



NHPC LIMITED

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

CIN: L40101HR1975GOI032564

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2017

(₹ in Lacs)

PARTICULARS	Quarter Ended			Half Year Ended		Year Ended
	30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	31.03.2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Revenue from operations						
(a) Sales/ Revenue from operations *	1,97,142	2,32,578	2,36,126	4,29,720	4,54,488	7,19,153
(b) Other operating income	27	173	4,210	200	5,527	7,964
Total Revenue from operations	1,97,169	2,32,751	2,40,336	4,29,920	4,60,015	7,27,117
2 Other Income	51,938	10,526	87,786	62,464	1,04,113	1,45,867
3 Total Income (1+2)	2,49,107	2,43,277	3,28,122	4,92,384	5,64,128	8,72,984
4 Expenses						
(a) Employee benefits	35,991	40,507	33,096	76,498	65,171	1,57,492
(b) Depreciation & amortization	35,048	35,359	34,216	70,407	68,056	1,38,840
(c) Finance Costs	23,562	24,094	27,941	47,656	55,448	1,07,322
(d) Other expenses	49,683	53,612	51,286	1,03,295	1,03,238	1,93,269
Total expenses	1,44,284	1,53,572	1,46,539	2,97,856	2,91,913	5,96,923
5 Profit/(loss) before Exceptional items, Rate Regulated Activities & Tax (3-4)	1,04,823	89,705	1,81,583	1,94,528	2,72,215	2,76,061
6 Exceptional items	-	-	-	-	-	-
7 Profit/(loss) before tax & Rate Regulated Activities (5+6)	1,04,823	89,705	1,81,583	1,94,528	2,72,215	2,76,061
8 Tax expense						
a) Current Tax	17,333	24,192	38,188	41,525	64,048	70,656
b) Adjustments for Income Tax	-	-	(66)	-	(7,282)	(11,699)
c) Deferred Tax	(115)	(657)	(1,160)	(772)	(1,160)	8,944
Total Tax expense (a+b+c)	17,218	23,535	36,962	40,753	55,606	67,901
9 Movement in Regulatory Deferral Account Debit Balances (Net of Tax)	14,259	20,096	10,845	34,355	24,639	71,399
10 Profit for the period from continuing operations (7-8+9)	1,01,864	86,266	1,55,466	1,88,130	2,41,248	2,79,559
11 Other Comprehensive Income (Net of Tax)						
(i) Items that will not be reclassified to profit or loss	2,574	(142)	99	2,432	563	(629)
(ii) Items that will be reclassified to profit or loss	(161)	578	1,141	417	1,519	1,396
12 Total Comprehensive Income for the period (10+11)	1,04,277	86,702	1,56,706	1,90,979	2,43,330	2,80,326
13 Paid-up equity share capital (of Face Value ₹ 10/- per share)	10,25,932	10,25,932	11,07,067	10,25,932	11,07,067	10,25,932
14 Reserves excluding Revaluation Reserves				18,49,000	20,58,310	16,68,281
15 Net worth				28,74,932	31,65,377	26,94,213
16 Paid-up debt capital **				19,00,889	20,22,471	18,92,423
17 Capital redemption reserve				2,04,142	1,23,007	2,04,142
18 Debenture (Bond) redemption reserve				1,60,927	1,32,420	1,60,927
19 Earnings per share before movement in Regulatory Deferral Account Balances						
Basic & Diluted EPS (in ₹)	0.85	0.64	1.31	1.50	1.96	1.88
20 Earnings per share after movement in Regulatory Deferral Account Balances						
Basic & Diluted EPS (in ₹)	0.99	0.84	1.41	1.83	2.18	2.53
21 Debt equity ratio				0.66	0.64	0.70
22 Debt service coverage ratio (DSCR)				5.44	3.38	2.38
23 Interest service coverage ratio (ISCR)				11.24	11.35	8.19

