

## PRODUCT NOTE

31<sup>st</sup> July 2009

### NHPC Limited IPO Overview

IPO Details	
The Issue	NHPC Limited
Sector	Power
Transaction	Domestic Public Issue of shares – 100% Book Building
Issue Size	Public Issue of 1,67,73,74,015 shares of Rs 10 each (13.64% of the post issue capital)
IPO Dates	August 7th 2009 – August 12th 2009
Price Band	Rs 30 to Rs 36
Bid Lot	175 equity shares and in multiples of 175
IPO Grading	ICRA 3/5 – Average Fundamentals
Exchanges	The Bombay Stock Exchange Limited (BSE), The National Stock Exchange of India Limited (NSE),
Book Running Lead Manager	Enam Securities Private Limited, Kotak Mahindra Capital Company Limited, SBI Capital Markets Limited
Registrar	Karvy Computershare Private Limited

### Executive Synopsis

- **The Company** - A hydroelectric power generating company that has developed and constructed 13 hydroelectric power stations with their current installed capacity at 5,175 MW and a 99% generating capacity utilisation at 5134.2 MW.
- **Industry Potential** – Available hydro potential in India, low costs of production and the Electricity Act 2003 which “removes licensing requirements for thermal generators, provides for open access to transmission and distribution networks and removes restrictions on the right to build captive generation stations.” These reforms provide opportunities for increased private sector involvement in power generation as well as increased investment in and competition in the hydroelectric sector in the future.
- **Execution capability** – 13 hydroelectric projects including two through their Subsidiary, NHDC. Some of the projects are located in the geo-technically sensitive Himalayan terrain and in inhospitable areas that are often difficult to access
- According to the CEA Monthly Review of the Power Sector, as of May 31, 2009, the total installed capacity of hydroelectric projects in India was approximately 36,877.76 MW. **NHPC, with an installed capacity of 3,655 MW, represents approximately 9.91% of the capacity share. Combined with NHDC's installed capacity of 1,520 MW, they represent a capacity share of approximately 14.03%.** In Fiscal 2009, NHPC and NHDC generated 16,582.72 MUs and 2,368.45 MUs of electricity, respectively.
- **Tariff** – They are required to provide 12% of the energy that they generate to the respective state or its utilities or electricity boards, termed as 'bulk power customers', free of cost. Further the bulk power customers have the right to purchase a proportion of the remaining 88.0% of the power generated from their power stations at a tariff determined according to the tariff notifications issued by the CERC (Central Electricity Regulatory Commission).

### The Company

They are a hydroelectric power generating company dedicated to the planning, development and implementation of an integrated and efficient network of hydroelectric projects in India. They execute all aspects of the development of hydroelectric projects, from concept to commissioning.

- Their Current Capacity: 5,175 MW
- Engaged in construction of 11 additional hydroelectric projects: 4622 MW
- Government sanction awaited – 5 projects with anticipated capacity of 4565 MW
- Government sanction awaited for JV projects - anticipated capacity of 2,166 MW
- Survey and investigation works ongoing – Proposal for 9 projects with an anticipated capacity of 7,255 MW

### Their Projects:- Completed

Power Station	State	Installed Capacity (MW)	Year of Commissioning	Revenue Generated in Fiscal 2009 (Rs. In crore)	Water Source	Annual Design Energy Generation in a 90% dependable year
Baira Siul	Himachal Pradesh	180	1981	62.26	3 tributaries of the Ravi River – Baira, Siul, Bhaleth	779.28 MUs
Loktak	Manipur	105(1)	1983	52.48	Loktak Lake	448 MUs
Salal	Jammu & Kashmir	690	1987/1996	221.41	River Chenab	3082 MUs
Tanakpur	Uttarakhand	120(2)	1992	51.98	River Sarda	452.19 MUs
Chamera I	Himachal Pradesh	540	1994	318.43	River Ravi	2587.38 MUs
Uri I	Jammu & Kashmir	480	1997	399.18	Lower Jhelum	2587.38 MUs
Rangit	Sikkim	60	1999	53.82	River Rangit	338.61 MUs
Chamera II	Himachal Pradesh	300	2004	319.62	River Ravi	1499.89 MUs
Dhauliganga I	Uttarakhand	280	2005	225.31	River Dhauliganga	1134.70 MUs
Dulhasti	Jammu & Kashmir	390	2007	700.59	River Chandrabhaga	1907 MUs
Teesta V	Sikkim	510	2008	283.78	River Teesta	2573 MUs
<b>Total</b>		<b>3,655</b>		<b>2,688.86</b>		
<b>Completed Projects with NHDC</b>						
Indira Sagar	Madhya Pradesh	1,000	2005	486.92	River Narmada	
Omkareshwar	Madhya Pradesh	520	2007	269.00	River Narmada	1166 MUs
<b>Total</b>		<b>1,520</b>		<b>755.92</b>		

