

NHPC LTD.

(A Government of India Enterprise)
SECTOR-33, FARIDABAD, HARYANA - 121 003

PART I- STATEMENT OF STANDALONE AND CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2014

(₹ in lacs)

	PARTICULARS	STANDALONE					CONSOLIDATED	
		Quarter ended 31.03.2014	Quarter ended 31.12.2013	Quarter ended 31.03.2013	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2014	Year ended 31.03.2013
		Unaudited			Audited		Audited	
1	Income from operations							
	(a) Net Sales/ Income from operations *	99,601	112,338	103,771	533,511	504,913	712,297	612,904
	(b) Other operating income	12,678	2,125	6,576	20,193	26,160	29,297	27,713
	Total income from operations (net)	112,279	114,463	110,347	553,704	531,073	741,594	640,617
2	Expenses							
	(a) Employee benefit expense	36,487	24,714	23,600	105,867	88,741	113,259	95,152
	(b) Depreciation & amortization expense	33,665	31,556	25,464	121,076	96,929	149,937	124,107
	(c) Other expenses	113,241	25,250	26,244	211,910	109,931	239,731	117,761
	Total expenses	183,393	81,520	75,308	438,853	295,601	502,927	337,020
3	Profit from operations before other income, finance costs and exceptional items (1-2)	(71,114)	32,943	35,039	114,851	235,472	238,667	303,597
4	Other Income	65,581	25,238	31,564	145,695	99,278	132,209	121,515
5	Profit from operations before finance costs and exceptional items (3+4)	(5,533)	58,181	66,603	260,546	334,750	370,876	425,112
6	Finance cost	63,488	15,115	10,199	102,240	38,538	118,021	59,621
7	Profit from operations after finance costs but before exceptional items (5-6)	(69,021)	43,066	56,404	158,306	296,212	252,855	365,491
8	Exceptional items	-	-	(24,001)	-	(24,001)	-	(24,001)
9	Profit from ordinary activities before tax (7-8)	(69,021)	43,066	80,405	158,306	320,213	252,855	389,492
10	Tax expense							
	a) Current Tax	(21,079)	8,722	12,702	25,162	58,741	53,842	73,875
	b) Adjustments relating to earlier years	4,665	3	-	4,668	985	4,668	980
	c) Deferred Tax	18,133	8,406	9,377	30,597	25,665	31,030	27,373
	Total Tax Expense(a+b+c)	1,719	17,131	22,079	60,427	85,391	89,540	102,228
11	Net Profit from ordinary activities after tax (9-10)	(70,740)	25,935	58,326	97,879	234,822	163,315	287,264
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-	-
13	Net Profit (11-12)	(70,740)	25,935	58,326	97,879	234,822	163,315	287,264
14	Share of profit/(loss) of associates	-	-	-	-	-	-	-
15	Minority Interest	-	-	-	-	-	(41,440)	(25,523)
16	Net Profit after taxes, minority interest and share of profit/(loss) of associates (13+14+15)	(70,740)	25,935	58,326	97,879	234,822	121,875	261,741
17	Paid-up equity share capital (of Face Value ₹ 10/- per share)	1,107,067	1,107,067	1,230,074	1,107,067	1,230,074	1,107,067	1,230,074
18	Paid-up Debt Capital	-	-	-	1,858,052	1,741,752	1,930,904	1,880,590
19	Reserves excluding Revaluation Reserves as per balance sheet	-	-	-	1,538,554	1,553,976	1,756,386	1,749,433
20	Debenture Redemption Reserve	-	-	-	88,475	64,955	88,475	64,955
21	Earning per share (EPS) (in ₹) before extraordinary items)							
	(a) Basic & Diluted EPS (before Extraordinary items)	(0.59)	0.21	0.47	0.82	1.91	1.02	2.13
	(b) Basic & Diluted EPS (after Extraordinary items)	(0.59)	0.21	0.47	0.82	1.91	1.02	2.13
22	Debt Equity Ratio	-	-	-	0.70	0.63	0.67	0.63
23	Debt service coverage ratio (DSCR)	-	-	-	2.07	4.31	2.28	3.88
24	Interest service coverage ratio (ISCR)	-	-	-	3.82	13.22	4.50	10.30

* Net Sales includes proportionate amount of Advance against Depreciation written back.

