



**NHPC LIMITED**

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

CIN: L40101HR1975GO1032564

**STATEMENT OF STANDALONE AND CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2017**

(₹ in Laos)

PARTICULARS	Standalone				Consolidated		
	Quarter Ended		Year Ended		Year Ended		
	31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016	31.03.2016	
	Audited (Refer Note 23)	Unaudited	Audited (Refer Note 23)	Audited			
<b>1 Revenue from operations</b>							
(a) Sales/ Revenue from operations *	1,33,759	1,30,906	1,62,246	7,19,153	7,29,993	8,41,647	8,25,074
(b) Other operating income	2,485	(48)	1,641	7,964	5,307	20,666	10,328
<b>Total Revenue from operations</b>	<b>1,36,244</b>	<b>1,30,858</b>	<b>1,63,887</b>	<b>7,27,117</b>	<b>7,35,300</b>	<b>8,62,313</b>	<b>8,35,402</b>
<b>2 Other Income</b>	<b>24,255</b>	<b>17,499</b>	<b>23,101</b>	<b>1,45,867</b>	<b>99,207</b>	<b>1,50,378</b>	<b>1,09,241</b>
<b>3 Total Income (1+2)</b>	<b>1,60,499</b>	<b>1,48,357</b>	<b>1,86,988</b>	<b>8,72,984</b>	<b>8,34,507</b>	<b>10,12,691</b>	<b>9,44,643</b>
<b>4 Expenses</b>							
(a) Employee benefits	61,446	30,875	32,467	1,57,492	1,15,836	1,67,816	1,24,212
(b) Depreciation & amortization	35,271	35,513	34,320	1,38,840	1,35,907	1,46,175	1,43,195
(c) Water usage charges	13,330	9,292	12,516	74,840	77,111	74,840	77,111
(d) Finance Costs	24,991	26,883	26,077	1,07,322	1,07,210	1,07,344	1,11,818
(e) Other expenses	39,162	28,247	63,055	1,18,429	1,35,483	1,35,325	1,51,903
<b>Total expenses</b>	<b>1,74,200</b>	<b>1,30,810</b>	<b>1,68,435</b>	<b>5,96,923</b>	<b>5,71,547</b>	<b>6,31,500</b>	<b>6,08,239</b>
<b>5 Profit/(loss) before Exceptional items, Rate Regulated Activities, Tax &amp; share of profit (3-4)</b>	<b>(13,701)</b>	<b>17,547</b>	<b>18,553</b>	<b>2,76,061</b>	<b>2,62,960</b>	<b>3,81,191</b>	<b>3,36,404</b>
<b>6 Exceptional items</b>	-	-	-	-	-	-	-
<b>7 Profit/(loss) before tax &amp; Rate Regulated Activities (5+6)</b>	<b>(13,701)</b>	<b>17,547</b>	<b>18,553</b>	<b>2,76,061</b>	<b>2,62,960</b>	<b>3,81,191</b>	<b>3,36,404</b>
<b>8 Share of net profit/(loss) from joint venture accounted for using equity method</b>	-	-	-	-	-	274	123
<b>9 Tax expense</b>							
a) Current Tax	177	6,431	14,326	70,656	74,497	1,00,530	91,675
b) Adjustments for Income Tax	(3,819)	(598)	8	(11,699)	(2,367)	(11,675)	(2,298)
c) Deferred Tax	6,457	3,647	(5,357)	8,944	2,931	16,456	10,649
<b>Total Tax expense (a+b+c)</b>	<b>2,815</b>	<b>9,480</b>	<b>8,977</b>	<b>67,901</b>	<b>75,061</b>	<b>1,05,311</b>	<b>1,00,026</b>
<b>10 Movement in Regulatory Deferral Account Debit Balances (Net of Tax)</b>	<b>33,358</b>	<b>13,402</b>	<b>14,972</b>	<b>71,399</b>	<b>55,090</b>	<b>71,879</b>	<b>55,090</b>
