

- 4 State of J&K had levied water cess on the use of water by the power stations in the state of J&K under the provision of J&K Water Resources (Regulation & Management) Act, 2010. Company had filed a writ petition in the High Court of J&K challenging the vres of said Act. The company had also filed a petition with CERC in 2010-11 for reimbursement of water cess from beneficiary states, being a new levy.

The Honble Court vide its order dated 04.05.2011 has directed the company to deposit the water usage charge raised by State Water Resources Regulatory Authority with a further direction to said authority to keep the collected amount from company in a separate account subject to outcome of the aforesaid writ petition. Accordingly, an expenditure of ₹20,219 lacs and ₹40,772 lacs respectively has been booked during the quarter and half year ended 30.09.2011. This is in addition to the expenditure of ₹13,887 lacs booked till 31.03.2011 towards water cess.

CERC vide order dated 21.10.2011 has allowed reimbursement of water cess from the beneficiary states. Accordingly, Sales of ₹46,374 lacs towards water cess actually paid by NHPC to the Govt. of J&K have been recognized during quarter and half year ended 30.09.2011, which are yet to be billed.

- 5 Other Operating Income includes ₹12,306 lacs and ₹ 21,270 lacs respectively for the quarter and half year ended 30.09.2011 towards Interest from Beneficiary States.

- 6 Depreciation for quarter and half year ended 30.09.2011 is not comparable with that of corresponding quarter and half year ended 30.09.2010 due to change in accounting practice of depreciation in the 3rd quarter of 2010-11. Consequently, depreciation for the quarter and half year ended 30.09.2011 is lower by ₹ 4,456 lacs and ₹ 8,711 lacs respectively.

- 7 Out of Proceeds from Initial Public Offering (IPO) of ₹6,03,855 lacs including premium, raised during 2009-10, the Company retained ₹4,02,570 lacs as its share proceeds including share premium of ₹2,90,745 lacs and sale proceeds of the equity of Government of India amounting to ₹2,01,285 lacs was paid to the Ministry of Power, Government of India. Out of the proceeds, a sum of ₹1,83,483 lacs has been utilised for recoupment of capital expenditure already incurred from internal accruals on the projects specified for utilisation, ₹2,15,000 lacs has been invested as per extant investment policy of the Company, ₹3,871 lacs recouped provisionally for meeting IPO expenditure and balance of ₹216 lacs is lying in bank account under Corporate Liquidity Term Deposit (CLTD).

- 8 Adequate provision for Income Tax has been made as per the applicable rates.

- 9 STATEMENT OF ASSETS AND LIABILITIES ARE AS UNDER:-

Particulars	As at 30.09.2011 (Un-audited)		As at 30.09.2010 (Un-audited)		Year ended 31.03.2011 (Audited)
SHAREHOLDERS' FUNDS:					
(a) Capital	1,230,074	1,230,074	1,230,074	1,230,074	
(b) Reserves and Surplus	1,404,391	1,220,005	1,220,005	1,228,315	
LOAN FUNDS	1,523,961	1,439,932	1,439,932	1,456,926	
NET DEFERRED TAX LIABILITIES	18,640	20,673	20,673	16,133	
TOTAL (LIABILITIES)	4,177,066	3,910,684	3,910,684	3,931,448	
FIXED ASSET/S/FIXED CAPITAL EXPENDITURE	3,471,199	3,061,841	3,061,841	3,306,334	
INVESTMENTS	292,250	301,541	301,541	291,355	
CURRENT ASSETS, LOANS AND ADVANCES					
(a) Inventories	3,646	4,713	4,713	3,401	
(b) Trade Receivable	308,089	104,731	190,860	190,860	
(c) Cash and Bank balances	439,175	638,684	638,684	535,008	
(d) Loans and Advances	318,237	255,394	292,442	292,442	
(e) Other Current Assets	201,357	179,739	179,739	138,935	
Less: Current Liabilities and Provisions	447,987	367,697	367,697	375,571	
(a) Liabilities	408,900	268,262	268,262	451,316	
(b) Provisions	-	-	-	-	
MISCELLANEOUS EXPENDITURE (NOT WRITTEN OFF OR ADJUSTED)					
TOTAL (ASSETS)	4,177,066	3,910,684	3,910,684	3,931,448	

- 10 There were no qualifications of Statutory Auditors on the Annual Accounts for the financial year 2010-11. However, attention was drawn by them on (a) accounting of sales on provisional basis pending determination of tariff by CERC, (b) capitalization of Corporate Office expenses, Regional Office expenses, Survey & Investigation and other general overhead expenses of construction projects and (c) 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 issues at (a) & (b) are under examination by the Management and the issue (c) has been referred to EAC of ICAI for review of its earlier opinion.

- 11 Information on Investors Complaints pursuant to Clause 41 of Listing Agreements for the quarter ended 30th September, 2011:-

No. of Complaints	Opening Balance	Additions	Disposals	Closing Balance
2	2	426	425	3

- 12 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.

- 13 The above results have been reviewed by Audit Committee of the Board of Directors in their meeting held on 27.10.2011 and approved by the Board of Directors of the Company in their meeting held on 28.10.2011

- 14 The above results have been reviewed by Statutory Auditors of the Company.

- 15 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 : 28.10.2011