MU – million units

(1) Three units (3x35 MW) of the power station have been temporarily derated to a total of 90 MW (3x30 MW) at their request by the CEA until December 31, 2008; March 31, 2009 and November 30, 2009 respectively by way of its letter no CEA/PLG/DM/545(Derating)/Loktak/2008 dated July 3, 2008. They have further requested from the CEA by way of their letter no. NH/O&M/LOK/01/2588-90 dated June 12, 2009 an extension of the derating for all three units until July 15, 2009, February 28, 2010 and June 30, 2010, respectively.

(2) Derated to 94.2 MW from September 1996.

(Source: Red Herring Prospectus)

## Projects Under Construction

Hydroelectric Projects	State	Proposed Installed Capacity (MW)	Project Cost (Rs. in crore)	Likely Schedule of Commissioning	Approved Budget for FY10	Annual Design Energy Generation in a 90% dependable year
Sewa II	Jammu & Kashmir	120	665.46	December 2009	Rs 100 cr	533.52 MUs
Teesta Low Dam III	West Bengal	132	768.92	February 2011	Rs 250 cr	594 MUs
Uri II(1)	Jammu & Kashmir	240	1,724.79	February 2011	Rs 450 cr	1123.76 MUs
Chamera III(1)	Himachal Pradesh	231	1,405.63	August 2010	Rs 400 cr	1108.17 MUs
Teesta Low Dam IV(1)	West Bengal	160	1,061.38	August 2011	Rs 350 cr	720 MUs
Nimoo Bazgo(1)	Jammu & Kashmir	45	611.01	August 2010	Rs 170 cr	239 MUs
Parbati III(1)	Himachal Pradesh	520	2,304.56	November 2010	Rs 450 cr	1963.29 MUs
Parbati II	Himachal Pradesh	800	3,919.59	March 2013	Rs 500 cr	3108.66 MUs
Chutak(1)	Jammu & Kashmir	44	621.26	February 2011	Rs 120 cr	212.93 MUs
Subansiri Lower(1)	Assam/Arunachal Pradesh	2,000	6,285.33	December 2012	Rs 1000	7421 MUs
Kishanganga	Jammu & Kashmir	330	3,642.04	January 2016	Rs 400 cr	
<b>Total</b>		<b>4,622</b>	<b>23,009.97</b>			

## Projects Awaiting Clearances

Projects	State	Proposed Installed Capacity (MW)	Approved Budget for FY10
Kotli Bhel Stage IA(1)	Uttarakhand	195	Rs 70 cr
Kotli Bhel Stage IB(1)	Uttarakhand	320	Rs 60 cr
Kotli Bhel Stage II(1)	Uttarakhand	530	Rs 140 cr
Dibang(2)	Arunachal Pradesh	3,000	Rs 50 cr
Teesta IV	Sikkim	520	Rs 9 cr
<b>Total</b>		<b>4,565</b>	
<b>Joint Venture Projects</b>			
Loktak Downstream	Manipur	66	Rs 5 cr
Pakal Dul and other hydroelectric projects in the Chenab River Basin(3)	Jammu & Kashmir	2,100	
<b>Grand Total</b>		<b>6,731</b>	

**Projects Under Survey and Investigation**

Project	State	Proposed Installed Capacity (MW)
Karmoli Lumti Tulli	Uttarakhand	55
Garba Tawaghat	Uttarakhand	630
Chungar Chal	Uttarakhand	240
Lachen	Sikkim	210
Tawang I	Arunachal Pradesh	750
Tawang II	Arunachal Pradesh	750
Subansiri (Middle)	Arunachal Pradesh	1,600
Subansiri (Upper)	Arunachal Pradesh	2,000
Bursar	Jammu & Kashmir	1,020
<b>Total</b>		<b>7,255</b>

