



## 39<sup>th</sup> Annual Report 2014-15

Annual General Meeting at 10:30 a.m. on Wednesday, 23<sup>rd</sup> 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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## 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
<b>D TOTAL INCOME (A)+(B)+(C )</b>	<b>7,663.58</b>	<b>6,993.99</b>	<b>6,539.43</b>	<b>6,790.74</b>	<b>4,932.11</b>
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
<b>H PROFIT BEFORE TAX AND RATE REGULATED INCOME</b>	<b>2,304.22</b>	<b>1,583.06</b>	<b>3,202.13</b>	<b>3,517.04</b>	<b>2,877.41</b>
I RATE REGULATED INCOME / EXPENDITURE	521.95	-	-	-	-
<b>J PROFIT BEFORE TAX (H) + (I)</b>	<b>2,826.17</b>	<b>1,583.06</b>	<b>3,202.13</b>	<b>3,517.04</b>	<b>2,877.41</b>
K TAX	701.70	604.27	853.91	745.27	710.74
<b>L PROFIT AFTER TAX (J) - (K)</b>	<b>2,124.47</b>	<b>978.79</b>	<b>2,348.22</b>	<b>2,771.77</b>	<b>2,166.67</b>
M AUTHORISED SHARE CAPITAL	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
N PAID UP EQUITY SHARE CAPITAL	11,070.67	11,070.67	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
<b>U NET TANGIBLE &amp; INTANGIBLE FIXED ASSETS (S) - (T)</b>	<b>22,695.16</b>	<b>24,079.54</b>	<b>18,039.96</b>	<b>16,368.32</b>	<b>17,100.89</b>
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
<b>Z GROSS CAPITAL EMPLOYED (U)+(V)+(W)+(X)+(Y)</b>	<b>49,491.98</b>	<b>47,835.35</b>	<b>48,146.32</b>	<b>45,969.62</b>	<b>41,434.99</b>
<b>AA NET WORTH (N)+(O)</b>	<b>28,286.39</b>	<b>26,067.65</b>	<b>27,840.50</b>	<b>26,353.53</b>	<b>24,580.68</b>
<b>AB DIVIDEND (INCLUDING INTERIM DIVIDEND)</b>	<b>664.27</b>	<b>332.12</b>	<b>738.04</b>	<b>861.05</b>	<b>738.04</b>
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

<b>Registered &amp; Corporate Office</b> NHPC Office Complex, Sector-33, Faridabad, Haryana-121003	<b>Chief Investor Relations Officer</b> Shri K. K. Goel, Chief (Finance)
<b>Company Secretary</b> Shri Vijay Gupta	<b>Statutory Auditors</b> <b>M/s S. N. Nanda &amp; Co.</b> Chartered Accountants, C-43, Pamposh Enclave, Greater Kailash-1, New Delhi-110048
<b>Registrar &amp; share transfer agent</b> <b>For Equity Shares &amp; Tax Free Bonds:</b> 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  <b>For other Bonds:</b> 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	<b>M/s S. N. Dhawan &amp; Co.</b> Chartered Accountants, C-37, Connaught Place New Delhi-110001  <b>M/s Gupta Gupta &amp; Associates</b> Chartered Accountants, 142/3, Trikuta Nagar, Jammu Tawi, Jammu & Kashmir-180012  <b>M/s Ray &amp; Ray</b> Chartered Accountants, Webel Bhawan, Ground Floor, Block EP & GP, Sector V, Bidhannagar, Salt Lake, Kolkata-700091
<b>Shares &amp; tax free bonds listed at</b> BSE Limited National Stock Exchange of India Limited	<b>Bankers</b> 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
<b>Depositories</b> National Securities Depository Limited Central Depository Services (India) Limited	
<b>Other bonds listed at</b> National Stock Exchange of India Limited (Under Wholesale Debt Market Segment)	



# NHPC Limited

(A Government of India Enterprise)

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## Cost Auditors

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### **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, 1<sup>st</sup> Floor, JDA Market,  
Near SBBJ Chouraha, Chitrakoot Scheme, Ajmer Road,  
Jaipur-302021