PART II-SELECT INFORMATION

A	PARTICULARS OF SHAREHOLDING							
	1. Public shareholding							
	- Number of shares	1554458774	1554458774	1677374015	1554458774	1677374015	1554458774	1677374015
	- Percentage of shareholding	14.04	14.04	13.64	14.04	13.64	14.04	13.64
	2. 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	9516209722	9516209722	10623368758	9516209722	10623368758	9516209722	10623368758
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	100	100	100	100	100	100
	- Percentage of shares (as a % of the total share capital of the company)	85.96	85.96	86.36	85.96	86.36	85.96	86.36
B	INVESTOR COMPLAINTS							
	Particulars	Equity Shares		Debt Securities				
	Pending at the beginning of the quarter	3		Nil				
	Received during the quarter	723		62				
	Disposed off during the quarter	722		62				
	Remaining unresolved at the end of the quarter	4		Nil				

STATEMENT OF STANDALONE AND CONSOLIDATED ASSETS AND LIABILITIES				
(₹ in lacs)				
PARTICULARS	STANDALONE		CONSOLIDATED	
	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2014	Year ended 31.03.2013
	Audited		Audited	
A EQUITY AND LIABILITIES				
1 SHAREHOLDERS' FUNDS				
(a) Share Capital	1,107,067	1,230,074	1,107,067	1,230,074
(b) Reserves and Surplus	1,538,554	1,553,976	1,756,386	1,749,433
Sub-total - Shareholders's funds	2,645,621	2,784,050	2,863,453	2,979,507
2 Minority Interest	-	-	306,568	289,012
3 NON-CURRENT LIABILITIES				
(a) Long Term Borrowings	1,858,052	1,741,752	1,930,904	1,880,590
(b) Deferred Tax Liabilities	76,667	46,069	93,439	62,409
(c) Other Long Term Liabilities	160,581	170,569	172,818	182,710
(d) Long Term Provisions	81,470	72,192	82,510	72,995
Sub-total - Non-Current Liabilities	2,176,770	2,030,582	2,279,671	2,198,704
4 CURRENT LIABILITIES				
(a) Trade Payables	20,071	17,941	22,341	18,914
(b) Other Current Liabilities	293,821	276,660	326,370	319,826
(c) Short Term Provisions	261,344	341,267	341,710	427,647
Sub-total - Current Liabilities	575,236	635,868	690,421	766,387
TOTAL- EQUITY & LIABILITIES	5,397,627	5,450,500	6,140,113	6,233,610
B ASSETS				
1 NON-CURRENT ASSETS				
(a) Fixed Assets	3,873,667	3,774,900	4,451,321	4,349,915
(b) Non Current Investments	222,702	240,061	102,263	119,633
(c) Long-term loans and advances	108,969	123,874	113,585	127,622
(d) Other non-current assets	89,637	94,437	132,432	113,238
Sub-total - Non-Current Assets	4,294,975	4,233,272	4,799,601	4,710,408
2 CURRENT ASSETS				
(a) Current Investments	25,187	25,074	25,074	25,074
(b) Inventories	7,229	5,707	7,984	6,422
(c) Trade Receivables	186,377	204,905	242,243	224,005
(d) Cash & Bank equivalents	530,383	561,601	614,278	797,646
(e) Short-term Loans and Advances	209,355	209,956	273,255	245,284
(f) Other Current Assets	144,121	209,985	177,678	224,771
Sub-total - Current Assets	1,102,652	1,217,228	1,340,512	1,523,202
TOTAL- ASSETS	5,397,627	5,450,500	6,140,113	6,233,610

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

	Ownership (%)
a) Subsidiary Companies:-	
(i) NHDC Limited	51.08
(ii) Loktak Downstream Hydroelectric Corporation Limited	74
b) Joint Venture Companies:-	
(i) Chenab Valley Power Projects Pvt. Limited	49.98
(ii) National Power Exchange Limited	16.67
(iii) National High Power Test Laboratory	20