**Joint Ventures**

Projects	State	Capacity (MW)	Our stake in Joint Venture	Status
Indira Sagar	Madhya Pradesh	1,000	51%	Commissioned in 2005
Omkareshwar	Madhya Pradesh	520	51%	Commissioned in 2007
Loktak Downstream	Manipur	66	74%	Awaiting clearances
Pakal Dul and other Hydroelectric projects in the Chenab River Basin	Jammu & Kashmir	2,100	49%	Awaiting clearances

**Contracts, Project Management and Consultancy Works Business**

- Consulting/Advisory Services for Hydropower Projects  
They have completed 76 consulting assignments and as at May 31, 2009 they have 17 ongoing consulting assignments.
- Turnkey Agency Contracts  
Some of the international agency contract undertaken by them:

Project	Country/State/Union Territory	Installed/Proposed Total Capacity (MW)	Status
Devighat	Nepal	14.10	Commissioned
Kurichhu	Bhutan	60.00	Commissioned
Kalpong	India (Andaman & Nicobar Islands)	5.25	Commissioned
Sippi	India (Arunachal Pradesh)	4.00	Commissioned
Kambang	India (Arunachal Pradesh)	6.00	Commissioned
<b>Total</b>		<b>89.35</b>	

- Specialised Government Agency Works  
They act as an agency for the implementation of rural road development and rural electrification programs in India.

**Strengths**

- Established track record in implementing hydroelectric projects
- Long term power purchase agreements with their customers
- Strong operating performance
- Competent and committed workforce
- Strong in-house design and engineering team

**Strategy**

- Expand their installed capacity through Joint Ventures and MoUs
- Promote and develop their consulting and advisory services
- Continue to expand their international activities
- Maintain their focus in environmental and corporate social responsibility
- Invest in technology to modernise their operations and improve their project operating performance

## Implementation of Tariff Policy for Fiscal 2010 to Fiscal 2014

- Revisions in the norms for AFC (Annual Fixed Charges) -

Component of AFC	Tariff Period	
	2009 - 2014	2004 - 2009
Return on Equity	15.5% (an additional 0.5% for timely completion)	14%
Interest on Loan Capital	As per Actual	As per Actual
Depreciation	4.5-5%	2.5-3% + AAD
Interest on Working Capital	Based on normative parameters	Based on normative parameters
O&M expenses	Based on actual O&M for the period 2003-04 to 2007-08 for existing plants and on 2% of project cost for projects after April 1, 2009 (excluding rehabilitation and resettlement expenses) and escalated at 5.72% p.a.	Based on 1.5% of the capital cost and escalated at 4% p.a.

- Revisions that will have an impact on components of working capital:**  
 Maintenance spares being charged against interest on working capital has been allowed at the rate of 15% of O&M expenses instead of 1% of the historical capital cost escalated at 6% p.a;
- Revisions in the norms for recovery of AFC are as follows:**
  - The Capacity Index has been replaced with the NAPAF (Normative Annual Plant Availability Factor);
  - Under the previous tariff system, the capacity charge was equal to the AFC minus the primary energy charge, which was equal to the product of saleable primary energy (in MU) multiplied by the prime energy rate. Under the current system, capacity charges for a hydro generating station will constitute 50% of the AFC and will be calculated using a formula that takes into account the prescribed project specific NAPAF and the actual plant availability factor achieved.
- Revisions in the norms for incentives are as follows.**
  - The earlier system of incentives has been replaced with incentives for generation beyond the design energy level of the plant as well as for plant load factors beyond normative levels;
  - The rate of secondary energy has been capped at Rs. 0.80 per unit.
- Certain other revisions in the norms are as follows:**
  - In the event of under or over recovery of tariffs based on provisional tariff rates, the rate of interest has been changed to from 6% to the SBI PLR;
  - Hedging has also been allowed in respect of interest and repayment of foreign loans;
  - Early payment rebates to beneficiaries are now paid based on the entire billed amount rather than only on the capacity charge and energy charge portions of the billed amount.

