

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

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2013

(₹ in lacs)

PARTICULARS	STANDALONE					CONSOLIDATED		
	Quarter ended 31.03.2013 (unaudited)	Quarter ended 31.12.2012 (unaudited)	Quarter ended 31.03.2012 (unaudited)	Year ended 31.03.2013 (Audited)	Year ended 31.03.2012 (Audited)	Year ended 31.03.2013 (Audited)	Year ended 31.03.2012 (Audited)	
PART I								
1	Income from operations							
	(a) Net Sales/ Income from operations *	103,771	91,157	138,557	504,913	550,965	612,904	677,529
	(b) Other operating income	6,167	9,880	7,943	25,751	40,983	27,304	44,280
	Total Income from operations (net)	109,938	101,037	146,500	530,664	591,948	640,208	721,809
2	Expenses							
	(a) Employee benefit expense	23,600	20,511	21,365	88,741	91,576	95,152	97,518
	(b) Depreciation & amortization expense	25,464	23,920	22,008	96,929	89,386	121,311	115,111
	(c) Other expenses	26,119	19,566	20,703	109,533	106,769	117,761	114,393
	(d) Prior Period expense	(285)	67	3,068	(11)	5,829	(409)	3,737
	Total expenses	74,898	64,064	67,144	295,192	293,560	333,815	330,759
3	Profit from operations before other income, finance costs and exceptional items (1-2)							
		35,040	36,973	79,356	235,472	298,388	306,393	391,050
4	Other Income							
		31,564	19,354	27,566	99,278	80,240	121,515	94,063
5	Profit from operations before finance costs and exceptional items (3+4)							
		66,604	56,327	106,922	334,750	378,628	427,908	485,113
6	Finance cost							
		10,200	9,892	8,035	38,538	33,810	59,621	56,873
7	Profit from operations after finance costs but before exceptional items (5-6)							
		56,404	46,435	98,887	296,212	344,818	368,287	428,240
8	Exceptional items							
		(24,001)	-	-	(24,001)	(6,886)	(24,001)	(6,886)
9	Profit from ordinary activities before tax (7-8)							
		80,405	46,435	98,887	320,213	351,704	392,288	435,126
10	Tax expense							
		22,079	15,258	18,680	85,391	74,527	102,228	94,767
11	Net Profit from ordinary activities after tax (9-10)							
		58,326	31,177	80,207	234,822	277,177	290,060	340,359
12	Extraordinary items (net of tax expense)							
		-	-	-	-	-	-	-
13	Net Profit for the year (11-12)							
		58,326	31,177	80,207	234,822	277,177	290,060	340,359
14	Share of profit/(loss) of associates							
		-	-	-	-	-	-	-
15	Minority Interest							
		-	-	-	-	-	(28,319)	(31,801)
16	Net Profit after taxes, minority interest and share of profit/(loss) of associates (13+14+15)							
		58,326	31,177	80,207	234,822	277,177	261,741	308,558
17	Paid-up equity share capital (of Face Value ₹ 10/- per share)							
		1,230,074	1,230,074	1,230,074	1,230,074	1,230,074	1,230,074	1,230,074
18	Paid-up Debt Capital							
		-	-	-	1,862,730	1,746,114	2,034,025	1,938,222
19	Reserves excluding Revaluation Reserves as per balance sheet							
		-	-	-	1,553,976	1,405,279	1,807,425	1,634,304
20	Debt Redemption Reserve							
		-	-	-	64,955	41,463	64,955	41,463
21 (i)	Earning per share (before extraordinary items) (of ₹ 10/- each) (not annualised):							
	(a) Basic	0.47	0.25	0.65	1.91	2.25	2.13	2.51
	(b) Diluted	0.47	0.25	0.65	1.91	2.25	2.13	2.51
21 (ii)	Earning per share (after extraordinary items) (of ₹ 10/- each) (not annualised):							
	(a) Basic	0.47	0.25	0.65	1.91	2.25	2.13	2.51
	(b) Diluted	0.47	0.25	0.65	1.91	2.25	2.13	2.51
22	Debt Equity Ratio							
		-	-	-	0.67	0.66	0.67	0.68
23	Debt service coverage ratio (DSCR)							
		-	-	-	4.31	5.11	3.88	4.21
24	Interest service coverage ratio (ISCR)							
		-	-	-	13.22	15.26	10.30	11.17

PART II-SELECT INFORMATION

PARTICULARS OF SHAREHOLDING							
1. Public shareholding							
	- Number of shares	1677374015	1677374015	1677374015	1677374015	1677374015	1677374015
	- Percentage of shareholding	13.64	13.64	13.64	13.64	13.64	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	10623368758	10623368758	10623368758	10623368758	10623368758	10623368758
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	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	86.36

