



एनएचपीसी लिमिटेड

(भारत सरकार का उद्यम)

NHPC Limited

(A Government of India Enterprise)

फोन/Phone : _____

दिनांक/Date : **30.05.2017**

संदर्भ सं./Ref. No **NH/CS/199/**

<p>Manager The Listing Department, M/s BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001</p> <p>मैनेजर लिस्टिंग विभाग, बीएसई लिमिटेड पि.जे. टावर्स, दलाल स्ट्रीट, मुंबई- 400 001</p> <p>Scrip Code: 533098 Email:- corp.relations@bseindia.com</p>	<p>General Manager The Listing Department M/s National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra(E) Mumbai- 400051</p> <p>महा प्रबंधक लिस्टिंग विभाग, नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड एक्सचेंज प्लाजा, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (ई), मुंबई - 400 051</p> <p>Scrip Code: NHPC EQ Email:- cmlist@nse.co.in</p>
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ISIN No. INE848E01016

Sub: Standalone/Consolidated Financial Results of NHPC Limited for the quarter/year ended 31st March, 2017 and recommendation of final dividend for the financial year 2016-17.

विषय: एनएचपीसी लिमिटेड के 31.03.2017 को समाप्त हुई तिमाही/वार्षिक के स्टैंडअलोन /कंसोलिडेटेड वित्तीय परिणाम और वित्त वर्ष 2016-17 के लिए अंतिम लाभांश की संस्तुति ।

Sirs/महोदय,

In continuation to our today's letter dated 30th May, 2017, kindly find enclosed auditor's report on the standalone/consolidated financial results of the Company for the quarter and year ended 31st March, 2017. A copy of the approved financial results along with auditor's report thereon is enclosed herewith for information and necessary action please. The Statutory Auditors have issued unmodified opinion on standalone and the consolidated financial statements of the Company for the year ended 31st March, 2017

Further, it is reiterated that the Board of Directors has recommended a final dividend @ 18% of Face Value of Rs. 10/- per share (Rs 1.80 per equity share) on the paid up share capital of the Company for the financial year 2016-17. This is inclusive of the interim dividend @ 17% of Face Value of Rs 10/- per share i.e. Rs 1.70 per Equity Share for the FY 2016-17, declared in the meeting of board of directors held on 12.01.2017.

The dividend shall be paid /dispatched within the period as stipulated in Companies Act, 2013.

धन्यवाद |

संगलन: ऊपरोक्त अनुसार

भवदीय,

(विजय गुप्ता)
कंपनी सचिव
30/05/2017

M/s S. N. Dhawan & Co LLP
Chartered Accountants
410, Ansal Bhawan
16, Kasturba Gandhi Marg
New Delhi -110 001

M/s Gupta Gupta & Associates
Chartered Accountants
142/3 Trikuta Nagar
Jammu – 180012
Jammu & Kashmir

M/s Ray & Ray
Chartered Accountants
Webel Bhavan, Ground Floor
Block EP & GP, Salt Lake, Sector V
Kolkata – 700 091

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NHPC LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **NHPC LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the



auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, its profit (financial performance including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the standalone Ind AS financial statements:

- a) Note no. 2.2 para 2 to the standalone Ind AS financial statements regarding expenditure incurred for conducting survey and investigation on projects either provided for on account of uncertainty about the outcome or being carried forward pending clearance with various authorities.
- b) Note No. 22 para 1 to the standalone Ind AS financial statements regarding the stay from Hon'ble High Court of Delhi against the implementation of stoppage of Personal Pay Adjustment (fitment benefits) recovery from below Board level executives.
- c) Note No. 34 para 1 to the standalone Ind AS financial statements, regarding the uncertainty related to the outcome of the claims/ arbitration proceedings and lawsuit filed by/ against the Company on/ by contractors and others. In some of the cases the arbitration award has been decided against the Company/ lost in lower courts and the company is pursuing the matter in higher courts. Management does not envisage any possible outflow in respect of decisions against the company other than those already provided for in the books of account.
- d) Note No. 34 para 13 to the standalone Ind AS financial statements regarding the various balances which are subject to reconciliation / confirmation and respective consequential adjustments.
- e) Note No. 34 para 28 to the standalone Ind AS financial statements regarding Kotlibhel-IA project, the fate of which depends upon suit pending adjudication before the Hon'ble Supreme Court of India.

Our opinion is not modified in respect of these matters.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the Order.
2. The Comptroller and Auditor General of India has issued directions indicating the areas to be examined in terms of sub-section (5) of Section 143 of the Act, the compliance of which is set out in "Annexure B".
3. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.
 - (e) in terms of Notification No. G.S.R. 463(E) dated 05th June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Act regarding disqualification of directors, are not applicable to the Company;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C"; and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 read with Companies (Audit & Auditors) Amendment Rules 2017, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 34 Para 1 to the standalone Ind AS financial statements;
 - (ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) there has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) the Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period



from 8th November, 2016 to 30th December, 2016 in Note 34 para 17 to the standalone Ind AS financial statements. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company.

For S. N. Dhawan & Co LLP For Gupta Gupta & Associates

Chartered Accountants
(FR No: 000050N/N500645)



(S.K. Khattar)
Partner
M. No. 084993

Chartered Accountants
(FR No: 001728N)



(Vasu Gupta)
Partner
M. No. 537545

For Ray & Ray

Chartered Accountants
(FR No:301072E)



(B.K. Ghosh)
Partner
M. No. 051028

Place: New Delhi
Date: May 30, 2017

Annexure A referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date:-

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

(b) The Property, Plant and Equipment, except in case of land in certain units, have been physically verified by the management /outside agencies. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and nature of its assets. As per the information given to us by the management, no material discrepancies as compared to book records were noticed in respect of Property, Plant and Equipment physically verified during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except for the following.