### Power Purchase Agreements

The Gol allocates the output of each of their stations among the station's customers. Each of their power stations has PPAs (Power Purchase Agreements) with its customers. In Fiscal 2009, they derived Rs. 3,436.22 crore or 84.81% of their restated consolidated total income from the sale of energy to SEBs and their successor entities, pursuant to long-term power purchase agreements.

According to the MoUs signed with respective state governments pursuant to the PPAs:

- ***They are required to provide 12.0% of the energy that they generate to the respective state or its utilities or electricity boards, termed as 'bulk power customers', free of cost.***
- They are not permitted to offer this contracted capacity to any third person for the duration of such MoUs.
- Pursuant to the MoUs, the bulk power customers have the right to purchase a proportion of the remaining 88.0% of the power generated from their power stations at a tariff determined according to the tariff notifications issued by the CERC.

### Objects of the Issue

- To part finance the construction and development costs of certain of their projects, namely, Subansiri Lower, Uri – II, Chamera – III, Parbati – III, Nimoo Bazgo, Chutak and Teesta Lower Dam - IV
- Utilise the remaining portion of the Net Proceeds of the Fresh Issue for general corporate purposes
- Create a public trading market for their Equity Shares by listing them on Stock Exchanges to enhance their visibility and brand name and enable them to avail of future growth opportunities.

### Issue Size

(Rs in crores)

Category	# of Share	Price Band	
		30	36
Fresh Issue	1,118,249,343	3,355	4,026
Offer For Sale	559,124,672	1,677	2,013
Public Issue	1,677,374,015	5,032	6,039
QIBs	981,263,799	2,944	3,533
Non Institutional	163,543,966	491	589
Retail	490,631,900	1,472	1,766

Equity Shares outstanding prior to the Issue	11,18,24,93,430 Equity Shares of Rs 10 each
Equity Shares outstanding after the Issue	12,30,07,42,773 Equity Shares of Rs 10 each

### Shareholding Pattern (%)

	Name of Shareholder	Pre-Issue		Post- Issue	
		Number of Equity Shares	Shareholding (%)	Number of Equity Shares	Shareholding (%)
1.	President of India, acting through the MoP (including nominees)	11,18,24,93,430	100.00	10,62,33,68,758	86.36
2.	Public (including Eligible Employees)	Nil	Nil	1,67,73,74,015	13.64
	<b>Total</b>	<b>11,18,24,93,430</b>	<b>100.00</b>	<b>12,30,07,42,773</b>	<b>100.00</b>

### Promoter Group

The President of India acting through the MoP, GoI

**Key Concerns**

- The Company and their Subsidiary are presently, and may in future, be subject to litigation, including public interest litigation, instituted in relation to environmental impact of their projects as well as acquisition of land for their projects and consequent displacement and rehabilitation of persons.
- The construction and operation of hydroelectric projects has faced opposition from local communities and other parties, including in the form of litigation instituted against the Company and Subsidiary and they may continue to face such opposition in the future.
- Recent announcements by the Government of India relating to increased wages for government employees will increase their expenses and may adversely affect their financial condition in the years of implementation.
- The development of their projects may be subject to unexpected complexities and delays, which may cause the actual costs of developing projects to differ significantly from their estimates.
- Their projects typically require a long gestation period and substantial capital outlay before they realise benefits or returns on investments.
- Their expansion plans require significant capital expenditures and if they are unable to obtain necessary funds on acceptable terms, their business or expansion plans may be adversely affected.
- The majority of their revenues are derived from sales of power to the state electricity entities, as per the directives of the GoI, and they cannot assure you that the state electricity entities will always be able to secure their payments to them.
- They may not be able to continue to take advantage of financial support in the form of equity funding for their projects from the GoI.
- **The implementation of CERC's tariff regulations for the period from April 1, 2009 to March 31, 2014 may adversely affect their cash flow and results of operations.**
- Any future changes to CERC's tariff regulations may adversely affect their cash flows and results of operation
- The unbundling of the SEBs, pursuant to the Electricity Act, 2003, may have an adverse impact on their revenues.
- Their long-term agreements entered into with state electricity entities expose them to certain risks as they do not have the flexibility to modify such contracts to reflect changes in their business circumstances or to enter into agreements with other parties at higher prices, should the market price for energy rise.
- The Electricity Act, 2003, and the Hydro Power Policy 2008 have introduced measures that may result in increased competition for them.
- Their generation capacity is subject to substantial variations in water flow due to climatic conditions, which may cause significant fluctuations in their revenue and profits.
- Their expansion of business activities in emerging geographic markets presents a higher degree of risk.
- They require certain clearances and approvals in order to develop their projects and the failure to obtain them may adversely affect their operations.
- Their Subansiri Upper and Middle projects are subject to environmental clearances and pending adjudication in the Supreme Court and there is no assurance that the Company will be able to successfully complete these projects.
- Their Subansiri Lower hydroelectric project is located in an area claimed by two state governments, and may be affected by the determination of any border dispute or due to the consequent non-execution of a Memorandum of Understanding between the Company and the appropriate state government.
- The accumulation of silt in waterways can damage their equipment and cause shutdowns that can lead to a reduction in their power generation and may adversely affect their business.
- They may be impacted by disputes concerning water usage and management at a local, state or international level.
- They have no history of constructing or operating thermal power projects, so it is difficult to estimate the future performance of their new business ventures.