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

STATEMENT OF ASSETS AND LIABILITIES

(₹ in lacs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	Year ended 31.03.2013 (Audited)	Year ended 31.03.2012 (Audited)	Year ended 31.03.2013 (Audited)	Year ended 31.03.2012 (Audited)
A EQUITY AND LIABILITIES				
1 SHAREHOLDERS' FUNDS				
(a) Share Capital	1,230,074	1,230,074	1,230,074	1,230,074
(b) Reserves and Surplus	1,553,976	1,405,279	1,807,425	1,634,304
Sub-total - Shareholders's funds	2,784,050	2,635,353	3,037,499	2,864,378
2 Minority Interest	-	-	231,020	203,486
3 NON-CURRENT LIABILITIES				
(a) Long Term Borrowings	1,741,752	1,627,280	1,880,590	1,791,262
(b) Deferred Tax Liabilities	46,069	20,404	62,409	35,036
(c) Other Long Term Liabilities	170,569	195,180	182,710	207,298
(d) Long Term Provisions	72,192	118,745	72,995	120,050
Sub-total - Non-Current Liabilities	2,030,582	1,961,609	2,198,704	2,153,646
4 CURRENT LIABILITIES				
(a) Short Term Borrowings	-	18,000	-	18,000
(b) Trade Payables	17,941	21,895	18,914	22,752
(c) Other Current Liabilities	276,660	280,126	319,826	314,105
(d) Short Term Provisions	341,267	358,993	427,647	452,499
Sub-total - Non-Current Liabilities	635,868	679,014	766,387	807,356
TOTAL - EQUITY & LIABILITIES	5,450,500	5,275,976	6,233,610	6,028,866
B ASSETS				
1 NON-CURRENT ASSETS				
(a) Fixed Assets	3,774,900	3,571,806	4,349,915	4,158,129
(b) Non Current Investments	240,061	249,914	119,633	140,511
(c) Long-term loans and advances	123,874	142,862	127,622	146,168
(d) Other non-current assets	94,437	118,193	113,238	138,107
Sub-total - Non-Current Assets	4,233,272	4,082,775	4,710,408	4,582,915
2 CURRENT ASSETS				
(a) Current Investments	25,074	25,074	25,074	25,074
(b) Inventories	5,707	4,381	6,422	4,960
(c) Trade Receivables	204,905	205,218	224,005	224,709
(d) Cash & Bank equivalents	561,601	600,397	797,646	779,532
(e) Short-term Loans and Advances	209,956	189,006	245,284	215,735
(f) Other Current Assets	209,985	169,125	224,771	195,941
Sub-total - Current Assets	1,217,228	1,193,201	1,523,202	1,445,951
TOTAL - ASSETS	5,450,500	5,275,976	6,233,610	6,028,866

1. The Subsidiary 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
(iii) Chenab Valley Power Projects Pvt. Limited*	82
b) Joint Venture Companies:-	
(i) National Power Exchange Limited	16.67
(ii) National High Power Test Laboratory Private Limited	20

*Chenab Valley Power Projects Private Ltd. has been formed as a joint venture entity of NHPC, JKSPDC and PTC India Ltd. with equity participation of 49:49:02. During the current year, the Company contributed ₹7,755 Lacs towards its proportionate share in said entity, whereas other joint venture partners are yet to contribute their proportionate share as on 31.03.2013. This has resulted in increasing the proportionate holding of the Company in the said entity from 49% to 82%. As such, said entity has been considered as subsidiary company of NHPC Ltd. instead of joint venture company as on 31.03.2013.

- 2 a) 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".
- b) The Company is having a single geographical segment as all its power stations are located within the country.
- 3 In view of the seasonal nature of business, the financial results of the current quarter may not be comparable with previous quarter of the current financial year.
- 4 During the year, Chamera-III Power Station and Chutak Power Station with installed capacity of 231 Mega Watt (MW) (3 units of 77 MW each) and 44 MW (4 units of 11 MW each) respectively have come into commercial operation. Date of Commercial Operation of Chamera III Power Station is 30.06.2012(2 units) & 04.07.2012(1 unit) and Date of Commercial Operation of Chutak Power Station is 29.11.2012(3 units) & 01.02.2013(1 unit).
- 5 a) Sales have been recognized as per final tariff notified by Central Electricity Regulatory Commission (CERC), except for Teesta-V, Chamera III and Chutak Power Stations, in respect of which it has been recognised based on provisional tariff as notified by CERC.
- 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 of FY 2012-13.
- 6 a) In terms of regulation No. 39 of tariff regulation issued vide CERC notification No. L-7/145(160)/2000-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 the long term customers. Accordingly sales for the year ended 31.03.2013 include ₹5,466 Lacs (Previous Year ₹ 6741 Lacs) on account of deferred tax which is materialized.

