



एनएचपीसी लिमिटेड
(भारत सरकार का उद्यम)

NHPC Limited
(A Government of India Enterprise)

संदर्भ सं./Ref. No. NH/CS/199/

फोन/Phone : _____

दिनांक/Date : 28.05.2016

Manager
The Listing Department,
M/s BSE Limited,
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai-400001

मैनेजर
लिस्टिंग विभाग,
बीएसई लिमिटेड
पि.जे. टावर्स, दलालस्ट्रीट,
मुंबई- 400 001
Scrip Code: 533098
Email:- corp.relations@bseindia.com

General Manager
The Listing Department
M/s National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
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महाप्रबंधक
लिस्टिंग विभाग,
नेशनल स्टॉक एक्स चेंज ऑफ इंडिया लिमिटेड
एक्सचेंज प्लाजा, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (ई),
मुंबई - 400 051
Scrip Code: NHPC EQ
Email:- cmlist@nse.co.in

Sub: Audited Standalone/Consolidated Financial Results of NHPC Ltd. for the quarter/year ended 31st March, 2016.

विषय: एनएचपीसी लिमिटेड के ३१.०३.२०१६ को समाप्त हुई तिमाही/वार्षिक के लेखा परीक्षित स्टैंडअलोन/कंसोलिडेटेड वित्तीय परिणाम।

Sir/महोदय,

Please refer to our earlier letter dated 10th May, 2016. It is to inform that the Board of Directors of NHPC Limited in its meeting held today i.e. 28th May, 2016 (commenced at 2:00 P.M and concluded at 5:05 P.M) has considered and approved the audited standalone/consolidated financial results for the quarter and year ended 31st March, 2016. A copy of the approved financial results, auditor's report and certificate signed by debenture trustee are enclosed herewith for information and necessary action please.

कृपया हमारे पत्र दिनांक १० मई, २०१६ का संदर्भ लें। आपको यह सूचित किया जाता है कि एनएचपीसी लिमिटेड के निदेशक मंडल कि बैठक आज यानि २८ मई, २०१६(दोपहर २ बजे शुरू हुई और दोपहर बाद ५:०५ बजे समाप्त हुई) को हुई जिसमे ३१ मार्च, २०१६ को समाप्त हुई तिमाही/वार्षिक के लेखा परीक्षित स्टैंडअलोन/कंसोलिडेटेड वित्तीय परिणामो को विचार कर अनुमोदित कर दिया है। वित्तीय परिणाम, लेखा परीक्षकों की रिपोर्ट तथा डिबेंचर ट्रस्टी द्वारा हस्ताक्षर किए प्रमाणपत्र आपकी सूचना एवं अग्रिम करवाई के लिए अग्रेषित कि जाती है।

धन्यवाद।

संगलन: ऊपरोक्त अनुसार

भवदीय,

(विजय गुप्ता)
कंपनी सचिव

M/s S. N. Dhawan & Co.
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
WebelBhavan, Ground Floor
Block EP & GP, Salt Lake,
Kolkata – 700 091

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NHPC LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **NHPC LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 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 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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

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

- a) Para to Note No. 7 to the financial statements which describes about 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.
- b) Note no. 11.1 para 2 to the financial statements which describes about the 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.
- c) Note No. 29 para 1 to the financial statements, which describes 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. 29 para 21 (a) to the financial statements about the various balances which are subject to reconciliation / confirmation and respective consequential adjustments.
- e) Note No. 29 para 28 to the financial statements about the Kotlibhel-IA project, the fate of which is pending adjudication before the Hon'ble Supreme Court of India.
- f) Accounting Policy no. 2.3.4 on Capital work in progress read with Note No. 29 para 15 to the financial statements about the capital expenditure incurred for creation of facilities over which the Company does not have control but the creation of which is essential principally for construction of the project is charged to "Expenditure Attributable to Construction (EAC)" as the same is in line with Revised AS-10 notified on 30.03.2016 as Para 88 of this Revised Accounting Standard which states about transitional provision that shall result into the same treatment.

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 of India 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, to the extent applicable.
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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (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, 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 financial statements – Refer Note 29 Para 1 to the 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S. N. Dhawan & Co.

