



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 HALF YEAR ENDED 30TH SEPTEMBER 2016

(₹ in Lacs)

PARTICULARS	Quarter Ended			Half Year Ended	
	30.09.2016 Unaudited	30.06.2016 Unaudited	30.09.2015 Unaudited	30.09.2016 Unaudited	30.09.2015 Unaudited
1 Income from operations					
(a) Sales/ Income from operations *	235,167	216,604	233,315	451,771	431,348
(b) Other operating income	5,169	3,075	1,175	8,244	3,309
Total Income from operations	240,336	219,679	234,490	460,015	434,657
2 Expenses					
(a) Employee benefits	33,096	32,075	27,483	65,171	54,203
(b) Depreciation & amortization	34,216	33,840	33,572	68,056	67,051
(c) Water usage charges	26,420	25,798	25,731	52,218	49,786
(d) Other	24,866	26,154	26,046	51,020	49,640
Total expenses	118,598	117,867	112,832	236,465	220,680
3 Profit from operations before other income, finance costs and exceptional items (1-2)	121,738	101,812	121,658	223,550	213,977
4 Other Income	87,786	16,327	35,880	104,113	57,485
5 Profit from ordinary activities before finance costs and exceptional items (3+4)	209,524	118,139	157,538	327,663	271,462
6 Finance Costs	27,941	27,507	27,228	55,448	54,607
7 Profit from ordinary activities after finance costs but before exceptional items (5-6)	181,583	90,632	130,310	272,215	216,855
8 Exceptional items	-	-	-	-	-
9 Profit from ordinary activities before rate regulated income and tax (7-8)	181,583	90,632	130,310	272,215	216,855
10 Rate Regulated Income/ (Expenditure)	10,845	13,794	13,427	24,639	26,927
11 Profit before tax from ordinary activities (9+10)	192,428	104,426	143,737	296,854	243,782
12 Tax expense					
a) Current Tax	38,188	25,860	28,193	64,048	49,150
b) Adjustments relating to earlier years	(66)	(7,216)	(2,375)	(7,282)	(2,375)
c) Deferred Tax	(1,160)	-	(3,648)	(1,160)	(4,377)
Total Tax expense (a+b+c)	36,962	18,644	22,170	55,606	42,398
13 Net Profit after tax from ordinary activities (11-12)	155,466	85,782	121,567	241,248	201,384
14 Extraordinary items (net of tax expense)	-	-	-	-	-
15 Net Profit for the period (13-14)	155,466	85,782	121,567	241,248	201,384
16 Other Comprehensive Income (Net of Tax)	1,240	842	(261)	2,082	(3,042)
17 Total Comprehensive Income (15+16)	156,706	86,624	121,306	243,330	198,342
18 Paid-up equity share capital (of Face Value ₹ 10/- per share)	1,107,067	1,107,067	1,107,067	1,107,067	1,107,067
19 Net worth				3,165,377	3,062,634
20 Paid-up debt capital **				2,022,471	2,082,178
21 Debenture redemption reserve				132,420	124,789
22 Basic & Diluted EPS					
Earnings per share before Regulatory Income (in ₹) (Equity shares, face value of ₹ 10/- each) (not annualized):					
Basic & Diluted EPS	1.31	0.65	0.98	1.96	1.58
Earnings per share after Regulatory Income (in ₹) (Equity shares, face value of ₹ 10/- each) (not annualized):					
Basic & Diluted EPS	1.41	0.77	1.10	2.18	1.82
23 Debt equity ratio				0.64	0.68
24 Debt service coverage ratio (DSCR)				3.38	4.79
25 Interest service coverage ratio (ISCR)				11.35	10.39

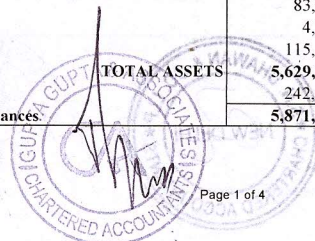
* Net Sales includes proportionate amount of Advance against Depreciation written back.

** Comprises long term debts including current maturities thereof.

STATEMENT OF ASSEST AND LIABILITIES

(₹ in Lacs)

PARTICULARS	As at 30th September, 2016 (Unaudited)
ASSETS	
(1) NON-CURRENT ASSETS	
a) Property Plant & Equipment	2,029,182
b) Capital Work In Progress	1,702,615
c) Investment Property	449
d) Other Intangible Assets	81,540
e) Financial Assets	
i) Investments	207,549
ii) Trade Receivables	-
iii) Loans	61,442
iiii) Others	161,116
f) Other Non Current Assets	141,375
(2) CURRENT ASSETS	
a) Inventories	9,010
b) Financial Assets	
i) Investments	8,457
ii) Trade Receivables	341,636
iii) Cash & Cash Equivalents	51,809
iv) Bank balances other than (iii) above	609,804
v) Loans	19,798
vi) Others	83,815
c) Current Tax Assets (Net)	4,223
d) Other Current Assets	115,488
(3) Regulatory Deferral Account Debit Balances	242,671
Total assets and regulatory deferral account debit balances	5,871,979



