 417.47 crore) as the amount of contingent liability as outflow of resources is considered as not probable. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered as remote.

The above is summarized as below:

(₹ in crore)

| S. No. | Particulars | Claims as on 31.03.2015 | Provision against the claims | Contingent liability as on 31.03.2015 | Contingent liability as on 31.03.2014 | Addition of contingent liability for the year |
|--------|----------------------|-------------------------|------------------------------|---------------------------------------|---------------------------------------|---|
| 1. | Capital Works | 9014.70 | 429.61 | 8207.65 | 8598.01 | (390.36) |
| 2. | Land Compensation | 47.53 | 35.16 | 12.37 | 11.65 | 0.72 |
| 3. | Disputed tax matters | 307.95 | 25.40 | 282.26 | 329.73 | (47.47) |
| 4. | Others | 655.15 | 28.94 | 624.43 | 417.47 | 206.96 |
| | Total | 10025.33 | 519.11 | 9126.71 | 9356.86 | (230.15) |

- (b) The above contingent liabilities do not include contingent liabilities on account of pending cases in respect of service matters & others where the amount cannot be quantified.
- (c) It is not practicable to ascertain and disclose the uncertainties relating to outflow in respect of contingent liabilities.
- (d) There is possibility of reimbursement to the company of ₹ 240.85 crore (previous year ₹ 52.24 crore) towards above contingent liabilities.
- (e) An amount of ₹ 53.19 crore (previous year ₹ 10.86 crore) stands paid towards above contingent liabilities to contest the cases and is being shown as Current Assets.

The company's management does not reasonably expect that the above claims/obligations (including under litigation), when ultimately concluded and determined, will have a material and adverse effect on the company's results of operations or financial condition.

2. Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 3560.38 crore (Previous year ₹ 3,473.95 crore).
3. Pending approval of competent authority, provisional payments / provisions made towards executed quantities of works of some of the items beyond the approved quantities as also for extra items totalling to ₹ 42.71 crore (Previous year ₹ 38.61 crore) are included in Capital Work-in-Progress/Fixed Asset.
4.
 - a) Balances shown under material issued to contractors, claims recoverable including insurance claims, advances for Capital expenditure, Sundry Debtors, Advances to Contractors, Sundry Creditors and Deposits/Earnest money from contractors are subject to reconciliation/ confirmation and respective consequential adjustments. Claims recoverable also include claims in respect of projects handed over or decided to be handed over to other agencies in terms of Government of India directives. Trade receivables of ₹ 2497.10 crore are outstanding as on 31.03.2015. In the opinion of the management, an amount of ₹ 1714.86 crore was reconciled periodically during the year and unconfirmed balance will not have any material impact.
 - 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 the year, following accounting policies have been modified/deleted:

(₹ in crore)

| Policy No. | Description | Impact on Profit for the year |
|------------|--|--|
| 2.5 | Policy deleted due to presentation of Fixed Assets declared surplus/awaiting disposal action in "Other current assets" instead of presenting them as Fixed Assets. | No impact |
| 5.2.3 | Policy on charging of depreciation in respect of items for which the Company assessed rates are used. The policy has been changed to adopt the useful life and residual value as per Schedule-II of the Companies Act, 2013 with effect from 01.04.2014. | (0.69) |
| 5.3 | Policy on charging of depreciation in respect of items (excluding immovable assets) with written down value of ₹ 5000/- or less at the beginning of the year are fully depreciated during the year with ₹ 1/- as WDV. | 0.58 |
| 7.3 | Policy on writing off loose tools in use having value of ₹ 5000/- or more have been deleted. | (0.10) |
| 9.3 | Policy on expenses on Ex-gratia payments & Notice Pay under Voluntary Retirement Scheme has been deleted. | No impact as the policy was redundant. |

Besides above, certain other accounting policies have been reworded/re-classified for the purpose of better disclosure which has no impact on profit.

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6. Significant Accounting policy No. 2.3.4 (4.4 of FY 2013-14), which was introduced during FY 2013-14, has been referred to Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) for its opinion. Pending receipt of opinion, the same accounting treatment has been continued and an amount of ₹ 173.61 crore (Previous year ₹ 167.85 crore) has been capitalised/charged to Expenditure during construction till 31.03.2015 as per ibid policy.
7. The Ministry of Environment, Forests & Climate Change (MoEF & CC) vide letter No. F.No.8-85/2011-FC dated 15.04.2015 has accorded the in-principle approval for diversion of forest land for construction of Dibang Multipurpose Project (3000 MW). Further, Environment clearance to the Project has been accorded by MoEF & CC vide letter dated 19.05.2015. In view of above, a sum of ₹ 169.47 crore incurred on the Project is being carried forward as Capital Work in Progress.
8. Kotlibhel-1A project is one of the 24 hydro-electric projects located in the State of Uttarakhand which is covered by the order dated 13.08.2013 of Hon'ble Supreme Court of India directing MoEF not to grant these projects environmental/forest clearance until further order and to examine the significant impact on the bio-diversity of Alaknanda & Bhagirathi river basin. Pending adjudication about the fate of this project, the expenditure incurred upto the date of the above order amounting to ₹ 125.53 crore has been kept under capital work in progress. However, subsequent expenditure incurred on this project has been provided for.
9. Board of Directors in its meeting held on 20.03.2014 discussed that the viability of Bursar HE Project is dependent upon financial support from Govt. of India and Govt. of Jammu & Kashmir. Ministry of Power (MoP), Govt. of India, was approached to provide funding of Survey & Investigation Expenditure of Bursar Project to make it viable. As advised by the MoP, Ministry of Water Resources (MoWR) was approached to provide funds. In the meeting held in MoWR on 27.04.2015, it has been informed by representatives of MoWR that the request of NHPC for release of funds for preparation of DPR is under consideration for approval of Govt. of India. Accordingly, the preliminary investigations of the project are continued and the expenses of ₹ 177.07 crore incurred thereon are being carried forward as Capital Work in Progress.
10. Construction activities at site of Subansiri Lower Project have been interrupted w.e.f. 16.12.2011 due to protest of anti dam activists. Technical and administrative work is however continuing. Management is making all out efforts to restart the work at site. In line with the opinion of Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), borrowing cost of ₹ 406.83 crore (up to previous year ₹ 766.90 crore) and administration and other cost of ₹ 115.12 crore (up to previous year ₹ 341.54 crore) have been charged to the Statement of Profit & Loss.

The company has, however, adopted the accounting as per Guidance Note on Rate Regulated Activities issued by the Institute of Chartered Accountants of India which allows recognition of 'Regulatory Asset' and corresponding 'Regulatory Income' of the right to recover such expense which are not allowed to be capitalized as part of cost of relevant fixed asset in accordance with the Accounting Standards, but are nevertheless permitted by Central Electricity Regulatory Commission (CERC), the regulator, to be recovered from the beneficiaries in future through tariff. (Detailed disclosure as per the ibid Guidance Note is given at para no. 23 below of this Note.)

11. Active construction work at Teesta Low Dam-IV project, which was interrupted due to stoppage of work by one of the contractors w.e.f. 20.03.2013, has resumed on 01.11.2014. Accordingly, borrowing cost and administrative & other cost amounting to ₹ 43.72 crore for the period from 01.04.2014 upto 31.10.2014 (previous financial year ₹ 156.79 crore) has been charged to the Statement of Profit & Loss.
12. The company, under mega insurance policy, has lodged insurance claim, as on date amounting to ₹ 191.58 crore and ₹ 291.56 crore towards Loss of Assets and Business Interruption Loss respectively, in respect of Dhauliganga Power Station, where generation was shut down due to flash floods during June, 2013. Till date, interim payment of ₹ 70.10 crore towards loss of assets and ₹ 99.99 crore towards Business Interruption loss has been received. Loss beyond excess clause, if any, to be borne by the company shall be determined after receipt of the final survey report and impact thereof shall be accounted for accordingly.
13. On 20th November 2014, accidental fire broke out in the transformer cavern of Uri-II Power Station (240 MW) causing major damages to Electro & Mechanical Equipments and Civil Structures in power house area, resulting in stoppage of generation. Assets of the power station and business interruption loss are covered under mega insurance policy. However, losses upto excess clause as well as beyond the provisions of the insurance policy amounting to ₹ 28.26 crore have been accounted for on estimated basis. Further losses, if any, to be borne by the company shall be determined after receipt of the final survey report and impact thereof shall be accounted for accordingly. Restoration work for resumption of generation by the Power Station are underway.

14. The disclosure under Accounting Standard – 7 on Construction Contracts are as under:

(₹ in crore)

| Sl. | Particulars | 31.03.2015 | 31.03.2014 |
|-----|--|------------|------------|
| 1. | Aggregate amount of costs incurred and recognised profits (less recognised losses) on contracts in progress upto reporting date. | 409.32 | 415.65 |
| 2. | Amount of advances received. | 411.55 | 422.01 |
| 3. | Amount of retention. | Nil | Nil |
| 4. | The gross amount due from customers for contract works as an asset. | Nil | 8.82 |
| 5. | The gross amount due to customers for contract works as a liability. | Nil | 6.30 |

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

(₹ in crore)

| | | For the year ended 31.03.2015 | For the year ended 31.03.2014 |
|-------|--|----------------------------------|----------------------------------|
| (i) | Amount charged to Statement of Profit & Loss excluding depreciation (as FERV) | (20.50) | 0.60 |
| (ii) | Amount charged to Statement of Profit & Loss excluding depreciation (as Borrowing Cost)* | - | 29.65 |
| (iii) | Amount charged to Expenditure During Construction (as FERV) | 0.63 | 14.19 |
| (iv) | Amount charged to Capital work-in-progress (as FERV) | 1.28 | (0.02) |
| (v) | Amount adjusted by addition to the carrying amount of fixed assets | 215.94 | - |

* There is however no impact on profitability of the Company, as the impact of change in foreign exchange rates is recoverable from beneficiaries in terms of prevailing CERC (terms & conditions of tariff) Regulations. The exchange rate variation for the year is transferred to deferred foreign currency fluctuation assets (recoverable from beneficiaries) as per opinion of EAC of ICAI.

16. Disclosure as required by Accounting Standard-15 on 'Employee Benefits':

General description of various employee benefit schemes are as under:

A. Provident Fund

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

B. Social Security Scheme

The Company has a Social Security Scheme in lieu of compassionate appointment. The Company also makes a matching contribution per month per employee and such contribution is to be made for 8 years to build up corpus from the date the scheme is in operation i.e. 01.06.2007. The scheme has been created to take care of and helping bereaved families in the event of death or permanent total disability of its employee.

C. Employees Defined Contribution Superannuation Scheme

The Company has an employee defined contribution superannuation scheme for providing pension benefits to employees. As per the scheme, each employee contributes @ 5% of Basic Pay & Dearness Allowance. The company contributes to the extent of balance available after deducting employers' contribution to Provident Fund, contribution to Gratuity trust and REHS, from the amount worked out @ 30% of the Basic Pay & DA. The Scheme is managed by Life Insurance Corporation of India.

D. Gratuity

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹ 0.10 crore, on superannuation, resignation, termination, disablement or on death. The plan is being managed by a separate Trust created for the purpose and obligation of the company is to make contribution to the Trust based on actuarial valuation.

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E. Leave

The Company provides for earned leave and half-pay leave to the employees which accrue annually @ 30 days and 20 days respectively. The maximum ceiling of encashment of earned leave is limited to 300 days. However, any shortfall in the maximum limit of 300 days in earned leave on superannuation shall be regulated as per the clarification issued by the Department of Public Enterprises (DPE), Government of India. The liability for the same is recognised on the basis of actuarial valuation.

F. Retired Employee Health Scheme (REHS)

The Company has a Retired Employee Health Scheme, under which retired employee and spouse of retiree, spouse and eligible dependent children of deceased employees are provided medical facilities in the Company hospitals / empanelled hospitals. They can also avail treatment as Out-Patient subject to a ceiling fixed by the Company. The liability for the same is recognised on the basis of actuarial valuation.

G. Allowance on Retirement / Death

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

H. Memento to employees on attaining the age of superannuation.

The Company has a policy of providing Memento valuing ₹ 5000/- to employee on superannuation. The liability for the same is recognised on the basis of actuarial valuation.

Schemes described as above at A, B, C & D are funded and rest are unfunded.

Summary of various defined benefits as on 31.03.2015 is as under:

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

| Particular | 31.03.2015 | 31.03.2014 |
|--|----------------|----------------|
| Mortality Table | IALM (2006-08) | IALM (2006-08) |
| Discount rate | 8.00% | 8.50% |
| Future Salary Increase | 6.00% | 6.50% |
| Expected rate of return on plan assets | 8.00% | 8.00% |

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

(₹ in crore)

| Particular | Gratuity | Leave Encashment | Retired Employee Health Scheme |
|--|----------------------|----------------------|--------------------------------|
| | Funded | Unfunded | |
| Present Value of Obligation at beginning of year | 622.65 {604.44} | 401.35 {361.00} | 447.51 {383.82} |
| Interest cost | 52.93 {48.35} | 34.11 {28.88} | 38.04 {30.71} |
| Current service cost | 25.29 {25.31} | 18.29 {18.09} | 10.10 {9.50} |
| Benefit paid | (73.44) {(50.37)} | (75.13) {(57.19)} | (8.58) {(7.00)} |
| Actuarial (Gain)/loss | (11.73) {5.08} | 26.15 {50.57} | 28.65 {30.48} |
| Present Value of Obligation at end of year | 615.70 {622.65} | 404.77 {401.35} | 515.72 {447.51} |

Table 3:- Change in the fair value of plan assets

(₹ in crore)

| Particular | Gratuity (Funded) |
|--|----------------------|
| Fair value of plan assets at the beginning of the year | 636.58 {618.41} |
| Expected return on plan assets | 50.93 {49.47} |
| Contribution | - {-} |
| Withdrawal from fund | (50.04) {(38.00)} |
| Actuarial gain/(loss) on plan assets | 6.80 {6.70} |
| Fair value of plan assets at the end of the year | 644.27 {636.58} |

Table 4:-Amount recognised in Balance Sheet

(₹ in crore)

| Particular | Gratuity | Leave Encashment | Retired Employee Health Scheme |
|---|------------------------|------------------------|--------------------------------|
| | Funded | Unfunded | |
| Present Value of Obligation at end of year | 615.70 {622.65} | 404.77 {401.35} | 515.71 {447.51} |
| Fair Value of plan assets at the end of year | 644.27 {636.58} | - {-} | - {-} |
| Funded Status | 28.57 {13.92} | (404.77) {(401.35)} | (515.71) {(447.51)} |
| Unrecognized actuarial gain/loss | - {-} | - {-} | - {-} |
| Net Liability/ Asset(-) recognized in Balance Sheet | (-)28.57 {(-)13.92} | 404.77 {401.35} | 515.71 {447.51} |

Table 5:-Amount recognised in Statement of Profit & Loss /EDC Account

(₹ in crore)

| Particular | Gratuity | Leave Encashment | Retired Employee Health Scheme |
|--|----------------------|------------------|--------------------------------|
| Current Service Cost | 25.29 {25.31} | 18.29 {18.09} | 10.10 {9.50} |
| Interest Cost | 52.93 {48.35} | 34.11 {28.88} | 38.04 {30.71} |
| Expected return on Plan Assets | (50.93) {49.47} | - {-} | - {-} |
| Net Actuarial (gain) / loss recognized for the year | (18.53) {(11.78)} | 26.15 {50.57} | 28.65 {30.48} |
| Expense recognized in Profit & Loss/EDC for the year | 8.76 {12.41} | 78.55 {97.54} | 76.79 {70.69} |

Note: { } contains previous year's figures.

Liabilities as on 31.03.2015 on account of Baggage Allowance on retirement & Memento are ₹ 4.95 crore & ₹ 2.75 crore (Previous year ₹ 5.04 crore & ₹ 2.96 crore) respectively.

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17. a) Electricity generation is the principal business activity of the Company. Other operations viz., Contracts, Project Management and Consultancy works do not form a reportable segment as per the Accounting Standard-17 on 'Segment Reporting'.

b) The Company is having a single geographical segment as all its Power Stations are located within the Country.

18. In compliance of Accounting Standard-18 on 'Related Party Disclosures', the required information is as under: -

a) Related Parties

(i) Joint Venture Companies

National Power Exchange Ltd. (The Company is under liquidation).

(ii) Key Management Personnel

| | |
|-------------------------|--|
| Shri R.S.T.Sai | Assumed additional charge of the post of CMD w.e.f. 08.06.2014 in addition to his own duties as CMD, THDC India Ltd. |
| Shri G. Sai Prasad | Former Joint Secretary, Ministry of Power. Held additional charge of CMD of the Company from 24.07.2012 to 07.06.2014. Ceased to be a director on the Board w.e.f. 08.06.2014. |
| Shri D. P. Bhargava | Director (Technical). |
| Shri R. S. Mina | Director (Personnel). Additional charge of Director (Finance) from 15.09.2014 to 26.05.2015. |
| Shri Jayant Kumar | Director (Finance) w.e.f. 26.05.2015. |
| Shri Vijay Gupta | Company Secretary. |
| Shri A. B. L.Srivastava | Director (Finance) up to 15.09.2014. |
| Shri J. K. Sharma | Director (Projects) up to 11.03.2015. |

Remuneration to key management personnel (excluding CMD) for the current year is ₹ 2.21crore (corresponding previous year ₹ 2.08 crore).

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

19. Earnings Per Share:-

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

| | For the year ended 31.03.2015 | For the year ended 31.03.2014 |
|--|----------------------------------|----------------------------------|
| Net Profit after Tax used as numerator (₹ in crore) | 2124.47 | 978.79 |
| Weighted Average number of equity shares used as denominator | 1107,06,68,496 | 1198,05,86,454 |
| Earnings per Share (₹) – Basic & Diluted | 1.92 | 0.82 |
| Face value per share (₹) | 10 | 10 |

20. a) Interest in Joint Ventures:

| Name of Companies | Proportion of Ownership interest as at | |
|--|--|------------|
| | 31.03.2015 | 31.03.2014 |
| National High Power Test Laboratory (P) Ltd. | 21.63% | 20% |
| National Power Exchange Ltd.* | 16.67% | 16.67% |
| Chenab Valley Power Projects Private Ltd. | 49.98% | 49.98% |

* The Company is under liquidation.

- b) The above joint venture entities are incorporated in India. The Company's share of the assets and liabilities as on 31st March 2015 and income and expenses for the financial year ended 31.03.2015 in respect of joint venture entities are based on audited accounts which are given below:

(₹ in crore)

| | | 31.03.2015 | 31.03.2014* |
|---|---------------------------------|------------|-------------|
| A | Assets | 303.21 | 278.53 |
| B | Liabilities | 179.91 | 155.71 |
| C | Contingent Liabilities | 0.67 | 1.62 |
| D | Capital Commitments | 28.53 | 43.18 |
| E | Expenditure in Foreign Currency | 0.45 | - |

(₹ in crore)

| | | For the Year 2014-15 | For the year 2013-14* |
|---|-------------|-------------------------|--------------------------|
| A | Income | 0.09 | 5.74 |
| B | Expenditure | 1.32 | 0.12 |

* Previous year figure in respect of M/s National Power Exchange Ltd. are unaudited.

21. The management is of the opinion that no case of impairment of assets exists under the provisions of Accounting Standard (AS)-28 on "Impairment of Assets" as at 31st March, 2015.
22. Other disclosures as per Schedule-III of the Companies Act, 2013 are as under:-

(₹ in crore)

| | Particulars | For the year ended 31.03.2015 | For the year ended 31.03.2014 |
|-----|--|-------------------------------------|-------------------------------------|
| a)* | Value of imports calculated on CIF basis: | | |
| | (i) Capital Goods | 8.78 | 5.73 |
| | (ii) Spare parts | - | 3.59 |
| b)* | Expenditure in Foreign Currency | | |
| | (i) Know - How | - | - |
| | (ii) Interest | 33.84 | 45.17 |
| | (iii) Other Misc. Matters | 154.37 | 216.18 |
| c)* | Value of spare parts and Components consumed in operating units. | | |
| | (i) Imported | - | - |
| | (ii) Indigenous | 30.40(100%) | 26.90(100%) |
| d)* | Earnings in foreign currency | | |
| | (i) Interest | - | - |
| | (ii) Others | - | 0.05 |

* Accrual basis.

23. Disclosure relating to creation of Rate Regulated Assets & recognition of Rate Regulated Income as per the 'Guidance Note on Accounting for Rate Regulated Activities' issued by the Institute of Chartered Accountants of India (ICAI) :

The company is engaged in construction & operation of hydro electric power projects. The price (tariff) to be charged by the company for electricity sold to its customers, is determined by Central Electricity Regulatory Commission (CERC) under applicable CERC (terms & conditions of tariff) Regulations. The said price (tariff) is based on allowable costs like interest costs, depreciation, operation & maintenance including a stipulated return. This form of rate regulation is known as cost-of-service regulations. The basic objective of such regulations is to give the entity the opportunity to recover its costs of providing the good or service plus a fair return.

For the purpose, the company is required to make an application to CERC based on capital expenditure incurred duly certified by the Auditors or already admitted by CERC or projected to be incurred upto date of commercial operation and additional capital expenditure duly certified by the Auditor or projected to be incurred during tariff year. The tariff determined by CERC is recovered from the customers (beneficiaries) on whom the same is binding.

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The above rate regulation does result into creation of right (asset) or an obligation (liability) as envisaged in the accounting framework which is not the case in other industries. The ICAI has issued a Guidance Note on accounting for Rate Regulated Activities, which is applicable to entities that provide goods or services whose prices are subject to cost-of-service regulations and the tariff determined by the regulator is binding on the customers (beneficiaries). As per guidance note, a regulatory asset is recognised when it is probable (a reasonable assurance) that the future economic benefits associated with it will flow to the entity as a result of the actual or expected actions of the regulator under applicable regulatory framework and the amount can be measured reliably.

As explained above, all operating activities of the Company are subject to cost-of-service regulations as it meets the criteria set out in the guidance note hence it is applicable to the Company. Though the Guidance Note is effective from 01.04.2015, the Company has opted to adopt it from the Financial Year 2014-15, since earlier adoption is permitted.

The guidance note also provides that in some cases, a regulator permits an entity to include in the rate base, as part of the cost of self-constructed (tangible) fixed assets or internally generated intangible assets, amounts that would otherwise be recognised as expense in the statement of profit and loss in accordance with Accounting Standards. After the construction is completed, the resulting cost is the basis for depreciation or amortisation and unrecovered investment for rate determination. A regulatory asset is to be recognised by the entity in respect of such costs since the same is recoverable from the customers (beneficiaries) in future through tariffs.

As stated in para 10 above, the borrowing cost of ₹ 406.83 crore (up to previous year ₹ 766.90 crore) and administration and other cost of ₹ 115.12 crore (up to previous year ₹ 341.54 crore) incurred on 'Subansiri Lower Project', wherein the active construction is interrupted since 16.12.2011, have been charged to the Statement of Profit & Loss in compliance of provision of Accounting Standard 10, Accounting for fixed asset & Accounting Standard-16, Borrowing Cost as notified under the Companies Act, 2013. However such expenditure is permitted under CERC (Terms and Conditions of Tariff) Regulations, 2014 to be recovered through future tariffs.

In pursuance of the above, the company has created regulatory assets and has recognized corresponding regulatory income for the Financial Year 2014-15/credit to the opening balance of surplus against the amount pertaining to the period 16.12.2011 to 31.03.2014 using transition provision as per the ibid Guidance Note as below:

(₹ in crore)

| Regulatory asset created in relation to: | For the period 16.12.2011 to 31.03.2014 | For the financial year 2014-15 | Total |
|--|---|--------------------------------|----------------|
| Borrowing Costs | 766.90 | 406.83 | 1173.73 |
| Administrative & other Costs | 341.54 | 115.12 | 456.66 |
| Total | 1108.44* | 521.95** | 1630.39 |

* by corresponding credit to opening balance of Surplus by ₹ 876.10 crore (₹ 1108.44 crore less provision for Income Tax for ₹ 232.34 crore) [refer- Note No.3-Reserves and Surplus].

** by corresponding credit to current year's profit through "Regulatory Income".

24. Disclosure related to Corporate Social Responsibility (CSR) (refer Note No.22)

(i) The breakup of CSR expenditure under various heads of expenses incurred during FY 2014-15 is as below:-

(₹ in crore)

| S.No. | Heads of Expenses constituting CSR expenses | Amount |
|-------|---|--------------|
| 1 | Community Development | 0.07 |
| 2 | Health Care and Sanitation | 2.78 |
| 3 | Education & Skill Development | 11.20 |
| 4 | Women Empowerment /Senior Citizen | 0.61 |
| 5 | Environment | 3.54 |
| 6 | Art & Culture | 0.36 |
| 7 | Sports | 0.49 |
| 8 | National Welfare Fund | 0.02 |
| 9 | Technology & Research | 0.23 |
| 10 | Rural Development | 9.71 |
| 11 | Capacity Building | 0.15 |
| 12 | Swachh Vidhyalay Abhiyan | 23.08 |
| | Total amount | 52.24 |



NHPC Limited

(A Government of India Enterprise)

(ii) Other disclosures:-

- (a) Board of Directors has allocated total budget of ₹ 65.57 crore for FY 2014-15 which consisted of ₹ 47.65 crore based on 2% of average net profit of preceding three financial years in terms of Section 135 of Companies Act 2013 and ₹ 17.92 crore out of unspent amount upto FY 2013-14.
- (b) Details of expenditure incurred during FY 2014-15 in cash and yet to be paid in cash along with the nature of expenditure (capital or revenue nature) is as under:-

(₹ in crore)

| | | In Cash (a) | Yet to be paid in Cash (b) | Total (a+b) |
|------|---------------------------------------|--------------|----------------------------|--------------|
| (i) | Construction/Acquisition of any asset | 35.54 | 9.32 | 44.86 |
| (ii) | On purpose other than (i) above | 6.96 | 0.42 | 7.38 |
| | Total | 42.50 | 9.74 | 52.24 |

- (c) As stated above, a sum of ₹ 9.74 crore out of total expenditure of ₹ 52.24 crore is yet to be paid in cash to concerned parties which are included in the relevant head of accounts pertaining to liabilities.

25. Disclosure relating to verified emission reductions (VERs.) is as under:-

| Sl. | Description | Remarks |
|-----|---|--|
| 1. | No. of VERs held as Investment & the basis of valuation | 2600 |
| 2. | No. of VERs under certification | Nil |
| 3. | Depreciation and operating and maintenance cost of Emission Reduction Equipment expensed during the year (₹ in crore) | Nil |
| 4. | No. of VERs sold during the year ended 31.03.2015 with the value thereof. | Nil (for previous year 16000 VERs for ₹ 0.05 crore) |

26. Disclosures as required under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 are as follows:-

(₹ in crore)

| | | |
|-------|---|-------|
| (i) | Principal amount remaining unpaid to Micro, small & medium enterprise. | 0.21 |
| (ii) | Interest accrued on principal amount remaining unpaid as (i) above | 0.20* |
| (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 year, 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 |

* Interest not accounted for in the books of account.

27. Opening balances/corresponding figures for previous year have been re-grouped/re-arranged/re-cast, wherever necessary.