Chartered Accountants

(FR No: 000050N)


(Suresh Seth)
Partner

M. No. 010577

For Gupta Gupta & Associates

Chartered Accountants

(FR No: 001728N)


(R. K. Gupta)
Partner

M. No. 085074

For Ray & Ray

Chartered Accountants

(FR No:301072E)


(Asish Kumar Mukhopadhyay)
Partner

M. No. 056359

Place: New Delhi

Date: May 28, 2016

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 fixed assets.

(b) The fixed assets, 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 fixed assets 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 31.03.2016	Net block as at 31.03.2016	Remarks
11	Freehold land	Rs. 13.37 crores	Rs. 13.37 crores	155.69 Hectares of land
9	Leasehold Land	Rs. 297.34 crores	Rs. 253.91 crores	766.20 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 from the public within the meaning of sections 73 to 76 or any other relevant provisions of the Act, and the Rules framed there under.
- 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, 2016 for a period of more than six months from the date they became payable.



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 dues	Amount (Rs. In Crores)	Year to which it pertains	Forum at which case is pending
Income Tax Act, 1961	Income Tax	0.46	2007-08	Income Tax Department
Sales Tax Acts/VAT Act	Sales Tax/ VAT	256.19	1994-95	Sales Tax Appellate Tribunal, Srinagar
		5.78	2005-06 to 2009-10	Chairman, HP VAT Tribunal, Shimla
		0.14	2006-07	Sr. Joint Commissioner, Siliguri Circle
		0.76	2007-08	Sr. Joint Commissioner, Siliguri Circle
		0.43	2008-09	Sr. Joint Commissioner, Siliguri Circle
		0.07	2009-10	Sr. Joint Commissioner, Siliguri Circle
		0.22	2010-11	CTO, Baramulla
		2.74	2012-13	Jt. Commissioner, Siliguri Charge
Finance Act, 1996	Service Tax	13.51	2010-11	CBEC
		39.70	2012-13	Commissioner, CE & ST, Patna
Custom Act, 1963	Duty of Custom	2.01	2004	Kolkata High Court
The Jammu & Kashmir Urban Immovable Property Tax Act, 1962	Property Tax	0.19	1991-2002	DC, Commercial Taxes
WB State Tax on Consumption of Use of Goods Act, 2001	Consumption Tax	0.06	2003-04, 2004-05 & 2005-06	Kolkata 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.



- x. 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.

Chartered Accountants
(FR No: 000050N)


(Suresh Seth)
Partner
M. No. 010577

For Gupta Gupta & Associates

Chartered Accountants
(FR No: 001728N)


(R. K. Gupta)
Partner
M. No. 085074

For Ray & Ray

Chartered Accountants
(FR No:301072E)


(Asish Kumar Mukhopadhyay)
Partner
M. No. 056359

Place: New Delhi
Date: May 28, 2016

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

Sl. 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 title/lease deeds except for 155.69 and 766.20 Hectares respectively.
2	Whether there are any cases of waiver/write off of debts/loans/interest etc. If yes, the reasons thereof and amount involved.	There are 2 cases where debts/loans/interest etc. have been waived/written off amounting to Rs. 16.81 crore. 1. Interest amounting to Rs 16.78 crore i.r.o. M/s BGS-SGS-Soma JV has been written off on account of idling of resources for the period Apr'2013 to Sep'2014. 2. Long pending amount recoverable from M/s Chahal Engineering & Construction Co. Pvt. Ltd. amounting to Rs. 0.03 crore has been written off by the competent authority.
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.
Chartered Accountants

FR No. 000050N



Suresh Sethi
(Suresh Sethi)
Partner

M.No. 010577

For Gupta Gupta & Associates
Chartered Accountants

FR No. 001728N



R.K. Gupta
(R.K. GUPTA)
Partner

M. No.085074

For Ray and Ray
Chartered Accountants

FR No. 301072E



Asish Kumar Mukhopadhyay
(ASISH KUMAR MUKHOPADHYAY)
Partner

M.No. 056359

DATE : 28th May, 2016 .

PLACE : New Delhi

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, 2016 in conjunction with our audit of the standalone 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 Companies Act, 2013.

Auditor's Responsibility

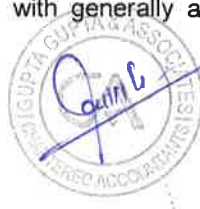
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on 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 financial statements for external purposes in accordance with generally accepted accounting principles. 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 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, 2016, 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.