<b>11 Profit for the period from continuing operations (7+8-9+10)</b>	<b>16,842</b>	<b>21,469</b>	<b>24,548</b>	<b>2,79,559</b>	<b>2,42,989</b>	<b>3,48,033</b>	<b>2,91,591</b>
<b>12 Other Comprehensive Income (Net of Tax)</b>	<b>(1,154)</b>	<b>(161)</b>	<b>1,606</b>	<b>767</b>	<b>324</b>	<b>659</b>	<b>308</b>
<b>13 Total Comprehensive Income for the period (11+12)</b>	<b>15,688</b>	<b>21,308</b>	<b>26,154</b>	<b>2,80,326</b>	<b>2,43,313</b>	<b>3,48,590</b>	<b>2,91,899</b>
<b>14 Net Profit attributable to</b>							
a) Owners of the company	16,842	21,469	24,548	2,79,559	2,42,989	3,02,942	2,60,173
b) Non-controlling interest	-	-	-	-	-	45,091	31,418
<b>15 Other comprehensive income attributable to</b>							
a) Owners of the company	(1,154)	(161)	1,606	767	324	659	316
b) Non-controlling interest	-	-	-	-	-	(102)	(8)
<b>16 Total comprehensive income attributable to</b>							
a) Owners of the company	15,688	21,308	26,154	2,80,326	2,43,313	3,03,601	2,60,489
b) Non-controlling interest	-	-	-	-	-	44,989	31,410
<b>17 Paid-up equity share capital (of Face Value ₹ 10/- per share)</b>	<b>10,25,932</b>	<b>11,07,067</b>	<b>11,07,067</b>	<b>10,25,932</b>	<b>11,07,067</b>	<b>10,25,932</b>	<b>11,07,067</b>
<b>18 Reserves excluding Revaluation Reserves</b>	<b>16,68,281</b>	<b>18,69,048</b>	<b>18,75,550</b>	<b>16,68,281</b>	<b>18,69,048</b>	<b>18,75,550</b>	<b>20,57,204</b>
<b>19 Net worth</b>	<b>26,94,213</b>	<b>29,76,115</b>	<b>29,82,617</b>	<b>26,94,213</b>	<b>29,76,115</b>	<b>29,01,481</b>	<b>31,64,270</b>
<b>20 Paid-up debt capital **</b>	<b>18,92,423</b>	<b>19,93,822</b>	<b>18,92,423</b>	<b>18,92,423</b>	<b>19,93,822</b>	<b>18,92,423</b>	<b>19,93,822</b>
<b>21 Capital redemption reserve</b>	<b>2,04,142</b>	<b>1,23,007</b>	<b>2,04,142</b>	<b>2,04,142</b>	<b>1,23,007</b>	<b>2,04,142</b>	<b>1,23,007</b>
<b>22 Debenture (Bond) redemption reserve</b>	<b>1,60,927</b>	<b>1,32,420</b>	<b>1,60,927</b>	<b>1,60,927</b>	<b>1,32,420</b>	<b>1,60,927</b>	<b>1,32,420</b>
<b>23 Earnings per share before movement in Regulatory Deferral Account Balances</b>							
Basic & Diluted EPS (in ₹)	(0.15)	0.07	0.09	1.88	1.70	2.09	1.85
<b>Earnings per share after movement in Regulatory Deferral Account Balances</b>							
Basic & Diluted EPS (in ₹)	0.16	0.19	0.22	2.53	2.19	2.74	2.35
<b>24 Debt equity ratio</b>				<b>0.70</b>	<b>0.67</b>	<b>0.65</b>	<b>0.63</b>
<b>25 Debt service coverage ratio (DSCR)</b>				<b>2.38</b>	<b>3.47</b>	<b>2.87</b>	<b>2.67</b>
<b>26 Interest service coverage ratio (ISCR)</b>				<b>8.19</b>	<b>8.00</b>	<b>9.86</b>	<b>8.77</b>

