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Jammu Tawi 180001
Jammu & Kashmir

DSP & Associates
Chartered Accountants
783, Desh Bandhu Gupta Road
Near Faiz Road
Karol Bagh
New Delhi- 110005

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Chartered Accountants
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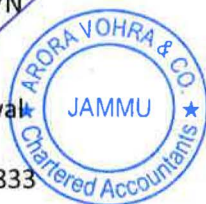
Independent Auditors' Review Report

To the Board of Directors of
NHPC Limited
NHPC Office Complex
Sector-33, Faridabad- 121003

1. We have reviewed the accompanying statement of unaudited Standalone Financial Results of **NHPC Limited** ("the Company") for the Quarter and half year ended on September 30, 2019 ("the Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended ("Listing Regulations 2015"), which has been initialed by us for identification purposes.
2. This Statement which is the responsibility of the Company's Management and has been approved by the Board of Directors has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS - 34") prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, we report that, nothing has come to our attention that causes us to believe that the accompanying Statement read with notes thereon, prepared in accordance with aforesaid Indian Accounting Standards and other recognised accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI Listing Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Arora Vohra & Co
Chartered Accountants
FRN: 09487N


A.K. Aggrawal
Partner
M.No. 013833
UDIN:



19013833 AAAA QD8575
Place: New Delhi
Date: November 11, 2019

For DSP & Associates
Chartered Accountants
FRN: 006791N


Sanjay Jain
Partner
M.No. 084906
UDIN:



19084906 AAAA MI1222

For Lodha & Co
Chartered Accountants
FRN: 301051E


Prashant Khandelwal
Partner
M.No. 056652
UDIN:



19056652 AAAA G2704



NHPC LIMITED
(A Government of India Enterprise)
CIN: L40101HR1975GOI032564
SECTOR-33, FARIDABAD, HARYANA - 121 003

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2019

(Rs. In crore)

S.No	PARTICULARS	Quarter Ended			Half Year Ended		Year Ended
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	(a) Revenue from Operations	2,605.43	2,421.29	2,499.19	5,026.72	4,637.11	8,161.18
	(b) Other Income	499.15	87.16	467.39	586.31	571.38	924.78
	Total Income (a+b)	3,104.58	2,508.45	2,966.58	5,613.03	5,208.49	9,085.96
2	Expenses						
	(a) Purchase of Power - Trading	40.32	-	-	40.32	-	12.68
	(b) Generation Expenses	290.75	286.76	278.37	577.51	517.98	796.85
	(c) Employee Benefits Expense	376.37	357.22	361.09	733.59	713.10	1,704.65
	(d) Finance Costs	252.05	236.56	228.29	488.61	449.52	894.88
	(e) Depreciation and Amortization Expense	385.66	386.60	404.44	772.26	776.99	1,589.99
	(f) Other Expenses	320.04	273.33	258.93	593.37	505.87	1,165.53
	Total expenses (a+b+c+d+e+f)	1,665.19	1,540.47	1,531.12	3,205.66	2,963.46	6,164.58
3	Profit before Exceptional items, Rate Regulated Activities and Tax (1-2)	1,439.39	967.98	1,435.46	2,407.37	2,245.03	2,921.38
4	Exceptional items	-	-	-	-	-	-
5	Profit before tax and Rate Regulated Activities (3+4)	1,439.39	967.98	1,435.46	2,407.37	2,245.03	2,921.38
6	Tax expenses						
	a) Current Tax	172.43	251.15	249.64	423.58	459.18	649.78
	b) Deferred Tax	29.87	34.55	32.31	64.42	13.83	464.45
	Total Tax expense (a+b)	202.30	285.70	281.95	488.00	473.01	1,114.23
7	Profit for the period before movements in Regulatory Deferral Account Balances (5-6)	1,237.09	682.28	1,153.51	1,919.37	1,772.02	1,807.15
8	Movement in Regulatory Deferral Account Balances (Net of Tax)	102.37	198.86	65.00	301.23	184.06	823.40
9	Profit for the period (7+8)	1,339.46	881.14	1,218.51	2,220.60	1,956.08	2,630.55
10	Other Comprehensive Income						
	(a) Items that will not be reclassified to profit or loss	(38.69)	(19.98)	(8.24)	(58.67)	(19.60)	(14.71)
	(b) Income Tax relating to Items that will not be reclassified to profit or loss	(2.96)	(1.42)	0.28	(4.38)	0.53	0.07
	(c) Items that will be reclassified to profit or loss	4.37	5.25	(2.42)	9.62	(11.63)	3.09
	(d) Income Tax relating to Items that will be reclassified to profit or loss	1.02	1.22	(0.57)	2.24	(2.71)	0.72
	Total Other Comprehensive Income (a-b+c-d)	(32.38)	(14.53)	(10.37)	(46.91)	(29.05)	(12.41)
11	Total Comprehensive Income for the period (9+10)	1,307.08	866.61	1,208.14	2,173.69	1,927.03	2,618.14
12	Paid-up equity share capital (of Face Value ₹ 10/- per share)	10,045.03	10,045.03	10,259.32	10,045.03	10,259.32	10,045.03
13	Reserves excluding Revaluation Reserves				20,488.73	19,706.63	19,169.70
14	Net worth				30,533.76	29,965.95	29,214.73
15	Paid-up debt capital *				21,315.34	17,974.19	20,666.99
16	Capital redemption reserve				2,255.71	2,041.42	2,255.71
17	Debenture (Bond) redemption reserve				2,193.35	2,129.55	2,193.35
18	Earning per share (Basic and Diluted) (Equity shares, face value of ₹ 10/- each)						
	- Before movements in Regulatory Deferral Account Balances (in ₹)	1.23	0.68	1.12	1.91	1.73	1.77
	- After movements in Regulatory Deferral Account Balances (in ₹)	1.33	0.88	1.19	2.21	1.91	2.57
19	Debt equity ratio				0.70	0.60	0.71
20	Debt service coverage ratio (DSCR)				4.86	4.47	3.35
21	Interest service coverage ratio (ISCR)				9.60	9.88	7.68