Total no of cases	Type of asset	Gross block as at 31.03.2017	Net block as at 31.03.2017	Remarks
10	Freehold land	Rs. 9.96 Crore	Rs. 9.96 Crore	158.31 Hectares of land
10	Leasehold Land	Rs. 310.04 Crore	Rs. 270.83 Crore	627.25 Hectares of land

- ii. The inventories have been physically verified during the year by the management / outside agencies. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on physical verification of inventories as compared to book records were not material and the same have been properly dealt with in the books of account.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- iv. In our opinion and according to information and explanations given to us, the Company has, in respect of loans, investments, guarantees, and security, complied with the provisions of section 185 and 186 of the Act.
- v. The Company has not accepted any deposits within the meaning of sections 73 to 76 or any other relevant provisions of the Act. However, pursuant to meeting of ACB held on 27th May 2017, the Management vide its letter no. NH/CS/433 dated 29th May 2017 has represented to Ministry of Corporate Affairs seeking clarification/exemption on applicability of the Ministry of Corporate Affairs (MCA) notification no. G.S.R. 639(E) dated 29.06.2016. It has contended that its security deposits are in the form of retention money for the performance of the contract for supply of goods and provision of services and accordingly, not to be treated as deemed deposits by virtue of amendment in rule 2, in sub rule (1), in clause (c) by Companies (Acceptance of Deposits) Amendment Rules 2016. The management has stated that for any contrary decision then exemption be granted for Financial Year 2016-17 with assurance to comply with directions of Ministry of Corporate Affairs henceforth.
- vi. The Company has made and maintained cost accounts and records specified by the Central Government under section 148 (1) of the Act. However, we have not made a detailed examination of these accounts and records with a view to determine whether they are accurate or complete.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, have generally been regularly deposited with the appropriate authorities. We are



informed that the Employees' State Insurance Scheme is not applicable to the Company. According to the information and explanations given to us, no undisputed demand payable in respect of aforesaid statutory dues was in arrears, as at 31st March, 2017 for a period of more than six months from the date they became payable except the following:

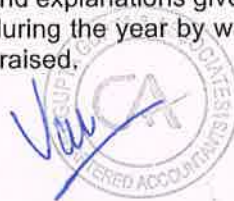
Name of the Statute	Amount (Rs. In Crores)	Due date of Remittance	Remarks
Service Tax	0.40 (including interest)	12.09.2014	NIL
Entry Tax	0.14	Instant	Provision made in view of Supreme Court Judgement.

b) According to the information and explanations given to us and as per the records of the Company, the following dues of income tax, sales tax/VAT, duty of customs, service tax, property tax & consumption tax have not been deposited on account of dispute.

Name of the Statute	Nature of Duties	Amount (Rs. In Crores)	Year to which it pertains	Forum at which case is pending
Income Tax Act, 1961	Income Tax	1.27	2010-11	CIT (A), Faridabad
		0.92	2011-12	CIT (A), Faridabad
		7.15	2014-15	CIT (A), Faridabad
Sales Tax Acts/VAT Act	Sales Tax/VAT	266.77	1994-95	J&K Sales Tax Appellate Tribunal
		5.26	2005-06 to 2009-10	Assistant Excise & taxation Commissioner, Kullu
		19.42	2004-05 to 2012-13	ACST West Bengal Sales Tax Department
Finance Act, 1996	Service Tax	14.12	2010-11	CBEC
		25.16	2012-13	CESTAT, Kolkata
Custom Act, 1963	Duty of Custom	0.26	1986-87	Calcutta High Court
The Jammu & Kashmir Urban Immovable Property Tax Act, 1962	Property Tax	0.19	1991-97, 1997-2002, 1989-2004, 1995-2004	Sales tax Tribunal, Jammu
Uttarakhand State Govt.	Water Cess	34.73	2015-16	Nainital High Court
Uttarakhand State Govt.	Green Energy Cess	20.17	2015-16	Nainital High Court
WB State Tax on Consumption of Use of Goods Act, 2001	Consumption Tax	0.06	2003-04, 2004-05, 2005-06	Calcutta High Court

viii. Based on our audit procedures and as per the information and explanations given to us by the management, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank, government and dues to debenture holders.

ix. In our opinion and as per the information and explanations given to us by the management, the Company has applied the money raised during the year by way of debt instruments and term loans for the purpose for which they were raised.



- x. Based on our audit procedures and as per the information and explanations given to us by the management, no fraud by the Company or any fraud on the Company, by any person including its officers/ employees, has been noticed or reported during the year.
- xi. In view of exemption given vide in terms of Notification No. G.S.R. 463(E) dated 05th June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 read with schedule V of the Act regarding managerial remuneration, are not applicable to the Company.
- xii. According to the information and explanations given to us by the management, the Company is not a Nidhi Company. Therefore, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us by the management and on the basis of our examination of the records of the Company transactions with related parties are in compliance with the provisions of section 177 and 188 of the Act, where applicable and the details of such transactions have been disclosed in the notes to the financial statements as required by the applicable accounting standards.
- xiv. Based on our audit procedures and as per the information and explanations given to us by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv. In our opinion and as per the information and explanations given to us by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For S. N. Dhawan & Co LLP

Chartered Accountants

(FR No: 000050N/N5000)



(S.K. Khattar)

Partner

M. No. 084993



For Gupta Gupta & Associates

Chartered Accountants

(FR No: 001728N)



(Vasu Gupta)

Partner

M. No. 537545



For Ray & Ray

Chartered Accountants

(FR No:301072E)



(B.K. Ghosh)

Partner

M. No. 051028



Place: New Delhi

Date: May 30, 2017

Annexure B referred to in paragraph 2 under the heading "Report on Other Legal and Regulatory Requirements "of our Report of even date.