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

JAYANT KUMAR
Director (Finance)
DIN 03010235

R. S. T. SAI
Chairman & Managing Director
DIN 00171920

As per report of even date

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

For S N Dhawan & Co.
(Chartered Accountants)
FR No. 000050N

For Gupta Gupta & Associates
(Chartered Accountants)
FR No. 001728N

For Ray & Ray
(Chartered Accountants)
FR No. 301072E

(CA. GAURAV NANDA)
Partner
M. No. 500417

(CA. SURESH SETH)
Partner
M. No. 010577

(CA. R.K.GUPTA)
Partner
M. No. 085074

(CA. BARUN KR GHOSH)
Partner
M. No. 051028

Place :- New Delhi
Date: 29-May-2015

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2014-15

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in crore)

| | For the year ended 31st March, 2015 | For the year ended 31st March, 2014 |
|---|--|--|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before tax and extraordinary items | 2,826.17 | 1,583.06 |
| Less: Rate Regulated Income/ (Expenditure) | 521.95 | - |
| | 2,304.22 | 1,583.06 |
| ADD : | | |
| Depreciation (including Prior Period & ERV impact) | 1,429.77 | 1,225.25 |
| Finance Cost (Net of EDC) | 1,179.76 | 1,022.40 |
| Provisions (Net loss) | 112.78 | 179.77 |
| Tariff Adjustment (loss) | 105.82 | 1.13 |
| Loss on sale of assets/Claims written off | 2.36 | 0.90 |
| Exchange rate variation | (20.50) | 105.27 |
| | 2809.99 | 2534.72 |
| | 5,114.21 | 4,117.78 |
| LESS : | | |
| Advance against Depreciation written back | 50.17 | 50.17 |
| Provisions (Net gain) | 75.96 | 38.09 |
| Profit on Sale of Assets \ Realization of Loss | 1.11 | 1.06 |
| Dividend Income | 61.56 | 377.92 |
| Interest Income | 661.05 | 766.28 |
| | 849.85 | 1233.52 |
| Cash flow from operating activities before working capital adjustments | 4,264.36 | 2,884.26 |
| Decrease (Increase) in Working Capital: | | |
| Inventories | (8.51) | (15.92) |
| Trade Receivables | (633.33) | 194.21 |
| Other Assets, Loans and Advances | 622.76 | 680.40 |
| Other Liabilities & Provisions | (586.08) | 412.78 |
| | (605.16) | 1271.47 |
| Cash flow from operating activities before taxes | 3,659.20 | 4,155.73 |
| Less : Taxes | 603.84 | 509.70 |
| NET CASH FLOW FROM OPERATING ACTIVITIES (A) | 3,055.36 | 3,646.03 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets & expenditure on construction projects (including expenditure during construction forming part of Capital Work in Progress for the year) | (1632.33) | (1796.47) |
| Creation of Rate Regulatory Assets | (123.30) | - |
| Realization from Investments / Bonds | 243.56 | 172.47 |
| Interest Income | 661.05 | 766.28 |
| Dividend Received | 61.56 | 377.92 |
| NET CASH FLOW FROM INVESTING ACTIVITIES (B) | (789.46) | (479.80) |



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(₹ in crore)

| | For the year ended 31st March, 2015 | For the year ended 31st March, 2014 |
|--|--|--|
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Buy-back of Shares (Including Premium Payment) | - | (2367.89) |
| Dividend and Dividend Tax Paid | (772.03) | (858.37) |
| Finance from Borrowings | | |
| Borrowings | 1,461.98 | 2,528.01 |
| Repayment of Borrowings | (1276.19) | (1318.46) |
| Interest & Finance Charges | (1561.38) | (1461.70) |
| NET CASH FLOW FROM FINANCING ACTIVITIES (C) | <u>(2147.62)</u> | <u>(3478.41)</u> |
| D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C) | 118.28 | (312.18) |
| Cash & Cash Equivalents at the beginning of the year | 5,303.83 | 5,616.01 |
| Cash & Cash Equivalents at the close of the year | 5,422.11 | 5,303.83 |

EXPLANATORY NOTES TO CASH FLOW STATEMENT

- Cash and Cash equivalents consists of Cash in hand, cheques/drafts in hands and Bank Balances including Short Term Deposits of varying periods. The details of Cash & Cash equivalents as per Note 18 of the Balance Sheet is as under:

| | | |
|---------------------------|-----------------|-----------------|
| Cash and Cash equivalents | 479.97 | 586.24 |
| Other Bank Balances * | 4,942.14 | 4,717.59 |
| | <u>5,422.11</u> | <u>5,303.83</u> |
- * Other Bank Balances includes ₹ 268.05 crore (Corresponding Previous year ₹ 320.63 crore), held for Rural Road and Rural Electrification works being executed by Company on behalf of other agencies, undischarged liability towards Corporate Social Responsibility for ₹ 9.74 crore, unpaid dividend/interest ₹ 92.60 crore (Corresponding Previous year ₹ 40.48 crore) and Self Insurance Fund ₹ 3.80 crore which are not freely available for the business of the Company.
- Expenditure during construction (EDC) includes ₹ 330.43 crore (Corresponding Previous year ₹ 472.52 crore) towards borrowing cost capitalised during the period and Rate Regulated Assets created during the year includes ₹ 406.83 crore towards borrowing cost.
- Amount of undrawn loan as on 31.03.2015 : ₹ 280.64 crore (Previous Year ₹ 717.62 crore) Subordinate Debt.
- Out of the Initial Public Offering (IPO) proceeds of ₹ 6038.55 crore made during financial year 2009-10, sale proceeds of ₹ 2012.85 crore was paid to Ministry of Power, Govt. of India and ₹ 4025.70 crore was retained by the company. Out of ₹ 4025.70 crore, a sum of ₹ 3986.99 crore has been utilised up to 31.03.2015 for re-coupmnt of capital expenditure already incurred from internal accruals on the projects specified for utilisation and ₹ 38.71 crore recouped for meeting IPO expenditure.
- Figures for the previous year have been re-grouped/re-arranged/re-cast wherever necessary.

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

JAYANT KUMAR
Director (Finance)
DIN 03010235

R. S. T. SAI
Chairman & Managing Director
DIN 00171920

As per report of even date

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

For S N Dhawan & Co.
(Chartered Accountants)
FR No. 000050N

For Gupta Gupta & Associates
(Chartered Accountants)
FR No. 001728N

For Ray & Ray
(Chartered Accountants)
FR No. 301072E

(CA. GAURAV NANDA)
Partner
M. No. 500417

(CA. SURESH SETH)
Partner
M. No. 010577

(CA. R.K.GUPTA)
Partner
M. No. 085074

(CA. BARUN KR GHOSH)
Partner
M. No. 051028

Place :- New Delhi
Date: 29-May-2015

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Annexure X

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NHPC LIMITED FOR THE YEAR ENDED 31 MARCH 2015.

| Comment | Management's Reply |
|--|---|
| <p>The preparation of financial statements of NHPC Limited for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29 May 2015.</p> <p>I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of NHPC Limited for the year ended 31 March 2015. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matter under Section 143(6)(b) of the Act which has come to my attention and which in my view is necessary for enabling a better understanding of the financial statements and the related audit report:</p> <p>Balance Sheet Fixed Assets Tangible Assets (Note No.10.1): ₹ 21899.89 crore Capital Works-in-Progress (Note No. 11): ₹16054.72 crore</p> <p>As per the opinion of The Expert Advisory Committee of the Institute of Chartered Accountants of India given in January 2011, the expenditure incurred on the enabling assets not owned by the Company should be charged off to revenue in the accounting period of incurrence of such expenditure.</p> <p>An expenditure of ₹ 173.61 crore incurred on enabling assets not owned by the Company has been charged to Expenditure during Construction and transferred to Capital Work-in-Progress/Capitalized. This accounting treatment followed by the company on enabling Assets not owned by the Company is not in line with opinion of Expert Advisory Committee of The Institute of Chartered Accountants of India and has led to understatement of "Expenses" by ₹ 164.99 crore and overstatement of "Tangible Assets" (Gross Block) by ₹ 74.30 crore (Net Block as on 31.03.2015: ₹ 65.68 crore) and "Capital Work in Progress" by ₹ 99.31 crore. Consequently, Profit for the year is also overstated by ₹ 164.99 crore.</p> <p style="text-align: right;">For and on behalf of the Comptroller & Auditor General of India</p> <p style="text-align: right;">Sd/- (Tanuja S Mittal) Principal Director of Commercial Audit & Ex-officio Member, Audit Board-III, New Delhi</p> <p>Place: New Delhi Date: 29th July 2015</p> | <p>The opinion of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) referred in the comment was with reference to carrying of such expenditure as a separate class of asset. The Company reviewed and introduced new accounting policy in FY 2013-14 keeping in view the nature of its business & provisions of Accounting Standard (AS)-10, "Accounting for Fixed Assets" after obtaining independent opinion of one of the renowned experts in accounting field. The issue with additional facts was submitted to EAC in FY 2014-15 for its opinion on revised accounting treatment. The request of the Company has been accepted by EAC after due diligence. It is added that ICAI has come up with an Exposure Draft of AS-10 (Revised), "Property, Plant & Equipment", available in public domain, which also recognizes the principle adopted by the Company for finalization of revised accounting policy and consequential accounting treatment. The Company's Accounting Policy no. 2.3.4 in this regard reads as under:</p> <p><i>Capital expenditure incurred for creation of facilities, over which the company does not have control but the creation of which is essential principally for construction of the project, is charged to 'Expenditure during Construction (EDC)'. Subsequent to completion of the Project, expenditure on creation of facilities over which the company does not have control is charged to "Statement of Profit & Loss."</i></p> <p>Pending receipt of opinion, the accounting treatment in line with above policy has been followed by the Company during FY 2014-15.</p> <p style="text-align: right;">For and on behalf of the Board of Directors NHPC Limited</p> <p style="text-align: right;">Sd/- (Jayant Kumar) Director (Finance) DIN 03010235</p> |



NHPC Limited

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COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NHPC LIMITED FOR THE YEAR ENDED 31 MARCH 2015.

| Comment | Management's Reply |
|---|--|
| <p>The preparation of Consolidated Financial Statements of NHPC Limited for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under Section 143 read with section 129(4) of the Act based on independent audit in accordance with the Standards of Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29 May 2015.</p> <p>I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) read with Section 129 (4) of the Act of the Consolidated Financial Statements of NHPC Limited for the year ended 31 March 2015. We conducted a supplementary audit of the Financial Statements of NHPC Limited, NHDC Limited, and National High Power Test Laboratory (P) Limited but did not conduct supplementary audit of the Financial Statement of subsidiaries, associate companies and jointly controlled entities listed in Annexure for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matter under Section 143(6)(b) read with Section 129(4) of the Act which has come to my attention and which in my view is necessary for enabling a better understanding of the Consolidated Financial Statements and the related Audit Report:</p> <p>Balance Sheet Fixed Assets Tangible Assets (Note No.10.1): ₹ 24429.19 crore Capital Works-in-Progress (Note No. 11): ₹ 16377.54 crore</p> <p>As per the opinion of The Expert Advisory Committee of the Institute of Chartered Accountants of India given in January 2011, the expenditure incurred on the enabling assets not owned by the Company should be charged off to revenue in the accounting period of incurrence of such expenditure.</p> <p>An expenditure of ₹ 173.61 crore incurred on enabling assets not owned by the Company has been charged to Expenditure during Construction and transferred to Capital Work-in-Progress/ Capitalized. This accounting treatment followed by the company on enabling Assets not owned by the Company is not in line with opinion of Expert Advisory Committee of The Institute of Chartered Accountants of India and has led to understatement of "Expenses" by ₹ 164.99 crore and overstatement of "Tangible Assets" (Gross Block) by ₹ 74.30 crore (Net Block as on 31.03.2015: ₹ 65.68 crore) and "Capital Work in Progress" by ₹ 99.31 crore. Consequently, Profit for the year is also overstated by ₹ 164.99 crore.</p> <p style="text-align: right;">For and on behalf of the Comptroller & Auditor General of India Sd/- (Tanuja S Mittal) Principal Director of Commercial Audit & Ex-officio Member, Audit Board-III, New Delhi</p> <p>Place: New Delhi Date: 29th July 2015</p> <p>List of subsidiaries, associate companies and jointly controlled entities of NHPC Limited whose financial statements are not audited by the Comptroller and Auditor General of India</p> <p>A. Subsidiaries incorporated in India</p> <ol style="list-style-type: none"> 1. Loktak Downstream Hydroelectric Corporation Limited 2. Bundelkhand Saur Urja Limited <p>B. Joint Ventures incorporated in India</p> <ol style="list-style-type: none"> 1. National Power Exchange Limited 2. Chenab Valley Power Projects Private Limited | <p>The opinion of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) referred in the comment was with reference to carrying of such expenditure as a separate class of asset. The Company reviewed and introduced new accounting policy in FY 2013-14 keeping in view the nature of its business & provisions of Accounting Standard (AS)-10, "Accounting for Fixed Assets" after obtaining independent opinion of one of the renowned experts in accounting field. The issue with additional facts was submitted to EAC in FY 2014-15 for its opinion on revised accounting treatment. The request of the Company has been accepted by EAC after due diligence. It is added that ICAI has come up with an Exposure Draft of AS-10 (Revised), "Property, Plant & Equipment", available in public domain, which also recognizes the principle adopted by the Company for finalization of revised accounting policy and consequential accounting treatment. The Company's Accounting Policy no. 2.3.4 in this regard reads as under:</p> <p><i>Capital expenditure incurred for creation of facilities, over which the company does not have control but the creation of which is essential principally for construction of the project, is charged to 'Expenditure during Construction (EDC)'. Subsequent to completion of the Project, expenditure on creation of facilities over which the company does not have control is charged to "Statement of Profit & Loss."</i></p> <p>Pending receipt of opinion, the accounting treatment in line with above policy has been followed by the Company during FY 2014-15.</p> <p style="text-align: right;">For and on behalf of the Board of Directors NHPC Limited Sd/- (Jayant Kumar) Director (Finance) DIN 03010235</p> |

INDEPENDENT AUDITOR'S REPORT

To The Members,
NHPC Limited

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of NHPC LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flows of the Group and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated state of affairs of the Group and jointly controlled entities as at 31st March, 2015, and their Consolidated profit and their Consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the Consolidated Financial Statements:

- a) Explanatory Note of Note No. 7 to Consolidated Financial Statements, which describes about the stay from Hon'ble High Court of Delhi against the implementation of stoppage of Personal Pay Adjustment (fitment benefits) recovery from below



Board Level Executives and also about the confirmation of directions of Competent Authority effecting such recoveries w.e.f. 01.02.2014 which is still pending with the Ministry of Power (MoP).

- b) Note No. 11 para 2 to Consolidated Financial Statements read with Note No. 29 para 12, which describes uncertainty about the outcome of the projects under survey and investigation stage. Expenditure incurred for conducting Survey & Investigation on such projects are being carried forward as these projects are under investigation / pending clearance/or financial assistance with various authorities.
- c) Note No. 29 para 4 to the Consolidated Financial Statements, which describes the uncertainty related to the outcome of the claims/ arbitration proceedings and lawsuit filed by / against the Company on/ by contractors and others. In some of the cases the arbitration award has been decided against the company / lost in lower courts and the company is pursuing the matter in higher courts. Management does not envisage any possible outflow in respect of decisions against the company other than those already provided for in the books of account.
- d) Note No. 29 para 7(a) to the Consolidated Financial Statements about the various balances which are subject to reconciliation / confirmation and respective consequential adjustments.
- e) Note No. 29 para 11 to the Consolidated Financial Statements about the Kotlibhel -1A project, the fate of which is pending adjudication before the Hon'ble Supreme Court of India.
- f) Note No. 29 para 26 read with Significant Accounting Policy No. 4 to the Consolidated Financial Statements regarding earlier year adoption (duly permitted) of Guidance Note on Accounting for Rate Regulated Activities issued by The Institute of Chartered Accountant of India.

Our opinion is not modified in respect of these matters.

Other Matters

- a) We did not audit the Financial Statements / Financial Information of the following subsidiaries and jointly controlled entities whose Financial Statements / Financial Information reflect the details given below of total assets as at 31st March 2015, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the Consolidated Financial Statements:

| (₹ in crores) | | | |
|--|----------------|----------------|----------------|
| Name of the Companies | Total Assets | Total Revenues | Net Cash Flows |
| Subsidiaries: | | | |
| NHDC Ltd. | 8117.77 | 1548.85 | 711.75 |
| Bundelkhand Saur Urja Ltd. | 1.14 | 0.00 | 1.00 |
| Joint Venture: | | | |
| Chenab Valley Power Projects (P) Ltd. | 502.92 | 0.00 | -11.47 |
| National Power Exchange Ltd. | 6.89 | 0.55 | 6.74 |
| National High Power Test Laboratory (P) Ltd. | 234.42 | 0.00 | 15.37 |
| Total | 8863.14 | 1549.40 | 723.39 |

These Financial Statements / Financial Information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and jointly controlled entities is based solely on the reports of the other auditors.

- b) We did not audit the Financial Statements / Financial Information of the following subsidiary whose Financial Statements / Financial Information reflect the details given below of assets as at 31st March 2015, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the Consolidated Financial Statements:

| (₹ in crores) | | | |
|--|---------------|----------------|----------------|
| Name of the Companies | Total Assets | Total Revenues | Net Cash Flows |
| Subsidiary: | | | |
| Loktak Downstream Hydroelectric Corporation Ltd. | 136.38 | 4.03 | -11.47 |
| Total | 136.38 | 4.03 | -11.47 |

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These Financial Statements / Financial Information are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entities, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entities, is based solely on such unaudited Financial Statements / Financial Information. In our opinion and according to the information and explanations given to us by the Management, these Financial Statements / Financial Information are not material to the Group.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Statements / Financial Information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-I, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. The Comptroller and Auditor-General of India has issued directions indicating the areas to be examined in terms of sub-section (5) of Section 143 of the Companies Act, 2013, the compliance of which is set out in Annexure II.
3. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled companies incorporated in India, none of the directors of the Group companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact of pending litigations on the Consolidated Financial position of the Group and jointly controlled entities— Refer Note 29, para 4 to the Consolidated Financial Statements.
 - ii) The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and jointly controlled companies incorporated in India.

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

For Gupta Gupta & Associates
Chartered Accountants
(FR No: 001728N)

For S.N. Dhawan & Co.
Chartered Accountants
(FR No: 000050N)

For Ray and Ray
Chartered Accountants
(FR No: 301072E)

(CA Gaurav Nanda)
Partner
M. No. 500417

(CA R. K Gupta)
Partner
M. No. 085074

(CA Suresh Seth)
Partner
M. No. 010577

(CA Barun Kr. Ghosh)
Partner
M. No. 051028

Place : New Delhi
Date: 29-May-2015



Annexure-I referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date:-

1. In respect of Fixed Assets:
 - (a) The company, its subsidiary and jointly controlled companies have maintained records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The fixed assets, except in case of land in certain units of holding company, have been verified by the management / outside agencies. In our opinion, the frequency of such verification is reasonable having regard to the size of the company and nature of 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.
2. In respect of Inventories:
 - a) The inventory has been physically verified by the respective Managements of the Holding Company, its subsidiary and jointly controlled companies during the year in respect of those companies which are holding inventory. In our opinion, the frequency of such verification is reasonable.
 - b) In our opinion, the procedures of physical verification of inventory followed by the respective Managements of the Holding Company, its subsidiary and jointly controlled companies are reasonable and adequate in relation to the size of the aforesaid Holding Company, its subsidiary and jointly controlled companies incorporated in India.
 - c) On the basis of our examination of the inventory records and the reports of the other auditors, in our opinion, the Holding Company, its subsidiary and jointly controlled companies are maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory of the aforesaid Holding Company, its subsidiary and jointly controlled companies incorporated in India as compared to the respective book records were not material.
3. The company, its subsidiary and jointly controlled companies incorporated in India have not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. In view of this, sub-clauses (a) and (b) of clause (iii) of the order are not applicable.
4. In our opinion, and according to the information and explanations given to us, and the reports of the other auditors on the subsidiary and jointly controlled companies as furnished to us, there is an adequate internal control system commensurate with the size of the Holding Company, its subsidiary and jointly controlled companies and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the aforesaid Holding Company and the reports of the other auditors on the subsidiary and jointly controlled companies as furnished to us, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. The company, its subsidiary and jointly controlled companies have not accepted any deposit from public within the meaning of sections 73 to 76 or any other provisions of the Companies Act, 2015 rules made there under.
6. The Company and its one subsidiary, NHDC Ltd. have made and maintained cost accounts and records specified by the Central Government under section 148(1) of the Companies Act, 2013. However, we have not made a detailed examination of these accounts and records with a view to determine whether they are accurate or complete.
7. In respect of Statutory Dues:
 - a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, its subsidiary and jointly controlled companies, amounts deducted/accrued in the books of accounts in respect of, undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of custom, duty of excise, value added tax, cess and any other material statutory dues have generally been regularly deposited with the appropriate authorities. We are informed that the Employees' State Insurance Scheme is not applicable to the Company. According to the information and explanations given to us, no undisputed demand payable in respect of aforesaid statutory dues was in arrears, as at 31st March, 2015 for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to us and as per the records of the company, its subsidiary and jointly controlled companies, the following dues of income tax, sales tax, entry tax and duty of custom have not been deposited on account of dispute:-

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(₹ in crores)

| Name of the Statute | Nature of the dues | Amount | Year to which it pertains | Forum where dispute is pending |
|----------------------------------|--|--------|---------------------------|---|
| Income tax Act, 1961 | Income tax | 0.07 | 2007-08 | ITO, Dehradun |
| | | 0.01 | 2008-09 | |
| | | 0.02 | 2009-10 | |
| HP VAT Act 2005 | Sales tax | 5.78 | 2005-06 to 2009-10 | HP VAT Tribunal Dharmshala Camp Shimla. |
| J & K General Sales Tax Act 1962 | Sales tax | 245.61 | 1994-95 | Sales Tax Appellate Tribunal, Srinagar |
| J & K General Sales Tax Act 1962 | Sales tax | 0.2156 | 2010-11 | CTO, Baramulla |
| Customs Act, 1962 | Custom Duty | 2.01 | 2004-2005 | HC, Kolkata (last heard on 28.02.2005) |
| WB VAT Act, 2005: | Sales Tax | 0.14 | 2006-07 | Sr. Joint Commissioner, Sales tax, Siliguri |
| | | 0.76 | 2007-08 | |
| | | 0.43 | 2008-09 | |
| | | 0.07 | 2009-10 | |
| | | 0.15 | 2010-11 | |
| M.P. Entry Tax Act | Entry tax on addition to Fixed Asset due to exchange rate variation and other additions. | 0.05 | 2008-09 | MPCT Appellate Board |

c) As per the records of the company, its subsidiary and jointly controlled companies and according to information and explanations given to us, no amount is required to be transferred to Investor Education and Protection Fund (IEPF) in accordance with the provision of section 205C of the Companies Act, 1956 read with the IEPF (Awareness and Protection of Investors) Rules, 2001.

8. The Company, its subsidiary and jointly controlled companies do not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year covered by our audit and in the immediately preceding financial year.

However, one joint venture, National Power Exchange Ltd, as reported by its Auditor this company has total of ₹ 6,26,76,278.92 accumulated losses as on 31st March 2015 which is less than 50% of its total Net Worth of ₹ 13,12,73,300. This company has incurred ₹ NIL cash loss during this financial year, which in the immediately preceding financial year was ₹ 3,88,980.

9. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company, its subsidiary and jointly controlled companies have not defaulted in repayment of dues to financial institutions, banks or debenture holders.
10. In our opinion and according to the information and the explanations given to us, the Company, its subsidiary and jointly controlled companies have not given any guarantee for loans taken by others from bank or financial institutions.
11. In our opinion and according to the information and the explanations given to us, and on overall examination of the Balance Sheet of the Company, and based on the reports of the other auditors of the Holding company's subsidiaries and jointly controlled companies, in our opinion, we report that term loans have been applied for the purpose for which they were obtained.
12. In course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us and based on the reports of the other auditors, we have neither come across any instance of material fraud on or by the Holding Company, its subsidiaries and jointly controlled companies, noticed or reported during the year, nor we have been informed of any such case by the Management of the aforesaid Holding Company or reported in the audit reports of its subsidiaries and jointly controlled companies.

For S. N. Nanda & Co.

Chartered Accountants
(FR No: 000685N)

(CA Gaurav Nanda)

Partner

M. No. 500417

For Gupta Gupta & Associates

Chartered Accountants
(FR No: 001728N)

(CA R. K Gupta)

Partner

M. No. 085074

For S.N. Dhawan & Co.

Chartered Accountants
(FR No: 000050N)

(CA Suresh Seth)

Partner

M. No. 010577

For Ray and Ray

Chartered Accountants
(FR No: 301072E)

(CA Barun Kr. Ghosh)

Partner

M. No. 051028

Place : New Delhi

Date: 29-May-2015

Annexure II referred to in Paragraph 2 under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date

It comprises data of Holding Company, its two subsidiaries NHDC Ltd. & Bundelkhand Saur Urja Ltd; its two joint ventures, Chenab Valley Power Projects (P) Ltd & National High Power Test Laboratory (P) Ltd. So far as subsidiary Loktak Downstream Hydroelectric Corporation Ltd. is concerned its accounts are unaudited and so far as National Power Exchange Ltd. is concerned we have been informed that its Auditors have not been appointed by Comptroller & Auditor General of India, hence there are no directions under sub-section (5) of section 143 of the Companies Act, 2013.

| S.No. | Direction | Company | Our Report | Action taken thereon | Impact on Accounts & Financial Statements of the Company |
|-------|---|--|--|-------------------------------------|--|
| 1 | If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process. | Holding Company | NHPC have received a letter No. 11/11/2013-NHPC dated 03-07-2014 from Ministry of Power, Government of India referring to Ministry of Finance's letter No. 4(4)/2014-DD11 dated 01.07.2014 seeking comments of NHPC on draft Cabinet Committee on Economic Affairs (CCEA) for disinvestment of 11.36% paid-up capital of NHPC Ltd. out of Government of India shareholding of 85.96%. However, this disinvestment process was advised by Ministry of Power vide its letter dated 13.11.2014 to be kept on hold till at least some projects go on stream. | No Action Required | NIL |
| | | Chenab Valley Power Projects (P) Ltd. | Not Applicable | No Action Required | NIL |
| | | National High Power Test Laboratory (P) Ltd. | Not Applicable | No Action Required | NIL |
| | | Bundelkhand Saur Urja Ltd. | Not Applicable | No Action Required | NIL |
| | | NHDC Ltd. | Not Applicable | No Action Required | NIL |
| 2 | Please report whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved. | Holding Company | There are 2 cases where claims amounting to ₹ 51,572/- being irrecoverable, have been written off. | Amount debited to Profit & Loss A/c | Profit reduced by ₹ 51,572/-. |
| | | Chenab Valley Power Projects (P) Ltd. | NIL | No Action Required | NIL |
| | | National High Power Test Laboratory (P) Ltd. | NIL | No Action Required | NIL |
| | | Bundelkhand Saur Urja Ltd. | NIL | No Action Required | NIL |
| | | NHDC Ltd. | NIL | No Action Required | NIL |

| S.No. | Direction | Company | Our Report | Action taken thereon | Impact on Accounts & Financial Statements of the Company |
|-------|--|--|---|--|---|
| 3 | Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities. | Holding Company | The company is maintaining proper records for inventories. | No Action Required | NIL |
| | | | As informed, the company has not received any assets from Govt. or other authorities. | No Action Required | NIL |
| | | Chenab Valley Power Projects (P) Ltd. | Not Applicable | No Action Required | NIL |
| | | National High Power Test Laboratory (P) Ltd. | Not Applicable | No Action Required | NIL |
| | | Buldelkhand Saur Urja Ltd. | Not Applicable | No Action Required | NIL |
| 4 | A report on age-wise analysis of pending legal/arbitration cases including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given. | NHDC Ltd. | Not Applicable | No Action Required | NIL |
| | | Holding Company | Age-wise analysis of legal/arbitration cases are as follows: 0-1 year : 51 cases 1-2 year : 67 cases 2-3 year : 90 cases 3-4 year : 78 cases 4-5 year : 98 cases 5- year & above : 283 cases Total : 667 cases | The cases where company is expecting probable outflow, necessary provision has been created in the books as per AS-29. | By virtue of provision, consequential effect has been given to respective heads of accounts. (Refer to Note No. 29, Para 1 to Financial Statements) |
| | | | The reason for pendency of such cases under arbitration/courts is that hearings not yet completed, calling for further details and additional documents by the arbitrators/ courts, non-fixation of dates for hearing, granting of stay by court etc. There is no laid down procedure for large legal expenses (Foreign or local). However, the expenditure on all legal cases is proposed for approval of the competent authority every year and the same is incurred within the budget sanctioned by the competent authority. | For remaining cases where either there is no probable outflow or a reliable estimate of amount of the obligation cannot be made, amount involved has been shown under contingent liability in Note no. 29, Para 1 to Financial Statements. | |
| | | | | | |

| S.No. | Direction | Company | Our Report | Action taken thereon | Impact on Accounts & Financial Statements of the Company |
|-------|-----------|--|---|--|---|
| | | Chenab Valley Power Projects (P) Ltd. | An application under section 34 of the Arbitration and conciliation Act, 1996 has been filed in the matter of M/s Chenab Valley Power Projects (P) Ltd. Versus Sh. Jagdish Chand gupta and Others on 26-09-2014 challenging the award of the arbitrator | The application is pending for hearing | The same has been shown as contingent liability in explanatory notes to accounts. |
| | | National High Power Test Laboratory (P) Ltd. | Not Applicable | No Action Required | NIL |
| | | Buldelkhand Saur Urja Ltd. | Not Applicable | No Action Required | NIL |
| | | NHDC Ltd. | Detail Annexed | | |