* Comprises long term debts including current maturities thereof.

Statement of Standalone Assets and Liabilities and Statement of Standalone Cash Flows are attached as Annexure-I and Annexure-II respectively.

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Annexure-I

STATEMENT OF STANDALONE ASSETS AND LIABILITIES

(Rs. in crore)

PARTICULARS	As at 30th September, 2019 (Unaudited)	As at 31st March, 2019 (Audited)
ASSETS		
(1) NON-CURRENT ASSETS		
a) Property, Plant and Equipment	21,971.04	22,940.69
b) Capital Work In Progress	15,466.41	14,898.11
c) Right Of Use Assets	1,206.83	-
d) Investment Property	4.49	4.49
e) Intangible Assets	0.92	906.66
f) Financial Assets		
i) Investments	2,494.30	2,361.66
ii) Trade Receivables	37.42	61.51
iii) Loans	772.20	746.41
iv) Others	3,460.24	3,467.16
g) Non Current Tax Assets (Net)	133.79	131.95
h) Other Non Current Assets	2,720.82	2,021.35
TOTAL NON CURRENT ASSETS	48,268.46	47,539.99
(2) CURRENT ASSETS		
a) Inventories	123.42	117.14
b) Financial Assets		
i) Trade Receivables	3,659.94	2,623.09
ii) Cash and Cash Equivalents	357.14	30.72
iii) Bank balances other than Cash and Cash Equivalents	1,090.66	359.91
iv) Loans	43.65	45.18
v) Others	2,349.70	1,984.26
c) Current Tax Assets (Net)	-	61.22
d) Other Current Assets	282.75	355.25
TOTAL CURRENT ASSETS	7,907.26	5,576.77
(3) Regulatory Deferral Account Debit Balances	6,793.84	6,492.61
TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES	62,969.56	59,609.37
EQUITY AND LIABILITIES		
(1) EQUITY		
a) Equity Share Capital	10,045.03	10,045.03
b) Other Equity	20,488.73	19,169.70
TOTAL EQUITY	30,533.76	29,214.73
(2) LIABILITIES		
NON-CURRENT LIABILITIES		
a) Financial Liabilities		
i) Borrowings	17,684.90	17,044.63
ii) Other financial liabilities	2,060.58	2,058.64
b) Provisions	27.38	26.82
c) Deferred Tax Liabilities (Net)	3,672.91	3,610.63
d) Other non-current Liabilities	2,088.15	1,824.98
TOTAL NON CURRENT LIABILITIES	25,533.92	24,565.70
(3) CURRENT LIABILITIES		
a) Financial Liabilities		
i) Borrowings	699.99	406.00
ii) Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	17.84	15.74
Total outstanding dues of Creditors other than micro enterprises and small enterprises	264.47	164.44
iii) Other financial liabilities	3,445.41	2,846.92
b) Other Current Liabilities	1,173.33	1,066.47
c) Provisions	1,253.23	1,329.37
d) Current Tax Liabilities (Net)	47.61	-
TOTAL CURRENT LIABILITIES	6,901.88	5,828.94
TOTAL EQUITY AND LIABILITIES	62,969.56	59,609.37



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NHPC LIMITED
(A Government of India Enterprise)

ANNEXURE-II

CIN: L40101HR1975GOI032564

STATEMENT OF STANDALONE CASH FLOWS FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2019

(₹ in crore)

