

Arora Vohra & Co.  
Chartered Accountants  
Chaitanya Complex  
Prem Bhawan, Residency Road  
Jammu Tawi – 180001  
Jammu & Kashmir

DSP & Associates  
Chartered Accountants  
783, Desh Bandhu Gupta Road  
Near Faiz Road, Karol Bagh  
New Delhi – 110005

Lodha & Co.  
Chartered Accountants  
14 Government Place East  
Kolkata-700 069

**Independent Auditors' Report on Standalone Financial Results  
for the Quarter and year ended March 31, 2019**

**The Board of Directors of  
NHPC Limited**

1. We have audited the accompanying statement of standalone financial results of NHPC Limited ('the Company') for the quarter and year ended March 31, 2019, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulations'), read with circular No: CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular') and has been initiated by us for identification. The financial results for the quarter ended March 31, 2019 have been prepared on the basis of the audited financial statements for the year ended March 31, 2019 and the financial results for the nine months ended December 31, 2018, which were subject to limited review and are the responsibility of the company's management and have been approved by the Board of Directors of the Company.
2. Our responsibility is to express an opinion on these financial results based on our audit of the financial results as at and for the year ended March 31, 2019 and our review of the financial results for the nine month period ended December 31, 2018, which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34, "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, as applicable and other accounting principles generally accepted in India and the relevant requirements of the Regulations.
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
4. In our opinion and to the best of our information and according to the explanations given to us, these quarterly standalone financial results as well as the year to date results read with notes thereon:
  - I. are presented in accordance with the requirements of the Regulation read with the Circular in this regard; and
  - II. gives a true and fair view of the net profit, total comprehensive income and other financial information for the quarter and year ended March 31, 2019.
5. These financial results include the results for the quarter ended 31st March, being the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto 31st December of the relevant financial year, which were subject to limited review by us as stated in Paragraph 1 above, as required under the Regulations read with the circular in this respect.

Our opinion is not modified in respect of the above matter.



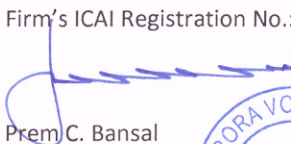
**Other Matter**

The comparative financial results of the Company for the quarter and year ended March 31, 2018 and the unaudited financial results for the quarter ended June 30, 2018 had been subjected to audit/review by the then joint auditors of the Company, two of whom were predecessor audit firms and they had expressed an unmodified opinion/conclusion vide their audit/ Limited Review report dated May 28, 2018 and August 10, 2018 respectively on such financial results and reliance has been placed on the figure and other information incorporated for the purpose of preparation and presentation of the financial results.

Our opinion is not modified in respect of the above matter.

For Arora Vohra & Co.  
Chartered Accountants

Firm's ICAI Registration No.: 09487N

  
Prem C. Bansal  
Partner  
M. No. 083597



For DSP & Associates  
Chartered Accountants

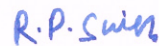
Firm's ICAI Registration No.:006791N

  
Sanjay Jain  
Partner  
M. No. 084906



For Lodha & Co.  
Chartered Accountants

Firm's ICAI Registration No.:301051E

  
R P Singh  
Partner  
M. No. 052438



Place : New Delhi  
Date : May 27<sup>th</sup>, 2019



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**Independent Auditors' Report on Consolidated Financial Results  
for the year ended March 31, 2019**

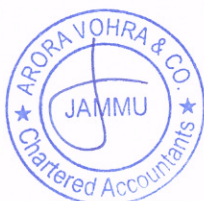
**The Board of Directors of  
NHPC Limited**

1. We have audited the consolidated financial results of NHPC Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") which includes the Group's net share of Profit / ( Loss) in its Joint Ventures for the year ended 31st March, 2019, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('the SEBI Regulations'), read with SEBI circular No: CIR/CFD/FAC/62/2016 dated 5th July, 2016 and has been initialed by us for identification. These consolidated financial results, which is the responsibility of the Company's management and have been approved by the Board of Directors of the Holding Company, have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 (as amended) read with relevant rules issued thereunder, as applicable and other accounting principles generally accepted in India and the relevant requirements of the SEBI Regulations. Our responsibility is to express an opinion on these financial results.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Consolidated financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as Consolidated financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements/ financial information of three subsidiaries included in the consolidated financial statements for the year ended 31st March 2019 whose financial statements reflect total assets of Rs. 8206.20 Crores and total net assets of Rs. 5935.91 Crores as at 31st March, 2019, total revenues of Rs. 1038.25 Crores and net cash inflow/(outflow) of Rs. (0.59 Crores) for the year ended on that date as considered in the consolidated financial results. The consolidated financial results also include the group's share of total comprehensive income of Rs. 6.98 crore for the year ended 31st March 2019 in respect of one Joint Venture whose financial statement/financial information have not been audited by us. These financial results and other financial information have been audited by other auditors whose report have been furnished to us by the management, and our opinion is based solely on the report of the other auditors.