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

(CA Gourav Nanda)
Partner
M. No. 500417

For Gupta Gupta & Associates
Chartered Accountants
(FR No: 001728N)

(CA R. K Gupta)
Partner
M. No. 085074

For S.N. Dhawan & Co.
Chartered Accountants
(FR No: 000050N)

(CA Suresh Seth)
Partner
M. No. 010577

For Ray and Ray
Chartered Accountants
(FR No: 301072E)

(CA Barun Kr. Ghosh)
Partner
M. No. 051028

Place: New Delhi

Date: 29th day of May 2015

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ANNEXURE - A

NHDC LTD BHOPAL

Pending Legal/Arbitration Cases as on 31.03.2015

| Pending With | Unit | Nature of Cases | No. of Cases | | | | Remarks |
|--|------|---------------------------------|----------------------------------|------------|-------------------------|----------------------------------|--------------------|
| | | | Opening Balance as on 01.04.2014 | Addition | Settled during the year | Closing Balance as on 31.03.2015 | |
| Grivance redressal Authority, Bhopal | ISP | R&R (Land Compensation Related) | 1160 | 0 | 126 | 1034 | More than one year |
| Arbitration Cases | ISP | R&R (Contract related) | 0 | 1 | 0 | 1 | |
| | OSP | R&R (Contract related) | 1 | 0 | 0 | 1 | |
| | OSP | Contract related | 5 | 0 | 0 | 5 | |
| | CO | Contract related | 1 | 0 | 0 | 1 | |
| MPAT | ISP | Contract related | 0 | 5 | 0 | 5 | |
| Court | ISP | R&R (Land Compensation Related) | 346 | 500 | 208 | 638 | |
| | ISP | Contractor Claims | 7 | 2 | 6 | 3 | |
| | OSP | R&R (Land Compensation Related) | 369 | 0 | 359 | 10 | |
| | OSP | R&R (Contract related) | 9 | 0 | 0 | 9 | |
| | OSP | Contractor Claims | 3 | 3 | 0 | 6 | |
| | CO | Appointment in Corporation | 3 | 1 | 0 | 4 | |
| | CO | Civil Suit | 1 | 0 | 0 | 1 | |
| | CO | Employees Grivances | 6 | 1 | 3 | 4 | |
| Commercial Tax Department, Govt. of Madhya Pradesh | OSP | R&R (Municipal Corporation) | 1 | 0 | 0 | 1 | |
| | ISP | R&R (Misc.) | 0 | 1 | 0 | 1 | |
| Total | | | 1912 | 514 | 702 | 1724 | |



NHPC Limited

(A Government of India Enterprise)

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2015

(₹ in Crore)

| PARTICULARS | Note No. | As at 31st March, 2015 | As at 31st March, 2014 |
|--|----------|------------------------|------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) SHAREHOLDERS' FUNDS | | | |
| (a) Share Capital | 2 | 11,070.67 | 11,070.67 |
| (b) Reserves and Surplus | 3 | 19,686.80 | 17,175.30 |
| (2) MINORITY INTEREST | | 3,325.71 | 3,065.68 |
| (3) NON-CURRENT LIABILITIES | | | |
| (a) Long Term Borrowings | 4 | 18,724.48 | 19,309.04 |
| (b) Deferred Tax Liabilities | 5 | 988.60 | 934.39 |
| (c) Other Long Term Liabilities | 6 | 1,459.33 | 1,728.18 |
| (d) Long Term Provisions | 7 | 900.14 | 825.10 |
| (4) CURRENT LIABILITIES | | | |
| (a) Trade Payables | 8 | 164.43 | 223.41 |
| (b) Other Current Liabilities | 9 | 3,293.30 | 3,263.70 |
| (c) Short Term Provisions | 7 | 3,654.44 | 3,805.66 |
| TOTAL | | 63,267.90 | 61,401.13 |
| II. ASSETS | | | |
| (1) NON-CURRENT ASSETS | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 10.1 | 24,429.19 | 26,033.00 |
| (ii) Intangible Assets | 10.2 | 3,486.91 | 3,553.82 |
| (iii) Capital Work in Progress | 11 | 16,377.54 | 14,923.98 |
| (b) Non Current Investments | 12 | 763.34 | 1,022.63 |
| (c) Long Term Loans and Advances | 13 | 1,162.62 | 1,135.85 |
| (d) Other Non-Current Assets | 14.1 | 1,131.75 | 1,324.32 |
| Sub-total | | 47,351.35 | 47,993.60 |
| (e) Other Non-Current Assets - Regulatory Assets | 14.2 | 1,630.39 | 48,981.74 |
| (2) CURRENT ASSETS | | | |
| (a) Current Investments | 15 | 256.44 | 250.74 |
| (b) Inventories | 16 | 90.64 | 79.84 |
| (c) Trade Receivables | 17 | 2,905.18 | 2,422.43 |
| (d) Cash & Bank Balances | 18 | 6,941.02 | 6,142.78 |
| (e) Short Term Loans and Advances | 13 | 2,083.01 | 2,732.55 |
| (f) Other Current Assets | 19 | 2,009.87 | 1,779.19 |
| TOTAL | | 63,267.90 | 61,401.13 |
| Significant Accounting Policies | 1 | | |
| Expenditure During Construction (EDC) forming part of Capital Work in Progress for the year | 28 | | |
| Other Explanatory Notes to Accounts | 29 | | |
| Note 1 to 29 form integral part of the Accounts | | | |

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

JAYANT KUMAR
Director (Finance)
DIN 03010235

R. S. T. SAI
Chairman & Managing Director
DIN 00171920

As per report of even date

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

For S N Dhawan & Co.
(Chartered Accountants)
FR No. 000050N

For Gupta Gupta & Associates
(Chartered Accountants)
FR No. 001728N

For Ray & Ray
(Chartered Accountants)
FR No. 301072E

(CA. GAURAV NANDA)
Partner
M. No. 500417

(CA. SURESH SETH)
Partner
M. No. 010577

(CA. R.K.GUPTA)
Partner
M. No. 085074

(CA. BARUN KR GHOSH)
Partner
M. No. 051028

Place :- New Delhi
Date: 29-May-2015

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2014-15

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2015

(₹ in Crore)

| | | Note No. | For the year ended 31st March, 2015 | | For the year ended 31st March, 2014 | |
|--|---|----------|--|-----------------|--|-----------------|
| INCOME | | | | | | |
| i) | Revenue from Operations | 20 | 8248.36 | | 7465.92 | |
| | Less: Electricity Duty | | 4.29 | 8,244.07 | 49.98 | 7,415.94 |
| ii) | Other Income | 21 | | 913.20 | | 1,322.09 |
| TOTAL REVENUE | | | | 9,157.27 | | 8,738.03 |
| EXPENDITURE | | | | | | |
| i) | Generation, Administration and Other Expenses | 22 | | 1,803.10 | | 1,900.07 |
| ii) | Employee Benefits Expense | 23 | | 1,224.68 | | 1,132.59 |
| iii) | Finance Cost | 24 | | 1,272.78 | | 1,180.21 |
| iv) | Depreciation & Amortization Expenses | 25 | | 1,715.28 | | 1,499.37 |
| TOTAL EXPENDITURE | | | | 6,015.84 | | 5,712.24 |
| Profit before Prior Period items, Exceptional items, Extraordinary items, Rate Regulated Activities and Tax | | | | 3,141.43 | | 3,025.79 |
| | Prior Period Items (net) | 26 | | (54.97) | | 497.24 |
| Profit before Exceptional items, Extraordinary items, Rate Regulated Activities and Tax | | | | 3,196.40 | | 2,528.55 |
| | Exceptional Items | | | - | | - |
| Profit before extraordinary items, Rate Regulated Activities and Tax | | | | 3,196.40 | | 2,528.55 |
| | Extraordinary Items | | | - | | - |
| Profit before Rate Regulated Activities (RRA) and Tax | | | | 3,196.40 | | 2,528.55 |
| | Rate Regulatory Income / (Expenditure) | | | 521.95 | | - |
| PROFIT BEFORE TAX | | | | 3,718.35 | | 2,528.55 |
| | Tax Expenses | 27 | | | | |
| i) | Current Tax | | 791.58 | | 538.42 | |
| ii) | Adjustments relating to earlier years | | 74.51 | | 46.68 | |
| iii) | Deferred Tax | | 54.21 | | 310.30 | |
| Total Tax Expenses | | | | 920.30 | | 895.40 |
| PROFIT FOR THE YEAR (Before adjustment of Minority Interest) | | | | 2,798.05 | | 1,633.15 |
| Share of Profit/Loss transferred to Minority Interest | | | | 306.69 | | 414.40 |
| PROFIT FOR THE YEAR (After adjustment of Minority Interest) | | | | 2,491.36 | | 1,218.75 |
| Earning per share (Equity shares, face value of ₹ 10/- each) | | | | | | |
| Basic & Diluted | | | | 2.25 | | 1.02 |
| Significant Accounting Policies | | | 1 | | | |
| Expenditure During Construction (EDC) forming part of Capital Work in Progress for the year | | | 28 | | | |
| Other Explanatory Notes to Accounts | | | 29 | | | |
| Note 1 to 29 form integral part of the Accounts | | | | | | |

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

JAYANT KUMAR
Director (Finance)
DIN 03010235

R. S. T. SAI
Chairman & Managing Director
DIN 00171920

As per report of even date

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

For S N Dhawan & Co.
(Chartered Accountants)
FR No. 000050N

For Gupta Gupta & Associates
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FR No. 301072E

(CA. GAURAV NANDA)
Partner
M. No. 500417

(CA. SURESH SETH)
Partner
M. No. 010577

(CA. R.K.GUPTA)
Partner
M. No. 085074

(CA. BARUN KR GHOSH)
Partner
M. No. 051028

Place :- New Delhi
Date: 29-May-2015



NOTE NO. 1 – SIGNIFICANT ACCOUNTING POLICIES - CONSOLIDATED

1.1 BASIS OF PREPARATION

The financial statements are prepared on accrual basis of accounting under the historical cost convention in accordance with Accounting Principles Generally Accepted in India (GAAP), provisions of the Companies Act 2013, Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Electricity Act, 2003, to the extent applicable.

1.2 USE OF ESTIMATES

The preparation of financial statements in conformity with the GAAP requires the management to make estimates and assumptions on a reasonable and prudent basis taking into account all available information that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates & assumptions. Any revision in the estimate is recognized in the period in which the same is determined.

2 FIXED ASSETS

2.1 TANGIBLE ASSETS

2.1.1 Fixed assets are stated at cost of acquisition/construction less accumulated depreciation/amortisation and impairment losses, if any. In cases where final settlement of bills with contractors is pending, but the asset is complete and ready for use, capitalisation is done on estimated basis subject to necessary adjustments, including those arising out of settlement of arbitration/court cases.

2.1.2 Assets over which Company has control, though created on land not belonging to the Company are included under fixed assets.

2.1.3 Payments made/ liabilities created provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.

2.2 INTANGIBLE ASSETS

2.2.1 Land taken for use from State Government (without transfer of title) and expenses on relief and rehabilitation as also on creation of alternate facilities for land evacuees or in lieu of existing facilities coming under submergence and where construction of such alternate facilities is a specific pre-condition for the acquisition of the land for the purpose of the project, are accounted for as Land-Right to use.

2.2.2 Software (not being an integral part of the related hardware) acquired for internal use, is stated at cost of acquisition less accumulated amortisation and impairment losses, if any and is recognised as intangible asset.

2.3 CAPITAL WORK IN PROGRESS

2.3.1 Capital work-in-progress is carried at cost. Administrative & general overhead and other expenditure attributable to construction of the project are accumulated under 'Expenditure During Construction (EDC)' and are subsequently allocated on systematic basis over major immovable assets, other than land and infrastructural facilities, on commissioning of the project.

2.3.2 Expenditure on maintenance, up-gradation etc. of common public facilities in projects under construction is charged to 'Expenditure during Construction (EDC)'.

2.3.3 Expenditure in relation to Survey and Investigation of the projects is carried as Capital Work in Progress. Such expenditure is either capitalized as cost of Project on completion of the construction of the project or the same is charged to the Statement of Profit & Loss in the year in which it is decided to abandon such project.

2.3.4 Capital expenditure incurred for creation of facilities, over which the company does not have control but the creation of which is essential principally for construction of the project, is charged to 'Expenditure during Construction (EDC)'. Subsequent to completion of the Project, expenditure on creation of facilities over which the company does not have control is charged to "Statement of Profit & Loss."

3. MACHINERY SPARES

3.1 (a) Machinery spares procured along with the Plant & Machinery or subsequently and whose use is expected to be irregular are capitalized separately, if cost of such spares is known and depreciated fully over the residual useful life of the related plant and machinery at the rates of depreciation and methodology as notified by

CERC for such Plant & Machinery. If cost of such spares is not known particularly when procured along with mother plant, these are capitalized & depreciated along with mother plant at the rates of depreciation and methodology as notified by CERC for such Plant & Machinery.

- (b) Written Down Value (WDV) of spares is charged off to Statement of Profit & Loss in the year in which such spares are replaced in place of retrieved spares, provided the spares so retrieved do not have any useful life. Similarly, value of such spares, procured & replaced in place of retrieved spares, is charged off to Statement of Profit & Loss in that year itself, provided spares so retrieved do not have any useful life.
- (c) When the useful life of the related fixed asset expires and asset is retired from active use, such spares are valued at net book value or net realizable value whichever is lower. However, in case retired assets are not replaced, WDV of related spares less disposable value is written off.

3.2 Other machinery spares are treated as “stores & spares” forming part of the inventory.

4. RATE REGULATED ACTIVITIES

Where an item of expenditure incurred during the period of construction of a project is recognised as expense in the Statement of Profit & Loss i.e. not allowed to be capitalized as part of cost of relevant fixed asset in accordance with the Accounting Standards, but is nevertheless permitted by Central Electricity Regulatory Commission(CERC), the regulator, to be recovered from the beneficiaries in future through tariff, the right to recover the same is recognized as a Regulatory Asset and corresponding Regulatory Income is recognised, as per the Guidance Note on Accounting for Rate Regulated Activities issued by the Institute of Chartered Accountants of India(ICAI), if it fulfils the conditions for such recognition laid down in the ibid Guidance Note.

5. DEPRECIATION & AMORTISATION

- 5.1 Depreciation on additions to / deductions from tangible assets during the year is charged on pro-rata basis from / up to the date on which the asset is available for use / disposal.
- 5.2.1 Depreciation on tangible assets of Operating Units of the Company is charged to the Statement of Profit & Loss on straight-line method following the rates and methodology as notified by CERC for the fixation of tariff except for assets specified in policy no. 5.2.3 below.
- 5.2.2 Depreciation on tangible assets of other than Operating Units of the company is charged on straight-line method to the extent of 90% of the cost of asset following the rates as notified by CERC for the fixation of tariff except for assets specified in policy no. 5.2.3 below.
- 5.2.3 Depreciation in respect of following assets is charged on straight line method based on the life and residual value (5%) given in the Schedule II of the Companies Act, 2013:
 - (i) Construction Plant & Machinery
 - (ii) Computer & Peripherals
- 5.2.4 Temporary erections are depreciated fully (100%) in the year of acquisition / capitalization by retaining ₹ 1/- as WDV.
- 5.3 Assets valuing ₹ 5000/- or less but more than ₹ 750/- are fully depreciated during the year in which asset is made available for use with ₹ 1/- as WDV.
- 5.4 Low value items, which are in the nature of assets (excluding immovable assets) and valuing upto ₹ 750/- are not capitalized and charged off to revenue in the year of use.
- 5.5 Cost of software recognized as ‘Intangible Assets’ is amortized on straight line method over a period of legal right to use or three financial years, whichever is earlier, starting from the year in which it is acquired.
- 5.6 Land-Right to use is amortized over a period of 30 years from the date of commercial operation of the project in line with CERC tariff regulations notified for tariff fixation.
- 5.7.1 Leasehold Land, in case of operating units, is amortized over the period of lease or 35 years whichever is lower, following the rates and methodology notified by CERC, vide Tariff Regulation 2014.
- 5.7.2 Leasehold Land, in case of units other than operating units, is amortized over the period of lease or 35 years whichever is lower.
- 5.8 Tangible Assets created on leasehold land are depreciated to the extent of 90% of original cost over the balance available lease period of respective land from the date such asset is available for use or at the applicable depreciation rates & methodology notified by CERC Regulations for such assets, whichever is higher.



5.9 Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, settlement of arbitration/court cases, change in duties or similar factors, the unamortized balance of such assets is depreciated prospectively over the residual life of such assets at the rate of depreciation and methodology notified by CERC regulations.

5.10 Where the life and / or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along with its unamortized depreciable amount is charged prospectively over the revised / remaining useful life determined by technical assessment.

6. INVESTMENTS

6.1 Long term Investments are carried at cost. Provision for diminution is made to recognise a decline, other than temporary, in the value of such investments.

6.2 Current Investments are valued at lower of cost and fair value determined on an individual investment basis.

7. INVENTORIES

7.1 Stores & Spares are valued at cost, determined on weighted average basis, or net realizable value whichever is lower.

7.2 Diminution in the value of obsolete, unservicable and surplus stores and spares, identified on a systematic basis, is provided in the accounts.

8. FOREIGN CURRENCY TRANSACTIONS

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

8.2 Exchange differences are recognised as income & expenses in the period in which they arise in Statement of Profit & Loss in case of operational stations and to 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 Employee benefits consist of provident fund, pension, gratuity, post retirement medical facilities, leave benefits (including compensated absences) and other terminal benefits.

9.2 Company contribution paid/payable during the year to Employees Defined Contribution Superannuation Scheme for providing pension benefits and Provident Fund scheme is accounted for and paid to respective funds which are administered through separate trusts.

9.3 The liability for retirement benefits of employees in respect of Gratuity is ascertained at the year end on the basis of actuarial valuation and paid to the Gratuity trust.

9.4 The liability for leave benefits (including compensated absences), post retirement medical benefits, allowance on retirement/death and memento on superannuation to employees is ascertained at the year end on the basis of actuarial valuation.

10. REVENUE

10.1 (a) Sale of energy is accounted for as per tariff notified by Central Electricity Regulatory Commission. In case of Power Station where tariff is not notified, sale is recognized on provisional rates worked out by the Company based on the parameters and method adopted by the appropriate authority. Recovery/refund towards foreign currency variation in respect of foreign currency loans and recovery towards income tax are accounted for on year to year basis.

(b) Incentives/Disincentives are recognised as per tariff notifications. In case of Power Station where tariffs have not been notified, incentives are recognized provisionally on assessment of the likelihood of acceptance of the same.

(c) Adjustments arising out of finalisation of Regional Energy Account (REA), though not material, are effected in the year of respective finalisation.

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

- 10.2 Revenue on Project Management / Construction Contracts/ Consultancy assignments is recognized on percentage of completion method. The percentage of completion is determined as proportion of "cost incurred up to reporting date" to "estimated cost to complete the concerned Project Management / Construction Contracts and Consultancy assignment."
- 10.3 Interest on investments is accounted for on accrual basis. Dividend income is recognized when right to receive the same is established.
- 10.4 Interest/Surcharge recoverable from customers / Liquidated damages / interest on advances to contractors are recognised when no significant uncertainty as to measurability and collectability exists.

11. MISCELLANEOUS

- 11.1 Liabilities for Goods in transit/Capital works executed but not certified are not provided for, pending inspection and acceptance by the Company.
- 11.2 Prepaid expenses and prior period expenses/income of items of ₹50,000/- and below are charged to natural heads of accounts.
- 11.3 Insurance claims are accounted for based on certainty of realization.

12. BORROWING COST

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

13. TAXES ON INCOME

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

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

14. IMPAIRMENT OF ASSETS

The company assesses at each balance sheet date whether there is any indication that cash generating unit (CGU) is impaired based on internal/external indicators. If any such indication exists, company estimates the recoverable amount of the CGU. An impairment loss is recognized in the Statement of Profit and Loss where the carrying amount exceeds the recoverable amount of the cash generating units. An impairment loss is reversed if there is a change in the recoverable amount and such loss either no longer exists or has decreased. Rate Regulated Assets are also tested for impairment at each Balance Sheet Date.

15. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date and are not discounted to present value.

Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate. Contingent assets are not recognised in the Financial Statements.

16. CASH FLOW STATEMENTS

Cash flow statement is prepared in accordance with the indirect method prescribed in the relevant Accounting Standard.

17. GRANT-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 Grants in Aid - Reserve and subsequently adjusted in the same proportion as the depreciation written off on the assets acquired out of such contribution.



NOTE NO. 2 SHARE CAPITAL

| PARTICULARS | As at 31st March, 2015 | | As at 31st March, 2014 | |
|---|------------------------|--------------------------------|------------------------|--------------------------------|
| | In Nos. | (₹ in Crore) | In Nos. | (₹ in Crore) |
| a) Authorized Equity Share Capital (Par value per share ₹ 10) | 15000000000 | 15000.00 | 15000000000 | 15000.00 |
| b) No. of Equity shares issued, subscribed and fully paid (Par value per share ₹ 10) | 11070668496 | 11,070.67 | 11070668496 | 11,070.67 |
| c) Reconciliation of no. of equity shares & share capital outstanding: | | | | |
| | No. of Shares | Share Capital (₹ in crores) | No. of Shares | Share Capital (₹ in crores) |
| Opening number of shares outstanding | 11070668496 | 11,070.67 | 12300742773 | 12,300.74 |
| Add: No. of shares/Share Capital issued/ subscribed during the year | - | - | - | - |
| Less: Reduction in no. of shares/Share Capital on account of buy back of shares | - | - | 1230074277 | 1,230.07 |
| Closing number of shares outstanding | 11070668496 | 11,070.67 | 11070668496 | 11,070.67 |

d) The Company has issued only one kind of equity shares with voting rights proportionate to the share holding of the shareholders. These voting rights are exercisable at meeting of shareholders. The holders of the equity shares are also entitled to receive dividend as declared from time to time for them.

e) Shares in the company held by each shareholder holding more than 5 percent specifying the number of shares held: -

| | As at 31st March, 2015 | | As at 31st March, 2014 | |
|----------------------|------------------------|--------|------------------------|--------|
| | In No. | In (%) | In No. | In (%) |
| - President of India | 9516209722 | 85.96 | 9516209722 | 85.96 |

f) In preceding five financial years immediately preceding 31.03.2015, Company has not allotted any equity share as fully paid up pursuant to contract(s) without payment being received in cash/ not allotted any equity share as fully paid up by way of bonus share(s).

NOTE NO. 3 RESERVE AND SURPLUS

(₹ in Crore)

| PARTICULARS | As at 31st March, 2015 | As at 31st March, 2014 |
|--|------------------------|------------------------|
| (i) Capital Redemption Reserve | | |
| As per last Balance Sheet | 1230.07 | - |
| Add: Transfer from Surplus | - | 1,230.07 |
| As at Balance Sheet date | 1,230.07 | 1,230.07 |
| (ii) Securities Premium Account | 2,868.74 | 2,868.74 |
| (iii) Grant In Aid - Reserve | | |
| As per last Balance Sheet | 724.73 | 605.52 |
| Add: Addition during the year | 10.24 | 155.76 |
| Less: Deduction during the year | 36.93 | 36.55 |
| As at Balance Sheet date | 698.04 | 724.73 |
| (iv) Bond Redemption Reserve | | |
| As per last Balance Sheet | 884.75 | 649.55 |
| Add: Transfer from Surplus | 379.10 | 249.45 |
| Less: Write back during the year | 15.96 | 14.25 |
| As at Balance Sheet date | 1,247.89 | 884.75 |

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(₹ in Crore)

| PARTICULARS | As at 31st March, 2015 | As at 31st March, 2014 |
|--|------------------------|------------------------|
| (v) Self Insurance Fund | | |
| As per last Balance Sheet | 869.83 | 820.82 |
| Add: Transfer from Surplus | 55.77 | 51.74 |
| Less: Utilisation during the year | 7.67 | 2.73 |
| | 917.93 | 869.83 |
| Less:- Adjustment on account of claims | - | 8.82 |
| As at Balance Sheet date | 917.93 | 861.01 |
| (vi) Corporate Social Responsibility Fund | | |
| As per last Balance Sheet | 24.97 | 23.50 |
| Add: Transfer from Surplus | 16.30 | 9.35 |
| Less: Write back during the year | 4.60 | 7.88 |
| As at Balance Sheet date | 36.67 | 24.97 |
| (vii) Research & Development Fund | | |
| As per last Balance Sheet | 21.90 | - |
| Add: Transfer from Surplus | 9.92 | 21.90 |
| As at Balance Sheet date | 31.82 | 21.90 |
| (viii) General Reserve | | |
| As per last Balance Sheet | 1806.50 | 4120.06 |
| Add: Transfer from Surplus | 7,500.00 | 54.33 |
| Less: Utilised for buy back during the year | - | 1,137.82 |
| Less: Transfer to Capital Redemption Reserve | - | 1,230.07 |
| As at Balance Sheet date | 9,306.50 | 1,806.50 |
| Surplus * | 3,349.14 | 8,752.63 |
| TOTAL | 19,686.80 | 17,175.30 |
| * Surplus | | |
| Profit for the year as per Statement of Profit and Loss | 2,491.36 | 1,218.75 |
| Adjustment arising out of transition provisions for recognising Rate Regulatory Assets (Net of provision for Income Tax) | 876.10 | - |
| Balance brought forward | 8,752.63 | 8,413.43 |
| Adjustment in Opening Balance due to change in proportion of holding/ non consolidation of JV | (0.29) | (0.67) |
| Add: | | |
| Amount written back from Bond Redemption Reserve | 15.96 | 14.25 |
| Amount written back from Corporate Social Responsibility Fund | 4.60 | 7.88 |
| Amount utilised from Self Insurance Fund | 5.65 | 3.97 |
| Tax on Dividend - Write back | 10.05 | 5.11 |
| Balance available for Appropriation | 12,156.06 | 9,662.72 |
| Transfer to Bond Redemption Reserve | 379.10 | 249.45 |

NOTE NO. 3 RESERVE AND SURPLUS (Contd.)

(₹ in Crore)

| PARTICULARS | As at 31st March, 2015 | As at 31st March, 2014 |
|--|------------------------|------------------------|
| Transfer to Self Insurance Fund | 55.77 | 51.74 |
| Transfer to General Reserve | 7,500.00 | 54.33 |
| Transfer to Corporate Social Responsibility Fund | 16.30 | 9.35 |
| Transfer to Research & Development Fund | 9.92 | 21.90 |
| Dividend : | | |
| - Interim | 221.43 | - |
| - Proposed | 442.84 | 332.13 |
| Tax on Dividend | | |
| - Interim | 44.27 | 115.07 |
| - Proposed | 137.29 | 76.12 |
| Balance carried forward # | 3,349.14 | 8,752.63 |

Includes ₹ (-) 1.79 Crore (previous year ₹ 3.25 Crore) share of jointly controlled entities.