	For the half year ended 30th September, 2019	For the half year ended 30th September, 2018
	UNAUDITED	UNAUDITED
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax for the year including movements in Regulatory Deferral Account Balance	2708.60	2429.09
Less: Movement in Regulatory Deferral Account Balances	301.23	184.06
Profit before Tax	2407.37	2245.03
ADD :		
Depreciation and Amortisation	772.26	776.99
Finance Costs	488.61	449.52
Provisions (Net loss)	17.18	29.70
Tariff Adjustment (loss)	-	30.32
Sales adjustment on account of Exchange Rate Variation	20.86	38.92
Loss on sale of assets/Claims written off	0.04	0.00
	<u>1298.95</u>	<u>1325.45</u>
	3706.32	3570.48
LESS :		
Advance against Depreciation written back	22.36	30.36
Provisions (Net gain)	0.65	31.50
Profit/(Loss) on Sale of Assets	-	0.91
Dividend Income	265.43	282.47
Interest Income	65.84	15.75
Exchange rate variation	(14.88)	(4.03)
Fair Value Adjustments	(0.79)	(2.04)
Amortisation of Government Grants	14.30	10.69
	<u>352.91</u>	<u>365.61</u>
Cash flow from Operating Activities before Operating Assets and Liabilities adjustments	3353.41	3204.87
Changes in Operating Assets and Liabilities:		
Inventories	(6.31)	(16.07)
Trade Receivables	(1476.48)	(1761.59)
Other Financial Assets, Loans and Advances	(1200.38)	383.77
Other Financial Liabilities and Provisions	729.76	347.06
	<u>(1953.41)</u>	<u>(1046.83)</u>
Cash flow from operating activities before taxes	1400.00	2158.04
Less : Taxes Paid	316.59	231.42
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	1083.41	1926.62
B. CASH FLOW FROM INVESTING ACTIVITIES		
Property, Plant and Equipment, Other Intangible Assets & Expenditure on construction projects (including expenditure attributable to construction forming part of Capital Work in Progress for the year) - Net	(458.19)	(569.38)
Investment in Joint Venture	(143.65)	(99.65)
Dividend Income	265.42	282.47
Interest Income	15.40	3.34
NET CASH USED IN INVESTING ACTIVITIES (B)	(321.02)	(383.22)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend and Tax on Dividend Paid	(854.68)	(289.23)
Proceeds from Borrowings	4740.87	1525.12
Repayment of Borrowings	(3622.87)	(1919.75)
Interest and Finance Charges	(696.82)	(684.10)
Repayment of Lease Liability	(2.47)	-
NET CASH USED IN FINANCING ACTIVITIES (C)	(435.97)	(1367.96)
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	326.42	175.44
Cash and Cash Equivalents at the beginning of the year	30.72	6.96
Cash and Cash Equivalents at the close of the year	357.14	182.40

The above Statement of Cash Flows is prepared in accordance with the Indirect method prescribed in Ind AS 7 - "Statement of Cash Flows".



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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 11th November, 2019. 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 company vary from quarter to quarter.
- 3 Electricity generation is the principal business activity of the Company. Other operations viz., Power Trading, Contracts, Project Management and Consultancy works do not form a reportable segment as per the Ind AS 108 - 'Operating Segment'. The company has a single geographical segment as all its power stations are located within the country.
- 4 Construction activities at Subansiri Lower Project had been interrupted with effect from 16th December, 2011 due to case filed in the National Green Tribunal (NGT) and pending receipt of report of the committee constituted by Ministry of Environment, Forest and Climate Change (MoEF&CC) to technically examine the various reports and studies conducted in the project. The report submitted to the MoEF&CC on 26th March, 2019 by the said Expert Committee had been examined and accepted by the MoEF&CC vide its letter dated 13th June, 2019. Thereafter, vide order dated 31st July 2019, the NGT has held that there is no justification in the petitions of the applicants and accordingly, the cases pending against the project have been dismissed. Consequent upon the said judgment, construction activities at Subansiri Lower Project have resumed from the month of October, 2019. During the current quarter and half-year ended 30th September, 2019, Regulatory Deferral Account (RDA) balances in respect of borrowing cost and administrative costs incurred on the Project amounting to Rs 96.62 Crore and Rs 193.40 Crore respectively (corresponding quarter and half year of the previous year Rs 94.53 crore and Rs 94.53 Crore respectively) have been recognised.
- 5 With effect from 1st April 2019, the Company has adopted Ind AS 116 'Leases' and applied modified retrospective approach to all lease contracts existing as at 1st April 2019. Accordingly, comparatives for the year ended 31st March 2019 have not been restated. Right of use assets and lease liability have been recognised based on the remaining lease period and payments discounted using the incremental borrowing rate as of the date of initial application. Land- Right to Use, Building- Right to Use and other assets have been classified/reclassified and presented as Right of Use assets separately on the Balance Sheet. In the Statement of Profit & Loss for the current period, lease expenses have changed from other expenses and employee benefit expenses to depreciation & amortization expenses for the right-of-use lease assets and finance cost for interest accrued on lease liability. Application of this standard does not have significant impact on the profit for the half year ended 30th September 2019.
- 6 As per CERC Tariff Regulations 2019-24 notified on 7th March 2019, the useful life of Hydro Generating Stations has been changed from 35 years to 40 years. The change in useful life of Power Stations has resulted in a reduction in depreciation expense by Rs. 19.81 Crore and Rs. 40.13 Crore for the current quarter and half year ended 30th September 2019 respectively.
- 7 National Company Law Tribunal (NCLT) had approved the resolution plan submitted by the Company for acquisition of Lanco Teesta Hydro Power Limited (500 MW Teesta VI HE Project) ('Lanco Teesta') for a consideration of Rs. 897.50 Crore, vide order dated 26th July 2019. The purchase consideration has since been paid on 9th October, 2019 and Lanco Teesta Hydro Power Limited has become a wholly owned subsidiary of the Company with effect from the said date.
- 8 In pursuance to Section 115BAA of the Income Tax Act, 1961 announced by Government of India through Taxation Laws (Amendment) Ordinance, 2019, company has an irrevocable option of shifting to a lower tax rate along with consequent reduction in certain tax incentives including lapse of the accumulated MAT credit. The company has not exercised this option for current period and continues to recognize the taxes on income for the quarter and half year ended 30th September 2019 as per the applicable provisions.
- 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 The Company has credit rating 'AAA' with Stable outlook, assigned by domestic credit rating agencies for all listed bonds, outstanding as on 30th September 2019, issued by the company. Further, Moody's has affirmed International rating Baa2 and revised the rating outlook to negative from stable on November 08, 2019 following the change in outlook on India's Baa2 sovereign rating to negative from stable on November 07, 2019. S&P has maintained International Rating BBB(-) with Stable Outlook of the company, equivalent to Sovereign Rating of India.