Chartered Accountants
(FR No: 000050N)


(Suresh Setti)
Partner
M. No. 010577



For Gupta Gupta & Associates

Chartered Accountants
(FR No: 001728N)


(R. K. Gupta)
Partner
M. No. 085074



For Ray & Ray

Chartered Accountants
(FR No:301072E)


(Asish Kumar Mukhopadhyay)
Partner
M. No. 056359



Place: New Delhi

Date: May 28, 2016

M/s S. N. Dhawan & Co.
Chartered Accountants
410, Ansal Bhawan
16, Kasturba Gandhi Marg
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M/s Gupta Gupta & Associates
Chartered Accountants
142/3 Trikuta Nagar
Jammu – 180012
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M/s Ray & Ray
Chartered Accountants
Webel Bhavan, Ground Floor
Block EP & GP, Salt Lake,
Kolkata – 700 091

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NHPC LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated 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 of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated 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 and consolidated cash flows of the Group and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 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 referred to in sub-paragraph (a) of the Other Matters paragraph below, is insufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group and jointly controlled entities as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

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

- a) Para to Note No. 7 to the consolidated financial statements which describes about 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.
- b) Note no. 11.1 para 2 to the consolidated financial statements which describes about the 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.
- c) Note No. 29 para 4 to the consolidated financial statements, which describes 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. 29 para 24 (a) to the consolidated financial statements about the various balances which are subject to reconciliation / confirmation and respective consequential adjustments.
- e) Note No. 29 para 31 to the consolidated financial statements about the Kotlibhel-IA project, the fate of which is pending adjudication before the Hon'ble Supreme Court of India.
- f) Accounting Policy no. 2.3.4 on Capital work in progress read with Note No. 29 para 18 to the Consolidated financial statements about the capital expenditure incurred for creation of facilities over which the company does not have control but the creation of which is essential



principally for construction of the project is charged to "Expenditure Attributable to Construction (EAC)" as the same is in line with Revised AS-10 notified on 30.03.2016 as Para 88 of this Revised Accounting Standard which states about transitional provision that shall result into the same treatment. Our opinion is not modified in respect of these matters.

Other Matters

We did not audit the financial statements/financial information of the following subsidiaries and jointly controlled entities whose financial statements / financial information reflect the details given below of total assets as at 31st March 2016, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the consolidated financial statements:

(Rs. in crores)

Name of the Companies	Total Assets	Total Revenues	Net Cash Flows
Subsidiaries:			
NHDC Limited	7685.39	1336.95	81.23
Loktak Downstream Hydroelectric Corporation Limited (LDHC Ltd)	138.41	2.96	(7.81)
Bundelkhand Saur Urja Limited (BSUL)	12.38	-	10.31
Joint Venture:			
Chenab Valley Power Projects (P) Limited (CVPPPL)	520.45	3.96	(63.34)
National High Power Test Laboratory Private Limited (NHPTL)	270.73	-	(12.57)
Total	8627.36	1343.87	7.82

These 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 it 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 Section 143 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.

Our opinion on the consolidated 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 there ports of the other auditors and the financial statements/f inancial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:


- 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 financial statements.




- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated 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, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 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:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled entities— Refer Note 29, para 4 to the consolidated financial statements.
 - ii) The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and jointly controlled companies incorporated in India.

For S. N. Dhawan & Co.

Chartered Accountants
(FR No: 000050N)


(Suresh Sethi)
Partner
M. No. 010577



For Gupta Gupta & Associates

Chartered Accountants
(FR No: 001728N)


(R. K. Gupta)
Partner
M. No. 085074



For Ray & Ray

Chartered Accountants
(FR No:301072E)


(Asish Kumar Mukhopadhyay)
Partner
M. No. 056359



Place: New Delhi
Date: May 28, 2016

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 Company as of and for the year ended 31st March, 2016, 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. 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

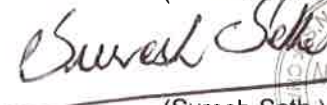
In our opinion, the Holding Company, subsidiary companies and its jointly controlled entities, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, 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.

Chartered Accountants
(FR No: 000050N)


(Suresh Sethi)
Partner
M. No. 010577



For Gupta Gupta & Associates For Ray & Ray

Chartered Accountants
(FR No: 001728N)


(R. K. Gupta)
Partner
M. No. 085074



Chartered Accountants
(FR No:301072E)


(Asish Kumar Mukhopadhyay)
Partner
M. No. 056359



Place: New Delhi

Date: May 28, 2016



NHPC LIMITED.