Our opinion is not modified in respect of the above matter.

4. The consolidated financial results also include the group's share of total comprehensive income of Rs. (1.75) Crores for the year ended 31st March 2019 in respect of one Joint Venture whose financial statement/financial information have not been audited by us. The aforesaid financial statements are unaudited and have been furnished to us by the management and our opinion on the financial statement, in so far as it relates to the amounts and disclosures included in respect of this Joint Venture is based solely on the unaudited financial statements.

Our opinion is not modified in respect of the above matter.



5. In our opinion and to the best of our information and according to the explanations given to us, these consolidated financial results read with notes thereon;

i. include the financial results for the year ended 31st March 2019, of the following entities:

Name of the Subsidiaries
NHDC Limited
Loktak Downstream Hydroelectric Corporation Limited
Bundelkhand Saur Urja Limited
Name of the Joint Ventures
Chenab Valley Power Projects (P) Limited
National High Power Test Laboratory Private Limited

ii. have been presented in accordance with the requirements of Regulation 33 of the SEBI Regulations read with SEBI circular No: CIR/CFD/FAC/62/2016 dated 5th July, 2016, in this regard; and

iii. gives a true and fair view of the consolidated net profit, other comprehensive income, total comprehensive income and other financial information for the Group and its Joint Ventures for the year ended 31st March 2019.


#### Other Matter

The comparative Consolidated financial results of the Company for the year ended March 31, 2018 had been subjected to audit by the then joint auditors of the Company, two of whom were predecessor audit firms and they had expressed an unmodified opinion vide their audit report dated May 28, 2018 on such financial results and reliance has been placed on the figure and other information incorporated for the purpose of preparation and presentation of the financial results.

Our opinion is not modified in respect of the above matter.

For Arora Vohra & Co.  
Chartered Accountants

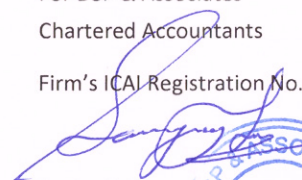
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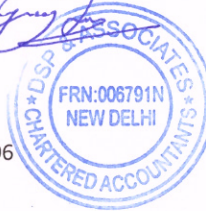
  
Prem C. Bansal  
Partner  
M. No. 083597



For DSP & Associates  
Chartered Accountants

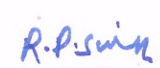
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For Lodha & Co.  
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R P Singh  
Partner  
M. No. 052438



Place: New Delhi  
Date: May 27, 2019





**NHPC LIMITED**  
(A Government of India Enterprise)  
CIN: L40101HR1975GOI032564  
SECTOR-33, FARIDABAD, HARYANA - 121 003

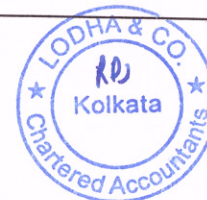
**STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2019**

(Rs. in crore)