- 11 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:-

Particulars of Bonds	Previous due date	
	Principal	Interest
BONDS-P Series	1-Feb-19	28-Feb-19
BONDS-Q Series	12-Mar-19	12-Mar-19
BONDS-R-1 Series	11-Feb-19	11-Feb-19
BONDS-R-2 Series	11-Feb-19	11-Feb-19
BONDS-R-3 Series	11-Feb-19	11-Feb-19
BONDS-S-1 Series	26-Nov-18	26-Nov-18
BONDS-S-2 Series	26-Nov-18	26-Nov-18
BONDS-T Series	12-Jul-19	15-Jul-19
TAX FREE BONDS-1A Series	Not yet due	2-Apr-19
TAX FREE BONDS-1B Series	Not yet due	2-Apr-19
TAX FREE BONDS-2A Series	Not yet due	2-Apr-19
TAX FREE BONDS-2B Series	Not yet due	2-Apr-19
TAX FREE BONDS-3A Series	Not yet due	2-Apr-19
TAX FREE BONDS-3B Series	Not yet due	2-Apr-19
BONDS-U Series	Not yet due	27-Jun-19
BONDS-U1 Series	Not yet due	27-Jun-19
BONDS-V1 Series	24-Jan-19	24-Jan-19
BONDS-V2 Series	Not yet due	6-Jun-19
BONDS-W1 Series	13-Sep-19	16-Sep-19
BONDS-W2 Series	Not yet due	16-Sep-19
BONDS-X Series	Not yet due	Not yet due

- 12 Formula used for computation of Ratio:

- 'Debt Service Coverage Ratio' (DSCR) = [Profit before Interest, Depreciation and Tax]/[Principal repayment, excluding payment under put option+Interest]
- 'Interest Service Coverage Ratio' (ISCR) = [Profit before Interest, Depreciation and Tax]/ Interest.

For the calculation of ISCR and DSCR, amount of interest and Principal repayments against the borrowings of the operational projects have been considered in above formulae.

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

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DSP & Associates
Chartered Accountants
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Near Faiz Road
Karol Bagh
New Delhi- 110005

Lodha & Co
Chartered Accountants
14 Government Place East
Kolkata-700069

Independent Auditors' Review Report

To the Board of Directors of
NHPC Limited
NHPC Office Complex
Sector-33, Faridabad- 121003

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results together with Notes thereon of **NHPC Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit/(loss) after tax, Other Comprehensive Income and total comprehensive income / loss of its joint ventures for the quarter and half year ended September 30, 2019 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (" the Listing Regulation 2015") which has been initialled by us for identification purpose. Attention is drawn to the fact that the consolidated figures for the corresponding quarter and half year ended September 30, 2018 and March 31, 2019 as reported in these financial results have been approved by the Parent's Board of Directors but have not been subjected to review.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free from material statement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

Name of the Subsidiaries
1. NHDC Limited
2. Loktak Downstream Hydroelectric Corporation Limited



3. Bundelkhand Saur Urja Limited
Name of the Joint Ventures
1. Chenab Valley Power Projects Private Limited
2. National High Power Test Laboratory Private Limited

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 6 below, we report that nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We did not review the financial results of one subsidiary included in the consolidated unaudited financial results, whose financial results reflect total revenues of Rs. 516.53 crore and Rs. 762.71 crore, total net profit after tax of Rs. 350.11 crore and Rs. 469.44 crore and total comprehensive income of Rs. 350.05 crore and Rs. 469.32 crore for the quarter and half year ended September 30, 2019 respectively, as considered in the consolidated unaudited financial results. These financial results have been reviewed by other auditor whose reports have been furnished to us by the Parent's Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, is based solely on the reports of the other auditor and the procedures performed by us as stated in paragraph 3 above.
7. The consolidated unaudited financial results include the financial results of two subsidiaries which have not been reviewed by their auditors, whose financial results reflect total revenue of Rs. 0.07 and Rs. 0.09 crore, total net profit after tax of Rs. 0.00 crore and Rs. (0.05) crore and total comprehensive Income of Rs. 0.00 crore and Rs. (0.05) crore for the quarter and half year ended September 30, 2019 as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also include the Group's share of net profit after tax of Rs. 1.12 crore and Rs. 2.69 crore and total comprehensive income of Rs. 1.12 and Rs. 2.69 crore for the quarter and half year ended September 30, 2019 as considered in the consolidated unaudited financial results, in respect of two joint ventures, based on their financial results which have not been reviewed by their auditors. According to the information and explanations given to us by the Parent's Management, these financial results are not material to the Group.