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

CIN: L40101HR1975GOI032564

PART I - STATEMENT OF STANDALONE AND CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2016

(₹ in lacs)

PARTICULARS	STANDALONE				CONSOLIDATED			
	Quarter ended 31.03.2016 Audited (Note 19)	Quarter ended 31.12.2015 Unaudited	Quarter ended 31.03.2015 Audited (Note 19)	Year ended 31.03.2016 Audited	Year ended 31.03.2015 Audited	Year ended 31.03.2016 Audited	Year ended 31.03.2015 Audited	
1 Income from operations								
(a) Net Sales/ Income from operations *	158,558	144,090	144,984	734,677	673,664	849,048	810,325	
(b) Other operating income	3,081	2,339	2,173	8,729	6,561	13,736	14,082	
Total Income from operations (net)	161,639	146,429	147,157	743,406	680,225	862,784	824,407	
2 Expenses								
(a) Employee benefits expense	29,458	27,226	27,766	111,590	114,923	119,889	122,468	
(b) Depreciation & amortization expense	36,651	36,864	35,946	145,214	142,587	174,270	171,528	
(c) Water Usage Charges	12,517	14,809	9,659	77,112	74,851	77,112	74,851	
(d) Other expenses	61,538	22,770	22,524	130,055	85,598	145,306	99,962	
Total expenses	140,164	101,669	95,895	463,971	417,959	516,577	468,809	
3 Profit from operations before other income, finance costs and exceptional items (1-2)	21,475	44,760	51,262	279,435	262,266	346,207	355,598	
4 Other income	19,616	17,874	18,182	91,976	86,133	94,944	91,320	
5 Profit from operations before finance costs, rate regulated activities and exceptional items (3+4)	41,091	62,634	69,444	371,411	348,399	441,151	446,918	
6 Finance costs	26,177	26,342	27,829	106,737	117,977	111,331	127,278	
7 Profit from operations after finance costs but before rate regulated activities and exceptional items (5-6)	14,914	36,292	41,615	264,674	230,422	329,820	319,640	
8 Exceptional items	-	-	-	-	-	-	-	
9 Profit from ordinary activities before rate regulated activities and tax (7-8)	14,914	36,292	41,615	264,674	230,422	329,820	319,640	
10 Rate Regulated Income/ (Expenditure)	14,923	13,144	52,195	54,994	52,195	54,994	52,195	
11 Profit from ordinary activities before tax (9+10)	29,837	49,436	93,810	319,668	282,617	384,814	371,835	
12 Tax expense								
a) Current Tax	14,326	11,021	19,244	74,497	58,342	91,740	79,158	
b) Adjustments relating to earlier years	9	(1)	8,910	(2,367)	7,451	(2,297)	7,451	
c) Deferred Tax	5,094	(386)	1,205	3,524	4,377	3,412	5,421	
Total Tax expense (a+b+c)	19,429	10,634	29,359	75,654	70,170	92,855	92,030	
13 Net Profit from ordinary activities after tax (11-12)	10,408	38,802	64,451	244,014	212,447	291,959	279,805	
14 Extraordinary items (net of tax expense)	-	-	-	-	-	-	-	
15 Net Profit (13-14)	10,408	38,802	64,451	244,014	212,447	291,959	279,805	
16 Share of profit/(loss) of associates	-	-	-	-	-	-	-	
17 Minority Interest	-	-	-	-	-	23,133	30,669	
18 Net Profit after taxes, Minority Interest and Share of profit/(loss) of associates (15-16-17)	10,408	38,802	64,451	244,014	212,447	268,826	249,136	
19 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	1,107,067	1,107,067	
20 Reserves excluding Revaluation Reserves as per balance sheet	-	-	-	1,768,128	1,721,572	2,029,737	1,968,680	
21 Earning per share (of ₹ 10/- each) (not annualized):								
(a) Basic & Diluted EPS (before Extraordinary items)	0.09	0.35	0.58	2.20	1.92	2.43	2.25	
(b) Basic & Diluted EPS (after Extraordinary items)	0.09	0.35	0.58	2.20	1.92	2.43	2.25	
22 Net worth	-	-	-	2,875,195	2,828,639	3,136,804	3,075,747	
23 Paid-up debt capital	-	-	-	1,838,528	1,817,103	1,841,669	1,872,448	
24 Capital Redemption Reserve	-	-	-	123,007	123,007	123,007	123,007	
25 Debenture (Bond) Redemption Reserve	-	-	-	132,420	124,789	132,420	124,789	
26 Debt equity ratio	-	-	-	0.64	0.64	0.59	0.61	
27 Debt service coverage ratio(DSCR)	-	-	-	3.54	3.12	2.96	3.48	
28 Interest service coverage ratio(ISCR)	-	-	-	8.15	6.70	9.10	7.48	

