



NHPC LIMITED

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

CIN: L40101HR1975GOI032564

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2018

(₹ In Lacs)

| PARTICULARS   | Standalone                 |                |                            |                | Consolidated   |                  |
|---|----------------------------|----------------|----------------------------|----------------|----------------|------------------|
|   | Quarter Ended              |                | Year Ended                 |                | Year Ended     |                  |
|   | 31.03.2018                 | 31.12.2017     | 31.03.2017                 | 31.03.2018     | 31.03.2018     | 31.03.2017       |
|   | Audited<br>(Refer Note 18) | Unaudited      | Audited<br>(Refer Note 18) | Audited        |                |                  |
| <b>1 Revenue</b>  |                            |                |                            |                |                |                  |
| (a) Sales/ Revenue from operations *  | 113,690                    | 149,793        | 136,244                    | 693,403        | 727,117        | 862,313          |
| (b) Other Income  | 29,753                     | 56,883         | 24,255                     | 149,100        | 145,767        | 150,276          |
| <b>Total Revenue (a+b)</b>  | <b>143,443</b>             | <b>206,676</b> | <b>160,499</b>             | <b>842,503</b> | <b>872,884</b> | <b>1,012,589</b> |
| <b>2 Expenses</b>   |                            |                |                            |                |                |                  |
| (a) Generation Expenses   | 8,471                      | 9,939          | 14,598                     | 71,639         | 77,367         | 77,515           |
| (b) Employee benefits   | 44,482                     | 37,553         | 61,446                     | 158,533        | 157,484        | 167,807          |
| (c) Finance Costs   | 21,785                     | 22,791         | 24,991                     | 92,232         | 107,322        | 107,344          |
| (d) Depreciation & amortization   | 35,490                     | 34,692         | 35,271                     | 140,589        | 138,840        | 146,175          |
| (e) Other Expenses  | 24,979                     | 23,873         | 37,894                     | 98,918         | 115,810        | 132,557          |
| <b>Total expenses (a+b+c+d+e)</b>   | <b>135,207</b>             | <b>128,848</b> | <b>174,200</b>             | <b>561,911</b> | <b>596,823</b> | <b>631,398</b>   |
| <b>3 Profit/(loss) before Exceptional Items, Rate Regulated Activities, Tax &amp; Share of profit (1-2)</b> | <b>8,236</b>               | <b>77,828</b>  | <b>(13,701)</b>            | <b>280,592</b> | <b>276,061</b> | <b>381,191</b>   |
| 4 Exceptional items   | -                          | -              | -                          | -              | -              | -                |
| <b>5 Profit/(loss) before tax, Rate Regulated Activities &amp; Share of profit (3+4)</b>                    | <b>8,236</b>               | <b>77,828</b>  | <b>(13,701)</b>            | <b>280,592</b> | <b>276,061</b> | <b>381,191</b>   |
| 6 Share of net profit/(loss) from joint venture accounted for using equity method                           | -                          | -              | -                          | -              | (8)            | 274              |
| <b>7 Tax expense</b>  |                            |                |                            |                |                |                  |
| a) Current Tax  | 6,996                      | 14,947         | 177                        | 63,468         | 70,656         | 100,660          |
| b) Adjustments for Income Tax   | (542)                      | (149)          | (3,819)                    | (691)          | (11,699)       | (11,675)         |
| c) Deferred Tax   | 3,371                      | 11,333         | 6,457                      | 13,932         | 8,944          | 16,456           |
| <b>Total Tax expense (a+b+c)</b>  | <b>9,825</b>               | <b>26,131</b>  | <b>2,815</b>               | <b>76,709</b>  | <b>67,901</b>  | <b>105,441</b>   |
| <b>8 Profit for the period before movements in Regulatory Deferral Account Balances</b>                     | <b>(1,589)</b>             | <b>51,697</b>  | <b>(16,516)</b>            | <b>203,883</b> | <b>208,160</b> | <b>276,024</b>   |
| 9 Movement in Regulatory Deferral Account Balances (Net of Tax)   | 20,531                     | 17,096         | 33,358                     | 71,982         | 71,399         | 72,009           |