NOTE NO. 4 LONG TERM BORROWINGS

(₹ in Crore)

| PARTICULARS | As at 31st March, 2015 | | | As at 31st March, 2014 | | |
|-----------------------------|------------------------|----------------------------|----------------------|------------------------|----------------------------|----------------------|
| | Total Borrowings | Less: - Current Maturities | Long Term Borrowings | Total Borrowings | Less: - Current Maturities | Long Term Borrowings |
| Bonds | | | | | | |
| - Secured (Refer A below) | 6811.43 | 437.69 | 6373.74 | 5,850.28 | 63.85 | 5786.43 |
| Term Loans | | | | | | |
| • From Banks | | | | | | |
| - Secured (Refer B below) | 4243.76 | 354.86 | 3888.90 | 4,596.15 | 352.39 | 4243.76 |
| - Unsecured (Refer C below) | 1656.48 | 181.57 | 1474.91 | 2,061.56 | 203.65 | 1857.91 |
| • From Other Parties | | | | | | |
| - Secured (Refer D below) | 5092.06 | 838.93 | 4253.13 | 5,911.42 | 838.93 | 5072.49 |
| - Unsecured (Refer E below) | 2780.70 | 46.90 | 2733.80 | 2,400.07 | 51.62 | 2348.45 |
| TOTAL # | 20584.43 | 1,859.95 | 18724.48 | 20819.48 | 1,510.44 | 19309.04 |

Includes ₹ 25.82 Crore (previous year ₹ 6.24 Crore) share of jointly controlled entities.

| | | | | | | |
|--|----------|--------|---------|----------|--------|----------|
| Aggregate amount of loans guaranteed by Directors | - | - | - | - | - | - |
| Aggregate amount of loans guaranteed by Govt. of India (Refer Note no 14 of Particulars of security) | 1,703.38 | 228.47 | 1474.91 | 2,164.81 | 255.27 | 1,909.54 |
| Amount of default in repayment of loans and interest as at 31.03.2015 | - | - | - | - | - | - |
| Period of default in repayment of loans and interest as at 31.03.2015 | - | - | - | - | - | - |

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(₹ in Crore)

| Particulars of redemption & repayment (Disclosure given below for Total Borrowings) | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---------------------------|---------------------------|
| (A) BONDS (Non-convertible and Non-cumulative)-Secured | | |
| i) TAX FREE BONDS- 3A SERIES *5&10 (8.67% p.a. 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹1000/- each). (Date of redemption 02.11.2033) | 336.07 | 336.07 |
| ii) TAX FREE BONDS- 3B SERIES *5&10 (8.92% p.a. 20 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹1000/- each). (Date of redemption 02.11.2033) | 253.62 | 253.62 |
| iii) BONDS-S-2 SERIES *12 (8.54% p.a. 15 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹ 1200000/- each with 12 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/12 th of face value of Bond). (12 Yearly redemptions of ₹ 55 crore w.e.f. 26.11.2018 to 26.11.2029) | 660.00 | - |
| iv) TAX FREE BONDS- 2A SERIES *5&10 (8.54% p.a. 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹1000/- each). (Date of redemption 02.11.2028) | 213.12 | 213.12 |
| v) TAX FREE BONDS- 2B SERIES *5&10 (8.79% p.a. 15 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹1000/- each). (Date of redemption 02.11.2028) | 85.61 | 85.61 |
| vi) BONDS-R-3 SERIES *5 (8.78% p.a. 15 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 10,00,000/- each with 10 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/10 th of face value of Bond) (10 Yearly redemptions of ₹ 89.20 Crore w.e.f. 11.02.2019 to 11.02.2028) | 892.00 | 892.00 |
| vii) BONDS-Q SERIES *6 &13 (9.25% p.a. 15 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/12 th of face value of Bond) (12 Yearly redemptions of ₹ 105.50 Crore w.e.f. 12.03.2016 to 12.03.2027) | 1,266.00 | 1,266.00 |
| viii) BONDS-R-2 SERIES *5 (8.85% p.a. 14 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/12 th of face value of Bond) (12 Yearly redemptions of ₹ 31.84 Crore w.e.f. 11.02.2016 to 11.02.2027) | 382.08 | 382.08 |
| ix) BONDS-R-1 SERIES *5 (8.70% p.a. 13 year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 12,00,000/- each with 12 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/12 th of face value of Bond) (11 Yearly redemptions of ₹ 6.85 crores each upto 11.02.2026) | 75.35 | 82.20 |



NOTE NO. 4 LONG TERM BORROWINGS (Contd.)

(₹ in Crore)

| Particulars of redemption & repayment (Disclosure given below for Total Borrowings) | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---------------------------|---------------------------|
| x) BONDS-P SERIES *5,7 &10 (9.00% p.a. 15Year Secured Redeemable Non-Convertible Taxable Bonds of ₹ 10,00,000/- each redeemable in 10 equal yearly installments. (10 Yearly redemptions of ₹ 200 Crore w.e.f. 01.02.2016 to 01.02.2025) | 2,000.00 | 2,000.00 |
| xi) TAX FREE BONDS- 1A SERIES *5&10 (8.18% p.a. 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹1000/- each).(Date of redemption 02.11.2023) | 50.81 | 50.81 |
| xii) BONDS-S-1 SERIES *12 (8.49% p.a. 10 Years Secured Redeemable Non-Convertible Taxable Bonds of ₹ 1000000/- each with 10 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/10 th of face value of Bond) (10 Yearly redemptions of ₹ 36.50 crore w.e.f. 26.11.2015 to 26.11.2024) | 365.00 | - |
| xiii) TAX FREE BONDS- 1B SERIES *5&10 (8.43% p.a. 10 Years Secured Redeemable Non-Convertible Tax Free Bonds of ₹1000/- each).(Date of redemption 02.11.2023) | 60.77 | 60.77 |
| xiv) BONDS-O SERIES *2 (7.70% p.a. 15 year Secured Redeemable Non-Convertible Taxable Bonds of ₹100,000,000/- each with 10 separately transferable redeemable principal parts and each separately transferable redeemable principal part comprising 1/10 th of face value of Bond) (3 yearly redemption of ₹ 57 Crore w.e.f. 31.03.2014 to 31.03.2018) | 171.00 | 228.00 |
| TOTAL BONDS (A) | 6811.43 | 5850.28 |
| (B) TERM LOANS - Secured (Banks) | | |
| i) STATE BANK OF PATIALA *1 (Repayable in 4 half yearly instalments of ₹ 2 Crore each upto 09.01.2017 at Fixed interest rate with 3 years reset clause presently at 9.40% p.a. as on 31.03.2015) | 8.00 | 12.00 |
| ii) CANARA BANK *2 (Repayable in 2 equal yearly instalments of ₹ 20 Crore each upto 09.11.2016 at floating rate of interest with upper cap of 6.86% p.a. presently at 6.86% p.a.as on 31.03.2015) | 40.00 | 60.00 |
| iii) SYNDICATE BANK *2 (Repayable in 2 equal yearly instalments of ₹ 18.30 Crore each upto 23.02.2017 at floating rate of interest with upper cap of 7.207% p.a. Presently at 7.027% p.a. as on 31.03.2015) | 36.60 | 54.90 |
| iv) ORIENTAL BANK OF COMMERCE *2 (Repayable in 2 equal yearly instalments of ₹ 18.30 Crore each upto 23.02.2017 at floating rate of interest with upper cap of 7.207% p.a. presently at 7.207% p.a. as on 31.03.2015) | 40.00 | 60.00 |

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NOTE NO. 4 LONG TERM BORROWINGS (Contd.)

(₹ in Crore)

| Particulars of redemption & repayment (Disclosure given below for Total Borrowings) | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---------------------------|---------------------------|
| v) ORIENTAL BANK OF COMMERCE *2 (Repayable in 6 equal yearly instalments of ₹ 10 Crore each upto 27.12.2020 at Fixed interest rate with 3 years reset clause with upper cap of 7.207% p.a. presently at 7.207% p.a. as on 31.03.2015) | 60.00 | 70.00 |
| vi) INDIAN BANK *4&9 (Repaid on 29.09.2014) | - | 75.00 |
| vii) UCO BANK *8 (Repayable in 19 half yearly instalments of ₹ 41.67 Crore each upto 30.06.2024 at floating interest rate of 10.20% p.a. as on 31.03.2015) | 791.67 | 875.00 |
| viii) CORPORATION BANK *11 (Repayable in 47 equal quarterly instalments of ₹ 10.42 Crore each upto 06.10.2026 at floating interest rate of 10.25% p.a. as on 31.03.2015) | 489.58 | 500.00 |
| ix) CANARA BANK *11 (Repayable in 46 equal quarterly instalments of ₹ 4.16 Crore upto 16.07.2026 plus last installment of ₹ 4.48 Crore on 16.10.2026 at floating interest rate of 10.20 % p.a. as on 31.03.2015) | 195.84 | 200.00 |
| x) INDIAN OVERSEAS BANK *11 (Repayable in 47 equal quarterly instalments of ₹ 4.17 Crore each upto 16.10.2026 at floating interest rate of 10.25% p.a. as on 31.03.2015) | 195.83 | 200.00 |
| xi) PUNJAB & SIND BANK *11 (Repayable in 47 equal quarterly instalments of ₹ 4.17 Crore each upto 17.10.2026 at floating interest rate of 10.25% p.a. as on 31.03.2015) | 195.83 | 200.00 |
| xii) SYNDICATE BANK *11 (Repayable in 47 equal quarterly instalments of ₹ 6.25 Crore each upto 02.11.2026 at floating interest rate of 10.25% p.a. as on 31.03.2015) | 293.75 | 300.00 |
| xiii) UNION BANK OF INDIA *11 (Repayable in 47 equal quarterly instalments of ₹ 3.13 Crore each upto 03.11.2026 at floating interest rate of 10.00% p.a. as on 31.03.2015) | 146.88 | 150.00 |
| xiv) STATE BANK OF INDIA *3&6 (Repayable in 48 equal quarterly instalments of ₹ 20.83 Crore w.e.f. 27.06.16 upto 27.03.2028 at floating interest rate of 10.25% p.a. as on 31.03.2015) | 1,000.00 | 1,000.00 |
| xv) STATE BANK OF HYDERABAD *1 & 6 (Repayable in 48 equal quarterly instalments of ₹ 10.42 Crore w.e.f. 28.03.16 upto 28.12.2027 at floating interest rate of 10.20% p.a. as on 31.03.2015) | 500.00 | 500.00 |
| xvi) HDFC Bank Limited *15 (Repayable in 20 half yearly instalments of ₹ 18.63 Crore each upto 31.03.2019 at floating interest rate of 12.50% p.a. as on 31.03.2015) | 149.02 | 204.91 |
| xvii)HDFC Bank Limited *15 (Repayable in 20 half yearly instalments of ₹ 11.20 Crore each upto 30.09.2019 at floating interest rate of 11.75% p.a. as on 31.03.2015) | 100.76 | 134.34 |
| Total Term Loan - Banks (Secured) | 4,243.76 | 4,596.15 |



NOTE NO. 4 LONG TERM BORROWINGS (Contd.)

(₹ in Crore)

| Particulars of redemption & repayment (Disclosure given below for Total Borrowings) | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---------------------------|---------------------------|
| (C) TERM LOANS - Un-secured (Banks)- Foreign Currency | | |
| i) Japan International Cooperation Agency (JICA) Tranche-I *14 (Formerly known as Japan Bank of International Cooperation) (Repayable in 22 equal half yearly instalments of ₹ 6.38 Crore each upto 20.01.2026 at fixed interest rate of 2.3% as on 31.03.2015) | 140.41 | 171.80 |
| ii) Japan International Cooperation Agency (JICA) Tranche-II *14 (Formerly known as Japan Bank of International Cooperation) (Repayable in 26 equal half yearly instalments of ₹ 20.94 Crore each upto 20.12.2027 at fixed interest rate of 2.3% as on 31.03.2015) | 544.38 | 657.55 |
| iii) Japan International Cooperation Agency (JICA) Tranche-III *14 (Formerly known as Japan Bank of International Cooperation) (Repayable in 38 equal half yearly instalments of ₹ 15.47 Crore each upto 20.03.2034 at fixed interest rate of 1.3% as on 31.03.2015) | 587.70 | 693.86 |
| iv) Deutsche Bank & Others *14 (Repayable in 8 equal half yearly instalments of ₹ 48 crores each upto 18.10.2018 at floating interest rate 6 Month JPY LIBOR + 0.57% Margin) | 383.99 | 538.35 |
| Total Term Loan - Banks (Unsecured) | 1,656.48 | 2,061.56 |
| (D) Term Loan-From other parties (Secured) | | |
| i) LIFE INSURANCE CORPORATION OF INDIA *5 & 7 (Repayable in 12 half yearly instalments of ₹ 104.17 Crore each upto 15.10.2020 at Fixed interest rate of 9.25% p.a. on ₹ 50 crores and 8% p.a. on ₹ 1200 Crore as on 31.03.2015) | 1,250.00 | 1,458.33 |
| ii) LIFE INSURANCE CORPORATION OF INDIA *6 & 13 (Repayable in 18 equal half yearly instalments of ₹ 79 Crore each upto 31.10.2023 at Fixed Interest rate with a floor rate of 6.5% p.a. presently at wt. average rate of 9.118% p.a. as on 31.03.2015) | 1,422.00 | 1,580.00 |
| iii) POWER FINANCE CORPORATION LIMITED *8 (Repayable in 26 equal quarterly instalments of ₹ 18.75 Crore upto 15.07.2021 at Fixed interest rate with 3 years reset clause presently at 10.17% p.a. as on 31.03.2015) | 487.50 | 562.50 |
| iv) POWER FINANCE CORPORATION LIMITED *8 (Repayable in 14 equal quarterly instalments of ₹ 4.65 Crore each upto 15.07.2018 at Fixed interest rate with 3 years reset clause presently at 10.17% p.a. as on 31.03.2015) | 65.10 | 83.70 |
| v) POWER FINANCE CORPORATION LIMITED *8 (Repayable in 26 equal quarterly instalments of ₹ 1.75 Crore each upto 15.07.2021 at Fixed interest rate with 3 years reset clause presently at 10.17% p.a. as on 31.03.2015) | 45.50 | 52.50 |
| vi) POWER FINANCE CORPORATION LIMITED *2&3 (Repayable in 25 equal quarterly instalments of ₹ 36.43 Crore each upto 15.04.2021 at Fixed interest rate with 3 years reset clause presently at 10.54% p.a. as on 31.03.2015) | 910.62 | 1,056.33 |

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NOTE NO. 4 LONG TERM BORROWINGS (Contd.)

(₹ in Crore)

| Particulars of redemption & repayment (Disclosure given below for Total Borrowings) | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---------------------------|---------------------------|
| vii) POWER FINANCE CORPORATION LIMITED *1 (Repayable in 17 equal quarterly instalments of ₹ 10.33 Crore each upto 15.04.2019 at Fixed interest rate with 3 years reset clause presently at 10.54% p.a. as on 31.03.2015) | 175.52 | 216.82 |
| viii) POWER FINANCE CORPORATION LIMITED *1 (Repayable in 19 equal quarterly instalments of ₹ 12.50 Crore each upto 15.10.2019 at Fixed interest rate with 3 years reset clause presently at 10.54% p.a. as on 31.03.2015) | 237.50 | 287.50 |
| viii) POWER FINANCE CORPORATION LIMITED *16 (Repayable in 20 half yearly equal instalments of ₹ 67.50 Crore each upto 15.07.2018 at Floating interest rate of 10.29% p.a. as on 31.03.2015) | 472.50 | 607.50 |
| ix) POWER FINANCE CORPORATION LIMITED *17 (Repayable in 40 equal quarterly instalments. The repayment will start after 2 years from the date of commissioning of the project, however repayment of interest is due after commissioning) | 25.82 | 6.24 |
| Total Term Loan - Other Parties (Secured) | 5,092.06 | 5,911.42 |
| (E) Term Loan-From other parties (Unsecured) | | |
| Foreign Currency | | |
| i) Export Development Canada *14 (Repayable in 2 equal half yearly instalments of ₹ 23.45 Crore each upto 15.03.2016 at fixed interest rate of 6.01% as on 31.03.2015) | 46.90 | 103.25 |
| Loans from Govt. of India | | |
| ii) Subordinate Debt from Govt. of India for Nimmo-Bazgo Power Station (Repayable in 18 equal annual instalments of ₹ 15 Crore from the 12 th year after commissioning of the project i.e. from 10.10.2025 at fixed interest rate of 4% per annum.) | 270.00 | 270.00 |
| iii) Subordinate Debt from Govt. of India for CHUTAK Power Station (Repayable in 24 equal annual instalments of ₹ 15.17 Crore from the 6 th year after commissioning of the project i.e. from 01.02.2019 at fixed interest rate of 2.50% per annum.) | 364.00 | 364.00 |
| iv) Subordinate Debt from Govt. of India for Kishanganga HE Project (Repayable in 10 equal annual instalments from the 11 th 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.) | 2,099.80 | 1,662.82 |
| Total Term Loan - Other Parties (Unsecured) | 2,780.70 | 2,400.07 |
| Grand Total (A+B+C+D+E) | 20,584.43 | 20,819.48 |



NOTE NO. 4 LONG TERM BORROWINGS (Contd.)

* Particulars of security

1. Secured by pari-passu charge by way of Equitable mortgage/hypothecation against Immovable/Moveable assets (except for Book Debts and Stores) of Company's Chamera Power Station-I situated in the state of Himachal Pradesh.
2. Secured by pari-passu charge by way of Equitable mortgage/hypothecation against Immovable/Moveable assets (except for Book Debts and Stores) of Company's Uri Power Station situated in the state of Jammu & Kashmir.
3. Secured by pari-passu charge by way of Equitable mortgage/ hypothecation against Immovable / Moveable assets (except for Book Debts and Stores) of Company's Chamera Power Station-II situated in the state of Himachal Pradesh.
4. Secured by pari-passu charge by way of equitable mortgage/hypothecation against the assets (except for Book Debts and Stores) of Company's Loktak Power Station situated in the state of Manipur.
5. Secured by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati-II HE Project situated in the state of Himachal Pradesh.
6. Secured by pari-passu charge by way of equitable mortgage/hypothecation against immovable/movable assets (except for Book Debts and Stores) of Company's Teesta Low Dam-III Project situated in the state of West Bengal.
7. Secured by pari-passu charge by way of equitable mortgage and charge over all the immoveable and moveable assets (except for Book Debts and Stores) of the Company's Dhauliganga Power Station situated in the state of Uttarakhand.
8. Secured by way of first charge on pari-passu basis by way of hypothecation on whole of the Company's movable assets(except for Book Debts and Stores), both present and future, of Dulhasti Power Station situated in the state of Jammu & Kashmir.
9. Secured by exclusive charge by way of equitable mortgage against the assets (except for Book Debts and Stores) of Company's Bairasiul Power Station situated in the state of Himachal Pradesh.
10. Secured by a first charge on pari-passu basis by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Chamera-III HE Project-situated in the state of Himachal Pradesh.
11. Secured by way of first charge on pari-passu basis by way of hypothecation on whole of the Company's movable assets (except for Book Debts and Stores), both present and future, of Salal Power Station situated in the state of Jammu & Kashmir, Sewa-II Power Station situated in the state of Jammu & Kashmir, Chutak Power Station situated in the state of Jammu & Kashmir, Nimmo-Bazgo Power Station situated in the state of Jammu & Kashmir, Uri-II HE Project situated in the state of Jammu & Kashmir & TLDP-IV HE Project situated in the state of West Bengal.
12. Secured by pari-passu charge by way of equitable mortgage and hypothecation against the immovable and moveable assets (except for Book Debts and Stores) of the Company's Parbati -III Power Station situated in the state of Himachal Pradesh.
13. Secured by pari-passu charge by way of equitable mortgage/hypothecation against immovable/movable assets (except for Book Debts and Stores) of Company's Teesta-V project situated in the state of Sikkim.
14. Loans mentioned at sl. nos. C(i),C(ii),C(iii),C(iv) and E(i) above are guaranteed by Government of India.
15. Secured by pari-passu charge by way of first charge in favour of the lender by deposit of title deeds of immovable property and also first charge on all present and future movable, fixed and current assets of Indra Sagar Project of NHDC Limited.
16. Secured by pari-passu charge by way of first charge in favour of the lender by deposit of title deeds of immovable property and also first charge on all present and future movable, fixed and current assets of Onkareshwar Project of NHDC Limited.
17. Secured by way of hypothecation in favour of the Power Finance Corporation Ltd. (PFC) of all the company's movable assets of the Projects (save and except debts) including movable machinery, machinery spares, tools and accessories, fuel stock, spares and material at project site present and future.

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NOTE NO. 5 DEFERRED TAX LIABILITIES / ASSETS

(₹ in Crore)

| PARTICULARS | As at 31st March, 2015 | | As at 31st March, 2014 | |
|--|------------------------|---------------|------------------------|---------------|
| Deferred Tax Liability | | | | |
| i) Depreciation | | 4005.24 | | 3922.53 |
| Less: Deferred Tax Assets | | | | |
| i) Provision for doubtful debts, Inventory and others | 178.71 | | 123.25 | |
| ii) Provision for employee benefit schemes | 143.68 | 322.39 | 131.47 | 254.72 |
| Deferred Tax Liability | | 3,682.85 | | 3,667.81 |
| Less: Recoverable | 2,618.75 | | 2,733.42 | |
| Less: Deferred Tax Adjustment against Deferred Tax Liabilities | 75.50 | 2,694.25 | 0.00 | 2,733.42 |
| Deferred Tax Liability (Net) # | | 988.60 | | 934.39 |

Explanatory Note: -

In compliance to the Accounting Standard 22 on "Accounting for Taxes on Income" notified under The Companies Act 2013 ₹ 15.04 Crore (Previous Year ₹ 210.94 Crore) has been created as deferred tax liability during the year ended on 31.03.2015.

Includes ₹ Nil Crore (previous year ₹ Nil Crore) share of jointly controlled entities.

NOTE NO. 6 OTHERS LONG TERM LIABILITIES

(₹ in Crore)

| PARTICULARS | As at 31st March, 2015 | | | As at 31st March, 2014 | | |
|---|------------------------|---------------------------|---------------------|------------------------|---------------------------|---------------------|
| | Total Liability | Less: - Current Liability | Long Term Libaility | Total Liability | Less: - Current Liability | Long Term Libaility |
| Deposits/ retention money | 206.09 | 100.76 | 105.33 | 409.32 | 149.75 | 259.57 |
| Income received in advance (Advance against depreciation) | 1329.75 | 50.17 | 1279.58 | 1,379.92 | 50.17 | 1,329.75 |
| Deferred Income from Foreign Currency Fluctuation Account | 74.42 | - | 74.42 | 138.86 | - | 138.86 |
| Total # | 1,610.26 | 150.93 | 1,459.33 | 1,928.10 | 199.92 | 1,728.18 |

Includes ₹ 0.34 Crore (previous year ₹ 0.22 Crore) share of jointly controlled entities.

NOTE NO. 7 PROVISIONS

(₹ in Crore)

| PARTICULARS | As at 31st March, 2015 | | | As at 31st March, 2014 | | |
|--|------------------------|-----------------|-----------------|------------------------|-----------------|-----------------|
| | Long Term | Short Term | Total | Long Term | Short Term | Total |
| a) Provision for Employee Benefits | | | | | | |
| As per last Balance Sheet | 795.85 | 71.84 | 867.69 | 716.30 | 44.93 | 761.23 |
| Additions during the year | 85.03 | 74.29 | 159.32 | 79.55 | 91.86 | 171.41 |
| Amount used during the year | 9.86 | 71.73 | 81.59 | - | 64.95 | 64.95 |
| Amount reversed during the year | 0.04 | 3.25 | 3.29 | - | - | - |
| Closing Balance | 870.98 | 71.15 | 942.13 | 795.85 | 71.84 | 867.69 |
| b) Provision for Wage Revision | | | | | | |
| As per last Balance Sheet | | 31.58 | 31.58 | | 28.69 | 28.69 |
| Additions during the year | | 6.68 | 6.68 | | 2.91 | 2.91 |
| Amount used during the year | | 2.74 | 2.74 | | 0.00 | - |
| Amount reversed during the year | | 0.13 | 0.13 | | 0.02 | 0.02 |
| Closing Balance | | 35.39 | 35.39 | | 31.58 | 31.58 |
| Less: Advance paid | | 35.39 | 35.39 | | 31.58 | 31.58 |
| Closing Balance (Net of advance) | | - | - | | - | - |
| c) Provision for Performance Related Pay/ Incentive | | | | | | |
| As per last Balance Sheet | | 70.84 | 70.84 | | 73.60 | 73.60 |
| Additions during the year | | 101.71 | 101.71 | | 68.28 | 68.28 |
| Amount used during the year | | 54.74 | 54.74 | | 64.90 | 64.90 |
| Amount reversed during the year | | 13.53 | 13.53 | | 6.14 | 6.14 |
| Closing Balance | | 104.28 | 104.28 | | 70.84 | 70.84 |
| Less: Advance paid | | - | - | | 0.04 | 0.04 |
| Closing Balance (Net of advance) | | 104.28 | 104.28 | | 70.80 | 70.80 |
| d) Provision for Superannuation /Pension Fund | | | | | | |
| As per last Balance Sheet | | 40.30 | 40.30 | | 17.91 | 17.91 |
| Additions during the year | | 33.98 | 33.98 | | 42.52 | 42.52 |
| Amount used during the year | | 40.30 | 40.30 | | 20.11 | 20.11 |
| Amount reversed during the year | | - | - | | 0.02 | 0.02 |
| Closing Balance | | 33.98 | 33.98 | | 40.30 | 40.30 |
| e) Others | | | | | | |
| i) Provision for Taxation | | | | | | |
| As per last Balance Sheet | | 2,216.62 | 2,216.62 | | 2,185.39 | 2,185.39 |
| Additions during the year | | 1,099.92 | 1,099.92 | | 602.70 | 602.70 |
| Amount used during the year | | 1,460.15 | 1,460.15 | | 571.46 | 571.46 |
| Amount reversed during the year | | 0.52 | 0.52 | | - | - |
| Closing Balance | | 1,855.87 | 1,855.87 | | 2,216.63 | 2,216.63 |
| ii) Provision for Proposed Dividend | | | | | | |
| As per last Balance Sheet | | 332.12 | 332.12 | | 738.04 | 738.04 |
| Additions during the year | | 442.84 | 442.84 | | 332.12 | 332.12 |
| Amount used during the year | | 332.13 | 332.13 | | 738.04 | 738.04 |
| Closing Balance | | 442.83 | 442.83 | | 332.12 | 332.12 |

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(₹ in Crore)

| PARTICULARS | As at 31st March, 2015 | | | As at 31st March, 2014 | | |
|--|------------------------|-----------------|-----------------|------------------------|-----------------|-----------------|
| | Long Term | Short Term | Total | Long Term | Short Term | Total |
| iii) Tax on Proposed Dividend | | | | | | |
| As per last Balance Sheet | | 76.12 | 76.12 | | 135.44 | 135.44 |
| Additions during the year | | 137.29 | 137.29 | | 76.12 | 76.12 |
| Amount used during the year | | 66.07 | 66.07 | | 130.33 | 130.33 |
| Amount reversed during the year | | 10.05 | 10.05 | | 5.11 | 5.11 |
| Closing Balance | | 137.29 | 137.29 | | 76.12 | 76.12 |
| iv) Provision - Others | | | | | | |
| As per last Balance Sheet | | 776.86 | 776.86 | | 404.62 | 404.62 |
| Additions during the year | | 240.14 | 240.14 | | 402.64 | 402.64 |
| Amount used during the year | | 199.68 | 199.68 | | 22.33 | 22.33 |
| Amount reversed during the year | | 125.28 | 125.28 | | 8.07 | 8.07 |
| Closing Balance | | 692.04 | 692.04 | | 776.86 | 776.86 |
| v) Provision For Tariff Adjustment | | | | | | |
| As per last Balance Sheet | | 50.24 | 50.24 | | 91.63 | 91.63 |
| Additions during the year | | 143.02 | 143.02 | | 1.13 | 1.13 |
| Amount used during the year | | 37.63 | 37.63 | | 42.52 | 42.52 |
| Amount reversed during the year | | - | - | | - | - |
| Closing Balance | | 155.63 | 155.63 | | 50.24 | 50.24 |
| vi) Provision For Committed Capital Expenditure | | | | | | |
| As per last Balance Sheet | 29.25 | 170.75 | 200.00 | 13.65 | 561.62 | 575.27 |
| Additions during the year | 2.11 | 26.82 | 28.93 | 17.98 | 0.00 | 17.98 |
| Amount used during the year | 2.20 | 35.89 | 38.09 | 2.38 | 390.87 | 393.25 |
| Amount reversed during the year | - | 0.31 | 0.31 | - | 0.00 | - |
| Closing Balance | 29.16 | 161.37 | 190.53 | 29.25 | 170.75 | 200.00 |
| Total # | 900.14 | 3,654.44 | 4,554.58 | 825.10 | 3,805.66 | 4,630.76 |

Explanatory Note: -

The Board has resolved to implement the directions of the Ministry of Power (MOP) vide its letter no. 11/17/2009-NHPC/Vol. III dated 27th December 2013 conveying the approval of Competent Authority about pay scales in respect of below Board level Executives that the pay scales shall be fixed w.e.f. 01.01.2007 after correcting the aberrations in pay scales fixed w.e.f. 01.01.1997 and the deviant pay scales fixed w.e.f. 01.01.1997 shall not be regularized. The MoP has been intimated vide letter no. PWA-504-Vol-IV/62 dated 14.05.2014 to confirm that the recovery of personal adjustment w.e.f. 01.02.2014 is in conformity with the said directive of the Competent Authority. In the meanwhile, NHPC Officers Association has got a stay from Hon'ble High Court of Delhi against the implementation of stoppage of Personal Pay Adjustment (fitment benefits). In view of the directions of the Hon'ble High Court, Personal Pay Adjustments to the employees is continued to be paid along with the Salary. Thus, the cumulative amount provided towards the Personal Pay Adjustment under the head "Provision for Wage Revision" is ₹ 35.39 crore (including provision for the current year ₹ 6.68 Crore) with corresponding amount shown as "Advance paid".