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

PART II - STATEMENT OF ASSETS AND LIABILITIES

(₹ in lacs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES				
SHAREHOLDERS' FUNDS				
Share Capital	1,107,067	1,107,067	1,107,067	1,107,067
Reserves and Surplus	1,768,128	1,721,572	2,029,737	1,968,680
Shareholder's funds - Sub-total	2,875,195	2,828,639	3,136,804	3,075,747
MINORITY INTEREST			345,123	332,571
NON-CURRENT LIABILITIES				
Long Term Borrowings	1,838,528	1,817,103	1,841,669	1,872,448
Deferred Tax Liabilities (net)	84,568	81,044	102,273	98,860
Other Long Term Liabilities	124,416	133,717	136,758	145,933
Long Term Provisions	40,065	88,695	41,748	90,014
Non-Current Liabilities - Sub Total	2,087,577	2,120,559	2,122,448	2,207,255
CURRENT LIABILITIES				
Trade Payables	12,300	15,301	13,185	16,486
Other Current Liabilities	325,360	301,315	331,041	325,371
Short Term Provisions	216,184	162,956	246,403	183,773
Current Liabilities - Sub Total	553,844	479,572	590,629	525,630
EQUITY AND LIABILITIES - TOTAL	5,516,616	5,428,770	6,195,004	6,141,203

ASSETS				
NON-CURRENT ASSETS				
Fixed Assets (includes Capital Work In Progress)	3,945,951	3,874,988	4,482,311	4,429,364
Non Current Investments	159,636	197,775	38,195	76,334
Long Term Loans and Advances	110,868	118,229	121,185	118,779
Other Non-Current Assets	96,203	79,581	102,659	113,175
Other Non-Current Assets - Regulatory Assets	218,033	163,039	218,033	163,039
Non-Current Assets - Sub Total	4,530,691	4,433,612	4,962,383	4,900,691
CURRENT ASSETS				
Current Investments	113	25,757	113	25,644
Inventories	8,553	8,273	9,450	9,064
Trade Receivables	201,703	249,710	238,864	290,518
Cash & Bank Balances	587,676	542,211	744,389	694,102
Short Term Loans and Advances	21,848	18,195	24,272	20,197
Other Current Assets	166,032	151,012	215,533	200,987
Current Assets - Sub Total	985,925	995,158	1,232,621	1,240,512
ASSETS - TOTAL	5,516,616	5,428,770	6,195,004	6,141,203

Notes:

- The above results have been reviewed by Audit Committee and approved by the Board of Directors of the Company in the respective meetings held on 28.05.2016 and are based on the Financial Statements Audited by Joint Statutory Auditors.
- The Subsidiary and Joint Venture Companies considered in the Consolidated Financial Results are as follows:-

Ownership(%)

 - Subsidiary Companies:-**
 - NHDC Limited 51.08
 - Loktak Downstream Hydroelectric Corporation Ltd. 74.00
 - Bundelkhand Saur Urja Ltd. 99.99
 - Joint Venture Companies:-**
 - Chenab Valley Power Projects Pvt. Limited 49.98
 - National High Power Test Laboratory Private Ltd. 21.63

