

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

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2010**

(₹ in Lacs)

	Quarter ended 30.09.2010 (Un-audited)	Quarter ended 30.09.2009 (Un-audited)	Half Year ended 30.09.2010 (Un-audited)	Half Year ended 30.09.2009 (Un-audited)	Year ended 31.03.2010 (Audited)
1. (a) Net Sales/Income from Operations	124,036	119,539	226,007	225,565	415,319
(b) Other Operating Income	4,090	1,023	7,626	2,263	11,308
<b>Total (a+b)</b>	<b>128,126</b>	<b>120,562</b>	<b>233,633</b>	<b>227,828</b>	<b>426,627</b>
2. Expenditure:-					
(a) Employees cost	13,210	11,326	25,298	23,729	52,984
(b) Depreciation	26,768	25,030	52,241	50,300	101,885
(c) Other expenditure	8,987	7,919	17,366	13,489	40,415
<b>Total (a+b+c)</b>	<b>48,965</b>	<b>44,275</b>	<b>94,905</b>	<b>87,518</b>	<b>195,284</b>
3. Profit from Operations before Other Income, Interest & Finance Charges and Exceptional Items (1-2)	<b>79,161</b>	<b>76,287</b>	<b>138,728</b>	<b>140,310</b>	<b>231,343</b>
4. Other Income	17,111	10,934	34,906	19,084	54,573
5. Profit before Interest & Exceptional Items (3+4)	<b>96,272</b>	<b>87,221</b>	<b>173,634</b>	<b>159,394</b>	<b>285,916</b>
6. Interest & Finance Charges	10,906	12,321	21,326	24,520	45,708
7. Profit after Interest & Finance Charges but before Exceptional Items (5-6)	<b>85,366</b>	<b>74,900</b>	<b>152,308</b>	<b>134,874</b>	<b>240,208</b>
8. Exceptional items	-	-	-	-	-
9. Profit(+)/Loss(-) from Ordinary Activities before Tax (7+8)	<b>85,366</b>	<b>74,900</b>	<b>152,308</b>	<b>134,874</b>	<b>240,208</b>
10. Tax expense	16,348	13,236	29,548	23,000	31,158
11. Net Profit(+)/Loss(-) from Ordinary Activities after Tax (9-10)	<b>69,018</b>	<b>61,664</b>	<b>122,760</b>	<b>111,874</b>	<b>209,050</b>
12. Extraordinary items (net of tax expense)	-	-	-	-	-
<b>13. Net Profit(+)/Loss(-) for the period (11-12)</b>	<b>69,018</b>	<b>61,664</b>	<b>122,760</b>	<b>111,874</b>	<b>209,050</b>
14. Paid-up Equity Share Capital (Face Value ₹10/- each)	1,230,074	1,230,074	1,230,074	1,230,074	1,230,074
15. Paid-up Debt Capital	-	-	1,439,932	1,209,233	1,386,822
16. Reserves excluding Revaluation Reserves as per Balance Sheet	-	-	-	-	1,097,245
17. Debenture Redemption Reserve	-	-	21,400	12,825	21,400
18. Earning per Share (EPS) in ₹:-					
(a) Basic & Diluted EPS before Extraordinary items (not annualised)	0.56	0.54	1.00	0.98	1.76
(b) Basic & Diluted EPS after Extraordinary items (not annualised)	0.56	0.54	1.00	0.98	1.76
19. Debt-Equity Ratio	-	-	0.59	0.52	0.60
20. Debt Service Coverage Ratio (DSCR)	-	-	2.69	2.51	2.62
21. Interest Service Coverage Ratio (ISCR)	-	-	13.01	10.44	10.08
22. Public shareholding					
- Number of shares	1,677,374,015	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%	13.64%
23. 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	10,623,368,758
-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	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%	86.36%