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

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

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## STATEMENT OF ASSEST AND LIABILITIES

(₹ in Lacs)

PARTICULARS	Standalone			Consolidated		
	As at 31st March, 2017 (Audited)	As at 31st March, 2016 (Audited)	As at 1st April, 2015 (Audited)	As at 31st March, 2017 (Audited)	As at 31st March, 2016 (Audited)	As at 1st April, 2015 (Audited)
<b>ASSETS</b>						
<b>(1) NON-CURRENT ASSETS</b>						
a) Property, Plant and Equipment	20,03,858	20,48,247	20,24,295	20,23,844	20,70,020	20,47,829
b) Capital Work In Progress	17,35,013	16,57,871	16,05,472	17,58,759	16,74,160	16,14,715
c) Investment Property	449	449	449	449	449	449
d) Other Intangible Assets	93,414	81,694	78,352	1,98,420	1,90,933	1,91,593
e) Investments accounted for using the equity method	-	-	-	50,057	13,134	12,224
<b>f) Financial Assets</b>						
i) Investments	2,10,032	1,68,301	2,09,445	51,941	46,860	88,004
ii) Trade Receivables	-	-	-	27,582	6,456	33,593
iii) Loans	36,096	34,260	33,767	38,187	36,283	35,731
iv) Other Financial Assets	1,86,383	1,90,947	1,90,072	6,18,662	6,14,832	6,46,036
g) Non Current Tax Assets (Net)	7,368	6,578	7,382	11,549	7,990	8,799
h) Other Non Current Assets	1,12,574	1,32,745	1,28,855	1,14,358	1,35,064	1,31,268
<b>(2) CURRENT ASSETS</b>						
a) Inventories	9,164	8,400	8,273	10,080	9,280	9,048
<b>b) Financial Assets</b>						
i) Investments	-	113	25,757	-	113	25,757
ii) Trade Receivables	1,49,290	1,55,444	2,06,416	1,85,401	1,90,451	2,47,224
iii) Cash & Cash Equivalents	5,989	1,19,439	18,569	7,357	1,42,052	19,835
iv) Bank balances other than Cash & Cash Equivalents	1,47,325	4,68,236	5,23,642	3,39,889	5,86,301	6,41,872
v) Loans	2,688	5,833	8,083	3,143	6,263	8,510
vi) Other Financial Assets	1,85,825	2,15,032	2,01,755	2,23,817	2,93,056	2,81,202
c) Current Tax Assets (Net)	5,593	-	-	7,830	2,818	-
d) Other Current Assets	49,217	27,955	18,752	55,346	35,369	24,887
<b>TOTAL ASSETS</b>	<b>49,40,278</b>	<b>53,21,544</b>	<b>52,89,336</b>	<b>57,26,671</b>	<b>60,61,884</b>	<b>60,68,376</b>
(3) Regulatory Deferral Account Debit Balances	2,90,432	2,18,128	1,63,038	2,91,042	2,18,128	1,63,038
<b>TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES</b>	<b>52,30,710</b>	<b>55,39,672</b>	<b>54,52,374</b>	<b>60,17,713</b>	<b>62,80,012</b>	<b>62,31,414</b>
(₹ in Lacs)						
PARTICULARS	As at 31st March, 2017 (Audited)	As at 31st March, 2016 (Audited)	As at 1st April, 2015 (Audited)	As at 31st March, 2017 (Audited)	As at 31st March, 2016 (Audited)	As at 1st April, 2015 (Audited)
<b>EQUITY AND LIABILITIES</b>						
<b>(1) EQUITY</b>						
(a) Equity Share Capital	10,25,932	11,07,067	11,07,067	10,25,932	11,07,067	11,07,067
(b) Other Equity	16,68,281	18,69,048	18,00,149	18,75,550	20,57,204	19,72,750
(2) Non Controlling Interest	-	-	-	3,38,224	3,16,810	2,99,036
<b>(3) LIABILITIES</b>						
<b>NON-CURRENT LIABILITIES</b>						
<b>a) Financial Liabilities</b>						
i) Borrowings	17,24,564	18,18,108	18,17,104	17,24,564	18,18,108	18,69,867
ii) Other financial liabilities	2,563	3,762	7,393	2,584	4,013	7,555
b) Provisions	48,693	40,820	87,686	50,558	42,455	88,981
c) Deferred Tax Liabilities (Net)	93,849	86,193	81,988	1,66,529	1,51,363	1,39,440
d) Other non-current Liabilities	1,47,247	1,38,413	1,22,555	2,76,796	2,74,037	2,63,942
<b>(4) CURRENT LIABILITIES</b>						
<b>a) Financial Liabilities</b>						
i) Borrowings	30,250	-	-	30,250	-	-
ii) Trade Payables	-	-	-	-	-	-
Total outstanding dues of micro enterprises and small enterprises	428	123	6	632	189	42
Total outstanding dues of Creditors other than micro enterprises and small enterprises	14,280	12,091	15,285	15,127	12,854	16,346
iii) Other financial liabilities	2,50,099	2,59,993	2,40,746	2,52,112	2,62,242	2,62,565
b) Other Current Liabilities	75,529	67,084	62,494	85,617	76,843	71,479
c) Provisions	1,48,995	1,26,304	1,03,625	1,73,238	1,46,161	1,25,879
d) Current Tax Liabilities (Net)	-	10,666	6,276	-	10,666	6,465
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>52,30,710</b>	<b>55,39,672</b>	<b>54,52,374</b>	<b>60,17,713</b>	<b>62,80,012</b>	<b>62,31,414</b>