- Some of the countries in which they conduct their business, such as Myanmar, are subject to certain international sanctions.

### Financials

#### Extracts of the Consolidated Statement of Profit & Loss, as restated (Rs in crores)

Particulars	For the Year Ended as at March 31,				
	2009	2008	2007	2006	2005
Income					
Sales	3,444.78	2,891.79	2,245.94	2,031.75	1,682.44
Revenue from Contracts, Project Management and Consultancy works	48.93	39.06	23.29	22.63	25.35
Interest on Power Bonds and Long term Advances	185.27	209.22	234.09	239.54	239.53
Other Income	372.54	181.56	76.63	58.95	42.13
<b>TOTAL INCOME</b>	<b>4,051.52</b>	<b>3,321.63</b>	<b>2,579.95</b>	<b>2,352.87</b>	<b>1,989.45</b>
<b>TOTAL EXPENDITURE</b>	<b>2,522.17</b>	<b>1,834.22</b>	<b>1,213.53</b>	<b>1,285.23</b>	<b>1,208.80</b>
Profit before minority interest, Tax and Extraordinary Items	1,529.35	1,487.41	1,366.42	1,067.64	780.65
Net Taxation	167.79	168.51	197.20	75.92	77.24
Profit before minority interest and Extraordinary Items	1,361.56	1,318.90	1,169.22	991.72	703.41
Profit before minority interest	1,394.83	1,365.01	1,169.22	991.72	703.41
<b>Net Profit after minority interest</b>	<b>1,244.15</b>	<b>1,207.04</b>	<b>1,049.10</b>	<b>864.66</b>	<b>657.69</b>
Balance Carried to Balance Sheet	2,275.17	1,511.96	802.40	2,880.90	2374.04

(Source: Red Herring Prospectus)

#### Extracts of the Consolidated Statement of Assets & Liabilities, as restated (Rs in crores)

Particulars	As at March 31,				
	2009	2008	2007	2006	2005
Fixed Assets (A)	34,134.83	30,788.52	28,046.00	24,956.03	22,591.79
Investments (B)	1791.19	2046.79	2320.33	2576.77	2576.77
Current Assets, Loans and Advances (C)	5,227.36	4,463.89	2,549.68	2,250.79	2,384.97
Less: Liabilities and Provisions (D)	21,562.82	18,591.51	15,122.88	13,371.02	12,624.95
Capital Grant/Proportionate Contribution by Govt. of Madhya Pradesh towards Fixed Assets (E)	1198.04	1177.88	1109.26	1092.66	827.28
<b>NET ASSETS (A+B+C-D-E)</b>	<b>18,392.52</b>	<b>17,529.81</b>	<b>16,683.87</b>	<b>15,319.91</b>	<b>14,101.30</b>
Represented by:					
Share Capital (F)	11182.49	11182.49	11198.21	10215.28	9425.62
Share Capital Deposit (G)	0.00	0.00	0.00	20.38	158.89
GOI Fund adjustable to Equity (H)	0.00	0.00	8.83	325.50	333.83
Reserve and Surplus (I)	7212.36	6347.66	5502.63	4783.29	4182.95
Miscellaneous Expenditure (To the extent not written off or adjusted) (J)	2.33	0.34	25.80	24.54	-0.01
<b>NET WORTH (F+G+H+I-J)</b>	<b>18,392.52</b>	<b>17,529.81</b>	<b>16,683.87</b>	<b>15,319.91</b>	<b>14,101.30</b>

(Source: Red Herring Prospectus)



NHPC has had problems of recovering payments from SEBs and other state government entities. To deal with this a one-time recovery settlement scheme was implemented:

- The overdue amounts outstanding as of September 30, 2001 were securitised by the issue of tax-free power bonds and long term advances amounting to Rs.2,818.04 crore against outstanding principal dues, late payment surcharge, and conversion of bonds issued by the SEBs after March I, 1998.

