



**NHPC LIMITED**

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

CIN: L40101HR1975GOI032564

**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER 2017**

(₹ In Lacs)

S.No	PARTICULARS	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	<b>Revenue</b>						
	(a) Sales/ Revenue from operations *	149,793	197,169	130,858	579,713	590,873	727,117
	(b) Other income	56,883	51,938	17,499	119,347	121,612	145,867
	<b>Total Revenue (a+b)</b>	<b>206,676</b>	<b>249,107</b>	<b>148,357</b>	<b>699,060</b>	<b>712,485</b>	<b>872,984</b>
2	<b>Expenses</b>						
	(a) Employee benefits	37,553	35,991	30,875	114,051	96,046	157,492
	(b) Depreciation & amortization	34,692	35,048	35,513	105,099	103,569	138,840
	(c) Finance Costs	22,791	23,562	26,883	70,447	82,331	107,322
	(d) Other expenses	33,812	49,683	37,539	137,107	140,777	193,269
	<b>Total expenses (a+b+c+d)</b>	<b>128,848</b>	<b>144,284</b>	<b>130,810</b>	<b>426,704</b>	<b>422,723</b>	<b>596,923</b>
3	<b>Profit/(loss) before Exceptional items, Rate Regulated Activities &amp; Tax (1-2)</b>	<b>77,828</b>	<b>104,823</b>	<b>17,547</b>	<b>272,356</b>	<b>289,762</b>	<b>276,061</b>
4	Exceptional items	-	-	-	-	-	-
5	<b>Profit/(loss) before tax &amp; Rate Regulated Activities (3+4)</b>	<b>77,828</b>	<b>104,823</b>	<b>17,547</b>	<b>272,356</b>	<b>289,762</b>	<b>276,061</b>
6	<b>Tax expense</b>						
	a) Current Tax	14,947	17,333	6,431	56,472	70,479	70,656
	b) Adjustments for Income Tax	(149)	-	(598)	(149)	(7,880)	(11,699)
	c) Deferred Tax	11,333	(115)	3,647	10,561	2,487	8,944
	<b>Total Tax expense (a+b+c)</b>	<b>26,131</b>	<b>17,218</b>	<b>9,480</b>	<b>66,884</b>	<b>65,086</b>	<b>67,901</b>
7	<b>Movement in Regulatory Deferral Account Debit Balances (Net of Tax)</b>	<b>17,096</b>	<b>14,259</b>	<b>13,402</b>	<b>51,451</b>	<b>38,041</b>	<b>71,399</b>
8	<b>Profit for the period from continuing operations (5-6+7)</b>	<b>68,793</b>	<b>101,864</b>	<b>21,469</b>	<b>256,923</b>	<b>262,717</b>	<b>279,559</b>
9	<b>Other Comprehensive Income (Net of Tax)</b>						
	(i) Items that will not be reclassified to profit or loss	(1,083)	2,574	(477)	1,349	86	(629)
	(ii) Items that will be reclassified to profit or loss	(769)	(161)	316	(352)	1,835	1,396
10	<b>Total Comprehensive Income for the period (8+9)</b>	<b>66,941</b>	<b>104,277</b>	<b>21,308</b>	<b>257,920</b>	<b>264,638</b>	<b>280,326</b>
11	<b>Paid-up equity share capital (of Face Value ₹ 10/- per share)</b>	<b>1,025,932</b>	<b>1,025,932</b>	<b>1,107,067</b>	<b>1,025,932</b>	<b>1,107,067</b>	<b>1,025,932</b>
12	<b>Reserves excluding Revaluation Reserves</b>						<b>1,668,281</b>
13	<b>Earnings per share before movement in Regulatory Deferral Account Balances</b>						
	Basic & Diluted EPS (in ₹)	0.50	0.85	0.07	2.00	2.03	1.88
14	<b>Earnings per share after movement in Regulatory Deferral Account Balances</b>						
	Basic & Diluted EPS (in ₹)	0.67	0.99	0.19	2.50	2.37	2.53

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

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**Notes:**

- 1 The above 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 12th February, 2018. The same have been reviewed by the Joint Statutory Auditors of the Company as required under Regulation 33 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 September, 2017.
- 3 Electricity generation 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. 911 Lacs and Rs. 5212 Lacs on estimated basis during the quarter and nine months ended 31.12.2017 (corresponding previous quarter Rs. 860 Lacs and previous nine months Rs. 7819 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) Sale for the quarter and nine months ended on 31.12.2017 includes Rs. 17747 Lacs (corresponding previous quarter and nine months Rs. NIL) on account of deferred tax materialized 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. Consequently, deferred tax liability for the quarter and nine months ended 31.12.2017 is increased by Rs. 11605 Lacs (corresponding previous quarter and nine months Rs. NIL).  
(iii) 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/(liability) created for the quarter and nine months ended 31.12.2017 on generating income, an amount of Rs (-) 21694 Lacs and Rs. 17480 Lacs respectively (Corresponding previous quarter Rs. 2063 Lacs and previous nine months Rs. 10741 Lacs) is accounted for as deferred tax adjustment against deferred tax asset/(liability) as the same would get adjusted in effective tax rate in future period.  
(iv) 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 currently 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 quarter ended 30.09.2017 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 nine months ended 31.12.2017 is Rs. 3089 Lacs and Rs.10159 Lacs (cumulative amount till 31.12.2017 is Rs. 31859 Lacs) due to significant uncertainty in ultimate collection from the customers.
- 6 Other income for nine months ended 31.12.2017 includes recovery of late payment surcharge amounting to Rs. 23062 Lacs from one of the beneficiaries.
- 7 Employee benefits expense for the quarter and nine months ended 31.12.2017 includes Rs. 6057 Lacs and Rs. 18097 Lacs (Corresponding previous quarter and nine months Rs. NIL) which is provided in the books of accounts towards expected hike in Employee Benefits based on 3rd Pay Revision Committee recommendations.
- 8 Regulatory Income amounting to Rs.17096 Lacs and Rs. 51451 Lacs for the quarter and nine months ended 31.12.2017 (Corresponding previous quarter Rs. 13402 Lacs and previous nine months Rs. 38041 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 pending receipt of report of the committee constituted by Ministry of Environment, Forest and Climate change in reference to the judgment given by National Green Tribunal (NGT) on 16.10.2017, amounting to Rs. 11106 Lacs and Rs. 35450 Lacs for the quarter and nine months ended 31.12.2017 (Corresponding previous quarter Rs. 13402 Lacs and previous nine months Rs. 38041 Lacs).  
(ii) Expenditure recognised due to recommendations of 3rd PRC for Pay Revision of CPSUs amounting to Rs. 6040 Lacs and Rs. 15880 Lacs for the quarter and nine months ended on 31.12.2017 which is recoverable through tariff (Corresponding previous quarter and nine months 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. (-) 50 Lacs and Rs. 121 Lacs for the quarter and nine months ended 31.12.2017 (Corresponding previous quarter and nine months Rs. NIL ).
- 9 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 ended 30.09.2017.
- 10 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 issues/offer documents.
- 11 Board of Directors in its meeting held on 12.02.2018 has declared an interim dividend @11.20% of the face value of Rs. 10 per share ( Rs. 1.12 per equity share) for the financial year 2017-18.
- 12 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.



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(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) Kotlibhel-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.

13 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 12.02.2018