PARTICULARS	Standalone				Consolidated		
	Quarter Ended		Year Ended		Year Ended		
	31.03.2019	31.12.2018	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	Audited (Refer Note 20)	Unaudited	Audited (Refer Note 20)	Audited			
<b>1 Revenue</b>							
(a) Revenue from Operations *	1,950.34	1,573.73	1,137.34	8,161.18	6,938.22	8,982.87	7,755.43
(b) Other Income	235.91	117.49	268.73	924.78	1,420.55	863.94	1,030.23
<b>Total Revenue (a+b)</b>	<b>2,186.25</b>	<b>1,691.22</b>	<b>1,406.07</b>	<b>9,085.96</b>	<b>8,358.77</b>	<b>9,846.81</b>	<b>8,785.66</b>
<b>2 Expenses</b>							
(a) Purchase of Power - Trading	12.68	-	-	12.68	-	12.68	-
(b) Generation Expenses	152.58	126.29	84.71	796.85	716.39	800.75	721.18
(c) Employee Benefits Expense	440.23	551.32	433.22	1,704.65	1,535.89	1,849.93	1,657.93
(d) Finance Costs	222.81	222.55	217.85	894.88	922.32	895.14	922.64
(e) Depreciation and Amortization Expense	411.45	401.55	344.52	1,589.99	1,395.51	1,657.96	1,468.72
(f) Other Expenses	361.70	297.96	233.03	1,165.53	972.36	1,319.60	1,103.73
<b>Total expenses (a+b+c+d+e+f)</b>	<b>1,601.45</b>	<b>1,599.67</b>	<b>1,313.33</b>	<b>6,164.58</b>	<b>5,542.47</b>	<b>6,536.06</b>	<b>5,874.20</b>
<b>3 Profit/(loss) before Exceptional items, Rate Regulated Activities, Tax &amp; Share of profit (1-2)</b>	<b>584.80</b>	<b>91.55</b>	<b>92.74</b>	<b>2,921.38</b>	<b>2,816.30</b>	<b>3,310.75</b>	<b>2,911.46</b>
4 Exceptional items	-	-	-	-	-	-	-
<b>5 Profit/(loss) before tax, Rate Regulated Activities &amp; Share of profit (3+4)</b>	<b>584.80</b>	<b>91.55</b>	<b>92.74</b>	<b>2,921.38</b>	<b>2,816.30</b>	<b>3,310.75</b>	<b>2,911.46</b>
6 Share of net profit/(loss) from joint venture accounted for using equity method	-	-	-	-	-	5.24	(0.08)
<b>7 Tax expense</b>							
a) Current Tax	120.36	70.24	64.54	649.78	627.77	827.41	816.11
b) Deferred Tax	542.20	(91.58)	(332.93)	464.45	(518.17)	496.21	(561.22)
<b>Total Tax expense (a+b)</b>	<b>662.56</b>	<b>(21.34)</b>	<b>(268.39)</b>	<b>1,114.23</b>	<b>109.60</b>	<b>1,323.62</b>	<b>254.89</b>
<b>8 Profit for the period before movements in Regulatory Deferral Account Balances</b>	<b>(77.76)</b>	<b>112.89</b>	<b>361.13</b>	<b>1,807.15</b>	<b>2,706.70</b>	<b>1,992.37</b>	<b>2,656.49</b>
9 Movement in Regulatory Deferral Account Balances (Net of Tax)	570.05	69.29	(161.33)	823.40	62.33	843.42	128.21
<b>10 Profit for the period from continuing operations (8+9)</b>	<b>492.29</b>	<b>182.18</b>	<b>199.80</b>	<b>2,630.55</b>	<b>2,769.03</b>	<b>2,835.79</b>	<b>2,784.70</b>
11 Other Comprehensive Income (Net of Tax)							
(a) Items that will not be reclassified to profit or loss	(27.98)	33.33	(0.64)	(14.78)	12.85	(15.04)	13.33
(b) Items that will be reclassified to profit or loss	2.22	9.07	(3.45)	2.37	(6.97)	2.37	(6.97)
<b>Total Other Comprehensive Income (a+b)</b>	<b>(25.76)</b>	<b>42.40</b>	<b>(4.09)</b>	<b>(12.41)</b>	<b>5.88</b>	<b>(12.67)</b>	<b>6.36</b>
<b>12 Total Comprehensive Income for the period (10+11)</b>	<b>466.53</b>	<b>224.58</b>	<b>195.71</b>	<b>2,618.14</b>	<b>2,774.91</b>	<b>2,823.12</b>	<b>2,791.06</b>
<b>13 Net Profit attributable to</b>							
a) Owners of the company	492.29	182.18	199.80	2,630.55	2,769.03	2,595.61	2,513.90
b) Non-controlling interest	-	-	-	-	-	240.18	270.80
<b>14 Other comprehensive income attributable to</b>							
a) Owners of the company	(25.76)	42.40	(4.09)	(12.41)	5.88	(12.55)	6.13
b) Non-controlling interest	-	-	-	-	-	(0.12)	0.23
<b>15 Total comprehensive income attributable to</b>							
a) Owners of the company	466.53	224.58	195.71	2,618.14	2,774.91	2,583.06	2,520.03
b) Non-controlling interest	-	-	-	-	-	240.06	271.03
16 Paid-up equity share capital (of Face Value ₹ 10/- per share)	10,045.03	10,259.32	10,259.32	10,045.03	10,259.32	10,045.03	10,259.32
17 Reserves excluding Revaluation Reserves				19,169.70	18,092.50	20,752.78	19,781.87
18 Net worth				29,214.73	28,351.82	30,797.81	30,041.19
19 Paid-up debt capital **				20,666.99	18,322.11	20,666.99	18,322.11
20 Capital redemption reserve				2,255.71	2,041.42	2,255.71	2,041.42
21 Debenture (Bond) redemption reserve				2,193.35	2,129.55	2,193.35	2,129.55
<b>Earning per share (Basic and Diluted)</b> (Equity shares, face value of ₹ 10/- each)							
- Before movements in Regulatory Deferral Account Balances (in ₹)	(0.07)	0.11	0.35	1.77	2.64	1.71	2.33
- After movements in Regulatory Deferral Account Balances (in ₹)	0.49	0.18	0.19	2.57	2.70	2.54	2.45
23 Debt equity ratio				0.71	0.65	0.67	0.61
24 Debt service coverage ratio (DSCR)				3.35	3.30	3.61	3.46
25 Interest service coverage ratio (ISCR)				7.68	8.59	8.28	9.01

