

NHPC Limited
(Formerly known as National Hydroelectric Power Corporation Limited)
(A Government of India Enterprise)
SECTOR-33, FARIDABAD, HARYANA-121003

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2011

(₹ in Laacs)

Sl.	Particulars	STANDALONE		CONSOLIDATED	
		Year ended 31.03.2011 (Audited)	Year ended 31.03.2010 (Audited)	Year ended 31.03.2011 (Audited)	Year ended 31.03.2010 (Audited)
1.	(a) Net Sales*/Income from Operations	404,659	415,321	496,499	504,857
	(b) Other Operating Income	17,866	11,308	17,866	11,308
	Total (a+b)	422,525	426,629	514,365	516,163
2.	Expenditure:-				
	(a) Employees cost	69,962	52,984	76,965	57,626
	(b) Depreciation	91,674	101,867	116,655	126,835
	(c) Other expenditure	68,014	40,156	74,291	45,527
	(d) Prior Period Adjustments (Net)	(85,638)	259	(65,648)	113
	Total (a+b+c+d)	164,012	195,266	202,263	230,101
3.	Profit from Operations before Other Income, Interest & Finance Charges and Exceptional Items (1-2)	258,513	231,343	312,102	286,062
4.	Other Income	70,686	54,573	80,709	63,292
5.	Profit before Interest & Exceptional Items (3+4)	329,199	285,916	392,811	349,354
6.	Interest & Finance Charges	41,356	45,708	67,088	73,937
7.	Profit after Interest & Finance Charges but before Exceptional Items (5-6)	287,843	240,208	325,723	275,417
8.	Exceptional items	-	-	-	-
9.	Profit(+)/Loss(-) from Ordinary Activities before Tax (7+8)	287,843	240,208	325,723	275,417
10.	Tax expense	71,176	31,158	79,446	47,661
11.	Net Profit(+)/Loss(-) from Ordinary Activities after Tax (9-10)	216,667	209,050	246,277	227,756
12.	Extraordinary items (net of tax expense)	-	-	-	-
13.	Net Profit(+)/Loss(-) for the period before Minority Interest (11-12)	216,667	209,050	246,277	227,756
14.	Minority Interest in Consolidated Profit	-	-	14,661	10,200
15.	Net Profit(+)/Loss(-) for the period after Minority Interest (13-14)	216,667	209,050	231,616	217,556
16.	Paid-up Equity Share Capital (Face Value ₹10/- each)	1,230,074	1,230,074	1,230,074	1,230,074
17.	Paid-up Debt Capital	1,456,926	1,386,822	-	-
18.	Reserves excluding Revaluation Reserves as per Balance Sheet	1,314,092	1,097,245	1,508,729	1,280,649
19.	Debenture Redemption Reserve	29,975	21,400	-	-
20.	Earning Per Share (EPS in ₹):-				
	(a) Basic & Diluted EPS before Extraordinary items (not annualised)	1.76	1.76	1.88	1.84
	(b) Basic & Diluted EPS after Extraordinary items (not annualised)	1.76	1.76	1.88	1.84
21.	Debt-Equity Ratio	0.57	0.60		
22.	Debt Service Coverage Ratio (DSCR)	3.01	2.62		
23.	Interest Service Coverage Ratio (ISCR)	12.37	10.08		
24.	Public shareholding				
	- Number of shares	1,677,374,015	1,677,374,015	1,677,374,015	1,677,374,015
	- Percentage of shareholding	13.64%	13.64%	13.64%	13.64%
25.	Promoters and Promoter Group Shareholding				
	a) Pledged / Encumbered				
	- Number of shares	-	-	-	-
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-
	-Percentage of shares (as a % of the total share capital of the company)	-	-	-	-
	b) Non-encumbered				
	- Number of shares	10,623,368,758	10,623,368,758	10,623,368,758	10,623,368,758
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%
	-Percentage of shares (as a % of the total share capital of the company)	86.36%	86.36%	86.36%	86.36%

* Net Sales = Gross Sales minus Advance against Depreciation

1. The Subsidiaries and Joint Venture Companies considered in the Consolidated Financial Results are as follows:-

	Ownership (%)
a) Subsidiary Companies:-	
(i) NHDC Limited	51
(ii) Loktak Downstream Hydroelectric Corporation Limited	74
b) Joint Venture Companies:-	
(i) National Power Exchange Limited	16.67
(ii) National High Power Test Laboratory Private Limited	25

All the above Companies are incorporated in India.