Tax free interest on the power bonds and long-term advances are payable to NHPC at a rate of 8.5% p.a. **These bonds mature and the long-term advances are payable in various stages, starting from October 1, 2006 until April 1, 2016.**

### Ratio Analysis

S. No.	Key Ratio	2009	2008	2007	2006	2005
A	Earning Per Share (Rs.)					
	Basic	1.08	1.04	1.00	0.87	0.74
	Diluted	1.08	1.04	0.97	0.85	0.71
B	Return on Net Worth (%)#	6.58	6.62	6.29	5.64	4.66
C	Net Assets Value per share (Rs.) #	16.45	15.68	14.89	14.51	14.22

# Share Capital Deposit and GOI fund adjustable to equity has been considered in Net Worth.

(Source: Red Herring Prospectus)

	Pre- Dilution	Post – Dilution
EPS – 31 <sup>st</sup> Mar '09	1.11	1.01
P/E Ratio		
At Rs 30	26.96	29.66
At Rs 36	32.36	35.59

### Peer Group Analysis

Name of the Company	Face Value (Rs.)	E.P.S (Rs.) TTM*	Book Value (Rs.) as on March 31, 2009	RONW (%) for Fiscal 2009	P/E Multiple as on July 6, 2009
CESC	10	32.0	271.5	12.9	8.6
Jai Prakash Hydro	10	3.0	21.9	15.8	28.2
KSK Energy	10	3.0	14.6	3.3	65.9
NTPC	10	9.9	69.6	14.4	19.6
Reliance Power	10	1.0	57.5	1.1	-
Tata Power Co.	10	32.1	366.6	8.1	34.3
Neyveli Lignite	10	8.1	56.4	12.7	15.2
NHPC (on consolidated basis)	10	1.08	16.45	6.58	[ ]

\* TTM – Trailing Twelve Months ended March 2009

Capital Market, Volume XXIV/10 July 13 – July 26, 2009 (Industry – Power Generation and Supply)