## Notes:

1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in their meetings held on 27th May, 2017 and 30th May, 2017 respectively and are based on the Financial Statements Audited by Joint Statutory Auditors.

2 The Subsidiary and Joint Venture Companies considered in the Consolidated Financial Results are as follows:-

## a) Subsidiary Companies:-

	Ownership	
	31.03.2017	31.03.2016
(i) NHDC Limited	51.08%	51.08%
(ii) Loktak Downstream Hydroelectric Corporation Limited	74%	74%
(iii) Bundelkhand Saur Urja Ltd.	99.99%	99.99%

## b) Joint Venture Companies:-

(i) Chenab Valley Power Projects Pvt. Limited	49.78%	49.98%
(ii) National High Power Test Laboratory Private Limited	20.00%	21.63%

3(a) The Company has adopted Indian Accounting Standards ("Ind AS") from 1st April, 2016 and accordingly, these financial results have been prepared in accordance with Companies (Indian Accounting Standard) Rules, 2015 as prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules framed thereunder and the other accounting principles generally accepted in India. Consequently, results for the quarter/year ended 31st March 2016 have been restated to comply with Ind AS to make them comparable.

3(b) Reconciliation of the standalone & consolidated financial results under Ind AS and as reported under previous Generally Accepted Accounting Principles (GAAP) for the quarter and year ended 31st Mar, 2016 are summarised as below:

Particulars	Ref. to Notes.	(Rs. in Lacs)		
		Standalone		Consolidated
		Quarter ended 31.03.2016	Year ended 31.03.2016	Year ended 31.03.2016
(i) Net Profit after Tax as per previous Indian GAAP		10,408	244,014	291,959
(ii) Impact of arrangements/contracts containing a lease.	a	4,222	1,031	6,046
(iii) Fair Valuation of financial assets & financial liabilities other than investments	b	546	(512)	(641)
(iv) Rebate to customers (upfront provision)	c	(6)	(6)	6
(v) Discounting of Provisions	d	99	(177)	(177)
(vi) Investments-Adjustment of premium/discount on acquisition	e	6	23	23
(vii) Re-measurement of defined benefit plan	f	(2,626)	(3,685)	(3,669)
(viii) Change in policy for recognition of Property, Plant & Equipment (PPE)	g	1,448	1,708	1,708
(ix) Grants in Aid - Classified as Deferred Income	h	-	-	3,566
(x) Net effect of JV Consolidated using Equity Method	i	-	-	6
(xi) Deferred Tax on Undistributed Earnings of Subsidiaries	j	-	-	(3,767)
(ix) Tax effect of adjustments made on transition to Ind AS	k	10,452	594	(3,469)
<b>(x) Profit after Tax as per Ind AS</b>		<b>24,549</b>	<b>242,990</b>	<b>291,591</b>
(xi) Other Comprehensive Income (Net of Tax)				
- Remeasurements of defined benefit plans	f	1,717	2,409	2,394
- Fair valuation of Equity Investment	l	(339)	(2,078)	(2,078)
- Fair valuation of Investment in Debt Instruments	l	227	(8)	(8)
<b>Total Other Comprehensive Income (Net of Tax)</b>		<b>1,605</b>	<b>323</b>	<b>308</b>
<b>(xii) Total Comprehensive Income (TCI)</b>		<b>26,154</b>	<b>243,313</b>	<b>291,899</b>