Sr. No.	Directions	Reply
1	Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	All freehold and leasehold lands have clear titles/lease deeds except for 158.31 and 627.25 hectares respectively.
2	Whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	There is one case where claims amounting to Rs. 34,650/- being recoverable, has been written off.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Government or other authorities.	In our opinion, the company is maintaining proper records for inventories lying with third parties. As informed, the company has not received any assets as gift/grant(s) from Government or other authorities.

For S. N. Dhawan & Co LLP

Chartered Accountants

(FR No: 000050N/NE00045)



(S.K. Khattar)
Partner

M. No. 084993

For Gupta Gupta & Associates

Chartered Accountants

(FR No: 001728N)



(Vasu Gupta)
Partner

M. No. 537545

For Ray & Ray

Chartered Accountants

(FR No:301072E)



(B.K. Ghosh)
Partner

M. No. 051028

Place: New Delhi

Date: May 30, 2017

Annexure C referred to in paragraph 3(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date:-

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **NHPC LIMITED** ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act..

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles including the Indian Accounting Standards (Ind AS). A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting



Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For S. N. Dhawan & Co LLP
Chartered Accountants

(FR No: 000050N/N500045)



(S.K. Khattar)

Partner

M. No. 084993

For Gupta Gupta & Associates
Chartered Accountants

(FR No: 001728N)



(Vasu Gupta)

Partner

M. No. 537545

For Ray & Ray
Chartered Accountants

(FR No:301072E)



(B.K. Ghosh)

Partner

M. No. 051028

Place: New Delhi

Date: May 30, 2017

M/s S.N. Dhawan & Co LLP
Chartered Accountants
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Jammu & Kashmir

M/s Ray & Ray
Chartered Accountants
Webel Bhavan, Ground Floor
Block EP & GP, Salt Lake, Sector V,
Kolkata – 700 091

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NHPC LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **NHPC LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entities comprising the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash flows and the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material



misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports and the financial statements/financial information certified by the Management referred to in sub-paragraphs (a) & (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated state of affairs (financial position) of the Group and jointly controlled entities as at 31st March, 2017, their consolidated profit(financial performance including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.



Emphasis of Matter

We draw attention to the following matters in the Notes to the consolidated Ind AS financial statements:

- a) Note No. 2.2 para 2 to the consolidated Ind AS financial statements regarding expenditure incurred for conducting survey and investigation on projects either provided for on account of uncertainty about the outcome or being carried forward pending clearance with various authorities.
- b) Note No. 22 para 1 to the consolidated Ind AS financial statements regarding the stay from Hon'ble High Court of Delhi against the implementation of stoppage of Personal Pay Adjustment (fitment benefits) recovery from below Board level executives.
- c) Note No. 34 para 3 to the consolidated Ind AS financial statements, regarding the uncertainty related to the outcome of the claims/ arbitration proceedings and lawsuit filed by/ against the Company on/ by contractors and others. In some of the cases the arbitration award has been decided against the company/ lost in lower courts and the company is pursuing the matter in higher courts. Management does not envisage any possible outflow in respect of decisions against the company other than those already provided for in the books of account.
- d) Note No. 34 para 18 to the consolidated Ind AS financial statements about the various balances which are subject to reconciliation / confirmation and respective consequential adjustments.
- e) Note No. 34 para 33 to the consolidated Ind AS financial statements about the Kotlibhel-IA project, the fate of which depends upon suit pending adjudication before the Hon'ble Supreme Court of India.

Other Matters

- a) We did not audit the Ind AS financial statements/financial information of the following subsidiaries and jointly controlled entities whose Ind AS financial statements / financial information reflect the details given below of total assets as at 31st March 2017, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the consolidated Ind AS financial statements:



(Rs. in crores)

Name of the Companies	Net Assets	Net Revenues	Net Cash Flows
Subsidiaries:			
NHDC Limited	7802.31	1395.14	(212.47)
Loktak Downstream Hydroelectric Corporation Limited (LDHC Ltd)	47.93	1.88	(0.005)
Bundelkhand Saur Urja Limited (BSUL)	9.62	0.04	0.04
Joint Venture:			
Chenab Valley Power Projects (P) Limited (CVPPPL)	10.60	(0.03)	-
Total	7870.46	1397.03	

These Ind AS financial statements /financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements ,in so far as relates to the amounts and disclosure included in respect of these subsidiaries and jointly controlled entities and our report in terms of sub-sections (3) and (11) of Section143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entities is based solely on the reports of the other auditors.

- b) We did not audit the Ind AS financial statements/financial information of National High Power Test Laboratory Private Limited Joint Venture, whose Ind AS financial statements/financial information reflect the details given below of total assets as at 31st March 2017, total revenues and net cash flows for the year ended on that date, as considered in the consolidated Ind AS financial statements.

(Rs. in crores)

Name of the Companies	Net Assets	Net Revenues	Net Cash Flows
Joint Venture:			
National High Power Test Laboratory Private Limited (NHPTL)	(0.43)	0.03	-
Total	(0.43)	0.03	-



These Ind AS financial statements/financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this Joint Venture, and our report in terms of sub section (3) of section 143 of the Act in so far as it relates to the aforesaid Joint Venture is based solely on such unaudited Ind AS financial statements/financial information. In our opinion and according to the information and explanations given to us by the management, these Ind AS financial statements/financial information are not material to the group.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Ind AS financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate Ind AS financial statements and the other financial information of the subsidiaries and jointly controlled entities, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of cash flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.
 - e) In terms of Notification No. G.S.R. 463(E) dated 05th June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Act regarding disqualification of directors, are not applicable to the Group and jointly controlled entities.



- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate Ind AS financial statements as also the other financial information of Jointly Controlled Entities, as noted in the 'Other Matters' paragraph:
- i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled entities – Refer Note 34, para 3 to the consolidated Ind AS financial statements.
 - ii) The Group and its jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and jointly controlled entities incorporated in India.
 - iv) The Group and its jointly controlled entities have provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 in Note 34 para 22 to the consolidated Ind AS financial statements. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Group.