(₹ in Lacs)	
PARTICULARS	As at 30th September, 2016 (Unaudited)
<u>EQUITY AND LIABILITIES</u>	
(1) <u>EQUITY</u>	
(a) Equity Share Capital	1,107,067
(b) Other Equity	2,058,310
(2) <u>LIABILITIES</u>	
<u>NON-CURRENT LIABILITIES</u>	
a) <u>Financial Liabilities</u>	
i) Borrowings	1,851,986
ii) Trade Payables	-
iii) Other financial liabilities other than those specified in item i & ii	2,973
b) Provisions	41,012
c) Deferred Tax Liabilities (Net)	67,013
d) Other non-current Liabilities	154,027
(3) <u>CURRENT LIABILITIES</u>	
a) <u>Financial Liabilities</u>	
i) Borrowings	-
ii) Trade Payables	15,081
iii) Other financial liabilities (other than those specified in item i & ii)	332,277
b) Other Current Liabilities	109,273
c) Provisions	104,977
d) Current Tax Liabilities (Net)	27,983
TOTAL EQUITY & LIABILITIES	5,871,979

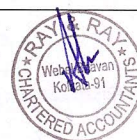
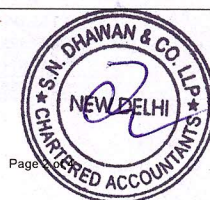
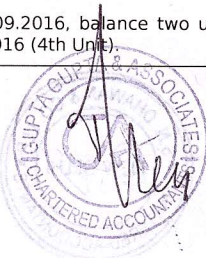
Notes:

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in their meetings held on 17th November, 2016 and 18th November 2016 respectively. Joint Statutory Auditors of the Company have carried out Limited Review of the results for the current quarter & half year and of the corresponding previous quarter & half year.
- (a) The Company has adopted Indian Accounting Standards ("Ind AS") from 1st April, 2016 and accordingly, these financial results have been prepared in accordance with Companies (Indian Accounting Standard) Rules, 2015 as prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules framed thereunder and the other accounting principles generally accepted in India. Consequently, results for the quarter/half year ended 30th Sept 2015 have been restated to comply with Ind AS to make them comparable.
In pursuance of SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016, the Company has presented financial results for the current quarter & half year ended 30th September, 2016 and corresponding previous quarter & half year ended 30th September, 2015. Accordingly these statements do not include figures for the previous year ended 31st March, 2016.
- (b) Reconciliation of the standalone financial results under Ind AS and as reported under previous Generally Accepted Accounting Principles (GAAP) for the quarter & half year ended 30th September, 2015 are summarised as below:

(₹ in Lacs)			
Particulars	Ref. to Notes.	Quarter ended 30.09.2015	Half-Year ended 30.09.2015
(i) Net Profit after Tax as per previous Indian GAAP		118,087	194,804
(ii) Impact of arrangements/contracts containing a lease.	a	2,560	4,540
(iii) Net Gain/(Loss) on financial assets/ financial liabilities	b	(704)	(771)
(iv) Reclassification of actuarial gains/(losses) in respect of employee benefit schemes through OCI	c	(353)	680
(v) Impact of Prior Period expenses transferred to Opening reserves	d	(1,261)	(1,207)
(vi) Change in policy for recognition of Property, Plant & Equipment (PPE)	e	45	145
(vii) Tax adjustments		3,193	3,193
(viii) Net Profit after Tax as reported under Ind AS		121,567	201,384
Other Comprehensive Income		-	-
- Remeasurements of employees defined benefit plans	c	230	(445)
- Investment in Equity Instruments	f	(1,101)	(2,566)
- Investment in Debt Instruments	f	610	(31)
(viii) Total Other Comprehensive Income (Net of Tax)		(261)	(3,042)
(ix) Total Comprehensive Income (TCI)		121,306	198,342

Notes to reconciliation:

- Property, Plant and Equipment (PPE) containing a lease arrangement have been de-recognized and shown at fair value as lease receivable as per Ind AS 17- Leases.
 - The Company has valued financial assets (other than investment in Subsidiaries and Joint Ventures which are accounted for at cost) and financial liabilities at fair value. Impact of fair value changes as on the date of transition, is recognised in opening reserves and changes thereafter are recognised in Statement of Profit and Loss or Other Comprehensive Income, as the case may be.
 - Under previous GAAP, actuarial gains/losses were recognised in Statement of Profit & Loss. Under Ind AS, the same is recognised in Other Comprehensive Income.
 - Prior period errors in respect of items of income/expenditure relating to periods before the date of transition to Ind AS have been adjusted against opening reserves as per Ind AS 8- "Accounting Policies, Changes in Accounting Estimates & Errors."
 - Impact of change in accounting policy for spares qualifying as asset as per Ind AS 16- 'Property, Plant & Equipment' on the date of transition has been recognised in opening reserves and changes thereafter are recognised in Statement of Profit and Loss.
 - Under previous GAAP, non current investments were stated at cost. Where applicable, provision was made to recognise the decline, other than temporary, in valuation of such investments. Under Ind AS 109- 'Financial Instruments', investments in equity instruments (other than investment in Subsidiaries and Joint Ventures which are accounted at cost) have been classified at Fair value through Other Comprehensive Income (FVTOCI) by way of an irrevocable election at the date of transition.
- In view of seasonal nature of business, the financial results of the current quarter may not be comparable with previous quarter of current year.
 - During the quarter ended on 30.09.2016, balance two units of TLDP-IV HE Project (40MWx4) have been put on commercial operation on 17.07.2016 (3rd unit) and 19.08.2016 (4th Unit).

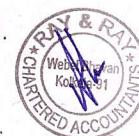


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5. Electricity generation is the principal business activity of the Company. Other operations viz., Contract, Project Management and Consultancy Works do not form a reportable segment as per Ind AS 108- 'Operating Segments' specified under Section 133 of the Companies Act, 2013. The operations of the Company are mainly carried out within the country and therefore Geographical Segments are not applicable.
6. Till FY 2015-16, the Company had recognized Regulatory Income in accordance with the Guidance Note on Rate Regulated Activities issued by the Institute of Chartered Accountants of India. With effect from FY 2016-17, such rate regulated items are to be accounted for as per Ind AS 114- 'Regulatory Deferral Accounts.' Ind AS 114 allows an entity to continue to apply previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances. Ind AS 114 further provides that for this purpose, Guidance Note of the ICAI on 'Accounting for Rate Regulated Activities' shall be considered to be the previous GAAP. Accordingly, Regulatory Income amounting to ₹10845 Lacs and ₹ 24639 Lacs for the quarter and half year ended on 30.09.2016 (cumulative upto 30.09.2016 ₹ 242671 Lacs) have been recognized in respect of Subansiri Lower Project, where construction activities have been interrupted w.e.f. 16.12.2011 due to protest of anti-dam activists and case pending with National Green Tribunal (NGT).
7. 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, sales have been recognized provisionally as per tariff notified by CERC for the period 2009-14 in respect of Sewa-II, Chamara-III, Chutak, TLDP-III and Parbati-III Power stations. However, pending 'truing up' of the capital cost for the tariff period 2009-14, sales have been reduced by ₹ (-) 134 Lacs and ₹ 6959 Lacs on estimated basis during the quarter and half year ended on 30.09.2016 (corresponding previous quarter ₹ 3616 Lacs and previous half year ₹ 7197 Lacs) as an abundant precaution.
8. 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, deferred tax assets created for the quarter and half ended on 30.09.2016 on generating income amounting to ₹ 15685 lacs and ₹ 8678 lacs respectively is accounted for as deferred tax adjustment against deferred tax liability as the same would get adjusted in effective tax rate in future period.
9. All non-convertible bonds of the Company are secured by way of first pari passu charge over certain immovable assets and movable assets of the Company. The available asset cover exceeds the required cover under terms of various issue offer documents.
10. The company retained its domestic credit rating of AAA from M/s IRRPL (A Fitch Group Company) and International rating of BBB(-) from S&P equivalent to Sovereign Rating of India.
11. The company has paid Principal and Interest of Non-Convertible Debentures (NCDs) on due dates as per offer documents. Details of previous due dates of payment of Principal and Interest of NCDs are as below:-

Particulars	Previous due date	
	Principal	Interest
BONDS-O Series	31-Mar-16	30-Jun-16
BONDS-P Series	1-Feb-16	29-Feb-16
BONDS-Q Series	12-Mar-16	12-Mar-16
BONDS-R-1 Series	11-Feb-16	11-Feb-16
BONDS-R-2 Series	11-Feb-16	11-Feb-16
BONDS-R-3 Series	Not yet due	11-Feb-16
BONDS-S-1 Series	26-Nov-15	26-Nov-15
BONDS-S-2 Series	Not yet due	26-Nov-15
BONDS-T Series	Not yet due	14-Jul-16
TAX FREE BONDS-1A Series	Not yet due	1-Apr-16
TAX FREE BONDS-1B Series	Not yet due	1-Apr-16
TAX FREE BONDS-2A Series	Not yet due	1-Apr-16
TAX FREE BONDS-2B Series	Not yet due	1-Apr-16
TAX FREE BONDS-3A Series	Not yet due	1-Apr-16
TAX FREE BONDS-3B Series	Not yet due	1-Apr-16
Bonds -U Series	Not yet due	Not yet due
Bonds -U1 Series	Not yet due	Not yet due