| <b>10 Profit for the period from continuing operations (8+9)</b>  | <b>18,942</b>              | <b>68,793</b>  | <b>16,842</b>              | <b>275,865</b> | <b>279,559</b> | <b>348,033</b>   |
| <b>11 Other Comprehensive Income (Net of Tax)</b>   |                            |                |                            |                |                |                  |
| (i) Items that will not be reclassified to profit or loss   | (64)                       | (1,083)        | (715)                      | 1,285          | (629)          | (839)            |
| (ii) Items that will be reclassified to profit or loss  | (345)                      | (769)          | (439)                      | (697)          | 1,396          | 1,396            |
| <b>12 Total Comprehensive Income for the period (10+11)</b>   | <b>18,533</b>              | <b>66,941</b>  | <b>15,688</b>              | <b>276,453</b> | <b>280,326</b> | <b>348,590</b>   |
| <b>13 Net Profit attributable to</b>  |                            |                |                            |                |                |                  |
| a) Owners of the company  | 18,942                     | 68,793         | 16,842                     | 275,865        | 279,559        | 302,942          |
| b) Non-controlling interest   | -                          | -              | -                          | -              | -              | 45,091           |
| <b>14 Other comprehensive income attributable to</b>  |                            |                |                            |                |                |                  |
| a) Owners of the company  | (409)                      | (1,852)        | (1,154)                    | 588            | 767            | 659              |
| b) Non-controlling interest   | -                          | -              | -                          | -              | -              | (102)            |
| <b>15 Total comprehensive income attributable to</b>  |                            |                |                            |                |                |                  |
| a) Owners of the company  | 18,533                     | 66,941         | 15,688                     | 276,453        | 280,326        | 303,601          |
| b) Non-controlling interest   | -                          | -              | -                          | -              | -              | 44,989           |
| 16 Paid-up equity share capital (of Face Value ₹ 10/- per share)  | 1,025,932                  | 1,025,932      | 1,025,932                  | 1,025,932      | 1,025,932      | 1,025,932        |
| 17 Reserves excluding Revaluation Reserves  | -                          | -              | -                          | 1,806,883      | 1,668,281      | 1,975,858        |
| 18 Net worth  | -                          | -              | -                          | 2,832,815      | 2,694,213      | 3,001,790        |
| 19 Paid-up debt capital **  | -                          | -              | -                          | 1,832,211      | 1,892,423      | 1,892,423        |
| 20 Capital redemption reserve   | -                          | -              | -                          | 204,142        | 204,142        | 204,142          |
| 21 Debenture (Bond) redemption reserve  | -                          | -              | -                          | 212,955        | 160,927        | 160,927          |
| <b>22 Earnings per share before movement in Regulatory Deferral Account Balances</b>                        |                            |                |                            |                |                |                  |
| Basic & Diluted EPS (in ₹)  | (0.02)                     | 0.50           | (0.15)                     | 1.99           | 1.88           | 2.09             |
| <b>23 Earnings per share after movement in Regulatory Deferral Account Balances</b>                         |                            |                |                            |                |                |                  |
| Basic & Diluted EPS (in ₹)  | 0.18                       | 0.67           | 0.16                       | 2.69           | 2.53           | 2.74             |
| 24 Debt equity ratio  | -                          | -              | -                          | 0.65           | 0.70           | 0.65             |
| 25 Debt service coverage ratio (DSCR)   | -                          | -              | -                          | 3.75           | 2.38           | 2.87             |
| 26 Interest service coverage ratio (ISCR)   | -                          | -              | -                          | 9.76           | 8.19           | 9.86             |