- 2 Electricity generation is the principal business activity of the Company. Other operations viz., Contract, Project Management and Consultancy Works do not form a reportable segment as per Accounting Standard - 17 on Segment Reporting as notified under "The Companies Accounting Standard Rules 2006". The operations of the company are mainly carried out within the country and therefore Geographical Segments are not applicable.
- 3 In view of the seasonal nature of business, the financial results of the current quarter may not be comparable with other quarters of the current financial year.
- 4 During the year ended 31.03.2014, the following projects have been put on commercial operation:
 (i) All the four units of 132 MW (4x 33MW) Teesta Low Dam-III HE Project (2 units w.e.f 01.04.2013, 1 unit w.e.f 01.05.2013 and 1 unit w.e.f 19.05.2013);
 (ii) All the three units of 45 MW (3X15 MW) Nimmo Bazgo HE Project w.e.f 10.10.2013;
 (iii) All the four units of 240 MW (4X60MW) Uri-II HE Project (2 units w.e.f 11.10.2013, 1 unit w.e.f 01.12.2013 and 1 unit w.e.f 01.03.2014).
 (iv) Three out of four units of 130 MW each totalling 390 MW of 520 MW Parbati-III HE Project (2 units w.e.f. 24.03.2014 and 1 unit w.e.f. 30.03.2014).
- 5 Due to cloud burst and unprecedented high flood in Uttarakhand in the early hours of June 17, 2013, water entered into Dhauliganga Power Station (280 MW) and submerged all the system resulting into stoppage of generation from the plant and damage to Generating Plant and Machinery and various ancillary structures of the power station. The Assets of the power station and Loss of Generation are covered under Mega Insurance Policy. However, 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. Further, Unit No. 4 & 3 of the power station has been test synchronised with the grid on 30.04.2014 and 01.05.2014 respectively. Northern Region Load Despatch Centre (NRLDC) has approved the Injection Schedule for Unit No. 4 & 3 w.e.f. 03.05.2014 & 06.05.2014 respectively. Pending final settlement, on-account payments of Rs.3,500 Lacs and Rs.9,999 Lacs have been received from the Insurance Company till date against claim for material damage and business interruption respectively.
- 6 Construction activities at site of Subansiri Lower Project have been interrupted w.e.f. 16.12.2011 due to protest of anti dam activists, however substantial technical and administrative work is continuing. Although construction activities at site are expected to be resumed shortly since the matter is being pursued at the level of Government of India, yet in line with the opinion of Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), the borrowing cost of Rs.76,690 Lacs (including previous year amount of Rs.38,072 Lacs) and administration and other cost of Rs.34,154 Lacs (including previous year figure of Rs.12,736 Lacs) have been charged to the Statement of Profit & Loss during the year.
- 7 Construction activities at Teesta Low Dam-IV Project are progressing at a slow pace w.e.f. 20.03.2013 due to stoppage of work by one of the contractors to whom notice for recovery of the possession of site at risk & cost of contractor have been issued. Under such facts and circumstances, borrowing costs of Rs.9,135 Lacs and administration and other cost of Rs.6,791 Lacs have been charged to Statement of Profit & Loss during the year.
- 8 a) Sales have been recognized as per final tariff notified by Central Electricity Regulatory Commission (CERC), except for Chamera III, Chutak, TLDP-III, Nimoo-Bazgo, Uri-II & Parbati-III Power Stations. In respect of Chamera-III, Chutak, Uri-II & Nimoo-Bazgo Power Stations, sales have been recognised based on provisional tariff as notified by CERC, in respect of TLDP-III Power Station, sales have been recognised provisionally based on 85% of capital cost filed with CERC and in respect of Parbati-III Power Station, Sales have been recognised provisionally based on sanctioned capital cost.
- b) For the purpose of recognizing sales for the current year, Return on Equity (ROE) (a component of tariff) has been grossed up using Minimum Alternate Tax (MAT) rate.