\* Revenue from operations includes proportionate amount of Advance against Depreciation written back.

\*\* Comprises long term debts including current maturities thereof.



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## STATEMENT OF ASSETS AND LIABILITIES

(Rs. In crore)

PARTICULARS	Standalone			Consolidated		
	As at 31st March, 2019 (Audited)	As at 31st March, 2018 (Audited)	As at 1st April, 2017 (Audited)	As at 31st March, 2019 (Audited)	As at 31st March, 2018 (Audited)	As at 1st April, 2017 (Audited)
<b>ASSETS</b>						
<b>(1) NON-CURRENT ASSETS</b>						
a) Property, Plant and Equipment	22,940.69	19,090.11	20,051.87	23,116.24	19,277.73	20,251.73
b) Capital Work In Progress	14,898.11	18,813.96	17,350.13	15,036.80	19,086.74	17,587.59
c) Investment Property	4.49	4.49	4.49	4.49	4.49	4.49
d) Intangible Assets	906.66	923.38	934.14	1,855.90	1,918.69	1,984.20
e) Investments accounted for using the equity method				792.65	621.47	500.57
f) <b>Financial Assets</b>						
i) Investments	2,361.66	2,209.56	2,100.32	490.20	503.29	519.41
ii) Trade Receivables	61.51	184.45	-	61.51	306.57	275.82
iii) Loans	746.41	701.74	685.82	770.08	724.31	708.77
iv) Others	3,467.16	1,571.42	1,566.99	7,453.54	5,501.15	5,889.79
g) Non Current Tax Assets (Net)	131.95	163.67	73.68	145.87	214.53	115.49
h) Other Non Current Assets	2,021.35	1,797.64	1,097.72	2,034.11	1,815.94	1,113.51
<b>TOTAL NON CURRENT ASSETS</b>	<b>47,539.99</b>	<b>45,460.42</b>	<b>43,865.16</b>	<b>51,761.39</b>	<b>49,974.91</b>	<b>48,951.37</b>
<b>(2) CURRENT ASSETS</b>						
a) Inventories	117.14	95.77	91.64	125.18	104.68	100.80
b) <b>Financial Assets</b>						
i) Trade Receivables	2,623.09	1,097.07	1,492.90	2,838.00	1,346.04	1,854.01
ii) Cash and Cash Equivalents	30.72	6.96	59.89	43.72	20.54	73.57
iii) Bank balances other than Cash and Cash Equivalents	359.91	1,465.43	1,473.25	2,201.53	3,298.52	3,398.89
iv) Loans	45.18	47.97	161.24	48.81	52.61	148.83
v) Others	1,984.26	1,383.36	1,858.25	2,243.10	1,632.03	2,238.17
c) Current Tax Assets (Net)	61.22	0.40	55.93	111.85	0.40	78.30
d) Other Current Assets	355.25	341.01	357.81	372.73	358.28	436.06
<b>TOTAL CURRENT ASSETS</b>	<b>5,576.77</b>	<b>4,437.97</b>	<b>5,550.91</b>	<b>7,984.92</b>	<b>6,813.10</b>	<b>8,328.63</b>
(3) Regulatory Deferral Account Debit Balances	6,492.61	5,669.21	5,630.56	6,979.14	6,135.72	6,031.03
<b>TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES</b>	<b>59,609.37</b>	<b>55,567.60</b>	<b>55,046.63</b>	<b>66,725.45</b>	<b>62,923.73</b>	<b>63,311.03</b>
<b>PARTICULARS</b>	<b>As at 31st March, 2019 (Audited)</b>	<b>As at 31st March, 2018 (Audited)</b>	<b>As at 1st April, 2017 (Audited)</b>	<b>As at 31st March, 2019 (Audited)</b>	<b>As at 31st March, 2018 (Audited)</b>	<b>As at 1st April, 2017 (Audited)</b>
<b><u>EQUITY AND LIABILITIES</u></b>						
<b>(1) EQUITY</b>						
a) Equity Share Capital	10,045.03	10,259.32	10,259.32	10,045.03	10,259.32	10,259.32
b) Other Equity	19,169.70	18,092.50	16,696.10	20,752.78	19,781.87	18,768.79
<b>TOTAL EQUITY</b>	<b>29,214.73</b>	<b>28,351.82</b>	<b>26,955.42</b>	<b>30,797.81</b>	<b>30,041.19</b>	<b>29,028.11</b>