3(c) Reconciliation of Total Equity for standalone & consolidation under Ind AS and as reported under previous Generally Accepted Accounting Principles (GAAP) for the period ended 31st March 2016 and 01st April 2015 are summarised as below:

Particulars	Ref. to Notes.	(Rs. in Lacs)			
		Standalone		Consolidated	
		As on 31.03.2016	As on 01.04.2015	As on 31.03.2016	As on 01.04.2015
(i) Total Equity (Shareholder's Fund) as per Previous Indian GAAP		2,875,195	2,828,639	3,481,927	3,408,318
Adjustments :					

Impact of arrangements/contracts containing a lease	a	12,812	11,781	81,756	75,710
Fair valuation of Investments	j	8,601	11,627	8,601	11,627
Fair valuation of Financial Assets and Financial liabilities other than investments	b	1,346	1,858	1,233	1,874
Rebate to Customers (Upfront Provision)	c	(62)	(56)	(140)	(146)
Discounting of Provisions	d	794	971	794	971
Proposed Dividend (including dividend tax)	m	77,281	53,298	85,432	58,012
Investments-adjustment of premium/discount on acquisition	e	66	43	66	43
Remeasurement of Post Employment Benefit Obligations	f	(1,275)	-	(1,275)	
Change in policy for recognition of Property, Plant & Equipment (PPE)	g	1,708	-	1,708	
Grants in Aid - Classified as Deferred Income	h			(130,907)	(136,665)
Net effect of JV Consolidated using Equity Method	i			(298)	(311)
Deferred Tax on Undistributed Earnings of Subsidiaries	j			(43,402)	(39,635)
Tax effect of adjustments made on transition to Ind AS	k	(351)	(945)	(4,414)	(945)
<b>Total Adjustments</b>		<b>100,920</b>	<b>78,577</b>	<b>(846)</b>	<b>(29,465)</b>
<b>Total equity as per IND AS</b>		<b>2,976,115</b>	<b>2,907,216</b>	<b>3,481,081</b>	<b>3,378,853</b>

**Notes to reconciliation:**

a) Property, Plant and Equipment (PPE) containing a lease arrangement have been de-recognized and shown at fair value as lease receivable as per Ind AS 17- Leases.

b) The Company has valued financial assets (other than investment in Subsidiaries and Joint Ventures which are accounted for at cost) and financial liabilities at fair value. Impact of fair value changes as on the date of transition, is recognised in opening reserves and changes thereafter are recognised in Statement of Profit and Loss or Other Comprehensive Income, as the case may be.

c) Under the previous GAAP rebate to customers was recognised in the Statement of Profit and Loss on actual basis. Revenue was being recognised on gross basis inclusive of rebate given to customers. Under Ind AS revenue arising on a transaction is to be measured at the fair value of the consideration received or receivable taking into account the amount of trade discounts/rebate allowed by the Company. Accordingly provision for rebate estimated to be provided to customers on sales within the period qualifying for rebate has been netted from Sales.

d) Under the previous GAAP, discounting of provisions was not allowed. Under Ind AS, provisions are measured at discounted amounts, if the effect of time value is material. Accordingly, non-current provisions have been discounted to their present values.

e) Under previous GAAP, interest was recognised in statement of profit and loss without considering premium/discount on acquisition of debt instruments. Under Ind AS, such premium/discount on acquisition of investments in debt instruments is required to be deducted from the carrying amount of investment at initial recognition.

f) Under previous GAAP, actuarial gains/losses were recognised in Statement of Profit & Loss. Under Ind AS, the same is recognised in Other Comprehensive Income.