Our conclusion on the Statement is not modified in respect of the matter referred to in Para 6 and 7 above.

For Arora Vohra & Co
Chartered Accountants
FRN: 09487N

A.K. Aggrawal
Partner
M.No. 013833
UDIN:



19013833AAAAGE2280

For DSP & Associates
Chartered Accountants
FRN: 006791N

Sanjay Jain
Partner
M.No. 084906
UDIN:



19084906AAAAMJ5472

For Lodha & Co
Chartered Accountants
FRN: 301051E

Prashant Khandelwal
Partner
M.No. 056652
UDIN:



19056652AAAAAH5699

Place: New Delhi

Date: November 11, 2019



NHPC LIMITED
(A Government of India Enterprise)
CIN: L40101HR1975GOI032564
SECTOR-33, FARIDABAD, HARYANA - 121 003

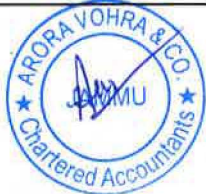
STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2019

(Rs. In crore)

S.No	PARTICULARS	Quarter Ended			Half Year Ended		Year Ended
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	(a) Revenue from Operations	3,068.42	2,609.95	2,697.63	5,678.37	5,017.02	8,982.87
	(b) Other Income	291.93	144.53	245.09	436.46	404.79	863.94
	Total Income (a+b)	3,360.35	2,754.48	2,942.72	6,114.83	5,421.81	9,846.81
2	Expenses						
	(a) Purchase of Power - Trading	40.32	-	-	40.32	-	12.68
	(b) Generation Expenses	294.09	287.58	279.50	581.67	520.96	800.75
	(c) Employee Benefits Expense	415.98	392.71	393.16	808.69	772.49	1,849.93
	(d) Finance Costs	252.12	236.64	228.37	488.76	449.66	895.14
	(e) Depreciation and Amortization Expense	403.14	403.39	421.34	806.53	810.75	1,657.96
	(f) Other Expenses	373.34	300.69	295.71	674.03	568.03	1,319.60
	Total expenses (a+b+c+d+e+f)	1,778.99	1,621.01	1,618.08	3,400.00	3,121.89	6,536.06
3	Profit before Exceptional items, Rate Regulated Activities, Tax and Share of profit (1-2)	1,581.36	1,133.47	1,324.64	2,714.83	2,299.92	3,310.75
4	Exceptional items	-	-	-	-	-	-
5	Profit before tax, Rate Regulated Activities and Share of profit (3+4)	1,581.36	1,133.47	1,324.64	2,714.83	2,299.92	3,310.75
6	Share of net profit from joint venture accounted for using equity method	1.12	1.57	0.35	2.69	1.47	5.24
7	Tax expenses						
	a) Current Tax	233.40	297.53	294.14	530.93	547.36	827.41
	b) Deferred Tax	(44.03)	62.34	16.47	18.31	16.84	496.21
	Total Tax expense (a+b)	189.37	359.87	310.61	549.24	564.20	1,323.62
8	Profit for the period before movements in Regulatory Deferral Account Balances (5+6-7)	1,393.11	775.17	1,014.38	2,168.28	1,737.19	1,992.37
9	Movement in Regulatory Deferral Account Balances (Net of Tax)	64.57	214.10	78.84	278.67	207.73	843.42
10	Profit for the period (8+9)	1,457.68	989.27	1,093.22	2,446.95	1,944.92	2,835.79
11	Other Comprehensive Income						
	(a) Items that will not be reclassified to profit or loss	(38.74)	(20.05)	(7.89)	(58.79)	(19.38)	(14.97)
	(b) Income Tax relating to Items that will not be reclassified to profit or loss	(2.94)	(1.43)	0.27	(4.37)	0.52	0.07
	(c) Items that will be reclassified to profit or loss	4.37	5.25	(2.41)	9.62	(11.62)	3.09
	(d) Income Tax relating to Items that will be reclassified to profit or loss	1.02	1.22	(0.57)	2.24	(2.71)	0.72
	Total Other Comprehensive Income (a-b+c-d)	(32.45)	(14.59)	(10.00)	(47.04)	(28.81)	(12.67)
12	Total Comprehensive Income for the period (10+11)	1,425.23	974.68	1,083.22	2,399.91	1,916.11	2,823.12
13	Net Profit attributable to						
	a) Owners of the company	1,286.38	930.89	1,030.99	2,217.27	1,821.65	2,595.61
	b) Non-controlling interest	171.30	58.38	62.23	229.68	123.27	240.18
14	Other comprehensive income attributable to						
	a) Owners of the company	(32.42)	(14.56)	(10.18)	(46.98)	(28.93)	(12.55)
	b) Non-controlling interest	(0.03)	(0.03)	0.18	(0.06)	0.12	(0.12)
15	Total comprehensive income attributable to						
	a) Owners of the company	1,253.96	916.33	1,020.81	2,170.29	1,792.72	2,583.06
	b) Non-controlling interest	171.27	58.35	62.41	229.62	123.39	240.06
16	Paid-up equity share capital (of Face Value ₹ 10/- per share)	10,045.03	10,045.03	10,259.32	10,045.03	10,259.32	10,045.03
17	Reserves excluding Revaluation Reserves				22,009.10	21,196.69	20,752.78
18	Net worth				32,054.13	31,456.01	30,797.81
19	Paid-up debt capital *				21,316.70	17,974.19	20,666.99
20	Capital redemption reserve				2,255.71	2,041.42	2,255.71
21	Debenture (Bond) redemption reserve				2,193.35	2,129.55	2,193.35
22	Earning per share (Basic and Diluted) (Equity shares, face value of ₹ 10/- each)						
	- Before movements in Regulatory Deferral Account Balances (in ₹)	1.22	0.71	0.93	1.93	1.57	1.71
	- After movements in Regulatory Deferral Account Balances (in ₹)	1.28	0.93	1.00	2.21	1.78	2.54
23	Debt equity ratio				0.67	0.57	0.67
24	Debt service coverage ratio (DSCR)				5.27	4.62	3.61
25	Interest service coverage ratio (ISCR)				10.41	10.19	8.28