<b>(2) NON - CONTROLLING INTEREST</b>				<b>2,868.47</b>	<b>2,934.91</b>	<b>3,382.24</b>
<b>(3) LIABILITIES</b>						
<b><u>NON-CURRENT LIABILITIES</u></b>						
a) <b>Financial Liabilities</b>						
i) Borrowings	17,044.63	16,728.20	17,245.64	17,044.63	16,728.20	17,245.64
ii) Other financial liabilities	2,058.64	38.47	25.63	2,059.44	39.87	25.84
b) Provisions	26.82	25.47	486.93	46.94	40.66	505.58
c) Deferred Tax Liabilities (Net)	3,610.63	3,145.39	3,664.73	4,720.68	4,223.68	4,785.90
d) Other non-current Liabilities	1,824.98	1,625.00	1,472.47	2,986.06	2,853.37	2,777.96
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>24,565.70</b>	<b>21,562.53</b>	<b>22,895.40</b>	<b>26,857.75</b>	<b>23,885.78</b>	<b>25,340.92</b>
<b>(4) CURRENT LIABILITIES</b>						
a) <b>Financial Liabilities</b>						
i) Borrowings	406.00	279.99	302.50	416.00	279.99	302.50
ii) Trade Payables						
Total outstanding dues of micro enterprises and small enterprises	15.74	5.29	4.28	19.38	7.97	6.32
Total outstanding dues of Creditors other than micro enterprises and small enterprises	164.44	176.57	160.52	176.89	192.13	171.04
iii) Other financial liabilities	2,846.92	2,768.50	2,531.91	2,896.72	2,815.94	2,555.90
b) Other Current Liabilities	1,066.47	669.86	706.65	1,158.04	754.86	791.62
c) Provisions	1,329.37	1,753.04	1,489.95	1,534.39	2,003.85	1,732.38
d) Current Tax Liabilities (Net)	-	-	-	-	7.11	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>5,828.94</b>	<b>5,653.25</b>	<b>5,195.81</b>	<b>6,201.42</b>	<b>6,061.85</b>	<b>5,559.76</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>59,609.37</b>	<b>55,567.60</b>	<b>55,046.63</b>	<b>66,725.45</b>	<b>62,923.73</b>	<b>63,311.03</b>



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**Notes:**

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in the respective meetings held on 27th May, 2019 and are based on the Financial Statements audited by Joint Statutory Auditors.
- The Subsidiary and Joint Venture Companies considered in the Consolidated Financial Results are as follows:-

Name of Companies	Ownership	
	31.03.2019	31.03.2018
<b>a) Subsidiary Companies:-</b>		
(i) NHDC Limited	51.08%	51.08%
(ii) Loktak Downstream Hydroelectric Corporation Limited	74.00%	74.00%
(iii) Bundelkhand Saur Urja Ltd.	99.99%	99.99%
<b>b) Joint Venture Companies:-</b>		
(i) Chenab Valley Power Projects Pvt. Limited #	51.94%	55.39%
(ii) National High Power Test Laboratory Private Limited *	20.00%	20.00%

\* Unaudited Annual Financial Statements

# During the year, the company has further invested Rs. 100 Crore in Chenab Valley Power Projects Private Limited. Equity shares for Rs.165.19 Crore have been allotted by the Joint Venture Company during the current year which includes equity shares in respect of Rs. 65.19 Crore contributed during previous financial year 2017-18. Company's shareholding has become 51.94% during financial year 2018-19. However, Chenab Valley Power Projects Private Limited continues to be a Joint Venture owing to control exercised jointly with other Joint Venturer, pursuant to the Joint Venture Agreement.