g) Impact of change in accounting policy for spares qualifying as asset as per Ind AS 16- 'Property, Plant & Equipment' on the date of transition has been recognised in opening reserves and changes thereafter are recognised in Statement of Profit and Loss.

h) Under the previous GAAP, Grant-in-Aid was classified as part of Reserve & Surplus. Under Ind AS, Grant related to assets has been classified as deferred income and is amortised on the useful life of the related assets.

i) Under the previous GAAP, joint ventures were classified as joint controlled entities and accounted for using the proportionate consolidation method. Under Ind AS, these joint ventures are accounted for using the equity method based on the balances as at the transition date.

j) Under previous GAAP, tax expense in the consolidated financial statements was computed by performing line by line addition of tax expense of the parent and its subsidiaries. No adjustment to tax expense was made on consolidation. Under Ind AS, deferred taxes are also recognised on undistributed profits of subsidiaries.

k) Deferred tax has been recognised on all the adjustments made on transition to Ind AS.

l) Under previous GAAP, non current investments were stated at cost. Where applicable, provision was made to recognise the decline, other than temporary, in valuation of such investments. Under Ind AS 109- 'Financial Instruments', investments in equity instruments (other than investment in Subsidiaries and Joint Ventures which are accounted at cost) have been classified at Fair value through Other Comprehensive Income (FVTOCI) by way of an irrevocable election at the date of transition.

m) Under the previous GAAP, dividends proposed by the Board of Directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the annual general meeting.