Includes ₹ 0.23 Crore (previous year ₹ 0.04 Crore) in Long Term Provisions and ₹ 3.85 Crore (previous year ₹ 2.72 Crore) in Short Term Provisions share of jointly controlled entities.



NOTE NO. 8 TRADE PAYABLE

(₹ in Crore)

| PARTICULARS | As at 31st March, 2015 | As at 31st March, 2014 |
|------------------------|------------------------|------------------------|
| For Goods and Services | 164.43 | 223.41 |
| Total # | 164.43 | 223.41 |

Explanatory Note: -

Disclosure requirement under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 is given in Note No. 29 - Other Explanatory Notes to Accounts.

Includes ₹ 0.87 Crore (previous year ₹ 0.79 Crore) share of jointly controlled entities.

NOTE NO. 9 OTHER CURRENT LIABILITIES

(₹ in Crore)

| PARTICULARS | As at 31st March, 2015 | As at 31st March, 2014 |
|--|------------------------|------------------------|
| Current Maturities of Long Term Debt (Refer Note no. 4) * | 1,859.95 | 1,510.44 |
| Interest accrued but not due on Borrowings | 313.41 | 249.19 |
| Income received in advance (Advance against depreciation) (refer Note No. 6) | 50.17 | 50.17 |
| Unpaid Dividend account balance | 5.85 | 4.83 |
| Unpaid Interest account balance | 0.03 | - |
| Liability against Capital Works/Supplies | 385.54 | 540.75 |
| Deposits/ Retention Money (refer Note No. 6) | 100.76 | 149.75 |
| Unspent amount of Deposit/Agency basis works | 0.04 | 0.04 |
| Statutory Dues Payables | 270.64 | 283.90 |
| Other Liabilities | 134.82 | 270.86 |
| Advances against Deposit Works | 232.92 | 227.36 |
| Less: Amount Spent on Deposit Works | 229.47 | 222.29 |
| Advances against cost of Project Mgt./ Consultancy Works | 4,456.42 | 4,417.35 |
| Less: Amount Spent in respect of Project Mgt./ Consultancy Works | 4,290.06 | 4,222.62 |
| Provision Toward Amt Recoverable in respect of Project Mgt / Consultancy Works | (2.28) | (3.97) |
| Total # | 3,293.30 | 3,263.70 |

Explanatory Note: -

* Details in respect of redemption, rate of interest, terms of repayment and particulars of security are disclosed in Note no. 4.

Includes ₹ 5.37 Crore (previous year ₹ 5.96 Crore) share of jointly controlled entities.

NOTE NO. 10.1 TANGIBLE ASSETS

(₹ in crore)

| CLASS OF ASSETS | GROSS BLOCK | | | | DEPRECIATION | | | NET BLOCK | | |
|--|-------------|----------|-----------|-------------|--------------|------------|--------------|------------|------------|------------|
| | 01.04.2014 | Addition | Deduction | Adjustments | 31.03.2015 | 01.04.2014 | For the Year | Adjustment | 31.03.2015 | 31.03.2014 |
| Land – Freehold | 260.28 | 13.18 | - | - | 273.46 | - | - | - | 273.46 | 260.28 |
| Land – Leasehold | 370.91 | 5.46 | 0.04 | 0.23 | 376.56 | 32.52 | 11.98 | 0.09 | 44.59 | 338.39 |
| Roads and Bridges | 323.68 | 4.07 | 0.05 | (10.20) | 317.50 | 90.44 | 11.27 | (0.54) | 101.17 | 233.24 |
| Buildings | 3,383.90 | 61.89 | 2.05 | (23.26) | 3,420.48 | 844.95 | 111.93 | 0.19 | 957.07 | 2,538.95 |
| Railway sidings | 38.97 | - | - | - | 38.97 | 18.84 | 2.67 | - | 21.51 | 20.13 |
| Hydraulic Works(Dams, Water Conductor system, Hydro mechanical gates, tunnels) | 20,200.33 | 49.12 | 15.72 | (176.11) | 20,057.62 | 5,600.27 | 940.41 | 0.35 | 6,541.03 | 14,600.06 |
| Generating Plant and machinery | 10,872.82 | 196.56 | 77.47 | (50.71) | 10,941.20 | 3,162.91 | 522.58 | (6.15) | 3,679.34 | 7,709.91 |
| Plant and machinery - Sub station | 118.26 | 1.45 | 0.06 | (0.63) | 119.02 | 57.28 | 4.62 | (0.33) | 61.57 | 60.98 |
| Plant and machinery - Transmission lines | 72.84 | 3.51 | 0.75 | (0.06) | 75.54 | 25.19 | 4.19 | (0.26) | 29.12 | 47.65 |
| Plant and machinery - Others | 41.33 | 5.27 | 0.05 | 5.58 | 52.13 | 16.26 | 2.93 | (0.03) | 19.16 | 25.07 |
| Construction Equipment | 107.69 | 7.17 | 0.66 | 0.02 | 114.22 | 66.69 | 8.01 | (0.53) | 74.17 | 41.00 |
| Water Supply System/Drainage and Sewerage | 43.67 | 3.51 | 0.05 | (0.05) | 47.08 | 8.48 | 2.21 | (0.01) | 10.68 | 35.19 |
| Electrical installations | 4.94 | 0.24 | 0.01 | (0.20) | 4.97 | 1.42 | 0.26 | (0.12) | 1.56 | 3.52 |
| Vehicles | 29.18 | 2.84 | 0.96 | (0.36) | 30.70 | 17.38 | 1.48 | (1.13) | 17.73 | 11.80 |
| Aircraft/ Boats | 0.78 | 0.15 | - | - | 0.93 | 0.24 | 0.05 | - | 0.29 | 0.54 |
| Furniture and fixture | 54.75 | 5.78 | 1.66 | (0.21) | 58.66 | 27.88 | 2.80 | (0.66) | 30.02 | 26.87 |
| Computers | 59.81 | 13.81 | 6.30 | (0.66) | 66.66 | 48.10 | 7.36 | (4.60) | 50.86 | 11.71 |
| Communication Equipment | 14.89 | 1.85 | 0.19 | (0.04) | 16.51 | 6.94 | 0.88 | (0.07) | 7.75 | 7.95 |
| Office Equipments | 47.72 | 3.94 | 1.34 | (0.39) | 49.93 | 21.69 | 2.99 | (0.89) | 23.79 | 26.03 |
| Research and Development Equipment | 2.54 | - | - | - | 2.54 | 0.62 | 0.16 | - | 0.78 | 1.92 |
| Other assets | 55.85 | 8.36 | 0.31 | 0.15 | 64.05 | 24.05 | 3.44 | (0.13) | 27.36 | 31.80 |
| Tangible Assets of minor value > ₹ 750 and < ₹5000 | 17.17 | 1.78 | 0.77 | 0.02 | 18.20 | 17.16 | 1.79 | (0.76) | 18.19 | 0.01 |
| Total # | 36,122.31 | 389.94 | 108.44 | (256.88) | 36,146.93 | 10,089.31 | 1,644.01 | (15.58) | 11,717.74 | 26,033.00 |
| Previous Year | 28,951.30 | 7,396.30 | 77.02 | (148.27) | 36,122.31 | 8,725.21 | 1,441.42 | (77.32) | 10,089.31 | 20,226.09 |

Includes ₹ 6.18 Crore (previous year ₹ 6.42 Crore) in net block as share of jointly controlled entities.

NOTE NO. 10.2 INTANGIBLE ASSETS

(₹ in Crore)

| CLASS OF ASSETS | GROSS BLOCK | | | | AMORTISATION | | | NET BLOCK | | |
|---------------------------------------|-------------|----------|-----------|-------------|--------------|------------|--------------|------------|------------|------------|
| | 01.04.2014 | Addition | Deduction | Adjustments | 31.03.2015 | 01.04.2014 | For the Year | Adjustment | 31.03.2015 | 31.03.2014 |
| Land – Right of Use | 4,322.47 | 66.19 | 0.09 | (1.18) | 4,387.39 | 769.58 | 132.96 | (0.10) | 902.44 | 3,484.95 |
| Intangible Assets - Computer Software | 39.58 | 2.47 | 0.25 | | 41.80 | 38.65 | 1.45 | (0.26) | 39.84 | 1.96 |
| Total # | 4,362.05 | 68.66 | 0.34 | (1.18) | 4,429.19 | 808.23 | 134.41 | (0.36) | 942.28 | 3,486.91 |
| Previous Year | 3,985.12 | 379.45 | 0.06 | (2.46) | 4,362.05 | 676.67 | 132.06 | (0.50) | 808.23 | 3,553.82 |
| | | | | | | | | | | 3,308.45 |

Includes ₹ 1.72 Crore (previous year ₹ 0.01 Crore) in net block as share of jointly controlled entities.

Explanatory Note: -

- 1) Title deeds/title in respect of freehold land amounting to ₹ 1.19 crores (Previous year 0.91 Crore) covering an area of 103.04 hectare (Previous year 90.72 hectare) and lease deeds in respect of leasehold land amounting to ₹ 296.60 crores (Previous year ₹ 295.86 crores) covering an area of 851.78 hectare (Previous year 883.23 hectare) are yet to be executed/passed.
- 2) Land - Leasehold includes 7.83 hectare taken from Sashatra Seema Bal (SSB) for Subansiri Upper Project on lease for a period of 99 years at notional value of ₹ 1/-.
- 3) Underground works amounting to ₹ 6240.79 Crore (Previous Year ₹ 6267.10 Crore), created on Land - Right to use, are included under the relevant heads of Tangible Assets.
- 4) Adjustments to Gross Block include adjustment for Foreign Exchange Rate Variation, adjustment in gross block at the time of capitalisation of a project for depreciation charged during construction of project, inter-head reclassification of assets & misclassification correction.
- 5) Pending approval of revised cost estimates (RCE) of Sewa II, Chutak, Chamera III, Teesta Low Dam III, Nimmo Bazgoo, Uri II & Parbati III Power Stations, capital expenditure actually incurred on these power stations has been considered for capitalisation.
- 6) Foreign Exchange Rate Variation included in Adjustments to assets are as follows: -

| Class of Assets | For the year ended 31.03.2015 (₹ in crore) | For the year ended 31.03.2014 (₹ in crore) |
|---|--|--|
| Roads and Bridges | (1.57) | - |
| Buildings | (16.21) | - |
| Hydraulic Works | (155.13) | - |
| Generating Plant and machinery | (42.91) | - |
| Plant and machinery Sub station | (0.25) | - |
| Plant and machinery Transmission lines | (0.05) | - |
| Plant and machinery Others | (0.03) | - |
| Water Supply System/Drainage and Sewerage | (0.05) | - |
| Total | (216.20) | - |

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NOTE NO. 11 CAPITAL WORK IN PROGRESS

(₹ in crore)

| Particulars | 01.04.2014 | Addition | Adjustment | Capitalised | 31.03.2015 |
|--|------------------|-----------------|-------------|---------------|------------------|
| Roads and Bridges | 55.64 | 38.02 | (0.15) | 4.07 | 89.44 |
| Buildings | 939.35 | 164.77 | (5.07) | 57.54 | 1,041.51 |
| Hydraulic Works(Dams, Water Conductor system, Hydro mechanical gates, tunnels) | 5,457.46 | 493.07 | 3.86 | 38.69 | 5,915.70 |
| Generating Plant and Machinery | 2,814.37 | 298.71 | 1.03 | 153.98 | 2,960.13 |
| Plant and Machinery - Sub station | 7.65 | 7.50 | (0.09) | 0.96 | 14.10 |
| Plant and Machinery - Transmission lines | 1.62 | 1.72 | - | 2.96 | 0.38 |
| Plant and Machinery - Others | 0.49 | 1.42 | 0.43 | 1.86 | 0.48 |
| Water Supply System/Drainage and Sewerage | 1.23 | 2.60 | 0.09 | 3.25 | 0.67 |
| Other assets awaiting installation | 12.44 | 43.63 | (0.02) | 51.53 | 4.52 |
| Survey, investigation, consultancy and supervision charges | 260.33 | 32.23 | (0.39) | 2.99 | 289.18 |
| Expenditure on compensatory Afforestation | 16.59 | 3.70 | - | - | 20.29 |
| Expenditure during construction* | 5,352.33 | 732.65 | (4.71) | 6.23 | 6,074.04 |
| Less: Provided for | 169.63 | 51.15 | (11.24) | - | 209.54 |
| Sub total (a) | 14,749.87 | 1,768.87 | 6.22 | 324.06 | 16,200.90 |

* For addition during the year refer Note No. 28

| | 01.04.2014 | | Adjustment | | 31.03.2015 |
|---|------------------|-----------------|-------------|---------------|------------------|
| Construction Stores | 175.64 | - | 2.47 | - | 178.11 |
| Less : Provisions for construction stores | 1.53 | - | (0.06) | - | 1.47 |
| Sub total (b) | 174.11 | - | 2.53 | - | 176.64 |
| TOTAL # | 14,923.98 | 1,768.87 | 8.75 | 324.06 | 16,377.54 |
| Previous Year | 19,961.84 | 2,774.35 | (659.94) | 7,152.27 | 14,923.98 |

Includes ₹ 227.16 Crore (previous year ₹ 187.11 Crore) share of jointly controlled entities.

Explanatory Note: -

- Expenditure during Construction (EDC) includes ₹ 332.56 Crore (Previous Year ₹ 472.66 Crore) towards borrowing cost capitalised during the year.
- Capital Work in Progress (CWIP) includes a cumulative expenditure of ₹ 941.18 Crore (Previous Year ₹ 798.99 Crore) on projects under Survey & Investigation stage. Of this, a sum of ₹ 43.52 Crore pertains to Subansiri Upper Project, which had been decided by Govt. of Arunachal Pradesh to be handed over to a Private Developer, however pending handing over of the project & recovery of expenditure incurred on it, the said amount is already provided for in the books as an abundant precaution. Out of the balance of ₹ 897.66 Crore (Previous Year ₹ 755.47 Crore) pertaining to projects with the company, a sum of ₹ 161.15 Crore (Previous Year ₹ 114.34 Crore) has been provided as an abundant precaution in respect of projects, where uncertainties are attached and ₹ 736.51 Crore (Previous Year ₹ 641.13 Crore), pertaining to other projects having reasonable certainty of getting clearance, is carried over.
- Siang Basin, Subansiri Basin & Dibang Multipurpose Projects were taken over from Brahmaputra Board. Pending settlement of accounts with Brahmaputra Board, assets and liabilities have been accounted for to the extent of amounts incurred by the Company on these projects. Siang Lower & Siyom HE Projects (in Siang Basin) & Subansiri Middle (in Subansiri Basin) have since been handed over to Private Developer and liability arising out of settlement of accounts with Brahmaputra Board towards these projects is recoverable from respective Private Developers.
- Underground Works amounting to ₹ 3995.69 Crore (Previous Year ₹ 3774.90 Crore) created on Land - Right to use, are included under respective heads of Capital Work in Progress(CWIP).



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- 5) Capital Expenditure on projects approved by the competent authority undergoes revision over period of time as hydroelectric projects are time intensive and some takes longer period than envisaged. As a consequence the cost escalation occur, which requires approval of competent authority. Pending such approval the expenditure incurred during the period is carried forward in Capital Work in Progress (CWIP)

NOTE NO. 12 NON CURRENT INVESTMENTS

| Particulars | As at 31st March, 2015 | | | As at 31st March, 2014 | | |
|---|-------------------------------------|---|---------------------|-------------------------------------|---|---------------------|
| | 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 | | | | | | |
| Investment in Equity Instrument | | | | | | |
| PTC India Ltd. (Fully Paid Up) | 12000000 | 10 | 12.00 | 12000000 | 10 | 12.00 |
| Trade - Unquoted | | | | | | |
| Investment In Bonds | | | | | | |
| 8.50 % Tax-Free State Government Special Bonds | | | - | | | 259.29 |
| B. Non Trade - Quoted | | | | | | |
| - Equity Instrument | | | | | | |
| Indian Overseas Bank (Fully Paid Up) | 360800 | 10 | 0.36 | 360800 | 10 | 0.36 |
| a) Investment In Government Securities # | | | | | | |
| 8.35% SBI Right Issue GOI Special Bonds 2024 | 150000 | 10000 | 150.77 | 150000 | 10000 | 150.77 |
| 8.20% Oil Marketing Companies GOI Special Bonds 2024 | 12380 | 10000 | 12.26 | 12380 | 10000 | 12.26 |
| 8.28% GOI 2027 | 57000 | 10000 | 52.94 | 57000 | 10000 | 52.94 |
| 8.26% GOI 2027 | 17940 | 10000 | 17.83 | 17940 | 10000 | 17.83 |
| 8.28% GOI 2032 | 35000 | 10000 | 34.62 | 35000 | 10000 | 34.62 |
| 8.32% GOI 2032 | 34000 | 10000 | 31.28 | 34000 | 10000 | 31.28 |
| (b) Investment In Public Sector Undertaking/Public Financial Institution & Corporate Bonds # | | | | | | |
| 8.95% Indian Railways Finance Corporation Bonds 2025 | 688 | 1000000 | 69.63 | 688 | 1000000 | 69.63 |
| 8.65% Indian Railways Finance Corporation Bonds 2025 | 30 | 1000000 | 2.99 | 30 | 1000000 | 2.99 |
| 8.83% Indian Railways Finance Corporation Bonds 2035 | 120 | 1000000 | 12.09 | 120 | 1000000 | 12.09 |
| 8.80% Indian Railways Finance Corporation Bonds 2030 | 150 | 1000000 | 15.13 | 150 | 1000000 | 15.13 |
| 8.90% Power Grid Corporation of India Bonds 2021 | 80 | 1250000 | 10.00 | 80 | 1250000 | 10.00 |

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NOTE NO. 12 NON CURRENT INVESTMENTS (Contd.)

| Particulars | As at 31st March, 2015 | | | As at 31st March, 2014 | | |
|--|-------------------------------------|---|---------------------|-------------------------------------|---|---------------------|
| | Number of shares/ bonds/ securities | Face value per share/ bond/ security (In ₹) | Amount (₹ in Crore) | Number of shares/ bonds/ securities | Face value per share/ bond/ security (in ₹) | Amount (₹ in Crore) |
| 8.90% Power Grid Corporation of India Bonds 2022 | 80 | 1250000 | 10.00 | 80 | 1250000 | 10.00 |
| 8.90% Power Grid Corporation of India Bonds 2023 | 80 | 1250000 | 10.00 | 80 | 1250000 | 10.00 |
| 8.90% Power Grid Corporation of India Bonds 2025 | 40 | 1250000 | 5.04 | 40 | 1250000 | 5.04 |
| 8.84% Power Grid Corporation of India Bonds 2024 | 156 | 1250000 | 19.51 | 156 | 1250000 | 19.51 |
| 8.84% Power Grid Corporation of India Bonds 2025 | 364 | 1250000 | 45.52 | 364 | 1250000 | 45.52 |
| 8.95% Power Finance Corporation Bonds 2025 | 51 | 1000000 | 5.16 | 51 | 1000000 | 5.16 |
| 8.80% Power Finance Corporation Bonds 2025 | 467 | 1000000 | 45.97 | 467 | 1000000 | 45.97 |
| 8.70% Power Finance Corporation Bonds 2025 | 477 | 1000000 | 47.37 | 477 | 1000000 | 47.37 |
| 8.80% Rural Electrification Corporation Bonds 2020 | 600 | 1000000 | 59.93 | 600 | 1000000 | 59.93 |
| 9.75% Rural Electrification Corporation Bonds 2021 | 230 | 1000000 | 23.05 | 230 | 1000000 | 23.05 |
| 7.41% IIFCL Tax Free Bonds 15.11.2032 | 120 | 1000000 | 12.00 | 120 | 1000000 | 12.00 |
| 8.12% REC Tax Free Bonds 27.03.2027 | 100000 | 1000 | 10.61 | 100000 | 1000 | 10.61 |
| 8.48% NHAI TAX FREE | 473 | 100000 | 47.28 | 473 | 100000 | 47.28 |
| Total # | | | 763.34 | | | 1,022.63 |

Includes ₹ NIL Crore (previous year ₹ Nil Crore) share of jointly controlled entities.

Explanatory Note: -

Quoted Investments

| | | |
|-----------------------------|--------|--------|
| (i) Aggregate Cost | 763.34 | 763.34 |
| (ii) Aggregate Market Value | 876.61 | 815.75 |

Unquoted Investments

| | | |
|--|---|--------|
| (i) Aggregate Cost | - | 259.29 |
| (ii) Aggregate provision for diminution in value | - | - |

Valuation as per Accounting Policy no. 6



NOTE NO. 13 LOANS AND ADVANCES

(₹ in Crore)

| PARTICULARS | As at 31st March, 2015 | | | As at 31st March, 2014 | | |
|--|------------------------|-----------------|-----------------|------------------------|-----------------|-----------------|
| | Long Term | Short Term | Total | Long Term | Short Term | Total |
| a) CAPITAL ADVANCES | | | | | | |
| - Secured (considered good) | 9.37 | | 9.37 | 0.39 | | 0.39 |
| - Unsecured (considered good) | | | | | | |
| - Against Bank Guarantee | 472.95 | | 472.95 | 460.27 | | 460.27 |
| - Others | 149.69 | | 149.69 | 146.53 | | 146.53 |
| Less : Provision for expenditure awaiting utilisation Certificate | 10.27 | | 10.27 | 10.72 | | 10.72 |
| - Unsecured (considered doubtful) | 0.12 | | 0.12 | 2.30 | | 2.30 |
| Less : Provisions for Doubtful Capital Advances 1* | 0.12 | | 0.12 | 2.30 | | 2.30 |
| b) DEPOSITS | | | | | | |
| - Unsecured (considered good) | 54.71 | 90.40 | 145.11 | 92.60 | 54.21 | 146.81 |
| - Unsecured (considered doubtful) | 0.50 | 0.01 | 0.51 | 0.50 | 0.01 | 0.51 |
| Less : Provision against demand raised by Govt.Depts. | - | 36.88 | 36.88 | - | - | - |
| Less : Provision for Doubtful Deposits 2* | 0.50 | 0.01 | 0.51 | 0.50 | 0.01 | 0.51 |
| c) OTHER LOANS & ADVANCES | | | | | | |
| i) Employees (including accrued interest) | | | | | | |
| - Secured (considered good) | 183.94 | 25.52 | 209.46 | 156.38 | 23.41 | 179.79 |
| - Unsecured (considered good) | 10.30 | 34.04 | 44.34 | 26.83 | 37.41 | 64.24 |
| - Unsecured (considered doubtful) | - | 0.02 | 0.02 | - | 0.02 | 0.02 |
| ii) Contractor / supplier / service provider | | | | | | |
| - Secured (considered good) | - | 0.03 | 0.03 | - | 0.30 | 0.30 |
| - Unsecured (considered good) | | | | | | |
| - Against bank guarantee | 54.16 | 4.12 | 58.28 | - | 10.09 | 10.09 |
| - Others | - | 16.86 | 16.86 | - | 20.26 | 20.26 |
| - Unsecured (considered doubtful) | - | 45.85 | 45.85 | - | 45.97 | 45.97 |
| iii) Loan to State Government in settlement of dues from customer | | | | | | |
| - Unsecured (considered good) | 12.68 | 25.36 | 38.04 | 38.04 | 25.36 | 63.40 |
| iv) Advance to Government of Arunachal Pradesh | | | | | | |
| - Unsecured (considered good) | 225.00 | - | 225.00 | 225.00 | - | 225.00 |
| v) Other advances | | | | | | |
| - Unsecured (considered good) | 0.09 | 42.72 | 42.81 | 0.53 | 30.95 | 31.48 |
| - Unsecured (considered doubtful) | - | - | - | - | - | - |
| Less : Provisions for doubtful Other Loans & Advances 3* | - | 45.87 | 45.87 | - | 45.99 | 45.99 |
| Less : Provisions for expenditure awaiting utilization certificate | - | 0.20 | 0.20 | - | - | - |
| vi) Advance income tax & tax deducted at source | - | 1,881.04 | 1881.04 | - | 2530.56 | 2,530.56 |
| Total # | 1,162.62 | 2,083.01 | 3,245.63 | 1,135.85 | 2,732.55 | 3,868.40 |

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| | As on 31.03.2015 | As on 31.03.2014 |
|--|-------------------|-------------------|
| Explanatory Note: - | ₹ in Crore | ₹ in Crore |
| Loans and Advances due from Directors or other officers at the end of the year | 0.01 | 0.02 |
| Advance due by Firms or Private Companies in which any Director of the Company is a Director or member amount to ₹ Nil (Previous Year ₹ Nil). | | |
| # Includes ₹ 10.17 Crore (previous year ₹ 6.45 Crore) in Long Term Loan and Advances and ₹ 5.85 Crore (previous year ₹ 3.83 Crore) in Short Term Loan and Advances share of jointly controlled entities. | | |

(₹ in Crore)

| DETAILS OF PROVISIONS | Long Term | Short Term | Total | Long Term | Short Term | Total |
|--|-----------|--------------|--------------|-----------|--------------|--------------|
| Provisions for Doubtful Capital Advances 1* | | | | | | |
| Opening Balance | 2.30 | - | 2.30 | 0.07 | - | 0.07 |
| Addition during the year | 0.11 | - | 0.11 | 2.23 | - | 2.23 |
| Used during the year | 0.04 | - | 0.04 | - | - | - |
| Reversed during the year | 2.25 | - | 2.25 | - | - | - |
| Closing balance | 0.12 | - | 0.12 | 2.30 | - | 2.30 |
| Provisions for Doubtful Deposits *2 | | | | | | |
| Opening Balance | 0.50 | 0.01 | 0.51 | - | 0.01 | 0.01 |
| Addition during the year | - | - | - | 0.50 | - | 0.50 |
| Closing balance | 0.50 | 0.01 | 0.51 | 0.50 | 0.01 | 0.51 |
| Provisions for Doubtful Other Loans & Advances *3 | | | | | | |
| Opening Balance | - | 45.99 | 45.99 | - | 45.99 | 45.99 |
| Addition during the year | - | 0.27 | 0.27 | - | - | - |
| Used during the year | - | 0.12 | 0.12 | - | - | - |
| Reversed during the year | - | 0.27 | 0.27 | - | - | - |
| Closing balance | - | 45.87 | 45.87 | - | 45.99 | 45.99 |

NOTE NO. 14.1 OTHER NON-CURRENT ASSETS

(₹ in Crore)

| PARTICULARS | As at 31st March, 2015 | As at 31st March, 2014 |
|--|---------------------------|---------------------------|
| a) Long Term Trade Receivable | | |
| Unsecured - Considered Good | 335.94 | 427.95 |
| b) Others | | |
| Interest accrued on: | | |
| - Advance to Government of Arunachal Pradesh | 214.22 | 177.96 |
| Deferred Foreign Currency Fluctuation Assets | 421.29 | 713.64 |
| Deferred Expenditure on Foreign Currency Fluctuation | 160.30 | 4.77 |
| Total # | 1,131.75 | 1,324.32 |

Includes ₹ NIL Crore (previous year ₹ Nil Crore) share of jointly controlled entities.