- c) Sales include ₹ 50,280 Lacs for the current year (previous year ₹ 80,154 Lacs) which is yet to be billed.
- d) Sales include ₹ 6,050 lacs for the current year (previous year ₹ 8,066 Lacs) on account of earlier year sales arising out of finalisation of tariff.
- e) In terms of regulation No. 39 of tariff regulation issued vide CERC notification No. L-7/145(160)/2008-CERC dated 19.01.2009, deferred tax liabilities for the period upto 31st March 2009 whenever it materializes is recoverable directly from the beneficiaries and are accounted for on yearly basis. Accordingly sales for the current year include ₹ 11,405 Lacs (Previous Year ₹ 5,466 Lacs) on account of deferred tax which is materialized.
- f) 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. To take care of any decrease in tariff, during the current year, an amount of ₹ 113 Lacs (corresponding previous year ₹ 5,660 Lacs) has been provided in the books as an abundant precaution.
- 9 Out of the Initial Public Offering (IPO) proceeds of ₹ 6,03,855 lacs made during financial year 2009-10, sale proceeds of ₹ 2,01,285 lacs was paid to Ministry of Power, Govt. of India and ₹ 4,02,570 lacs was retained by company. Out of ₹ 4,02,570 lacs a sum of ₹ 3,47,790 lacs has been utilised up to 31.03.2014 for re-coupment of capital expenditure already incurred from internal accruals on the projects specified for utilisation, the unutilised amount of ₹ 50,909 lacs has been invested in bank deposits as per extant investment policy of the company and ₹ 3,871 lacs recouped for meeting IPO expenditure.
- 10 During the year, the company issued secured, redeemable, non-convertible Tax Free Bonds amounting to Rs.1,00,000 Lacs, with varying tenors. The issue opened on 18.10.2013 and closed on 23.10.2013. The allotment was completed on 02.11.2013 and the security got listed on the stock exchanges on 07.11.2013. Issue proceeds have been utilized for the purpose mentioned in the offer document.
- 11 During the year, the company has bought back 123,00,74,277 number of fully paid up equity shares (being 10% of pre buy back equity share capital) of face value of ₹ 10 each at a price of ₹ 19.25 per equity share payable in cash for an amount aggregating to ₹ 2,36,789 Lacs. Consequently, equity share capital was reduced by ₹ 1,23,007 Lacs and Reserve & Surplus was utilised by ₹ 1,13,782 Lacs.
- 12 Statutory Auditors had given following qualification in their Audit Reports on the accounts for the year ended 31.03.2013, quarter ended 30.06.2013, half year ended 30.09.2013 and in their Limited Review Report for the nine months ended 31.12.2013:
Capitalisation of borrowing cost and administration & other general overheads in respect of Subansiri Lower H.E Project of the Company, where the work has been interrupted w.e.f. 16.12.2011 having net of tax impact of ₹ 42,122 Lacs, ₹ 9,667 Lacs, ₹ 19,809 Lacs and ₹ 28,789 Lacs for the year ended 31.03.2013, quarter ended 30.06.2013, half year ended 30.09.2013 and nine-months ended 31.12.2013 respectively, on the Profit of the Company.
The above qualifications has been addressed during the current year. Refer note no.6 above.
- 13 Statutory Auditors have included the following matters in their Audit Reports on the accounts for the year ended 31.03.2013, quarter ended 30.06.2013, half year ended 30.09.2013 and year ended 31.03.2014 under "Emphasis of Matter Paragraph", without any qualified opinion in respect of these matters:
(i) carry forward of cost incurred on survey & investigation of projects;
(ii) uncertainty related to the outcome of the claims/ arbitration proceedings and lawsuit filed by/ against the Company on/ by contractors and others;
(iii) treatment of expenditure incurred on creation of assets not within the control of the company (Enabling Assets) effects of which has not been made in the financial statements;
(iv) damage in Dhauliganga Power Station due to floods, resulting in suspension of operations. Losses incurred including consequential losses and loss of profit is considered recoverable from the Insurers by the Management;
(v) uncertainty about the outcome of Dibang and Bursar Project, where expenditure incurred on survey & investigation is being carried over;
(vi) reversal of excess pay drawn from the month of February and March 2014 to be recovered from below Board level Executives giving effect to the approval of Competent Authority that the pay scales shall be fitted w.e.f. 01.01.2007 after correcting the aberrations in pay scales fixed w.e.f. 01.01.1997.
The above points on which attention has been drawn by the auditors have been addressed as under:-
(i) 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;
(ii) Company is required to disclose the uncertainty relating to any outflow in respect of Contingent Liability in terms of Para 68 of the Accounting Standard 29, as such the same has been disclosed;
(iii) During the current year, Company has introduced a new accounting policy on the issue, by virtue of which capital expenditure incurred during construction of project 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'. However, there is no material impact on profitability of the company due to the changed accounting practice;
(iv) Refer note no.5 above;
(v) In respect of Dibang HE Project, the Forest Advisory Committee (FAC) of the Ministry of Environment & Forest (MoEF) in its meeting held on 29/30.04.2014 has reiterated and recommended rejection of proposal. MoEF has asked for additional information from the Company for re-consideration of the Project. Regarding Bursar Project, matter has been taken-up with Ministry of Power for further taking-up the matter with Ministry of Water Resources for providing funds for preparation of DPR, considering it as a National Project;
(vi) 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.
- 14 The Board of Directors has not taken a decision about recommendation of dividend.
- 15 The audited accounts are subject to review by Comptroller and Auditor General of India under section 619(4) of the Companies Act, 1956.
- 16 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 of transferred to expenditure during construction and the principal repayment pertains to loan taken for operational projects.
- 17 The above results have been reviewed by Audit Committee of the Board of Directors and approved by the Board of Directors of the Company in the respective meetings held on 30.05.2014.
- 18 Figures for the previous period/year have been re-grouped/re-arranged/re-cast wherever necessary.
- 19 Figures of the quarter ended 31.03.2014 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year.

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

(A. B. L. SRIVASTAVA)
DIRECTOR (FINANCE)
DIN - 01601682

Place : New Delhi
Date : 30.05.2014