- 5 During the year ended on 31.03.2017, balance two units of TLDP-IV HE Project (40MWx4) have been put on commercial operation on 17.07.2016 (3rd unit) and on 19.08.2016 (4th Unit). Further, Wind Power Project-Jaisalmer (50MW) has also been put on commercial operation on 30.09.2016 (midnight).
- 6 Electricity generation (including income from embedded Finance/ Operating leases) is the principal business activity of the Company. Other operations viz., Contracts, Project Management and Consultancy works do not form a reportable segment as per the Ind AS – 108 on 'Operating Segment'. The company is having a single geographical segment as all its power stations are located within the country.
- 7 Till FY 2015-16, the Company had recognized Regulatory Income in accordance with the Guidance Note on Rate Regulated Activities issued by the Institute of Chartered Accountants of India. With effect from FY 2016-17, such rate regulated items are to be accounted for as per Ind AS 114- 'Regulatory Deferral Accounts.' Ind AS 114 allows an entity to continue to apply previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances. Ind AS 114 further provides that for this purpose, Guidance Note of the ICAI on 'Accounting for Rate Regulated Activities' shall be considered to be the previous GAAP. Accordingly, total Regulatory Income (through movement in regulatory deferral account balances) amounting to Rs 33358 Lacs and Rs 71399 Lacs for the quarter and year ended on 31.03.2017 have been recognized in respect of following:-  
 (i) Subansiri Lower Project, where construction activities have been interrupted w.e.f. 16.12.2011 due to protest of anti-dam activists and case pending with National Green Tribunal (NGT) amounting to Rs 13629 Lacs and Rs 51670 Lacs for the quarter and year ended on 31.03.2017.  
 (ii) Expenditure recognised due to recommendations of 3rd PRC for Pay Revision of CPSUs amounting to Rs 19978 Lacs and Rs 19978 Lacs for the quarter and year ended on 31.03.2017 and further recoverable through tariff.  
 (iii) Exchange differences on Foreign Currency Monetary items charged to P&L as per Ind AS but recoverable by through tariff as a part of capital cost of the project, amounting to Rs (249) Lacs and Rs (249) Lacs for the quarter and year ended on 31.03.2017.
- 8(a) Pending approval of tariff for the period 2014-19 by the Central Electricity Regulatory Commission (CERC) as per notification No.L-1/144/2013/CERC dt 21st February 2014, sales have been recognized provisionally as per tariff notified by CERC for the period 2009-14 in respect of Sewa-II, Chamera III, TLDP-III and Parbati-III Power stations. However, pending 'truign up' of the capital cost for the tariff period 2009-14, sales have been reduced by Rs. 1664 Lacs and Rs. 9483 Lacs on estimated basis during the quarter and year ended on 31.03.2017 (corresponding previous quarter Rs. 1568 Lacs and previous year Rs. 10978 Lacs) as an abundant precaution.
- 8(b) Deferred tax liabilities for the period upto 31st March 2009 whenever it materializes is recoverable directly from the beneficiaries and are accounted for on yearly basis. Accordingly current year sale includes Rs. 19287 Lacs (Previous year Rs. 19111 Lacs) on account of deferred tax materialised relating to the tariff period upto 31st March,2009 in terms of Regulation 49 of Tariff Regulation issued vide CERC Notification No. L-1/144/2013-CERC dated 21.02.2014.
- 9 CERC Regulations for the tariff period 2014-19 provide for recovery of income tax from the beneficiaries by way of grossing up of the Return on Equity with effective tax rate of the respective financial year i.e. actual tax paid during the year on the generating income. Accordingly, deferred tax liability created for the quarter and year ended on 31.03.2017 on generating income amounting to Rs 46438 lacs and Rs 35697 lacs respectively is accounted for as deferred tax adjustment against deferred tax liability as the same would get adjusted in effective tax rate in future period.
- 10 In the month of April, 2016, Govt of India (GOI) disinvested 11.36% of the total paid-up equity share capital of the company by selling its 125,76,27,941 shares through Offer for Sale (OFS).Further, GOI disinvested 0.09% of the total paid up capital i.e. 1,02,96,420 number of shares through OFS to employees of the company in the month of November 2016 taking total disinvestment of 11.45% during the FY 2016-17. These resulted into reduction of GOI holding to 74.51% from 85.96%.
- 11 Company completed buyback of 81,13,47,977 number of shares of Rs. 10 each (representing 7.33% of total paid up equity capital as per the financial statements of the company for March 31, 2016) on March 27, 2017, from the shareholders on a proportionate basis by way of a tender offer at a price of Rs. 32.25 per equity share for an aggregate amount of Rs. 2616.60 crore. Now after this buy back, GOI shareholding reduced further from 74.51% to 74.50%.
- 12 CERC (Terms & Conditions of Tariff) Regulations provide for levy of late payment surcharge by generating company in case of delay in payment by beneficiaries beyond 60 days from the date of presentation of bill. Amount due but not recognised on account of surcharge during the quarter and year ended on 31.03.2017 is Rs. 4796 lacs and Rs. 19112 lacs respectively (cumulative amount till 31.03.2017 is Rs. 43521 Lacs) due to significant uncertainties in the timing of its collection from the customers.
- 13 During the quarter, the company has paid an interim dividend @17% of the face value of Rs. 10 per share (Rs. 1.70 per equity share) for the financial year 2016-17. The Board of Directors has recommended final dividend @ 1 % of the face value of Rs. 10 per share (Rs.0.10 per equity share) for the financial year 2016-17. Total dividend (including interim dividend) is Rs 1.80 per equity share.
- 14 Prior to transition to Ind AS, capital expenditure incurred for creation of facilities, over which the company does not have control but creation of which is essential principally for construction of the project, was being charged to 'Expenditure Attributable to Construction (EAC) as a part of Capital Work in Progress (CWIP) on the basis of attributability of such costs to the creation of major assets of the project. With the introduction of IND AS, this accounting treatment is specifically covered under para 9 of Ind AS-16, "Property, Plant & Equipment" which prescribes Unit of Measure approach under which management of an entity is competent to apply its judgement to recognition criteria based on its specific circumstances.
- 15 Other income for quarter and year ended 31.03.2017 includes recovery of late payment surcharge amounting to Rs. NIL and Rs. 44032 Lacs from one of the beneficiaries.
- 16 Employee benefits expenses for the quarter/period ended 31.03.2017 includes Rs. 19978 Lacs which is provided for in the books of accounts towards expected hike in Pay & Allowances and Gratuity based on 3rd Pay Revision Committee recommendations. However Rate regulated income (through Movement in Regulatory Deferral Account balances) has also been created in the books against these expenses as detailed at Note no.7(ii) above.
- 17 All non-convertible bonds of the Company are secured by way of first paripassu charge over certain immovable assets and movable assets of the Company. The available asset cover exceeds the required cover under terms of various issue offer documents.
- 18 The company retained its domestic credit rating of AAA from M/s IRRPL (A Fitch Group Compoany) and International rating of BBB(-) from S&P equivalent to Sovereign Rating of India.
- 19 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].  
 Amount of interest and principal repayments considered in above formula pertain to loans taken for operational power stations. Amount of principal repayments excludes refinancing.