* 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 ASSETS AND LIABILITIES

PARTICULARS	(₹ in Lacs)	
	As at 30th September, 2017 (Unaudited)	As at 31st March, 2017 (Audited)
ASSETS		
(1) NON-CURRENT ASSETS		
a) Property, Plant and Equipment	19,37,521	20,03,858
b) Capital Work In Progress	18,09,418	17,35,013
c) Investment Property	449	449
d) Other Intangible Assets	92,719	93,414
e) Financial Assets		
i) Investments	2,14,395	2,10,032
ii) Loans	36,105	36,096
iii) Other Financial Assets	1,93,129	1,86,383
f) Non Current Tax Assets (Net)	9,343	7,368
g) Other Non Current Assets	1,21,015	1,12,574
(2) CURRENT ASSETS		
a) Inventories	10,598	9,164
b) Financial Assets		
i) Investments	-	-
ii) Trade Receivables	2,13,785	1,49,290
iii) Cash & Cash Equivalents	21,736	5,989
iv) Bank Balances other than Cash & Cash Equivalents	2,34,105	1,47,325
v) Loans	2,624	2,688
vi) Other Financial Assets	2,21,522	1,85,825
c) Current Tax Assets (Net)	-	5,593
d) Other Current Assets	30,308	49,217
TOTAL ASSETS	51,48,772	49,40,278
(3) Regulatory Deferral Account Debit Balances	3,24,794	2,90,432
TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES	54,73,566	52,30,710

PARTICULARS	(₹ in Lacs)	
	As at 30th September, 2017 (Unaudited)	As at 31st March, 2017 (Audited)
EQUITY AND LIABILITIES		
(1) EQUITY		
(a) Equity Share Capital	10,25,932	10,25,932
(b) Other Equity	18,49,000	16,68,281
(2) LIABILITIES		
NON-CURRENT LIABILITIES		
a) Financial Liabilities		
i) Borrowings	17,53,747	17,24,564
ii) Other financial liabilities	2,242	2,563
b) Provisions	50,400	48,693
c) Deferred Tax Liabilities (Net)	92,991	93,849
d) Other non-current Liabilities	1,46,280	1,47,247
(3) CURRENT LIABILITIES		
a) Financial Liabilities		
i) Borrowings	-	30,250
ii) Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	133	428
Total outstanding dues of Creditors other than micro enterprises and small enterprises	18,029	14,280
iii) Other financial liabilities	2,54,091	2,50,099
b) Other Current Liabilities	93,289	75,529
c) Provisions	1,75,777	1,48,995
d) Current Tax Liabilities (Net)	11,655	-
TOTAL EQUITY & LIABILITIES	54,73,566	52,30,710



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Notes:

- 1 The above IND-AS compliant financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in the respective meetings held on 08th November, 2017 and 09th November, 2017 respectively. The same have been reviewed by the Joint Statutory Auditors of the Company as required under Regulation 33 and Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2 In view of seasonal nature of business, the financial results of the current quarter may not be comparable with quarter ended 30th June, 2017.
- 3 Electricity generation (including income from embedded Finance/Operating Leases of Power stations) 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.
- 4 (i) 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 as well as approval of revised cost estimate, 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 'truing up' of the capital cost for the tariff period 2014-19, sales have been reduced by Rs. 2237 Lacs and Rs. 4301 Lacs on estimated basis during the quarter and half year ended on 30.09.2017 (corresponding previous quarter Rs. (-) 134 Lacs and previous half year Rs. 6959 Lacs) as an abundant precaution. Further, pending approval of revised cost estimate, sales in respect of TLDP-IV power station has been recognised as per the tariff order issued by CERC based on original cost estimate.
- (ii) 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, out of deferred tax asset created for the quarter and half year ended on 30.09.2017 on generating income, an amount of Rs 35472 Lacs and Rs. 39174 Lacs respectively (Corresponding previous quarter Rs. 15685 Lacs deferred tax liability and previous half year Rs. 8678 Lacs) is accounted for as deferred tax adjustment against deferred tax asset as the same would get adjusted in effective tax rate in future period.
- (iii) Based on deliberations and subsequent developments in the course of hearing in CERC during the current quarter on the tariff proposal of all 4 units of Parbati-III Power Station, management expects that keeping in view the current water availability and pending commissioning of Parbati-II Project now under construction, revenue of 4th Unit recognised on estimated basis may not be realisable. Accordingly, unbilled revenue of Rs 27622 lacs recognised till 30.06.2017 has been reversed in the books during the current quarter on account of change in estimates.
- 5 CERC (Terms & Conditions of Tariff) Regulations provide for levy of late payment surcharge by generating company in case of delay in payment by customers beyond 60 days from the date of presentation of bill. Amount due but not recognised on account of surcharge during the quarter and half year ended on 30.09.2017 is Rs. 3773 Lacs and Rs. 7070 Lacs (cumulative amount till 30.09.2017 is Rs. 50591 Lacs) due to significant uncertainty in ultimate collection from the customers.
- 6 Employee benefits expense for the quarter and half year ended on 30.09.2017 includes Rs. 3830 Lacs and Rs. 12040 Lacs (Corresponding previous quarter and half year Rs. NIL) which is provided for in the books of accounts towards expected hike in Pay & Allowances and Gratuity based on 3rd Pay Revision Committee recommendations.
- 7 Regulatory Income amounting to Rs. 14259 Lacs and Rs. 34355 Lacs for the quarter and half year ended on 30.09.2017 (Corresponding previous quarter Rs. 10845 Lacs and previous half year Rs. 24639 Lacs) have been recognized in terms of Ind AS 114-Regulatory Deferral Accounts 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 pendency of case before National Green Tribunal (NGT) amounting to Rs. 12068 Lacs and Rs. 24344 Lacs for the quarter and half year ended on 30.09.2017. (Corresponding previous quarter Rs. 10845 Lacs and previous half year Rs. 24639 Lacs). Further, the NGT has given its judgement in its order dated 16th October 2017, which is under examination.
 - (ii) Expenditure recognised due to recommendations of 3rd PRC for Pay Revision of CPSUs amounting to Rs. 2063 Lacs and Rs. 9840 Lacs for the quarter and half year ended on 30.09.2017 which is recoverable through tariff (Corresponding previous quarter and half year Rs. NIL).
 - (iii) Exchange differences on Foreign Currency Monetary items charged to Statement of Profit & Loss as per Ind AS but recoverable through tariff as a part of capital cost of the project, amounting to Rs. 128 Lacs and Rs. 171 Lacs for the quarter and half year ended 30.09.2017 (Corresponding previous quarter and half year Rs. NIL).
- 8 Due to agitation of Gorkha Land supporters in the state of West Bengal, TLDP-III Power Station was under shutdown from 12.07.2017 to 15.09.2017 and TLDP-IV Power Station was under shutdown from 13.07.2017 to 14.09.2017. Impact of shutdown of these Power Stations has resulted in non-recognition of revenue towards Annual Fixed Charges to the tune of Rs 8819 Lacs in respect of TLDP-III and Rs 4890 Lacs in respect of TLDP-IV for the quarter and half year ended 30.09.2017.
- 9 All non-convertible bonds of the Company are secured by way of first pari passu 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.
- 10 The company retained its domestic credit rating of AAA from M/s IRRPL (A Fitch Group Company) and International rating of BBB (-) from S&P and Baa3 from Moody's equivalent to Sovereign Rating of India.
- 11 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-17
(ii)	BONDS-P Series	1-Feb-17	28-Feb-17
(iii)	BONDS-Q Series	12-Mar-17	12-Mar-17
(iv)	BONDS-R Series	11-Feb-17	11-Feb-17
(v)	BONDS-R2 Series	11-Feb-17	11-Feb-17



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(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-17
(x) TAX FREE BONDS-1A Series	Not yet due	1-Apr-17
(xi) TAX FREE BONDS-1B Series	Not yet due	1-Apr-17
(xii) TAX FREE BONDS-2A Series	Not yet due	1-Apr-17
(xiii) TAX FREE BONDS-2B Series	Not yet due	1-Apr-17
(xiv) TAX FREE BONDS-3A Series	Not yet due	1-Apr-17
(xv) TAX FREE BONDS-3B Series	Not yet due	1-Apr-17
(xvi) BONDS-U Series	Not yet due	27-Jun-17
(xvii) BONDS-U1 Series	Not yet due	27-Jun-17

12 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.

13 Subsequent to the recommendation of Board of Directors in its meeting held on 30th May, 2017, the company in its Annual General Meeting held on 27th September, 2017 has approved final dividend of Rs. 0.10 per equity share (face value of Rs. 10/- each) which is in addition to the interim dividend of Rs. 1.70 per equity share paid in FY 2016-17 totalling to Rs. 1.80 per equity share for the Financial year 2016-17.

14 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 are 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) Kottlibhel-IA project, the fate of which is pending adjudication before the Hon'ble Supreme Court of India,

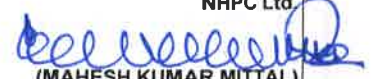
Matters referred under para (i) to (v) above were included by the Statutory Auditors under " Emphasis of Matter" paragraph in the Audit Report for the year ended 31.03.2016 as well.

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) This is a statement of fact. However adequate provision has been made in books of accounts.

15 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 : 09.11.2017