NOTE NO. 14.2 OTHER NON-CURRENT ASSETS - REGULATORY ASSETS

(₹ in Crore)

| Particulars | Opening Balance | Addition | Adjustment* | Amortisation/ Impairment | As at 31st March, 2015 |
|----------------------------|-----------------|---------------|-----------------|-----------------------------|---------------------------|
| Regulatory Assets | | | | | |
| Subansari Lower HE Project | - | 521.95 | 1,108.44 | - | 1,630.39 |
| TOTAL # | - | 521.95 | 1,108.44 | - | 1,630.39 |
| Previous year | - | - | - | - | - |

* On account of transition provision to recognise rate regulatory assets in respect of expenditure incurred during the period of interruption of construction activities i.e. from 16.12.2011 to 31.3.2014 by corresponding credit to opening balance of Surplus.

Includes ₹ NIL Crore (previous year ₹ Nil Crore) share of jointly controlled entities.

NOTE NO. 15 CURRENT INVESTMENTS

(₹ in Crore)

| Particulars | As at 31st March, 2015 | | | As at 31st March, 2014 | | |
|--|------------------------|------|---------------|------------------------|------|---------------|
| Investment In Bonds (Current maturity of long-term investments) | | | | | | |
| 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 | 56982 | 1000 | 5.70 | - | - | - |
| 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 |
| Uttarkhand | 87430 | 1000 | 8.74 | 87430 | 1000 | 8.74 |
| West Bengal | 6722 | 1000 | 0.67 | 6722 | 1000 | 0.67 |
| Total # | | | 256.44 | | | 250.74 |

Explanatory Note: -

Unquoted Investments

Aggregate Cost

Aggregate provision for diminution in value

Valuation as per Accounting Policy no. 6

Includes ₹ NIL Crore (previous year ₹ Nil Crore) share of jointly controlled entities.

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NOTE NO. 16 INVENTORIES

(₹ in Crore)

| PARTICULARS | As at 31st March, 2015 | As at 31st March, 2014 |
|--|------------------------|------------------------|
| (Valuation as per Accounting Policy No. 7) | | |
| Stores and Spares | 104.32 | 96.91 |
| Stores in Transit/ Pending Inspection | 3.55 | 1.91 |
| Loose Tools | 1.97 | 2.16 |
| Scrap Inventory | 1.18 | 1.00 |
| Material at Site | 3.56 | 3.16 |
| Material issued to Contractors/ Fabricators | 0.04 | 0.61 |
| Less: Provision for Obsolescence & Diminution in Value | 23.98 | 25.91 |
| Total # | 90.64 | 79.84 |

Includes ₹ NIL Crore (previous year ₹ Nil Crore) share of jointly controlled entities.

(₹ in Crore)

| DETAILS OF PROVISIONS | As at 31st March, 2015 | As at 31st March, 2014 |
|---|------------------------|------------------------|
| Provision for Obsolescence & Diminution in Value | | |
| Opening Balance | 25.91 | 25.20 |
| Addition during the year | 0.39 | 3.12 |
| Used during the year | 0.49 | 1.42 |
| Reversed during the year | 1.83 | 0.99 |
| Closing balance | 23.98 | 25.91 |

NOTE NO. 17 TRADE RECEIVABLES

(₹ in Crore)

| PARTICULARS | As at 31st March, 2015 | As at 31st March, 2014 |
|--|------------------------|------------------------|
| Trade Receivables outstanding for a period exceeding six months from the date they become due for payment | | |
| - Unsecured - Considered Good | 1,066.11 | 727.16 |
| - Unsecured - Considered Doubtful | 34.77 | 34.77 |
| Other Trade Receivables | | |
| - Unsecured - Considered Good | 1,839.07 | 1,695.27 |
| Less: Provision for Doubtful Debts | 34.77 | 34.77 |
| Total # | 2,905.18 | 2,422.43 |

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).

Includes ₹ NIL Crore (previous year ₹ Nil Crore) share of jointly controlled entities.

(₹ in Crore)

| DETAILS OF PROVISIONS | As at 31st March, 2015 | As at 31st March, 2014 |
|---|------------------------|------------------------|
| Provision for Obsolescence & Diminution in Value | | |
| Opening Balance | 34.77 | 43.70 |
| Addition during the year | - | 5.71 |
| Used during the year | - | - |
| Reversed during the year | - | 14.64 |
| Closing balance | 34.77 | 34.77 |



NOTE NO. 18 CASH AND BANK BALANCES

(₹ in Crore)

| PARTICULARS | | As at 31st March, 2015 | As at 31st March, 2014 |
|-------------|--|---------------------------|---------------------------|
| A | Cash and Cash Equivalents | | |
| | Cash on hand (includes stamps in hand of ₹ .01 Crore, Previous Year ₹ 0.01 Crore) | 0.20 | 0.23 |
| | Cheques, drafts on hand | 14.87 | 15.93 |
| | Balances with Banks | | |
| | • With Scheduled Banks | | |
| | - In current account | | |
| | - Self Insurance Fund | - | 0.46 |
| | - Others | 82.42 | 236.77 |
| | - In deposits account (Deposits with maturity of three months or less) | | |
| | - Others | 528.80 | 662.61 |
| | • With Other Banks | | |
| | In current account | | |
| | - Bank of Bhutan | 0.02 | 0.01 |
| B | Other Bank Balances | | |
| | Deposits with maturity of more three months but less than/up to 12 months | | |
| | • With Scheduled Banks | | |
| | - Self Insurance Fund | 62.85 | 22.67 |
| | - IPO Proceeds | - | 509.09 |
| | - Others | 5,881.88 | 4,590.03 |
| | Deposit account-Unpaid Dividend / Interest | 92.83 | 40.48 |
| | Deposits with more than 12 months maturity | | |
| | - Others | 277.15 | 64.50 |
| | Total # | 6,941.02 | 6,142.78 |

Includes ₹ 48.80 Crore (previous year ₹ 70.13 Crore) share of jointly controlled entities.

Explanatory Note: -

- 1) Out of the Initial Public Offering (IPO) proceeds of ₹ 6038.55 Crore made during financial year 2009-10, sale proceeds of ₹ 2012.85 Crore was paid to Ministry of Power, Govt. of India and ₹ 4025.70 Crore was retained by the company. Out of ₹ 4025.70 Crore, a sum of ₹ 3986.99 Crore has been utilised up to 31.03.2015 for re-couplement of capital expenditure already incurred from internal accruals on the projects specified for utilisation and ₹ 38.71 Crore recouped for meeting IPO expenditure.
- 2) Cash and Bank Balances include an amount of ₹ 0.23 Crore (Previous year ₹ 0.31 Crore) towards margin money kept with banks for opening Letter of Credit or similar facility, which is not available for use As on 31.03.2015.
- 3) Cash and Bank Balances include ₹ 268.05 Crore (Previous Year ₹ 320.63 Crore), held for Rural Road and Rural Electrification works being executed by Company on behalf of other agencies and are not freely available for the business of the Company.
- 4) Cash and Bank Balances include an amount of ₹ 3.24 Crore (Previous year ₹ 5.11) representing deposit by oustees towards 'Land for Land' in respect of Omkareshwar Project, which is not available for use As on 31.03.2015.
- 5) Cash and Bank Balances include an amount of ₹ 9.01 Crore (Previous year ₹ 8.24 Crore) kept with banks as per orders of Hon'ble Court of Law, which is not available for use as on 31.03.2015.
- 6) Cash and Bank Balances include an amount of ₹ 164.31 Crore (Previous year ₹ 160.51 Crore) towards self insurance reserve, not available for use otherwise.

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NOTE NO. 19 OTHER CURRENT ASSETS

(₹ in Crore)

| PARTICULARS | As at 31st March, 2015 | As at 31st March, 2014 |
|--|------------------------|------------------------|
| a) Interest accrued on: | | |
| Loan to State Government in settlement of dues from Customers | 32.97 | 32.97 |
| Deposits | | |
| - IPO | - | 8.16 |
| - Self Insurance | 18.10 | 16.83 |
| - Other Deposits | 264.64 | 266.79 |
| Others | | |
| - Considered Good | 21.34 | 2.20 |
| - Considered Doubtful | 63.59 | 67.94 |
| Sub-total | 400.64 | 394.89 |
| Less: Provision for Doubtful Interest | 63.59 | 67.94 |
| | 337.05 | 326.95 |
| b) Receivable on account of Unbilled Revenue | 768.91 | 480.18 |
| c) Receivable from Joint Ventures | 140.67 | 140.09 |
| d) Interest Receivable from Beneficiaries | 6.79 | 111.27 |
| e) Claims Recoverable | 968.72 | 1026.37 |
| Less: Provisions for Doubtful Claims | 262.11 | 329.06 |
| | 706.61 | 697.31 |
| f) Construction Work in Progress (on behalf of client) | - | 20.75 |
| g) Surplus Assets / Obsolete Assets held for disposal | 1.81 | 2.41 |
| h) Expenditure awaiting adjustment | 37.06 | 37.06 |
| Less: Provision for project expenses awaiting write off sanction | 37.06 | 37.06 |
| | - | - |
| i) Losses awaiting write off sanction/pending investigation | 34.56 | 11.35 |
| Less: Provision for losses pending investigation/awaiting write off sanction | 34.56 | 11.35 |
| | - | - |
| j) Others | 48.03 | 0.23 |
| TOTAL # | 2,009.87 | 1,779.19 |

Explanatory Note: -

- Interest accrued on Loan to State Government in settlement of dues from customers includes ₹ 32.97 Crore (Previous Year ₹ 32.97 Crore) on account of payment of incentive to M/s Delhi Transco Limited. The equivalent amount is appearing as liability under other liabilities in Note-9 (Other Current Liabilities) since the issue of payment of incentive to M/s Delhi Transco has not been resolved yet.
 - Receivable on account of Unbilled Revenue represents i) J&K water cess ₹ 216.38 Crore (Previous Year ₹ 210.27 Crore) ii) Tax Adjustment ₹ 110.70 Crore (Previous Year ₹ 24.41 Crore) iii) MEA sales ₹ 4.71 Crore (Previous Year ₹ 1.72 Crore) iv) Other ₹ 437.12 Crore (Previous Year ₹ 243.78 Crore).
 - Surplus Assets/Obsolete Assets held for disposal are shown at lower of book value and net relisable value.
- # Includes ₹ 3.26 Crore (previous year ₹ 0.95 Crore) share of jointly controlled entities.



NOTE NO. 20 REVENUE FROM OPERATIONS

(₹ in Crore)

| PARTICULARS | | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
|-------------|--|--|--|
| A | SALES | | |
| | SALE OF POWER | 8,352.25 | 7,243.44 |
| | Less: | | |
| | Adjustment for Foreign Exchange Rate Variation | 76.41 | 105.35 |
| | Tariff Adjustments | 143.02 | 1.13 |
| | Regulated Sales Adjustment | 75.09 | 5.83 |
| | Income from generation of electricity – precommissioning (Transferred to EDC Note No. 28) | 0.36 | 8.35 |
| | Sub total | 8,057.37 | 7,122.78 |
| B | ADVANCE AGAINST DEPRECIATION - Written back during the year | 50.17 | 50.17 |
| C | OTHER OPERATING INCOME | | |
| | Interest from Beneficiary States (Revision of Tariff) | 93.44 | 212.10 |
| D | REVENUE FROM CONTRACTS, PROJECT MANAGEMENT AND CONSULTANCY WORKS | | |
| | Contract Income | 8.87 | 41.32 |
| | Revenue from Project management/ Consultancy works | 38.51 | 39.55 |
| | Sub Total | 47.38 | 80.87 |
| | TOTAL (A+B+C+D) # | 8,248.36 | 7,465.92 |

Explanatory Note: -

- 1) CERC tariff notification for the period 2014-19 has been notified vide notification no No.L-1/144/2013/CERC dt 21st February 2014. However, Pending approval of tariff for the period 2014-19 by Central Electricity Regulatory Commission (CERC), sales have been recognized provisionally as per tariff notified by CERC for the period 2009-14 and taking into account provision towards truing up of capital cost of the power stations in line with CERC tariff regulations 2014. Further for the purpose of recognizing sales, Return on equity (a component of tariff) has been grossed up using effective tax rate for FY 2014-15.
- 2) Sales includes ₹ 63.02 Crore (Previous Year ₹ 371.43 Crore) on account of earlier year sales arising out of finalisation of tariff in current year.
- 3) Due to non payment of dues by some of the beneficiaries, share of power allocated to them has been regulated in terms of CERC Regulation No.L-1/42/2010-CERC Dated 28th September 2010 and accordingly sales includes an amount of ₹ 122.01 Crore (Previous year ₹ 11.01 Crore) towards regulated power, which has been sold through bidding at Power Exchange. Ibid regulation further provides that margin earned on such sale after adjusting expenditure for effecting sale of regulated power should be passed on to beneficiaries, whose power has been regulated. Accordingly an amount of ₹ 67.50 Crore (Previous year ₹ 4.94 Crore) has been adjusted against the outstanding dues of those beneficiaries.
- 4) Sales includes ₹ 853.34 Crore (Previous Year ₹ 553.29 Crore) which is yet to be billed.
- 5) Tariff regulation notified by CERC vide notification dated 19.01.2009 inter-alia provides that capital cost considered for fixation of tariff for current tariff period shall be subject to truing up at the end of the tariff period, which may result in increase or decrease in tariff. Accordingly, an amount of ₹ 143.03 Crore (Previous Year ₹ 1.13 Crore) has been provided in the books during the year as an abundant precaution.
- 6) In terms of regulation No. 49 of tariff regulation issued vide Central Electricity Regulatory Commission (CERC) notification No. L-1/144/2013-CERC dated 21.02.2014, deferred tax liabilities for the period upto 31st March 2009 whenever it materializes is recoverable directly from the beneficiaries and are accounted for on yearly basis. Accordingly current year sale includes ₹ 193.77 Crore (Previous year ₹ 148.80 Crore) on account of deferred tax materialised during the year.
- 7) Sales includes ₹ 86.80 crores (Previous year ₹ 20.09 crores) on account of 'deemed generation' in respect of Chutak and NimmoBazgo Power stations as allowed by 'CERC'.

Includes ₹ Nil Crore (previous year ₹ Nil Crore) share of jointly controlled entities.

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NOTE NO. 21 OTHER INCOME

(₹ in Crore)

| PARTICULARS | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
|--|--|--|
| A Income from Non-Current Investments | | |
| Trade | | |
| - Dividend -Others | 2.40 | 1.92 |
| - Interest - Government Securities (8.5% tax free bonds issued by the State Governments) | 38.02 | 59.34 |
| Non-Trade | | |
| - Dividend income -Mutual Fund | 0.02 | 0.10 |
| - Interest-(Self Insurance Fund) | 65.06 | 60.66 |
| B Other | | |
| Interest | | |
| - Loan to State Government in settlement of dues from customers | 4.85 | 7.01 |
| - Loan to Government of Arunachal Pradesh | 36.27 | 33.27 |
| - Deposit Account -Self Insurance Fund | 3.62 | 3.97 |
| - Deposit Account - Other than self insurance fund | 597.42 | 754.52 |
| - Employee's Loans and Advances | 13.36 | 12.64 |
| - Others | 74.32 | 134.96 |
| Late payment surcharge | 7.84 | 121.57 |
| Income From Sale of Self Generated VERs | - | 0.05 |
| Realization of Loss Due To Business Interruption | - | 99.99 |
| Profit on sale of assets | 1.11 | 1.06 |
| Liability/ Provisions not required written back | 112.33 | 41.21 |
| Others | 40.37 | 46.76 |
| Exchange rate variation | 25.03 | 32.54 |
| TOTAL (A+B) | 1,022.02 | 1,411.57 |
| Less: Income transferred to EDC | 87.23 | 64.60 |
| Less: Income transferred to Advance Deposit from Client/Contractees and against Deposit Works | 21.59 | 24.88 |
| Total carried forward to Statement of Profit & Loss # | 913.20 | 1,322.09 |
| Explanatory Note: - | | |
| 1) Detail of Liability/Provisions not required written back | | |
| Provision for Bad and doubtful advances / deposits | 2.52 | - |
| Provision for Diminution in value of stores and spares | 1.83 | 0.99 |
| Provision for Bad and doubtful debts | - | 14.64 |
| Provision for Bad and doubtful claims | 74.68 | 5.77 |
| Provision for losses pending investigation / Losses written off | 2.00 | - |
| Provision for wage revision | 0.12 | - |
| Provision for PRP/Incentive | 13.46 | 5.94 |
| Provision for Superannuation/Pension Fund | - | 0.02 |
| Provision for Committed Capital Expenditure | 0.31 | - |
| Others | 17.41 | 13.85 |
| TOTAL | 112.33 | 41.21 |

- 2) Total carried forward to Statement of Profit & Loss includes ₹ 107.02 Crore (Previous year ₹ 58.72 Crore) relating to Subansiri Lower Project & Teesta Low Dam IV Project as explained in Explanatory Note no 29, para 10 (read with para 23) & para 11 respectively. However Rate Regulatory Assets for an equivalent amount of ₹ 72 crore pertaining to Subansiri Lower Project has been recognised in compliance to Guidenace Note on Accounting for Rate Regulated Activities issued by ICAI.

Includes ₹ 0.09 Crore (previous year ₹ 5.74 Crore) share of jointly controlled entities.



NOTE NO. 22 GENERATION, ADMINISTRATION AND OTHER EXPENSES

(₹ in Crore)

| PARTICULARS | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
|--|--|--|
| A GENERATION EXPENSES | | |
| Water Usage Charges | 748.51 | 630.04 |
| B Consumption of Stores and Spare parts | 33.41 | 30.05 |
| C Direct Expenditure on Contract, Project Management and Consultancy Works | 7.29 | 23.09 |
| D REPAIRS & MAINTENANCE | | |
| - Building | 56.55 | 49.42 |
| - Machinery | 40.74 | 31.90 |
| - Others | 111.79 | 115.00 |
| | 209.08 | 196.32 |
| E ADMINISTRATION EXPENSES | | |
| Rent and Hire charges | 48.87 | 52.75 |
| Rates and Taxes | 2.67 | 4.53 |
| Energy Development Cess | 55.25 | 198.71 |
| Insurance | 100.84 | 74.44 |
| Utilization of Self Insurance Fund | 5.65 | 3.97 |
| Security Expenses | 170.26 | 155.86 |
| Electricity Charges | 81.50 | 115.35 |
| Travelling and Conveyance | 28.97 | 22.30 |
| Expenses on Vehicles | 9.82 | 10.69 |
| Telephone, Telex and Postage | 15.32 | 13.84 |
| Advertisement and Publicity | 12.05 | 11.00 |
| Entertainment and Hospitality Expenses | 0.50 | 0.60 |
| Donation | 0.02 | 0.00 |
| Printing and Stationery | 6.11 | 6.30 |
| Books & Periodicals | 0.32 | 0.36 |
| Consultancy Charges - Indigenous | 13.65 | 10.74 |
| Consultancy Charges - Foreign | - | 2.10 |
| Expenses on Compensatory Afforestation/ Catchment Area Treatment/ Environmental Expenses | 5.25 | 48.04 |
| Expenditure Incurred on Maintenance / Creation of Facilities not Controlled by Company | 8.15 | 30.64 |
| Loss on Sale of Assets | 1.56 | 0.75 |
| Losses out of self insurance claims (upto excess clause) | 12.39 | |
| Assets / Claims written off | 0.83 | 0.16 |
| Interest on Arbitration/ Court Cases | 3.21 | 13.16 |
| Interest to Beneficiary States | 20.51 | 9.29 |
| Rebate to Customers | 23.00 | 26.67 |
| CSR/Sustainable Development/ Community Development Expenses | 55.31* | 36.05 |
| Expenditure on Self Generated VERS | - | 0.01 |
| Other General Expenses | 88.83 | 102.54 |
| Exchange Rate Variation | 5.16 | 47.33 |
| Audit Expenses (Refer detail below) | 2.36 | 2.43 |

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NOTE NO. 22 GENERATION, ADMINISTRATION AND OTHER EXPENSES (Contd.)

(₹ in Crore)

| PARTICULARS | For the Year ended 31st March, 2015 | | For the Year ended 31st March, 2014 | |
|--|--|-----------------|--|-----------------|
| Directors' expenses | 0.25 | | 0.27 | |
| Expenses for Regulated Power | 7.59 | | 0.89 | |
| Less: - Expenditure Recoverable on Regulated Power | 7.59 | - 778.61 | 0.89 | - 1,000.88 |
| Sub-total | | 1,776.90 | | 1,880.38 |
| F PROVISIONS | | | | |
| Bad and Doubtful Debts provided | - | | 5.72 | |
| Bad and Doubtful Advances / Deposits provided | 0.37 | | 2.25 | |
| Bad and Doubtful Claims / Interest provided | 66.18 | | 139.61 | |
| Diminution in value of Stores and Spares | 0.40 | | 0.63 | |
| Project expenses provided for | 51.15 | | 55.91 | |
| Provision for Fixed Assets/ Stores provided for | 25.35 | | 2.40 | |
| Others | - | | 0.01 | |
| Sub-total | | 143.45 | | 206.53 |
| TOTAL | | 1,920.35 | | 2,086.91 |
| Less: Amount transferred to EDC | | 117.14 | | 186.76 |
| Less: Recoverable from Deposit Works | | 0.11 | | 0.08 |
| Total carried forward to Statement of Profit & Loss # | | 1,803.10 | | 1,900.07 |

Explanatory Note: -

- 1) The Company's significant leasing arrangements are in respect of operating leases of premises for offices, guesthouses & transit camps. These leasing arrangements, which are not non-cancellable, are usually renewable on mutually agreeable terms. Lease payments in respect of premises for offices, guest house & transit camps are shown in Rent.
- 2) Pending notification of revision order by CERC in respect of truing up application filed by the company under CERC notification dated 19.01.2009, an amount of ₹ 20.51 Crore (Previous year ₹ 9.29 Crore) has been provided in the books during the year ended 31.03.2015 towards Interest to Beneficiary States, which may have to be paid in case of reduction in tariff as a result of said revision order.
- 3) Detail of Audit Expenses are as under: -

(₹ in Crore)

| | For the Year ended 31st March, 2015 | | For the Year ended 31st March, 2014 | |
|------------------------------|--|-------------|--|-------------|
| i) Statutory Auditors | | | | |
| As Auditor | | | | |
| Audit Fees | 0.65 | | 0.54 | |
| Tax Audit Fees | 0.19 | 0.84 | 0.16 | 0.70 |
| In other Capacity | | | | |
| Taxation Matters | 0.01 | | 0.01 | |
| Management Services | 0.01 | | - | |
| Other Matters/services | 0.68 | 0.70 | 0.81 | 0.82 |
| Reimbursement of expenses | | 0.69 | | 0.75 |
| ii) Cost Auditors | | | | |
| Audit Fees | | 0.12 | | 0.15 |
| Reimbursement of expenses | | 0.01 | | 0.01 |
| | | 2.36 | | 2.43 |



- 4) Total carried forward to Statement of Profit & Loss includes ₹ 68.69 Crore (Previous year ₹ 220.70 Crore) relating to Subansiri Lower Project & Teesta Low Dam IV Project as explained in Explanatory Note no 29, para 10 (read with para 23) & para 11 respectively. However Rate Regulatory Assets for an equivalent amount of ₹ 62.71 crore pertaining to Subansari Lower Project has been recognised in compliance to Guidenace Note on Accounting for Rate Regulated Activities issued by ICAI.

* Refer para no. 24 to Note No. 29 for the necessary disclosures relating to expenditure on CSR.

Includes ₹ 0.17 Crore (previous year ₹ 0.08 Crore) share of jointly controlled entities.

NOTE NO. 23 EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

| PARTICULARS | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
|--|--|--|
| Salaries, Wages, Allowances | 1,238.83 | 1,198.15 |
| Gratuity, Contribution to Provident Fund & Pension Scheme (incl. administration fees) | 202.06 | 195.53 |
| Staff Welfare Expenses | 136.74 | 129.47 |
| Leave Salary & Pension Contribution | - | 0.11 |
| TOTAL | 1,577.63 | 1,523.26 |
| Less: Employee Cost transferred to EDC | 352.15 | 390.00 |
| Less: Recoverable from Deposit Works | 0.80 | 0.67 |
| Total carried forward to Statement of Profit & Loss # | 1,224.68 | 1,132.59 |

Explanatory Note: -

- 1) The Company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees. These leasing arrangements, which are not non-cancellable, are usually renewable on mutually agreeable terms. Salaries, wages, allowances includes ₹ 45.32 Crore (Previous Year ₹ 41.22 Crore) towards lease payments in respect of premises for residential use of employees.

(₹ in Crore)

| | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
|---|--|--|
| 2) Gratuity, Contribution to Provident Fund & Pension Scheme include contributions: | | |
| i) towards Employees Provident Fund | 78.68 | 78.51 |
| ii) towards Employees Defined Contribution Superannuation Scheme | 111.28 | 100.76 |
| | 189.96 | 179.27 |

- 3) Total carried forward to Statement of Profit & Loss includes ₹ 129.72 Crore (Previous year ₹ 107.17 Crore) relating to Subansiri Lower Project & Teesta Low Dam IV Project as explained in Explanatory Note no 29, para 10 (read with para 23) & para 11 respectively. However Rate Regulatory Assets for an equivalent amount of ₹ 111.66 crore pertaining to Subansari Lower Project has been recognised in compliance to Guidenace Note on Accounting for Rate Regulated Activities issued by ICAI.

Includes ₹ 0.03 Crore (previous year ₹ 0.08 Crore) share of jointly controlled entities.

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NOTE NO. 24 FINANCE COST

(₹ in Crore)

| PARTICULARS | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
|---|--|--|
| A) Interest on : | | |
| Government of India loan | 19.90 | 14.22 |
| Bonds | 550.72 | 473.97 |
| Foreign Currency Loan | 33.84 | 45.17 |
| Term Loan | 970.72 | 1,081.30 |
| Other Interest Charges | - | 7.40 |
| Sub total | 1,575.18 | 1,622.06 |
| B) Other Borrowing Cost | | |
| Bond issue/ service expenses | 0.35 | 2.84 |
| Commitment fee | 0.14 | 0.07 |
| Guarantee fee on foreign loan | 25.98 | 28.84 |
| Other finance charges | 4.35 | 4.62 |
| Sub-total | 30.82 | 36.37 |
| C Applicable net gain/ loss on Foreign currency transactions and translation | | |
| Exchange differences regarded as adjustment to interest cost | - | 29.66 |
| Less: Adjustment on account of Foreign Exchange Rate Variation | - | (29.66) |
| Sub-total | - | - |
| Total (A to C) | 1,606.00 | 1,658.43 |
| Less: Finance Cost transferred to EDC | 333.22 | 478.22 |
| Total carried forward to Statement of Profit & Loss # | 1,272.78 | 1,180.21 |

Explanatory Note: -

Total carried forward to Statement of Profit & Loss includes ₹ 460.97 Crore (Previous year ₹ 483.73 Crore) relating to Subansiri Lower Project & Teesta Low Dam IV Project as explained in Explanatory Note no 29, para 10 (read with para 23) & para 11 respectively. However Rate Regulatory Assets for an equivalent amount of ₹ 406.83 crore pertaining to Subansari Lower Project has been recognised in compliance to Guidenace Note on Accounting for Rate Regulated Activities issued by ICAI.