- 20 The company has paid Principal and Interest of Non-Convertible Debentures (NCDs) on due dates as per offer documents. Details of previous due dates of payment of Principal and Interest of NCDs are as below:-

Sr. No.	Particulars	Previous due date	
		Principal	Interest
(i)	BONDS-O Series	31-Mar-17	30-Jun-16
(ii)	BONDS-P Series	1-Feb-17	28-Feb-17
(iii)	BONDS-Q Series	12-Mar-17	12-Mar-17
(iv)	BONDS-R-1 Series	11-Feb-17	11-Feb-17
(v)	BONDS-R-2 Series	11-Feb-17	11-Feb-17
(vi)	BONDS-R-3 Series	Not yet due	11-Feb-17
(vii)	BONDS-S-1 Series	26-Nov-16	26-Nov-16
(viii)	BONDS-S-2 Series	Not yet due	26-Nov-16
(ix)	BONDS-T Series	Not yet due	14-Jul-16
(x)	TAX FREE BONDS-1A Series	Not yet due	1-Apr-16
(xi)	TAX FREE BONDS-1B Series	Not yet due	1-Apr-16
(xii)	TAX FREE BONDS-2A Series	Not yet due	1-Apr-16
(xiii)	TAX FREE BONDS-2B Series	Not yet due	1-Apr-16
(xiv)	TAX FREE BONDS-3A Series	Not yet due	1-Apr-16
(xv)	TAX FREE BONDS-3B Series	Not yet due	1-Apr-16

- 21 Statutory Auditors have included the following matters in Audit Report on the accounts for the year ended 31.03.2017 under "Emphasis of Matter" paragraph, without modifying their opinion in respect of these matters:

(i) Provisions against the expenditure incurred for conducting survey & investigation of projects or being carried forward pending clearances with various authorities,

(ii) Stay from Hon'ble high court of Delhi against implementation of stoppage of Personal Pay Adjustment (fitment benefits) recovery from below Board level Executives,

(iii) Uncertainty related to the outcome of the claims/ arbitration proceedings and lawsuit filed by/ against the Company on/ by contractors and others,

(iv) Various balances which are subject to reconciliation/confirmation and respective consequential adjustments,

(v) Kottibhel-IA project, the fate of which is pending adjudication before the Hon'ble Supreme Court of India.

Matters referred under para (i) to (v) were included by the Statutory Auditors under "Emphasis of Matter" paragraph in the Audit Report for the year ended 31.03.2016 as well.

The above points on which attention has been drawn by the auditors have been addressed as under:-

(i) In the opinion of the management, the projects on which survey & investigation expenditure is incurred are still active and accordingly, the expenditure incurred is being carried forward. However, provision wherever considered necessary has been made in the books,

(ii) In view of the directions of the Hon'ble High Court, Personal Pay Adjustments to the employees is continued to be paid along with the Salary,

(iii) Management has assessed and provided for the probable outflow wherever required as per provisions of Ind AS.

(iv) In the opinion of the management, unconfirmed balances will not have any material impact,

(v) is statement of fact.

- 22 The audited accounts are subject to review by Comptroller and Auditor General of India under section 143 (6) & (7) of the Companies Act, 2013.

- 23 Figures of the quarter ended 31.03.2017 and 31.03.2016 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 relevant financial year.

- 24 Figures for the previous periods have been re-grouped/re-arranged wherever necessary.

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

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

Place : New Delhi  
Date : 30.05.2017