- In view of the seasonal nature of business, the financial results of the company vary from quarter to quarter.
- During the year ended on 31.03.2019, Company has commissioned 330 MW Kishanganga HE Project in the state of Jammu & Kashmir (Unit No.1 of 110 MW on 18.05.2018 and Unit No.2 &3 of 110 MW each on 24.05.2018).
- Electricity generation is the principal business activity of the Company. Other operations viz., Power Trading, Contracts, Project Management and Consultancy works do not form a reportable segment as per the Ind AS 108 - 'Operating Segment'. The company has a single geographical segment as all its power stations are located within the country.
- Ind AS 115- "Revenue from Contracts with Customers" has been made applicable w.e.f. 1st April, 2018 using cumulative catch-up method and there is no significant impact of the said standard on these financial results.
- During the year ended on 31.03.2019, retrospective reclassifications/restatements have been carried out in respect of certain items in the financial statements of previous periods. Accordingly, to comply with the requirements of Ind AS 1, the company has presented a 3rd Balance Sheet as at the beginning of preceding period. i.e. as on 01.04.2017. Major restatements/reclassifications are explained as under:-
  - Till 31.03.2018, Deferred Tax Recoverable from beneficiaries was presented by the company as an adjustment to deferred tax liability. Keeping in view an opinion obtained during financial year 2018-19 from the Expert Advisory Committee of the Institute of Chartered Accountants of India, Company has reclassified the Deferred Tax Recoverable upto the year 2009 and pertaining to tariff period 2014-19 amounting to Rs. 2726.24 Crore as on 01.04.2017 & Rs. 2068.75 Crore as on 31.03.2018 have been reclassified as Regulatory Deferral Account Balances (RDA).
  - Till 31.03.2018, Depreciation on assets acquired and available for use during the "fag-end" of the operating life of a Power Station (last 5 years) as per Central Electricity Regulatory Commission (CERC) Tariff Regulations 2014-19 was charged based on the originally estimated useful life. Based on CERC Tariff Regulation/Orders, the company has revised its policy and charged depreciation on such assets over the extended life of the generating station with retrospective effect. As a result, excess depreciation up to 31.03.2017 amounting to Rs.13.29 Crore has been added to "Other Equity" and depreciation for financial year 2017-18 amounting to Rs. 10.38 Crore has been adjusted to Statement of Profit and Loss by restating amount of depreciation for that year. Further, depreciation charge for the FY 2018-19 is lower by Rs. 1.52 Crore.

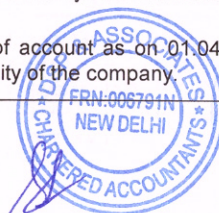
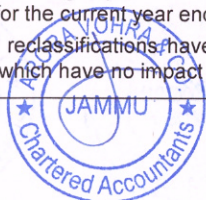
Consequent impact of above Note no. 7(i) & (ii) on the Tax expense, Profit for the period before Tax and after movement in Regulatory Deferral Account Balances (RDA) and movement in Regulatory Deferral Account Balances are as under:

(Rs. in Crore)

	Standalone			Consolidated
	Quarter ended		Year ended	Year ended
	31.12.2018	31.03.2018	31.03.2018	31.03.2018
Profit Before Tax & after RDA: Earlier Reported	269.02	287.67	3525.74	3637.55
Profit Before Tax & after RDA: As restated/reclassified	160.84	(68.59)	2878.63	3039.59
Tax Expenses: Earlier Reported	86.84	98.25	767.09	862.85
Tax Expenses: As restated/reclassified	(21.34)	(268.39)	109.60	254.89
Regulatory Deferral Account Balances: Earlier Reported	177.47	205.31	719.82	736.17
Regulatory Deferral Account Balances: As restated/reclassified	69.29	(161.33)	62.33	128.21

Tax liability pertaining to period 2014-15 to 2017-18 has become lower by Rs. 81.22 Crore which has been adjusted/ considered in the tax computation for the current year ended 31.03.2019.