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

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

## STATEMENT OF ASSETS AND LIABILITIES

(₹ in Lacs)

| PARTICULARS  | Standalone                                      |   | Consolidated                                    |   |
|--|---|---|---|---|
|  | As at 31st<br>March, 2018<br>(Audited)          | As at 31st<br>March, 2017<br>(Audited)          | As at 31st<br>March, 2018<br>(Audited)          | As at 31st<br>March, 2017<br>(Audited)          |
| <b>ASSETS</b>  |   |   |   |   |
| <b>(1) NON-CURRENT ASSETS</b>  |   |   |   |   |
| a) Property, Plant and Equipment   | 1,906,644                                       | 2,003,858                                       | 1,925,406                                       | 2,023,844                                       |
| b) Capital Work In Progress  | 1,881,396                                       | 1,735,013                                       | 1,908,712                                       | 1,758,759                                       |
| c) Investment Property   | 449   | 449   | 449   | 449   |
| d) Intangible Assets   | 92,338  | 93,414  | 191,869   | 198,420   |
| e) Investments accounted for using the equity method                                   |   |   | 62,147  | 50,057  |
| f) Financial Assets  |   |   |   |   |
| i) Investments   | 220,956   | 210,032   | 50,329  | 51,941  |
| ii) Trade Receivables  | 18,445  | -   | 30,657  | 27,582  |
| iii) Loans   | 33,988  | 36,096  | 36,041  | 38,187  |
| iv) Others   | 191,523   | 186,383   | 584,495   | 618,662   |
| g) Non Current Tax Assets (Net)  | 16,367  | 7,368   | 21,453  | 11,549  |
| h) Other Non Current Assets  | 127,963   | 112,574   | 129,998   | 114,358   |
| <b>TOTAL NON CURRENT ASSETS</b>  | <b>4,490,069</b>                                | <b>4,385,187</b>                                | <b>4,941,556</b>                                | <b>4,893,808</b>                                |
| <b>(2) CURRENT ASSETS</b>  |   |   |   |   |
| a) Inventories   | 9,577   | 9,164   | 10,468  | 10,080  |
| b) Financial Assets  |   |   |   |   |
| i) Trade Receivables   | 109,707   | 149,290   | 134,604   | 185,401   |
| ii) Cash & Cash Equivalents  | 696   | 5,989   | 2,054   | 7,357   |
| iii) Bank balances other than Cash & Cash Equivalents                                  | 146,543   | 147,325   | 329,852   | 339,889   |
| iv) Loans  | 4,680   | 4,384   | 5,145   | 3,143   |
| v) Others  | 191,942   | 185,825   | 216,809   | 223,817   |
| c) Current Tax Assets (Net)  | 40  | 5,593   | 40  | 7,830   |
| d) Other Current Assets  | 14,218  | 47,321  | 35,944  | 33,146  |
| <b>TOTAL CURRENT ASSETS</b>  | <b>497,403</b>                                  | <b>555,091</b>                                  | <b>734,916</b>                                  | <b>832,863</b>                                  |
| <b>(3) Regulatory Deferral Account Debit Balances</b>                                  | <b>360,046</b>                                  | <b>290,432</b>                                  | <b>362,291</b>                                  | <b>291,042</b>                                  |
| <b>TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES</b>                     | <b>5,347,518</b>                                | <b>5,230,710</b>                                | <b>6,038,763</b>                                | <b>6,017,713</b>                                |
|  |   |   |   |   |
| <b>PARTICULARS</b>   | <b>As at 31st<br/>March, 2018<br/>(Audited)</b> | <b>As at 31st<br/>March, 2017<br/>(Audited)</b> | <b>As at 31st<br/>March, 2018<br/>(Audited)</b> | <b>As at 31st<br/>March, 2017<br/>(Audited)</b> |
| <b>EQUITY AND LIABILITIES</b>  |   |   |   |   |
| <b>(1) EQUITY</b>  |   |   |   |   |
| a) Equity Share Capital  | 1,025,932                                       | 1,025,932                                       | 1,025,932                                       | 1,025,932                                       |
| b) Other Equity  | 1,806,883                                       | 1,668,281                                       | 1,975,858                                       | 1,875,550                                       |
| <b>TOTAL EQUITY</b>  | <b>2,832,815</b>                                | <b>2,694,213</b>                                | <b>3,001,790</b>                                | <b>2,901,482</b>                                |
| <b>(2) Non Controlling Interest</b>  |   |   | 293,491   | 338,224   |
| <b>(3) LIABILITIES</b>   |   |   |   |   |
| <b>NON-CURRENT LIABILITIES</b>   |   |   |   |   |
| a) Financial Liabilities   |   |   |   |   |
| i) Borrowings  | 1,672,820                                       | 1,724,564                                       | 1,672,820                                       | 1,724,564                                       |
| ii) Other financial liabilities  | 3,847   | 2,563   | 3,987   | 2,584   |
| b) Provisions  | 2,547   | 48,693  | 4,066   | 50,558  |
| c) Deferred Tax Liabilities (Net)  | 107,664   | 93,849  | 171,087   | 166,529   |
| d) Other non-current Liabilities   | 162,500   | 147,247   | 285,337   | 277,796   |
| <b>TOTAL NON CURRENT LIABILITIES</b>   | <b>1,949,378</b>                                | <b>2,016,916</b>                                | <b>2,137,297</b>                                | <b>2,222,031</b>                                |
| <b>(4) CURRENT LIABILITIES</b>   |   |   |   |   |
| a) Financial Liabilities   |   |   |   |   |
| i) Borrowings  | 27,999  | 30,250  | 27,999  | 30,250  |
| ii) Trade Payables   |   |   |   |   |
| Total outstanding dues of micro enterprises and small enterprises                      | 529   | 428   | 797   | 632   |
| Total outstanding dues of Creditors other than micro enterprises and small enterprises | 16,626  | 14,280  | 17,581  | 15,127  |
| iii) Other financial liabilities   | 277,881   | 254,963   | 283,226   | 257,567   |
| b) Other Current Liabilities   | 66,986  | 70,665  | 75,486  | 79,162  |
| c) Provisions  | 175,304   | 148,995   | 200,385   | 173,238   |
| d) Current Tax Liabilities (Net)   | -   | -   | 711   | -   |
| <b>TOTAL CURRENT LIABILITIES</b>   | <b>565,325</b>                                  | <b>519,581</b>                                  | <b>606,185</b>                                  | <b>555,976</b>                                  |
| <b>TOTAL EQUITY &amp; LIABILITIES</b>  | <b>5,347,518</b>                                | <b>5,230,710</b>                                | <b>6,038,763</b>                                | <b>6,017,713</b>                                |