For S. N. Dhawan & Co LLP
Chartered Accountants
(FR No: 000050N/N500045)




(S.K. Khattar)
Partner
M. No. 084993

For Gupta Gupta & Associates
Chartered Accountants
(FR No: 001728N)




(Vasu Gupta)
Partner
M. No. 537545

For Ray & Ray
Chartered Accountants
(FR No:301072E)




(B.K. Ghosh)
Partner
M. No. 051028

Place: New Delhi
Date: May 30, 2017

Annexure A referred to in paragraph 1(f) under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date:-

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended 31st March, 2017, we have audited the internal financial controls over financial reporting of **NHPC Limited** (hereinafter referred to as “the Holding Company”) and its subsidiary companies and its jointly controlled entities which are companies incorporated in India as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, subsidiary companies and its jointly controlled entities, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles including the Indian Accounting Standards (Ind AS). A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, subsidiary companies and its jointly controlled entities, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.



Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to three subsidiary companies and two jointly controlled entities, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For S. N. Dhawan & Co LLP
Chartered Accountants
(FR No: 000050N/N500045)


(S.K. Khattar)
Partner



M. No. 084993

For Gupta Gupta & Associates
Chartered Accountants
(FR No: 001728N)


(Vasu Gupta)
Partner



M. No. 537545

For Ray & Ray
Chartered Accountants
(FR No:301072E)


(B.K. Ghosh)
Partner



M. No. 051028

Place: New Delhi

Date: May 30, 2017



एनएचपीसी लिमिटेड
(भारत सरकार का उद्यम)

NHPC Limited
(A Government of India Enterprise)

फोन/Phone : _____

दिनांक/Date : _____

संदर्भ सं./Ref. No. _____

NH/CS/199/

30.05.2017

<p>Manager The Listing Department, M/s BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001</p> <p>मैनेजर लिस्टिंग विभाग, बीएसई लिमिटेड पि.जे. टावरम, दलाल स्ट्रीट, मुंबई- 400 001</p> <p>Scrip Code: 533098 Email:- corp.relations@bseindia.com</p>	<p>General Manager The Listing Department M/s National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra(E) Mumbai- 400051</p> <p>महा प्रबंधक लिस्टिंग विभाग, नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड एक्सचेंज प्लाजा, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (ई), मुंबई - 400 051</p> <p>Scrip Code: NHPC EQ Email:- cmlist@nse.co.in</p>
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ISIN No. INE848E01016

Sub: Standalone/Consolidated Financial Results of NHPC Limited for the quarter/year ended 31st March, 2017 and recommendation of final dividend for the financial year 2016-17.

विषय: एनएचपीसी लिमिटेड के 31.03.2017 को समाप्त हुई तिमाही/वार्षिक के स्टैंडअलोन /कंसोलिडेटेड वित्तीय परिणाम और वित्त वर्ष 2016-17 के लिए अंतिम लाभांश की संस्तुति ।

Sirs/महोदय,

Please refer to our earlier letter dated 23rd May, 2017. It is to inform that the Board of Directors of NHPC Limited in its meeting held today i.e. Tuesday, 30th May, 2017 (commenced at 2.30 P.M and concluded at 5:45 P.M) has considered and approved the standalone/consolidated financial results of the Company for the quarter and year ended 31st March, 2017. A copy of the approved financial results is enclosed herewith for information and necessary action please. The auditor's report thereon shall be sent shortly.

Further, it is also to inform that the Board of Directors in said meeting has recommended a final dividend @ 18% of Face Value of Rs. 10/- per share (Rs 1.80 per equity share) on the paid up share capital of the Company for the financial year 2016-17. This is inclusive of the interim dividend @ 17% of Face Value of Rs 10/- per share i.e. Rs 1.70 per Equity Share for the FY 2016-17, declared in the meeting of board of directors held on 12.01.2017.

The dividend shall be paid /dispatched within the period as stipulated in Companies Act, 2013.

धन्यवाद ।

संगलन: उपरोक्त अनुसार

भवदीय,

(विजय गुप्ता)
कंपनी सचिव

पंजीकृत कार्यालय : एन एच पी सी ऑफिस कॉम्प्लैक्स, सैक्टर-33, फरीदाबाद - 121003, हरियाणा
Regd. Office : NHPC Office Complex, Sector-33, Faridabad - 121 003, Haryana
CIN : L40101HR1975GOI032564; Website : www.nhpcindia.com; E-mail :
webmaster@nhpc.nic.in; Fax : 0129-2277941; EPABX No. : 0129-2588110/2588500



NHPC LIMITED

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

CIN: L40101HR1975GOI032564

STATEMENT OF STANDALONE AND CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2017

(* In Lacs)