- b) Sales include ₹ 8,066 lacs for the year ended 31.03.2013 (previous year ₹ 46,728 Lacs) on account of earlier year sales arising out of finalisation of tariff.
- c) Sales include ₹ 80,154 Lacs for the year ended 31.03.2013 (previous year ₹ 1,24,936 Lacs) which is yet to be billed.
- d) 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 triuing up at the end of the tariff period, which may result in increase or decrease in tariff. Since actual capital expenditure is lower than the projections made in tariff petitions, an amount of ₹5,220 Lacs for the year ended 31.03.2013 (Previous Year ₹3,460 Lacs) have been provided in the books as an abundant precaution to take care of reduction in tariff. Further, a provision of ₹ 1,434 Lacs (Previous Year ₹415 Lacs) has also been created towards interest, which may have to be paid to the beneficiaries in case of reduction in tariff.
- 7 The Ministry of Power, Govt. of India, has conveyed its approval for payment of old outstanding receivables of ₹12,081 Lacs pertaining to M/s Delhi Transco Limited (erstwhile DESU) along with an interest of ₹24,001 Lacs to the Company vide letter no. 6/1/2007-Fin(Vol.VIII) dated 05/02/2013. Accordingly the provision created in the books during the financial year 2008-09 amounting ₹12,081 Lacs has been reversed during the current year ended 31.03.2013, which is included in "Other Income". Further the interest of ₹24,001 Lacs on said outstanding amount, as approved by Ministry of Power, Govt. of India, has also been recognised during the current year as an Exceptional Items in the Statement of Profit & Loss.
- 8 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 technical and administrative work is continuing. As such administration and other general overheads including borrowing cost directly attributable to Project is included in Construction Work in Progress (CWIP) of the said Project. The construction activities at site are expected to be resumed shortly since the matter is being pursued at the level of Government of India.
- 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 ₹ 2,89,765 lacs has been utilised up to 31.03.2013 for re-coupmnt of capital expenditure already incurred from internal accruals on the projects specified for utilisation, the unutilised amount of ₹ 1,08,934 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 (a) Statutory Auditors have given following qualification on the Annual Accounts for the Financial Year 2012-13:-
Capitalisation of borrowing cost and other expenses in respect of one of the Projects of the Company, where the work has been interrupted because of reason beyond the control of the Company having an impact of ₹ 42,122 Lacs on Profit After Tax.
- (b) Statutory Auditors have also drawn attention on following matters in their audit report on Annual Accounts for the Financial Year 2012-13 under "Emphasis of Matter Paragraph":
- (i) Carry forward of cost incurred on survey & investigation of projects;
- (ii) On the disclosure given by the Company as regard to uncertainty related to the outcome of the claims/ arbitration proceedings and lawsuit filed by/ against the Company on/ by contractors and others.
- (iii) referring the issue of capitalization of expenditure incurred for creation of assets (enabling assets) not within the control of the company, to Expert Advisory Committee of the Institute of Chartered Accountants of India (EAC of ICAI)
- The qualification as at (a) above has been addressed as under:-
In the opinion of Management, since technical and administrative work is continued, administration and other general overheads including borrowing cost have been capitalized with adequate disclosure in the financial statements. Management is reasonably confident that based on past experience, administration and other general overheads including borrowing cost, which have been capitalized, will be allowed to be included in the capital cost of the project and consequently recoverable through tariff.
- The points on which attention is drawn by auditors at (b) above have been addressed as under:-
- (i) In the opinion of the management, the projects on which survey & investigation expenditure is incurred are still active, therefore the cost incurred on survey & investigation is being carried forward;
- (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) the opinion of EAC is awaited, pending which the same accounting treatment as was followed during the financial year 2011-12 is continued.
- 11 There were no qualifications of Statutory Auditors on the Annual Accounts for the financial year 2011-12. However, attention was drawn by them on:
- (a) carry forward of cost incurred on survey & investigation of projects;
- (b) referring the issue of capitalization of expenditure incurred for creation of assets (enabling assets) not within the control of the company, to Expert Advisory Committee of the Institute of Chartered Accountants of India (EAC of ICAI).
- The above have been addressed as under:-
- (a) In the opinion of the management, the projects on which survey & investigation expenditure is incurred are still active, therefore the cost incurred on survey & investigation is being carried forward;
- (b) the opinion of EAC is awaited, pending which the same accounting treatment as was followed during the financial year 2011-12 is continued.
- 12 Information on Investors Complaints pursuant to Clause 41 of Listing Agreement:-

INVESTOR COMPLAINTS	Quarter ended 31.03.2013
Pending at the beginning of the quarter	7
Received during the quarter	1130
Disposed during the quarter	1128
Remaining unresolved at the end of the quarter	9

- 13 The Board of Directors has recommended dividend of ₹ 0.60 per share (face value ₹10/-each) in their 358th meeting held on 28.05.2013 .
- 14 The audited accounts are subject to review by Comptroller and Auditor General of India under section 619(4) of the Companies Act, 1956.
- 15 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.
- 16 The above results have been reviewed by Audit Committee of the Board of Directors on 27.05.2013 and approved by the Board of Directors of the Company in its meeting held on 28.05.2013.
- 17 Figures for the previous period/year have been re-grouped/re-arranged/re-cast wherever necessary.
- 18 Figures of the quarter ended 31.03.2013 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