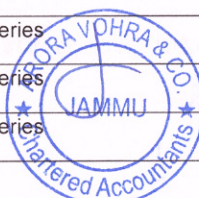
- Certain other reclassifications have been made in the books of account as on 01.04.2017 & 31.03.2018 to conform to the current year classification which have no impact on the Profitability/Other Equity of the company.





- 8(i) The management has carried out impairment assessment of carrying value of the assets including Regulatory Deferral Account Balances in respect of Subansiri Lower Project where construction activities have been interrupted with effect from 16.12.2011 and the matter is currently pending before National Green Tribunal (NGT). Regulatory Deferral Account (RDA) balances includes Rs. 3267.34 Crore pertaining to the said Project as on 30.06.2018. Based on above assessment, further accrual to RDA balances beyond 30.06.2018 has not been made. Accordingly, borrowing and administrative costs amounting to Rs 107.01 Crore during quarter ended on 31.03.2019 (Rs 349.63 Crore for the year ended on 31.03.2019) incurred on the Project have not been recognised for creation of Regulatory Deferral Account balance. Consequently, movement in Regulatory Deferral Account balance is Rs. NIL during the quarter ended on 31.03.2019 (Corresponding previous quarter Rs. 120.32 Crore) and is Rs. 94.52 Crore during the year ended on 31.03.2019 (Corresponding previous year ended on 31.03.2018 Rs. 474.82 Crore).
- (ii) The Company has made moderation in tariff of Kishanganga Power Station by charging lower depreciation in the first 12 years and spreading over the balance depreciation upto 90% of capital cost equally over the balance life of the Power Station, which has been approved by CERC. Depreciation has been charged in the books as per the Tariff Regulations, keeping in view the provisions of Tariff Policy, 2016 read with Electricity Act, 2003. Accordingly, the difference between the depreciation charged in the books as per the rates provided in the Tariff Regulations and that recoverable through tariff amounting to Rs 49.55 Crore during the quarter ended on 31.03.2019 and Rs 171.98 Crore during year ended 31.03.2019 (Corresponding previous quarter and year ended: Rs. NIL) has been recognised as income under 'Movement in Regulatory Deferral Account Balance.'
- (iii) Income under 'Movement in Regulatory Deferral Account Balance has been recognised in respect of expenditure towards Pay Revision of employees amounting to Rs. 42.75 Crore for the quarter ended 31.03.2019 (Corresponding previous quarter Rs. 84.10 Crore) and Rs. 203.85 Crore for the year ended on 31.03.2019 (Corresponding previous year Rs. 242.90 Crore) which is recoverable through tariff.
- (iv) In line with note 7(i) above, Deferred tax recoverable from beneficiaries amounting to Rs. 353.61 Crore (Rs 478.38 Crore for the quarter ended 31.03.2019) have been presented as Regulatory Deferral Account balance for the year ended 31.03.2019.
- 9 Pending approval of tariff by the Central Electricity Regulatory Commission (CERC) and/or approval of revised cost estimate, sales have been recognized as per management estimate based on Tariff regulations/orders in respect of Chamera-III, TLDP-III, Sewa-II & TLDP-IV Power stations. Further, sales have also been recognized towards Energy Shortfall and reimbursement of additional impact of Goods and Services Tax (GST) due to change in law. Accordingly, Revenue from Operations includes Rs. 515.05 Crore (including Rs. 409.51 Crore pertaining to earlier years).
- 10 Consequent upon approval of the Government of India vide Ministry of Power Order No. 2/1/2014-H.I (Pt) dated 29.01.2019 to regularize pay scales of below Board level executives w.e.f. 1st January, 1997, arrears have been paid to employees for Rs. 290.49 Crore (amount for the current quarter ended 31.03.2019 is Rs. 9.31 Crore). Out of this, Rs. 92.90 Crore (amount for the current quarter ended 31.03.2019 is Rs. 2.25 Crore) has been capitalised and Rs 197.59 Crore (amount for the current quarter ended 31.03.2019 is Rs. 7.06 Crore) has been charged to the Statement of Profit and Loss during the the year ended 31.03.2019 .
- 11 The Company has completed buy-back of 21,42,85,714 equity shares of Rs 10 each from the shareholders on 22nd January, 2019, on proportionate basis by way of tender offer at a price of Rs 28 per equity share for an aggregate amount of Rs 600 crore.
- 12 For meeting fund requirement of Government of India, for the scheme of Power System Development Fund, the Company has raised during the year an aggregate amount of Rs. 2017.20 Crore through private placement of unsecured, non-cumulative, non-convertible, redeemable taxable 'Government of India Fully Serviced Bonds-Series-I' with face value of Rs. 10,00,000/- each. The repayment of the principal and interest of these bonds shall be made by the Government of India.
- 13 All secured Non-Convertible Debt Securities of the Company are secured by way of pari-passu charges over certain immovable and movable assets of the Company. The available asset coverage complies the requirement of terms of various issues/offer documents.
- 14 The Company has credit rating 'AAA' with Stable outlook, assigned by domestic credit rating agencies for all listed bonds, outstanding as on 31.03.2019, issued by the company. Further, Moody's has upgraded International rating of company from Baa3 positive to Baa2 stable on 16.11.2017 and S&P has maintained International Rating BBB(-) with Stable Outlook, equivalent to Sovereign Rating of India.
- 15 The company has paid Principal and Interest of Non-Convertible Debt Securities (NCDs) on due dates as per offer documents. Details of previous due dates of payment of Principal and Interest of NCDs are as below:-