Includes ₹ Nil Crore (previous year ₹ Nil Crore) share of jointly controlled entities.

NOTE NO. 25 DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in Crore)

| PARTICULARS | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
|---|--|--|
| Depreciation & Amortization Expenses | 1,778.42 | 1,573.48 |
| Adjustment on account of Foreign Exchange Rate Variation | (4.03) | (12.27) |
| TOTAL | 1,774.39 | 1,561.21 |
| Less: Depreciation & Amortisation Expenses transferred to EDC | 22.18 | 25.29 |
| Less: Adjuatment To Grant in Aid- Reserve (Grants written off) (refer note no. 3) | 36.93 | 36.55 |
| Total carried forward to Statement of Profit & Loss # | 1,715.28 | 1,499.37 |

Explanatory Note: -

Total carried forward to Statement of Profit & Loss includes ₹ 9.00 Crore (Previous year ₹ 8.08 Crore) relating to Subansiri Lower Project & Teesta Low Dam IV Project as explained in Explanatory Note no 29, para 10 (read with 23) & para 11 respectively. However Rate Regulatory Assets for an equivalent amount of ₹ 8.42 crore pertaining to Subansari Lower Project has been recognised in compliance to Guidenace Note on Accounting for Rate Regulated Activities issued by ICAI.

Includes ₹ Nil Crore (previous year ₹ Nil Crore) share of jointly controlled entities.



NOTE NO. 26 PRIOR PERIOD ITEMS (NET)

(₹ in Crore)

| PARTICULARS | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
|---|--|--|
| INCOME | | |
| Interest/Surcharge from Debtors | - | (12.79) |
| Others | 71.17 | 4.52 |
| Sub-total (A) | 71.17 | (8.27) |
| EXPENDITURE | | |
| Salary & Wages | 14.71 | 0.29 |
| Repair & Maintenance | (0.48) | 0.92 |
| Finance Cost | - | (0.21) |
| Depreciation & Amortization | 0.74 | 1.93 |
| Others | (3.22) | 490.50 |
| Sub-total (B) | 11.75 | 493.43 |
| Total Prior Period Expenditure (net) (C) = (B - A) | (59.42) | 501.70 |
| Less: Prior Period Items transferred to EDC | | |
| Prior period expenses | (4.44) | 3.87 |
| Less Prior period income | 0.01 | (0.59) |
| Sub-total (D) | (4.45) | 4.46 |
| Total carried forward to Statement of Profit & Loss (C-D)# | (54.97) | 497.24 |

Includes ₹ 1.12 Crore (previous year Nil Crore) share of jointly controlled entities.

Explanatory Note: -

- Others under the head Income includes a sum of ₹ 70.84 crores which is a reversal of provision made in the FY 2009-10 in respect of Dhauliganga Power Station.
- Total carried forward to Statement of Profit & Loss includes ₹ 4.32 Crore (Previous year ₹ 506.73 Crore) relating to Subansiri Lower Project & Teesta Low Dam IV Project as explained in Explanatory Note no 29, para 10 (read with para 23) & para 11 respectively. However Rate Regulatory Assets for an equivalent amount of ₹ 4.32 crore pertaining to Subansari Lower Project has been recognised in compliance to Guidenace Note on Accounting for Rate Regulated Activities issued by ICAI.

NOTE NO. 27 TAX EXPENSES

(₹ in Crore)

| PARTICULARS | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
|--|--|--|
| CURRENT TAX | | |
| Income Tax Provision | 791.58 | 538.42 |
| Adjustment Relating To Earlier Years | 74.51 | 46.68 |
| Deferred Tax Liability / (Asset) | 15.04 | 210.94 |
| Less: Recoverable | (114.67) | (99.36) |
| Less: Deferred Tax Adjustment Against Deferred Tax Liabilities | 75.50 | 54.21 |
| Total carried forward to Statement of Profit & Loss # | 920.30 | 895.40 |

Explanatory Note: -

CERC Regulations for tariff period 2014-19 provides for recovery of income tax from the beneficiaries by way of grossing up of return on equity with effective tax rate of the respective financial year i.e. actual tax paid during the year on the generating income. Deferred tax liability provided for the year on generating income amounting to ₹ 75.50 crore is accordingly accounted for as deferred tax adjustment against deferred tax liability as the same would get adjusted in effective tax rate in future period and the same is presented as a deduction from the deferred tax liability.

Includes ₹ Nil Crore (previous year ₹ 1.92 Crore) share of jointly controlled entities.

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NOTE NO. 28 EXPENDITURE DURING CONSTRUCTION (EDC) FORMING PART OF CAPITAL WORK IN PROGRESS FOR THE YEAR

(₹ in Crore)

| PARTICULARS | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
|--|--|--|
| A EMPLOYEES BENEFITS EXPENSE | | |
| Salaries, Wages, Allowances | 134.74 | 162.74 |
| Gratuity and Contribution to Provident Fund | 21.92 | 25.99 |
| Staff Welfare Expenses | 10.68 | 11.03 |
| Leave Salary & Pension Contribution | - | 0.11 |
| Sub-total | 167.34 | 199.87 |
| B REPAIRS & MAINTENANCE | | |
| Building | 3.42 | 4.12 |
| Machinery | 0.06 | 0.33 |
| Others | 3.33 | 5.42 |
| Sub-total | 6.81 | 9.87 |
| C ADMINISTRATION & OTHER EXPENSES | | |
| Rent and Hire charges | 9.07 | 12.73 |
| Rates and Taxes | 0.10 | 10.36 |
| Insurance | 0.15 | 1.18 |
| Security Expenses | 15.54 | 19.13 |
| Electricity Charges | 4.73 | 5.38 |
| Travelling and Conveyance | 3.23 | 3.04 |
| Expenses on Vehicles | 1.36 | 1.64 |
| Telephone, Telex and Postage | 2.52 | 2.74 |
| Advertisement and Publicity | 0.39 | 0.61 |
| Entertainment and hospitality expenses | - | 0.01 |
| Printing and Stationery | 0.57 | 0.83 |
| Design and Consultancy charges - Indigenous | 3.23 | 1.47 |
| Design and Consultancy charges - Foreign | - | 2.10 |
| Expenses on Compensatory Afforestation / Catchment Area Treatment / Environmental Expenses | 4.59 | 13.60 |
| Expenditure Incurred on Maintenance / Creation of Facilities not Controlled by Company | 6.26 | 26.85 |
| Losses on sale of assets | - | 0.01 |
| Assets/ Claims written off | - | 0.00 |
| Other General Expenses | 7.42 | 8.25 |
| Remuneration to Auditors | - | 0.02 |
| Exchange Rate Variation (Debit) | 3.51 | 15.46 |
| Sub-total | 62.67 | 125.41 |



NOTE NO. 28 EXPENDITURE DURING CONSTRUCTION (EDC) FORMING PART OF CAPITAL WORK IN PROGRESS FOR THE YEAR (Contd.)

(₹ in Crore)

| PARTICULARS | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
|--|--|--|
| D FINANCE COST | | |
| Interest on : | | |
| Bonds | 100.33 | 90.22 |
| Term loan | 232.24 | 382.44 |
| Bond issue/ service expenses | 0.18 | 3.32 |
| Other finance charges | 0.46 | 2.21 |
| Sub-total | 333.21 | 478.19 |
| E PROVISIONS | 30.67 | 27.06 |
| Sub-total | 30.67 | 27.06 |
| F DEPRECIATION AND AMORTISATION EXPENSES | 17.61 | 20.99 |
| Sub-total | 17.61 | 20.99 |
| G PRIOR PERIOD ITEMS | | |
| Prior Period Expenses | 0.34 | 3.75 |
| Less: Prior Period Income | 0.01 | (0.59) |
| Sub-total | 0.33 | 4.34 |
| H Corporate Office/Regional Office Expenses: | | |
| Other Income | (5.88) | (2.93) |
| Generation, Administration and Other Expenses | 16.98 | 24.42 |
| Employees Benefits Expenses | 184.81 | 190.13 |
| Depreciation & Amortisation Expenses | 4.57 | 4.30 |
| Finance Cost | 0.01 | 0.03 |
| Provisions | 0.01 | - |
| Prior Period Items (Net) | (4.78) | 0.12 |
| Sub-total | 195.72 | 216.07 |
| I LESS: RECEIPTS AND RECOVERIES | | |
| a) Income from generation of electricity – precommissioning | 0.36 | 8.35 |
| b) Others | | |
| Interest on loans and advances | 40.76 | 38.09 |
| Miscellaneous receipts | 2.17 | 7.97 |
| Exchange rate variation (Credit) | 2.87 | 12.86 |
| Provision/Liability not required written back | 35.35 | 2.38 |
| Hire Charges -Plant and Machinery | 0.20 | 0.37 |
| Sub-total | 81.71 | 70.02 |
| GRAND TOTAL (A+B+C+D+E+F+G+I-H) # | 732.65 | 1,011.78 |

Includes ₹ 11.69 Crore (previous year ₹ 0.29 Crore) share of jointly controlled entities.

Note No. : 29 – Other Explanatory Notes to Consolidated Financial Statements

1. The Consolidated Financial Statements (CFS) comprises of the financial statements of NHPC Limited ("the Company"), its subsidiary companies and its interest in Joint Ventures (collectively referred to as "the Group").
2. a) Basis of Accounting:
 - i) The Financial Statements of the subsidiary companies in the consolidation are drawn up to the same reporting date as of the Company.
 - ii) These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis.
- b) Principle of Consolidation:
 - i) The Financial Statements of the Company and its subsidiaries are combined on line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and unrealized profits or losses.
 - ii) The consolidated financial statements include the interest of the Company in joint ventures, which has been accounted for using the proportionate consolidation method of accounting and reporting whereby the Company's share of each of assets, liabilities, income and expenses of a jointly controlled entity is considered as separate line item.
 - iii) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances barring a few items, the impact of which is not material.
 - iv) The basis of accounting of M/S National Power Exchange Limited has been changed during the current year from going concern basis to liquidation basis since the company has gone into voluntary liquidation with effect from 28th October, 2014.
 - v) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders.
3. The subsidiary companies & Joint Ventures companies considered in the Consolidated Financial Statement are:

| Name of the Company | Country of Incorporation | Proportion of Ownership Interest |
|---|--------------------------|----------------------------------|
| A. Subsidiaries Companies | | |
| NHDC Ltd. | India | 51.08% |
| Loktak Downstream Hydroelectric Corporation Ltd. (LDHC Ltd.)* | India | 74% |
| Bundelkhand Saur Urja Ltd. \$ | India | 99.99% |
| B. Joint Venture Companies | | |
| National High Power Test Laboratory (P) Ltd. | India | 21.63% |
| National Power Exchange Ltd. (under liquidation) | India | 16.67% |
| Chenab Valley Power Projects Pvt. Ltd. (CVPPPL) | India | 49.98% |

* The financial statements are un-audited. The figures appearing in the financial statements may change upon completion of their audit.

\$ The company has been incorporated on 2nd Feb, 2015.

4. Disclosure relating to Contingent Liabilities:-

a) Claims against the Group not acknowledged as debts in respect of:

(i) Capital works

Contractors have lodged claims aggregating to ₹ 9,293.29 crore (previous year ₹9,025.51 crore) against the Group on account of rate & quantity deviation, cost relating to extension of time and idling charges due to stoppage of work/delays in handing over the site etc. These claims are being contested by the respective companies as being not admissible in terms of provisions of the respective contracts or are lying at arbitration tribunal/other forums/under examination with the respective companies. It includes ₹1,626.57 crore (previous year ₹892.61 crore) towards arbitration awards including updated interest thereon, against the Group, which have been challenged/decided to be challenged in the Court of Law.

The Management has assessed the above claims and recognized a provision of ₹429.61 crore (previous year ₹154.56 crore) based on probability of outflow of resources embodying economic benefits and estimated ₹8,486.24 crore (previous year ₹8,870.95 crore) as the amount of contingent liability i.e. amounts for which Group may be held contingently liable. In respect of such estimated contingent claims either outflow of resources embodying economic benefits is not probable or a reliable estimate of the amount required for settling the obligation cannot be made. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered as remote.

(ii) Land Compensation cases

In respect of land acquired for the projects, some of the land losers have filed claims for higher compensation amounting to ₹1,230.63 crore (previous year ₹1,235.42 crore) before various authorities/courts. Pending settlement, the Group has assessed and provided an amount of ₹44.32 crore (previous year ₹28.63 crore) based on probability of outflow of resources embodying economic benefits and estimated ₹1,186.31 crore (previous year ₹1,206.79 crore) as the amount of contingent liability as outflow of resources is considered not probable. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered as remote.

(iii) Disputed Tax Demands

Disputed Income Tax/Sales Tax/Service Tax/ other taxes/duties matters pending before various appellate authorities amount to ₹308.00 crore (previous year ₹337.51 crore). Pending settlement, the Group has assessed and provided an amount of ₹25.40 crore (previous year ₹7.78 Crore) based on probability of outflow of resources embodying economic benefits and rest of the claims i.e. ₹282.31 crore (previous year ₹329.73 crore) is disclosed as contingent liability as outflow of resources is considered not probable. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered as remote.

(iv) Others

Claims on account of other matters amount to ₹658.82 crore (previous year ₹418.53 crore). These claims are pending before various forums. Pending settlement, the Group has assessed and provided an amount of ₹28.94 crore (previous year ₹ Nil crore) based on probability of outflow of resources embodying economic benefits and estimated ₹628.10 crore (previous year ₹418.53 crore) as the amount of contingent liability as outflow of resources is considered not probable. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered as remote.

The above is summarized as below:

(₹ in Crore)

| S. No. | Particulars | Claims as on 31.03.2015 | Provision against the claims as on 31.03.2015 | Contingent liability as on 31.03.2015 | Contingent liability as on 31.03.2014 | Addition of contingent liability during the year |
|--------|----------------------|-------------------------|---|---------------------------------------|---------------------------------------|--|
| 1. | Capital Works | 9293.29 | 429.61 | 8486.24 | 8870.95 | (384.71) |
| 2. | Land Compensation | 1230.63 | 44.32 | 1186.31 | 1206.79 | (20.48) |
| 3. | Disputed tax matters | 308.00 | 25.40 | 282.31 | 329.73 | (47.42) |
| 4. | Others | 658.82 | 28.94 | 628.10 | 418.53 | 209.57 |
| | Total | 11490.74 | 528.27 | 10582.96 | 10826.00 | (243.06) |

(b) The above contingent liabilities do not include contingent liabilities on account of pending cases in respect of service matters & others where the amount cannot be quantified.

(c) It is not practicable to ascertain and disclose the uncertainties relating to outflow in respect of contingent liabilities.

(d) There is possibility of reimbursement to the Group of ₹240.85 Crore (previous year ₹52.24 crore) towards above contingent liabilities.

(e) An amount of ₹53.66 Crore (previous year ₹10.86 crore) stands paid towards above contingent liabilities to contest the cases and is being shown as Current Assets.

The company's management does not reasonably expect that the above claims/obligations (including under litigation), when ultimately concluded and determined, will have a material and adverse effect on the company's results of operations or financial condition.

5. Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹3,798.79 Crore (Previous year ₹3,582.42 Crore).

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6. Pending approval of competent authority, provisional payments / provisions made towards executed quantities of works of some of the items beyond the approved quantities as also for extra items totalling to ₹42.71 Crore (Previous year ₹38.61 Crore) are included in Capital Work-in-Progress/Fixed Asset.
7. a) Balances shown under material issued to contractors, claims recoverable including insurance claims, advances for Capital expenditure, Sundry Debtors, Advances to Contractors, Sundry Creditors and Deposits/Earnest money from contractors are subject to reconciliation/ confirmation and respective consequential adjustments. Claims recoverable also include claims in respect of projects handed over or decided to be handed over to other agencies in terms of Government of India directives. Trade receivables of ₹3,241.12 Crore including long term receivable of ₹ 335.94 Crore are outstanding as on 31.03.2015. In the opinion of the management, an amount of ₹ 2,454.86 Crore was reconciled periodically during the year and unconfirmed balance will not have any material impact.
- 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 the year, following accounting policies have been modified/deleted:

(₹ in Crore)

| Policy No. | Description | Impact on Profit for the year |
|--------------------------|--|--|
| Erstwhile policy no. 2.5 | Policy deleted due to presentation of Fixed Assets declared surplus/awaiting disposal action in "Other current assets" instead of presenting them as Fixed Assets. | No impact |
| New Policy no. 5.2.3 | Policy on charging of depreciation in respect of items for which the Company assessed rates are used. The policy has been changed to adopt the useful life and residual value as per Schedule-II of the Companies Act, 2013 with effect from 01.04.2014. | (0.64) |
| Erstwhile policy no. 5.3 | Policy on charging of depreciation in respect of items (excluding immovable assets) with written down value of ₹5000/- or less at the beginning of the year are fully depreciated during the year with ₹1/- as WDV. | 0.64 |
| Erstwhile policy no. 7.3 | Policy on writing off loose tools in use having value of ₹ 5000/- or more have been deleted. | (0.18) |
| Erstwhile policy no. 9.3 | Policy on expenses on Ex-gratia payments & Notice Pay under Voluntary Retirement Scheme has been deleted. | No impact as the policy was redundant. |

Besides above, certain other accounting policies have been reworded/re-classified for the purpose of better disclosure which has no impact on profit.

9. Significant Accounting policy No. 2.3.4 (4.4 of FY 2013-14), which was introduced during FY 2013-14, has been referred to Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) for its opinion. Pending receipt of opinion, the same accounting treatment has been continued and an amount of ₹173.61 Crore (Previous year ₹167.85 Crore) has been capitalised/charged to Expenditure during construction till 31.03.2015 as per ibid policy.
10. The Ministry of Environment, Forests & Climate Change (MoEF & CC) vide letter No. F.No.8-85/2011-FC dated 15.04.2015 has accorded the in-principle approval for diversion of forest land for construction of Dibang Multipurpose Project (3000 MW). Further, Environment clearance to the Project has been accorded by MoEF & CC vide letter dated 19.05.2015. In view of above, a sum of ₹169.47 crore incurred on the Project is being carried forward as Capital Work in Progress.
11. Kotlibhel-1A project is one of the 24 hydro-electric projects located in the State of Uttarakhand which is covered by the order dated 13.08.2013 of Hon'ble Supreme Court of India directing MoEF not to grant these projects environmental/forest clearance until further order and to examine the significant impact on the bio-diversity of Alaknanda & Bhagirathi river basin. Pending adjudication about the fate of this project, the expenditure incurred upto the date of the above order amounting to ₹125.53 Crore has been kept under capital work in progress. However, subsequent expenditure incurred on this project has been provided for.
12. Board of Directors in its meeting held on 20.03.2014 discussed that the viability of Bursar HE Project is dependent upon financial support from Govt. of India and Govt. of Jammu & Kashmir. Ministry of Power (MoP), Govt. of India, was approached to provide funding of Survey & Investigation Expenditure of Bursar Project to make it viable. As advised by the MoP, Ministry of Water Resources (MoWR) was approached to provide funds. In the meeting held in MoWR on 27.04.2015, it has been informed by representatives of MoWR that the request of NHPC for release of funds for preparation of DPR is under consideration for approval of Govt. of India. Accordingly, the preliminary investigations of the project are continued and the expenses of ₹177.07 crore incurred thereon are being carried forward as Capital Work in Progress.

13. Construction activities at site of Subansiri Lower Project have been interrupted w.e.f. 16.12.2011 due to protest of anti dam activists. Technical and administrative work is however continuing. Management is making all out efforts to restart the work at site. In line with the opinion of Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), borrowing cost of ₹406.83 crore (up to previous year ₹766.90 crore) and administration and other cost of ₹115.12 crore (up to previous year ₹ 341.54 crore) have been charged to the Statement of Profit & Loss.

The company has, however, adopted the accounting as per Guidance Note on Accounting for Rate Regulated Activities issued by the Institute of Chartered Accountants of India which allows recognition of 'Regulatory Asset' and corresponding 'Regulatory Income' of the right to recover such expense which are not allowed to be capitalized as part of cost of relevant fixed asset in accordance with the Accounting Standards, but are nevertheless permitted by Central Electricity Regulatory Commission(CERC), the regulator, to be recovered from the beneficiaries in future through tariff. (Detailed disclosure as per the ibid Guidance Note is given at para no. 26 below of this Note.)

14. Active construction work at Teesta Low Dam-IV project, which was interrupted due to stoppage of work by one of the contractors w.e.f. 20.03.2013, has been resumed on 01.11.2014. Accordingly, borrowing cost and administrative & other cost amounting to ₹ 43.72 crore for the period from 01.04.2014 upto 31.10.2014 (previous financial year ₹ 156.79 crore) has been charged to the Statement of Profit & Loss.
15. The company, under mega insurance policy, has lodged insurance claim, as on date amounting to ₹ 191.58 crore and ₹ 291.56 crore towards Loss of Assets and Business Interruption Loss respectively, in respect of Dhauliganga Power Station, where generation was shut down due to flash floods during June, 2013. Till date, interim payment of ₹70.10 crore towards loss of assets and ₹99.99 crore towards Business Interruption loss has been received. Loss beyond excess clause, if any, to be borne by the company shall be determined after receipt of the final survey report and impact thereof shall be accounted for accordingly.
16. On 20th November 2014, accidental fire broke out in the transformer cavern of Uri-II Power Station (240 MW) causing major damages to Electro & Mechanical Equipments and Civil Structures in power house area, resulting in stoppage of generation. Assets of the power station and business interruption loss are covered under mega insurance policy. However, losses upto excess clause as well as beyond the provisions of the insurance policy amounting to ₹ 28.26 crore have been accounted for on estimated basis. Further losses, if any, to be borne by the company shall be determined after receipt of the final survey report and impact thereof shall be accounted for accordingly. Restoration work for resumption of generation by the Power Station are underway.
17. The disclosure under Accounting Standard – 7 on Construction Contracts are as under:

(₹ in Crore)

| Sl. | Particulars | 31.03.2015 | 31.03.2014 |
|-----|--|------------|------------|
| 1. | Aggregate amount of costs incurred and recognised profits (less recognised losses) on contracts in progress upto reporting date. | 409.32 | 415.65 |
| 2. | Amount of advances received. | 411.55 | 422.01 |
| 3. | Amount of retention. | Nil | Nil |
| 4. | The gross amount due from customers for contract works as an asset. | Nil | 8.82 |
| 5. | The gross amount due to customers for contract works as a liability. | Nil | 6.30 |

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

(₹ in Crore)

| | | For the year ended 31.03.2015 | For the year ended 31.03.2014 |
|-------|--|----------------------------------|----------------------------------|
| (i) | Amount charged to Statement of Profit & Loss excluding depreciation (as FERV) | (20.50) | 0.60 |
| (ii) | Amount charged to Statement of Profit & Loss excluding depreciation (as Borrowing Cost)* | - | 29.65 |
| (iii) | Amount charged to Expenditure During Construction (as FERV) | 0.63 | 14.19 |
| (iv) | Amount charged to Capital work-in-progress (as FERV) | 1.28 | (0.02) |
| (v) | Amount adjusted by addition to the carrying amount of fixed assets | 216.20 | 0.24 |

* There is however no impact on profitability of the Company, as the impact of change in foreign exchange rates is recoverable from beneficiaries in terms of prevailing CERC (terms & conditions of tariff) Regulations. The exchange rate variation for the year is transferred to deferred foreign currency fluctuation assets (recoverable from beneficiaries) as per opinion of EAC of ICAI.

19. Disclosure as required by Accounting Standard-15 on 'Employee Benefits':

General description of various employee benefit schemes are as under:

A. Provident Fund

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

B. Social Security Scheme

The Company has a Social Security Scheme in lieu of compassionate appointment. The Company also makes a matching contribution per month per employee and such contribution is to be made for 8 years to build up corpus from the date the scheme is in operation i.e. 01.06.2007. The scheme has been created to take care of and helping bereaved families in the event of death or permanent total disability of its employee.

C. Employees Defined Contribution Superannuation Scheme

The Company has an employee defined contribution superannuation scheme for providing pension benefits to employees. As per the scheme, each employee contributes @ 5% of Basic Pay & Dearness Allowance. The company contributes to the extent of balance available after deducting employers' contribution to Provident Fund, contribution to Gratuity trust and REHS, from the amount worked out @ 30% of the Basic Pay & DA. The Scheme is managed by Life Insurance Corporation of India.

D. Gratuity

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹0.10 Crore, on superannuation, resignation, termination, disablement or on death. The plan is being managed by a separate Trust created for the purpose and obligation of the company is to make contribution to the Trust based on actuarial valuation.

E. Leave

The Company provides for earned leave and half-pay leave to the employees which accrue annually @ 30 days and 20 days respectively. The maximum ceiling of encashment of earned leave is limited to 300 days. However, any shortfall in the maximum limit of 300 days in earned leave on superannuation shall be regulated as per the clarification issued by the Department of Public Enterprises (DPE), Government of India. The liability for the same is recognised on the basis of actuarial valuation.

F. Retired Employee Health Scheme (REHS)

The Company has a Retired Employee Health Scheme, under which retired employee and spouse of retiree, spouse and eligible dependent children of deceased employees are provided medical facilities in the Company hospitals / empanelled hospitals. They can also avail treatment as Out-Patient subject to a ceiling fixed by the Company. The liability for the same is recognised on the basis of actuarial valuation.

G. Allowance on Retirement / Death

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

H. Memento to employees on attaining the age of superannuation.

The Company has a policy of providing Memento valuing ₹5000/- to employee on superannuation. The liability for the same is recognised on the basis of actuarial valuation.

Schemes described as above at A, B, C & D are funded and rest are unfunded.

Summary of various defined benefits as on 31.03.2015 is as under:

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

| Particular | 31.03.2015 | 31.03.2014 |
|--|----------------|----------------|
| Mortality Table | IALM (2006-08) | IALM (2006-08) |
| Discount rate | 8.00% | 8.50% |
| Future Salary Increase | 6.00% | 6.50% |
| Expected rate of return on plan assets | 8.00% | 8.00% |

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

(₹ in Crore)

| Particular | Gratuity | Leave Encashment | Retired Employee Health Scheme |
|--|----------------------|----------------------|--------------------------------|
| | Funded | Unfunded | |
| Present Value of Obligation at beginning of year | 631.08 {611.06} | 409.28 {366.88} | 450.05 {386.06} |
| Interest cost | 53.65 {48.88} | 34.78 {29.36} | 38.26 {30.89} |
| Current service cost | 26.29 {26.23} | 19.34 {18.99} | 10.37 {9.76} |
| Benefit paid | (73.49) {(50.48)} | (75.69) {(57.61)} | (8.59) {(7.01)} |
| Actuarial (Gain)/loss | (11.55) {(4.61)} | 27.43 {51.66} | 28.52 {30.35} |
| Present Value of Obligation at end of year | 625.98 {631.08} | 415.14 {409.28} | 518.61 {450.05} |

Table 3:- Change in the fair value of plan assets

(₹ in Crore)

| Particular | Gratuity (Funded) |
|--|----------------------|
| Fair value of plan assets at the beginning of the year | 643.79 {623.22} |
| Expected return on plan assets | 51.61 {49.92} |
| Contribution | 1.88 {1.81} |
| Withdrawal from fund | (50.09) {(38.00)} |
| Actuarial gain/(loss) on plan assets | 6.93 {6.84} |
| Fair value of plan assets at the end of the year | 654.12 {643.79} |

Table 4:-Amount recognised in Balance Sheet

(₹ in Crore)

| Particular | Gratuity | Leave Encashment | Retired Employee Health Scheme |
|---|------------------------|------------------------|--------------------------------|
| | Funded | Unfunded | |
| Present Value of Obligation at end of year | 625.98 {631.08} | 415.14 {409.28} | 518.60 {450.05} |
| Fair Value of plan assets at the end of year | 654.12 {643.79} | - {-} | - {-} |
| Funded Status | 28.14 {12.71} | (415.14) {(409.28)} | (518.60) {(450.05)} |
| Unrecognized actuarial gain/loss | - {-} | - {-} | - {-} |
| Net Liability/ Asset(-) recognized in Balance Sheet | (-)28.14 {(-)12.71} | 415.14 {409.28} | 518.60 {450.05} |

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Table 5:-Amount recognised in Statement of Profit & Loss /EDC Account

(₹ in Crore)

| Particular | Gratuity | Leave Encashment | Retired Employee Health Scheme |
|--|----------------------|-------------------|--------------------------------|
| Current Service Cost | 26.29 {26.23} | 19.34 {18.99} | 10.37 {9.76} |
| Interest Cost | 53.65 {48.88} | 34.78 {29.36} | 38.26 {30.89} |
| Expected return on Plan Assets | (51.61) {49.92} | - {-} | - {-} |
| Net Actuarial (gain) / loss recognized for the year | (18.48) {(11.45)} | 27.37 {51.66} | 28.52 {30.35} |
| Expense recognized in Profit & Loss/EDC for the year | 9.85 {13.74} | 81.49 {100.01} | 77.15 {71.00} |

Note: { } contains previous year's figures.