* Comprises long term debts including current maturities thereof.

Statement of Consolidated Assets and Liabilities and Statement of Consolidated Cash Flows are attached as Annexure-I and Annexure-II respectively.



Annexure-I

STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES

(Rs. in crore)

PARTICULARS	As at 30th September, 2019 (Unaudited)	As at 31st March, 2019 (Audited)
ASSETS		
(1) NON-CURRENT ASSETS		
a) Property, Plant and Equipment	22,140.95	23,116.24
b) Capital Work In Progress	15,611.08	15,036.80
c) Right Of Use Assets	2,154.59	-
d) Investment Property	4.49	4.49
e) Intangible Assets	0.92	1,855.90
f) Investments accounted for using the equity method	935.45	792.65
g) Financial Assets		
i) Investments	479.19	490.20
ii) Trade Receivables	37.42	61.51
iii) Loans	794.79	770.08
iv) Others	7,462.16	7,453.54
h) Non Current Tax Assets (Net)	147.49	145.87
i) Other Non Current Assets	2,733.80	2,034.11
TOTAL NON CURRENT ASSETS	52,502.33	51,761.39
(2) CURRENT ASSETS		
a) Inventories	131.27	125.18
b) Financial Assets		
i) Trade Receivables	3,697.39	2,838.00
ii) Cash and Cash Equivalents	481.17	43.72
iii) Bank balances other than Cash and Cash Equivalents	2,475.00	2,201.53
iv) Loans	48.10	48.81
v) Others	2,962.24	2,243.10
c) Current Tax Assets (Net)	-	111.85
d) Other Current Assets	294.82	372.73
TOTAL CURRENT ASSETS	10,089.99	7,984.92
(3) Regulatory Deferral Account Debit Balances	7,257.82	6,979.14
TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES	69,850.14	66,725.45
ASSETS		
PARTICULARS		
	As at 30th September, 2019 (Unaudited)	As at 31st March, 2019 (Audited)
<u>EQUITY AND LIABILITIES</u>		
(1) EQUITY		
a) Equity Share Capital	10,045.03	10,045.03
b) Other Equity	22,009.10	20,752.78
TOTAL EQUITY	32,054.13	30,797.81
(2) NON - CONTROLLING INTEREST	2,805.37	2,868.47
(3) LIABILITIES		
<u>NON-CURRENT LIABILITIES</u>		
a) Financial Liabilities		
i) Borrowings	17,685.81	17,044.63
ii) Other financial liabilities	2,061.01	2,059.44
b) Provisions	49.97	46.94
c) Deferred Tax Liabilities (Net)	4,736.85	4,720.68
d) Other non-current Liabilities	3,240.86	2,986.06
TOTAL NON CURRENT LIABILITIES	27,774.50	26,857.75
(4) CURRENT LIABILITIES		
a) Financial Liabilities		
i) Borrowings	699.99	416.00
ii) Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	20.42	19.38
Total outstanding dues of Creditors other than micro enterprises and small enterprises	275.56	176.89
iii) Other financial liabilities	3,496.23	2,896.72
b) Other Current Liabilities	1,272.38	1,158.04
c) Provisions	1,443.95	1,534.39
d) Current Tax Liabilities (Net)	7.61	-
TOTAL CURRENT LIABILITIES	7,216.14	6,201.42
TOTAL EQUITY AND LIABILITIES	69,850.14	66,725.45





