

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 NINE MONTHS ENDED 31ST DECEMBER 2010

(₹ in Lacs)

	Quarter ended 31.12.2010 (Un-audited)	Quarter ended 31.12.2009 (Un-audited)	Nine Months ended 31.12.2010 (Un-audited)	Nine Months ended 31.12.2009 (Un-audited)	Year ended 31.03.2010 (Audited)
1. (a) Net Sales/Income from Operations	70,902	1,21,347	2,96,909	3,46,912	4,15,319
(b) Other Operating Income	4,184	2,467	11,810	4,730	11,308
Total (a+b)	75,086	1,23,814	3,08,719	3,51,642	4,26,627
2. Expenditure:-					
(a) Employees cost	18,189	15,959	43,487	39,688	52,984
(b) Depreciation	12,474	27,318	64,715	77,618	1,01,885
(c) Other expenditure	10,876	16,495	28,159	29,410	40,156
(d) Prior Period Adjustments (Net)	-7,871	-163	-7,788	411	259
Total (a+b+c+d)	33,668	59,609	1,28,573	1,47,127	1,95,284
3. Profit from Operations before Other Income, Interest & Finance Charges and Exceptional Items (1-2)	41,418	64,205	1,80,146	2,04,515	2,31,343
4. Other Income	16,634	17,831	51,540	36,915	54,573
5. Profit before Interest & Exceptional Items (3+4)	58,052	82,036	2,31,686	2,41,430	2,85,916
6. Interest & Finance Charges	10,502	11,134	31,828	35,854	45,700
7. Profit after Interest & Finance Charges but before Exceptional Items (5-6)	47,550	70,902	1,99,858	2,05,776	2,40,208
8. Exceptional items	-	-	-	-	-
Profit(+)/Loss(-) from Ordinary Activities before Tax (7+8)	47,550	70,902	1,99,858	2,05,776	2,40,208
9. Tax expense	17,483	12,741	47,031	35,741	31,158
11. Net Profit(+)/Loss(-) from Ordinary Activities after Tax (9-10)	30,067	58,161	1,52,827	1,70,035	2,09,050
12. Extraordinary items (net of tax expense)	-	-	-	-	-
13. Net Profit(+)/Loss(-) for the period (11-12)	30,067	58,161	1,52,827	1,70,035	2,09,050
14. Paid-up Equity Share Capital (Face Value ₹10/- each)	12,30,074	12,30,074	12,30,074	12,30,074	12,30,074
15. Paid-up Debt Capital	-	-	14,44,417	11,93,225	13,86,822
16. Reserves excluding Revaluation Reserves as per Balance Sheet	-	-	-	-	10,97,245
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)	0.24	0.50	1.24	1.45	1.76
(b) Basic & Diluted EPS after Extraordinary items (not annualised)	0.24	0.50	1.24	1.45	1.76
19. Debt-Equity Ratio	-	-	0.58	0.50	0.60
20. Debt Service Coverage Ratio (DSCR)	-	-	2.17	2.38	2.62
21. Interest Service Coverage Ratio (ISCR)	-	-	9.58	9.56	10.08
22. Public shareholding					
- Number of shares	1,67,73,74,015	1,67,73,74,015	1,67,73,74,015	1,67,73,74,015	1,67,73,74,015
- 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	10,62,33,68,758	10,62,33,68,758	10,62,33,68,758	10,62,33,68,758	10,62,33,68,758
-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 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 1st 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 nine months ended 31st December 2010 have been provisionally recognised at ₹70,847 lacs and ₹282,532 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 nine months ended 31st December 2010 on this basis are ₹68,186 lacs and ₹260,486 lacs respectively, as such sales amounting to ₹2,661 lacs and ₹22,046 lacs respectively for the quarter and nine months ended 31st December 2010 are yet to be billed to the beneficiaries.



4. 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 and had also continued to follow the same practice in the accounts for the half year ended 30.09.2010. During the quarter/nine months ended 31st December 2010, the Company has recomputed its depreciation charge w.e.f. 01.04.2009 in compliance of the opinion of the Office of 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 quarter/nine months ended 31st December 2010 has reduced by ₹9,974 lacs (adjusted as prior period item) and ₹14,461 lacs respectively. In view of above, the significant accounting policies on 'Depreciation & Amortisation' and 'Machinery Spares' have been suitably re-worded to disclose the fact of "rates of Depreciation as well as methodology", wherever required.
5. The Company has modified accounting policy on 'Advance against Depreciation' during the quarter/nine months ended 31st December 2010, which has resulted in decrease in profit for the quarter/nine months ended 31st December 2010 by ₹4,033 lacs subsequent to adoption of rates of Depreciation and methodology as notified by CERC (refer note no.4).
6. Out of Proceeds from Initial Public Offering (IPO), a sum of ₹117,071 lacs has been utilised upto the nine months ended 31st December 2010 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, ₹3,871 lacs recouped for meeting IPO expenditure and balance of ₹1,021 lacs is lying in bank account under Corporate Liquidity Term Deposit (CLTD).
7. Adequate provision for Income Tax has been made as per the applicable rates.
8. There were no observations of Auditor's on the Annual Accounts for the financial year 2009-10 and on the accounts for the period ended 30th September 2010.
9. Information on Investors Complaints pursuant to Clause 41 of Listing Agreements for the quarter ended 31st December 2010:-

	Opening Balance	Additions	Disposals	Closing Balance
No. of Complaints	1	1,269	1,268	2

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 27.01.2011 and approved by the Board of Directors of the Company in their meeting held on 27.01.2011.
- 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

(A. B. L. SRIVASTAVA)

CHAIRMAN & MANAGING DIRECTOR
DIN - 01601682



Place : New Delhi
Date : 27.01.2011