2. Electricity generation is the principal business activity of the Corporation. Other operations viz., Contract, Project Management and Consultancy Works do not form a reportable segment as per Accounting Standard - 17 on Segment Reporting issued by the Institute of Chartered Accountants of India. The operations of the Company are mainly carried out within the Country and therefore, Geographical Segments are not applicable.
3. Although the revenue of the Company is subject to seasonal variations, yet the financial results are comparable on year to year basis.
4. Central Electricity Regulatory Commission (CERC) has notified by Regulations the terms and conditions for determination of tariff applicable with effect from 1st April 2009 for a period of five years vide notification dated 19.01.2009. The petitions for all 12 power stations have since been filed and tariff for 3 power stations already stands approved. Pending determination of station wise tariff by CERC, sales for the year ended 31st March 2011 has been provisionally recognised at ₹385,286 lacs [₹476,044 lacs on consolidate basis] which includes ₹39,177 lacs towards grossing-up of Return on Equity (ROE) with applicable tax rates of 2010-11 vis-a-vis tax rates of 2008-09, on the basis of the principles enunciated in the said notification. The principle of conservatism has also been kept in view as the tariff petitions are subject to prudence check by CERC.

The aforesaid CERC notification provides that pending determination of tariff by the CERC, the Company is to provisionally bill the beneficiaries at the tariff approved by the CERC as applicable as on 31st March 2009. The amount provisionally worked out for billing for the year ended 31st March 2011 on this basis is ₹326,142 lacs [₹414,286 lacs on consolidate basis], as such sales amounting to ₹59,144 lacs [₹61,758 lacs on consolidate basis] for the year ended 31st March 2011 is yet to be billed to the beneficiaries.

5. Net Sales for the previous year include ₹81,651 lacs (excluding income tax of ₹2,763 lacs) ₹85,683 lacs (excluding income tax of ₹2,394 lacs) on Consolidated basis] towards earlier year sales arising because of finalisation and revision of tariff in respect of Power Stations.
6. Sales of ₹59,244 crore included in Prior Period Adjustments represent the difference due to grossing-up of ROE at normal income tax rate instead of MAT rate, which was considered for grossing-up in financial year 2009-10 and other tax adjustments relating to the beneficiary States.
7. Other Expenditure during current year includes provision of ₹13,887 lacs made as an abundant precaution towards water cess payable in respect of power stations situated in the State of J&K, which has since been challenged by the Company in the Court of Law. Being a new levy, petition for recovery of the same from beneficiaries has also been filed with CERC.
8. CERC while notifying tariff regulation for the period 2009-14 vide notification dated 19.01.2009 has revised the rates of depreciation and has also provided the methodology for computing the depreciation. As per ibid regulation, depreciation is to be calculated at specified depreciation rates till 31st March of the year closing after a period of 12 years from the date of commercial operation of an operating unit and thereafter amortisation of residual depreciable value of the assets over the remaining useful life of operating unit, life of the unit being considered 35 years from the date of commercial operation. The Company had however provided depreciation in financial 2009-10, following the rate notified by CERC even in respect of assets of Operating Units, which have completed 12 years as at 31.03.2009. During the year ended 31st March 2011, the Company has recomputed its depreciation charge w.e.f. 01.04.2009 in compliance of the opinion of the Office of Comptroller and Auditor General (C&AG) of India vide letter dated 16.08.2010 on the issue of depreciation. Accordingly, depreciation charge for the financial year 2009-10 and for the year ended 31st March 2011 has reduced by ₹9,627 lacs (adjusted as prior period item) and ₹19,197 lacs respectively. In view of above, the significant accounting policies on 'Depreciation & Amortisation' and 'Machinery Spares' have been suitable re-worded to disclose the fact of "rates of Depreciation as well as methodology", wherever required.
9. Subsequent to adoption of rates of Depreciation and methodology as notified by CERC, the Company has modified its accounting policy on 'Advance against Depreciation' during the year ended 31st March 2011, which has resulted in decrease in profit for the current year by ₹243 lacs.
10. Changes in accounting policies have taken place due to translation of practices into accounting policies as also to have improved disclosure except for changes in policy on 'Accounting for obsolescence in Stores & Spares', 'Accounting for Employee Benefits as per Accounting Standard (AS-15)' and 'Insurance', having an overall impact of ₹(1,584) lacs on the Profitability of the Company for the current year.
11. Out of Proceeds from Initial Public Offering (IPO), a sum of ₹159,259 lacs has been utilised upto 31st March 2011 for recoupment of capital expenditure already incurred from internal accruals on the projects specified for utilisation, ₹3,871 lacs recouped for meeting IPO expenditure and balance of ₹239,440 lacs is lying in bank account under Fixed Deposit/Corporate Liquidity Term Deposit (CLTD).
12. Board of Directors shall give recommendation for dividend before the issue of notice of next annual general meeting.
13. Adequate provision for Income Tax has been made as per the applicable rates.
14. STATEMENT OF ASSETS AND LIABILITIES ARE AS UNDER:-

