

**NHPC LIMITED**

(A Government of India Enterprise)

CIN: L40101HR1975GOI032564

SECTOR-33, FARIDABAD, HARYANA - 121 003

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2018

(₹ in Lakh)

PARTICULARS	Quarter Ended			Year Ended
	30.06.2018	31.03.2018	30.06.2017	31.03.2018
	Unaudited	Audited (Refer Note-11)	Unaudited	Audited
1 Revenue				
(a) Sales/ Revenue from operations *	212,899	113,690	232,751	693,403
(b) Other Income	11,292	29,753	10,455	149,100
Total Revenue (a+b)	224,191	143,443	243,206	842,503
2 Expenses				
(a) Generation Expenses	23,961	8,471	27,751	71,639
(b) Employee benefits	35,201	44,482	40,505	158,533
(c) Finance Costs	22,123	21,785	24,094	92,232
(d) Depreciation & amortization	37,255	35,490	35,359	140,589
(e) Other Expenses	24,694	24,979	25,792	98,918
Total expenses (a+b+c+d+e)	143,234	135,207	153,501	561,911
3 Profit/(loss) before Exceptional items, Rate Regulated Activities & Tax (1-2)	80,957	8,236	89,705	280,592
4 Exceptional items	-	-	-	-
5 Profit/(loss) before tax & Rate Regulated Activities (3+4)	80,957	8,236	89,705	280,592
6 Tax expense				
a) Current Tax	20,954	6,996	24,192	63,468
b) Adjustments for Income Tax	-	(542)	-	(691)
c) Deferred Tax	560	3,371	(657)	13,932
Total Tax expense (a+b+c)	21,514	9,825	23,535	76,709
7 Profit for the period before movements in Regulatory Deferral Account Balances (5-6)	59,443	(1,589)	66,170	203,883
8 Movement in Regulatory Deferral Account Balances (Net of Tax)	14,314	20,531	20,096	71,982
9 Profit for the period from continuing operations (7+8)	73,757	18,942	86,266	275,865
10 Other Comprehensive Income (Net of Tax)				
(i) Items that will not be reclassified to profit or loss	(1,161)	(64)	(142)	1,285
(ii) Items that will be reclassified to profit or loss	(707)	(345)	578	(697)
11 Total Comprehensive Income for the period (9+10)	71,889	18,533	86,702	276,453
12 Paid-up equity share capital (of Face Value ₹ 10/- per share)	1,025,932	1,025,932	1,025,932	1,025,932
13 Reserves excluding Revaluation Reserves				1,806,883
14 Earnings per share before movement in Regulatory Deferral Account Balances				
Basic & Diluted EPS (in ₹)	0.58	(0.02)	0.64	1.99
15 Earnings per share after movement in Regulatory Deferral Account Balances				
Basic & Diluted EPS (in ₹)	0.72	0.18	0.84	2.69

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



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 10th August, 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 the seasonal nature of business, the financial results of the current quarter may not be comparable with quarter ended 31st March, 2018.
- 3 During the quarter ended on 30.06.2018, Company has commissioned 330 MW Kishanganga HE Project in J&K (Unit No.1 of 110 MW on 18.05.2018 and Unit No.2 & 3 of 110 MW each on 24.05.2018).
- 4 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 - 'Operating Segment'. The company is having a single geographical segment as all its power stations are located within the country.
- 5 Regulatory Income amounting to Rs. 14314 Lakh for the quarter ended 30.06.2018 (Corresponding previous quarter Rs. 20096 Lakh) have been recognized in terms of Ind AS 114-Regulatory Deferral Accounts in respect of the 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. 9452 Lakh for the quarter ended 30.06.2018 (Corresponding previous quarter Rs. 12276 Lakh). Management has assessed that the incremental additions to regulatory deferral account balances in respect of the Project meets the level of certainty and prudence required for recognition as per Ind AS 114. Further, impairment testing of the Project has been carried out during the 1st Quarter of FY 2018-19 and there is no impairment in the carrying amount of the assets including regulatory deferral account balances.
 - (ii) Expenditure recognised due to recommendations of 3rd PRC for Pay Revision of CPSUs amounting to Rs. 4744 Lakh for the quarter ended on 30.06.2018 which is recoverable through tariff (Corresponding previous quarter Rs. 7777 Lakh).
 - (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 118 Lakh for the quarter ended 30.06.2018. (Corresponding previous quarter Rs.43 Lakh).
- 6 (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. Further, pending approval of revised cost estimates, 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 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, deferred tax liability created on generating income is accounted for as deferred tax adjustment against deferred tax liability as the same would get adjusted in effective tax rate in future years.
 - (iii) Ind AS 115- "Revenue from Contracts with Customers" has been made applicable w.e.f. 1st April, 2018. The Company has assessed that there is no significant impact of Ind AS 115 on these financial results.
- 7 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 ended 30.06.2018 is Rs. 2468 Lakh (cumulative amount till 30.06.2018 is Rs. 20810 Lakh) due to significant uncertainty in ultimate collection from the beneficiaries.
- 8 During the quarter, revision of pay scales w.e.f. 01.01.2017 has been implemented for the employees in the executive category. Revision of pay scales for supervisor and workmen category is under consideration. Pending finalisation of the same, provision of Rs. 2108 Lakh has been made for the quarter ended 30.06.2018 (corresponding previous quarter Rs. 3744 Lakh).
- 9 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.
- 10 Joint 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) Future recovery of Regulatory Deferral Account Balances being created in respect of additional expenditure on Subansiri Lower Project due to certain risks and uncertainties,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) Refer Note No. 5(i) above regarding Regulatory Deferral Account balances recognised in Subansiri Lower Project.
- 11 Figures of the quarter ended 31.03.2018 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 that financial year.
- 12 Figures for the previous periods have been re-grouped/re-arranged wherever necessary.

For and on behalf of the Board of Directors of
NHPC Limited


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

Place : Faridabad
Date 10.08.2018