PARTICULARS	Standalone				Consolidated	
	Quarter Ended		Year Ended		Year Ended	
	31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016	31.03.2017
	Audited (Refer Note 23)	Unaudited	Audited (Refer Note 23)	Audited		
1 Revenue from operations						
(a) Sales/ Revenue from operations *	1,33,759	1,30,906	1,62,246	7,19,153	7,29,993	8,41,647
(b) Other operating income	2,485	(48)	1,641	7,964	5,307	20,666
Total Revenue from operations	1,36,244	1,30,858	1,63,887	7,27,117	7,35,300	8,62,313
2 Other Income	24,255	17,499	23,101	1,45,867	99,207	1,50,378
3 Total Income (1+2)	1,60,499	1,48,357	1,86,988	8,72,984	8,34,507	10,12,691
4 Expenses						
(a) Employee benefits	61,446	30,875	32,467	1,57,492	1,15,836	1,67,816
(b) Depreciation & amortization	35,271	35,513	34,320	1,38,840	1,35,907	1,46,175
(c) Water usage charges	13,330	9,292	12,516	74,840	77,111	74,840
(d) Finance Costs	24,991	26,883	26,077	1,07,322	1,07,210	1,07,344
(e) Other expenses	39,162	28,247	63,055	1,18,429	1,35,483	1,35,325
Total expenses	1,74,200	1,30,810	1,68,435	5,96,923	5,71,547	6,31,500
5 Profit(loss) before Exceptional items, Rate Regulated Activities, Tax & share of profit (3-4)	(13,701)	17,547	18,553	2,76,061	2,62,960	3,81,191
6 Exceptional items	-	-	-	-	-	-
7 Profit(loss) before tax & Rate Regulated Activities (5+6)	(13,701)	17,547	18,553	2,76,061	2,62,960	3,81,191
8 Share of net profit(loss) from joint venture accounted for using equity method	-	-	-	-	-	274
9 Tax expense						
a) Current Tax	177	6,431	14,326	70,656	74,497	1,00,530
b) Adjustments for Income Tax	(3,819)	(598)	8	(11,699)	(2,367)	(11,675)
c) Deferred Tax	6,457	3,647	(5,357)	8,944	2,931	16,456
Total Tax expense (a+b+c)	2,815	9,480	8,977	67,901	75,061	1,05,311
10 Movement in Regulatory Deferral Account Debit Balances (Net of Tax)	33,358	13,402	14,972	71,399	55,090	71,879
11 Profit for the period from continuing operations (7+8-9+10)	16,842	21,469	24,548	2,79,559	2,42,989	3,48,033
12 Other Comprehensive Income (Net of Tax)	(1,154)	(161)	1,606	767	324	557
13 Total Comprehensive Income for the period (11+12)	15,688	21,308	26,154	2,80,326	2,43,313	3,48,590
14 Net Profit attributable to						
a) Owners of the company	16,842	21,469	24,548	2,79,559	2,42,989	3,02,942
b) Non-controlling interest	-	-	-	-	-	45,091
15 Other comprehensive income attributable to						
a) Owners of the company	(1,154)	(161)	1,606	767	324	659
b) Non-controlling interest	-	-	-	-	-	(102)
16 Total comprehensive income attributable to						
a) Owners of the company	15,688	21,308	26,154	2,80,326	2,43,313	3,03,601
b) Non-controlling interest	-	-	-	-	-	44,989
17 Paid-up equity share capital (of Face Value ₹ 10/- per share)	10,25,932	11,07,067	11,07,067	10,25,932	11,07,067	10,25,932
18 Reserves excluding Revaluation Reserves				16,68,281	18,69,048	18,75,550
19 Net worth				26,94,213	29,76,115	29,01,481
20 Paid-up debt capital **				18,92,423	19,93,822	18,92,423
21 Capital redemption reserve				2,04,142	1,23,007	2,04,142
22 Debenture (Bond) redemption reserve				1,60,927	1,32,420	1,60,927
23 Earnings per share before movement in Regulatory Deferral Account Balances						
Basic & Diluted EPS (in ₹)	(0.15)	0.07	0.09	1.88	1.70	2.09
Earnings per share after movement in Regulatory Deferral Account Balances						
Basic & Diluted EPS (in ₹)	0.16	0.19	0.22	2.53	2.19	2.74
24 Debt equity ratio				0.70	0.67	0.65
25 Debt service coverage ratio (DSCR)				2.38	3.47	2.87
26 Interest service coverage ratio (ISCR)				8.19	8.00	9.86

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

** Comprises long term debts including current maturities thereof.

STATEMENT OF ASSET AND LIABILITIES

(₹ in Lacs)

PARTICULARS	Standalone			Consolidated		
	As at 31st March, 2017 (Audited)	As at 31st March, 2016 (Audited)	As at 1st April, 2015 (Audited)	As at 31st March, 2017 (Audited)	As at 31st March, 2016 (Audited)	As at 1st April, 2015 (Audited)
ASSETS						
(1) NON-CURRENT ASSETS						
a) Property, Plant and Equipment	20,03,858	20,48,247	20,24,295	20,23,844	20,70,020	20,47,829
b) Capital Work In Progress	17,35,013	16,57,871	16,05,472	17,58,759	16,74,160	16,14,715
c) Investment Property	449	449	449	449	449	449
d) Other Intangible Assets	93,414	81,694	78,352	1,98,420	1,90,933	1,91,593
e) Investments accounted for using the equity method				50,057	13,134	12,224
f) Financial Assets						
i) Investments	2,10,032	1,68,301	2,09,445	51,941	46,860	88,004
ii) Trade Receivables	-	-	-	27,582	6,456	33,593
iii) Loans	36,096	34,260	33,767	38,187	36,283	35,731
iv) Other Financial Assets	1,86,383	1,90,947	1,90,072	6,18,662	6,14,832	6,46,036
g) Non Current Tax Assets (Net)	7,368	6,578	7,382	11,549	7,990	8,799
h) Other Non Current Assets	1,12,574	1,32,745	1,28,855	1,14,358	1,35,064	1,31,268
(2) CURRENT ASSETS						
a) Inventories	9,164	8,400	8,273	10,080	9,280	9,048
b) Financial Assets						
i) Investments	-	113	25,757	-	113	25,757
ii) Trade Receivables	1,49,290	1,55,444	2,06,416	1,85,401	1,90,451	2,47,224
iii) Cash & Cash Equivalents	5,989	1,19,439	18,569	7,357	1,42,052	19,635
iv) Bank balances other than Cash & Cash Equivalents	1,47,325	4,68,236	5,23,642	3,39,889	5,86,301	6,41,872
v) Loans	2,688	5,833	8,083	3,143	6,263	8,510
vi) Other Financial Assets	1,85,825	2,15,032	2,01,755	2,23,817	2,93,056	2,81,202
c) Current Tax Assets (Net)	5,593	-	-	7,830	2,818	-
d) Other Current Assets	49,217	27,955	18,752	55,346	35,369	24,887
TOTAL ASSETS	49,40,278	53,21,544	52,89,336	57,26,671	60,61,884	60,68,376
(3) Regulatory Deferral Account Debit Balances	2,90,432	2,18,128	1,63,038	2,91,042	2,18,128	1,63,038
TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES	52,30,710	55,39,672	54,52,374	60,17,713	62,80,012	62,31,414