## Notes:

- 1 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 28th May, 2018 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:-

| Name of Companies  | Ownership  |            |
|--|------------|------------|
|  | 31.03.2018 | 31.03.2017 |
| <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 #            | 55.39%     | 49.78%     |
| (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. 12236 Lacs in Chenab Valley Power Projects Pvt. Limited as a result of which the company's shareholding increased to 55.39%. However, Chenab Valley Power Projects Pvt. Limited continues to be a Joint Venture owing to control exercised jointly with other Joint Venturer, pursuant to the Joint Venture Agreement.

- 3 In view of the seasonal nature of business, the financial results of the current quarter may not be comparable with quarter ended 31st December, 2017.
- 4 During the year ended on 31.03.2018, company has commissioned 50 MW Solar Power Project in Tamilnadu, of which 25 MW has been commissioned on 01.02.2018 and balance 25 MW on 23.03.2018.
- 5 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.
- 6 Regulatory Income amounting to Rs.20531 Lacs and Rs. 71982 Lacs for the quarter and year ended 31.03.2018 respectively (Corresponding previous quarter Rs. 33358 Lacs and previous year Rs. 71399 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. 12032 Lacs and Rs.47482 Lacs for the quarter and year ended 31.03.2018 respectively.(Corresponding previous quarter Rs. 13629 Lacs and previous year Rs. 51671 Lacs).
- (ii) Expenditure recognised due to recommendations of 3rd PRC for Pay Revision of CPSUs amounting to Rs. 8410 Lacs and Rs. 24290 Lacs for the quarter and year ended on 31.03.2018 respectively which is recoverable through tariff (Corresponding previous quarter Rs. 19978 Lacs and previous year Rs. 19978 Lacs).
- (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. 89 Lacs and Rs. 210 Lacs for the quarter and year ended 31.03.2018 respectively. (Corresponding previous quarter Rs. (-) 250 Lacs and previous year Rs.(-) 250 Lacs).
- 7 (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. 625 Lacs and Rs. 5837 Lacs on estimated basis during the quarter and year ended 31.03.2018 respectively (corresponding previous quarter Rs. 1664 Lacs and previous year Rs. 9483 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) Sales includes Rs. 5916 Lacs and Rs. 23663 Lacs for the quarter and year ended on 31.03.2018 respectively (corresponding previous quarter Rs. 19287 Lacs and previous year Rs. 19287 Lacs) 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 has increased by Rs. 2145 Lacs and Rs. 13750 Lacs for the quarter and year ended 31.03.2018 respectively (corresponding previous quarter Rs. 12612 Lacs and previous year Rs.12612 Lacs)
- (iii) CERC Regulations for the tariff period 2014-19 provide for recovery of income tax from beneficiaries by way of grossing up of Return on Equity with effective tax rate of the respective financial year based on the actual tax paid during the year on the generation income. Accordingly, out of deferred tax liability created on generating income, an amount of Rs (-) 69479 Lacs and Rs (-) 51999 Lacs for the quarter and year ended 31.03.2018 respectively (Corresponding previous quarter Rs. 54439 Lacs and previous year Rs. 43698 Lacs) is accounted for as deferred tax adjustment against deferred tax liability as the same would get adjusted in effective tax rate in future years.
- (iv) Based on deliberations and subsequent developments in the course of hearing in CERC during the current year on the tariff proposal of all 4 units of Parbati-III Power Station, Management expected 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 24486 lacs recognised upto FY 2016-17 has been reversed in the books of accounts during the 2nd quarter of FY 2017-18 on account of change in estimates.
- (v) 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 Power Station and Rs 4890 Lacs in respect of TLDP-IV Power Station for the quarter ended 30.09.2017 and year ended 31.03.2018.
- 8 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 year ended 31.03.2018 is Rs. 3213 Lacs and Rs 9957 Lacs respectively (cumulative amount till 31.03.2018 is Rs. 18842 Lacs) due to significant uncertainty in ultimate collection from the beneficiaries.