- 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.
- In view of the seasonal nature of business, the financial results may not be comparable on quarter to quarter basis.
- Central Electricity Regulatory Commission (CERC) has notified by Regulations the terms and conditions for determination of tariff applicable with effect from 1<sup>st</sup> April 2009 for a period of five years vide notification dated 19.01.2009. The company has filed tariff petitions with CERC for determination of tariff for the period 2009-14 in respect of 11 out of 12 power stations. Pending determination of station wise tariff as per aforesaid notification, sales for the quarter and half year ended 30<sup>th</sup> September 2010 have been provisionally recognised at ₹117,092 lacs and ₹211,685 lacs respectively 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 quarter and half year ended 30th September 2010 on this basis are ₹111,449 lacs and ₹192,300 lacs respectively, as such sales amounting to ₹5,643 lacs and ₹19,385 lacs respectively for the quarter and half year ended 30th September 2010 are yet to be billed to the beneficiaries.
- Depreciation is charged in the books as per asset wise rates of depreciation notified by CERC. As per methodology for determination of depreciation given by CERC in notification dated 19.01.2009, asset wise rates of depreciation are to be followed for first twelve years of operation of a project and from thirteenth year onwards, depreciable value as at 31st March of the year closing after a period of twelve years would be spread over the balance useful life of the assets, thereby giving an average rate of depreciation from thirteenth year onwards. Based on the assurance given to CA&G, the matter was referred to MoP for clarification. In the meantime, CA&G vide letter dated 16.08.2010 has directed that Power Sector PSU would be governed by the rates of depreciation as notified by the appropriate commission and not as per the Companies Act, 1956.  
Pending further clarification, asset wise rates of depreciation as prescribed by CERC has been continued to be followed even in respect of assets of the projects which have completed a period of twelve years from the date of commercial operation as an abundant precaution in view of conservatism principle of accounting. It has resulted in higher depreciation in books by ₹1,900 lacs (approximately) net of write back on account of Advance against Depreciation of ₹7,350 lacs.

5. Out of Proceeds from Initial Public Offering (IPO) of ₹603,855 lacs including premium, the Company retained ₹402,570 lacs as its share proceeds including share premium of ₹290,745 lacs and sale proceeds of the equity of Government of India amounting to ₹201,285 lacs was paid to the Ministry of Power, Government of India. Out of the proceeds, a sum of ₹113,449 lacs has been utilised for recoupment of capital expenditure already incurred from internal accruals on the projects specified for utilisation, ₹280,000 lacs has been invested as per extant investment policy of the Company, ₹3,967 lacs recouped provisionally for meeting IPO expenditure and balance of ₹5,154 lacs is lying in bank account under Corporate Liquidity Term Deposit (CLTD).
6. Adequate provision for Income Tax has been made as per the applicable rates.
7. STATEMENT OF ASSETS AND LIABILITIES ARE AS UNDER:-

Particulars	(₹ in Lacs)		
	As at 30.09.2010 (Un-audited)	As at 30.09.2009 (Un-audited)	As at 31.03.2010 (Audited)
<b>SHAREHOLDERS' FUNDS:</b>			
(a) Capital	1,230,074	1,230,074	1,230,074
(b) Reserves and Surplus	1,220,005	1,078,814	1,097,245
<b>LOAN FUNDS</b>	<b>1,439,932</b>	<b>1,209,233</b>	<b>1,386,822</b>
INCOME RECEIVED IN ADVANCE ON ACCOUNT OF ADVANCE AGAINST DEPRECIATION	136,413	132,502	143,744
NET DEFERRED TAX LIABILITIES	20,673	1,424	13,910
<b>TOTAL (LIABILITIES)</b>	<b>4,047,097</b>	<b>3,652,047</b>	<b>3,871,795</b>
FIXED ASSETS/FIXED CAPITAL EXPENDITURE	3,173,462	2,941,124	3,041,995
INVESTMENTS	584,636	279,448	439,405
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
(a) Interest Accrued on Investments	19,897	7,557	18,265
(b) Inventories	4,713	3,847	4,431
(c) Contract Work-in-Progress	-	2,484	2,422
(d) Sundry Debtors	104,731	99,133	114,021
(e) Cash and Bank balances	355,589	483,973	509,738
(f) Other Current Assets	64,731	46,037	53,466
(g) Loans and Advances	143,773	145,031	129,574
Less: Current Liabilities and Provisions			
(a) Liabilities	231,284	194,609	212,697
(b) Provisions	173,151	161,978	228,825
MISCELLANEOUS EXPENDITURE (NOT WRITTEN OFF OR ADJUSTED)	-	-	-
<b>TOTAL (ASSETS)</b>	<b>4,047,097</b>	<b>3,652,047</b>	<b>3,871,795</b>

8. There were no observations of Auditor's on the Annual Accounts for the financial year 2009-10.
9. Information on Investors Complaints pursuant to Clause 41 of Listing Agreements for the quarter ended 30th September, 2010:-

	Opening Balance	Additions	Disposals	Closing Balance
No. of Complaints	1	504	504	1

10. 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.
11. The above results have been reviewed by Audit Committee of the Board of Directors in their meeting held on 28.10.2010 and approved by the Board of Directors of the Company in their meeting held on 28.10.2010.
12. The above results have been reviewed by Statutory Auditors of the Company.
13. Figures for the previous periods have been re-grouped/re-arranged/re-cast wherever necessary.

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

  
(S.K.GARG)  
CHAIRMAN & MANAGING DIRECTOR  
DIN - 00055651

Place : New Delhi  
Date : 28.10.2010