(₹ in Lacs)

PARTICULARS	As at 31st March, 2017 (Audited)	As at 31st March, 2016 (Audited)	As at 1st April, 2015 (Audited)	As at 31st March, 2017 (Audited)	As at 31st March, 2016 (Audited)	As at 1st April, 2015 (Audited)
EQUITY AND LIABILITIES						
(1) EQUITY						
(a) Equity Share Capital	10,25,932	11,07,067	11,07,067	10,25,932	11,07,067	11,07,067
(b) Other Equity	16,68,281	18,69,048	18,00,149	18,75,550	20,57,204	19,72,750
(2) Non Controlling Interest				3,38,224	3,16,810	2,99,036
(3) LIABILITIES						
NON-CURRENT LIABILITIES						
a) Financial Liabilities						
i) Borrowings	17,24,564	18,18,108	18,17,104	17,24,564	18,18,108	18,69,867
ii) Other financial liabilities	2,563	3,762	7,393	2,584	4,013	7,555
b) Provisions	48,693	40,820	87,686	50,558	42,455	88,981
c) Deferred Tax Liabilities (Net)	93,849	86,193	81,988	1,66,529	1,51,363	1,39,440
d) Other non-current Liabilities	1,47,247	1,38,413	1,22,555	2,76,796	2,74,037	2,63,942
(4) CURRENT LIABILITIES						
a) Financial Liabilities						
i) Borrowings	30,250	-	-	30,250	-	-
ii) Trade Payables						
Total outstanding dues of micro enterprises and small enterprises	428	123	6	632	189	42
Total outstanding dues of Creditors other than micro enterprises and small enterprises	14,280	12,091	15,285	15,127	12,854	16,346
iii) Other financial liabilities	2,50,099	2,59,993	2,40,746	2,52,112	2,62,242	2,62,565
b) Other Current Liabilities	75,529	67,084	62,494	85,617	76,843	71,479
c) Provisions	1,48,995	1,26,304	1,03,625	1,73,238	1,46,161	1,25,879
d) Current Tax Liabilities (Net)	-	10,666	6,276	-	10,666	6,465
TOTAL EQUITY & LIABILITIES	52,30,710	55,39,672	54,52,374	60,17,713	62,80,012	62,31,414

Notes:

- 1 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 27 th May, 2017 and 30th May, 2017 respectively 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:-

a) Subsidiary Companies:-

Ownership

	31.03.2017	31.03.2016
(i) NHDC Limited	51.08%	51.08%
(ii) Loktak Downstream Hydroelectric Corporation Limited	74%	74%
(iii) Bundelkhand Saur Urja Ltd.	99.99%	99.99%

b) Joint Venture Companies:-

(i) Chenab Valley Power Projects Pvt. Limited	49.78%	49.98%
(ii) National High Power Test Laboratory Private Limited	20.00%	21.63%

- 3(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/year ended 31st March 2016 have been restated to comply with Ind AS to make them comparable.
- 3(b) Reconciliation of the standalone & consolidated financial results under Ind AS and as reported under previous Generally Accepted Accounting Principles (GAAP) for the quarter and year ended 31st Mar, 2016 are summarised as below:

Particulars	Ref. to Notes.	(Rs. in Lacs)		
		Standalone		Consolidated
		Quarter ended 31.03.2016	Year ended 31.03.2016	Year ended 31.03.2016
(i) Net Profit after Tax as per previous Indian GAAP		10,408	244,014	291,959
(ii) Impact of arrangements/contracts containing a lease.	a	4,222	1,031	6,046
(iii) Fair Valuation of financial assets & financial liabilities other than investments	b	546	(512)	(641)
(iv) Rebate to customers (upfront provision)	c	(6)	(6)	6
(v) Discounting of Provisions	d	99	(177)	(177)
(vi) Investments-Adjustment of premium/discount on acquisition	e	6	23	23
(vii) Re-measurement of defined benefit plan	f	(2,626)	(3,685)	(3,669)
(viii) Change in policy for recognition of Property, Plant & Equipment (PPE)	g	1,448	1,708	1,708
(ix) Grants in Aid - Classified as Deferred Income	h	-	-	3,566
(x) Net effect of JV Consolidated using Equity	i	-	-	6
(xi) Deferred Tax on Undistributed Earnings of	j	-	-	(3,767)
(ix) Tax effect of adjustments made on transition to Ind AS	k	10,452	594	(3,469)
(x) Profit after Tax as per Ind AS		24,549	242,990	291,591
(xi) Other Comprehensive Income (Net of Tax)				
- Remeasurements of defined benefit plans	f	1,717	2,409	2,394
- Fair valuation of Equity Investment	l	(339)	(2,078)	(2,078)
- Fair valuation of Investment in Debt Instruments	l	227	(8)	(8)
Total Other Comprehensive Income (Net of Tax)		1,605	323	308
(xii) Total Comprehensive Income (TCI)		26,154	243,313	291,899

- 3(c) Reconciliation of Total Equity for standalone & consolidation under Ind AS and as reported under previous Generally Accepted Accounting Principles (GAAP) for the period ended 31st March 2016 and 01st April 2015 are summarised as below:

(Rs. in Lacs)