	CESC	Jai Prakash Hydro	KSK Energy	NTPC	Reliance Power	Tata Power Co	Neyveli Lignite	NHPC
<b>Sales</b>	<b>3,031</b>	<b>297</b>	<b>106</b>	<b>41,924</b>	<b>-</b>	<b>7,072</b>	<b>3,355</b>	<b>3,445</b>
Total Income	3,200	339	243	45,273	335	7,869	4,020	4,052
Employee Expenses	328	9	7	2,463	21	292	986	539
Total Expenditure	2,419	51	18	31,526	76	6,117	2,541	1,090
PBIDT	781	287	225	13,747	258	1,751	1,479	2,962
Interest	141	82	88	2,023	2	306	8	776
PBDT	640	206	138	11,724	257	1,446	1,471	2,186
Depreciation	175	47	1	2,364	0	329	425	656
<b>PAT</b>	<b>410</b>	<b>143</b>	<b>104</b>	<b>8,201</b>	<b>249</b>	<b>922</b>	<b>821</b>	<b>1,529</b>
Non-Promoter Holding (%)	47%	37%	45%	11%	15%	67%	6%	14%
<b>Margins</b>								
PBIDTM(%)	25.8%	96.9%	211.6%	32.8%	#DIV/0!	24.8%	44.1%	86.0%
PBDTM(%)	21.1%	69.3%	129.2%	28.0%	#DIV/0!	20.4%	43.8%	63.4%
PATM(%)	13.5%	48.2%	97.3%	19.6%	#DIV/0!	13.0%	24.5%	44.4%
<b>Valuation - 30-Jul-'09</b>								
CMP	324	83	190	217	170	1,294	131	36
Face Value (Rs)	10	10	10	10	10	10	10	10
Market Cap	4,079	4,196	6,773	179,174	41,836	28,098	22,448	44,283
Dividend Yield	1.2	1.8	-	1.6	-	0.9	1.5	-
<b>EPS</b>	<b>33.7</b>	<b>2.7</b>	<b>3.2</b>	<b>10.5</b>	<b>1.2</b>	<b>29.7</b>	<b>5.4</b>	<b>1.0</b>
EPS FY10E	34.3	1.7	6.2	10.8	2.0	74.4	6.3	-
EPS FY11E	37.4	1.2	15.7	11.8	2.4	80.0	7.8	-
<b>Bookvalue</b>	<b>271.5</b>	<b>21.9</b>	<b>56.3</b>	<b>69.6</b>	<b>57.6</b>	<b>393.1</b>	<b>56.4</b>	<b>16.5</b>
<b>ROE</b>	<b>12.9</b>	<b>13.6</b>	<b>5.2</b>	<b>14.4</b>	<b>1.4</b>	<b>8.2</b>	<b>12.7</b>	<b>6.6</b>
Employee Costs as a % of Sales	10.8%	3.0%	6.9%	5.9%	#DIV/0!	4.1%	29.4%	15.6%
Interest Costs as a % of Sales	4.7%	27.6%	82.4%	4.8%	#DIV/0!	4.3%	0.2%	22.5%
Dep costs as a % of Sales	5.8%	15.8%	0.9%	5.6%	#DIV/0!	4.7%	12.7%	19.1%
<b>P/E</b>	<b>9.6</b>	<b>31.3</b>	<b>59.7</b>	<b>20.7</b>	<b>138.0</b>	<b>43.5</b>	<b>24.4</b>	<b>35.6</b>
P/E FY10E	9.4	48.2	30.7	20.2	86.4	17.4	20.9	-
P/E FY11E	8.7	67.4	12.1	18.3	70.4	16.2	16.8	-
<b>P/B</b>	<b>1.2</b>	<b>3.8</b>	<b>3.4</b>	<b>3.1</b>	<b>2.9</b>	<b>3.3</b>	<b>2.3</b>	<b>2.2</b>
Mcap / Sales	1.3	14.1	63.6	4.3	#DIV/0!	4.0	6.7	12.9

Note – Rs 36 – the upper end of the price band is assumed as the CMP and for valuation of NHPC

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## Our Other Offices

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 Churchgate, Mumbai – 400020  
 Tel : + 91 22 67040404

**Fort**

3&4 Kamanwala Chambers,  
 Sir P M Road, Fort,  
 Mumbai - 400 001  
 Tel: + 91 22 66333030

**Vile Parle**

1st Floor, Patel House,  
 M. G. Road, Next to Bank of Baroda  
 Vile Parle East, Mumbai - 400 057  
 Tel : + 91 22 67077440

**Andheri**

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 Opp. Oshiwara Police Station,  
 Oshiwara, Andheri (W), Mumbai - 400 053  
 Tel : + 91 22 6619 1600

**Malad**

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 Malad (West), Mumbai - 400 064  
 Tel : + 91 22 6761 7000

**Borivali**

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 Chandavarkar Road, Borivali West,  
 Mumbai - 400 092  
 Tel : + 91 22 66959120

**Ghatkopar**

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 Vallabh Baugh Lane, Ghatkopar (E),  
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**Jaipur****G-7 & G-8, Brij Anukampa,**

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 C-scheme, Jaipur - 302 001  
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**Ahmedabad****Ashram Road**

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 Near Nehru bridge Corner, Ashram Road,  
 Ahmedabad - 380 009  
 Tel : + 91 79 2657 6666

**Atira Branch**

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 Opp.AMA, IIM Road, Ambawadi, Ahmedabad –  
 380 015.  
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 Bengaluru - 560 025  
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**Malleswaram**

199, 1<sup>ST</sup> Floor, Yathi Raj Mutt Building,  
 11th Cross, Malleshwaram,  
 Bengaluru – 560 003.  
 Tel : +91 80 3983 0600

**M.G Road**

14th floor, Vayudooth chambers,  
 No. 15 - 16, M. G. Road,  
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**Chennai****Gee Gee Crystal**

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**Indore**

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**Secunderabad**

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