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## Debenture Trustees

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### **7.70% O Series Axis Trustee Services Ltd**

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

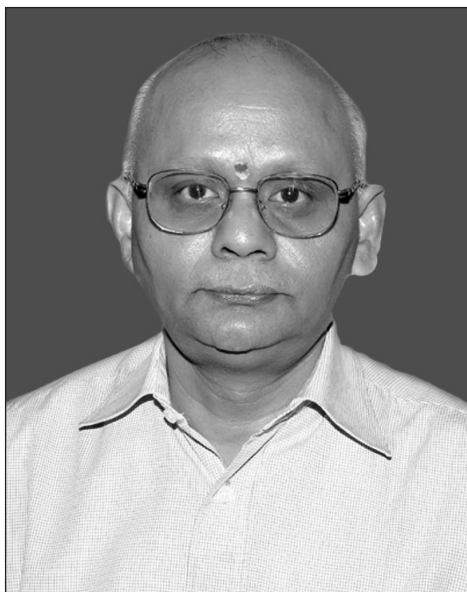
### **9% P Series, 9.25% Q Series, Tax Free Bonds NHPC 2013 (Series 1A, 1B, 2A, 2B, 3A and 3B) and 8.49% S1, 8.54% S2 Series**

**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, 5<sup>th</sup> 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 39<sup>th</sup> 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 31<sup>st</sup> 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

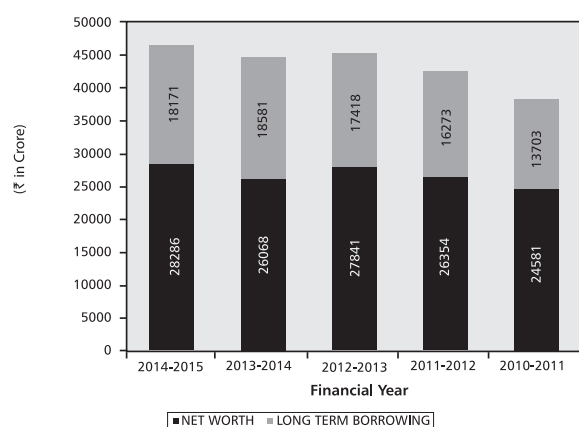
Date: 14<sup>th</sup> July, 2015

Place: Faridabad

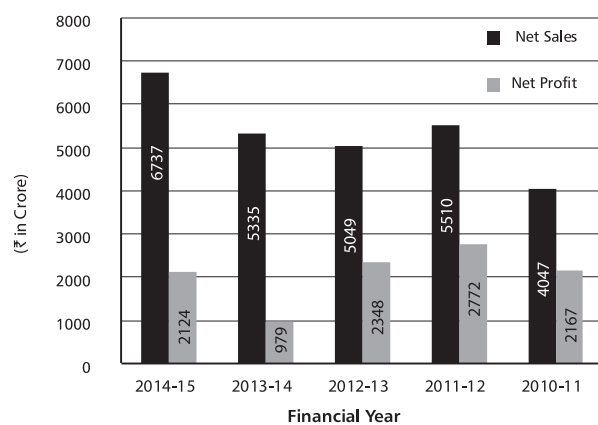


## NHPC's PERFORMANCE

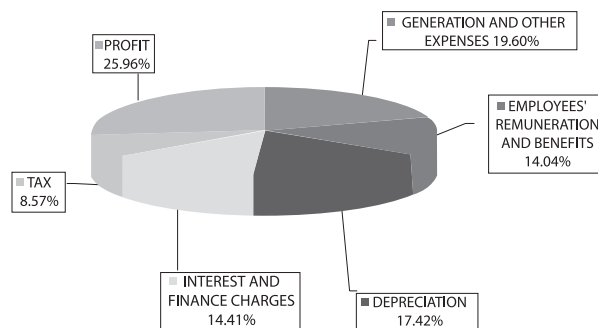
**NET WORTH V/S LONG TERM BORROWING**



**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.