NHPC LIMITED
(A Government of India Enterprise)

ANNEXURE - II

CIN: L40101HR1975GOI032564

STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2019

(₹ in crore)

	For the half year ended 30th September, 2019	For the half year ended 30th September, 2018
	UNAUDITED	UNAUDITED
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax for the year including movements in Regulatory Deferral Account Balance	2,996.19	2,493.56
Less: Movement in Regulatory Deferral Account Balances	278.67	192.17
Profit before Tax	2,717.52	2,301.39
ADD :		
Depreciation and Ammortisation	806.53	810.75
Finance Costs	488.76	449.66
Provisons (Net loss)	17.72	32.54
Tariff Adjustment (loss)	9.84	40.61
Sales adjustment of account of Exchange Rate Variation	20.86	38.92
Loss on sale of assets/Claims written off	1.59	-
	<u>1,345.30</u>	<u>1,372.48</u>
	4,062.82	3,673.87
LESS :		
Advance against Depreciation written back	24.19	32.61
Provisons (Net gain)	0.65	31.73
Profit on Sale of Assets \ Realization of Loss	-	0.91
Dividend Income	4.80	5.13
Interest Income	140.94	100.29
Exchange rate variation	(14.88)	(4.03)
Other Adjustments	(0.34)	(1.23)
Fair Value Adjustments	(1.16)	(2.04)
Amortisation of Government Grants	48.48	44.46
Share of Net Profit /(Loss) of Joint Ventures (accounted for using the equity method)	2.70	1.47
	<u>205.38</u>	<u>209.30</u>
Cash flow from Operating Activities before Operating Assets and Liabilities adjustments	3,857.44	3,464.57
Changes in Operating Assets and Liabilities:		
Inventories	(6.13)	(17.09)
Trade Receivables	(1,394.64)	(1,713.98)
Other Financial Assets, Loans and Advances	(1,318.65)	255.80
Other Financial Liabilities and Provisons	717.05	657.36
	<u>(2,002.37)</u>	<u>(817.91)</u>
Cash flow from operating activities before taxes	1,855.07	2,646.66
Less : Taxes Paid	413.31	320.98
NET CASH FROM OPERATING ACTIVITIES (A)	1,441.76	2,325.68
B. CASH FLOW FROM INVESTING ACTIVITIES		
Property, Plant and Equipment, Other Intangible Assets & Expenditure on construction projects (including expenditure attributable to construction forming part of Capital Work In Progress for the year) - Net	(494.13)	(434.91)
Realization/ (Payments) for Investments / Bonds / Bank Deposits	293.94	289.44
Investment in Joint Venture	(140.45)	(99.65)
Dividend Income	4.79	4.80
Interest Income	102.94	107.33
NET CASH USED IN INVESTING ACTIVITIES (B)	(232.91)	(132.99)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Equity proceeds from Non-Controlling Interest	2.50	-
Dividend and Tax on Dividend Paid (including Non-Controlling Interests)	(1,209.21)	(666.94)
Proceeds from Borrowings	4,731.64	1,525.12
Repayment of Borrowings	(3,622.87)	(1,919.75)
Interest and Finance Charges	(696.82)	(684.10)
Repayment of Lease Liability	(2.47)	-
Government Grant Received	25.83	3.00
NET CASH USED IN FINANCING ACTIVITIES (C)	(771.40)	(1,742.67)
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	437.45	450.02
Cash and Cash Equivalents at the beginning of the year	43.72	20.54
Cash and Cash Equivalents at the close of the year	481.17	470.56

The above Statement of Cash Flows is prepared in accordance with the Indirect method prescribed in Ind AS 7 - "Statement of Cash Flows".



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Notes:

- 1 The above consolidated results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in the respective meetings held on 11th November, 2019. 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 Subsidiary and Joint Venture Companies considered in the Consolidated Financial Results are as follows:-
 - a) **Subsidiary Companies:** NHDC Limited, Loktak Downstream Hydroelectric Corporation Limited and Bundelkhand Saur Urja Limited.
 - b) **Joint Venture Companies:** Chenab Valley Power Projects Private Limited and National High Power Test Laboratory Private Limited
- 3 In view of the seasonal nature of business, the financial results of the Group vary from quarter to quarter.
- 4 Electricity generation is the principal business activity of the Group. Other operations viz., Power Trading, Contracts, Project Management and Consultancy works do not form a reportable segment as per the Ind AS 108 - 'Operating Segment'. The Group has a single geographical segment as all its power stations are located within the country.
- 5 Construction activities at Subansiri Lower Project had been interrupted with effect from 16th December, 2011 due to case filed in the National Green Tribunal (NGT) and pending receipt of report of the committee constituted by Ministry of Environment, Forest and Climate Change (MoEF&CC) to technically examine the various reports and studies conducted in the project. The report submitted to the MoEF&CC on 26th March, 2019 by the said Expert Committee had been examined and accepted by the MoEF&CC vide its letter dated 13th June, 2019. Thereafter, vide order dated 31st July 2019, the NGT has held that there is no justification in the petitions of the applicants and accordingly, the cases pending against the project have been dismissed. Consequent upon the said judgment, construction activities at Subansiri Lower Project have resumed from the month of October, 2019. During the current quarter and half-year ended 30th September, 2019, Regulatory Deferral Account (RDA) balances in respect of borrowing cost and administrative costs incurred on the Project amounting to Rs 96.62 Crore and Rs 193.40 Crore respectively (corresponding quarter and half year of the previous year Rs 94.53 crore and Rs 94.53 Crore respectively) have been recognised.
- 6 With effect from 1st April 2019, the Group has adopted Ind AS 116 'Leases' and applied modified retrospective approach to all lease contracts existing as at 1st April 2019. Accordingly, comparatives for the year ended 31st March 2019 have not been restated. Right of use assets and lease liability have been recognised based on the remaining lease period and payments discounted using the incremental borrowing rate as of the date of initial application. Land- Right to Use, Building- Right to Use and other assets have been classified/reclassified and presented as Right of Use assets separately on the Balance Sheet. In the Consolidated Statement of Profit & Loss for the current period, lease expenses have changed from other expenses and employee benefit expenses to depreciation & amortization expenses for the right-of-use lease assets and finance cost for interest accrued on lease liability. Application of this standard does not have significant impact on the profit for the half year ended 30th September 2019.
- 7 As per CERC Tariff Regulations 2019-24 notified on 7th March 2019, the useful life of Hydro Generating Stations has been changed from 35 years to 40 years. The change in useful life of Power Stations has resulted in a reduction in depreciation expense by Rs. 20.07 Crore and Rs. 40.65 Crore for the current quarter and half year ended 30th September 2019 respectively.
- 8 National Company Law Tribunal (NCLT) had approved the resolution plan submitted by the Company for acquisition of Lanco Teesta Hydro Power Limited (500 MW Teesta VI HE Project) ('Lanco Teesta') for a consideration of Rs. 897.50 Crore, vide order dated 26th July 2019. The purchase consideration has since been paid on 9th October, 2019 and Lanco Teesta Hydro Power Limited has become a wholly owned subsidiary of the Company with effect from the said date.
- 9 In pursuance to Section 115BAA of the Income Tax Act, 1961 announced by Government of India through Taxation Laws (Amendment) Ordinance, 2019, company has an irrevocable option of shifting to a lower tax rate along with consequent reduction in certain tax incentives including lapse of the accumulated MAT credit. The company has not exercised this option for current period and continues to recognize the taxes on income for the quarter and half year ended 30th September 2019 as per the applicable provisions.
- 10 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.
- 11 The Company has credit rating 'AAA' with Stable outlook, assigned by domestic credit rating agencies for all listed bonds, outstanding as on 30th September 2019, issued by the company. Further, Moody's has affirmed International rating Baa2 and revised the rating outlook to negative from stable on November 08, 2019 following the change in outlook on India's Baa2 sovereign rating to negative from stable on November 07, 2019. S&P has maintained International Rating BBB(-) with Stable Outlook of the company, equivalent to Sovereign Rating of India.

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- 12 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:-

Particulars of Bonds	Previous due date	
	Principal	Interest
BONDS-P Series	1-Feb-19	28-Feb-19
BONDS-Q Series	12-Mar-19	12-Mar-19
BONDS-R-1 Series	11-Feb-19	11-Feb-19
BONDS-R-2 Series	11-Feb-19	11-Feb-19
BONDS-R-3 Series	11-Feb-19	11-Feb-19
BONDS-S-1 Series	26-Nov-18	26-Nov-18
BONDS-S-2 Series	26-Nov-18	26-Nov-18
BONDS-T Series	12-Jul-19	15-Jul-19
TAX FREE BONDS-1A Series	Not yet due	2-Apr-19
TAX FREE BONDS-1B Series	Not yet due	2-Apr-19
TAX FREE BONDS-2A Series	Not yet due	2-Apr-19
TAX FREE BONDS-2B Series	Not yet due	2-Apr-19
TAX FREE BONDS-3A Series	Not yet due	2-Apr-19
TAX FREE BONDS-3B Series	Not yet due	2-Apr-19
BONDS-U Series	Not yet due	27-Jun-19
BONDS-U1 Series	Not yet due	27-Jun-19
BONDS-V1 Series	24-Jan-19	24-Jan-19
BONDS-V2 Series	Not yet due	6-Jun-19
BONDS-W1 Series	13-Sep-19	16-Sep-19
BONDS-W2 Series	Not yet due	16-Sep-19
BONDS-X Series	Not yet due	Not yet due

- 13 Formula used for computation of Ratio:

- 'Debt Service Coverage Ratio' (DSCR) = [Profit before Interest, Depreciation and Tax]/[Principal repayment, excluding payment under put option+Interest]
- 'Interest Service Coverage Ratio' (ISCR) = [Profit before Interest, Depreciation and Tax]/ Interest.

For the calculation of ISCR and DSCR, amount of interest and Principal repayments against the borrowings of the operational projects have been considered in above formulae.

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

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

Place : New Delhi
Date : 11.11.2019


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