12. Formula used for computation of Ratio:
a. 'Debt Service Coverage Ratio' (DSCR) = [Profit before Interest, Depreciation and Tax]/(Principal repayment, excluding payment under put option+Interest)]
b. 'Interest Service Coverage Ratio' (ISCR) = [Profit before Interest, Depreciation and Tax/ Interest].
- Amount of interest and principal repayments considered in above formula pertain to loans taken for operational power stations.
13. The company in its Annual General Meeting held on 22nd September, 2016 has declared final dividend of ₹ 0.58 per equity share (face value of ₹ 10/- each) which is in addition to the interim dividend of ₹ 0.92 per equity share paid in FY 2015-16 totalling to ₹ 1.50 per equity share for the Financial year 2015-16.
14. Comptroller and Auditor General of India during supplementary audit of the Financial Statements for F.Y. 2015-16 had commented upon the significant accounting policy no. 2.3.4 of the Company regarding accounting treatment of Enabling Assets. This comment has been addressed as under:-
During 2015-16, Companies (Accounting Standard) Amendment Rules 2016 which includes revised AS 10- 'Property, Plant & Equipment (PPE)' has been notified by the Ministry of Corporate Affairs on 30.03.2016. Para 17 of revised AS-10 provides that cost of an item of PPE includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Similar para (9.1) existed in earlier AS-10- 'Accounting for Fixed Assets' also. Para-9 of revised AS-10 prescribes the "Unit of Measure Approach". The Unit of Measure approach has been further clarified vide para 6 of appendix A to the Exposure Draft of revised AS-10 issued by the ICAI. Combined reading of Para 17 & Para 9 of revised AS-10 supports the accounting treatment being followed by the Company as regards enabling assets. Further, Ind AS-16, Property, Plant & Equipment, applicable from 01.04.2016, also prescribes the attributability as well as "Unit of Measure approach". Though MCA has clarified vide Circular No. 04/2016 dt. 27.04.2016 that applicability of the revised standard is for accounting periods commencing on or after the date of notification (30.03.2016), revised AS-10 contains transitional provisions. Hence accounting treatment of enabling assets as followed upto 31st March 2016 is correct and continued to follow.
15. CERC (Terms & Conditions of Tariff) Regulations provide for levy of late payment surcharge by generating company in case of delay in payment by beneficiaries beyond 60 days from the date of presentation of bill. An amount of ₹ 36926 lacs is due but not recognised on account of surcharge till 30.09.2016 due to significant uncertainties in the timing of its collection from the customers.
16. Other income for the quarter and half year ended on 30.09.2016 includes recovery of late payment surcharge amounting to ₹ 44032 Lacs from one of the beneficiaries.



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- 17 Expenditure incurred for conducting survey & investigation of Bursar and Kotlibhel (IA, IB & II) projects during the quarter & Half year ended on 30.09.2016 has been provided for ₹ 1545 Lacs and ₹ 2967 Lacs respectively, as an abundant precaution due to the uncertainties attached. Accordingly a total provision for ₹51915 Lacs has been made on these projects for the expenditure incurred upto 30.09.2016.
- 18 Statutory Auditors have included the following matters in Audit Report on the accounts for the year ended 31.03.2016 under "Emphasis of Matter" paragraph, without modifying their opinion in respect of these matters:
- (i) Stay from Hon'ble high court of Delhi against implementation of stoppage of Personal Pay Adjustment(fitment benefits) recovery from below Board level Executives,
 - (ii) Provisions against the expenditure incurred for conducting survey & investigation of projects or being carried forward pending clearances with various authorities,
 - (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,
 - (vi) Capital expenditure incurred for creation of facilities i.e. enabling assets is charged to Expenditure Attributable to Construction (EAC).

Matters referred under para (i) to (v) were included by the Statutory Auditors under " Emphasis of Matter" paragraph in the Audit Report for the year ended 31.03.2015 as well.

The above points on which attention has been drawn by the auditors have been addressed as under:-

- (i) 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,
 - (ii) 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,
 - (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) & (vi) are statements of fact.
- 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.



(JAYANT KUMAR)
DIRECTOR (FINANCE)
DIN -03010235

Place : New Delhi
Date : 18.11.2016