Particulars	Ref. to Notes.	Standalone		Consolidated	
		As on 31.03.2016	As on 01.04.2015	As on 31.03.2016	As on 01.04.2015
(i) Total Equity(Shareholder's Fund) as per Previous Indian GAAP		2,875,195	2,828,639	3,481,927	3,408,318
Adjustments :					
Impact of arrangements/contracts containing a lease	a	12,812	11,781	81,756	75,710
Fair valuation of Investments	l	8,601	11,627	8,601	11,627

Fair valuation of Financial Assets and Financial liabilities other than investments	b	1,346	1,858	1,233	1,874
Rebate to Customers (Upfront Provision)	c	(62)	(56)	(140)	(146)
Discounting of Provisions	d	794	971	794	971
Proposed Dividend (including dividend tax)	m	77,281	53,298	85,432	58,012
Investments-adjustment of premium/discount on acquisition	e	66	43	66	43
Remeasurement of Post Employment Benefit Obligations	f	(1,275)	-	(1,275)	
Change in policy for recognition of Property, Plant & Equipment (PPE)	g	1,708	-	1,708	
Grants in Aid - Classified as Deferred Income	h			(130,907)	(136,665)
Net effect of JV Consolidated using Equity Method	i			(298)	(311)
Deferred Tax on Undistributed Earnings of Subsidiaries	j			(43,402)	(39,635)
Tax effect of adjustments made on transition to Ind AS	k	(351)	(945)	(4,414)	(945)
Total Adjustments		100,920	78,577	(846)	(29,465)
Total equity as per IND AS		2,976,115	2,907,216	3,481,081	3,378,853

Notes to reconciliation:

a) 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.

b) 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.

c) Under the previous GAAP rebate to customers was recognised in the Statement of Profit and Loss on actual basis. Revenue was being recognised on gross basis inclusive of rebate given to customers. Under Ind AS revenue arising on a transaction is to be measured at the fair value of the consideration received or receivable taking into account the amount of trade discounts/rebate allowed by the Company. Accordingly provision for rebate estimated to be provided to customers on sales within the period qualifying for rebate has been netted from Sales.

d) Under the previous GAAP, discounting of provisions was not allowed. Under Ind AS, provisions are measured at discounted amounts, if the effect of time value is material. Accordingly, non-current provisions have been discounted to their present values.

e) Under previous GAAP, interest was recognised in statement of profit and loss without considering premium/discount on acquisition of debt instruments. Under Ind AS, such premium/discount on acquisition of investments in debt instruments is required to be deducted from the carrying amount of investment at initial recognition.

f) Under previous GAAP, actuarial gains/losses were recognised in Statement of Profit & Loss. Under Ind AS, the same is recognised in Other Comprehensive Income.

g) 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.

h) Under the previous GAAP, Grant-in-Aid was classified as part of Reserve & Surplus. Under Ind AS, Grant related to assets has been classified as deferred income and is amortised on the useful life of the related assets.

i) Under the previous GAAP, joint ventures were classified as joint controlled entities and accounted for using the proportionate consolidation method. Under Ind AS, these joint ventures are accounted for using the equity method based on the balances as at the transition date.

j) Under previous GAAP, tax expense in the consolidated financial statements was computed by performing line by line addition of tax expense of the parent and its subsidiaries. No adjustment to tax expense was made on consolidation. Under Ind AS, deferred taxes are also recognised on undistributed profits of subsidiaries.

k) Deferred tax has been recognised on all the adjustments made on transition to Ind AS.

l) 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.

m) Under the previous GAAP, dividends proposed by the Board of Directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the annual general meeting.

4 In view of seasonal nature of business, the financial results of the current quarter may not be comparable with previous quarter of current year.

5 During the year ended on 31.03.2017, balance two units of TLDP-IV HE Project (40MWx4) have been put on commercial operation on 17.07.2016 (3rd unit) and on 19.08.2016 (4th Unit). Further, Wind Power Project-Jaisalmer (50MW) has also been put on commercial operation on 30.09.2016 (midnight).