Particulars	(₹ in Lacs)			
	STANDALONE		CONSOLIDATED	
	As at 31.03.2011 (Audited)	As at 31.03.2010 (Audited)	As at 31.03.2011 (Audited)	As at 31.03.2010 (Audited)
SHAREHOLDERS' FUNDS:				
(a) Capital	1,230,074	1,230,074	1,230,074	1,230,074
(b) Reserves and Surplus	1,314,092	1,097,245	1,508,729	1,280,849
MINORITY INTEREST	-	-	173,574	158,953
LOAN FUNDS	1,456,926	1,386,822	1,677,161	1,635,152
INCOME RECEIVED IN ADVANCE ON ACCOUNT OF ADVANCE AGAINST DEPRECIATION	140,655	143,744	150,756	153,982
NET DEFERRED TAX LIABILITIES	16,133	13,910	27,736	25,210
TOTAL (LIABILITIES)	4,157,880	3,871,795	4,768,030	4,484,020
FIXED ASSETS/FIXED CAPITAL EXPENDITURE	3,422,333	3,041,995	3,990,027	3,636,359
INVESTMENTS	539,950	439,405	431,940	334,552
CURRENT ASSETS, LOANS AND ADVANCES				
(a) Interest Accrued on Investments	15,787	18,265	15,787	18,265
(b) Inventories	3,371	4,431	3,921	4,834
(c) Contract Work-in-Progress	1,964	2,422	1,994	2,946
(d) Sundry Debtors	190,860	114,021	221,680	153,377
(e) Cash and Bank balances	286,414	509,738	426,531	818,953
(f) Other current assets	51,132	53,466	57,874	58,973
(g) Loans and Advances	136,542	129,574	139,727	129,494
Less: Current Liabilities and Provisions				
(a) Liabilities	234,921	212,697	241,430	221,363
(b) Provisions	255,582	228,825	280,001	252,370
TOTAL (ASSETS)	4,157,880	3,871,795	4,768,030	4,484,020

15. During the current year, Shri S.K. Garg, CMD retired w.e.f. 31.12.2010 on attaining the age of superannuation and Sh. A.B.L. Srivastava, Director (Finance) has been given additional charge of CMD w.e.f. 01.01.2011.
 16. There were no observations of Auditors on the Annual Accounts for the financial year 2008-09 and 2009-10. There are no observations of Auditors on the Annual Accounts for the financial year 2010-11 also.
 17. Information on Investors Complaints pursuant to Clause 41 of Listing Agreements for the quarter ended 31st March, 2011:-
- | | Opening Balance | Additions | Disposals | Closing Balance |
|-------------------|-----------------|-----------|-----------|-----------------|
| No. of Complaints | 2 | 984 | 984 | 2 |
18. Formula used for computation of 'Debt Service Coverage Ratio' (DSCR) = [Profit before Interest, Depreciation and Tax/(Principal repayment, excluding payment under put option+Interest)] and for 'Interest Service Coverage Ratio' (ISCR) = [Profit before Interest, Depreciation and Tax/Interest]. Interest has been considered net off transferred to expenditure during construction and the principal repayment pertains to loan taken for operational projects.
 19. The above results have been reviewed by Audit Committee of the Board of Directors in their meeting held on 27.05.2011 and approved by the Board of Directors of the Company in their meeting held on 27.05.2011.
 20. The audited accounts are subject to review by C&AG of India under section 619(4) of the Companies Act, 1956.
 21. Figures for the previous year have been re-grouped/re-arranged/re-cast wherever necessary.

For and on behalf of the Board of Directors of
NHPC Limited

(A. B. L. SRIVASTAVA)
CHAIRMAN & MANAGING DIRECTOR
DIN - 01601682

Place : New Delhi
Date : 27.05.2011