Particulars of Bonds	Previous due date	
	Principal	Interest
BONDS-P Series	1-Feb-19	28-Feb-19
BONDS-Q Series	12-Mar-19	12-Mar-19
BONDS-R-1 Series	11-Feb-19	11-Feb-19
BONDS-R-2 Series	11-Feb-19	11-Feb-19
BONDS-R-3 Series	11-Feb-19	11-Feb-19
BONDS-S-1 Series	26-Nov-18	26-Nov-18
BONDS-S-2 Series	26-Nov-18	26-Nov-18
BONDS-T Series	Not yet due	16-Jul-18
TAX FREE BONDS-1A Series	Not yet due	2-Apr-18
TAX FREE BONDS-1B Series	Not yet due	2-Apr-18
TAX FREE BONDS-2A Series	Not yet due	2-Apr-18
TAX FREE BONDS-2B Series	Not yet due	2-Apr-18





TAX FREE BONDS-3A Series	Not yet due	2-Apr-18
TAX FREE BONDS-3B Series	Not yet due	2-Apr-18
BONDS-U Series	Not yet due	27-Jun-18
BONDS-U1 Series	Not yet due	27-Jun-18
BONDS-V1 Series	24-Jan-19	24-Jan-19
BONDS-V2 Series	Not yet due	6-Jun-18
BONDS-W1 Series	15-Sep-18	15-Sep-18
BONDS-W2 Series	Not yet due	15-Sep-18


16 Formula used for computation of Ratio:

1. 'Debt Service Coverage Ratio' (DSCR) = [Profit before Interest, Depreciation and Tax]/[Principal repayment, excluding payment under put option+Interest]
2. 'Interest Service Coverage Ratio' (ISCR) = [Profit before Interest, Depreciation and Tax]/ Interest.

For the calculation of ISCR and DSCR, amount of interest and Principal repayments against the borrowings of the operational projects have been considered in above formulae.

- 17 The audited accounts are subject to review by Comptroller and Auditor General of India under section 143 (6) of the Companies Act, 2013.
- 18 During the quarter, the company has paid an interim dividend @7.10% of the face value of Rs. 10 per share (Rs. 0.71 per equity share) for the financial year 2018-19. The Board of Directors has recommended final dividend @ 7.50 % of the face value of Rs. 10 per share (Rs. 0.75 per equity share) for the financial year 2018-19. Total dividend (including interim dividend) is 14.60 % of the face value of Rs. 10/- per share i.e. Rs 1.46 per equity share.
- 19 Figures for the previous periods have been reclassified/restated as given in Note no. 7.
- 20 Figures for the quarter ended 31.03.2019 and 31.03.2018 are the balancing figures between the audited figures in respect of full financial year and the published year to date figures up to the 3rd quarter of the relevant financial year, post adjustments as detailed at Note no. 7.

For and on behalf of the Board of Directors of  
NHPC Ltd.

  
(MAHESH KUMAR MITTAL)  
DIRECTOR (FINANCE)  
DIN - 02889021

Place : New Delhi  
Date 27.05.2019