- 6 Electricity generation (including income from embedded Finance/ Operating leases) 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.
- 7 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, total Regulatory Income (through movement in regulatory deferral account balances) amounting to Rs 33358 Lacs and Rs 71399 Lacs for the quarter and year ended on 31.03.2017 have been recognized 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 case pending with National Green Tribunal (NGT) amounting to Rs 13629 Lacs and Rs 51670 Lacs for the quarter and year ended on 31.03.2017.
(ii) Expenditure recognised due to recommendations of 3rd PRC for Pay Revision of CPSUs amounting to Rs 19978 Lacs and Rs 19978 Lacs for the quarter and year ended on 31.03.2017 and further recoverable through tariff.
(iii) Exchange differences on Foreign Currency Monetary items charged to P&L as per Ind AS but recoverable by through tariff as a part of capital cost of the project, amounting to Rs (249) Lacs and Rs (249) Lacs for the quarter and year ended on 31.03.2017.
- 8(a) 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, Chamera-III, 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 Rs. 1664 Lacs and Rs. 9483 Lacs on estimated basis during the quarter and year ended on 31.03.2017 (corresponding previous quarter Rs. 1568 Lacs and previous year Rs. 10978 Lacs) as an abundant precaution.
- 8(b) Deferred tax liabilities for the period upto 31st March 2009 whenever it materializes is recoverable directly from the beneficiaries and are accounted for on yearly basis. Accordingly current year sale includes Rs. 19287 Lacs (Previous year Rs. 19111 Lacs) on account of deferred tax materialised 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.
- 9 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 liability created for the quarter and year ended on 31.03.2017 on generating income amounting to Rs 46438 lacs and Rs 35697 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.
- 10 In the month of April, 2016, Govt of India (GOI) disinvested 11.36% of the total paid-up equity share capital of the company by selling its 125,76,27,941 shares through Offer for Sale (OFS).Further, GOI disinvested 0.09% of the total paid up capital i.e. 1,02,96,420 number of shares through OFS to employees of the company in the month of November 2016 taking total disinvestment of 11.45% during the FY 2016-17. These resulted into reduction of GOI holding to 74.51% from 85.96%.
- 11 Company completed buyback of 81,13,47,977 number of shares of Rs. 10 each (representing 7.33% of total paid up equity capital as per the financial statements of the company for March 31, 2016) on March 27, 2017, from the shareholders on a proportionate basis by way of a tender offer at a price of Rs. 32.25 per equity share for an aggregate amount of Rs. 2616.60 crore. Now after this buy back, GOI shareholding reduced further from 74.51% to 74.50%.
- 12 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. Amount due but not recognised on account of surcharge during the quarter and year ended on 31.03.2017 is Rs. 4796 lacs and Rs. 19112 lacs respectively (cumulative amount till 31.03.2017 is Rs. 43521 Lacs) due to significant uncertainties in the timing of its collection from the
- 13 During the quarter, the company has paid an interim dividend @17% of the face value of Rs. 10 per share (Rs. 1.70 per equity share) for the financial year 2016-17. The Board of Directors has recommended final dividend @ 1 % of the face value of Rs. 10 per share (Rs.0.10 per equity share) for the financial year 2016-17. Total dividend (including interim dividend) is Rs 1.80 per equity share.
- 14 Prior to transition to Ind AS, capital expenditure incurred for creation of facilities, over which the company does not have control but creation of which is essential principally for construction of the project, was being charged to 'Expenditure Attributable to Construction (EAC) as a part of Capital Work in Progress (CWIP) on the basis of attributability of such costs to the creation of major assets of the project. With the introduction of IND AS, this accounting treatment is specifically covered under para 9 of Ind AS-16, "Property, Plant & Equipment" which prescribes Unit of Measure approach under which management of an entity is competent to apply its judgement to recognition criteria based on its specific circumstances.
- 15 Other income for quarter and year ended 31.03.2017 includes recovery of late payment surcharge amounting to Rs. NIL and Rs. 44032 Lacs from one of the beneficiaries.
- 16 Employee benefits expenses for the quarter/period ended 31.03.2017 includes Rs. 19978 Lacs which is provided for in the books of accounts towards expected hike in Pay & Allowances and Gratuity based on 3rd Pay Revision Committee recommendations. However Rate regulated income (through Movement in Regulatory Deferral Account balances) has also been created in the books against these expenses as detailed at Note no.7(ii) above.
- 17 All non-convertible bonds of the Company are secured by way of first paripassu 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.
- 18 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.
- 19 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. Amount of principal repayments excludes refinancing.
- 20 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:-

Sr. No.	Particulars	Previous due date	
		Principal	Interest
(i)	BONDS-O Series	31-Mar-17	30-Jun-16
(ii)	BONDS-P Series	1-Feb-17	28-Feb-17
(iii)	BONDS-Q Series	12-Mar-17	12-Mar-17
(iv)	BONDS-R-1 Series	11-Feb-17	11-Feb-17
(v)	BONDS-R-2 Series	11-Feb-17	11-Feb-17
(vi)	BONDS-R-3 Series	Not yet due	11-Feb-17
(vii)	BONDS-S-1 Series	26-Nov-16	26-Nov-16
(viii)	BONDS-S-2 Series	Not yet due	26-Nov-16
(ix)	BONDS-T Series	Not yet due	14-Jul-16
(x)	TAX FREE BONDS-1A Series	Not yet due	1-Apr-16
(xi)	TAX FREE BONDS-1B Series	Not yet due	1-Apr-16
(xii)	TAX FREE BONDS-2A Series	Not yet due	1-Apr-16
(xiii)	TAX FREE BONDS-2B Series	Not yet due	1-Apr-16
(xiv)	TAX FREE BONDS-3A Series	Not yet due	1-Apr-16
(xv)	TAX FREE BONDS-3B Series	Not yet due	1-Apr-16

21 Statutory Auditors have included the following matters in Audit Report on the accounts for the year ended 31.03.2017 under "Emphasis of Matter" paragraph, without modifying their opinion in respect of these matters:

(i) Provisions against the expenditure incurred for conducting survey & investigation of projects or being carried forward pending clearances with various authorities,

(ii) Stay from Hon'ble high court of Delhi against implementation of stoppage of Personal Pay Adjustment (fitment benefits) recovery from below Board level Executives,

(iii) Uncertainty related to the outcome of the claims/ arbitration proceedings and lawsuit filed by/ against the Company on/ by contractors and others,

(iv) Various balances which are subject to reconciliation/confirmation and respective consequential adjustments,

(v) Kotlibhel-IA project, the fate of which is pending adjudication before the Hon'ble Supreme Court of India.

Matters referred under para (i) to (v) were included by the Statutory Auditors under "Emphasis of Matter" paragraph in the Audit Report for the year ended 31.03.2016 as well.

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

(i) In the opinion of the management, the projects on which survey & investigation expenditure is incurred are still active and accordingly, the expenditure incurred is being carried forward. However, provision wherever considered necessary has been

(ii) In view of the directions of the Hon'ble High Court, Personal Pay Adjustments to the employees is continued to be paid along with the Salary,

(iii) Management has assessed and provided for the probable outflow wherever required as per provisions of Ind AS.

(iv) In the opinion of the management, unconfirmed balances will not have any material impact,

(v) is statement of fact.

22 The audited accounts are subject to review by Comptroller and Auditor General of India under section 143 (6)& (7) of the Companies Act, 2013.

23 Figures of the quarter ended 31.03.2017 and 31.03.2016 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.

24 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.

Place : New Delhi
Date : 30.05.2017


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