

Annual Report 2007-08



NHPC Limited
(A Government of India Enterprise)



C O N T E N T S

NHPC

Corporate Vision and Mission	-	3
Board of Directors	-	5
Corporate Profile	-	6
Digest of Important Data (Ten Years)	-	8
Chairman's Statement	-	11
Directors' Report	-	17
Auditors' Report	-	54
Annual Accounts	-	60

NHDC

Directors' Report	-	97
Auditors' Report	-	105
Annual Accounts	-	112

Consolidated		
Financial Statements	-	148



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C O R P O R A T E V I S I O N

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

C O R P O R A T E M I S S I O N

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





Shri S.K. Garg
Chairman & Managing Director

BOARD OF DIRECTORS

As on 05.08.2008



Shri A.B.L. Srivastava
Director (Finance)



Shri Gurdial Singh
Member (Hydro), CEA



Shri Jayant Kawale
Jt. Secretary (MOP)



Smt. Komal Anand
Non-Official Part-Time
Director



Shri A.K. Mago
Non-Official Part-Time
Director



Shri Raman Sidhu
Non-Official Part-Time
Director



Shri R. Jeyaseelan
Non-Official Part-Time
Director



Dr. Kuriakose Mamkoottam
Non-Official Part-Time
Director



Shri Vijay Gupta
Company Secretary

Company Secretary
Shri Vijay Gupta

Statutory Auditors
M/s GSA & Associates,
Chartered Accountants,
502, Prabhat Kiran,
17, Rajendra Place,
New Delhi-110008

Branch Auditors
M/s O.P. Garg & Co.
Chartered Accountants,
40 A/D, Gandhi Nagar,
Jammu-180004

M/s K.K. Ghei & Co.
Chartered Accountants,
806, Hemkunt House,
6, Rajendra Place,
New Delhi-110008

M/s K. C. Bhattacharjee & Paul
Chartered Accountants,
2, Church Lane, 3rd Floor,
Room No. 304-B, Kolkata - 700 001

M/s N. Sarkar & Co.
Chartered Accountants,
21, Prafulla Sarkar Street,
Kolkata - 700 072

Bankers

State Bank of India
State Bank of Bikaner & Jaipur
State Bank of Patiala
Indian Overseas Bank
Bank of India
J&K Bank of India
ICICI Bank Limited
Deutsche Bank
Axis Bank Ltd.
Bank of Bhutan
Standard Chartered Bank
IDBI Limited

CORPORATE PROFILE

FINANCIAL		2007-08	2006-07	2005-06	2004-05
Sales	**	2243.73	1754.12	1614.11	1449.98
Miscellaneous income	@	911.77	433.38	359.55	393.80
Profit before interest, depreciation & tax	\$	2201.93	1610.04	1454.71	1438.86
Profit after interest & depreciation		1146.65	1087.74	812.16	777.53
Profit after interest, depreciation & tax		1004.09	924.80	742.75	684.58
Dividend		300.00	278.00	223.00	140.00
Reserves & surplus (cumulative)		6093.34	5367.05	4709.89	4168.49
WHAT CORPORATION OWNS					
Gross Fixed Assets		20639.51	12943.64	12755.52	10876.28
Depreciation		3262.66	2850.92	2527.83	2148.20
Net Fixed Assets		17376.85	10092.72	10227.69	8728.08
Capital Work in progress		6318.64	11399.92	8844.19	8787.19
Construction Stores and Advances		1077.34	856.43	778.95	770.14
Investments		3049.22	3322.75	3832.81	3769.43
Net Current Assets		713.03	-345.60	-225.34	138.69
Miscellaneous Expenditure not w/o.		0.34	25.80	24.55	1.18
		28535.42	25352.02	23482.85	22194.71
WHAT CORPORATION OWES					
Net Worth					
- Share Capital		11182.49	11207.04	10576.09	9933.27
- Reserves		6093.34	5367.05	4709.89	4168.49
Income Received in advance on account of Advance		1303.26	1245.98	1030.18	1071.15
Against Depreciation					
Borrowings		9956.33	7531.95	7166.69	7021.80
		28535.42	25352.02	23482.85	22194.71
OPERATING PERFORMANCE					
		2007-2008	2006-2007	2005-2006	2004-2005
Generation (M.U.)		14663	13049	12567	11286
Machine availability (%)		96.13	94.11	98.16	95.30
Sales (Rs.in crore)		2243.73	1754.12	1614.11	1449.98
Man power (Nos.)		12341	12768	13118	13470

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

@ Includes receipts against contracts

\$ After prior period adjustments

(Rupees in crore)