- 9 Other income for the quarter and year ended 31.03.2018 includes late payment surcharge of Rs.15442 Lacs and Rs. 38504 Lacs respectively recognised in respect of two of the beneficiaries.
- 10 Employee benefits expense for the quarter and year ended 31.03.2018 includes Rs. 8580 Lacs and Rs. 26677 Lacs respectively (Corresponding previous quarter Rs. 20517 Lacs and year Rs. 20517 Lacs) which is provided in the books of accounts towards expected hike in Employee Benefits based on 3rd Pay Revision Committee recommendations.
- 11 During the quarter, the company has paid 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. The Board of Directors has recommended final dividend @ 2.80 % of the face value of Rs. 10 per share (Rs. 0.28 per equity share) for the financial year 2017-18. Total dividend (including interim dividend) is 14% of the face value of Rs. 10/- per share i.e. Rs 1.40 per equity share.
- 12 All 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.
- 13 The Company has Credit Rating 'AAA' with Stable outlook, assigned by Domestic Credit Rating Agencies for all listed bonds, outstanding as on 31.03.2018. Further, Moody's has upgraded International rating of NHPC 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.
- 14 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:-

| Sr. No. | Particulars              | Previous due date |           |
|---------|--------------------------|-------------------|-----------|
|         |                          | Principal         | Interest  |
| (i)     | BONDS-O Series           | 31-Mar-18         | 31-Mar-18 |
| (ii)    | BONDS-P Series           | 1-Feb-18          | 28-Feb-18 |
| (iii)   | BONDS-Q Series           | 12-Mar-18         | 12-Mar-18 |
| (iv)    | BONDS-R-1 Series         | 11-Feb-18         | 11-Feb-18 |
| (v)     | BONDS-R-2 Series         | 11-Feb-18         | 11-Feb-18 |
| (vi)    | BONDS-R-3 Series         | Not yet due       | 11-Feb-18 |
| (vii)   | BONDS-S-1 Series         | 26-Nov-17         | 26-Nov-17 |
| (viii)  | BONDS-S-2 Series         | Not yet due       | 26-Nov-17 |
| (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 |
| (xviii) | BONDS-V1 Series          | 24-Jan-18         | 24-Jan-18 |

- 15 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.

- 16 Statutory Auditors have included the following matters in Audit Report on the accounts for the year ended 31.03.2018 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) Uncertainty related to the outcome of the claims/ arbitration proceedings and lawsuit filed by/ against the Company on/ by contractors and others,
- (iii) Certain risks and uncertainties might affect the future recovery of Regulatory Deferral Account Balances being created in respect of additional expenditure on Subansiri Lower Project,
- Matters referred under para (i) and (ii) above were included by the Statutory Auditors under " Emphasis of Matter" paragraph in the Audit Report for the year ended 31.03.2017 as well.



Response of the Management to the above points presented in "Emphasis of Matter" is 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) Management has assessed and provided for the probable outflow wherever required as per provisions of Ind AS, and
  - (iii) Rate regulated assets created at this project shall be tested for impairment during FY 2018-19 and impairment loss, if any, shall be recognised accordingly.
- 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 Figures of the quarter ended 31.03.2018 and 31.03.2017 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.
  - 19 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 28.05.2018