Liabilities as on 31.03.2015 on account of Baggage Allowance on retirement & Memento are ₹5.32 Crore & ₹2.77 Crore (Previous year ₹ 5.34 Crore & ₹ 2.97Crore) respectively.

20. a) Electricity generation is the principal business activity of the Company. Other operations viz., Contracts, Project Management and Consultancy works do not form a reportable segment as per the Accounting Standard-17 on 'Segment Reporting'.

- b) The Company is having a single geographical segment as all its Power Stations are located within the Country.

21. In compliance of Accounting Standard-18 on 'Related Party Disclosures', the required information is as under: -

- a) Related Parties

(i) Joint Venture Companies

National Power Exchange Ltd. (The Company is under liquidation).

(ii) Key Management Personnel

| | |
|--------------------------|--|
| Shri R.S.T.Sai | Assumed additional charge of the post of CMD w.e.f. 08.06.2014 in addition to his own duties as CMD, THDC India Ltd. |
| Shri G. Sai Prasad | Former Joint Secretary, Ministry of Power. Held additional charge of CMD of the Company from 24.07.2012 to 07.06.2014. Ceased to be a director on the Board w.e.f. 08.06.2014. |
| Shri D. P. Bhargava | Director (Technical). |
| Shri R. S. Mina | Director (Personnel). Additional charge of Director (Finance) from 15.09.2014 to 26.05.2015. |
| Shri Jayant Kumar | Director (Finance) from 26.05.2015 |
| Shri Vijay Gupta | Company Secretary. |
| Shri A. B. L. Srivastava | Director (Finance) up to 15.09.2014. |
| Shri J. K. Sharma | Director (Projects) up to 11.03.2015. |

Remuneration to key management personnel (excluding CMD) for the current year is ₹2.21Crore (corresponding previous year ₹ 2.36 Crore).

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

22. Earnings Per Share:-

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

| | For the year ended 31.03.2015 | For the year ended 31.03.2014 |
|--|----------------------------------|----------------------------------|
| Net Profit after Tax used as numerator (₹ in Crore) | 2491.36 | 1218.75 |
| Weighted Average number of equity shares used as denominator | 1107,06,68,496 | 1198,05,86,454 |
| Earnings per Share (₹) – Basic & Diluted | 2.25 | 1.02 |
| Face value per share (₹) | 10 | 10 |



NHPC Limited

(A Government of India Enterprise)

23. a) Disclosure in line with the requirements of Accounting Standard(AS)-27 on 'Financial Reporting of Interest in Joint Ventures' :

i) Interest in Joint Ventures:

| Name of Companies | Proportion of ownership interest as at | |
|--|--|------------|
| | 31.03.2015 | 31.03.2014 |
| National High Power Test Laboratory (P) Ltd. | 21.63% | 20% |
| National Power Exchange Ltd. (under liquidation) | 16.67% | 16.67% |
| Chenab Valley Power Projects Private Ltd. | 49.98% | 49.98% |

- ii) The above joint venture entities are incorporated in India. The Company's share of the assets and liabilities as on 31st March 2015 and income and expenses for the financial year ended 31.03.2015 in respect of joint venture entities are based on audited accounts which are given below:

(₹ in Crore)

| | | 31.03.2015 | 31.03.2014* |
|---|---------------------------------|------------|-------------|
| A | Assets | 303.21 | 278.53 |
| B | Liabilities | 179.91 | 155.71 |
| C | Contingent Liabilities | 0.67 | 1.62 |
| D | Capital Commitments | 28.53 | 43.18 |
| E | Expenditure in Foreign Currency | 0.45 | - |

(₹ in Crore)

| | | For the Year 2014-15 | For the year 2013-14* |
|---|-------------|----------------------|-----------------------|
| A | Income | 0.09 | 5.74 |
| B | Expenditure | 1.32 | 0.12 |

* Previous year figure in respect of M/s National Power Exchange Ltd. are unaudited.

- b) Disclosure as per Schedule-III of Companies Act, 2013:

(₹ in Crore)

| Name of the entities in the Group | Net Assets, i.e., total assets minus total liabilities | | Share in profit or loss | |
|---|--|-----------------|-------------------------------------|----------------|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount |
| 1 | 2 | 3 | 4 | 5 |
| Parent | | | | |
| NHPC | 83.00 | 28286.40 | 82.91 | 2065.48 |
| Subsidiaries | | | | |
| NHDC | 7.22 | 2462.29 | 29.34 | 731.08 |
| BSUL | 0.00 | (0.07) | 0.00 | (0.07) |
| LDHCL | 0.02 | 7.39 | 0.11 | 2.69 |
| Minority Interests in all subsidiaries | 9.76 | 3325.72 | (12.31) | (306.69) |
| Joint Ventures (As per proportionate consolidation / Investment as per the equity method) | | | | |
| NPEX | 0.00 | 0.02 | 0.00 | 0.12 |
| NHPTL | (0.01) | (2.03) | 0.00 | 0.00 |
| CVPL | 0.01 | 3.46 | (0.05) | (1.25) |
| TOTAL | 100.00 | 34083.18 | 100.00 | 2491.36 |

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24. The managements of the group are of the opinion that no case of impairment of assets exists in terms of the provisions of Accounting Standard (AS)-28 on "Impairment of Assets" as at 31st March, 2015.
25. Other disclosures as per Schedule-III of the Companies Act, 2013 are as under:-

(₹ in Crore)

| Particulars | | For the year ended 31.03.2015 | For the year ended 31.03.2014 |
|-------------|---|----------------------------------|----------------------------------|
| a)* | Value of imports calculated on CIF basis: (i) Capital Goods (ii) Spare parts | 8.78 - | 6.66 3.59 |
| b)* | Expenditure in Foreign Currency (i) Know - How (ii) Interest (iii) Other Misc. Matters | - 33.84 154.39 | - 45.17 216.18 |
| c)* | Value of spare parts and Components consumed in operating units. (i) Imported (ii) Indigenous | - 33.41(100%) | - 30.05(100%) |
| d)* | Earnings in foreign currency (i) Interest (ii) Others | - - | - 0.05 |

* Accrual basis.

26. Disclosure relating to creation of Rate Regulated Assets & recognition of Rate Regulated Income as per the 'Guidance Note on Accounting for Rate Regulated Activities' issued by the Institute of Chartered Accountants of India (ICAI) :

The company is engaged in construction & operation of hydro electric power projects. The price (tariff) to be charged by the company for electricity sold to its customers, is determined by Central Electricity Regulatory Commission (CERC) under applicable CERC (terms & conditions of tariff) Regulations. The said price (tariff) is based on allowable costs like interest costs, depreciation, operation & maintenance including a stipulated return. This form of rate regulation is known as cost-of-service regulations. The basic objective of such regulations is to give the entity the opportunity to recover its costs of providing the good or service plus a fair return.

For the purpose, the company is required to make an application to CERC based on capital expenditure incurred duly certified by the Auditors or already admitted by CERC or projected to be incurred upto date of commercial operation and additional capital expenditure duly certified by the Auditor or projected to be incurred during tariff year. The tariff determined by CERC is recovered from the customers (beneficiaries) on whom the same is binding.

The above rate regulation does result into creation of right (asset) or an obligation (liability) as envisaged in the accounting framework which is not the case in other industries. The ICAI has issued a Guidance Note on accounting for Rate Regulated Activities, which is applicable to entities that provide goods or services whose prices are subject to cost-of-service regulations and the tariff determined by the regulator is binding on the customers (beneficiaries). As per guidance note, a regulatory asset is recognised when it is probable (a reasonable assurance) that the future economic benefits associated with it will flow to the entity as a result of the actual or expected actions of the regulator under applicable regulatory framework and the amount can be measured reliably.

As explained above, all operating activities of the Company are subject to cost-of-service regulations as it meets the criteria set out in the guidance note hence it is applicable to the Company. Though the Guidance Note is effective from 01.04.2015, the Company has opted to adopt it from the Financial Year 2014-15, since earlier adoption is permitted.

The guidance note also provides that in some cases, a regulator permits an entity to include in the rate base, as part of the cost of self-constructed (tangible) fixed assets or internally generated intangible assets, amounts that would otherwise be recognised as expense in the statement of profit and loss in accordance with Accounting Standards. After the construction is completed, the resulting cost is the basis for depreciation or amortisation and unrecovered investment for rate determination. A regulatory asset is to be recognised by the entity in respect of such costs since the same is recoverable from the customers (beneficiaries) in future through tariffs.

As stated in para 10 above, the borrowing cost of ₹406.83 crore (up to previous year ₹ 766.90 crore) and administration and other cost of ₹115.12 crore (up to previous year ₹ 341.54 crore) incurred on 'Subansiri Lower Project', wherein the active

construction is interrupted since 16.12.2011, have been charged to the Statement of Profit & Loss in compliance of provision of Accounting Standard 10, Accounting for fixed asset & Accounting Standard-16, Borrowing Cost as notified under the Companies Act, 2013. However such expenditure is permitted under CERC (Terms and Conditions of Tariff) Regulations, 2014 to be recovered through future tariffs.

In pursuance of the above, the company has created regulatory assets and has recognized corresponding regulatory income for the Financial Year 2014-15/credit to the opening balance of surplus against the amount pertaining to the period 16.12.2011 to 31.03.2014 using transition provision as per the ibid Guidance Note as below:

(₹ in Crore)

| Regulatory asset created in relation to: | For the period 16.12.2011 to 31.03.2014 | For the financial year 2014-15 | Total |
|--|---|-----------------------------------|----------------|
| Borrowing Costs | 766.90 | 406.83 | 1173.73 |
| Administrative & other Costs | 341.54 | 115.12 | 456.66 |
| Total | 1108.44* | 521.95** | 1630.39 |

* by corresponding credit to opening balance of Surplus by ₹876.10 crore (₹1108.44 crore less provision for Income Tax for ₹232.34 crore) [refer- Note No.3-Reserves and Surplus].

** by corresponding credit to current year's profit through "Regulatory Income".

27. Disclosure related to Corporate Social Responsibility (CSR) (refer Note No.22)

(i) The breakup of CSR expenditure under various heads of expenses incurred during FY 2014-15 is as below:-

(₹ in Crore)

| S.No. | Heads of Expenses constituting CSR expenses | Amount |
|-------|---|--------------|
| 1 | Community Development | 0.07 |
| 2 | Health Care and Sanitation | 2.85 |
| 3 | Education & Skill Development | 12.30 |
| 4 | Women Empowerment /Senior Citizen | 0.61 |
| 5 | Environment | 3.54 |
| 6 | Art & Culture | 0.36 |
| 7 | Sports | 0.49 |
| 8 | National Welfare Fund | 0.02 |
| 9 | Technology & Research | 0.23 |
| 10 | Rural Development | 11.17 |
| 11 | Capacity Building | 0.15 |
| 12 | Swachh Vidhyalay Abhiyan | 23.40 |
| | Total amount | 55.19 |

(ii) Other disclosures:-

(a) Board of Directors of group have allocated total budget of ₹ 91.86 Crore for FY 2014-15 which consists of ₹ 66.90 Crore based on 2% of average net profit of preceding three financial years in terms of Section 135 of Companies Act 2013 and ₹ 24.96 Crore out of unspent amount upto FY 2013-14.

(b) Details of expenditure incurred by the group during FY 2014-15 in cash and yet to be paid in cash along with the nature of expenditure (capital or revenue nature) is as under:-

(₹ in Crore)

| | | In Cash (a) | Yet to be paid in Cash (b) | Total (a+b) |
|------|---------------------------------------|----------------|-------------------------------|----------------|
| (i) | Construction/Acquisition of any asset | 35.66 | 9.54 | 45.20 |
| (ii) | On purpose other than (i) above | 9.39 | 0.60 | 9.99 |
| | Total | 45.05 | 10.14 | 55.19 |

(c) As disclosed above, a sum of ₹ 10.14 Crore out of total expenditure of ₹ 55.19 Crore is yet to be paid in cash to concerned parties which are included in the relevant head of accounts pertaining to liabilities.

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28. Disclosure relating to verified emission reductions (VERs) is as under:-

| Sl. | Description | Remarks |
|-----|---|---|
| 1. | No. of VERs held as Investment & the basis of valuation | 2600 |
| 2. | No. of VERs under certification | Nil |
| 3. | Depreciation and operating and maintenance cost of Emission Reduction Equipment expensed during the year (₹ in Crore) | Nil |
| 4. | No. of VERs sold during the year ended 31.03.2015 with the value thereof. | Nil (for previous year 16000 VERs for ₹0.05 Crore) |

29. Disclosures as required under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 are as follows:-
(₹ in Crore)

| | | |
|-------|---|-------|
| (i) | Principal amount remaining unpaid to Micro, small & medium enterprise. | 0.21 |
| (ii) | Interest accrued on principal amount remaining unpaid as (i) above | 0.20* |
| (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 year, 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 |

* Interest not accounted for in the books of account.

30. Amount of contribution received from the Govt. of Madhya Pradesh towards "Irrigation and R&R Component" and Govt. of Gujarat towards "Sardar Sarovar Component", are treated initially as 'Grants in Aid-Reserve' and subsequently adjusted in the same proportion as the depreciation written off during the year on the assets acquired out of such contribution. [refer Note no. 3(iii) of Balance Sheet].

31. Opening balances/corresponding figures for previous year have been re-grouped/re-arranged/re-cast, wherever necessary.

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

JAYANT KUMAR
Director (Finance)
DIN 03010235

R. S. T. SAI
Chairman & Managing Director
DIN 00171920

As per report of even date

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

For S N Dhawan & Co.
(Chartered Accountants)
FR No. 000050N

For Gupta Gupta & Associates
(Chartered Accountants)
FR No. 001728N

For Ray & Ray
(Chartered Accountants)
FR No. 301072E

(CA. GAURAV NANDA)
Partner
M. No. 500417

(CA. SURESH SETH)
Partner
M. No. 010577

(CA. R.K.GUPTA)
Partner
M. No. 085074

(CA. BARUN KR GHOSH)
Partner
M. No. 051028

Place :- New Delhi
Date: 29-May-2015



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in crore)

| | For the year ended 31st March, 2015 | For the year ended 31st March, 2014 |
|---|--|--|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before tax and extraordinary items | 3,718.35 | 2,528.55 |
| Less: Rate Regulated Income/ (Expenditure) | 521.95 | - |
| | 3,196.40 | 2,528.55 |
| ADD : | | |
| Depreciation (including Prior Period & ERV impact) | 1,720.79 | 1,513.88 |
| Finance Cost (Net of EDC) | 1,272.80 | 1,180.21 |
| Provisions (Net loss) | 125.11 | 188.86 |
| Tariff Adjustment (loss) | 105.82 | 1.13 |
| Loss on sale of assets/Claims written off | 2.38 | 0.90 |
| Exchange rate variation | (20.50) | 105.27 |
| | 3,206.40 | 2,990.25 |
| | 6,402.80 | 5,518.80 |
| LESS : | | |
| Advance against Depreciation written back | 50.17 | 50.17 |
| Provisions (Net gain) | 75.96 | 38.08 |
| Profit on Sale of Assets \ Realization of Loss | 1.11 | 1.06 |
| Dividend Income | 2.42 | 2.02 |
| Interest Income | 840.13 | 999.80 |
| | 969.79 | 1,091.13 |
| Cash flow from operating activities before working capital adjustments | 5,433.01 | 4,427.67 |
| Decrease (Increase) in Working Capital: | | |
| Inventories | (8.87) | (16.33) |
| Trade Receivables | (391.38) | (413.40) |
| Other Assets, Loans and Advances | 454.22 | 506.53 |
| Other Liabilities & Provisions | (617.10) | 114.07 |
| | (563.13) | 190.87 |
| Cash flow from operating activities before taxes | 4,869.88 | 4,618.54 |
| Less : Taxes | 809.24 | 794.18 |
| NET CASH FLOW FROM OPERATING ACTIVITIES (A) | 4,060.64 | 3,824.36 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| "Purchase of Fixed Assets & expenditure on construction projects (including expenditure during construction forming part of Capital Work in Progress for the year)" | (1,726.01) | (2,249.92) |
| Creation of Rate Regulatory Assets | (123.30) | - |
| Realization from Investments / Bonds | 239.77 | 172.47 |
| Interest Income | 840.13 | 1,000.08 |
| Dividend Received | 2.41 | 2.02 |
| NET CASH FLOW FROM INVESTING ACTIVITIES (B) | (767.00) | (1,075.35) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Buy-back of Shares (Including Premium Payment) | - | (2,367.89) |
| Dividend and Dividend Tax Paid | (848.35) | (1,343.51) |
| Issue of Share Capital / Share application money pending allotment | 7.81 | 40.29 |
| Funds from Govt of Madhya Pradesh | 20.14 | 304.93 |
| Proceeds from Borrowings | 1,481.05 | 2,534.11 |
| Repayment of Borrowings | (1,500.66) | (2,084.68) |
| Interest & Finance Charges | (1,654.40) | (1,619.51) |
| NET CASH FLOW FROM FINANCING ACTIVITIES (C) | (2,494.41) | (4,536.26) |

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(₹ in crore)

| | For the year ended 31st March, 2015 | For the year ended 31st March, 2014 |
|---|--|--|
| D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C) | 799.23 | (1,787.25) |
| Cash & Cash Equivalents at the beginning of the Year | 6,142.78 | 7,976.46 |
| Adjustment to Cash & Cash Equivalents at the beginning of the Year | (0.99) | (46.43) |
| Adjusted Cash & Cash Equivalent at the beginning of the Year | 6,141.79 | 7,930.03 |
| Cash & Cash Equivalents at the close of the Year | 6,941.02 | 6,142.78 |

EXPLANATORY NOTES TO CASH FLOW STATEMENT

| | | | |
|---|---|----------------|----------------|
| 1 | Cash and Cash equivalents consists of Cash in hand, cheques/drafts in hands and Bank Balances including Short Term Deposits of varying periods. The details of Cash & Cash equivalents as per Note No. 18 of the Balance Sheet is as under: | | |
| | Cash and Cash equivalents | 715.62 | 951.66 |
| | Other Bank Balances * | 6225.40 | 5191.12 |
| | | 6941.02 | 6142.78 |

*Other Bank Balances includes ₹ 268.05 Crore (Corresponding Previous year ₹ 320.63 Crore), held for Rural Road and Rural Electrification works being executed by Company on behalf of other agencies, undischarged liability towards Corporate Social Responsibility for ₹ 10.14 crore, unpaid dividend/interest ₹ 92.60 Crore (Corresponding Previous year ₹ 40.48 Crore) and Self Insurance Fund ₹ 164.31 crore (Previous Year ₹ 160.51 Crore) which are not freely available for the business of the Company.

- ₹ 9.01 Crore (Previous year ₹ 8.24 Crore) kept with banks as per orders of Hon'ble Court of Law.
 - ₹ 0.23 Crore (Previous year ₹ 0.31 Crore) kept with banks for opening Letter of Credit or similar facility.
 - ₹ 3.24 Crore (Previous year ₹ 5.11 Crore) received as deposit from land oustees against land in respect of Omkareshwar Project.
- Expenditure during construction (EDC) includes ₹ 332.56 Crore (Corresponding Previous year ₹ 472.66 Crore) towards borrowing cost capitalised during the period.
 - Amount of undrawn loan as on 31.03.2015 : ₹ 280.64 Crore (Previous Year ₹ 717.62 Crore) Subordinate Debt.
 - Cash and Bank Balances include an amount of ₹ 3.24 Crore (Previous year ₹ 5.11) representing deposit by oustees towards 'Land for Land' in respect of Omkareshwar Project, which is not available for use As on 31.03.2015.
 - 1) Out of the Initial Public Offering (IPO) proceeds of ₹ 6038.55 Crore made during financial year 2009-10, sale proceeds of ₹ 2012.85 Crore was paid to Ministry of Power, Govt. of India and ₹ 4025.70 Crore was retained by the company. Out of ₹ 4025.70 Crore, a sum of ₹ 3986.99 Crore has been utilised up to 31.03.2015 for re-coupment of capital expenditure already incurred from internal accruals on the projects specified for utilisation and ₹ 38.71 Crore recouped for meeting IPO expenditure.
 - Figures for the previous year have been re-grouped/re-arranged/re-cast wherever necessary.

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

JAYANT KUMAR
Director (Finance)
DIN 03010235

R. S. T. SAI
Chairman & Managing Director
DIN 00171920

As per report of even date

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

For S N Dhawan & Co.
(Chartered Accountants)
FR No. 000050N

For Gupta Gupta & Associates
(Chartered Accountants)
FR No. 001728N

For Ray & Ray
(Chartered Accountants)
FR No. 301072E

(CA. GAURAV NANDA)
Partner
M. No. 500417

(CA. SURESH SETH)
Partner
M. No. 010577

(CA. R.K.GUPTA)
Partner
M. No. 085074

(CA. BARUN KR GHOSH)
Partner
M. No. 051028

Place :- New Delhi
Date: 29-May-2015



NHPC Limited

(A Government of India Enterprise)

FORM AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

| 1. | Sl. No. | 1. | 2. | 3. |
|-----|---|------------------------|---|-----------------------------------|
| 2. | Name of the subsidiary | NHDC Ltd. | Loktak Downstream Hydroelectric Corporation Ltd. | Bundelkhand Saur Urja Ltd. |
| 3. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 31 st March | 31 st March | 31 st March |
| 4. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | INR | INR | INR |
| 5. | Share capital | 19,62,58,00,000 | 117,69,23,090 | 1,00,00,000 |
| 6. | Reserves & surplus | 45,66,11,27,139 | 15,70,01,564 | (665,784) |
| 7. | Total assets | 81,17,77,20,404 | 136,37,67,170 | 1,13,74,385 |
| 8. | Total Liabilities | 15,89,07,93,265 | 2,98,42,516 | 20,40,169 |
| 9. | Investments | Nil | Nil | Nil |
| 10. | Turnover | 13,66,59,66,199 | Nil | Nil |
| 11. | Profit before taxation | 9,83,77,62,228 | 4,00,35,080 | (8,84,410) |
| 12. | Provision for taxation | 2,17,31,74,185 | 1,29,89,382 | (2,18,626) |
| 13. | Profit after taxation | 7,66,45,88,043 | 2,70,45,698 | (6,65,784) |
| 14. | Proposed dividend | 231,58,44,400 | Nil | Nil |
| 15. | % of shareholding | 51.08 % | 74.00 % | 99.99 % |

Notes: The following information shall be furnished at the end of the statement:

| | | |
|----|---|-----|
| 1. | Names of subsidiaries which are yet to commence operations | 2 |
| 2. | Names of subsidiaries which have been liquidated or sold during the year. | Nil |

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Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(Amount in ₹)

| Name of Associates/Joint Ventures | | Chenab Valley Power Projects Pvt. Ltd. | National High Power Test Laboratory (P) Ltd. | National Power Exchange Ltd. |
|-----------------------------------|--|--|--|------------------------------|
| 1. | Latest audited Balance Sheet Date | 31 st March 2015 | 31 st March 2015 | 31 st March 2015 |
| 2. | Shares of Associate/Joint Ventures held by the company on the year end | | | |
| | No. | 10,00,00,000 | 2,39,00,000 | 21,88,325 |
| | Amount of Investment in Associates/Joint Venture | 100,00,00,000 | 23,90,00,000 | 2,18,83,250 |
| | Extent of Holding % | 49.98 | 21.64 | 16.67 |
| 3. | Description of how there is significant influence | N.A. | N.A. | N.A. |
| 4. | Reason why the associate/joint venture is not consolidated | N.A. | N.A. | N.A. |
| 5. | Net worth attributable to Shareholding as per latest audited Balance Sheet | 98,75,71,281 | 23,40,98,480 | 1,14,35,123 |
| 6. | Profit / Loss for the year | (2,50,67,064) | Nil | 12,06,381 |
| i | Considered in Consolidation | (1,25,28,519) | Nil | 2,01,103 |
| ii | Not Considered in Consolidation | (1,25,38,545) | - | 10,05,278 |

| | | |
|----|---|--|
| 1. | Names of associates or joint ventures which are yet to commence operations. | All |
| 2. | Names of associates or joint ventures which have been liquidated or sold during the year. | National Power Exchange Ltd. is in the process of liquidation. |

For and on behalf of the Board of Directors

VIJAY GUPTA
Company Secretary

JAYANT KUMAR
Director (Finance)
DIN 03010235

R. S. T. SAI
Chairman & Managing Director
DIN 00171920

As per report of even date

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

For S N Dhawan & Co.
(Chartered Accountants)
FR No. 000050N

For Gupta Gupta & Associates
(Chartered Accountants)
FR No. 001728N

For Ray & Ray
(Chartered Accountants)
FR No. 301072E

(CA. GAURAV NANDA)
Partner
M. No. 500417

(CA. SURESH SETH)
Partner
M. No. 010577

(CA. R.K.GUPTA)
Partner
M. No. 085074

(CA. BARUN KR GHOSH)
Partner
M. No. 051028

Place :- New Delhi
Date: 29-May-2015



NHPC LIMITED

(A Government of India Enterprise)

Registered Office: NHPC Office Complex, Sector-33, Faridabad, Haryana-121 003.

CIN: L40101HR1975GOI032564

Telephone: 0129-2278421

Fax No: 0129-2277941

Website: www.nhpcindia.com

Email ID: webmaster@nhpc.nic.in

GREEN INITIATIVE IN CORPORATE GOVERNANCE E-COMMUNICATION REGISTRATION FORM (In terms of Section 20 of the Companies Act, 2013)

Folio No. / DP ID & Client ID : _____

Name of 1st Registered Holder : _____

Name of Joint Holder(s) : _____

: _____

: _____

: _____

Registered Address : _____

: _____

: _____

: _____

Email ID (to be registered) : _____

: _____

I/We shareholder(s) of NHPC Limited agree to receive communication from the Company in electronic mode under relevant provisions of the Companies Act, 2013. Please register my above e-mail in your records for sending communication through mail.

Signature:- _____

(First Holder)

Date: _____

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



Barrage - 120 MW Tanakpur Power Station (Uttarakhand)

एनएचपीसी लिमिटेड
(भारत सरकार का उद्यम)



NHPC Limited
(A Government of India Enterprise)

CIN No. 'L40101HR1975GOI032564'

एनएचपीसी कार्यालय परिसर, सैक्टर - 33, फरीदाबाद - 121003, हरियाणा (भारत) वेबसाइट : www.nhpcindia.com
NHPC Office Complex, Sector - 33, Faridabad - 121003, Haryana (India) Website : www.nhpcindia.com
EPABX : 0129-2278421 / 422 / 423