2003-04	2002-03	2001-02	2000-01	1999-2000	1998-99
1276.09	1172.23	1221.00	1179.90	1075.70	1194.40
551.69	302.96	330.40	575.70	202.60	39.10
1477.37	1153.39	1183.50	1209.70	1070.70	999.20
643.48	555.00	513.10	484.20	401.20	305.30
621.38	510.50	470.90	443.40	401.20	305.30
120.00	75.00	50.00	30.00	15.00	15.00
3594.27	3065.70	2598.50	2139.10	1690.60	1272.10
10342.71	8280.95	8113.50	7892.70	7752.70	7090.40
1882.95	1672.19	1526.70	1280.10	1029.00	811.10
8459.76	6608.76	6586.80	6612.60	6723.70	6279.30
6975.83	7078.00	5218.30	3710.80	2768.60	2576.00
805.55	621.74	525.50	613.00	511.50	322.80
3660.87	2415.66	1965.00	679.90	0.00	0.00
107.76	1889.77	1512.20	1864.20	2100.90	1471.80
0.71	1.20	2.00	9.80	1.90	0.40
20010.48	18615.13	15809.80	13490.30	12106.60	10650.30
8629.03	7240.61	6345.70	5188.20	4446.20	3825.00
3594.27	3065.70	2598.50	2139.10	1690.60	1272.10
939.40	801.06	648.40	519.90	386.10	245.50
6847.78	7507.76	6217.20	5643.10	5583.70	5307.70
20010.48	18615.13	15809.80	13490.30	12106.60	10650.30
2003-2004	2002-2003	2001-2002	2000-2001	1999-2000	1998-1999
11046	9863	8912	8774	8691	9917
96.82	96.62	96.86	92.09	91.05	88.39
1276.09	1172.23	1221.00	1179.90	1075.70	1194.40
13648	13017	13054	11850	12150	11860

DIGEST OF IMPORTANT FINANCIAL DATA (TEN YEARS)

FINANCIAL		2007-08	2006-07	2005-06	2004-05
A SALE OF ENERGY	\$	2301.00	1969.93	1661.99	1581.73
B ADVANCE AGAINST DEPRECIATION		57.27	215.81	47.88	131.75
C OTHER INCOME (INCLUDES CONST. & CONSULTANCY RECEIPT)	#	911.77	433.38	359.55	393.80
D TOTAL INCOME (A)-(B)+(C)		3155.50	2187.50	1973.66	1843.78
E GENERATION & OTHER EXPENSES (INCLUDES CONTRACT & CONSULTANCY EXP.)		953.57	577.46	518.95	404.92
F GROSS MARGIN (D) - (E)		2201.93	1610.04	1454.71	1438.86
G DEPRECIATION		443.74	290.55	269.57	248.97
H GROSS PROFIT (F) - (G)		1758.19	1319.49	1185.14	1189.89
I INTEREST AND FINANCE CHARGES		611.54	231.75	372.98	412.36
J NET PROFIT (H) - (I)		1146.65	1087.74	812.16	777.53
K TAX		142.56	162.94	69.41	92.95
L NET PROFIT AFTER TAX (J) - (K)		1004.09	924.80	742.75	684.58
M INTERNAL RESOURCE GENERATED (G)+(L)+(B)		1505.10	1431.16	1060.20	1065.30
N AUTHORISED CAPITAL		15000.00	15000.00	15000.00	15000.00
O EQUITY PAID UP CAPITAL	**	11182.49	11207.04	10576.09	9933.27
P RESERVE AND SURPLUS		6093.34	5367.05	4709.89	4168.49
Q LOAN FUND		9956.33	7531.95	7166.69	7021.80
R INCOME RECEIVED IN ADVANCE AGAINST DEP (AAD)		1303.26	1245.98	1030.18	1071.15
S GROSS FIXED ASSETS		20639.51	12943.64	12755.52	10876.28
T DEPRECIATION		3262.66	2850.92	2527.83	2148.20
U NET FIXED ASSETS (S) - (T)		17376.85	10092.72	10227.69	8728.08
V CAPITAL WORK-IN-PROGRESS		6318.64	11399.92	8844.19	8787.19
W CONSTRUCTION STORES AND ADVANCES		1077.34	856.43	778.95	770.14
X INVESTMENTS		3049.22	3322.75	3832.81	3769.43
Y WORKING CAPITAL		713.03	-345.60	-225.34	138.69
Z MISC. EXPENDITURE TO THE EXTENT NOT WRITTEN OFF		0.34	25.80	24.55	1.18
AA GROSS CAPITAL EMPLOYED (U)+(V)+(W)+(X)+(Y)		28535.08	25326.22	23458.30	22193.53
AB NET WORTH (O)+(P)-(Z)		17275.49	16548.29	15261.43	14100.58
AC INVENTORY CONSUMPTION IN POWER STATION		6.15	6.56	12.02	7.73
AD VALUE ADDED (A)-(B)-(AC)		2237.58	1747.56	1602.09	1442.25
\$ INCLUDING TARIFF ADJUSTMENT, WHEELING CHARGES AND PROVISION FOR DOUBTFUL DEBTS					
** INCLUDING SHARE DEPOSIT & GOI FUND ADJUSTABLE TO EQUITY					
# INCLUDES RECEIPTS AGAINST CONTRACTS					
RATIOS		2007-08	2006-07	2005-06	2004-05
1 RETURN ON GROSS CAPITAL EMPLOYED (H) / (AA)		6.16%	5.21%	5.05%	5.36%
2 RETURN ON NET WORTH (L) / (AB)		5.81%	5.59%	4.87%	4.85%
3 NET SALES TO GROSS CAPITAL EMPLOYED ((A)-(B)) / (AA)		7.86%	6.93%	6.88%	6.53%
4 VALUE ADDED TO NET SALES (AD) / ((A)-(B))		99.73%	99.63%	99.26%	99.47%
5 DEBT TO EQUITY RATIO (Q) / ((O)+(P)+(R))		0.54	0.42	0.44	0.46
6 NET PROFIT TO NET SALES (L) / ((A)-(B))		44.75%	52.72%	46.02%	47.21%