National Power Exchange Limited (NPEXL) (a Joint Venture Company) is not considered in Consolidated Financial Results as the company is under liquidation. Ownership of NHPC in NPEXL is 16.67%.
- 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 Accounting Standard - 17 on Segment Reporting specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The operations of the company are mainly carried out within the country and therefore Geographical Segments are not applicable.
- In view of the seasonal nature of business, the financial results of the current quarter may not be comparable with Other quarter of the current financial year.
- During the year ended 31st March, 2016, two units of TLDP-IV HE Project (40 MW x 4) have been put on commercial operation on 11.03.2016 (1st unit) & 31.03.2016 (2nd unit).
- In accordance with the Guidance Note on Rate Regulated Activities issued by the Institute of Chartered Accountants of India, Regulatory Income amounting to ₹ 14923 Lacs and ₹ 54994 Lacs for the quarter and year ended on 31.03.2016 (cumulative ₹ 218033 Lacs upto 31.03.2016) has been recognised 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.
- Pending approval of tariff for the period 2014-19 by 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 except for Bairasiul, Salal, Chamera-I, Tanakpur, Dhauliganga, Rangit & Loktak Power stations for which tariff orders for the period 2014-19 have been issued. However, pending truing up of the capital cost for the tariff period 2009-14, sales have been reduced by ₹ 1568 Lacs and ₹ 10978 Lacs on estimated basis during the quarter and year ended on 31.03.2016 respectively (corresponding previous quarter ₹ 1673 Lacs and previous year ₹ 14303 Lacs) as an abundant precaution.
 - Sales include ₹ 14002 Lacs (Corresponding to previous year ₹ 1876 Lacs) billed sale and ₹ 9084 Lacs (Corresponding to previous year ₹ 12265 Lacs) unbilled sales on account of earlier year sales arising out of finalization of tariff / revision of components during the year.
 - 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 ₹ 19,111 Lacs (Previous year ₹ 14,611 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.
- CERC Regulations for the tariff period 2014-19 provides 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. Deferred tax liability created for the quarter and year ended on 31.03.2016 on generating income amounting to ₹ 365 lacs and ₹ 7671 lacs respectively is accordingly accounted for as deferred tax adjustment against deferred tax liability as the same would get adjusted in effective tax rate in future period.
- 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
- All non-convertible debentures/ bonds of the company are secured by way of first pari passu charge over certain immovable and movable assets of the company. The available asset cover exceeds the required cover under terms of various issue/ offer documents.
- 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.	Particulars	Previous due date	
		Principal	Interest
1	BONDS-O Series	31-Mar-16	30-Jun-15
2	BONDS-P Series	1-Feb-16	29-Feb-16
3	BONDS-Q Series	12-Mar-16	12-Mar-16
4	BONDS-R-1 Series	11-Feb-16	11-Feb-16
5	BONDS-R-2 Series	11-Feb-16	11-Feb-16
6	BONDS-R-3 Series	Not yet due	11-Feb-16
7	BONDS-S-1 Series	26-Nov-15	26-Nov-15
8	BONDS-S-2 Series	Not yet due	26-Nov-15
9	BONDS-T Series	Not yet due	Not yet due
10	TAX FREE BONDS-1A Series	Not yet due	1-Apr-15
11	TAX FREE BONDS-1B Series	Not yet due	1-Apr-15
12	TAX FREE BONDS-2A Series	Not yet due	1-Apr-15
13	TAX FREE BONDS-2B Series	Not yet due	1-Apr-15
14	TAX FREE BONDS-3A Series	Not yet due	1-Apr-15
15	TAX FREE BONDS-3B Series	Not yet due	1-Apr-15

- Formula used for computation of Ratio:
 - 'Debt Service Coverage Ratio' (DSCR) = [Profit before Interest, Depreciation and Tax]/(Principal repayment, excluding payment under put option+Interest)
 - 'Interest Service Coverage Ratio' (ISCR) = [Profit before Interest, Depreciation and Tax/ Interest]
Amount of interest and principal repayments pertain to loans taken for operational power stations.

- 13 Comptroller and Auditor General of India during supplementary audit of the Financial Statements for F.Y. 2014-15 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:-
The Ministry of Corporate Affairs has notified revised AS-10 "Property, Plant & Equipment" on 30.03.2016. Revised AS-10 permits the 'Unit of Measure Approach' which allows capitalization of expenditure of capital nature incurred for creation of facilities, over which the company does not have control but the creation of which is essential principally for construction of the project. Though revised AS-10 is applicable for accounting periods beginning on or after 30.03.2016, transitional provision provided therein allows retrospective capitalization of costs charged earlier to the statement of profit and loss but eligible to be included as a part of the cost of a project for construction of property, plant and equipment in accordance with the requirements of paragraph 9. The Unit of Measure Approach also exists in Para 9 of Ind AS-16, "Property, Plant & Equipment." As such, significant accounting policy no. 2.3.4 and consequential accounting treatment of enabling assets as followed in FY 2014-15 has been continued in FY 2015-16.
- 14 The Board of Directors in its meeting held on 28.05.2016 has recommended final dividend of ₹ 1.50 per equity share (face value of ₹ 10/- each) for the Financial Year 2015-16 (including interim dividend of ₹ 0.92 per equity share (face value of ₹ 10/- each) for the Financial Year 2015-16 declared in the 391st meeting held on 10.02.2016).
- 15 In the month of April 2016, Govt. Of India (Gol) 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). The shareholding of Gol after OFS stands at 74.60% of the total paid-up capital and balance 25.40 % is held by the public/Financial Institutions.
- 16 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) 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) and (ii) 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) This disclosure in the ibid para has been made in compliance of provisions of Accounting Standard-29 (Provisions, Contingent Liabilities and Contingent Assets);
(iv) In the opinion of the management, unconfirmed balances will not have any material impact;
(v) & (vi) are statements of fact;
- 17 The audited accounts are subject to review by Comptroller and Auditor General of India under section 143 (6)& (7) of the Companies Act, 2013.
- 18 Figures for the previous period/year have been re-grouped/re-arranged wherever necessary.
- 19 Figures of the quarter ended 31.03.2016 and 31.03.2015 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.

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



(JAYANT KUMAR)
DIRECTOR(FINANCE)
DIN -03010235

Place : New Delhi
Date : 28.05.2016

CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION

[Pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, IDBI Trusteeship Service Limited (“**Debenture Trustee**”) hereby confirm that we have received and noted the information, as specified under regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“**Regulations**”), provided to us by NHPC Limited (“**the Company**”) for the financial year ended March 31, 2016.

This Certificate is being issued pursuant to the requirements of regulation 52(5) of the aforesaid Regulations, for onward submission to Stock Exchange(s) by the Company.

For IDBI Trusteeship Services Limited



Authorised Signatory

Date: May 27, 2016



Ref.no. 830/SBICTCL/DT/2016-17

Date: 28th May, 2016

**To,
NHPC Limited
NHPC Office Complex, Sector 33,
Faridabad, Haryana 121003**

Sub:-Certificate u/r 52(5) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, for NCDs Rs.1356.28 Crores by NHPC Limited, for the half year ended 31st March, 2016.

Dear Sir/ Madam,

We are acting as Bond Trustee for the captioned Bond Issue. Pursuant to Regulation 52(5) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, ('Regulations') we state that we have taken note of the disclosures made by the Issuer under Regulation 52(4) of the Regulations.

**Yours faithfully,
For SBICAP Trustee Company Limited**

**Ajit Joshi
Company Secretary**



ATSL/DEL/2016-17/158
May 28, 2016

NHPC Limited
4th Floor, NHPC Office Complex,
Sector 33, Faridabad-121003
Haryana

Kind Attention: Mr. Manish Dhawan

Sub: Letter of Debenture Trustee pursuant to Regulation 52 (5) of the SEBI (Listing Obligations and Disclosure Requirements) 2015)

Dear Sir,

This has reference to the privately placed secured redeemable, Non-Convertible Debentures issued by NHPC Limited ("Company") and listed on the National Stock Exchange of India ("Listed Debt Securities").

Pursuant to Regulation 52(4) read with Regulation 52 (5) of the SEBI (Listing Obligations and Disclosure Requirements) 2015, the Company is required to submit its half yearly/annual financial results to the Stock Exchange, with a letter of the Debenture Trustee (Axis Trustee Services Limited) that the Debenture Trustee has noted the contents furnished by the Company as per Regulation 52(4).

In pursuance thereof we hereby confirm that we have received the aforesaid information along with the relevant/necessary supporting and we have noted the contents in respect of the Listed Debt Securities issued by the Company.

Thanking You,

Yours Faithfully
For **Axis Trustee Services Limited**
(Debenture Trustee)

A handwritten signature in black ink, appearing to read 'Manish Dhawan'.

for **Authorised Signatory**

AXIS TRUSTEE SERVICES LTD.

(A wholly owned subsidiary of Axis Bank)

Corporate Identity Number (CIN): U74999MH2008PLC182264

CORPORATE & REGISTERED OFFICE : Axis House, 2nd Floor, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025.

TEL : 022-2425 5215 / 2425 5216 FAX : 022-4325 3000 Website: www.axistrustee.com